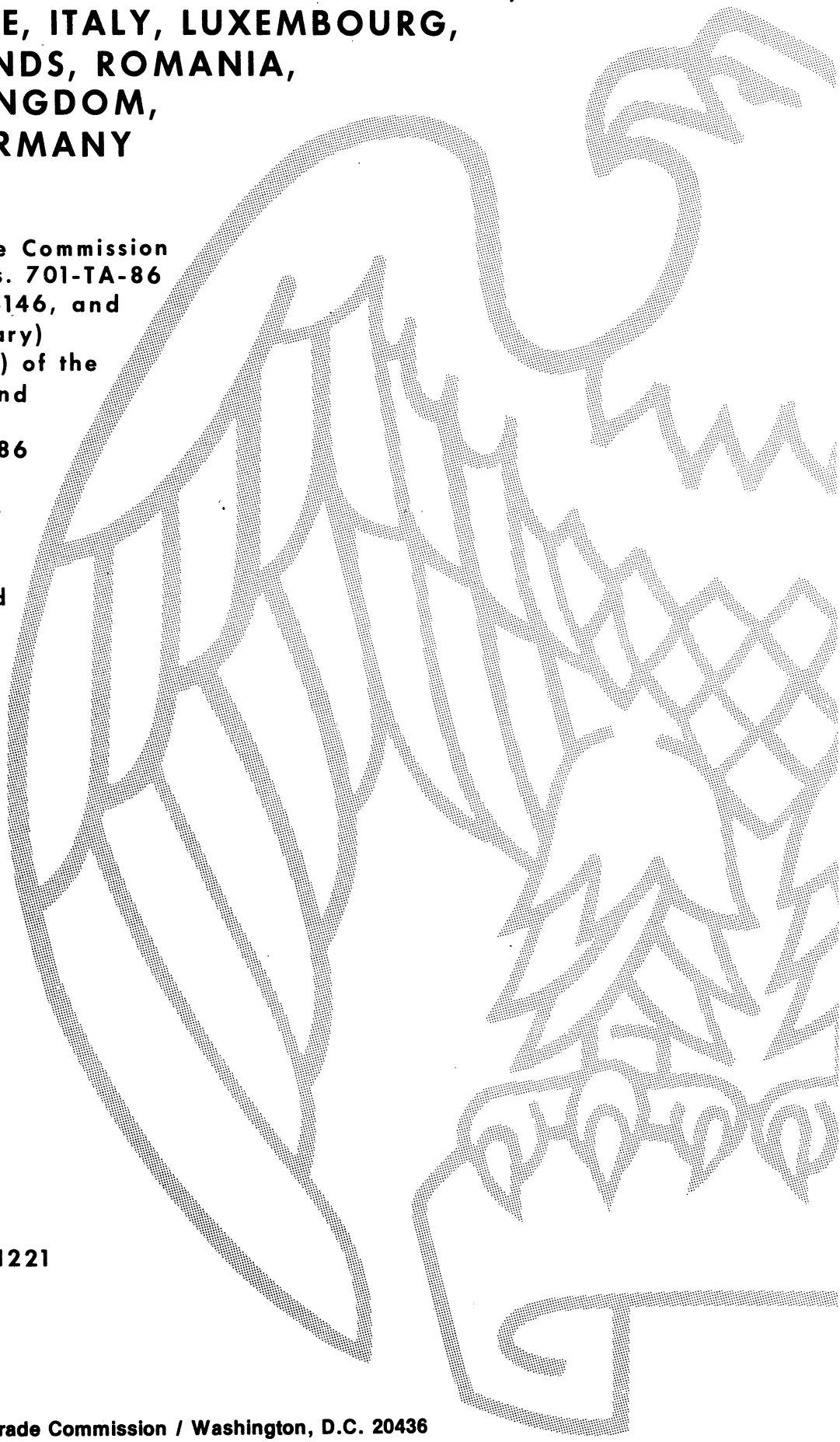
CERTAIN STEEL PRODUCTS FROM BELGIUM, BRAZIL, FRANCE, ITALY, LUXEMBOURG, THE NETHERLANDS, ROMANIA, THE UNITED KINGDOM, AND WEST GERMANY

VOLUME 1

Determinations of the Commission in Investigations Nos. 701-TA-86 through 144, 701-TA-146, and 701-TA-147 (Preliminary) Under Section 703(a) of the Tariff Act of 1930 and Investigations Nos. 731-TA-53 through 86 (Preliminary) Under Section 733(a) of the Tariff Act of 1930, Together with the Information Obtained in the Investigations (Parts I through V)



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UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Bill Alberger, Chairman
Michael J. Calhoun, Vice Chairman
Paula Stern
Alfred E. Eckes
Eugene J. Frank

Kenneth R. Mason, Secretary to the Commission

This report was prepared by:

Robert Eninger, Investigator (Parts II, VII, and IX)
Daniel Leahy, Investigator (Parts III and VI)
William Schechter, Investigator (Parts IV and V)
Stephen Miller, Investigator (Parts VIII and X)

Marvin Claywell, Office of Investigations, Financial Analysis
Chandrakant Mehta, Office of Investigations, Financial Analysis

Quay Williams, Office of Industries
Patrick Magrath, Office of Industries
Richard Weible, Office of Industries
Vincent DeSapio, Office of Industries

Howard Gooley, Office of Economics
Henry McFarland, Office of Economics
Norman Elrod, Office of Economics
John Lindsey, Office of Economics

Edward Easton, Office of the General Counsel
Michael Mabile, Office of the General Counsel
Catherine Field, Office of the General Counsel

Lynn Featherstone, Supervisory Investigator

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

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Note.--Information which would reveal the confidential operations of individual concerns may not be published and, therefore, has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 701-TA-86 through 119, 701-TA-121, 701-TA-123 through 144, 701-TA-146, 701-TA-147, 731-TA-53 through 65, and 731-TA-67 through 86 (Preliminary)

CERTAIN STEEL PRODUCTS FROM BELGIUM, BRAZIL, FRANCE, ITALY, LUXEMBOURG, THE NETHERLANDS, ROMANIA, THE UNITED KINGDOM, AND WEST GERMANY

Determinations

On the basis of the record 1/ developed in its countervailing duty investigations involving certain steel products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the following products which are alleged to be subsidized by the Governments of the cited countries:

Hot-rolled carbon steel plate 2/ from--

Belgium (investigation No. 701-TA-86 (Preliminary)),
Brazil (investigation No. 701-TA-87 (Preliminary)),
the United Kingdom (investigation No. 701-TA-92 (Preliminary)), and
West Germany (investigation No. 701-TA-93 (Preliminary));

Hot-rolled carbon steel sheet and strip 3/ from--

Belgium (investigation No. 701-TA-94 (Preliminary)),
France (investigation No. 701-TA-96 (Preliminary)),
Italy (investigation No. 701-TA-97 (Preliminary)),
the Netherlands (investigation No. 701-TA-99 (Preliminary)), and
West Germany (investigation No. 701-TA-101 (Preliminary));

1/ The record is defined in sec. 207.2(j) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(j)).

2/ For purposes of these investigations, hot-rolled carbon steel plate is provided for in items 607.6615, 607.6400, 608.0710, and 608.1100 of the Tariff Schedules of the United States Annotated (TSUSA).

3/ For purposes of these investigations, hot-rolled carbon steel sheet is provided for in items 607.6610, 607.6700, 607.8320, 607.8342, and 607.8400 of the TSUSA. Hot-rolled carbon steel strip is provided for in items 608.1920, 608.2120, and 608.2320 of the TSUSA.

Cold-rolled carbon steel sheet and strip 1/ from--

France (investigation No. 701-TA-104 (Preliminary)),
Italy (investigation No. 701-TA-105 (Preliminary)), 2/
the Netherlands (investigation No. 701-TA-107 (Preliminary)), and
West Germany (investigation No. 701-TA-109 (Preliminary));

Carbon steel structural shapes 3/ from--

Belgium (investigation No. 701-TA-117 (Preliminary)),
France (investigation No. 701-TA-119 (Preliminary)),
Luxembourg (investigation No. 701-TA-121 (Preliminary)),
the United Kingdom (investigation No. 701-TA-123 (Preliminary)), and
West Germany (investigation No. 701-TA-124 (Preliminary));

Hot-rolled carbon steel bar 4/ from the United Kingdom (investigation No. 701-TA-128 (Preliminary)); and

Cold-formed carbon steel bar 5/ from the United Kingdom (investigation No. 701-TA-138 (Preliminary)).

The Commission determines that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports of the following products which are alleged to be subsidized by the Governments of the cited countries:

Hot-rolled carbon steel plate from--

France (investigation No. 701-TA-88 (Preliminary)), 6/
Italy (investigation No. 701-TA-89 (Preliminary)), 6/
Luxembourg (investigation No. 701-TA-90 (Preliminary)), 6/ and
the Netherlands (investigation No. 701-TA-91 (Preliminary)); 6/

1/ For purposes of these investigations, cold-rolled carbon steel sheet is provided for in items 607.8320 and 607.8344 of the TSUSA. Cold-rolled carbon steel strip is provided for in items 608.1940, 608.2140, and 608.2340 of the TSUSA.

2/ Chairman Alberger and Commissioner Stern dissenting.

3/ For purposes of these investigations, carbon steel structural shapes are provided for in items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045 of the TSUSA.

4/ For purposes of these investigations, hot-rolled carbon steel bar is provided for in items 606.8210, 606.8330 and 606.8350 of the TSUSA.

5/ For purposes of these investigations, cold-formed carbon steel bar is provided for in items 606.8805 and 606.8815 of the TSUSA.

6/ Commissioner Frank dissenting.

Hot-rolled carbon steel sheet and strip from--

Brazil (investigation No. 701-TA-95 (Preliminary)), 1/
Luxembourg (investigation No. 701-TA-98 (Preliminary)), 1/ and
the United Kingdom (investigation No. 701-TA-100 (Preliminary)); 1/

Cold-rolled carbon steel sheet and strip from--

Belgium (investigation No. 701-TA-102 (Preliminary)), 2/
Brazil (investigation No. 701-TA-103 (Preliminary)), 1/
Luxembourg (investigation No. 701-TA-106 (Preliminary)), 1/ and
the United Kingdom (investigation No. 701-TA-108 (Preliminary)); 1/

Galvanized carbon steel sheet 3/ from--

Belgium (investigation No. 701-TA-110 (Preliminary)), 1/
France (investigation No. 701-TA-111 (Preliminary)), 4/
Italy (investigation No. 701-TA-112 (Preliminary)), 4/
Luxembourg (investigation No. 701-TA-113 (Preliminary)), 1/
the Netherlands (investigation No. 701-TA-114 (Preliminary)), 1/
the United Kingdom (investigation No. 701-TA-115 (Preliminary)), 1/ and
West Germany (investigation No. 701-TA-116 (Preliminary)); 4/

Carbon steel structural shapes from Brazil (investigation No. 701-TA-118 (Preliminary)); 1/

Hot-rolled carbon steel bar from--

Belgium (investigation No. 701-TA-125 (Preliminary)), 2/
Brazil (investigation No. 701-TA-126 (Preliminary)), 2/
France (investigation No. 701-TA-127 (Preliminary)), 1/
Italy (investigation No. 701-TA-146 (Preliminary)), 1/
Luxembourg (investigation No. 701-TA-147 (Preliminary)), 2/ and
West Germany (investigation No. 701-TA-129 (Preliminary)); 2/

Hot-rolled alloy steel bar 5/ from--

France (investigation No. 701-TA-130 (Preliminary)), 1/
Italy (investigation No. 701-TA-131 (Preliminary)), 1/
the United Kingdom (investigation No. 701-TA-132 (Preliminary)), 1/ and
West Germany (investigation No. 701-TA-133 (Preliminary)); 1/

1/ Commissioner Frank dissenting.
2/ Vice Chairman Calhoun and Commissioner Frank dissenting.
3/ For purposes of these investigations, galvanized carbon steel sheet is provided for in items 608.0730 and 608.1300 of the TSUSA.
4/ Commissioners Eckes and Frank dissenting.
5/ For purposes of these investigations, hot-rolled alloy steel bar is provided for in item 606.9700 of the TSUSA.

Cold-formed carbon steel bar from--

Belgium (investigation No. 701-TA-134 (Preliminary)), 1/
Brazil (investigation No. 701-TA-135 (Preliminary)), 1/
France (investigation No. 701-TA-136 (Preliminary)), 2/
Italy (investigation No. 701-TA-137 (Preliminary)), 1/ and
West Germany (investigation No. 701-TA-139 (Preliminary)); 1/ and

Cold-formed alloy steel bar 3/ from--

Belgium (investigation No. 701-TA-140 (Preliminary)), 1/
France (investigation No. 701-TA-141 (Preliminary)), 4/
Italy (investigation No. 701-TA-142 (Preliminary)), 4/
the United Kingdom (investigation No. 701-TA-143 (Preliminary)), 1/ and
West Germany (investigation No. 701-TA-144 (Preliminary)). 1/

On the basis of the record developed in its antidumping investigations involving certain steel products from Belgium, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the following products which are alleged to be sold in the United States at less than fair value:

Hot-rolled carbon steel plate from--

Belgium (investigation No. 731-TA-58 (Preliminary)),
Romania (investigation No. 731-TA-58 (Preliminary)),
the United Kingdom (investigation No. 731-TA-59 (Preliminary)), and
West Germany (investigation No. 731-TA-60 (Preliminary));

Hot-rolled carbon steel sheet and strip from--

Belgium (investigation No. 731-TA-61 (Preliminary)),
France (investigation No. 731-TA-62 (Preliminary)),
Italy (investigation No. 731-TA-63 (Preliminary)),
the Netherlands (investigation No. 731-TA-65 (Preliminary)), and
West Germany (investigation No. 731-TA-67 (Preliminary));

1/ Commissioner Frank dissenting.
2/ Vice Chairman Calhoun and Commissioner Frank dissenting.
3/ For purposes of these investigations, cold-formed alloy steel bar is provided for in item 606.9900 of the TSUSA.
4/ Commissioners Eckes and Frank dissenting.

Cold-rolled carbon steel sheet and strip from--

France (investigation No. 731-TA-69 (Preliminary)),
Italy (investigation No. 731-TA-70 (Preliminary)), 1/
the Netherlands (investigation No. 731-TA-72 (Preliminary)), and
West Germany (investigation No. 731-TA-74 (Preliminary)); and

Carbon steel structural shapes from--

Belgium (investigation No. 731-TA-82 (Preliminary)),
France (investigation No. 731-TA-83 (Preliminary)),
Luxembourg (investigation No. 731-TA-84 (Preliminary)),
the United Kingdom (investigation No. 731-TA-85 (Preliminary)), and
West Germany (investigation No. 731-TA-86 (Preliminary)).

The Commission determines that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports of the following products which are alleged to be sold in the United States at less than fair value:

Hot-rolled carbon steel plate from--

France (investigation No. 731-TA-54 (Preliminary)), 2/
Italy (investigation No. 731-TA-55 (Preliminary)), 2/
Luxembourg (investigation No. 731-TA-56 (Preliminary)), 2/ and
the Netherlands (investigation No. 731-TA-57 (Preliminary)); 2/

Hot-rolled carbon steel sheet and strip from Luxembourg (investigation No. 731-TA-64 (Preliminary)); 2/

Cold-rolled carbon steel sheet and strip from--

Belgium (investigation No. 731-TA-68 (Preliminary)), 3/
Luxembourg (investigation No. 731-TA-71 (Preliminary)), 2/ and
the United Kingdom (investigation No. 731-TA-73 (Preliminary)); 2/ and

Galvanized carbon steel sheet from--

Belgium (investigation No. 731-TA-75 (Preliminary)), 2/
France (investigation No. 731-TA-76 (Preliminary)), 4/
Italy (investigation No. 731-TA-77 (Preliminary)), 4/
Luxembourg (nvestigation No. 731-TA-78 (Preliminary)), 2/
the Netherlands (investigation No. 731-TA-79 (Preliminary)), 2/
the United Kingdom (investigation No. 731-TA-80 (Preliminary)), 2/ and
West Germany (investigation No. 731-TA-81 (Preliminary)). 4/

1/ Chairman Alberger and Commissioner Stern dissenting.
2/ Commissioner Frank dissenting.
3/ Vice Chairman Calhoun and Commissioner Frank dissenting.
4/ Commissioners Eckes and Frank dissenting.

Background

On January 11, 1982, petitions were filed by seven U.S. steel producers 1/ with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that imports of certain steel products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany are being subsidized by their respective Governments and/or sold in the United States at less than fair value. Accordingly, the Commission instituted preliminary countervailing duty and antidumping investigations under sections 701(a) and 733(a), respectively, of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise into the United States.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was duly given by posting copies of the notices in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notices in the Federal Register on January 20, 1982 (47 F.R. 2950). The conference was held in Washington, D.C., on February 3 and 4, 1982, and all persons who requested the opportunity were permitted to appear in person or by counsel.

1/ Bethlehem Steel Corp., Cyclops Corp., Inland Steel Co., Jones & Laughlin Steel, Inc., National Steel Corp., Republic Steel Corp., and United States Steel Corp.

VIEWS OF CHAIRMAN ALBERGER, VICE CHAIRMAN CALHOUN, AND COMMISSIONERS STERN AND ECKES

I. INTRODUCTION

These views incorporate the reasons for our determinations in the 92 steel product investigations before us involving imports of nine steel products from nine foreign countries. There are 59 preliminary countervailing duty investigations and 33 preliminary antidumping investigations, most of which are overlapping in coverage of the subject countries and products. As more fully explained in our determinations, the Commission reached an affirmative determination in 38 cases and a negative determination in 54 cases.

A. Standards for Determinations

In preliminary countervailing duty and antidumping investigations the Commission is directed by Title VII of the Tariff Act of 1930 to determine, based upon the best information available to it at the time of the determination, whether there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise that is the subject of the investigation. 1/ "Material injury" is defined as "harm which is not inconsequential, immaterial, or unimportant." 2/ In making its determinations the Commission is required to consider, among other factors, (1) the volume of imports of the merchandise which is the subject of the investigation, (2) the effect of imports of that merchandise on prices in the United States for like

1/ 19 U.S.C. §§ 1671b, 1673b.
2/ 19 U.S.C. § 1677(7)(A).

products, and (3) the impact of imports of such merchandise on domestic producers of like products. 3/.

In making a determination as to whether there is a threat of material injury the Commission considers, among other factors, (1) the rate of increases of subsidized or dumped imports into the U.S. market, (2) the capacity in the exporting country to generate exports, and (3) the availability of other export markets. 4/ Findings of a reasonable indication of threat of material injury must be based on a showing that the likelihood of harm is real and imminent, and not on mere supposition, speculation, or conjecture. 5/

Separate views of Chairman Alberger and Commissioner Stern on Threat

Chairman Alberger and Commissioner Stern note that Congress and the courts have made it clear that a finding of threat of material injury (or reasonable indication thereof in the case of a preliminary investigation) must be based on "information showing that the threat is real and injury is

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3/ 19 U.S.C. § 1677(7)(B).

4/19 C.F.R. § 207.26(d). In countervailing duty investigations, the Commission also considers such information as may be presented to it by the Department of Commerce as to the nature of the subsidy provided by a foreign country and the effects likely to be caused by the subsidy. 19 U.S.C. § 1677(7)(E)(i). Specifically, the Commission will consider whether the subsidy is an export subsidy within the meaning of the Agreement on Subsidies and Countervailing Measures (the Agreement is properly titled the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade). In these preliminary investigations the only information available to us from the Department of Commerce regarding subsidies is that supplied in Hot-Rolled Carbon Steel Sheet from France, Inv. No. 701-TA-85 (Preliminary), USITC Pub. 1206 (1982); and Hot-Rolled Carbon Steel Plate from Belgium, Brazil, and Romania, Inv. Nos. 701-TA-83 and 84 (Preliminary), USITC Pubs. 1207 and 1208 (1982).

5/ S. Rep. No. 96-249, 96th Cong., 1st Sess. 88-89 (1979); S. Rep. No. 1298, 93d Cong., 2d Sess. 180 (1974); Alberta Gas Chemicals, Inc. v. United States, 515 F. Supp. 780, 790 (Ct. Int'l Trade 1981).

imminent, not mere supposition or conjecture." S. Rep. No. 96-249, 96th Cong., 1st Sess. 88-89 (1979). In a recent decision by the U.S. Court of International Trade in Alberta Gas Chemicals, Inc. v. U.S., 515 F. Supp. 780, 791 (Ct. Int'l Trade 1981), the Commission's majority determination that a likelihood of injury 7/ existed was reversed because it was "flawed with supposition and conjecture." Specifically, the court rejected the majority's finding that a possible expansion of foreign capacity, coupled with a negative Commission determination, would pose a threat of increased Canadian LTFV exports to the United States. It found instead that "the record before the Commission shows simply a mere possibility that injury might occur at some remote future time." Thus, the record did not adequately support the Commission's determination.

In the cases presently before us, it is apparent that the capacity utilization rate in many of the EC steel producers' facilities is below an optimum level. Our negative determinations with respect to certain products in these investigations will not, however, create any additional incentive or license to flood the U.S. market with those allegedly dumped or subsidized products. A finding of reasonable indication of threat of material injury which is premised solely upon the existence of excess capacity and the lack of an outstanding antidumping and/or countervailing duty order is nothing but the sheerest form of speculation and conjecture, condemned by both Congress and the courts. We have therefore limited our findings based on threat to those

7/ The Commission's determination in the underlying investigation, Methanol from Canada, Inv. No. AA1921-202, was based on the "likelihood of injury" standard contained inthe Antidumping Act of 1921. Although that standard was subsequently replaced by the "threat of material injury" standard in the Trade Agreements Act of 1979, the court explicitly acknowledged that Congress did not intend to change its "real and imminent" test for future injury.

cases where the best information available gives a reasonable indication that the threat of material injury is both real and imminent.

B. Definition of the Domestic Industries 8/

Our first task in these investigations is to determine the scope of the domestic industries against which the impact of the allegedly dumped or subsidized imports is to be assessed. The domestic industry is defined in section 771(4)(A) of the Tariff Act of 1930 as "the domestic producers as a whole of a like product or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 9/ "Like product" is defined in section 771(10) as a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . . " 10/

These investigations concern allegedly dumped or subsidized imports of nine different categories of steel products from Belgium, Brazil, the Federal

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8/ No information has been gathered or presented in the Report on the question of whether separate regional industries exist within the meaning of section 771(4)(c). No such allegations were made in the petitions filed with the Commission in these investigations or otherwise raised in a timely manner. During the conference there was some discussion regarding possible regional industries, but there was no comprehensive development of views or argumentation on the various requirements set forth in the statute. Furthermore, such data has been gathered in past steel investigations for all the product lines considered in these investigations, except the four bar products. See Certain Carbon Steel Products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom, Inv. Nos. 731-TA-18-24 (Preliminary), USITC Pub. No. 1064 (1981); Hot-Rolled Carbon Steel Plate from Belgium, Brazil, and Romania, Inv. Nos. 701-TA-83 and 84 (Preliminary), and 731-TA-51 (Preliminary), USITC Pubs. 1207 and 1208 (1982); and Hot-Rolled Carbon Steel Sheet from France, Inv. No. 701-TA-85, USITC Pub. 1206 (1982). In none of those cases could any geographical area, except possibly the western United States, qualify for such treatment because such areas were insufficiently isolated from the national market. In the present cases, no allegations were made concerning injury to the western states geographical area. Thus, there is no reason to expect that regional treatment might be justified even were such data to be developed.

9/ 19 U.S.C. § 1677(4)(A).

10/ 19 U.S.C. § 1677(10).

Republic of Germany, France, Italy, Luxembourg, the Netherlands, Romania, and the United Kingdom. These nine categories are: (1) hot-rolled carbon steel plate; (2) hot-rolled carbon steel sheet and strip; (3) cold-rolled carbon steel sheet and strip; (4) galvanized carbon steel sheet; (5) carbon steel structural shapes; (6) hot-rolled carbon steel bar; (7) hot-rolled alloy steel bar; (8) cold-formed carbon steel bar; and (9) cold-formed alloy steel bar. For the purposes of these investigations we find each of the nine categories to constitute a separate "like product." Since the investigations are only preliminary, we have made our conclusions as to the like products and the definition of the industries on the basis of the best available information. These are not necessarily the conclusions we will reach in any final investigations that may be conducted, because our information base at that time will likely be much more detailed. In the discussion below we will describe each product and the reasons why each is distinguished from the others in terms of characteristics and uses. 11/

Hot-rolled carbon steel plate is a finished product. It is distinguished from other flat-rolled steel products, such as sheet, by its dimensions, defined as 0.1875 inch or more in thickness and over 8 inches in width. 12/ The predominant uses for hot-rolled carbon steel plate are for the construction of bridges, storage tanks, pressure vessels, railroad cars, ships, line pipe, and industrial machinery. 13/

11/ A more detailed description of each product, its uses, characteristics, and method of manufacture can be found in the "description and uses" section of the Report on each of the products. The Report also describes the sections of the Tariff Schedules of the United States covering each product.

12/ Report at II-2. Most distinctions between products employed by the Commission in these investigations are derived from the Tariff Schedules of the United States, but some adhere to industry usage rather than strict TSUS categories exclusively used in the 1980 cases.

13/ Id. at II-4.

Carbon steel sheet and strip are also generally considered to be finished products distinguishable by their dimensions from other flat-rolled products. Sheet is defined as being over 12 inches in width and in coils, or if not in coils under 0.1875 inch in thickness. 14/ Hot-rolled sheet is used in the manufacture of automotive products, construction products, pipes and tubes, appliances, and electrical equipment. 15/ Cold-rolled sheet is made by processing hot-rolled steel sheet coils in cold-reduction mills, thereby achieving a smoother-finished product of reduced thickness. 16/ It is used extensively in the manufacture of appliances, electrical equipment, and automotive products. 17/ Carbon steel strip has the same properties as hot-rolled or cold-rolled sheet, depending upon which finishing process is used. It differs only in that it is not more than 12 inches in width. 18/ Hot-rolled strip is used principally for purposes similar to those of hot-rolled sheet, while cold-rolled strip is chiefly used in the making of containers, packaging and shipping materials and automotive uses. 19/

Galvanized carbon steel sheet is produced in the same dimensions as ordinary carbon steel sheet. It differs because it has been coated with zinc for protection against corrosion. 20/ The principal end users of galvanized sheet are the construction and automotive vehicle industries. 21/

14/ Id. at III-1 and IV-2. The description of sheet used in these investigations includes some products described as plate in the TSUS but deemed by the U.S. industry to be sheet.
15/ Id. at III-2.
16/ Id. at IV-2.
17/ Id.
18/ Id. at III-2 and IV-2.
19/ Id.
20/ Id. at V-1.
21/ Id. at V-2.

Carbon steel structural shapes are rolled, flanged shapes having at least one dimension of their cross section 3 inches or more. Among the structural shapes involved in these investigations are wide flange beams, H-piles, I-beams, angles, channels, bulb angles, T's and Z's. 22/ The major uses of structural shapes are in construction and contractors' products; manufacture of machinery, industrial equipment, and tools; and shipbuilding and marine equipment. 23/

Bars are steel products not conforming to the specifications of other steel products and having cross sections in a variety of shapes, such as circles, segments of circles, ovals, triangles, rectangles, hexagons, or octagons. The shape of a bar depends upon the intended end use. 24/

Carbon steel bar, whether hot-rolled or cold-formed, is produced in two principal grades, merchant bar and special quality bar. Merchant bar is used in most noncritical applications, while special quality bar is used when the end use calls for certain quality characteristics. 25/ Cold-formed carbon steel bar is produced by further subjecting hot-rolled bar to a cold-finishing process that imparts surface and mechanical properties that render it superior for certain uses to hot-rolled bar. 26/ Hot-rolled carbon steel bar is used primarily in the manufacture of automotive vehicles, machinery, industrial equipment, and tools; in mining, quarrying, and lumbering applications; and in construction uses. 27/ Cold-formed carbon steel bar is consumed chiefly by

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22/ Id. at VI-2.
23/ Id.
24/ Id. at VII-2, VIII-1, VIII-2, IX-2, X-2, and X-3.
25/ Id. at VII-2 and IX-2.
26/ Id. at IX-2.
27/ Id. at VII-2 and VII-3.

manufacturers of machinery, industrial equipment, tools, automotive products, and agricultural equipment. 28/

Alloy steel bars differ from their carbon steel counterparts because other elements besides carbon and iron have been introduced during the production process to give the products added properties. Hot-rolled alloy steel bar has uses in the automobile, machinery and industrial equipment, mining, quarrying, lumbering, and oil and gas industries. 29/ Cold-formed alloy steel bar has its principal uses in the manufacture of machinery, industrial equipment, tools, and automotive products. 30/

We find that each of the nine product categories should constitute a separate like product. Each has physical characteristics of size, shape, or composition that are unlike those of the others. Moreover, they have varying uses, and products of one type generally do not compete with products of another type. As noted in the Commission determination in the 1980 steel products antidumping investigations, "Although raw steel constitutes much of the value of each of the . . . product groups under investigation, competition in the U.S. market between domestically produced steel products and the alleged LTFV [and subsidized] imports occurs in each of the . . . separate and distinct product groups." 31/ In these investigations the domestic producers

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28/ Id. at IX-3.
29/ Id. at VIII-2.
30/ Id. at X-3.
31/ Certain Carbon Steel Products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom, Inv. Nos. 731-TA-18 to 24, USITC Pub. 1064 (1980), at 4 (Views of Chairman Bedell and Commissioners Moore and Calhoun). The approach taken in these investigations is also consistent with the views of Chairman Alberger in the 1980 investigations. Commissioner Stern notes that the definition of the domestic industry followed here conforms to the approach she adopted in Certain Carbon Steel Products, Inv. Nos. 731-TA-18-24 (Preliminary), USITC Pub. 1064 (1980):

(Footnote Continued)

have been able to identify production and profitability data in terms of each of the nine groups, allowing the Commission to examine the impact of imports on each group separately.

Within each of the product categories there may be distinct characteristics and uses for items with differing specifications, but we lack sufficient information in these preliminary investigations to make any meaningful distinctions among them. 32/ There generally appear to be no clear

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(Footnote Continued)

> It is clear that Congress desired the Commission determination and any resulting relief to be applied on a like product basis. There is a semantic problem, of little practical consequence in these cases, as to whether "the industry" consists of all suitable product lines, or each product line should define a separate industry for the purposes of the Act. Because Section 731 and Section 701 require that the determination shall be made in terms of "an industry," I have decided to adopt the convention that product lines which are separately identifiable in terms suggested by Section 771(4)(D) constitute separate industries for the purposes of the Act. ("Statement of Reasons of Commissioner Paula Stern," at 43.)

For the present cases, the observation made in Hot-Rolled Carbon Steel Sheet from France, Inv. No. 701-TA-85 (Preliminary), USITC Pub. 1206 (1982), continues to apply:

> The question of aggregation -- which the Commission chose to approach on a product line basis -- apparently has been settled for the steel industry. ("Views of Commissioner Paula Stern," at 13.)

32/ We have carefully considered the arguments of certain respondents that some of their products are produced in shapes or dimensions that do not compete with domestically produced products. French and Belgian producers have argued, for example, that their sheet and plate products in certain widths and thicknesses should be excluded from these investigations. A similar argument is made by British Steel Corporation regarding special sections, joist sections, and organic coated steel. As stated in the text, the Commission lacks adequate information to evaluate these allegations in the context of these preliminary investigations.

The French producer Compagnie Francaise des Aciers Speciaux, S.A. (CFAS) argues that the appropriate domestic like product in the investigation of

(Footnote Continued)

dividing lines among the products in each group, and therefore each category will be treated as a like product. 33/ Thus, we find that there are nine domestic industries involved in these investigations corresponding to each of the nine like product groupings. 34/

C. Cumulation

Chairman Alberger and Commissioners Stern and Eckes have made their determinations on a case-by-case basis. 35/ Each of them maintains that the imports in those investigations they voted to terminate could not conceivably have contributed to material injury. Should any of the affirmative preliminary cases return for final determinations, they do not preclude cumulation when the record as developed shows it is appropriate. 36/

For cumulation to be appropriate, we believe that it must be demonstrated that "the factors and conditions of trade in the particular case show its

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(Footnote Continued)
cold-formed alloy bar from France is hot-rolled alloy bar. This claim has not been substantiated within the constraints of these preliminary investigations. However, certain information, discussed in the Report at X-26 to X-32, tends to bolster the argument. Since we have found that our injury determination regarding French cold-formed alloy bar would be the same in any case, a definitive disposition of the issue raised by CFAS is unnecessary. See p. 89, infra.

33/ See Sheet Piling from Canada, Inv. No. 731-TA-52 (Preliminary), USITC Pub. 1212 (1982); Hot-Rolled Carbon Steel Sheet from France, Inv. No. 701-TA-85 (Preliminary), USITC Pub. 1206 (1982); Hot-Rolled Carbon Steel Plate from Belgium, Brazil, and Romania, Inv. Nos. 701-TA-83 and 84 (Preliminary), and 731-TA-51 (Preliminary), USITC Pubs. 1207 and 1208 (1982); Stainless Clad Steel Plate from Japan, Inv. No. 731-TA-50 (Preliminary), USITC Pub. 1196 (1981).

34/ See additional views of Vice Chairman Calhoun.

35/ See additional views of Vice Chairman Calhoun.

36/ Chairman Alberger and Commissioner Stern refer readers to their respective discussions of the practice of cumulation in Certain Carbon Steel Products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom, Inv. Nos. 731-TA-18-24 (Preliminary), USITC Pub. 1064 (1980), at 14-15 and 64-67, respectively.

relevance to the determination of injury." 37/ Factors and conditions which could combine to create a collective "hammering effect on the domestic industry" would be of most concern. These might include:

--volume of subject imports

--trend of import volume

--fungibility of imports

--competition in markets for the same end users

--common channels of distribution

--pricing similarity

--simultaneous impact

--any coordinated action by importers

There have been preliminary indications that many of these factors may be present. 38/ Should any of these cases return for final determinations, we invite further argument and hope for a more complete record on this issue.

37/ S. Rep. No. 93-1298, 93d Cong., 2d Sess. 180 (1974). There are no specific references to cumulation in the Trade Agreements Act of 1979 or its legislative history. A general reference to the "conditions of trade and competition" is found in S. Rep. 96-249, 96th Cong., 1st Sess., 74 (1979).

38/ Chairman Alberger and Commissioner Stern note that while there is not yet sufficient information available to them to determine whether cumulation is appropriate in any of these investigations, they have voted to continue certain cases which may merit cumulative treatment in a final investigation where an isolated analysis might otherwise call for a negative determination at the preliminary stage.

II. HOT-ROLLED CARBON STEEL PLATE

With respect to the investigations on hot-rolled carbon steel plate, 1/ we conclude that there is a reasonable indication of material injury or threat thereof by reason of allegedly dumped and subsidized imports from Belgium, Brazil, Romania, the United Kingdom and the Federal Republic of Germany. 2/ 3/ We find that there is no reasonable indication of material injury or threat thereof by reason of allegedly dumped and subsized imports from France, Italy, Luxembourg, and the Netherlands.

Condition of the domestic industry

The domestic hot-rolled carbon steel plate industry is experiencing severe difficulties. The industry's production, capacity utilization, and employment have declined since 1979. The production of firms that submitted useable data 4/ fell from 5,897,000 tons in 1979 to 5,564,000 tons in 1980 and to 5,161,000 tons in 1981.

Capacity declined from 9,713,000 tons in 1979 to 9,300,000 tons in 1980 and 9,051,000 tons in 1981. Capacity utilization has declined steadily from 62 percent in 1978 to 57 percent in 1981. Although there have been additions

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1/ Investigations Nos. 701-TA-86 to 93 (Preliminary); 731-TA-53 to 60 (Preliminary).

2/ Chairman Alberger finds reasonable indication of material injury for Belgium, Brazil, Romania and the Federal Republic of Germany and does not reach the issue of threat. Commissioners Alberger and Stern find a reasonable indication of threat of material injury due to imports from the United Kingdom.

3/ In reaching his conclusion, Vice Chairman Calhoun cumulated the data regarding imports. See his additional views at p. 98.

4/ This response accounts for approximately 90 percent of the total shipments of carbon steel plate reported by the American Iron and Steel Institute in 1980. Report at II-11.

to the industry's practical capacity, there have also been closures of carbon steel plate facilities during the period of investigation. 5/

Employment of production and related workers engaged in producing hot-rolled carbon steel plate fell from 19,100 workers in 1979 to 18,500 workers in 1980 and 16,900 in 1981, 12 percent less than in 1979. 6/

Demand for carbon steel plate is shrinking. U.S. consumption of carbon steel plate declined from 8.4 million tons in 1978 to 7.6 million tons in 1980, or by 9 percent. Consumption during January-November 1981 amounted to about 7.0 million tons, the same as that during the same period in 1980. From 1979-1981 U.S. producers' shipments have shown a declining trend, 7/ and the market share of the domestic industry has eroded. 8/

Profitability in the carbon steel plate industry was low throughout the period under investigation. Three firms sustained operating losses in 1978, four firms in 1979 and 1981, and six firms in 1980. The industry furnished profit-and-loss data which showed a ratio of operating profit to net sales of 4.0 percent in 1978, 3.9 percent in 1979, 1.4 percent in 1980 and 2.3 percent in 1981. Those figures are well below the general manufacturing rate of return and are insufficient to provide the necessary reinvestment capital. 9/

5/ Report at II-7.
6/ Id. at II-15.
7/ Id. at II-12.
8/ Id. at II-9.
9/ Ten firms furnished profit-and-loss data. These firms accounted for 89 percent of total U.S. producers' shipments of hot-rolled carbon steel plate in 1980.

Discussion of Affirmative Determinations

A. Belgium

1. Imports

Belgian imports declined from their 1978 level to 214,000 tons in 1979, but increased to 286,000 tons in 1980. 10/ The January-November 1981 data show an increase over the same period in 1980, from 252,000 tons to 285,000 tons. Belgium was the largest foreign supplier of carbon steel plate to the U.S. market during January 1978-1981, accounting for 17 percent of total U.S. imports during that period. 11/ The ratio of imports from Belgium to apparent domestic consumption shows the same trend. The highest annual ratio, 4.6 percent, occurred in 1978, declining to 2.7 percent in 1979, increasing to 3.7 percent in 1980, and increasing again to 4.1 percent in January-November 1981. On a quarterly basis, imports from Belgium in July-September 1981 reached 5.4 percent of apparent U.S. consumption. 12/

Belgium's carbon steel plate industry has substantial plate-making capacity, over 2.6 million tons annually in 1981. 13/ Nearly all of Belgium's production of carbon steel plate is exported. Exports to the United States account for an increasing amount of total exports, 16 percent in 1979, 20 percent in 1980, and 21 percent in January-September 1981. 14/

10/ Official U.S. import statistics do not separate imports from Belgium and Luxembourg. Data submitted to the Commission by the U.S. affiliate of the sole producer of hot-rolled carbon steel plate in Luxembourg indicates that exports from Luxembourg were less than 0.2 percent of the total from the two countries in each of the years 1978-81. Thus, imports from Luxembourg never exceeded 800 tons per year.

11/ Report at II-29.

12/ Id.

13/ Id. at II-22.

14/ Id.

2. Prices and lost sales

The Commission requested data on actual transaction prices in 1981 from purchasers of carbon steel plate to determine whether the imported products undersold the domestic products. Eight purchasers provided information regarding prices of Belgian imports. Varying results were reported. In some instances there was underselling of from 1 to 14 percent. In other cases, Belgian products were sold at higher prices than domestic products. 15/

Forty-seven lost sales allegations were made with respect to imports from Belgium. Seven were investigated, and price was cited as the major reason for the decision to purchase the imports in each case.

3. Determination

We conclude that there is a reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from Belgium. 16/ The volume of imports from Belgium is not insubstantial and increased in 1981. Moreover, underselling by Belgian imports and sales lost by underselling have been verified.

B. Brazil

1. Imports

Brazilian imports increased dramatically from the 1978 level of 80,000 tons to 206,000 tons in 1979 and 323,000 tons in 1980. Data for the first eleven months of 1981 indicate that Brazilian imports had declined compared

15/ Id. at II-52.

16/ Chairman Alberger finds that there is a reasonable indication of present material injury by reason of these imports, and therefore does not reach the issue of threat.

with those in the same period in 1980, from 312,000 tons to 288,000 tons. The ratio of imports from Brazil to apparent domestic consumption showed similar trends. The ratio increased from 0.9 percent in 1978 to 2.6 percent in 1979 and 4.2 percent in 1980. The ratio for the first eleven months of 1981 was 4.1 percent, a slight decrease from the 4.4 percent during the same period in 1980. 17/

Brazil was the third largest foreign supplier of imported carbon steel plate, providing 13 percent of total imports during January 1978 through November 1981. 18/ About one-fifth of Brazil's production of carbon steel plate was exported in 1979. This increased to about one-third in 1980. Approximately 55 percent of Brazil's aggregate exports of carbon steel plate were shipped to the United States in 1979. This increased to 68 percent in 1980. 19/ The Department of Commerce has characterized certain of the Brazilian subsidies under investigation as being specifically directed at exports. 46 F.R. 56636-37 (November 18, 1981).

2. Prices and lost sales

Information was obtained from eight purchasers regarding prices of hot-rolled carbon steel plate from Brazil. Margins of underselling from 7 to 21 percent were reported. During the same period, margins of overselling were also reported. 20/

17/ Id. at II-37.
18/ Id.
19/ Id. at II-22.
20/ Id. at II-52.

Six of 34 allegations of lost sales were investigated. Of the six, price was cited as a major reason for the decision to purchase imports in four cases. 21/

3. Determination

We conclude that there is a reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from Brazil. 22/ The volume of imports is increasing and several instances of underselling by Brazilian imports and sales lost by underselling have been verified.

C. Federal Republic of Germany

1. Imports

Imports from the Federal Republic of Germany declined from 183,000 tons in 1978 to 75,000 tons in 1979, then increased to 102,000 tons in 1980. In the first eleven months of 1981 imports amounted to 86,000 tons compared with 94,000 tons during the same period in 1980. 23/ The ratio of imports from the Federal Republic of Germany to apparent domestic consumption declined from 2.2 percent in 1978 to 1 percent in 1979, but increased to 1.3 percent in 1980. For the first eleven months of 1981 the imports held 1.2 percent of apparent consumption. 24/ At this time, there is no reliable information available to the Commission regarding capacity to produce steel plate in the Federal Republic of Germany.

21/ Id. at II-53.

22/ Chairman Alberger finds that there is a reasonable indication of present material injury by reason of these imports, and therefore does not reach the issue of threat.

23/ Report at II-38.

24/ Id.

2. Prices and lost sales

Information was obtained regarding prices of hot-rolled carbon steel plate from the Federal Republic of Germany. Margins of underselling were reported. 25/ Thirty-four specific allegations of lost sales were made with respect to imports from the Federal Republic of Germany. Two of these were investigated by the Commission and both disclosed that price was the major reason for the decision to purchase the imports. 26/

3. Determination

We conclude that there is a reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from the Federal Republic of Germany. 27/ The volume of imports is not insubstantial and instances of underselling and sales lost by underselling have been verified.

D. Romania

1. Imports

Imports from Romania dropped from 49,000 tons in 1978 to 15,000 tons in 1979, doubled to 32,000 tons in 1980 and increased to 229,000 tons during the first eleven months of 1981. The ratio of imports from Romania to apparent domestic consumption shows a decline from 0.6 percent in 1978 to 0.2 percent in 1979. The ratio then doubled to 0.4 percent in 1980. The January-November 1981 data show a ratio of 3.3 percent. Quarterly data show that imports from

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25/ Id. at II-52.
26/ Id. at II-53.
27/ Chairman Alberger finds that there is a reasonable indication of present material injury by reason of these imports, and therefore does not reach the issue of threat.

Romania reached of 4.6 percent of apparent consumption during July-September 1981. 28/

Romania's capacity for producing hot-rolled carbon steel plate is increasing. That capacity is expected to increase annually so that by 1985 Romanian capacity is projected to be substantially greater than capacity in 1979 and 1980. During January-October 1981, the United States was one of Romania's largest export markets for hot-rolled carbon steel plate. Romania is experiencing a shortage of hard currency. The rolling mill equipment for the new plant was purchased with a U.S. Export-Import Bank Loan which must be repaid in dollars. The financial needs of the Romanian steel sector present an incentive to export to obtain U.S. currency. 29/

2. Prices and lost sales

Twenty-one allegations of lost sales were made with respect to imports from Romania. Four of these were investigated, and price was cited as a major reason for the decision to purchase the Romanian product in three of them. 30/

3. Determination

We conclude that there is a reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from Romania. 31/ The United States is one of Romania's largest markets for carbon

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28/ Report at II-38.
29/ See, Hot-Rolled Carbon Steel Plate from Belgium, Brazil, and Romania, Inv. No. 701-TA-83 and 701-TA-84 (Preliminary) and 731-TA-51 (Preliminary) (USITC Pub. No. 1207, January 1982).
30/ Report at II-54.
31/ Chairman Alberger finds that there is a reasonable indication of present injury by reason of these imports, and therefore does not reach the issue of threat.

steel plate. Romanian capacity and incentives to export are expected to increase. The ratio of Romanian imports to apparent U.S. consumption reached 3.3 percent in 1981 and sales lost to the imports because of underselling have been confirmed.

E. The United Kingdom

1. Imports

Imports from the United Kingdom dropped from 34,000 tons in 1978 to 10,000 tons in 1979 and 6,000 tons in 1980. In the first eleven months of 1981, the imports from the United Kingdom increased to their peak during the period under investigation of 35,000 tons. 32/ The ratio of imports from the United Kingdom to apparent domestic consumption demonstrated similar trends. From 0.4 percent in 1978, the ratio dropped to 0.1 percent in 1979 and 1980. In 1981, the ratio increased to 0.5 percent and showed quarterly increases throughout the year, reaching 1.0 percent of apparent consumption in the last quarter, 33/ as the British steel industry recovered from a strike and increased production.

The United Kingdom's production of carbon steel plate decreased from 2.0 million tons in 1979 to 1.2 million tons in 1980. However, production in January-October 1981 exceeded that for all of 1980. There is no reliable information available to the Commission on the United Kingdom's capacity to export carbon steel plate. Total United Kingdom exports of carbon steel plate dropped from 1979 to 1980 and the bulk of United Kingdom exports are to the European Community.

32/ Report at II-38.
33/ Id.

2. Underselling and lost sales

Five sales were allegedly lost to imports from the United Kingdom. Two of these were investigated and price was cited as the major reason for the decision to purchase the product imported from the United Kingdom in each. 34/

3. Determination

We conclude that there is a reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from the United Kingdom. 35/ The volume of imports from the United Kingdom was higher in 1981 than in any other year during the period under investigation. In addition, there are verified instances of sales lost by the domestic industry because of underselling.

Discussion of Negative Determinations

A. France

1. Imports

French imports decreased dramatically from a 1978 peak of 61,000 tons to 16,000 tons in 1979, then increased to 28,000 tons in 1980. Imports subsequently dropped to 17,000 tons in January-November 1981. 36/ The ratio of imports from France to apparent domestic consumption declined from 0.7 percent in 1978 to 0.2 percent in 1979, then increased to 0.4 percent in 1980. The percentage for the first eleven months of 1981 dropped back to the 0.2 percent level. 37/

34/ Id. at II-53.

35/ Chairman Alberger and Commissioner Stern limit their finding to threat of material injury. They find no reasonable indication of present material injury by reason of the subject imports.

36/ Report at II-37.

37/ Id.

Although exports of French carbon steel plate increased yearly from approximately 30 percent of production in 1979 to 50 percent during the first eleven months of 1981, the share of exports shipped to the U.S. dropped from 16 percent in 1979 to 13 percent in 1980 and January-November 1981. 38/

2. Prices and lost sales

Instances of sales lost by the domestic industry to imports were verified in two instances.

3. Determination

We conclude there is no reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from France. There is no pattern of underselling of the imports from France. These imports are a decreasing percentage of total French exports and an insignificant and declining percentage of domestic consumption.

B. Italy

1. Imports

Imports from Italy dropped consistently from 82,000 tons in 1978 to 1,000 tons in 1980, all of which were imported during the first eleven months of that year. Imports for the first eleven months of 1981 increased to 14,000 tons, slightly less than the 1979 level, but well below 1978. The ratio of imports from Italy to apparent domestic consumption shows that they accounted for 1 percent in 1978 but have not accounted for more than 0.2 percent since. 39/

38/ Id. at II-24.
39/ Id. at II-37.

There is no reliable information available to the Commission on Italy's capacity to produce hot-rolled carbon steel plate, its utilization of that capacity, or on total Italian exports. Italian production of carbon steel plate during January-October 1981 amounted to 2 million tons, compared with 2.3 million tons in 1980 and 2.1 million tons in 1979. 40/

2. Prices and lost sales

Nine allegations of sales lost to Italian imports were made by domestic producers. One was investigated but it was not confirmed that the firm in question had purchased carbon steel plate imported from Italy. 41/

3. Determination

We conclude that there is no reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from Italy. There is no reliable information indicating underselling by Italian imports which are a very small factor in domestic consumption.

C. Luxembourg

1. Imports

Although Luxembourg exports most of its relatively small carbon steel plate production, the bulk of the exports are to other members of the European Community. Exports to the United States have been only 1 percent or less of total exports each year. 42/

40/ Id. at II-25.
41/ Id. at II-53.
42/ Id. at II-25 and see footnote 10, p. 20.

2. Prices and lost sales

There is no information indicating underselling by imports from Luxembourg and there were no allegations of lost sales by reason of the imports.

3. Determination

We conclude that there is no reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from Luxembourg. Our conclusion is based upon the negligible quantities of these imports during the period under investigation and the absence of any showing that they had any impact on the prices of U.S. products as well as the absence of any allegations of lost sales.

D. The Netherlands

1. Imports

Imports from the Netherlands remained at 5,000 tons during 1978 and 1979, dropped to 4,000 tons in 1980 and rebounded to 5,000 tons during the first eleven months of 1981. As a percentage of apparent domestic consumption imports from the Netherlands have remained at 0.1 percent during the entire period under investigation. 43/

The Netherlands' production of carbon steel plate has decreased annually since 1979, from 368,000 tons to 277,000 tons in January-October 1981. There is no reliable information available to the Commission on the Netherlands' capacity to produce hot-rolled carbon steel plate or its utilization of that

43/ Id. at II-32 to II-37.

capacity. The bulk of the production of carbon steel plate is exported to other members of the European Community. Exports to the United States accounted for about 2 percent of aggregate exports of this product in 1979, declining to less than 1 percent in 1980. 44/

2. Prices and lost sales

There is no information indicating underselling by imports from the Netherlands and there were no allegations of lost sales by reason of the imports.

3. Determination

We conclude that there is no reasonable indication of material injury or threat thereof by reason of imports of hot-rolled carbon steel plate from the Netherlands. Our conclusion is based upon the insignificant market share of these imports, their stable volume, and the lack of any allegations or other information showing that their small presence in the market has had any effect on U.S. prices or resulted in lost sales. Moreover, we note that the Netherlands' production of the product has decreased annually since 1979.

44/ Id. at II-26.

III. HOT-POLLED CARBON STFFL SHFET AND STRIP

With respect to the investigations on hot-rolled carbon steel sheet and strip, 1/ we conclude that there is a reasonable indication that allegedly dumped and subsidized imports from Belgium, the Federal Republic of Germany, France, Italy, and the Netherlands are causing material injury or threatening material injury to the affected domestic industry, but that there is no reasonable indication that allegedly subsidized imports from Brazil and the United Kingdom and allegedly dumped and subsidized imports from Luxembourg are causing material injury or the threat of material injury. 2/

Condition of the domestic industry

The available data show that the health of the domestic industry producing hot-rolled carbon steel sheet and strip has declined compared to its condition in 1978 and 1979. Domestic production of hot-rolled carbon steel sheet and strip increased from 11.7 million tons in 1978 to 12.6 million tons in 1979 but declined by over 20 percent to 9.9 million tons in 1980. Production increased to 11.4 million tons in 1981, a level below that reached in 1978 or 1979. Shipments showed a trend similar to that of production. Utilization of capacity declined from 65.7 percent in 1978 to 65 percent in 1979 and to 52.5 percent in 1980. Capacity utilization then increased in 1981 to 59.0 percent. 3/

1/ Investigation Nos. 701-TA-94 to 101 (Preliminary); 731-TA-61 to 65, 67 (Preliminary).

2/ In reaching his conclusion, Vice Chairman Calhoun cumulated the data regarding imports. See his additional views at p. 98.

3/ Report at III-8 to III-10.

Employment of production and related workers engaged in producing hot-rolled carbon sheet and strip increased from 23,100 in 1978 to 25,400 in 1979 and then declined 20 percent to 20,400 in 1980. In 1981 the figure had increased to 22,400, still below the 1978 figure. 4/

Demand for hot-rolled carbon steel sheet and strip is shrinking. Apparent domestic consumption declined nearly 30 percent, from 18.3 million tons in 1978, to 13.3 million tons in 1980. During the first eleven months of 1981, apparent consumption amounted to 13.7 million tons, about 15 percent more than that during the corresponding period in 1980.

Profitability in the hot-rolled carbon steel sheet and strip industry was low during 1978 and 1979, never exceeding $162 million or 4.8 percent of net sales. The nine reporting U.S. producers showed operating losses of $232 million, or 7.5 percent of net sales, in 1980 and $139 million, or 3.5 percent of net sales, in 1981. 5/ Five reported losses in 1978, four in 1979, eight in 1980, and six in 1981. 6/

Discussion of Affirmative Determinations

A. Belgium

1. Imports

Imports from Belgium and Luxembourg declined from 77,000 tons in 1978 to 21,000 tons in 1979 and remained at that level through 1980. 7/ During January-November 1981, however, these imports increased to 100,000 tons. The

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4/ Id. at III-13 to III-15.

5/ These producers accounted for 83 percent of U.S. producers' shipments in 1980.

6/ Report at III-16.

7/ Official U.S. import data combine imports from Belgium and Luxembourg, but information available to the Commission indicates that the overwhelming majority of aggregate imports are from Belgium.

bulk of the rise in imports from these two countries came in the last two quarters of 1981. The dramatic increase in January-November 1981 brought the ratio of these imports to apparent domestic consumption to 0.7 percent. At all other times during the period under investigation these imports amounted to less than 0.5 percent of apparent domestic consumption. 8/

2. Prices and Lost Sales

The Commission requested data on actual transaction prices in 1981 from purchasers of steel sheet to determine whether the imported products undersold the domestic products. Three purchasers provided information regarding prices of Belgian imports. Varying results were reported. In some instances there was underselling of from 1 to 8 percent. In other cases, the Belgian products sold at prices higher than the domestic prices at margins from 1 to 16 percent. 9/ The allegations of sales lost to Belgian imports by reason of underselling were also investigated and confirmed. 10/

8/ Report at III-28. There is no reliable information available to the Commission regarding Belgian production or capacity to produce these products. Exports to the U.S. accounted for about 2 percent of total Belgian exports.

9/ Id. at III-40.

10/ Id. at III-41.

3. Determination

We find a reasonable indication that imports from Belgium are a cause of material injury or threat of material injury to the U.S. industry. 11/ The volume of imports from Belgium increased greatly in 1981, particularly in the latter half of the year. Moreover, several instances of underselling by Belgian imports and of sales lost by underselling have been verified.

B. Federal Republic of Germany

1. Imports

The Federal Republic of Germany was a principal supplier of these products throughout the period 1978-81. Although West German imports declined from 1978 to 1981, they remained above 300,000 tons. Moreover, imports rapidly increased during the last two quarters of 1981. The share of the U.S. market held by these imports declined from 3.7 percent in 1978 to 2.3 percent in January-November 1981. 12/ No reliable information is available on West German production, capacity to produce, or total exports of hot-rolled carbon steel sheet and strip.

2. Prices and lost sales

Information was obtained from three purchasers regarding prices of hot-rolled carbon steel sheet from the Federal Republic of Germany. Margins of underselling of from 1 to 4 percent in 1981 were reported in different markets. During the same time, West German imports were reported to have sold

11/ Chairman Alberger and Commissioner Stern limit their finding to a reasonable indication of threat of material injury. They find no reasonable indication of present material injury by reason of the subject imports.
12/ Report at III-28.

at prices 2 to 9 percent higher than domestic products in some instances. 13/

All five allegations of sales lost to West German imports were confirmed. Purchasers reported that their decisions to purchase the imports were based on lower price. 14/

3. Determination

We conclude that there is a reasonable indication of material injury or threat of material injury 15/ by reason of imports of hot-rolled carbon steel sheet and strip from the Federal Republic of Germany. That country is a major foreign supplier of these products to the U.S. market and its imports have held a significant share of the market throughout the period investigated. Moreover, the Commission was able to confirm instances of underselling and lost sales indicating a possible adverse effect on the domestic industry by reason of the pricing of these imports.

C. France

1. Imports

Imports of hot-rolled carbon steel sheet and strip from France declined from 694,000 tons in 1978 to 529,000 tons in 1979 and 395,000 tons in 1980. Imports in January-November 1981 increased to 413,000 tons, a 26 percent increase over imports in the corresponding period of 1980. The ratio of

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13/ Id. at III-41.
14/ Id.
15/ Chairman Alberger finds that there is a reasonable indication that the subject imports are a cause of present material injury, and therefore does not reach the issue of threat.

imports from France to apparent domestic consumption has remained at about 3 percent since 1979. 16/

France exports about 60 percent of the hot-rolled carbon steel sheet and strip it produces. Its primary export market is other EC countries, although exports to the United States accounted for 18 percent of aggregate exports in 1981. 17/ There is no available information on French capacity to produce these products.

2. Prices and lost sales

Seven purchasers reported prices for French hot-rolled sheet. The data were mixed. French imports at times were sold at higher prices than U.S.-produced products, but underselling predominated. Margins of underselling ranged from 1 to 11 percent. 18/

Five allegations of sales lost to French imports were confirmed by the Commission, some of which were verified to have occurred on the basis of the lower price of the imports. 19/

3. Determination

We determine that there is a reasonable indication that imports of carbon steel sheet and strip from France are a cause of material injury or threat thereof 20/ to the affected U.S. industry. Total imports from France have been significant over the entire period investigated, amounting to about 3 percent of domestic consumption, and French imports increased greatly in 1981

16/ Report at III-28.
17/ Id. at III-19.
18/ Id. at III-40.
19/ Id. at III-41.
20/ Chairman Alberger finds that there is a reasonable indication that the subject imports are a cause of present material injury, and therefore does not reach the issue of a reasonable indication of threat.

over 1980 levels. Moreover, the Commission has verified both significant levels of underselling by French imports and sales lost to imports because of underselling.

D. Italy

1. Imports

Imports from Italy declined from 250,000 tons in 1978 to 85,000 in 1979 and 39,000 tons in 1980. They then increased in January-November 1981 to 62,000 tons, an increase of 23,000 tons over the corresponding period in 1980. The greatest bulk of 1981 imports were concentrated in the last half of the year. The ratio of imports from Italy to apparent domestic consumption was 0.5 percent in January-November 1981. 21/ No reliable data is available regarding Italian capacity to produce, or total exports of these products.

2. Prices and lost sales

Two purchasers provided information regarding U.S. prices of Italian hot-rolled carbon steel sheet. No consistent pattern was evident, with Italian products selling from 1 percent under to 9 percent over domestic prices. 22/

The Commission was able to confirm allegations of sales lost by the domestic industry to Italian imports. Purchasers cited lower prices as the reason for their purchase of the imports. 23/

21/ Report at III-28.
22/ Id. at III-40.
23/ Id. at III-41.

3. Determination

We conclude that there is a reasonable indication of material injury or threat thereof 24/ by reason of Italian imports of hot-rolled carbon steel sheet and strip. There are verified indications of underselling by these imports and of sales lost by the domestic industry because of underselling. Significantly, Italian imports increased dramatically in the last two quarters of 1981.

F. The Netherlands

1. Imports

Imports from the Netherlands decreased from 322,000 tons in 1978 to 269,000 tons in 1979 and 189,000 tons in 1980, when imports from the Netherlands accounted for approximately 10 percent of total imports. Imports rose to 230,000 tons in January-November 1981, a 22 percent increase over the corresponding period in 1980. During January-November 1981, imports from the Netherlands accounted for 1.7 percent of apparent domestic consumption. 25/ No reliable information is available to show capacity in the Netherlands to produce hot-rolled carbon steel sheet and strip or total exports from that country.

2. Price and lost sales

Two purchasers provided information on transaction prices for imports from the Netherlands. Although imports were reported to have sold at prices substantially higher than domestic products, undercelling was also reported to

24/ Chairman Alberger and Commissioner Stern limit their finding to a reasonable indication of threat of material injury. They find no reasonable indication of present material injury by reason of the subject imports.

25/ Report at III-28.

have occurred at margins up to 3 percent. 26/ Allegations of lost sales as a result of lower import prices were confirmed by the Commission. 27/

3. Determination

Our conclusion that there is a reasonable indication that imports from the Netherlands have caused or are threatening material injury 28/ is based on several factors. Imports were relatively steady over the whole period covered, accounting for 1.7 percent of U.S. consumption in 1981. Moreover, there is information showing underselling and sales lost because of underselling.

Discussion of Negative Determinations

A. Brazil

1. Imports

Imports from Brazil increased from 9,000 tons in 1978 to a high of 28,000 tons in 1979, then dropped to 7,000 tons in 1980. During January-June 1981, imports from Brazil amounted to only 4,000 tons, compared with imports of 7,000 tons in the corresponding period in 1980. At all times during the period under investigation, these imports amounted to less than 0.5 percent of apparent domestic consumption. 29/ No reliable information is available on Brazilian capacity, production or exports.

26/ Id. at III-40.
27/ Id. at III-41.
28/ Chairman Alberger finds a reasonable indication that the subject imports are a cause of present material injury, and therefore does not reach the issue of threat.
29/ Report at III-28 and III-29.

2. Prices and lost sales

No puchasers provided any information indicating underselling by Brazilian imports and no allegations of sales lost to the domestic industry on the basis of underselling.

3. Determination

We find no reasonable indication that allegedly subsidized imports of hot-rolled carbon steel sheet from Brazil are a cause of material injury or threat thereof to the subject U.S. industry. Brazilian imports have fallen consistently and drastically since 1979, never amounting to more than 0.5 percent of domestic consumption in any year. Moreover, unlike imports from those countries as to which we have reached affirmative determinations, Brazilian imports have not been shown to have resulted in underselling or lost sales.

B. Luxembourg

1. Imports

Although import data for hot-rolled carbon steel sheet and strip from Luxembourg are not segregated from data for Belgium, information available to the Commission indicates that nearly all these imports come from Belgium. 30/ There is no reliable data on Luxembourg's capacity to produce these products. Its exports of these products to the United States were only 0.2 percent of its total exports in 1979 and 1980 and 0.1 percent in 1981. 31/

30/ Aggregate import data for Belgium and Luxembourg are set forth at p. 33.
31/ Report at III-20.

2. Underselling and lost sales

There is no information indicating underselling by imports from Luxembourg or lost sales by reason of imports.

3. Determination

We find that there is not a reasonable indication that imports of hot-rolled carbon steel sheet and strip from Luxembourg are causing material injury or threat thereof to the domestic industry. While its volume of imports is not precisely known, it is only a minute portion of total Belgium/Luxembourg imports. Moreover, it is clear that the United States is a very minor export market for Luxembourg in these products, and its exports to the United States have fallen. Finally, there is no information of underselling or lost sales.

C. United Kingdom

1. Imports

Imports from the United Kingdom declined from 35,000 tons in 1978 to 11,000 tons in 1979 and to 1,000 tons in 1980. During January-November 1981, imports from the United Kingdom accounted for less than 500 tons. 32/ These imports accounted for less than 0.5 percent of apparent domestic consumption at all times during the period under investigation. 33/ No reliable data is available to show U.K. capacity to produce these products or its exports.

2. Underselling and lost sales

No purchasers reported underselling or lost sales with respect to imports from the United Kingdom.

32/ Id. at III-25.
33/ Id. at III-28 and III-29.

3. Determination

We determine that there is no reasonable indication that imports of hot-rolled carbon steel sheet from the United Kingdom are causing or threatening material injury to the U.S. industry. Imports from the United Kingdom of the products have fallen drastically from 1978 to 1980, and there is no information that they have undersold U.S. products or caused lost sales.

IV. COLD-ROLLED CARBON STEEL SHEET AND STRIP

In the investigations on cold-rolled carbon steel sheet and strip, 1/ we determine that there is a reasonable indication of material injury or threat of material injury by reason of allegedly dumped and subsidized imports from the Federal Republic of Germany, France, Italy, 2/ and the Netherlands of cold-rolled carbon steel sheet and strip, but that there is no reasonable indication of material injury or threat thereof by reason of allegedly dumped and subsidized imports of those products from Belgium, 3/ Luxembourg, and the United Kingdom and allegedly subsidized imports from Brazil.

Condition of the domestic industry

The condition of the domestic industry producing cold-rolled carbon steel sheet and strip weakened significantly from 1978 to 1981. Domestic production of cold-rolled carbon steel sheet and strip remained stable at 13.2 million tons in 1978 and 1979, then decreased in 1980 to 10.3 million tons. Although production increased to 11.2 million tons in 1981, it still remained below 1978 and 1979 levels. Over the 1978-81 period there was a 2 percent increase in the production capacity of the domestic industry to 15.9 million tons.

1/ Investigations Nos. 701-TA-102 to 109 (Preliminary); 731-TA-68 to 74 (Preliminary).

2/ Chairman Alberger and Commissioner Stern determine that there is no reasonable indication of material injury or threat thereof by reason of allegedly dumped or subsized imports from Italy.

3/ Vice-Chairman Calhoun finds a reasonable indication of material injury or threat thereof by reason of allegedly dumped and subsidized imports from Belgium. In reaching his conclusion, Vice Chairman Calhoun cumulated the data regarding imports. See his additional views at p. 98.

Capacity utilization fluctuated during the period, however, falling from nearly 85 percent in 1978 to approximately 70 percent in 1981. 4/

During the period under investigation, employment of production and related workers engaged in producing cold-rolled carbon steel sheet and strip reached a peak of 39,200 in 1979, but declined to 35,300 by 1981. Productivity decreased each year during the period. 5/

Profitability in the cold-rolled carbon steel sheet and strip industry was low during 1978 and 1979, then declined further in 1980 and 1981. The reporting U.S. producers showed operating losses of $383 million in 1980 and $293 million in 1981, equivalent to 9.2 percent and 5.9 percent of net sales in 1980 and 1981, respectively. Of the 9 producers reporting profit and loss data for the period under investigation, three reported losses in 1978, four in 1979, eight in 1980, and seven in 1981. 6/

Discussion of Affirmative Determinations

A. Federal Republic of Germany

1. Imports

The Federal Republic of Germany is the second largest exporter of cold-rolled sheet and strip to the United States. During the period from 1978 through the first eleven months of 1981, imports from West Germany accounted for 2 to 3 percent of apparent domestic consumption. Imports from West Germany declined from 665,000 tons in 1978 to 602,000 tons in 1979, then plummeted to 273,000 tons in 1980. During 1981 these imports rebounded to about 400,000 tons. 7/ Information is not available on West German capacity to

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4/ Report at IV-10. Decreases in production corresponded to the decline in domestic consumption, primarily attributable to falling demand in the automotive industry.

5/ Id. at IV-14.

6/ Id. at IV-16.

7/ Id. at IV-34.

produce those products. Exports to the United States constituted about 15 percent of all West German exports during the period studied. 8/

2. Prices and lost sales

Nine purchasers provided price information regarding West German imports. In some instances West German products sold at prices higher than domestic products and in other instances at lower prices. The margins of underselling, where found, ranged from 1 to 10 percent. 9/

Forty-nine allegations of lost sales were made with respect to West German cold-rolled carbon steel sheet and strip. Of these, a sample of eight was investigated. Five purchasers indicated that alternate sourcing was the chief reason for their purchasing decisions. Three of the five instances involved a purchaser affiliated with a foreign producer. Three other purchasers cited quality differentials. No purchasers listed price as the primary factor. 10/

3. Determination

We conclude that there is reasonable indication that imports of cold-rolled carbon steel sheet and strip from the Federal Republic of Germany have caused or threatened material injury. 11/ West German imports are substantial and have increased greatly from 1980 to 1981, accounting for 2 to 3 percent of U.S. consumption. Moreover, there are indications that West German imports have undersold U.S. products.

