

legislative history should not be read as narrowly as proposed by the respondents. The criteria that are established in the legislative history for cumulation require the Commission to consider and evaluate the facts and realities regarding the interactions of the producers in the market. Nothing suggests that Congress did not intend this type of analysis when one of the importers is much larger than another. 25/

Accordingly, we have cumulated the volume and price effect of LTFV imports from Brazil, Canada, France, Italy, South Korea, Sweden and West Germany. We have also cumulated the volume and price effect of allegedly subsidized imports from Brazil and France. 26/ 27/ 28/

25/ In Certain Carbon Steel Pipes and Tubes from the PRC, the Philippines and Singapore, Invs. Nos. 731-TA-292 to 296 (Preliminary), USITC Pub. 1796 at 15 (1985), the Commission found that a small producer may very well be the price leader.

26/ Commissioner Rohr and Commissioner Lodwick find that they do not need to reach the issue of whether cross-cumulation is necessary at this time because they reached an affirmative determination.

27/ Chairwoman Stern does not believe cross-cumulation is appropriate.

28/ Vice Chairman Liebeler and Commissioner Brunsdale also do not believe cross-cumulation is appropriate. They note that the Commission has voted to appeal Bingham and Taylor, Division Virginia Industries, Inc. v. United States, Slip Op. 86-14 (Feb. 14, 1986) to the Court of Appeals for the Federal Circuit and believe that the statute is clear on this matter. First, the Commission's treatment of foreign government subsidization of imports and sales by private firms at LTFV are governed by different sections of title VII. This raises a presumption that Congress intended to treat the two activities separately. Second, not cross-cumulatng is historical Commission practice, existing prior to the statutory enactment of the existing statutory cumulation provisions. Obviously, Congress could have chosen to alter this practice but did not do so. Third, the wording of the operative sections of title VII precludes cross-cumulation. For example, the language of the countervailing duty section clearly requires that the injury be by reason of the subsidized imports, not subsidized and dumped imports. If the Commission were to cross-cumulate, it would be acting outside its statutory mandate. The Commission simply cannot make an affirmative determination in, e.g. a countervailing duty case based on dumped imports. For a detailed explanation see Certain Carbon Steel Products from Austria, et. al., Invs. Nos. 701-TA-225-234 and 731-TA-213-217, 219, 221-226, and 228-235, (Preliminary), USITC Pub. No. 1642, at 43-48 (Views of Vice Chairman Liebeler).

Reasonable indication of material injury or threat by reason of allegedly LTFV imports from Brazil, Canada, France, Italy, South Korea, Sweden, and West Germany 29/

To ascertain whether there is a reasonable indication of material injury by reason of allegedly LTFV imports, the Commission is directed to consider, among other factors:

- i) the volume of imports of the merchandise which is the subject of the investigation,
- ii) the effect of imports of that merchandise on prices in the United States for like products, and
- iii) the impact of imports of such merchandise on domestic producers of like products. 30/ 31/

29/ We did not reach the issue of threat. In a final investigation in considering whether the domestic industry is threatened with material injury, the Commission needs additional data regarding foreign capacities, U.S. and foreign inventories, the potential for product-shifting and prices of the various products of the countries under investigation.

30/ 19 U.S.C. § 1677(7)(B).

31/ Vice Chairman Liebeler finds five factors to be particularly helpful on the issue of causation. An affirmative vote is more likely when the following conditions are present: (1) a large and increasing market share; (2) a high margin of dumping or subsidization; (3) homogeneous products; (4) declining domestic prices; and (5) barriers to entry (or low elasticity of supply of other imports). See Certain Red Raspberries from Canada, Inv. No. 731-TA-196 (Final), USITC Pub. 1680 at 11-19 (1985). As to (1), she notes that in the LTFV investigations, market share is moderate, and declined from 1984 to 1985. Although import market share increased between 1983 and 1984, there is some evidence that there were periods of demand that could not be met by domestic producers. In the subsidy investigations, market penetration is low, but absent information on other factors is not determinative. As to (2), the data on margins is too tentative from which to draw firm conclusions. As to (3), physical characteristics of the products appear to be the same but delivery conditions and minimum quantity requirements for sales are markedly different. As to (4), the Commission needs to investigate the pricing data in more detail, especially the effect of declining metal prices on brass sheet and strip prices. See footnote 39, infra. As to (5), we have very little information on foreign supply elasticity but we do know that other foreign countries supplied about 8.6 percent of U.S. consumption in 1985. The data gathered in preliminary investigations are often incomplete and data gathered during the final investigations should enable a more precise causation analysis.

In determining whether imports of brass sheets and strips are causing material injury to a domestic industry, we have considered the cumulative volume and effect of LTFV imports from Brazil, Canada, France, Italy, South Korea, Sweden and West Germany. We note that imports of brass sheets and strips from these seven countries increased 61.2 percent from 85.7 million pounds in 1983 to 138.1 million pounds in 1984, and then dropped by 28.2 percent to 99.2 million pounds in 1985. 32/ The import penetration ratio also increased from 16.1 percent in 1983 to 21.1 percent in 1984 and dropped to 18.7 percent in 1985. 33/

The Commission requested producers and importers to provide quarterly price data during 1983-85 on spot market sales and on fixed-period contracts negotiated for four common brass sheet and strip products. The price data for domestic producer spot sales indicate that the weighted-average prices fluctuated considerably but showed a downward trend. 34/ The price data for imports from France, West Germany, South Korea and Sweden suggest that importers' prices generally fell during the period of investigation, while the data for Brazilian imports show prices trending upward in two out of three product categories. 35/

Usable price data on domestic fixed-period, non-toll contracts show a decline in the weighted-average total selling prices during the period of investigation. 36/ Importers' data indicate that the total selling prices and

32/ Report at A-20.

33/ *Id.* at A-23.

34/ *Id.* at A-26-28.

35/ *Id.* at A-28.

36/ *Id.* In analyzing these prices it should be noted how changing metal values affect the total price of brass sheets and strips and that fabrication prices of the products for which data were collected either remained steady or increased in the United States.

fabrication prices of the material also declined. 37/ The margins of underselling associated with the products for all the countries reveal that there was consistent underselling throughout the period of investigation. 38/ 39/

We conclude that the rising volume of brass sheets and strips from Brazil, Canada, France, Italy, South Korea, Sweden, and West Germany, and the significant import penetration during the period of investigation, together with underselling and generally declining prices, establish a reasonable

37/ Id. at A-33.

38/ Id. at A-33-38.

39/ Vice Chairman Liebler and Commissioner Brunsdale generally do not find evidence of underselling probative of the issues of price undercutting or causation. See Certain Welded Carbon Steel Pipes and Tubes from Turkey and Thailand, Invs. Nos. 701-TA-253 (Final), and 731-TA-252 (Final) (Views of Vice Chairman Liebler and Commissioner Brunsdale at 44-45); Office of Economics Memorandum EC-J-010. Moreover, they have serious reservations about the data collected in these investigations allegedly supporting a conclusion that imports consistently undersell the domestic product. Price comparisons in the spot market, where most import sales but comparatively few domestic sales occur, do not account fully for the larger quantities involved in import sales. Quantity discounts, differences in lead times, or other terms of sale were either not available or were not fully accounted for when making price comparisons. Should a final investigation occur, more complete and directly comparable data would be needed in order to draw any reasonable conclusions about the relationship between foreign and domestic prices. Similarly, the available data on fabrication prices, which indicate that foreign prices are higher than domestic prices, are limited. The data are for contract sales only and do not include imports from all countries subject to investigation.

In addition, Vice Chairman Liebler and Commissioner Brunsdale note that metal value accounts for a large proportion of the selling price of brass sheet and strip and the available data indicate that metal values have declined between 5 and 13 percent during the period of investigation. Thus, it is hardly surprising that total selling prices for the domestic and the imported product have declined during this same period. It is surprising, however, that total selling prices may have declined by less than could be expected given the drop in metal value and that fabrication prices have apparently remained steady or increased. In a final investigation, they would seek to receive an explanation for these differing trends, especially in light of the drastic drop in demand for brass sheet and strip in 1985.

indication of a causal connection between the material injury to the domestic industry and the alleged LTFV imports from the seven countries.

Reasonable Indication of Material Injury by Reason of Allegedly Subsidized Imports from Brazil and France

In determining whether there is a reasonable indication that allegedly subsidized imports are causing material injury to a domestic industry, we have considered the cumulative volume and effect of imports from Brazil and France.

We note that the volume of imports from these countries is significant. Imports of brass sheets and strips from Brazil and France increased by 117 percent from 17.9 million pounds in 1983 to 38.8 million pounds in 1984. Imports declined by 50 percent to 19.4 million pounds in 1985, but remained above the 1983 level..40/ The import penetration ratio rose from 3.3 percent in 1983 to 5.9 percent in 1984 and then dropped to 3.6 percent in 1985. 41/

The margins of underselling associated with the products for Brazil and France reveal the same trends discussed in the LTFV section of this determination. There was consistent underselling throughout the period of investigation. 42/ 43/ Moreover, overall prices for domestically produced brass sheets and strips declined, 44/ while the French import prices generally declined and the Brazilian import prices generally followed an upward trend during the period under investigation. 45/

We conclude that the rising volume of brass sheets and strips from Brazil and France, and the significant import penetration, together with underselling

40/ Report at A-22.

41/ Id. at A-23.

42/ Id. at A-33, A-36.

43/ For views of Vice Chairman Liebeler and Commissioner Brunsdale regarding underselling, see footnote 39, supra.

44/ Id. at A-26-28, A-29-31.

45/ Id. at A-28.

and generally declining prices, establish a reasonable indication of a causal connection between the material injury to the domestic industry and the allegedly subsidized imports from Brazil and France.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On March 10, 1986, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of American Brass, Buffalo, NY; Bridgeport Brass Corp., Indianapolis, IN; Chase Brass & Copper Co., Solon, OH; Hussey Copper Ltd., Leetsdale, PA; The Miller Co., Meriden, CT; Olin Corp. (Brass Group), East Alton, IL; and Revere Copper Products, Inc., Rome, NY. The following trade unions are also petitioners: The International Association of Machinists and Aerospace Workers; the International Union, Allied Industrial Workers of America (AFL-CIO); Mechanics Educational Society of America, Local 56; and the United Steelworkers of America (AFL-CIO/CLC).

The petitions allege that an industry in the United States is materially injured and threatened with material injury by reason of imports from Brazil and France of certain brass sheets and strips ^{1/} that are alleged to be subsidized by the Governments of Brazil and France. In addition, the petitions allege that an industry in the United States is materially injured and threatened with material injury by reason of imports from Brazil, Canada, France, Italy, the Republic of Korea (Korea), Sweden, and West Germany of certain brass sheets and strips that are allegedly being sold in the United States at less than fair value (LTFV).

Accordingly, the Commission instituted, effective March 10, 1986, preliminary countervailing duty investigations Nos. 701-TA-269 (Preliminary) (Brazil) and 701-TA-270 (Preliminary) (France), under section 703(a) of the Tariff Act of 1930 and, further, the Commission instituted, under section 733(a) of the Tariff Act of 1930, preliminary antidumping investigations Nos. 731-TA-311 (Preliminary) (Brazil), 731-TA-312 (Preliminary) (Canada), 731-TA-313 (Preliminary) (France), 731-TA-314 (Preliminary) (Italy), 731-TA-315 (Preliminary) (Republic of Korea), 731-TA-316 (Preliminary) (Sweden), and 731-TA-317 (Preliminary) (West Germany), to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise into the United States.

^{1/} For purposes of these investigations, the term "certain brass sheets and strips" refers to brass sheets and strips of solid rectangular cross section, over 0.006 inch but not over 0.188 inch in thickness, in coils or cut to length, whether or not corrugated or crimped, but not cut, pressed, or stamped to nonrectangular shape, provided for in items 612.3960, 612.3982, and 612.3986 of the Tariff Schedules of the United States Annotated (TSUSA). The petitions limit the scope of the investigations to sheets and strips of brass alloys designated as "C20000-series" under the nomenclature and numbering system of the Unified Numbering System (UNS) or the equivalent "200-series" under the Copper Development Association (CDA) numbering system.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of March 19, 1986 (51 F.R. 9536). 1/ The conference was held on April 4, 1986, 2/ and the briefing and vote was held on April 18, 1986. The statute directs that the Commission make its determinations within 45 days after receipt of the petitions or, in these cases, by April 24, 1986.

These are the first Commission investigations with respect to brass sheets and strips.

The Product

Description

Wrought 3/ brass sheets and strips meeting the composition specifications of the Unified Numbering System for Metals and Alloys (UNS) C20000-series, 4/ other than clad sheets, not cut, pressed, or stamped to nonrectangular shape, are the subject of these investigations. Brass is an alloy of copper (not including nickel silver) in which zinc is the principal alloying element, with or without small quantities of other elements. There are three general categories of brasses: copper-zinc alloys (brasses) covered by the UNS C20000-series, copper-zinc-lead alloys (lead brasses) covered by the UNS C30000-series, and copper-zinc-tin alloys (tin brasses) covered by the UNS C40000-series. 5/

UNS C20000-series represents the major portion (approximately 90 percent in 1985) of U.S. consumption of brass sheets and strips. Petitioners state that leaded and tin brasses are essentially not competitive with UNS C20000-series brasses. 6/

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

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

3/ The term "wrought" refers to products that have been rolled, forged, drawn, or extruded, and also refers to cast or sintered products that have been machined or processed otherwise than by simple trimming, scalping, or descaling.

4/ The Unified Numbering System for Metals and Alloys is managed jointly by the American Society for Testing and Materials and the Society of Automotive Engineers.

5/ Specifications for each of these UNS series are presented in app. C.

6/ Petitions of the instant investigations, pp. 8-9. Petitioners state that the high-machining abilities of leaded brasses and extremely high strength and spring characteristics of tin brasses cause these alloys frequently to be incompatible with normal UNS C20000-series uses. The additional processing expenses required for lead and tin brasses and the higher metal cost for the tin brasses make substitution of these brasses for the UNS C20000-series brasses unusual.

For the purposes of these investigations, sheets and strips are products of solid rectangular cross section over 0.006 inch but not over 0.188 inch in thickness, in coils or cut to length, whether or not corrugated or crimped. ^{1/} Sheets are over 20 inches in width; strips are over 1.25 inches but not over 20 inches in width.

Manufacturing process

At integrated producers, firms that cast, roll, and finish brass sheets and strips, the manufacturing process begins with the production of brass at casting facilities. Casting operations produce brass ingots that are roughly 5 to 7 inches thick, 30 inches wide, and 25 feet long. These ingots are produced by the direct chill technique. Brass production begins with the acquisition of raw materials. Producers utilize refined products, such as copper and zinc and, also, scrap materials, scrap purchased and that generated by their own manufacturing operations. Producers do not always buy all the raw materials they use in the production of brass sheets and strips. Some customers believe they can obtain copper at lower prices than can the brass producers. Such customers provide brass producers with copper and pay brass producers a fee to have that copper converted into brass sheets and strips. Such arrangements are termed "tolling" in the industry.

Raw materials are measured and placed in a melting furnace. When the raw materials are properly melted, they are poured from the melting furnace into a holding furnace. Several melting furnaces typically service each holding furnace. When a holding furnace is sufficiently filled, casting operations begin. Molten brass is then directed from the holding furnace into single or multiple molds. These molds function as dies; they are approximately 1 foot thick and bottomless. The molds rest on a piston device that is enclosed in a water-filled cylinder. As the mold fills with molten brass, the piston is gradually lowered, and the brass cools and hardens as it is exposed to the water. Once the entire ingot is cast, the ingot is removed from the casting equipment. Before further processing, the rough ends of the ingots are cut off.

