COKE FROM WEST GERMANY

Determination of "No Reasonable Indication of Injury" in Inquiry No. AA1921-Inq.-29 Under the Antidumping Act, 1921, as Amended

USITC PUBLICATION 1015

NOVEMBER 1979

United States International Trade Commission / Washington, D.C. 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Joseph O. Parker, Chairman
Bill Alberger, Vice Chairman
George M. Moore
Catherine Bedell
Paula Stern

Kenneth R. Mason, Secretary to the Commission

This report was prepared by

Thomas F. St. Maxens, Office of Operations
and
Louis N. DeToro, Office of Industries

Lynn Featherstone, Supervisory Investigator

Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436

NEWS
UNITED STATES INTERNATIONAL TRADE COMMISSION • Office of the Secretary • Washington, D.C. 20436

FOR RELEASE
November 16, 1979

CONTACT: Hal Sundstrom
(202) 523-0161

USITC 79-094

USITC REPORTS ON COKE FROM WEST GERMANY

The United States International Trade Commission today notified the Secretary of the Treasury that the pending Treasury Department investigation concerning sales at less than fair value (LTFV) of coke from West Germany under the Antidumping Act, 1921, should be terminated.

Chairman Joseph O. Parker, Vice Chairman Bill Alberger, and Commissioners George M. Moore, Catherine Bedell, and Paula Stern unanimously determined that there is no reasonable indication of injury or likelihood of injury to an industry in the United States from such imports possibly sold at LTFV.

As a result of the determination, the Treasury Department will terminate its investigation, which it instituted under the Antidumping Act upon receipt of a petition from counsel acting on behalf of three U.S. producers of coking coal, one of which also produces coke.

The Commission's inquiry was instituted on October 22, 1979; a public hearing in connection therewith was held on October 30, 1979, in Washington, D.C.

Coke--the primary carbon and energy feedstock used to charge iron-producing blast furnaces--is made from coking coal, a high-grade type of bituminous coal.

more

Most of the 63 coke plants in the United States are owned by steel firms, which produce coke primarily for their own internal use. The remaining plants are owned by merchant producers, which sell most of their output to foundries and steel firms. An estimated 100 companies produce coking coal from 400 to 500 mines, most of which are located in Appalachia.

U.S. production of coke declined from 58.3 million short tons in 1976 to 48.6 million short tons in 1978. Production during the first half of 1979 was 22 percent above the level during the corresponding period of 1978. Domestic shipments of coking coal declined by 22 percent during 1976-78, but increased during the first half of 1979.

Information developed by the Commission indicated that U.S. coke capacity has declined considerably in recent years. Utilization of practical capacity exceeded 90 percent during most of the period January 1976-June 1979.

Imports of coke from West Germany, which average about 70 percent of total U.S. coke imports, increased from 0.9 million short tons in 1976 to 4.0 million short tons in 1978. Such imports declined by 33 percent during January-June 1979 from the level during the corresponding period of 1978. The ratio of coke imports from West Germany to apparent U.S. consumption increased from 1.5 percent in 1976 to 6.4 percent in 1978. The imports' market penetration dropped to 3.7 percent during the first half of 1979, however, compared with 5.8 percent during the corresponding period of 1978. The average weighted price for West German coke was slightly lower than domestically produced non-captive coke during 1977, but slightly higher during 1978 and the first half of 1979.

The Commission's public report, Coke From West Germany (USITC Publication 1015), contains the views of the Commissioners in the inquiry (No. AA1921-Inq.-29). Copies may be obtained by calling (202) 523-5178; from the Office of the Secretary, 701 E Street NW., Washington, D.C. 20436; or at the USITC's New York office, 6 World Trade Center, Suite 629, New York, N.Y. 10048, telephone (212) 466-5598.

oOo

C O N T E N T S

CONTENTS

CONTENTS

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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

(AA1921-Inq.-29) COKE FROM WEST GERMANY

Commission Determines "No Reasonable Indication of Injury"

On the basis of information developed during the course of inquiry No. AA1921-Inq.-29 undertaken by the United States International Trade Commission under section 201 of the Antidumping Act, 1921, as amended, the Commission unanimously determines that there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of coke, provided for in item 521.31 of the Tariff Schedules of the United States (TSUS), from West Germany allegedly sold at less than fair value as indicated by the Department of the Treasury.

On October 17, 1979, the Commission received advice from the Department of the Treasury that, in accordance with section 201(c)(1) of the Antidumping Act, 1921, as amended, an antidumping investigation was being initiated with respect to coke from West Germany and that, pursuant to section 201(c)(2) of the act, information developed during Treasury's preliminary investigation led to the conclusion that there is substantial doubt that an industry in the United States is being or is likely to be injured by reason of the importation of coke from West Germany into the United States. Accordingly, the Commission, on October 22, 1979, instituted inquiry No. AA1921-Inq.-29, under section 201(c)(2) of the act to determine whether there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

A public hearing was held on October 30, 1979, in Washington, D.C. Notice of the institution of the inquiry and the public hearing was duly given by posting copies of the notice at the Secretary's office in the Commission in Washington, D.C., and at the Commission's office in New York City, and by publishing the original notice in the Federal Register of October 25, 1979 (44 F.R. 61466).

The Treasury Department instituted its investigation after receiving a properly filed complaint on September 7, 1979, from counsel representing three U.S. producers of coking coal, one of which also produces coke. Treasury's notice of its antidumping proceeding was published in the Federal Register of October 22, 1979 (44 F.R. 60838).

STATEMENT OF REASONS FOR THE DETERMINATION OF
CHAIRMAN JOSEPH O. PARKER AND COMMISSIONERS BILL ALBERGER,
GEORGE M. MOORE, CATHERINE BEDELL, AND PAULA STERN

Determination

On the basis of the information developed during this inquiry, we determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, 1/ by reason of the importation of coke from West Germany allegedly sold at less than fair value as indicated by the Department of the Treasury.

Discussion

In this inquiry, counsel for the petitioners has claimed that the industry injured by LTFV imports of coke from West Germany is "the U.S. merchant coke industry [consisting of] all U.S. commercial producers of coke and coking coal that sell their products exclusively on the open market." The industry described by the petitioners does not include steel firms, which account for an estimated 93 percent of total U.S. coke production and which produce coke primarily for their own captive consumption. In addition, the industry described by the petitioners excludes the steel firms' captive production of coking coal, which supplies over half of the coking coal consumed by such firms in the manufacture of coke. It is our view that neither the industry described by the petitioner, 2/ nor the entire U.S. coke and coking coal industries, which include all facilities in the United States

1/ Prevention of establishment of an industry is not in question in this inquiry and will not be discussed further in these views.

2/ Commissioners Alberger and Stern do not believe that the industry described by the petitioner constitutes an "industry" within the meaning of the Antidumping Act. They would define the industry as comprising total U.S. coke production, both captive and noncaptive.

used in the production of coke and coking coal, whether for captive or noncaptive use, is being or is likely to be injured by reason of the alleged LTFV imports of coke from West Germany.

In recent years, U.S. coke producers witnessed a steady decline in capacity, which affected both coke and coking coal production. During the period January 1973 through July 1979, a period in which U.S. demand for coke increased as a result of an overall increase in domestic steel production, U.S. coke capacity declined by approximately 16 percent, while capacity utilization increased from an estimated 93 percent in 1976 to about 97 percent in January-June 1979. The decline in capacity is primarily attributable to stringent Federal pollution control standards and the advanced age of most domestic coke ovens. Steel firms, which own and operate the vast majority of coke ovens, have not undertaken the massive replacement and reconditioning programs needed to prevent further erosions in capacity.

Largely as a result of declining capacity, U.S. coke production fell from 58.3 million short tons in 1976 to 48.6 million short tons in 1978. Production in 1978 was also suppressed--by over 3 million short tons--by the United Mine Workers strike during December 1977-March 1978, which prevented many producers from obtaining needed quantities of coking coal. Coke production during the first half of 1979 increased by 22 percent over its level during the corresponding period in 1978. Production losses during the period 1976-78 were shared relatively evenly by both captive and merchant plants, as were production gains during the first half of 1979.

Despite the steady decline in coke production, domestic shipments of coke were at approximately the same level in 1978 as they were in 1976, reflecting a rapid depletion of inventories. However, shipments and inventories of coke increased slightly during the first half of 1979.

As a result of declining coke capacity and the strike referred to above, domestic shipments of coking coal fell by 22 percent during 1976-78. The decline in domestic shipments was more than offset by increased exports of coking coal, however. During January-June 1979, U.S. coking coal producers' domestic and foreign shipments increased markedly.

While coke production dropped by 17 percent during 1976-78, the average number of production and related workers engaged in the production of coke declined by only 2 percent. Reflecting the sharp rise in production during the first half of 1979, the average number of such workers in that period increased by 13 percent over the average for January-June 1978. Employment data for the U.S. coking coal industry are unavailable; it is assumed, however, that industry employment remained relatively stable since total shipments of coking coal did not decline during the period January 1976 through June 1979, except for a brief lapse in early 1978 resulting from the United Mine Workers strike.

As U.S. demand for raw steel increased, particularly in 1978, and as domestic coke capacity and production declined, steel firms sought increased volumes of coke from foreign suppliers to fill the gap. During the period 1976-78, U.S. imports of coke from West Germany more than quadrupled, as did total imports from countries other than West Germany. During January-June 1979, however, imports from West Germany were 33 percent below their level during the corresponding period in 1978.

