CERTAIN STAINLESS STEEL BUTT-WELD PIPE FITTINGS FROM KOREA

Determination of the Commission in Investigation No. 731–TA–563 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation

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United States International Trade Commission
Washington, DC 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-563 (Final)

CERTAIN STAINLESS STEEL BUTT-WELD PIPE FITTINGS FROM KOREA

Determination

On the basis of the record[1] developed in the subject investigation, the Commission determines,[2] pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from Korea of certain stainless steel butt-weld pipe fittings, whether finished or unfinished, under 14 inches inside diameter, provided for in subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

Background

The Commission instituted this investigation effective October 19, 1992, following a preliminary determination by the Department of Commerce that imports of certain stainless steel butt-weld pipe fittings from Korea were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 4, 1992 (57 F.R. 52615). The hearing was held in Washington, DC, on January 14, 1993, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Commissioner Crawford did not participate.

VIEWS OF THE COMMISSION

Based on the record in this investigation, we determine that an industry in the United States is materially injured by reason of less than fair value (LTFV) imports of stainless steel butt-weld pipe fittings from Korea.1/ We further determine that critical circumstances do not exist with respect to such imports.

I. Like Product

In order to determine whether there is "material injury" or "threat of material injury," to a domestic industry, the Commission must, as a threshold matter, define the domestic industry. Section 771(4)(A) of the Tariff Act of 1930 defines the relevant domestic industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."2/ "Like product" is defined as a "product that is like, or in the absence of like, most similar in characteristics and uses with the article subject to investigation."3/

The imported articles subject to this investigation are finished and

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1/ Commissioner Crawford did not participate in this investigation.

2/ 19 U.S.C. § 1677(4)(A).

3/ 19 U.S.C. § 1677(10). The Commission's decision regarding the appropriate like product in an investigation is essentially a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis. In analyzing like product issues, the Commission generally considers a number of factors relating to characteristics and uses including (1) physical characteristics and uses, (2) interchangeability, (3) channels of distribution, (4) customer and producer perceptions, (5) common manufacturing facilities and production employees, and, where appropriate, (6) price. No single factor is necessarily dispositive, and the Commission may consider other factors it deems relevant based upon the facts of a particular investigation. Generally the Commission requires "clear dividing lines among possible like products" and disregards minor variations among them. See Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (CIT 1990), aff'd. 938 F.2d 1278 (Fed. Cir. 1991).

unfinished stainless steel butt-weld pipe fittings having an inside diameter of less than 14 inches.4/ In prior investigations of stainless steel butt-weld pipe fittings from Japan,5/ and in the preliminary investigations regarding imports from Korea and Taiwan,6/ the Commission determined that there is one domestic like product consisting of both finished and unfinished stainless steel butt-weld pipe fittings of less than 14 inches in diameter. The Commission made similar like product determinations in investigations regarding carbon steel butt-weld pipe fittings.7/

Our single like product determinations in those investigations were based primarily on the lack of any independent market for unfinished pipe fittings and the identical production equipment used in producing finished and unfinished pipe fittings. Further, in the preliminary investigations regarding imports from Korea and Taiwan, the Commission explicitly declined to expand the like product determination to include large diameter pipe fittings or carbon steel pipe fittings because they are produced on different machinery and equipment than is used to produce the subject merchandise, and they are sold to specialized markets. Also large diameter pipe fittings are typically

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4/ Report of the Commission (Report) at I-4, n. 3; 57 Fed. Reg. 61881 (Dec. 29, 1992) (attached to Report at App. A).

5/ Certain Stainless Steel Butt-Weld Pipe Fittings from Japan, Inv. No. 731-TA-376 (Final), USITC Pub. 2067 at 3-7 (March 1988).

6/ Certain Stainless Steel Butt-Weld Pipe Fittings from Korea and Taiwan, Inv. No. 731-TA-563-564 (Preliminary), USITC Pub. 2534 at 4-6 (July 1992)("Preliminary Determination").

7/ See Certain Carbon Steel Butt-Weld Pipe Fittings from China and Thailand, Inv. Nos. 731-TA-520-521 (Final), USITC Pub. 2528 at 4-5 (June 1992); Certain Carbon Steel Butt-Weld Pipe Fittings from Japan, Inv. No. 731-TA-309 (Final), USITC Pub. 1943 at 5-6 (Jan. 1987); Certain Carbon Steel Butt-Weld Pipe Fittings from Brazil and Taiwan, Inv. Nos. 731-TA-308 and 310 (Final), USITC Pub. 1918 at 6 (Dec. 1986).

custom made whereas smaller diameter pipe fittings are not, stainless steel pipe fittings are sold for applications requiring a high degree of corrosion-resistance whereas carbon steel pipe fittings are not, and both stainless steel and large-diameter pipe fittings command a higher price than, respectively, carbon steel and smaller diameter fittings. Further, stainless steel fittings obviously use a different raw material than carbon steel pipe fittings.8/

The available evidence on the record in this investigation supports the conclusion that the like product is stainless steel butt-weld pipe fittings of less than 14 inches in diameter.9/ No party has argued for a different like product determination in this investigation. Further, there is no evidence in the record that suggests that a different conclusion is appropriate. Therefore, we determine that the like product is all domestically produced stainless steel butt-weld pipe fittings of less than 14 inches in diameter, whether finished or unfinished.

II. The Domestic Industry and Related Parties

As noted previously, the domestic industry consists of the domestic producers of a like product. In this investigation, the domestic industry consists of the domestic producers of stainless steel pipe fittings of less than 14 inches in diameter, whether finished or unfinished. The domestic industry includes both integrated producers and combination producers. Integrated producers generally begin with seamless stainless steel pipe as their raw material and perform forming, machining, and finishing

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8/ Preliminary Determination at 4-6.

9/ See Report at I-4-I-7.

operations.10/ Combination producers produce some fittings in an integrated process and other fittings in a conversion process. Conversion consists of performing machining operations to a formed fitting.11/ The vast majority of shipments by combination producers consists of purely domestic production. Less than 10 percent of their annual production consists of finishing a subject import.12/

Although three domestic producers are related parties, we have included them in the domestic industry in this investigation.13/ Purchases of imports by these related parties represent a small percentage of their total shipments and these parties do not appear to be shielded in any way from the effects of subject imports on the industry as a whole. For all three producers, wholly domestic production always exceeded 67 percent of total production throughout

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10/ Report at I-6.

11/ Report at I-6.

12/ Report at I-17, Table 5.

13/ The related parties provision, 19 U.S.C. § 1677(4)(B), allows for the exclusion of certain domestic producers from the domestic industry for the purposes of an injury determination. Applying the provision involves two steps. First, the Commission must determine whether the domestic producer meets the definition of a related party. Second, if a producer is a related party, the Commission may exclude such producers in "appropriate circumstances." The statute defines related parties as producers who are "related to the exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise." Exclusion of a related party is within the Commission's discretion based upon the facts presented in each case. The rationale for the related parties provision is the concern that domestic producers who are related parties may be in a position that shields them from any injury that might be caused by the imports. See S. Rep. No. 249, 96th Cong., 1st Sess. at 83 (1979). Thus, including these parties within the domestic industry would cause the industry to appear healthier than it in fact is. See, e.g., Torrington Co. v. United States, Slip Op. 92-49 at 10 (CIT April 3, 1992); Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (CIT 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (CIT 1987).

the period of investigation,14/ and financial performance followed the same general trend as that of the rest of the industry.15/ Therefore, we determine that "appropriate circumstances" warranting the exclusion of the related parties from the domestic industry do not exist.

III. Condition of the Domestic Industry

In evaluating the condition of the domestic industry, the statute directs us to consider "all relevant economic factors which have a bearing on the state of the industry in the United States." 16/ Specifically we consider, among other factors, consumption, production, U.S. shipments, market share, capacity utilization, employment, wages, productivity, domestic prices, financial performance, inventories, capital investment, and research and development expenses. In addition, the Commission considers the particular nature of the industry under investigation, including any "business cycle and conditions of competition that are distinctive to the affected industry."17/

Respondents argued that the declines in the industry's performance are primarily attributable to the recession, not the subject imports. Although apparent consumption did decline during the period of investigation, due at least in part to the recession, we note that the volume of cumulated imports nonetheless increased significantly.18/

Another condition of competition relevant to our consideration of the

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14/ Report at I-17, Table 5.

15/ Report at I-23, Table 10.

16/ 19 U.S.C. § 1677(7)(C)(iii).

17/ 19 U.S.C. § 1677(7)(F)(iii).

18/ Commissioner Rohr notes that although he agrees factually with this statement, he considers it to be a part of his causation analysis and not as part of his condition analysis.

condition of this industry is the existence of "approved" and "nonapproved" segments within the overall domestic market for stainless steel butt-weld pipe fittings. The primary criterion distinguishing these segments is product quality, generally measured by Exxon's "approved manufacturers list." The approved market includes certain firms in industries where tolerance for product failure is very low, such as petroleum and nuclear energy.19/ The nonapproved market is characterized by less critical applications, such as plumbing and the construction industry. Estimates of the relative sizes of the two market segments vary considerably.20/ In our analysis of the condition of the industry, we have considered the existence of an approved market wherein U.S. producers appear to face relatively less competition from subject imports, since subject imports are not on any approved manufacturers lists. We note, however, that the nonapproved market, where the subject imports and the domestic products compete head-to-head, is still significant to the U.S. industry and constitutes the largest segment of the domestic market.

We next examine the various indicators of the domestic industry's performance. During the period of investigation, domestic consumption fell from 10.9 million pounds in 1989 to 9.2 million pounds in 1990, and increased to 10.3 million pounds in 1991. In the interim period January-September 1992, consumption declined to 6.2 million pounds, compared with 7.7 million pounds in interim 1991.21/

19/ No imports from Taiwan or Korea are on Exxon's list. Report at I-38.

20/ See Report at I-38; Memorandum EC-Q-011 at 15-21. The estimates of the size of the approved market ranged from 20 to 50 percent.

21/ Report at I-10, Table 1.

Domestic production decreased irregularly during the period of investigation, declining from 4.6 million pounds in 1989 to 4.2 million pounds in 1990, but increasing to 4.3 million pounds in 1991 -- still below the 1989 level. In interim 1992, domestic production decreased again to 2.2 million pounds, compared with 3.2 million pounds in interim 1991.22/ Domestic capacity increased from 6.0 million pounds in 1989 to 6.2 million pounds in 1990, and then to 6.3 million pounds in 1991. Capacity declined in interim 1992 to 4.1 million pounds, compared with 4.3 million pounds in interim 1991.23/ Capacity utilization declined irregularly from 75.5 percent in 1989 to 66.9 percent in 1990, increasing to 68.3 percent in 1991, but declining again to 53.8 percent in interim 1992, compared with 72.8 percent in interim 1991.24/

Domestic shipment data are confidential and cannot be discussed in detail, but, in general, domestic shipments declined irregularly during the period of investigation. They increased slightly from 1989 to 1990, declined by a larger amount in 1991, and continued to decline in interim 1992.25/ Domestic producers' market share increased from 35.3 percent in 1989 to 46.5 percent in 1990, and declined to 36.9 percent in 1991. In interim 1992, domestic market share increased to 37.2 percent compared with 32.2 percent in interim 1991.26/

22/ Report at I-15, Table 3.

23/ Report at I-15, Table 3.

24/ Report at I-15, Table 3.

25/ Report at I-16, Table 4.

26/ Report at I-35, Table 17. The market share data cited is for entirely U.S. produced goods. Market share data for total U.S. shipments are confidential, but followed similar trends.

Domestic employment also declined irregularly during the period of investigation, dropping from 314 production and related workers in 1989 to 286 in 1990, increasing to 299 in 1991, but declining again to 263 in interim 1992.27/ Hours worked, wages paid, and total compensation followed similar trends. Productivity remained at 6.8 pounds per hour from 1989 through 1991, but dropped to 5.7 pounds per hour in interim 1992, compared with 7.2 pounds per hour in interim 1991.28/

The financial condition of the domestic industry has steadily deteriorated during the period of investigation. Net sales dropped from $36.5 million in 1989 to $34.0 million in 1990, and then to $29.6 million in 1991. In interim 1992 net sales continued to decline, reaching $19.5 million, compared with $22.9 million in interim 1991. Cost of goods sold as a percentage of net sales increased steadily, rising from 69.6 percent in 1989 to 70.2 percent in 1990, and then to 72.2 percent in 1992. In interim 1992 the cost of goods sold increased further to 79.1 percent, compared with 71.4 percent in interim 1991.29/ Operating income declined correspondingly, while operating income as a percent of net sales dropped from 13.2 percent in 1989 to 13.0 percent in 1990, and then to 11.5 percent in 1991. In interim 1992 that figure reached 5.3 percent, compared with 12.4 percent in interim 1991.

Domestic prices dropped by over 13 percent for all products for which pricing data were obtained.30/ U.S. producers have reported that price

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27/ Report at I-19, Table 7.

28/ Report at I-19, Table 7.

29/ Report at I-22, Table 9.

30/ Report at I-39. For three of the four products surveyed, declines in prices exceeded 20 percent.

erosion and declining profitability led to cutbacks in capital investment and expenditures.31/ 32/

IV. Cumulation

In determining whether there is material injury by reason of the LTFV imports, the Commission "shall cumulatively assess the volume and price effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States market."33/ In addition, Congress also intended "that the marketing of imports that are [cumulated] be reasonably coincident."34/

While this final investigation involves imports from Korea, there is also a final investigation involving imports from Taiwan pending before the Department of Commerce and the Commission.35/ Imports from Taiwan and Korea are, therefore, both currently subject to investigation. Furthermore, imports from both countries have been marketed nationwide in substantial quantities throughout the period of investigation. The only cumulation issue in dispute in this investigation is whether the imports from Korea and Taiwan compete

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31/ See Report at App. D.

32/ Chairman Newquist and Commissioner Rohr determine, based on an analysis of the above indicators, that the domestic industry is currently experiencing material injury.

33/ 19 U.S.C. § 1677(7)(C)(iv).

34/ H.R. Conf. Rep. No. 1156, 98th Cong., 2d Sess. 173 (1984); Chaparral Steel Co. v. United States, 901 F.2d 1097, 1101 (Fed. Cir. 1990).

35/ The two investigations were filed simultaneously and imports from both countries were cumulated in the Commission's preliminary determinations. Commerce has twice extended the deadline for completion of its investigation of imports from Taiwan. The Commission's final investigation regarding imports from Taiwan is now scheduled for completion on June 3, 1993.

with the domestic like product in the U.S. market.36/

As the Commission noted in its preliminary determinations, all stainless steel butt-weld pipe fittings must meet the standards set by the American Society of Testing and Materials (ASTM) and the American National Standards Institute (ANSI). Those that meet "spec" are marked accordingly and can be used interchangeably. In this final investigation there is evidence in the record that suggests that subject imports, especially those from Taiwan, are of lesser quality than the domestic product. Specifically, even the petitioner has asserted that imports from Taiwan have, on occasion, failed to meet industry standards. Further, a significant percentage of the end user market relies upon an approved manufacturers list when making purchasing

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36/ In assessing the competition question, the Commission has generally considered four factors, including:

> (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
>
> (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;
>
> (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and
>
> (4) whether the imports are simultaneously present in the market.

While no single factor is determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product. Furthermore, only a "reasonable overlap" of competition is required. See, e.g., Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff'd, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (CIT 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988); Wieland Werke, AG v. United States, 718 F.Supp. 50, 52 (CIT 1989).

decisions.37/ However, given their significant market share, it is clear that their customers view imports from Taiwan and Korea as having acceptable quality.

No producer in Taiwan or Korea is on the approved manufacturers list. The approved market, however, is less than half of total domestic consumption. Therefore, there is significant direct competition between imports from Korea and Taiwan and the domestic product, at least in the nonapproved market (which represents between 50 and 80 percent of the total market).38/ Thus, we find that there is a "reasonable overlap" in competition among the Korean, Taiwan, and domestic products and that cumulation is required.39/

V. Material Injury by Reason of LTFV Imports

In determining whether the domestic industry is materially injured "by reason of" the imports under investigation, the statute directs the Commission to consider:

(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, but only in the context

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37/ Report at I-38. Many firms in the petrochemical and nuclear industries rely on the approved manufacturers list compiled by Exxon.

38/ See Memorandum EC-Q-011 at 16.