At this point, rolling operations begin with hot-breakdown rolling. The ingots are heated, rolled (reducing them in thickness from approximately 5 to 7 inches in thickness to less than 0.5 inch), and coiled. This material is milled for surface irregularities and then further reduced in thickness to 0.188-inch or less through cold-breakdown rolling. The extent of further processing is entirely dependent on customer requirements. Material purchased by firms that have processing equipment of their own, rerollers, might require little or no further processing. The larger portion of the material would typically undergo a variety of additional operations, such as bell annealing,

^{1/} The domestic industry considers brass strips to be brass that is coiled or wound on reels of whatever gauge and width, and brass sheets to be brass that is no longer coiled or wound but has been cut to length and is identified by gauge, width, and length. Petitions of these investigations, p. 4.

strip annealing, cleaning, rolling, tension leveling, slitting (to achieve a desired width), and cutting to length to meet customer specifications. Once all operations are completed, the material is packed and shipped.

Uses

The chief characteristics of the UNS C20000-series of brasses are ease of manufacture, fair electrical conductivity, excellent forming and drawing properties, and good strength. They are used in automotive radiators, electrical hardware, locksets, jewelry, coins, lamp bases, hinges, ornaments, and cartridge cases. 1/

U.S. tariff treatment

Imports of wrought brass sheets and strips meeting the specifications for brasses of the UNS C20000-series, other than clad sheets, not cut, pressed, or stamped to nonrectangular shapes, are classified and reported for tariff and statistical purposes under items 612.3960 (sheets), 612.3982 (strips under 1/16 inch in thickness), and 612.3986 (strips 1/16 inch or more in thickness) of the Tariff Schedules of the United States Annotated (TSUSA). The current column 1 or most-favored-nation (MFN) rate of duty, 2/ final concession rate granted under the Tokyo Round of the Multilateral Trade Negotiations (MTN), and column 2 duty rate are shown in table 1.

Table 1.--Brass sheets and strips: U.S. rates of duty 1/
as of Jan. 1, 1980, Jan. 1, 1986, and Jan. 1, 1987

		(Percent ad valorem)			
TSUS item	Description	Col. 1			Col. 2
		Jan. 1, 1980	Jan. 1, 1986	Jan. 1, 1987	
<u>2/</u> 612.39	Brass sheets and strips.	<u>3/</u> 2%	<u>3/</u> 1.9%	<u>3/</u> 1.9%	:9%.

1/ Rates of duty for Tariff Schedules of the United States (TSUS) item 612.39 are divided into col. 1-a and col. 1-b rates of duty. Col. 1-a rates apply when the market price of copper is 24 cents or more per pound. Col. 1-b rates apply when the market price of copper is under 24 cents per pound, but copper prices have averaged well above that level in the 1980's.

2/ Includes TSUSA items 612.3960, 612.3982, and 612.3986.

3/ Col. 1-a rate. Col. 1-b rate, applicable if the market price of copper drops below 24 cents per pound, is 0.9¢ per pound on copper content + 0.9¢ per pound.

1/ Petitions of these investigations, p. 6.

2/ The col. 1 rates are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

Imports of the subject product are eligible for duty-free treatment if from designated beneficiary countries under the Generalized System of Preferences (GSP); imports from Brazil and Korea are eligible for GSP treatment.

The U.S. Market

U.S. producers

The petitioners define the U.S. industry as firms that cast, roll, and finish brass sheets and strips. ^{1/} There are nine known U.S. firms that meet that definition, the seven petitioning firms and MRM Industries and Plume & Atwood Brass Mill. A 10th firm, Volco Brass & Copper Co., is currently in liquidation. The nine active firms, the locations of their facilities, and their share of producers' shipments of C20000-series brass sheets and strips in 1985 are presented in the following tabulation:

<u>Firm and plant locations</u>	<u>Share of U.S. producers' shipments in 1985 (Percent)</u>
American Brass----- Buffalo, NY; Kenosha, WI	***
Bridgeport Brass Corporation----- Brian, OH; Indianapolis, IN	***
Chase Brass & Copper Company----- Solon, OH	***
Hussey Metals----- Leetsdale, PA	***
MRM Industries----- Meriden, CT	***
Olin Corporation----- E. Alton, IL; Waterbury, CT	***
Plume & Atwood Brass Mill-----	***
Revere Copper Products, Inc.----- Rome, NY	***
The Miller Company----- Meriden, CT; Thomaston, CT	***
Total-----	100.0

Petitioners accounted for *** percent of shipments of C20000-series brass sheets and strips, on the basis of quantity, in 1985. Producers of brass sheets and strips tend to be either subsidiaries of large multiproduct corporations or relatively small firms that primarily produce brass in various forms. In certain cases, part of a firm's output is captively consumed in brass fabrication operations.

^{1/} Petitions of these investigations, p. 3.

Questionnaires were also sent to all firms that were identified as possible rerollers, which roll brass sheets and strips to final thicknesses, but do not operate casting facilities or break-down mills. Of those firms, eight were identified in the petitions, but only two responded to the Commission's questionnaires. At the Commission's conference for these investigations, petitioners presented a chart indicating that rerollers accounted for 13.9 percent of the U.S. product distribution for brass sheets and strips. 1/ Counsel for French interests stated at the conference that approximately 75 percent of French imports is for reroll; 2/ however, they were unable to quantify the total U.S. reroll market for brass sheets and strips.

U.S. importers

Foreign-produced brass sheets and strips are primarily imported by distributors, some of which are subsidiaries of foreign producers of brass sheets and strips, or by agents of foreign producers.

Channels of distribution

U.S. producers with casting facilities market their products to rerollers, distributors, and end users. Rerollers, which may purchase either U.S.- or foreign-produced brass sheets and strips, further process the material and may sell either to distributors or end users. The distributors, which also may purchase U.S.- or foreign-produced material, primarily provide a warehouse service for end users, but they can and do slit the material to width and cut it to length.

Importers use the same channels of distribution, selling to rerollers, distributors, and end users. In some cases, imports are shipped directly to a customer, with the importer of record never physically receiving the merchandise.

U.S. consumption

U.S. apparent consumption is computed as shipments plus imports less exports. Publication of export data could disclose the operations of individual firms; therefore, export quantities are included in producers' shipments. * * *. Export shipments were small, a maximum of *** percent in ***, and their inclusion with other shipments did not result in large errors in consumption data. The quantities of export shipments were *** pounds in 1983, *** pounds in 1984, and *** pounds in 1985. Thus, domestic consumption was overstated by these amounts, and the import to consumption ratio was slightly understated.

1/ Conference exhibit No. 2.

2/ Transcript of conference, p. 89.

Aggregate data compiled from responses to the Commission's importers questionnaires indicate that for Brazil, Canada, France, Italy, Korea, Sweden, and West Germany combined, imports of C20000-series brass sheets and strips accounted for approximately 98 percent of total imports. Therefore, official statistics of the U.S. Department of Commerce are believed to be the best available information for imports from all countries and are used for imports of C20000-series brass sheets and strips. Thus, imports of C20000-series brass sheets and strips, as reported here, are overstated by about 2 percent, and the import to consumption ratio is also slightly overstated because of this. The assumptions concerning imports and exports lead to small errors that tend to offset one another.

Based upon these data, as presented in table 2, apparent consumption of C20000-series brass sheets and strips increased from 1983 to 1984, then dropped back to about the 1983 level in 1985. The ratio of imports to consumption increased from 23.3 percent in 1983 to 28.1 percent in 1984 and then declined slightly, to 27.3 percent, in 1985.

Table 2.--Brass sheets and strips: U.S. producers' shipments, imports for consumption, and apparent consumption, 1983-85

Item and period	U.S.	Imports ^{2/}	Apparent	Ratio to	
	producers' shipments ^{1/}		consumption	Producers' shipments	Imports
	1,000 pounds			Percent	
C20000-series brass sheets and strips:					
1983-----	409,525	124,083	533,608	76.7	23.3
1984-----	470,306	184,082	654,388	71.9	28.1
1985-----	384,637	^{3/} 144,538	529,175	72.7	27.3
Other brass sheets and strips:					
1983-----	37,378	^{2/}	37,378	100.0	0.0
1984-----	43,476	^{2/}	43,476	100.0	0.0
1985-----	44,573	^{2/}	44,573	100.0	0.0
Total brass sheets:					
1983-----	446,903	124,083	570,986	78.3	21.7
1984-----	513,782	184,082	697,864	73.6	26.4
1985-----	429,210	^{3/} 144,538	573,748	74.8	25.2

^{1/} Total U.S. producers' shipments include small quantities of export shipments and, therefore, are overstated. These exports are included with total shipments to avoid disclosing the operations of individual firms.

^{2/} Official U.S. Department of Commerce import data for all brass sheets and strips include small quantities of brass sheets and strips other than the C20000-series and, therefore, are overstated.

^{3/} Corrected data received from the U.S. Department of Commerce.

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

The Nature and Extent of Alleged Sales at LTFV
and Alleged Subsidies

Alleged sales at LTFV

In general, petitioners used the average unit values of brass sheets and strips as reported in official statistics of the U.S. Department of Commerce, to estimate LTFV margins. Unit values were first netted back to an ex-factory level by deducting the cost of packing and handling as well as foreign inland freight. This ex-factory U.S. price was then subtracted from the netted-back foreign home market price. Where the netted-back foreign home market price exceeded the ex-factory U.S. price, the difference was divided by the ex-factory U.S. price to derive the estimated percentage ad valorem dumping margins.

Petitioners made several price comparisons for each foreign country and alleged LTFV sales as shown in the following tabulation: 1/

Country of origin	<u>Low value</u> ----Percent ad valorem----	<u>High value</u> ----Percent ad valorem----
Brazil	11.0	55.9
Canada	9.1	24.9
France	1.8	60.8
Italy	2.8	22.0
Republic of Korea	2.0	37.1
Sweden	5.5	35.7
West Germany	2.7	62.4

Alleged subsidies

Brazil.--Petitioners allege that the Brazilian producers of brass sheets and strips, primarily the Brazilian producer Eluma, have numerous export and domestic subsidies available to them from the National and State Governments of Brazil. Among these alleged subsidies, petitioners list the following: 2/ working capital for export financing, which petitioners estimate to be 3.3 percent ad valorem; export financing by the Banco do Brasil, which petitioners estimate to be 2.4 percent ad valorem; export financing by the Foreign Trade Department of the Banco do Brasil, which petitioners estimate to be 2.9 percent ad valorem; and an income tax exemption for export earnings, which petitioners estimate to be 0.8 percent ad valorem. The total alleged subsidies under these programs is 9.4 percent ad valorem. In addition,

1/ Transcript of conference, p. 35.

2/ Countervailing duty petition, Brazil, pp. 14-27.

petitioners allege that there are several other Brazilian programs that may confer subsidies on producers of brass sheets and strips. Included in the other programs are loans to exporters and importers to finance the purchase by an importer or production by an exporter of Brazilian goods for export; financing for merchandise placed in a bonded warehouse and destined for export; short-term credits for exports, incentives for trading companies, reduction of Brazilian import duties with respect to machinery and equipment necessary for export programs; export credit premiums; and a number of alleged domestic subsidies. According to petitioners, the aggregate subsidies amount to about 10 percent ad valorem. 1/

France.--Petitioners allege that subsidization of the French brass industry is mostly related to subsidization of the French producer, Trefimetaux, and (to a lesser extent) the French firm, Pechiney, which (according to the petitioners) are unprofitable and have been able to exist only through various subsidies. 1/ 2/

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

U.S. production, capacity, and capacity utilization

U.S. production of C20000-series brass sheets and strips increased by 12.3 percent from 1983 to 1984 and then decreased 17.4 percent from 1984 to 1985 (table 3). Domestic production of C20000-series brass sheets and strips was less in 1985 than in 1983. U.S. production of all other series of brass sheets and strips increased 17.7 percent from 1983 to 1984 and 3.8 percent from 1984 to 1985. C20000-series brass sheets and strips accounted for 92.0 percent of total production in 1983, 91.7 percent in 1984, and 89.7 percent in 1985.

Much of the equipment used to produce C20000-series brass sheets and strips can also be used to produce other types of brass sheets and strips, and most of the firms that reported data in response to the Commission's questionnaires reported the same capacity figure for both C20000-series brass sheets and strips and other brass sheets and strips. Thus, the total capacity seems to be the most meaningful statistic and total capacity is reported in table 3. Total U.S. capacity to produce all series of brass sheets and strips increased 1.4 percent from 1983 to 1984 and 7.2 percent from 1984 to 1985.

Utilization rates for the total capacity increased 11.2 percent from 1983 to 1984 and then dropped 21.4 percent from 1984 to 1985. The capacity utilization rate in 1985 was lower than that of 1983.

1/ Petitioners estimate that the aggregate subsidies in Brazil and in France amount to about 10 percent ad valorem for each of the countries, transcript of conference, p. 69.

2/ Countervailing duty petition, France, pp. 10-21.

Table 3.--Brass sheets and strips: U.S. production, practical capacity, and capacity utilization, by types, 1983-85

Item	1983	1984	1985
Production:			
C20000-series brass sheets and strips-----1,000 pounds--	415,337	466,310	384,946
Other brass sheets and strips-----do----	36,087	42,481	44,102
Total-----do-----	451,424	508,791	429,048
Practical capacity: 1/			
All series of brass sheets and strips-----do----	646,670	655,699	703,228
Ratio of production to capacity:			
All series of brass sheets and strips-----percent--	69.8	77.6	61.0

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 operations. For the most part, firms responding to the Commission's questionnaires reported total capacity to produce brass sheets and strips; therefore, the total is presented above as the best available information.

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

U.S. producers' shipments

Domestic shipments of C20000-series brass sheets and strips increased *** percent by quantity from 1983 to 1984, then dropped *** percent from 1984 to 1985 (table 4). U.S. producers were requested to provide their shipment data for C20000-series brass sheets and strips, C20000-series brass sheets, C20000-series brass strips, other brass sheets and strips, other brass sheets, and other brass strips.

The producers were unable to separate data for sheets from that for strips and, therefore, reported combined data for sheets and strips. Shipments reported in table 4 are shipments of each domestic firm's own production and do not include shipments of brass sheets and strips purchased from another firm or an importer, or shipments of imported merchandise. Intracompany transfers of C20000-series brass sheets and strips increased *** percent from 1983 to 1984 and then decreased slightly, *** percent, from 1984 to 1985. Toll shipments increased *** percent from 1983 to 1984 and then dropped sharply, *** percent, from 1984 to 1985. Export shipments increased * * * during 1983-85, by *** percent from 1983 to 1984 and *** percent from 1984 to 1985. Nevertheless, export shipments were a small fraction of total shipments of C20000-series brass sheets and strips and reached a maximum of *** percent in ***.