There is considerable information that domestic steel firms sought coke from West Germany primarily because of insufficient domestic supplies and not because of price considerations. Of the seven firms known to have imported coke from West Germany during the period January 1976 through June 1979, four purchased the imported product at prices substantially higher than those paid for noncaptive domestic coke, two paid lower prices for the imported product, and one paid substantially similar prices for both. An analysis of average delivered prices paid by steel firms accounting for over 80 percent of domestic coke consumption reveals that while West German coke was slightly lower in price than domestic noncaptive coke in 1977, it was higher than such coke in 1978, the year in which imports surged, and in the first half of 1979.

Merchant coke producers have reported isolated instances where they were unable to sell coke at reasonable prices. It should be noted, however, that 10 steel firms reported that frequently during the period January 1977 through June 1979, there were insufficient quantities of blast furnace coke available from U.S. merchant producers. These firms indicated that in many instances merchant coke producers had abundant stocks of foundry coke, which is considered unsuitable for blast furnace use.

Conclusion

On the basis of the above, we conclude that there is no reasonable indication of injury or likelihood of injury to a domestic industry by reason of the alleged LTFV imports of coke from West Germany.

SUMMARY

On October 22, 1979, the U.S. International Trade Commission instituted inquiry No. AA1921-Inq.-29 on coke after receiving advice from the Department of the Treasury on October 17, 1979, that there is substantial doubt that imports of the subject merchandise from West Germany alleged to be sold at less than fair value (LTFV), at margins ranging from 59 to 71 percent, are injuring or are likely to injure an industry in the United States. Treasury's advice is consequent to a petition it received on September 7, 1979, from counsel acting on behalf of three U.S. producers of coking coal, one of which also produces coke. A public hearing in connection with the Commission's inquiry was held on October 30, 1979, in Washington, D.C.

Coke is the primary carbon and energy feedstock used to charge iron-producing blast furnaces. Coke is made from coking coal, a high-grade type of bituminous coal. This report attempts to evaluate the impact of the alleged LTFV imports from West Germany on both U.S. producers of coke and producers of coking coal.

There are currently 34 firms producing coke in the United States at 63 plants. Forty-five of the plants are furnace plants owned by steel producers; the remainder are owned by merchant producers which sell coke, primarily to foundries and steel firms. An estimated 100 firms produce coking coal from 400 to 500 mines. A far greater number of firms produce coal suitable for making coke but which is actually used for other purposes, namely as an energy source for electric utilities.

U.S. shipments of coke dropped from 56.8 million short tons in 1976 to 53.6 million short tons in 1977, but then increased to 56.6 million short tons in 1978. Shipments during January-June 1979 were 6 percent above their level during the corresponding period of 1978. Domestic shipments of coking coal declined from 84.8 million short tons in 1976 to 65.9 million short tons in 1978. During January-June 1979, however, shipments of coking coal increased by 52 percent over their January-June 1978 level.

In recent years there has been considerable public discussion regarding the increasing inability of U.S. coke producers to meet demand owing to shrinking capacity. According to one study, the industry's actual productive capability declined from 63.5 million short tons in 1973 to 52.5 million short tons in July 1979. Stringent Federal pollution regulations are most frequently blamed for this development. Information developed by the Commission indicated that utilization of practical capacity exceeded 90 percent during most of the period January 1977-June 1979.

End-of-period coke inventories declined steadily during the period 1976-78 but increased slightly during the first half of 1979. Domestic coking coal inventories declined in 1978, but increased during January-June 1979. Employment in the U.S. coke industry declined during the period 1976-78, but increased slightly during January-June 1979. Only limited data on profitability are currently available.

Imports of coke from West Germany, which average about 70 percent of total U.S. coke imports, increased from 0.9 million short tons in 1976 to 4.0 million short tons in 1978. Such imports declined by 33 percent during January-June 1979 from their level during the corresponding period of 1978. The ratio of coke imports from West Germany to apparent U.S. consumption increased from 1.5 percent in 1976 to 6.4 percent in 1978. The import market penetration dropped to 3.7 percent during January-June 1979, however, compared with 5.8 percent during the corresponding period of 1978.

The average weighted price for West German coke was slightly lower than domestically produced noncaptive coke during 1977, but slightly higher during 1978 and January-June 1979. Of the seven firms which purchased both domestic coke and coke imported from West Germany, four paid lower prices for the domestic product, two paid lower prices for the imported product, and one paid substantially similar prices for both. The petitioners have cited several examples of price depression in the U.S. coking coal market, which they contend results from the presence of LTFV imports of coke.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On October 17, 1979, the U.S. International Trade Commission received advice from the Department of the Treasury that there is substantial doubt that an industry in the United States is being or is likely to be injured by reason of the importation of coke from West Germany that may be sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended. 1/ Accordingly, on October 22, 1979, the Commission instituted inquiry No. AA1921-Inq.-29 under section 201(c) of said act to determine whether there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. By statute, the Commission must render its determination within 30 days of its receipt of advice from Treasury, in this case by November 16, 1979.

In connection with the inquiry, a public hearing was held in Washington, D.C., on October 30, 1979. Notice of the institution of the inquiry and the public hearing was given by posting copies of the notice at the Office of the Secretary to the Commission in Washington, D.C., and at the Commission's office in New York City, and by publishing the original notice in the Federal Register on October 25, 1979 (44 F.R. 61466). 2/ Treasury's advice is consequent to a preliminary antidumping investigation it initiated in response to a petition received on August 28, 1979, from counsel representing three U.S. producers of coking coal: Alabama By-Products Corp., Drummond Coal Co., and Island Creek Coal Co. 3/ The petitioner contends that, because of the importation of coke from West Germany at LTFV, a U.S. industry 4/ is being, or is likely to be, injured. The petitioner cites increased market penetration by

---

1/ A copy of Treasury's letter of notification to the U.S. International Trade Commission is presented in app. A.

2/ A copy of the Commission's Notice of Inquiry and Hearing is presented in app. B.

3/ A copy of Treasury's notice of its antidumping proceeding is presented in app. C.

4/ In its posthearing brief, counsel for the petitioners described the affected industry as follows: "The U.S. merchant coke industry (consisting of) all U.S. commercial producers of coke and coking coal that sell their products exclusively on the open market . . . it is clearly distinct from the captive (furnace) producers of coke and coking coal that are controlled by major U.S. metal producers, specifically steel companies whose production is almost totally consumed internally."

LTFV imports and declining sales, production, capacity utilization, and profits as evidence of the alleged injury. 1/

The Product

Description and uses

Coke.--Metallurgical and foundry cokes are hard, porous, carbonaceous materials formed when coking coals 2/ are heated at high temperatures in coke ovens. Premium quality coke has a high fixed-carbon content, low amounts of ash and sulfur, and virtually no volatile matter.

Coke is produced in slot (or "recovery") ovens and in beehive ovens. The former are named for their ability to recover volatile products, namely chemicals and gases, released during carbonization. The original, beehive, ovens are refractory kilns with arched roofs which are sometimes joined to form batteries. Beehive ovens do not have recovery capability; they are also smaller, less mechanized, and usually not heated externally by combustion production evolved during carbonization (coke-making).

Some typical properties of coke and their shares of total weight 3/ are as follows (in percent):

	Blast-furnace coke	Foundry coke
Moisture----------------	10.0	2.0
Volatile matter---------	1.0	.7
Fixed carbon------------	91.0	92.3
Ash---------------------	8.0	7.0
Sulfur------------------	.8	.6

1/ The Commission conducted an informal inquiry earlier this year dealing with coke from West Germany (337-TA-, Coke From West Germany). Petitioners in that inquiry were several producers of anthracite coal, Superior Coal Co., et al. The complaint alleged "unfair methods of competition and unfair acts in the importation and sale of commercial coke from West Germany." The Commission decided to refer the particulars discovered in the investigation to the Treasury Department for possible action under sec. 303 of The Tariff Act of 1930 or the Antidumping Act, 1921. On Oct. 11, 1979, Treasury informed the Commission that it would take no such action until additional information was received from the petitioners.

2/ In the case of foundry coke, anthrafines, coke breeze, or petroleum coke may be added to bituminous coking coals in proportionately small amounts to impart certain advantageous physical characteristics.

3/ Dry basis. Figures do not add to 100 percent owing to some redundancy in measurement.

Foundry coke "is used in cold-, hot-, and divided-blast airblown cupolas to produce hot metal suitable for producing cast- and ductile-iron castings, pipe, and abrasion resistant shapes." 1/ Metallurgical coke is the primary carbon and energy feedstock in iron-producing blast furnaces. As such, this coke, which is charged only at the top of blast furnaces, is used chemically to provide a source of carbon and energy, and physically to support the burden of materials charged into the furnaces. 2/

Coking coal.--Coking coals are certain bituminous coals which, upon heating in the absence of air and at high temperatures, form a solid porous mass called coke. Premium-grade coking coals are those bituminous coals containing no more than 8 percent ash and 1 percent sulfur. The coals which are fed to a coke oven are almost always a blend.

