

UNITED STATES TARIFF COMMISSION

CAST-IRON SOIL-PIPE FITTINGS FROM POLAND

Determination of No Injury or Likelihood Thereof
in Investigation No. AA1921-100
Under the Antidumping Act, 1921, as Amended



TC Publication 515
Washington, D. C.
September 1972

UNITED STATES TARIFF COMMISSION

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UNITED STATES TARIFF COMMISSION
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September 29, 1972

[AA1921-100]

CAST-IRON SOIL-PIPE FITTINGS FROM POLAND

Determination of No Injury or Likelihood Thereof

The Treasury Department advised the Tariff Commission on June 30, 1972, that cast-iron soil-pipe fittings from Poland are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted Investigation No. AA1921-100 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.

A public hearing was held on August 22, 1972. Notice of the investigation and hearing was published in the Federal Register of July 14, 1972 (37 F.R. 13839).

In arriving at a determination in this case, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission 1/ determined that an industry in the United States is not being or is not likely

1/ Vice Chairman Parker was absent and Commissioner Young did not participate.

to be injured, or is not prevented from being established, by reason of the importation of cast-iron soil-pipe fittings from Poland covered by the aforementioned less-than-fair value determination of the Treasury Department.

Statement of Reasons 1/

The Antidumping Act, 1921, as amended, requires that the Tariff Commission find two conditions satisfied before an affirmative determination can be made.

First, there must be injury, or likelihood of injury, to an industry in the United States, or an industry in the United States must be prevented from being established. Second, such injury (or likelihood of injury or prevention of establishment of an industry 2/) must be "by reason of" the importation into the United States of the class or kind of foreign merchandise the Secretary of the Treasury determined is being, or is likely to be, sold at less than fair value (LTFV).

In our judgment neither of the aforementioned conditions is satisfied in the instant case. Accordingly, we have made a negative determination based primarily on the following considerations:

1. Imports of cast-iron soil-pipe fittings from Poland-- which Treasury's investigation covering the 12-month period July 1970 through June 1971 indicated were all sold at LTFV--have been extremely small in relation to the shipments by domestic producers into the three-State market area (New York, New Jersey, and Pennsylvania) where the imports were concentrated.

1/ Commissioner Ablondi concurs in the result.

2/ Prevention of establishment of an industry is not an issue in this investigation.

2. Prices of domestic cast-iron soil pipe increased almost steadily during 1967-71, and the only price decrease--a decline of less than 4-1/2 percent in effect for about 2 months during 1970--was a consequence of competition among domestic producers.
3. In the period 1967-71, domestic shipments of cast-iron soil-pipe fittings into the three-State area where the LTFV imports were concentrated increased substantially, whereas total imports in general, and LTFV imports in particular, declined.
4. Prices of cast-iron soil-pipe fittings from Poland paid by the importer of such fittings have increased in recent years, and the supply available to the importer for sale in the United States has decreased markedly.

Description of product

Cast-iron soil-pipe fittings are made in specific shapes and sizes, and within the given specifications they are fungible products. Because of their high transportation costs relative to their value, such fittings are more profitably sold near their point of manufacture, or, as with imports, near their point of entry. Price is the principal factor of competition.

The industry

In making its determination in this case, the Commission gave consideration to all the facilities in the United States used in the production of cast-iron soil-pipe fittings. However, inasmuch as the sale of the LTFV imports was concentrated in the three-State area of New York, New Jersey, and Pennsylvania, the Commission gave special attention to U.S. facilities that produced most of the domestic cast-iron soil-pipe fittings sold in recent years in that area.

Import penetration

The ratio of LTFV imports to consumption of cast-iron soil-pipe fittings in the three-State area declined from 8.5 percent in 1967 to 2.7 percent in 1970 and 1971. Moreover, some 80 percent of the total LTFV imports during 1967-71 did not compete directly with domestically produced fittings because such imports were sold to certain domestic foundries that sourced their fittings almost exclusively from abroad.

The decline in import penetration in the three-State area occurred when the consumption of cast-iron soil-pipe fittings therein increased substantially--from about 23,000 short tons in 1967 to about 32,000 short tons in 1971. Inasmuch as LTFV imports, as well as all other imports of this product, declined during the period 1967-71, the upward trend in consumption reflects the significant increase in domestic shipments during those years. Indeed, domestic shipments increased each year, from about 21,000 tons in 1967 to about 30,000 tons in 1971.

Prices

Prices of cast-iron soil-pipe fittings sold by the domestic industry in the three-State market area increased throughout the period 1967-71, except when the prevailing domestic price declined by about 4-1/2 percent during a 2-month period in 1970. The upward trend in domestic prices was in response to the high demand for fittings in that market area. A proposed further price increase by the domestic producers of fittings was denied by the Price Commission in May 1972.

U.S. prices of LTFV imports increased steadily throughout the period 1967-71. Moreover, the rate of price increases on the LTFV imports was greater than that on the domestic products, resulting in a narrower spread between domestic and LTFV import prices. No evidence was obtained by the Commission that prices for domestic fittings were depressed or suppressed by LTFV imports. Prices of imported cast-iron soil-pipe fittings from Poland paid by the importer of such fittings have been increasing and the supply available for export to the United States is expected to be curtailed as demand in that country and elsewhere increases.

Financial experience

The financial data made available to the Commission by the domestic producers covered the period 1967-71, the period in which domestic sales increased substantially at generally rising prices. In our judgment there is no evidence of a causal connection between the LTFV sales and the financial health of the industry.

Conclusion

On the basis of the foregoing, we conclude that the domestic industry is not being, or is not likely to be, injured by reason of imports of cast-iron soil-pipe fittings from Poland.