Table 4.--Brass sheets and strips: U.S. producers' domestic shipments, intracompany shipments, toll shipments, and exports of domestically produced product, by types, 1983-85

Item	1983	1984	1985
Quantity (1,000 pounds)			
Domestic shipments:			
C20000-series brass sheets and strips-----	***	***	***
Other brass sheets and strips-----	***	***	***
Total-----	***	***	***
Intracompany shipments:			
C20000-series brass sheets and strips-----	***	***	***
Other brass sheets and strips-----	***	***	***
Total-----	***	***	***
Toll shipments:			
C20000-series brass sheets and strips-----	***	***	***
Other brass sheets and strips-----	***	***	***
Total-----	***	***	***
Export shipments:			
C20000-series brass sheets and strips-----	***	***	***
Other brass sheets and strips-----	***	***	***
Total-----	***	***	***
All shipments:			
C20000-series brass sheets and strips-----	409,525	470,306	384,637
Other brass sheets and strips-----	37,378	43,476	44,573
Total-----	446,903	513,782	429,210
Value (1,000 dollars)			
Domestic shipments:			
C20000-series brass sheets and strips-----	***	***	***
Other brass sheets and strips-----	***	***	***
Total-----	***	***	***
Intracompany shipments:			
C20000-series brass sheets and strips-----	***	***	***
Other brass sheets and strips-----	***	***	***
Total-----	***	***	***
Toll shipments:			
C20000-series brass sheets and strips-----	***	***	***
Other brass sheets and strips-----	***	***	***
Total-----	***	***	***
Export shipments:			
C20000-series brass sheets and strips-----	***	***	***
Other brass sheets and strips-----	***	***	***
Total-----	***	***	***
All shipments:			
C20000-series brass sheets and strips-----	345,858	384,138	311,458
Other brass sheets and strips-----	39,903	45,990	46,468
Total-----	385,761	430,128	357,926

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

Total shipments of C20000-series brass sheets and strips increased 14.8 percent from 1983 to 1984 and then dropped 18.2 percent from 1984 to 1985. Total shipments of brass sheets and strips, other than those of the C20000-series, increased 16.3 percent from 1983 to 1984 and 2.5 percent from 1984 to 1985.

One integrated producer, * * *, purchased some domestic and imported brass sheets and strips for rerolling, and that firm's questionnaire data were adjusted (upon consultation with a representative of the firm) to exclude such purchases so as to avoid double counting production or imports.

U.S. producers' inventories

U.S. producers' inventories of C20000-series brass sheets and strips increased *** percent from the end of 1982 to the end of 1983 and then were stable during 1983-85 (table 5).

Table 5.--Brass sheets and strips: U.S. producers' inventories, by types, as of Dec. 31, 1982-85

Item	December 31--			
	1982	1983	1984	1985
Inventories of firms' production:				
C20000-series brass				
sheets and strips---1,000 pounds--	***	65,352	66,915	66,907
Other brass sheets and				
strips-----do-----	***	4,998	4,977	5,753
Total-----do-----	59,219	70,350	71,892	72,660
Ratio of inventories to all				
shipments during the preceding				
period of--				
C20000-series brass				
sheets and strips-----percent--	-	16.0	14.2	17.4
Other brass sheets and				
strips-----do-----	-	13.4	11.4	12.9
Average-----do-----	-	15.7	14.0	16.9

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

Inventories ranged from 14.2 to 17.4 percent of total shipments of C20000-series brass sheets and strips during 1983-85. Inventories of other brass sheets and strips showed similar trends.

Employment and wages

In general, employment, hours worked, wages paid, and total compensation paid increased from 1983 to 1984 and then dropped from 1984 to 1985 to levels below those of 1983 (table 6). For example, total employment in those

Table 6.--Average number of U.S. producers' employees (total and production and related workers) producing all products and those producing brass sheets and strips; hours worked by and wages, total compensation, and average hourly compensation paid to such workers; output per hour worked; and unit labor cost in producing brass sheets and strips, by types, 1983-85

Item	1983	1984	1985
Average employment:			
All persons-----	6,859	7,041	6,187
Production and related workers producing--			
All products-----	4,949	5,158	4,418
Brass sheets and strips-----	2,030	2,127	1,814
C20000-series brass sheets and strips-----	1,750	1,802	1,518
Hours worked by production and related workers producing--			
All products-----1,000 hours--	9,487	9,924	8,026
Brass sheets and strips-----do-----	4,197	4,535	3,687
C20000-series brass sheets and strips---do----	3,614	3,867	3,087
Wages paid to production and related workers producing--			
All products-----1,000 dollars--	108,176	115,847	94,899
Brass sheets and strips-----do-----	47,328	52,451	43,324
C20000-series brass sheets and strips---do----	41,416	45,310	36,724
Total compensation paid to production and related workers producing--			
All products-----1,000 dollars--	143,792	150,306	123,955
Brass sheets and strips-----do-----	63,498	68,366	57,665
C20000-series brass sheets and strips---do----	54,844	59,175	51,659
Average hourly compensation paid to production and related workers producing--			
All products-----	\$15.16	\$15.15	\$15.44
Brass sheets and strips-----	15.13	15.08	15.64
C20000-series brass sheets and strips-----	15.18	15.30	16.73
Output per hour worked:			
Brass sheets and strips-----pounds--	107.6	112.2	116.4
C20000-series brass sheets and strips---do----	114.9	120.6	124.7
Labor cost of producing--			
Brass sheets and strips-----cents per pound--	10.5	10.3	10.1
C20000-series brass sheets and strips---do----	10.0	9.7	9.5

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

establishments in which C20000-series brass sheets and strips are produced increased 2.7 percent from 1983 to 1984 and then dropped 12.1 percent from 1984 to 1985.

The number of workers producing all types of brass sheets and strips increased 4.8 percent from 1983 to 1984 and then dropped 14.7 percent from 1984 to 1985. Likewise, the number of workers producing C20000-series brass sheets and strips increased 3.0 percent from 1983 to 1984 and then dropped 15.8 percent from 1984 to 1985. Hours worked by workers producing C20000-series brass sheets and strips increased 7.0 percent from 1983 to 1984 and then fell by 20.2 percent from 1984 to 1985. Wages paid to such workers increased by 9.4 percent from 1983 to 1984 and then fell by 18.9 percent from 1984 to 1985. Total compensation showed similar trends. Productivity, as measured by output per hour worked, increased during 1983-85.

Financial experience of U.S. producers

Seven producers of brass sheets and strips provided usable income and loss data on overall establishment operations, on operations producing all grades of brass sheets and strips, and on C20000-series brass sheets and strips. All seven producers are basic producers of brass sheets and strips. One firm, * * *, imports and rerolls between *** to *** percent of their brass.

Overall establishment operations.--Aggregate income and loss data on overall establishment operations are presented in table 7. Overall establishment sales of the seven producers increased from \$880 million in 1983 to \$979 million in 1984, or by 11.2 percent, then fell to \$773 million in 1985 for a decrease of 21 percent.

Table 7.--Income-and-loss experience of U.S. producers on the overall operations of their establishments within which C20000-series brass sheets and strips are produced, 1983-85

Item	1983	1984	1985
Net sales-----1,000 dollars--	880,266	979,169	773,170
Cost of goods sold-----do----	765,957	827,680	673,048
Gross profit-----do----	114,309	151,489	100,122
General, selling, and administrative expenses-----do----	77,352	81,304	78,375
Operating income or (loss)-----do----	36,957	70,185	21,747
Depreciation and amortization-----do----	17,350	21,531	23,327
Ratio to net sales:			
Cost of goods sold-----percent--	87.0	84.5	87.1
Gross profit-----do----	13.0	15.5	12.9
General, selling, and administrative expenses-----do----	8.8	8.3	10.1
Operating income or loss-----do----	4.2	7.2	2.8
Number of firms reporting operating losses-----	0	0	1
Number of firms reporting-----	7	7	7

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

Operating income increased significantly from \$37 million in 1983 to \$70 million in 1984, an increase of 90 percent. During 1985, however, operating income fell sharply to \$21.7 million, or a decline of 69 percent from the 1984 level. The operating margins during 1983-85 were 4.2 percent, 7.2 percent, and 2.8 percent, respectively. None of the producers incurred operating losses in 1983 or 1984, but one producer reported an operating loss in 1985.

Operations producing all grades of brass sheets and strips.--Aggregate income and loss data are presented in table 8 for these operations. Net sales of all grades of brass sheets and strips increased to \$*** million during 1984, up *** percent from \$*** million reported in 1983. Sales declined, however, during 1985 to \$*** million, down *** percent from 1984 levels.

Operating income almost doubled from \$*** million in 1983 to \$*** million in 1984. During 1985, however, operating income dramatically fell to \$*** million, a decline of *** percent from the 1984 level. Operating margins during 1983-85 were *** percent, *** percent, and *** percent respectively. *** firms reported operating losses in 1983, *** reported losses in 1984, and *** firms reported losses in 1985.

Table 8.--Income-and-loss experience of U.S. producers on their operations producing all grades of brass sheets and strips, 1983-85

Item	: 1983	: 1984	: 1985
Net sales-----1,000 dollars--:	***	***	***
Cost of goods sold-----do-----:	***	***	***
Gross profit-----do-----:	***	***	***
General, selling, and administrative expenses-----do-----:	***	***	***
Operating income or (loss)-----do-----:	***	***	***
Depreciation and amortization-----do-----:	***	***	***
Ratio to net sales:			
Cost of goods sold-----percent--:	***	***	***
Gross profit-----do-----:	***	***	***
General, selling, and administrative expenses-----do-----:	***	***	***
Operating income or loss-----do-----:	***	***	***
Number of firms reporting operating losses-----:	***	***	***
Number of firms reporting-----:	***	***	***

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

Operations producing C20000-series brass sheets and strips.--Aggregate income and loss data are presented in table 9 for these operations. Net sales of the C20000-series brass sheets and strips increased from \$320 million in 1983 to \$356 million in 1984, an increase of 11.4 percent, then fell to \$296 million in 1985 for a decrease of 16.8 percent.

Table 9.--Income-and-loss experience of U.S. producers on their operations producing C20000-series brass sheets and strips, 1983-85

Item	1983	1984	1985
Net sales-----1,000 dollars--	319,873	356,277	296,332
Cost of goods sold-----do----	287,058	316,601	272,826
Gross profit-----do----	32,815	39,676	23,506
General, selling, and administrative expenses-----do----	21,567	20,959	21,398
Operating income or (loss)-----do----	11,248	18,717	2,108
Depreciation and amortization-----do----	6,358	7,990	9,341
Ratio to net sales:			
Cost of goods sold-----percent--	89.7	88.9	92.1
Gross profit-----do----	10.3	11.1	7.9
General, selling, and administrative expenses-----do----	6.7	5.9	7.2
Operating income or loss-----do----	3.5	5.3	.7
Number of firms reporting operating losses-----	1	0	4
Number of firms reporting-----	7	7	7

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

Operating income increased significantly from \$11.2 million in 1983 to \$18.7 million in 1984, an increase of 66.4 percent. During 1985, however, operating income dropped to only \$2.1 million, or a decline of 88.7 percent from 1984 levels.

The operating margins during the 1983-85 period were 3.5 percent, 5.3 percent, and 0.7 percent, respectively. One of the firms reported an operating loss during 1983, none of the producers reported operating losses during 1984, and four reported losses during 1985.

Capital expenditures.--The data provided by seven firms on their capital expenditures for land, buildings, and machinery and equipment used in the manufacture of all brass sheets and strips are shown in table 10. Capital expenditures relating to all brass sheets and strips decreased from \$*** million in 1983 to \$*** million during 1984, and further declined to \$*** million in 1985. Capital expenditures for C20000 series brass sheets and strips followed a similar downward trend during 1983-85.

Value of plant, property, and equipment.--The data provided by seven producers on their investment in productive facilities in which brass sheets and strips are produced are shown in table 11. The aggregate investment in productive facilities for all brass sheets and strips, valued at cost, increased from \$*** million in 1983 to \$*** million in 1984 and rose further to \$*** million as of December 31, 1985.

Table 10.--Capital expenditures on U.S. producers' facilities within which C20000-series brass sheets and strips are produced, as of the end of 1983-85

(In thousands of dollars)

Item	1983	1984	1985
All products of the establishment(s):			
Land and land improvements-----	***	***	***
Building or leasehold improvements----	***	***	***
Machinery, equipment, and fixtures----	***	***	***
Total-----	***	***	***
All types of brass sheets and strips:			
Land and land improvements-----	***	***	***
Building or leasehold improvements----	***	***	***
Machinery, equipment, and fixtures----	***	***	***
Total-----	***	***	***
C20000-series brass sheets and strips:			
Land and land improvements-----	***	***	***
Building or leasehold improvements----	***	***	***
Machinery, equipment, and fixtures----	***	***	***
Total-----	***	***	***

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

Table 11.--Value of plant, property, and equipment (investment in productive facilities) of U.S. producers' facilities within which C20000-series brass sheets and strips are produced, as of the end of 1983-85

(In thousands of dollars)

Item	1983	1984	1985
All products of the establishment(s):			
Original cost-----	***	***	***
Book value-----	***	***	***
All types of brass sheets and strips:			
Original cost-----	***	***	***
Book value-----	***	***	***
C20000-series brass sheets and strips:			
Original cost-----	***	***	***
Book value-----	***	***	***

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

The book value of such assets increased from \$*** million in 1983 to \$*** million in 1984; however, the book value declined to \$*** million during 1985. Total reported investment in productive facilities for C20000-series brass sheets and strips, valued at cost, increased from \$*** million in 1983 to \$*** million in 1984 and rose further to \$*** million during 1985. The book value of such assets increased from \$*** million in 1983 to \$*** million in 1984, then declined to \$*** million in 1985.

Research and development expenses.--Reported expenses on research and development for the seven reporting firms are shown in the following tabulation for 1983 to 1985 (in thousands of dollars):

	<u>1983</u>	<u>1984</u>	<u>1985</u>
All types of brass sheets and strips---	***	***	***
C20000-series brass sheets and strips--	***	***	***

Capital and investment.--U.S. producers were asked to describe any actual or potential negative effects of imports of C20000-series brass sheets and strips from Brazil, Canada, France, Italy, Korea, Sweden, or West Germany on their firm's growth, investment, and ability to raise capital. Six firms, including all of the major producers, responded to these questions. In essence, their replies were that imports have prevented the firms from obtaining a sufficient return on investment to sustain the capital investments required to meet changing customer requirements and to finance plant expansions. The low profitability from brass sheets and strips operations have made it difficult to obtain outside financing or to justify expansions of these operations within multiproduct corporations. With the continuation of the importing of the allegedly unfairly traded products, some producers expect plant closings and further reductions in employment.

The Question of the Threat of Material Injury

In its examination of the question of the threat of material injury to an industry in the United States, the Commission considers among other relevant factors, any increase in production capacity or existing unused capacity in the exporting country likely to result in an increase in imports of the subject merchandise to the United States, any rapid increase in U.S. market penetration and the likelihood that the penetration will increase to an injurious level, the probability that the price of the subject imported product will have a depressing or suppressing effect on the domestic prices of the merchandise, any substantial increase in inventories of the merchandise in the United States, any other demonstrable trends that indicate that the importation (or sale for importation) of the merchandise will be the cause of actual injury, and the potential for product-shifting.

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

U.S. importers' inventories

U.S. importers' inventories are not very meaningful in these investigations because many, if not most, shipments are made directly from the foreign producers' plants to U.S. customers through orders placed with U.S. agents or the foreign manufacturers. Further, some of the U.S. importers that do maintain inventories combine inventories of foreign and domestic brass sheets and strips and were unable to determine inventories by country of origin.

Capacity of foreign producers to generate exports

Counsels for Brazilian, Canadian, French, Italian, Korean, Swedish, and West German interests were requested to provide information on the foreign industries in each of these countries, but complete data for all countries have not been received.

Korean data are presented in table 12 and West German data are presented in table 13. Data for West Germany should be viewed with caution. West German firms typically provided data for sheets and strips of all brass compositions, but certain submissions for capacity, production, and capacity utilization data included copper and bronze compositions and for exports were limited to C20000-series brasses.