Bituminous coals are classified according to the degree of volatile matter present in the coal. The three broad classifications according to volatile matter are high (greater than 31 percent volatile matter), medium (22 to 31 percent volatile matter), and low (14 to 21 percent volatile matter). Coking coals are blended to avoid the uneconomical and/or technologically unsatisfactory performance of a single type of coal. 3/ Generally, high-volatile bituminous coal is used as the base coal. Low-volatile or medium-volatile coals are added later, although sometimes a premixed blend of all three is used instead.

Some typical characteristics of coal blends charged into coke ovens, as a share of total weight, are shown in the following tabulation (in percent): 4/

	Blast-furnace coke	Foundry coke
Moisture	6.0	6.0
Volatile matter	30.5	23.0
Fixed carbon	63.5	72.0
Ash	6.0	5.0
Sulfur	1.0	.7

Fine particles of anthracite coal and also petroleum coke are occasionally used for the production of foundry coke. Otherwise, only bituminous coal blends are used in the coke-making process.

1/ U.S. Department of the Interior, "The U.S. Foundry Coke Industry, Bureau of Mines Information Circular/1977," p. 2.

2/ These materials include the coke itself, iron ore, limestone, scrap iron and steel, and others.

3/ For example, when used alone, high-volatile bituminous coal produces a low-yield weak coke.

4/ Dry basis. Figures do not add to 100 percent owing to some redundancy in measurement.

Electric utilities, which account for roughly three-quarters of total U.S. consumption of bituminous coal and lignite, would generally prefer to use only high-grade bituminous coal of the type used in producing coke. Coke producers, however, are willing to (and do) pay a premium for such coke's special qualities, usually making it too costly for utility boiler use. Other uses of prime coking-quality coal are, on the whole, incidental.

Substitution for coke and coking coals.--No substitute for coke as a fuel for blast furnaces is as economical and at the same time as chemically and physically efficient. Anthracite coal may be used sparingly in a mixture with coke to fuel iron-making blast furnaces. 1/ Powdered or slurried coals, natural gas, fuel oil, tar, and pitch are also substitutes for coke but only as energy and, to a small extent, carbon, contributors. These substitutes do not provide the physical burden-supporting capabilities of coke. Furthermore, these latter substitutes are only injected at the tuyeres--small openings at the bottom of the blast furnace--not at the top of the furnace, as is coke.

Coke can be replaced as a fuel essential to the steel-making process, however, through increased usage of electric furnaces, which are fueled by coal. The proportion of raw steel produced in electric furnaces in the United States increased by 8 percentage points during the period 1970-78, as shown in the following tabulation (in percent): 2/

	Coke-consuming furnaces	Electric furnaces
1970	84.8	15.2
1972	82.2	17.8
1974	80.3	19.7
1976	80.7	19.3
1978	76.7	23.3

While alleviating steel producers' dependence on coke, electric furnaces consume substantially larger volumes of scrap, the supply of which is becoming increasingly tight according to some market analysts.

Increased blast furnace efficiency has also reduced the industry's average amount of coke consumed per ton of pig iron produced. Improvements in

1/ See the "Report on Informal Inquiry 337-TA-, Coke From West Germany," Office of Legal Services, U.S. International Trade Commission, May 15, 1979.
2/ Data compiled from the American Iron & Steel Industry Yearbook, 1978.

furnace-charge metallics, qualitative advances in coke's physical characteristics, increased usage of supplemental fuels, and furnace process improvements have combined to reduce the quantity of coke needed to produce pig iron and ferroalloys, as shown in the following tabulation: 1/

	Tonnage of coke consumed per tonnage of output
1960	0.758
1965	.665
1970	.634
1975	.611
1978	.585

The cumulative effect of increased usage of electric furnaces and improved blast furnace efficiency since 1976 has been to reduce the relative demand for coke by roughly 5.5 percent.

Substitutes for coking coal exist only on a small scale, and only for coals used to make foundry coke. Anthrafines (small particles of anthracite coal) and petroleum coke, for instance, are employed in the making of foundry coke. Bituminous coals are the only acceptable inputs for metallurgical coke.

U.S. tariff treatment

Coke is dutiable under the provisions of item 521.31 of the Tariff Schedules of the United States (TSUS). The column 1 (most-favored-nation) and statutory rates of duty have been free since January 1, 1963.

Nature and Extent of Alleged LTFV Sales

According to the petition filed with Treasury, the alleged dumping margins on coke imported from West Germany range from 59 to 71 percent. The petitioners claim that West German coke has been, and is being, offered for sale in the United States at prices ". . . consistently and significantly lower ($41-59 per short ton) than the prices at which their coke is sold, or offered for sale, in the home market. Furthermore, the companies are selling their coke in their home market at prices below their cost of production."

The petitioner compiled home-market prices from published price lists of three West German manufacturers: Ruhrkohle AG, Eschweiler Bergwerks-Verein, and Saarbergswerke AG. Export prices were based on average unit values obtained from official import statistics of the U.S. Department of Commerce. The petition filed with Treasury does not indicate when West German exporters

1/ Data obtained from Analysis of the U.S. Metallurgical Coke Industry, October 1979, prepared for the U.S. Department of Commerce by the Industrial Economics Research Institute, Fordham University.

began selling coke at LTFV prices, nor the proportion of total West German exports of coke to the United States that have been, and are being, made at the alleged LTFV margins. At the Commission's public hearing, however, representatives of the domestic industry stated that the impact of dumped imports from West Germany was first felt in 1977. 1/

The U.S. Market

Demand

The U.S. demand for coke, and thus, for coking coal, is influenced primarily by domestic steel production, since the vast majority of coke is consumed in blast furnaces to produce steel. Most coke not utilized in the production of steel is consumed by foundries in the manufacture of castings, pipes, and other manufactured items.

Reflecting the general trend in steel production, apparent U.S. consumption of coke declined from 58.1 million short tons in 1976 to 55.7 million short tons in 1977, but then increased to 62.3 million short tons in 1978, representing a 7-percent increase over the 1976 level (table 1). Consumption during January-June 1979 was only slightly above its level during January-June 1978. According to industry estimates, consumption during July-December 1979 should be roughly the same as consumption during the first half of the year.

Table 1.--Coke and coking coal: Apparent U.S. consumption, 1976-78, January-June 1978, and January-June 1979

(In thousands of short tons)

Period	Coke	Coking coal
1976	58,110	86,684
1977	55,673	81,501
1978	62,349	74,164
January-June--		
1978	30,170	29,857
1979	31,265	42,797

Source: Compiled from official statistics of the U.S. Departments of Energy and Commerce.

Apparent U.S. consumption of coking coal declined by 14 percent during the period 1976-78, but during January-June 1979 increased by 43 percent over its level during the corresponding period of 1978. Low consumption levels reported for 1978, particularly the first half of the year, reflect a sharp decline in U.S. producers' domestic shipments, resulting primarily from a 110-day United Mine Workers strike from December 1977-March 1978.

1/ Transcript of the hearing, p. 82.

Channels of distribution

In order to assure an adequate and economical supply of coke, domestic steel producers operate their own coke ovens. Many steel producers supplement internal coke production with coke purchased from domestic merchant coke producers and foreign suppliers. Merchant coke producers supply the bulk of coke consumed by foundries, in addition to their sales to steel firms.

Steel firms, in addition to owning coke ovens, also own coal mines, which supply, on an industry-wide basis, slightly more than half of their coking coal needs. The remainder of their coking coal is supplied by numerous independent coal mines. Merchant coke producers also purchase coking coal, for the most part, from independent collieries, although a few own integrated cokery-colliery operations.

U.S. Producers

Coke

In 1978, the coke industry in the United States was composed of 34 firms operating 63 plants. Forty-five of the plants were furnace plants, and 18 were merchant. 1/ Coke plants were located in 19 states, with a heavy concentration in Pennsylvania, Alabama, Illinois, Indiana, Michigan, Ohio, and West Virginia.

Coke producers carbonized 71 million short tons of coal in 1978, producing more than 48 million short tons of coke. The ratio of coal carbonized to coke produced is relatively stable, generally about 1.45 to 1.

Coking coal

There are slightly more than 6,000 mines producing bituminous coal and lignite in the United States. Of these, about 4,000 mines produce premium or marginal grade coals capable of being used to produce coke. 2/ These mines are owned by an estimated 2,500 coal companies. Most of the mines are in the Appalachian region, though some may be found in Arkansas, Oklahoma, New Mexico, Colorado, Utah, and in a few instances, New England.

While some 4,000 mines produce coal suitable for making metallurgical ("met") coke, far fewer mines actually send coal to the met market here and abroad. Probably 100 companies, with a total of 400 to 500 mines, actually ship coal for metallurgical use. The preponderance of these companies' mines are located in Appalachia.

1/ Merchant plants produce and sell coke on the open market. Furnace plants are affiliated with steel companies.

2/ Premium grade coking coal contains not more than 8.0 percent ash and 1.0 percent sulfur. Marginal grade coking coal contains 8.1 to 12.0 percent ash and 1.1 to 1.8 percent sulfur.

The Federal Trade Commission surveyed sales of metallurgical coal firms in selected years from 1964 to 1974. 1/ Their findings showed a 4-firm sales concentration of 43 percent in 1964, falling to 41 percent in 1974. The sales concentration ratio for 8 firms also fell, from 60 percent in 1964 to 54 percent in 1974.