39/ In the preliminary investigations, the Korean respondents claimed that imports from Korea should not be cumulated because they met the negligible imports exception to cumulation. See 19 U.S.C. 1677(7)(C)(V). This argument was rejected based upon the Commission's analysis of the significance of the market share of Korean imports and their continuous presence in the domestic market. These data remain fundamentally unchanged, although imports from Korea declined significantly in interim 1992.

of production operations within the United States.40/

In making this determination, the Commission may consider "such other economic factors as are relevant to the determination . . . ."41/ Although we may consider information that indicates that injury to the domestic industry is caused by factors other than the LTFV imports, we do not weigh causes.42/ 43/

In evaluating the volume of imports of merchandise, the statute directs that the Commission "shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."44/

In evaluating the price effect of subject imports, the statute states that the Commission:

> shall consider whether -
>
> (I) there has been significant price underselling by the imported merchandise as compared with the price of like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses

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40/ 19 U.S.C. § 1677(7)(B)(i).

41/ 19 U.S.C. § 1677(7)(B)(ii).

42/ Chairman Newquist, Commissioner Rohr, and Commissioner Nuzum further note that the Commission need not determine that imports are "the principal, a substantial or a significant cause of material injury." S. Rep. No. 249, 96th Cong., 1st Sess. 57 and 74 (1979). Rather, a finding that imports are a cause of material injury is sufficient. E.g., Metallverken Nederland, B.V. v. United States, 728 F. Supp. 730, 741 (CIT 1989); Citrosuco Paulista S.A. v. United States, 704 F. Supp. 1075, 1101 (CIT 1988).

43/ Views on the proper standard of causation of Vice Chairman Watson and of Commissioner Brunsdale are set out in Certain Helical Spring Lockwashers from the People's Republic of China and Taiwan, Inv. Nos. 731-TA-624 and 625 (Preliminary), USITC Pub. 2565 at 21-22, notes 99 and 100, respectively (October 1992).

44/ 19 U.S.C. § 1677(7)(C)(i).

prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.45/

The volume and market share of cumulated imports increased irregularly during the period of investigation. Cumulated imports initially decreased from 1.7 million pounds in 1989 to 1.2 million pounds in 1990, but then increased substantially to 2.7 million pounds in 1991. In interim 1992, cumulated imports decreased to 1.8 million pounds, compared with 2.2 million pounds in interim 1991.46/ The market share of cumulated imports, by quantity, decreased from 15.5 percent in 1989 to 13.4 percent in 1990, but then doubled, to 26.5 percent in 1991. In interim 1992, subject import market share reached 28.3 percent, compared with 28.8 percent in interim 1991.47/ The increased market share of cumulated imports occurred both when consumption, by quantity, increased from 1990 to 1991 and when it decreased in interim 1992.48/ The significant increase in market share during this period

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45/ 19 U.S.C. § 1677(7)(C)(i).

46/ Report at I-34, Table 16. We note that the slight decline in cumulated imports in interim 1992 is almost entirely due to the virtual cessation of imports from Korea following the filing of the petition in this investigation. See Report at App. E. Notwithstanding this slight decline, the market share of cumulated imports did not change appreciably and exceeded 28 percent of the domestic market.

47/ Report at App. C-2, Table C-1.

48/ Vice Chairman Watson and Commissioner Nuzum note that the Taiwan respondents have contended that imports from Taiwan did not affect the domestic industry, but merely filled the void left as the result of the retreat from the market of nonsubject imports. The market share data, however, belie this notion. In value terms, the market share of nonsubject imports has remained essentially stable throughout the period of investigation. While the market share of nonsubject imports did decline in quantity terms in 1990, the market share of subject imports also declined at the same time and the domestic industry's share increased. Only in 1991 did the market share of subject imports increase, and virtually all of that increase was at the expense of the domestic industry. See Report at App. C-2, Table C-1.

leads us to conclude that the recession is not solely responsible for the decline in the condition of the domestic industry.

Weighted-average prices for the four U.S.-produced pipe fittings for which price data were obtained declined by over 13 percent during the period of investigation.49/ Prices for imports of the same products from Korea and Taiwan declined as well.50/ The declines in prices occurred at a time when the cost of goods sold, as a percentage of net sales, were increasing.51/ Comparisons of domestic products and imports from Korea and Taiwan indicate substantial underselling by the subject imports.52/ 53/ The reported price data for U.S. producers' and importers' largest quarterly sales during the period of investigation resulted in 17 direct comparisons with respect to imports from Korea and 54 direct comparisons with respect to imports from Taiwan. The imported Korean products were priced below the domestic product in every instance except one, while the imports from Taiwan were priced below the domestic product in every instance.54/ Furthermore the margins of underselling exceeded 20 percent in 11 of the 17 price comparisons for Korea and in 36 of the 54 price comparisons for Taiwan.

49/ Report at I-39. For three of the four products surveyed, the price decline exceeded 20 percent.

50/ Report at I-41-I-42.

51/ See Report at I-22, Table 9 and I-39.

52/ Report at I-42-I-43, Tables 22, 23.

53/ Commissioner Brunsdale does not rely on underselling for her affirmative determination in this case. She believes that direct price comparisons are inappropriate when there are significant differences in the quality of the products being compared. In this case, one would expect the subject imports to be priced below the domestic like product given the imports' lower quality and inferior sales terms.

54/ Report at I-42-I-43.

Given the significant increase in cumulated imports, their large market share, and the substitutability of cumulated imports for domestic pipe fittings, the record indicates that LTFV imports led to decreased sales of the domestic like product. Furthermore, the large volume of subject imports at prices substantially below those of the domestic product had an adverse impact on domestic prices resulting in both lower prices and lower sales volume for the domestic industry.55/ As a result, the domestic industry has experienced significant declines in operating profits and employment.

For all the reasons set forth above, we determine that the industry producing stainless steel butt-weld pipe fittings is materially injured by reason of LTFV imports from Korea.

VI. Critical Circumstances

The Department of Commerce found that critical circumstances exists with respect to imports from Korea.56/ When Commerce makes an affirmative determination with respect to critical circumstances, the Commission is required to determine, for each domestic industry for which it makes an affirmative injury determination, "whether retroactive imposition of antidumping duties on the merchandise appears necessary to prevent recurrence of material injury that was caused by massive imports of the merchandise over

55/ Commissioner Brunsdale believes that the material injury to the domestic industry was caused primarily by a decreased volume of sales rather than by suppressed prices. She believes it unlikely that Taiwan producers would have been able to sell the subject imports in the U.S. market at fairly traded prices, given the high preliminary dumping margins. U.S. producers would have gotten a significant portion of those sales. Because imports from Taiwan and Korea are cumulated in this case, she finds material injury by reason of dumped imports from Korea, even though these imports had a small impact on U.S. producers of the like product.

56/ 57 Fed. Reg. 61882 (Dec. 29, 1992) (attached to the Report at Appendix A-9).

a relatively short period of time."57/ An affirmative critical circumstances determination is a finding that, absent retroactive application of the antidumping order, the surge of imports that occurred after the case was filed, but within the 90 day period prior to suspension of liquidation, will prolong or cause a recurrence of material injury to the domestic industry.58/ The purpose of the provision is to provide relief from effects of the massive imports and to deter importers from attempting to circumvent the dumping laws by making massive shipments immediately after the filing of an antidumping petition.59/

In applying the critical circumstances criteria to this investigation, we note that the petition in this investigation was filed on May 20, 1992. The Commission's preliminary affirmative determination was issued in early July. Suspension of liquidation occurred on October 21, 1992. The record indicates that imports from Korea declined by over 90 percent in interim 1992, and that there were no imports at all in August, September, and October 1992.60/ Given the virtually complete absence of imports during the 90 day period for which retroactive duties could be assessed, we determine that retroactive imposition of antidumping duties on the merchandise is not necessary to prevent recurrence of material injury.

57/ 19 U.S.C. § 1673d(b)(4)(A)(i).

58/ 19 U.S.C. § 1673d(c)(4).

59/ See H.R. Rep. No. 317, 96th Cong., 1st Sess. 63 (1979).

60/ Report at App. E-2.

INFORMATION OBTAINED IN THE INVESTIGATION

INTRODUCTION

Following a preliminary determination by the U.S. Department of Commerce that imports of certain stainless steel butt-weld pipe fittings from Korea are being, or are likely to be, sold in the United States at less than fair value (LTFV) (57 F.R. 48018, October 21, 1992), the U.S. International Trade Commission, effective October 19, 1992, instituted investigation No. 731-TA-563 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise. Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was posted in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and published in the Federal Register on November 4, 1992 (57 F.R. 52615). The Commission was notified of Commerce's final LTFV determination with respect to Korea on December 22, 1992. The Commission must notify Commerce of its final injury determination in this investigation by February 16, 1993.

On December 17, 1992, the Commission received notice of a preliminary determination by the U.S. Department of Commerce that imports of certain stainless steel butt-weld pipe fittings from Taiwan are being, or are likely to be, sold in the United States at LTFV (57 F.R. 61047, December 23, 1992). Accordingly, the Commission instituted investigation No. 731-TA-564 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of certain stainless steel butt-weld pipe fittings from Taiwan. Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was posted in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and published in the Federal Register on December 22, 1992 (57 F.R. 60823).[1] The hearing for both investigations was held in Washington, DC, on January 14, 1993, at which time all interested parties were allowed to present information and data for consideration by the Commission.[2] [3]

On January 19, 1993, Commerce published in the Federal Register a notice of postponement of its final determination with respect to Taiwan until not later than May 7, 1993. A summary of the data collected in these investigations is presented in appendix C.

BACKGROUND

These investigations result from a petition filed by the Flowline Division, Markovitz Enterprises, Inc., (Flowline), on May 20, 1992, alleging

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[1] Copies of cited Federal Register notices are presented in app. A.

[2] A list of witnesses who appeared at the hearing is presented in app. B.

[3] The merchandise covered by these investigations consists of stainless steel butt-weld pipe fittings, whether finished or unfinished, under 14 inches in inside diameter, provided for in subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States (HTS).

that an industry in the United States is materially injured and is threatened with material injury by reason of LTFV imports of certain stainless steel butt-weld pipe fittings from Korea and Taiwan. In response to that petition, the Commission instituted investigations Nos. 731-TA-563 and 564 (Preliminary) under section 733 of the Tariff Act of 1930 (19 U.S.C § 1673b(a)) and, on July 6, 1992, determined that there was a reasonable indication of such material injury.

In 1988, the Commission completed an antidumping investigation of stainless steel butt-weld pipe fittings from Japan (investigation No. 731-TA-376 (Final), USITC publication No. 2067). In that investigation the Commission determined that an industry in the United States was materially injured by reason of imports from Japan of stainless steel butt-weld pipe fittings from Japan that were found by the Department of Commerce to be sold in the United States at LTFV.

THE PRODUCT

Description

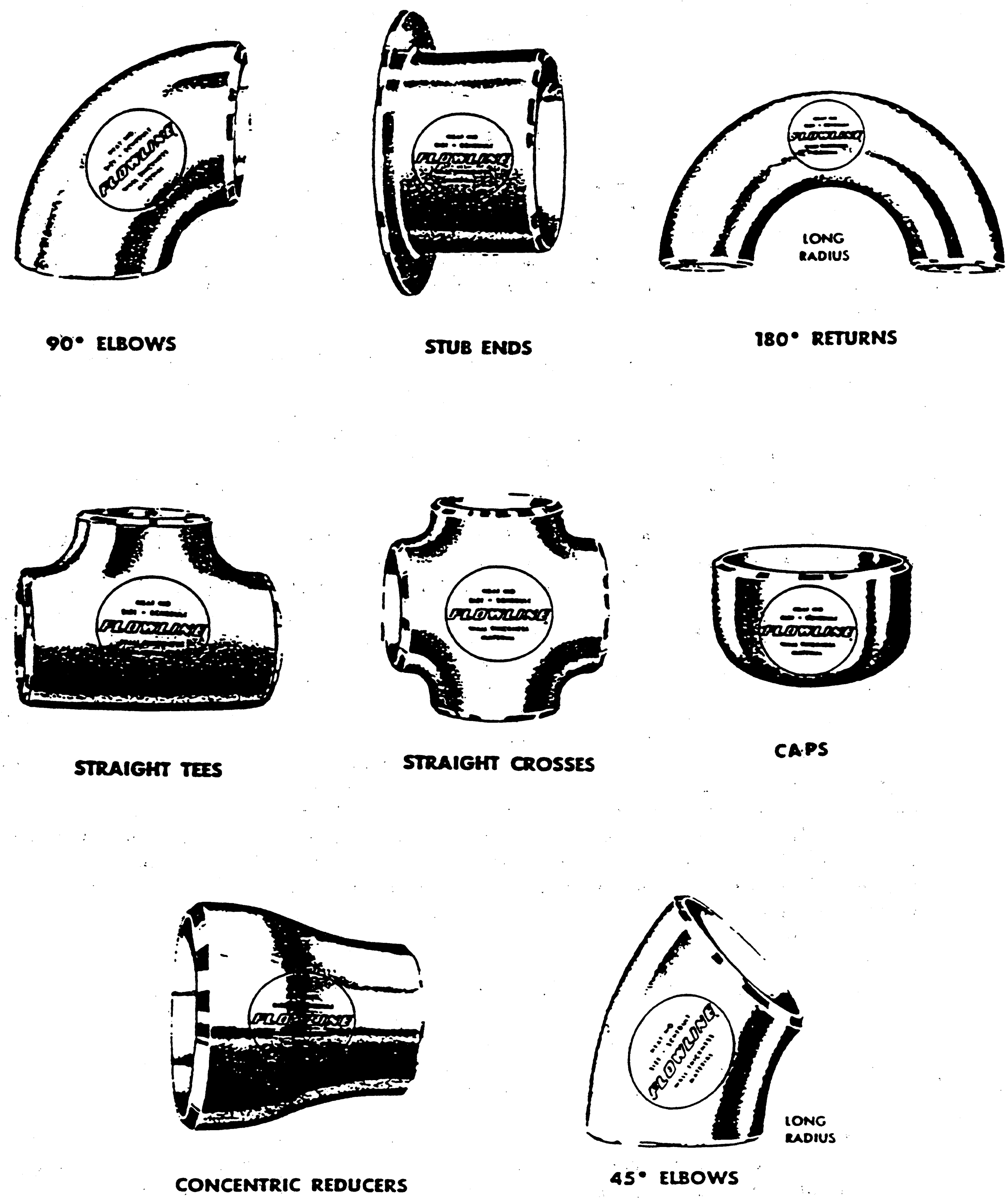
Stainless steel butt-weld pipe fittings are used to connect pipe sections where conditions require permanent, welded connections and resistance to corrosion or oxidation and extreme temperatures as well as the ability to withstand pressure. The beveled edges of butt-weld fittings distinguish them from other types of pipe fittings, such as threaded, grooved, or bolted fittings, which rely on different fastening methods. When placed against the end of a beveled pipe or another fitting, the beveled edges form a shallow channel that accommodates the "bead" of the weld that fastens the two adjoining pieces.

Butt-weld fittings come in several basic shapes, such as elbows, tees, crosses, stub-ends, reducers, and caps (figure 1). Elbows are two-outlet fittings that usually have either a 45-degree or a 90-degree bend in the pipe, tees are T-shaped fittings having three outlets, crosses have four outlets, and reducers are two-outlet fittings that connect pipes of two different diameters. Stub-ends are welded to the pipe but are used with a collar-type piece, known as a "flange," which has bolt holes.[4] The stub-end and flange combination permits quick connection with other pipes having a stub-end and flange when periodic changes of pipes are required or where on-site welding would be difficult. Caps seal the end of a pipe or a fitting. Each of these basic product categories encompasses a wide range of fittings that vary by size, alloy type, and intended application.

Butt-weld fittings are produced from various materials: carbon steel, alloy steel, and stainless steel. For tariff purposes, the term "stainless steel" includes by definition all grades of steel containing 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. According to the petitioner, "commodity" fittings are considered to be those relatively thin-walled fittings under 14 inches in inside diameter that are requested frequently enough to be kept in inventory rather than being

[4] On December 31, 1992, Flowline filed antidumping petitions concerning stainless steel flanges from India and Taiwan.