Table 12.--Brass sheets and strips: The Republic of Korea's capacity, production, capacity utilization, domestic shipments, and exports, 1983-85

Item	1983	1984	1985
All brass sheets and strips:			
Capacity-----1,000 pounds--:	***	***	***
Production-----do-----:	***	***	***
Capacity utilization--percent--:	***	***	***
Domestic shipments			
1,000 pounds--:	***	***	***
C20000 brass sheets and strips:			
Capacity-----1,000 pounds--:	***	***	***
Production-----do-----:	***	***	***
Capacity utilization--percent--:	***	***	***
Domestic shipments			
1,000 pounds--:	***	***	***
Exports to--			
United States-----do-----:	***	***	***
Japan-----do-----:	***	***	***
Taiwan-----do-----:	***	***	***
All other countries--do-----:	***	***	***
Total-----do-----:	***	***	***

Source: Compiled from data provided by counsel for Korean interests.

Table 13.--Brass sheets and strips: West Germany's capacity, production, capacity utilization, domestic shipments, and exports, 1983-85

Item	1983	1984	1985
All brass sheets and strips:			
Capacity-----1,000 pounds--:	***	***	***
Production-----do-----:	***	***	***
Capacity utilization--percent--:	***	***	***
Domestic shipments			
1,000 pounds--:	***	***	***
Exports to--			
United States-----do-----:	***	***	***
All other countries----do-----:	***	***	***
Total-----do-----:	***	***	***

Source: Compiled from data provided by counsel for West German interests.

Note.--West German firms typically provided data for sheets and strips of all brass compositions, but certain submissions for capacity, production, and capacity utilization data included copper and bronze compositions and for exports, were limited to C20000-series brasses.

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

U.S. imports

According to official statistics of the U.S. Department of Commerce, imports of brass sheets and strips increased 48.4 percent by quantity from 1983 to 1984, then dropped 21.5 percent from 1984 to 1985 (table 14). Imports of brass sheets and strips from the seven countries included in these investigations increased 61.2 percent from 1983 to 1984, then dropped 28.2 percent from 1984 to 1985 (table 15). Imports from these countries in 1985 were above 1983 levels.

Responses to the Commission's importers questionnaires covered about 90 percent of the quantity of brass sheets and strips imported in 1983 and 1984 and about 80 percent of 1985 imports. These questionnaire responses indicate that imports of brass sheets and strips were predominately of the C20000-series, *** percent in 1983, *** percent in 1984, and *** percent in 1985.

Table 14.--Brass sheets and strips: U.S. imports for consumption, by principal sources, 1983-85

Source	1983	1984	1985
Quantity (1,000 pounds)			
West Germany-----	51,850	69,525	<u>1/</u> 48,913
Japan-----	21,233	17,934	19,194
Netherlands-----	9,633	15,630	15,406
France-----	7,990	22,992	<u>1/</u> 11,774
Italy-----	3,749	8,444	<u>1/</u> 10,502
Republic of Korea-----	1,793	6,286	<u>1/</u> 7,712
Brazil-----	9,867	15,793	7,590
Canada-----	9,656	13,354	7,502
Sweden-----	754	1,670	5,176
Switzerland-----	1,675	2,170	3,208
All other-----	5,883	10,284	7,561
Total-----	124,083	184,082	<u>1/</u> 144,538
Value (1,000 dollars)			
West Germany-----	46,629	62,742	45,313
Japan-----	19,217	17,231	18,132
Netherlands-----	9,834	16,209	15,785
France-----	6,121	17,522	9,147
Italy-----	3,163	7,401	<u>1/</u> 9,463
Republic of Korea-----	1,679	6,314	<u>1/</u> 6,590
Brazil-----	7,986	12,797	6,204
Canada-----	9,821	13,365	7,403
Sweden-----	886	1,669	4,792
Switzerland-----	1,360	2,084	2,579
All other-----	5,226	8,907	6,579
Total-----	111,922	166,241	<u>1/</u> 131,987
Unit value (cents per pound)			
West Germany-----	89.9	90.2	92.6
Japan-----	90.5	96.1	94.5
Netherlands-----	102.1	103.7	102.5
France-----	76.6	76.2	77.7
Italy-----	84.4	87.6	90.1
Republic of Korea-----	93.6	100.4	85.5
Brazil-----	80.9	81.0	81.7
Canada-----	101.7	100.1	98.7
Sweden-----	117.5	99.9	92.6
Switzerland-----	81.2	96.0	80.4
All other-----	88.8	86.6	87.0
Average-----	90.2	90.3	91.3

1/ Corrected data received from the U.S. Department of Commerce.

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

Table 15.--Brass sheets and strips: U.S. imports for consumption, by selected sources, 1983-85

Source	1983	1984	1985
Quantity (1,000 pounds)			
West Germany-----	51,850	69,525	1/ 48,913
France-----	7,990	22,992	1/ 11,774
Italy-----	3,749	8,444	1/ 10,502
Republic of Korea-----	1,793	6,286	1/ 7,712
Brazil-----	9,867	15,793	7,590
Canada-----	9,656	13,354	7,502
Sweden-----	754	1,670	5,176
Seven country total----	85,659	138,064	99,169
All other countries----	38,424	46,018	45,369
Grand total-----	124,083	184,082	1/ 144,538
Value (1,000 dollars)			
West Germany-----	46,629	62,742	45,313
France-----	6,121	17,522	9,147
Italy-----	3,163	7,401	1/ 9,463
Republic of Korea-----	1,679	6,314	1/ 6,590
Brazil-----	7,986	12,797	6,204
Canada-----	9,821	13,365	7,403
Sweden-----	886	1,669	4,792
Seven country total----	76,285	121,810	88,912
All other countries----	35,637	44,431	43,075
Grand total-----	111,922	166,241	1/ 131,987
Unit value (cents per pound)			
West Germany-----	89.9	90.2	92.6
France-----	76.6	76.2	77.7
Italy-----	84.4	87.6	90.1
Republic of Korea-----	93.6	100.5	85.5
Brazil-----	80.9	81.0	81.7
Canada-----	101.7	100.1	98.7
Sweden-----	117.5	99.9	92.6
Seven country	:	:	:
average-----	89.1	88.2	89.7
All other country	:	:	:
average-----	92.7	96.6	94.9
Average-----	90.2	90.3	91.3

1/ Corrected data received from the U.S. Department of Commerce.

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

Market penetration by the alleged LTFV and subsidized imports

The share of the U.S. market for C20000-series brass sheets and strips supplied by U.S. producers decreased from 1983 to 1984, then increased slightly from 1984 to 1985 (table 16). Imports from the countries subject to these investigations increased from 1983 to 1984, then declined from 1984 to 1985 but, for four of seven subject countries, remained at levels higher than that in 1983. The import penetration ratio increased from 1983 to 1984 and then dropped from 1984 to 1985.

Table 16.--C20000-series brass sheets and strips: Shares of U.S. consumption supplied by Brazil, Canada, France, Italy, the Republic of Korea, Sweden, and West Germany, all other countries, and U.S. producers, 1/ 1983-85

Item	1983	1984	1985
C20000 brass sheets and strips:			
U.S. consumption----1,000 pounds--:	533,609	654,388	529,175
Share of U.S. consumption:			
supplied by--			
Brazil-----percent--:	1.8	2.4	1.4
Canada-----do-----:	1.9	2.0	1.4
France-----do-----:	1.5	3.5	2.2
Italy-----do-----:	.7	1.3	2.0
Republic of Korea-----do-----:	.3	1.0	1.5
Sweden-----do-----:	.1	.3	1.0
West Germany-----do-----:	9.8	10.6	9.2
Subtotal-----do-----:	16.1	21.1	18.7
All other countries-----do-----:	7.2	7.0	8.6
U.S. producers-----do-----:	76.7	71.9	72.7
Total-----do-----:	100.0	100.0	100.0

1/ Shares supplied by imports and shares supplied by U.S. producers are slightly overstated.

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

Prices

Brass sheets and strips are sold on a per pound basis. There are two major components to the final selling price: a fabrication price and the metal value of the product. The fabrication price generally varies with the

gauge, or thickness, and width of the brass sheets and strips. 1/ The thinner the gauge, the more costly the item is to produce and the higher the price. A width resulting in lower yield from a coil will also have a higher price. The metal value of brass sheets and strips generally accounts for at least half of the total selling price. 2/

Preliminary information suggests that the metal value of brass sheets and strips declined during the period under investigation. Six domestic producers and two importers of brass sheets and strips from Germany provided quarterly data on the metal value portion of brass sheets and strips prices. These data indicate that average metal values declined by from 5 to 13 percent during 1983-85. Because metal value accounts for such a large proportion of the total selling price of brass sheets and strips, the decline in the metal value may have affected price trends during the period under investigation.

Sales practices.--Domestic producers and importers sell brass sheets and strips to distributors, rerollers and also to many end-user markets. Industry sources report that price varies among market segments because historical pricing traditions somewhat distort a cost-based approach to pricing. Brass sheets and strips are sold to each of these different market segments on both a spot basis and a contract basis.

Producers and importers were asked to estimate the share of their total 1985 sales of brass sheets and strips that were sold on a spot-sale basis and the share sold by different types of fixed-period contractual arrangements. A substantial proportion of U.S.-produced brass sheets and strips is sold on a contractual basis. For example, * * * of their total 1985 sales of brass sheets and strips on a contractual basis. For U.S. importers of brass sheets and strips, the majority of sales are on a spot basis. Of *** importers responding to the Commissions' questionnaire, *** reported that they sold exclusively on a spot sales basis. * * *. These firms sold *** to *** percent of their brass sheets and strips on a contract basis.

Spot market sales.--For spot sales, suppliers may quote a single selling price for both fabrication and metal, or may quote the fabrication price and metal value separately. Unlike most importers, domestic producers publish price lists to which adjustments are made depending on market conditions. These producers' price lists also generally have a list price for metal value. This list price for metal value is changed only as conditions in the metal markets warrant, perhaps as frequently as once a week but usually less often.

Producers and importers generally quote prices on a delivered basis, although some quote on an "f.o.b." basis but absorb freight costs for the majority of their sales. The minimum quantity requirements for U.S.-produced brass sheets and strips generally range from 2,000 to 5,000 pounds. Because specifications desired for brass sheets and strips frequently vary with the

1/ In addition, certain special finishes or tempers may affect fabrication prices.

2/ Cartridge brass contains 70 percent copper and 30 percent zinc.

purchaser and the individual order, it is difficult to inventory "standard" items. The lead time for U.S.-produced brass sheets and strips is generally 4 to 6 weeks for an order. Importers also generally do not maintain large inventories in the United States. For purchases of brass sheets and strips imported from the subject countries, minimum quantity requirements are generally higher, and the lead times are typically much longer. The minimum quantity requirement for purchases of imports can be as high as 8,000 pounds per individual item ordered, with a minimum total shipment of 40,000 pounds, a full truckload. The ranges of average lead times reported by importers of brass sheets and strips are presented by country of origin in the tabulation below: 1/

<u>Country</u>	<u>Weeks</u>
Brazil-----	***
France-----	***
Germany-----	***
Italy-----	***
Korea-----	***
Sweden-----	***

Contract sales.--For fixed-period contract sales, the price for fabrication and metal value are normally quoted separately. A fixed-period contract generally establishes a firm fabrication price and sets guidelines on purchase quantities. U.S. inland freight costs to the purchaser are also implicitly included in the fabrication price. The second price component, the metal value of the brass sheets and strips, may fluctuate with the market price of the metal on the date of shipment, or it may be fixed (hedged) for a specified period of time. Alternatively, in a toll arrangement or metal conversion contract, the purchaser of the brass sheets and strips supplies the input metal: Toll-sales contracts accounted for at least *** percent of total sales for * * *. Imported brass sheets and strips would not normally be sold on a toll-account basis because of the substantial transportation costs that would be involved in shipping metal to the foreign producer and returning the finished product.

The Commission requested producers and importers to provide quarterly price data during 1983-85 on spot-market sales and on fixed-period contracts negotiated for four common brass sheets and strips products listed below:

Product 1.--Builders' hardware, CDA end-use classification 110, CDA alloy 260, 0.016 inch to 0.032 inch thick by 2 inches to 12 inches in width.

Product 2.--Slitting stock, CDA end-use classification 920, CDA alloy 260, 0.020 inch to 0.025 inch thick by maximum yield width (MYW).

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

Product 3.--Communications and electronics, CDA end-use classification 430, CDA alloy 260, 0.010 inch to 0.013 inch thick by 0.75 inch to 2 inches in width.

Product 4.--Communications and electronics, CDA end-use classification 430, CDA alloy 260, 0.016 inch to 0.020 inch thick by 0.75 inch to 2 inches in width, traverse wound (TRW).

The above listed product specifications used to collect price data were defined to specify the four major price factors identified--alloy, gauge, width, and end use. For spot sales, producers and importers were asked to report the total selling price, i.e. fabrication plus metal value for their largest single quarterly sale (by volume). *** producers, * * *, reported spot-price data as requested, although not necessarily for all products and periods under investigation. Usable price data were received from *** importers covering all countries subject to these investigations except Canada, although not necessarily for all periods or products requested. No Canadian importer responded to the Commission's questionnaires in time to include their data in this report.

For fixed-period, non-toll contracts negotiated, producers and importers were asked to report the base fabrication price for the largest volume contract negotiated in each quarter. In response to suggestions of Petitioner's counsel, Commission staff subsequently requested producers and importers to provide the metal values corresponding to the contract sales data reported. *** U.S. producers and *** importers of brass sheets and strips from * * * provided usable contract price data.

Several producers, including *** petitioners, did not report price data for single spot sales and contracts negotiated but reported quarterly average unit values for each specification. Importers were generally able to report price data as requested.

Price trends

Domestic producers' price trends for spot sales.--Price data from domestic producers on their largest single quarterly spot sale provided complete price series only for the builders' hardware and slitting stock specifications. These price data are shown in table 17 and indicate that producers' weighted-average prices fluctuated considerably but fell from January-March 1983 to October-December 1985 by from *** to *** percent. Weighted-average prices for the U.S.-produced builders' hardware specification fell from \$*** per pound in January-March 1983 to \$*** per pound in October-December 1985, or by *** percent. During the same period, producers' prices for the slitting stock specification fell from \$*** per pound to \$*** per pound or by *** percent.

Table 17.--Brass sheets and strips: Domestic producers' weighted-average delivered prices on their largest single quarterly spot sales, by products and by quarters, January 1983 to December 1985

Period	Builders' hardware <u>1/</u>	Slitting stock <u>2/</u>	Communications and electronics <u>3/</u>
-----Per pound-----			
1983:			
January-March-----	\$***	\$***	\$***
April-June-----	***	***	***
July-September-----	***	***	***
October-December-----	***	***	<u>4/</u>
1984:			
January-March-----	***	***	***
April-June-----	***	***	<u>4/</u>
July-September-----	***	***	<u>4/</u>
October-December-----	***	***	<u>4/</u>
1985:			
January-March-----	***	***	<u>4/</u>
April-June-----	***	***	<u>4/</u>
July-September-----	***	***	<u>4/</u>
October-December-----	***	***	<u>4/</u>

1/ Builders' hardware, CDA end-use classification 110, CDA alloy 260, 0.016 inch to 0.032 inch thick by 2 inches to 12 inches in width.

2/ Slitting stock, CDA end-use classification 920, CDA alloy 260, 0.020 inch to 0.025 inch thick by maximum yield width (MYW).

3/ Communications and electronics, CDA end-use classification 430, CDA alloy 260, 0.010 inch to 0.013 inch thick by 0.75 inch to 2 inches in width.

