

UNITED STATES TARIFF COMMISSION

[AA1921-35]

TC Publication 124

April 13, 1964

CAST IRON SOIL PIPE FROM AUSTRALIA

Determination of No Injury or Likelihood Thereof

On January 15, 1964, the Tariff Commission was advised by the Assistant Secretary of the Treasury that cast iron soil pipe from Australia is being, or is likely to be, sold in the United States at less than fair value as that term is used in the Antidumping Act. Accordingly, the Commission on January 16, 1964, instituted an investigation under section 201(a) of the Antidumping Act, 1921, as amended, to determine whether 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.

Notice of the institution of the investigation was published in the Federal Register (29 F.R. 518). No public hearing in connection with the investigation was ordered by the Commission, but interested parties were referred to section 208.4 of the Commission's Rules of Practice and Procedure (19 CFR 208.4) which provides that interested parties may, within 15 days after the date of publication of the Commission's notice of investigation in the Federal Register, request that a public hearing be held, stating reasons for the request. No request for a hearing was made.

In arriving at a determination in this case, due consideration was given by the Tariff Commission to all written submissions from

interested parties and all factual information obtained by the Commission's staff.

On the basis of the investigation, the Commission has unanimously determined that an industry in the United States is not being, and is not likely to be, injured, or prevented from being established, by reason of the importation of cast iron soil pipe from Australia, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.

#### Statement of Reasons

The Commission's reasons for making a negative determination and the more relevant facts considered in making this determination are set forth below:

The evidence indicates that imports of cast iron soil pipe from Australia sold at less than fair value have not been a disruptive factor in the United States market. Such imports have been insignificant compared with the quantity of domestic consumption and entered the United States market only over a short period of time. In the existing market conditions such imports have not caused material injury to a domestic industry.

The Commission also weighed certain other facts which are relevant to a possible determination of likelihood of injury: The sole producer in Australia that exports the subject pipe to the United States has capacity excess to his domestic demand; has installed special equipment

in his plant to produce United States standard pipe which is not ordinarily sold in the Australian market and which cannot be competitive with the United States domestic product unless it is offered at less than fair value; and has the capacity to ship somewhat larger quantities of such United States standard pipe. Sales below fair value have been discontinued while this investigation has been in progress but there is evidence that they will be resumed upon the issuance of a negative finding. Even so, within the foreseeable future, they would most likely continue to be "insignificant" compared with the quantity of domestic consumption. This fact does not insure that they will not disrupt the market, and, therefore, be injurious because the condition of the market and the manner in which such sales will be made (especially the pricing practices and strategies) will have a bearing on whether or not injury will develop. The Commission does not, however, find clear and imminent likelihood that injury will be inflicted and therefore does not find likelihood of injury within the meaning of the Antidumping Act.

## Statement of Reasons of Commissioners Dorfman and Talbot

Imports of cast-iron soil pipe from Australia sold at "less than fair value" have been insignificant compared with domestic consumption of such soil pipe, and the imports have not been a disruptive factor in the U.S. market. Hence they have not caused injury to a domestic industry, whether that industry be regarded as nationwide in scope or coextensive solely with the producers in a regional sector such as the State of California. Nor are the immediately prospective imports of Australian pipe likely to cause injury to a domestic industry, primarily because of (1) the small share of total U.S. imports of soil pipe that is supplied by Australia, (2) the very limited potential for expansion of shipments to the United States by the sole Australian producer that makes pipe conforming to U.S. standards, and (3) the absence of any evidence of predatory intent on the part of the Australian supplier. Merely because the supplier could engage in disruptive pricing and marketing practices--from which the supplier could not hope to profit--would not of itself provide a basis for a Commission finding of "likelihood of injury" in any circumstance.

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This determination and statement of reasons are published pursuant to 201(c) of the Antidumping Act, 1921, as amended.

By the Commission:



Donn N. Bent  
Secretary