8/ Id. at IV-23.
9/ Id. at IV-43.
10/ Id. at IV-44.
11/ Chairman Alberger finds a reasonable indication that the subject imports are a cause of present material injury, and therefore does not reach the issue of threat.

B. France

1. Imports

Imports from France declined from 260,000 tons in 1978 to 118,000 tons in 1980. During this period France's share of the U.S. market for cold-rolled carbon steel sheet and strip decreased from 1 percent to 0.8 percent. During 1981, however, French imports increased to 154,000 tons. 12/ French exports to the United States accounted for about 10 percent of its total exports during 1978-81. 13/ No information is available on French production capacity.

2. Prices and lost sales

Five purchasers provided information on domestic prices of French hot-rolled carbon steel sheet and strip. Although imports sold at higher prices in some markets at some times, underselling of from 2 to 11 percent was reported to have occurred in 1981. 14/

Twenty-nine allegations of lost sales were made with respect to French sheet and strip. Of these, a sample of seven was investigated and two of the purchasers indicated that the lower price of the French steel was the principal factor in the decision to purchase French imports. 15/

Determination

We conclude on the basis of the best information available that there is a reasonable indication that imports of cold-rolled carbon steel sheet and strip from France have caused or threatened material injury 16/ to the U.S.

12/ Report at IV-26.
13/ Id. at IV-20.
14/ Id. at IV-43.
15/ Id. at IV-44.
16/ Chairman Alberger finds a reasonable indication that the subject imports are a cause of present material injury, and therefore does not reach the issue of threat.

industry producing the like product. Our conclusion is based on the significant level of French imports, the sustantial increase in such imports in 1981, and confirmation of underselling and of sales lost by reason of underselling.

C. Italy

1. Imports

Imports from Italy declined from 213,000 tons in 1978, or 3 percent of apparent domestic consumption, to 9,000 tons in 1980, or 0.1 percent of domestic consumption. Thereafter, imports from Italy increased to about 55,000 tons in 1981. 17/ Italian exports to the United States during the period were about 20 percent of total Italian exports. 18/ No data are available on Italian production capacity for these products.

2. Underselling and lost sales

Only one purchaser gave prices for Italian imports. No underselling was reported. 19/

One allegation of a lost sale was made with respect to Italian sheet. The purchaser was affiliated with a foreign producer and stated that it made the purchase decision on this basis. 20/

3. Determination

Vice Chairman Calhoun and Commissioner Eckes conclude that there is a reasonable indication that imports from Italy have caused or threatened material injury to the domestic industry. The principal bases for this

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17/ Report at IV-34.
18/ Id. at IV-21.
19/ Id. at IV-43.
20/ Id. at IV-44.

determination are that Italian imports have increased substantially in 1981 over 1980 levels. Substantially all of the 1981 imports entered during the last half of the year, resulting in an import penetration of 0.6 percent for the third quarter of 1981. The United States continues to be a principal market for Italian exports of cold-rolled carbon steel sheet and strip.

Commissioners Alberger and Stern have determined there is no reasonable indication that imports from Italy are causing and could contribute to any material injury, or threat thereof, that the domestic industry is experiencing. These imports have a very small market share. Since 1978 they declined from one percent of consumption to 0.1 percent in 1980. During the first eleven months of 1981, they grew to 0.3 percent compared to 0.1 for the same period of 1980. However, this level still represents an insignificant volume. Only one allegation of a lost sale was made. The purchaser was in fact affiliated with a foreign producer and made the purchase on that basis.

D. The Netherlands

1. Imports

During 1978-80 imports from the Netherlands declined from 233,000 tons to 118,000 tons. In 1981, however, these imports increased to over 146,000 tons. The market penetration of imports from the Netherlands has remained stable at approximately 1 percent. 21/ Exports from the Netherlands to the United States accounted for 14 percent of its total exports in the 1978-81 period. 22/ There is no reliable information on capacity in the Netherlands to produce these products.

21/ Id. at IV-34.
22/ Id. at IV-22.

2. Prices and lost sales

One domestic purchaser contacted by the Commission reported prices for cold-rolled carbon steel sheet and strip from the Netherlands. It cited margins of underselling ranging from 3 to 12 percent. 23/

Twelve allegations of lost sales were made with respect to cold-rolled carbon steel sheet from the Netherlands. Of these, a sample of six was investigated, and one of the purchasers indicated that the price of the Dutch steel was the principal factor influencing the purchase decision. 24/

3. Determination

Our determination as to imports of cold-rolled carbon steel sheet and strip from the Netherlands is that there is a reasonable indication that the imports have caused or threatened material injury 25/ to the U.S. industry. Dutch imports account for about 1 percent of consumption and increased significantly in 1981 over 1980. Additionally, there are confirmed instances of underselling and lost sales attributable to these imports.

Discussion of Negative Determinations

A. Belgium

1. Imports

Imports of cold-rolled carbon steel sheet and strip from Belgium and Luxembourg declined from 129,000 tons in 1978 to 98,000 tons in 1980. Imports for 1981 were more than 56 percent below the 1980 level. 26/ Together, these

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23/ Id. at IV-43.
24/ Id. at IV-44.
25/ Chairman Alberger finds a reasonable indication that the subject imports are a cause of present material injury, and therefore does not reach the issue of threat.
26/ Official import data do not segregate imports from Belgium and Luxembourg. A Department of Commerce analysis of these imports indicated that Belgium accounts for virtually all of them.

countries have never accounted for more than 0.7 percent of apparent domestic consumption during 1978-80. For the first eleven months of 1981 the percentage was merely 0.3 percent. 27/ The Commission has no reliable information on Belgian capacity to produce these products.

2. Underselling and lost sales

One domestic purchaser provided price information with respect to Belgian cold-rolled carbon steel sheet and strip. It noted margins of underselling ranging from 2 to 7 percent. 28/ No specific allegations of sales lost to Belgian imports were made by the petitioners and none came to light in the course of the investigation. 29/

3. Determination

Chairman Alberger and Commissioners Stern and Eckes determine that there is no reasonable indication that Belgian imports of these products have caused or threatened material injury to the domestic industry involved. 30/ Market penetration by Belgian imports has been small and is decreasing, and, while some underselling has been confirmed, there is no information of any sales lost because of underselling by Belgian imports.

F. Brazil

1. Imports

Brazilian imports grew from 866 tons in 1978 to 8,765 tons in 1979, then fell to 1,491 tons in 1980. They then increased to 18,887 tons in 1981. These figures represented 0.5 percent or less of total domestic consumption in

27/ Report at IV-26.
28/ Id. at IV-43.
29/ Id. at IV-44.
30/ See additional views of Vice-Chairman Calhoun.

1978, 1979 and 1980. U.S. market penetration was 0.1 percent in 1981. 31/ No reliable information is available on Brazil's capacity to produce cold-rolled carbon steel sheet and strip or total exports.

2. Underselling and lost sales

No instances involving underselling or lost sales on account of Brazilian imports were uncovered by the Commission's investigation.

3. Determination

It is our conclusion that there is no reasonable indication of material injury or threat thereof by reason of Brazilian imports of these products. Over the four-year period investigated, imports from Brazil remained a very small percentage of overall U.S. consumption. Moreover, no information of Brazilian underselling or sales lost to Brazilian imports was found.

C. Luxembourg

1. Imports

Aggregate import figures for Belgium and Luxembourg are represented at p. 50. Extremely few of these already minimal imports originated in Luxembourg.

2. Underselling and lost sales

No information regarding underselling by imports from Luxembourg was received by the Commission, and no allegations were made or information received regarding lost sales.

3. Determination

Imports from Luxembourg of cold-rolled carbon steel sheet and strip from Luxembourg are practically nil, and have had no demonstrated impact on

31/ Report at IV-31 and IV-34.

domestic prices. Thus, we find no reasonable indication that these imports have caused or threatened material injury to the U.S. industry.

D. United Kingdom

1. Imports

Imports of cold-rolled carbon steel sheet 32/ from the United Kingdom declined from 21,400 tons in 1978 to 5,800 tons in 1979 and 330 tons in 1980. They then increased in January-November 1981 to 8,400 tons. At no time in the four-year period did U.K. imports reach a greater percentage of apparent consumption than 0.1 percent, attained in 1978. 33/

2. Underselling and lost sales

One report of underselling by British imports was received by the Commission. The margin of underselling was 2 percent. 34/ British imports were neither alleged nor found to have taken sales from domestic producers.

3. Determination

We conclude that there is no reasonable indication that imports of cold-rolled carbon steel sheet from the United Kingdom have caused or threatened material injury to the domestic industry producing this product. Imports remained at very small levels throughout the period investigated. Information regarding underselling was limited, and no information was provided regarding lost sales.

32/ Imports of cold-rolled carbon steel strip from the United Kingdom are not subject to these investigations.
33/ Report at IV-34.
34/ Id. at IV-43.

V. GALVANIZED CARBON STEEL SHEET

VIEWS OF CHAIRMAN BILL ALBERGER, VICE CHAIRMAN MICHAEL J. CALHOUN, AND COMMISSIONER PAULA STERN

Our determination with respect to all antidumping and countervailing duty investigations on galvanized carbon steel sheet 1/ is that there is no reasonable indication that an industry in the United States is materially injured, or threatened with material injury, by reason of the imports subject to these investigations. While we recognize that the domestic industry producing galvanized carbon steel sheet has suffered a downturn in 1980 and 1981, there is no evidence to support a finding that the allegedly subsidized and/or dumped imports have caused any part of this decline.

In a previous series of determinations regarding imported galvanized sheet from certain EC countries (Investigations Nos. 731-TA-18-24 (Preliminary), May 1980), Chairman Alberger found that there was no reasonable indication of material injury to the domestic industry by reason of the alleged LTFV sales. 2/ Among other factors which formed the basis for that opinion were rapidly rising profit levels along with increases in U.S. production, shipments, capacity utilization, exports and apparent consumption. Moreover, during the period under consideration in that investigation (1977-1979) the ratio of imports to apparent consumption from all sources and from the subject EC countries remained stable at about 25 percent and 5.8 percent respectively.

In the May 1980 cases, Commissioner Stern made affirmative determinations in the preliminary cases of galvanized sheet from the Federal Republic of Germany and France, the only EC suppliers of any significance. The factors just noted by Chairman Alberger made these marginal cases. However, in

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1/ Investigation Nos. 701-TA-110-116 (Preliminary) and 731-TA-75-81 (Preliminary).

2/ See views of Vice Chairman Bill Alberger on Certain Steel Products From the European Community, Investigation Nos. 731-TA-18-24 (Preliminary), May 198 at 20-21.

May 1980, Commissioner Stern believed that it was not possible at the preliminary stage to discount the possibility that the subject French and German imports had a cumulative material impact on domestic profits on galvanized sheet. Since the previous investigations, the imports of this product from France and Germany have declined by almost half. The present total of subject imports in this product line -- coupled with all other factors cited below -- has simply eliminated them as possible causes of material injury.

In the period immediately following our May 1980 determinations, the galvanized steel sheet industry suffered a sharp drop in production, shipments, employment, capacity utilization, net sales, and profitability. Based on returns from Commission questionnaires, production declined from 4.7 million tons in 1979 to 3.7 million tons in 1980. U.S. producers' shipments followed this pattern, dropping from 6.3 million tons in 1979 to 5.2 million tons. Employment declined by 13 percent from 1979 to 1980, while capacity utilization fell from 70% to 59%. Net sales also declined from $2.3 billion in 1979 to $1.9 billion in 1980. After enjoying operating profits of $135 million in 1979, the industry experienced an aggregate operating loss of $91 million, or 4.8 percent of net sales, in 1980.

While we are instructed by the legislative history of the Trade Agreement Act not to weigh the different causes of injury to the domestic industry, we are nevertheless required to ascertain whether imports are at least a material cause of any injury being suffered. 1/ Based on our analysis of all the information available to the Commission, it is our judgment that factors other than these imports are responsible for the present state of the industry. At the same time that production, employment, profits and other indicators were

1/ Senate Finance Committee Report on the Trade Agreements Act of 1979, Sen. Rept. No. 96-249, 96th Cong., 1st Sess., at 74-75.

declining, imports from each of the countries under investigation also plunged.

From 1979 to 1980 imports from all countries subject to countervailing duty investigations (including Spain and South Africa) a/ fell from 7.2 percent of apparent U.S. consumption to 4.3 percent of U.S. consumption. Likewise, imports from all countries subject to antidumping investigations, fell from 5.5 percent to 2.9 percent of apparent U.S. consumption. Imports from all sources also declined from 26 percent in 1979 to 21 percent in 1980. The 1981 statistics reveal only slight increases in import levels while U.S. production, shipments, capacity utilization and employment data indicate a significant rebound for the industry. Profitability levels in 1981 were also improving, although still in the red.

It is clear from these patterns that the cause of the industry's difficulty in 1980-81 must be factors other than the allegedly dumped or subsidized imports. A major source of trouble obviously has been the sharp drop in U.S. consumption of galvanized sheet, from 8.7 million tons in 1978 to 6.5 million tons in 1980 -- a 25 percent decline. Data for January-November 1981 show a small but accelerating growth in consumption. 1/ It may also be significant that while labor productivity declined by 5 percent over the 1978-81 period, an hourly wage increase of 39 percent pushed the unit labor cost per ton of galvanized sheet from $86.56 per ton in 1978 to $127.28 per ton in 1981. This represents an increase of 47 percent. b/

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a/ With respect to Vice Chairman Calhoun's inclusion of Spain and South Africa, see his additional views.

1/ See Table V-2 of Report at p. V-4.

b/ Vice Chairman Calhoun is of the view that the 21 percent import penetration level from all sources cannot be ignored. Of this amount 61 percent is from Japan whose products tend to concentrate in the Western United States.

Moreover, there is no reasonable indication that the industry is threatened with material injury by reason of the subject imports. U.S. importers' inventories of galvanized sheet from the EC declined by 48 percent during the 1978-81 period. Notwithstanding preliminary data which indicate that there may exist excess capacity to generate exports in some of the countries concerned, there appears to be no significant increase in market penetration.

V. GALVANIZED CARBON STEEL SHEET

VIEWS OF COMMISSIONER ALFRED ECKES

Unlike the Commission majority, I determine that there is a reasonable indication that the domestic producers of galvanized carbon steel sheet are being materially injured, or threatened with material injury by reason of imports from France, Italy, and West Germany.

Condition of the Domestic Industry

Since the last Commission investigation of galvanized carbon steel sheet concluded in May 1980 with an affirmative preliminary determination, the condition of the domestic industry has deteriorated sharply.

In fact, in describing the state of the domestic industry in his 1980 dissenting opinion, then Vice Chairman Alberger wrote: "For the period 1977 to 1979, U.S. production, shipments, capacity utilization, exports, apparent consumption and profitability have all increased." But, if those factors are considered in light of more recent evidence, a different picture emerges of the galvanized carbon steel sheet industry. It is one that justifies an affirmative determination more than ever.

Domestic production has declined from a peak of 4.7 million tons in 1979 to 3.7 million tons in 1980 and 4.4 million tons in 1981. 1/ U.S. producers' shipments dropped 19 percent from 1978 to 1980, before increasing in 1981. However, in the last quarter of 1981 shipments were 28 percent below the final quarter of 1980, additional evidence of an industry in trouble. 2/ Capacity to produce galvanized sheet fell from 6.7 million tons in 1979 to 6.2 million tons in 1981. And, capacity utilization declined sharply from 70 percent in

1/ Report at V-7.
2/ Id. at V-8.

1979 to 59 percent in 1980 before returning to about the 70 percent level in 1981. 1/

Most of the other indicators mentioned in the 1980 opinion show evidence of injury. Apparent domestic consumption fell 25 percent between 1978 and 1980 before reviving in 1981. However, U.S. producer's share of consumption, which rose to 90 percent in the first quarter of 1981, slid to 78 percent in the third quarter. 2/ Furthermore, the domestic industry is considerably less profitable than at the time of the earlier investigation. The ratio of operating profit to sales fell from 5.8 percent to a negative 4.8 percent in 1980 and a negative 1.2 percent in 1981. Six of the eight producers reported operating losses in 1980, and, although sales picked up in 1981, operating losses continued. 3/

Inventories offered further evidence of material injury. Producers' year-end inventories were 30 percent higher for 1981 than for 1980. Indeed, the 1981 levels are the highest inventories reported for this industry since 1977. 4/

In 1980 a majority of the Commission determined there was reason to believe the domestic industry was being materially injured or threatened with material injury from imports even though the domestic industry was apparently in a healthier condition than at present. The subsequent decline in 1980 and late 1981 confirms the wisdom of that judgment and justifies my affiramtive determination that there is a reasonable indication of material injury to the domestic producers of galvanized sheet.

1/ Report at V-7.
2/ Id. at V-4.
3/ Id. at V-14.
4/ Id. at V-10.

Reasonable indication of material injury by reason of subject imports

In my view there is a reasonable indication that imports of galvanized sheet from West Germany, France, and Italy are causing or threatening material injury. West Germany is a major exporter of galvanized sheet to the United States, accounting for 2 to 3 percent of U.S. consumption through the period 1978-81. While the volume of overall German exports declined from 226,000 tons in 1978, the volume has begun to pick up again. Analyzed on a quarterly basis, more than 80 percent of the 1981 volume entered during the second half of the year. Third quarter 1981 imports were 2.3 percent of U.S. consumption, far above the 0.3 percent and 0.8 percent levels reached in the first and second quarters of 1981, respectively. 1/ In addition, staff confirmed two instances where American producers lost sales to German suppliers, 2/ reasonable evidence at the preliminary level of a connection between imports and material injury.

Imports from France declined from a peak in 1978, but have begun to rise again. The January-November 1981 figures show a 15 percent increase over the corresponding period for 1980. Viewed on a quarterly basis, imports increased each quarter during 1981, with the final three months representing 46 percent of total 1981 imports. Quarterly import penetration figures also show an increasing trend. Further, a larger share of French exports were directed to the United States during 1981, up from 7.3 percent of total French exports in 1980 to 10.5 percent for the first 11 months of 1981. 3/ Finally, staff confirmed three allegations of lost sales. 4/

1/ Report at V-26.
2/ Id. at V-39.
3/ Id. at V-26.
4/ Id. at V-39.

Imports from Italy dropped sharply from 1978 to 1980--from 64,000 tons to 4,000 tons. But, in 1981 the pattern reversed. Imports climbed to 31,000 tons, almost two-thirds of that volume arrived in the last three months of 1981. As a result, the import penetration ratio rose steadily from 0.1 in 1980 to 0.6 percent in the third quarter of 1981. Fourth quarter import penetration figures should be even higher. 1/ In addition, staff confirmed an instance of American producers losing a sale because of lower prices for the imported product. 2/ The import trends and penetration figures coupled with evidence of lost sales demonstrate a reasonable indication of material injury by reason of allegedly subsidized of LTFV imports from Italy.

Imports of galvanized steel sheet from Belgium, Luxembourg, the Netherlands, and the United Kingdom do not threaten or materially injure the domestic industry. Imports from Belgium/Luxembourg decreased in volume from 1978 through 1980, increasing slightly in 1981. Import penetration followed a similar trend, dropping to 0.1 percent in 1980 before rising to 0.2 percent in 1981. A review of quarterly data indicates no significant increasing trends in the levels of these imports. 3/ Based on the above data, plus consistent production levels, rates of utilization, and export patterns from Belgium and Luxembourg, I determine that these cases can be terminated.

Similarly, imports of galvanized sheet from the Netherlands have declined steadily throughout 1978-81, from 40,000 tons in 1978 to 11,000 tons in 1980 and 1981. An analysis of import trends on a quarterly basis shows no significant change in patterns. 4/ Imports from the United Kingdom were also inconsequential. They fell from 16,419 tons in 1979 to 374 tons in 1980.

1/ Report at V-26.
2/ Id. at V-39.
3/ Id. at V-26.
4/ Id. at V-26.

Imports for the period January to November 1981 were 3,298 tons, almost all of which entered during the second half of 1981. Throughout the period, however, the import penetration level did not exceed the 0.2 percent level reached in 1979, and remained at less than 0.05 percent for the period January-November 1981. 1/ Having considered these import levels and trends, as well as all other information presented in these proceedings, I have determined there is no reasonable indication of material injury of threat thereof by reason of allegedly subsidized or LTFV imports from the Netherlands or the United Kingdom.

1/ Report at V-27.

VI. CARBON STEEL STRUCTURAL SHAPES

In the investigations on carbon steel structural shapes 1/ we conclude that there is a reasonable indication of material injury or threat thereof to the affected domestic industry by reason of allegedly dumped and subsidized imports from Belgium, the Federal Republic of Germany, France, Luxembourg and the United Kingdom. 2/ 3/ However, there is no reasonable indication that allegedly subsidized imports from Brazil are causing material injury or the threat of material injury to the domestic industry.

Condition of the Domestic Industry

Judged by all the available indicators, the condition of the U.S. industry producing carbon steel structural shapes has declined since 1979. Production increased somewhat from 1978 to 1979, but dropped from 4.1 million tons in 1979 to 3.7 million tons in 1981, a decline of about 10 percent. 4/ Domestic shipments also increased slightly from 1978 to 1979, then declined annually from 4.5 million tons in 1979 to 4 million tons in 1981. 5/

Capacity for the production of structural shapes remained relatively constant, declining from 6.4 million tons to 6.3 million tons between 1979 and 1981. In contrast, utilization of available capacity dropped during that

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1/ Investigations Nos. 701-TA-117 to 119, 121, 123, and 124 (Preliminary); 731-TA-82 to 86 (Preliminary).

2/ Chairman Alberger finds a reasonable indication that the subject imports are a cause of present material injury, and therefore does not reach the issue of threat.

3/ In reaching his conclusion, Vice Chairman Calhoun cumulated the data regarding imports. See his additional views at p. 98.

4/ Report at VI-7.

5/ Id. at VI-8.

period, from 64.4 percent to 58.2 percent. 6/ U.S. producers' yearend inventories remained relatively constant throughout the 1978-81 period at roughly 6 percent of total annual shipments. 7/

Employment of production and related workers in domestic establishments producing structural shapes rose with increased production in 1979, but fell significantly in 1980 and 1981 as production declined. The number of hours paid for production and related workers similarly declined. 8/

The lack of profitability of the structural shapes sector is striking. The domestic industry recorded a loss in every year from 1978 to 1981. 9/ That loss declined from $25 million in 1978 to $4 million in 1979, then ballooned to $62 million in 1980 and $66 million in 1981. The ratio of operating loss to net sales increased irregularly from 2.2 percent in 1978 to 4.9 percent in 1981. 10/

Imports

Aggregate imports from the six countries subject to these dumping and countervailing duty investigations declined from about 670,000 tons in 1978 to approximately 540,000 tons in 1980. They then jumped to about 700,000 tons in 1981. 11/ For three out of the four years examined, 12/ imports from the six

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6/ Id. at VI-7.
7/ Id. at VI-10.
8/ Id./ at VI-11 to VI-14.
9/ Profit-and-loss data were received from seven firms accounting for 78 percent of U.S. shipments in 1980. Id. at VI-15.
10/ Id.
11/ Id., Tables VI-18 and VI-19.
12/ 1978 through Jan.-Nov. 1981.

countries under investigation maintained an aggregate share of the U.S. market of approximately 11 percent. 13/

Imports of carbon steel structural shapes from Belgium and Luxembourg increased from 307,000 tons in 1978 to 379,000 tons in 1979, then declined to 293,000 tons in 1980. 14/ They then increased in the first eleven months of 1981 to 367,000 tons, a substantial increase of 34 percent over the same period in 1980. 15/ Imports from Belgium and Luxembourg represented 6 percent of apparent domestic consumption in 1979, 5.1 percent in 1980, and 6.7 percent in January-November 1981. In the third quarter of 1981 their share of apparent domestic consumption was an even greater 7.8 percent. 16/ Belgian utilization of capacity for producing structural shapes was 48.6 percent in 1981, when exports to the United States accounted for 28.1 percent of total Belgian exports. 17/ The EC was the principal market for Belgian exports from 1979-81. 18/ Capacity utilization in Luxembourg fell from 97.2 percent in 1979 to 90 percent in 1981 as more capacity was added. Its principal export market was also EC countries. 19/

Imports from the Federal Republic of Germany declined from 167,000 tons in 1978 to 134,000 tons in 1979 and 136,000 tons in 1980. They further declined to 107,000 tons in the first eleven months in 1981. However, these volumes represented 2.4 percent of apparent U.S. consumption in 1980 and 1.9

13/ Report, Table VI-20.
14/ Separate import data are not available for Belgium and Luxembourg, but information in Department of Commerce documents indicates Luxembourg accounts for over 50 percent of the combined imports.
15/ Report, Table VI-18.
16/ Id., Tables VI-20 and VI-21.
17/ Id. at VI-19.
18/ Id. at VI-20 and VI-21.
19/ Id.

percent in January-November 1981. 20/ Data on West German capacity utilization is unknown. The United States accounted for 13.8 percent of German exports in 1979 and 10.9 percent in 1980. 21/

French imports declined steadily from 99,000 tons in 1978 to 46,000 tons in 1980, but increased in January-November 1981 to 49,000 tons, a 36 percent increase over those in the same period in 1980. 22/ The ratio of French imports to total domestic consumption remained at about 1 percent in 1980 and 1981. 23/ Between 1979 and 1981, French capacity for producing structural shapes was utilized at a relatively stable rate of approximately 60 percent. The EC was the major export market for the French products under this investigation. The United States accounted for slightly under 10 percent of these French exports in 1980 and 1981. 24/

The volume of structural shapes imported from the United Kingdom fell between 1978 and 1980 from 72,000 tons to 63,000 tons. It then increased dramatically in January-November 1981 to 133,000 tons, or almost 200 percent over that in the corresponding period in 1980. 25/ This represented a climb from 1 percent of the U.S. market in 1980 to 2.4 percent in the first eleven months of the following year. The EC is the United Kingdom's principal export market. Exports to the United States were 11.4 percent of U.K. exports of carbon steel structural shapes in 1979 and 12.6 percent in 1980. 26/

20/ Id., Table VI-20.
21/ Id. at VI-22.
22/ Id., Table VI-18.
23/ Id., Table VI-20.
24/ Id. at VI-20.
25/ Id., Table VI-18.
26/ Id. at VI-21.

Imports from Brazil declined from 24,000 tons in 1978 to less than 500 tons in 1980. Although Brazilian imports increased substantially in 1981, they still accounted for only 0.2 percent of apparent domestic consumption. 27/ Further, quarterly data show decreasing imports during the second half of 1981. Principal Brazilian export markets in 1981 were the EC and the United States. 28/

Prices and lost sales

Evidence of underselling and of sales lost as a result of underselling was found with regard to imports from all the countries investigated except Brazil. Although there were instances in which imports sold at higher prices than domestic products, underselling by the imports predominated. Average margins of underselling ranged from lows of 2 to 5 percent to highs of 10 to 15 percent. 29/

Of the 21 confirmed allegations made by the petitioners of sales lost to imports, price was cited as the principal reason for the purchasing decision in every instance, although other factors were also given. Ten of the confirmed allegations involved imports from Luxembourg. Belgian, French and U.K. imports each accounted for from 1 to 3 confirmed lost sales due to price. Five sales lost to imports were not identifiable as to source. 30/

Determinations

For all the countries subject to these investigations except Brazil we find a reasonable indication of material injury or threat of material injury

27/ Id., Table VI-20.
28/ Id. at VI-19.
29/ Id. at VI-48 and VI-49.
30/ Id. at VI-50 and VI-51.

52.9 percent in 1981. 6/ U.S. producers' inventories of the product remained relatively constant throughout the period as a percentage of shipments. 7/

The decline in production from 1978 to 1980 caused a drop in average employment as well. The average number of workers engaged in producing hot-rolled carbon steel bar fell by 3 percent from 1978 to 1979, then dropped 27 percent in 1980. Average employment then picked up about 1 percent in 1981. 8/

Profitability in the industry matched the figures for production as well. Net sales rose from $2 billion in 1978 to $2.2 billion in 1979, then fell 26 percent in 1980 to $1.6 billion. They posted a 17 percent increase in 1981 to $1.9 billion. The firms responding to the Commission's questionnaires 9/ reported in the aggregate small operating profits on their hot-rolled carbon steel bar operations in 1978 and 1979 and losses in 1980 and 1981. Losses were reported by six firms in 1978, four in 1979, seven in 1980, and six in 1981. 10/

Volume of Imports

Aggregate imports of hot-rolled carbon bar from the seven countries involved fell from 171,000 tons in 1978 to 148,000 tons in 1979 and 103,000 tons in 1980. Imports rebounded in 1981 to 159,000 tons. 11/

Imports from each of the subject countries show varying trends. Hot-rolled carbon steel bar imported from Belgium and Luxembourg declined

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6/ Id., Table VII-3.
7/ Id. at VII-10.
8/ Id.
9/ The firms providing profit-and-loss data accounted for 91 percent of U.S. production in 1980. Id. at VII-14.
10/ Id.
11/ Id., Tables VII-18 and VII-20.

drastically from 27,000 tons in 1978 to only 9,000 tons in 1980. In the first eleven months of 1981 imports from Belgium and Luxembourg increased to 13,000 tons compared to 8,000 tons in the same period in 1980. 12/ Belgian capacity and capacity utilization for producing both hot-rolled carbon steel bar and hot-rolled alloy steel bar fell significantly between 1979 and 1981. Information on capacity is unavailable for Luxembourg. 13/

Brazilian imports declined steadily between 1978 and 1980, falling from 26,000 to 14,000 tons. January-November 1981 data show a further decline to 7,000 tons, approximately half the amount for the corresponding period of 1980. 14/ The ratio of Brazilian imports to apparent domestic consumption demonstrated the same downward trend, from 0.4 percent in 1978 to 0.2 percent in the first eleven months of 1981. 15/ Information on Brazilian capacity for production of bar products is not available.

French imports of hot-rolled carbon steel bar declined from 10,000 tons in 1978 to 4,000 tons in 1980, then increased somewhat in 1981, reaching 5,000 tons in the first eleven months of that year. Throughout the 1978-81 period, penetration of the domestic market by French imports remained at about 0.1 percent. 16/ Data are unavailable on French capacity and utilization. France's major export market is West Germany. The United States accounted for only 3 percent of French exports. 17/

12/ Id. Official U.S. import statistics do not separate imports from Belgium and Luxembourg. Information made available by the U.S. affiliate of the sole producer of hot-rolled carbon steel bar in Luxembourg indicates that the greater share of imports from the two countries is attributable to Belgian products. Id. at VII-22 fn.1.
13/ Id. at VII-17.
14/ Id., Table VII-18.
15/ Id., Table VII-19.
16/ Id., Tables VII-18 and VII-19.
17/ Id. at VII-17.

Imports from Italy totalled only 5,000 tons in 1978, then fell to less than 500 tons in each of the succeeding three years. The ratio of Italian imports to apparent U.S. consumption was 0.1 percent in 1978 and less than 0.05 percent in the remainder of the period under investigation. 18/ Data are unavailable on Italian capacity and capacity utilization for production of these products. West Germany and France are Italy's major export markets, with the United States accounting for only a small share. 19/

Imports from the Federal Republic of Germany fell from 15,000 tons in 1978 to 11,000 tons in 1979, then increased slightly to 12,000 tons in 1980. Imports in the first eleven months of 1981 were 12,500 tons, slightly higher than the 11,500 tons imported in the same period in 1980. 20/ The ratio of imports to apparent domestic consumption rose slightly from 0.2 percent in 1978 and 1979 to 0.3 percent in 1980 and 1981. 21/ Information regarding West German capacity to produce steel bar products is unavailable. Over the period 1978-80, West German exports to the United States accounted for about 2 percent of its total exports. Its major export market for the products is France. 22/

Of the countries subject to these investigations, the United Kingdom is by far the largest supplier of hot-rolled carbon steel bar to the U.S. market. Imports from the United Kingdom amounted to 88,000 tons in both 1978 and 1979. After falling to 64,000 tons in 1980, U.K. imports then increased significantly in 1981, reaching 102,000 tons in the first eleven months

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18/ Id., Tables VII-18 and VII-19.
19/ Id. at VII-18.
20/ Id., Table VII-18.
21/ Id., Table VII-19.
22/ Id. at VII-20.

compared to only 53,000 tons in the same period in 1980. 23/ Quarterly data for 1981 show a dramatic increase in imports from less than 9,000 tons in the first quarter to 38,000 tons in the final quarter. 24/ As a percentage of total apparent domestic consumption, imports from the United Kingdom rose from 1.3 percent in 1978 to roughly 2.5 percent in 1981. 25/ In the last quarter of 1981, U.K. penetration of the U.S. market for this product reached 4.2 percent, up substantially from the 2.9 percent registered in the same period in 1980. 26/ The United States was the U.K.'s largest export market in 1980, accounting for 18 percent of exports. Data on U.K. capacity and utilization rates are unavailable. 27/

Price

The Commission has sought to investigate allegations regarding underselling by imports and sales lost to imports on the basis of price. The results achieved within the constraints of these preliminary investigations are both limited and mixed. Only two purchasers' questionnaires reported pricing data for imports, and those data are limited to imports from Luxembourg. In both instances the import prices were higher than domestic prices. Of those purchasers named in the lost sales sections of domestic producers' questionnaires, most confirmed that they had made purchases of imports in lieu of domestically produced bars. Only one purchaser of Belgian imports and two purchasers of imports from the United Kingdom, however,

23/ Id., Table VII-18.
24/ Id., Table VII-20.
25/ Id., Table VII-19.
26/ Id., Table VII-21.
27/ Id. at VII-19.

reported that the price of the imported products they purchased was lower than prices for domestic products, and of these one of the purchasers of bars from the United Kingdom indicated that the lower price was not its principal reason for buying the imports. All other purchasers of foreign-produced bar indicated that other factors, such as superior quality, motivated their purchase decisions.

Determinations

We conclude on the basis of the information available that there is no reasonable indication of material injury or threat of material injury by reason of imports of hot-rolled carbon steel bar from Belgium, Brazil, the Federal Republic of Germany, France, Italy, and Luxembourg, but that there is a reasonable indication of material injury or threat thereof by reason of imports from the United Kingdom. 28/

The domestic industry manufacturing hot-rolled carbon steel bar is presently experiencing a period of greatly diminished demand for the product, which has resulted in a marked decline in the industry's fortunes. With regard to all but one of the countries subject to these investigations, imports appear not to have been a material cause of harm to the industry. Imports from Belgium, Brazil, the Federal Republic of Germany, France, Italy, and Luxembourg are very small compared to overall domestic consumption and have generally been falling in recent years. Moreover, the Commission has not been able to confirm any underselling by imports from those countries, with the exception of one transaction involving less than 100 tons of Belgian bar.

28/ Chairman Alberger finds that the subject imports are a cause of present material injury, and therefore does not reach the issue of threat.

The data regarding imports from the United Kingdom show a trend that is wholly unlike that of the other imports under investigation. At a time of contracted domestic demand, when both domestic shipments and imports from other investigated sources have fallen, imports from the United Kingdom have reached their highest absolute level and degree of penetration of the U.S. market. The increase was particularly strong in the last three quarters of 1981. Additionally, there are two confirmed reports of underselling by U.K. hot-rolled carbon steel bar, one of which was confirmed to have resulted in a sale lost to the domestic industry.

VIII. HOT-ROLLED ALLOY STEEL BAR

We determine that there is no reasonable indication that the domestic industry is being materially injured or threatened with material injury by reason of allegedly subsidized imports of hot-rolled alloy steel bar from France, Italy, the United Kingdom, or West Germany. 1/ 2/

Condition of the Domestic Industry

Some 34 firms produce hot-rolled alloy steel bars in the United States. However, 54 percent of U.S. shipments are manufactured by five large steel producers. 3/

Although the market for steel has been poor in the most recent three year period, the performance of the domestic steel bar industry has been relatively strong. Nine firms, accounting for approximately 62 percent of total U.S. producers' shipments, 4/ provided the Commission with profit-and-loss data. Net sales of hot-rolled alloy steel bar increased from $905 million in 1978 to slightly over $1 billion in 1981. 5/ Although operating profits and operating margins for the 9 firms fell from 1978-81, the 9 firms' aggregate operations on hot-rolled alloy steel bar remained profitable throughout the entire period. 6/ Operating profits for the nine firms fell from $105 million in

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1/ Investigations Nos. 701-TA-130 to 133 (Preliminary).
2/ In reaching his conclusion, Vice Chairman Calhoun cumulated the data regarding imports. See his additional views at p. 98.
3/ The five largest U.S. producers of hot-rolled alloy steel bars are Armco, Inc., Bethlehem Steel Corp., Republic Steel Corp., Timken Co., and U.S. Steel Corp.
4/ Report at VIII-14.
5/ Id.
6/ Operating losses were reported by one firm in both 1979 and 1981 and four firms in 1980.

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5/ Id.
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1978 to $37 million in 1980, before recovering to $87 million in 1981. 7/ Operating margins followed the same pattern, declining from 14.6 percent in 1978 to 8.3 percent in 1980 before recovering to 11.8 percent in 1981. 8/

U.S. production of hot-rolled alloy steel bar declined from 1.8 million tons in 1978 to 1.2 million tons in 1980, but recovered to 1.4 million tons in 1981. Capacity declined by 11 percent from 1978 to 1981, from 2.4 million tons in 1978 to 2.2 million tons in 1981. Capacity utilization decreased from 73.5 percent in 1978 to a low of 53.1 in 1980, but recovered to 65.1 percent in 1981. 9/ In contrast, the value of U.S. producers' shipments rose yearly with the exception of 1981, showing an 11 percent increase in 1981 over the 1978 figure. The average unit value of shipments rose annually at a rate of 12 percent. U.S. producers' inventory levels remained relatively steady as a percentage of U.S. producers' shipments. Employment decreased at an annual rate of 6.6 percent during the period. However, total wages and compensation paid were greater in 1981 than in 1978. Labor productivity increased 3.1 percent from 1978 to 1981, despite an 8 percent decrease in 1980. Unit labor costs registered increases in both 1979 and 1980 before dropping slightly in 1981. Based on data supplied from 6 firms, aggregate capital expenditures rose substantially during the period.

Volume of Imports

Market penetration of imports of hot-rolled alloy steel bar from all countries fell from 6.5 percent in 1978 to 4.8 percent in 1979 before rising to 5.6 percent in 1980 and 6.2 percent in January-November 1981. Imports from

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7/ Report, Table VIII-9.
8/ Id.
9/ Id., Table VIII-3.

countries not subject to these investigations accounted for the majority of the import penetration figures in each of the periods under investigation.

The volume of imports from France, Italy, the United Kingdom, and West Germany increased substantially from 1980 to 1981. Imports from France rose from 5,954 tons to 40,669 tons; imports from Italy rose from 257 tons to 1,286 tons; imports from the United Kingdom rose from 395 tons to 5,197 tons; and imports from West Germany rose from 882 tons to 1722 tons. 10/ However, the increase in volume of imports in 1981 from the United Kingdom and West Germany represents only a partial recovery from the declines experienced in 1978 and 1979. The 1981 level of French imports, though higher than the three previous years, represents 1.7 percent of apparent U.S. consumption. Italian imports reached a period high in 1981 of one twenty-fifth of 1 percent of apparent U.S. consumption. 11/ Imports from the United Kingdom accounted for one-fifth of 1 percent of apparent U.S. consumption for January-November 1981. 12/ Imports from West Germany accounted for one-tenth of 1 percent of apparent U.S. consumption during the same time period 13/

Effect of Imports on Prices

The record developed to date reveals no correlation between U.S. producers' prices and imports of hot-rolled alloy steel bar from France, Italy, the United Kingdom, or West Germany. The U.S. producers' price index (based on list prices) for hot-rolled alloy steel bar increased 27.6 percent from 1978 to 1981. The major steel producers have announced five base price

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10/ Id., Table VIII-12.
11/ These calculations were taken from the data presented in the Report at Tables VIII-2 and VIII-12. According to Table VIII-2, apparent domestic consumption for January-September 1981 was 1,921,000 tons.
12/ Report, Table VIII-13.
13/ Id.

increases for hot-rolled alloy steel bar since January 1, 1979. Although the decline in profit margin that the domestic industry experienced from 1978 to 1980 indicates that its price increases were not commensurate with its increased costs, there is nothing in the record that indicates that imports from the four countries under investigation had any impact on domestic prices. Moreover, the domestic industry's profit margin made a substantial recovery in 1981.

None of the countries under investigation for this product is a price leader. Indeed, the market share of each of the four countries makes it difficult for them individually or collectively to have a significant impact on domestic pricing.

The percentage price increases by the foreign producers are either commensurate with or significantly greater than the increases in U.S. producers' prices and are all greater than the percentage increase in the trigger price. Thus, there is no indication of destructive price-cutting or other price suppressing behavior by producers from the four countries under investigation.

Of 11 allegations of lost sales 5 were verified. Of the verified allegations, only one involved a purchase made principally because of lower price. The most important factor for the other four lost sales was the greater availability of the imported product. This information does not adequately support a finding that there is a reasonable indication that the imports under investigation have had a negative impact on domestic prices.

Impact of Imports on the Domestic Industry

The record fails to support a finding that there is a reasonable indication that imports from France, Italy, the United Kingdom and West Germany had any correlation to the trends in the domestic industry. As with pricing, the level of imports from the four countries, separately or combined, strongly indicates that they could not have had a significant impact on the domestic industry. Moreover, while it is true that imports from France, Italy, the United Kingdom, and West Germany increased substantially in 1981, this factor is not considered alone in assessing the existence of injury to the domestic industry. During the 1978-80 period, imports from France, the United Kingdom and West Germany were steadily declining as were overall imports. At that time, while U.S. production and capacity utilization were down, the domestic industry remained profitable, but profits did decline. Since imports were declining, the decline in profitability appears to have little or no relationship to imports. In 1981, the year of the largest volume of imports, the domestic industry improved. Production and capacity utilization increased, and shipments continued to rise at an annual rate of 12 percent. Profits reached a level of 8.6 percent of net sales, nearly doubling the figure reported for 1980. Therefore, although imports increased in the final period under investigation, the domestic industry remained healthy, in fact, reporting significant increases in key economic areas. Thus, there is no reasonable indication that the subject imports from France, Italy, the United Kingdom, and West Germany have had any discernible negative impact on the domestic industry.

The rate of increase of imports from France, Italy, the United Kingdom, and West Germany poses no real and imminent threat of harm in the near

future. Imports from each of the four countries increased in 1981 over 1980. However, despite the increases, only one of the countries, France, reached an import penetration level of over 1 percent. Imports from the other three countries were all below 0.5 percent of apparent U.S. consumption in 1981. 14/ Indeed, during the period under investigation, imports from Italy, the United Kingdom, and West Germany were for the most part one-tenth of 1 percent or less of apparent U.S. consumption. Although imports from France were somewhat larger, import penetration was extremely low. Except for 1981, imports from France were substantially below one percent of apparent domestic consumption. 15/

The increase in imports to the United States in 1981 from the United Kingdom and West Germany did not even bring them back to their 1978 level. For Italy, the increase in U.S. exports in 1981 represented a period high. However, that high represents only one twenty-fifth of 1 percent of apparent U.S. consumption. France's imports in 1981, also a period high, were 1.7 percent of apparent U.S. consumption.

There is no indication in the record that a significant shift in imports to the United States from the four countries under investigation is likely. The United States is the main export market for the United Kingdom; whereas France, Italy, and West Germany export mainly within the EC. The trend in the EC in recent years has been to pare down steel production capacity. Furthermore, there is no available information on capacity or capacity

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14/ Id., Table VIII-13.

15/ Id. In 1978, imports from France accounted for 0.6 percent of apparent U.S. consumption; in 1979, 0.3 percent; and in 1980, 0.3 percent.

utilization for these four countries. Thus, based on the best available information at this time, we find no reasonable indication of threat of material injury.

IX. COLD-FORMED CARBON STEEL BAR

With regard to the six countervailing duty investigations involving cold-formed carbon steel bar, 1/ we determine that, with the exception of imports from the United Kingdom, there is no reasonable indication of material injury or the threat of material injury by reason of the allegedly subsidized imports. 2/

Condition of the Domestic Industry

Like other segments of the overall domestic steel industry involved in our investigations, the facilities manufacturing cold-formed carbon steel bar have been faced in the years 1980 and 1981 with demand that was substantially lower than in the previous two years. U.S. production of the product fell sharply from 1 million tons in 1979 to 738,000 tons in 1980. While production was up in 1981, the increase still left production levels far below the 1979 mark. 3/ Shipment data are similar, showing a 7 percent rise from 1978 to 1979, then a precipitous drop of almost one-third in 1980. Total domestic shipments then rebounded somewhat in 1981. 4/

Capacity to produce cold-formed carbon steel bar fluctuated throughout the period, reaching its highest level, 1.4 million tons, in 1981. Because of flagging production levels in 1980 and 1981, capacity utilization dropped sharply after 1979, falling to 56 percent in 1981. 5/ U.S. producers'

1/ Investigations Nos. 701-TA-134 to 139 (Preliminary).
2/ In reaching his conclusion, Vice Chairman Calhoun cumulated the data regarding imports. See his additional views at p. 98.
3/ Report, Table IX-4.
4/ Id. at IX-9 and IX-10.
5/ Id., Table IX-4.

inventories of the product remained fairly constant throughout the period at 10-12 percent of annual shipments. 6/

Employment trends followed the trends in production. The average number of workers engaged in producing the product increased 2 percent from 1978 to 1979, then fell 24 percent in 1980 and an additional 4 percent in 1981. Hours paid for workers engaged in producing cold-formed carbon steel bar declined 30 percent from 1979 to 1980 and a further 1 percent in 1981. Total wages and compensation in 1980 and 1981 were also well below 1979 levels. 7/

U.S. producers' profitability has suffered in the last two years as well. 8/ Operating profits were $16 million in 1978 and $19 million in 1979, or 4.3 percent of net sales in both years. However, losses of $7 million and $5 million were sustained in 1980 and 1981, respectively. These losses amounted to 1.9 percent and 1.2 percent of net sales.

Volume of Imports

Total imports from the six countries involved in these investigations declined steadily from 38,500 tons in 1978 to 21,700 tons in 1979 and 17,900 tons in 1980. They then increased greatly in 1981 to 41,000 tons, more than double the 1980 total. 9/ Data are unavailable regarding the productive capacity for those products of any of the countries under investigation.

Nearly all the total increase in 1981 over 1980 is accounted for by imports from the United Kingdom. Imports from the United Kingdom fell from

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6/ Id. at IX-12.
7/ Id. at IX-12 to IX-14.
8/ Profit-and-loss figures were submitted by four firms accounting for about 42 percent of U.S. shipments in 1980.
9/ Id., Tables IX-14 and IX-16.

28,700 tons in 1978 to 11,400 tons in 1979, and 7,400 tons in 1980. They subsequently jumped to 28,300 tons in the first eleven months of 1981, with an increase in the ratio of U.K. imports to domestic consumption from 0.6 percent in 1980 to 2.1 percent in January-November 1981. 10/ Imports from the United Kingdom were especially heavy in the latter part of 1981, reaching 10,400 tons in the third quarter, or 3 percent of U.S. consumption for the period. 11/

France provided the second highest volume of imports among the countries investigated. Imports of cold-formed carbon steel bar from France increased from 7,700 tons in 1978 to 8,700 tons in 1980. However, French imports then declined 12 percent to 7,000 tons in January-November 1981 compared to 8,000 tons in the corresponding period in 1980. Peretration of the U.S. market by French bar also fell during that period from 0.6 percent in January-November 1980 to 0.5 percent in January-November 1981. 12/

Belgian imports declined from 277 tons in 1978 to 120 tons in 1980. Belgian imports then increased to 352 tons in January-November 1981; however, during all periods investigated imports from Belgium accounted for less than .05 percent of apparent domestic consumption. 13/

Brazilian imports increased steadily from 328 tons in 1978 to 731 tons in the first eleven months of 1981. The ratio of imports from Brazil to total U.S. consumption was less than .05 percent in 1978 and 1979, and 0.1 percent in 1980 and 1981. 14/

10/ Id., Tables IX-14 and IX-15.
11/ Id., Tables IX-16 and IX-17.
12/ Id., Tables IX-14 and IX-15.
13/ Id. Although U.S. import statistics aggregate imports from Belgium and Luxembourg, a representative of the U.S. Department of Commerce has indicated that all imports of cold-formed carbon steel bar from the two countries in 1981 originated in Belgium. Id. at IX-22.
14/ Id., Tables IX-14 and IX-15.

Italian imports fell from 911 tons in 1978 to 477 tons in 1979, less than 0.5 ton in 1980, and 224 tons in the first eleven months of 1981. Market penetration levels were only 0.1 percent in 1978 and less than .05 percent in the later years. 15/

Imports from the Federal Republic of Germany declined from 579 tons in 1978 to 413 tons in 1979, then increased to 950 tons in 1980 and 1,280 tons in January-November 1981. The ratio of these imports to U.S. consumption was less than .05 percent in 1978 and 1979 and 0.1 percent in 1980 and 1981. 16/

Prices and Lost Sales

Purchasers' responses to the Commission's questionnaires yielded two instances of underselling by imported cold-formed carbon steel bar, both involving bar produced in the United Kingdom. The quarterly margins of underselling ranged from 3 to 9 percent. 17/

Of the 17 allegations of sales lost to imports by reason of underselling, only three were confirmed, two involving bar from the United Kingdom and one from Italy. In the case of the Italian imports the purchaser reported that both the lower price and a desire to maintain an alternate source for its materials motivated the purchase. 18/

Determinations

We find there is no reasonable indication that imports of cold-formed carbon steel bar from Belgium, Brazil, the Federal Republic of Germany,

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15/ Id.
16/ Id.
17/ Id. at IX-34.
18/ Id.

France, and Italy are contributing to material injury or threat of material injury to the affected U.S. industry. Import penetration by products from each of these countries has remained at minimal levels throughout the period covered by these investigations, and has been so small as to have little or no effect on the fortunes of the domestic industry. Moreover, only one instance was confirmed of a sale lost to imports from one of these countries, that being Italy, one of the least important of the source countries for imports of the product.

Imports from the United Kingdom, on the other hand, increased drastically in 1981 and achieved a level of penetration of the U.S. market that cannot be characterized as insignificant. In addition, there are indications that U.K. products substantially undersold U.S. products in 1981, and U.K. imports were found in two confirmed instances to have taken sales away from the domestic industry on the basis of price. Thus, we find it appropriate to continue the investigation of cold-formed carbon steel bar from the United Kingdom. 19/

19/ Chairman Alberger makes his finding on the basis of a reasonable indication of threat of material injury. He finds no reasonable indication of present material injury by reason of the subject imports.

X. COLD-FORMED ALLOY STEEL BAR

In the countervailing duty investigations on cold-formed alloy steel bar 1/ we determine that there is no reasonable indication of material injury or threat of material injury by reason of imports from Belgium, the Federal Republic of Germany, France, Italy, and the United Kingdom. 2/ 3/

Condition of the Domestic Industry

Despite decreases in production over the period investigated, the U.S. industry producing cold-formed alloy steel bar has performed well. Production declined irregularly from 1978 to 1981 from 147,000 tons to 122,000 tons, or by 17 percent. 4/ Data on domestic shipments show a trend comparable to production, with shipments increasing in 1981 over 1980 levels. 5/

Total domestic capacity for the production of cold-formed alloy steel bar rose slightly from 1978 to 1981, from 207,000 tons to 213,000 tons. Capacity utilization, however, fell from a high of 75.9 percent in 1979 to 55.5 percent and 57.3 percent in 1980 and 1981, respectively, as domestic production decreased. 6/ Yearend inventories held by the domestic industry remained relatively constant throughout the 1978-81 period. 7/

1/ Investigations Nos. 701-TA-140 to 144 (Preliminary).
2/ Commissioner Eckes found reasonable indication that imports from France and Italy are resulting in material injury or threat of such injury to the domestic industry. His views concerning those two cases begin on page 93.
3/ In reaching his conclusion, Vice Chairman Calhoun cumulated the data regarding imports. See his additional views at p. 98.
4/ Report, Table X-3.
5/ Id., Tables X-2 and X-4.
6/ Id., Table X-3.
7/ Id. at X-12 and X-13.

Total employment and employment of production and related workers in establishments producing cold-formed alloy steel bar increased from 1978 to 1979, then declined in 1980 and 1981. The number of hours worked by production and related workers engaged in making this product fell 27.1 percent between 1978 and 1981. Wages paid to these workers fell from 1979 to 1980 and increased in 1981 almost to the 1979 level. 8/

Even with declines in production and net sales, the industry remained profitable throughout the period studied. 9/ Net sales rose from $105 million in 1978 to $124 million in 1979, fell to $106 million in 1980, and then rose to $111 million in 1981. Total profits were $17 million in 1978, $15 million in 1979, and $11 million dollars in 1980 and 1981. These figures yielded returns of 16.2 percent of net sales in 1978, 12.1 percent in 1979, 10.4 percent in 1980, and 9.9 percent in 1981. 10/

Volume of Imports

Determination of the precise levels of total imports of cold-formed alloy steel bar and imports from France depends upon resolution of the question, discussed at pp. X-26 through X-32 of the report, whether imports from France are misclassified for tariff purposes, thereby skewing the statistics. There is information tending to show that the French imports are not competitive with domestically produced cold-formed alloy bar, but the information is not sufficient in this preliminary investigation to permit reaching a conclusion. However, resolution of the issue is not critical to our determination that there is not a reasonable indication that French imports are causing material

8/ Id. at X-13 to X-15.
9/ Profit-and-loss data were received from three firms accounting for about 47 percent of total domestic shipments in 1980.
10/ Id. at X-17.

injury to the domestic industry, because our finding would be the same regardless of which set of figures is used. 11/ For purposes of the present discussion, the import data used in this section do not exclude the 80 percent of French imports claimed not to be competitive with domestic products. 12/

The aggregate number of imports from all the countries subject to these investigations has fluctuated yearly, with 24,800 tons in 1978, 30,300 tons in 1979, 14,000 tons in 1980, and 42,000 tons in 1981. Market penetration by imports from these countries grew from about 8 percent of apparent consumption in 1978 to about 16 percent of apparent consumption in 1981. 13/ Data are not available to show the capacity of any of the countries investigated to produce these products.

France is the principal foreign supplier of cold-formed alloy steel bar to the U.S. market. French imports increased from 18,400 tons in 1978 to 26,900 tons in 1979, then declined to 12,000 tons in 1980. They thereafter grew to 36,100 tons in 1981, accounting for almost all of the aggregate increase in imports recorded that year. French imports reached 4.9 percent of domestic consumption in 1980 and 13.8 percent in the first eleven months of 1981. 14/

11/ Commissioners Stern and Alberger note that CFAS presents a strong case that the impact of French cold-formed alloy bar should be measured against domestic hot-rolled alloy bar. Further work by Commission staff seems to support this claim. See Report at X-26 to X-31. However, the issue has been mooted because we have found no reasonable indication of injury to either of these product lines.

12/ Separate import volume data, based on differing assumptions regarding the nature of the French imports, are shown at pp. X-31 and X-32 of the Report.

13/ Id., Tables X-11, X-12, X-13, and X-14.

14/ Id., Tables X-13 and X-14.

Belgian imports fell from 735 tons in 1978 to 419 tons in 1979 and 6 tons in 1980. 15/ They subsequently increased to 1,032 tons in 1981. Even with the 1981 increase Belgian imports did not exceed 0.4 percent of apparent domestic consumption at any time during the four-year period investigated. 16/

Imports from the Federal Republic of Germany declined from 1,609 tons in 1978 to 265 tons in 1979 and 105 tons in 1980, then increased to 1,417 tons in the first eleven months of 1981. In no year did these imports account for more than 0.5 percent of total U.S. consumption. 17/

Imports from Italy increased from 787 tons in 1978 to 1,488 tons in 1979, 1,679 tons in 1980, and 2,723 tons in January-November 1981. This represents an increase from 0.2 percent of total domestic consumption in 1978 to 1 percent in the first 11 months of 1981. 18/

Imports from the United Kingdom declined from 3,245 tons in 1978 to 1,241 tons in 1979 and 310 tons in 1980, then rose to 626 tons in January-November 1981. Import penetration levels were 1 percent in 1978, 0.4 percent in 1979, 0.1 percent in 1980, and 0.2 percent in 1981. 19/

Prices and Lost Sales

No purchasers to whom the Commission sent questionnaires regarding cold-formed alloy steel bars provided information regarding prices of imported bars. Of the six allegations made by the petitioners of sales lost to imports because of underselling, two involving Italian imports were confirmed.

15/ Id. Import figures for Belgium include imports from Luxembourg. There were no imports from Luxembourg for this product line.
16/ Id., Tables V-13 and V-14.
17/ Id.
18/ Id.
19/ Id.

Determinations

On the basis of the information available in these preliminary investigations we determine that there is no reasonable indication that the domestic industry producing cold-formed alloy steel bars is suffering injury or is threatened with material injury by reason of imports. Although production, shipments and net sales are all down significantly from the peak years of 1978 and 1979, the industry has maintained a healthy profit picture throughout the four-year span investigated. In 1981 it posted operating profits of 9.9 percent measured against net sales. Although this is down from the 16.2 percent level reached in 1978, the major profit declines occurred from 1978 to 1980, the period when imports from Belgium, France, the United Kingdom and West Germany were also declining. Throughout the period of investigation, the domestic industry remained healthy, especially in face of the general economic situation. In every year between 1978 and 1981, the profit ratio in this product line significantly exceeded that for all manufacturing firms and manufacturers of durable goods. 20/ This information indicates no possibility of material injury to the domestic industry by reason of these imports.

20/ Report at I-40.

X. COLD-FORMED ALLOY STEEL BAR

VIEWS OF COMMISSIONER ALFRED ECKES

I disagree with the Commission majority on this important product line. In my view there is a reasonable indication that imports from France and Italy are causing material injury and threatening the domestic industry.

The majority underestimates present injury to the domestic industry and assigns disproportionate attention to the seemingly favorable 9.9 percent ratio of operating profit to net sales in 1981. From my vantage point a firm may be technically profitable but still be suffering injury. A broader focus on profit trends and other indicators suggests the cold-formed alloy steel bar industry is experiencing serious problems. For one thing, there has been a steady down trend in profits from 16.2 percent in 1978 to 9.9 percent in 1981--a 6.3 percentage point decline. 1/ Also, in 1981 U.S. production was nearly 17 percent below 1978 levels. Capacity utilization was almost 14 percentage points below 1978. 2/ Employment in the industry had fallen 24 percent in three years. 3/

Coincident with these indications of injury were increases in the import volume and market penetration ratio from all countries cited in the petition. However, because imports from Belgium, the United Kingdom, and West Germany entered at a very low volume level and, reportedly, did not account for lost sales, there is no reason to think they are injuring or threatening the domestic industry in a material way.

1/ Report at X-17.
2/ Id. at X-10.
3/ Id. at X-14.

The opposite is true for both France and Italy. Imports from France more than doubled in the January-November 1981 period as compared to the same period in 1980. The import penetration level rose dramatically from 5 to 13.8 percent in a single year. While the volume of imports from Italy was comparatively low, it increased 67 percent in January-November 1981 compared to the same period of 1980. In addition, the Commission staff confirmed two instances of sales lost to American producers because of lower-priced imports from Italy. These sales accounted for a substantial portion of Italy's export sales to this national market. 1/ In the cases involving Italian and French producers, the evidence warrants further investigation and provides ample justification for an affirmative vote at the preliminary stage.

One other matter warrants brief comment here. The major French producer of imports classified as cold-formed alloy bar claims that the appropriate like domestic product for the principal product it is exporting (rough-turned bar) is hot-rolled alloy bar. The company alleges that classification confusion has distorted the import data and resulted in an overly high import penetration ratio. 2/ However, in the 45 days allowed for a preliminary investigation, this claim could not be tested adequately. For this reason, the classification problem was not a factor in my decison on French imports.

1/ Report at X-23 to X-28 and X-38.
2/ Id. at X-26 to X-31.

ADDITIONAL VIEWS OF VICE CHAIRMAN MICHAEL J. CALHOUN

These additional views are intended as a supplement to the majority opinion which I have joined. While I am in agreement with much of what that opinion expresses, there are some areas in which I do not share, exactly, the views of my colleagues or in which I have additional thoughts. There are several matters encompassed in this supplement: First, I do not view our investigations to include imports from Spain and South Africa. Second, to the extent my votes in these investigations do not appear to be consistent with those in the 1980 steel investigations, 1/ there is a good basis for the changes. Finally, in reaching any decisions in these investigations, I have cumulated the impact of the imports under our review and I feel some need to explain my conceptual framework and methodology to augment the majority views by explaining how this methodology led to my specific industry determinations.

I. In general

A. Imports from Spain and South Africa

I understand that some of my colleagues included imports from Spain and South Africa in their assessment of the impact of the imports on the domestic industry. I do not consider the steel imports from these countries to be before us in this investigation. It seems to me that the

1/ Certain Carbon Steel Products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom, Investigation No. 731-TA-18/24 (Preliminary), USITC Pub. 1064, May 1980.

inclusion of material injury investigations of imports for which no injury test is required is troublesome as a matter of law and policy for two reasons: First, by the plain terms of Title VII of the Trade Agreements Act of 1979, our assessment of the impact of imports is to be made only with regard to those imports entitled to an injury test. For this reason, imports from countries not entitled to an injury test, though properly in the Commerce Department's investigation simply, as a matter of law, cannot be before us for purposes of determining a causal nexus to material injury. Second, to include non-injury test imports with injury test imports in our assessment of the impact of imports skews the data base on which we rely to reach a conclusion as to the critical causal nexus between the imports and material injury. In some cases, for instance, where the presence of non-injury test imports in the marketplace is strong and injury test imports is weak, their inclusion can operate to dilute the rightful protection afforded by the injury test to which beneficiary countries are entitled. Such a result is bad policy if not unlawful.

B. Departure from my position in the 1980 steel investigations

My determinations in these investigations relied, in many instances, on rather close examination of preliminary data and, based on this preliminary data, on equally fine differentiation by product and by country. In contrast, my determination in the 1980 steel investigation resisted such refined analysis based upon information collected during a 45-day investigation and relied, instead, upon uniform aggregation of all imports from all of the countries before us.

While the difference between these two approaches to complex preliminary investigations may seem without great significance, for me the difference is rather important. The latter approach implies that in 45-days, collected data cannot be sufficiently detailed or reliable to support fine distinctions on such questions as like product, product line assessment, and material injury the resolution of which can result in the early foreclosure of remedy to a domestic industry. The implication in this approach is strong that, in the absence of compelling information to the contrary, preliminary cases ought not to be resolved based on an especially detailed analysis. Rather, they should be decided broadly and in favor of the petitioner when available information supports its allegations in the petition. The former approach, however, implies that such detailed analysis is not precluded even in a close case simply because the case is preliminary. Under this approach, preliminary cases impose an equal obligation on us to be as analytical and discerning as the best information available permits.

The reason for my shift from the one approach to the other in this investigation is rather simple. The Court of International Trade seems to have endorsed the stricter approach to analysis in preliminary cases. In our preliminary investigation in Steel Pipes and Tubes, 1/ I employed the same approach I used in the 1980 steel cases, relying heavily on the fact that the shortness of the period for data collecting in a complex preliminary case limited the data available for assessing import impact and for making reliable product line differentiations. As a result, I employed a more general analysis to reach an affirmative result. The Court of International Trade, however, in reviewing the Commission's

1/ Pipes and Tubes of Iron and Steel from Japan, Inv. No. 731-TA-15 (Preliminary), USITC Pub. 1058, April 1980.

decision in that investigation went to some length in discussing the scope of data we should have considered and in applying the details of product line differentiation provided for under section 771(4)(D). 1/ With some reluctance, I have taken the Court's discussion to suggest strongly that it expects the provisions of Title VII to be applied as thoroughly in preliminary cases as in final cases. Furthermore, in its views the Commission has an obligation not only to solicit a full range of information in preliminary cases but, also, to fully apply facts to law in order to reach a determination. Based on such a view of my responsibility, I have, in these investigations of steel products, departed from some aspects of the methodology I employed in our prior steel investigation and have adopted the thrust of the Court's view of proper preliminary case analysis.

II. Cumulation

Although I concur with many of the conclusions and much of the reasoning of Chairman Alberger, Commissioner Stern and Commissioner Eckes, I differ with them in one important respect of how I arrived at my conclusions. To the extent consistent with the best information available in each of the nine industries, my analytical methodology relied upon the aggregation of the impact of imports from the various importing countries under investigation. It is my impression that my colleagues have not necessarily used this approach. 2/ I believe, therefore, each instance in which we have varied is largely the result of this difference.

1/ See, Steel Wire Nails from Korea, Japan and Yugoslavia, Inv. No. 731-TA-45 (Preliminary), USITC Pub. No. 1175, Aug. 1981.

2/ I say this is my impression because while my colleagues maintain they have made their decision on a "case-by-case" basis they, nevertheless, observe that "the imports in those investigations [they] voted to terminate could not conceivably have contributed to material injury." If they are deciding case-by-case as they claim, then the appropriate test is whether information reasonably indicates that imports are a direct cause of material injury. On the other hand, contributing to material injury is a consideration only where cumulation is the methodology employed to assess the impact of imports.

My aggregation of the imports in each industry is based upon my view that the plain thrust of our responsibility under Title VII of the Trade Agreements Act of 1979 is to determine the nature of the impact on the domestic industry of the imports under investigation. Thus, for the most part, the nationality of the imports under investigation is a matter of relative insignificance in measuring impact. The gist of our concern is to make the most realistic and accurate evaluation of the influence in the market of all of the imports under investigation. In this regard, section 771(7) enumerates the factors which we are to consider in reaching our conclusion and makes no suggestion that our analysis should be on a basis of national origin. The factors enumerated by this section are volume of imports, effect of imports on prices, and the impact of these imports on the affected industry. In assessing the overall impact on the affected industry we are to "evaluate all relevant economic factors which have a bearing on the state of the industry...."

Commission practice under Title VII and, indeed, my voting record have not often relied on the aggregation of import data in making our statutory determination. In my view, there has been a rather simple reason for this. Under section 771(7)(C)(iii) the statute leaves for our judgment what the significant factors are which have a bearing on the state of the industry, thus affording us the discretion, inter alia, to find aggregated behavior or individual behavior as the more relevant to a particular factual situation. But, the statute requires us to establish, as well, a direct causal nexus between the imported merchandise under investigation and material injury to the domestic industry. The problem posed by aggregation is that there is the inherent risk that imports from

a particular country (or company as the case may be) which have no causal nexus to material injury may be inadvertently included in the aggregate. Such a result would seem to me to be a misapplication of our authority. Thus, in most prior cases whenever possible I have assessed import impact on a country by country basis to assure that each such category of imports has plainly met the causality requirements expressed and implied under Title VII.

In these investigations, however, I have departed from my usual practice because of what strikes me to be rather unusual circumstances. In evaluating all the relevant economic factors before us thus far, my view is that it is through their aggregated rather than individualized presence in the U.S. marketplace that the imports before us have their significant impact. This is true since the market for each of the nine product categories before us is characterized by relatively low levels of penetration by the allegedly offending imports. For example, the highest market penetration level by any single country is 13.8 percent of domestic consumption held by France in cold alloy bar, followed by 6.7 percent for Belgium in structural shapes. The highest aggregate market penetration is 16 percent by five countries importing cold rolled alloy bar. This was followed by 14 percent by nine countries importing plate. More typical of the penetration levels in these investigations, however, is the 1.9 percent held by West German imports of structural shapes and the 8.1 percent aggregate held by the seven importers of hot-rolled carbon steel sheet and strip. Such uniformly low individual penetration levels strongly suggest that collective impact is being felt by the domestic producers.

Second, in most instances, the domestic industry enjoys a rather significant dominance over the marketplace. In hot alloy bar, for example, domestic producers have their highest market share of all nine industries at 93.8 percent. In carbon steel structural shapes domestic producers have 66.2 percent of the domestic market which is their lowest penetration. In the remaining seven industries domestic producers tend to have about 90 percent of the market. Where a domestic industry characteristically holds high levels of market share absent special market circumstances, the likelihood of imports causing material injury is certainly less than where domestic market share is low. Thus, the combination of low individual market shares coupled with high levels of domestic producer shares strongly demonstrates to me that whatever impact is taking place in the market must be the result of the cumulative presence of the allegedly offending imports.