West German Producers

Four of the seven coke producers in West Germany are steel companies which reportedly produce coke primarily for their own captive consumption. The other three producers are collieries which produce coke principally for use in steelworks located in the Ruhr and Saar Valley areas of West Germany and in other European Economic Community countries such as Luxembourg, France, and Belgium. In recent years, one of these collieries--Ruhrkohle AG, Essen--has exported substantial quantities of coke to the United States, accounting for an estimated * * * to * * * percent of all such exports in recent years.

Of the 20.0 million metric tons of coke produced by West German collieries in 1977, 6.5 million metric tons, or 33 percent, were exported. 2/ It has been reported that Ruhrkohle had a coking coal stockpile of 14 million metric tons in 1978, which could be processed into roughly 9 million metric tons of coke. 3/

According to a recent trade journal article, a German subsidiary of U.S. Steel, Metallhuette Luebeck, has been purchasing North American coking coal and processing it into coke which is then shipped back across the Atlantic to the parent firm. 4/ The article further states that the North American coal purchased by Metallhuette Luebeck is cheaper than German coal, despite the substantially higher transportation costs. An official of Eschweller Bergwerks-Verein, reportedly the second largest exporter of West German coke to the United States, informed the Commission that all of the firm's exports to the United States in 1979 have been of coke manufactured from U.S. coal shipped to Hamburg. 5/

1/ Competition in the Coal Industry, Report of the U.S. Department of Justice pursuant to section 8 of the Federal Coal Leasing Amendments Act of 1975, May 1978. The report concluded that "evaluation of the nature and state of competition in the regional coal markets of the United States . . . indicates that those markets are workably competitive. Concentration of uncommitted non-federal reserves, the primary structural indicator of a market's competitiveness, is low in the Appalachian and Midwestern markets, suggesting little likelihood for anticompetitive behavior (p. 130)."

2/ 1977 annual reports of Ruhrkohle AG, Eschweller Bergwerks-Verein, and Saarbergswerke AG.

3/ Coal Age, September 1979, p. 21.

4/ Ibid, p. 30.

5/ Hearing exhibit No. 8.

Consideration of Injury or Likelihood Thereof

U.S. production, shipments, and exports

Coke.--U.S. production of coke, as reported by the Department of Energy, is shown in the following tabulation:

	Production (1,000 short tons)
1976	58,333
1977	53,509
1978	48,593
January-June--	
1978	21,702
1979	26,422

Captive production by domestic steel firms accounted for approximately 93 percent of total U.S. coke production during each of the years 1976-78. During that period, production losses were shared relatively evenly between captive and merchant plants. In January-June 1979, however, both captive and merchant plant production increased over production during the corresponding period of 1978, as shown in the following tabulation (in thousands of short tons): 1/

	Captive production	Merchant production
1976	53,365	4,363
1977	49,389	3,670
1978	44,831	3,407
January-June--		
1978	19,919	1,774
1979	24,118	2,304

While domestic shipments of coke have varied little since 1976, exports declined by almost 50 percent during the period 1976-78. Total shipments fell slightly during the period 1976-78, but increased by 6 percent in January-June 1979 over shipments in the corresponding period of 1978 (table 2).

1/ Official statistics of the U.S. Department of Energy. Data for the years 1976-78 and January-June 1978 are slightly understated, i.e., less than 1.5 percent, since data on coke produced in beehive ovens are not included.

Table 2.--Coke: Domestic shipments, exports, and total shipments, 1976-78, January-June 1978, and January-June 1979

(In thousands of short tons)

Period	Domestic shipments 1/	Exports	Total shipments
1976	56,799	1,315	58,114
1977	53,601	1,241	54,842
1978	56,627	693	57,320
January-June--			
1978	27,766	326	28,092
1979	29,343	556	29,899

1/ Total disposal of oven and beehive coke. "Total disposal" means "transferred to integrated operations and to affiliated companies" and "commercial sales."

Source: Official statistics of the U.S. Departments of Energy and Commerce.

During the period 1976-78, domestic commercial sales by merchant coke producers closely paralleled their production. Commercial sales of steel firms, which produce coke primarily for captive consumption, declined from 2.4 million short tons in 1976 to 1.9 million short tons in 1978, as shown in the following tabulation (in thousands of short tons): 1/

	Commercial sales by captive producers	Commercial sales by merchant producers
1976	2,370	4,182
1977	2,431	3,737
1978	1,914	3,383

Coking coal--No published figures for the production of coking coal are available. Estimates are available, however, on the magnitude of U.S.-produced coal suitable for making coke. According to a 1976 Bureau of Mines report, 2/ 254 million short tons of coking-quality coal were mined in 1975, accounting for about 40 percent of all bituminous and lignite coal mined in the United States in that year.

Domestic shipments of coking coal declined by 22 percent during 1976-78, from 84.8 to 65.9 million short tons (table 3). Domestic shipments increased by 52 percent during January-June 1979 compared with shipments in the corresponding period of 1978. U.S. exports of coking coal more than doubled in 1978 over their 1977 level. Exports during the first half of 1979 almost equaled exports during the entire previous year.

1/ Compiled from official statistics of the U.S. Department of Energy.
2/ U.S. Department of the Interior, Bureau of Mines, "Supply and Demand for United States Coking Coals and Metallurgical Coke," 1976.

Table 3.--Coking coal: Domestic shipments, exports, and total shipments, 1976-78, January-June 1978, and January-June 1979

(In thousands of short tons)

Period	Domestic shipments	Exports 1/	Total shipments
1976	84,783	2/	2/
1977	78,497	14,381	92,878
1978	65,867	30,240	96,107
January-June--			
1978	26,371	11,308	37,679
1979	40,010	27,291	67,301

1/ Export data are understated since exports of medium- and high-volatile metallurgical coal are not included.
2/ Unavailable.

Source: Compiled from official statistics of the U.S. Departments of Energy and Commerce.

Capacity and capacity utilization

Coke.--The question of whether the U.S. coke industry has the capacity necessary to meet demand has been the subject of much discussion in the press and congressional hearings. Some salient and heretofore undisputed points can be gleaned from these discussions.

U.S. coke capacity is declining. A Kidder-Peabody study 1/ estimates that usable coke capacity declined from 64 million tons in 1973 to 54 million tons in 1978. In testimony before the Congressional Steel Caucus on June 26, 1979, Mr. William J. De Lancey, Chairman of Republic Steel Corp., the fourth largest producer of coke in the United States, estimated that U.S. coke capacity declined from 58 million tons in 1974 to 50 million tons in 1978.

The reasons for declining coke capacity in the United States are twofold. First, a large proportion of U.S. coke ovens (Kidder-Peabody puts the figure at 49 percent 2/) are 25 years old or older--a foreboding statistic considering that the average life span for coke ovens is often estimated at 25 to 30 years. Secondly, producers have encountered severe difficulties, both technological and financial, in bringing coke plants into compliance with U.S.

1/ "Coal and Steel Industries: An Evaluation of Coal Supply," Kidder, Peabody & Co., Apr. 16, 1979.
2/ Ibid.

Environmental Protection Agency pollution control regulations governing emissions of coke gas. Full compliance with these regulations can reportedly result in productivity losses of up to 15 percent. 1/

Because of the strained cash-flow position of the U.S. steel industry, which owns and operates most domestic coke plants, few new coke ovens have been built in recent years. In addition, many producers have closed older plants which would have required costly renovations in order to meet Federal pollution standards.

By 1978, U.S. coke capacity had declined to such an extent that consumption could no longer be filled by domestic production alone, according to officials of leading steel firms. 2/ The Commission staff conducted a telephone survey in which 15 domestic steel and coke producers were questioned on the capacity issue. Officials of 11 of the firms contacted reported that their firms have faced capacity constraints since January 1977. Of these firms, 10 were unable to fully meet their coke needs through purchases from nonaffiliated domestic producers and thus sought coke from abroad. Four officials interviewed claimed that their firms have faced no capacity problems since January 1977. 3/

The Fordham study.--A recent study prepared by the Industrial Economics Research Institute of Fordham University focused on capacity-related problems facing the U.S. coke industry. 4/ The report concluded that:

1/ In testimony before the Congressional Coal Group, Mr. Robert B. Peabody, president of the American Iron & Steel Institute, indicated that, in addition to the above-cited reasons for declining coke capacity, new regulations of the Occupational Safety and Health Administration have resulted in productivity losses of up to 12 percent.

2/ Mr. D. Roderick, chairman of U.S. Steel Corp. and Mr. G. Stinson, chairman of National Steel Corp., before the Subcommittee on Environmental Pollution of the Senate Committee on Environment and Public Works, May 23, 1979; and Mr. W. De Lancey, chairman of Republic Steel Corp., before the Congressional Steel Caucus, June 26, 1979. See also, testimony of Mr. R. Peabody, president of the American Iron & Steel Institute, before the Congressional Coal Group, May 7, 1979; "A Smoldering Crisis in Coke," Business Week, Nov. 20, 1978; "An Evaluation of Coal Supply," Apr. 16, 1979, and "An Evaluation of Coke Supply and Its Eventual Impact on Steel Production," Sept. 25, 1979, Kidder, Peabody & Co.; and "Steel Companies Buy Record Amounts of Foreign Coke . . .," Coal Age, September 1979.