Figure 1
Typical stainless steel butt-weld pipe fittings



Source: Flowline Division, Markovitz Enterprises, Inc.

produced to order.[5] "Specialty" fittings include those of greater wall thickness, larger diameter, and those made of specialty alloys, such as copper-nickel, monel, inconel, and others. Only those butt-weld fittings produced from stainless steel and under 14 inches in inside diameter are covered by these investigations.

Manufacturing Process

The domestic manufacturing sector includes integrated producers and combination producers. Integrated producers begin with stainless pipe as their raw material and perform forming, machining, and finishing operations. Combination producers produce some fittings in an integrated process and other fittings in a conversion process (performing only machining and finishing operations).

Generally, stainless steel butt-weld pipe fittings are cold formed from fusion-welded or seamless stainless steel pipe. However, production of some types of fittings, notably stub-ends, requires heating the raw material and performing forging operations. A number of production steps are common to every shape fitting. Steps related to forming the fitting vary, however, depending on its shape.

In manufacturing an elbow using the cold-process, the pipe is cut to length, the ends are miter-cut to a 45-degree angle, the surfaces are lubricated, and it is pushed over a mandrel (a metal rod whose diameter equals that of the desired interior diameter of the fitting) to achieve the desired degree of bend. Then it is resized in a press (coined). The cold-worked product must be heat-treated (known as annealing, a controlled heating process) to relieve metallurgical stresses that build up during the cold-working process. Some of the larger sizes require more than one pass through the forming and annealing processes in order to avoid having back walls that are too thin and/or to prevent wrinkling of the steel. After annealing, the blanks are quenched in water; the oxide scale formed during heat treatment is removed in a pickling bath, and a final sizing operation is performed in a press to achieve the required tolerances. The ends of the formed elbow are then machined to exact size and a bevel is added for welding purposes. The machined elbow is then degreased and passivated in hot diluted nitric acid to activate a chromium oxide film on the surface of the metal that gives it a corrosion resistant character.

As indicated earlier, most other stainless steel fittings are manufactured in a similar manner but with differences in forming methods. Tees, for example, are formed by putting a pipe section in a tee-shaped die and applying fluid pressure. Stub-ends, in contrast, are usually formed by forging but may also be formed by welding two pieces together.[6]

Additional finishing steps involved in the production of any stainless steel butt-weld fitting may include one or more of the following: grinding, die stamping, inspection, and painting. The finished fittings are inspected for flaws, defects, thickness, length dimensions, and inside and outside diameter tolerances and are tested for performance standards. End users generally require that fittings meet specifications of the American Society

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[5] Transcript of staff conference (conference transcript), p. 33.

[6] Hearing transcript, p. 24.

for Testing and Materials (ASTM), the American National Standards Institute (ANSI), the Manufacturers Standardization Society (MSS), and/or the American Society of Mechanical Engineers (ASME) Boilers and Pressure Vessel Code, depending on the application. These specifications include required manufacturing processes (such as annealing) as well as sizing tolerance and performance standards. For products in these investigations, usually the pipe used is ASTM designation A-312 and the stainless steel alloy is 304L or 316L. The fittings themselves are usually designated under the performance specifications of ASTM A403/A403M-1991 and the dimensional specifications of ANSI B16.9-1986 and ANSI B16.28-1986.

According to industry officials, little difference exists between the production techniques and machinery used by domestic and foreign producers because of the global diffusion of technology and forming methods.[7] For Taiwan products specifically, petitioner indicated there are no manufacturing technologies that will let Taiwan producers manufacture more efficiently, more effectively, or at less cost.[8]

Uses

The primary uses for stainless steel butt-weld pipe fittings are in "process" operations such as those in chemical plants, petrochemical facilities, pharmaceutical plants, food processing facilities, breweries, cryogenic plants (including basic oxygen steel processing), waste treatment facilities, pulp and paper production facilities, gas processing (gas separation) facilities, and commercial nuclear power plants and nuclear Navy applications. In these various manufacturing sites, stainless steel butt-weld pipe fittings are used to join pipes in straight lines and to change or divide the flow of fluids.

Certain end users, such as those in the petrochemical industry, have developed "approved material lists" that identify those suppliers whose stainless steel butt-weld pipe fittings have been certified as meeting required end-use standards on the basis of a stringent series of destructive and nondestructive tests. According to the petitioner, if an imported stainless steel butt-weld pipe fitting meets the required end-use specifications, it can serve the same end uses as a domestically produced fitting.[9]

Imported and Domestic Product Comparison

Questionnaire responses in the preliminary and final investigations were mixed regarding usage and quality comparisons between U.S.-produced and imported stainless butt-weld pipe fittings. On usage, most producers (eight of nine assessing both Taiwan and Korean fittings) and importers (seven of eight on Taiwan fittings, four of six on Korean fittings) stated that the domestic and imported fittings are used interchangeably for the most part.

In assessing the quality of imports from Taiwan, four of nine U.S. producers and four of eight importers stated that stainless butt-weld pipe

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[7] Conversation with officials of ***, June 2, 1992.

[8] Phil Mavrich, President, Flowline, conference transcript, p. 16.

[9] Hearing transcript, pp. 25-26.

fittings from Taiwan are inferior in quality to the domestic product. Producers maintained that the Taiwan product is generally lower in quality and that stainless butt-weld fittings from Taiwan often do not meet ASTM and/or ANSI specifications for grade, dimensions, and tolerances when tested by distributors and end users. One producer stated that, in working with Taiwan producers, he found that the required heating processes and x-ray inspections were not done and that in some cases the walls of the fittings were too thin. Another U.S. producer, who previously imported stainless steel butt-weld pipe fittings from Taiwan, reported that he had attempted to take the imported fittings and rework them but that the liability for defects was too great, and he therefore stopped importing. Importers finding a quality difference noted that the Taiwan product is lower in overall quality and has thinner walls. One importer noted the lower price of the Taiwan fittings and stated, "you get what you pay for."

The petitioner stated that when imported fittings from Korea and Taiwan are stamped as meeting industry standards, they are seen by end users as directly substitutable with fittings manufactured by domestic producers, and compete directly with domestic fittings.[10] Petitioner further indicated that it has filed a complaint with the Federal Trade Commission (FTC), charging that some fittings imported from Taiwan are misrepresented as meeting the ASTM standards when they do not.[11] Petitioner stated that the FTC has investigated major failures in pipe systems and their potential damage to environment and humans, resulting--allegedly--from inferior product.[12] The FTC expects to make a decision in a few months.[13]

In assessing the quality of imports from Korea, three producers and one importer found quality differences. Comments from producers finding quality differences indicated generally lower quality for the Korean product; one producer stated the Korean fittings did not meet industry standards. The one importer finding a quality difference stated that the U.S. product is perceived to be superior from a quality standpoint.

The Commission also collected pricing and related information from U.S. purchasers of stainless steel butt-weld pipe fittings during its final investigations. Most purchasers reported that domestic and imported Korean and Taiwan fittings are interchangeable. A few purchasers reported that the domestic product is of better quality.

Substitute Products

Butt-weld fittings compete to some limited degree with threaded, grooved, or bolted fittings. However, the composition of the fluid being piped or the pressure of the pipe system limits the use of other types of fittings, because welded connections provide a better seal than threaded, grooved, or bolted connections, which are more likely to fail under

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[10] Petitioner's posthearing brief, p. 3.

[11] Conference transcript, p. 11.

[12] Conference transcript, p. 30.

[13] Conversation with ***, June 22, 1992, and December 15, 1992. The exact date of the FTC's decision is undetermined.

pressure.[14] Plastics (high-density polyethylene, polyvinylchloride) would not be used in high-pressure or high-heat applications, but are becoming more widespread in other applications. Carbon steel butt-weld pipe fittings are not considered by purchasers to be directly competitive with stainless steel butt-weld pipe fittings, primarily because of temperature and corrosion-resistance requirements.

Most purchasers reported that there are no practical substitutes for stainless steel butt-weld pipe fittings. A few purchasers reported that, for certain uses, plastic, fiber-glass, or lined steel pipe could be substituted.

U.S. Tariff Treatment

Imports of the subject stainless steel butt-weld pipe fittings are classified in HTS subheading 7307.23.00; no distinction is made between forged, finished, or unfinished products. This HTS subheading does not specify fitting size or diameter. The column 1-general rate of duty on stainless steel butt-weld fittings (including those from Korea and Taiwan) is 6.2 percent ad valorem.

THE NATURE AND EXTENT OF SALES AT LTFV

On December 22, 1992, the Commission received notice from Commerce of its affirmative final determination of sales at LTFV of certain stainless steel butt-weld pipe fittings from Korea. Commerce based its determination on "best information available," which was the highest margin alleged in the petition. This margin, 21.2 percent, is applicable to all entries of the subject products from Korea. Commerce also found that critical circumstances exist for imports of certain stainless steel butt-weld pipe fittings from Korea. A finding of critical circumstances means that suspension of liquidation will apply to all entries of the subject pipe fittings from Korea that are entered, or withdrawn from warehouse, for consumption on or after July 23, 1992, which is 90 days prior to the date of publication of Commerce's preliminary determination in the Federal Register.

On December 17, 1992, the Commission received notice from Commerce of its affirmative preliminary determination of sales at LTFV of certain stainless steel butt-weld pipe fittings from Taiwan. Commerce found dumping margins for three Taiwan producers/exporters: Ta Chen Stainless Pipe Co., Ltd. (Ta Chen), Tachia Yung Ho Machine Co., Ltd. (TYH), and Tru-Flow Industrial Co., Ltd. (Tru-Flow). The weighted-average dumping margins for Ta Chen and TYH were 48.05 percent and that for Tru-Flow was 76.2 percent. The weighted-average margin for all others was 57.43 percent. Commerce's final determination is scheduled for May 7, 1993.

[14] Hearing transcript, p. 30.

THE U.S. MARKET

Apparent U.S. Consumption

Apparent U.S. consumption of stainless steel butt-weld pipe fittings fell from 10.9 million pounds in 1989 to 9.2 million pounds in 1990, or by 15 percent (table 1). In 1991, consumption increased by 11 percent from the 1990 level to 10.3 million pounds. During January-September 1992, consumption of the subject pipe fittings was 6.2 million pounds, representing a decline of 19 percent from the corresponding period of 1991.

Table 1
Stainless steel butt-weld pipe fittings: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption,[1] 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
	Quantity (1,000 pounds)				
Domestic production:					
Producers' U.S. shipments of finished fittings	***	***	***	***	***
Producers' purchases of unfinished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Producers' U.S. shipments of finished fittings of U.S. origin[2]	3,858	4,300	3,786	2,485	2,319
U.S. imports:[3]					
Finished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Unfinished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Apparent consumption	10,923	9,246	10,269	7,714	6,226

See footnotes at end of table.

Table 1--Continued
Stainless steel butt-weld pipe fittings: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption,[1] 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
	Value (1,000 dollars)				
Domestic production:					
Producers' U.S. shipments of finished fittings . . .	***	***	***	***	***
Producers' purchases of unfinished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Producers' U.S. shipments of finished fittings of U.S. origin[2]	38,442	38,545	31,287	22,274	18,405
U.S. imports:[3]					
Finished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Unfinished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Apparent consumption	66,721	63,281	61,141	45,602	37,910

[1] To avoid double counting of unfinished product, apparent consumption consists of U.S. producers' shipments of finished fittings less their imports/purchases of unfinished fittings, plus total imports.

[2] U.S. producers' shipments of finished fittings minus their imports/purchases of unfinished fittings equal fittings of U.S. origin.

[3] Total imports equal official import statistics. Figures for unfinished fittings come from U.S. producers' reported imports of unfinished fittings plus U.S. producers' reported purchases of unfinished fittings from importers. Total U.S. imports less reported unfinished imports/purchases equal imports of finished fittings.

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

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

On the basis of value, apparent U.S. consumption of stainless steel butt-weld pipe fittings fell from $67 million in 1989 to $61 million in 1991, or by 8 percent. During January-September 1992, consumption fell by 17 percent compared with the year-earlier period.

U.S. Producers

The petition contained a list of 8 known U.S. producers of stainless steel butt-weld pipe fittings under 14 inches inside diameter. Through other sources, the Commission identified several other domestic manufacturers. Table 2 provides a list of these producers, their type of production, position on the petition, plant locations, and share of 1991 U.S. shipments, by quantity.

Table 2
Stainless steel butt-weld pipe fittings: U.S. producers, position on investigation, plant location, and share of 1991 U.S. production

Firm	Position	Plant location	Share of 1991 U.S. production
			Percent
Integrated producers:			
Alloy Piping Products...	***	Shreveport, LA	***
American Fittings, Inc..	***	Travelers Rest, SC	***
Bestweld, Inc..........	No response	Norristown, PA	(1)
Custom Alloy Corp.......	No response	Califon, NJ	(1)
Flo-Bend, Inc..........	No response	Tulsa, OK	(1)
Flo-Mac.................	***	Los Angeles, CA	***
Flowline................	Supports	New Castle, PA Whiteville, NC	***
Jero, Inc...............	***	Florence. KY	(2)
Ladish Co., Inc.........	***	Cynthiana, KY	***
Combination producers:			
Gerlin, Inc.............	***	Carol Stream, IL	***
Taylor Forge Stainless, Inc.............	***	North Branch, NJ	***

[1] Not available (did not respond to the Commission's questionnaire).
[2] ***.

Note.--Due to rounding, figures do not total 100.

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

Flowline, the petitioner, manufactures virtually all sizes of stainless steel butt-weld pipe fittings, although most sales occur in the commodity products. ***. Flowline also produces stainless steel flanges and various alloy fittings; these products usually account for *** percent of total sales.

Alloy Piping Products, Inc. (APP), Shreveport, LA, an integrated producer,[15] manufactures a host of commodity and specialty stainless steel fittings, with significant production of larger fittings. APP derives about *** of its company-wide sales from larger stainless fittings and carbon steel and other alloy pipe fittings. ***.[16]

Based in South Carolina, American Fittings, Inc. (American), a producer of commodity fittings, sells stainless steel butt-weld pipe fittings through distributors nationwide. American ***.[17]

Bestweld, Inc. (Bestweld), located in Norristown, PA, makes fittings of stainless steel, copper-nickel, and other alloys. Unlike the other producers, Bestweld exclusively produces long-tangent or belled-end stainless steel butt-weld pipe fittings of 6 inches in diameter and under.[18] This type of fitting allows for easier installation in the field and commands a higher price than the commodity fittings manufactured by the other domestic and foreign firms.[19]

According to ***, Custom Alloy Corp. (Custom), the commodity stainless steel portion of his firm's production represents roughly *** percent of its sales. ***.[20]

Flo-Bend, Inc. (Flo-Bend), located in Oklahoma, derives approximately *** percent of its revenue from sales of stainless steel butt-weld pipe fittings. Commodity fittings account for *** percent, or $*** (an estimated *** pounds), of these stainless sales. Its primary areas of activity are carbon and chrome and nickel alloy fittings, along with various flanges.

Flo-Mac, Inc. (Flo-Mac) is a small integrated manufacturer of stainless and other alloy fittings. It primarily functions as ***. Flo-Mac concentrates on the production of fittings made of alloys other than stainless steel, generating roughly *** percent of its revenue from the sale of these specialty products.

Jero, Inc. (Jero) of Florence, KY, entered the market for stainless steel butt-weld pipe fittings in ***. ***.[21] [22] ***.

Ladish Co., Inc. (Ladish), an integrated fittings producer, manufactures *** of stainless steel butt-weld pipe fittings in its Cynthiana, KY, plant. Its main product line consists of advanced forgings of titanium, high-temperature alloys, steel, and aluminum for the aerospace industry. ***.[23]

Gerlin, Inc. (Gerlin) specializes in the production of specialty fittings which normally have larger diameters and/or thicker walls than commodity products. ***.

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[15] ***.

[16] ***.

[17] Conversation with ***, June 16, 1992, and American's questionnaire response. ***.

[18] ***.

[19] Conversation with ***, June 10, 1992.

[20] Conversation, June 5, 1992.

[21] ***.

[22] Conversation, June 9, 1992.

[23] ***.