But, I wish to make clear that, in general, market share analysis is not the sole basis for my aggregating in these investigations. Historically, the Commission has looked to a number of factors in deciding if it were appropriate to aggregate the impact of imports from various sources. These factors include whether the imports are comparable to the domestic like product and compete in the same markets, as well as whether the factors and conditions of trade show the relevance of such cumulative consideration to the determination of injury. 1/ Related to this latter

1/ See, Steel Wire Nails from Korea, Japan and Yugoslavia, Inv. No. 731-TA-45 (Preliminary), USTIC Pub. No. 1175, Aug. 1981, p. 8, fn. 21.

factor is the fungibility of the subject imports with the domestic products, the extent of competition in the marketplace between imports and the domestic product for the same end users, common channels of distribution, pricing similarity and simultaneous impact.

From this array of factors, what seems to underly the Commission's exercise of its discretion to aggregate is the essential concern that the imports under investigation operate in the marketplace to create a collective "hammering" effect on the domestic industry. Examination of these factors in the context of these preliminary investigations well satisfies this concern. In each of the industries we have found the imported article is readily commercially interchangeable with the domestic product. 1/ Evidence of lost sales gives sufficient indication that there is keen competition between imports and domestic products on a product specific basis. Pricing data thus far collected make it clear that imports and corresponding domestic products interact very closely. Furthermore, while imports tend to be distributed through steel service centers and domestic products largely, but by no means exclusively, rely upon direct sales, corresponding imports and domestic products are directed at the same class of users and are marketed for the same end uses. As well, my analysis is largely based on behavior in 1980-1981 and, so far as our information indicates, all of the imports in question have had consistent presence and impact during this period.

1/ As noted in the majority opinion, some importers have alleged that their products were qualitatively distinguishable from domestic products or were highly specialized and, thus, not actually competitive with domestic products. While these allegations may well prove to be true in a final investigation, there simply was insufficient data available in our 45-day investigation for me to base a concurring decision.

For me, at this point in our investigation, the various factors underlying a sound decision to aggregate firmly encourages aggregation. In addition, the limited market penetration of the imports before us coupled with the strong market share held by domestic producers indicates to me that it is the collective impact of the imports that is the basis of a reasonable indication of material injury rather than the limited individual presence of imports on a national basis.

Deciding these investigations by aggregation has resulted in six instances in which I have varied from the majority. In each of these instances I have found in the affirmative where the majority found in the negative with regard to a particular country's imports. But it is worth noting that in each of these instances there was a majority affirmative finding regarding material injury to the domestic industry. Although each of these instances is addressed separately below, the same basic rationale applies to each of them: Where the market penetration of the imports under investigation is low and the distribution of the individual national shares of that penetration is narrow, absent information regarding specific behavior of the imports in the market, it is difficult for me to find in the negative with respect to the imports of a particular country. To find in the negative simply because the penetration level of its exports to the United States is below an arbitrary level is mechanistic, if not arbitrary.

For me an essential test in deciding which countries to aggregate has to be whether imports from a particular country can be found to be contributing to the collective adverse impact. 1/ The nature of

1/ See, Steel Wire Nails from Korea, Japan and Yugoslavia, Inv. No. 731-TA-45.

the factors relevant to such a judgment vary with each product so that a penetration level considered too low to be contributory regarding one product may be sufficient to be contributory regarding another. For these reasons, comparing the market penetration levels of the individual imports I have included in my aggregation with those I have not will not reveal a common trigger point.

As a final matter, I would like to make clear that the discussion below of individual industries is supplemental to the majority opinion of which I am a part. Thus, such matters as pricing, lost sales, etc, are not addressed here because they are adequately addressed in the majority opinion. These matters were an important part of my aggregation decision.

Hot Carbon Steel Plate

In agreeing with the majority that imports from France, Italy, Luxembourg and the Netherlands provide no basis for concluding reasonable indication of material injury or threat, I would add the following: The aggregate market share of all nine importers under our scrutiny for the period January to November of 1981 was 14 percent, an increase from 10.3 percent in 1980. The distribution of the individual market shares in January-November 1981 by nationality ranged from about 4.1 percent for Belgium and Brazil to a negligible amount from Luxembourg. Thus, in my view, in the absence of information on some special market behavior, the .2 percent market share held by France, the .2 percent share by Italy, the .1 percent by the Netherlands and the negligible share held by Luxembourg cannot be seen individually or cumulatively as contributing to the aggregate adverse impact on the domestic producers. Of the total 14 percent, these imports amounted to .5 percent.

While the UK's imports were only at .5 percent market share, this did represent a jump from the .1 percent share for 1980. On final it will be a matter of interest to me to discover whether this increase portends a trend of increasing imports or is simply a function of modest increases from a small base resulting in a large percentage change.

Hot-Rolled Carbon Steel Sheet and Strip

In addition to the views expressed by the majority, for purposes of my aggregation the cumulative adverse impact of the imports of the five countries receiving an affirmative vote is not advanced by the imports from Brazil, Luxembourg and the United Kingdom. In total, the imports under investigation accounted for about 8.1 percent of domestic consumption in the first 11 months of 1981. This was a slight increase over the 7.5 percent for the same period in 1980. Of this rather small collective market share, Brazil's imports accounted for only 0.3 percent in the 1981 period which represents a decline over the level of the past two years. Luxembourg's presence is again miniscule and the United Kingdom's share is, likewise, negligible down from a negligible level in 1980. In all, the imports from these countries displayed no behavior which reasonably could be construed as contributing to the indication of material injury or threat posed by the imports of the remaining five countries.

Cold-Rolled Carbon Steel Sheet and Strip

Again, I embrace the views of the majority with one exception and with additional views regarding aggregation. In finding in the negative with respect to Brazil, Luxembourg and the United Kingdom, I find that the market share held by these countries is so low as to be without contributory impact. Even though the whole of the imports of the eight

importing countries amounted to 5 percent in January-November 1981, imports from Brazil, Luxembourg and the United Kingdom only accounted for less than .7 percent. We have no information on market factors which demonstrates how such a small presence could contribute to material injury. Even though the industry is operating in the red, its circumstance has been improving during a period of rather flat import levels.

I do feel, however, that the .3 percent market share held by Belgium, in light of the very low aggregate share, had a reasonable indication of contributory harm to the adverse impact (or threat thereof) of the aggregate. It is worth noting that while imports from Belgium for the first 11 months of 1980 accounted for less than .4 percent of the domestic market, their whole share for 1980 was .7 percent, exceeding that for 1979. Thus, in the one month period of December of 1980 Belgian imports were substantial. We have not yet received complete consumption data for December of 1981. In view of the fact that the total of import penetration before us is less than five percent, a large December surge similar to the one last December would be significant.

Galvanized Carbon Steel Sheet

I have nothing to add to the joint opinion of the Chairman, Commissioner Stern and mine, except that even considering the aggregate penetration of 3.7 percent, I cannot find the requisite relationship between imports from these seven countries and material injury to the domestic producers.

Carbon Structural Shapes

In addition to the views expressed in the majority opinion, in my analysis the .2 percent market share by Brazil, absent information of special behavior by these imports, does not seem capable of contributing

to the aggregate impact of imports holding over 12 percent of the market. Indeed, the distribution of the individual market shares well supports this view. Of the remaining five importing countries, Belgium/Luxembourg have the highest share at 6.7 percent and France the lowest at .9 percent.

Hot Rolled Carbon Bar

I have included West Germany, Belgium, Brazil, and Luxembourg in my aggregate affirmative determination because of what strikes me as the peculiar circumstances of this particular industry. First, the imports from the seven countries before us have only a 3.3 percent share of the domestic market in January-November 1981, a share I find to be very low. What is more, the distribution of individual market share is greatly fragmented. After the United Kingdom's 2.4 percent share, the next largest share is held by West Germany at .3 percent. Thus, Germany's share, together with Belgium/Luxembourg's .3 percent share and Brazil's .2 percent share, while ridiculously low, is, in the context of an already very small aggregate market share, a relatively significant amount of imports for which to say there is no contribution to the overall indication of adverse impact.

Plainly, the coincidence of the industry's move from operating in the black to operating in the red in the same period that the United Kingdom's market share went from 1.4 percent (1979) to 2.4 percent (January-November 1981) cannot be ignored especially when domestic consumption dropped by about 30 percent (1979 to 1981). Indeed, it strongly suggests a direct causal relationship. But this significant change in profitability also

demonstrates the considerable importance to this industry of incremental market share. If a .9 percent shift in market penetration in a time of low consumption can have this impact on profitability then, to me, a .9 percent market share (the share held by West Germany, France, Brazil, Belgium, and Luxembourg) cannot be found to be completely without contributory importance.

I have found in the negative with regard to France because its market share is without significance even among these very low import levels.

Hot Rolled Alloy Bar

The aggregation of imports in this industry is even more acute than that in the hot carbon bar industry. There are imports from four countries, but these imports account for a total of only 2 percent of the domestic market. The distribution of the individual shares is, therefore, limited. The largest single share of 1.7 percent is held by France. The United Kingdom and West Germany hold .2 percent and .1 percent, respectively. Thus, absent particular data on market behavior, to me any potential for import impact must be on a collective basis. But even on an aggregated basis, I concur with the majority's assessment that the requisite impact simply cannot be established.

Cold-Formed Carbon Bar

Again, the aggregation of imports from the countries before us, in principle, seems to me to be compelled here. In total, the six countries only account for 2.8 percent of the market. The largest share of 2.1 percent is held by the United Kingdom and the reasonable indication of

injury I have found is related to the relatively large increase in the UK's imports over the period 1980 to January-November 1981, from .6 percent to 2.1 percent. While domestic sales, consumption, and prices increased net operating profit which has been in the red did not seem to improve proportionately. This coincidence of import rise with uncharacteristically sluggish improvement by the domestic industry provides an important basis for a preliminary affirmative.

My inclusion of imports from France with those from the UK is admittedly tenuous. However, as in hot rolled carbon bar, it is my view that a reasonable argument can be made that given the poor state of the industry with its weak recovery in the face of encouraging improvement in leading indicators, incremental market share may be rather significant. Thus, I have aggregated France's .5 percent market share in January-November 1981 so that my finding of reasonable indication is with regard to 2.6 percent of the 2.8 percent market share under our consideration.

The remaining .2 percent market share I find too small to be contributory to the impact of the aggregate. While in hot rolled carbon bar I did include market shares that were smaller than .2 percent there are several differences between this industry and the hot rolled carbon bar industry. In hot rolled carbon bar, the industry's profit picture was in significant decline in parallel to proportionately significant increases in import penetration, the great bulk of which were increases in the imports under investigation. In this industry, the rate of improvement in the

industry's health seems to be retarded by an increase in imports only a small part of which is attributable to the imports under review. The indication of some improvement by a troubled industry is more illusive than the plain decline experienced by the hot rolled carbon industry and makes me question the level of the impact on imports from four countries which amount to a total of only .2 percent of domestic consumption.

Cold-Formed Alloy Bar

Joining the views of the majority, I note that in aggregating the whole of imports under review here the increase in market share from 5.7 percent to 10.0 percent over the 1980-1981 period seems little related to the industry's stable profit experience over that period. Indeed, in 1979 when profits were higher than 1980, aggregate import penetration was also higher than in 1980. I found no information regarding market behavior, i.e., pricing, lost sales, nor the argument regarding French alloy bar imports to present a sufficiently strong basis to offset the evidence of their being no significant relationship between imports and profits.

ADDITIONAL VIEWS OF COMMISSIONER PAULA STERN

Introduction

If we are to avoid becoming lost in the intricate maze of these 92 cases, an overview is both necessary and desirable. My remarks cover three areas: (1) the relation between the performance of the industry and that of each product category we considered; (2) a highlight of the problems the steel industry is facing; and (3) a discussion of the additional information that at this time appears to be needed if any of the 38 affirmative preliminary cases returns for a final determination.

The general perception of the U.S. steel industry is that it is suffering -- suffering from years of neglect, suffering from the current recession, suffering from the successful inroads of imports into once secure markets.

All these factors have had bearing on the cases before the Commission today. But, unlike the automobile import relief case of December 1980, 1/ the issue before the Commission here is not whether imports as a whole are a substantial cause of the industry's problems. Rather, we must decide whether there is a preliminary indication that specific imports have caused material injury while allegedly benefitting from foreign subsidies and/or dumping in their competition with like domestic products. These more narrow findings are best made with the larger picture in mind.

1/ Certain Motor Vehicles . . ., Inv. No. TA-201-44, USITC Pub. No. 1110, December 1980.

Overall Industry Performance

Certain overall industry data serve as vital background. As noted in my "Statement of Reasons" in Certain Carbon Steel Products (May 1980):

> . . . aggregate capacity utilization and profit data for the raw steel melting facilities common to all lines are crucial to understanding industry performance in the individual product lines and thus, to determinations made on the best information available.

Capacity utilization in raw steel is particularly significant since it measures the common constraint on full simultaneous utilization of all milling operations. There is usually planned excess capacity in the milling operations of the individual product categories to allow continuous adjustment of the product mix to maximize aggregate profits on all lines.

Capacity utilization in U.S. raw steel production fell from 87 percent in 1978 to 73 percent in 1980. 2/ For all of 1981, this figure was 78 percent; however, it rapidly declined during the last half of 1981. The May 1980 investigations were conducted when raw steel capacity utilization had just peaked at 88 percent (1979). At that time I concluded that:

> . . . with raw steel operating at what amounts to almost full capacity, it does not appear that the solution to these problems can be found in selling more steel. Rather, the problems of all product lines and the larger industry appear to lie in the price at which the steel is sold and the costs at which it is made, not the quantity produced. 3/

2/ Report at I-21.

3/ See Certain Carbon Steel Products . . . (May 1980), "Statement of Reasons of Commissioner Paula Stern," at 39-71.

Clearly, the situation has changed: the U.S. industry now has a significant overall volume problem.

In an industry with high fixed costs, one should expect reduced levels of production to have a rather dramatic impact on profits. For 17 steel producers accounting for 82 percent of U.S. production in 1980, overall operating profits on steel operations as a ratio of net sales fell from 5.0 percent in 1978 to 2.0 percent in 1980. 4/ Clearly, the overall data neither suggest that the industry as a whole is healthy, nor that it is any longer operating at full capacity.

Because the determinations are made on a product category basis, 5/ the health of each category must also be assessed. This has been done

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4/ Report at I-35.

5/ It is important to note that although the condition of the individual industries cannot be fully understood without reference to data for the overall steel industry, each of the nine product categories is in itself a relatively large aggregate. The Commission is charged with the responsibility to assess the impact of subject imports on the domestic production of a like product, available data permitting. Combining all nine categories -- plus perhaps others not included in these investigations -- into a single industry producing all steel would violate the clear meaning of the statutory language of section 771(4)(A) and (D). To do so would fly in the face of consistent Commission practice in all previous steel cases and blunt beyond recognition the meaning of "like product."

There is no substitute for a careful, discriminating approach which makes use of the best available information on the individual product lines as well as the overall industry of which they are components.

in the preceding views where I joined the majority of the Commission. There are no reliable indications of bottlenecks in any of the nine categories. Raw steel and the nine product categories are all operating well below full capacity. Thus, there remains room for expanded production in each of the nine. Nonetheless, in both hot-rolled and cold-formed alloy steel bars, the healthy profits noted in the majority views eliminate any possibility of injury by reason of allegedly subsidized imports to those two categories.

Problems of the U.S. Steel Industry

The legislative history of the Act specifically instructs the Commission to take into account causes of injury, other than the subject imports 6/, without weighing those other causes against those of the

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6/ Committee on Ways and Means, U.S. House of Representatives, Trade Agreements Act of 1979, H.R. 96-317, 96th Cong., 1st Sess. (1979) at 47:

> Of course, in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors.
>
> However, the petitioner will not be required to bear the burden of proving the negative, that is, that material injury is not caused by such other factors, nor will the ITC be required to make any precise, mathematical calculations as to the harm associated with respect to such factors. In short, the Committee does not view overall injury caused by unfair competition, such as dumping, to require as strong a causation link to unfairly competitive imports as would be required for determining the existence of injury under fair trade conditions.

allegedly subsidized or LTFV imports. These factors include wages, investment, the trigger price mechanism, other foreign competitors not the subject of these investigations, and the effects of the recent general economic situation in the United States. Many of these factors have helped keep the costs of the steel industry from falling to a point at which adequate profits might be earned even at the prices prevailing in the subject product categories.

Wages -- Partly as a result of a very effective cost-of-living adjustment negotiated by the United Steel Workers of America and the unexpected increase in the rate of inflation during the last decade, there has been an accelerating growth of wages at a rate far higher than in general manufacturing. In 1977 steel wages stood at 153 percent of those in general manufacturing. By 1980 this number had grown to 175 percent. The wages of foreign steel workers seem to have remained considerably below those of their U.S. counterparts. For example, in 1980 the French average hourly compensation in steel was less than 60 percent of that in the United States.

Investment -- There has been much discussion about the level of investment undertaken by this industry. There are indications that for at least a decade investment levels have been inadequate to keep the U.S. industrial plant modern. Testimony in the January 1982 cases pointed to a capital replacement cycle moving toward fifty years compared to a desirable one of fourteen years. 7/ The industry's gains from its most

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7/ Hot-Rolled Carbon Steel Sheet from France (January 1982), "Views of Commissioner Paula Stern," at 21.

recent upswing -- which is now ended -- will not be sufficient to sustain a rate of investment adequate to improve significantly this situation.

Furthermore, large portions of the total investment that had been undertaken have gone to satisfying stricter mandatory standards for environmental and safety protection. 8/ Further investment funds have gone into diversification beyond the traditional bounds of the steel industry. 9/ While these investments may be socially desirable or economically sound, they have not added in the short run to productivity in the steel industry. All these investment factors may also help explain in part why productivity gains of U.S. steel workers have not kept pace with the growth of their wages.

The TPM and International Competition -- Further compounding these considerations has been the role of the trigger-price-mechanism (TPM). Implemented in June 1978, the TPM was intended to substitute for individual antidumping or countervailing duty petitions by the domestic steel industry. The TPM base price for a steel product was calculated each quarter based on constructed costs in Japan, a producer generally regarded as one of the world's most efficient. Any repeated or substantial

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8/ Mandated costs for pollution control and worker safety have been estimated at about $365 million per year during the 1970s, or about 17 percent of the total annual capital available for investment generated by the U.S. steel industry.

9/ An important question lies beneath diversification of investments: why has investment in traditional steel making activities been so relatively undesirable for U.S. firms?

imports below applicable trigger prices could "trigger" an expedited investigation. Clearly trigger prices were not identical to a price floor for imports, but they do seem to have had similar effects. The entire TPM program was suspended in March 1980 when United States Steel Corporation filed antidumping petitions which were preliminarily decided in May 1980 at the Commission. The TPM program was reinstated in October 1980 when negotiations resulted in withdrawal of those cases which might have otherwise returned for final determinations. However, the entire system was scrapped in January 1982 when the petitions were filed which resulted in the present cases. Thus, the TPM was in effect for much of the period of these investigations and was a definite factor in the marketing decisions of all participants, domestic and foreign. It is unclear at this point how this factor affected competition in the U.S. market.

Since the TPM represents the production plus transportation costs of the world's supposedly most efficient (on average) steelmaker producing at 85 percent capacity utilization, it may have been an invitation for less efficient producers to market at prices at or around the minimum established by the TPM. The publishing and disseminating of TPM prices may have brought an orderliness to the import share of the U.S. market which continues to make that market attractive for foreign producers.

The general appreciation of the U.S. dollar brought on by high interest rates has had a perverse effect on attempts through the TPM to

regulate imports of steel products. From January-March 1980 to October-December 1981 the dollar rose, in most cases substantially, against almost all of the currencies of the countries whose steel exports are the subject of these investigations. (The exception is Romania, whose currency is not convertible.) 10/ However, in the same time period, the U.S. dollar actually depreciated against the Japanese yen by 8.5 percent. Since the TPM was based on estimates of Japanese costs of production, the mechanism may have had the contrary effect of attracting European and Brazilian exports to the U.S. market, because these foreign producers can sell at or near the TPM and realize higher prices in their home currencies for their goods than they might have attained in an unregulated market. Therefore, the TPM may have had the effect of making the U.S. market an attractive option for sales from even the more inefficient foreign producers.

All the above considerations do not settle the causality issue because without adequate comparable data for all significant foreign suppliers, I have been unable to dismiss the possibility that some other foreign producer stands to gain if the subject imports are reduced. The allegedly subsidized and LTFV imports may be hurting other foreign suppliers rather than domestic producers.

General Economic Conditions -- Perhaps the most important short-range, but hopefully short-lived, problem facing the U.S. steel industry is

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10/ Report at I-46.

the sharp drop in demand for its products caused by the continued slump in two major steel end-markets, the automobile and construction industries. These declines in demand are compounded by structural changes within these end-markets, such as the downsizing of automobiles and the use of lighter weight materials in their construction.

Structural changes are also occurring in the U.S. economy which have brought the U.S. steel industry problems in the short run. Chief among these is the shift in economic activity from the Northeast and Midwest sections of the country to the Gulf Coast and West. Because the U.S. steel industry is primarily located in the "steel belt" of the Northeast, it faces disproportionately high transport costs to the West and Gulf Coasts, where the growth in steel consumption is taking place. These costs diminish the relative competitiveness of U.S. steel.

Finally, the continuing high interest rates which have been prevalent in the U.S. economy for the last several years have discouraged debt financing of investment projects, made U.S. exports less competitive (through the appreciation of the dollar), and depressed end-markets for steel. They are an undeniable part of this industry's problems.

Data Problems

All my determinations have been made on the best available information. In general, quarterly data are more volatile than yearly data; they have only been consulted in marginal cases when some additional guidance on the question of threat was desirable. The data gathered on lost sales,

pricing, and the capacity and plans of foreign producers are incomplete. In general, the subject imports seem to undersell their domestic counterparts, though by margins that have probably narrowed during the last three years. To establish firmly any causal links between material injury or threatened material injury to the domestic industries, significantly more information on all these factors will be necessary.

VIEWS OF COMMISSIONER EUGENE J. FRANK

I. Overview

First, I would like to note that the statute and legislative history in title VII investigations require the Commission in its preliminary determinations for both antidumping and countervailing duty investigations to exercise only a low-threshold test based upon the best information available to it at the time of such determination that the facts reasonably indicate that an industry in the United States could possibly be suffering material injury, threat thereof, or material retardation. 1/

The 45-day preliminary injury determination compressed time period was, in my view, intended by Congress to screen those petitions where it was readily apparent, albeit based on a necessarily incomplete record, that there was no indication of possibly establishing injury even with adequate time, a thorough and fully developed investigation and record, and comprehensive hearing before the Commission. As Chairman Alberger stated in testimony on November 12, 1981, before the House Ways and Means Trade Subcommittee:

> The 'reasonable indication of material injury' standard is low enough that it does not force domestic industries to present more than a prima facie case before there is a full adjudication.

Such a standard applies equally to antidumping and countervailing duty investigations inasmuch as the statutory language is the same and given the intent of Congress for subsidy cases to follow the general practices of the ITC under the antidumping law.

1/ H.R. Report No. 96-317, 96th Cong., 1st Sess., p. 52 (1979).

Of course, it is important to keep in mind that the Tariff Act of 1930 and its legislative history are quite clear that the "material injury" to be ascertained in these investigations is defined to mean harm which is "not inconsequential, immaterial, or unimportant".1/ Section 771(7)(B) of the Act provides factors the Commission shall consider, among other factors:

> (i) the volume of imports of the merchandise which is the subject of the investigation,
>
> (ii) the effect of imports of that merchandise on prices in the United States for like products, and
>
> (iii) the impact of imports of such merchandise on domestic producers of like products. 2/

Within the context of evaluating the volume of imports of the merchandise which is subject to the investigation and its effect on prices, in assessing impact in the affected industry, the language of the statute makes it clear that economic factors cited therein are not all-inclusive to wit: ". . .the Commission should evaluate all relevant economic factors which have a bearing on the state of the industry, including but not limited to-. . ." 3/ Legislative history on this point is also quite clear:

> In determining whether an industry is materially injured, as that phrase is used in the bill, the ITC will consider, to the extent permitted by information submitted to it in a timely manner, the factors set forth in section 771(7)(C) and (D) together with any other factors it deems relevant. 4/

There is also recognition in the Statute and legislative history that discretion necessarily must be given to the Commission to determine the significance to be assigned to a particular factor within the framework of other facts of each specific case.

1/ Report on H.R. 4537 of the Senate Committee on Finance, p. 88.
2/ 19 U.S.C. § 1677 (7)(B).
3/ 19 U.S.C. § 1677 (7)(C).
4/ Report on H.R. 4537 of the Senate Committee on Finance, p. 88.

> Neither the presence nor the absence of any factor listed in the bill can necessarily give decisive guidance with respect to whether an industry is materially injured, and the significance to be assigned to a particular factor is for the ITC to decide. 1/

> It is expected that in its investigation the Commission will continue to focus on the conditions of trade, competition, and development regarding the industry concerned. 2/

A word on the issue of causation is pertinent, because I feel there is some misunderstanding about just what is required by law in this crucial area in these preliminary investigations. The causation element is that material injury must be "by reason of" the subsidized or less-than-fair-value imports: the linkage language "by reason of" directing an examination of the effects of such imports on the domestic industry. Legislative history makes it clear that Congress did not intend for the Commission in examining whether a causal link exists, to weigh injury which might be incurred from such imports against other factors which may be contributing to overall injury to an industry, although it should take into account evidence alleging such harm which was attributed to such imports was attributable to other factors. Moreover, the petitioner is not required to "bear the burden of proving the negative" that material injury is in fact not caused by such other factors. Further, the Commission is not required to make any precise mathematical calculations with respect to the harm associated by other factors. 3/ Finally to quote directly from the House Report:

> In short, the Committee does not view overall injury caused by unfair competition, such as dumping, to require as strong a causation link to unfairly competitive imports as would be required for determining the existence of injury under fair trade conditions. 4/

1/ Id., and 19 U.S.C. § 1677(7)(E).
2/ Senate report, p. 88.
3/ Report of the House Ways and Means Committee on H.R. 4537, p. 47.
4/ Id.

I would like to emphasize an important point, namely, that the Commission's charge in these preliminary investigations in evaluating the impact of alleged unfair imports, within the framework of the aforementioned discretion accorded it in analyzing relevant factors and establishing a causation link, must be undertaken within the less rigorous standard that the facts on the record and information available to it reasonably indicate that the affected domestic industry could possibly be suffering material injury, threat thereof, or material retardation. 1/

This less rigorous standard which was, as I have said earlier, intended by Congress in my view to be applied in a 45-day compressed time frame to screen petitions devoid of any merit where there was no indication of possibly establishing injury even with adequate time, must be applied with caution and equity, not in an arbitrary or capricious fashion, with the reasons set forth adequately documented. Yet we are to face a problem in the staff report on which the Commission relies in its determinations for these 92 steel investigations (during which there was a considerable volume of data and submissions tendered the Commission by a sundry number of parties), of material omissions of corroborated information on a number of critical factors that the Commission responsibly should take into consideration before eliminating products and countries involved in these investigations from proceeding to the final stage, permitting the Administering Authority (Commerce) to continue its investigations on a preliminary basis for these products including:

1/ Although, having found a reasonable indication of material injury by reason of these imports in these investigations, I did not reach the issue of threat, nonetheless data and trends with respect to certain products, which appeared incomplete in these preliminary investigations along with the record to reach that determination, still point to the possibility of future determinations of threat if a full investigation were able to provide more comprehensive data on e.g. foreign capacity. In this respect, I will discuss the issue of threat from time to time in these views.

. Lack of sufficient data on production capabilities and utilization of capacity for all products and countries cited in these investigations (bearing particularly on the issue of threat and potential surges of unfairly traded imports to the U.S.);

. Related to the previous, the lack of comprehensive data on the capability of foreign producers having integrated operations to switch to other finished products which may be excluded from further investigation by the Commission and Administering Authority;

. Lack of data on other international markets' (in addition to the U.S.), present and potential demand served or to be served by such products and related pricing patterns and other pertinent economic factors;

. No work or analysis or even recognition given to potential impacts on net revenues, profits, employment, lost economic opportunities if certain products were eliminated and countries excluded due to de minimis considerations. An important corollary consideration here is the concentration in the domestic market in a number of these products by large integrated producers where loss of gross revenues on a marginal basis have a more pronounced effect on the front end of the steel making process characterized by high capital investment and concomitant high fixed costs. Even with respect to certain steel bar products in which integrated firms have less market presence that are characterized by high value-added in finishing, many firms producing these products include such products in a fairly broad product spectrum, and in the case of electric furnace operations nonetheless have high fixed costs at the raw-steel end to cover;

. Lack of acceptable information on prices and lost sales upon which to draw definitive conclusions. Discussions on pricing trends between imported and domestic products utilizing producer price, unit value indices and trigger prices can be misleading and are less than comprehensive. The Producer Price Index is based on list prices and may not reflect changes in actual transaction prices. Unit value indices may vary with time not only due to prices but also to changes in the specific type of steel being imported (including quality considerations). Data and indices presented on transaction prices (i.e., average net selling price for specific products from domestic producers and importers) are average weighted prices charged in different transactions. There is nothing that corroborates conclusively the representativeness of the transactions and products selected and credibility of sources utilized that would justify relying on such data to compare trends in

> levels of importers' and domestic producers' prices and/or on a country-by-country basis. Also direct inquiries of purchasers for information on delivered prices paid in specific transactions, based on information at hand on a limited number of products, not in most cases representing total country coverage and from sources where their degree of market participation is not disclosed, cannot be relied upon in terms of comprehensiveness or representativeness. Also terms and conditions of credit extended for such transactions are not included in such data. In terms of lost sales, coverage of allegations was less than complete, and for the most part, in my judgement confirmed results were not representative. Sources for this information were not disclosed, their relationship, if any, to foreign and domestic producers, nor was their market participation cited. I believe acceptance of such information in terms of prices received and magnitude of sales, in the absence of hard documented data from Customs and/or examination of actual invoices for such transactions, in order to reach determinations as to whether underselling occurred and, if so, the tonnage and countries involved, is not appropriate. Telephone inquiries with parties able to make verbal representations as to transactions could be questioned and could be considered incomplete and impervious to accountability.

Although one could argue with reason that such issues could not be covered comprehensively in a 45-day investigation by a staff hardpressed to complete the task at hand, information was lacking for the most part, for some reason, particularly with respect to foreign capacity for products/countries involved and with respect to price data. With regard to pricing data, for the purpose of these preliminary investigations in recognition of the low threshold standard, I have been compelled to rely on the record and petitioner allegations of unfair pricing practices and concomitant margins of underselling (including that submitted to the administering authority (Commerce)) which have not been conclusively refuted to date, as part of my determinations. Obviously, such a procedure and reliance devoid of staff corroboration would be manifestly unjustified in a final investigation process as it would be inconsistent, in my view, with the more rigorous standards required in final determinations of injury. I will, however, when I feel it

germane, allude from time to time to certain information obtained by staff in certain products which show certain indications of pricing patterns which albeit less than complete, are at least worthy of mention. I do not believe, however, that the intent of Congress was to penalize petitioners who have demonstrated potentially meritorious cases in the preliminary stage that are worthy of continuation, for an inability to obtain certain information in satisfactory form and substance in critical areas such as price, particularly when substantial potential economic consequences are at stake as is the case in these steel investigations. As stated before, I believe the legislative history permits the Commission the discretion to take into consideration and weigh information and economic factors or the lack thereof in its deliberations and determinations.

The issue of cumulation with regard to the imported products subject to these preliminary investigations, has been addressed extensively in various memoranda of the General Counsel submitted to the Commission, as well as in briefs and statements submitted by various parties. 1/ Within each of the nine product categories, the impact of comparable imported articles from as many of the respondent nations that produce and export the products in question to the United States, has been cumulated. I believe the record amply corroborates the fungibility of the articles in question and therefore their comparability in terms of "like product" and being of the same class or kind or merchandise.

Arguments have been presented that the Commission should address the cumulation question in a well-reasoned set of criteria. I believe this is a logical and correct approach. I believe that the statute, as well as other

1/ See e.g., GC-E-337, GC-F-028, GC-F-034.

pertinent economic factors, permit the Commission to take into consideration the cumulative injury caused by all alleged unfairly traded imports. The emphasis is the possible resulting injury, not a narrow focus on the procedures and methods employed, although they should and are being considered. The nature of the industry in both the United States, as well as in those countries subject to these preliminary investigations, is such that a focus purely constrained by market considerations within a like product basis, may obscure the reality that producers can shift within a finished product category in response to demand conditions. For example, producers will allocate more raw steel capacity to specific finishing mills depending on end-market conditions, decisions which are governed by several factors such as demand, prices, profit margins, inventory of that specific product, and working capital requirements. The suggested criteria that cumulation is appropriate if the dumped or subsidized imports concerned all compete or impact upon the same market could be an impossible requirement. It assumes end-users' demand and the character and nature of end users to be constant which it is not, and ignores the dynamics of the uses of these steel products and the particular needs they satisfy.

Whether the steel products being imported are directed to the same end users or same geographical market, or whether they pass through the same or different channels of distribution, or whether they are priced similarly, the fact that these penetrate contemporaneously or sequentially according to the same demand patterns, is important. However, this recommended criteria ignores the fact that these imported articles within the same product categories can be directed to other end users and other geographical markets, perhaps under not similar terms and conditions and prices rather quickly,

depending on the prevailing conditions and patterns of trade, resulting in not inconsequential injury. For example, alloy steel bar shipped mostly to satisfy oil-country goods needs, can tomorrow be shipped for automotive or industrial machinery or heavy construction equipment end-use application. The law and the intent of Congress, cover, in my judgment, the fact that unfairly traded imports of "a class or kind of merchandise" from one or many sources, will have the same injurious impact on the domestic industry. It has been asserted by some respondents that even if we could cumulate import data in these preliminary investigations, it would not be appropriate to cumulate imports of certain products from certain countries, because these imports are so minimal as not in themselves contributing to material injury. I do not agree with this contention because if it were applied consistently, assuming one could reasonably define what is minimal (aside from the questionability of applying the same definition to different finished product lines with varying historical tonnage consumption patterns and uses and characteristics), an industry could be impaired by a significant level of imports from numerous sources, yet have no remedy under trade laws, inasmuch as none of these sources would be construed to account per se for the injury. As indicated before, the application of a standard of what would be considered to be minimal on a volume basis across product lines, appears to be questionable and arbitrary. For example, the loss of a 5,000 ton order of cold-rolled alloy steel bar is usually of greater economic and financial consequence compared with a loss of similar size order of hot-rolled carbon steel sheet. Therefore, I believe it makes no sense to excuse voluntarily ab initio even for screening purposes allegedly unfairly imported products by national origin on a de minimis basis when the problem is the totality of all such imports.

Condition of the U.S. steel industry

Steel production in the United States is characterized by concentration in terms of raw steelmaking capacity in large integrated firms, with the seven largest firms accounting for about 75 percent of raw steel produced in 1980. 1/ Mini mills making steel with electric furnaces, and specializing in a more narrow-product range, have increased their share of steel shipments, accounting for an estimated 12 to 15 percent of total U.S. steel shipments in 1980. Capacity utilization measured in raw steel production has declined from 86.8 percent in 1978 to 72.8 percent in 1980. In the last quarter of 1981, capacity utilization was about 63 percent with the week ending January 16, 1982, dropping to 59.2 percent 2/. In recent years several producers have closed steel-producing facilities and others have announced they will be purchasing substantial amounts of semifinished steel from offshore sources to be processed in their finishing mills. Of note, McLouth Steel Corp. (the 10th largest U.S. steel producer) recently filed for protection under the Bankruptcy Act. Raw steel production in the U.S. in 1980 fell to the lowest level in the last decade, dropping to 112 million tons. The domestic industry's share of world production of raw steel similarly declined from 19.6 percent in 1973 to 14.1 percent in 1980. Net shipments by domestic producers of all steel mill products in 1981 totaled 81 million tons, about 4 percent more than 1980 shipments, but considerably lower than the 94.2 million ton average annual net shipment levels registered over the 1971-80 period inclusive. U.S. producers' shipments of carbon steel mill products subject to

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1/ I-4 Staff Report. Unless otherwise indicated, all data in this section were obtained from the accompanying staff report.

2/ Data reported on a weekly basis by the American Iron and Steel Institute (AISI) to the media.

these investigations, fell from 58.2 million tons in 1979 to 45.7 million tons in 1980, representing a 21-percent decline. U.S. producers' shipments of the alloy steel mill products subject to these investigations decreased to 2.1 million tons in 1980 from the 2.9 million tons in 1978 and 1979, or by 28 percent. U.S. steel exports, however, showed an increase from 2.8 million net tons in 1979 to 4.1 million in 1980, with the largest share, approximately 47 percent, going to Latin America. Imports of all products subject to these investigations in 1978 amounted to approximately 20.8 million tons, declining in 1979 to 17.3 million tons and in 1980 to approximately 15.3 million tons. U.S. imports for consumption from the countries subject to these investigations for the products covered by these investigations amounted to about 7 million tons in 1978, 5.3 million tons in 1979, and about 4 million tons in 1980.

However, cumulative comparative 10-month 1980 and 1981 data for these same products from respondent countries, which were not presented in the Staff Report in aggregate form, as submitted by certain petitioners citing Department of Commerce/Wharton sources, show totals of such imports for these comparable periods increasing by over 736,000 tons, representing a 22-percent increase over the total for 1980, reaching over 4 million tons in the past 10 months. This 1981 10-month level exceeded the approximately 4 million ton levels reached for all of 1980. 1/ Certain petitioners, citing the same sources, indicate that imports of the accused products from the respondent nations in the aggregate, as a share of aggregate domestic consumption, rose from 4.7 percent in the first quarter of 1981, to 7.2 percent in the second

1/ Brief of Cravath, Swaine & Moore, attorneys for petitioners Republic Steel, Inland Steel, J&L, National Steel, Cyclops (hereinafter "group of five"), pp. 190-191.

quarter, and to 10.7 percent in the third quarter. Correspondingly, shipments of the same products by domestic steel producers as a share of aggregate domestic consumption fell from 89.2 percent in the first quarter to 85.4 percent to 80.8 percent in the third quarter 1981. 1/

Total employees engaged in the production and sale of iron and steel products as compiled by the AISI decreased from 508,600 in 1974 to 453,200 in 1979. In 1980, this total went down from 453,200 to 398,800. Furthermore, AISI statistics indicate that average number of employees for the month of October 1981 was down further to 380,000. 2/ As of December 26, 1981, over 76,000 steelworkers were on lay off status as compared with about 24,000 in May 1981. Also, a large number of steelworkers were working a short work week in 1981, increasing from 2,536 as of the end of May, to 16,388 as of December 26, 1981. 3/

Total labor costs per hour increased from $14.30 in 1978 for wage employees, to $18.45 in 1980. The average annual increase in 1971 to 1980 was 12.8 percent. Productivity, as measured by the Bureau of Labor Statistics Productivity Index, which showed an increase from 1975 to 1979, went down in 1980 and registered only a 1.3-percent average annual increase in the 1971-80 period.

Net sales for 1980 of 17 U.S. producers accounting for an estimated 82 percent of total U.S. production of raw steel in 1980 were $35.4 billion down 9 percent from 1979's $38.9 billion level. Operating profit for the same period showed an even more drastic decline, dropping from $1.6 billion to $723 million, or by 55 percent. Cash flow from operations for these same companies was reduced by over 27 percent in 1979-80, dropping from $3 billion to $2.2

1/ Id. pp. 244-245.
2/ AISI "Steel Employment News" release dated Nov. 10, 1981.
3/ Brief of Cravath, Swaine & Moore, attorneys for the group of five, p. 182, citing Ms. Janet Nash of AISI as source.

billion. Capital expenditures for these 17 firms have been increasing each year from 1978 to 1980. At the same time, the ratio of operating profit to net sales has gone down from 5 percent in 1978 to 4.1 percent in 1979, to a dangerously low 2.0 percent in 1980, representing a decline of 60 percent for this critical ratio during that period. Similarly, adverse financial experience was reported for 18 selected producers, which provided usable data for operations which produced carbon steel products from 1978 to 1980. Although there was some improvement in net operating profit and net sales in 1981 for these firms, accounting for 80 percent of U.S. producers' shipments of carbon steel mill products subject to these investigations, operating profit margins were still well below 1978 and 1979 results, and many more firms reported operating losses. Profit-and-loss experience of 10 U.S. producers of alloy steel products accounting for 61 percent of U.S. shipments of such products evidenced improvement over 1980 on their gross and operating profits, but operating profits at 2.2 percent of sales were below 1978 levels of 2.7 percent, and, in any event, did not represent a satisfactory return. Comparative data for the domestic producers of all steel products under investigation indicate that with the exception of those producing hot-rolled alloy steel bar and cold-formed alloy steel bar they showed lower returns on their operations than did either all manufacturing companies or all durable goods producers for January-September 1981. In 1980, producers of hot-rolled alloy steel bar also registered lower returns on operations than did all manufacturing companies or durable goods producers. Of the nine products under investigation, producers of six products experienced negative operating profit ratios in 1980. In the more recent 1981 period, six of the nine products involved similarly showed negative operating profit ratios. For 1978 and 1979, producers of only one of these products evidenced a negative operating ratio.

I believe, consistent with my recent determinations on Hot-Rolled Carbon Steel Sheet From France and Hot-Rolled Carbon Steel Plate From Belgium, Brazil, and Romania, 1/ that the markets for these steel products are largely price sensitive, particularly in a period of falling domestic consumption for many of these products, which further exacerbates the potential impact of increased volumes of imports on prices.

Testimony by an experienced steel marketing executive has emphasized that, particularly in times of weak demand, price is the overriding factor in purchasing decisions over and above reliability, quality, service, proximity of source, etc. This particular testimony claims that no producer from Europe can make a product or quality because of particular facilities that domestic producers cannot make. 2/ The fact that product differentiation is not an issue, further underscores the importance of price as the determining factor in the steel business, and this reaccentuates the role that alleged subsidized or less-than-fair-value imports play in facilitating the obtainment of larger domestic market shares by foreign producers, to the detriment of the domestic industry. Furthermore, looking strictly at lost sales allegations may obscure the fact that competing domestic producers may have had to discount significantly in order to make sales and preserve cash flow.

The whole history of the domestic steel industry bears testimony to the fact that the demand for steel is inelastic. Fierce price competition in periods of slack demand has never expanded the demand for steel products. It has, however, changed the vendors, whichever one has the lowest quote. In

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1/ Investigation No. 701-TA-85 (Preliminary), January 1982, USITC Publication 1206; Investigations Nos. 701-TA-83 and 84 (Preliminary) and Investigation No. 731-TA-51 (Preliminary), January 1982, USITC Publication 1207.

2/ Written testimony of Mr. William F. Ewart, Senior Vice President, National Steel Corporation, before the USITC.

periods of peak demand, premium prices have never affected final demand--witness 1974, when premium prices were readily accepted by end users over a large spectrum of products without a corresponding weakening of demand.

Definition of the domestic industries

Pursuant to sections 771(4)(A) and 771(10) of the Tariff Act of 1930, I have determined the scope of the domestic industries involved in these investigations to be the nine different categories of steel products alleged to be sold at less than fair value or subsidized from Belgium, Brazil, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, Romania, and the United Kingdom as well as two countries for which the Commission is not charged with making an injury determination, Spain and the Republic of South Africa, as more fully detailed in respective descriptions of the product, its uses, characteristics, and methods of manufacture in the Report. These nine steel product categories are:

(1) hot-rolled carbon steel plate
(2) hot-rolled carbon steel sheet and strip
(3) cold-rolled carbon steel sheet and strip
(4) galvanized carbon steel sheet
(5) carbon steel structural shapes
(6) hot-rolled carbon steel bar
(7) hot-rolled alloy steel bar
(8) cold-formed carbon steel bar
(9) cold-formed alloy steel bar

On the basis of the information before me in these preliminary investigations, I have found each of the nine separate product categories to constitute a "like product," each of which possesses separate physical characteristics of size, shape, or composition and uses and serves markets that generally do not compete with one another; therefore, I have found that there are nine domestic industries involved in these investigations defined by these nine product categories.

Since the act prescribes such a domestic industry approach in these investigations, I believe, in ascertaining injury to the domestic industry affected in the conduct of these investigations, it is appropriate to consider as a relevant factor in all of these investigations the basic, commonsense economic reality of the impact of such imports on the domestic steel industry in general. This is why I have provided a summary glance at the state of the domestic steel industry which shows that it is not in good health.

Individual product lines in the nine categories, each of which makes up a separate industry in compliance with the Act, cannot be examined in a vacuum. In six of the nine product lines, the "industry" is heavily concentrated by the sizable market presence of large integrated producers. In the three other products which are high value-added finished products more typically characterized in market presence by mini mills and fabricators, you still have to look back to the raw-steel end, regardless of its source-- whether by an electric furnace operation contained in the same facilities or via purchased semifinished steel for a fabricating operation.

The steel industry has been accurately depicted as a capital intensive industry with the bulk of capital dollars, around 70 percent at the "front end," i.e., the hot-metal/raw-steel end. In an industry characterized by high fixed costs (in recent years a considerable portion of which emanated from government regulatory mandated facility improvements that while promulgating perhaps socially desirable results in pollution control and OSHA do not possess positive incremental cash flow benefits), an integrated producer's economic behavior whether pushing the steel through the flow-line to a finished good or to a semifinished state for sale to intermediaries such as steel service centers, fabricators, etc., must exhibit a rational concern for maximizing overall profits and favorable levels of capacity utilization rather than a focus on profits on any one line or product category.

Scrutiny of aggregate raw steel capacity utilization and overall financial experience is therefore of paramount importance; and in the end result, such an approach supersedes technical accounting distinctions and allocations on a product-line basis, in assessing the viability of an industry of significance to the U.S. not only from an economic standpoint but from a national security standpoint. Consequently, accounting profits booked on a product-line basis may in fact be illusory, e.g., based on arbitrary cost allocations, artificial inventory profits or on unrealistic depreciation schedules in view of replacement costs. Further, even if profits are in fact based on intrinsic economic reality, a microeconomic approach would dictate viewing tonnage on a marginal revenue product/marginal cost basis: that is, with an "industry," narrowly defined, booking profitable margins, the opportunity costs associated with potential lost tonnage of the product or at depressed or suppressed prices are magnified when associated with the overall high level of fixed costs that have to be covered on a raw-steel operating basis. Also, in financial analytical terms this approach recognizes that there is a high degree of operating leverage which magnifies gains on the bottom line when operating capacity rates increase incrementally but conversely increases losses when such rates incrementally decline past "break-even levels."

Therefore, in the conduct of these preliminary investigations, I have taken into consideration in my analyses of the effect of such imports on the "nine" industries defined, their impact on the overall condition of the steel industry. To do otherwise in my view would be indulging in analytical myopia as well as ignoring the effects and impacts other economic considerations which I consider relevant are having on this basic industry, some of which are allegedly caused by this increased volume and penetration of imports.

I would close by saying that the steel industry has many problems confronting it aside from the issues of alleged unfairly traded imports before the Commission in these investigations which are well-known and bear no repetition here. I must reiterate my previous discussion that the Statute does not require a weighing of such other factors against the factor of whether material injury to the affected domestic industry has been caused by unfairly traded imports in establishing the requisite causal linkage. I have taken such factors into consideration in my analyses.

I believe the following statement of Commissioner Stern set forth in her views concerning the preliminary investigation of Certain Carbon Steel Products in May 1980 is germane to the issues of material omission of critical information for these investigations:

> "In preliminary cases, I must base my determination as much on what information the Commission has not been able to gather (but has expectations of developing in a full scale investigation) as on the information before me." 1/

I feel however, that the record and information before me provides a reasonable indication that an industry in the United States could possibly be suffering material injury in these preliminary investigations by reason of allegedly unfairly traded imports from the countries cited and have made my determinations accordingly as set forth herein.

A final word is appropriate here. The magnitude of injury incurred by the basic steel industry and the segment of the industrial base of the United States dependent upon it is readily discernible. The steel industry has been

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1/ Statement of reasons of Commissioner Paula Stern in Investigations Nos. 731-TA-18-24 (Preliminary), Certain Carbon Steel Products From Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom, p. 41.

impacted financially and, as a result, is going through a period of self-liquidation. Numerous plants have been closed and companies have gone bankrupt. Questions are now being asked as to the extent of the erosion of our industrial base and possible national security problems. Tens of thousands of steelworkers' jobs have been permanently lost. Unemployment continues to run rampant and dozens of communities dependent upon the steel industry or its suppliers are facing difficult times. Total direct and indirect steel unemployment is now estimated to be in excess of 300,000 jobs which, aside from personal injury, also has a damaging negative impact on this Nation's effort to balance its budget. Imports continue to come in at record levels, putting additional pressure on the industry financially, thus jeopardizing its modernization programs as well as creating severe and continuing hardship for steelworkers and further impacting this Nation's balance of trade.

A preliminary finding that there is not a reasonable indication that imports are causing material injury (or threat thereof) to the domestic industry in the majority or all or the cases before the Commission would be a determination without the benefit of:

1. Proper analysis with necessary financial and technical information and understanding about the structure of the basic steel industry relative to cumulation issues, which as staff has advised me, the Report does not take into account;

2. Proper and complete internal analysis of the impact of lost gross revenues which are marginal and what their impact would be on net revenues and profits, particularly in an industry characterized by high fixed costs such as steel. Testimony was presented by Dr. Lawrence Klein, a Nobel Prize-winning economist, who did such an analysis that indicated there would be a more pronounced effect on net revenues. The analysis of the impact of lost gross revenues on net margins coupled with a detailed financial study which would include such points as breakeven analysis etc., are particularly important when considering an import from a country of a product representing a comparatively small or diminutive percentage of import penetration;

3. Detailed financial analyses other than mere reporting of revenues and income. Based on the premise that the steel industry is being self-liquidated, proper financial analysis then would confirm in many cases that although a profit may have been earned, it may be inadequate and as a result the facility could go into liquidation due to high replacement or modernization costs;

4. Availability of documented price data on imports. Any mention of price or price levels would be mere speculation unless the price data on the imports were supplied by Customs;

5. Proper documentation on lost sales information. The Commission in making its decisions was not in a position to comment on lost sales. When rendering an opinion, any comment or weight given to the Commission's data on lost sales would be mere speculation in that Commission Staff advised they were hastily put together, and therefore could be inaccurate and have no value;

6. Complete information on production capabilities of foreign producers for products and countries covered by these investigations and other international markets and related economic factors served by these products.

II. Hot-Rolled Carbon Steel Plate

In the investigations on hot-rolled carbon steel plate (invs. Nos. 701-TA-86 through 93 and 731-TA-53 through 60), I conclude that there is a reasonable indication that allegedly dumped and/or subsidized imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany are causing material injury to the domestic industry.

Condition of the domestic industry

About 15 firms produce hot-rolled carbon steel plate in the United States, operating approximately 30 establishments in which carbon steel plate is produced throughout the U.S., but centered primarily in Pennsylvania and the Great Lakes area. Domestic production is highly concentrated, with the four largest producers, accounting for 70 percent of total domestic producers' shipments in 1980, being fully integrated firms that provide a wide range of steel mill products. 1/

There is a reasonable indication that the domestic hot-rolled carbon steel plate industry is in poor health. Domestic production, which rose from 5,576,000 tons in 1978 to 5,897,000 tons in 1979, fell markedly to 5,564,000 tons in 1980 and 5,161,000 tons in 1981. The industry's practical capacity declined significantly from 9,713,000 tons in 1979 (having increased from 8,987,000 tons in 1978) to 9,051,000 tons in 1981 while capacity utilization during the 1978-81 period registered a substantial uninterrupted decline from a 62-percent level in 1978, to a 57-percent level in 1981. Although there were some additions to practical capacity, notably at Bethlehem Steel's Chesterlowa, Indiana, facilities in 1978, there have been a number of closures

1/ Report at II-6.

of carbon steel steel plate facilities during the period, most recently in February 1981 the permanent shutdown of Jones & Laughlin Steel's only plate mill and a hot strip mill in Pittsburgh, Pennsylvania. 1/

U.S. producers' shipments of carbon steel plate, which increased 3 percent from 1978 to 1979, fell 8 percent annually in 1980 and 1981, registering a 12 percent overall decline during the 1978-81 period, from 6,588,000 tons to 5,772,000 tons, with exports by producers accounting for less than 2 percent of total shipments and intracompany and intercompany shipments remaining relatively stable at 6 percent of total annual shipments during the same period. 2/ U.S. consumption of carbon steel plate also showed a significant uninterrupted decline from 8,452,000 tons in 1978 to 7,651,000 tons in 1980, and to an estimated 7,439,000 tons in 1981, representing a 12-percent overall decrease. 3/

Employment of production and related workers in the carbon steel plate sector fell from 19,143 workers in 1979 to 18,469 workers in 1980 and even more precipitously to 16,937 workers in 1981. Similarly, hours paid for production and related workers showed an almost 14 percent decline from 1979 to 1981, from 38,896 hours to 33,570 hours. 4/ Productivity data on tons per hour quantity basis remained unchanged from 1980 to 1981, having registered a 1.5-percent increase in 1980. Hourly compensation, however, increased continuously during the 1978-81 period; thus unit labor costs showed marked increases during the period, from $91 per ton in 1978 to $123 per ton in 1981, having not been offset by improved labor productivity. 5/

1/ Report at II-7 and II-8.
2/ Report at II-12.
3/ Report at II-9 and II-10.
4/ Report at II-15 and II-16.
5/ Report at II-18.

Although the 10 firms which furnished profit-and-loss data (accounting for 89 percent of total 1980 U.S. producers' shipments) showed aggregate profitability both on gross and operating profit bases, profitability remained extremely low and could be characterized as less than satisfactory. Operating profit margins, reaching 4 percent in 1978, declined to 1.4 percent in 1980, though increased to 2.3 percent in 1981. Indeed, six firms sustained operating losses in 1980 and four firms sustained such losses in 1979 and 1981. 1/

Reasonable indication of material injury by reason of imports

During the 1978-80 period, about 10 percent of total U.S. imports of all carbon steel mill products were accounted for by imports of carbon steel plate products. Although such imports declined from 2.0 million tons in 1978 to 1.3 million tons in 1979, they increased to 1.6 million tons in 1980, and showed even more significant increases on an 11-month January-November 1980 and 1981 comparative period basis, with 1.7 million tons imported during January-November 1981, compared with 1.4 million tons imported during the corresponding 1980 period. The ratio of imports from all sources to apparent domestic consumption decreased from 23.4 percent in 1978 to 15.9 percent in 1979, but subsequently increased to 20.5 percent in 1980 and 24.9 percent in January-November 1981, with the ratio of imports to U.S. producers' shipments following a similar trend. 2/

Imports from all countries subject to countervailing duty and antidumping investigations to the United States of hot-rolled carbon steel plate have evidenced substantial increases in terms of quantity, value, and relative to apparent domestic consumption during the recent period. Such imports, which

1/ Report at II-19.
2/ Report at II-10, II-28.

registered at levels of 1,194,000 tons ($291,888,000 in value) in 1978, having declined to 673,000 tons ($207,229,000 in value) in 1979, increased to 961,000 tons ($308,598,000) in 1980. Comparative January-November 1980 and 1981 data show imports of 869,000 tons in the 1980 period ($277,878,000 in value) increasing markedly to 1,116,000 tons ($409,444,000 in value) in the corresponding 1981 period. Likewise, such imports evidenced significant increases in penetration during this period of basically declining domestic consumption, with market penetration by such imports increasing from 8.5 percent in 1979 to 12.5 percent in 1980. Comparative January-November 1980 and 1981 data evidence even more dramatic trends, with 11-month 1980 penetration at 12.4 percent compared with the corresponding 1981 period registering a 16.0 percent penetration figure. The ratio of these imports to U.S. producers' shipments manifest similar patterns, showing figures of 9.9 percent in 1979, 15.4 percent in 1980, with 1980 and 1981 11-month comparative levels of 15.2 percent and 20.7 percent, respectively. Examining comparative data with respect to these relationships and import levels for the last two quarters for 1980 and 1981 disclose similar trends. 1/

Pricing information on imported hot-rolled carbon steel plate in these investigations warrants further investigation.

Worthy of some comment, at least during the preliminary phase of these investigations, was the result of direct inquiries of purchasers to furnish the delivered prices they paid in specific transactions for four imported and domestically produced hot-rolled carbon steel plate products. With one-third of the 66 purchasers responding, 22 providing price information on domestically produced hot-rolled carbon steel plate and 18 providing price information on certain imported plate from these countries, without knowing

1/ Report at II-28 through II-38.

the degree of participation in the domestic market of these purchasers, it would be difficult to characterize the results as representative and certainly the data arrayed is not comprehensive. However, there is an indication of material underselling in certain instances worthy of further scrutiny. 1/

My comments concerning lost sales data are subject to my concerns in this area set forth in the overview. With respect to lost sales, the staff was able to investigate in the time available 32 of 273 specific allegations of lost sales, with over 360,000 tons involved, and found price to be the major reason for purchasing the imported product in all 27 allegations confirmed. 2/ Allegations of lost sales from the three largest foreign suppliers of such merchandise in the U.S. market in 1980 and 1981 were discussed in the report. Coverage of these allegations was incomplete no doubt due to the time-frame involved, but the small number that were checked and confirmed indicated that price in most instances was the overriding factor in purchasing decisions, although in a number of instances, purchasers claimed they purchased the foreign product at trigger prices. 3/

The carbon steel plate industry appears highly price sensitive, and even more so during periods of stagnant or declining demand. Buyers usually are quite cognizant of prevailing market prices and are in a position to play off competing domestic and foreign offers. Low prices obtained by one firm, foreign or domestic, may have a broad-ranging impact on the market.

I believe information on pricing patterns, although obviously less than complete, coupled with the allegations of petitioners in these investigations

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1/ Report at II-52.
2/ Report at II-52 and II-53.
3/ Report at II-53 and II-54.

submitted for the record which have not been conclusively refuted by respondents, evidences a reasonable indication of possible price suppression and depression by reason of underselling attributable to allegedly dumped and subsidized imports which merits further investigation.

Accordingly, I conclude that there is a reasonable indication that the domestic industry has suffered material injury by reason of allegedly LTFV and subsidized imports.

III. Hot-Rolled Carbon Steel Sheet and Strip

In the investigations on hot-rolled carbon steel sheet and strip (investigations Nos. 701-TA-94 through 101 and 731-TA-61 through 67), I conclude that there is a reasonable indication that allegedly dumped and/or subsidized imports from Belgium, Brazil (except strip), France, Italy, Luxembourg, the Netherlands, the United Kingdom (except strip), and West Germany are causing material injury to the affected U.S. industry.

Condition of the domestic industry

About 20 firms in the United States produce hot-rolled carbon steel sheet in approximately 40 mills, and the principal producers can be characterized as largely integrated operations with the 6 largest U.S. producers of raw steel accounting for almost 70 percent of total U.S. producers' shipments of hot-rolled sheet and strip (as reported by AISI) in 1980. Hot-rolled sheet was the second largest finished carbon steel product manufactured by the U.S. steel industry in 1980. 1/

There is a reasonable indication that the domestic hot-rolled carbon steel sheet and strip industry is in poor health. U.S. production and practical capacity figures which increased substantially in 1979, reaching levels of 12.6 million tons and 19.4 million tons, respectively, fell markedly in 1980 to under 10 million tons and 18.8 million tons, respectively. Figures for 1981, while showing increases in production and capacity levels to 11.4 million tons and 19.4 million tons, respectively, must be tempered with a realized capacity utilization rate of 59.0 percent, significantly less than 1978's 65.7 percent level and representing less than satisfactory utilization, although an improvement over 1980's 52.5 percent rate. 2/ U.S. Producers'

1/ Report at III-6 through III-8.
2/ Report at III-9.

shipments showed similar trends, declining substantially in 1980 from 15 million tons to 11.5 million tons, and increasing to 12.6 million tons in 1981, still down 16 percent from the 1978 level. Comparative fourth quarter 1980 and 1981 results, however, show a 28 percent dropoff in 1981 shipments from corresponding 1980 levels. Exports of hot-rolled carbon steel sheet and strip accounted for about 3 percent of annual U.S. exports of all carbon steel mill products during the 1978-80 period, with January-November 1981 tonnage approximately the same reported for the corresponding 1980 period. Canada was the principal export market for hot-rolled sheet and strip, receiving approximately 50 percent of such exports from January 1978 to November 1981. 1/

Apparent U.S. consumption of these products declined about 27 percent from 18.3 million tons in 1978 to 13.3 million tons in 1980. Although consumption during the January-November 1981 period increased by 15 percent to 13.7 million tons over the corresponding 1980 period, these levels are substantially less than 1978 and 1979 levels. The share of the market supplied by domestic producers increased from 1978 to 1979 and remained stable in 1980 to January-November 1981, with imports yet maintaining almost 15 percent penetration on a domestic consumption basis and over 17 percent with respect to domestic shipments. However, quarterly comparative data for 1980-81 through the third quarter indicate that, following a decline in market penetration of imports from 17.6 percent in April-June 1980 to 7.4 percent in January-March 1981, this trend changed abruptly as imports almost doubled their share of the market and continued to increase their share in July-September 1981 to 17.4 percent with respect to apparent domestic consumption, and, as producers' shipments declined, to over 20 percent with respect to domestic shipments. 2/

1/ Report at III-9 through III-12.
2/ Report at III-6.

Inventories, though representing on a yearend basis about 6 percent of producers' total annual shipments in each of the 1978-81 periods, showed a substantial 14-percent increase on an end-of-year basis in 1981 from 1980 levels. 1/

Employment of production and related workers in the hot-rolled carbon steel sheet and strip sector increased from 23,103 to 25,400 in 1979, dropped almost 20 percent to 20,432 in 1980, and increased almost 10 percent in 1981 to 22,404, a level nonetheless almost 12 percent below 1979 employment levels. Hours paid for production and related workers followed a similar trend, at the end of 1981 down almost 14 percent from 1979 levels. Hourly compensation increased steadily from 1978 to 1980 with minimal changes in productivity resulting in a unit labor cost per ton increase from $60.98 in 1978 to $78.83 in 1980. However, labor productivity showed an almost 5 percent increase in 1981 over what it was in 1980, which mitigated hourly compensation increases of only half 1979-80 increases, resulting in a much lower increase, 4 percent, in unit labor costs in 1981 to $81.81 per ton. 2/

Financial experience on a profit-and-loss basis reported by nine producers accounting for (in terms of 1980 shipments) about 83 percent of U.S. producers' shipments evidenced most unsatisfactory results. Aggregate operating profit declined from $162 million (4.8 percent of net sales) to $95 million in 1979 (2.4 percent of net sales), notwithstanding an increase in net sales of hot-rolled carbon steel sheet and strip from $3.3 billion in 1978 to $4.0 billion in 1979. Although net sales in 1981 increased to $4.0 billion

1/ Report at III-11.
2/ Report at III-13 through III-15.

from $3.1 billion in 1980, reporting firms sustained significant operating losses of $237 million (or 7.5 percent of net sales) in 1980 and $139 million (or 3.5 percent of net sales) in 1981. Six firms reported losses in 1981, and 8 in 1980, compared with five and four firms so reporting in 1978 and 1979, respectively. 1/

Reasonable indication of material injury by reason of imports

During the 1978-80 period, imports from all sources of hot-rolled carbon steel sheet and strip accounted for about 15 percent of total U.S. imports of all carbon mill products. About 2.0 million tons ($637 million) were imported in January-November 1981, compared with 1.8 million tons ($509 million) during the corresponding months of 1980. All imports of these products had declined from 3.4 million tons in 1978 to 1.9 million tons in 1980. Imports from all countries subject to these investigations provided 54 percent of total imports in 1980. 2/

Domestic market penetration by imports of hot-rolled sheet and strip from all sources declined from 18.4 percent in 1978 to 14.7 percent in 1980 and during the January-November 1981 period accounted for about the same share of the U.S. market; but on a quarterly basis, such imports have evidenced a greater degree of penetration in 1981, rising from a low of 7.4 percent in January-March to 17.4 percent in July-September. 3/

Although such imports of hot-rolled carbon steel sheet and strip from all countries subject to these investigations declined from 2.2 million tons in 1978 to 1.1 million tons in 1980, during the January-November 1981 period, levels hit 1.2 million tons, representing a 9-percent increase from those in

1/ Report at III-16.
2/ Report at III-21.
3/ Report at III-6.

the corresponding period of 1980. In terms of market share with respect to apparent domestic consumption similar trends were discerned: 1978, 12.2 percent, 8.0 percent in 1980 and 8.5 percent in January-November 1981. However, on a quarterly basis more dramatic trends are apparent; such imports increased rapidly from 89,000 tons in January-March 1981 to 415,000 tons in July-September, and levels for October-December of 515,000 tons were double the amount imported in the corresponding quarter of 1980. Market share by these imports also increased substantially from 2.5 percent in January-March 1981 to 11.1 percent in July-September 1981. 1/ As a percentage of U.S. producers' shipments, such imports evidenced a similar pattern, climbing from 2.6 percent in January-March 1981 to 13.1 percent in July-September. 2/

Pricing information on imported hot-rolled carbon steel sheet and strip warrants further investigation. Direct inquiry of purchasers of these products to supply data on actual transactions in 1981 was somewhat illuminating but appears hardly representative. Some trends were discerned; for example, margins of underselling of these products were manifest in a number of instances, although differences in such margins were seen among source countries and by location of the purchaser; in several instances the price of the imported product exceeded the domestic price; in general average margins of underselling were smaller on sales to end-user customers. 3/

My observations on lost sales data obtained are subject to my aforementioned concerns in this area. A total of 16 specific allegations of lost sales of hot-rolled carbon steel sheet to imports were investigated by the staff. Ten purchasers indicated lower price as the principal factor

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1/ Report at III-22 and III-23.
2/ Report at III-29.
3/ Report at III-30 through III-41, and app. J.

in their purchasing decisions. 1/ Further inquiry into this area is definitely warranted.

The carbon steel sheet and strip sector appears highly price sensitive, even more so during periods of stagnant or declining demand. Buyers usually are quite cognizant of prevailing market prices and are in a position to play off competing domestic and foreign offers. Low prices obtained by one firm, foreign or domestic, may have a broad-ranging impact on the market.

I believe information on pricing patterns, albeit obviously less than comprehensive and complete, coupled with the allegations of petitioners in these investigations which not been conclusively refuted by respondents, evidences a reasonable indication of possible price suppression and depression by reason of underselling attributable to allegedly dumped and/or subsidized imports which merits further investigation.

Accordingly, I conclude that there is a reasonable indication that the domestic industry has suffered material injury by reason of allegedly LTFV and/or subsidized imports.

1/ Report at III-41.

IV. Cold-Rolled Carbon Steel Sheet and Strip

In the investigations on cold-rolled carbon steel sheet and strip (Investigations Nos. 701-TA-102 through 109 (Preliminary) and 731-TA-68 through 74 (Preliminary) I conclude there is a reasonable indication that allegedly dumped and/or subsidized imports from Belgium, Brazil (except strip), France, Italy, Luxembourg, the Netherlands, the United Kingdom (except strip), and West Germany are causing material injury to the affected industry.

Condition of the domestic industry

According to the AISI, 16 domestic companies have the capacity to produce cold-rolled carbon steel sheet and 31 companies have the capacity to produce cold-rolled carbon steel strip. Eight carbon steel producers accounted for over 75 percent of total U.S. shipments of these products in 1980. 1/

There is a reasonable indication that the domestic cold-rolled carbon steel sheet and strip industry is in poor health. U.S. production of cold-rolled carbon steel sheet and strip which remained stable at 13.2 million tons in 1978 and 1979 declined 22 percent to 10.3 million tons in 1980. Although production increased to 11.2 million tons in 1981, this was still 2 million tons and 15 percent below 1978 levels. Domestic production capacity during the 1978-81 period evidenced a slight 2-percent increase, but capacity utilization during the same period fell significantly, from 84.7 percent in 1978 to 64.8 percent in 1980, increasing somewhat in 1981 to 70.4 percent. 2/

U.S. producers' shipments of cold-rolled carbon steel sheet and strip declined steadily from 18.2 million tons in 1978 to 13.4 million tons in 1980, though accounting steadily for about 20 percent of aggregate domestic shipments of all carbon steel mill products.

1/ Report at IV-5 through IV-8.
2/ Report at IV-10.