4/ No data reported.

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

Average quarterly unit revenue data submitted by the remaining U.S. producers for sales of the builders' hardware and slitting stock specifications support the conclusion of a downward trend in prices of these products. 1/

1/ Average unit revenues for the U.S.-produced builders' hardware specification fluctuated downward during the period under investigation by *** percent since the first quarter of 1983. Producers' average prices for the slitting stock specification fluctuated considerably but ended 1985 at *** percent below the first quarter 1983 price level.

Insufficient price data were provided by producers on their largest quarterly sales of the two communications and electronics products. Quarterly average unit value data for the two communications and electronics products suggest that, during the period under investigation, producers' prices for these products were, on average, approximately \$*** per pound above prices for the U.S.-produced builders' hardware and slitting stock products. Average unit values for the two U.S. produced communications and electronics products declined during 1983-85. U.S. producers' average unit values for the 0.010 inch to 0.013 inch gauge specification rose from \$*** per pound during January-March 1983 to a high of \$*** per pound during July-September 1983, before declining erratically to \$*** per pound in October-December 1984, or by *** percent. Unit revenues for this product then recovered through October-December 1985 to \$*** per pound, or to *** percent below the January-March 1983 average price level.

Producers' quarterly average unit values for the 0.016 inch to 0.020 inch gauge specification followed a different trend, rising erratically from \$*** per pound in January-March 1983 to \$*** per pound in January-March 1985, or by *** percent, and declining steadily during the remainder of 1985 to \$*** per pound, or by *** percent since the first quarter of 1983.

Importers' price trends for spot sales.--Although price data reported by importers on their largest quarterly spot sales of brass sheets and strips produced in the subject countries does not allow a thorough analysis of importers' price trends, price data available for imports from France, Germany, Korea, and Sweden suggest that importers' prices generally fell during the period under investigation. Importers' price data for Brazilian brass sheets and strips products, however, show prices following an upward trend during the period under investigation in 2 out of 3 product categories. Importers' prices for the builders' hardware and slitting stock product categories are shown in tables 18 and 19.

Importers' prices for Brazilian brass sheets and strips products rose by *** percent, from mid-1983 to mid-1985, for the builders' hardware specification and by *** percent, over roughly the same period, for the 0.016 inch to 0.020 inch gauge communications and electronics specification. Importers' prices of Brazilian slitting stock fell by *** percent from January-March 1983 to October-December 1985.

Prices of French brass sheets and strips were relatively steady for the builders' hardware and slitting stock products, falling by *** percent for the builders' hardware product from mid-1983 to mid-1985 and by *** percent for the slitting stock product from January-March 1984 to October-December 1985. Importers' prices for the 0.016 inch to 0.020 inch gauge communications and electronics product fell by *** percent during 1984 and rose by *** percent during 1985.

Importers of German brass sheets and strips reported complete quarterly price series for spot sales of the builders' hardware and slitting stock products during January 1983-December 1985. These price data show weighted-average importers' prices fluctuating within an ***-cents range but declining by *** percent for the builders' hardware product, with a continuous decline during 1985 of *** percent. Prices of the slitting stock product imported from Germany fell by *** percent during the period under investigation.

Table 18.--Brass sheets and strips: Importers' weighted-average delivered prices on their largest single quarterly spot sales of builders' hardware, 1/ by countries and by quarters, January 1983 to December 1985

Period	Brazil	France	Germany	Italy	Republic of Korea
1983:					
January-March-----	<u>2/</u>	<u>2/</u>	\$***	<u>2/</u>	<u>2/</u>
April-June-----	\$***	<u>2/</u>	***	<u>2/</u>	<u>2/</u>
July-September-----	***	\$***	***	<u>2/</u>	<u>2/</u>
October-December-----	***	<u>2/</u>	***	<u>2/</u>	<u>2/</u>
1984:					
January-March-----	***	***	***	\$***	\$***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	<u>2/</u>	<u>2/</u>
October-December-----	***	***	***	<u>2/</u>	<u>2/</u>
1985:					
January-March-----	***	***	***	<u>2/</u>	***
April-June-----	***	***	***	***	***
July-September-----	<u>2/</u>	<u>2/</u>	***	<u>2/</u>	<u>2/</u>
October-December-----	<u>2/</u>	<u>2/</u>	***	<u>2/</u>	***

1/ Builders' hardware, CDA end-use classification 110, CDA alloy 260, 0.016 inch to 0.032 inch thick by 2 inches to 12 inches in width.

2/ No data reported.

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

Price data for brass sheets and strips imported from * * * are primarily available for 1985 and generally show prices of these imports falling during 1985 by *** to *** percent for the builders' hardware specification and the communications and electronics products.

From the last quarter of 1984 to the third quarter of 1985, prices of the slitting stock product imported from * * * fluctuated within a ***-cents range, falling by around *** percent during April-June 1985 and recovering substantially during July-September 1985.

Price trends on contract sales.--Usable price data on fixed-period, nontoll contracts negotiated were provided by *** U.S. producers and *** importers of * * * brass sheets and strips. Weighted-average price series were calculated for both negotiated fabrication prices and total selling prices, i.e., fabrication price plus the metal values corresponding to the contracts negotiated. Contract-price data for the builders' hardware and slitting stock specification are shown in tables 20 and 21. An analysis of these two types of price data for contract sales is instructive because it shows how changing metal values affect the total price of brass sheets and strips.

Table 19.--Brass sheets and strips: Importers' weighted-average delivered prices on their largest single quarterly spot sales of slitting stock, 1/ by countries and by quarters, January 1983 to December 1985

Period	Brazil	France	Germany	Italy	Republic of Korea	Sweden
1983:						
January-March-----:	\$***	<u>2/</u>	\$***	<u>2/</u>	<u>2/</u>	<u>2/</u>
April-June-----:	***	<u>2/</u>	***	<u>2/</u>	<u>2/</u>	<u>2/</u>
July-September---:	***	<u>2/</u>	***	<u>2/</u>	<u>2/</u>	<u>2/</u>
October-December--:	***	<u>2/</u>	***	<u>2/</u>	<u>2/</u>	<u>2/</u>
1984:						
January-March-----:	***	\$***	***	\$***	\$***	<u>2/</u>
April-June-----:	***	<u>2/</u>	***	<u>2/</u>	***	\$***
July-September---:	***	***	***	<u>2/</u>	***	<u>2/</u>
October-December--:	***	***	***	<u>2/</u>	<u>2/</u>	***
1985:						
January-March-----:	***	***	***	<u>2/</u>	***	***
April-June-----:	***	***	***	***	***	***
July-September---:	***	***	***	<u>2/</u>	***	***
October-December--:	***	***	***	<u>2/</u>	<u>3/</u> ***	<u>2/</u>

1/ Slitting stock, CDA end-use classification 920, CDA alloy 260, 0.020 inch to 0.025 inch thick by maximum yield width (MYW).

2/ No data reported.

3/ An importer of Korean slitting stock reported selling *** pounds with a special mirror polish for \$*** per pound.

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

While domestic producers' weighted-average total selling prices for three product categories for which price data were collected declined during the period under investigation, the fabrication prices of these products either remained steady or increased. Producers weighted-average total selling prices for contract sales of the builders' hardware product declined by *** percent from January-March 1983 to January-March 1985, and * * * total selling price of the slitting stock specification declined by *** percent from January-March 1983 to October-December 1985. 1/ * * * total selling prices on contract sales of the 0.010 inch to 0.013 inch communications and electronics specification (not shown) fell by *** percent from January-March 1983 to October-December 1985.

1/ Producers' spot sales price data for the corresponding products and periods showed similar price declines of *** percent and *** percent for the builders' hardware and slitting stock product categories, respectively.

Table 20.--Brass sheets and strips.--Weighted-average total negotiated price (fabrication plus metal value) on sales contracts reported by U.S. producers and importers of the subject products from West Germany and average margins of underselling (overselling) by the subject imports, by product and by quarters, January 1983-December 1985

Product and period	U.S. producers' price	Importers' price	Margin	
			Amount	Percent
-----Per pound-----				
<u>Builders' hardware 1/</u>				
1983:				
January-March-----	***	***	***	***
April-June-----	***	***	***	***
July-September-----	***	***	***	***
October-December-----	2/	***	3/	3/
1984:				
January-March-----	***	***	(***)	(***)
April-June-----	2/	***	3/	3/
July-September-----	***	***	***	***
October-December-----	***	***	***	***
1985:				
January-March-----	***	***	***	***
April-June-----	2/	***	3/	3/
July-September-----	2/	***	3/	3/
October-December-----	2/	2/	3/	3/
<u>Slitting stock 4/</u>				
1983:				
January-March-----	***	***	(***)	(***)
April-June-----	***	2/	3/	3/
July-September-----	***	***	(***)	(***)
October-December-----	***	***	(***)	(***)
1984:				
January-March-----	***	***	(***)	(***)
April-June-----	***	2/	3/	3/
July-September-----	***	***	(***)	(***)
October-December-----	***	***	(***)	(***)
1985:				
January-March-----	***	2/	3/	3/
April-June-----	***	2/	3/	3/
July-September-----	***	2/	3/	3/
October-December-----	***	2/	3/	3/

1/ Builders' hardware, CDA end-use classification 110, CDA alloy 260, 0.016 inch to 0.032 inch thick by 2 inches to 12 inches in width.

2/ No data reported.

3/ Cannot be calculated.

4/ Slitting stock, CDA end-use classification 920, CDA alloy 260, 0.020 inch to 0.025 inch thick by maximum yield width (MYW).

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

Note: Margins were calculated from unrounded weighted-average prices. Thus, the margins shown in these tables cannot always be duplicated from the rounded weighted-average prices shown above.

Table 21.--Brass sheets and strips.--Weighted-average fabrication prices negotiated for sales contracts of U.S. producers and importers of the subject products from West Germany and average margins of underselling (over-selling) by the subject imports, by product and by quarters, January 1983-December 1985

Product and period	U.S. producers' price	Importers' price	Margin	
			Amount	Percent
-----Per pound-----				
<u>Builders' hardware 1/</u>				
1983:				
January-March-----	***	***	***	***
April-June-----	***	***	***	***
July-September-----	***	***	***	***
October-December-----	2/	***	3/	3/
1984:				
January-March-----	***	***	(***)	(***)
April-June-----	2/	***	3/	3/
July-September-----	***	***	***	***
October-December-----	***	***	(***)	(***)
1985:				
January-March-----	***	***	***	***
April-June-----	2/	***	3/	3/
July-September-----	2/	***	3/	3/
October-December-----	2/	***	3/	3/
<u>Slitting stock 4/</u>				
1983:				
January-March-----	***	***	(***)	(***)
April-June-----	***	2/	3/	3/
July-September-----	***	***	(***)	(***)
October-December-----	***	***	(***)	(***)
1984:				
January-March-----	***	***	(***)	(***)
April-June-----	***	***	(***)	(***)
July-September-----	***	***	(***)	(***)
October-December-----	***	***	(***)	(***)
1985:				
January-March-----	***	***	(***)	(***)
April-June-----	***	2/	3/	3/
July-September-----	***	***	***	***
October-December-----	***	***	(***)	(***)

1/ Builders' hardware, CDA end-use classification 110, CDA alloy 260, 0.016 inch to 0.032 inch thick by 2 inches to 12 inches in width.

2/ No data reported.

3/ Cannot be calculated.

4/ Slitting stock, CDA end-use classification 920, CDA alloy 260, 0.020 inch to 0.025 inch thick by maximum yield width (MYW).

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

Note: Margins were calculated from unrounded weighted-average prices. Thus, the margins shown in these tables cannot always be duplicated from the rounded weighted-average prices shown above.

In contrast, producers' weighted-average negotiated fabrication prices for the builders' hardware specification increased erratically from \$*** per pound during January-March 1983 to \$*** per pound during January-March 1985, or by *** percent. * * * fabrication prices for its contracts negotiated on sales of slitting stock were at \$*** per pound during 9 quarters from January-March 1983 to October-December 1985. During the fourth quarter of 1984, and during the first and third quarters of 1985, * * * fabrication prices were slightly higher at \$*** per pound. * * * negotiated fabrication price reported for the 0.010 inch to 0.013 inch gauge communications and electronics product (not shown) increased from \$*** per pound during January-March 1983 to \$*** per pound during October-December 1985, or by *** percent. The negotiated fabrication price for this product increased by *** percent in the third quarter of 1984 and by *** percent in the fourth quarter of 1985.

Importers of * * * brass sheets and strips provided price data on their contract sales negotiated for the builders' hardware and slitting stock specifications. These data show the total selling prices and the fabrication prices of the * * * material declining during the period under investigation. From January-March 1983 to July-September 1985, importers' total selling price for builders' hardware contracts negotiated fluctuated downward by *** percent, and the fabrication price component declined by *** percent. From January-March 1983 to October-December 1984, importers' total selling price for German slitting stock declined by *** percent and the fabrication price component declined by *** percent.

Price comparisons

Spot price comparisons.--The reported selling-price data for producers' and importers' largest quarterly spot sales during January-March 1983 to October-December 1985 resulted in 83 direct quarterly price comparisons between weighted-average delivered prices of domestic and imported brass sheets and strips from Brazil, France, Germany, Italy, Korea, and Sweden. Margins of underselling by the subject imports were uniformly the highest for the 0.010 inch to 0.013 inch communications and electronics product, smaller for the builders' hardware product, and the smallest for the slitting stock product category. Margins of underselling (overselling) by country and product are reported in tables 22 and 23 and are discussed in detail below.

Brazil.--Underselling by importers of brass sheets and strips was generally * * * for imports from Brazil. Each of the *** price comparisons between domestic and imported Brazilian brass sheets and strips showed underselling by the imported products. There were *** price comparisons for the builders' hardware product category. Margins of underselling on importers' spot sales of builders' hardware from Brazil ranged from \$*** to \$*** per pound, or from *** to *** percent of U.S. producers' weighted-average prices. For the slitting stock specification, importers undersold domestic producers in all 12 quarters during the period under investigation by from less than \$*** to \$*** per pound, or by *** to *** percent of domestic producers' prices. One price comparison involved the 0.010 inch to 0.013 inch gauge communications and electronics product sold during April-June 1983. In this instance, the price of the Brazilian material was \$*** per pound lower priced, or *** percent below the price of U.S.-produced material.

Table 22.--Brass sheets and strips: The average margins (per pound) by which imports of builders' hardware undersold the U.S.-produced product sold on a spot-sale basis, by countries of origin and by quarters, January 1983-December 1985 ^{1/}

Period	Brazil		France		Germany		Italy		Republic of Korea	
	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent
1983:										
Jan. March-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	\$***	***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
April-June-----	\$***	***	<u>2/</u>	<u>2/</u>	***	***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
July-Sept.-----	***	***	\$***	***	***	***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Oct.-Dec.-----	***	***	<u>2/</u>	<u>2/</u>	***	***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
1984:										
Jan.-March-----	***	***	***	***	***	***	\$***	***	\$***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-Sept.-----	***	***	***	***	***	***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Oct.-Dec.-----	***	***	***	***	***	***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
1985:										
Jan.-March-----	***	***	***	***	***	***	<u>2/</u>	<u>2/</u>	***	***
April-June-----	***	***	***	***	***	***	***	***	***	***
July-Sept.-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	***	***	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Oct.-Dec.-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	***	***	<u>2/</u>	<u>2/</u>	***	***

^{1/} Builders' hardware, CDA end-use classification 110, CDA alloy 260, 0.016 inch to 0.032 inch thick by 2 inches to 12 inches in width.