Taylor Forge Stainless, Inc. (Taylor Forge), a combination producer located in North Branch, NJ, produces a range of stainless steel butt-weld pipe fittings with the bulk of its production between 0.5 and 14 inches in inside diameter. ***.[24] In addition to stainless steel butt-weld pipe fittings, Taylor Forge also produces (and generates approximately *** of its business from) fittings made of alloys other than stainless steel.[25]

The 1988 antidumping investigation of stainless steel butt-weld pipe fittings from Japan revealed that Davis Pipe and Metal Fabricators (Davis Pipe) of Blountville, TN, accounted for *** percent of U.S. producers' domestic shipments. In early 1992, Davis Pipe abandoned the production of stainless steel butt-weld pipe fittings to concentrate on its stainless steel pipe business.[26]

U.S. Importers

A total of 73 importers' questionnaires were mailed by the Commission to U.S. producers, and other firms that were believed to have imported the subject products during the period of investigation. Three firms accounting for roughly 30 percent of the quantity and 50 percent of the value of 1991 imports of stainless steel butt-weld pipe fittings from Korea (based on official Commerce statistics) returned a partial response to the Commission's importers' questionnaire. Twelve firms accounting for roughly 50 percent of the quantity and 60 percent of the value of 1991 imports of stainless steel butt-weld pipe fittings from Taiwan (based on official Commerce statistics) responded to the Commission's importers' questionnaire.[27] Eleven firms responded with usable data on imports from countries other than Korea and Taiwan.[28] Twenty-two firms responded that they had not imported the subject products from any country during the period of investigation. Twenty-seven did not respond to the Commission's importers' questionnaire.

Four producing firms reported imports of stainless steel butt-weld pipe fittings from various countries during the period of investigation. ***. The other responding producers reported no imports of stainless steel butt-weld pipe fittings.

According to the Customs Net Import File, *** import significant quantities of stainless steel butt-weld pipe fittings from Korea. ***.

Several large importers of Taiwan product exist. ***. A number of other firms import from Taiwan; however, none appears to account for a large share of total U.S. imports of the Taiwan product.

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[24] ***.

[25] Telephone conversation with ***, June 10, 1992.

[26] According to ***. Conversation, June 9, 1992.

[27] One importer of small amounts of product from Taiwan returned an unusable questionnaire response.

[28] Two importers of product from non-subject countries responded with unusable data.

Channels of Distribution

A vast majority of sales of stainless steel butt-weld pipe fittings go through distributors. Many distributors, especially the master distributors, carry a full line of fittings products as well as pipe, flanges, and other related items. These distributors, situated across the country, market fittings to all types of end users. U.S. producers sell directly to end users on occasion, usually in conjunction with special orders.

CONSIDERATION OF MATERIAL INJURY TO AN INDUSTRY IN THE UNITED STATES

U.S. Production, Capacity, and Capacity Utilization

Average annual capacity to produce stainless steel butt-weld pipe fittings increased from 6.0 million pounds in 1989 to 6.3 million pounds in 1991, or by 5 percent (table 3). During January-September 1992, capacity fell by 6 percent compared with the corresponding period of 1991. Production fell from 4.6 million pounds in 1989 to 4.2 million pounds in 1990, representing a decline of nearly 9 percent. In 1991, production increased to approximately 4.3 million pounds. During January-September 1992, production fell by over 30 percent compared with the year-earlier period. Capacity utilization during 1989-91 was 75.5, 66.9, and 68.3 percent, respectively. Capacity utilization fell from 72.8 percent during January-September 1991 to 53.8 percent during the corresponding period of 1992.

Table 3
Stainless steel butt-weld pipe fittings: U.S. capacity, production, and capacity utilization, 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
Average-of-period capacity (1,000 pounds)	6,037	6,216	6,331	4,334	4,071
Production (1,000 pounds)	4,559	4,159	4,324	3,156	2,192
Capacity utilization (percent)	75.5	66.9	68.3	72.8	53.8

Note.--Capacity utilization is calculated using data of firms providing both capacity and production information.

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

U.S. Producers' Domestic and Export Shipments

Table 4 shows U.S. producers' shipments of finished stainless steel butt-weld pipe fittings during the period of investigation. The quantity of domestic shipments increased from *** million pounds in 1989 to *** million pounds in 1990, or by *** percent. In 1991, domestic shipments fell to *** million pounds, or by *** percent from the level attained in 1990. During January-September 1992, domestic shipments fell by *** percent compared with the corresponding period of 1991. Exports of stainless steel butt-weld pipe fittings ***. The value and unit value of domestic and export shipments *** in every period of the investigation.

Table 4
Stainless steel butt-weld pipe fittings: Shipments by U.S. producers, by types, 1989-91, January-September 1991, and January-September 1992

				Jan.-Sept.--	
Item	1989	1990	1991	1991	1992

* * * * * * *

Note.--Unit values are calculated using data of firms supplying both quantity and value information.

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

U.S. Producers' Purchases

Four of the responding producers reported purchases of finished and/or unfinished fittings from domestic and/or foreign sources. Table 5 presents data on these purchases from each source as a ratio to shipments for these 4 firms and for the industry as a whole.

These data indicate that domestic producers commonly purchase from one another or from foreign sources. According to industry participants, these purchases allow producers to fill out their product line and produce more cost effectively; they also enable producers to meet strict delivery deadlines, especially on special orders. With the exception of ***, these purchases normally represent a small percentage of each company's sales.

Table 5
Stainless steel butt-weld pipe fittings: The ratio of own production and purchases/imports of finished and unfinished fittings to U.S. producers' shipments of finished fittings, by firms, 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
* * * * * * *					
	Ratio to industry shipments (percent)				
U.S. INDUSTRY:[1]					
Shipments of own production.....	81.6	89.0	85.6	85.7	80.7
Purchases/imports of finished:					
Domestic origin..............	***	***	***	***	***
Foreign origin:					
Korea......................	***	***	***	***	***
Taiwan.....................	***	***	***	***	***
Other sources..............	***	***	***	***	***
Subtotal.................	7.3	5.8	6.9	9.9	7.6
Purchases/imports of unfinished:					
Domestic origin..............	***	(2)	***	***	***
Foreign origin:					
Korea......................	***	***	***	***	***
Taiwan.....................	***	***	***	***	***
Other sources..............	***	***	***	***	***
Subtotal.................	11.1	5.2	7.5	4.4	11.7
Total..................	100.0	100.0	100.0	100.0	100.0

[1] Includes shipment data for all reporting firms, whether they purchase/import or not.
[2] ***.

Note.--Due to rounding, percentages may not add to the totals shown.

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

U.S. Producers' Inventories

Table 6 provides information on U.S. producers' reported inventories. Few producers or importers in this industry accurately track their inventories by weight. Therefore, the figures in this table and table 14 (importers' inventories) generally result from estimates made by personnel at each firm. Generally speaking, firms stock the smaller size fittings and manufacture the larger ones to order. Flowline, for example, maintains a 1-3 month supply of commodity products and a limited selection of larger or specialty items.[29]

[29] Phil Mavrich, conference transcript, pp. 32-33.

Table 6
Stainless steel butt-weld pipe fittings: End-of-period inventories of U.S. producers, 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.-- 1991	1992
Inventories (1,000 pounds) . .	1,440	1,075	1,299	1,578	872
Ratio of inventories to--					
Production (percent)	31.8	26.0	30.2	37.5	29.8
U.S. shipments (percent) . .	***	***	***	***	***
Total shipments (percent) . .	***	***	***	***	***

Note.--Ratios are calculated using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

U.S. Employment, Wages, and Productivity

Table 7 presents data from the seven responding U.S. producers that supplied the Commission with employment and wage information. The average number of production and related workers producing stainless steel butt-weld pipe fittings fell irregularly from 314 in 1989 to 263 during January-September 1992, or by 16 percent. During 1989-91, wages and total compensation paid to such workers, hourly wages and hourly compensation, and unit labor costs increased. Productivity remained constant during 1989-91 at 6.8 pounds per hour.

Table 7
Average number of U.S. production and related workers producing stainless steel butt-weld pipe fittings, hours worked,[1] wages and total compensation paid to such employees, and hourly wages, productivity, and unit labor costs,[2] 1989-91, January-September 1991, and January-September 1992[3]

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
Production and related workers (PRWs)	314	286	299	288	263
Hours worked by PRWs (1,000 hours)	673	613	631	438	385
Wages paid to PRWs (1,000 dollars)	5,810	5,795	6,116	4,446	3,728
Total compensation paid to PRWs (1,000 dollars)	7,012	7,044	7,508	5,542	4,790
Hourly wages paid to PRWs	$8.63	$9.45	$9.69	$10.15	$9.68
Hourly total compensation paid to PRWs	$10.42	$11.49	$11.90	$12.65	$12.44
Productivity (pounds per hour)	6.8	6.8	6.8	7.2	5.7
Unit labor costs (per pound)	$1.54	$1.69	$1.74	$1.76	$2.19

[1] Includes hours worked plus hours of paid leave time.
[2] On the basis of total compensation paid.
[3] Firms providing employment data accounted for 100 percent of reported total U.S. shipments (based on quantity) in 1991.

Note.--Ratios are calculated using data of firms supplying both numerator and denominator information.

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

Financial Experience of U.S. Producers

Four producers, accounting for 86.3 percent of reported U.S. production of stainless steel butt-weld pipe fittings in 1991, furnished financial data on both their overall establishment operations and on their operations producing stainless steel butt-weld pipe fittings.[30]

Overall Establishment Operations

In addition to the products under investigation, these producers indicated that they also produce larger and/or other types (alloys) of pipe fittings, as well as other types of forged and/or formed steel products. Stainless steel butt-weld pipe fittings (under 14 inches in inside diameter) accounted for 44 percent of overall establishment sales in 1989, 44 percent in 1990, 38 percent in 1991, and 36 percent in interim 1992. However, for the petitioner (Flowline), the subject products accounted for ***; *** percent in 1989, *** percent in 1990, *** percent in 1991, and *** percent in interim 1992. Income-and-loss data on the U.S. producers' overall establishment operations are shown in table 8.

Operations on Stainless Steel Butt-Weld Pipe Fittings

The aggregate income-and-loss experience of the U.S. producers is presented in table 9. Net sales decreased by 7.0 percent from $36.5 million in 1989 to $34.0 million in 1990. Sales in 1991 were $29.6 million, a decline of 12.9 percent from 1990 sales.[31] Operating income was $4.8 million in 1989, $4.4 million in 1990, and $3.4 million in 1991. Operating income ratios, as a share of net sales, were 13.2 percent in 1989, 13.0 percent in 1990, and 11.5 percent in 1991. None of the firms incurred operating losses in the full fiscal years.

Net sales in interim 1992 were $19.5 million, a decline of 15.0 percent from interim 1991 sales of $22.9 million. Operating income was $2.8 million in interim 1991 and $1.0 million in interim 1992. Operating income margins were 12.4 percent in interim 1991 and 5.3 percent in interim 1992. One firm (***) incurred an operating loss in interim 1992.

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[30] These producers are ***. One small producer (***) provided establishment income-and-loss data, but was unable to allocate its costs to the subject product. Two other small producers' (*** and ***) cost allocations from their establishments to the subject product appeared unreliable; therefore their data were not included.

[31] One additional producer (***) furnished financial data for fiscal 1990 and 1991 only. Its sales for those years were $*** and $***, respectively. Its operating income was $*** and $***, respectively, and its operating income margins were *** and ***, respectively.

Table 8
Income-and-loss experience of U.S. producers[1] on the overall operations of their establishments wherein stainless steel butt-weld pipe fittings are produced, fiscal years 1989-91, January-September 1991, and January-September 1992[2]

Item	1989	1990	1991	January-September- 1991	January-September- 1992
	Value (1,000 dollars)				
Net sales	82,542	76,921	77,998	58,065	54,201
Cost of goods sold	59,240	55,558	56,585	41,575	40,989
Gross profit	23,302	21,363	21,413	16,490	13,212
Selling, general, and administrative expenses	15,490	13,544	13,126	9,691	8,949
Operating income or (loss)	7,812	7,819	8,287	6,799	4,263
Shutdown expenses	***	***	***	***	***
Interest expense	***	***	***	***	***
Other income or (loss), net	***	***	***	***	***
Net income or (loss) before income taxes	7,096	5,291	5,460	4,891	3,522
Depreciation and amortization included above	1,635	2,042	2,410	1,884	1,848
Cash flow[3]	8,731	7,333	7,871	6,775	5,370
	Share of net sales (percent)				
Cost of goods sold	71.8	72.2	72.6	71.6	75.6
Gross profit	28.2	27.8	27.4	28.4	24.4
Selling, general, and administrative expenses	18.8	17.6	16.8	16.7	16.5
Operating income or (loss)	9.5	10.2	10.6	11.7	7.9
Net income or (loss) before income taxes	8.6	6.9	7.0	8.4	6.5
	Number of firms reporting				
Operating losses	0	0	0	0	0
Net losses	0	0	0	0	0
Data	4	4	4	4	4

[1] These producers are ***.
[2] Fiscal years end on December 31 except ***.
[3] Cash flow is defined as net income or loss plus depreciation and amortization.

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

Table 9
Income-and-loss experience of U.S. producers[1] on their operations producing stainless steel butt-weld pipe fittings, fiscal years 1989-91, January-September 1991, and January-September 1992[2]

Item	1989	1990	1991	January-September- 1991	January-September- 1992
	Value (1,000 dollars)				
Net sales	36,526	33,951	29,573	22,887	19,461
Cost of goods sold	25,419	23,829	21,345	16,344	15,394
Gross profit	11,107	10,122	8,228	6,543	4,067
Selling, general, and administrative expenses	6,304	5,723	4,829	3,707	3,029
Operating income or (loss)	4,803	4,399	3,399	2,836	1,038
Shutdown expenses	***	***	***	***	***
Interest expense	***	***	***	***	***
Other income or (loss), net	***	***	***	***	***
Net income or (loss) before income taxes	4,278	3,138	1,742	1,823	314
Depreciation and amortization included above	739	866	882	687	655
Cash flow[3]	5,017	4,004	2,624	2,510	969
	Share of net sales (percent)				
Cost of goods sold	69.6	70.2	72.2	71.4	79.1
Gross profit	30.4	29.9	27.8	28.6	20.9
Selling, general, and administrative expenses	17.3	16.9	16.3	16.2	15.6
Operating income or (loss)	13.2	13.0	11.5	12.4	5.3
Net income or (loss) before income taxes	11.7	9.2	5.9	8.0	1.6
	Number of firms reporting				
Operating losses	0	0	0	0	1
Net losses	0	0	1	1	2
Data	4	4	4	4	4

[1] These producers are ***.
[2] Fiscal years end on December 31 except ***.
[3] Cash flow is defined as net income or loss plus depreciation and amortization.

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

Selected income-and-loss data of the U.S. producers, by firms, are shown in table 10.[32] Aggregate industry sales and profitability declined between fiscal 1989 and fiscal 1991. Each of the reporting producers had declines in net sales and profitability between interim 1991 and interim 1992.[33]

Table 10
Selected income-and-loss data of U.S. producers on their operations producing stainless steel butt-weld pipe fittings, by firms, fiscal years 1989-91, January-September 1991, and January-September 1992

				January-September--	
Item	1989	1990	1991	1991	1992

* * * * * * *

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

Cost of Goods Sold

The cost of raw materials is the largest component cost in producing butt-weld pipe fittings, accounting for 54 percent of the cost of goods sold in 1991. The primary raw materials used in producing the subject products are stainless steel pipe, stainless steel sheet and plate, and stainless steel bar. These products are purchased from both manufacturers and distributors. Three of the producers (***) purchased unfinished butt-weld pipe fittings from either domestic and/or foreign sources during the period of investigation. Because of the diverse product mix (elbows, tees, crosses, stub-ends, reducers, and caps) and size, companies do not maintain detailed records on costs for specific products.

Labor and overhead costs accounted for approximately 9 percent and 37 percent of total costs, respectively, in 1991. A breakdown of the aggregate raw material, labor, and overhead costs for each period is shown in the following tabulation (in thousands of dollars):

				Jan.-Sept.--	
Item	1989	1990	1991	1991	1992
Raw materials...	14,253	13,845	11,546	9,558	8,826
Labor...........	1,991	1,959	1,857	1,388	1,258
Overhead........	9,175	8,025	7,942	5,398	5,310
Total.........	25,419	23,829	21,345	16,344	15,394

[32] ***.

[33] During the hearing, Mr. Mavrich, President of Flowline, indicated that there was "a dramatic decrease in our butt-weld fittings business" in 1991. Transcript of hearing, p. 10.