In 1981, U.S. producers' shipments increased to 14.5 million tons, increasing 8.4 percent from what they were in 1980, but still representing a 19.9-percent decline from 1978 shipment levels. Moreover, on a quarterly basis, U.S. producers' shipments declined sharply from 4.3 million tons in April-June 1981 to 2.8 million tons in October-December, and fourth quarter 1981 levels represented a 26.7-percent decline from corresponding fourth quarter 1980 shipments. 1/

Exports of cold-rolled carbon steel sheet and strip ranged from 3 to 5 percent of annual U.S. exports of all carbon steel mill products during 1978-80, but made up less than 1 percent of total domestic shipments. Such exports declined from 120,000 tons in 1978 to 103,000 tons in 1979, but then rebounded in 1980 to 124,000 tons. However, exports during the January-November 1981 period were 67,000 tons, 43 percent below the level of exports in the corresponding period of 1980. Canada was the primary export market for these products during this period, although in 1980 Brazil surfaced as an important market, accounting for 31 percent of exports. 2/

U.S. producers' inventories, which evidenced an irregular decline from 878,394 tons in 1978 to 774,488 tons in 1980, increased 9.3 percent on an end-of-year basis from December 31, 1980, to December 31, 1981, to 846,870 tons. 3/

Employment of production and related workers in the cold-rolled carbon steel sheet and strip sector increased from 37,632 to 39,223 in 1979, but declined 18.3 percent to 32,050 in 1980. Employment of such workers increased, however, 10.1 percent to 35,303 in 1981, but this still represented a 6-percent decline from 1978 levels and a 10-percent decline from 1979

1/ Report at IV-11.
2/ Report at IV-11 and IV-12.
3/ Report at IV-13.

figures. 1/ Some industry observers claim an appropriate industry benchmark "full employment" figure is the average employment attained in the 1973 and 1974 period, which for these products was 52,000. 2/ Using this benchmark, employment levels for 1981 are off benchmark levels by over 32 percent. Hours paid for production and related workers followed the same trend as employment. Wages paid to such workers increased by 17 percent over the 1978-81 period, while productivity declined each year, resulting in a 48-percent overall increase in unit labor cost per ton during this period. 3/

Financial experience on a profit-and-loss basis reported by nine producers (accounting for in terms of 1980 U.S. producers' shipments 77 percent) manifest the poor health of this industry. Aggregate gross profits which were $236 million in 1978 (5.0 percent of net sales) on $4.7 billion of net sales declined in 1979 to $180 million on $5.3 billion of net sales (3.4 percent) hitting red ink at losses of $264 million on $4.2 billion in net sales (9.2 percent of net sales) in 1980 and losses of $149 million on $4.9 billion (5.9 percent of net sales) in 1981. Likewise losses on an operating profit (loss) basis were recorded in 1980 and 1981 at $383 million and $293 million, respectively. Eight and seven firms reported operating losses in 1980 and 1981, respectively, compared with three firms in 1978 and four firms in 1979. 4/

1/ Report at IV-14.
2/ Brief of testimony of Eugene L. Stewart, Esq., on behalf of Bethlehem Steel, 2/3/82, citing AISI and U.S. Dept. of Labor/BLS as sources, p. 123.
3/ Report at IV-14 through IV-16.
4/ Report at IV-17.

Reasonable indication of material injury by reason of imports

During 1978-80, imports from all sources of cold-rolled carbon steel sheet and strip accounted for 10 to 15 percent of total U.S. imports of all carbon steel mill products. Such imports declined each year from the 1978 level of 3.2 million tons to 2.4 million tons in 1979 and 1.5 million tons in 1980, although subject merchandise imports increased to 1.6 million tons in 1981. Imports from all countries subject to these investigations accounted for 60 percent of total imports in 1980. In relation to U.S. consumption, imports of cold-rolled carbon steel sheet and strip from all sources declined from 15 percent in 1978 to 10 percent in 1980 and January-November 1981; but on a quarterly basis in 1981 imports have taken a larger share of the market, rising from a low of 5 percent in January-March to 12 percent in July-September. 1/

Although imports of cold-rolled carbon steel sheet and strip from all countries subject to these countervailing and antidumping investigations steadily declined from 1.7 million tons in 1978 to 671,000 tons in 1980, imports during January-November 1981 increased to approximately 831,000 tons, after netting out imports of cold-rolled carbon steel sheet from the United Kingdom and cold-rolled carbon steel sheet from Brazil which were excluded from these investigations, as compared with approximately 591,000 tons during the corresponding period of 1980. Value represented by such imports during the January-November 1980 and 1981 periods (including those imports from the United Kingdom and Brazil excluded from the investigations, which represented approximately 0.4 percent and 2.1 percent of total imports from respondent

1/ Report at IV-5 and IV-24 through IV-26.

countries for the 1980 and 1981 periods, respectively) was approximately $215 million and $334 million, respectively. 1/ Looking at such imports on a quarterly basis during the 1980 and 1981 period reveals some dramatic trends. Imports of 403,000 tons in the last quarter of 1981 were double the comparable 1980 quarter and, for the comparable July to December 1980 and 1981 period, imports increased 97 percent from 366,000 tons to 721,000 tons. A figure representing market penetration of such imports as a share of apparent U.S. consumption on a percentage basis was not available for the fourth quarter 1981, but third quarter 1980 and 1981 comparative results evidence a significant increase in market share taken by such imports from 4.8 percent to 7.6 percent which appears more representative of trends in this respect than comparative January-November 1980 and 1981 overall penetration figures which were 4.4 percent and 5.5 percent, respectively, still representing an increase. 2/

Although there is no doubt that recent market conditions in, for example, the automotive and construction industries have reduced demand for steel sheet and have had a dampening effect on prices, this has, I believe, rendered the domestic industry even more vulnerable on economic and financial bases to the effects of increased imports of such a price sensitive product allegedly subsidized and/or sold at less than fair value. Results of Commission inquiries from domestic producers and importers to supply data on actual transaction prices and on average net selling prices paid by steel purchases, while hardly comprehensive or even perhaps representative and though mixed, show indications of greater than an inconsequential degree of such imported products underselling domestic products and deserve further inquiry. Staff

1/ Report at IV-28.
2/ Report at IV-25 and IV-27.

investigation of specific allegations of lost sales of cold-rolled carbon steel sheet to imports was less than complete and I cannot at this time draw any definite conclusions one way or another from the results cited in the report. 1/

I believe information on pricing patterns, although less than complete, coupled with the allegations of petitioners which have not been conclusively refuted by respondents, evidences a reasonable indication of possible price suppression and depression by reason of underselling attributable to alleged dumped and/or subsidized imports which warrants further investigation.

Accordingly, I conclude that there is a reasonable indication that the domestic industry has suffered material injury by reason of allegedly LTFV and/or subsidized imports.

1/ Report at IV-35 through IV-43 (please refer to my observations in the overview section on lost sales data).

V. Galvanized Carbon Steel Sheet

In the investigations on galvanized carbon steel sheet (investigations Nos. 701-TA-110 through 116 (Preliminary) and 731-TA-75 through 81 (Preliminary)), I conclude that there is a reasonable indication that allegedly dumped and/or subsidized imports from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany are causing material injury to the domestic industry.

Condition of the domestic industry

The bulk of U.S production of galvanized carbon steel sheet is accounted for by the seven largest integrated steel producers in the United States, with production concentrated in the North Central and Midwestern regions of the United States. 1/

There is a reasonable indication that the domestic galvanized carbon steel sheet industry is in poor health. Apparent U.S. consumption declined from 8.7 million tons in 1978 to 6.5 million tons, down 25 percent. While consumption during January-November 1981 of 6.6 million tons amounted to a 13 percent greater level than the corresponding 1980 period, such levels still represent a lower level of demand for these products than in 1978 and 1979. 2/ U.S. production of these products reported by firms responding to Commission questionnaires (usable data by producers accounted for 73 percent of total shipments of galvanized sheet in 1980) increased slightly from 4.5 million tons in 1978 to 4.7 million tons in 1979, fell to 3.7 million tons in 1980 and increased to 4.4 million tons in 1981. Capacity during the period, which had increased from 6.2 million tons in 1978 to 6.7 million tons in 1979, declined to 1978 levels in 1981, with capacity utilization rates dropping

1/ Report at V-6.
2/ Report at V-3 and V-4.

precipitously from 72.7 percent in 1978 to 59.4 percent though rebounding to 70.7 percent for 1981, 1/ still a less than satisfactory operating rate. U.S. producers' shipments of galvanized carbon sheet which accounted for approximately 7 percent of aggregate shipments of all carbon steel mill products in the 1978-80 period, declined steadily from 6.4 million tons in 1978 to 5.2 million tons in 1980, or by 19 percent. Net shipments increased in 1981 12 percent to 5.8 million tons but this figure still represented a 10-percent overall decline from 1978 shipment levels. 2/ Examining 1981 domestic producers' shipments on a quarterly basis shows an even more marked decline from 1.6 million tons in January-March to 1.1 million tons the last quarter of 1981, representing a 26 percent drop from corresponding 1980 fourth quarter levels. 3/

Further, such indicators for this industry can be misleading. As an example, on the west coast, which is called the Western Region, domestic galvanizing capacity approximates 600,000 tons made up of Pinole Point, 150,000 tons, Kaiser Steel, 200,000 tons, and U.S. Steel, the balance. Market for galvanized in this region was approximately 900,000 tons in 1980 and has dropped to approximately 800,000 in 1981. The Western Region is a shortage region relative to galvanized sheet. Despite shortage conditions, Kaiser Steel is contemplating shutting done its galvanizing line and Pinole is currently running at 40 percent of capacity. Its not that the market or demand is not there but offshore competition with allegedly steep discounts estimated to be $50 per ton below domestic prices is claimed to be taking away the volume. Pinole could possibly discount more to obtain an order but financially if it did it would not survive. A company such as Pinole or any

1/ Report at V-7.
2/ Report at V-8.
3/ Report at V-8.

company can make some profit but can still go bankrupt if the conditions continue, because as an example a coating line when originally installed costs approximately $2 million but eventually must be replaced. Today if it were replaced, it would cost $20 million.

Yearend inventories of galvanized carbon steel sheet increased from 318,000 tons in 1977 to 377,000 tons in 1979, declining somewhat to 349,000 tons in 1980, but surging to 450,000 tons in 1981, the highest level during the period. 1/

The average number of production and related workers producing galvanized sheet which increased slightly from 13,123 in 1978 to 13,883 in 1979, declined by 13 percent to 12,046 in 1980, and increased again by 15 percent in 1981 to 13,919, representing an overall 6-percent increase for the period. Hours paid for such workers also followed a similar trend, yet for the overall period showed a smaller increase of 2.4 percent. Total compensation paid to such workers increased 43 percent during the period while labor productivity declined by 5 percent, forcing unit labor costs per ton up 47 percent. 2/

Financial experience on a profit-and-loss basis by producers (accounting for 73 percent of U.S. producers' shipments in 1980) are further manifestation of the poor health of this industry. Although net sales increased irregularly during 1978-81 from $2.0 billion to $2.4 billion in 1981 (having dropped to $1.9 billion in 1980), operating profits which increased from $108 million in 1978 to $135 million in 1979, plunged to operating losses recorded at $91 million in 1980 (negative 4.8 percent) and $29 million in 1981 (negative 1.2 percent). The number of firms reporting operating losses increased from 3 in 1978 and 1979, to 6 in 1980 and 5 in 1981. 3/

1/ Report at V-10.
2/ Report at V-11 through V-13.
3/ Report at V-14.

Reasonable indication of material injury by reason of imports

During the 1978-80 period, all imports of galvanized carbon steel sheet, which accounted for between 8 and 12 percent of total U.S. imports of all carbon steel mill products, declined each year from 2.3 million tons to 2.1 million tons in 1979 and 1.3 million tons in 1980 and 1981. As a share of U.S. consumption, such imports also declined from 27 percent in 1978 to 21 percent in 1980, but in 1981 on a quarterly basis, have taken a larger share of the market, rising from a low of 10 percent in January-March to 22 percent in July-September. 1/

Imports of galvanized sheet from all countries subject to these investigations which had declined steadily from 717,000 tons in 1978 to 276,000 tons in 1980 (from 8.3 percent of apparent domestic consumption in 1978 to 4.3 percent in 1980), increased 8 percent in 1981 to 299,000 tons. On a quarterly basis such imports increased consistently from 25,000 tons in January-March 1981 to 149,000 tons in October-December 1981, with respective market penetration data relative to apparent domestic consumption jumping from 1.4 percent the first quarter of 1981 to 4.8 percent in July-September 1981. 2/ During January-November 1980-81 corresponding periods such imports on a value basis increased 11 percent from $101 million to $112 million. 3/ Such imports with respect to U.S. producers' shipments also mirrored penetration levels on a consumption basis, looking at 1981 quarterly data, increasing from 1.7 percent of U.S. producers' shipments for the January-March 1981 quarter to 6.1 percent for the July-September 1981 quarter. 4/

1/ Report at V-19 and V-4, table V-2.
2/ Report at V-20 through V-23.
3/ Report at V-24.
4/ Report at V-29.

Data supplied by Cravath, Swaine & Moore, attorneys for certain Petitioners 1/ citing Department of Commerce/AISI/Wharton as sources, comparing first half of 1981 import penetration of these products of 1.8 percent with July through October 1981 monthly data on import penetrations reveal even greater penetration levels, reaching 8.0 percent for the month of October 1981 for such imports of galvanized sheet. 2/

Pricing data obtained on comparative imported and domestic products and lost sales information of a meaningful nature were incomplete and I believe no definitive conclusion can be drawn from what were obtained by staff. However, in viewing the financial experience and other adverse indicators of the industry, in particular the poor gross margins and adverse financial results in general undoubtedly even more accentuated during the last half of 1981 and exacerbated in terms of price sensitivity for these products by recent declines in end-use markets such as the automotive and construction industries, coupled with the allegations of petitioners in this respect which have not been conclusively refuted at this point, I believe there is a reasonable indication of possible price suppression and depression by virtue of such imports which warrants further investigation.

Accordingly, I conclude that there is a reasonable indication that the domestic industry has suffered material injury by reason of allegedly LTFV and/or subsidized imports.

1/ The "group of five", Republic Steel, Inland Steel, J&L, National Steel, and Cyclops.

2/ Jan. 11, 1982, brief of Cravath, Swaine & Moore, vol. II., p. 247.

VI. Carbon Steel Structural Shapes

In these investigations on carbon steel structural shapes, 1/ I conclude that there is a reasonable indication that allegedly dumped and/or subsidized imports from Belgium, the Federal Republic of Germany, France, Luxembourg, the United Kingdom, and Brazil are causing material injury to the affected U.S. industry.

Condition of the domestic industry

The principal domestic firms producing this product (accounting for an 85-percent share of 1980 U.S. producers' shipments of carbon steel structural shapes) are integrated producers, rolling a wide range of shapes, with the remaining producers (minimills), rolling small angles, channels, and standard beams on an assortment of bar or light structural mills. The condition of the U.S. industry producing carbon steel structural shapes has declined since 1979. Production increased somewhat from 1978 to 1979, but dropped from 4.1 million tons in 1979 to 3.7 million tons in 1981, representing a decline of about 10 percent. 2/ Domestic shipments also increased slightly from 1978 to 1979, but declined from 4.5 million tons in 1979 to 4.1 million tons in 1980 and 4 million tons in 1981, despite the fact that apparent U.S. consumption, which in 1980 declined 8 percent to 5.7 million tons from 1979 levels, had increased on a January-November 1980 and 1981 comparative basis 8 percent to 5.5 million tons. U.S. producers' shipments during the second half of 1980 and 1981 showed an 11-percent decline from approximately 2 million tons to

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1/ Investigations Nos. 701-TA-117 through 119 (Preliminary), 701-TA-121 (Preliminary), 701-TA-123 and 124 (Preliminary), and 731-TA-82 through 86 (Preliminary).

2/ Report at VI-4 and VI-7.

1.8 million tons. 1/ Exports of this product, accounting for about 4 percent of aggregate exports of all carbon steel mill products during 1978-80 accounted for less than 3 percent of net domestic shipments in 1980. 2/

Capacity for the production of structural shapes declined from 6.4 million tons to 6.3 million tons between 1979 and 1981. Utilization of available capacity dropped during that period, from 64.4 percent to 58.2 percent. 3/ U.S. producers' yearend inventories remained relatively constant throughout the 1978-81 period, at roughly 6 percent of total annual shipments. 4/

Employment of all persons and production and related workers in domestic establishments producing structural shapes rose with increased production in 1979, but fell significantly in 1980 and 1981 as production and domestic shipments declined. Employment levels of such workers in 1981 were 10.7 percent below levels in 1979. The number of hours worked similarly declined, although total compensation to production and related workers continued to increase, albeit at a much lower pace than from 1978 to 1979. 5/

The lack of profitability of the structural shapes industry is striking. The domestic industry producing structural shapes recorded a loss in every year from 1978 to 1981. 6/ The operating loss declined from $25 million in 1978 to $4 million in 1979, then ballooned to $62 million in 1980 and $66 million in 1981. Net sales for the comparable years were $1.1 billion in 1978

1/ Id. at VI-3 and VI-8.
2/ Id. at VI-9 and VI-10.
3/ Id. at VI-7.
4/ Id. at VI-10 and VI-11.
5/ Id. at VI-11 through VI-14
6/ Profit-and-loss data were received from seven firms accounting for 78 percent of U.S shipments in 1980.

increasing to $1.3 billion in 1979 and remaining flat at about $1.3 billion in 1980 and 1981. The ratio of operating loss to net sales decreased from 2.2 percent in 1978 to 0.3 percent in 1979, then increased markedly to 4.7 percent in 1980 and 4.9 percent in 1981. Four firms out of the U.S producers accounting for 78 percent of total shipments of structural shapes in 1980 reported operating losses in 1978 and 1979, increasing to five firms in 1980 and 1981. 1/

Reasonable indication of material injury by reason of imports

During the 1978-80 period, imports of structural shapes made up about 10 percent of total U.S imports of all carbon steel mill products. Such imports from all sources amounted to 1.8 million tons ($445 million in value) in 1978, 1.9 million tons ($579 million) in 1979, and 1.7 million tons ($575 million) in 1980. January-November 1981 figures of such imports showed an increase to 1.9 million tons ($668 million) compared with 1.6 million tons ($521 million) imported during the 1980 corresponding period. Imports from all countries subject to these investigations accounted for 47 percent of total imports in 1980 with other principal suppliers, Japan (36 percent) and Canada (15 percent). 2/

Imports from all countries subject to these investigations declined steadily from 899,000 tons in 1978 ($218 million in value) to 806,000 tons in 1980 ($258 million), but increased substantially by 32 percent to 1,065,000 tons in 1981 ($369 million value for 1.01 million tons through November). 3/

1/ Report at VI-16.
2/ Report at VI-23.
3/ Report at VI-24, Table VI-16, Table VI-17 at p. VI-26, and Table VI-18 at p. VI-27, Table VI-19, at VI-29. There are some minor mathematical inconsistencies in comparing totals of data which are arrayed differently on these tables.

Market penetration by these imports in terms of apparent domestic consumption increased rapidly also from 12.7 in October-December 1980 quarter to 19.8 percent in the July-September 1981 quarter. Such penetration by imports had been as low, relatively speaking, as 11.8 percent in the January-March 1980 quarter. Such imports for the corresponding July-December 1980 and 1981 periods increased from 397,000 tons to 511,000 tons, respectively, representing a 28.7 percent increase. 1/

Price trends based on average selling prices requested of domestic producers and importers for six carbon steel structural shape products selected to be "representative" appear inconclusive but there are some indications of underselling and sales lost due to underselling by such imports from all countries investigated except Brazil that warrant further scrutiny. 2/ The data developed here nevertheless cannot be described as comprehensive in coverage but do provide some indication of a possible pattern of underselling by such imports. I believe such data coupled with the allegations of petitioners which have not been conclusively refuted evidence a reasonable indication of possible price suppression and depression by reason of underselling attributable to allegedly dumped and/or subsidized imports which merits further investigation.

Accordingly, I conclude that there is a reasonable indication that the domestic industry has suffered material injury by reason of allegedly LTFV and/or subsidized imports.

1/ Report at VI-26.
2/ Report at VI-32 through VI-51.

VII. Hot-Rolled Carbon Steel Bar

In the investigations on hot-rolled carbon steel bar (investigations Nos. 701-TA-125 through 129, 701-TA-146, and 701-TA-147 (Preliminary)), I conclude that there is a reasonable indication that allegedly subsidized imports from Belgium, Brazil, France, Italy, Luxembourg, the United Kingdom, and West Germany are causing material injury to the affected industry.

Condition of the domestic industry

U.S. producer shipments have remained level for steel service centers and distributors from 1979 to the first 9 months of 1981, and declined slightly for machinery, industrial equipment, and tools market. The auto sector has been the largest user of hot-rolled carbon steel bar, although use of this product by this sector has declined from 1979 through the first 9 months of 1981. U.S. producers' net shipments of hot-rolled carbon steel bars were approximately 5.9 million tons in 1979, declining to a little over 4 million tons in 1980, and increasing to 4.2 million tons in 1981. 1/

Hot-rolled carbon steel bars are produced in the U.S. by three types of producers: integrated steel companies, mini-mills, and steel rerollers which purchase steel billets from abroad or domestic sources, and then roll these into bars. The major producers are the integrated mills. There are over 50 companies with capacity to produce carbon steel bars, and to operate approximately 92 mills in the U.S. There are more than 50 importers of this product from the countries subject to these preliminary investigations. These import firms in many cases, are owned by or affiliated with steel producers in the countries subject to these investigations. Ratio of imports to domestic consumption has been increasing since 1979, and in the last two quarters of

1/ Report at VII-7.

1981 these increases accelerated to 10.3 percent and 11.2 percent from 6.5 percent and 8.4 percent of the first two quarters of 1981. Apparent consumption and shipments increased in 1981 from what they were in 1980. Imports also increased, especially during the second half of 1981, just when shipments were going down as well as when consumption was going down. 1/ Capacity utilization by domestic producers has fallen severely from 68.1 percent in 1978 to 66.6 percent in 1979, and to 50.7 percent in 1980, improving slightly in 1981 to 52.9 percent. Capacity utilization in 1981 was about 14 percentage points less than in 1979 and U.S. production in 1981 was 24 percent less than production in 1979. 2/ Exports of hot-rolled carbon steel has accounted for only 3 percent of annual U.S. exports during the 1978 to 1980 period. For 1981, exports were higher than in 1980. Inventories at the end of 1981 were down to their lowest levels in the last 5 years. 3/

The number of workers producing hot-rolled carbon steel bar declined from 20,272 in 1978 to 19,677 in 1979, falling sharply to 14,396, representing a 27 percent curtailment in 1980, and then increasing slightly in 1981 to 14,579. Hours paid for workers producing this specific product line fell from 41.1 million in 1978 to 27.6 million in 1980, but increasing to 28.3 million in 1981. 4/ Value of wages paid for production and related workers in hot-rolled carbon steel bars were up in 1981 from what it was in 1980. Labor productivity increased by about 2 percent annually in 1978-81. Hourly compensation and unit labor costs although higher in 1981 than 1980, increased at lower percentages than for the previous 2 years, with increases in those two labor cost factors increasing at half the increases registered in 1980. 5/

1/ Report at VII-4, table VII-2.
2/ Report at VII-6.
3/ Report at VII-10.
4/ Report at VII-10.
5/ Report at VII-13.

Net sales for firms producing about 91 percent of total U.S. producers shipments of hot-rolled carbon steel bar had decreased in 1980 to $1.6 billion from $2.2 billion in 1979. Net sales increased in 1981 to $1.9 billion but these 11 firms' combined results manifested operating losses in both 1980 and 1981, with at least 6 firms individually reporting operating losses in each year. Capital expenditures of firms supplying data to the Commission for the production of hot-rolled carbon steel bars rose substantially from $158 million in 1978 to $253 million in 1980, and then declined in 1981 to $225 million. Research and development expenditures that were up in 1978 and in 1979 to $2.0 million and $2.1 million, respectively, were reported to have declined in 1981 to $1.5 million. 1/

Reasonable indication of material injury by reason of imports

Imports from all sources of hot-rolled carbon steel bar as a percentage of apparent U.S. consumption, have increased in both 1980 and 1981. 2/ Imports from the EC in January-November 1981 amounted to 132,000 tons or 73 percent more than imports in January-November 1980. The ratio of EC imports to apparent U.S. consumption of hot-rolled carbon steel bar remained at about 2 percent during the 1978 to 1980 period, but then rose to 3.1 percent in the first 11 months of 1981. 3/ Market penetration by the countries subject to the investigations in this product in the aggregate increased in 1981. Japan is still the largest exporter to the U.S. in the 1978 to November 1981 period of this product. The EC was second, and Canada third. Imports of hot-rolled carbon steel bars from the countries subject to these countervailing duty preliminary investigations and also Spain and South Africa, had been going

1/ Report at VII-14.
2/ Report at VII-5 and VII-21.
3/ Report at VII-22.

down in 1979 and in 1980. Then in 1981 they increased sharply from 134,325 tons in 1980 to 194,377 tons in 1981. 1/ This increase was sharply concentrated in the last three quarters of 1981, when these imports accounted for 55,797, 58,916 and 60,645 tons, respectively, after a first quarter of only 19,019 tons. For example, imports of hot-rolled carbon steel bars in the January-November 1981 period amounted to 13,000 tons from Belgium and Luxembourg, compared with 8,000 tons during the corresponding period of 1980. In the case of France for the same period, such imports increased from 3,000 tons to 5,000 tons in 1981. These 5,000 tons were brought into the U.S. market during an 11 month period in 1981, while in 1980 for the entire year 4,000 tons of this product were imported. Italy, though importing less than 500 tons for this period, still increased imports in tons and value from the corresponding period of 1980. United Kingdom almost doubled their imports in terms of tonnage, from 53,000 tons in the 1980 11-month period (January to November) to 102,000 tons. West Germany also increased tons imported, from 11,000 tons to 12,000 tons for the same 11-month period. Brazil, though it reduced tons imported for the comparable 11-month period by a considerable amount, the unit value per ton was lower than all other importers subject to these investigations and its imports in the last quarter of 1981 increased sharply from what they were in the last quarter of 1980. 2/

Several allegations were made of lost sales, and also purchases were made from foreign producers because of corporate relationships with steel producers in those countries. Price is the influential factor in purchasing this product, and these products appear highly price sensitive, even more so during periods of stagnant or declining demand.

1/ Report at VII-23, table VII-16.
2/ Report at table VII 20, at VII-28.

Information on comparative pricing patterns between domestic and imported products and countries involved is incomplete, but there are indications of underselling and of possible price suppression and depression that merit further scrutiny. I believe the information at hand, albeit incomplete, coupled with the allegations of Petitioners in these investigations submitted for the record at this point which have not been conclusively refuted point to a reasonable indication of possible price suppression and depression by underselling attributable to allegedly subsidized imports which merits further investigation.

Accordingly, I conclude that there is a reasonable indication that the domestic industry has suffered material injury by reason of allegedly subsidized imports.

VIII. Hot-Rolled Alloy Steel Bar

Introduction

In the investigations on hot-rolled alloy steel bars (investigations Nos. 701-TA-130 through 133 (Preliminary)) I conclude that there is a reasonable indication that the domestic industry is being materially injured by reason of allegedly subsidized imports of hot-rolled alloy steel bar from France, Italy, the United Kingdom, and West Germany.

Condition of the domestic industry

Some 34 firms produce hot-rolled alloy steel bars in the United States. During the 1978 to 1981 period the overall decreases in production, capacity, capacity utilization, 1/ quantity of shipments, 2/ employment of production and related workers in establishments producing hot-rolled alloy steel bar, paid hours worked, 3/ and inconsistency in attained operating profits and operating profits as a percent of sales, 4/ are only part of the reasons that the U.S. industry producing hot-rolled alloy steel bar as covered by this analysis, is vulnerable to the effects of and has possibly experienced material injury from collective imports from all countries subject to the referenced investigation numbers.

Reasonable indication of material injury by reason of imports

These imports from countries subject to these investigations rose very sharply from a depressed 11-month 1980 total of 8,406 tons to 49,147 tons in the first 11 months of 1981. In comparison, the full year 1979 level was only 12,067 tons. Including inflation, the value of these imports also rose

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1/ Report, table VIII-3.
2/ Id. table VIII-4.
3/ Id. table VIII-6.
4/ Id. table VIII-9. Nine firms accounting for about 62 percent of U.S. producer shipments.

significantly for the same comparison periods. 1/ Collectively imports from France, Italy, the United Kingdom, West Germany, Spain, and South Africa-all cited countries-accounted for 35 percent of imports in the January-November 1981 period, when such imports peaked in terms of both volume and share of imports. There was a general rise in imports in each quarter of 1981 as compared with the respective quarter in 1980. 2/ The penetration of imports from all countries subject to countervailing duty investigations as a percent of apparent U.S. consumption rose slightly from the 1978 year share of 1.7 percent to an 1981 11-month share of 2.1 percent and 2.5 percent in the third quarter 1981. However, it is important to note that such imports had only attained penetration levels of 0.5 percent of domestic consumption in 1979 and 1980. 3/

As I indicated in the overview, the Commission's comparison of indexes for producer prices, trigger prices, and unit values of imports has its limitations because of discounts or premiums that may exist relative to producers' list prices and other factors. Unit value of imports may also reflect changes in actual product mixes within hot-rolled alloy steel bar, and acceptable data from Germany were not available. 4/ Only limited transaction price information was obtained by the Commission in this preliminary investigation. In these analyses, it is not certain whether the samples contacted are representative of the industry. No purchasers reported prices for imported hot-rolled alloy steel bar. 5/ Certainly more investigation of pricing is required in my opinion.

1/ Id. table VIII-11.
2/ Id. at VIII-25.
3/ Id. tables VIII-14 and VIII-16. This includes also Spain and South Africa statistics.
4/ Id. table VIII-17.
5/ Id. at VIII-29.

Capacity details on foreign capabilities to produce hot-rolled alloy steel bars, the relative available markets abroad, availabilities of internal markets from growth in each foreign producing country and other information was lacking and does not justify in this respect discontinuance of the investigations. A preliminary investigation attempts to assess the possibility of present injury and imminent threat of material injury. Continuation of this investigation based upon the cumulated impact of the cited countries is appropriate because past small increases in market penetrations can be quickly altered upward as can prices. Also data on importers' inventories of these products were incomplete.

Although certain industry indicators appear mixed, I believe the industry is vulnerable to effects of and has possibly suffered material injury from evident increased imports allegedly unfairly traded and is not in good health. I must also recognize that much information including that bearing on threat is missing. I therefore determine there is a reasonable indication that the domestic industry producing hot-rolled alloy steel bar is possibly suffering material injury by reason of allegedly unfairly traded imports. I rely on the "low-threshold" intended by Congress to allow continuation of these preliminary investigations into final determinations, if the facts so warrant.

IX. Cold-Formed Carbon Steel Bar

With regard to the six countervailing duty investigations involving cold-formed carbon steel bar, 1/ I determine that there is a reasonable indication of material injury by reason of the allegedly subsidized imports from Belgium, Brazil, France, Italy, the United Kingdom, and West Germany.

Condition of the domestic industry

The facilities manufacturing cold-formed carbon steel bar have been faced in the years 1980 and 1981 with demand that was substantially lower than in the previous 2 years, with apparent consumption of 1.3 million tons in January-November 1981, though 9 percent higher than the corresponding 1980 levels, still considerably below 1.8 million tons in 1978 and 1.9 million tons in 1979. Some 40 firms produce cold-formed carbon steel bar in the United States. Only two large integrated steel producers, Republic Steel and Jones & Laughlin Steel produce these products, accounting for less than one-third of total U.S. producers' shipments of these products in 1981, but still a considerable portion. The rest of the firms are basically electric furnace/mini-mill and fabricator operations. 2/ U.S. production of the product fell sharply from 1979 to 1980 from 1 million tons to 738,000 tons. While production was up in 1981 to 796,000 tons, the increase still left production levels 24 percent below the 1979 mark. 3/ Shipment data reveal a similar trend, showing a 7 percent rise from 1978 to 1979, then a precipitous drop of almost one-third in 1980. Total domestic shipments then rebounded somewhat in 1981, but still represented a 28-percent decline from 1979 levels. 4/

1/ Investigations Nos. 701-TA-134 to 139 (Preliminary).
2/ Report at IX-4 through IX-7.
3/ Report, table IX-4, and IX-9.
4/ Id. at IX-9 and IX-10.

Capacity to produce cold-formed carbon steel bar fluctuated throughout the period from 1.3 million tons in 1978, reaching its highest level, 1.4 million tons, in 1981. Because of lagging production and shipment levels in 1980 and 1981, capacity utilization dropped sharply after 1979, falling to 56 percent in 1981. 1/ U.S. producers' inventories of the product remained fairly constant throughout the period at 10 to 12 percent of annual shipments. 2/

Employment trends followed the trends in production. The average number of workers engaged in producing the product increased 2 percent from 1978 to 1979, then fell 24 percent in 1980 but also fell an additional 4 percent in 1981. Employment of such workers in 1981 of 2,731 represented a 25-percent decline from 1978 employment levels. Hours paid for workers engaged in producing cold-formed carbon steel bar declined 30 percent from 1979 to 1980 and a further 1 percent in 1981. Total wages and compensation in 1980 and 1981 were also well below 1979 levels. Labor productivity fluctuated markedly during the 1978-81 period rising by 3 percent in 1979, declining slightly in 1980 and rising by 6 percent in 1981, but was outpaced substantially by gains in hourly compensation of 14 percent in 1979 and 1980 and 10 percent in 1981. Unit labor costs thus increased even more substantially or 32 percent during the period on a per ton basis. 3/

U.S. producers' profitability has suffered in the last 2 years as well. 4/ Net sales grew from $393 million in 1978 to $467 million in 1979, then declined radically in 1980. Rising sales in 1981 amounted to $411 million dollars, still well below the level of 1979. Operating profits were

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1/ Id., Table IX-4.
2/ Id. at IX-12.
3/ Id. at IX-12 to IX-15. It should be noted that U.S producers submitting usable data in thus regard accounted for 39 percent of total shipments in 1980.
4/ Profit-and-loss figures were submitted by four firms accounting for about 42 percent of U.S. shipments in 1980.

$16 million in 1978 and $19 million in 1979, or 4.1 percent of net sales in both years. However, losses of $7 million and $5 million were sustained in 1980 and 1981, respectively. These losses amounted to 1.9 percent and 1.2 percent of net sales. While only one firm reported operating losses in 1978 and none reported losses in 1979, four suffered losses in 1980, and three in 1981. 1/

Resonable indication of material injury by reason of imports

During the 1978-80 period, imports from all sources of cold-formed carbon steel bar comprised less than 1 percent of total U.S. imports of all carbon steel mill products, and fell from 141,000 tons in 1978 to 86,000 tons in 1980. However, during the January-November 1981 period 120,000 tons, a 58 percent increase over the comparable 1980 period, were imported. Market penetration by such imports with respect to apparent U.S consumption decreased from 7.8 percent in 1978 to 5.0 percent in 1979, but subsequently increased to 6.5 percent in 1980, and jumped to 9.0 percent in the January-November 1981 period. The uptrend for such imports is even more pronounced in examining 1980 and 1981 quarterly data which indicate that such imports rose irregularly from 24,000 tons in the first quarter 1980 to a peak of 36,000 tons a quarter in the last two quarters of 1981, showing a dramatic increase in penetration from 5.7 percent in January-March 1980 to 11.9 percent in October-December 1981. 2/ The principal supplier of cold-formed carbon steel bar to the U.S during January 1978 to November 1981 was Japan, accounting for 57 percent of total imports during the period with the EC supplying an aggregate of 26 percent of such imports. 3/

1/ Id. at IX-16.
2/ Report at IX-19, table IX-16.
3/ Report at IX-19.

Imports from all countries subject to these investigations and from Spain and South Africa similarly showed dramatic increases both in absolute levels and relative to domestic consumption. After having declined steadily from 42,509 tons in 1978 to 23,818 tons in 1980, such imports increased dramatically in 1981, 150 percent, from 1980 levels to 59,633 tons. Likewise import market penetration which stood at 2.3 percent in 1978 as a share of apparent domestic consumption declined to 1.6 percent in 1979, stood at 1.8 percent in 1980, and jumped to an estimated 4.2 percent for the 1981 period. 1/ Quarterly figures for the 1980-81 period evidence the surge in such imports from 4,298 tons in the third quarter of 1980 to over 16,000 tons in the third and fourth quarters of 1981 with July-December 1981 levels of 32,974 tons having increased over three times from the corresponding 1980 6-month period levels. Market penetration of such imports during the 1980 and 1981 period on a quarterly basis increased quarterly from 1.6 percent of apparent domestic consumption in the third quarter of 1980 to an estimated 5.5 percent for the fourth quarter of 1981. 2/ In terms of value, such imports to the U.S increased from $10.3 million to $33.3 million during the January-November 1980 and 1981 comparative periods. 3/

Data on prices of imported and domestic products and lost sales were quite incomplete with product and country coverage hardly comprehensive, but there are instances of possible underselling by these imports which warrant further investigation should final investigations be conducted. 4/

These data, coupled with allegations of petitioners in this respect which have not been conclusively refuted by respondents, evidence a reasonable

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1/ Report, table IX-12.
2/ Id.
3/ Report, table IX-14.
4/ Report at X-34 and IX-35.

indication of possible price suppression and depression by reason of underselling by such imports which merits further investigation.

Accordingly, I conclude that there is a reasonable indication that the domestic industry has suffered material injury by reason of allegedly subsidized imports.

X. Cold-Formed Alloy Steel Bar

In the countervailing duty investigations Nos. 701-TA-140 to 144 (Preliminary) on cold-formed alloy steel bar, I determine that there is a reasonable indication of material injury by reason of imports from Belgium, the Federal Republic of Germany, France, Italy, and the United Kingdom.

Condition of the domestic industry

During the 1978 to 1981 period the decreases in production, 1/ capacity utilization, 2/ employment of production and related workers in establishments producing cold-formed alloy steel bar, 3/ paid hours worked, 4/ flattened operating profits, 5/ and flattened operating profits as a percent of sales (though at first glance seemingly favorable) 6/ are only part of the reasons that the U.S. industry producing cold-formed alloy steel bar, as covered by this analysis, is vulnerable to the effects of and has possibly experienced material injury from collective imports from all countries subject to these countervailing duty investigations.

Reasonable indication of material injury by reason of imports

Such imports rose from a full-year 1978 quantity of 25,668 tons to an 11-month 1981 total of 42,066 tons. The share of apparent U.S. consumption more than doubled from 7.9 percent in 1978 to 16.1 percent for the first 11 months of 1981. 7/

1/ Report, table X-3.
2/ Id.
3/ Id., table X-6.
4/ Id.
5/ Id., table X-9.
6/ Id. Firms reporting accounted for only about 45 percent of total producer shipments of such products.
7/ Id. table X-11. Countries include Belgium, France, Italy, United Kingdom, West Germany and Spain.

Purchasers contacted by the Commission regarding cold-formed alloy steel bar prices failed to provide information regarding specific prices of imported bars. 1/ Selection of overall unit value of imports can be misleading if particular kinds of cold-formed alloy steel bars imported change between the periods measured. Producer price indexes can be misleading if based on list prices and changes in discounts or premiums from list prices are not reflected. Hence, the usefulness of price index comparisons such as those in table X-18 of the Report and the limited response to the Commission's efforts to get information in these preliminary investigations argue for obtaining more facts and continuing the investigations in this regard. When a set of different indexes is selected it is important to review pertinent domestic and international economic trends during the years selected in order to make a fair judgment on what year the index is based upon as well as what beginning and terminal years are selected for change measurement.

A few observations are in order with respect to seemingly mixed indicators of the industry's health. It is not enough to say that a product lines' profit as a percent of sales is above the average profits recorded for manufacturing concerns in the United States or to assume all capital investment in plant and equipment is for cash-generating productive improvements. As in any analysis of the condition of an industry, a particular product must not be divorced from the component, in view of the contribution it has in overall companies' viability. Also, age of equipment and recent levels of depreciation writeoff influence profit levels, that are perhaps misleading and illusory from an intrinsic economic standpoint.

1/ Id. at X-32 through X-38.

Also, it is not appropriate to have unresolved questions regarding the claimed misclassification of imports from France relative to cold-formed alloy bars. 1/

In the case of the cold-formed alloy steel bar industry, national security and other critical considerations that are economic factors of relevance must be addressed. The industry's petition is not frivolous nor marginal in my judgment. Weakening demand in many steel products and for U.S. raw steel produced in general in the fourth quarter of 1981 and so far during the first quarter of 1982 provides an economic context pertinent in reviewing this industry's condition during these preliminary investigations. There is a reasonable indication that U.S. firms producing cold-formed alloy steel bar did not maintain the more favorable operating rates and financial results that existed in the first half of 1981. Undue reliance on yearly average comparisons to say that a particular profit picture is extremely healthy may neglect quarterly changes and trends and how these must be related to overall companies' viability.

Even conditions which some may indicate contributed during the 1978 through 1981 period to an above average profit picture do not cover in toto the present or future threats of material injury which may reasonably exist because of impacts from allegedly subsidized cold-formed alloy steel bar exports from an accumulated group of countries. Additionally, it is important to note such profitability data were obtained from three firms accounting for only about 45 percent of total producers' shipments in 1980 of these products. It is important to state here, also, that end-of-period inventories of imports from all sources rose sharply from a 1980 level of 5,156 short tons

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1/ Id. at X-26 through X-32.

to a 1981 level of 16,949 short tons. 1/ This inventory accumulation represents an overhang which could disrupt the United States market. The effective capacity of foreign countries to export to the United States and other foreign markets is not even adequately referred to in the Report, nor is there detail on their own internal demand and other pertinent economic factors such as pricing patterns. These considerations have a bearing on the issue of threat to the domestic injury.

Although certain industry indicators appear mixed, I believe the industry is not in good health and is vulnerable to effects of and is possibly suffering material injury from evident increased imports. As stated, much data pertaining that bearing on threat is missing. I therefore determine that there is a reasonable indication that the domestic industry producing cold-formed alloy steel bars is possibly suffering material injury by reason of allegedly unfairly traded imports. I am relying on the "low-threshold" intended by Congress to allow continuance of these preliminary investigations into final determinations, if the facts so warrant.

1/ Id. table X-10.

XI. Conclusion

I conclude that there is a causal link between the allegedly subsidized and/or allegedly LTFV imports for all the products and from all those countries part of these investigations, with the material injury experienced by the domestic industry. The principal bases for my affirmative determinations are the significant cumulative impact that these alleged unfair imports have had on the operations and financial condition of the domestic producers, adverse employment trends, depressed levels of utilization of capacity, and their possible considerable influence in prices, which have had a material adverse effect on the condition of the respective domestic industries covered by these preliminary investigations, as well as the injurious effects to the overall health of the U.S. steel industry, which I believe is a relevant factor to consider in these preliminary investigations.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On January 11, 1982, petitions were filed with the Commission and the Department of Commerce by seven U.S. producers of steel products alleging that imports of certain steel products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany were being subsidized by the foreign governments (countervailing duty petitions) and/or sold in the United States at less than fair value (LTFV) (antidumping petitions). Accordingly, effective January 11, 1982, the Commission instituted the following investigations: 1/

Countervailing duty investigations

Investigations Nos. 701-TA-86 through 93 (Preliminary), hot-rolled carbon steel plate from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany;

Investigations Nos. 701-TA-94 through 101 (Preliminary), hot-rolled carbon steel sheet and strip from Belgium, Brazil (except strip), France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany;

Investigations Nos. 701-TA-102 through 109 (Preliminary), cold-rolled carbon steel sheet and strip from Belgium, Brazil (except strip), France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany;

Investigations Nos. 701-TA-110 through 116 (Preliminary), galvanized carbon steel sheet from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany;

Investigations Nos. 701-TA-117 through 124 (Preliminary), carbon steel structural shapes from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany;

Investigations Nos. 701-TA-125 through 129 (Preliminary), hot-rolled carbon steel bar from Belgium, Brazil, France, the United Kingdom, and West Germany;

Investigations Nos. 701-TA-130 through 133 (Preliminary), hot-rolled alloy steel bar from France, Italy, the United Kingdom, and West Germany;

1/ Detailed descriptions of the products covered by these investigations are presented in pts. II through X of this report.

Investigations Nos. 701-TA-134 through 139 (Preliminary), cold-formed carbon steel bar from Belgium, Brazil, France, Italy, the United Kingdom, and West Germany;

Investigations Nos. 701-TA-140 through 144 (Preliminary), cold-formed alloy steel bar from Belgium, France, Italy, the United Kingdom, and West Germany.

Antidumping investigations

Investigations Nos. 731-TA-53 through 60 (Preliminary), hot-rolled carbon steel plate from Belgium, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany;

Investigations Nos. 731-TA-61 through 67 (Preliminary), hot-rolled carbon steel sheet and strip from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany;

Investigations Nos. 731-TA-68 through 74 (Preliminary), cold-rolled carbon steel sheet and strip from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany;

Investigations Nos. 731-TA-75 through 81 (Preliminary), galvanized carbon steel sheet from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany;

Investigations Nos. 731-TA-82 through 86 (Preliminary), carbon steel structural shapes from Belgium, France, Luxembourg, the United Kingdom, and West Germany.

In the countervailing duty investigations, the Commission must determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the imports upon which bounties or grants are alleged to be paid.

In the antidumping investigations, the Commission must determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the imports which are alleged to be sold in the United States at LTFV.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notices in the Office of the Secretary, U.S. International Trade

Commission, Washington, D.C., and by publishing the notices in the Federal Register of January 20, 1982 (47 F.R. 2950). 1/ The conference was held in Washington, D.C., on February 3 and 4, 1982. 2/

The applicable statutes direct that the Commission make its determinations in these investigations within 45 days after receipt of the petitions, or in this case by February 25, 1982. The Commission's votes in the investigations were taken on February 18, 1982.

On February 8, 1982, the Department of Commerce published notice in the Federal Register that it was instituting countervailing duty and antidumping investigations on the basis of the petitions filed on January 11, 1982 (47 F.R. 5739). 3/ Commerce excluded certain products from certain countries from the scope of its investigations and, accordingly, the Commission terminated its investigations with respect to those products and countries. The investigations terminated by the Commission, effective February 3, 1982, are Nos. 701-TA-120 (Preliminary), carbon steel structural shapes from Italy, 701-TA-122 (Preliminary), carbon steel structural shapes from the Netherlands, and 731-TA-66 (Preliminary), hot-rolled carbon steel sheet and strip from the United Kingdom. In addition, certain products have been excluded from other ongoing investigations, as follows: carbon steel slab, which for tariff purposes is classified as hot-rolled carbon steel plate, 4/ from all the investigations on hot-rolled carbon steel plate; carbon steel strip originally rolled less than 12 inches in width and containing over 0.25 percent carbon 5/ from all of the investigations on hot- and cold-rolled carbon steel sheet and strip; and hot- and cold-rolled carbon steel strip from the United Kingdom (investigations Nos. 701-TA-100, 701-TA-108, and 731-TA-73 (Preliminary)). Accordingly, the Commission's determinations will not encompass these articles, and they are excluded from the statistical data in this report when possible. Commerce also instituted investigations on certain products from certain countries for which the Commission had not instituted investigations. Accordingly, effective February 3, 1982, the Commission instituted countervailing duty investigations on hot-rolled carbon steel bar from Italy (investigation No. 701-TA-146 (Preliminary)) and Luxembourg (investigation No. 701-TA-147 (Preliminary)). 6/

1/ Copies of the Commission notices are presented in app. A.

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

3/ Copies of the Department of Commerce notices are presented in app. C.

4/ For tariff purposes, slab is defined as a semifinished product of rectangular cross section having a width of at least four times the thickness, which is not less than 2 inches and not over 6 inches. When "slabs" greater than 6 inches in thickness are imported, they are classified under the tariff provisions for plate, a finished steel mill product. It is these products which are excluded from the scope of the investigations.

5/ This type of strip is a high-value product, which was excluded from the scope of the investigations by Commerce as it is not believed to be competitive with other types of strip.

6/ Copies of the Commission notices of the terminated and newly instituted investigations are presented in app. D.

As shown in its notices, Commerce also instituted countervailing duty investigations covering imports of all the cited products from Spain and all the cited products except cold-formed alloy steel bar from the Republic of South Africa. The Commission did not institute investigations on products from these countries since they have not signed the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (GATT) (GATT Subsidies Code) and are, therefore, not entitled to an injury determination by the Commission.

Discussion of Report Format

This report is organized in 10 parts on the basis of product groups, as follows:

Part I.	Overview
Part II.	Hot-rolled carbon steel plate
Part III.	Hot-rolled carbon steel sheet and strip
Part IV.	Cold-rolled carbon steel sheet and strip
Part V.	Galvanized carbon steel sheet
Part VI.	Carbon steel structural shapes
Part VII.	Hot-rolled carbon steel bar
Part VIII.	Hot-rolled alloy steel bar
Part IX.	Cold-formed carbon steel bar
Part X.	Cold-formed alloy steel bar

Part I contains general information on U.S. and foreign steel operations as well as some summary information on the specific products covered by these investigations. Most of the data presented in part I are from secondary sources, and much of the information is available only through 1980 at this time. When data for 1981 are available, they are also presented. Parts II through X present detailed information on each of the specified products, most of which is available for 1981 since it was obtained from questionnaires sent by the Commission to producers, importers, and purchasers of the steel mill products subject to these investigations. 1/ Data in parts II through X are presented in a manner that will allow the Commission the opportunity to evaluate the "reasonable indication of material injury" by reason of--

(1) imports of products in each product group from all countries subject to the investigations; 2/ or

(2) imports of products in each product group from each country subject to the investigations. 3/

1/ Because many of the allegations of subsidies and sales at LTFV contained in the petitions are not product specific, discussions of the nature and extent of these alleged unfair practices are presented in apps. E (alleged subsidies) and F (alleged sales at LTFV), rather than pts. II through X.

2/ For example, hot-rolled carbon steel plate from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany.

3/ For example, hot-rolled carbon steel plate from Belgium.

PART I. OVERVIEW

The Steelmaking Process

All the products covered by these investigations are produced in rolling mills by passing semifinished steel products through a series of grooved or reducing rolls. Detailed descriptions of the products included in each of these groups and discussions of their specific methods of production are presented in parts II through X of this report. This section contains information on the basic steelmaking process.

The Tariff Schedules of the United States Annotated (TSUSA) defines steel as--

> An alloy of iron and carbon which is malleable as first cast. Steel may contain other elements intended to enhance one or more properties and may contain elements unavoidably retained from raw materials, but iron must predominate, by weight, over each of the other elements. 1/

The TSUSA further defines steel as either alloy steel or "other than alloy" steel. Alloy steel is that--

> which contains one or more of the following elements in the quantity, by weight, respectively indicated:
>
> over 1.65 percent of manganese, or
> over 0.25 percent of phosphorous, or
> over 0.35 percent of sulphur, or
> over 0.60 percent of silicon, or
> over 0.60 percent of copper, or
> over 0.30 percent of aluminum, or
> over 0.20 percent of chromium, or
> over 0.30 percent of cobalt, or
> over 0.35 percent of lead, or
> over 0.50 percent of nickel, or
> over 0.30 percent of tungsten, or
> over 0.10 percent of any other metallic element. 2/

Steel defined as "other than alloy" is essentially equivalent to what is known in the trade as carbon steel. Carbon steel is the most widely used class of steel, accounting for the largest percentage of total steel production and the widest diversity in application. Its properties are controlled mainly by its microstructure and its carbon content.

The making of steel begins with the production of pig iron in a blast

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1/ Headnote 2(g) of schedule 6, pt. 2, subpt. B.
2/ Headnote 2(h) of schedule 6, pt. 2, subpt. B.

furnace. Iron ore, 1/ coke, 2/ and limestone are continuously fed ("charged") into the top of the furnace. As these materials descend, hot air is blasted into the furnace, forcing the coke to burn. This generates the gases and heat required to reduce the iron ore to molten form (pig iron). The molten iron descends to the hearth (or bottom) of the furnace, where it settles. The limestone combines with the impurities in the iron ore to form slag, which floats on top of the denser molten pig iron. The slag and pig iron are periodically drawn, or tapped, from the hearth of the furnace into ladle cars, where the pig iron is delivered to other parts of the steel mill for further processing.

The pig iron is converted into steel in a steelmaking furnace by removing excess carbon and impurities and adding desired elements in controlled amounts. Pig iron contains over 2 percent carbon and is not malleable, being brittle and limited in shaping ability. Steel contains a maximum of 2 percent carbon, is much stronger than pig iron, and can be shaped and rolled into a variety of mill products.

The three major types of steelmaking furnaces are the open-hearth, basic-oxygen, and electric. Pig iron, iron and steel scrap, and limestone are charged into these furnaces. They are heated to high temperatures, forming molten steel and slag. The slag is removed, desired alloying elements are added, and the molten steel is cast.

The oldest and least efficient type of furnace is the open-hearth, so named because the limestone, scrap, and molten iron are charged into a shallow steelmaking area (the hearth). The charge is then melted by burning fuel oil, tar, or gases. In recent years this process was modified by the introduction of oxygen, which significantly accelerates an otherwise slow process.

In the basic-oxygen-furnace (BOF) steelmaking process, the furnace is charged with scrap and molten iron. A cooled "lance" is lowered near the charge surface. Lime and other fluxes are added as pure oxygen is blown through the lance at supersonic speed. The oxygen combines with the carbon and other unwanted elements, separating these impurities from the molten charge and converting the remainder to steel. After the lance is withdrawn from the furnace, the furnace is tilted downward to pour the molten steel into ladles.

The electric steelmaking furnace uses electrodes to make molten steel. Unlike open-hearth and basic-oxygen furnaces, this furnace does not use molten iron from the blast furnace for its charge. Instead, it is charged only with

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1/ Iron, which makes up 5 percent of the earth's crust, is found in varying concentrations in numerous minerals (or ores). The principal ores from which iron is taken for steelmaking are hematite, magnetite, limonite, and siderite.

2/ Coal provides the needed fuel for steelmaking in the form of coke. Coke is a hard and nearly pure carbon product that is converted from coal in coking ovens. Unlike coal, it possesses properties that make it suitable for steelmaking. It has the ability to burn inside and outside, to retain its strength under the weight of iron ore and limestone, and to burn without fusing.

steel scrap. Three electrodes are lowered to just inches above the charge and electric currents are from one electrode into the charge and from the charge to another electrode, thereby melting the charge. Limestone and flux are added to the molten steel to remove the impurities, after which the furnace is tilted to pour off molten steel or slag.

The share of total raw steel 1/ produced in open-hearth furnaces in the United States declined sharply during the last 15 years, while the shares produced in basic-oxygen and electric furnaces increased, 2/ as shown below (in percent): 3/

	Open-hearth furnaces	Basic-oxygen furnaces	Electric furnaces
1966	63.6	25.3	11.1
1967	55.6	32.6	11.8
1968	50.1	37.1	12.8
1969	43.1	42.6	14.3
1970	36.5	48.2	15.3
1971	29.5	53.1	17.4
1972	26.2	56.0	17.8
1973	26.4	55.2	18.4
1974	24.3	56.0	19.7
1975	19.0	61.6	19.4
1976	18.3	62.5	19.2
1977	16.0	61.8	22.2
1978	15.6	60.9	23.5
1979	14.0	61.1	24.9
1980	11.7	60.4	27.9

After the molten steel has been poured or tapped from the steelmaking furnaces into ladles, it must be solidified into a manageable shape. This is accomplished by one of two methods: ingot molding or continuous casting. In ingot molding, molten steel is poured into ingot molds and allowed to cool and solidify. When the steel is solid, the mold is removed. Stripped ingots are taken to furnaces where they are heated until the temperature is uniform. The ingots are then transported to semifinishing mills, where they are rolled into semifinished steel products, usually slabs, blooms, and billets.

Continuous casting is a newer and more efficient method of producing slabs or billets, as the making and reheating of ingots is bypassed. In this

1/ Raw steel, as defined by the American Iron and Steel Institute (AISI), is steel in the first solid state after melting suitable for further processing or sale, including ingots, steel castings and strand or pressure-cast blooms, billets, slabs, or other product forms.

2/ The increase in production in electric furnaces is largely the result of the rapid growth in the number of "mini" steel mills (i.e., nonintegrated mills that do not have mines to supply raw materials or blast furnaces to produce pig iron).

3/ Compiled from data of the American Iron and Steel Institute.

process, molten steel flows from the ladle into a reservoir called a tundish. The tundish allows the molten steel to flow into the molds of the casting machine. Through water-cooling in the molds and rolling, the liquid steel is gradually solidified into slabs or billets.

Semifinished steel products are rough rectangular or cylindrical shapes of steel that are usually rolled into more advanced steel mill shapes. The principal semifinished products are slabs, blooms, and billets. Distinctions between these products are made according to size and cross-sectional dimensions. Slabs are oblong, tending to be relatively wide and thin. The TSUSA defines a slab as a semifinished product "of rectangular cross section, having a width of at least 4 times the thickness. A slab is not less than 2 inches and not over 6 inches in thickness . . . ." 1/ Blooms and billets tend to be more square; however, billets are smaller than blooms in cross-sectional area. The TSUSA defines blooms and billets as "semifinished products generally of rectangular or circular cross section, having a length several times greater than the maximum cross-sectional dimension, and, if rectangular, a width less than 4 times the thickness. A bloom is at least 36 square inches in cross-sectional area; a billet is less than 36 square inches but not less than 3 inches in cross-sectional area." 2/ The semifinished products are inspected for defects that may have arisen from the heating, rolling, and casting of the steel, and then sent to the finishing mills for conversion into finished steel products.

Steel Producers

U.S. producers

Steel production in the United States is heavily concentrated in large integrated firms, with the seven largest accounting for about 75 percent of total U.S. raw steel production in 1980. These firms not only operate blast furnaces and rolling and finishing facilities, but also own or operate mines which provide iron ore, coal, and limestone for the production of pig iron. The seven largest U.S. producers of raw steel are United States Steel Corp. (U.S. Steel), Bethlehem Steel Corp. (Bethlehem), LTV Corp. (LTV), National Steel Corp. (National), Republic Steel Corp. (Republic), Inland Steel Co. (Inland), and Armco, Inc. (Armco). In addition, there are about 10 other companies that produce in excess of 1 million tons of raw steel annually. Including these large firms, the Commission has identified about 100 U.S. producers of the products covered by these investigations. Most of the large firms produce most of the products covered, while many of the small firms produce only a limited number of them.

Several of the large integrated firms are diversified into activities unrelated to the production of steel. For example, U.S. Steel produces industrial chemicals and oil-drilling and pumping equipment, and it recently purchased Marathon Oil Corp. for $6.2 billion. National owns a savings-and-loan holding company and is engaged in the production of aluminum, finished

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1/ Headnote 3(c) of schedule 6, pt. 2, subpt. B.
2/ Headnote 3(b) of schedule 6, pt. 2, subpt. B.

aluminum products, and building components. Armco is engaged in the manufacture of oil-field equipment and fabricated metal and industrial products; the provision of financial services; and the development of natural resources. LTV is a major defense contractor and a diversified manufacturer of electronic products. Bethlehem is the least diversified of the firms mentioned above, but is nonetheless engaged in the building and repair of ships and the manufacture of oil-drilling platforms and plastics.

Minimills continue to gain in relative importance in the U.S. steel industry, accounting for an estimated 12 to 15 percent of total U.S. steel shipments in 1980. Minimills operate electric furnaces and specialize in the production of a narrow range of products--principally bars (primarily concrete reinforcing bars (rebars)) and, in some cases, wire rod and light structural shapes.

In recent years, U.S. Steel, Bethlehem, LTV, and Kaiser Steel Corp. (Kaiser) have closed certain steel-producing facilities, and in December 1981, McLouth Steel Corp. (the 10th largest U.S. producer) filed proceedings under Chapter 11 of the Bankruptcy Act.

The approximate number of U.S. firms producing the products subject to these investigations is shown below:

	Number
Hot-rolled carbon steel plate and sheet and cold-rolled carbon steel sheet	20
Galvanized carbon steel sheet	15
Carbon steel structural shapes	20
Steel bar	90

Foreign producers 1/

European Community.--Steel producers in the European Community (EC) 2/ accounted for about 18 percent of total world production of raw steel in 1980. Production by member countries is shown in table I-1 and is discussed in greater detail for those countries subject to these investigations in the sections of this report that follow.

1/ The statistical information in this section was compiled from various sources employing different methodologies of data collection, and much of it has been converted from metric tons to short tons by the Commission. It is presented to illustrate the relative significance of the various participants in the world steel market and should not be compared directly with data found in other sections of this report.

2/ Belgium, Denmark, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany.

Table I-1.--EC raw steel production, by countries, 1979, 1980, January-September 1980, and January-September 1981

(In millions of tons)

Country	1979	1980	January-September--	
			1980	1981
Belgium	14.8	13.6	10.8	10.0
France	25.8	25.5	20.2	17.8
Italy	26.7	29.2	22.2	20.0
Luxembourg	5.5	5.1	4.0	3.1
Netherlands	6.4	5.8	4.6	4.7
United Kingdom	23.7	12.4	9.1	12.4
West Germany	50.8	48.3	37.2	34.5
Other 1/	.9	.9	.8	.5
Total 2/	154.6	140.8	108.9	103.0

1/ Denmark and Ireland.

2/ Does not include data for Greece, which joined the EC in 1981. Total production of raw steel in Greece was about 1 million tons in 1980.

Source: Eurostat, Iron and Steel Monthly Bulletin, October 1981.

Raw steel capacity and capacity utilization for the EC (excluding Greece) are estimated annually by the Organization for Economic Cooperation and Development (OECD). Such data for 1978-80 are shown below: 1/

	Capacity (million short tons)	Capacity utilization (percent)
1978	185	69
1979	183	63
1980	183	57

Belgium.--Belgium was the fourth largest producer of raw steel in the EC in 1980, producing 13.6 million tons. However, this represented a decline of 8 percent from the 1979 total of 14.8 million tons. The decline was primarily attributable to reduced automobile production and reduced public and private construction in the EC. The Belgian steel industry employed approximately 48,000 workers in 1980.

The steel industry in Belgium has been characterized by extensive organizational restructuring during the past several years. Included in this restructuring were the mergers of steel producers Hainaut-Sambre and Thy Marcinelle-Providence (TMP) in 1979, and of Cockerill and the reorganized Hainaut-Sambre into Cockerill-Sambre in 1981.

1/ OECD, The Steel Market in 1980 and the Outlook for 1981, 1981.

The four principal Belgian steelmakers in 1980 were Cockerill, Hainaut-Sambre, Sidmar, and Forges de Clabecq. These four firms accounted for approximately 87 percent of all raw steel produced in Belgium in 1980. Cockerill was the largest Belgian steelmaker in that year, producing 3.9 million tons of raw steel. It makes a broad range of semifinished, flat-rolled, and wire-rod products. Although its production fell by 8 percent in 1980 from the 4.3 million tons produced in 1979, its shipments of rolled products remained fairly constant for the 2 years at about 3.3 million tons. 1/ Cockerill's primary U.S. importer is * * *.

Hainaut-Sambre was the second largest Belgian steelmaker in 1980, producing 3.7 million tons of raw steel. This figure represented the combined tonnages of Hainaut-Sambre and TMP, and was 15 percent lower than their aggregated production in 1979. Hainaut-Sambre is a fully integrated steel producer that makes a wide range of rolled steel products. These include plate products, which accounted for 29 percent of shipments in 1980, semi-finished products, which accounted for 22 percent, and wire rod products, which accounted for 21 percent. 2/ Hainaut-Ssmbre's primary U.S. importer is * * *.

Sidmar was the third largest Belgian steelmaker in 1980, producing 3.0 million tons of raw steel. This represented a 3-percent decline from production in 1979. Sidmar, which is a subsidiary of Arbed (Aciores Reunies de Burbach-Eich-Dudelange, S.A.) of Luxembourg, is primarily engaged in the production of flat-rolled products; it produced 2.3 million tons of hot-rolled sheet in 1980. Sidmar's shipments in 1980 were primarily of cold-rolled (1.5 million tons) and hot-rolled (0.6 million tons) finished products. 3/ Sidmar's U.S. trading arm is * * *.

Forges de Clabecq was the fourth largest Belgian steelmaker in 1980, producing 1.2 million tons of raw steel. This represented a 3-percent increase from its production in 1979, which Clabecq attributed to its improved productivity, most notably its increased proportion of continous-cast steel (in 1980, 98 percent of its semifinished steel was continuous cast). Clabecq is primarily a producer of plate products, which accounted for approximately 88 percent of its sales in 1980. 4/ Clabecq's primary U.S. importer is * * *.

France.--France was the third largest producer of raw steel in the EC in 1980, producing 25.5 million tons. In recent years its steel industry has undergone consolidation, with the result that it now consists of two major groups, Usinor (Union Siderurgique do Nord et de L'Est de la France) and Sacilor (Acieries et Laminoirs de Lorraine), both of which export most of the products under investigation to the United States. On November 27, 1981, both Usinor and Sacilor were nationalized by the French Government.

Of the two groups, Usinor is the larger, with an annual raw steel production capacity of about 13 million tons and a total employment of 34,750

1/ Cockerill's annual report for 1980.
2/ Hainaut-Sambre's annual report for 1980.
3/ Sidmar's annual report for 1980.
4/ Forges de Clabecq's annual report for 1980.

workers in 1980. 1/ Usinor produces a complete line of carbon, alloy, and stainless steel products for domestic consumption and export. Sacilor, with an annual raw steel production capacity of about 7 million tons and total employment of 25,000 in 1980, also produces a full range of steel products.

Another French firm which manufactures and exports some of the products subject to these investigations (specifically carbon steel structural shapes and hot-rolled carbon steel bar) is Societe Metallurgique Normandie (SMN). This firm was formed on January 1, 1982, and on June 1, 1982, will become owner of the steelmaking facilities known as Societe Metallurgique et Navale Dunkerque-Normandie. 2/ SMN is wholly owned by Usinor (50 percent) and Sacilor (50 percent), and will have an annual raw steel production capacity of 1.3 million tons.

Total French production of raw steel was 25.5 million tons in 1980, representing a slight decrease from production in the previous year. 3/ Raw steel production in France declined by about 12 percent in January-September 1981 from production in January-September 1980. French exports of semifinished and finished steel products totaled 11.8 million tons in 1980, representing a slight increase from the 11.6 million tons exported in 1979. 4/ France's principal export markets for steel products in 1980 were Italy (16 percent), West Germany (15 percent), Belgium/Luxembourg (8 percent), and the United States (7 percent). France's exports of finished steel products comprised primarily sheet products (30 percent), wire rods (15 percent), and tubes and fittings (15 percent).

Italy.--The Italian steel industry was the second largest producer of raw steel in the EC in 1980, producing 29.2 million tons. It employed approximately 99,000 workers and was the only EC member to increase its steel production from 1979 to 1980.

The Italian steel industry is very concentrated, with one producer, Italsider, accounting for 41 percent of total raw steel production in 1980. Italsider produces a wide range of steel mill products, including most hot- and cold-rolled flat products, bars, rods, sections and beams, welded tubes, rail tracks and accessories, and forgings and castings. Italsider operates three fully integrated plants (Taranto, Bagnoli, and Cornigliano) and numerous nonintegrated production and finishing facilities. It invested nearly $500 million in its steelmaking operations in 1980, with 93 percent of the total going to its three integrated steelworks. 5/ Italsider's marketing arm in the United States is * * *.

Exports of Italian steel products amounted to 10.0 million tons in 1980, representing a 2-percent decrease from the 1979 total of 10.3 million tons.

1/ Association of Iron and Steel Engineers, Directory of Iron and Steel Plants, 1981.

2/ SMN is currently leasing the facilities of Societe Metallurgique et Navale Dunkerque-Normandie.

3/ Eurostat, Iron and Steel Monthly Bulletin, October 1981.

4/ United Nations, Statistics of World Trade in Steel, 1980.

5/ Italsider's annual report for 1980.

Italsider accounted for 23 and 20 percent of Italy's exports in 1980 and 1979, respectively.

Luxembourg.--Luxembourg was the seventh largest producer of raw steel in the EC in 1980, producing 5.1 million tons. It has one major producer, Arbed, which employed approximately 20,000 workers in 1980.