3/ For further discussion, see section on "Sourcing Experience of U.S. Coke Purchasers," pp. 33-34.

4/ Analysis of the U.S. Metallurgical Coke Industry, October 1979, prepared for the U.S. Department of Commerce by the Industrial Economics Research Institute, Fordham University.

"The United States faces a critical situation in respect to a shortage of metallurgical coke, which will worsen in the next three to five years . . . Under current conditions, it seems certain that the nation's metallurgical coke industry cannot provide a viable source of adequate supply, raising the prospect of increased dependence on imported coke and eventual curtailments of iron and steel production."

The Fordham study aggregated industry data for "capacity in existence," which reflects maximum capacity, "capacity in operation," which includes all capacity in existence other than facilities which are inoperable for reasons of rebuilding and repair, and "actual productive capability," which takes into account downtime for individual ovens requiring maintenance and minor repairs. Capacity, as measured in each category, declined by roughly 16 percent between 1973 and July 31, 1979, as shown in the following tabulation (in thousands of short tons):

	Average for 1973	July 31, 1979
Capacity in existence-----	75,000	63,400
Capacity in operation-----	67,500	57,100
Actual productive capability--------------	63,500	52,500

A comparison between actual productive capability for July 31, 1979, as shown above, and U.S. coke production during January-June 1979, as reported by the U.S. Department of Energy, reveals a capacity utilization rate of 101 percent for that period.

The Commission's study.--The Commission obtained capacity data from 17 coke producers accounting for an estimated 83 percent of total U.S. production in 1978. The responding firms' capacity declined from 52.8 million short tons in 1976 to 46.0 million short tons (annualized) during January-June 1979 as shown in the following tabulation: 1/

	Capacity (1,000 short tons)
1976-----------------	52,774
1977-----------------	50,513
1978-----------------	46,453
1979 (Jan.-June) 2/--	46,002

1/ Capacity is defined as maximum potential output exclusive of facilities requiring extensive reconditioning before they can be made operative, and facilities requiring substantial modifications in order to meet Federal safety or environmental control standards.

2/ Annualized.

In addition, the responding firms reported capacity estimates for future periods, with allowances made for anticipated closings of existing facilities and new facilities expected to enter into production. The following tabulation shows the reporting firms' estimated future capacity:

	Future capacity (1,000 short tons)
1979	46,374
1980	46,875
1981	46,847
1982	46,438

The Commission also obtained data from 12 firms on coke production lost through temporary equipment-related problems and sourcing problems. The volume of production lost through sourcing problems peaked in 1978, particularly January-June, a period in which many coke producers had difficulty obtaining coking coal as a result of the United Mine Workers strike, as shown in the following tabulation (in thousands of short tons):

	Temporary equipment-related problems	Sourcing problems
1976	665	54
1977	1,463	656
1978	732	3,215
January-June--		
1978	632	3,032
1979	364	22

Utilization of practical capacity, here defined as capacity minus production unobtainable because of temporary equipment or sourcing problems, increased for most reporting firms during the period January 1976-June 1979 (table 4). Utilization of capacity for all reporting firms increased from 93 percent in 1976 to 95 percent in 1978 and 97 percent in January-June 1979.

Table 4.--Coke: Production in 1978 and utilization of practical capacity, by firms, 1/ 1976-78 and January-June 1979

Firm	Production in 1978	Utilization of practical capacity			
		1976	1977	1978	January-June 1979
	1,000 short tons	Percent	Percent	Percent	Percent
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	***
* * *---------------------	***	***	***	***	2/
* * *-----------------	40,404	93.2	89.9	95.1	97.1

1/ The 17 reporting firms accounted for 83 percent of total U.S. production in 1978.

2/ Unavailable.

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

Coking coal.--According to information contained in the petition filed with Treasury, capacity utilization for six U.S. coking coal producers, accounting for an estimated 20 to 40 percent of total noncaptive coking coal production, declined from 80 percent in 1976 to 57 percent in 1978. Data on the three petitioners' operations show a decline in capacity utilization from * * * percent in 1976 to * * * percent in 1978. 1/

U.S. imports

U.S. imports of coke from all countries declined during the period 1974-76, but then increased in 1977 and almost tripled in 1978 (table 5). Total imports declined by 21 percent during January-June 1979, compared with imports in the corresponding period of 1978.

West Germany has traditionally supplied the majority of U.S. coke imports, accounting for between 64 and 78 percent of total imports during 1974-78. West Germany's share of total imports dropped to 60 percent during January-June 1979, however, compared with its 73-percent share during January-June 1978. The pattern of U.S. coke imports from West Germany closely paralleled that for total imports, declining from 2.8 million short tons in 1974 to 0.9 million short tons in 1976, but then increasing to 4.0 million short tons in 1978. Imports from West Germany during January-June 1979 totaled 1.2 million short tons, representing a decrease of 33 percent compared with imports during the corresponding period of 1978.

1/ Data prepared by Economic Consulting Services, Inc.

Table 5.--Coke: U.S. imports for consumption, by principal sources, 1974-78, January-June 1978, and January-June 1979

Source	1974	1975	1976	1977	1978	January-June-- 1978	January-June-- 1979
	Quantity (1,000 short tons)						
West Germany	2,762	1,388	891	1,328	3,973	1,759	1,154
Japan	1/	1/	1/	9	286	106	429
Italy	1/	43	1/	174	211	146	15
United Kingdom	383	48	1/	30	235	111	1/
Netherlands	62	100	17	200	335	36	17
Canada	195	148	134	120	131	55	53
Argentina	1/	1/	21	30	233	74	27
All other	138	92	248	180	318	117	227
Total	3,540	1,819	1,311	2,072	5,722	2,404	1,922
	Value (1,000 dollars)						
West Germany	156,005	123,114	83,419	102,098	298,761	117,769	103,294
Japan	2/	2/	2/	831	22,039	8,831	35,264
Italy	2/	5,005	2/	11,992	17,243	12,040	1,350
United Kingdom	14,800	2,620	2/	2,503	15,164	6,959	2/
Netherlands	5,883	10,110	1,449	8,593	14,475	3,142	1,721
Canada	7,931	10,366	9,894	8,661	8,869	4,120	3,870
Argentina	2/	2/	796	870	6,402	1,767	475
All other	8,546	5,273	15,508	15,223	25,653	8,678	18,255
Total	193,165	156,488	111,066	150,771	408,606	163,306	164,229

1/ Less than 500 short tons.
2/ Less than $500.

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

Virtually all U.S. imports of coke from West Germany are accounted for by domestic steel producers, all of which also produce coke internally. * * *. As noted earlier, U.S. Steel is reportedly importing coke manufactured by its West German subsidiary from coking coal mined in North America. According to industry sources, there are no significant qualitative differences between coke imported from West Germany and the domestic product.

No data are available on U.S. imports of coking coal; such imports are believed to be negligible, however. U.S. imports of all bituminous coal, the bulk of which reportedly consists of grades unsuitable for the manufacture of coke, are shown in the following tabulation: 1/

	U.S. imports of bituminous coal (1,000 short tons)
1976	954
1977	1,181
1978	1,861
January-June--	
1978	925
1979	539

Employment

Coke.--The average number of all employees in U.S. establishments producing coke declined by 7 percent during the period 1976-78; the number of such employees increased by 3 percent during the January-June 1979 compared with the number during the corresponding period of 1978 (table 6). The average number of production and related workers engaged in the production of coke followed a similar pattern, declining from 18,139 in 1976 to 17,766 in 1978. During January-June 1979, the average number of production workers was 18,841, compared with 16,726 during the corresponding period of 1978.

Coking coal.--Unemployment in the U.S. coal mining industry declined from 4.2 percent in 1976 to 3.4 in 1977, but then increased to 4.5 percent in 1978. During the same period, the unemployment rate (in percent) for all U.S. private manufacturing declined without interruption, as shown in the following tabulation: 2/

	Coal mining	All private manufacturing
1976	4.2	7.9
1977	3.4	6.7
1978	4.5	5.5

The above statistics on unemployment in the U.S. coal mining industry make no allowance for strikes, the most notable of which was a 110-day United Mine Workers strike from December 6, 1978, through March 27, 1979. The petitioners have noted that the 1978 rise in unemployment in the coal mining industry coincided with the large increase in coke imports from West Germany. It should be noted, however, that coking coal accounts for only about 15 percent of all coal mined in the United States.

1/ Official statistics of the U.S. Department of Commerce.

2/ Compiled from official statistics of the Bureau of Labor Statistics, U.S. Department of Labor.

Table 6.--Coke: Average number of employees in U.S. establishments producing coke, total and production and related workers engaged in the production of coke, 1976-78, January-June 1978, and January-June 1979 1/

Period	Average number employed: All persons	Average number employed: Production and related workers engaged in the production of coke
1976	62,452	18,139
1977	61,289	17,889
1978	58,061	17,766
January-June--		
1978	56,796	16,726
1979	58,354	18,841

1/ Data obtained from 15 firms accounting for 81 percent of total U.S. production in 1978.

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

The number of production and related workers engaged in the production of coking coal in the three petitioning firms, which represent approximately * * * percent of total U.S. coking coal production, declined from * * * in 1976 to * * * in 1977, but then increased slightly in 1978 to * * *. The petitioners note that increased employment in 1978 is attributable to recent regulations of the Occupational Safety and Health Administration, which require the employment of additional personnel not directly involved in coking coal production.