2/ Cannot be calculated.

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

Table 23.--Brass sheets and strips: The average margins (per pound) by which imports of slitting stock undersold or (oversold) the U.S.-produced product sold on a spot sale basis, by countries of origin and by quarters, January 1983-December 1985 ^{1/}

Period	Brazil		France		Germany		Italy		Republic of Korea		Sweden ^{5/}	
	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent	Margin	Percent
1983:												
Jan.-March-----	\$***	***	3/	3/	\$***	***	3/	3/	3/	3/	3/	3/
April-June-----	***	***	3/	3/	***	***	3/	3/	3/	3/	3/	3/
July-Sept.-----	***	***	3/	3/	***	***	3/	3/	3/	3/	3/	3/
Oct.-Dec.-----	***	***	3/	3/	***	***	3/	3/	3/	3/	3/	3/
1984:												
Jan.-March-----	***	***	\$***	***	***	***	\$***	***	\$***	***	3/	3/
April-June-----	***	***	3/	3/	***	***	3/	3/	***	***	\$***	***
July-Sept.-----	2/	***	***	***	(***)	(***)	3/	3/	***	***	3/	3/
Oct.-Dec.-----	***	***	***	***	***	***	3/	3/	3/	3/	***	***
1985:												
Jan.-March-----	***	***	***	***	***	***	3/	3/	***	***	***	***
April-June-----	***	***	***	***	***	***	(***)	(***)	***	***	***	***
July-Sept.-----	***	***	***	***	***	***	3/	3/	(***)	(***)	***	***
Oct.-Dec.-----	***	***	***	***	***	***	3/	3/	4/	4/	3/	3/

^{1/} Slitting stock, CDA end-use classification 920, CDA alloy 260, 0.020 inch to 0.025 inch thick by maximum yield width (MYW).

^{2/} This price comparison showed absolute underselling of less than \$0.005 per pound.

^{3/} Cannot be calculated.

^{4/} An importer of Korean slitting stock reported selling *** pounds of slitting stock with a special mirror polish for \$*** per pound (delivered) during October-December 1985. This price was \$*** per pound, or almost *** percent, higher than the weighted-average domestic price during this period.

^{5/} Margins of underselling for Swedish slitting stock were calculated using rounded, weighted-average U.S. producers' prices.

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

Canada.-- No questionnaire responses were received from Canadian importers in time for inclusion with the data in this report; therefore, no price comparisons were made.

France.--* * *, were reported by importers of brass sheets and strips from France and Germany. Of the *** price comparisons between U.S.-produced and French brass sheets and strips, all showed underselling by the imported product. From July-September 1983 to April-June 1985, importers' selling prices of the French builders' hardware product were lower priced than domestic producers' prices in *** instances. Underselling for this product category ranged from \$*** to \$*** per pound, or was *** to *** percent below domestic producers' prices. For the slitting-stock product category, *** instances of underselling by importers of French material occurred from January-March 1984 to October-December 1985. In these instances, importers' prices were \$*** to *** per pound, or *** to *** percent below domestic producers' prices. During January-March 1985, the price for the imported French 0.010 inch to 0.013 inch communications and electronics product was lower priced than U.S.-produced material by \$*** per pound, or by *** percent of domestic producers' prices.

Italy.--Relative to U.S.-producers' prices for the brass sheets and strips products investigated, prices of Italian imports were * * *. Of *** price comparisons involving Italian imports, *** showed underselling and *** showed overselling by importers. *** price comparisons on spot sales of the builders' hardware product in the first half of 1984 showed margins of underselling of \$*** per pound, or *** percent, and \$*** per pound, or *** percent. In April-June 1985, Italian builders' hardware was lower priced than domestic material by \$*** per pound or *** percent below domestic prices. Limited price data are available on Italian imports of the slitting stock product. It should be noted, however, that the largest importer of Italian brass sheets and strips did not respond to the Commission's questionnaire. During January-March 1984, importers undersold U.S. producers by \$*** per pound, or by *** percent. During April-June 1985, however, importers oversold domestic producers by \$*** per pound, or by *** percent.

The Republic of Korea (Korea).--Imported Korean brass sheets and strips was generally priced at levels similar to those of imported * * * material. *** of *** price comparisons showed underselling by importers of the Korean brass sheets and strips. *** instances of underselling occurred for the builders' hardware product category. Margins of underselling ranged from \$*** to \$*** per pound and importers' prices were therefore between *** to *** percent below domestic producers' prices. In *** of *** slitting stock price comparisons, imported Korean material was lower priced by absolute margins of \$*** to \$*** per pound, or by percentage margins of *** to *** below domestic producers' prices. During July-September 1985, importers' prices of Korean slitting stock were sold for \$*** per pound above domestic producers' prices. One January-March 1983 price comparison for the 0.01 inch to 0.013 inch communications and electronics product showed underselling by Korean imports of \$*** per pound or *** percent below prices of U.S.-produced material.

Sweden.--In all *** price comparisons for imports of brass sheets and strips from Sweden, involving the slitting stock product category, importers undersold domestic producers. Margins of underselling on sales of the Swedish slitting stock ranged from \$*** to \$*** per pound and averaged *** percent of domestic producers' prices.

West Germany.--*** of the *** price comparisons involving imports of West German brass sheets and strips sold on a spot basis showed underselling by the imported products. From January-March 1983 to October-December 1985, importers' prices of West German builders' hardware were lower than U.S. producers' prices in each of the 12 quarters, with margins ranging from \$*** to \$*** per pound or *** to *** percent of domestic producers prices. Price comparisons on spot sales of the slitting stock product showed *** instances of underselling and *** of overselling by importers of West German slitting stock. Underselling on these instances ranged from \$*** to \$*** per pound, or *** to *** percent below prices of U.S.-produced slitting stock. During January-March 1985, the 0.010 inch to 0.013 inch communications and electronics product imported from West Germany was sold for \$*** per pound less than domestic material or by *** percent below domestic prices.

Price comparisons on fixed-period contract sales.--Price data reported by U.S. producers and importers of brass sheets and strips from Germany on the largest quarterly contracts negotiated by them resulted in *** price comparisons of fabrication prices and *** price comparisons of total negotiated prices, the negotiated price of the fabrication plus that of the metal being used. Because the reporting producers and importers absorbed the freight costs for these contract sales, the fabrication prices are effectively delivered prices. These contract price comparisons generally show less underselling by importers of German brass sheets and strips than was observed for price comparisons on spot sales, and most price comparisons for the slitting stock specification showed importers' prices higher than producers' prices.

With respect to fabrication prices negotiated, importers of the builders' hardware and slitting stock products undersold domestic producers in *** of *** quarterly price comparisons. Underselling occurred in *** of *** quarters for the builders' hardware specification, with margins of underselling ranging from *** to *** percent of domestic producers' prices. In *** of *** price comparisons for slitting stock sales contracts negotiated, importers' fabrication prices were higher than U.S. producers' prices by *** to *** percent. The one instance of underselling by importers for the slitting stock product category occurred during July-September 1985. In this quarter, importers' fabrication prices were lower than those of domestic producers by \$*** per pound or *** percent.

Adding the metal values corresponding to the periods in which the contracts were negotiated to the fabrication prices reported by producers and importers generally reduced the margins between the prices of domestic and German brass sheets and strips. Price comparisons of the total prices for contracts negotiated showed underselling by importers of * * * material in *** out of *** instances, all involving sales contracts for the builders' hardware product category. Importers' total prices of builders' hardware were lower

than those of domestic producers in *** of *** quarters, by margins ranging from *** to *** percent. In each of *** total price comparisons for sales contracts of slitting stock, importers' prices were higher than those of U.S. producers, with margins ranging from *** to *** percent of producers' prices.

Transportation costs

Domestic producers of brass sheets and strips are located primarily in the Northeastern and Midwestern United States. All domestic producers and most importers reported that they market brass sheets and strips nationally, and several reported sales outside the continental United States. * * *, an importer of the subject products from * * *, reported that its geographic market area was primarily limited to the Northeast and Midwest. U.S. inland transportation costs were absorbed by producers and importers on the majority of their sales, and transportation costs represented a small percentage of the final delivered price. Thus, while transportation costs might affect suppliers' "netback," they would probably not be an important factor affecting purchasers' sourcing decisions. Producers and importers were asked to report their average U.S. inland transportation costs in 1985 as a percentage of the final delivered selling price. U.S. producers generally reported that these costs ranged from *** to *** percent of the final delivered price. Importers estimated average U.S. inland transportation costs were a smaller proportion of the final delivered price and generally ranged from *** percent to *** percent. Average transportation costs of producers and importers, calculated from the actual costs reported for spot-sales price data, generally support these estimates. The average actual U.S. inland transportation costs per pound, as a percentage of the final delivered selling price, are shown in the tabulation below by country of origin:

Brazil-----	***
France-----	***
Germany-----	***
Italy-----	***
Korea-----	***
United States---	***

Exchange rates

Table 24 presents nominal and real exchange rate indexes between the U.S. dollar and the Brazilian cruzeiro, Canadian dollar, French franc, Italian lira, Korean won, Swedish krona, and West German deutsche mark, by quarters, from January-March 1983 (the base period) to October-December 1985. Relative to the dollar, the currencies of the seven countries covered in this investigation all depreciated, in nominal terms, during this period. Nominal depreciation ranged from 5 to 20 percent for all subject currencies except the Brazilian cruzeiro. In nominal terms, the cruzeiro depreciated by 96 percent against the dollar since the base period. As a result of varying rates of inflation in the countries covered in this investigation and in the United States, the nominal exchange rate indexes do not explain changes in the real values of the subject currencies.

Table 24.--Nominal and real exchange rate indexes between the U.S. dollar and the Brazilian cruzeiro, Canadian dollar, French franc, Italian lira, Korean won, Swedish krona, and the West German deutsche mark, by quarters, January 1983-December 1985 ^{1/} _{2/}

(January-March 1983=100)

Period	Brazilian cruzeiro		Canadian dollar		French franc		Italian lira		Korean won		Swedish krona		German deutsche mark	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
1983:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Jan.-Mar.:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June:	68.6	90.4	99.7	100.9	92.2	95.6	94.7	96.0	97.9	96.9	98.3	98.8	96.9	97.0
July-Sep.:	51.1	95.6	99.6	100.6	86.5	92.2	88.9	91.3	96.0	93.7	94.9	97.2	91.1	91.0
Oct.-Dec.:	37.6	98.7	99.1	100.1	84.3	92.6	86.1	90.9	94.8	92.1	93.6	96.7	89.9	89.9
1984:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Jan.-Mar.:	28.6	97.9	97.8	99.3	82.9	93.2	84.2	90.7	94.7	91.4	92.9	97.6	89.1	89.0
Apr.-June:	21.6	97.3	95.0	96.9	82.7	95.0	83.5	91.4	94.4	90.8	92.6	97.9	88.9	88.8
July-Sep.:	16.3	98.3	93.4	96.2	76.9	90.5	77.8	86.4	93.0	90.4	88.1	94.7	82.5	83.0
Oct.-Dec.:	12.0	101.1	93.1	96.3	73.6	88.2	74.0	84.0	91.9	89.7	85.1	93.6	78.9	80.1
1985:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Jan.-Mar.:	8.7	101.3	90.7	95.1	69.2	84.4	69.2	80.9	89.8	87.8	80.0	90.3	73.9	76.0
Apr.-June:	6.2	93.1	89.6	94.4	73.2	90.0	71.0	84.7	86.9	84.9	82.9	93.5	78.0	80.4
July-Sep.:	4.8	94.8	90.2	95.9	79.3	96.9	73.8	88.6	85.3	84.2	88.3	100.3	84.5	87.8
Oct.-Dec.:	3.6	100.7	89.0	94.6	87.3	103.7	80.0	100.0	84.5	83.3	94.8	107.1	93.2	96.0

^{1/} Exchange rates are expressed in U.S. dollars per unit of foreign currency.

^{2/} The real exchange rate indexes are derived from nominal exchange rates adjusted by the producer price indexes of each country. These indexes are presented in line 63 of the International Financial Statistics.

Source: International Monetary Fund, International Financial Statistics.

The real value of the Brazilian cruzeiro and the Canadian dollar, relative to the U.S. dollar, did not change markedly during the period under investigation. Adjusted for the high rate of inflation in Brazil, the real value of the cruzeiro at its lowest point was 10 percent lower, in real terms, than during January-March 1983. During October-December 1985, the real value of the cruzeiro was the same as in the base period. The real value of the Canadian dollar had fallen by 5 percent since the base period as of October-December 1985.

The real values of the European Community currencies--the French franc, the deutsche mark, and the lira--followed similar, rapidly-shifting trends during January 1983-December 1985. Relative to the U.S. dollar, the real values of these currencies all declined considerably during the second and third quarters of 1983 and again from the second quarter of 1984 through the first quarter of 1985. As of January-March 1985, the real value of these currencies had declined by 16 percent for the franc, 24 percent for the deutsche mark, and 19 percent for the lira. The real value of these currencies then reversed their downward trend and increased sharply against the dollar during the remainder of 1985. As of October-December 1985, the real value of the franc had risen to 4 percent above its base period value. The real value of the deutsche mark was 4 percent below its base period value during October-December 1985. In the last quarter of 1985, the real value of the lira was approximately at the same level as during January-March 1983.

The Swedish krona followed the same trend as the European countries' currencies. At its lowest level during January-March 1985, the real value of the Swedish krona was 10 percent below its base period value. As of October-December 1985, however, the real value of the krona had risen to 7 percent above its base period value.

The real value of the Korean won fell steadily against the dollar every quarter during January 1983-December 1985. As of the fourth quarter of 1985, the Korean won was 17 percent lower, in real terms, than in the base period.

Lost sales and lost revenues

Six domestic producers provided lost sales and lost revenue allegations for these investigations. Twenty-nine purchasers were cited in 45 allegations of sales revenues lost to avoid losing sales to imports from the subject countries. Forty-four purchasers were cited in 75 allegations of sales lost because of price competition from the subject imports. Most of the lost revenues and lost sales allegations were for 1985, but there were allegations for the entire period of 1983 through early 1986. Alleged sales lost from 1983 through early 1986 totaled approximately 9.3 million pounds. While the vast majority of these allegations involved import competition in CDA Alloy 260 products (cartridge brass), other alloys, such as yellow brass, gilding brass, commercial bronze, and red brass were cited in a few instances. The number and type of allegations cited for each country subject to these investigations is shown in the following tabulation:

<u>Country of origin</u>	<u>Alleged lost sales</u>	<u>Alleged lost revenues</u>
Brazil	***	***
Canada	***	***
France	***	***
Germany	***	***
Italy	***	***
Korea	***	***
Sweden	***	***

Information obtained from purchasers contacted is summarized below.

Purchaser 1.--* * * was cited by both * * * in a total of *** allegations. * * * cited * * * in *** lost revenue allegations on price reductions made in * * * to avoid losing sales of * * * alloy material to importers of Brazilian, German, and Swedish material. Total revenues allegedly lost by * * * were \$*** on sales of * * *. * * * cited the purchaser in *** lost sales allegations involving *** pounds of German and Brazilian material reportedly purchased in * * *. * * *. * * *. The purchaser's domestic suppliers include * * *. The company used to purchase from * * * but has not done so recently because they "don't knock on our door." * * * has purchased imported brass sheets and strips from Brazil, Germany, and Sweden.

In * * *, this purchaser pressured * * * to reduce its prices of * * * alloy brass sheets and strips. * * *. * * *. Asked about import prices at the time, the purchaser reported that Brazilian imports were selling for \$*** per pound, and * * * initial price was \$*** per pound. In * * *, the purchaser bought German material for \$*** per pound.