Unit Sales/Cost Analysis

The product mix for the producers has not remained constant over the course of the investigation; therefore, per-pound computations may be influenced by changing product types as well as changes in a particular product's per-pound sales value or cost. This impact is exacerbated as overall average per-pound sales values have declined and the overall quantity sold has decreased.

The unit sales and costs of the producers differ, because of product mix and degree of integration. A summary of the sales unit values and cost unit values for each producer is shown in the tabulation below (in dollars per pound, except as noted):

Item and company	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
Quantity:					
Sales:					
Cost of goods sold:					

* * * * * * *

Value Added by U.S. Producers

Value added as a percent of cost of goods sold and total operating expenses for the producers of butt-weld pipe fittings is presented in table 11. The data presented on value added cover all the production of each firm, and exclude any resale of purchased finished product.

Table 11
Value added by U.S. producers on their operations producing stainless steel butt-weld pipe fittings, by firms, fiscal years 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	January-September-- 1991	1992
	(1,000 dollars)				
Raw materials:					
* * * * * * *					
Total............	14,253	13,845	11,546	9,558	8,826
Conversion costs:[1]					
* * * * * * *					
Total............	11,166	9,984	9,799	6,786	6,568
Cost of goods sold:[2]					
* * * * * * *					
Total............	25,419	23,829	21,345	16,344	15,394
SG&A:					
* * * * * * *					
Total............	6,304	5,723	4,829	3,707	3,029
Operating expenses:[3]					
* * * * * * *					
Total............	31,723	29,552	26,174	20,051	18,423
	(Percent)				
Conversion costs as a percent of cost of goods sold:					
* * * * * * *					
Average..........	43.9	41.9	45.9	41.5	42.7
Conversion costs plus SG&A as a percent of operating expenses:					
* * * * * * *					
Average..........	55.1	53.2	55.9	52.3	52.1

[1] Direct labor plus factory overhead.
[2] Raw materials plus conversion costs.
[3] Cost of goods sold plus SG&A.

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

Investment in Productive Facilities

U.S. producers' investment in property, plant, and equipment and returns on investment are shown in table 12.

Table 12
Value of assets and return on assets of U.S. producers' establishments wherein stainless steel butt-weld pipe fittings are produced, fiscal years 1989-91, January-September 1991, and January-September 1992[1]

Item	As of the end of fiscal year--			As of Sept. 30--	
	1989	1990	1991	1991	1992
	Value (1,000 dollars)				
All products of establishments:					
Fixed assets:					
Original cost	34,379	28,329	31,063	31,150	31,688
Book value	17,285	19,191	19,627	19,582	17,796
Total assets[3]	59,473	52,436[2]	56,698	58,620	56,980
Stainless steel butt-weld pipe fittings:					
Fixed assets:					
Original cost	21,226	14,593[2]	15,739	15,798	16,057
Book value	9,938	11,191	11,189	11,148	10,401
Total assets[4]	36,292	29,841[2]	31,359	31,769	30,356
	Return on total assets (percent)				
All products of establishments:					
Operating return[5]	13.1	14.9	14.6	15.6	10.0
Net return[6]	11.9	10.1	9.6	11.2	8.2
Stainless steel butt-weld pipe fittings:					
Operating return[5]	11.7	12.8	9.4	9.3	4.7
Net return[6]	10.9	10.0	5.5	5.3	1.9

[1] These producers are *** for overall establishment data, and *** for stainless steel butt-weld pipe fitting data.
[2] ***.
[3] Defined as book value of fixed assets plus current and noncurrent assets.
[4] Total establishment assets are apportioned, by firm, to product groups on the basis of the ratios of the respective book values of fixed assets.
[5] Defined as operating income or loss divided by asset value.
[6] Defined as net income or loss divided by asset value.

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

Capital Expenditures

Capital expenditures by U.S. producers are shown in table 13.

Table 13
Capital expenditures by U.S. producers of stainless steel butt-weld pipe fittings, by products, fiscal years 1989-91, January-September 1991, and January-September 1992[1]

(1,000 dollars)

Item	1989	1990	1991	January-September-- 1991	1992
All products of establishments:					
Land and land improvements	0	0	0	0	0
Building or leasehold improvements	***	***	0	0	0
Machinery, equipment, and fixtures	***	***	***	***	***
Total	***	***	***	***	***
Stainless steel butt-weld pipe fittings:					
Land and land improvements	0	0	0	0	0
Building or leasehold improvements	***	***	0	0	0
Machinery, equipment, and fixtures	***	***	***	***	***
Total	***	***	***	***	***

[1] These producers are *** for overall establishment data, and *** for stainless steel butt-weld pipe fitting data.

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

Research and Development Expenses

Research and development expenses for stainless steel butt-weld pipe fittings were $*** in 1989, $*** in 1990, $*** in 1991, $*** in interim 1991, and $*** in interim 1992.

Impact of Imports on Capital and Investment

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of stainless steel butt-weld pipe fittings from Korea and/or Taiwan on their existing development and production efforts, growth, investment, and ability to raise capital. Their responses are shown in appendix D.

CONSIDERATION OF THE QUESTION OF THREAT OF MATERIAL INJURY

Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. § 1677(7)(F)(i)) provides that--

> In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the merchandise, the Commission shall consider, among other relevant economic factors[34]--
>
> (I) If a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),
>
> (II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,
>
> (III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,
>
> (IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,
>
> (V) any substantial increase in inventories of the merchandise in the United States,
>
> (VI) the presence of underutilized capacity for producing the merchandise in the exporting country,
>
> (VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury,

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[34] Section 771(7)(F)(ii) of the act (19 U.S.C. § 1677(7)(F)(ii)) provides that "Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition."

(VIII) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 701 or 731 or to final orders under section 706 or 736, are also used to produce the merchandise under investigation,

(IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and

(X) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product.[35]

Neither subsidies (item (I) above) nor agricultural products (item (IX)) are issues in these investigations. Information on the volume, U.S. market penetration, and pricing of imports of the subject merchandise (items (III) and (IV) above) is presented in the section entitled "Consideration of the Causal Relationship between Imports of the Subject Merchandise and the Alleged Material Injury;" and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts (item (X)) is presented in appendix D. Available information follows on U.S. inventories of the subject product (item (V)); foreign producers' operations, including the potential for "product-shifting" (items (II), (VI), and (VIII) above); any other threat indicators, if applicable (item (VII) above); and any dumping in third-country markets.

U.S. Importers' Inventories

Table 14 shows the data collected from 6 importers of fittings from Korea and Taiwan. These data show a large increase in reported inventories of Taiwan product.[36] Between 1989 and 1991, inventory levels of all fittings ***.

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[35] Section 771(7)(F)(iii) of the act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

[36] No importer reported inventories of fittings from Korea.

Table 14
Stainless steel butt-weld pipe fittings: End-of-period inventories of U.S. importers, by products and by sources, 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
	Quantity (1,000 pounds)				
Finished fittings:					
Korea	0	0	0	0	0
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	291	372	***	***	280
Unfinished fittings:					
Korea	0	0	0	0	0
Taiwan	0	0	***	***	0
Subtotal	0	0	***	***	0
Other sources	0	0	0	0	0
Total	0	0	***	***	0
All fittings:					
Korea	0	0	0	0	0
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	291	372	624	276	280
	Ratio to imports (percent)				
Finished fittings:					
Korea	0	0	0	0	0
Taiwan	***	***	***	***	***
Average	***	***	***	***	***
Other sources	***	***	***	***	***
Average	18.9	25.3	***	***	14.6
Unfinished fittings:					
Korea	0	0	0	0	0
Taiwan	0	0	***	***	0
Average	0	0	***	***	0
Other sources	0	0	0	0	0
Average	0	0	***	***	0
All fittings:					
Korea	0	0	0	0	0
Taiwan	***	***	***	***	***
Average	***	***	***	***	***
Other sources	***	***	***	***	***
Average	18.9	25.3	30.8	17.8	14.3

Note.--Ratios are calculated using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

Ability of Foreign Producers to Generate Exports and the Availability of Export Markets Other Than the United States

Petitioners listed 4 Korean and 10 Taiwan producers of stainless steel butt-weld pipe fittings. According to information provided by counsel for the Korean manufacturers in the preliminary investigations, two of the firms (Sung Kwang Bend Co., Ltd. and Tae Kwang Bend Ind. Co., Ltd.) do not produce stainless steel pipe fittings, while the other two (Dai-Yung Metal Co., Ltd. and Sammy, Ltd.) do not export fittings to the United States.[37] Respondents' brief identified one Korean manufacturer, Asia Bend Co., Ltd. (Asia Bend), which sells stainless steel butt-weld pipe fittings in the United States. This information is corroborated by the U.S. Embassy in Seoul, which reported that Asia Bend sold $692,000 of stainless steel butt-weld pipe fittings in the United States in 1991; information on Asia Bend's production is unavailable.[38] The U.S. Embassy in Seoul provided the Commission with official Korean export statistics for stainless steel butt-weld pipe fittings going to the five most important export destinations. These data are presented in the following tabulation (in 1,000 U.S. dollars):

Export destination	1989	1990	1991	January-March-- 1991	January-March-- 1992
Iran	(1)	(1)	3,693	1,376	2,211
Japan	1,171	1,068	1,266	424	161
Singapore	488	426	552	25	84
Taiwan	307	1,167	1,160	181	132
United States	717	433	779	236	175
All other	5,285	1,591	743	45	224
Total	7,968	4,685	8,193	2,287	2,987

[1] Data are unavailable.

During the preliminary investigation, three producers of Taiwan product provided the Commission with information on their business operations through their counsel. These three firms--Tachia Yung Ho Machine Industry Co., Ltd. (TYH), Tru-Flow Industrial Co., Ltd. (Tru-Flow), and Tung Teng Machine Industry Co., Ltd. (Tung Teng)--appear to be among the major Taiwan producers.[39] TYH and Tru-Flow are represented by counsel in the final investigation; Tung Teng is not.[40] TYH provided the Commission with updated

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[37] Korean respondents' postconference brief, exhibit 1. In the final investigation involving Korea, there were no Korean producers/exporters that filed an entry of appearance either individually or through counsel.

[38] U.S. Department of State, telegram Nos. 6575, 6826, and 12521, prepared by U.S. Embassy, Seoul, June 1992 and November 1992.

[39] The American Institute in Taiwan (AIT) noted that these three companies plus Ta Chen Stainless Pipe Co., Ltd. (Ta Chen) account for over 95 percent of Taiwan production of stainless steel butt-weld pipe fittings.

[40] On January 21, 1993, the Commission received a letter from Liang-Houh Shieh requesting the acceptance of a late entry of appearance on behalf of Tru-Flow. A foreign producers' questionnaire was sent to Liang-Houh Shieh requesting information on the production operations of Tru-Flow; a response was not received in time to incorporate in this report.

information on its operations in Taiwan. Table 15 presents all available information on the industry in Taiwan. Interim data presented in the table are based on a January-March period for Tru-Flow and Tung Teng and a January-September period for TYH.[41]

* * * * * * *

Table 15
Stainless steel butt-weld pipe fittings: Taiwan's production capacity, production, capacity utilization, shipments, and inventories, 1989-91, January-September 1991, January-September 1992, and projections for 1992-93

(In 1,000 pounds, except where noted)

				Jan.-Sept.--		Projections--	
Item	1989	1990	1991	1991	1992	1992	1993

* * * * * * *

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

[41] Commission staff estimated complete 1992 and 1993 data for *** based on partial projections for those years.

CONSIDERATION OF THE CAUSAL RELATIONSHIP BETWEEN IMPORTS OF THE SUBJECT MERCHANDISE AND THE ALLEGED MATERIAL INJURY

U.S. Imports[42]

Table 16 contains Commerce's official import data[43] for stainless steel butt-weld pipe fittings. The volume of imports of stainless steel butt-weld pipe fittings from Korea dropped by 41 percent in 1990 and then grew by over 400 percent the following year. Between January-September 1991 and January-September 1992, these imports decreased by 90 percent. Imports from Taiwan declined by one-quarter in 1990 and nearly doubled in 1991. Interim import data fell by less than 1 percent. Cumulative imports from the subject countries followed the general trend of imports from other sources, declining in 1990, rising in 1991, and dipping again in interim 1992. In percentage terms, the 1991 increase in the subject imports, however, was substantially larger than the increase in imports from all other sources.

U.S. Market Shares

Table 17 shows the market penetration of imports from Korea and Taiwan since 1989.

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[42] Monthly import statistics for the period January 1991-October 1992 are presented in app. E.

[43] The data overstate the amount of subject stainless steel butt-weld pipe fitting imports, because the HTS classification for pipe fittings does not specify the size of the fittings. Certain quantities of stainless steel butt-weld pipe fittings with inside diameters greater than 14 inches enter the United States under this HTS number; nevertheless, the Commission has found no evidence to suggest that significant amounts of larger fittings come from Korea or Taiwan.

Table 16
Stainless steel butt-weld pipe fittings: U.S. imports, by sources, 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
	Quantity (1,000 pounds)				
Korea	170	100	524	501	50
Taiwan	1,527	1,139	2,195	1,724	1,714
Subtotal	1,698	1,239	2,718	2,225	1,764
Other sources	5,367	3,708	3,765	3,004	2,143
Total	7,065	4,946	6,483	5,229	3,907
	Value (1,000 dollars)				
Korea	869	407	1,519	1,420	330
Taiwan	7,034	5,414	10,598	8,289	7,625
Subtotal	7,903	5,820	12,118	9,709	7,955
Other sources	20,375	18,916	17,736	13,619	11,551
Total	28,279	24,736	29,854	23,328	19,505
	Unit value (per pound)				
Korea	$5.11	$4.08	$2.90	$2.83	$6.66
Taiwan	4.60	4.75	4.83	4.81	4.45
Average	4.66	4.70	4.46	4.36	4.51
Other sources	3.80	5.10	4.71	4.53	5.39
Average	4.00	5.00	4.60	4.46	4.99

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

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

Table 17
Stainless steel butt-weld pipe fittings: U.S. market shares[1], 1989-91, January-September 1991, and January-September 1992
(In percent)

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
	Share of the quantity of U.S. consumption				
Domestic production:					
Producers' U.S. shipments of finished fittings . . .	***	***	***	***	***
Producers' purchases of unfinished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Producers' U.S. shipments of finished fittings of U.S. origin[2]	35.3	46.5	36.9	32.2	37.2
U.S. imports:[3]					
Finished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Unfinished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Total imports from--					
Korea	1.6	1.1	5.1	6.5	.8
Taiwan	14.0	12.3	21.4	22.3	27.5
Subtotal	15.5	13.4	26.5	28.8	28.3
Other sources	49.1	40.1	36.7	38.9	34.4
Total	64.7	53.5	63.1	67.8	62.8

See footnotes at end of table.

Table 17--Continued
Stainless steel butt-weld pipe fittings: U.S. market shares[1], 1989-91, January-September 1991, and January-September 1992
(In percent)

Item	1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992
	Share of the value of U.S. consumption				
Domestic production:					
Producers' U.S. shipments of finished fittings	***	***	***	***	***
Producers' purchases of unfinished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Producers' U.S. shipments of finished fittings of U.S. origin[2]	57.6	60.9	51.2	48.8	48.5
U.S. imports:[3]					
Finished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Unfinished fittings from--					
Korea	***	***	***	***	***
Taiwan	***	***	***	***	***
Subtotal	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Total imports from--					
Korea	1.3	.6	2.5	3.1	.9
Taiwan	10.5	8.6	17.3	18.2	20.1
Subtotal	11.8	9.2	19.8	21.3	21.0
Other sources	30.5	29.9	29.0	29.9	30.5
Total	42.4	39.1	48.8	51.2	51.5

[1] To avoid double counting of unfinished product, apparent consumption consists of U.S. producers' shipments of finished fittings less their imports/purchases of unfinished fittings, plus total imports.
[2] U.S. producers' shipments of finished fittings minus their imports/purchases of unfinished fittings equal fittings of U.S. origin.
[3] Total imports equal official import statistics. Figures for unfinished fittings come from U.S. producers' reported imports of unfinished fittings plus U.S. producers' reported purchases of unfinished fittings from importers. Total U.S. imports less reported unfinished imports/purchases equal imports of finished fittings.

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

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

Market penetration of the subject imports (based on quantity) decreased from 15.5 percent in 1989 to 13.4 percent in 1990. The market share of these imports then expanded to 26.5 percent in 1991. The Taiwan product attained a significantly higher market share than the Korean product in each of the periods examined. In interim 1992, Korean market penetration fell to 0.8 percent, while the Taiwan market share reached its highest level during the period under investigation (27.5 percent).