Since January 1, 1978, 6,239 workers from 195 firms producing coking coal have petitioned the U.S. Department of Labor for worker adjustment assistance under section 222 of the Trade Act of 1974, claiming that increased imports of coke contributed importantly to their job separation. Approximately 2,500 workers from 63 firms were certified as eligible to receive such assistance, while about 3,500 workers from 93 firms were denied assistance. The remainder of the cases were terminated before reaching a final determination.

About 180 workers from three firms producing coke, including one of the petitioners (Alabama By-Products), have sought trade adjustment assistance since the beginning of 1978. In each instance, eligibility to apply for adjustment assistance was denied. 1/

1/ A copy of Labor's Negative Determination Regarding Eligibility to Apply for Worker Adjustment Assistance for workers of Alabama By-Products Corp., Tarrant, Ala., is presented in app. D.

Inventories

Coke.--End-of-period inventories of coke declined by 46 percent during the period 1976-78, but increased slightly in January-June 1979 over their level during the corresponding period of 1978, as shown in the following tabulation:

	Coke inventories (1,000 short tons)
1976	6,487
1977	6,444
1978	3,496
January-June--	
1978	2,994
1979	3,191

Because the above data represent spot inventories, not period averages, or perhaps because inventory, production, or shipment data are not reliable in some circumstances, the "material balance" of these data do not always coincide. 1/ That is, end-of period inventories plus production do not always exceed shipments.

Coking coal.--End-of-period inventories of coking coal reached their lowest point during the period 1976-78 in 1978, but then increased during January-June 1979, as shown in the following tabulation drawn from "Energy Data Reports," a publication of the U.S. Department of Energy:

	Coking coal inventories (1,000 short tons)
1976	9,804
1977	12,721
1978	8,162
January-June--	
1978	8,237
1979	9,473

These data are somewhat understated since they include coal stocks at oven coke plants but not coking coal inventories at the mines. The high level of coking coal inventories at the end of 1977 was the result of a concerted effort by U.S. coke producers to accumulate large stocks in advance of the anticipated United Mine Workers strike, which lasted from December 6, 1978, through March 27, 1978. During January-June 1978, inventories dropped by 35 percent as coke producers drew heavily from their own stockpiles.

1/ Another reason for poor material balance may be that data are not always for the same material, i.e., "all coke" vs. "oven coke," etc.

Profit-and-loss experience

Coke.--Profit-and-loss data on U.S. coke operations are unavailable. Obtaining such data is infeasible given the nature of the industry structure. Most domestic coke producers are steel firms which have fully integrated operations both above and beneath their coke operations, that is, the coke is manufactured from coking coal obtained from their own mines, and is consumed in their own blast furnaces in the production of steel.

Coking coal.--Profit-and-loss data on U.S. coking coal operations are available from six firms accounting for an estimated 20 to 40 percent of total U.S. coking coal shipments, and from the three petitioning firms, which account for approximately 3 percent of total shipments. The data were collected and compiled by a private consulting firm. For both groups of firms, net sales and net operating profit declined substantially and without interruption during the period 1976-78 (table 7).

Table 7.--Profit-and-loss experience of certain U.S. producers on their coking coal operations only, 1976-78

Item	1976	1977	1978
Net sales:			
6-firm total--------------------1,000 dollars--	724,108	653,056	533,841
3-firm total------------------------------do----	***	***	***
Net operating profit:			
6-firm total------------------------------do----	159,714	93,500	7,811
3-firm total------------------------------do----	***	***	***
Ratio of net operating profit to net sales:			
6-firm total--------------------------percent--	22.1	14.3	1.5
3-firm total------------------------------do----	***	***	***

Source: Data for 3-firm totals represent the operations of the 3 petitioning firms, as presented in the petition. Data for 6-firm totals include, in addition to the petitioners, operations of * * *, * * *, and * * *, as prepared by Economic Consulting Services, Inc., and presented in the petition.

Consideration of the Causal Relationship Between Alleged LTFV Imports from West Germany and the Alleged Injury

Market penetration of alleged LTFV imports from West Germany

Coke.--The ratio of U.S. imports of coke from West Germany to apparent U.S. consumption increased from 1.5 percent in 1976 to 6.4 percent in 1978 (table 8). The ratio of such imports to consumption declined to 3.7 percent during January-June 1979, from 5.8 percent during the corresponding period of 1978.

The market penetration of imports from West Germany is substantially higher when captive consumption is excluded. As noted earlier, about two-thirds of U.S. producers' commercial shipments are by merchant producers; the remainder are by steel firms whose coke production exceeds their internal needs. The ratio of imports from West Germany to apparent "commercial consumption" increased sharply from 11 percent in 1976 to 36 percent in 1978 (table 9). It is estimated that the ratio of such imports to consumption during January-June 1979 was 22 percent, as opposed to 34 percent during January-June 1978.

Coking coal.--A theoretical import penetration ratio for the U.S. coking coal market can be calculated by multiplying coke imports by 1.45, the quantity of coking coal needed to produce 1 unit of coke. Computed on this basis, the ratio of U.S. imports of "coking-coal equivalent" from West Germany to apparent consumption increased from 1.5 percent in 1976 to 7.8 percent in 1978 (table 10). The ratio dropped to 3.9 percent in January-June 1979, from 8.5 percent for the corresponding period of 1978.

Table 8.--Coke: U.S. producers' shipments, exports, imports (total and from West Germany), and apparent consumption, 1976-1978, January-June 1978, and January-June 1979

Period	Producers' shipments	Exports	Imports: Total	Imports: West Germany	Apparent consumption	Ratio of imports from West Germany to consumption
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	Percent
1976	58,114	1,315	1,311	891	58,110	1.5
1977	54,842	1,241	2,072	1,328	55,673	2.4
1978	57,320	693	5,722	3,973	62,349	6.4
January-June--						
1978	28,092	326	2,404	1,759	30,170	5.8
1979	29,899	556	1,922	1,154	31,265	3.7

Source: Compiled from official statistics of the U.S. Departments of Energy and Commerce.

Table 9.--Coke: Commercial shipments by U.S. producers, 1/ exports, imports (total and from West Germany), and apparent consumption, 1976-78, January-June 1978, and January-June 1979

Period	Producers' commercial shipments	Exports	Imports: Total	Imports: West Germany	Apparent commerical consumption	Ratio of imports from West Germany to consumption
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	Percent
1976	7,867	1,315	1,311	891	7,863	11.3
1977	7,409	1,241	2,072	1,328	8,240	16.1
1978	5,990	693	5,722	3,973	11,091	36.1
January-June--						
1978	2/ 3,045	326	2,404	1,759	2/ 5,123	2/ 34.3
1979	2/ 3,817	556	1,922	1,154	2/ 5,183	2/ 22.3

1/ Excludes all intracompany transfers.
2/ Estimated.

Source: Compiled from official statistics of the U.S. Departments of Energy and Commerce.

Table 10.--Coking coal: U.S. producers' shipments, exports, imports (total and from West Germany), and apparent consumption, 1976-78, January-June 1978, and January-June 1979

Period	Producers' shipments	Exports	Imports 1/ Total	Imports 1/ West Germany	Apparent consumption	Ratio of imports from West Germany to consumption
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	Percent
1976	2/ 99,164	3/	1,901	1,291	86,684	1.5
1977	92,878	14,381	3,004	1,926	81,501	2.4
1978	96,107	30,240	8,297	5,761	74,164	7.8
January-June--						
1978	37,679	11,308	3,486	2,551	29,857	8.5
1979	67,301	27,291	2,787	1,673	42,797	3.9

1/ Coking coal equivalent. Obtained by multiplying official statistics for U.S. imports of coke by 1.45, the quantity of coking coal needed to produce 1 unit of coke.
2/ Partially estimated. U.S. producers' domestic shipments in 1976 were 84,783 thousand short tons; exports are believed to have been at a level comparable to that in 1977.
3/ Unavailable. See footnote 2.

Source: Compiled from official statistics of the U.S. Departments of Energy and Commerce.

Lost sales

The petitioners have alleged that domestic shipments of coking coal have been curtailed by coke imported from West Germany. According to the petitioners, such imports displaced 5.8 million short tons of domestically produced coking coal in 1978. 1/ * * * has indicated that its sales to domestic steel producers declined from * * * million short tons in 1976 to * * * million short tons in 1978, and that a portion of this decline is attributable to increased imports of coke from West Germany.

Another firm, * * *, submitted more detailed information on lost sales.

* * * * * * *

1/ This figure was obtained by multiplying 1978 U.S. coke imports from West Germany (4.0 million short tons) by 1.45, the quantity of coking coal used to produce one unit of coke.

Price

Coke.--On an aggregated basis, the average delivered price paid for coke imported from West Germany was slightly lower (roughly 1 percent) than that paid for noncaptive domestic coke during 1977, as shown in table 11. During 1978 and January-June 1979, the average price paid for the imported product was slightly higher than that paid for the domestic product. Transfer prices reported for coke produced and consumed internally were generally considerably lower than prices paid for the imported and noncaptive domestic product throughout the period January 1977-June 1979.