The purchaser volunteered price quotes he received in * * *, the period of * * * allegation. * * * price for a certain specification was \$*** per pound and * * * offered to sell German material meeting these specifications for \$*** per pound. During the same month, * * * quoted a price for U.S.-produced * * * brass strip of \$*** per pound, and * * * quoted price for Swedish material meeting these specifications was \$*** per pound.

The major factors in this purchaser's sourcing decisions were cited as price, availability, vendor loyalty, and service. The manufacturer purchases imported brass sheets and strips principally to lower its average raw material costs. The spokesman commented that "foreigners sell only on price," adding that current lead times for spot purchases were about 6 weeks for U.S.-produced brass sheets and strips and 8 to 12 weeks, at the minimum, for foreign brass.

Purchaser 2.--* * * cited * * *, a manufacturer of * * *, in a lost sales allegation involving *** pounds of * * * gauge by * * * in width strip allegedly purchased from importers of Italian material in * * *. The purchaser reported that it purchases domestically from * * *. It has also purchased brass sheets and strips from Italy, Japan, Korea, Britain, and Germany. The Italian and Korean material currently being purchased is reportedly lower priced than domestic material. In * * *, the manufacturer had initially agreed to purchase *** pounds of * * * brass material but canceled the order because of depressed demand in the * * * market.

The current prices for brass sheets and strips purchases are approximately \$*** per pound for Italian material and \$*** per pound for comparable domestic products. A price difference of this magnitude is reportedly small enough to purchase domestically because a buyer can sell the U.S.-produced brass scrap back to its domestic suppliers for approximately \$*** per pound. Domestic producers will not repurchase brass scrap if they know it was from imported brass sheets and strips products. The major factor in this purchaser's sourcing decisions is currently price. Before the purchaser's industry (hardware) faced import competition, vendor reliability and quality were the most important determinants.

Purchaser 3.--* * *, was cited by * * * in an allegation of revenues lost to avoid losing * * * sale to this purchaser because of price competition from Canadian imports. * * * is a manufacturer of * * *. The company purchases domestic brass sheets and strips from * * * and also purchases material imported from Brazil and Germany. The purchaser reported that imports from Brazil and Germany are approximately *** to *** percent lower priced than U.S.-produced brass sheets and strips. Denying that any of its domestic suppliers had reduced prices to * * * in * * * because of price competition from any imports, the spokesman explained that price competition from domestic firms was the reason * * * reduced its prices at that time. Reportedly, * * * initiated a price cut in * * *, and * * * followed with price reductions of their own.

* * * spokesman added that imports have to be lower priced by ***¢ per pound before he will buy them over domestic material because of the longer lead times involved. Lead times for U.S.-produced brass sheets and strips can be as short as 2 weeks. For purchases of Brazilian or German imports, it takes at least 3 to 4 months for delivery, and sometimes supplies of these products arrive a month late. Purchasing solely imported products would only be possible if * * * increased its raw material inventories substantially, according to the spokesman. The purchaser reported that the quality of Brazilian and German brass sheets and strips is equal to that produced domestically.

Purchaser 4.--* * * named * * *, in a lost sales allegation involving a * * * purchase of Italian brass sheets and strips. * * * is a manufacturer of * * * that purchases brass sheets and strips from * * * and a few other U.S. producers. The purchaser had a difficult time recalling the * * * brass sheets and strips pricing situation but reported his belief that Italian material he was purchasing in * * * was ***¢ lower priced than Brazilian material and ***¢ to ***¢ lower priced than U.S.-produced material. The quality of the imported brass sheets and strips from Brazil and Italy was equivalent to that of U.S. producers. Currently, the price differentials between U.S.-produced and imported brass sheets and strips from Brazil and Italy are reportedly much smaller than in * * *. This purchaser added that he considered domestic and imported material price-competitive at that time.

Purchaser 5.--* * * alleged that * * *, a manufacturer of * * *, rejected its * * * price quote for *** pounds of * * * gauge materials in favor of lower priced French and German brass sheets and strips.

A spokesman for the company's legal department refused to answer specific allegations over the telephone. However, general information offered suggests that such a price quote from * * *, if offered, would have been rejected for reasons other than price. This purchaser currently buys U.S.-produced brass sheets and strips from * * *. * * *. At that time, however, this manufacturer experienced quality problems with * * * products and discontinued purchasing them. The tolerances of * * * brass sheets and strips reportedly were inconsistent and performed poorly in the purchaser's manufacturing operations. The purchaser is satisfied with the quality of U.S.-produced material from * * *. Most of * * * experience with brass sheets and strips produced in foreign mills involves material purchased by * * *. To the best of the spokesman's knowledge, his company purchases domestic material almost exclusively for use in the United States, with the exception of special material purchased from * * * that is not available from U.S. producers. This product is a * * *.

Purchaser 6.--* * * also named * * *, a distributor of brass sheets and strips in a lost sales allegation involving *** pounds of * * * width brass strip allegedly purchased from * * *, an importer of Brazilian material during * * *. * * * is a large scale distributor with * * *. * * * are among this purchaser's suppliers of domestic brass sheet and strip. It also purchases brass sheets and strips produced in Brazil, Canada, Sweden, and Germany. Asked about the specific allegation, the spokesman for the firm denied purchasing *** pounds from any supplier in one order, saying "that would be an awful lot." From foreign mills, the distributor typically purchases container loads (40,000 pounds) containing several different specifications of brass sheets and strips.

All of the distributor's purchases are on a spot basis, following their own price quote inquiries. The major factors in this purchaser's sourcing decisions were cited in order of importance as quality, financial strength of the vendor, product availability, the range of a supplier's product line, and price. The primary quality characteristics are cosmetic appearance, chemical composition, gauge control, and a coil size that a customer's equipment can handle. The accepted price quote does not necessarily have to be the lowest as long as it is within a certain range. Price becomes a primary determinant when specifications required are not critical. The purchaser stated that German material is generally the highest priced among imports the distributor purchases.

The distributor acknowledged that, for 260 alloy brass, lower priced imports are a problem for U.S. producers because some importers do not charge for extra rolling or other special arrangements. Imports gained in their market share a couple of years ago when U.S. mills could not meet heavy demand in the automotive and electronics industries. The spokesmen commented that they could not understand why Canadian products were under investigation because they have played a positive role in the U.S. brass market for years, especially in periods of high demand. Canadian suppliers reportedly have sales practices similar to those of domestic producers and even use the U.S. producers' list prices for metal value, unlike importers of brass sheets and strips from other countries. Historically, the spread between U.S. producers' prices for metal value and the LME prices used by importers has ranged from ***¢ to ***¢ per pound.

APPENDIX A

FEDERAL REGISTER NOTICES

(Investigations Nos. 701-TA-269 and 270 (Preliminary) and 731-TA-311-317 (Preliminary))

Import Investigation; Certain Brass Sheets and Strips From Brazil, Canada, France, Italy, South Korea, Sweden, and West Germany

AGENCY: U.S. International Trade Commission.

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-269 and 270 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Brazil (investigation No. 701-TA-269 (Preliminary)) and France (investigation No. 701-TA-270 (Preliminary)) of certain brass sheets and strips (UNS C20000-series), the foregoing not cut, pressed, or stamped to nonrectangular shape, provided for in item 612.39 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Governments of Brazil and France.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-311-317 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Brazil (investigation No. 731-TA-311 (Preliminary)); Canada (investigation No. 731-TA-312 (Preliminary)); France (investigation No. 731-TA-313 (Preliminary)); Italy (investigation No. 731-TA-314 (Preliminary)); South Korea (investigation No. 731-TA-315 (Preliminary)); Sweden (investigation No. 731-TA-316 (Preliminary)); and West Germany (investigation No. 731-TA-317 (Preliminary)) of certain brass sheets and strips (UNS C20000-series), the foregoing not cut, pressed, or stamped to nonrectangular shape, provided for in item 612.39 of the Tariff Schedules of the United States, which

are alleged to be sold in the United States at less than fair value.

As provided in sections 703(a) and 733(a), the Commission must complete preliminary countervailing duty and antidumping investigations in 45 days, or in these cases by April 24, 1986.

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

EFFECTIVE DATE: March 10, 1986.

FOR FURTHER INFORMATION CONTACT: Tedford Briggs (202-523-4612), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20438. Hearing-impaired individuals are advised that information on these matters can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed on March 10, 1986, by counsel on behalf of American Brass, Buffalo, NY; Bridgeport Brass Corp., Indianapolis, IN; Chase Brass & Copper Co., Solon, OH; Hussey Metals Div. (Copper Range Co.), Leetsdale, PA; The Miller Co., Meriden, CT; Olin Corp. (Brass Group), East Alton, IL; and Revere Copper Products, Inc., Rome, NY.

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

Service list.—Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The

Secretary will not accept a document for filing without a certificate of service.

Conference.—The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on April 4, 1986, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Tedford Briggs (202-523-4612) not later than March 31, 1986, to arrange for their appearance. Parties in support of the imposition of countervailing and antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written submissions.—Any person may submit to the Commission on or before April 8, 1986, a written statement of information pertinent to the subject of the investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

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

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

By order of the Commission.

Issued: March 13, 1986.

Kenneth R. Mason,

Secretary.

[FR Doc. 86-6007 Filed 3-18-86; 8:45 am]

BILLING CODE 7020-02-M

[A-351-603]

**Brass Sheet and Strip From Brazil;
Initiation of Antidumping Duty
Investigation****AGENCY:** International Trade
Administration, Import Administration,
Department of Commerce.**ACTION:** Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether brass sheet and strip from Brazil are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make ours on or before August 18, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:**The Petition**

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass and Copper Company, Hussey Copper Ltd., the Miller Company, Olin Corporation—Brass Group, and Revere Copper Products, Inc., domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, International Union—Allied Industrial Workers of America (AFL-CIO), Mechanics Educational Society of America (Local 56), and United Steelworkers of America (AFL-CIO/CLC). The petition was filed on behalf of the United States industry that casts, rolls, and finishes brass sheet and strip. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the

subject merchandise from Brazil are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

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

We examined the petition on brass sheet and strip from Brazil and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether brass sheet and strip are being, or are likely to be, sold in the United States at less than fair value.

Scope of Investigation.

The products covered by this investigation are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified under the *Tariff Schedules of the United States, Annotated (TSUSA)* item numbers 612.3960, 612.3982, and 612.3980. The chemical compositions of the products under investigation are currently defined in the Copper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

United States Price and Foreign Market Value

The petitioners based United States price on actual sales or offers made by a Brazilian producer to U.S. purchasers and from monthly average unit values of Brazilian brass sheet and strip imports as derived from the Bureau of Census import statistics. Using actual sales prices and price offers from the Brazilian producer, petitioners arrived at ex-factory prices by subtracting estimated charges for ocean freight, insurance, customs duties, and U.S. inland freight.

Petitioners based foreign market value on the Brazilian producer's home market prices.

Petitioners adjusted for differences in packing and credit costs.

Based on the comparison of these estimated values, petitioners alleged

dumping margins ranging from 11.03 percent to 55.93 percent.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from Brazil are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

John L. Evans,

Acting Deputy Assistant Secretary for Import
Administration.

March 31, 1986.

[FR Doc. 86-7611 Filed 4-4-86; 8:45 am]

BILLING CODE 3510-08-M

[A-122-601]

**Brass Sheet and Strip From Canada;
Initiation of Antidumping Duty
Investigation****AGENCY:** International Trade
Administration, Import Administration,
Department of Commerce.**ACTION:** Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether brass sheet and strip from Canada are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make ours on or before August 18, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass and Copper Company, Hussey Copper Ltd., Miller Company, Olin Corporation-Brass Group, and Revere Copper Products, Inc., domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, International Union-Allied Industrial Workers of America (AFL-CIO), and the Mechanics Educational Society of America (Local 56). The petition was filed on behalf of the United States industry that casts, rolls, and finishes brass sheet and strip. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Canada are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

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

We examined the petition on brass sheet and strip from Canada and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether brass sheet and strip are being, or are likely to be, sold in the United States at less than fair value.

Scope of Investigation

The products covered by this investigation are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified

under the *Tariff Schedules of the United States, Annotated (TSUSA)* item numbers 612.3960, 612.3982, and 612.3986. The chemical compositions of the products under investigation are currently defined in the Copper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

United States Price and Foreign Market Value

The petitioners based United States prices on actual sales or offers made by Canadian producers to U.S. purchasers and from monthly average unit values of Canadian brass sheet and strip imports as derived from the Bureau of Census import statistics. Using actual sales prices and price offers from Canadian producers, petitioners arrived at ex-factory prices by subtracting estimated charges for customs duties and U.S. inland freight.

Petitioners based foreign market value on home market prices of the Canadian producers.

Petitioners adjusted for differences in packing and credit costs.

Based on the comparison of these estimated values, petitioners alleged dumping margins ranging from 9.15 percent to 24.94 percent.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from Canada are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise,

it will proceed according to the statutory procedures.

John L. Evans,
Action Deputy Assistant Secretary for Import Administration.

March 31, 1986.

[FR Doc. 86-7612 Filed 4-4-86; 8:45 am]

BILLING CODE 3510-D9-M

[A-428-602]

Brass Sheet and Strip From the Federal Republic of Germany; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether brass sheet and strip from the Federal Republic of Germany (FRG) are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make ours on or before August 18, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass and Copper Company, Hussey Copper Ltd., the Miller Company, Olin Corporation-Brass Group, and Revere Copper Products, Inc., domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, International Union-Allied Industrial Workers of America (AFL-CIO), Mechanics Educational Society of America (Local 56), and United Steelworkers of America (AFL-CIO/CLC). The petition was filed

on behalf of the United States industry that casts, rolls, and finishes brass sheet and strip. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from the FRG are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

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

We examined the petition on brass sheet and strip from the FRG and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether brass sheet and strip are being, or are likely to be, sold in the United States at less than fair value.

Scope of Investigation

The products covered by this investigation are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified under the *Tariff Schedules of the United States, Annotated (TSUSA)* item numbers 612.3960, 612.3982, and 612.3988. The chemical compositions of the products under investigation are currently defined in the Cooper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

United States Price and Foreign Market Value

The petitioners based United States price on actual sales or offers made by FRG companies to U.S. purchasers and from monthly average unit values of FRG brass sheet and strip imports as derived from the Bureau of Census import statistics. Using actual sales prices and price offers from FRG companies, petitioners arrived at ex-factory prices by subtracting estimated charges for ocean freight, insurance, customs duties, and U.S. inland freight. Using an FRG producer's home market prices, petitioners arrived at ex-factory

prices by deducting insurance and discounts.

Petitioners also adjusted for differences in packing and credit costs.

Based on the comparison of these estimated values, petitioners allege average dumping margins ranging from 2.71 percent to 62.43 percent.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from the FRG materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

John L. Evans,

Acting Deputy Assistant Secretary for Import Administration.

March 31, 1986.

[FR Doc. 86-7017 Filed 4-4-86; 8:34 am]

BILLING CODE 3510-DS-M

[A-427-602]

Brass Sheet and Strip From France; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether brass sheet and strip from France are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this

investigation proceeds normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make ours on or before August 18, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass and Copper Company, Hussey Copper Ltd., the Miller Company, Olin Corporation—Brass Group, and Revere Copper Products, Inc., domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, International Union—Allied Industrial Workers of America (AFL-CIO), Mechanics Educational Society of America (Local 56), and United Steelworkers of America (AFL-CIO/CLC). The petition was filed on behalf of the United States industry that casts, rolls, and finishes brass sheet and strip. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from France are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

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

We examined the petition on brass sheet and strip from France and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether brass sheet and strip are being, or are likely to be, sold in the United States at less than fair value.