Prices

Marketing Considerations

Eight U.S. producers, 2 importers of the Korean product,[44] and 10 importers of the Taiwan subject product reported pricing and related information concerning their U.S. sales of stainless steel butt-weld pipe fittings. Most of the U.S. producers and importers of the Korean and Taiwan products market their product nationwide.[45] Two of the larger U.S. producers, *** and ***, reported that they have regional storage facilities from which they sell stainless steel butt-weld pipe fittings.[46]

U.S. producers of stainless steel butt-weld pipe fittings generally quote prices on an f.o.b. factory or f.o.b. warehouse basis for orders of less than $8,000 after discount. *** and *** pay shipping charges for orders exceeding $*** after discount. U.S. producers' typically offer sales terms of a 1 or 2 percent discount for payment within 10 days, otherwise the payment must be paid in full within 30 days. Most importers of Korean and Taiwan stainless steel butt-weld pipe fittings quote prices on a c.i.f. duty paid or f.o.b. warehouse basis. ***, ***, and *** pay shipping charges for orders exceeding $***, $***, and $***, respectively. Common sales terms are net 30 days.

Most of the larger responding U.S. producers issue standardized industry price lists,[47] but transaction prices are determined through discounts based on either the size of the sale or competing discount offers.[48] *** reported that it determines transaction prices by adding a 5-10 percent markup to its cost of providing the fittings. Four of the 10 responding importers of the Taiwan product issue price lists[49] and two, *** and ***, use U.S. producers' price lists as a point of reference. Most importers of Taiwan fittings discount from their list prices the same way that U.S. producers do. Those Taiwan importers that do not issue price lists establish transaction prices based on a percentage markup of cost and competitive market conditions.

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[44] Two firms (*** and ***) reported imports of Korean stainless steel butt-weld pipe fittings during January 1989-September 1992. *** was by far the largest responding importer, importing *** pounds of Korean subject fittings during the period as opposed to *** pounds by ***.

[45] ***.

[46] *** does not own regional storage facilities but can obtain them if necessary.

[47] *** and *** submitted identical price lists. See p. 20 of the petition.

[48] Volume discounts range from 42 to 64 percent.

[49] The only importer price list submitted to the Commission (by ***) is identical to the price lists submitted by the domestic producers *** and ***.

U.S. producers' transportation costs are relatively small, ranging from 1.3 to 2.5 percent of the total delivered price of stainless steel butt-weld pipe fittings. Average lead times for sales of the U.S. product from stock varied from 1 to 3 days, whereas lead times for sales of made-to-order U.S. product ranged from 3 to 8 weeks. U.S. inland transportation costs for imported Korean and Taiwan stainless steel butt-weld pipe fittings varied in a wider range, from 0.3 to 5.0 percent of the total delivered price. Average lead times for sales of imported Korean and Taiwan stainless steel butt-weld pipe fittings from U.S. warehouse stock were similar to U.S. stock lead times, ranging from 1 to 7 days. However, lead times for sales of the made-to-order Korean and Taiwan products were significantly greater than U.S. made-to-order lead times, ranging from 8 to 22 weeks.

Stainless steel butt-weld pipe fittings are typically made from welded stainless steel pipe. The raw material cost is an important component of the total cost of producing the subject product, accounting for roughly 54 percent of the cost of goods sold in 1991.[50] Available data show that prices for welded stainless steel pipe declined significantly during April 1989-March 1991.[51]

The Commission also received pricing and related information from U.S. purchasers of stainless steel butt-weld pipe fittings. All of the responding purchasers reported that the imported Korean and Taiwan fittings were priced lower than the domestic fittings during 1991. However, most purchasers identified domestic producers (Flowline, APP, Taylor Forge, or Gerlin) as the price leaders.

Those purchasers that bought domestic fittings, even though comparable imported fittings were available at a lower price, cited factors such as the U.S. producers' better quality, shorter delivery times, broader product range, and smaller minimum quantity requirements. Seven of the 14 responding purchasers considered quality to be their most important consideration, and four considered it to be their second-most important consideration. Exxon, one of the largest U.S. petrochemical firms, only purchases pipe fittings that are produced by approved manufacturers. In general, other end users in the petrochemical and nuclear industries either use Exxon's accepted manufacturer list (AML) as a purchasing guideline or conduct their own stringent testing of the pipe fittings and compile their own AMLs.[52] Petitioner estimates that this extremely quality conscious segment of the industry accounts for *** percent of the market. No manufacturers from either Korea or Taiwan were included in the most recent (September 15, 1992) version of Exxon's AML (see appendix F).[53]

Questionnaire Price Data

The Commission requested U.S. producers and importers to provide U.S. f.o.b. prices (i.e., plant and U.S. point-of-shipment, respectively) and total quantities and values of four representative stainless steel butt-weld pipe fitting products. For each product listed below, the Commission requested

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[50] Report, p. I-23.

[51] ***.

[52] ***.

[53] ***.

price data for the largest sale to unrelated U.S. distributors for each quarter during January 1989-September 1992.

Product 1: **Stub-ends:** Stainless steel butt-weld, 2-inch inside nominal diameter, MSS type A, schedule 10S, of 304L alloy steel meeting ASTM grade A-403 or equivalent specifications.

Product 2: Elbows: Stainless steel butt-weld, finished, 2-inch nominal diameter, 90°, schedule 10S, long radius, of 316L alloy steel meeting ASTM grade A-403 or equivalent specifications.

Product 3: Elbows: Stainless steel butt-weld, finished, 3-inch nominal diameter, 90°, schedule 10S, long radius, of 304L alloy steel meeting ASTM grade A-403 or equivalent specifications.

Product 4: Tees: Stainless steel butt-weld, finished, 2-inch inside nominal diameter, schedule 10S, of 304L alloy steel meeting ASTM grade A-403 or equivalent specifications.

Seven U.S. producers, one importer of the Korean subject product, and eight importers of the Taiwan subject product provided pricing data, although not necessarily for all products or quarters during January 1989-September 1992. The responding U.S. producers accounted for 100 percent of total reported U.S. shipments of domestic stainless steel butt-weld pipe fittings in 1991. ***. Responding importers of the Taiwan products accounted for 45 percent of Taiwan imports in 1991.[54] F.o.b. prices for sales of U.S.-produced and imported Korean and Taiwan products 1-4 to distributors are presented in tables 18-21 and figures 2 and 3.

Price trends for U.S.-produced stainless steel butt-weld pipe fittings

During January 1989-September 1992, weighted-average f.o.b. prices for U.S. products 1-4 declined overall by ***, ***, ***, and *** percent, respectively. Prices for product 1 fell slightly during 1989-90 and the first two quarters of 1991, then fell more rapidly during the rest of the period, fluctuating downward by *** percent. Product 2 prices fluctuated between $*** and $*** per piece during 1989-90, then declined consistently during the rest of the period. Prices for product 3 fell during 1989, increased to their highest point in the fourth quarter of 1990, fell to their lowest point in the second quarter of 1992, then increased slightly in the final quarter of the period. Product 4 prices increased in the second quarter of 1989, then fell continuously during the rest of the period.

[54] Based on Commerce's official import data. The data may overstate the amount of subject stainless steel butt-weld pipe fitting imports, because the HTS classification for pipe fittings does not specify the size of the fittings. Certain quantities of stainless steel butt-weld pipe fittings with inside diameters greater than 14 inches may enter the United States under this HTS number.

Table 18
Stainless steel butt-weld pipe fittings: Weighted-average net f.o.b. prices of product 1 sold to distributors, by quarters, January 1989-September 1992

Period	United States Price	United States Quantity	Taiwan Price	Taiwan Quantity
	$/piece	Pieces	$/piece	Pieces

* * * * * * *

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

Table 19
Stainless steel butt-weld pipe fittings: Weighted-average net f.o.b. prices of product 2 sold to distributors, by quarters, January 1989-September 1992

Period	United States Price	United States Quantity	Korea Price	Korea Quantity	Taiwan Price	Taiwan Quantity
	$/piece	Pieces	$/piece	Pieces	$/piece	Pieces

* * * * * * *

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

Table 20
Stainless steel butt-weld pipe fittings: Weighted-average net f.o.b. prices of product 3 sold to distributors, by quarters, January 1989-September 1992

Period	United States Price	United States Quantity	Korea Price	Korea Quantity	Taiwan Price	Taiwan Quantity
	$/piece	Pieces	$/piece	Pieces	$/piece	Pieces

* * * * * * *

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

Table 21
Stainless steel butt-weld pipe fittings: Weighted-average net f.o.b. prices of product 4 sold to distributors, by quarters, January 1989-September 1992

Period	United States		Korea		Taiwan	
	Price	Quantity	Price	Quantity	Price	Quantity
	$/piece	Pieces	$/piece	Pieces	$/piece	Pieces

* * * * * * *

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

Figure 2
Stainless steel butt-weld pipe fittings: Weighted-average net f.o.b. prices of products 1 and 2 sold to distributors, by quarters, January 1989-September 1992

* * * * * * *

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

Figure 3
Stainless steel butt-weld pipe fittings: Weighted-average net f.o.b. prices of products 3 and 4 sold to distributors, by quarters, January 1989-September 1992

* * * * * * *

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

Price trends for imported Korean stainless steel butt-weld pipe fittings

Korean importers did not report any imports of product 1 during January 1989-September 1992. The limited available price data indicate that prices for imported Korean products 2 and 3 ***. The Commission did not receive enough data points to determine a price trend for Korean product 4.

Price trends for imported Taiwan stainless steel butt-weld pipe fittings

During January 1989-September 1992, prices for Taiwan products 1-4 declined overall by *** percent, *** percent, *** percent, and *** percent, respectively. Available price data for product 1 fluctuated downward to their lowest point in the second quarter of 1992, before increasing sharply in the final quarter of the period. Prices for product 2 varied between $*** and $*** per piece in 1989, then fluctuated downward during the rest of the period. Prices for product 3 increased to their highest point in the second quarter of 1990, then fell irregularly during the rest of the period to levels below the initial price level. Available price data for product 4 fluctuated downward during 1989-90, increased slightly during the first three quarters of 1991, then fell during the rest of the period.

Korean price comparisons

The limited available price data for Korean importers' largest quarterly sales during January 1989-September 1992 allowed 17 direct f.o.b price comparisons with U.S. products 2-4. The imported Korean products were *** (table 22). Prices for Korean product 2 were *** for U.S. product 2 in all seven available quarters by margins ranging from *** percent to *** percent. Prices for Korean product 3 were *** prices for U.S. product 3 in five quarters by margins ranging from *** to *** percent, and were *** in one quarter by a margin of *** percent. Prices for Korean product 4 were *** prices for U.S. product 4 in all four available quarters by margins ranging from *** to *** percent.

Table 22
Stainless steel butt-weld pipe fittings: Korean margins of underselling/ (overselling), by products and by quarters, January 1989-September 1992

(In percent)

Period	Product 2	Product 3	Product 4

* * * * * * *

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

Taiwan price comparisons

The reported price data for Taiwan importers' largest quarterly sales during January 1989-September 1992 resulted in 54 direct f.o.b. price comparisons with U.S. products 1-4. The imported Taiwan products were priced below the domestic product in all 54 instances (table 23). Margins of underselling ranged from *** to *** percent for product 1, *** to *** percent for product 2, *** to *** percent for product 3, and *** to *** percent for product 4. In 36 of the 54 available price comparisons, margins of underselling exceeded *** percent.

Table 23
Stainless steel butt-weld pipe fittings: Taiwan margins of underselling, by products and by quarters, January 1989-September 1992

(In percent)

Period	Product 1	Product 2	Product 3	Product 4

* * * * * * *

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

Exchange Rates

Quarterly data reported by the International Monetary Fund indicate that the currencies of the two countries subject to this investigation fluctuated in relation to the U.S. dollar over the period from January 1989 through September 1992 (table 24).[55] The nominal value of the Korean currency depreciated by 14 percent while the Taiwan currency appreciated 11.6 percent. When adjusted for movements in producer price indexes in the United States and the specified countries, the Taiwan currency remained stable while the real value of the Korean currency depreciated 7.1 percent during the periods for which data were collected.

[55] International Financial Statistics, November 1992.

Table 24
Exchange rates:[1] Indexes of nominal and real exchange rates of selected currencies, and indexes of producer prices in those countries,[2] by quarters, January 1989-September 1992

Period	U.S. producer price index	Korea Producer price index	Korea Nominal exchange rate index	Korea Real exchange rate index[3]	Taiwan Producer price index	Taiwan Nominal exchange rate index	Taiwan Real exchange rate index[3]
1989:							
January-March......	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-June.........	101.8	100.8	101.6	100.6	99.7	105.3	103.1
July-September.....	101.4	100.7	101.3	100.6	97.9	107.4	103.7
October-December...	101.8	101.2	100.7	100.1	96.6	106.5	101.0
1990:							
January-March......	103.3	101.8	98.1	96.7	96.1	105.6	98.3
April-June.........	103.1	104.0	95.4	96.3	96.9	102.8	96.6
July-September.....	104.9	105.5	94.7	95.2	98.8	101.5	95.6
October-December...	108.1	108.2	94.7	94.8	99.8	101.5	93.7
1991:							
January-March......	105.9	109.8	93.9	97.3	99.2	101.7	95.3
April-June.........	104.8	110.0	93.4	98.0	98.7	101.4	95.5
July-September.....	104.7	110.6	92.4	97.7	98.0	103.3	96.7
October-December...	104.8	111.5	89.9	95.7	96.5	106.2	97.7
1992:							
January-March......	104.6	112.5	88.4	95.1	94.7	109.7	99.4
April-June.........	105.6	113.7	86.5	93.1	95.3	110.5	99.7
July-September.....	106.1	114.5	86.0	92.9	95.1[4]	111.6	100.0[4]

[1] Exchange rates expressed in U.S. dollars per unit of foreign currency.
[2] Producer price indexes--intended to measure final product prices--are based on period-average quarterly indexes presented in line 63 of the International Financial Statistics.
[3] The real exchange rate is derived from the nominal rate adjusted for relative movements in producer prices in the United States and the specified countries.
[4] Derived from Taiwan exchange rate and price data reported for July only.

Note.--January-March 1989 = 100. The real exchange rates, calculated from precise figures, cannot in all instances be derived accurately from previously rounded nominal exchange rate and price indexes.

Source: International Monetary Fund, International Financial Statistics, November 1992.

Lost Sales and Lost Revenues

The Commission received 13 lost sales allegations from two producers: *** and ***. These allegations concerned sales of stainless steel butt-weld pipe fittings worth $*** allegedly lost due to competition from imports from Taiwan. No U.S. producer reported specific instances of sales lost due to competition from imports from Korea. One other U.S. producer, ***, reported losing sales because of import competition but could not cite specific instances. ***, ***, and *** alleged losing revenues because of import competition, but none was able to cite specific instances. *** submitted numerous sales call reports as evidence of Taiwan price suppression.

* * * * * * *

APPENDIX A

FEDERAL REGISTER NOTICES

[Investigation No. 731-TA-563 (Final)]

Certain Stainless Steel Butt-Weld Pipe Fittings From Korea

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of a final antidumping investigation.

SUMMARY: The Commission hereby gives notice of the institution of final antidumping investigation No. 731-TA-563 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the Act) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Korea of certain stainless steel butt-weld pipe fittings, whether finished or unfinished, under 14 inches inside diameter, provided for in subheading 7307.23.00 of the HTS.

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

EFFECTIVE DATE: October 19, 1992.

FOR FURTHER INFORMATION CONTACT: Brian Walters (202-205-3198), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted as a result of an affirmative preliminary determination by the Department of Commerce that imports of certain stainless steel butt-weld pipe fittings from Korea are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. 1673b). The investigation was requested in a petition filed on May 20, 1992, by Flowline Division, Markovitz Enterprises, Inc., New Castle, PA.

Participation in the Investigation and Public Service List

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules, not later than twenty-one (21) days after publication of this notice in the **Federal Register**. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this final investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not late than twenty-one (21) days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this final investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than twenty-one (21) days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff Report

The prehearing staff report in this investigation will be placed in the nonpublic record on December 31, 1992, and a public version will be issued thereafter, pursuant to § 207.21 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with this investigation beginning at 9:30 a.m. on January 14, 1993, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before January 5, 1993. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on January 8, 1992, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ 201.6(b)(2), 201.13(f), and 207.23(b) of the Commission's rules.