Arbed, which operates four steelworks in Luxembourg, accounted for 90 percent or more of annual rolled-steel production in Luxembourg during 1975-80. In 1980, the company accounted for 99.5 percent of the country's total, rolling a wide range of steel products. The principal products were strip, semifinished products for sale, merchant bars, wide-flange beams, plate, sheet, sections, and sheet piling. Arbed's rolled steel production in 1980 amounted to 4.2 million tons, representing a very slight increase from the 1979 total. The increase was mainly the result of increased production of semifinished products for sale, which rose by 24.6 percent, wide-flange beams, which rose by 20.0 percent, and sheet piling, which rose by 3.9 percent. 1/

Arbed operates numerous steelmaking subsidiaries in other countries. These include Sidmar in Belgium; Lech-Stahlwerke, Stahlwerke Rochling-Burbach, and Eschweiler Bergswerks-Verein in West Germany; Belgo-Mineira in Brazil; and Felton & Guillcaume in Austria. Total raw steel production of the Arbed group amounted to 13.2 million tons in 1980, with Arbed, Sidmar, and Stahlwerke Rochling-Burbach accounting for 88 percent of the total. 2/ The principal sales outlet for Arbed in Luxembourg is TradeARBED, S.A.; in the United States it is TradeARBED, Inc., of New York City.

The Netherlands.--The Netherlands was the sixth largest producer of raw steel in the EC in 1980, with total production of 5.8 million tons. This represented a decline of about 9 percent from production in 1979.

Estel Hoogovens BV, IJmuiden, is the Netherlands' major steel producer, with capacity to produce about 7.7 million tons of raw steel a year. Raw steel production for the IJmuiden steelworks amounted to about 5.5 million tons in 1980, down from 6.1 million tons in 1979. Production of finished rolled products amounted to 4.5 million tons in 1980, down from 5.1 million tons in 1979. 3/

Estel Hoogovens is owned by the Estel group, a Netherlands-German concern. The firm produces a wide variety of carbon steel mill products, including hot- and cold-rolled sheet, bar, and pipe and tubing. About 7 to 8 percent of its shipments of rolled steel products are typically exported to the United States. 4/ The principal U.S. importers for Hoogovens are * * *, and * * *.

The United Kingdom.--The United Kingdom was the fifth largest producer of raw steel in the EC in 1980, with production of 12.4 million tons.

1/ Arbed's annual report for 1980.
2/ Ibid.
3/ Metal Bulletin, Jan. 9, 1981.
4/ Estel's annual report for 1980.

Its steel industry is dominated by one large, integrated, and diversified producer, British Steel Corp. (BSC), which is owned by the British Government. BSC produces in excess of 80 percent of all steel produced in the United Kingdom, and accounts for most of the U.S. imports under investigation from that country.

As with many other steel producers in the EC, BSC has undergone a series of consolidations and rationalizations in recent years. The most recent, begun in the fall of 1980 following a 3-month steel strike earlier in that year, resulted in the reorganization of BSC into two main profit centers and reductions in its capacities and labor forces at several manufacturing facilities. The result of this reorganization was that BSC's raw steel capacity in 1980 fell to 15.9 million tons, representing a decline of 4 percent from capacity in 1979, and total employment fell by 27 percent, from 166,400 workers in 1979 to 120,900 in 1980. Production of raw steel was 13.1 million tons in 1980, representing a drop of 16 percent from production in the previous year. 1/ Despite the various closures and reductions in force, BSC remains capable of producing a full range of semifinished and finished carbon, alloy, and stainless steel products, including all the products subject to these investigations.

Total production of raw steel in the United Kingdom in 1980 was 12.4 million tons, having declined 47 percent from production in the previous year. Production during January-September 1981, however, increased by about 37 percent over that during January-September 1980. 2/ U.K. exports of semifinished and finished steel products totaled 3.1 million tons in 1980, representing a sharp decline from the 5.0 million tons exported in 1979. 3/ The United Kingdom's principal export markets for steel products in 1980 were West Germany (11 percent), the United States (8 percent), and Italy (8 percent). Its exports of finished steel products were composed primarily of heavy sections (22 percent), 4/ light sections (16 percent), 5/ and tubes and fittings (14 percent).

West Germany.--West Germany was the largest producer of raw steel in the EC in 1980, with total production of 48.3 million tons in that year. Its steel industry is structured somewhat differently than those in other EC countries in that it is much less concentrated, and only one of the five major producers is Government owned.

The five major producers of steel in West Germany (which together accounted for 77 percent of West German raw steel production in 1980) are Thyssen, Klochner-Werke Gruppe, Estel-Hoesch, Krupp Stahl, and Stahlwerke Peine-Salzgitter, AG.

1/ BSC, Annual Report and Accounts, 1980-81. All data are for fiscal years, April to March.

2/ Eurostat, Iron and Steel Monthly Bulletin, October 1981.

3/ United Nations, Statistics of World Trade in Steel, 1980.

4/ Structural shapes 80 mm and over in cross-sectional dimension, and sheet piling.

5/ Bars, rods (excluding wire rods), and structural shapes less than 80 mm in cross-sectional dimension.

Thyssen is the largest West German steelmaker, with a raw steel production capacity of approximately 19 million tons. 1/ It produced 13.7 million tons of raw steel in fiscal year 1980, which represented a 4-percent increase over production in the previous fiscal year, and employment in its steel divison was 52,457 workers, representing a slight decrease from the number in the previous year. Thyssen and its specialty steel division, Thyssen Edelstahlwerke, produce all the products subject to these investigations.

The Klockner Group (Klockner-Werke Gruppe) is the second largest West German producer, with an annual steelmaking capacity of 9 million tons. The firm produced 6.1 million tons of raw steel in fiscal year 1980, 11 percent more than in the previous year. Total employment was 17,938 workers in 1980, slightly fewer than in the previous year. The Klockner Group produces all the products subject to these investigations.

Estel-Hoesch is the third largest steel producer in West Germany. The company is a Netherlands-German concern, formed in 1972 by the merger of Hoesch, of West Germany, and Koninklyke Nederlandsche Hoogovens en Staalfabrieken, of the Netherlands. Each concern is subordinate to a central management company, Estel, located in the Netherlands. 2/ The West German company of the Estel group (Hoesch) had a raw steel production capacity of 8.6 million tons in 1980. It produced 5.7 million tons of raw steel in that year, representing a 13-percent decrease from production in the previous year, and had a total employment of 46,560 workers. Hoesch produces most of the products subject to these investigations, with the exception of certain structurals and plates. 3/

Krupp Stahl is the fourth largest West German steel producer, with an annual steelmaking capacity of 7.7 million tons. Krupp's production of raw steel was about 5.4 million tons in 1980, slightly less than production in the previous year, whereas its total employment increased slightly, to 40,900 workers, in 1980. Krupp produces most of the products subject to these investigations, with the exception of certain plates. 4/

Peine-Salzgitter (Stahlwerke Peine-Salzgitter, AG), West Germany's only Government-owned steel company, is the fifth largest steelmaking concern in

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1/ Based on its output in the peak production years of 1973 and 1974.

2/ Representatives of the company state that Estel-Hoesch will split into two independent companies sometime in early 1982. Hoesch will then reportedly either continue as an independent entity, merge with Krupp Stahl, the third largest West German producer, or merge with Krupp Stahl and Peine-Salzgitter, the fifth largest West German producer. Although the latter merger is considered less than likely at the present time, should it occur the new Hoesch-Krupp-Salzgitter concern would combine three of the five largest West German steel producers, which together accounted for 37 percent of West German production of raw steel in 1980. See Wall Street Journal, Jan. 21, 1982, p. 30.

3/ See Bethlehem's petition in these investigations, p. 23. See also Commission of the European Communities, Iron and Steel Undertakings of the Community, 1980.

4/ Ibid.

that country, with an approximate steelmaking capacity of 6.1 million tons. 1/ It produced 4.9 million tons of raw steel in fiscal year 1980, representing a slight increase over its production in the previous year, while total employment remained stable at just above 17,000 employees. The firm produces all the products subject to these investigations except galvanized sheet.

In addition to the above firms, four others (Mannesmann AG, Stahlwerke Rochling-Burbach GmbH, Dillinger Huttenwerke, and Korf-Stahl AG) are major producers in West Germany. Together these nine firms account for well over 90 percent of West Germany's production of raw steel, which was 48.3 million tons in 1980. 2/ Total raw steel production in January-September 1981 declined by about 8 percent in comparison with production in January-September 1980.

West Germany's exports of semifinished and finished steel products totaled 21.1 million tons in 1980, slightly less than the previous year's total of 21.3 million tons. 3/ West Germany's principal export markets for steel products in 1980 were the U.S.S.R. (13 percent) and France (13 percent). The U.S. market accounted for 6 percent of its exports in that year. West Germany's exports of finished steel products comprised primarily sheet products (26 percent), tubes and fittings (20 percent), and plate products (13 percent).

Brazil.--The Brazilian steel industry produced 16.9 million tons of raw steel in 1980, ranking 10th among world steel-producing countries. This represented a 10-percent increase over production in 1979, and was primarily the result of increased production by companies within the Siderbras system.

Siderbras is a Government-controlled corporation in charge of federally owned steel corporations. It was established in 1973 to promote and stimulate new steel projects involving State participation, and presently controls seven operating Brazilian steel companies and two facilities under construction. The Siderbras group of companies produced 10.4 million tons of raw steel in 1980, representing 61 percent of total Brazilian production. Its three largest producers--Usinas Siderugicas de Minas Gerais (Usiminas), Companhia Siderurgica Paulista (Cosipa), and Compunhia Siderurgica Nacional (CSN)--accounted for over 90 percent of Siderbras' raw steel production and approximately 58 percent of total Brazilian raw steel production in 1980.

Usiminas was the largest producer within the Siderbras system in 1980, producing 3.6 million tons of raw steel. It is a fully integrated producer, making primarily plate, hot-rolled sheet, and cold-rolled sheet. Its shipments of rolled products in 1980 totaled 3.2 million tons, representing a 15-percent increase over shipments in 1979. Of total shipments, 3.0 million tons went to the domestic market, and 0.2 million tons were exported, principally to the United States. 4/

1/ Based on its output in the peak production years of 1973 and 1974.
2/ Eurostat, Iron and Steel Monthly Bulletin, October 1981.
3/ United Nations, Statistics of World Trade in Steel, 1980.
4/ Usiminas' annual report for 1980.

Cosipa was the second largest producer within the Siderbras system, producing 3.3 million tons in 1980. This represented a 16-percent increase over production in the previous year. Cosipa is also a fully integrated producer, making primarily plate, hot-rolled sheet and strip, and cold-rolled sheet and strip. Its shipments in 1980 amounted to 2.8 million tons, representing an 11-percent increase over shipments in 1979. Of total shipments, 2.2 million tons went to the domestic market, primarily the State of Sao Paulo. Exports were primarily of plate (82 percent of the total), and the United States was the principal export market. 1/

CSN is a fully integrated producer that makes plate, hot- and cold-rolled sheet, galvanized sheet, structural shapes, rails, and round and square bars. CSN produced 2.8 million tons of raw steel in 1980, representing an 8-percent increase over production in the previous year. Shipments in 1980 amounted to 2.4 million tons, with 2.1 million tons (86 percent) going to the domestic market and the remainder, to export markets. 2/

Romania.--In 1980, Romania produced approximately 19 million tons of raw steel. Its steel production has doubled since 1969, and the industry has announced production targets of 28 to 30 million tons by 1990.

The Galati steelworks is Romania's largest, producing approximately half the country's total raw steel and practically all its steel plate. A new plate mill, which has recently been placed in partial operation, will raise capacity at the Galati works by 1.6 million tons a year. In addition to expanding its rolling capacity, Galati increased its continuous-casting capability by adding a third continuous slab caster, capable of producing 825,000 tons a year, in 1978. Present continuous-casting capability now stands at 2.8 million tons a year. 3/

The principal U.S. importers of Romanian plate are * * * and * * *.

Japan. 4/--In 1980, Japan was the free world's largest producer of raw steel (the United States was second), with total production of 122.8 million tons. Its steel industry is composed of over 50 companies, although 8 large integrated companies, which operate 21 mills, account for the bulk of the nation's output of raw steel. Nippon Steel Corp. (Nippon Steel), Nippon Kokan K.K. (Nippon Kokan), Kawasaki Steel Corp. (Kawasaki), Sumitomo Metals Industries, Ltd. (Sumitomo), and Kobe Steel Corp. (Kobe) together account for about 138 million tons of annual raw steel production capacity, or about 80 percent of Japan's total steelmaking capacity.

Nippon Steel, which is the world's largest steelmaker, operates nine plants and alone accounts for about one-third of Japan's raw steel capacity.

1/ Cosipa's annual report for 1980.
2/ CSN's annual report for 1980.
3/ Metal Bulletin, Feb. 27, 1981.
4/ While imports of steel products from Japan are not subject to these investigations, information on the Japanese steel industry is presented because of that country's importance as a factor in the U.S. market, both from the standpoint of exports to the United States and because production costs in Japan form the basis for the U.S. Trigger-Price Mechanism.

In addition to steel, the company, through a large number of subsidiaries and affiliates, is involved in engineering, construction, and the production of other products such as aluminum, chemicals, and cement. Nippon Kokan, with about 26 million tons of annual steelmaking capacity, is the second largest Japanese producer. It is one of the world's leading companies in the engineering, fabrication, and construction of steel structures. Kawasaki and Sumitomo have about 22 million tons of annual steel capacity each. Sumitomo accounts for almost one-third of Japan's capacity to produce pipes and tubes. Kobe has the capacity to produce about 11 million tons of raw steel annually and owns about one-third of Japan's total wire rod capacity.

More than 80 percent of Japan's raw steel capacity has been built since 1960 on land reclaimed from the sea. The mills have spacious plant layouts organized efficiently from the inflow of raw materials through the steelmaking process to product outshipment. The mills employ the latest in pollution-control technology and possess highly automated computer-controlled equipment. Rolling and finishing facilities are fast, efficient, and capable of producing the largest sizes of steel products in the world. Individual mills tend to concentrate on a limited range of products, reflecting Japan's goal of rationalized production.

Well over one-half of Japan's total steel production is continuous cast, and about 80 percent of it is made in basic-oxygen furnaces. The remainder is made in electric furnaces. Japan has many of the largest blast furnaces in the world, with some capable of producing over 13,000 tons of pig iron a day. At least 28 blast furnaces are reported to have a capacity of more than 220 tons per charge.

The Japanese steel industry is a recognized leader in technological advances such as the pretreatment of iron ore, coke quenching and reduction, blast-furnace enrichment, BOF control, and continuous annealing. Japan is a net exporter of steel technology.

The Japanese labor force is relatively young and well educated. Although Japan's labor productivity is among the highest in the world, actual productivity figures are difficult to calculate because contract employees, which are used extensively, are not included in its employment statistics.

U.S. Importers

Using data provided by the U.S. Customs Service, the Commission identified about 100 U.S. firms that in 1980 and 1981 imported significant quantities of one or more of the steel products subject to these investigations. Many of the firms import more than one of the products, and many are affiliated with foreign producers. The approximate number of importers, by product groups, is shown below:

	Number
Hot-rolled carbon steel plate and sheet and cold-rolled carbon steel sheet	60
Galvanized carbon steel sheet	20
Carbon steel structural shapes	20
Steel bar	50

The principal importers of these products from each country subject to these investigations according to the Customs Net Importer File are shown below. More specific information on importers of each of the products covered by the investigations is presented in parts II through X of this report.

Country	Company
Belgium/Luxembourg---	* * * 1/ 2/ 3/
	* * * 3/
	* * * 3/
	* * * 1/ 4/
	* * * 1/
	* * * 3/
	* * * 1/
	* * * 1/ 2/ 3/ 5/
	* * * 1/
	* * * 3/
	* * * 6/
	* * * 3/
	* * * 3/
	* * * 1/ 3/
	* * * 1/ 3/
	* * * 1/ 3/ 4/
	* * * 1/
	* * * 1/ 3/ 5/ 6/
	* * * 1/
Brazil----------	* * * 1/
	* * * 5/
	* * * 1/
	* * * 8/
	* * * 1/
	* * * 1/
	* * * 1/
	* * * 1/
	* * * 1/
France----------	* * * 7/
	* * * 2/
	* * * 2/ 3/ 4/ 6/
	* * * 2/ 3/ 4/ 5/ 6/ 8/
	* * * 9/
	* * * 1/ 2/ 4/ 6/

1/ Significant imports of hot-rolled carbon steel plate.
2/ Significant imports of hot-rolled carbon steel sheet and strip.
3/ Significant imports of carbon steel structural shapes.
4/ Significant imports of galvanized carbon steel sheet.
5/ Significant imports of hot-rolled carbon steel bar.
6/ Significant imports of cold-rolled carbon steel sheet and strip.
7/ Significant imports of cold-formed alloy steel bar.
8/ Significant imports of hot-rolled alloy steel bar.
9/ Significant imports of cold-formed carbon steel bar.

Country	Company
Italy	* * * 6/
	* * * 7/
	* * * 1/
	* * * 2/
	* * * 7/ 9/
The Netherlands	* * * 3/
	* * * 2/ 4/ 6/
Romania	* * * 1/
The United Kingdom	* * * 1/ 3/ 4/ 5/ 8/ 9/
	* * * 5/
	* * * 8/
	* * * 8/
	* * * 5/
West Germany	* * * 2/ 3/
	* * * 1/
	* * * 2/ 3/ 4/
	* * * 2/ 6/
	* * * 1/
	* * * 3/ 6/
	* * * 1/ 2/ 3/ 6/
	* * * 4/
	* * * 1/ 2/ 4/ 6/
	* * * 1/ 2/ 4/ 6/
	* * * 1/
	* * * 5/ 8/
	* * * 9/
	* * * 5/
	* * * 2/
	* * * 1/ 2/ 3/ 4/ 6/ 7/ 8/ 9/
	* * * 2/ 3/

1/ Significant imports of hot-rolled carbon steel plate.
2/ Significant imports of hot-rolled carbon steel sheet and strip.
3/ Significant imports of carbon steel structural shapes.
4/ Significant imports of galvanized carbon steel sheet.
5/ Significant imports of hot-rolled carbon steel bar.
6/ Significant imports of cold-rolled carbon steel sheet and strip.
7/ Significant imports of cold-formed alloy steel bar.
8/ Significant imports of hot-rolled alloy steel bar.
9/ Significant imports of cold-formed carbon steel bar.

Channels of Distribution

In the U.S. market, sales of steel mill products are made either directly to end users or to service centers/distributors, which, in turn, sell to end users. In 1980, about 20 percent of all domestically produced steel went to service centers/distributors, and 80 percent was shipped to end users. The largest single end-user markets were the automotive and construction industries, which each accounted for about 14 percent of total U.S. steel industry shipments. 1/ Other major markets in 1980 included producers of containers, packaging, and shipping materials (6.6 percent); the oil and gas industry (6.4 percent); producers of machinery, industrial equipment, and tools (5.4 percent); and the rail transportation industry (3.8 percent). 2/ No precise data exist on the percentage of total U.S. imports that reach each class of customer; however, questionnaire responses indicate that in 1981, the approximate shares of imported (as well as domestic) products going to service centers/distributors and end users were as shown in table I-2.

Table I-2.--Certain steel mill products: Percentage distribution of sales of domestic and imported products, by purchasers and by types, 1981

(In percent)

Product	Share of sales going to service centers/distributors:		Share of sales going to end users	
	Imported	Domestic	Imported	Domestic
Hot-rolled carbon steel plate	82	21	18	79
Hot-rolled carbon steel sheet and strip	57	31	43	69
Cold-rolled carbon steel sheet and strip	54	25	46	75
Galvanized carbon steel sheet	45	31	55	69
Carbon steel structural shapes	80	22	20	78
Hot-rolled carbon steel bar	66	16	34	84
Hot-rolled alloy steel bar	2	9	98	91
Cold-formed carbon steel bar	33	46	67	54
Cold-formed alloy steel bar	44	29	56	71

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

1/ Data for 1980 show a dramatic decrease in the share of shipments going to the automotive industry--14.5 percent of total U.S. steel shipments compared with 18.5 percent in 1979.

2/ Compiled from data of the American Iron and Steel Institute.

Steel importers have traditionally sold their steel to independent U.S. steel service centers/distributors. In recent years, however, wholly owned or affiliated service centers/distributors have been established by many foreign steel producers, particularly those in the EC. In contrast, only three U.S. steel companies--U.S. Steel, Inland, and National--currently operate subsidiary service centers. In 1978, Jones & Laughlin , Inc. (J&L), a subsidiary of LTV, sold its service center subsidiary.

Transportation Costs

Transportation costs are an important factor in the marketing of steel products in the United States, in part because steel generally has a low value per unit of weight in comparison with other products and because of the geographic pattern of U.S. steel production. In 1980, 61 percent of all U.S. steel production was accounted for by producers located in Illinois, Indiana, Ohio, and Pennsylvania (the "steel belt"). 1/ The costs of shipping steel from this area to other parts of the country can be significant, and purchasers in many areas may be closer to an importer's port of entry than to a domestic mill. Therefore, the cost of shipping steel within the United States may hamper the ability of domestic producers to compete with imports. In four recent investigations involving some of the products covered by these investigations, 2/ the Commission found that import penetration was higher in areas farther from the steel belt than it was in areas near the steel belt. 3/

Steel is shipped primarily by truck or rail. The choice of mode of transportation depends primarily on the value of the product and the distance to be traveled. Shippers of high-value products prefer faster modes and thus normally ship by truck rather than rail or water. Shippers are more likely to select rail for longer hauls because its cost advantage increases with the length of haul. Table I-3 presents data on the modes of transportation used to ship three types of steel products in 1977.

Some data on the costs of rail shipments of steel are available from public sources. As these data are averages based on a large number of routes and commodities, the costs of moving a specific product over a specific route may be different than what the averages would suggest. Table I-4 shows the costs of shipping a ton of selected steel products 1 mile by rail, and the

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1/ U.S. Bureau of the Census, Current Industrial Reports: Steel Mill Products, September 1981, p. 11.

2/ Hot-Rolled Carbon Steel Sheet From France: Determination of the Commission in Investigation No. 701-TA-85 (Preliminary) . . ., USITC Publication 1206, January 1982, and Hot-Rolled Carbon Steel Plate From Belgium, Brazil, and Romania: Determinations of the Commission in Investigations Nos. 701-TA-83 and 701-TA-84 (Preliminary) . . . and Investigation No. 731-TA-51 (Preliminary) . . ., USITC Publication 1207, January 1982.

3/ The petitions filed in connection with the present investigations contained no allegations of injury to an industry in any particular region of the United States. Thus, no information was collected by the Commission in its questionnaires relating to regional considerations and no such information is presented in this report.

Table I-3.--Selected steel products: Percentage distribution of ton-miles traveled, by types and by modes of transportation, 1977

(In percent)

Mode	Iron and steel sheet and strip	Iron and steel bar, bar shapes, and rod	Iron and steel plate
Rail	39.4	46.2	53.4
Truck	59.5	53.7	45.9
Water	1.1	.1	.7

Source: U.S. Bureau of the Census, Census of Transportation, 1980, vol. 1, p. 20. The product categories each include some products not covered in these investigations. Galvanized steel is included in the sheet and strip category. Data on structural shapes are not available.

average total costs of shipments of average length for rail movements between the Official territory, which includes the major steel-producing States, and other areas of the country. There are large steel mills located outside the Official territory, but this table focuses on that area because the majority of steel shipments by U.S. producers originate there.

U.S. Production and Productive Capability

U.S. production of raw steel fell to 112 million tons in 1980, the lowest level of the past decade. The decline is apparent in both carbon and alloy steel production, as shown in table T-5. The data show that there has been a gradual, but fairly regular, shift in production from carbon to alloy steel during the last 10 years.

The U.S. steel industry's share of total world production of raw steel declined irregularly from 18.8 percent in 1971 to 14.1 percent in 1980, as shown in the following tabulation: 1/

	U.S. production of raw steel as a share of world production (percent)
1971	18.8
1972	19.2
1973	19.6
1974	18.6
1975	16.4
1976	17.2
1977	16.9
1978	17.3
1979	16.5
1980	14.1

1/ Compiled from data of the American Iron and Steel Institute.

Table I-4.--Selected steel products: Costs of shipments from the Official territory, 1/ by products and by destination territories, October 1981

Product and destination territory 1/	Cost per ton-mile	Average length of haul	Cost of average haul	
			Amount	Percent of price 2/
	Cents	Miles	Per ton	
Iron or steel plate:				
Southern territory	4.62	718	$33.17	6.8
Southwestern territory	4.15	965	40.05	8.2
Western Trunk territory	5.76	523	30.12	6.2
Mountain-Pacific territory	3.65	2,471	90.19	18.5
Iron or steel sheet:				
Southern territory	4.02	730	29.35	7.9
Southwestern territory	4.35	1,114	48.46	13.0
Western Trunk territory	5.38	591	31.80	8.5
Mountain-Pacific territory	4.17	2,321	96.79	25.9
Iron or steel bar:				
Southern territory	4.32	773	32.69	9.6
Southwestern territory	4.01	1,284	51.49	15.1
Western Trunk territory	5.31	667	35.43	10.4
Mountain-Pacific territory	4.57	2,593	118.45	34.8
Iron or steel structural shapes:				
Southern territory	4.49	746	33.51	7.1
Southwestern territory	4.12	1,433	59.06	12.6
Western Trunk territory	5.32	969	51.56	11.0
Mountain-Pacific territory	4.16	2,610	108.57	23.1

1/ The territories, as defined by the U.S. Department of Transportation, are as follows:

Official.--New England, New York, New Jersey, Pennsylvania, Delaware, Maryland, West Virginia, Illinois, Ohio, Indiana, the lower peninsula of Michigan, the southeastern carrier of Wisconsin, and northern Virginia;

Western Trunk.--Missouri, Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, eastern Colorado, eastern Utah, and the rest of Wisconsin;

Southwestern.--Texas, Oklahoma, Arkansas, Louisiana west of the Mississippi River, and eastern New Mexico;

Southern.--Kentucky, Tennessee, Mississippi, Alabama, Florida, Georgia, South Carolina, North Carolina, Louisiana east of the Mississippi River, and southern Virginia; and

Mountain-Pacific.--the area west of the Southwestern and Western Trunk territories.

2/ Price is defined as the average net selling price during October-December 1981 that domestic producers charged end users for a representative product in each product category. Questionnaire data were used to determine these prices. The representative products are described in the pricing sections of pts. II through X of this report. For plate, the product used is No. 10; for sheet, No. 1; for bar, No. 19; and for structural shapes, No. 14.

Source: U.S. Department of Transportation, Carload Waybill Statistics, 1979, December 1980, p. 146. The Bureau of Labor Statistics (BLS) index of rail rates for primary iron and steel products was used to adjust the 1979 cost data to reflect the level of rates in October 1981. The Department of Transportation data refer to standard transportation commodity codes 33122 (Iron or Steel Plates), 33123 (Iron or Steel Sheet and Strip), 33124 (Iron or Steel Bar, Bar Shapes, or Rods), and 33125 (Iron or Steel Structural Shapes). These categories include some products not covered in these investigations.

Table I-5.--Raw steel: U.S. production, by types, 1971-80

Year	Carbon	Alloy	Stainless	Total
	Quantity (million net tons)			
1971	117.7	14.0	1.6	133.2
1972	107.0	12.2	1.3	120.4
1973	132.7	16.2	1.9	150.8
1974	126.6	17.0	2.2	145.7
1975	100.4	15.2	1.1	116.6
1976	112.0	14.3	1.7	128.0
1977	108.1	15.3	1.9	125.3
1978	116.9	18.2	2.0	137.0
1979	116.2	18.0	2.1	136.3
1980	94.7	15.4	1.7	111.8
	Percent of total			
1971	88.8	10.1	1.1	100.0
1972	88.3	10.5	1.2	100.0
1973	88.0	10.7	1.3	100.0
1974	86.9	11.6	1.5	100.0
1975	86.0	13.0	1.0	100.0
1976	87.5	11.2	1.3	100.0
1977	86.3	12.2	1.5	100.0
1978	85.3	13.3	1.4	100.0
1979	85.3	13.2	1.5	100.0
1980	84.7	13.8	1.5	100.0

Source: Compiled from data of the American Iron and Steel Institute.

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

Data on U.S. raw steel productive capability 1/ have been compiled by AISI since 1975 and are shown below:

	Productive capability (million tons)	Capability utilization (percent)
1975	153.1	76.2
1976	158.3	80.9
1977	160.0	78.4
1978	157.9	86.8
1979	155.3	87.2
1980	153.7	72.8
1981 2/	154.3	77.7

1/ Capability, as defined by AISI, is the tonnage capability to produce raw steel for a sustained full order book.

2/ Preliminary.

U.S. Producers' Shipments

U.S. producers' net shipments of steel mill products in 1980 totaled 83.9 million tons, the lowest level since 1975, when 80.0 million tons was shipped. Between those years, shipments rose annually, as shown in table I-6. In 1981, shipments totaled 87.0 million tons, about 4 percent more than shipments in 1980.

Table I-6.--Steel mill products: U.S. producers' net shipments, 1/ by types, 1971-81

(In millions of tons)

Period	Carbon	Alloy	Stainless	Total
1971	79.3	7.0	0.7	87.0
1972	83.2	7.8	.9	91.8
1973	100.9	9.4	1.1	111.4
1974	97.9	10.2	1.3	109.5
1975	70.8	8.4	.8	80.0
1976	80.3	8.1	1.0	89.4
1977	81.3	8.8	1.1	91.1
1978	86.2	10.6	1.2	97.9
1979	87.9	11.0	1.4	100.3
1980	73.4	9.4	1.1	83.9
1981	75.3	10.6	1.2	87.0

1/ Excludes intercompany shipments.

Source: Compiled from data of the American Iron and Steel Institute.

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

U.S. producers' shipments of the carbon steel mill products which are the subject of these investigations increased from 58.1 million tons in 1978 to 58.2 million tons in 1979 before falling to 45.7 million tons in 1980 (table I-7). One of the principal reasons for the decline in shipments in 1980 was reduced demand by the automotive industry. Shipments of hot- and cold-rolled carbon steel sheet to the automotive industry in 1980 declined by about 35 percent from the tonnage shipped in 1979. The carbon steel mill products covered by the investigations represented 67 percent of total U.S. producers' shipments of carbon steel mill products in 1978, 66 percent in 1979, and 62 percent in 1980.

U.S. producers' shipments of the alloy steel mill products subject to these investigations decreased from 2.9 million tons in 1978 and 1979 to 2.1 million tons in 1980. These products represented 27 percent of total U.S. producers' shipments of alloy steel mill products in 1978, 26 percent in 1979, and 23 percent in 1980.

Table I-7.--Certain steel mill products: U.S. producers' net shipments, 1/ by types, 1978-80

Product	1978		1979		1980	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 short tons		1,000 short tons		1,000 short tons	
Carbon steel mill products:						
Hot-rolled plate	6,588	7.6	6,803	7.7	6,242	8.5
Hot-rolled sheet and strip	15,035	17.4	15,352	17.5	11,454	15.6
Cold-rolled sheet and strip	18,158	21.1	17,507	19.9	13,411	18.3
Galvanized sheet	6,414	7.4	6,300	7.2	5,167	7.0
Structural shapes	4,057	4.7	4,515	5.1	4,121	5.6
Hot-rolled bar	6,150	7.1	5,875	6.7	4,023	5.5
Cold-formed bar	1,691	2.0	1,816	2.1	1,253	1.7
Subtotal	58,093	67.4	58,169	66.2	45,671	62.3
Other	28,094	32.6	29,710	33.8	27,687	37.7
Total	86,187	100.0	87,879	100.0	73,358	100.0
Alloy steel mill products:						
Hot-rolled bar	2/ 2,569	24.3	2/ 2,572	23.3	2/ 1,890	20.2
Cold-formed bar	298	2.8	321	2.9	235	2.5
Subtotal	2,866	27.1	2,894	26.3	2,125	22.7
Other	7,689	72.8	8,128	73.7	7,243	77.3
Total	10,557	100.0	11,022	100.0	9,368	100.0

1/ Excludes intercompany shipments.
2/ Includes bar-size light structural shapes.

Source: Compiled from data of the American Iron and Steel Institute.

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

U.S. exports of steel mill products 1/ during 1971-80 were as follows:

	Quantity (1,000 net tons)	Share of total net shipments (percent)
1971	2,827	3.2
1972	2,873	3.1
1973	4,052	3.6
1974	5,833	5.3
1975	2,953	3.7
1976	2,654	3.0
1977	2,003	2.2
1978	2,422	2.5
1979	2,818	2.8
1980	4,101	4.9

In 1980, 75 percent of total exports of steel mill products were of carbon steel, 22 percent were of alloy steel, and 3 percent were of stainless steel. The principal export markets and their shares of total U.S. exports in 1980 are shown below:

	Share of total U.S. exports of steel mill products (percent)
Latin America	47.2
Asia	20.8
Canada	11.6
EC	10.7
Africa	6.1

U.S. Imports

U.S. imports of steel mill products 1/ during 1971-80 are shown below:

	U.S. imports (million net tons)
1971	18.3
1972	17.7
1973	15.2
1974	16.0
1975	12.0
1976	14.3
1977	19.3
1978	21.1
1979	17.5
1980	15.5

1/ Compiled from official statistics of the U.S. Department of Commerce, as aggregated by the American Iron and Steel Institute.

In 1980, 95 percent of total imports of steel mill products were of carbon steel, 4 percent were of alloy steel, and 1 percent were of stainless steel. The principal sources of imports and their shares of total U.S. imports in 1980 are shown below:

	Share of total U.S. imports of steel mill products (percent)
Asia	46.3
EC	25.4
Canada	15.3
Latin America	4.1
Africa	2.8

Imports of the steel mill products subject to these investigations are shown in table I-8. Detailed information on the sources of these imports is presented in parts II through X of this report. Summary data on imports of the steel mill products subject to active countervailing duty and/or antidumping investigations from only those countries under investigation are presented in table I-9.

Apparent U.S. Consumption

Apparent U.S. consumption (net domestic shipments of U.S. producers plus U.S. imports for consumption) of steel mill products during 1971-80 is shown below:

	Apparent U.S. consumption (million net tons)
1971	102.5
1972	106.6
1973	122.5
1974	119.6
1975	89.0
1976	101.1
1977	108.5
1978	116.6
1979	115.0
1980	95.2

Market shares held by U.S. producers and various foreign sources are shown in table I-10.

1/ Compiled from official statistics of the U.S. Department of Commerce, as aggregated by the American Iron and Steel Institute.

Table I-8.--Certain steel mill products: U.S. imports for consumption, by types, 1978-80

Product	1978		1979		1980	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 short tons		1,000 short tons		1,000 short tons	
Carbon steel mill products:						
Hot-rolled plate	1/ 1,982	9.9	1,252	7.6	1,571	10.6
Hot-rolled sheet and strip	3,379	16.9	2,703	16.3	1,952	13.2
Cold-rolled sheet and strip	3,173	15.8	2,372	14.3	1,462	9.9
Galvanized sheet	2,313	11.6	2,139	12.9	1,350	9.1
Structural shapes	1,771	8.8	1,850	11.2	1,725	11.7
Hot-rolled bar	587	2.9	438	2.6	356	2.4
Cold-formed bar	141	.7	95	.6	86	.6
Subtotal	13,346	66.7	10,849	65.6	8,502	57.5
Other	6,667	33.3	5,692	34.4	6,282	42.5
Total	20,013	100.0	16,541	100.0	14,784	100.0
Alloy steel mill products:						
Hot-rolled bar	160	21.2	128	17.6	105	18.8
Cold-formed bar	37	4.9	44	6.0	23	4.1
Subtotal	197	26.1	172	23.6	128	22.9
Other	557	73.9	556	76.4	431	77.1
Total	754	100.0	728	100.0	559	100.0

1/ Excludes 168 thousand tons of slab imported from Poland.

Source: Compiled from official statistics of the U.S. Department of Commerce. Totals are as aggregated by the American Iron and Steel Institute.

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

Table I-9.--Certain steel mill products: U.S. imports for consumption from the countries subject to active countervailing duty and/or antidumping investigations, 1/ by types, 1978-80

Product	1978		1979		1980	
	Quantity	Share of total 2/	Quantity	Share of total 2/	Quantity	Share of total 2/
	1,000 short tons	Percent	1,000 short tons	Percent	1,000 short tons	Percent
Carbon steel mill products:						
Hot-rolled plate 3/	1,194	60.2	672	53.7	961	61.2
Hot-rolled sheet and strip 4/	2,231	66.0	1,572	58.2	1,063	54.4
Cold-rolled sheet and strip 5/	1,687	51.2	1,286	54.2	671	45.9
Galvanized sheet 6/	717	31.0	601	28.1	276	20.4
Structural shapes 7/	899	50.8	870	47.0	806	46.7
Hot-rolled bar 8/	216	36.8	181	41.3	134	37.6
Cold-formed bar 9/	42	29.8	31	32.6	24	27.9
Total	6,986	34.9	5,213	31.5	3,935	26.6
Alloy steel mill products:						
Hot-rolled bar 10/	42	26.4	12	9.4	9	8.2
Cold-formed bar 11/	26	69.3	32	72.9	14	60.7
Total	68	34.5	44	25.6	23	17.7

1/ Includes all countries subject to active countervailing duty and/or antidumping investigations at either the Commission or the Department of Commerce (i.e., the Republic of South Africa and Spain are included since the Department of Commerce has active cases involving these countries even though the Commission does not).

2/ Share of total imports of the specified product or group of products as shown in table I-8. For example, 61.2 percent of total U.S. imports of hot-rolled carbon steel plate came from countries subject to countervailing duty and/or antidumping investigations in 1980. Note that these aggregate data are for all countries subject to *either* countervailing duty or antidumping investigations. In some cases, different countries were cited in the countervailing duty and antidumping petitions. Aggregate data for imports subject to each type of investigation, as well as aggregate data for all EC countries, are presented in the import sections of pts. II through X of this report.

3/ Aggregate data for imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the Republic of South Africa, Romania, Spain, the United Kingdom, and West Germany.

4/ Aggregate data for imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the Republic of South Africa, Spain, the United Kingdom, and West Germany.

5/ Aggregate data for imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the Republic of South Africa, Spain, the United Kingdom, and West Germany.

6/ Aggregate data for imports from Belgium, France, Italy, Luxembourg, the Netherlands, the Republic of South Africa, Spain, the United Kingdom, and West Germany.

7/ Aggregate data for imports from Belgium, Brazil, France, Luxembourg, the Republic of South Africa, Spain, the United Kingdom, and West Germany.

8/ Aggregate data for imports from Belgium, Brazil, France, Italy, Luxembourg, the Republic of South Africa, Spain, the United Kingdom, and West Germany.

9/ Aggregate data for imports from Belgium, Brazil, France, Italy, the Republic of South Africa, Spain, the United Kingdom, and West Germany.

10/ Aggregate data for imports from France, Italy, the Republic of South Africa, Spain, the United Kingdom, and West Germany.

11/ Aggregate data for imports from Belgium, France, Italy, Spain, the United Kingdom, and West Germany.

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

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

Table I-10.--Steel mill products: U.S. market shares held by U.S. and selected foreign suppliers, 1971-80

(In percent)

Year	Share of U.S. market held by--				
	U.S. producers	Imports from--			
		EC	Japan	Canada	All foreign sources
1971	82.1	7.0	6.7	1.2	17.9
1972	83.4	6.1	6.0	1.1	16.6
1973	87.6	5.3	4.6	0.9	12.4
1974	86.6	5.4	5.1	1.1	13.4
1975	86.5	4.6	6.6	1.1	13.5
1976	85.9	3.2	7.9	1.3	14.1
1977	82.2	6.3	7.2	1.7	17.8
1978	81.9	6.4	5.6	2.0	18.1
1979	84.8	4.7	5.5	2.0	15.2
1980	83.7	4.1	5.0	2.5	16.3

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute, as aggregated by the American Iron and Steel Institute.

Apparent U.S. consumption of the steel mill products subject to these investigations is shown in table I-11. Detailed information on U.S. market penetration by imports from each of the countries subject to the investigations is presented in parts II through X of this report.

The ratios of imports to consumption for imports of the products subject to these investigations only from countries subject to active countervailing duty and/or antidumping investigations (i.e., imports shown in table I-9) are presented below (in percent):

	1978	1979	1980
Hot-rolled carbon steel plate	14.1	8.5	12.6
Hot-rolled carbon steel sheet and strip	12.2	8.7	8.0
Cold-rolled carbon steel sheet and strip	8.0	6.5	4.5
Galvanized carbon steel sheet	8.3	7.2	4.3
Carbon steel structural shapes	15.7	13.9	14.1
Hot-rolled carbon steel bar	3.2	2.9	3.1
Hot-rolled alloy steel bar	1.7	.5	.5
Cold-formed carbon steel bar	2.3	1.6	1.8
Cold-formed alloy steel bar	7.9	9.1	6.0

Table I-11.--Certain steel mill products: U.S. producers' net shipments, 1/ imports for consumption, exports of domestic merchandise, and apparent consumption, by types, 1978-80

Year and type	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to apparent consumption
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	Percent
1978:					
Carbon steel mill products:					
Hot-rolled carbon steel plate	6,588	2/ 1,982	118	8,452	23.4
Hot-rolled carbon steel sheet and strip	15,035	3,379	82	18,332	18.4
Cold-rolled carbon steel sheet and strip	18,159	3,173	120	21,211	15.0
Galvanized carbon steel sheet	6,414	2,313	54	8,673	26.7
Carbon steel structural shapes	4,057	1,771	103	5,725	30.9
Hot-rolled carbon steel bar	6,150	587	42	6,695	8.8
Cold-formed carbon steel bar	1,691	141	18	1,814	7.8
Subtotal	58,093	13,346	537	70,902	18.8
Other	28,094	6,667	1,352	33,409	20.0
Total	86,187	20,013	1,889	104,311	19.2
Alloy steel mill products:					
Hot-rolled alloy steel bar	3/ 2,569	160	63	2,666	6.0
Cold-formed alloy steel bar	298	37	11	323	11.5
Subtotal	2,866	197	74	2,990	6.6
Other	7,689	557	395	7,851	7.1
Total	10,557	754	469	10,842	7.0

See footnotes at end of table.

Table I-11.--Certain steel mill products: U.S. producers' net shipments, 1/ imports for consumption, exports of domestic merchandise, and apparent consumption, by types, 1978-80--Continued

Year and type	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to apparent consumption
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	
1979:					
Carbon steel mill products:					Percent
Hot-rolled carbon steel plate	6,803	1,252	169	7,886	15.9
Hot-rolled carbon steel sheet and strip	15,352	2,703	74	17,981	15.0
Cold-rolled carbon steel sheet and strip	17,507	2,372	103	19,776	12.0
Galvanized carbon steel sheet	6,300	2,139	41	8,398	25.5
Carbon steel structural shapes	4,515	1,850	126	6,239	29.7
Hot-rolled carbon steel bar	5,875	438	68	6,245	7.0
Cold-formed carbon steel bar	1,816	95	15	1,896	5.0
Subtotal	58,169	10,849	596	68,422	15.9
Other	29,710	5,692	1,676	33,726	16.9
Total	87,879	16,541	2,272	102,148	16.2
Alloy steel mill products:					
Hot-rolled alloy steel bar	3/ 2,572	128	43	2,657	4.8
Cold-formed alloy steel bar	321	44	11	354	12.5
Subtotal	2,894	172	54	3,012	5.7
Other	8,128	556	394	8,290	6.7
Total	11,022	728	448	11,302	6.4

See footnotes at end of table.

Table I-11.--Certain steel mill products: U.S. producers' net shipments, 1/ imports for consumption, exports of domestic merchandise, and apparent consumption, by types, 1978-80--Continued

Year and type	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to apparent consumption
1980:	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	
Carbon steel mill products:					Percent
Hot-rolled carbon steel plate	6,242	1,571	162	7,651	20.5
Hot-rolled carbon steel sheet and strip	11,454	1,952	112	13,294	14.7
Cold-rolled carbon steel sheet and strip	13,411	1,462	124	14,749	9.9
Galvanized carbon steel sheet	5,167	1,350	36	6,481	20.8
Carbon steel structural shapes	4,121	1,725	120	5,726	30.1
Hot-rolled carbon steel bar	4,023	356	81	4,298	8.3
Cold-formed carbon steel bar	1,253	86	12	1,327	6.5
Subtotal	45,671	8,502	647	53,526	15.9
Other	27,687	6,282	2,448	31,521	19.9
Total	73,358	14,784	3,095	85,047	17.4
Alloy steel mill products:					
Hot-rolled alloy steel bar	3/ 1,890	105	120	1,875	5.6
Cold-formed alloy steel bar	235	23	13	246	9.5
Subtotal	2,125	128	133	2,120	6.0
Other	7,243	431	775	6,899	6.2
Total	9,368	559	908	9,019	6.2

1/ Excludes intercompany shipments.
2/ Excludes 168 thousand tons of slab imported from Poland.
3/ Includes bar-size light structural shapes.

Source: Producers' shipments compiled from data of the American Iron and Steel Institute; imports and exports compiled from official statistics of the U.S. Department of Commerce, as aggregated by the American Iron and Steel Institute.

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

U.S. Employment

The average number of employees engaged in the production and sale of iron and steel products, as compiled by the American Iron and Steel Institute, is shown below (in thousands):

	Employees receiving wages	Employees receiving salaries	Total employees
1971	367	120	487
1972	364	114	478
1973	393	116	509
1974	393	119	512
1975	340	117	457
1976	339	115	454
1977	337	115	452
1978	339	110	449
1979	342	111	453
1980	292	107	399

Information on employee costs and productivity is presented in table I-12.

Table I-12.--Costs and productivity index for wage employees engaged in the production of iron and steel products, 1971-80

(Per hour)

Year	Costs			Productivity Index 1/ (1971=100)
	Payroll costs	Benefits costs	Total costs	
1971	$5.22	$1.05	$6.26	100.0
1972	5.88	1.20	7.08	105.8
1973	6.31	1.37	7.68	116.0
1974	7.42	1.65	9.08	115.9
1975	8.31	2.28	10.59	101.4
1976	9.13	2.61	11.74	107.6
1977	10.25	2.78	13.04	108.7
1978	11.27	3.03	14.30	117.9
1979	12.55	3.37	15.92	116.5
1980	14.18	4.27	18.45	112.5
Average annual increase, 1971-80 percent	11.8	16.9	12.8	1.3

1/ Index of output per hour, as compiled by the U.S. Bureau of Labor Statistics.

Source: Compiled from data of the American Iron and Steel Institute, except as noted.

Additional detailed information on employment and productivity for workers producing each of the products covered by these investigations is presented in parts II through X of this report.

Financial Experience of U.S. Steel Producers

Overall corporate operations

Profit-and-loss data relative to 17 U.S. steel producers' 1/ overall corporate operations for accounting years 1978-80 are shown in table I-13. Net sales of all products rose to $52.7 billion in 1979, topping 1978 sales by $8.6 billion, or 19 percent. Net sales slipped $1.5 billion, or 3 percent, to $51.2 billion in 1980. In the aggregate, the 17 firms derived about 75 percent of their overall corporate sales revenue from the sale of various types of steel products in 1978, 74 percent in 1979, and 69 percent in 1980.

The 17 firms earned an aggregate operating profit of $2.2 billion, or 5.1 percent of net sales, in 1978 and $2.3 billion, or 4.4 percent of net sales, in 1979. In 1980, operating profit plunged to $1.4 billion, or 2.7 percent of net sales.

During 1978-80, net profit before taxes on income declined from 4.3 percent of net sales in 1978 to 3.5 percent in 1980. The ratio of such profit to total assets ranged from 5.8 percent in 1979 to 4.5 percent in 1980. The ratio of net profit before taxes on income to net investment in assets ranged from 7.5 percent in 1979 to 5.8 percent in 1980, and the ratio of such profit to shareholders' equity ranged from a high of 13.1 percent in 1979 to a low of 10.7 percent in 1980.

Four firms sustained operating losses in 1980, compared with one each in 1978 and 1979. Two firms sustained net losses in each of the years 1978 and 1980, and one firm sustained such a loss in 1979.

Capital expenditures made by steel companies in both steel and nonsteel operations, 2/ as reported by AISI, were $2.6 billion in 1978, $3.3 billion in 1979, and $3.3 billion in 1980. Capital expenditures for facilities which were installed primarily for pollution control by domestic iron and steel producers, including those installed in company-owned mines, quarries, and fabricating plants, as reported by AISI, were $458 million in 1978, $651 million in 1979, and $510 million in 1980.

Overall steel operations

Net sales of steel products by the 17 producers discussed in the previous section increased from $33.3 billion in 1978 to $38.9 billion in 1979 before dropping to $35.4 billion in 1980 (table I-14). Operating profit on steel

1/ These 17 producers accounted for an estimated 82 percent of raw steel production in the United States in 1980.

2/ Including both domestic and foreign operations.

Table I-13.--Selected financial data on the overall corporate operations of 17 U.S. steel producers, 1/ accounting years 1978-80

Item	1978	1979	1980
Net sales--------million dollars--	44,090	52,677	51,164
Cost of goods sold and operating expenses--------million dollars--	41,862	50,375	49,796
Operating profit--------do----	2,228	2,302	1,368
Other income--------do----	345	600	1,158
Interest expense--------do----	688	724	723
Net profit before taxes on income----do----	1,885	2,178	1,803
Depreciation and amortization expense included above--------million dollars--	1,530	1,755	1,827
Cash flow from operations--------do----	3,415	3,933	3,630
Total assets--------million dollars--	35,646	37,340	40,197
Net investment in assets 2/--------do----	27,725	28,897	31,006
Shareholders' equity--------do----	16,172	16,660	16,860
Ratio of operating profit to net sales--------percent--	5.1	4.4	2.7
Ratio of net profit before taxes on income to--			
Net sales--------percent--	4.3	4.1	3.5
Total assets--------do----	5.3	5.8	4.5
Net investment in assets--------do----	6.8	7.5	5.8
Shareholders' equity--------do----	11.7	13.1	10.7
Number of firms reporting operating losses	1	1	4
Number of firms reporting net losses	2	1	2
Ratio of steel sales to total company sales--------percent--	75	74	69

1/ These 17 producers accounted for an estimated 82 percent of total U.S. production of raw steel in 1980, as reported by the American Iron and Steel Institute.

2/ Total assets minus current liabilities.

Source: Compiled from data extracted from annual reports to stockholders and/or 10-K forms of U.S. producers.

Table I-14.--Selected financial data on the steel-manufacturing operations of 17 U.S. producers, 1/ accounting years 1978-80

Item	1978	1979	1980
Net sales----------million dollars--	33,274	38,926	35,441
Cost of goods sold and operating expenses----------million dollars--	31,608	37,330	34,718
Operating profit----------do----	1,666	1,596	723
Depreciation and amortization expense included above----------million dollars--	1,255	1,439	1,477
Cash flow from operations 2/---------do----	2,921	3,035	2,200
Identifiable assets-------million dollars--	24,693	25,767	26,898
Capital expenditures----------do----	1,787	2,307	2,386
Ratio of operating profit to--			
Net sales----------percent--	5.0	4.1	2.0
Identifiable assets----------do----	6.7	6.2	2.7
Ratio of capital expenditures to cash flow from operations----------percent--	61.2	76.0	108.5
Number of firms reporting operating losses----------	1	2	2

1/ These 17 producers accounted for an estimated 82 percent of total U.S. production of raw steel in 1980, as reported by the American Iron and Steel Institute.

2/ Operating profit plus depreciation and amortization. These figures are not directly comparable with the "cash flow" figures in table I-13.

Source: Compiled from data extracted from annual reports to stockholders and/or 10-K forms of U.S. producers.

operations for these firms declined precipitously from $1.7 billion in 1978 to $723 million in 1980. The ratio of operating profit to net sales dropped from 5.0 percent in 1978 to 2.0 percent in 1980; the ratio of operating profit to identifiable assets followed the same trend. Capital expenditures for steel-related projects increased from $1.8 billion in 1978 to $2.4 billion in 1980, or by 34 percent. Capital expenditures as a percent of cash flow from operations increased from 61.2 percent in 1978 to 108.5 percent in 1980. One firm reported operating losses in 1978, and there were two reports of such losses in both 1979 and 1980.

Overall operations of the establishments within which carbon steel and/or carbon steel products are produced.--Eighteen producers of carbon steel and/or carbon steel products provided the Commission with usable profit-and-loss data relative to the overall operations of the establishments or divisions within which such products were produced during 1978-81. Net sales for these establishments increased from $29.2 billion in 1978 to $34.1 billion in 1979, declined to $30.2 billion in 1980, and then rose to $35.4 billion in 1981.

Cost of goods sold as a percent of net sales increased from 94.1 percent in 1978 to 99.4 percent in 1980 and then declined to 95.6 percent in 1981. Selling and administrative expenses remained fairly steady, ranging from 2.6 percent of net sales to 2.9 percent of net sales during the period (table I-15).

Aggregate operating profit for these establishments declined from $926 million or 3.2 percent of net sales in 1978 to $644 million or 1.9 percent of net sales in 1979, and an operating loss of $703 million was reported in 1980. Operating profit rose to $546 million in 1981, still below the levels achieved in 1978 and 1979. The number of firms reporting operating losses increased from 4 in 1978 and 1979 to 11 in 1980 and was 10 in 1981.

Table I-15.--Profit-and-loss experience of 18 U.S. producers on the overall operations of their establishments producing carbon steel and/or carbon steel products, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales--million dollars	29,176	34,098	30,225	35,380
Cost of goods sold--do	27,448	32,573	30,032	33,830
Gross profit--do	1,728	1,525	193	1,550
Selling and administrative expenses--do	802	881	896	1,004
Operating profit or (loss)--do	926	644	(703)	546
Ratio of gross profit to net sales--percent	5.9	4.5	0.6	4.4
Ratio of operating profit or (loss) to net sales--percent	3.2	1.9	(2.3)	1.6
Ratio of cost of goods sold to net sales--percent	94.1	95.5	99.4	95.6
Ratio of selling and administrative expenses to net sales--percent	2.7	2.6	2.9	2.8
Number of firms reporting operating losses	4	4	11	10

1/ U.S. producers submitting usable data accounted for 80 percent of U.S. producers' net shipments of the carbon steel mill products subject to these investigations in 1980, as reported by the American Iron and Steel Institute.

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

Investment in productive facilities.--To provide an additional measure of profitability, the ratios of operating profit or loss to original cost and book value of fixed assets employed in the establishments within which carbon steel and/or carbon steel products are produced are presented in table I-16. These ratios followed the same trend as did the ratios of operating profit or loss to net sales.

Table I-16.--Investment in productive facilities by 16 U.S. producers for establishments producing carbon steel and/or carbon steel products, 1/ as of the end of accounting years 1978-81

Item	1978	1979	1980	1981
Original cost----------million dollars--	28,508	29,668	31,058	31,975
Book value----------do----	12,289	13,108	13,801	13,949
Net sales----------do----	29,113	34,019	30,154	35,301
Operating profit or (loss)----------do----	926	642	(703)	548
Ratio of operating profit or (loss) to--				
Original cost----------percent--	3.2	2.2	(2.3)	1.7
Book value----------do----	7.5	4.9	(5.1)	3.9
Net sales----------do----	3.2	1.9	(2.3)	1.6

1/ U.S. producers submitting usable data accounted for 79 percent of U.S. producers' net shipments of the carbon steel mill products subject to these investigations in 1980, as reported by the American Iron and Steel Institute.

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

Capital expenditures.--Twelve domestic producers' capital expenditures in connection with the operations of their establishments within which carbon steel and/or carbon steel products are produced were compiled by the Commission from questionnaire data and are presented in the following tabulation:

	Capital expenditures (million dollars)
1978----------	$1,079
1979----------	1,469
1980----------	1,453
1981----------	1,510

Total capital expenditures increased by 36 percent from $1.1 billion in 1978 to $1.5 billion in 1979, but then remained stable during 1980 and 1981. The majority of capital expenditures were incurred for machinery and equipment, and two firms--* * * and * * *--accounted for more than 50 percent of the total.

Overall operations of the establishments within which alloy steel and/or alloy steel products are produced.--Ten producers of alloy steel and/or alloy steel products provided profit-and-loss data relative to the overall operations of the establishments or divisions within which such products were produced during 1978-81. Net sales for these establishments rose from $19.3 billion in 1978 to $21.8 billion in 1979, fell to $19.3 billion in 1980, and then rose to $22.3 billion in 1981 (table I-17).

Table I-17.--Profit-and-loss experience of 10 U.S. producers on the overall operations of their establishments producing alloy steel and/or alloy steel products, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales----------million dollars--	19,270	21,798	19,274	22,258
Cost of goods sold----------do----	18,195	20,761	18,930	21,093
Gross profit----------do----	1,075	1,037	344	1,165
Selling and administrative expenses--do----	549	597	603	679
Operating profit or (loss)----------do----	526	440	(259)	486
Ratio of gross profit to net sales percent--	5.6	4.7	1.8	5.2
Ratio of operating profit or (loss) to net sales----------percent--	2.7	2.0	(1.3)	2.2
Ratio of cost of goods sold to net sales----------percent--	94.4	95.3	98.2	94.8
Ratio of selling and administrative expenses to net sales----------percent--	2.9	2.7	3.1	3.0
Number of firms reporting operating losses----------	2	2	4	2

1/ U.S. producers submitting usable data accounted for 61 percent of U.S. producers' net shipments of the alloy steel mill products subject to these investigations in 1980, as reported by the American Iron and Steel Institute.

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

In the aggregate, the 10 firms sustained an operating loss of $259 million or 1.3 percent of net sales in 1980, and posted a small profit in the other years, ranging from $526 million in 1978 down to $440 million in 1979. The operating profit margins were 2.7 percent of net sales in 1978, 2.0 percent in 1979, and 2.2 percent in 1981. Two firms sustained operating losses in each of the years 1978, 1979, and 1981, and four sustained such losses in 1980.

Investment in productive facilities.--Eight firms supplied data on their investment in productive facilities during 1978-81 (table I-18). Their investment, valued at cost, in facilities used in the establishments within which alloy steel and/or alloy steel products are produced increased $2.0 billion during 1978-81, while the book value of such assets increased $1.1 billion. The relationship of operating profit or loss to investment in productive facilities, whether valued at original cost or book value, generally followed the same trend as did the ratios of such profit to net sales.

Capital expenditures.--Six firms supplied data relative to their expenditures during 1978-81 for land, buildings, and machinery and equipment used in the overall operations of the establishments or divisions producing

Table I-18.--Investment in productive facilities by 8 U.S. producers for establishments producing alloy steel and/or alloy steel products, 1/ as of the end of accounting years 1978-81

Item	1978	1979	1980	1981
Original cost----------million dollars--	16,801	17,376	18,251	18,767
Book value----------do----	6,830	7,251	7,698	7,883
Net sales----------do----	19,193	21,735	19,245	22,217
Operating profit or (loss)----------do----	524	438	(259)	486
Ratio of operating profit or (loss) to--				
Original cost----------percent--	3.1	2.5	(1.4)	2.6
Book value----------do----	7.7	6.0	(3.4)	6.2
Net sales----------do----	2.7	2.0	(1.3)	2.2

1/ U.S. producers submitting usable data accounted for 58 percent of U.S. producers' net shipments of the alloy steel mill products subject to these investigations in 1980, as reported by the American Iron and Steel Institute.

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

alloy steel and/or alloy steel products. Such aggregate capital expenditures rose from $632 million in 1978 to $855 million in 1980, and then declined to $818 million in 1981, as shown below:

	Capital expenditures (1,000 dollars)
1978	$632,172
1979	788,787
1980	855,160
1981	817,640

Summary of operating profit-and-loss data for the products covered by these investigations

The ratios of operating profit or loss to net sales reported in questionnaires by U.S. producers on the overall operations of the establishments within which carbon steel and/or carbon steel products are produced, overall operations of the establishments within which alloy steel and/or alloy steel products are produced, and operations specifically on the nine steel products subject to these investigations are summarized in table I-19. For comparison, data are also presented in table I-19 for the comparable profitability ratios compiled by the Federal Trade Commission for all manufacturing companies and for all durable goods producers. The data show that producers of all the steel products under investigation, with the exception of those producing hot-rolled and cold-formed alloy steel bar, received lower returns on their operations than did either all manufacturing companies or all durable goods producers.

Table I-19.--Ratios of operating profit or loss to net sales for all manufacturing firms, all producers of durable goods, and producers of the steel products subject to these investigations, 1978-81

(In percent)

Item	Ratio of operating profit or (loss) to net sales			
	1978	1979	1980	1981
All manufacturing firms 1/	8.1	7.7	6.8	2/ 7.1
Manufacturers of durable goods 1/	8.5	7.6	6.0	2/ 6.8
Overall corporate operations of steel producers 3/	5.1	4.4	2.7	4/
Overall steel operations 3/	5.0	4.1	2.0	4/
Operations of the establishments within which carbon steel and/or carbon steel products are produced	3.2	1.9	(2.3)	1.6
Operations of the establishments within which alloy steel and/or alloy steel products are produced	2.7	2.0	(1.3)	2.2
Operations on--				
Hot-rolled carbon steel plate	4.0	3.9	1.4	2.3
Hot-rolled carbon steel sheet and strip	4.8	2.4	(7.5)	(3.5)
Cold-rolled carbon steel sheet and strip	2.4	1.0	(9.2)	(5.9)
Galvanized carbon steel sheet	5.3	5.8	(4.8)	(1.2)
Carbon steel structural shapes	(2.2)	(.3)	(4.7)	(4.9)
Hot-rolled carbon steel bar	1.0	.9	(7.1)	(1.8)
Hot-rolled alloy steel bar	11.6	8.7	4.8	8.6
Cold-formed carbon steel bar	4.1	4.1	(1.9)	(1.2)
Cold-formed alloy steel bar	16.2	12.1	10.4	9.9

1/ Derived from data published in Federal Trade Commission, Quarterly Financial Report.

2/ Based on January-September data.

3/ Compiled from annual reports and/or 10-K forms of U.S. steel producers. See tables I-13 and I-14.

4/ Not available.

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

Pricing

Price trends

This section presents general information on pricing practices and the relative movements of prices for steel mill products in the United States during 1978-81. More detailed information on prices of the specific products subject to these investigations is presented in parts II through X of this report.

With one exception, the Bureau of Labor Statistics (BLS) Producer Price Index (PPI) for steel mill products rose each quarter from January 1978 through December 1981, as shown in table I-20 and figure I-1. Such prices rose at an annual rate of just under 10 percent in that period, somewhat less than the annual increase of about 12 percent for the overall PPI. On an annual basis, the increases in the PPI for steel mill products were 10.2 percent in 1979, 7.9 percent in 1980, and 11.6 percent in 1981.

While useful in indicating trends in price levels, comparisons of published list prices are not necessarily accurate representations of actual market transaction prices. In the past few years, discounting from list prices was common, with its extent depending on the strength or weakness of the particular product market involved. Extensive discounting reportedly characterized the market by late 1977, 1/ and industry representatives agree that as the steel market softened in 1980 and again in late 1981, discounting was prevalent. Some steel analysts expect discounting to increase during the first half of 1982. 2/

Apart from the cyclical swings in domestic demand for steel that marked the period 1978-81, 3/ many other factors influenced and shaped the prices of steel mill products during that time. The presence of strong import competition may have exerted downward pressure on prices and increased the incidence of discounting, 4/ particularly as new steelmaking capacity in developing countries came on stream. Geared for export, these new producers allegedly added to downward pressure on prices. 5/

Structural changes in the demand for steel have also had an adverse impact on prices. For example, the downsizing of automobiles cut steel shipments to that industry in 1980 by more than the decline in vehicle production, and in the can market, the share of aluminum usage climbed from 35 percent in 1978 to almost 56 percent in January-July 1981.

1/ David Ignatius, "Who Killed the Steel Industry," The Washington Monthly, 1979, p. 6 (reprint).

2/ Merrill Lynch, Steel Industry Quarterly, November 1981, p. 4.

3/ Demand for steel is a derived demand, dependent on demand for consumer durables (e.g., automobiles), the level of nonresidential and nonbuilding construction, and demand for producer durables (e.g., capital equipment).

4/ Two recent Commission investigations provide insights on import competition and discounting--USITC Publication 1207, pp. A-46 through A-52, and USITC Publication 1206, pp. A-37 through A-40.

5/ Abe Yuzuru, Worldwide Steel Outlook: Japanese Perspective, Mar. 26, 1979, p. 3.

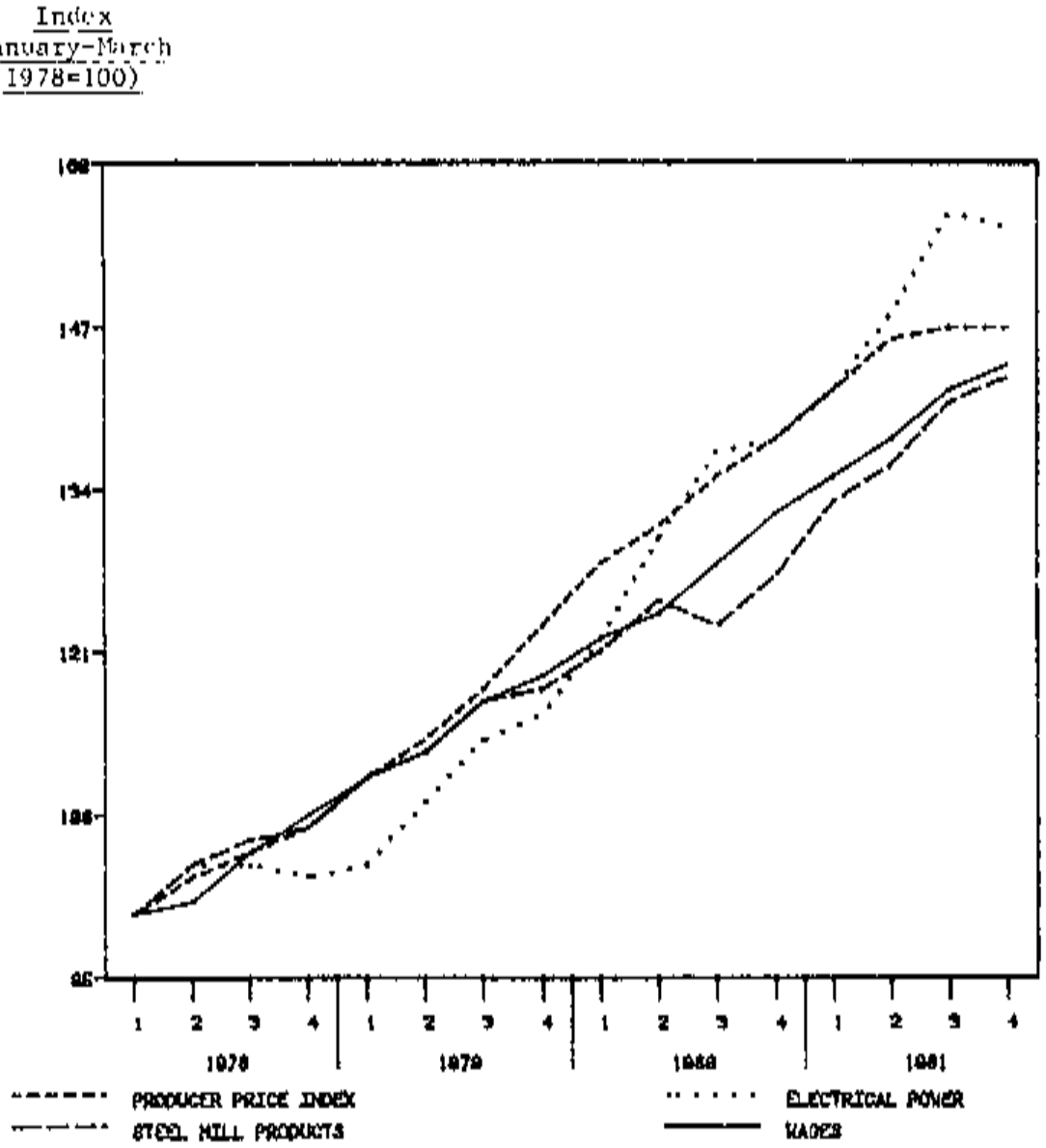
Table I-20.--Indexes of consumer prices, selected producer prices, and selected steel mill costs, by quarters, January 1978-December 1981, and annual 1978-81

(January-March 1978=100.0)

Period	Consumer Price Index	Producer Price Index		Steel mill costs		
		All products	Steel mill products	Electrical power	Fuel oil	Wages
1978:						
January-March	100.0	100.0	100.0	100.0	100.0	100.0
April-June	102.6	103.0	103.8	103.9	99.0	100.9
July-September	105.0	104.6	105.8	104.0	99.1	104.8
October-December	107.1	106.9	107.3	103.0	103.5	107.5
1979:						
January-March	109.8	110.8	111.3	103.8	111.2	110.5
April-June	113.6	114.8	113.1	108.8	129.2	112.9
July-September	117.3	118.4	116.6	114.0	160.3	116.8
October-December	120.8	122.6	118.2	116.5	180.0	119.0
1980:						
January-March	125.5	128.2	120.5	122.3	198.0	121.5
April-June	130.0	130.8	124.9	130.2	216.0	123.8
July-September	132.5	135.1	123.2	137.0	218.3	128.2
October-December	135.9	138.3	127.0	137.8	220.0	131.7
1981:						
January-March	139.5	142.4	133.0	141.9	255.0	135.0
April-June	142.8	145.6	135.9	147.9	277.8	137.8
July-September	146.8	146.6	141.3	156.1	272.2	142.2
October-December	148.9	146.5	142.8	155.4	265.7	144.0
Annual (1978=100.0):						
1978	100.0	100.0	100.0	100.0	100.0	100.0
1979	111.3	112.5	110.2	107.8	144.6	111.2
1980	126.3	128.4	118.9	128.4	212.2	122.3
1981	139.4	140.2	132.7	145.4	266.6	135.3

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Figure I-1.--Indexes of selected producer prices and steel mill costs, by quarters, January 1978-December 1981.



Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Inflation added to the cost-push impetus for price increases as steel industry wage costs increased by 35 percent from 1978 to 1981, 1/ and energy costs rose by even larger amounts (e.g., electrical power costs increased by almost 47 percent, and fuel oil costs more than doubled during that period). As a result, increases in the costs of making steel--labor and energy are key inputs--outpaced inflation 2/ while steel prices generally increased at a lower rate than inflation. 3/

One other factor, the introduction of the Trigger-Price Mechanism (TPM) 4/ in early 1978, had a singular impact on the structure and pattern of prices for steel mill products. Trigger prices were based on the costs of production in Japanese mills, deemed to be the world's most efficient steel producers, and imports found to be sold below these levels could "trigger" antidumping investigations.

The impact of the TPM on prices became increasingly apparent by the fourth quarter of 1978. By that time, trigger prices covered most carbon steel mill products, grace periods for complying with provisions of the TPM had expired, and transaction prices of imported carbon steel mill products had risen to levels at or slightly above the respective trigger prices. 5/

Under the TPM, higher cost producers (e.g., EC mills) could sell steel mill products in the United States at prices equal to the cost of production in Japanese mills. 6/ This created a potential situation in which a high-cost producer that wanted to export steel to the United States because of depressed home-market demand or the loss of traditional export markets in developing countries could do so at prices that might otherwise have been at LTFV.

The TPM did not, however, create an absolute floor price for imported steel. In fact, transaction prices below trigger prices could and did occur

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1/ Increases in wage costs during this period resulted largely from cost-of-living adjustments built into wage contracts.

2/ During this period the overall PPI rose 40 percent, and the Consumer Price Index increased by 39 percent.

3/ Merrill Lynch, Steel Industry Quarterly, May 1981, pp. 14-16. See also Robert W. Crandall, "Competition and 'Dumping' in the U.S. Steel Market," reprinted from Challenge/The Magazine of Economic Affairs, July/August 1978, p. 8, and Hans Mueller, Three Essays on the Economics of the Steel Industry, Business and Economic Research Center, Middle Tennessee State University, March 1980, pp. 52-53.

4/ For a detailed discussion of the TPM, see app. G to this report. A discussion of the Davignon Plan, an EC program that includes some provisions similar to those of the TPM, is presented in app. H.

5/ For a detailed analysis of the impact of the TPM during this early period see Conditions of Competition in the Western U.S. Steel Market Between Certain Domestic and Foreign Steel Products: Final Report on Investigation No. 332-87 . . ., USITC Publication 1004, September 1979, pp. 109-115 and C-85 through C-97.

6/ For production cost comparisons, by countries, see Peter F. Marcus and K. Kirsis, World Steel Dynamics, Paine, Webber, Mitchell, Hutchins, Inc., September 1979, pp. J-1 through J-5.

in certain product markets without triggering antidumping investigations by reason of Commerce Department "preclearances," which permitted specified products to be sold below trigger prices. 1/ Preclearance to sell below trigger price was granted when a foreign producer demonstrated that its costs of production for a specific product were lower than those in Japanese mills.

Appreciation of the dollar against the currencies of EC countries during 1980 and 1981 created similar but broader potential for transaction prices below trigger prices (see following section). During 1981, widespread instances of such sales of imported steel mill products from EC countries occurred. 2/ In some cases, EC producers had applied for preclearance from the Commerce Department, 3/ but the requests were denied.

The appreciation of the dollar

The recent strength of the U.S. dollar against most major currencies has led to claims that foreign steel producers have increased in competitiveness vis-a-vis U.S. producers. Indeed, because the dollar now buys more foreign currency than before, imported steel should now be less expensive for U.S. purchasers. However, there are several reasons why the fall in the price of foreign steel may not have been as great as the percentage appreciation of the dollar. First, if foreign producers import raw materials from the United States or from countries whose currencies are tied to the dollar, a portion of their costs will rise with the dollar.

Second, the TPM may have made importers reluctant to reduce their prices. If foreign producers were already selling their steel near the trigger price, they may have chosen not to lower their prices despite the depreciation of their home currencies. Because the trigger price was based on the costs to Japanese producers (whose currency strengthened against the dollar in 1980 and 1981), it probably did not reflect the depreciation of the home currencies of other foreign suppliers.

Finally, foreign producers may choose to increase their profitability by lowering their dollar prices by less than the depreciation would allow. By not passing on the full cost reduction to consumers, they could increase their sales volume, their per-unit profit, or both.

Table I-21 shows how much the currencies of 12 countries have changed vis-a-vis the dollar from January-March 1980 to October-December 1981. The percentage changes given in the table show the maximum amount that foreign producers could have changed the dollar price of their steel while keeping their profit margins constant, assuming they had no dollar-denominated costs.

1/ See American Metal Market, Aug. 5 and 6, 1981. Also see Certain Steel Wire Nails From Japan, the Republic of Korea, and Yugoslavia: Determination of the Commission in Investigations Nos. 731-TA-45, 46, and 47 (Preliminary) . . ., USITC Publication 1175, August 1981, p. A-8.

2/ Recent price increases by European steel producers should partially offset this exchange-rate price advantage, especially if the U.S. dollar weakens as a result of a fall in interest rates. See Merrill Lynch, Steel Industry Quarterly, November 1981, pp. 3 and 26.

3/ See American Metal Market, Aug. 5, 1981.

Table I-21.--Movements of specified foreign currencies against the dollar, January-March 1980 to October-December 1981

Country	Exchange rate 1/ in January-March 1980	Exchange rate 1/ October-December 1981	Percentage change
Belgium/Luxembourg 2/	0.0347	0.0269	-23.6
Brazil	.0222	.0085	-61.7
Canada	.8589	.8391	-2.3
Denmark	.1806	.1382	-23.5
France	.2410	.1769	-26.6
Greece	.0254	.0177	-30.3
Ireland	2.0899	1.5834	-24.2
Italy	.0012	.0008	-30.0
Japan	.0041	.0045	8.5
Netherlands	.5120	.4053	-20.8
Romania 3/	.0556	.0667	20.0
South Africa	.8146	1.0391	-15.4
Spain	.0149	.0104	-30.2
United Kingdom	2.2536	1.8837	-16.4
West Germany	.5639	.4455	-21.0

1/ The exchange rates given are period averages and are in terms of U.S. dollars per unit of foreign currency.

2/ 1 Luxembourg franc=1 Belgian franc.

3/ Romania has a nonmarket economy and, although it belongs to the International Monetary Fund, its currency is not convertible. Therefore, any change in the value of Romania's currency is unlikely to significantly affect trade with Romania.

Source: Compiled from official statistics of the International Monetary Fund.

PART II. HOT-ROLLED CARBON STEEL PLATE

Introduction

This part of the report presents information relating specifically to hot-rolled carbon steel plate. Information on foreign producers and the nature and extent of allegedly subsidized and/or LTFV sales, as it relates to carbon steel plate, was presented in part I and will not be repeated.

As indicated previously, following receipt on January 11, 1982, of petitions filed on behalf of seven domestic producers of steel products, 1/ the Commission instituted the following preliminary investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of allegedly subsidized and/or LTFV imports of hot-rolled carbon steel plate:

Country	Countervailing duty investigation No.	Antidumping investigation No.
Belgium	701-TA-86(P) 2/3/4/	731-TA-53(P) 2/3/
Brazil	701-TA-87(P) 2/4/	Not applicable
France	701-TA-88(P) 2/3/4/	731-TA-54(P) 2/3/
Italy	701-TA-89(P) 2/3/4/	731-TA-55(P) 2/3/
Luxembourg	701-TA-90(P) 3/4/	731-TA-56(P) 3/
Netherlands	701-TA-91(P) 2/3/4/	731-TA-57(P) 2/3/
Romania	Not applicable	731-TA-58(P) 2/4/
United Kingdom	701-TA-92(P) 2/3/4/	731-TA-59(P) 2/3/
West Germany	701-TA-93(P) 2/3/4/	731-TA-60(P) 2/3/

In addition to the above countries, most of the petitioners 2/4/ alleged that imports of hot-rolled carbon steel plate from Spain and the Republic of South Africa were also being subsidized by the Governments of those two countries. As stated earlier, the Commission did not institute investigations on imports from Spain and the Republic of South Africa because they have not signed the GATT Subsidies Code and, therefore, are not entitled to an injury determination by the Commission.

1/ U.S. Steel, Bethlehem, Republic, Inland, J&L, National, and Cyclops. All of these firms except Cyclops produced hot-rolled carbon steel plate in the United States during 1978-81.

2/ Petition filed by U.S. Steel.

3/ Petition filed on behalf of Bethlehem.

4/ Petition filed on behalf of Republic, Inland, J&L, National, and Cylops.

The Product

Description and uses 1/

Hot-rolled carbon steel plate is a flat-rolled steel mill product made by rolling reheated slabs or ingots in plate mills or hot-strip mills. Plate is generally considered to be a finished product, and is distinguished from other flat-rolled products by its dimensions. The TSUSA defines plates as flat rolled products whether or not corrugated or crimped, in coils or cut to length, 0.1875 inch (3/16 inch or 4.76 mm) or more in thickness and, if not cold rolled, over 8 inches in width, or, if cold rolled, over 12 inches in width.

For purposes of these investigations, the term "hot-rolled carbon steel plate" includes carbon steel plate not in coils, as provided for in TSUSA item 607.6615, clad plate, 2/ as provided for in TSUSA item 607.9400, and plate that has been coated or plated with metal, 3/ as provided for in TSUSA items 608.0710 and 608.1100. It does not include carbon steel plate in coils, as provided for in TSUSA item 607.6610, 4/ or carbon steel slab which for tariff purposes is classified as hot-rolled plate. 5/

Carbon steel plate is produced in various types of mills, including universal plate mills, sheared-plate mills, and hot-strip mills. Universal mills are characterized by vertical rolls preceding and following horizontal rolls. In these mills, only the length of the plate is increased, as the vertical rolls control the width. Consequently, only the ends of the plate need to be sheared. Sheared-plate mills, on the other hand, roll plate only between horizontal rolls, thereby increasing both the width and length of the product while reducing its thickness. Later, all the edges are trimmed. Sheared-plate mills are generally classified as either reversing, semi-

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1/ A detailed discussion of the steelmaking process and the relative significance of carbon steel plate compared with all carbon steel products was presented in pt. I (pp. I-1 through I-4, and tables I-7, I-8, I-9, and I-11).

2/ Clad plate is a composite plate product consisting of two metals which have been integrally bonded together. It was developed to combine the corrosion resistance of cladding metals--such as stainless steel, nickel and nickel alloys, and copper and copper alloys--with the strength of carbon or alloy steel backing materials, thereby reducing the usage of the more expensive cladding metals.

3/ Coated or plated plates are primarily those that have been coated with zinc (galvanized) for protection against corrosion.

4/ For the purposes of this report, and consistent with the Commission's recent preliminary investigations concerning Hot-Rolled Carbon Steel Plate from Belgium, Brazil, and Romania (Inv. Nos. 701-TA-83, 701-TA-84, and 731-TA-51) and Hot-Rolled Carbon Steel Sheet from France (Inv. No. 701-TA-85), carbon steel plate in coils is considered as hot-rolled carbon steel sheet and included in pt. III of this report.

5/ Slab is defined in the TSUSA as a finished product 2-6 inches in thickness. Imports of slab less than 2 inches or more than 6 inches in thickness are classified as plate under item 607.6615.

continuous, or continuous. Hot-strip mills roll plate in the longitudinal direction of the slab. The slabs are roughed down in roughing stands and sent to finishing stands to attain the desired thickness. Hot-strip-mill plate is subsequently sheared to length or coiled and later sheared.

The production of steel plate in plate mills begins with the uniform heating of slabs or ingots. This is accomplished in slab-reheating furnaces, most notably continuous or batch-type furnaces. The slabs, which usually enter the furnaces cold, are heated to their rolling temperature of approximately 2,400° F. and sent to a scalebreaker. The scalebreaker removes furnace scale by the use of hydraulic water sprays and sends the slabs to either a roughing or finishing mill, depending on mill type. In reversing mills, slabs are usually sent directly from the scalebreaker to the finishing mill, usually a four-high stand. The slab is passed back and forth through the rolls, thereby reducing the product to its final thickness. Four-high reversing stands are equipped with a set of work rolls, which are slightly crowned and supported by backup rolls. The backup rolls provide added strength to the work rolls and help reduce roll wear. In semicontinuous plate mills, slabs are usually passed from the scalebreaker through a reversing roughing stand and a series of single-pass finishing stands. The roughing stand is usually a four-high mill and finishing stands are customarily exact duplicates of each other, each further reducing the thickness of the product. In continuous plate mills, slabs receive only a single pass through roughing and finishing mills. A roughing mill usually consists of several roughing stands, and a finishing mill has four to six finishing stands. Semicontinuous and continuous plate mills have several advantages over reversing mills; for example, the tonnage capacity per unit of time of the former is generally greater, and their roll wear is less, thereby reducing replacement time.

After leaving one of the assorted finishing stands, the plates are usually divided according to their thickness. Thicker plates that cannot be flattened by a leveler are removed and usually sent to a flame-cutting department. Plates that remain are generally cooled by top and bottom water sprays, and then flattened by a leveler. The effectiveness of the flattening is increased with decreasing thickness of the plate and increasing temperature. From the leveler, the plates will usually travel to a cooling bed. They are then measured and marked to desired size and shape, and stamped or painted with proper identification. The plates are crop sheared and subsequently side and end sheared. The plates are then weighed individually and transferred to the shipping building. Circular or semicircular plates and sketch plates can be produced by gas cutting or shearing these rectangular plates.

In the U.S. market, sales of carbon steel plate by domestic producers and importers are made either directly to end users or to steel service centers and distributors, which, in turn, sell to end users. 1/ In 1980, approximately

1/ Large integrated domestic producers (for example, U.S. Steel, Bethlehem, and Kaiser) also use part of their output of carbon steel plate in fabricating other products, such as bridges, ships, offshore oil-drilling rigs, and pressure vessels.

21 percent of all domestically produced steel plate went to service centers and distributors. The remaining 79 percent was shipped to end users. The largest end-user markets for steel plate were the construction and the machinery/industrial equipment industries, which accounted for 21 percent and 16 percent, respectively, of total U.S. shipments in that year. Other major end-user markets included shipbuilding (12 percent), rail transportation (9 percent), and the oil and gas industry (4 percent). Carbon steel plate is primarily used in the construction of bridges, storage tanks, pressure vessels, railroad freight and passenger cars, ships, line pipe, industrial machinery, and a large variety of other products.

U.S. tariff treatment

Imports of hot-rolled carbon steel plate are classified for tariff purposes under items 607.6615, 607.9400, 608.0710, and 608.1100 of the TSUSA. The current column 1 (most-favored-nation) rates of duty, 1/ final concession rates granted under the Tokyo round of the Multilateral Trade Negotiations (MTN), 2/ rates of duty for least developed developing countries (LDDC's), 3/ and column 2 duty rates 4/ are shown in table II-1. As indicated, imports of hot-rolled carbon steel plate are currently dutiable at column 1 rates ranging from 7.3 percent to 11.1 percent ad valorem. Imports of hot-rolled carbon steel plate are not eligible for duty-free treatment under the Generalized System of Preferences (GSP). 5/

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

2/ Final concession rates granted under the Tokyo round of the MTN are the result of staged duty reductions of column 1 rates which began Jan. 1, 1980. They will occur annually, with the final rates becoming effective Jan. 1, 1987.

3/ LDDC rates are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging) applicable to products of those LDDC's designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP.

4/ The rate of duty in column 2 applies to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

5/ The GSP, under title V of the Trade Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is expected to remain in effect until January 1985.

Table II-1.--Hot-rolled carbon steel plate: U.S. rates of duty as of Jan. 1, 1982, and Jan. 1, 1987

1977-79 TSUSA item No.	1980-82 TSUSA item No.	Article	Rate of duty			
			Col. 1		LDDC's	Col. 2
			Jan. 1, 1982	Jan. 1, 1987		
608.8415	607.6615	Carbon steel plate, not in coils, not coated or plated with metal, not pickled and not cold rolled.	7.3% ad val.	6.0% ad val.	6.0% ad val.	20% ad val.
608.8900	607.9400	Clad plate	11.1% ad val.	6.5% ad val.	6.5% ad val.	30% ad val.
608.9410	608.0710	Carbon steel plate, coated or plated with metal, valued not over 10 cents per pound.	8.4% ad val.	5.5% ad val.	5.5% ad val.	0.2¢ per lb. + 20% ad val.
608.9510	608.1100	Carbon steel plate, coated or plated with metal, valued over 10 cents per pound.	8.2% ad val.	5.4% ad val.	5.4% ad val.	21.5% ad val.

II-5

In addition to the import duties shown in table II-1, findings of dumping are currently in effect with respect to imports of carbon steel plate from Japan and Taiwan. U.S. imports of carbon steel mill products such as plate are also subject to restraints imposed by administrative actions taken under provisions of the Buy American Act. 1/

U.S. Producers

About 15 firms produce hot-rolled carbon steel plate in the United States. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of carbon steel plate (as reported by AISI) in 1980 (in percent):

Firm	Market share
Armco	***
Bethlehem	***
Gilmore Steel Corp. (Gilmore)	***
Inland	***
Kaiser	***
Lukens Steel Co. (Lukens)	***
National	***
Phoenix Steel Corp. (Phoenix)	***
Republic	***
U.S. Steel	***

As indicated, domestic production of carbon steel plate is highly concentrated, with the four largest producers--* * *--accounting for 70 percent of total producers' shipments in 1980. These four producers and * * * and * * *, the fifth and sixth largest producers, are fully integrated firms that produce a wide range of steel mill products. Lukens, * * *, is a nonintegrated firm which primarily produces steel plate and plate products. Lukens and Phoenix are the only domestic steelmakers that produce clad plate.

In 1980, domestic producers operated approximately 30 establishments in which carbon steel plate was produced. These plants are scattered throughout

1/ The Buy American Act, 41 U.S.C. 10a-10d (1978), is the primary congressionally mandated legislative preference for U.S. goods. Under this act, U.S. Government agencies may purchase products of foreign origin for delivery in the United States only if the cost of the domestic product exceeds the cost of the foreign product, including duty, by 6 percent or more. This differential rises to 12 percent if the low domestic bidder is situated in a labor-surplus area, and to 50 percent if the purchase is made by the Department of Defense. The preferences may be waived in the public interest, however. For a more complete discussion of Buy-American restrictions, see Certain Carbon Steel Products From Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom: Determinations of the Commission in Investigations Nos. 731-TA-18-24 (Preliminary) . . ., USITC Publication 1064, May 1980, p. A-17.

the United States, but are concentrated in the Great Lakes area and in Pennsylvania. Carbon steel plate is rolled in a variety of sizes and in an assortment of rolling mills. Table II-2 shows the principal producers, the locations of their various plants that produce carbon steel plate, the types of mills in use in each plant, and estimated annual plate-producing capacity.

The following facilities are among those which have been closed by domestic producers of hot-rolled carbon steel plate in recent years: in 1977, Bethlehem's facilities in Johnstown, Pa. (plate and galvanized sheet); in 1977, J&L's Campbell Works (plate, hot-rolled and cold-rolled sheets) and Brier Hill Works (plate-finishing mill), both in Youngstown, Ohio; in 1979, U.S. Steel's plate mill in Fairfield, Ala., its plate and strip mill in Youngstown, Ohio, and its plate mill in Torrance, Calif. J&L reported that its only plate mill and a hot-strip mill at its Pittsburgh, Pa., plant were closed permanently in February 1981. In 1978, Bethlehem opened a new 110-inch plate mill in Chesterton, Ind., which, combined with an existing mill at that location, provided the largest capacity to produce carbon steel plate among all plants in the United States.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 180 importers of carbon steel plate from the countries subject to these investigations during October 1980-September 1981. The largest importers and the principal countries from which these firms imported during this period were as follows:

Firm	Country
* * *	West Germany, France, Belgium
* * *	Belgium, Brazil
* * *	West Germany, France, Belgium
* * *	West Germany, Brazil, Belgium
* * *	West Germany, Belgium, Romania
* * *	Brazil, Belgium
* * *	Italy
* * *	France
* * *	United Kingdom
* * *	Belgium
* * *	Belgium
* * *	Belgium
* * *	West Germany, Belgium, Brazil, Romania
* * *	Brazil
* * *	Brazil
* * *	Romania, Belgium, West Germany
* * *	West Germany, Brazil, Italy
* * *	Belgium
* * *	Belgium, Brazil
* * *	Belgium, Brazil, West Germany

Table II-2.--Hot-rolled carbon steel plate: Principal U.S. producers, 1/ locations of their establishments, types of mills, and annual capacity, 1981

Firm	Establishment location	Type of mill	Capacity in 1981
			1,000 tons
Armco	Ashland, Ky.	80-inch continuous plate, strip and sheet.	
	Houston, Tex.	130-inch plate and 156-inch combination slab/plate.	2/ ***
Bethlehem	Sparrows Point, Md.	160-inch sheared plate and universal plate.	***
	Chesterton, Ind.	110-inch and 160-inch sheared plate.	***
	Seattle, Wash.	combination.	***
Gilmore	Portland, Oreg.	96-inch plate.	***
Inland	East Chicago, Ind.	100-inch plate and 76-inch hot strip.	***
Interlake	Riverdale, Ill.	36-inch hot strip.	***
Kaiser	Fontana, Calif.	148-inch plate.	3/ ***
Laclede Steel	Alton, Ill.	22-inch hot strip.	***
Lukens	Coatsville, Pa.	120-inch, 140-inch, and 206-inch plate.	2/ ***
	Conshohocken, Pa.	110-inch plate.	
National	Ecorse, Mich.	80-inch hot strip.	2/ ***
	Granite City, Ill.	80-inch hot strip.	
Phoenix	Claymont, Del.	160-inch plate.	***
Republic	Gadsden, Ala.	134-inch plate and 54-inch hot strip.	2/ ***
	Cleveland, Ohio	84-inch hot strip.	
	Warren, Ohio	56-inch hot strip.	
Sharon Steel	Sharon, Pa.	60-inch hot strip.	4/
U.S. Steel	Homestead, Pa.	160-inch and 100-inch sheared plate.	
	Baytown, Tex.	160-inch sheared plate.	
	Gary, Ind.	160/210-inch sheared plate.	2/ ***
	South Chicago, Ill.	96-inch sheared plate.	
	Geneva, Utah	combination plate/strip and 33-inch universal plate.	
	Dravosburg, Pa.	33-inch hot strip.	

1/ J&L closed its only plate mill and a hot-strip mill (in Pittsburgh, Pa.) in February 1981; in 1980, the firm's annual capacity to produce hot-rolled carbon steel plate was about *** tons.

2/ Total capacity of the firm to produce hot-rolled carbon steel plate.

3/ Estimated.

4/ Not available.

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

U.S. Market and Apparent Consumption

The United States is the world's largest free market for carbon steel plate. It influences the activities of literally thousands of economic units throughout the world, and at least 50 foreign firms produce some carbon steel plate for export to the United States. Owing to the pervasive use of carbon steel plate in the heavy capital equipment field, this market responds directly to the level of industrial investment in the United States.

Apparent U.S. consumption of carbon steel plate declined from 8.4 million tons in 1978 to 7.6 million tons in 1980, or by 9 percent. 1/ Consumption during January-November 1981 amounted to 7.0 million tons, or about the same as that during the corresponding period of 1980. The share of the market supplied by the domestic industry increased in 1979, as U.S. producers' shipments rose while imports fell. In 1980, however, the domestic industry lost about half the increased market share gained the previous year. The ratio of imports from all sources to apparent consumption decreased from 23.4 percent in 1978 to 15.9 percent in 1979, but subsequently increased to 20.5 percent in 1980 and 24.9 percent during January-November 1981. 2/ Table II-3 shows that, measured on a quarterly basis, the ratio of imports to apparent consumption rose from 16.3 percent in January-March 1980 to a peak of 28.8 percent in July-September 1981, and then declined to 25.8 percent of estimated consumption in October-December 1981. 3/

1/ Apparent U.S. consumption of carbon steel plate in other recent years was as follows (in millions of short tons): 1972--7.4, 1973--8.8, 1974--10.0, 1975--7.7, 1976--6.8, and 1977--7.4.

2/ The ratio of imports from all sources to apparent consumption in other recent years was as follows (in percent): 1972--16.6, 1973--11.3, 1974--13.1, 1975--13.3, 1976--18.1, and 1977--21.3.

3/ Consumption was estimated for October-December 1981, inasmuch as official export statistics for December were not yet available.

Table II-3.--Hot-rolled carbon steel plate: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1978-81, January-November 1980, January-November 1981, and, by quarters, 1980 and 1981

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to-- Shipments	Ratio of imports to-- Consumption
	1,000 short tons				Percent	
1978	6,588	1/ 1,982	118	8,452	30.1	23.4
1979	6,803	1,252	169	7,886	18.4	15.9
1980	6,242	1,571	162	7,651	25.2	20.5
1981	5,772	1,841	2/ 173	7,439	31.9	2/ 24.7
January-November--						
1980	5,729	1,416	139	7,006	24.7	20.2
1981	5,398	1,739	159	6,978	32.2	24.9
1980:						
Jan.-Mar	1,789	344	28	2,106	19.2	16.3
Apr.-June	1,476	392	60	1,808	26.6	21.7
July-Sept	1,418	379	36	1,761	26.7	21.5
Oct.-Dec	1,559	456	39	1,976	29.2	23.1
1981:						
Jan.-Mar	1,646	412	27	2,031	25.0	20.3
Apr.-June	1,539	482	53	1,968	31.3	24.5
July-Sept	1,393	544	52	1,885	39.0	28.8
Oct.-Dec	1,195	402	2/ 42	2/ 1,555	33.6	2/ 25.8

1/ Adjusted to exclude 167,500 tons of slab greater than 6 inches in thickness imported from Poland.

2/ Estimated.

Source: Shipments compiled from data of the American Iron and Steel Institute; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of hot-rolled carbon steel plate during 1978-81, as well as the capacity of domestic producers to produce such merchandise and their utilization of that capacity, is shown in table II-4. As indicated, both production and capacity have fallen since 1979. Production decreased from 5.9 million tons in 1979 to 5.2 million tons in 1981, or by 12 percent. Capacity declined from 9.7 million tons in 1979 to 9.1 million tons in 1981, or by about 7 percent.

Table II-4.--Hot-rolled carbon steel plate: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/----1,000 short tons--	5,576	5,897	5,564	5,161
Capacity----------do----	8,987	9,713	9,300	9,051
Capacity utilization------percent--	62.0	60.7	59.8	57.0

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data accounted for 89 percent of total shipments of carbon steel plate in 1980 as reported by the American Iron and Steel Institute.

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

Caution should be used in evaluating the above capacity utilization figures. As indicated previously, carbon steel plate is produced both in plate mills and in hot-strip mills; the latter produce hot-rolled carbon steel sheet on the same equipment used to produce plate. Thus, an allocation of a plant's total productive capacity must be made to arrive at a capacity figure on a product-by-product basis. Moreover, the capacity utilization of rolling and finishing mills is not necessarily the best method of determining the extent to which a steelmaking operation is most efficiently utilizing its facilities. All steelmaking facilities--blast furnaces, steelmaking furnaces, and rolling and finishing mills--are interrelated, and the primary consideration of the firms in the industry is to insure that their primary production facilities, i.e, ironmaking and steelmaking furnaces, are operating at high capacity levels. This normally requires excess capacity at rolling and finishing mills. It is generally agreed, therefore, that a better gage of

the steel industry's, and an individual producer's, operating levels is capacity utilization for the production of raw steel. As indicated previously, data compiled by the American Iron and Steel Institute show that raw steel production capability in the United States totaled 157.9 million tons in 1978, 155.3 million tons in 1979, and 153.7 million tons in 1980. U.S. production of raw steel decreased from 137.0 million tons in 1978 to 136.3 million tons in 1979, and then dropped sharply to 111.8 million tons in 1980. Thus, production equaled 86.8 percent of the industry's total raw steel production capability in 1978, 87.2 percent in 1979, and 72.8 percent in 1980.

U.S. producers' shipments

During 1978-81, U.S. producers' shipments of carbon steel plate accounted for about 8 percent of aggregate shipments of all carbon steel mill products by U.S. producers. Producers' shipments of carbon steel plate increased 3 percent from 1978 to 1979, but then fell 8 percent annually in 1980 and 1981. U.S. producers' net shipments of carbon steel plate, as reported by AISI, 1/ are shown in the following tabulation:

	Quantity (1,000 short tons)
1978	6,588
1979	6,803
1980	6,242
1981	5,772

U.S. producers' intracompany and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table II-5. These data show the decline in producers' shipments since 1979 and indicate that (a) intracompany and intercompany shipments by U.S. producers of carbon steel plate for use in the manufacture of other products remained relatively stable at about 6 percent of total annual shipments during 1978-81, and (b) exports by producers accounted for less than 2 percent of their total shipments in each of those years. 2/

1/ Such shipments include intracompany transfers and exports, but exclude sales made to other steelmaking firms that report data to AISI.

2/ Domestic producers responding to the Commission's questionnaires in these investigations accounted for 84 percent of shipments reported by AISI in 1978, 87 percent in 1979, 89 percent in 1980, and 90 percent in 1981. Kaiser, * * *, did not respond to the questionnaire. * * *.

Table II-5.--Hot-rolled carbon steel plate: U.S. producers' shipments, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Intracompany and intercompany shipments	330	342	340	298
Domestic market shipments	5,180	5,507	5,133	4,801
Export shipments	39	50	99	80
Total	5,549	5,900	5,571	5,179
	Value (million dollars)			
Domestic market shipments	1,923	2,244	2,283	2,347
Export shipments	14	17	35	35
Total	1,937	2,261	2,318	2,382
	Unit value (per ton)			
Domestic market shipments	$371	$407	$445	$489
Export shipments	358	330	356	438
Average	371	407	443	488

1/ U.S. producers submitting usable data accounted for 89 percent of total shipments of carbon steel plate in 1980 as reported by the American Iron and Steel Institute.

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

U.S. exports

During 1978-80, exports of carbon steel plate accounted for about 6 percent of annual U.S. exports of all carbon steel mill products. Exports of carbon steel plate increased from 118,000 tons in 1978 to 169,000 tons in 1979, but then slipped to 162,000 tons in 1980. Exports in January-November 1981 amounted to 159,000 tons, or about 14 percent more than exports in January-November 1980 (table II-6). Principal export markets for domestically produced carbon steel plate during January 1978-November 1981 were Canada, Thailand, and Mexico; 34 percent of aggregate exports went to Canada, 24 percent went to Thailand, and 18 percent went to Mexico.

Table II-6.--Carbon steel plate: U.S. exports of domestically produced merchandise, 1/ by principal markets, 1978-80, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (1,000 short tons)				
Mexico	10	19	53	47	28
Thailand	48	36	33	24	27
Canada	32	63	30	29	81
Italy	2/	12	18	14	2/
United Kingdom	2/	5	9	8	2
All other	28	34	19	17	21
Total	118	169	162	139	159
	Value (1,000 dollars)				
Mexico	4,340	9,889	27,032	24,084	15,216
Thailand	6,399	6,074	6,542	4,914	5,329
Canada	14,209	26,619	18,444	17,602	43,824
Italy	103	2,686	3,579	2,884	177
United Kingdom	118	1,269	2,306	2,023	1,475
All other	11,533	18,592	15,070	13,865	14,822
Total	36,702	65,129	72,973	65,372	80,843

1/ Includes exports of hot- and cold-rolled carbon steel plate and clad plate, sheet, and strip. In 1978, cold-rolled carbon steel plate accounted for 9 percent of the total quantity of exports shown for that year in the table; data are not available on exports of cold-rolled carbon steel plate since 1978.

2/ Less than 500 tons.

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

U.S. producers' inventories

End users and distributors perform much of the inventory function in the domestic market for carbon steel plate. Producers generally keep minimum stocks of finished plate, preferring to inventory slab, which can be rolled into many steel mill products. Yearend inventories of hot-rolled carbon steel plate reported by U.S. producers in response to the Commission's questionnaires remained small and relatively constant during 1978-81, amounting to about 5 percent of producers' total annual shipments in each of those years. Reported yearend inventories are shown in the following tabulation:

As of Dec. 31--	Quantity (1,000 short tons)
1977	253
1978	273
1979	275
1980	263
1981	233

U.S. employment, wages, and productivity

In domestic establishments producing hot-rolled carbon steel plate, the average employment of all persons, production and related workers producing all products, and production and related workers producing plate followed a similar pattern of increasing in 1979 and then declining in 1980 and 1981. Similar patterns of change can be seen in hours paid for production and related workers in the production of all products and of plate (table II-7). The average number of workers engaged in producing hot-rolled carbon steel plate increased from 17,900 in 1978 to 19,100 in 1979, but then fell to 18,500 in 1980 and 16,900 in 1981; employment of such workers in 1981 was 12 percent less than that in 1979. Similarly, hours paid for workers engaged in producing plate fell from 38.9 million in 1979 to 33.6 million in 1981, or by almost 14 percent.

Table II-7.—Average number of employees, total and production and related workers, in U.S. establishments producing hot-rolled carbon steel plate, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	154,489	172,339	142,344	139,937
Percentage change	3/	11.6	-17.4	-1.7
Production and related workers producing--				
All products:				
Number	132,681	146,415	118,840	117,383
Percentage change	3/	10.4	-18.8	-1.2
Hot-rolled carbon steel plate:				
Number	17,938	19,143	18,469	16,937
Percentage change	3/	6.7	-3.5	-8.3
Hours paid for production and related workers producing—				
All products:				
Number----------thousands--	274,346	299,801	234,050	233,238
Percentage change	3/	9.3	-21.9	-.3
Hot-rolled carbon steel plate:				
Number----------thousands--	36,923	38,896	36,185	33,570
Percentage change	3/	5.3	-7.0	-7.2

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 89 percent of total shipments of carbon steel plate in 1980 as reported by the American Iron and Steel Institute.

3/ Not available.

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

Wages and total compensation paid to production and related workers producing all products and producing hot-rolled carbon steel plate are shown in table II-8. The difference between total compensation and wages is an estimate of workers' benefits.

Table II-8.--Wages and total compensation 1/ paid to production and related workers in establishments producing hot-rolled carbon steel plate, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related workers producing--				
All products:				
Value---------million dollars--	2,971	3,627	3,194	3,538
Percentage change----------	3/	22.1	-11.9	-10.8
Hot-rolled carbon steel plate:				
Value---------million dollars--	394	463	480	482
Percentage change----------	3/	17.4	3.7	.5
Total compensation paid to production and related workers producing--				
All products:				
Value---------million dollars--	3,768	4,608	4,179	4,642
Percentage change----------	3/	22.3	-9.3	11.1
Hot-rolled carbon steel plate:				
Value---------million dollars--	506	591	627	632
Percentage change----------	3/	16.9	6.0	.7

1/ Includes wages and contributions to social security and other employee benefits.

2/ U.S. producers submitting usable data accounted for 89 percent of total shipments of carbon steel plate in 1980 as reported by the American Iron and Steel Institute.

3/ Not available.

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

Note.--Percentage changes computed from unrounded data.

Data on labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel plate are presented in table II-9. Labor productivity increased by less than 1 percent in 1979 and by 1.5 percent in 1980, and then remained unchanged in 1981. Hourly compensation, however, increased continuously throughout the period. Inasmuch as the rise in hourly compensation was not offset by improved labor productivity, unit labor costs increased throughout the period--from $91 per ton in 1978 to $123 per ton in 1981, or by one-third in the 4-year period.

Table II-9.--Labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel plate, 1/ 1978-81

Item	1978	1979	1980	1981
Labor productivity:				
Quantity----------tons per hour--	0.1505	0.1510	0.1532	0.1532
Percentage change----------	2/	.3	1.5	0
Hourly compensation:				
Value----------per hour--	$13.70	$15.20	$17.32	$18.81
Percentage change----------	2/	10.9	13.9	8.6
Unit labor costs:				
Value----------per ton--	$90.99	$100.67	$113.09	$122.77
Percentage change----------	2/	10.6	12.3	8.6

1/ U.S. producers submitting usable data accounted for 89 percent of total shipments of carbon steel plate in 1980 as reported by the American Iron and Steel Institute.

2/ Not available.

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

Financial experience of U.S. producers

Operations on hot-rolled carbon steel plate.--The 10 firms which furnished profit-and-loss data accounted for 89 percent of total U.S. producers' shipments of hot-rolled carbon steel plate in 1980. Their net sales of hot-rolled carbon steel plate increased yearly during 1978-81, from $2.1 billion to $2.5 billion (table II-10). Overall, net sales increased 22 percent during the 4-year period.

The 10 firms' aggregate operations on hot-rolled carbon steel plate were profitable during 1978-81. They earned operating profits of $82 million and $93 million in 1978 and 1979, respectively. Such profit fell sharply to $35 million in 1980 before climbing to $59 million in 1981. The operating profit margin (ratio of operating profit to net sales) was equal to 4.0 percent in 1978, 3.9 percent in 1979, 1.4 percent in 1980 and 2.3 percent in 1981. Three firms sustained operating losses in 1978, four firms sustained such losses in 1979 and 1981, and six in 1980.

Table II-10.--Profit-and-loss experience of 10 U.S. producers on their operations producing hot-rolled carbon steel plate, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales--million dollars--	2,059	2,393	2,460	2,519
Cost of goods sold--do--	1,920	2,237	2,356	2,385
Gross profit--do--	139	156	104	134
Selling and administrative expenses--do--	57	63	69	75
Operating profit--do--	82	93	35	59
Ratio of gross profit to net sales--percent--	6.8	6.5	4.2	5.3
Ratio of operating profit to net sales--do--	4.0	3.9	1.4	2.3
Ratio of cost of goods sold to net sales--percent--	93.2	93.5	95.8	94.7
Ratio of selling and administrative expenses to net sales--percent--	2.8	2.6	2.8	3.0
Number of firms reporting operating losses	3	4	6	4

1/ U.S. producers submitting usable data accounted for 89 percent of total shipments of hot-rolled carbon steel plate in 1980 as reported by the American Iron and Steel Institute.

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

Capital expenditures.--Five firms supplied data relative to their expenditures during 1978-81 for land, buildings, and machinery and equipment used in the production of hot-rolled carbon steel plate. As shown in the following tabulation, aggregate capital expenditures rose from $265 million in 1978 to $313 million in 1979, declined to $221 million in 1980, and then rose to $251 million in 1981:

	Capital expenditures (1,000 dollars)
1978	265,496
1979	312,776
1980	220,706
1981	251,389

Research and development expenditures.--Seven firms supplied data relative to their research and development expenses incurred during 1978-81 in connection with the production of hot-rolled carbon steel plate. Such expenses amounted to $5.0 million in 1978, $4.6 million in 1979, $5.2 million in 1980, and $5.3 million in 1981.

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

In its examination of the question of a reasonable indication of the threat of material injury to an industry in the United States the Commission may take into consideration such factors as the rate of increase of allegedly subsidized or LTFV imports, the rate of increase of U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of hot-rolled carbon steel plate and of their U.S. market penetration is presented in the section of part II entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Allegedly Subsidized or LTFV Imports." Discussions of importers' inventories and foreign producers' capacity to generate exports follow.

U.S. importers' inventories

Yearend inventories of hot-rolled carbon steel plate reported by U.S. importers are shown in table II-11. As indicated, their inventories of plate imported from all sources rose irregularly from 55,000 tons in 1978 to 70,000 tons in 1981. Yearend inventories reported by these firms remained stable at 12 percent of their reported imports during each of the years 1979-81.

Table II-11.--Hot-rolled carbon steel plate: End-of-period inventories held by U.S. importers, by sources, 1978-81

Source	1978	1979	1980	1981
	Quantity (1,000 short tons)			
EC countries:				
Belgium	***	***	***	***
France	***	***	***	***
Italy	***	***	***	***
Luxembourg	***	***	***	***
Netherlands	***	***	***	***
United Kingdom	***	***	***	***
West Germany	***	***	***	***
Subtotal	39	28	33	30
Brazil	***	***	***	***
Romania	***	***	***	***
All other countries	***	***	***	***
Total, all inventories	55	39	59	70
	Ratio of inventories to reported imports (percent)			
EC countries:				
Belgium	***	***	***	***
France	***	***	***	***
Italy	***	***	***	***
Luxembourg	***	***	***	***
Netherlands	***	***	***	***
United Kingdom	***	***	***	***
West Germany	***	***	***	***
Average	10.8	15.1	11.7	11.8
Brazil	***	***	***	***
Romania	***	***	***	***
All other countries	***	***	***	***
Average, all countries	11.2	12.3	12.0	12.0

1/ Less than 500 short tons.

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

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

Capacity of foreign producers to generate exports and the availability of export markets other than the United States 1/

Belgium.--Belgium's production of carbon steel plate in 1980 amounted to 1.4 million tons, representing a 10-percent increase from the 1979 total of 1.3 million tons; production in January-September 1981 amounted to 1.2 million tons (equivalent to an annual rate of 1.6 million tons). The utilization of Belgium's capacity to produce carbon steel plate increased from 47 percent in 1979 to 54 percent in 1980 and 60 percent in January-September 1981. As shown in table II-12, virtually all of Belgium's production of carbon steel plate is exported, principally to other members of the EC. Exports to the United States accounted for 16 percent of aggregate exports in 1979, 20 percent in 1980, and 21 percent in January-September 1981.

Table II-12.--Carbon steel plate: Belgium's production, capacity, capacity utilization, and exports, 1979, 1980, and January-September 1981

Item	1979	1980	January-September 1981
Production----------1,000 short tons--	1,314	1,448	1,188
Capacity----------do----	2,772	2,668	1/ 1,996
Capacity utilization----------percent--	47.4	54.3	59.5
Exports to--			
United States----------1,000 short tons--	212	278	238
EC----------do----	844	953	638
All other countries----------do----	267	169	272
Total----------do----	1,323	1,400	1,148

1/ Equivalent to an annual capacity of 2,661,000 short tons.

Source: Compiled from data obtained from the Belgian Embassy.

Brazil.--Brazil produced 1.8 million tons of carbon steel plate in 1980, or 20 percent more than the 1.5 million tons produced in 1979. Production in January-August 1981 amounted to 1.1 million tons, equivalent to an annual rate of 1.7 million tons. According to information obtained from the U.S. Department of State, the utilization of Brazil's capacity to produce carbon steel plate is reported to have ranged from 75 to 85 percent during 1981. As shown in table II-13, about one-fifth of Brazil's production of carbon steel plate was exported in 1979, and almost one-third was exported in 1980. The United States took 55 percent of Brazil's aggregate exports of carbon steel plate in 1979 and 68 percent in 1980.

1/ Quantities in this section were converted from metric tons to short tons (1 metric ton equals 1.1023 short tons).

Table II-13.--Carbon steel plate: Brazil's production and exports, 1979, 1980, and January-September 1981

Item	1979	1980	January-September 1981
Production----------1,000 short tons--	1,500	1,800	1/ 1,118
Exports to--			
United States----------do----	177	389	65
EC----------do----	19	46	2
All other countries----------do----	128	140	53
Total----------do----	324	575	120

1/ January-August.

Source: Information obtained from the U.S. Department of State.

Romania.--Romania's production of carbon steel plate amounted to about *** tons annually in 1979 and 1980. Production in January-October 1981 reached *** tons, about *** tons more than production in all of 1980 (table II-14). Romania's capacity remained unchanged in 1979 and 1980, and then increased in 1981 as a new mill came on stream. The new mill is scheduled to reach full output by 1985, whereupon Romanian capacity is projected to be *** tons, or *** greater than capacity in 1980. *** was Romania's largest export market for carbon steel plate in January-October 1981, taking *** percent of aggregate exports in that period. Other principal markets included ***.

Table II-14.--Carbon steel plate: Romania's production, capacity, capacity utilization, and exports, 1979, 1980, and January-October 1981

Item	1979	1980	January-October 1981
Production----------1,000 short tons--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Exports to--			
United States----------1,000 short tons--	***	***	***
EC 1/----------do----	***	***	***
All other countries----------do----	***	***	***
Total----------do----	***	***	***

1/ ***.

Source: Information obtained from Leva, Hawes, Symington, Martin & Oppenheimer, counsel for Metalimportexport, a Romanian trading company.

France.--France's production of carbon steel plate in 1980 amounted to 2.5 million tons, representing a 16 percent increase from the 1979 level of 2.1 millions tons. Production in January-November 1981 amounted to 2.3 million tons (annual rate of 2.5 million tons). Utilization of France's capacity to produce plate in plate mills was about 72 percent in 1979, 77 percent in 1980, and 71 percent in January-November 1981. 1/ As shown in table II-15, France's exports of carbon steel plate rose from 674,000 tons in 1979 to 968,000 tons in 1980, and 1.15 million tons in January-November 1981. About 30 percent of France's production of carbon steel plate was exported in 1979, 40 percent was exported in 1980, and 50 percent was exported in the first 11 months of 1981. The United States took 16 percent of aggregate French exports of plate in 1979, and 13 percent in 1980 and January-November 1981.

Table II-15.--Carbon steel plate: France's production, capacity, capacity utilization, and exports, 1979, 1980, and January-November 1981

Item	1979	1980	January-November 1981
Production----------1,000 short tons--	2,127	2,468	2,310
Capacity:			
Wide hot-strip mills 1/----------do----	9,039	9,259	2/ 9,259
Four-high plate mills----------do----	1,323	1,323	2/ 1,323
Capacity utilization:			
Wide hot-strip mills 1/----------percent--	73.7	79.8	70.1
Four-high plate mills----------do----	71.9	77.0	71.1
Exports to--			
United States----------1,000 short tons--	111	129	146
EC----------do----	286	351	510
All other countries----------do----	277	488	498
Total----------do----	674	968	1,154

1/ Includes operations in producing other products, such as hot-rolled carbon steel sheet

2/ Annual rate.

Source: Compiled from information obtained from the U.S. Department of State.

1/ These capacity utilization rates refer to plate produced in four-high plate mills. France also produces carbon steel plate in hot-strip mills; such hot-strip mills were operated at approximately the same rates of capacity utilization during January 1979-November 1981 as its plate mills.

Italy.--Italy's production of carbon steel plate in 1980 amounted to 2.3 million tons, representing an 8.3 percent increase from the 1979 total of 2.1 million tons. 1/ Production in January-October 1981 amounted to 2.0 million tons. Data on Italy's capacity to produce hot-rolled carbon steel plate, its utilization of that capacity, and exports are not available. Italy's capacity utilization rate for producing raw steel was 67 percent in 1980, up from 65 percent in 1979.

Luxembourg.--Luxembourg's production of carbon steel plate increased from 210,000 tons annually in 1979 and 1980 to 217,000 tons in 1981, or by 3.3 percent. The utilization of Luxembourg's capacity to produce carbon steel plate rose from about 71 percent in 1979 and 1980 to 73 percent in 1981. As shown in table II-16, Luxembourg exported most of its production of plate. The bulk of exports went to other EC members; in 1981, 72 percent of aggregate exports went to the EC. Luxembourg's exports of hot-rolled carbon steel plate to the United States remained low during 1979-81, accounting for less than 1 percent of that country's total exports each year.

Table II-16.--Carbon steel plate: Luxembourg's production, capacity, capacity utilization, shipments, and exports, 1979-81

Item	1979	1980	1981
Production 1/----------1,000 short tons--	210	210	217
Capacity 1/----------do----	298	298	298
Capacity utilization 1/----------percent--	70.7	70.7	73.0
Total shipments 1/----------1,000 short tons--	208	207	220
Exports to—			
United States----------do----	1	2/	1
EC----------do----	139	138	126
All other countries----------do----	18	23	48
Total----------do----	158	161	174

1/ Includes operations in producing hot-rolled carbon steel sheet greater than 3mm (0.118 inch) in thickness.
2/ Less than 500 short tons.

Source: Compiled from information obtained from the U.S. Department of State.

1/ Iron and Steel Yearbook, 1981. Such production includes sheets cut to length and over 3mm in thickness.

The Netherlands.--The Netherlands' production of carbon steel plate in 1980 amounted to 340,000 tons, or 8 percent less than the 1979 total of 368,000 tons. Production in January-October 1981 amounted to 277,000 tons. Data on the utilization of the Netherlands' capacity to produce carbon steel plate were not available. The Netherlands' utilization of its capacity to produce raw steel was 62 percent in 1980, down from 69 percent in 1979. As shown in table II-17, the bulk of the Netherlands' production of carbon steel plate is exported, principally to other members of the EC. Exports to the United States accounted for about 2 percent of aggregate exports in 1979 and for less than 1 percent in 1980.

Table II-17.--Carbon steel plate: The Netherlands' production and exports, 1979, 1980, and January-October 1981

Item	1979	1980	January-October 1981
Production 1/----------1,000 short tons--	368	340	277
Exports to--			
United States 1/----------do----	7	1	2/
EC 1/----------do----	213	215	2/
All other countries 1/----------do----	87	51	2/
Total 1/----------do----	307	265	2/

1/ Includes sheets cut to length and over 3mm (0.118 inch) in thickness.
2/ Not available.

Source: Compiled from data obtained from Iron and Steel Yearbook, 1981; Statistics of World Trade in Steel, 1979 and 1980.

The United Kingdom.--The United Kingdom's production of carbon steel plate in 1980 amounted to 1.2 million tons, representing a 40-percent decrease from the 1979 total of 2.0 million tons. This was attributed to the reorganization of the British Steel Corp. in the fall of 1980 following a 3-month labor strike. The reorganization led to reductions in capacity utilization and employment for the year. Production in January-October 1981 amounted to 1.2 million tons (table II-18). Data on the utilization of the United Kingdom's capacity to produce carbon steel plate were not available. The United Kingdom's utilization of its capacity to produce raw steel dropped from 75 percent in 1979 to 40 percent in 1980. Total exports of carbon steel plate by the United Kingdom dropped from 507,000 tons in 1979 to 251,000 tons in 1980. This was primarily attributed to a sharp reduction in exports to countries outside the EC. Exports to the EC dropped 26 percent in volume from 1979 to 1980, but increased as a share of aggregate United Kingdom exports of plate--from 41 percent of the total in 1979 to 62 percent in 1980. Exports to the United States amounted to about 2 percent of aggregate exports in 1979 and 4 percent in 1980.

Table II-18.--Carbon steel plate: The United Kingdom's production and exports, 1979, 1980, and January-October 1981

Item	1979	1980	January-October 1981
Production 1/---------1,000 short tons--	1,981	1,180	1,237
Exports to--			
United States 1/----------do----	11	9	2/
EC 1/----------do----	210	155	2/
All other countries 1/----------do----	286	87	2/
Total 1/----------do----	507	251	2/

1/ Includes sheets cut to length and over 3mm (0.118 inch) in thickness.
2/ Not available.

Source: Compiled from data obtained from Iron and Steel Yearbook, 1981; Statistics of World Trade in Steel, 1979 and 1980.

West Germany.--West Germany's production of carbon steel plate in 1980 amounted to 5.0 million tons, or about 2 percent less than the 1979 total of 5.1 million tons. Production in January-October 1981 amounted to 4.4 million tons. Data on the utilization of West Germany's capacity to produce carbon steel plate were not available. West Germany's utilization of its capacity to produce raw steel was 66 percent in 1980, down from 68 percent in 1979. As shown in table II-19, the EC represented West Germany's largest export market for plate in 1980, accounting for 49 percent of its aggregate exports. The United States took about 4 percent of aggregate exports in 1979 and 1980.

Table II-19.--Carbon steel plate: West Germany's production and exports, 1979, 1980, and January-October 1981

Item	1979	1980	January-October 1981
Production 1/---------1,000 short tons--	5,072	4,989	4,366
Exports to--			
United States 1/----------do----	89	97	2/
EC 1/----------do----	988	1,097	2/
All other countries 1/----------do----	1,204	1,065	2/
Total 1/----------do----	2,281	2,259	2/

1/ Includes sheets cut to length and over 3mm (0.118 inch) in thickness.
2/ Not available.

Source: Compiled from data obtained from Iron and Steel Yearbook, 1981; and Statistics of World Trade in Steel, 1979 and 1980.

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

U.S. imports and market penetration

Imports from all sources.--During 1978-80, imports of carbon steel plate accounted for about 10 percent of total U.S. imports of all carbon steel mill products. Imports of carbon steel plate from all sources amounted to 2.0 million tons in 1978, 1/ 1.3 million tons in 1979, and 1.6 million tons in 1980. About 1.7 million tons were imported during January-November 1981, compared with 1.4 million tons imported during the corresponding period of 1980 (table II-3 on p. II-10). As indicated previously, the ratio of imports from all sources to apparent U.S. consumption decreased from 23.4 percent in 1978 to 15.9 percent in 1979, but subsequently increased to 20.5 percent in 1980 and 24.9 percent in January-November 1981. The ratio of imports to U.S. producers' shipments followed a similar trend.

Table II-3 also shows imports of carbon steel plate by quarters during 1980 and 1981, and the ratios of such imports to apparent U.S. consumption and to U.S. producers' shipments during those quarters. As indicated, imports from all sources rose irregularly from 344,000 tons in January-March 1980 to a peak of 544,000 tons in July-September 1981, and then declined to 402,000 tons in October-December 1981. The ratio of quarterly imports to apparent U.S. consumption of carbon steel plate increased from 16.3 percent in January-March 1980 to 28.8 percent in July-September 1981, before declining to 25.8 percent in October-December. The ratio of quarterly imports from all sources to U.S. producers' shipments followed a similar trend.

The principal suppliers of carbon steel plate to the U.S. market during January 1978-November 1981 were as follows (with the percent of aggregate imports supplied by each country during that period shown in parentheses): Belgium/Luxembourg (17), Canada (14), Brazil (13), Spain (8), the Republic of Korea (8), West Germany (7), Poland (5), and Romania (5). 2/ The EC supplied 31 percent of aggregate U.S. imports of carbon steel plate during the period. EC suppliers other than Belgium/Luxembourg and West Germany were France, Italy, the Netherlands, the United Kingdom, and Denmark.

Imports from the EC and from all countries subject to active countervailing duty and antidumping investigations.--Imports of carbon steel plate from the EC and from all countries subject to active countervailing duty and antidumping investigations, as well as the ratio of imports from such

1/ Adjusted to exclude 167,500 tons of slab greater than 6 inches in thickness imported from Poland.

2/ Japan was the principal source of imports of carbon steel plate in 1977. After the imposition of dumping duties on imports of such merchandise from Japan in 1978, however, imports declined from 387,000 tons in 1977 to 91,000 tons in 1978, 17,000 tons in 1979, and 33,000 tons in 1980. Similarly, after dumping duties were imposed on imports of carbon steel plate from Taiwan in 1979, imports from that country fell from 91,000 tons in 1978 to 3,000 tons in 1979; no carbon steel plate from Taiwan was entered in 1980.

suppliers to apparent U.S consumption, are shown in tables II-20 and II-21. Imports from all EC countries fell from 768,000 tons in 1978 to 344,000 tons in 1979, and then increased to 434,000 tons in 1980. Imports from the EC in January-November 1981 amounted to 463,000 tons, or 19 percent more than imports in January-November 1980. The ratio of imports from the EC to apparent U.S. consumption of hot-rolled carbon steel plate was 9.3 percent in 1978, 4.4 percent in 1979, 5.7 percent in 1980, and 6.6 percent in January-November 1981. Trends in the aggregate quantity and market penetration of imports from all countries subject to each of the two types of investigations were similar; that is, imports and market penetration dropped sharply in 1979, but subsequently increased in 1980 and the first 11 months of 1981.

Belgium/Luxembourg.--Belgium 1/ was the largest foreign supplier of carbon steel plate to the U.S. market during January 1978-November 1981, providing 17 percent of total imports in that period. Imports from Belgium fell from 386,000 tons in 1978 to 214,000 tons in 1979, but then increased to 286,000 tons in 1980. Imports in January-November 1981 amounted to 285,000 tons, 2/ or 13 percent more than imports during the corresponding period of 1980 (table II-22). The ratio of imports of carbon steel plate from Belgium to apparent U.S. consumption of such merchandise was 4.6 percent in 1978, 2.7 percent in 1979, 3.7 percent in 1980, and 4.3 percent in January-November 1981 (table II-23). Imports from Belgium, by quarters, during 1980 and 1981 are shown in table II-24, and the ratios of such imports to apparent U.S. consumption and to U.S. producers' shipments during those quarters are shown in table II-25. As indicated, quarterly imports from Belgium reached a peak of 102,000 tons, equivalent to 5.4 percent of apparent U.S. consumption, in July-September 1981.

1/ Official U.S. statistics aggregate imports from Belgium and Luxembourg. However, virtually all imports of hot-rolled carbon steel plate from Belgium/Luxembourg are produced in Belgium. Data submitted by the U.S. affiliate of Arbed S.A., the sole producer of hot-rolled carbon steel plate in Luxembourg, show the following exports of such merchandise to the United States: 1979--514 tons, 1980--308 tons, and 1981--506 tons. These exports were equivalent to less than 0.2 percent of U.S. imports of hot-rolled carbon steel plate from Belgium/Luxembourg in each of those years.

2/ According to information obtained from one importer of hot-rolled carbon steel plate, about *** tons of slab greater than 6 inches in thickness were imported from Belgium during August 1981 and entered the United States under TSUSA item 607.6615. Although such slab is classified as "plate" under TSUSA item 607.6615 (item 608.8415 prior to Jan. 1, 1980), it is not directly competitive with plate, since it is a semifinished product requiring further processing before use; moreover, its unit value is about half that of finished plate. Treasury's determination of LTFV sales concerning imports of carbon steel plate from Poland in 1979 excluded hot-rolled slabs greater than 6 inches in thickness (167,500 tons of such merchandise were entered in 1978), and such products are also excluded from the scope of these investigations. The relatively small importation from Belgium is the only known entry of such merchandise under item 607.6615 during January 1980-September 1981.

Table II-20.--Hot-rolled carbon steel plate (TSUSA items 607.6615, 607.9400, 608.0710, and 608.1100): 1/ U.S. imports for consumption, by selected sources, 1978-81, January-November 1980, and January-November 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/	Imports from all countries subject to antidumping investigations 4/
	Quantity (1,000 short tons)		
1978	768	1,145	800
1979	344	657	352
1980	434	926	462
1981	496	945	713
January-November--			
1980	389	837	414
1981	463	888	671
	Share of apparent U.S. consumption (percent)		
1978	9.1	13.5	9.4
1979	4.4	8.3	4.5
1980	5.7	12.1	6.0
1981	5/ 6.7	5/ 12.7	5/ 9.6
January-November--			
1980	5.6	11.9	5.9
1981	6.6	12.7	9.6

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8415, 608.8900, 608.9410, and 608.9510

2/ Imports were reported from Belgium/Luxembourg, Denmark, France, Italy, the Netherlands, the United Kingdom, and West Germany; no imports were reported from Greece or Ireland.

3/ Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, West Germany, Brazil, the Republic of South Africa, and Spain.

4/ Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, West Germany, and Romania.

5/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Table II-21.--Hot-rolled carbon steel plate (TSUSA items 607.6615, 607.9400, 608.0710, and 608.1100): 1/ U.S. imports for consumption, by selected sources and by quarters, 1980 and 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/	Imports from all countries subject to antidumping investigations 4/
	Quantity (1,000 short tons)		
1980:			
Jan.-Mar.	81	202	83
Apr.-June	128	230	129
July-Sept.	108	220	110
Oct.-Dec.	117	272	140
1981:			
Jan.-Mar.	54	203	95
Apr.-June	144	230	190
July-Sept.	170	282	245
Oct.-Dec.	128	230	182
	Share of apparent U.S. consumption (percent)		
1980:			
Jan.-Mar.	3.8	9.6	3.9
Apr.-June	7.1	12.7	7.1
July-Sept.	6.1	12.5	6.2
Oct.-Dec.	5.9	13.7	7.1
1981:			
Jan.-Mar.	2.6	9.9	4.7
Apr.-June	7.3	11.6	9.7
July-Sept.	9.0	14.8	12.9
Oct.-Dec.	5/ 8.2	5/ 14.8	5/ 11.7

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8415, 608.8900, 608.9410, and 608.9510

2/ Imports were reported from Belgium/Luxembourg, Denmark, France, Italy, the Netherlands, the United Kingdom, and West Germany; no imports were reported from Greece or Ireland.

3/ Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, West Germany, Brazil, the Republic of South Africa, and Spain.

4/ Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, West Germany, and Romania.

5/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Note.--Ratios computed from unrounded data.

Table II-22.--Hot-rolled carbon steel plate (TSUSA items 607.6615, 607.9400, 608.0710, and 608.1100): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981

Source	1978	1979	1980	January-November--	
				1980	1981
	Quantity (1,000 short tons)				
EC countries:					
Belgium/Luxembourg	386	214	286	252	2/ 285
France	61	16	28	26	17
Italy	82	16	1	1	14
Netherlands	5	5	4	4	5
United Kingdom	34	10	6	5	35
West Germany	183	75	102	94	86
Other 3/	17	7	7	7	21
Subtotal	768	344	434	389	463
Brazil	80	206	323	312	288
Romania	49	15	35	32	229
Republic of South Africa	70	41	66	63	60
Spain	244	74	110	80	97
Canada	244	238	251	231	221
Japan	91	17	33	32	29
Republic of Korea	72	119	212	186	113
Poland	4/ 288	67	60	46	104
All other	244	131	47	45	135
Total, all sources	2,150	1,252	1,571	1,416	1,739
	Value (1,000 dollars)				
EC countries:					
Belgium/Luxembourg	96,651	65,492	92,619	80,917	2/ 105,159
France	15,407	5,310	9,088	8,510	5,942
Italy	17,742	4,909	308	308	3,608
Netherlands	1,331	1,705	999	999	2,510
United Kingdom	7,608	3,182	1,764	1,605	12,642
West Germany	49,677	24,023	34,394	31,670	33,406
Other 3/	3,748	2,150	2,128	2,128	7,672
Subtotal	192,164	106,771	141,296	126,137	170,939
Brazil	22,125	61,754	101,796	98,233	105,090
Romania	9,496	4,745	11,297	10,276	83,448
Republic of South Africa	15,871	12,303	20,031	19,230	21,313
Spain	55,980	23,806	36,306	26,130	36,326
Canada	69,517	78,859	85,557	78,235	83,068
Japan	28,845	7,337	11,846	11,320	15,244
Republic of Korea	18,633	35,693	67,887	59,379	40,374
Poland	4/47,930	13,732	18,143	13,658	35,608
All other	56,851	41,038	17,658	16,833	46,989
Total, all sources	517,412	386,038	511,817	459,481	638,399

See footnotes at end of table.

Table II-22.--Hot-rolled carbon steel plate (TSUSA items 607.6615, 607.9400, 608.0710, and 608.1100): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981--Continued

Source	1978	1979	1980	January-November--	
				1980	1981
	Unit value (per ton)				
EC countries:					
Belgium/Luxembourg	$250	$306	$323	$321	2/ $369
France	251	325	326	322	357
Italy	217	313	288	288	260
Netherlands	276	313	277	277	551
United Kingdom	224	324	298	293	360
West Germany	271	318	338	338	387
Other 3/	225	306	310	310	359
Average	250	310	326	324	369
Brazil	278	300	315	315	365
Romania	194	314	319	320	364
Republic of South Africa	225	298	306	305	353
Spain	230	320	330	328	373
Canada	285	331	341	339	376
Japan	318	421	357	353	525
Republic of Korea	258	300	320	319	358
Poland	4/ 166	204	302	298	343
All other	233	313	376	375	348
Average, all sources	241	308	326	324	367

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8415, 608.8900, 608.9410, and 608.9510.

2/ Includes 13,600 short tons of slab greater than 6 inches in thickness.

3/ Imports from Denmark; no imports were reported from Greece or Ireland.

4/ Includes 167,500 short tons of slab greater than 6 inches in thickness.

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

Table II-23.--Hot-rolled carbon steel plate: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In percent)

Item	1978	1979	1980	January-November--	
				1980	1981
Ratio of imports to apparent U.S. consumption:					
EC countries:					
Belgium/Luxembourg	4.6	2.7	3.7	3.6	4.1
France	.7	.2	.4	.4	.2
Italy	1.0	.2	1/	1/	.2
Netherlands	.1	.1	.1	.1	.1
United Kingdom	.4	.1	.1	.1	.5
West Germany	2.2	1.0	1.3	1.3	1.2
Other 2/	.2	.1	.1	.1	.3
Subtotal	9.1	4.4	5.7	5.6	6.6
Brazil	.9	2.6	4.2	4.4	4.1
Romania	.6	.2	.4	.4	3.3
Republic of South Africa	.8	.5	.9	.9	.9
Spain	2.9	.9	1.4	1.1	1.4
All other countries	3/ 9.1	7.2	7.9	7.7	8.6
Total, all imports	23.4	15.9	20.5	20.2	24.9
Ratio of imports to U.S. producers' shipments:					
EC countries:					
Belgium/Luxembourg	5.8	3.1	4.6	4.4	5.3
France	.9	.2	.4	.4	.3
Italy	1.2	.2	1/	1/	.2
Netherlands	.1	.1	.1	.1	.1
United Kingdom	.5	.1	.1	.1	.6
West Germany	2.8	1.1	1.6	1.6	1.6
Other 2/	.2	.1	.1	.1	.4
Subtotal	11.6	5.0	7.0	6.8	8.6
Brazil	1.2	3.0	5.2	5.4	5.3
Romania	.7	.2	.6	.6	4.2
Republic of South Africa	1.1	.6	1.0	1.1	1.1
Spain	3.7	1.1	1.8	1.4	1.8
All other countries	3/ 11.7	8.4	9.7	9.4	11.1
Total, all imports	30.1	18.4	25.2	24.7	32.1

1/ Less than 0.05 percent.

2/ Imports from Denmark; no imports were reported from Greece or Ireland.

3/ Adjusted to exclude 167,500 tons of slab greater than 6 inches in thickness imported from Poland.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Table II-24.--Hot-rolled carbon steel plate (TSUSA items 607.6615, 607.9400, 608.0710, and 608.1100): 1/ U.S. imports for consumption, by principal sources and by quarters, 1980 and 1981

(In thousands of short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries:								
Belgium/Luxembourg	52	89	60	86	38	92	102	69
France	6	8	7	6	2	2	8	5
Italy	2/	0	1	2/	0	8	5	4
Netherlands	1	0	2	1	0	3	1	1
United Kingdom	4	1	1	2/	1	4	13	16
West Germany	18	27	33	24	8	28	30	30
Other 3/	0	3	3	0	4	7	11	2
Subtotal	81	128	108	117	54	144	170	128
Brazil	73	70	75	105	123	32	73	81
Romania	3	4	5	23	45	53	86	56
Republic of South Africa	24	19	18	4	13	26	8	16
Spain	24	16	23	46	16	34	41	8
Canada	62	69	52	67	68	73	52	34
Japan	9	12	6	5	5	15	5	5
Republic of Korea	52	48	52	61	31	34	27	23
Poland	7	14	20	19	36	28	32	10
All other	9	10	19	8	20	42	48	42
Total, all sources	344	392	379	456	412	482	544	402

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8415, 608.8900, 608.9410, and 608.9510.
2/ Less than 500 short tons.
3/ Imports from Denmark; no imports were reported from Greece or Ireland.