Scope of Investigation

The products covered by this investigation are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified under the *Tariff Schedules of the United States, Annotated (TSUSA)* item numbers 612.3960, 612.3982, and 612.3986. The chemical compositions of the products under investigation are currently defined in the Copper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

United States Price and Foreign Market Value

The petitioners based United States price on actual sales or offers made by a French producer to U.S. purchasers and from monthly average unit values of French brass sheet and strip imports as derived from the Bureau of Census import statistics. Using actual sales prices and price offers from the French producer, petitioners arrived at ex-factory prices by subtracting estimated charges for ocean freight, insurance, customs duties, and U.S. inland freight.

Using the French producer's home market prices, petitioners arrived at ex-factory prices by deducting discounts.

Petitioners also adjusted for differences in packing and credit costs.

Based on the comparison of these estimated values, petitioners alleged dumping margins ranging from 1.76 percent to 60.85 percent.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from France are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise,

it will proceed according to the statutory procedures.

John L. Evans,
Acting Deputy Assistant Secretary for Import Administration.

March 31, 1986.

[FR Doc. 86-7613 Filed 4-4-86; 8:45 am]

BILLING CODE 3510-08-M

[A-475-601]

Brass Sheet and Strip From Italy; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether brass sheet and strip from Italy are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make ours on or before August 18, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass and Copper Company, Hussey Copper Ltd., the Miller Company, Olin Corporation—Brass Group, and Revere Copper Products, Inc., domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, International Union—Allied Industrial Workers of America (AFL-CIO), Mechanics Educational Society of America (Local 56), and United Steelworkers of America (AFL-CIO/CLC). The petition was filed on behalf of the United States industry that casts, rolls, and finishes brass sheet

and strip. In compliance with the filing requirements § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Italy are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

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

We examined the petition on brass sheet and strip from Italy and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether brass sheet and strip are being, or are likely to be, sold in the United States at less than fair value.

Scope of Investigation

The products covered by this investigation are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified under the *Tariff Schedules of the United States, Annotated (TSUSA)* item numbers 612.3960, 612.3982, and 612.3986. The chemical compositions of the products under investigation are currently defined in the Copper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

United States Price and Foreign Market Value

The petitioners based United States price on actual sales or offers made by an Italian producer to U.S. purchasers and from monthly average unit values of Italian brass sheet and strip imports as derived from the Bureau of Census import statistics. Using actual sales prices and price offers from the Italian producer, petitioners arrived at ex-factory prices by subtracting estimated charges for ocean freight, insurance, customs duties, and U.S. inland freight.

Using the Italian producer's home market prices, petitioners arrived at ex-factory prices by deducting discounts.

Petitioners also adjusted for differences in packing and credit costs.

Based on the comparison of these estimated values, petitioners alleged dumping margins ranging from 2.78 percent to 22.00 percent.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from Italy are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

John L. Evans,

Acting Deputy Assistant Secretary for Import Administration.

March 31, 1986.

[FR Doc. 86-7814 Filed 4-4-86; 8:45 am]

BILLING CODE 3510-05-M

[A580-603]

Brass Sheet and Strip From the Republic of Korea; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether brass sheet and strip from the Republic of Korea are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds

normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make ours on or before August 18, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass and Copper Company, Hussey Copper Ltd., Miller Company, Olin Corporation-Brass Group, and Revere Copper Products, Inc.; domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, International Union, Allied Industrial Workers of America (AFL-CIO), Mechanics Educational Society of America (Local 56), and United States Steelworkers of America (AFL-CIO/CLC). The petition was filed on behalf of the United States industry that casts, rolls, and finishes brass sheet and strip. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from the Republic of Korea are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

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

We examined the petition on brass sheet and strip from the Republic of Korea and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether brass sheet and strip are being, or are likely to be, sold in the United States at less than fair value.

Scope of Investigation

The products covered are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified under the *Tariff Schedules of the United States, Annotated (TSUSA)* item numbers 612.3960, 612.3982, and 612.3988. The chemical compositions of the products under investigation are currently defined in the Copper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

United States Price and Foreign Market Value

The petitioners based United States price on actual sales or offers made by a Korean producer to U.S. purchasers and from monthly average unit values of the Republic of Korea's brass sheet and strip imports as derived from the Bureau of Census import statistics. Using actual sales prices and price offers from the Korean producer, petitioners arrived at ex-factory prices by subtracting estimated charges for foreign inland freight, ocean freight, insurance, customs duties and U.S. inland freight.

Petitioners based foreign market value on home market prices of the Korean producer.

Petitioners adjusted for differences in packing and credit costs.

Based on the comparison of these estimated values, petitioners alleged dumping margins ranging from 2.97 percent to 37.15 percent.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from the Republic of Korea are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate;

otherwise, it will proceed according to the statutory procedures.

John L. Evans,
Acting Deputy Assistant Secretary for Import
Administration.

March 31, 1986.

[FR Doc. 86-7615 Filed 4-4-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-401-601]

Brass Sheet and Strip From Sweden; Initiation of Antidumping Duty Investigation

AGENCY: International Trade
Administration, Import Administration,
Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether brass sheet and strip from Sweden are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make ours on or before August, 18, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1769.

SUPPLEMENTARY INFORMATION:

The Petition

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass and Copper Company, Hussey Copper Ltd., the Miller Company, Olin Corporation—Brass Group, and Revere Copper Products, Inc., domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, International Union—Allied Industrial Workers of America (AFL-CIO), Mechanics Educational Society of America (Local 56), and United Steelworkers of America (AFL-CIO/CLC). The petition was filed on behalf of the United States industry that casts, rolls, and finishes brass sheet

and strip. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from Sweden are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

Initiation of Investigation

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

We examined the petition on brass sheet and strip from Sweden and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether brass sheet and strip are being, or are likely to be, sold in the United States at less than fair value.

Scope of Investigation

The products covered by this investigation are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified under the *Tariff Schedules of the United States, Annotated (TSUSA)* item numbers 612.3960, 612.3982, and 612.3988. The chemical compositions of the products under investigation are currently defined in the Copper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

United States Price and Foreign Market Value

The petitioners based United States price on actual sales or offers made by a Swedish producer to U.S. purchasers and from monthly average unit values of Swedish brass sheet and strip imports as derived from the Bureau of Census import statistics. Using actual sales prices and price offers from the Swedish producer, petitioners arrived at ex-factory prices by subtracting estimated changes for ocean freight and insurance, customs duties, and U.S. inland freight.

Using the Swedish producer's home market prices, petitioners arrived at ex-factory prices by deducting discounts.

Petitioners also adjusted for differences in packing and credit.

Based on the comparison of these estimated values, petitioners allege dumping margins ranging from 5.47 percent to 35.72 percent.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from Sweden materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

John L. Evans,
Acting Deputy Assistant Secretary of Import
Administration.
March 31, 1986.

[FR Doc. 86-7616 Filed 4-4-86; 8:45 am]

BILLING CODE 3510-DS-M

[C-351-604]

Initiation of Countervailing Duty Investigation: Brass Sheet and Strip From Brazil

AGENCY: Import Administration,
International Trade Administration,
Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Brazil of brass sheet and strip, as described in the "Scope of the Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of

these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make our preliminary determination on or before June 3, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Martin, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: 202/377-2830.

SUPPLEMENTARY INFORMATION:

Petition

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass & Copper Company, Hussey Copper Ltd., the Miller Company, Olin Corporation-Brass Group, Revere Copper Products, Inc., domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, the International Union, Allied Industrial Workers of America (AFL-CIO), the Mechanics Educational Society of America (Local 56), and the United Steelworkers of America (AFL-CIO/CLC). In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Brazil of brass sheet and strip receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since Brazil is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation, and the ITC is required to determine whether imports of the subject merchandise from Brazil materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of a countervailing duty investigation, and, further, whether it contains information reasonably available to the petitioner supporting the allegations. We examined the petition on brass sheet and strip from Brazil, and we have found that it meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether the manufacturers,

producers, or exporters in Brazil of brass sheet and strip, as described in the "Scope of Investigation" section of this notice, receive subsidies.

Scope of Investigation-

The products covered by this investigation are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified under the *Tariff Schedules of the United States Annotated (TSUSA)* under item numbers 612.3960, 612.3982, and 612.3986. The chemical compositions of the products under investigation are currently defined in the Copper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Brazil of brass sheet and strip receive benefits under the following programs which constitute subsidies:

- Working Capital Financing for Exporters;
- Preferential Financing for Trading Companies;
- Export Financing Under the CIC-CREGE 14-11 Circular;
- Financing for Storage of Exports;
- PROEX Export Financing;
- Resolution 68 Financing;
- Accelerated Depreciation for Brazilian-made Capital Equipment;
- BEFIEX;
- Income Tax Exemptions for Export Earnings;
- CIEX;
- Resolution 509;
- Exemption on IPI Tax and Customs Duties on Imported Machinery;
- FINEP/ADTEN Long-Term Loans;
- Preferential Electricity Rates; and
- BANDES Financing and Other Regional Subsidies.

We are not initiating an investigation on the following allegations:

- Subsidization of Copper and Zinc

Petitioners allege that brass sheet and strip is subsidized through price controls on the input product, copper, and perhaps on zinc. However, absent an allegation and evidence of preferential pricing, purchase price controls do not constitute countervailable subsidization. Petitioners further allege that brass sheet and strip benefit from upstream subsidies through the purchase of inputs from the state-owned copper project Caraiba Metals, S.A. However, there has been no proper allegation of a

countervailable subsidy, bestowed by the Government of Brazil on copper and zinc, which confers a competitive benefit to brass sheet and strip production, within the meaning of section 771A of the Act.

- BNDES Loans

The Department has previously investigated BNDES loans and has found that these loans are not limited to a specific enterprise or industry or group of enterprises or industries. See, *Final Affirmative Countervailing Duty Determination: Certain Carbon Steel Products from Brazil*, 49 FR 17988. Because petitioners have not submitted any new evidence or alleged changed circumstances with respect to BNDES loans we are not initiating on the program.

- IPI Export Credit Premium

The Department has previously investigated this program and has determined that the program has been terminated by the Brazilian Government. See, *Final Affirmative Countervailing Duty Determination: Certain Heavy Iron Construction Castings from Brazil*, 51 FR 9491.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action, and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information in our files. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from Brazil materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to statutory procedures.

John L. Evans,

Acting Deputy Assistant Secretary for Import Administration.

March 31, 1986.

[FR Doc. 86-7620 Filed 4-4-86; 8:45 am]

BILLING CODE 3510-05-M

[C-427-603]

Initiation of Countervailing Duty Investigation: Brass Sheet and Strip From France**AGENCY:** Import Administration, International Trade Administration, Commerce.**ACTION:** Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in France of brass sheet and strip, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 24, 1986, and we will make our preliminary determination on or before June 3, 1986.

EFFECTIVE DATE: April 7, 1986.

FOR FURTHER INFORMATION CONTACT: Mary Martin, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: 202/377-2830.

SUPPLEMENTARY INFORMATION:**Petition**

On March 10, 1986, we received a petition in proper form filed by American Brass, Bridgeport Brass Corporation, Chase Brass & Copper Company, Hussey Copper Ltd., the Miller Company, Olin Corporation-Brass Group, Revere Copper Products, Inc., domestic manufacturers of brass sheet and strip, and by the International Association of Machinists and Aerospace Workers, International Union, Allied Industrial Workers of America (AFL-CIO), Mechanics Educational Society of America (Local 56), and the United Steelworkers of America (AFL-CIO/CLC). In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in France of brass sheet and strip receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since France is a

"country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation, and the ITC is required to determine whether imports of the subject merchandise from France materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of a countervailing duty investigation, and, further, whether it contains information reasonably available to the petitioner supporting the allegations. We examined the petition on brass sheet and strip from France, and we have found that it meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether the manufacturers, producers, or exporters in France of brass sheet and strip, as described in the "Scope of the Investigation" section of this notice, receive subsidies.

Scope of Investigation

The products covered by this investigation are brass sheet and strip, other than leaded brass and tin brass sheet and strip, currently classified under the *Tariff Schedules of the United States Annotated (TSUSA)* item numbers 612.3960, 612.3982, and 612.3986. The chemical compositions of the products under investigation are currently defined in the Cooper Development Association (C.D.A.) 200 series or the Unified Numbering System (U.N.S.) C20000 series. Products whose chemical compositions are defined by other C.D.A. or U.N.S. series are not covered by this investigation.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in France of brass sheet and strip receive benefits under the following programs which constitute subsidies:

- Government Equity Infusions into Trefimetaux Since 1981;
- Government Subordinated Shareholder Loans to Trefimetaux;
- Benefits from Fonds National L'Emploi to Trefimetaux;
- Preferential Electricity Rates for Trefimetaux;
- Other Government Financing;
- Regional Development Incentives;
- Export Credit Insurance for Political, Exchange Rate; Fluctuation and Inflation Risks;
- Export Financing.

We have determined not to initiate on the following allegations:

- Modernization Grants to Trefimetaux

Petitioners note several expensive modernization projects undertaken by Trefimetaux during the last six years. Petitioners allege that such expenditures would have been impossible without direct government grants, but they have failed to show any evidence that Trefimetaux could not finance these projects through other means and have provided no evidence that any such grant program for modernization exists.

- Pechiney Divestitures

Petitioners note that Pechiney, the parent company of Trefimetaux, sold two unprofitable subsidiaries to French nationalized companies in 1981 and 1983, and allege that these divestitures bestowed benefits on Trefimetaux. Petitioners have provided no evidence that these divestitures were inconsistent with commercial considerations or that they bestowed a countervailable benefit on Trefimetaux.

- Research and Development Incentives

Petitioners believe that manufacturers, producers, or exporters in France of brass sheet and strip may receive research and development incentives from Direction General a la Recherche et a la Technologie (DGRT), an agency in the Ministry of Research and Technology. Benefits from this agency were found not countervailable in *Industrial Nitrocellulose from France*, 48 FR 28521, because they are not limited to a specific industry or enterprise or group of industries or enterprises and because research results are publicly available.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action, and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information in our files. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by April 24, 1986, whether there is a reasonable indication that imports of brass sheet and strip from France materially injure,

or threaten material injury to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

John L. Evans,

Acting Deputy Assistant Secretary for Import Administration.

March 3, 1986.

[FR Doc. 86-7621 Filed 4-4-86; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-269 and 270 (Preliminary)
and Investigations Nos. 731-TA-311-317 (Preliminary)

CERTAIN BRASS SHEETS AND STRIPS FROM BRAZIL, CANADA, FRANCE,
ITALY, THE REPUBLIC OF KOREA, SWEDEN, AND WEST GERMANY

Those listed below appeared at the United States International Trade Commission's conference held in connection with the subject investigations on April 4, 1986, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, DC.

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

Collier, Shannon, Rill & Scott--Counsel
Washington, DC
on behalf of--

Olin Corp., Brass Group
East Alton, IL

Patrick J. Davey, Vice President, Marketing

American Brass
Buffalo, NY

Bruno H. Eisner, Vice President, Marketing and Sales

Georgetown Economic Services
Washington, DC

Nicholas D. Giordano, Vice President

David A. Hartquist)
Jeffrey S. Beckington)--OF COUNSEL