Written Submissions

Each party is encouraged to submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.22 of the Commission's rules; the deadline for filing is January 8, 1993. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.23(b) of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.24 of the Commission's rules. The deadline for filing posthearing briefs is January 22, 1993; witness testimony must be filed no later than three (3) days before the hearing. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before January 22, 1993. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

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

Issued: October 29, 1992.

By order of the Commission.

Paul R. Bardos

Acting Secretary.

[FR Doc. 92-26763 Filed 11-3-92; 8:45 am]

BILLING CODE 7020-02-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-564 (Final)]

Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan; Institution and Scheduling of a Final Antidumping Investigation

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of a final antidumping investigation.

SUMMARY: The Commission hereby gives notice of the institution of final antidumping Investigation No. 731-TA-564 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the Act) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Taiwan of certain stainless steel butt-weld pipe fittings, whether finished or unfinished, under 14 inches inside diameter, provided for in subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States.

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

EFFECTIVE DATE: December 17, 1992.

FOR FURTHER INFORMATION CONTACT: Brian Walters (202-205-3198), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted as a result of an affirmative preliminary determination by the Department of Commerce that imports of certain stainless steel butt-weld pipe fittings from Taiwan are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. § 1673b). The investigation was requested in a petition filed on may 20, 1992, by Flowline Division, Markovitz Enterprises, Inc., New Castle, PA.

Participation in the Investigation and Public Service List

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission not later than seven (7) days after publication of this notice in the **Federal Register**. Section 201.11 of the Commission's rules is hereby waived. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

The Secretary will make BPI gathered in this final investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than seven (7) days after the publication of this notice in the **Federal Register**. Section 207.7(a) of the Commission's rules is hereby waived. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff Report

The prehearing staff report in this investigation will be placed in the nonpublic record on December 31, 1992, and a public version will be issued thereafter, pursuant to § 207.21 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with this investigation beginning at 9:30 a.m. on January 14, 1993, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before January 5, 1993. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on January 8, 1993, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ 201.6(b)(2), 201.13(f), and 207.23(b) of the Commission's rules. Parties are strongly encouraged to submit as early in the investigation as possible any requests to present a portion of their hearing testimony *in camera*.

Written Submissions

Each party is encouraged to submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.22 of the Commission's rules; the deadline for filing is January 8, 1993. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.23(b) of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.24 of the Commission's rules. The deadline for filing posthearing briefs is January 22, 1993; witness testimony must be filed no later than three (3) days before the hearing. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before January 22, 1993. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

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

By order of the Commission.

Issued: December 18, 1992.

Paul R. Bardos,

Acting Secretary.

[FR Doc. 92-31211 Filed 12-21-92; 8:45 am]

BILLING CODE 7020-02-M

[A-583-816]

Preliminary Determination of Sales at Less Than Fair Value: Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan

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

EFFECTIVE DATE: December 23, 1992.

FOR FURTHER INFORMATION CONTACT: John Gloninger or Raphiel Hampton, Office of Antidumping Investigations, Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-2778 or (202) 482-0176.

Preliminary Determination

We preliminarily determine that certain stainless steel butt-weld pipe fittings from Taiwan are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

Case History

Since the notice of initiation on June 9, 1992 (57 FR 26645, June 15, 1992), the following events have occurred.

On July 7, 1992, the International Trade Commission (ITC) issued an affirmative preliminary determination.

On June 18, 1992, Tru-Flow Industrial Co., Ltd. (Tru-Flow) stated that it wished to participate in the investigation as a voluntary respondent if not selected as a mandatory respondent. On June 30, 1992, Tru-Flow provided the volume and value of its U.S. sales during the period of investigation (POI), December 1, 1991, through May 31, 1992. On July 18 and 21, 1992, Tru-Flow revised its POI volume and value figures. Based on the data reported in those submissions, on July 27, 1992, the Department issued an antidumping questionnaire to Tru-Flow. However, at that time, we informed Tru-Flow that the Department would conduct an early verification of its reported volume and value figures. The Department stated that if it found significant errors, we would no longer investigate Tru-Flow, but instead use best information available (BIA) in our determinations. In August 1992, the Department conducted a vertification of Tru-Flow's volume and value data. Tru-Flow was unable to tie its sales to its books. (See Tru-Flow volume and value verification report dated September 2, 1992.)

On August 20, 1992, Tru-Flow filed its response to Section A which contained different volume and value numbers than observed at vertification. The Department then informed Tru-Flow on August 28, 1992, that, because it was unable to tie the reported volume and value data to its books, it was to suspend compilation and reporting of its sections B and C responses until we decided whether to continue investigating Tru-Flow. On August 28, Tru-Flow filed a submission requesting that the Department reconsider its decision. On September 1, 1992, petitioner also submitted comments questioning the veracity of Tru-Flow's volume and value reporting. On September 25, 1992, based on Tru-Flow's inability to link volume and value data with its accounting books, we discontinued the investigation of Tru-Flow, and recommended using BIA, as provided for in section 776(c) of the Act. Moreover, we recommended applying to Tru-Flow, as BIA at the preliminary determination, the higher of (1) the margins in the petition or (2) the highest calculated margin of any respondent within that country that supplied adequate and verified responses. (See "Continuation of Investigation of Tru-Flow" memorandum to Alan M. Dunn, dated September 25, 1992.) On December 11, 1992, Tru-Flow submitted its comments with respect to the Department discontinuing its participation in this investigation.

On July 1, 1992, the Department issued antidumping questionnaires to Ta Chen Stainless Pipe Company, Ltd. (Ta Chen) and Tachia Yung Ho Machine Co., Ltd. (TYH), requesting additional information on their volume and value of sales during the POI. On July 16, 1992, the Department presented its antidumping questionnaire to Ta Chen and TYH, as they accounted for at least 60 percent of known sales to the United States during the POI, in accordance with 19 CFR 353.42(b).

Ta Chen and TYH submitted responses to the sales questionnaire in August and September 1992. We issued supplemental sales questionnaires in September and October 1992, and received the responses in October 1992.

On September 11, 1992, petitioner alleged that Ta Chen and TYH were selling the subject merchandise in the home market at prices below the cost of production (COP). On October 5, 1992, the Department initiated COP investigations with respect to these two companies.

On October 5, 1992, petitioner requested that the Department postpone the preliminary determination in this investigation for 50 days in accordance with 19 CFR 353.15(c). Accordingly, on October 7, 1992, we postponed the preliminary determination until December 16, 1992 (57 FR 47324, October 15, 1992).

The Department issued Section D of our questionnaire to Ta Chen and TYH on October 9, 1992, and received responses on November 9 and 13, 1992, respectively. On December 3 and 7, 1992, petitioner submitted comments to the section D responses from both Ta Chen and TYH. The Department issued deficiency letters to these companies on

December 15, 1992, requesting clarification of certain areas in the responses. Since these responses were deficient, we were unable to use the responses for purposes of this preliminary determination. However, we will analyze and verify the COP deficiency responses, if properly completed, for use in the Department's final determination.

Scope of Investigation

The products subject to this investigation are certain stainless steel butt-weld pipe fittings, whether finished or unfinished, under 14 inches inside diameter.

Certain stainless steel butt-weld pipe fittings (pipe fittings) are used to connect pipe sections in piping systems where conditions require welded connections. The subject merchandise is used where one or more of the following conditions is a factor in designing the piping system:

(1) Corrosion of the piping system will occur if material other than stainless steel is used;

(2) Contamination of the material in the system by the system itself must be prevented;

(3) High temperatures are present;

(4) Extreme low temperatures are present;

(5) High pressures are contained within the system.

Pipe fittings come in a variety of shapes, with the following five shapes being the most basic: "elbows", "tees", "reducers", "stub ends", and "caps". The edges of finished fittings are beveled. Threaded, grooved, and bolted fittings are excluded from these investigations. The pipe fittings subject to these investigations are classifiable under subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States (HTSUS).

Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Period of Investigation

The period of investigation is December 1, 1991, through May 31, 1992.

Such or Similar Comparisons

We have determined for purposes of the preliminary determination that the products covered by this investigation comprise a single category of "such or similar" merchandise.

Such or Similar Comparisons

We have determined for purposes of the preliminary determination that the products covered by this investigation comprise a single category of "such or similar" merchandise.

Fair Value Comparisons

Since the Section D responses for both Ta Chen and TYH were not complete and accurate, we were unable to determine whether home market sales were above or below COP, nor were we able to calculate FMV pursuant to section 773 of the Act. For these reasons, we have based this preliminary determination on BIA. As BIA we assigned the simple average of the margins reported in the petition, 48.05 percent. (See Best information Available section of this notice.)

Best Information Available

After a complete analysis of TYH's and Ta Chen's section D cost responses, we concluded that we could not use these responses for our preliminary determination. Both Ta Chen and TYH requested numerous extensions throughout this investigation for responses to sections A, B, C, and D of the Department's questionnaire. In our responses to these requests, we informed respondents that in the case of inadequate or incomplete responses, we may have to use BIA. The section D responses of Ta Chen and TYH contain major deficiencies. Since the section D responses are both incomplete and inaccurate, we cannot reasonably test the home market sales databases to determine whether sales were made above or below cost. The deficiencies requiring the Department to preliminarily use BIA include the following: (1) Ta Chen reported its cost data on an aggregate basis only; therefore, we could not determine whether its costs were fully reported; (2) Ta Chen reported only one input unit for weight-average price; there is no cost information on caps anywhere in its response, also an input unit; and, (3) Both TYH and Ta Chen did not properly address the Department's questions concerning its related party transactions. (For a full discussion of our decision, see December 14, 1992, Cost Deficiency Memorandum to Richard W. Moreland). In addition, we are unable to use the cost data provided by the petitioner in this investigation as BIA because petitioner reported cost data only on one type of fitting.

As stated above, for BIA we are applying the average of the margins reported in the petition for both TYH and Ta Chen (*i.e.*, 48.05 percent). We are not applying the highest dumping margin reported in the petition because, even though TYH's and Ta Chen's cost responses were too deficient for us to use for the preliminary determination, the respondents appear to have been cooperative during the investigation. A deficiency questionnaire was sent on December 15, 1992, to Ta Chen and TYH and the information will be due prior to verification. If the information in the revised questionnaire response is accurate and verifiable, it will be used for the final determination. As noted in the Case History section of this notice, we are also using BIA with respect to Tru-Flow. As BIA, we are applying the highest margin contained in the petition, which is 76.2 percent.

Critical Circumstances

Petitioner alleges that "critical circumstances" exist, within the meaning of section 733(e) of the Act, with respect to imports of pipe fittings from Taiwan. Section 733(e)(1) of the Act provides that critical circumstances exist if we determine that there is a reasonable basis to believe or suspect that:

(A)(i) There is a history of dumping in the United States or elsewhere of the class or kind of merchandise which is the subject of the investigation, or

(ii) The person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value, and

(B) There have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

It has been the Department's practice to consider estimated margins of 25 percent or greater on sales to unrelated parties and estimated margins of 15 percent or greater on sales to related parties as sufficient proof to impute knowledge of dumping. (See, e.g., Final Determination of Sales at Less than Fair Value: Extruded Rubber Thread from Malaysia, 57 FR 38465 August 25, 1992).

Therefore, since the margins assigned to Ta Chen and TYH are greater than 25 percent, we find that there is sufficient proof to impute knowledge of dumping.

In order to determine whether there have been massive imports of fittings from Taiwan, we examined the company specific shipment data submitted by Ta Chen and TYH. Pursuant to 19 CFR 353.16(f) of the Department's regulations, we analyzed shipments during the three months after the month on which the petition was filed, compared to shipments in the three months prior to this period. Based on this analysis, we found that there were massive imports over a relatively short period of time. Therefore, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports from Ta Chen and TYH.

With respect to Tru-Flow, because its margin is greater than 25 percent, we find that there is sufficient proof to impute knowledge of dumping. We could not determine if massive imports exist using company-specific shipment data, since the investigation of Tru-Flow was discontinued. (See the Case History section of this notice). Therefore, as BIA, we have determined that imports from Tru-Flow have been massive over a relatively short period. Accordingly, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports from Tru-Flow.

We have used U.S. Department of Commerce import statistics to determine whether massive imports exist with respect to those firms covered by the "All Other" rate. Based on our analysis, we preliminarily determine that imports of pipe fittings have been massive over a relatively short period of time. We are using a simple average of the BIA margins for Ta Chen, TYH, and Tru-Flow for determining the "All Other" rate. Because this rate is 57.43 percent, we find that there is sufficient proof to impute knowledge of dumping. Therefore, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances do exist for firms covered by the "All Other" rate.

Suspension of Liquidation

In accordance with section 733(d)(1) of the Act, we are directing the Customs Service to suspend liquidation of all entries of pipe fittings from Taiwan, that are entered, or withdrawn from warehouse, for consumption 90 days prior to the date of publication of this notice in the Federal Register. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margins, as shown below. The suspension of liquidation will remain in effect until further notice. The weighted-average dumping margins are as follows:

Manufacturer/producer/exporter	Weighted-average margin percentage
Ta Chen Stainless Pipe Co., Ltd.	48.05
Tachia Yung Ho Machine Industry Co., Ltd.	48.05
Tru-Flow Industrial Co., Ltd.	76.20
All Others	57.43

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination.

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than February 12, 1993, and rebuttal briefs no later than February 19, 1993. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to give interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on February 26, 1993, at 9:30 a.m. at the U.S. Department of Commerce, Room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099, within ten days of the publication of this notice in the Federal Register. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to issues raised in the briefs.

This determination is published pursuant to section 733(f) of the Act (19 U.S.C. 1673b(f) and 19 CFR 353.15(a)(4).

Dated: December 16, 1992.

Alan M. Dunn,

Assistant Secretary for Import Administration.

[FR Doc. 92-31174 Filed 12-22-92; 8:45 am]

BILLING CODE 3510-DS-M

[A-580-813]

Final Determination of Sales at Less Than Fair Value: Certain Welded Stainless Steel Butt-Weld Pipe Fittings From the Republic of Korea

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

EFFECTIVE DATE: December 29, 1992.

FOR FURTHER INFORMATION CONTACT: John Gloninger, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-2778.

FINAL DETERMINATION: We determine that certain welded stainless steel butt-weld pipe fittings from the Republic of Korea (Korea) are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The estimated margins are shown in the "suspension of Liquidation" section of this notice.

Case History

Since the issuance of our notice of preliminary determination on October 21, 1992, (57 FR 48018, October 21, 1992) there has been no action taken by the Department, nor have any comments been submitted on the record from any party. Petitioner in this investigation is the Flowline Division of Markovitz Enterprises, Inc. Asia Bend Company, Ltd., the only respondent in this investigation, refused to respond to our questionnaire. For a discussion of the events leading up to the Department's preliminary determination and the use of best information available (BIA) see the notice cited above.

Scope of Investigation

The products subject to this investigation are certain welded stainless steel butt-weld pipe fittings ("pipe fittings"), whether finished or unfinished, under 14 inches inside diameter. Pipe fittings are used to connect pipe sections in piping systems where conditions require welded connections. The subject merchandise can be used where one or more of the following conditions is a factor in designing the piping system: (1) Corrosion of the piping system will occur if material other than stainless steel is used; (2) contamination of the material in the system by the system itself must be prevented; (3) high temperatures are present; (4) extreme low temperatures are present; (5) high pressures are contained within the system. Pipe fittings come in a variety of shapes, and the following five are the most basic: "elbows", "tees", "reducers", "stub ends", and "caps". The edges of finished fittings are beveled. Threaded, grooved, and bolted fittings are excluded from these investigations. The pipe fittings subject to this investigation are classifiable under subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Best Information Available

Our final determination is based on the use of best information available because we did not receive a response from Asia Bend Company, Ltd. during the course of this investigation. As best information, we have used the highest margin contained in the petition.

Critical Circumstances

Petitioner alleged that "critical circumstances" exist with respect to imports of the subject merchandise from Korea. Pursuant to section 733(e)(1) of the Act, we determined in our preliminary determination that there was a reasonable basis to believe or suspect that critical circumstances existed for imports of pipe fittings from Korea. If a final determination is affirmative, section 735(a)(3) requires us also to make a finding as to whether:

(A)(i) there is a history of dumping in the United States or elsewhere of the class or kind of merchandise which is the subject of the investigation, or

(ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value, and

(B) there have been massive imports of the merchandise which is the subject of the investigation over a relatively short period.