A company-by-company evaluation of comparative prices, which controls such factors as freight charge and coke quality differentials, yields a considerably different result. Of the seven firms which reported purchases of both noncaptive domestic coke and coke imported from West Germany during the period January 1977-June 1979, only two firms--* * * and * * *--paid lower prices for the imported product than for the domestic product. One firm paid substantially similar prices for both the imported and the domestic product during this period. The remaining four firms, however, paid substantially higher prices for West German coke than for noncaptive domestic coke. These firms generally paid a premium of $5 to $15 per short ton for the imported product.

Table 11.--Coke: Average delivered prices, weighted by sales, to U.S. consumers, by product origins and by month, January 1977-June 1979 1/

(In dollars per short ton)

Period	U.S.-produced coke		West German coke
	Captive 2/	Noncaptive 3/	
1977:			
January	$69.93	$90.19	$86.25
February	72.40	81.77	4/
March	72.85	83.55	4/
April	72.67	78.96	4/
May	73.81	83.78	80.90
June	74.17	86.30	80.60
July	72.81	84.00	82.15
August	74.58	83.03	78.53
September	74.38	81.39	78.60
October	74.84	89.93	84.83
November	74.95	86.37	95.52
December	76.02	87.15	95.51
Average	73.61	85.46	83.55
1978:			
January	83.70	89.46	74.62
February	90.37	91.10	80.90
March	94.85	90.93	91.96
April	85.57	89.65	90.08
May	80.38	94.71	94.60
June	80.68	87.11	90.36
July	79.37	86.48	86.55
August	80.80	85.80	90.26
September	79.88	86.47	91.01
October	80.05	90.91	93.82
November	80.87	92.35	99.85
December	81.12	91.53	97.46
Average	82.49	90.31	90.70
1979:			
January	$88.74	$101.56	$101.56
February	88.99	103.93	103.95
March	87.09	101.18	111.38
April	86.96	102.95	103.37
May	86.75	102.22	100.08
June	87.23	103.92	103.34
Average	87.60	102.67	103.44

1/ Data were collected from 14 firms believed to account for more than 80 percent of apparent U.S. consumption of coke.

2/ Prices reflect average weighted transfer prices as reported by certain domestic steel firms for coke produced and consumed internally.

Footnotes for table 11.--Continued

3/ Prices reflect average weighted prices paid by certain domestic steel firms for coke purchased from nonaffiliated U.S. producers.
4/ No reporting firms received coke from West Germany during this period.

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

In 1978, all but * * * percent of coke exports to the United States by Ruhrkohle AG, which accounted for about * * * percent of all U.S. imports from West Germany in that year, consisted of furnace coke; the remainder were of the more expensive foundry coke. 1/ No data are available on the general price level of West German coke versus coke imported from other countries. A comparison of average unit values (dollars per short ton) between coke imported from West Germany and total U.S. coke imports is shown in the following tabulation: 2/

	Coke imports from West Germany	Coke imports from all countries
1976--------	$93.62	$84.72
1977--------	76.88	72.77
1978--------	75.20	71.41
Jan.-June--		
1978------	66.95	92.84
1979------	89.51	85.45

Coking coal.--The petitioners have alleged that the presence of high volumes of imported coke in the U.S. market has caused price depression in the domestic coking coal industry. As evidence of such price depression, petitioners point to representative contract and spot prices as reported in a weekly trade publication as indicative of general price trends in the coking coal market. As shown in table 12, prices declined in 15 of the 24 categories represented between June 28, 1976, and June 25, 1979.

1/ Transcript of the hearing, p. 152.
2/ Compiled from official statistics (f.o.b.) of the U.S. Department of Commerce.

Table 12.--Coking coal: Lowest and highest contract and spot prices received for coking coal, f.o.b., mine, by geographical areas, by grades, and by specified dates, June 1976-79

(In dollars per short ton)

Area and date	Low volatility 1/		Medium volatility 2/		High volatility 3/	
	Low price	High price	Low price	High price	Low price	High price
Southern West Virginia, Eastern Kentucky, Virginia and Northern Tennessee:						
Contract prices						
June 28, 1976--	$45.75	$51.00	$44.00	$46.00	$40.00	$44.00
June 27, 1977--	44.00	50.00	40.00	45.00	32.50	40.00
July 3, 1978---	42.00	51.00	38.50	42.00	31.00	38.00
June 25, 1979--	42.00	51.00	38.50	42.00	32.00	39.00
Spot prices:						
June 28, 1976--	43.00	51.00	32.00	38.00	28.00	35.00
June 27, 1977--	40.00	49.00	30.00	35.00	29.00	38.00
July 3, 1978---	43.00	52.00	33.00	37.00	33.00	38.00
June 25, 1979--	43.00	50.00	33.00	38.00	33.00	36.00
Pennsylvania, Northern West Virginia, and Maryland:						
Contract prices						
June 28, 1976--	45.75	48.50	44.25	46.50	42.50	45.00
June 27, 1977--	45.75	49.50	40.00	46.50	32.50	40.00
July 3, 1978---	44.00	48.00	40.00	46.00	32.00	39.00
June 25, 1979--	44.00	48.00	40.00	46.00	32.00	39.00
Spot prices:						
June 28, 1976--	45.00	50.00	32.00	40.00	28.00	35.00
June 27, 1977--	38.00	47.00	30.00	35.00	29.00	38.00
July 3, 1978---	37.00	44.00	32.00	37.00	30.00	36.00
June 25, 1979--	38.50	43.00	32.75	37.75	30.75	36.50

1/ Coking coal containing 14 to 21 percent volatile matter.
2/ Coking coal containing 22 to 31 percent volatile matter.
3/ Coking coal containing over 31 percent volatile matter.

Source: Coal Week, various issues.

Sourcing experience of U.S. coke purchasers

In an attempt to ascertain why domestic steel firms have imported coke from West Germany in increasingly large volumes since 1976, the Commission staff conducted telephone interviews with representatives of 15 steel firms accounting for more than 90 percent of total domestic consumption of coke. In particular, the staff attempted to develop information concerning the possible relationship of the alleged coke shortages incurred by certain steel firms to increased imports from West Germany. As shown in table 13, the majority of firms contacted claimed that they have faced some coke shortages since January 1977, that they were unable to obtain the major part of their coke needs from domestic producers, and that, as a result, they sought and obtained coke from West Germany.

*   *   *   *   *   *   *

Table 13.--Capacity and sourcing experience of certain U.S. steel/coke producers since Jan. 1, 1977 1/

Item	Number of firms	Percentage of total production of firms surveyed
Firms which experienced no coke capacity problems	4	3.7
Firms which experienced coke shortages	11	96.3
Total	15	100.0
Firms which sought coke from other U.S. producers:		
Successfully obtained all coke needed	0	.0
Obtained some, but not all, coke needed	6	33.6
Unable to obtain most or all coke needed because of unavailability	5	62.7
Total	11	96.3
Firms which sought coke from West Germany:		
Because of unavailability of domestic coke	6	78.4
Because of price considerations	4	15.4
Because of superior product quality	4	26.7
Total	2/ 10	2/ 93.8

1/ The 15 firms surveyed accounted for an estimated 97 percent of total U.S. captive coke production in 1978.

2/ Figures do not add to totals shown because some firms gave more than 1 reason for purchasing West German coke.

Source: Information obtained by the Commission staff by telephone survey from officials of U.S. steel/coke producers.

APPENDIX A

TREASURY DEPARTMENT'S LETTER OF NOTIFICATION TO THE U.S. INTERNATIONAL TRADE COMMISSION

DOCKET NUMBER 600
Office of the Secretary
Intl. Trade Commission

THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

'79 OCT 17 OCT 1 5 1979
U.S. INTL. TRADE COMMISSION

Dear Mr. Chairman:

In accordance with section 201(c) of the Antidumping Act of 1921, as amended, an antidumping investigation is being initiated with respect to coke from West Germany. Pursuant to section 201(c)(2) of the Act, you are hereby advised that the information developed during our preliminary investigation has led me to the conclusion that there is substantial doubt that an industry in the United States is being, or is likely to be, injured by reason of the importation of this merchandise into the United States.

The bases for my determination are summarized in the attached copy of the Antidumping Proceeding Notice in this case. Additional information will be provided by the U.S. Customs Service.

Some of the information involved in this case is regarded by Treasury to be of a confidential nature. It is therefore requested that the Commission consider all information provided for its investigation to be for the official use of the ITC only, not to be disclosed to others without prior clearance from the Treasury Department.

In view of the fact that this case presents a number of complex issues, it does not appear that a Tentative Determination can be made before the Trade Agreements Act of 1979 becomes effective. In view of the amendments to the antidumping legislation enacted by P.L. 96-39, it appears that, if the U.S. coke and coking coal industries are considered to be separate industries not producing a "like product," then upon a determination by the Commission that there is no reasonable indication of injury to the U.S. industry producing coke, but only to the industry producing coking coal, by reason of these imports a termination of the investigation may be required after the effective date of P.L. 96-39. In view of these circumstances, we think it would be appropriate for the Commission to determine whether coke and coking coal constitute a single industry, producing a like product within the meaning of P.L. 96-39, and if not, whether there is no reasonable indication of injury to either or both of the coking and coke industries.