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

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

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Table II-25.--Hot-rolled carbon steel plate: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, 1980 and 1981

(In percent)

Item	1980				1981			
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.
Ratio of imports to apparent U.S. consumption:								
EC countries:								
Belgium/Luxembourg	2.5	4.9	3.4	4.4	1.9	4.7	5.4	1/ 4.4
France	.3	.4	.4	.3	.1	.1	.4	1/ .3
Italy	2/	-	.1	2/	-	.4	.3	1/ .3
Netherlands	2/	-	.1	.1	-	.2	.1	1/ .1
United Kingdom	.2	.1	.1	2/	2/	.2	.7	1/ 1.0
West Germany	.8	1.5	1.9	1.2	.4	1.4	1.6	1/ 1.9
Other 3/	-	.2	.2	-	.2	.4	.6	1/ .1
Subtotal	3.8	7.1	6.1	5.9	2.7	7.3	9.0	1/ 8.2
Brazil	3.5	3.9	4.2	5.3	6.0	1.6	3.9	1/ 5.2
Romania	.1	.2	.3	1.2	2.2	2.7	4.6	1/ 3.6
Republic of South Africa	1.1	1.0	1.0	.2	.6	1.3	.4	1/ 1.0
Spain	1.1	.9	1.3	2.3	.8	1.7	2.2	1/ .5
All other countries	6.6	8.5	8.5	8.1	7.9	9.8	8.7	1/ 7.3
Total, all imports	16.3	21.7	21.5	23.1	20.3	24.5	28.8	1/ 25.8
Ratio of imports to U.S. producers' shipments:								
EC countries:								
Belgium/Luxembourg	2.9	6.0	4.2	5.5	2.3	6.0	7.3	5.8
France	.3	.5	.5	.4	.1	.1	.6	.4
Italy	2/	-	.1	2/	-	.5	.4	.4
Netherlands	.1	-	.1	.1	-	.2	.1	.1
United Kingdom	.2	.1	.1	2/	.1	.3	.9	1.4
West Germany	1.0	1.8	2.3	1.5	.5	1.8	2.2	2.5
Other 3/	-	.2	.2	-	.2	.5	.8	.1
Subtotal	4.5	8.7	7.6	7.5	3.3	9.4	12.2	10.7
Brazil	4.1	4.7	5.3	6.7	7.5	2.1	5.2	6.8
Romania	.2	.3	.4	1.5	2.7	3.4	6.2	4.7
Republic of South Africa	1.3	1.3	1.3	.2	.8	1.7	.6	1.3
Spain	1.3	1.1	1.6	2.9	1.0	2.2	2.9	.6
All other countries	7.8	10.4	10.5	10.2	9.7	12.5	11.8	9.5
Total, all imports	19.2	26.6	26.7	29.2	25.0	31.3	39.0	33.6

1/ Estimated.
2/ Less than 0.05 percent.
3/ Imports from Denmark; no imports were reported from Greece or Ireland.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Brazil.--Brazil was the third largest foreign supplier (after Belgium and Canada) to the U.S. market during January 1978-November 1981, providing 13 percent of total imports in that period. It was the largest supplier in 1980 and January-November 1981. Imports from Brazil rose threefold from 1978 to 1980, or from 80,000 tons to 323,000 tons. Imports in January-November 1981 amounted to 288,000 tons, or 8 percent less than imports during the corresponding period of 1980 (table II-22). The ratio of imports of carbon steel plate from Brazil to apparent U.S. consumption of such merchandise increased from 0.9 percent in 1978 to 2.6 percent in 1979 and 4.2 percent in 1980; the corresponding ratio in January-November 1981 was 4.1 percent (table II-23). Quarterly imports of carbon steel plate from Brazil during 1980 and 1981 peaked at 123,000 tons, or 6.0 percent of consumption, in January-March 1981 (tables II-24 and II-25).

France.--Imports of hot-rolled carbon steel plate from France fell from 61,000 tons in 1978 to 16,000 tons in 1979, and then increased to 28,000 tons in 1980. Imports in January-November 1981 amounted to 17,000 tons, in comparison with 26,000 tons imported in the corresponding period of 1980 (table II-22). The ratio of imports of plate from France to apparent U.S. consumption was 0.7 percent in 1978, 0.2 percent in 1979, 0.4 percent in 1980, and 0.2 percent in January-November 1981 (table II-23). Quarterly imports of hot-rolled carbon steel plate from France during 1980 and 1981 fluctuated from 2,000 tons in January-March 1981 and April-June 1981 to 8,000 tons in April-June 1980 and July-September 1981; the ratio of such imports to apparent consumption remained at 0.4 percent or less during this period (tables II-24 and II-25).

Italy.--Imports of hot-rolled carbon steel plate from Italy dropped from 82,000 tons in 1978 to 16,000 tons in 1979 and 1,000 tons in 1980. However, imports in January-November 1981 rose to 14,000 tons (table II-22). The ratio of imports of such plate from Italy to apparent U.S. consumption fell from 1.0 percent in 1978 to 0.2 percent in 1979 and less than 0.05 percent in 1980, but subsequently increased to 0.2 percent in January-November 1981 (table II-23). Quarterly imports of carbon steel plate from Italy during 1980 and 1981 peaked at 8,000 tons, or 0.4 percent of consumption, in April-June 1981 (tables II-24 and II-25).

Netherlands.--Imports of hot-rolled carbon steel plate from the Netherlands remained stable at about 5,000 tons annually during 1978-80 and January-November 1981 (table II-22), and the ratio of such imports to apparent U.S. consumption remained at 0.1 percent (table II-23). Quarterly imports of carbon steel plate from the Netherlands during 1980 and 1981 peaked at 3,000 tons, or 0.2 percent of consumption, in April-June 1981 (tables II-24 and II-25).

Romania.--During 1978-80, Romania was a relatively minor supplier of carbon steel plate to the United States, accounting for less than 3 percent of total imports in each year. Imports of carbon steel plate from Romania in those years fluctuated from 15,000 tons to 49,000 tons. In January-November 1981, however, imports of such merchandise from Romania jumped to 229,000 tons; in comparison, only 32,000 tons were imported in January-November 1980 (table II-22). The ratio of imports of carbon steel plate from Romania to apparent U.S. consumption was 0.6 percent in 1978, 0.2 percent in 1979, 0.4

percent in 1980, and 3.3 percent in January-November 1981 (table II-23). Quarterly imports from Romania reached a peak of 86,000 tons, or 4.6 percent of consumption, in July-September 1981 (tables II-24 and II-25).

United Kingdom.--The United Kingdom was the third largest EC supplier of hot-rolled carbon steel plate to the United States in January-November 1981. Imports from the United Kingdom fell from 34,000 tons in 1978 to 10,000 tons in 1979 and 6,000 tons in 1980. However, imports jumped from 5,000 tons in January-November 1980 to 35,000 tons in January-November 1981 (table II-22). The ratio of imports of such plate from the United Kingdom to apparent U.S. consumption was 0.4 percent in 1978, 0.1 percent in 1979 and 1980, and 0.5 percent in January-November 1981 (table II-23). Quarterly imports of carbon steel plate from the United Kingdom during 1980 and 1981 peaked at 16,000 tons, or 1.0 percent of estimated consumption, in October-December 1981 (tables II-24 and II-25).

West Germany.--West Germany is the second largest EC supplier of hot-rolled carbon steel plate to the United States. Imports from West Germany fell from 183,000 tons in 1978 to 75,000 tons in 1979, and then increased to 102,000 tons in 1980. Imports in January-November 1981 amounted to 86,000 tons; in comparison, 94,000 tons were imported in January-November 1980 (table II-22). The ratio of imports of such plate from West Germany to apparent U.S. consumption was 2.2 percent in 1978, 1.0 percent in 1979, 1.3 percent in 1980, and 1.2 percent in January-November 1981 (table II-23). Quarterly imports of carbon steel plate from West Germany during 1980 and 1981 peaked at 33,000 tons, or 1.9 percent of consumption, in July-September 1980 (tables II-24 and II-25).

Prices

U.S. producers usually quote prices for hot-rolled carbon steel plate on an f.o.b. mill basis 1/. Importers of the product from Belgium, 2/ France, Italy, the Netherlands, the United Kingdom, West Germany, Brazil, and Romania generally quote prices f.a.s. port of entry or f.o.b. warehouse. Prices consist of a base price for each product plus additional charges for extras such as differences in length, width, thickness, chemistry, and so forth. Prices can be changed by changing the base price, the charges for extras, or both. According to Bureau of Labor Statistics' data, there have been six announced base price increases for steel plate since January 1, 1979, the most recent one occurring in October 1981.

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, in which a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. The more distant producer charges the customer's account for freight costs as if the product were shipped from the closer producer.

2/ Unit values for Belgium include Luxembourg.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports of hot-rolled carbon steel plate in 1979-81 are presented in table II-26 and figures II-1 and II-2. The producers' price index is based on list prices and may not reflect changes in actual transaction prices. 1/ Unit value indexes may vary over time not only because of changes in prices, but also because of changes in the specific types of steel being imported. The producers' price index for domestically produced hot-rolled carbon steel plate increased 34 percent from January-March 1979 through October-December 1981, while that product's trigger price rose 18 percent during the same time period. The unit value indexes of imported steel plate from Belgium increased by 20.7 percent between January-March 1979 and July-September 1981, the last quarter for which full information is available. During that period, the unit value indexes of imports from France, Italy, West Germany, Brazil, and Romania increased by 3.6 percent, 6.5 percent, 28.9 percent, 30.4 percent, and 26.2 percent respectively. The unit value index for the Netherlands increased 20.2 percent from July-September 1979 to July-September 1981. The only decrease in unit value was for the United Kingdom, which fell 5.7 percent from January-March 1979 to July-September 1981.

Unit value indexes are available for the month of October 1981 for all countries. Compared with July-September 1981, unit values increased for all countries except West Germany and Brazil, and unit values for France and Italy were up more than 20 percent.

Transaction prices--The Commission requested data on average net selling prices for specific products from domestic producers and importers. In addition, to facilitate direct comparisons of prices, the Commission requested data on prices paid by steel purchasers.

Trends in prices.--The Commission asked domestic producers and importers for their average net selling prices to steel service center/distributor and end-user customers for four specified hot-rolled carbon steel plate products. 2/ Domestic producers' selling prices requested were weighted average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices requested were weighted average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data can not be used to compare the levels of domestic producers' and importers' prices, but are useful for comparing trends in these prices and should reflect any discounting that may have occurred.

1/ The producer price index is compiled by the Bureau of Labor Statistics.

2/ As a basis for transaction price comparisons, the Commission selected 22 representative steel mill products covering the 9 product categories subject to these investigations. These products and their respective specifications are listed by product category in app. I. The four representative plate products are item Nos. 9 through 12 on the representative product list.

Table II-26.--Hot-rolled carbon steel plate: Indexes of producer prices, trigger prices, and unit values of imports from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, West Germany, Brazil, and Romania, by quarters, 1979-81 1/

(January-March 1979 =100) 2/

Period	Producer price index	Trigger price index	Unit value of steel plate imported from--							
			Belgium 3/	France	Italy	Nether-lands	United Kingdom	West Germany	Brazil	Romania
1979:										
January-March	100.0	100.0	100.0	100.0	100.0	6/	100.0	100.0	100.0	100.0
April-June	102.3	100.0	107.2	98.7	101.4	6/	107.9	99.4	106.2	108.1
July-September	103.5	98.7	106.2	123.3	122.7	100.0	120.7	107.6	105.1	114.1
October-December	108.7	98.7	103.7	96.8	5/	100.0	80.8	102.7	107.2	99.3
1980:										
January-March	108.7	101.9	104.1	100.1	114.9	99.8	75.4	100.2	110.5	109.0
April-June	114.5	4/	110.4	97.3	6/	6/	81.9	106.8	112.2	104.7
July-September	115.4	4/	110.4	109.7	98.2	85.9	75.9	107.5	108.2	103.2
October-December	119.4	114.2	112.9	108.8	119.2	87.0	92.0	120.9	109.0	112.8
1981:										
January-March	122.6	115.2	129.5	118.2	6/	6/	92.6	111.6	125.5	118.6
April-June	128.9	118.0	127.2	115.4	70.0	5/	85.2	125.4	127.8	124.6
July-September	128.7	118.0	120.7	103.6	106.5	120.2	94.3	128.9	130.4	126.2
October-December	134.1	118.0	7/ 127.6	7/ 125.9	7/ 134.0	7/ 124.3	7/ 94.4	7/ 119.6	7/ 125.2	7/ 134.5

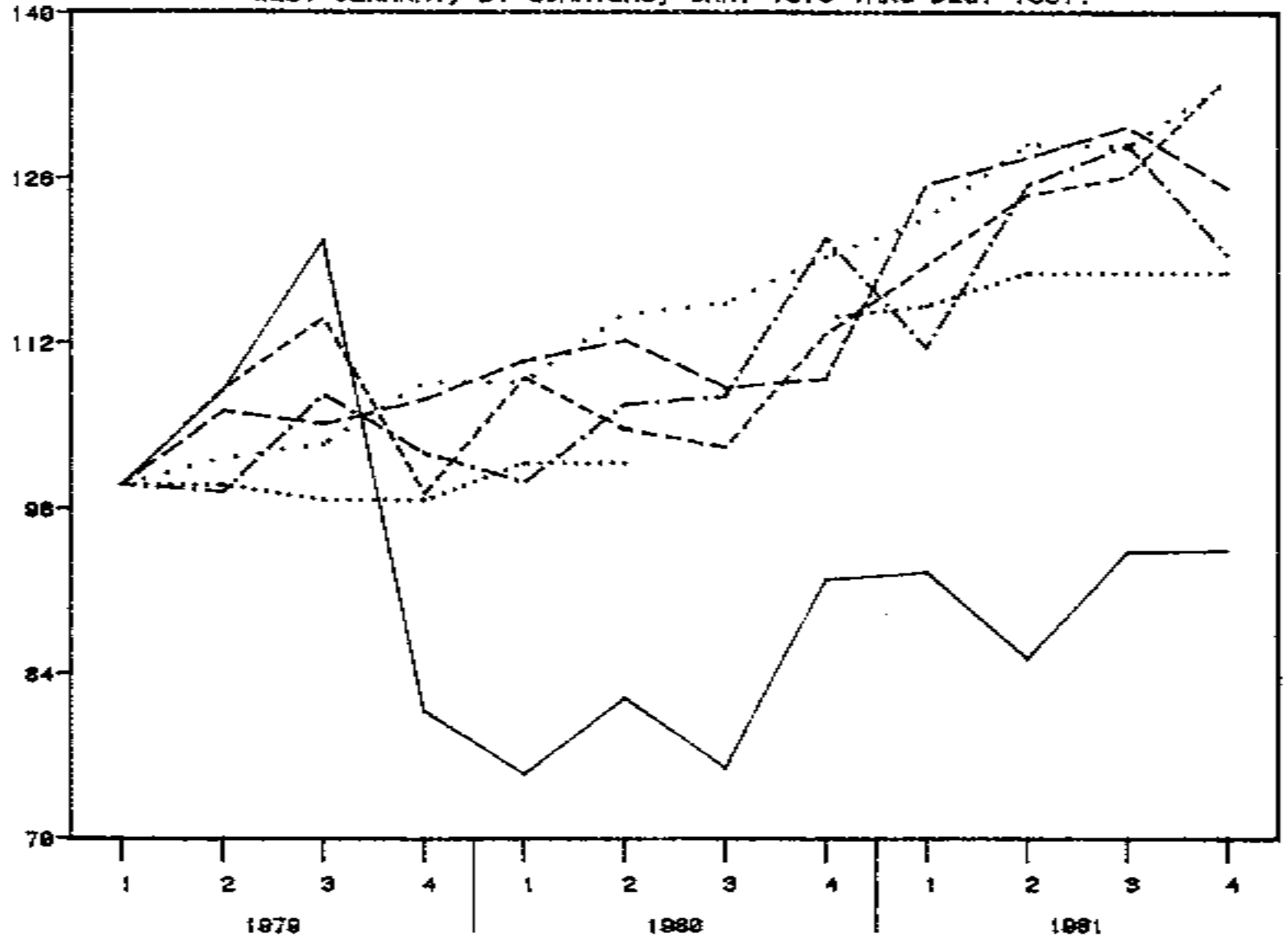
1/ The producer price index and trigger-price index refer to A-36 commercial quality plate.
2/ For the Netherlands, July-September 1979=100.
3/ Import data for Belgium includes data for Luxembourg.
4/ Trigger prices were suspended.
5/ Acceptable data not available.
6/ Not available.
7/ Unit value indexes refer to October only.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics and the U.S. Department of Commerce.

Note.--Indexes are presented for comparisons of trends; index levels are not comparable.

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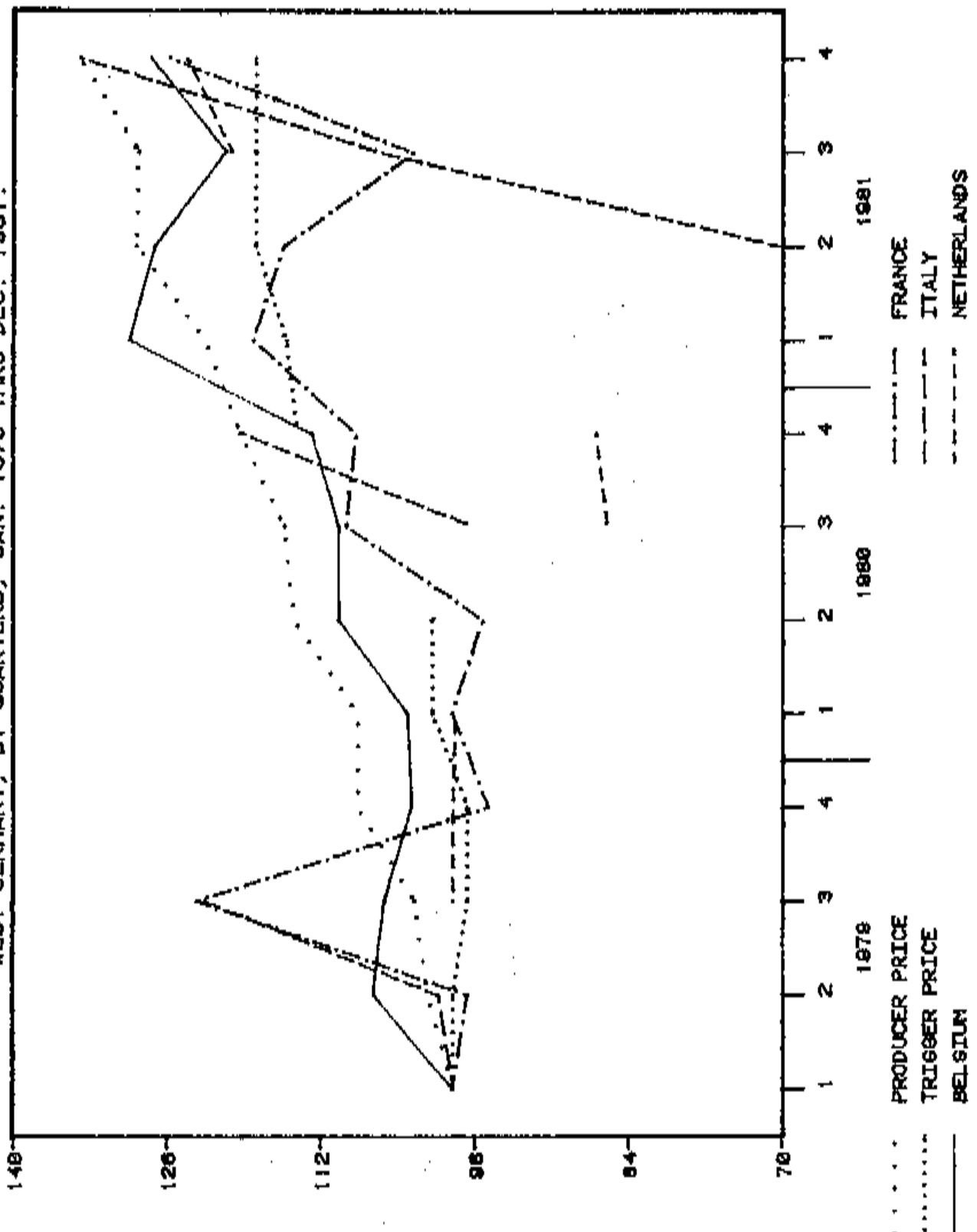
FIGURE II-1.-- HOT-ROLLED CARBON STEEL PLATE: INDEXES OF TRIGGER PRICES, PRODUCER PRICES, AND THE UNIT VALUE OF IMPORTS FROM BELGIUM, BRAZIL, FRANCE, ITALY, LUXEMBOURG, NETHERLANDS, ROMANIA, UNITED KINGDOM, AND WEST GERMANY, BY QUARTERS, JAN. 1979 THRU DEC. 1981.



SOURCE: SEE TABLE II-26.

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FIGURE II-2.--HOT-ROLLED CARBON STEEL PLATE: INDEXES OF TRIGGER PRICES, PRODUCER PRICES, AND THE UNIT VALUE OF IMPORTS FROM BELGIUM, BRAZIL, FRANCE, ITALY, LUXEMBOURG, NETHERLANDS, ROMANIA, UNITED KINGDOM, AND WEST GERMANY, BY QUARTERS, JAN. 1978 THRU DEC. 1981.



SOURCE: SEE TABLE II-26.

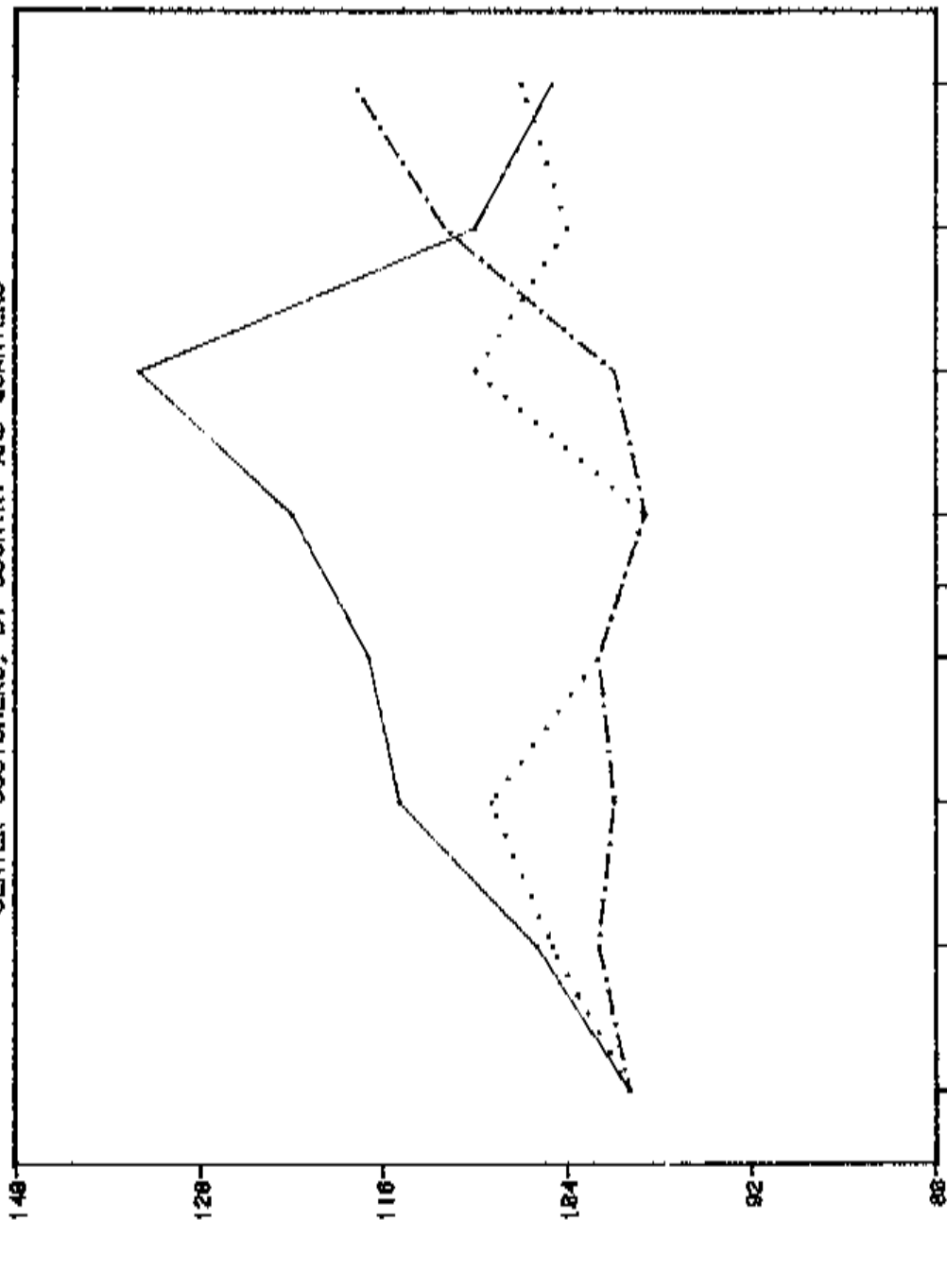
Price data on hot-rolled carbon steel plate were received from 7 domestic producers and 20 importers, by quarters, in 1980 and 1981 (tables 1 through 4 in app. J and figs. II-3 through II-10). Importers reporting imports by country source were as follows: Belgium (11), France (2), Italy (1), Luxembourg (1), the Netherlands (2), the United Kingdom (2), West Germany (6), Brazil (9), and Romania (4). In general, imported steel plate from Belgium, West Germany, and Brazil, the three countries for which complete or nearly complete price series on sales to service center/distributors were supplied, tended to show larger price increases than in the corresponding categories of domestically produced plate. The same pattern, although less pronounced, was repeated in sales to end users. Domestic and import price indexes on sales to service center/distributor and end-user customers generally tend to decrease in the latter half of 1980, surge upward in April-June 1981, and then flatten or drop slightly during the latter half of 1981. This fluctuation in the price indexes is not unusual in cyclically sensitive products such as hot-rolled carbon steel plate.

Domestic price indexes for the four plate products increased between 5 percent and 20 percent over the past 2 years. Increases in imported price indexes for the same steel plate products sold to service center/distributor and end-user customers ranged from no change to 31 percent for Belgium, and from 2 percent to 27 percent for West Germany. In sales to service center/distributors, price increases for the four steel plate products imported from Belgium and West Germany were greater than or equal to domestic price increases in seven of eight instances. In sales to end users, price increases for imports from these countries were greater than price increases by domestic producers in five of eight instances.

Product price coverage for plate imported from the United Kingdom, Brazil, and Romania was not complete. Based on this coverage, price changes to service center/distributor and end-user customers in 1980 and 1981 ranged from increases of 14 percent to 17 percent for the United Kingdom, increases of 5 percent to 20 percent for Brazil, and increases of 3 percent to 13 percent for Romania. Based on limited reporting, in sales to service center/distributors in 1980 and 1981, price increases for the four steel plate products imported from the United Kingdom, Brazil, and Romania were greater than increases in domestic prices in five of eight instances. In sales to end users in 1980 and 1981, price increases for imports from these countries were less than price increases by domestic producers in all five instances.

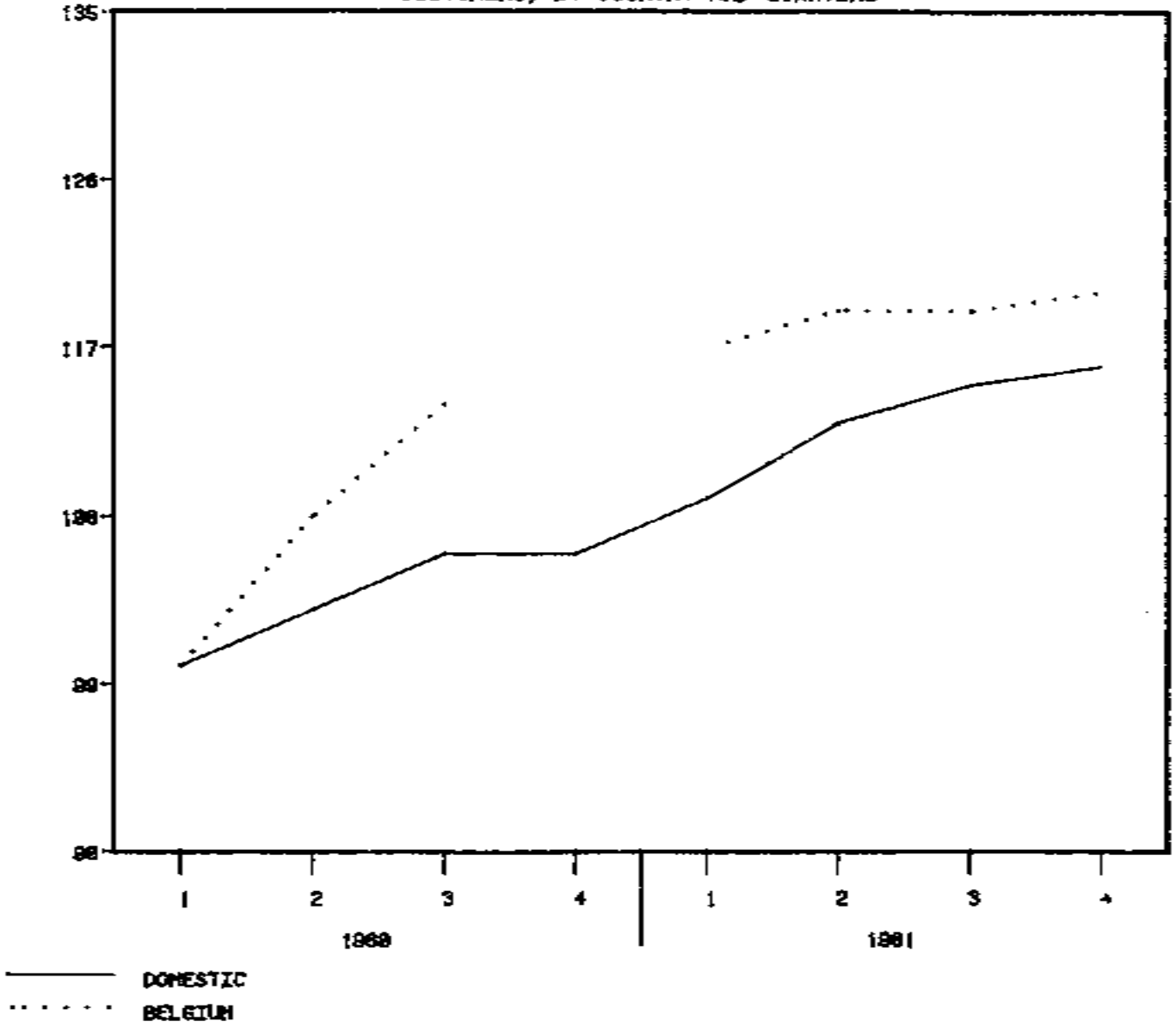
Purchase prices.--The Commission also asked purchasers to furnish the delivered prices they paid for four imported and domestically produced hot-rolled carbon steel plate products. Purchasers were asked for prices, including delivery charges, paid in specific transactions. To ensure that these prices would be comparable, the purchasers were identified by their location, and questionnaires were sent to firms located in six metropolitan areas: Atlanta, Chicago, Detroit, Houston, Los Angeles, and Philadelphia. These data were used to compare the levels of importers' and domestic producers' prices.

FIGURE II-3.--HOT-ROLLED CARBON STEEL PLATE-PRODUCT 9
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



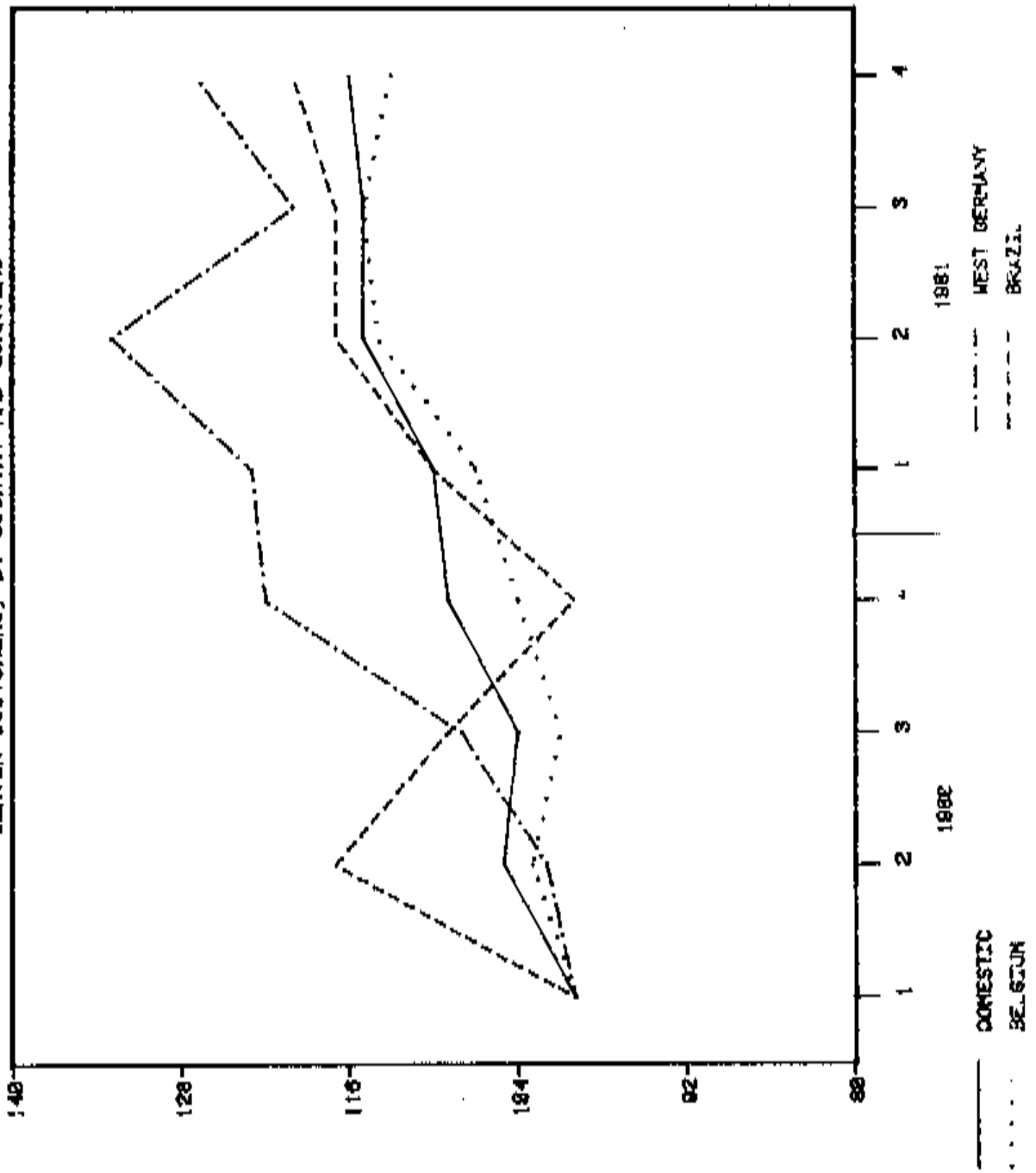
SOURCE: SEE TABLE 1, APPENDIX J

FIGURE II-4.-- HOT-ROLLED CARBON STEEL PLATE-PRODUCT 9
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



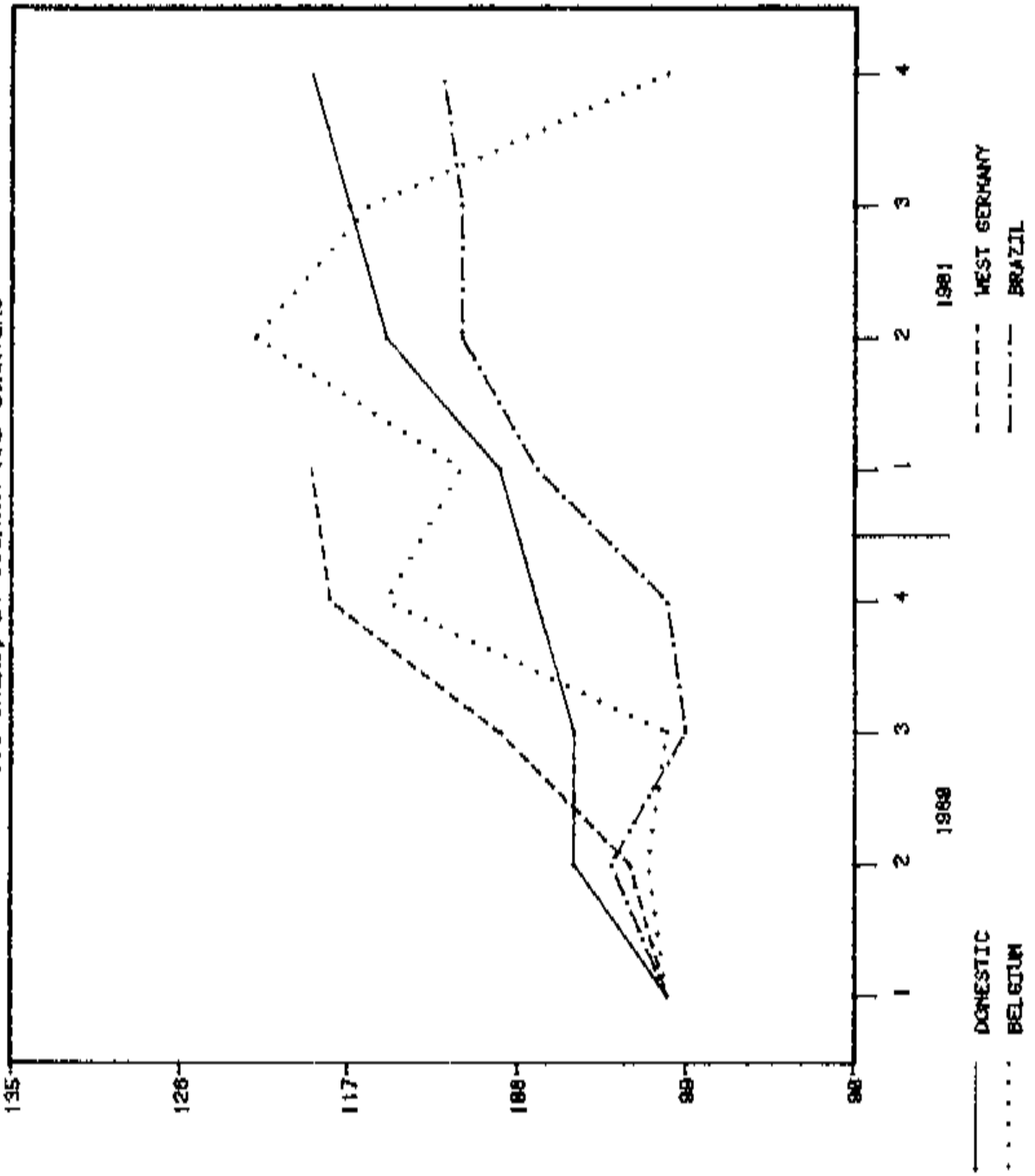
SOURCE: SEE TABLE 3, APPENDIX J

FIGURE II-5.--HOT-ROLLED CARBON STEEL PLATE-PRODUCT 1B
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



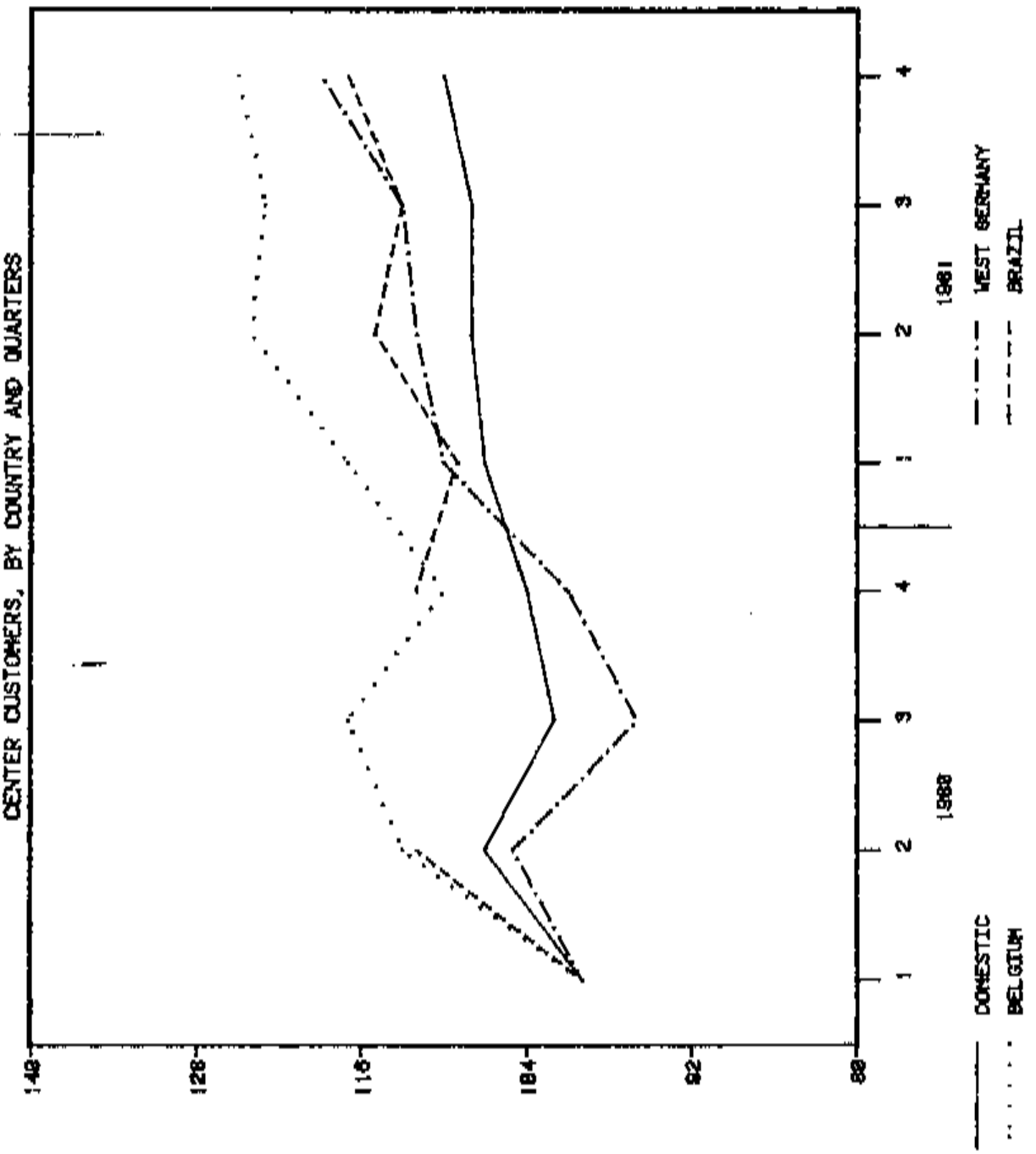
SOURCE: SEE TABLE 1, APPENDIX J

FIGURE II-6.--HOT-ROLLED CARBON STEEL PLATE-PRODUCT :0
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



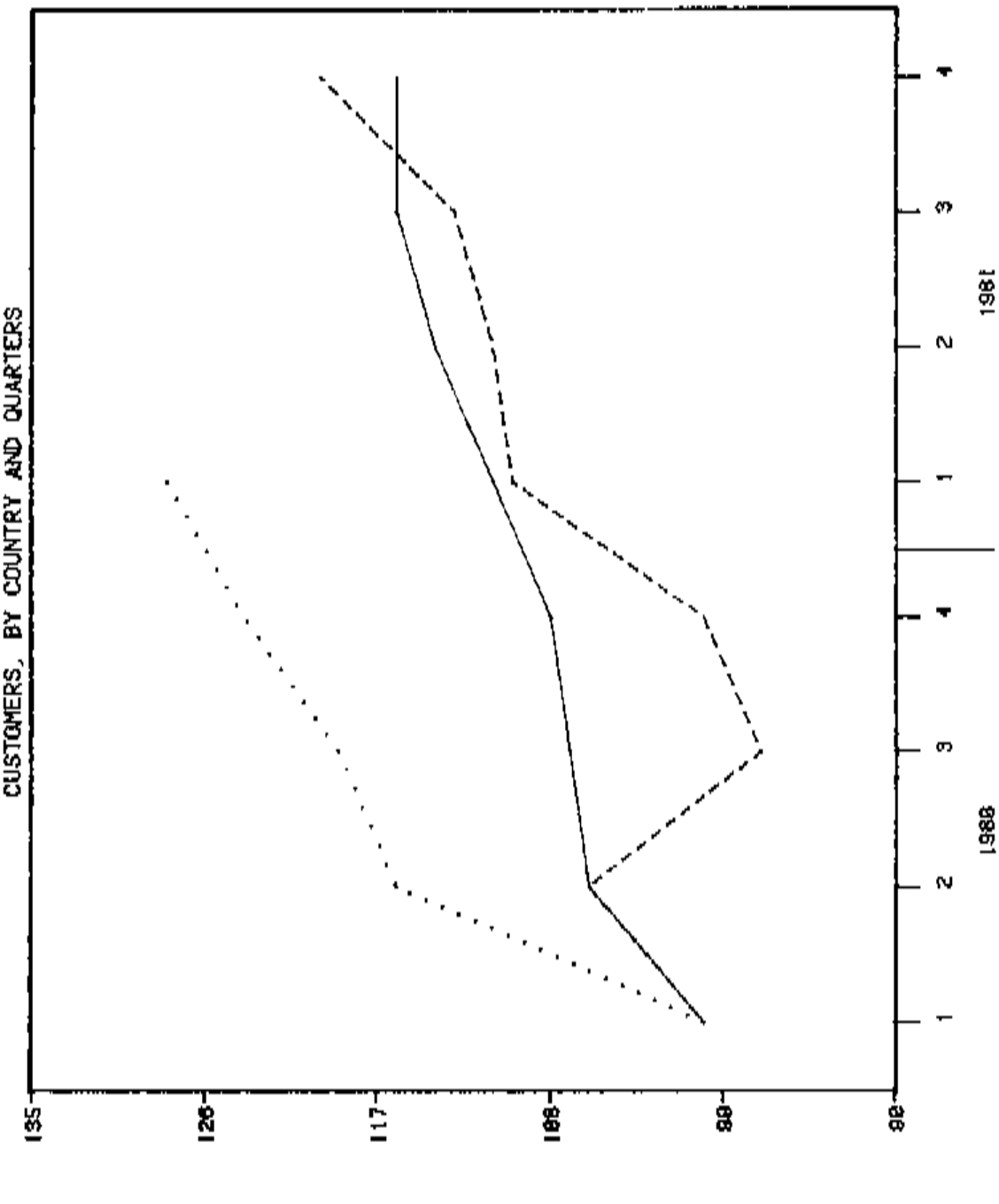
SOURCE: SEE TABLE 3, APPENDIX J

FIGURE II-7.-- HOT-ROLLED CARBON STEEL PLATE-PRODUCT 11
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



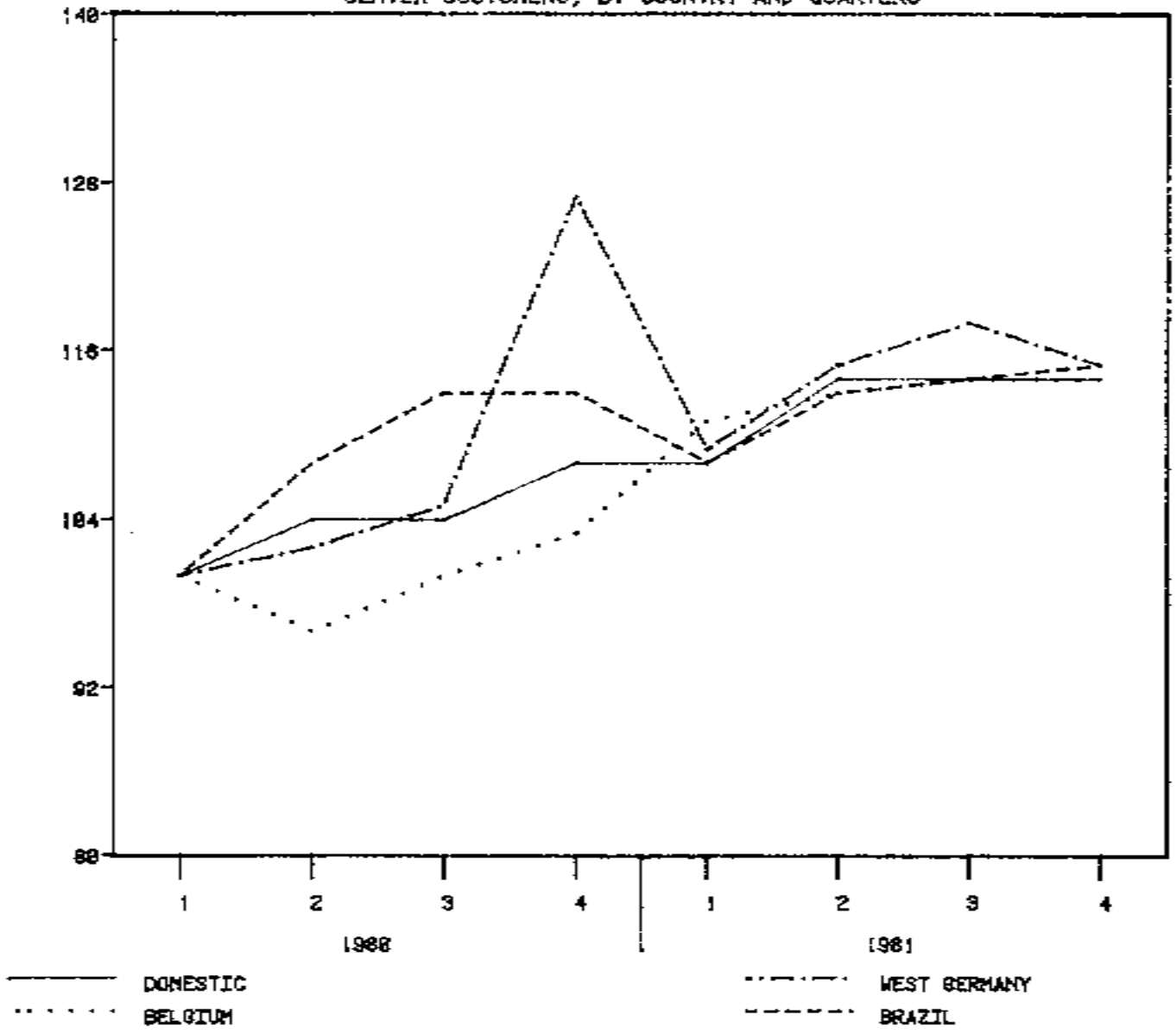
SOURCE: SEE TABLE 1, APPENDIX J

FIGURE II-8.--HOT-ROLLED CARBON STEEL PLATE-PRODUCT 1: INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 3, APPENDIX J

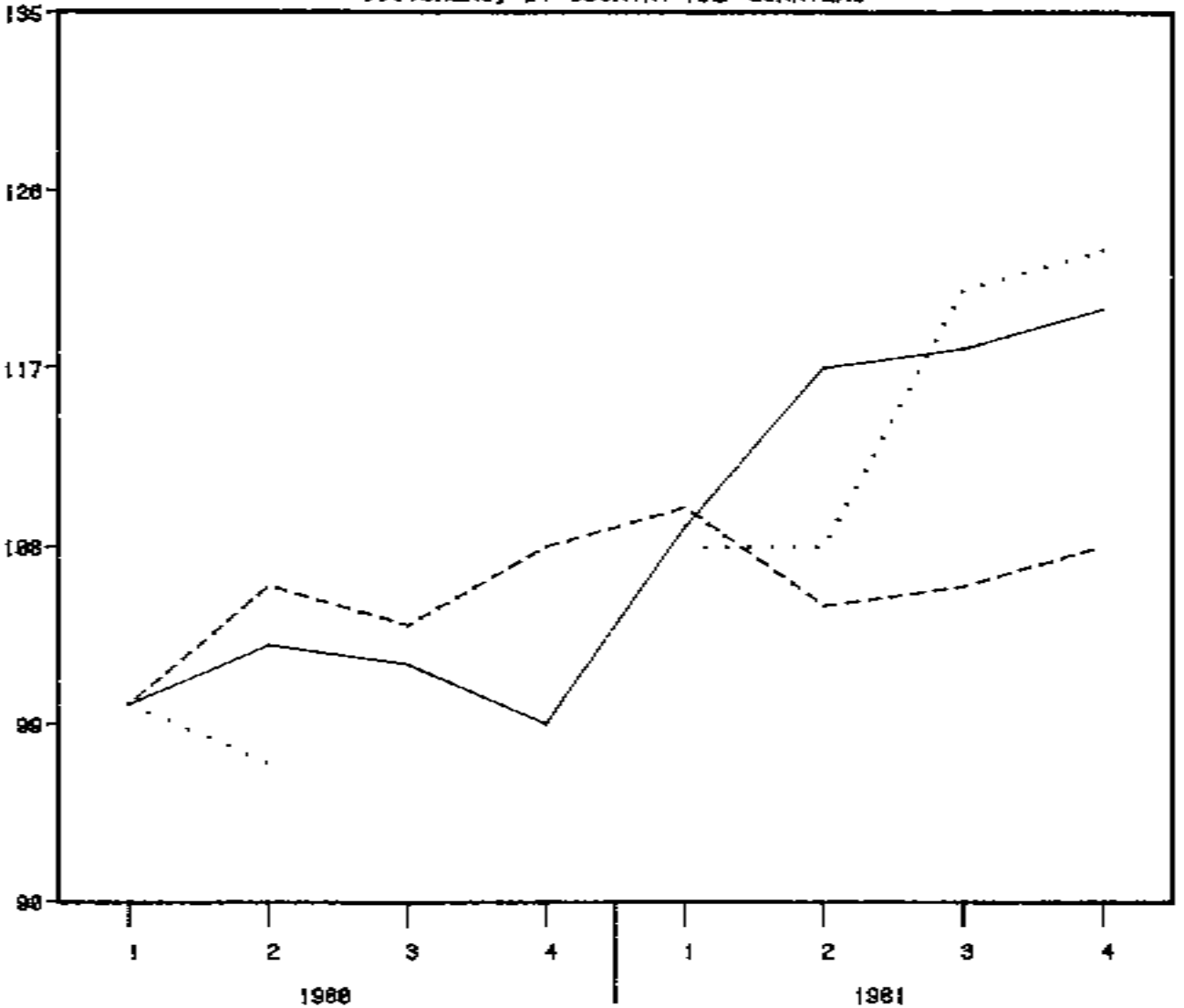
FIGURE II-9.--HOT-ROLLED CARBON STEEL PLATE-PRODUCT 12
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 1, APPENDIX J

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FIGURE II-10.--HOT-ROLLED CARBON STEEL PLATE-PRODUCT 12
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE J, APPENDIX J

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Of the 66 purchasers' responding to this questionnaire, 22 gave price information on domestically produced hot-rolled carbon steel plate, 8 gave prices on imported Belgian plate, 2 gave prices on imported West German plate, and 8 gave prices on imported Brazilian plate.

Average margins of underselling on purchases by service center/distributors of the four domestic hot-rolled carbon steel plate products and the comparable products imported from Belgium, West Germany, and Brazil in the Atlanta, Chicago, and Philadelphia areas are presented in tables 5-7 in appendix J. Average margins of underselling on purchases by end users of the four domestic products and the comparable products imported from Belgium and Brazil in the Atlanta, Chicago, Detroit, and Houston areas are presented in tables 8-11 in appendix J.

For Belgium, margins of underselling on hot-rolled carbon steel plate were as follows: for service center/distributors in Atlanta the margins ranged from -1 percent to 10 percent with overselling reported in only one period; for end users in Atlanta the margins ranged from 7 percent to 10 percent; and for end users in Houston the margins ranged from -19 percent to 14 percent with imported plate priced higher than domestically produced plate in half of the periods reported.

For West Germany, a margin of underselling on sales to service center/distributors in Atlanta of 9 percent was reported in one quarter. There were no reports on sales to end users.

For Brazil, margins of underselling were as follows: for service center/distributors in Atlanta the margins ranged from 9 percent to 21 percent; in Chicago a margin of 7 percent occurred in one quarter; and in Philadelphia a margin of 14 percent occurred in one quarter. For end users in Chicago the margins ranged from 13 percent to 17 percent; in Detroit an overselling margin of 4 percent occurred in one quarter; and in Houston the margins ranged from -19 percent to 16 percent with imported plate priced higher than domestically produced plate in two-thirds of the periods reported.

Service center/distributor and end-user customers responding to Commission questionnaires reported no purchases from Romania, the third largest supplier of imported hot-rolled carbon steel plate in 1981.

Lost sales

Five domestic producers submitted a total of 273 specific allegations of lost sales of hot-rolled carbon steel plate to imports of this product from the subject countries in 1980 and 1981. The staff investigated 32 of these allegations, totaling over 360,000 tons, and found price to be the major reason for purchasing the imported product in all 27 allegations confirmed. 1/

1/ Although purchasers stated that price was the major reason for purchasing the imported plate, they added that domestic producers' estimates of the quantities involved in the alleged lost sales were grossly overstated in most cases.

The following tabulation shows the total allegations submitted, the total checked, and the total confirmed because of price:

	Total allegations made	Total allegations checked	Total allegations confirmed	Instances in which price was cited as major reason
Belgium	47	7	7	7
Brazil	34	6	4	4
France	36	2	2	2
Italy	9	1	-	-
Luxembourg	-	-	-	-
Netherlands	-	-	-	-
Romania	29	4	3	3
United Kingdom	5	2	2	2
West Germany	34	2	2	2
Not specified	79	8	7	7
Total	273	32	27	27

Purchasers also cited various other reasons for purchasing imported plate, stating that the quality of the foreign product was better, or that the service from the importer was more reliable. However, the price difference was their major reason. They stated that domestic prices generally exceeded the trigger price by $20 to $80, depending on the region. The highest priced domestic plate was generally in the gulf coast region, where prices usually ranged from $50 to $80 per ton above the trigger price.

Allegations of lost sales involving imports of hot-rolled carbon steel plate from Belgium, Brazil, and Romania, the three largest foreign suppliers of such merchandise to the U.S. market in January-November 1981, are discussed below:

Imports from Belgium.--Of the 47 allegations of sales lost due to imports of hot-rolled carbon steel plate from Belgium, 7 were checked and confirmed because of price. Most purchasers stated that they bought at the trigger price, and in numerous cases purchased thinner gages of plate. Some purchasers stated that they had experienced quality problems with domestic products. However, price was the major reason cited by all.

Brazil.--Of the 34 allegations of sales lost due to imports of hot-rolled carbon steel plate from Brazil, 6 were checked and 4 were confirmed because of price. Purchasers in 2 of the 4 confirmed instances stated that they buy foreign plate almost exclusively. One of these two purchasers stated that U.S. prices were $30 to $50 above the trigger price 2 months ago, but U.S. producers are now providing special prices (as low as the trigger price) in the West.

Romania.—Of the 29 allegations against Romania, 4 were checked and 3 were confirmed because of price. One purchaser stated that Romanian plate was purchased at trigger price, but some poor quality merchandise was priced below the trigger price. Two of the three purchasers of Romanian plate stated that it was generally of poor quality, suffering from bends, rust, and poor edges.

Not specified.—Of the 79 allegations in which no country was specified, 8 were checked and 7 were confirmed because of price. Purchasers in 5 of the confirmed sales stated that they believed the plate was coming from the EC, but could not identify the source.

PART III. HOT-ROLLED CARBON STEEL SHEET AND STRIP

Introduction

Following receipt of petitions on January 11, 1982, filed on behalf of U.S. Steel, Bethlehem, Republic, Inland, J&L, National, and Cyclops, the Commission instituted the following preliminary investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of allegedly subsidized and/or LTFV imports of hot-rolled carbon steel sheet and strip:

Country	Countervailing duty investigation No.	Antidumping investigation No.
Belgium	701-TA-94(P) 1/2/3/	731-TA-61(P) 1/2/
Brazil	701-TA-95(P) 3/4/	Not applicable
France	701-TA-96(P) 1/2/3/	731-TA-62(P) 1/2/
Italy	701-TA-97(P) 1/2/3/	731-TA-63(P) 1/2/
Luxembourg	701-TA-98(P) 2/3/	731-TA-64(P) 2/
Netherlands	701-TA-99(P) 1/2/3/	731-TA-65(P) 1/2/
United Kingdom	701-TA-100(P) 1/3/5/	731-TA-66(P) 1/6/
West Germany	701-TA-101(P) 1/2/3/	731-TA-67(P) 1/2/

1/ Petition filed by U.S. Steel.
2/ Petition filed on behalf of Bethlehem.
3/ Petition filed on behalf of Republic, National, Inland, J&L, and Cyclops.
4/ Hot-rolled carbon steel sheet only.
5/ Hot-rolled strip was excluded from the scope of this investigation.
6/ Terminated by the Commission on Feb. 3, 1982.

The Product

Description and uses 1/

Hot-rolled carbon steel sheet and strip are flat-rolled products that are produced by passing heated carbon steel slabs through a series of reducing rolls in a hot-strip mill. Sheet and strip are considered to be finished products, and are distinguished from other flat-rolled products by their dimensional characteristics. For purposes of these investigations, hot-rolled carbon steel sheet is defined as hot-rolled sheet and plate, of other than alloy iron steel, whether or not corrugated or crimped and whether or not

1/ A detailed discussion of the steelmaking process and the relative significance of hot-rolled sheet and strip compared with all carbon steel products is presented in Certain Carbon Steel Products From Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom: Determinations of the Commission in Investigations Nos. 731-TA-18-24 (Preliminary) . . ., USITC Publication 1064, pp. A-5 through A-9 and A-47.

pickled; not cut, not pressed, and not stamped to nonrectagular shape; not coated or plated with metal and not clad; over 12 inches in width and in coils or if not in coils under 0.1875 inch in thickness; as provided for in items 607.6610, 607.6700, 607.8320, 607.8342 and 607.9400, of the TSUSA. This definition includes certain products classified and described as "plate" in the TSUSA because of technical differences between the U.S. industry definition and the TSUSA definition with respect to flat-rolled products over 12 inches in width and 0.1875 inch or more in thickness, shipped in coils. Such products are considered "sheet" by the U.S. industry, but they meet the TSUS definition of "plate."

Hot-rolled carbon steel strip is defined in the TSUSA as a flat-rolled product, whether or not corrugated or crimped, in coils or cut to length, not over 12 inches in width, under 0.1875 inches in thickness, and is provided for in tariff items 608.1920, 608.2120, and 608.2320.

As flat-rolled products, sheet and strip possess qualities that distinguish them from other rolled steel shapes and forms. They are produced on rolls with smooth rather than cut or grooved surfaces, and with a ratio of width to thickness which is generally much greater than that for other rolled steel products. In the hot-strip mill, slabs are heated to a rolling temperature of about 2,200 degrees Fahrenheit. The slabs are sent into a scale breaker to remove furnace scale, roughed down to a predetermined intermediate thickness in roughing stands, and then sent to a series of finishing stands where further reductions are made. A typical continuous mill for hot-rolling will have four or five roughing stands and five to seven finishing stands. As the product is reduced in thickness, it is increased in length, with each succeeding set of rolls being rotated at a higher rate of speed to compensate for the elongated sheet. Water sprays at various locations cool the metal and remove oxide from the hot sheet surface. Upon reaching final thickness, the hot-rolled material has cooled to about 1,200 degrees Fahrenheit. The product is then coiled or cut in shorter lengths and stacked. If desired, the sheet or strip may then be cleaned, or pickled, in a bath of sulfuric or hydrochloric acid to remove surface oxide formed during hot-rolling.

The automotive industry and steel service centers and distributors are the largest consumers of hot-rolled sheet and strip, each accounting for slightly less than 30 percent of total shipments in 1980. These products are also used in the construction industry, and in the making of pipes and tubes, appliances, electrical equipment, and a variety of other products. Major markets for hot-rolled carbon steel sheet and strip, as reported by AISI, are presented in the following tabulation:

Market	1979		1980		Jan.-Sept. 1981	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 tons		1,000 tons		1,000 tons	
Automotive	5,140	33.4	3,190	27.8	2,985	29.7
Machinery, industrial equipment and tools	672	4.3	454	3.9	346	3.4
Steel service centers and distributors	3,654	23.8	3,274	28.5	2,872	28.6
Mining, quarrying, and lumbering	591	3.8	409	3.5	323	3.2
Construction and contractors' products	1,547	10.0	1,155	10.0	866	8.6
Other	3,748	24.7	2,972	26.3	2,659	26.8
Total	15,352	100.0	11,454	100.0	10,051	100.0

U.S. tariff treatment

For purposes of these investigations, hot-rolled sheet is classified under items 607.6610, 607.6700, 607.8320, 607.8342, and 607.9400 of the TSUSA. 1/ Concessions granted by the United States at the Tokyo round of the MTN will result in incremental reductions in column 1 rates beginning on January 1, 1982. The final concession rates will become effective on January 1, 1987. Imports of hot-rolled sheet are dutiable at rates ranging from 7.1 to 11.1 percent ad valorem as of January 1, 1982. These products are not eligible for duty-free treatment under the GSP, and imports from the LDDC's are not granted preferential rates.

Hot-rolled carbon steel strip is classified under items 608.1920, 608.2120, or 608.2320 of the TSUSA. Imports of hot-rolled carbon steel strip are dutiable at rates ranging from 5.4 to 8.9 percent ad valorem as of January 1, 1982. These products are not eligible for duty-free treatment under the GSP, but imports from LDDC'S are granted preferential rates of duty.

The current U.S. rates of duty, as well as future rates which indicate the reductions approved at the MTN negotiations, are summarized in the following table. An explanation of the applicability of column 1, column 2, GSP, and LDDC rates of duty is presented in part II of this report.

1/ For purposes of these investigations, hot-rolled sheet includes some products classified as carbon steel plate (items 607.6610 and 607.8320).

Table III-1.--Hot-rolled carbon steel sheet and strip: U.S. rates of duty as of Jan. 1,1981, Jan. 1, 1982, and Jan. 1, 1987

1978-79 TSUSA item No.	1980-81 TSUSA item No.	Article	Rate of duty			
			Col. 1			Col. 2
			Jan. 1, 1981	Jan. 1, 1982	Jan. 1, 1987	
608.8410	607.6610	Carbon steel plate, in coils, not coated or plated with metal and not clad, not pickled and not cold rolled.	7.5% ad val.	7.3% ad val.	6.0% ad val.	20% ad val.
608.8440	607.6700	Carbon steel sheets, not coated or plated with metal and not clad, not pickled and not cold rolled.	7.5% ad val.	7.1% ad val.	4.9% ad val.	20% ad val.
608.8720	607.8320	Carbon steel plates, not coated or plated with metal and not clad, pickled.	8.0% ad val.	7.5% ad val.	5.1% ad val.	0.2¢ per lb. + 20% ad val.
608.8742	607.8342	Carbon steel sheets, not coated or plated with metal and not clad, pickled but not cold rolled.	8.0% ad val.	7.5% ad val.	5.1% ad val.	0.2¢ per lb. + 20% ad val.
608.8900	607.9400	Clad plate and sheet of iron or steel, not cut, not pressed and not, stamped to non-rectangular shape.	12.0% ad val.	11.1% ad val.	6.5% ad val.	30% ad val.

Table III-1.--Hot-rolled carbon steel sheet and strip: U.S. rates of duty as of Jan. 1, 1981, Jan. 1, 1982, and Jan. 1, 1987--Continued

1978-79 TSUSA item No.	1980-81 TSUSA item No.	Article	Rate of duty			
			Col. 1			Col. 2
			Jan. 1, 1981	Jan. 1, 1982	Jan. 1, 1987	
		Strip of iron or steel, not cut, not pressed, and not stamped to nonrectangular shape (except as provided in item 609.17):				
609.0220	608.1920	Not over 0.01 inches in thickness.	6.0% ad val.	5.4% ad val.	2.4% ad val.	25% ad val.
609.0320	608.2120	Over 0.01 inches in thickness, but not over 0.05 inches in thickness.	8.5% ad val.	7.7% ad val.	3.4% ad val.	25% ad val.
609.0420	608.2320	Over 0.05 inches in thickness.	9.5% ad val.	8.9% ad val.	5.7% ad val.	25% ad val.