Under 19 CFR 353.16(f), we normally consider the following factors in determining whether imports have been massive over a short period of time: (1) The volume and value of the imports; (2) seasonal trends (if applicable); and (3) the share of domestic consumption accounted for by imports.

In determining knowledge of dumping, we normally consider margins of 15 percent or more sufficient to impute knowledge of dumping under section 19 CFR 353.16(a)(1)(ii) for exporters sales price sales, and margins of 25 percent or more for purchase price sales. (See, *Final Determination of Sales at Less Than Fair Value; Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from Italy*, 52 FR 24198, June 29, 1987 and *Final Determination of Sales at Less Than Fair Value; Extruded Rubber Thread from Malaysia*, 57 FR 38465, August 25, 1992). Since we received no responses from Asia Bend to our questionnaire, we are finding, as best information available, that its sales to the United States are exporters sales price transactions. Therefore, since the margin being assigned to Asia Bend Company, Ltd., which is based on the highest margin in the petition, is above 15 percent, we determine in accordance with our practice and section 735(a)(3) of the Act that the importer knew or should have known the exporter was dumping pipe fittings from Korea.

Because the Department did not receive a response to its questionnaire, we have also relied upon best information available for determining whether there have been massive imports of pipe fittings from Korea. Prior to our preliminary determination, although requested, we received no company-specific export statistics from Asia Bend. Therefore, absent any company-specific export statistics, we examined the Commerce Department's import statistics as one possible way to measure import levels of pipe fittings from Korea. The pipe fittings subject to this investigation are classifiable under subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States (HTSUS). However, as stated in our notice of initiation, threaded, grooved, and bolted fittings are excluded from this investigation. Because we are unable to determine what percentage of the volume of imports under this HTSUS subcategory are made up of non-subject merchandise, we cannot rely on the Commerce Department's import statistics for this purpose.

Since respondents has refused to provide the Department with the requested shipment data, we have assumed, as best information available, that imports were massive over a relatively short period of time. Therefore, we find that imports of pipe fittings from Korea have been massive over a relatively short period of time.

Based on our analysis, we find, pursuant to section 735(a)(3) of the Act, that critical circumstances exist for imports of pipe fittings from Korea.

Continuation of Suspension of Liquidation

We are directing the Customs Service to continue to suspend liquidation of all entries of certain welded stainless steel butt-weld pipe fittings from the Republic of Korea that are entered, or withdrawn from warehouse, for consumption on or after July 23, 1992, which is 90 days prior to the date of publication of our preliminary determination in the Federal Register. The Customs Service shall require a cash deposit or bond equal to 21.2 percent on all entries of pipe fittings from Korea. This suspension of liquidation will remain in effect until further notice. The weighted-average dumping margins are as follows:

[In percent]

Producer/manufacturer/exporter	Weighted-average margin percentage
The Asia Bend Co., Ltd.	21.2
All other entries from Korea	21.2

ITC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination.

Notification to Interested Parties

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Failure to comply is a violation of the APO.

This determination is published pursuant to section 735(d) of the Act and 19 CFR 353.20(a)(4).

Dated: December 18, 1992.

Rolf Th. Lundberg, Jr.,

Acting Assistant Secretary for Import Administration.

[FR Doc. 92-31458 Filed 12-28-92; 8:45 am]

BILLING CODE 3510-DS-M

[A-583-816]

Postponement of Final Antidumping Duty Determination: Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan

AGENCY: Import Administration, International Trade Administration, Commerce.

EFFECTIVE DATE: January 19, 1993.

FOR FURTHER INFORMATION CONTACT: John Gloninger, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230, at (202) 482-2778.

Postponement

On December 30, 1992, Tachia Yung Ho Machine Industry Co., Ltd. (TYH) a respondent in this investigation, requested that the Department of Commerce (the Department) postpone the final antidumping duty determination. TYH requested the full extension of 135 days after the date of publication of the preliminary determination (57 FR 61047, December 23, 1992), pursuant to 19 CFR 353.20(b)(1) of the Department's regulations. The Department finds no compelling reasons to deny the request and is, accordingly, postponing the date of the final antidumping duty determination until May 7, 1993.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than March 23, 1993, and rebuttal briefs no later than March 30, 1993. In accordance with 19 CFR 353.38(b), we will hold a public hearing to give interested parties an opportunity to comment on arguments raised in case and rebuttal briefs. Tentatively, the hearing will be held on April 5, 1993, at 9:30 a.m. at the U.S. Department of Commerce, room 3708, 14 Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

This notice is published pursuant to section 735(a)(2) of the Act and 19 CFR 353.19(b).

Dated: January 8, 1993.

Alan M. Dunn,

Assistant Secretary for Import Administration.

[FR Doc. 93-1215 Filed 1-15-93; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

CALENDAR OF HEARING

CALENDAR OF HEARING

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

Subject	:	CERTAIN STAINLESS STEEL BUTT-WELD PIPE FITTINGS FROM KOREA AND TAIWAN
Invs. Nos.	:	731-TA-563 and 564 (Final)
Date and Time	:	January 14, 1993 - 9:30 a.m.

Sessions were held in connection with the investigations in the Main Hearing Room 101 of the United States International Trade Commission, 500 E Street, S.W., Washington, D.C.

In Support of Imposition of
Antidumping Duties:

Gilbert Development Group
Pittsburgh, PA
On behalf of

Flowline Division of Markovitz Enterprises, Inc., New Castle, PA

Phil Mavrich, President

Robert J. Gilbert)--Petitioner's Representative

In Opposition to the Imposition of
Antidumping Duties:

(No witnesses appeared in opposition to the imposition of antidumping duties.)

APPENDIX C

SUMMARY DATA TABLE

Table C-1
Stainless steel butt-weld pipe fittings: Summary data concerning the U.S. market, 1989-91, January-September 1991, and January-September 1992

(Quantity=1,000 pounds, value=1,000 dollars, unit values and unit labor costs are per pound, period changes=percent, except where noted)

Item	Reported data					Period changes			
				Jan.-Sept.--					Jan.-Sept.
	1989	1990	1991	1991	1992	1989-91	1989-90	1990-91	1991-92
U.S. consumption quantity:									
Amount	10,923	9,246	10,269	7,714	6,226	-6.0	-15.4	+11.1	-19.3
Producers' share: [1]									
All finished fittings	***	***	***	***	***	***	***	***	***
U.S. origin only	35.3	46.5	36.9	32.2	37.2	+1.5	+11.2	-9.6	+5.0
Importers' share: [1]									
Korea	1.6	1.1	5.1	6.5	0.8	+3.5	-0.5	+4.0	-5.7
Taiwan	14.0	12.3	21.4	22.3	27.5	+7.4	-1.7	+9.1	+5.2
Subtotal	15.5	13.4	26.5	28.8	28.3	+10.9	-2.1	+13.1	-0.5
Other sources	49.1	40.1	36.7	38.9	34.4	-12.5	-9.0	-3.4	-4.5
Total	64.7	53.5	63.1	67.8	62.8	-1.5	-11.2	+9.6	-5.0
U.S. consumption value:									
Amount	66,721	63,281	61,141	45,602	37,910	-8.4	-5.2	-3.4	-16.9
Producers' share: [1]									
All finished fittings	***	***	***	***	***	***	***	***	***
U.S. origin only	57.6	60.9	51.2	48.8	48.5	-6.4	+3.3	-9.7	-0.3
Importers' share: [1]									
Korea	1.3	0.6	2.5	3.1	0.9	+1.2	-0.7	+1.8	-2.2
Taiwan	10.5	8.6	17.3	18.2	20.1	+6.8	-2.0	+8.8	+1.9
Subtotal	11.8	9.2	19.8	21.3	21.0	+8.0	-2.6	+10.6	-0.3
Other sources	30.5	29.9	29.0	29.9	30.5	-1.5	-0.6	-0.9	+0.6
Total	42.4	39.1	48.8	51.2	51.5	+6.4	-3.3	+9.7	+0.3
U.S. importers' imports from--									
Korea:									
Imports quantity	170	100	524	501	50	+208.2	-41.2	+424.0	-90.0
Imports value	869	407	1,519	1,420	330	+74.8	-53.2	+273.2	-76.8
Unit value	$5.11	$4.08	$2.90	$2.83	$6.66	-43.2	-20.3	-28.8	+135.0
Ending inventory qty	0	0	0	0	0	0	0	0	0
Taiwan:									
Imports quantity	1,527	1,139	2,195	1,724	1,714	+43.7	-25.4	+92.7	-0.6
Imports value	7,034	5,414	10,598	8,289	7,625	+50.7	-23.0	+95.8	-8.0
Unit value	$4.60	$4.75	$4.83	$4.81	$4.45	+4.9	+3.2	+1.6	-7.5
Ending inventory qty	***	***	***	***	***	***	***	***	***
Subject sources:									
Imports quantity	1,698	1,239	2,718	2,225	1,764	+60.1	-27.0	+119.4	-20.7
Imports value	7,903	5,820	12,118	9,709	7,955	+53.3	-26.4	+108.2	-18.1
Unit value	$4.66	$4.70	$4.46	$4.36	$4.51	-4.2	+0.9	-5.1	+3.4
Ending inventory qty	***	***	***	***	***	***	***	***	***
Other sources:									
Imports quantity	5,367	3,708	3,765	3,004	2,143	-29.8	-30.9	+1.5	-28.7
Imports value	20,375	18,916	17,736	13,619	11,551	-13.0	-7.2	-6.2	-15.2
Unit value	$3.80	$5.10	$4.71	$4.53	$5.39	+24.1	+34.4	-7.7	+18.9
Ending inventory qty	***	***	***	***	***	***	***	***	***
All sources:									
Imports quantity	7,065	4,946	6,483	5,229	3,907	-8.2	-30.0	+31.1	-25.3
Imports value	28,279	24,736	29,854	23,328	19,505	+5.6	-12.5	+20.7	-16.4
Unit value	$4.00	$5.00	$4.60	$4.46	$4.99	+15.0	+24.9	-7.9	+11.9

See footnote at end of table.

Table C-1--Continued
Stainless steel butt-weld pipe fittings: Summary data concerning the U.S. market, 1989-91, January-September 1991, and January-September 1992

(Quantity=1,000 pounds, value=1,000 dollars, unit values and unit labor costs are per pound, period changes=percent, except where noted)

Item	Reported data 1989	1990	1991	Jan.-Sept.-- 1991	Jan.-Sept.-- 1992	Period changes 1989-91	1989-90	1990-91	Jan.-Sept. 1991-92
U.S. producers'--									
Average capacity quantity..	6,037	6,216	6,331	4,334	4,071	+4.9	+3.0	+1.9	-6.1
Production quantity........	4,559	4,159	4,324	3,156	2,192	-5.2	-8.8	+4.0	-30.5
Capacity utilization[1]......	75.5	66.9	68.3	72.8	53.8	-7.2	-8.6	+1.4	-19.0
U.S. shipments:									
Quantity.................	***	***	***	***	***	***	***	***	***
Value....................	***	***	***	***	***	***	***	***	***
Unit value...............	$ ***	$ ***	$ ***	$ ***	$ ***	***	***	***	***
U.S. shipments of U.S.-origin fittings only:									
Quantity.................	3,858	4,300	3,786	2,485	2,319	-1.9	+11.5	-12.0	-6.7
Value....................	38,442	38,545	31,287	22,274	18,405	-18.6	+0.3	-18.8	-17.4
Export shipments:									
Quantity.................	***	***	***	***	***	***	***	***	***
Exports/shipments[1]	***	***	***	***	***	***	***	***	***
Value....................	***	***	***	***	***	***	***	***	***
Unit value...............	$ ***	$ ***	$ ***	$ ***	$ ***	***	***	***	***
Ending inventory quantity..	1,440	1,075	1,299	1,578	872	-9.8	-25.3	+20.8	-44.7
Inventory/production[1]......	31.8	26.0	30.2	37.5	29.8	-1.6	-5.8	+4.2	-7.7
Production workers.........	314	286	299	288	263	-4.8	-8.9	+4.5	-8.7
Hours worked (1,000s)......	673	613	631	438	385	-6.2	-8.9	+2.9	-12.1
Total comp. ($1,000).......	7,012	7,044	7,508	5,542	4,790	+7.1	+0.5	+6.6	-13.6
Hourly total compensation..	$10.42	$11.49	$11.90	$12.65	$12.44	+14.2	+10.3	+3.5	-1.7
Productivity (lbs./hr.)....	6.8	6.8	6.8	7.2	5.7	+0.9	+0.2	+0.7	-20.7
Unit labor costs...........	$1.54	$1.69	$1.74	$1.76	$2.19	+13.2	+10.1	+2.8	+24.0
Net sales value............	36,526	33,951	29,573	22,887	19,461	-19.0	-7.0	-12.9	-15.0
COGS/sales[1]	69.6	70.2	72.2	71.4	79.1	+2.6	+0.6	+2.0	+7.7
Operating income (loss)....	4,803	4,399	3,399	2,836	1,038	-29.2	-8.4	-22.7	-63.4
Op. income (loss)/sales[1] ..	13.1	13.0	11.5	12.4	5.3	-1.7	-0.2	-1.5	-7.1

[1] 'Reported data' are in percent and 'period changes' are in percentage-point.

Note.--Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

APPENDIX D

IMPACT OF IMPORTS OF STAINLESS STEEL BUTT-WELD PIPE FITTINGS FROM KOREA AND TAIWAN ON U.S. PRODUCERS' GROWTH, INVESTMENT, ABILITY TO RAISE CAPITAL, AND EXISTING DEVELOPMENT EFFORTS

The Commission requested U.S. producers to describe and explain the actual and potential negative effects, if any, of imports of stainless steel butt-weld pipe fittings from Korea and Taiwan on their growth, investment, ability to raise capital, or existing development and production efforts (including efforts to develop a derivative or improved version of stainless steel butt-weld pipe fittings). Producers were also asked whether the scale of capital investments undertaken has been influenced by the presence of imports of this product from Korea and Taiwan. Their responses are shown below:

Actual Negative Effects

* * * * * * *

Anticipated Negative Effects

* * * * * * *

Influence of Imports on Capital Investment

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APPENDIX E

MONTHLY IMPORT STATISTICS

Table E-1
Stainless steel butt-weld pipe fittings: U.S. imports, by sources and by months, January 1991-October 1992

Item	Korea	Taiwan	Subtotal	All other	Total
	Quantity (1,000 pounds)				
1991:					
January	24	256	281	339	619
February	5	240	244	259	503
March	30	123	153	426	579
April	232	185	417	268	684
May	101	183	284	242	526
June	18	149	167	162	329
July	30	201	230	418	648
August	24	202	227	558	784
September	38	185	223	333	556
October	6	137	143	266	409
November	12	166	178	319	498
December	5	167	172	175	347
1992:					
January	20	261	281	250	531
February	2	179	181	217	397
March	0	123	123	377	500
April	18	170	188	283	472
May (petition filed)	0	100	100	152	252
June	1	152	154	130	283
July	9	405	413	193	607
August	0	242	242	312	554
September	0	83	83	228	310
October	0	219	219	290	508
	Value (1,000 dollars)				
1991:					
January	111	1,030	1,142	1,422	2,563
February	19	1,172	1,191	1,513	2,704
March	166	636	802	1,813	2,615
April	429	1,006	1,435	1,261	2,696
May	172	822	995	1,568	2,562
June	103	759	863	1,183	2,046
July	162	972	1,134	1,671	2,806
August	103	1,005	1,109	1,387	2,496
September	152	886	1,039	1,801	2,840
October	27	757	784	1,478	2,262
November	50	792	842	1,580	2,421
December	22	761	783	1,059	1,842
1992:					
January	84	1,218	1,301	1,520	2,821
February	12	762	774	1,069	1,843
March	0	571	571	1,516	2,087
April	96	821	917	1,700	2,618
May (petition filed)	0	430	430	1,051	1,481
June	8	655	663	899	1,563
July	130	1,740	1,870	1,321	3,191
August	0	1,050	1,050	1,289	2,340
September	0	378	378	1,184	1,562
October	0	899	899	1,343	2,242

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

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

APPENDIX F

EXXON'S ACCEPTED MANUFACTURER LIST

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