Sincerely,

Robert H. Mundheim

The Honorable
Joseph Parker
Chairman, International
Trade Commission
Washington, D.C. 20436

Enclosure

APPENDIX B

NOTICE OF THE COMMISSION'S INQUIRY AND HEARING

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

(AA1921-Inq.-29)

COKE FROM WEST GERMANY

Notice of Inquiry and Hearing

The United States International Trade Commission (Commission) received advice from the Department of the Treasury (Treasury) on October 17, 1979, that during the course of determining, in accordance with section 201(c) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(c)) whether to institute an investigation with respect to coke from West Germany, Treasury has concluded from the information available to it that there is substantial doubt that an industry in the United States is being or is likely to be injured by reason of the importation of this merchandise into the United States. For purposes of this inquiry, coke is defined as "coke classifiable under TSUS item 521.31." Therefore, the Commission on October 22, 1979, instituted inquiry No. AA1921-Inq.-29, under section 201(c)(2) of the act, to determine whether there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Hearing. A public hearing in connection with the inquiry will be held in Washington, D.C., at 10:00 a.m., e.s.t., on Tuesday, October 30, 1979, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street, NW. All parties will be given an opportunity to be present, to produce information and to be heard at such hearing. Requests to appear at the public hearing should be received in writing in the office of the Secretary to the Commission not later than 5:00 p.m., Friday, October 26, 1979.

Written statements. Interested parties may submit statements in writing in lieu of, or in addition to, appearing at the public hearing. A signed original and nineteen true copies of such statements should be submitted. To be assured of their being given due consideration by the Commission, such statements should be received no later than Wednesday, November 7, 1979.

Possible applicability of new antidumping law. Should the Commission not determine that there is no reasonable indication that an industry in the United States is being injured, or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, it is possible that in accordance with section 102 of the Trade Agreements Act of 1979, investigation into imports of coke from West Germany will proceed after January 1, 1980, pursuant to subtitle B of title VII of the Tariff Act of 1930, as amended by the Trade Agreements Act of 1979. Accordingly, information submitted to or gathered by the Commission in conjunction with this proceeding under section 201(c)(2) of the Antidumping Act may be subject, after January 1, 1980, to the new antidumping provisions set forth in title VII of the Tariff Act of 1930, including the record retention and disclosure provisions of section 777 thereof.

By order of the Commission:

Kenneth R. Mason
Secretary

Issued: October 22, 1979

APPENDIX C

TREASURY DEPARTMENT'S NOTICE OF ANTIDUMPING PROCEEDING

60838 Federal Register / Vol. 44, No. 205 / Monday, October 22, 1979 / Notices

DEPARTMENT OF THE TREASURY

Office of the Secretary

Coke From the Federal Republic of Germany; Antidumping Proceeding Notice

AGENCY: U.S. Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether imports of coke from the Federal Republic of Germany are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. There is substantial doubt that imports of the subject merchandise, allegedly at less than fair value, are causing, or are likely to cause, injury to an industry in the United States. Therefore, the case is being referred to the U.S. International Trade Commission for a determination as to whether there is no reasonable indication of injury by reason of such imports.

EFFECTIVE DATE: October 22, 1979.

FOR FURTHER INFORMATION CONTACT: Richard Rimlinger, Trade Analysis Division, U.S. Customs Service, 1301 Constitution Avenue, NW, Washington, DC 20229. (202) 566-5492.

SUPPLEMENTARY INFORMATION: On September 7, 1979, a petition was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel representing Alabama By-Products Corporation, Birmingham, Alabama; Drummond Coal Company, Jasper, Alabama; and Island Creek Coal Company, Lexington, Kentucky, alleging that coke from the Federal Republic of Germany is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended (19 U.S.C. 160 *et seq.*) (hereinafter referred to as "the Act").

For purposes of this investigation, the term "coke" means coke and compositions of coke, provided for in items 521.340, and 521.3160, Tariff Schedules of the United States Annotated.

Pricing information was supplied by petitioners for coke sold to the United States and to the West German home market which indicates that there may be less than fair value margins of as much as 70 percent.

Petitioners have presented information in support of their allegation that certain home market sales of West German coke are occurring at slightly less than the cost of production, within the meaning of section 205(b) of the Act (19 U.S.C. 164(b)). Further clarifying information has been sought pertaining to this point. Once that information is received a determination will expeditiously be made whether a full-scale investigation under section 205(b) is appropriate.

Petitioners have presented information in support of their allegation that U.S. coking coal producers and/or U.S. coke producers are being, or are likely to be, injured by reason of the alleged less than fair value imports from West Germany.

The petitioners cite increased West German penetration of the U.S. coke market, and declines in U.S. production of both coke and coking coal over the period 1976-78. Also cited are decreases in the sales, production, capacity utilization and profits of domestic producers of coking coal. However, the evidence presented by petitioners, together with data otherwise obtained, is ambiguous on the point whether domestically-produced coke is being under sold by West German coke imports. The information also indicates, *inter alia*, that the high level of 1978 coke imports may have been due to an extended UMW strike, and the inability of the domestic coke industy to produce enough coke for domestic needs due to environmental constraints on U.S. production. Further, the information indicates that real domestic blast furnace coke capacity may be so low as to have made impossible the displacement of U.S. coke and/or coking coal by West German imports.

Therefore, on the basis of the information currently available, there is substantial doubt of injury or likelihood of injury to an industry in the United States by reason of such imports from the Federal Republic of Germany. Accordingly, the U.S. International Trade Commission is being advised of such doubt pursuant to section 201(c)(2) of the Act (19 U.S.C. 160(c)(2)).

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29), and having determined as a result thereof that there are grounds for so doing, the U.S. Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value. Should the U.S. International Trade Commission, within 30 days of receipt of this referral, advise the Secretary that there is no reasonable indication that an industry in the United States is being, or is likely to be, injured by reason of the importation of such merchandise into the United States, this investigation will be terminated. Otherwise, the investigation will continue to conclusion.

This notice is published pursuant to § 153.30, Customs Regulations (19 CFR 153.30).

Robert H. Mundheim,
General Counsel of the Treasury.
October 15, 1979.

[FR Doc. 79-32501 Filed 10-19-79; 8:45 am]
BILLING CODE 4810-22-M

APPENDIX D

LABOR DEPARTMENT'S NOTICE OF NEGATIVE DETERMINATION REGARDING ELIGIBILITY TO APPLY FOR WORKER ADJUSTMENT ASSISTANCE FOR WORKERS OF ALABAMA BY-PRODUCTS CORPORATION, TARRANT, ALA.

[4510-28]

DEPARTMENT OF LABOR

Office of the Secretary

[TA-W-2949]

ALABAMA BY-PRODUCTS CORP., TARRANT, ALA.

Negative Determination Regarding Eligibility To Apply for Worker Admustment Assistance

In accordance with section 223 of the Trade Act of 1974 the Department of Labor herein presents the results of TA-W-2949: investigation regarding certification of eligibility to apply for worker adjustment assistance as prescribed in section 222 of the Act.

The investigation was initiated on January 25, 1978 in response to a worker petition received on January 10, 1978, which was filed by the United Steelworkers of America on behalf of workers and former workers producing coke at the Tarrant, Ala. plant of the Alabama By-Products Corp.

The Notice of Investigation was published in the FEDERAL REGISTER on February 17, 1978 (43 FR 7068). No public hearing was requested and none was held.

The information upon which the determination was made was obtained principally from officials of the Alabama By-Products Corp., the United Steelworkers of America, the U.S. Department of Commerce, the U.S. International Trade Commission, industry analysts and Department files.

In order to make an affirmative determination and issue a certification of eligibility to apply for adjustment assistance, each of the group eligibility requirements of section 222 of the Trade Act of 1974 must be met. Without regard to whether any of the other criteria have been met, the following criterion has not been met:

> That increases of imports of articles like or directly competitive with articles produced by the firm or appropriate subdivision have contributed importantly to the separations, or threats thereof, and to the absolute decline in sales or production.

The investigation revealed that layoffs did occur at the Tarrant, Ala. plant from January 6, 1977, one year prior to the date of this petition to the present. Pollution control problems and some mechanical repair work resulted in the temporary shutdown of plant operations in October and November 1977 and January 1978. The layoffs at the Tarrant plant from January 6, 1977 to the present were due to environmental control shutdowns and maintenance shutdowns.

CONCLUSION

After careful review, I conclude that all workers at the Tarrant, Ala. plant of Alabama By-Products Corp. are denied eligibility to apply for adjustment assistance under title II, Chapter 2 of the Trade Act of 1974.

Signed at Washington, D.C. this 19th day of April 1978.

HARRY J. GILMAN,
Acting Director, Office of Foreign Economic Research.

[FR Doc. 78-11908 Filed 5-1-78; 8:45 am]

Library Cataloging Data

U.S. International Trade Commission.
Coke from West Germany. Determination of "no reasonable indication of injury" in inquiry no. AA1921-Inq.-29 under the Antidumping act, 1921, as amended. Washington, 1979.

6, A 46 p. illus. 28 cm. (USITC Publication 1015)

1. Coke. 2. Coke industry--U.S. I. Title.

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

OFFICIAL BUSINESS

ADDRESS CORRECTION REQUESTED

Postage And Fees Paid
U.S. International Trade Commission

U.S. MAIL

ADDRESS CHANGE

- ☐ Remove from List
- ☐ Change as Shown

Please detach address label and mail to address shown above.