Source: Tariff Schedules of the United States Annotated (1982).

U.S. Consumption

Apparent U.S. consumption of hot-rolled carbon steel sheet and strip declined from 18.3 million tons in 1978 to 13.3 million tons in 1980, or by 27 percent. Consumption during January-November 1981 amounted to 13.7 million tons, or 15 percent more than that during the corresponding period of 1980 (table III-2). The share of the market supplied by domestic producers increased from 1978 to 1979, then remained stable through January-November 1981.

Table III-2.--Hot-rolled carbon steel sheet and strip: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1978-80, January-November 1980, January-November 1981, and, by quarters, January 1980-September 1981

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1978	15,035	3,379	82	18,332	22.5	18.4
1979	15,352	2,703	74	17,981	17.6	15.0
1980	11,454	1,952	112	13,294	17.0	14.7
January-November--						
1980	10,260	1,768	109	11,919	17.2	14.8
1981	11,796	2,021	108	13,709	17.3	14.7
1980:						
Jan.-Mar	3,420	555	23	3,952	16.2	14.0
Apr.-June	2,482	522	42	2,962	21.0	17.6
July-Sept	2,279	430	31	2,678	18.9	16.1
Oct.-Dec	3,273	445	16	3,702	13.6	12.0
1981:						
Jan.-Mar	3,326	264	10	3,580	7.9	7.4
Apr.-June	3,609	494	22	4,081	13.7	12.1
July-Sept	3,113	648	31	3,730	20.8	17.4

Source: Shipments compiled from data of the American Iron and Steel Institute; imports and exports compiled from official statistics of the U.S. Department of Commerce.

On a quarterly basis, the share of the U.S. market supplied by imports declined steadily from 17.6 percent in April-June 1980 to 7.4 percent in January-March 1981 as imports declined and U.S. producers' shipments increased. In April-June 1981 this trend changed as imports almost doubled their share of the market. Imports continued to increase their market share in July-September 1981 as producers' shipments declined.

U.S. Producers

There are about 20 firms in the United States producing hot-rolled carbon steel sheet in approximately 40 mills. Most of these (22) are located in Pennsylvania (11 mills), Ohio (6 mills), and Indiana (5 mills). In addition, mills are also located in Illinois, Alabama, Utah, California, West Virginia, Maryland, and Kentucky. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of hot-rolled sheet and strip (as reported by AISI) in 1980:

Firm	Market share (Percent)	Location
Armco	***	Ashland, Ky. Middletown, Ohio Butler, Pa.
Bethlehem	***	Burns Harbor, Ind. Sparrows Point, Md. Lackawanna, N.Y.
Cyclops	***	Mansfield, Ohio
Ford Motor Corp.	***	Dearborn, Mich.
Inland	***	East Chicago, Ind.
Interlake, Inc.	***	Chicago, Ill.
J&L	***	East Chicago, Ind. Cleveland, Ohio Aliquippa, Pa. Hennepin, Ill.
National	***	Granite City, Ill. Ecorse, Mich. Portage, Ind.
Republic	***	Gadsden, Ala. Cleveland, Ohio Warren, Ohio Pittsburgh, Pa.
U.S. Steel	***	Homestead, Pa. Fairfield, Ala. Gary, Ind. Fairless Hills, Pa. Geneva, Utah Pittsburgh, Pa. Dravosburg, Pa.

U.S. Importers

Data on importers of carbon steel products obtained by the Commission's staff identifies more than 50 importers of hot-rolled carbon steel sheet and strip from the countries subject to the investigations. In general, imports from the subject countries entered the United States through one or two exclusive importers. In many cases, these firms were owned by or affiliated with major steel producers in the subject countries. Some imports of hot-rolled carbon steel sheet and strip were handled by trading companies that imported hot-rolled carbon steel sheet and strip from several sources.

Major importers of hot-rolled carbon steel sheet and strip from the subject countries for the period October 1980-August 1981 are listed below.

Country source	Importing firm
France	***
	***
	***
Italy	***
West Germany	***
	***
	***
	***
	***
	***
Netherlands	***
Belgium-Luxembourg	***
United Kingdom	***

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

Total U.S. raw steel production in 1980 was 112 million tons, of which hot-rolled sheet and strip production accounted for approximately 10 percent. Hot-rolled sheet was the second largest finished carbon steel product manufactured by the U.S. steel industry in 1980.

U.S. production of hot-rolled carbon steel sheet and strip increased from 11.7 million tons in 1978 to 12.6 million tons in 1979, then fell to 9.9 million tons in 1980, representing a decline of over 20 percent (table III-3). Production increased by 13 percent in 1981 to 11.4 million tons. U.S. producers' productive capacity declined slightly from 1979 to 1980, then returned to about the 1979 level in 1981. 1/

1/ Capacity to produce finished steel mill products is not necessarily the best method of determining the extent to which a steel making operation is most efficiently utilizing its facilities. See a discussion of this issue in pt. II of this report, pp. II-11 and II-12.

Table III-3.-- Hot-rolled carbon steel sheet and strip: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/--------1,000 short tons--	11,744	12,623	9,855	11,438
Capacity----------do----	17,886	19,420	18,775	19,386
Capacity utilization---------percent--	65.7	65.0	52.5	59.0

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data accounted for 86 percent of net shipments of hot-rolled sheet and strip in 1980 as reported by the American Iron and Steel Institute.

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

U.S. producers' shipments

During 1978-80, U.S. producers' shipments of hot-rolled carbon steel sheet and strip accounted for about 17 percent of aggregate shipments of all carbon steel mill products by U.S. producers. Producers' shipments of hot-rolled sheet and strip increased slightly from 1978 to 1979, then declined to 11.5 million tons in 1980, representing a decline of 25 percent from shipments in 1979. Shipments increased in 1981 to 12.6 million tons, 10 percent greater than shipments in 1980. However, shipments declined in each of the last two quarters of 1981. Shipments in October-December 1981 were 25 percent lower than those in the previous quarter and almost 30 percent less than shipments in the corresponding quarter of 1980. Total U.S. producers' shipments of hot-rolled sheet and strip, as reported by AISI (such shipments include intracompany transfers and exports but exclude shipments made to other firms that report data to AISI), are shown in the following tabulation:

	Quantity (1,000 short tons)
1978	15,035
1979	15,352
1980	11,454
1981	12,621
1980:	
Jan.-Mar	3,420
Apr.-June	2,482
July-Sept	2,279
Oct.-Dec	3,273

Quantity
(1,000 short tons)--Continued

1981:	
Jan.-Mar	3,326
Apr.-June	3,609
July-Sept	3,113
Oct.-Dec	2,327

U.S. producers' intra- and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires are shown in table III-4. 1/ Producers' shipments followed the same trend as that shown by AISI data, increasing from 1978 to 1979, declining sharply in 1980, then increasing again in 1981. The data reported by producers show that intra- and intercompany shipments declined in proportion to total shipments in each period for which data were reported.

Table III-4.--Hot-rolled carbon steel sheet and strip: U.S. producers' shipments, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Intra- and intercompany shipments	1,401	1,040	708	773
Domestic market shipments	10,172	11,514	8,958	10,456
Export shipments	43	136	178	126
Total	11,616	12,690	9,844	11,355
	Value (million dollars)			
Domestic market shipments	3,088	3,844	2,965	3,833
Export shipments	12	36	49	39
Total	3,100	3,880	3,014	3,872
	Unit value (per ton)			
Domestic market shipments	$304	$334	$331	$367
Export shipments	279	265	275	310
Average	303	333	330	366

1/ U.S. producers submitting usable data accounted for 86 percent of net shipments of hot-rolled sheet and strip in 1980 as reported by the American Iron and Steel Institute.

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

1/ Domestic producers responding to the Commission's questionnaires accounted for 72 percent of net shipments reported by AISI in 1978, 83 percent in 1979, 86 percent in 1980, and 93 percent in 1981.

U.S. exports

During 1978-80, exports of hot-rolled carbon steel sheet and strip accounted for about 3 percent of annual U.S. exports of all carbon steel mill products. Exports of hot-rolled sheet and strip declined from 82,000 tons in 1978 to 74,000 tons in 1979, then increased to 112,000 tons in 1980, representing an increase of over 50 percent. Exports in January-November 1981 amounted to 108,000 tons, approximately the same amount reported for the corresponding period of 1980 (table III-5). Canada was the principal export market for hot-rolled sheet and strip, accounting for about 50 percent of exports from January 1978 to November 1981. Mexico and Greece were also important markets, accounting for 14 percent and 7 percent of exports, respectively.

U.S. producers' inventories

Inventories of hot-rolled carbon steel sheet and strip reported by U.S. producers in response to the Commission's questionnaires declined steadily from 1978 to 1980, then increased sharply in 1981. However, yearend inventories amounted to only about 6 percent of producers' total annual shipments in each of the years 1978-81. Reported end-of-period inventories are shown in the following tabulation:

As of Dec. 31--	Quantity (1,000 short tons)
1978	684
1979	616
1980	591
1981	674

Table III-5.--Hot-rolled carbon steel sheet and strip: U.S. exports of domestically produced merchandise, by principal markets, 1978-80, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (1,000 short tons)				
Canada	35	56	12	11	81
Greece	16	0	12	12	0
Italy	1/	1/	17	17	1/
Mexico	7	9	23	21	12
Portugal	1/	0	32	32	0
All other	24	9	16	16	15
Total	82	74	112	109	108
	Value (1,000 dollars)				
Canada	11,475	17,735	4,191	3,885	29,387
Greece	4,168	0	2,765	2,765	0
Italy	8	108	4,534	4,534	5
Mexico	2,589	3,292	8,892	8,190	5,641
Portugal	4	0	4,905	4,905	0
All other	7,444	4,832	14,445	14,072	13,227
Total	25,688	25,967	39,732	38,351	48,260

1/ Less than 500 short tons.

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

U.S. employment, wages, and productivity

In domestic establishments producing hot-rolled carbon steel sheet and strip, the average employment of all persons, production and related workers producing all products, and production and related workers producing sheet and strip all followed a similar pattern of increasing in 1979 then decreasing in 1980. In 1981 employment in all categories once again increased. Similar patterns of change were reported for hours paid for production and related workers (table III-6).

Wages and total compensation paid to production and related workers followed the same pattern as average employment although increases in both categories in 1979 and 1981 were sharper than the increases in employment and the decline in 1980 was not as sharp (table III-7).

Table III-6.--Average number of employees, total and production and related workers, in U.S. establishments producing hot-rolled carbon steel sheet and strip, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	204,012	222,786	187,466	192,471
Percentage change	3/	9.2	-15.9	2.7
Production and related workers producing--				
All products:				
Number	175,323	189,715	157,279	163,161
Percentage change	3/	8.2	-17.1	3.7
Hot-rolled sheet and strip:				
Number	23,103	25,400	20,432	22,404
Percentage change	3/	9.9	-19.6	9.7
Hours paid for production and related workers producing--				
All products:				
Number----------thousands--	359,685	385,182	306,920	320,041
Percentage change	3/	7.1	-20.3	4.3
Hot-rolled sheet and strip:				
Number----------thousands--	47,440	51,596	39,970	44,338
Percentage change	3/	8.8	-22.5	10.9

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 83 percent of net shipments of hot-rolled sheet and strip in 1980 as reported by the American Iron and Steel Institute.

3/ Not available.

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

Table III-7.--Wages and total compensation 1/ paid to production and related workers in establishments producing hot-rolled carbon steel sheet and strip, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related works producing--				
All products:				
Value----------million dollars--	3,980	4,749	4,254	4,766
Percentage change----------	3/	19.3	-10.4	12.0
Hot-rolled sheet and strip:				
Value----------million dollars--	542	657	573	691
Percentage change----------	3/	21.2	-12.8	20.6
Total compensation paid to production and related workers producing--				
All products:				
Value----------million dollars--	5,046	6,011	5,557	6,239
Percentage change----------	3/	19.1	-7.6	12.3
Hot-rolled sheet and strip:				
Value----------million dollars--	685	830	747	900
Percentage change----------	3/	21.2	-10.0	20.5

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 83 percent of net shipments of hot-rolled sheet and strip in 1980 as reported by the American Iron and Steel Institute.

3/ Not available.

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

Data on labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel sheet and strip are presented in table III-8. Hourly compensation increased steadily from 1978 to 1980 with minimal changes in productivity. As a result, unit labor cost (per ton) increased from $60.98 in 1978 to $78.83 in 1980. Labor productivity increased by almost 5 percent in 1981 and although hourly compensation increased, the rate of change was only half that for 1979-80. Unit labor costs also increased in 1981, but by only 4 percent, to $81.81 per ton.

Table III-8.--Labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel sheet and strip, 1/ 1978-81

Item	1978	1979	1980	1981
Labor productivity:				
Quantity----------tons per hour--	0.2370	0.2356	0.2369	0.2480
Percentage change----------	2/	0.6	0.6	4.7
Hourly compensation:				
Value----------per hour--	$14.[illegible]	$16.09	$18.68	$20.30
Percentage change----------	2/	11.5	16.2	8.6
Unit labor costs:				
Value----------per ton--	$60.98	$68.22	$78.83	$81.81
Percentage change----------	2/	12.0	15.6	3.7

1/ U.S. producers submitting usable data accounted for 83 percent of net shipments of hot-rolled sheet and strip in 1980 as reported by the American Iron and Steel Institute.

2/ Not available.

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

Financial experience of U.S. producers

Operations on hot-rolled sheet and strip.--Profit and loss data were received from nine producers accounting for about 83 percent of U.S. producers' shipments in 1980. The financial data presented in this section reflect U.S. producers' hot-rolled carbon steel sheet and strip operations only.

As shown in table III-9, net sales of hot-rolled carbon steel sheet and strip increased from $3.3 billion in 1978 to $4.0 billion in 1979, declined to $3.1 billion in 1980 and rose again to $4.0 billion in 1981. Cost of goods sold as a percent of net sales increased from 92.7 percent in 1978 to 104.7 percent in 1980 and then declined to 100.7 percent in 1981. Selling and administrative expenses as a percent of net sales ranged from 2.3 percent in 1979 to 2.8 percent in 1980 and 1981.

Table III-9.--Profit-and-loss experience of nine U.S. producers on their operations producing hot-rolled carbon steel sheet and strip, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales--million dollars	3,346	4,014	3,083	3,980
Cost of goods sold--do	3,102	3,827	3,228	4,009
Gross profit or (loss)--do	244	187	(145)	(29)
Selling and adminstrative expenses--do	82	92	87	110
Operating profit or (loss)--do	162	95	(232)	(139)
Ratio of gross profit or (loss) to net sales--percent	7.3	4.7	(4.7)	(0.7)
Ratio of operating profit or (loss) to net sales--percent	4.8	2.4	(7.5)	(3.5)
Ratio of cost of goods sold to net sales--percent	92.7	95.3	104.7	100.7
Ratio of selling and administrative expenses to net sales--percent	2.5	2.3	2.8	2.8
Number of firms reporting operating losses	5	4	8	6

1/ U.S. producers submitting usable data accounted for 83 percent of total shipments of hot-rolled sheet and strip in 1980 as reported by the American Iron & Steel Institute.

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

Aggregate operating profit declined from $162 million, or 4.8 percent of net sales, in 1978 to $95 million, or 2.4 percent of net sales, in 1979. Reporting firms sustained substantial operating losses of $232 million, or 7.5 percent of net sales, in 1980 and $139 million, or 3.5 percent of net sales, in 1981. Five and four firms reported losses in 1978 and 1979, respectively, compared with eight and six firms reporting losses in 1980 and 1981, respectively.

Capital expenditures and research and development.--Seven domestic producers' capital expenditures and research and development expenditures in connection with their hot-rolled carbon steel sheet and strip operations were compiled from questionnaire data and are presented in the following tabulation:

	Capital expenditures (1,000 dollars)	Research and development (1,000 dollars)
1978	336,975	4,597
1979	445,230	5,295
1980	389,781	5,543
1981	435,257	5,866

Total capital expenditures increased by 32 percent, from $337.0 million in 1978 to $445.2 million in 1979, but then fell to $389.8 million in 1980 and $435.3 million in 1981. Over * * * percent of total capital expenditures were incurred by one producer, * * *.

Total reported research and development expenditures increased by 28 percent from $4.6 million in 1978 to $5.9 million in 1981. Over 75 percent of these expenditures in 1981 were incurred by three firms: * * *.

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

In its examination of the question of a reasonable indication of the threat of material injury to a U.S. industry, the Commission may take into consideration such factors as the rate of increase of allegedly LTFV or subsidized imports, the rate of increase of U.S. market penetration by such imports, the amounts of such imports held in inventory in the United States, and the capacity of producers in countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase of imports and of their U.S. market penetration is presented in sections of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Imports Allegedly Sold at LTFV or Subsidized." Discussions of importers' inventories and foreign producers' capacity to generate exports follow.

U.S. importers' inventories

End-of-period inventories reported by U.S. importers of hot-rolled carbon steel sheet and strip from cited countries are shown in table III-10. As indicated, their inventories generally decreased from 1978 to 1980, then increased in 1981. Almost two-thirds of the inventories reported for 1981 were sheet and strip imported from France and * * *.

Table III-10.--Hot-rolled carbon steel sheet and strip: End-of-period inventories held by U.S. importers, by sources, 1978-81

Source	1978	1979	1980	1981
	Quantity (1,000 short tons)			
EC countries:				
Belgium	1/	1/	0	10
France	155	138	57	100
Italy	51	24	19	10
Luxembourg	0	0	0	0
Netherlands	0	16	6	3
United Kingdom	0	0	0	0
West Germany	53	72	55	30
Subtotal (EC)	259	250	137	153
All other countries	5	9	14	15
Total, all inventories	264	259	151	168
	Ratio of inventories to reported imports (percent)			
EC countries:				
Belgium	1.5	3.9	-	37.0
France	25.0	26.5	15.2	23.8
Italy	22.0	20.4	45.7	17.2
Luxembourg	-	-	-	-
Netherlands	-	5.4	3.6	1.1
United Kingdom	-	-	-	-
West Germany	11.0	16.3	23.0	12.2
All EC countries	15.6	18.0	16.7	14.9
All other countries	3.7	4.9	13.8	7.8
Total, all countries	14.8	16.4	16.4	13.8

1/ Less than 500 tons.

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

Capacity of foreign producers to generate exports and the availability of export markets other than the United States

As part of its consideration of threat of a reasonable indication of material injury, the Commission requested U.S. embassies in the subject countries, as well as representatives and counsel for subject countries, to provide data on production, exports, and capacity to produce the various carbon and alloy steel products which are the subject of these investigations. In general, the responses to Commission inquiries were inadequate, given the time constraints involved and the difficulty inherent in estimating steel production capacities on a product line basis.

Belgium.--Production and capacity data on hot-rolled sheet and strip from Belgium were unavailable. Belgium's exports of these products from 1979 to 1981 were as follows:

Item	1979	1980	1981
Exports to--			
United States---1,000 short tons--	19	6	76
EC---do---	975	866	925
All other countries---do---	442	944	269
Total---do---	1,436	1,816	1,270

Total exports from Belgium of hot-rolled sheet and strip rose from 1978 to 1979 by 26 percent, before declining by 30 percent in 1981. Exports to the U.S. market, however, rose dramatically from 1980 to 1981. Exports to the United States accounted for 2 percent of Belgium's total exports of these products from 1979 to 1981.

France.--France's production of hot-rolled sheet and strip remained constant in 1979-80, amounting to 2.9 million tons; production for January-November 1981 amounted to 2.7 million tons. According to information obtained from the U.S. Department of State, the utilization of France's capacity to produce plate, sheet, and strip on hot mills ranged from 73.7 percent in 1979 to 79.8 percent in 1980. As shown in table III-11, during the period January 1979 to November 1981 about 60 percent of hot-rolled sheet and strip produced in France was exported. The principal market was the EC. Exports to the United States amounted to 24.7 percent of aggregate exports in 1979, 16.1 percent in 1980, and 18.0 percent during January-November 1981.

Table III-11.--Hot-rolled carbon steel sheet and strip: France's production, capacity, capacity utilization, and exports, 1979, 1980, and January-November 1981

Item	1979	1980	January-November 1981
Production----------1,000 short tons--	2,867	2,863	2,704
Capacity----------do----	1/ 9,039	1/ 9,259	1/ 9,259
Capacity utilization----------percent--	1/ 73.7	1/ 79.8	1/ 78.7
Exports to--			
United States-----1,000 short tons--	505	311	384
EC----------do----	905	907	900
All other countries----------do----	631	716	850
Total----------do----	2,041	1,934	2,134

1/ Capacity and capacity utilization figures are for wide strip hot-rolling mills that also produce carbon steel plates.

Source: Compiled from data obtained from the U.S. Embassy in France.

Luxembourg.--Production and capacity data on hot-rolled sheet and strip from Luxembourg were unavailable. Luxembourg's exports of these products from 1979 to 1981 were as follows:

Item	1979	1980	1981
Exports to--			
United States----------1,000 short tons--	2	2	1
EC----------do----	785	845	472
All other countries----------do----	97	123	100
Total----------do----	884	970	573

Total exports from Luxembourg of hot-rolled sheet and strip rose by 10 percent from 1979 to 1980 before declining by 35 percent in 1981 from what they were in 1979. Exports to the U.S. market remained stable at a low level throughout the period. Exports to the United States accounted for less than 1 percent of Luxembourg's total exports of these products from 1979 to 1981.

Other countries subject to these investigations.--Data are not available concerning the aggregate production, capacity, and exports of hot-rolled sheet and strip for Brazil, Italy, the Netherlands, the United Kingdom, or West Germany. The U.S. Department of State has been requested to assist in obtaining such data.

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

U.S. imports and market penetration

Imports from all sources.--During 1978-80, imports of hot-rolled carbon steel sheet and strip accounted for about 15 percent of total U.S. imports of all carbon steel mill products. Imports of hot-rolled sheet and strip from all sources amounted to 3.4 million tons (valued at $785 million) in 1978, 2.7 million tons ($746 million) in 1979, and 1.9 million tons ($564 million) in 1980. About 2.0 million tons ($637 million) were imported in January-November 1981, compared with 1.8 million tons ($509 million) imported during the corresponding period of 1980 (table III-2). Imports from all countries cited in these investigations accounted for 54 percent of total imports in 1980 (table III-12 and III-13). In addition to the cited countries, other principal suppliers were Japan (33 percent in 1980) and Canada (9 percent in 1980).

As a share of U.S. consumption, imports of hot-rolled sheet and strip from all sources declined from 18.4 percent in 1978 to 14.7 percent in 1980. Imports during January-November 1981 accounted for a similar share of the market, 14.7 percent, as reported in the corresponding period of 1980. However, on a quarterly basis, imports have taken a larger share of the market in 1981 rising from a low of 7.4 percent in January-March to 17.4 percent in July-September.

Imports from countries subject to active countervailing duty and antidumping investigations.--Imports of hot-rolled carbon steel sheet and strip from all countries subject to active countervailing duty investigations 1/ declined steadily from 2.2 million tons in 1978 to 1.1 million tons in 1980, representing a decline of 50 percent. Imports during January-November 1981 were 1.2 million tons, representing a 20-percent increase compared with those in the corresponding period of 1980. Imports from countries subject to antidumping investigations followed the same trend, decreasing from 1978 to 1980, then increasing to 1.1 million tons in January-November 1981. Imports from countries subject to both countervailing and antidumping investigations accounted for 12.2 percent of apparent consumption in 1978, 8.0 percent in 1980, and 8.5 percent in January-November 1981.

On a quarterly basis, imports of hot-rolled carbon steel sheet and strip from all countries subject to countervailing duty and antidumping investigations increased rapidly from 89,000 tons in January-March 1981 to 515,000 tons in July-September (table III-13). Imports in October-December 1981 were almost double the amount imported in the corresponding quarter of

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1/ Imports of hot-rolled carbon steel strip from Brazil and the United Kingdom are not subject to either countervailing or antidumping investigations although data on such imports are included. Imports of hot-rolled carbon steel strip from these countries totaled 1,037 tons in January-November 1981, or less than one-half of one percent of all hot-rolled carbon steel sheet and strip imports from cited countries.

Table III-12.--Hot-rolled carbon steel sheet and strip (TSUSA items 607.6610, 607.6700, 607.8320, 607.8342, 608.1920, 608.2120, and 608.2320): 1/ U.S. imports for consumption, by selected sources, 1978-80, January-November 1980, and January-November 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/	Imports from all countries subject to antidumping investigations 4/
	Quantity (1,000 tons)		
1978	2,056	2,231	2,020
1979	1,465	1,572	1,454
1980	986	1,063	985
January-November			
1980	892	967	891
1981	1,115	1,162	1,115
	Share of apparent U.S. consumption (percent)		
1978	11.2	12.2	11.0
1979	8.1	8.7	8.1
1980	7.4	8.0	7.4
January-November			
1980	7.5	8.1	7.5
1981	8.1	8.5	8.1

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8410, 608.8440, 608.8720, 608.8742, 609.0220, 609.0320, and 609.0420.

2/ Belgium/Luxembourg, France, Greece, Italy, the Netherlands, the United Kingdom, and West Germany.

3/ Belgium/Luxembourg, Brazil, France, Italy, the Netherlands, the Republic of South Africa, Spain, the United Kingdom, and West Germany. Imports of hot-rolled carbon steel strip from Brazil and the United Kingdom, were not cited.

4/ Belgium/Luxembourg, France, Italy, the Netherlands, and West Germany.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Table III-13.--Hot-rolled carbon steel sheet and strip (TSUSA items 607.6610, 607.6700, 607.8320, 607.8342, 608.1920, 608.2120, and 608.2320): 1/ U.S. imports for consumption, by selected sources and by quarters, January 1980-December 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty petitions 3/	Imports from all countries subject to antidumping investigations 4/
	Quantity (1,000 tons)		
1980:			
Jan.-Mar.	235	257	234
Apr.-June	271	294	271
July-Sept.	239	263	239
Oct.-Dec.	242	249	242
1981:			
Jan.-Mar.	81	89	81
Apr.-June	240	250	240
July-Sept.	401	415	401
Oct.-Dec.	500	515	500
	Share of apparent U.S. consumption (percent)		
1980:			
Jan.-Mar.	5.9	6.5	5.9
Apr.-June	9.1	9.9	9.1
July-Sept.	8.9	9.8	8.9
Oct.-Dec.	6.5	6.7	6.5
1981:			
Jan.-Mar.	2.3	2.5	2.3
Apr.-June	5.9	6.1	5.9
July-Sept.	10.8	11.1	10.8
Oct.-Dec.	5/	5/	5/

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8410, 608.8440, 608.8720, 608.8742, 609.0220, 609.0320, and 609.0420.

2/ Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, and West Germany.

3/ Belgium/Luxembourg, Brazil, France, Italy, the Netherlands, the Republic of South Africa, Spain, the United Kingdom, and West Germany. Imports of hot-rolled carbon steel strip from Brazil and the United Kingdom were not cited.

4/ Belgium/Luxembourg, France, Italy, the Netherlands, and West Germany.

5/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

1980. The share of the U.S. market accounted for by these imports also increased rapidly from 2.5 percent in January-March 1981 to 11.1 percent in July-September 1981.

Belgium/Luxembourg 1/.--Imports of hot-rolled carbon steel sheet and strip from Belgium/Luxembourg declined from 77,000 tons in 1978 to 21,000 tons in 1980 (tables III-14 and III-15). Imports in January-November 1981 rose sharply to 100,000 tons, representing a four fold increase from those in the corresponding period of 1980. Although increasing, imports from Belgium/Luxembourg accounted for less than one percent of apparent U.S. consumption in 1981 (table III-16 and III-17).

France.--In 1980, France became the second largest foreign supplier of hot-rolled carbon steel sheet and strip to the United States (Japan is the largest). Imports from France declined steadily from 694,000 tons in 1978 to 395,000 tons in 1980, representing a decline of 43 percent. Imports in January-November 1981 were 413,000 tons (26 percent higher than imports in the corresponding period of 1980), valued at $90 million. Such imports accounted for about 3 percent of U.S. consumption.

Italy.--Although accounting for a much smaller volume of imports than other European suppliers, hot-rolled sheet and strip imports from Italy followed the same trend, declining from 1978 to 1980, then increasing in January-November 1981. Imports from Italy in 1981 amounted to 62,000 tons or 0.5 percent of apparent U.S. consumption.

The Netherlands.--In 1980, imports from the Netherlands accounted for about 10 percent of total imports and 18 percent of imports from cited countries, making the Netherlands the third largest European supplier of hot-rolled sheet and strip. Imports rose to 230,000 tons in January-November 1981, representing an increase of 22 percent from those in the corresponding period of 1980. Imports from the Netherlands in January-November 1981 accounted for 1.7 percent of apparent U.S. consumption.

West Germany.--Imports from West Germany, the third largest foreign supplier of hot-rolled sheet and strip to the U.S. market, declined in all reported annual periods. Imports dropped from 677,000 tons in 1978 to 341,000 tons in 1980 and continued to decline in 1981. The share of the U.S. market accounted for by West German sheet and strip similarly declined from 3.7 percent in 1978 to 2.6 percent in 1980 and to 2.3 percent in January-November 1981. Imports from West Germany did show an increase in July-September 1981 when they increased 64 percent over the previous quarter and 34 percent over imports in the corresponding period of 1980. However, in the last quarter of 1981 imports from West Germany declined by about 17 percent.

1/ Although import data from Belgium and Luxembourg are not separately reported, an analysis of import documents by Commerce officials indicates that in 1981 about *** percent of the combined imports were from Belgium.

Table III-14.--Hot-rolled carbon steel sheet and strip (TSUSA items 607.6610, 607.6700, 607.8320, 607.8342, 608.1920, 608.2120, and 608.2320): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981

Source	1978	1979	1980	January-November	
				1980	1981
	Quantity (1,000 short tons)				
EC countries:					
Belgium/Luxembourg	77	21	21	20	100
Denmark	0	0	0	0	0
France	694	529	395	327	413
Greece	1	0	0	0	0
Ireland	0	0	0	0	0
Italy	250	85	39	39	62
Netherlands	322	269	189	188	230
United Kingdom	35	11	1	1	2/
West Germany	677	550	341	317	310
Subtotal (EC)	2,056	1,465	986	892	1,115
Brazil	9	28	7	7	4
Canada	242	220	169	152	178
Japan	622	773	644	576	504
Republic of South Africa	134	74	69	67	38
Spain	33	5	1	1	5
All other	283	138	76	73	177
Total, all sources	3,379	2,703	1,952	1,768	2,021
	Value (1,000 dollars)				
EC countries:					
Belgium/Luxembourg	17,940	6,278	6,542	6,244	32,395
Denmark	-	-	-	-	-
France	162,186	142,432	109,111	90,015	124,099
Greece	154	-	-	-	-
Ireland	-	-	-	-	-
Italy	48,770	20,575	9,285	9,285	18,261
Netherlands	82,579	76,233	51,192	50,845	72,361
United Kingdom	8,096	2,932	271	263	162
West Germany	152,034	144,649	91,908	85,320	96,741
Subtotal (EC)	471,759	393,099	268,309	241,972	344,019
Brazil	2,384	7,313	1,818	1,804	1,311
Canada	61,786	64,020	52,711	47,550	59,897
Japan	160,411	228,254	201,923	180,312	168,014
Republic of South Africa	25,323	18,650	18,064	17,488	10,864
Spain	5,861	1,372	507	501	1,411
All other	57,187	33,781	20,617	19,533	51,579
Total, all sources	784,711	746,489	563,949	509,160	637,095

See footnotes at end of table.

Table III-14.--Hot-rolled carbon steel sheet and strip (TSUSA items 607.6610, 607.6700, 607.8320, 607.8342, 608.1920, 608.2120, and 608.2320): 1/ U.S. imports for consumption by principal sources, 1978-80, January-November 1980, and January-November 1981--Continued

Source	1978	1979	1980	January-November--	
				1980	1981
	Unit value (per ton)				
EC countries:					
Belgium/Luxembourg	$231	$296	$306	$305	$323
Denmark	-	-	-	-	-
France	233	269	275	274	300
Greece	300	-	-	-	-
Ireland	-	-	-	-	-
Italy	194	241	240	240	295
Netherlands	256	283	270	270	314
United Kingdom	233	276	366	363	570
West Germany	224	263	269	268	312
Average (EC)	229	268	272	271	308
Brazil	262	257	266	266	358
Canada	254	291	312	312	337
Japan	257	295	313	313	333
Republic of South Africa	189	253	261	261	287
Spain	179	271	376	377	263
All other	202	244	271	267	291
Average, all sources	232	276	288	287	315

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8410, 608.8440, 608.8720, 608.8742, 609.0220, 609.0320, and 609.0420.

2/ Less than 500 short tons.

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

Table III-15.--Hot-rolled sheet and strip (TSUSA items 607.6610, 607.6700, 607.8320, 607.8342, 608.1920, 608.2120, and 608.2320): 1/ U.S. imports for consumption, by principal sources and by quarters, January 1980-December 1981

(In thousands of short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries:								
Belgium/Luxembourg	3	5	9	4	5	9	30	65
Denmark	0	0	0	0	0	0	0	0
France	74	126	70	125	35	139	124	163
Greece	0	0	0	0	0	0	0	0
Ireland	0	0	0	0	0	0	0	0
Italy	22	2/	16	0	5	0	26	39
Netherlands	33	39	53	65	2	18	100	133
United Kingdom	1	2/	2/	2/	2/	2/	2/	2/
West Germany	102	100	90	49	34	74	121	100
Subtotal (EC)	235	271	239	242	81	240	401	500
Brazil	4	1	1	2/	2/	1	2	1
Canada	50	46	27	45	56	47	47	37
Japan	229	156	120	139	91	166	138	145
Republic of South Africa	18	22	22	7	8	9	7	14
Spain	2/	2/	1	2/	2/	2/	5	2/
All other	19	26	20	12	28	31	48	84
Total, all sources	555	522	430	445	264	494	648	781

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8410, 608.8440, 608.8720, 608.8742, 609.0220, 609.0320, and 609.0420.

2/ Less than 500 short tons.

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

Table III-16.--Hot-rolled carbon steel sheet and strip: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In percent)

Item	1978	1979	1980	January-November--	
				1980	1981
Ratio of imports to apparent U.S. consumption:					
EC countries:					
Belgium/Luxembourg	0.4	0.1	0.2	0.2	0.7
Denmark	-	-	-	-	-
France	3.8	2.9	3.0	2.7	3.0
Greece	1/	-	-	-	-
Ireland	-	-	-	-	-
Italy	1.4	.5	.3	.3	.5
Netherlands	1.8	1.5	1.4	1.6	1.7
United Kingdom	.2	1/	1/	1/	1/
West Germany	3.7	3.1	2.6	2.7	2.3
Subtotal (EC)	11.2	8.1	7.4	7.5	8.1
Brazil	1/	.2	1/	1/	1/
Republic of South Africa	.7	.4	.5	.6	.3
Spain	.2	1/	1/	1/	1/
All other countries	6.3	6.3	6.7	6.7	6.3
Total, all imports	18.4	15.0	14.7	14.8	14.7
Ratio of imports to U.S. producers' shipments:					
EC countries:					
Belgium/Luxembourg	.5	.1	.2	.2	.7
Denmark	-	-	-	-	-
France	4.6	3.4	3.4	3.2	3.5
Greece	1/	-	-	-	-
Ireland	-	-	-	-	-
Italy	1.7	.6	.3	.4	.5
Netherlands	2.1	1.8	1.7	1.8	1.9
United Kingdom	.2	1/	1/	1/	1/
West Germany	4.5	3.6	2.9	3.1	2.6
Subtotal (EC)	13.7	9.5	8.6	8.7	9.5
Brazil	1/	.2	1/	1/	1/
Republic of South Africa	.9	.5	.6	.7	.3
Spain	.2	1/	1/	1/	1/
All other countries	7.6	7.4	7.8	7.8	7.3
Total, all imports	22.5	17.6	17.0	17.2	17.1

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Table III-17.--Hot-rolled carbon steel sheet and strip: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, January 1980-December 1981

(In percent)

Item	1980				1981			
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.
Ratio of imports to apparent U.S. consumption:								
EC countries:								
Belgium/Luxembourg	1/	0.2	0.3	0.1	0.1	0.2	0.8	2/
Denmark	-	-	-	-	-	-	-	2/
France	3.9	4.1	2.6	3.4	1.0	3.4	3.3	2/
Greece	-	-	-	-	-	-	-	2/
Ireland	-	-	-	-	-	-	-	2/
Italy	.6	1/	.6	-	.1	-	.7	2/
Netherlands	.8	1.3	2.0	1.8	1/	.4	2.7	2/
United Kingdom	1/	1/	1/	1/	1/	1/	1/	2/
West Germany	2.6	3.4	3.4	1.3	.9	1.8	3.2	2/
Subtotal (EC)	8.5	9.8	8.9	6.5	2.2	5.8	10.7	2/
Brazil	.1	1/	1/	1/	1/	1/	1/	2/
Republic of South Africa	.5	.7	.8	.2	.2	.2	.2	2/
Spain	1/	1/	1/	1/	1/	1/	.1	2/
All other countries	7.5	7.7	6.2	5.3	4.9	6.0	6.2	2/
Total, all imports	14.0	17.6	16.1	12.0	7.4	12.1	17.4	2/
Ratio of imports to U.S. producers' shipments:								
EC countries:								
Belgium/Luxembourg	1/	.2	.4	.1	.2	.2	1.0	2/
Denmark	-	-	-	-	-	-	-	2/
France	2.2	5.1	3.1	3.8	1.1	3.9	4.0	2/
Greece	-	-	-	-	-	-	-	2/
Ireland	-	-	-	-	-	-	-	2/
Italy	.6	1/	.7	-	.2	-	.8	2/
Netherlands	1.0	1.6	2.3	2.0	1/	.5	3.2	2/
United Kingdom	1/	1/	1/	1/	1/	1/	1/	2/
West Germany	3.0	4.0	3.9	1.5	1.0	2.3	3.9	2/
Subtotal (EC)	6.8	10.9	10.4	7.4	2.4	6.6	12.9	2/
Brazil	.1	1/	1/	1/	1/	1/	1/	2/
Republic of South Africa	.5	.8	.9	.2	.2	.2	.2	2/
Spain	1/	1/	1/	1/	1/	1/	.2	2/
All other countries	8.7	9.2	7.3	6.0	5.3	6.8	7.5	2/
Total, all imports	16.2	21.0	18.9	13.6	7.9	13.7	20.8	2/

1/ Less than 0.05 percent
2/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Other cited countries.--Imports of hot-rolled carbon steel sheet and strip from Brazil, already insignificant relative to imports from European producers, declined from a high of 28,000 tons in 1979 to 7,000 tons in 1980 and continued to decline in 1981. Such imports accounted for less than one-half of one percent of U.S. consumption throughout 1978-81, as did imports from Spain and the United Kingdom, two other cited countries.

Imports from the Republic of South Africa, although slightly more significant than those from Brazil, followed the same downward trend as did imports from Brazil, declining steadily from 1979 to 1981. Imports in January-November 1981 were 38,000 tons, representing about 2 percent of total imports and less than one-half of one percent of U.S. consumption.

Imports of hot-rolled sheet and strip from the United Kingdom declined from 35,000 tons in 1978 to less than 500 tons in January-November 1981. Such imports accounted for less than 0.5 percent of U.S. consumption in all reported periods.

Prices

Market conditions in industries that require steel as an input, such as automobiles, construction, energy, and utilities, have long affected demand in the steel industry. For example, the auto industry has experienced declining demand for large cars and has begun to produce smaller, lighter cars. These factors have reduced the demand for steel sheet and have in turn had a dampening effect on prices.

Hot-rolled steel sheet prices are usually f.o.b. mill and quoted in terms of dollars per ton. 1/ Prices are determined for each product on a standard base unit plus additional charges for extras such as variations from the base description in length, width, thickness, or chemistry. Price changes are accomplished by changing the base, the extras, or a combination of both.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports of hot-rolled sheet in 1979-81 are presented in table III-18 and figure III-1. 2/ The producers' price index (PPI) is based primarily on reports of list prices and may not reflect changes in actual transaction prices. Unit value indexes may vary over time not only because of changes in prices, but also because of changes in the specific types of steel being imported. The PPI for hot rolled carbon steel sheet increased by 26.7 percent over the 3-year period, whereas the trigger price increased by 18.2 percent. The greatest price increases in both series occurred following the third quarter of 1980.

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization. Under this practice, a producer that supplies a customer who is located closer to a competing producer will absorb any differences in freight costs. The more distant producer charges the customer's account only for freight costs that the customer would pay if the product was shipped from the closer producer.

2/ The producers' price index is prepared by the Bureau of Labor Statistics.

Table III-18.--Hot rolled carbon steel sheet and strip: Indexes of producer prices, trigger prices, and unit values of imports from Belgium, France, Italy, the Netherlands, the United Kingdom, and West Germany, by quarters, 1979-1981

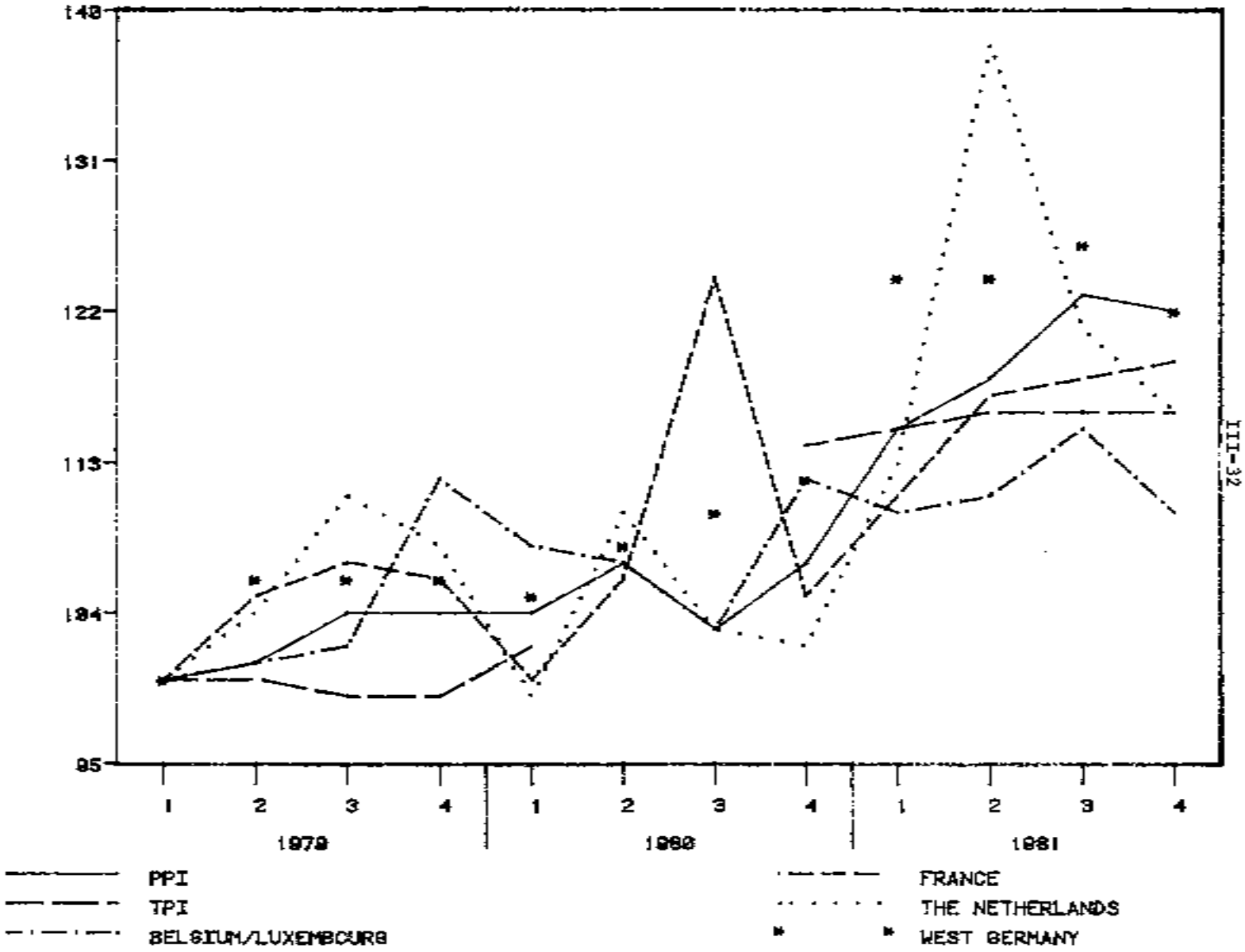
(January-March 1979=100)

Period	Producer price index	Trigger-price index	Indexes of unit values of imports from--					
			Belgium 1/	France	Italy	The Netherlands	The United Kingdom	West Germany
1979:								
January-March	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-June	100.0	100.0	101.0	105.1	156.0	103.8	106.7	106.0
July-September	105.0	98.6	102.1	106.6	109.8	111.1	109.9	106.4
October-December	105.0	98.6	111.8	105.9	107.1	108.4	117.4	105.6
1980:								
January-March	105.0	101.8	108.0	100.4	104.9	98.5	134.4	104.8
April-June	109.8	2/	106.9	106.3	3/	110.3	3/	107.6
July-September	105.4	2/	103.1	124.2	109.8	102.7	108.7	109.6
October-December	109.9	113.9	111.5	104.7	3/	101.5	3/	111.6
1981:								
January-March	117.3	115.0	110.4	110.9	117.3	113.0	3/	124.4
April-June	119.9	118.2	111.1	116.8	3/	137.8	3/	124.0
July-September	126.7	118.2	114.6	118.4	121.3	121.0	3/	126.0
October-December	126.7	118.2	4/ 109.7	4/ 118.8	4/ 137.3	4/ 116.4	3/	4/ 121.6

1/ Import data for Belgium include data on Luxembourg.
2/ The trigger price was suspended.
3/ Data or computation error.
4/ Unit value indexes refer to October only.

Source: The producer price index is compiled from published data provided by the U.S. Bureau of Labor Statistics for hot-rolled sheet. The trigger-price index was constructed from published data provided by the U.S. Department of Commerce and includes only the base price for hot-rolled sheet. Unit value indexes were constructed from data provided by the U.S. Bureau of Census.

FIGURE III-1.--Hot rolled carbon steel sheet and strip
Indexes of producer prices, trigger prices, and
unit values, by quarters, January 1979-December 1981



Source: Table III-18.

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Unit value indexes of imported hot rolled carbon steel sheet and strip have increased on average about 21 percent during 1979-81. The largest increase in unit values was for imports from West Germany; the index for West Germany increased by 26.0 percent between January-March 1979 and July-September 1981, the last quarter for which full information is available. Increases in unit values for the other suppliers were 14.6 percent for Belgium, 21.0 percent for the Netherlands, 21.3 percent for Italy, and 18.4 percent for France. Like the indexes of producer and trigger prices, the greatest increases in the unit value indexes generally followed the third quarter of 1980.

Unit value indexes are available for the month of October 1981 for Belgium, France, Italy, the Netherlands, and West Germany. Compared with July-September 1981, unit values increased in October for imports from France and Italy, and decreased for imports from West Germany, Belgium, and the Netherlands.

Transaction prices.--The Commission requested data on average net selling prices for specific products from domestic producers and importers. To facilitate direct comparison of prices, the Commission also requested data on prices paid by steel purchasers.

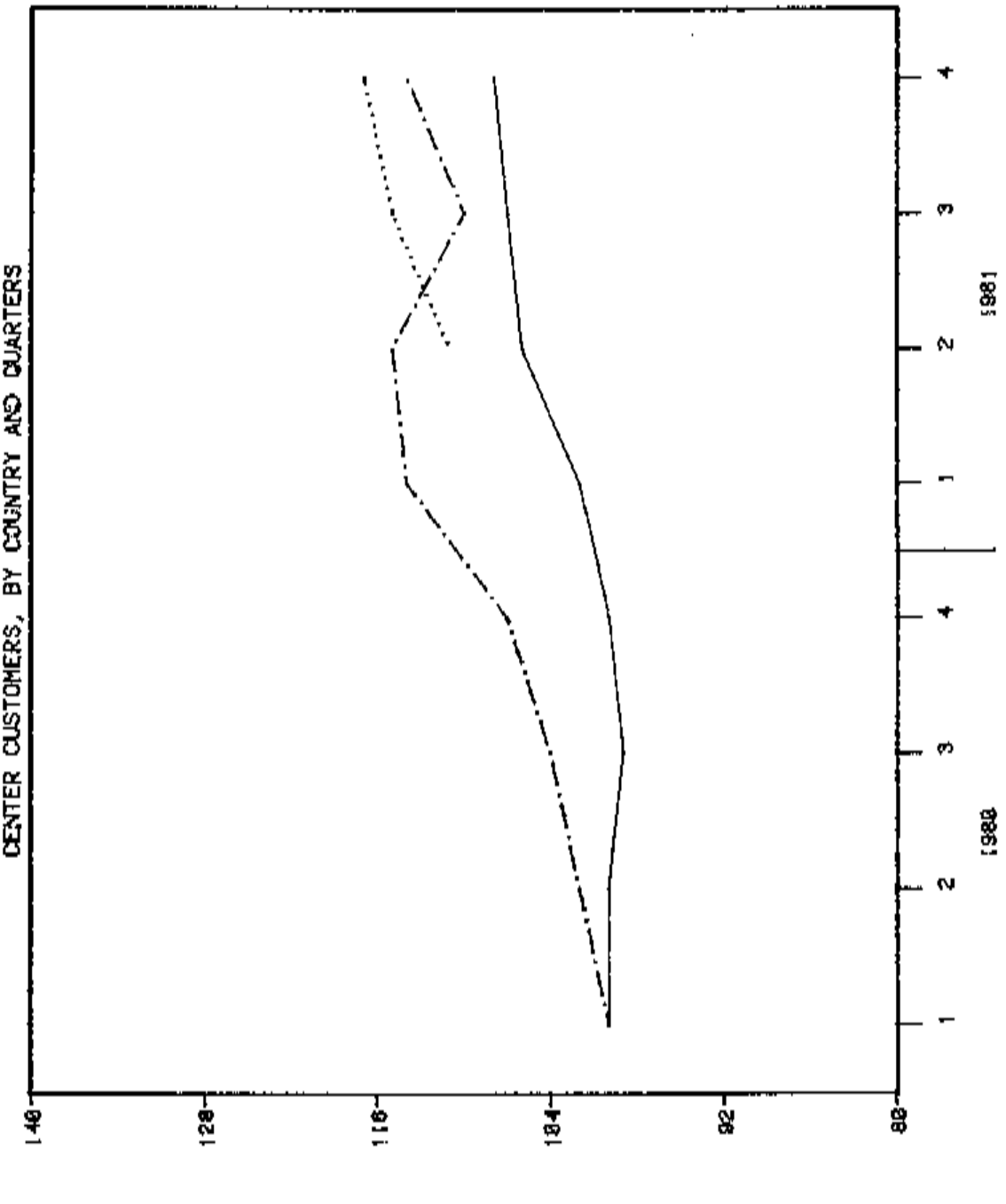
Trends in prices.--To determine trends in steel sheet prices, domestic producers and importers were asked to supply average net selling prices to service centers/distributors and end users for specific types of hot-rolled carbon steel sheet. 1/ Price data were received from 20 domestic producers and 35 importers. Fifteen of the importers provided prices of hot-rolled carbon steel sheet: two for Belgium, two for France, two for the Netherlands, and nine for West Germany.

Price indexes were constructed from the data submitted by importers and domestic producers (tables 12 and 13 in appendix J and figures III-2 through III-7). The price indexes show that domestic and imported selling prices of hot-rolled carbon steel sheet generally increased over the period 1980-81. In three of six cases, domestic prices finished 1981 at levels as high as or higher than levels reached in earlier periods. In 8 of 14 cases, imported prices finished 1981 at levels as high as or higher than levels reached in earlier periods.

For service centers/distributors, domestic prices of hot-rolled carbon steel sheet during 1980 and 1981 increased 8 percent for product 1, 20 percent for product 2, and 12 percent for product 3. In contrast, during that period prices of imports increased 17 percent, 15 percent, and 16 percent for French sheet products 1, 2, and 3, respectively; remained constant for sheet from the Netherlands; and increased 14 percent, 15 percent, and 13 percent for West German sheet products 1, 2, and 3, respectively. For end-user customers,

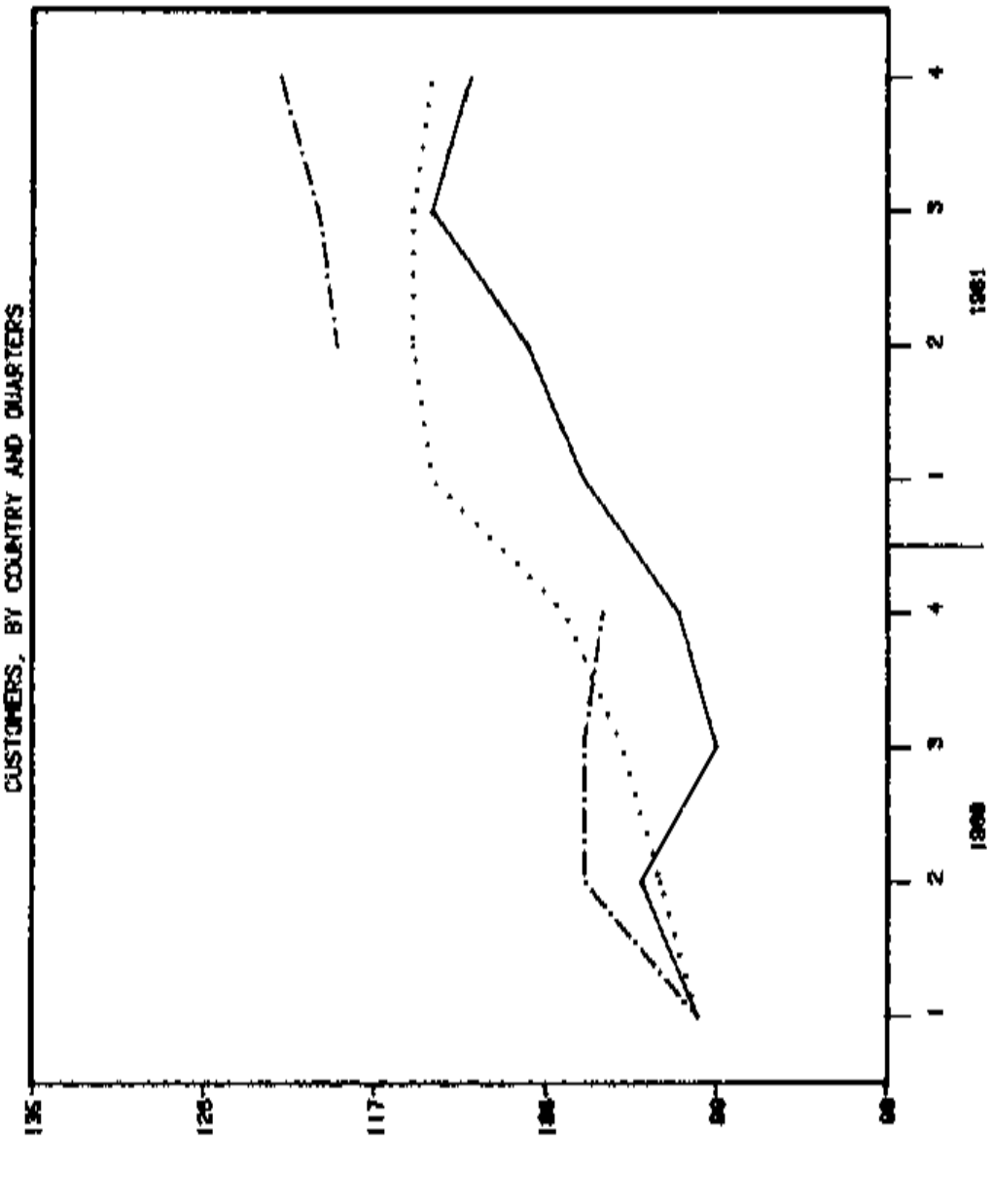
1/ As a basis for transaction price comparisons, the Commission selected 22 representative steel mill products covering the 9 product categories subject to these investigations. These products and their respective specifications are listed by product category in app. I. The 3 representative hot-rolled carbon steel sheet products are nos. 1 to 3.

FIGURE III-2.--HOT-ROLLED CARBON STEEL SHEET-PRODUCT 1
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



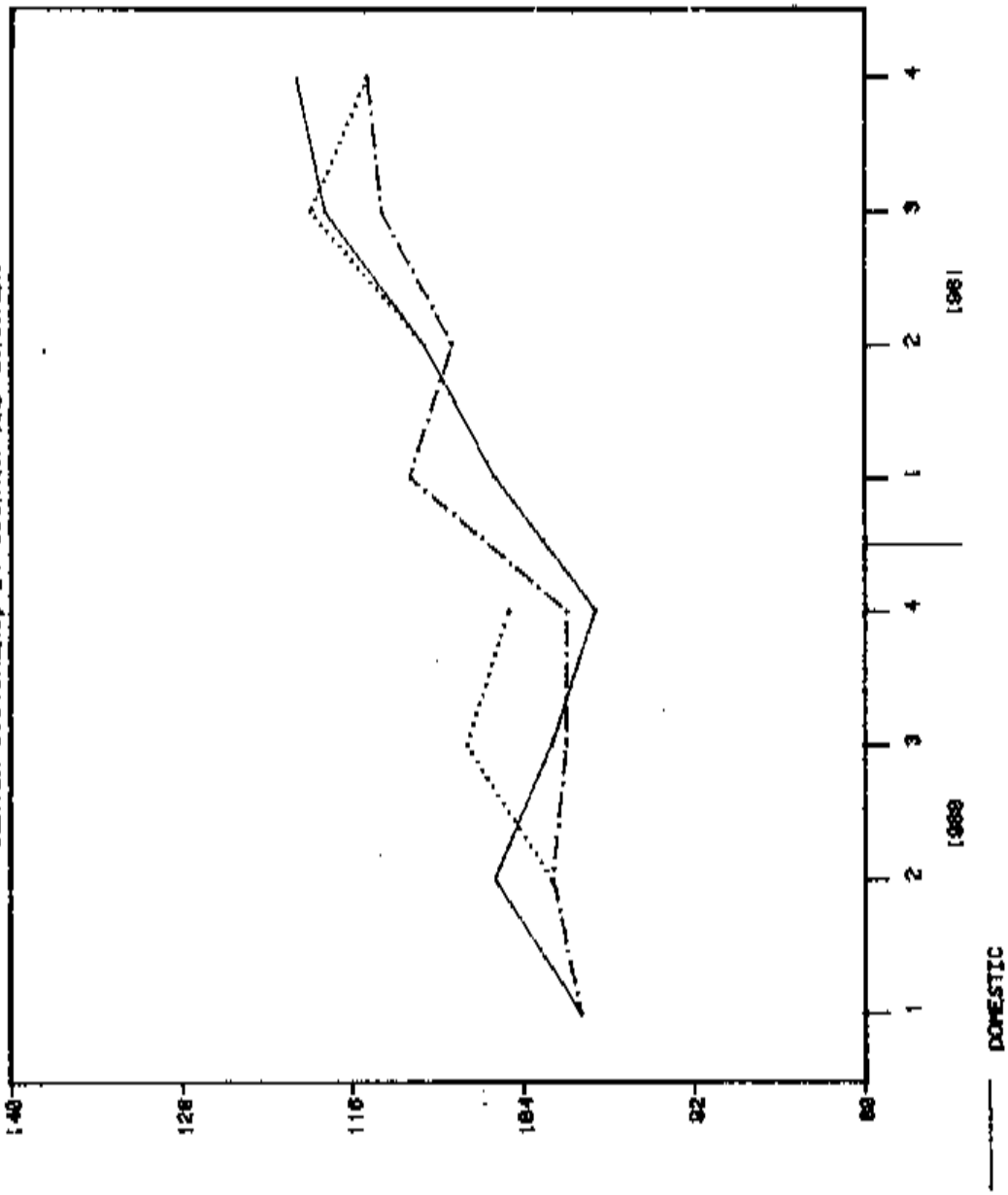
SOURCE: SEE TABLE 12, APPENDIX J.

FIGURE III-3.--HOT-ROLLED CARBON STEEL SHEET-PRODUCT 1
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS
FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER
CUSTOMERS, BY COUNTRY AND QUARTERS



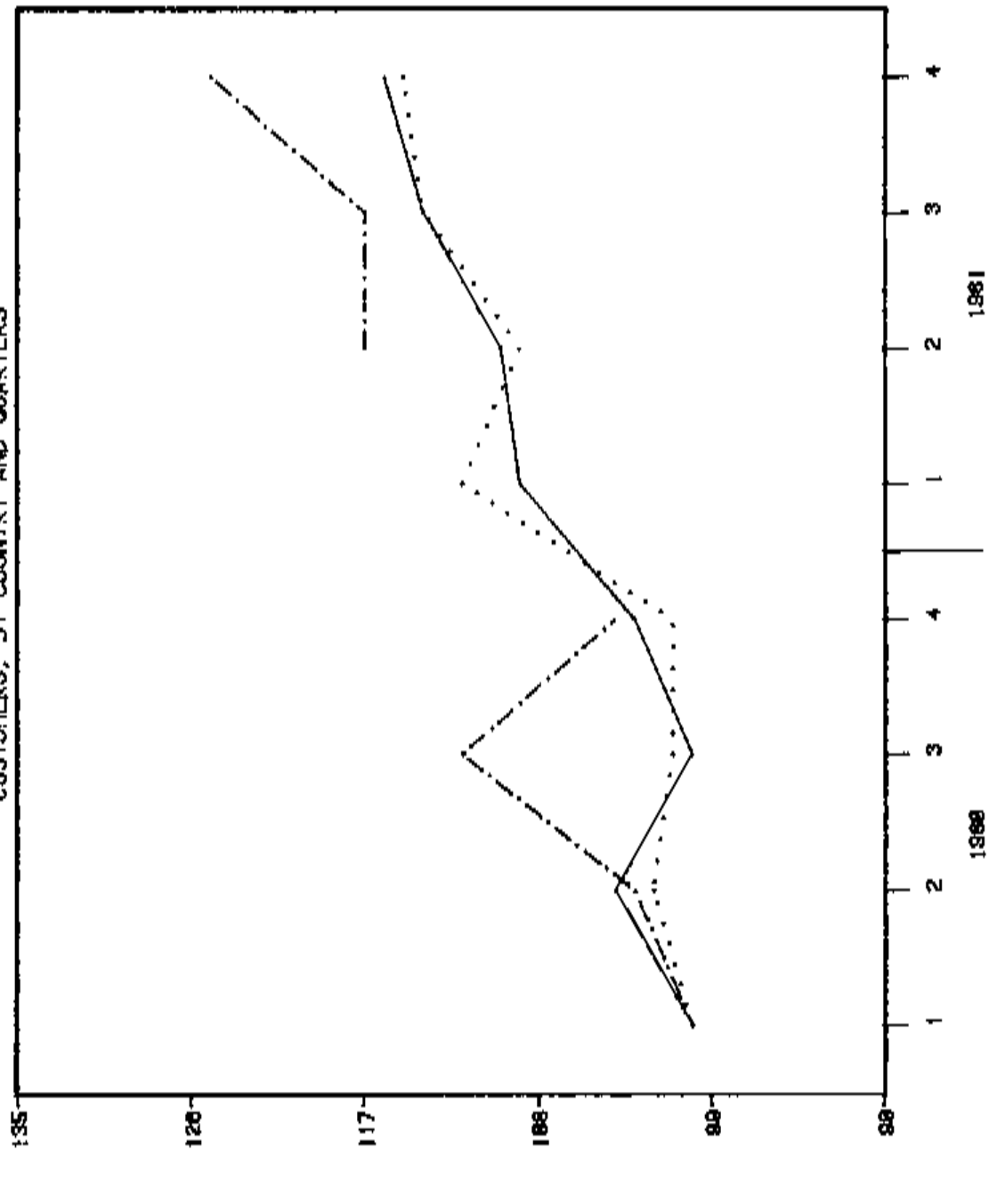
SOURCE: SEE TABLE 13, APPENDIX J.

FIGURE III-4.--HOT-ROLLED CARBON STEEL SHEET-PRODUCT 2
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



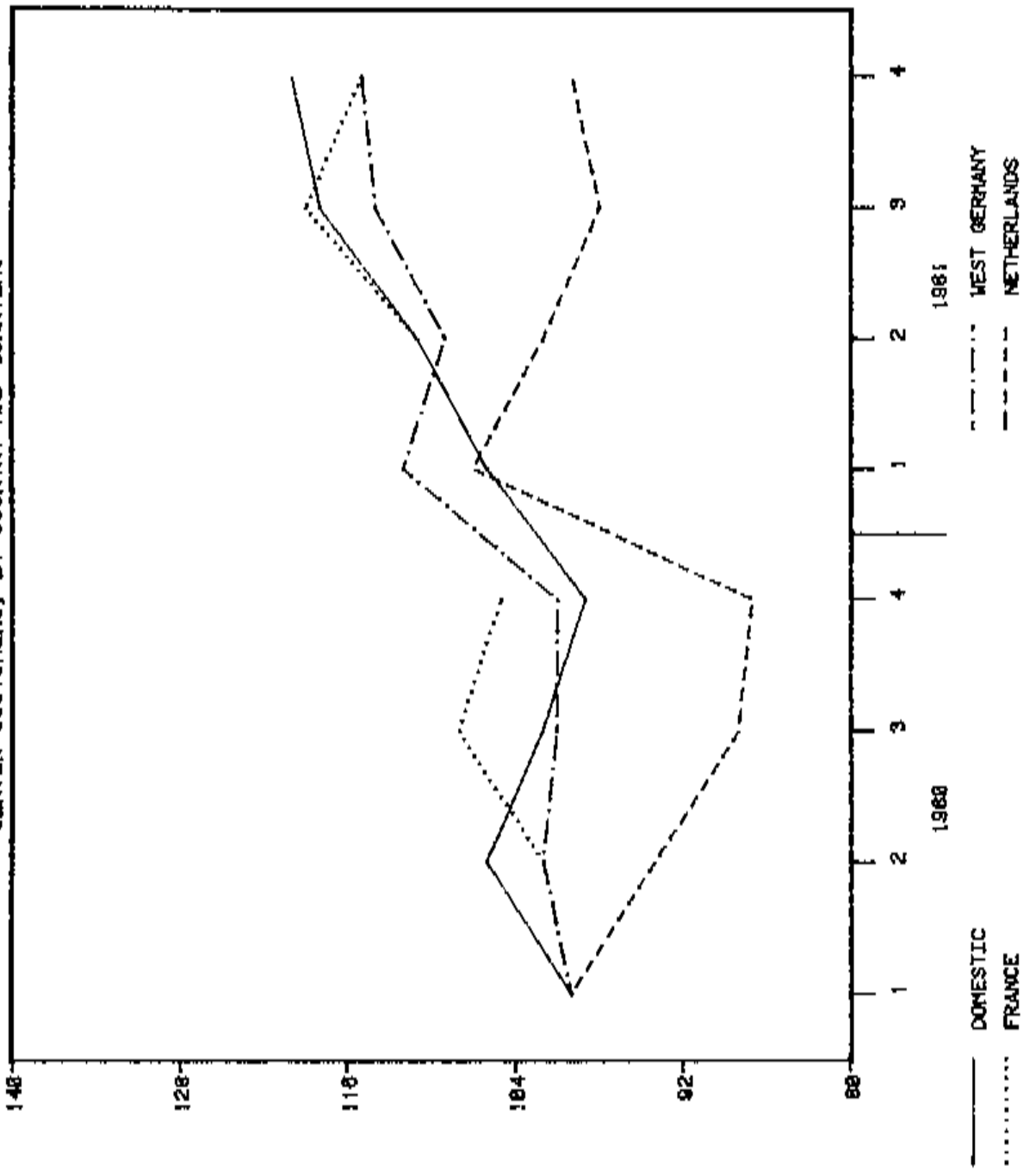
SOURCE: SEE TABLE 12, APPENDIX J.

FIGURE III-5.--HOT-ROLLED CARBON STEEL-PRODUCT 2
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS
FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER
CUSTOMERS, BY COUNTRY AND QUARTERS



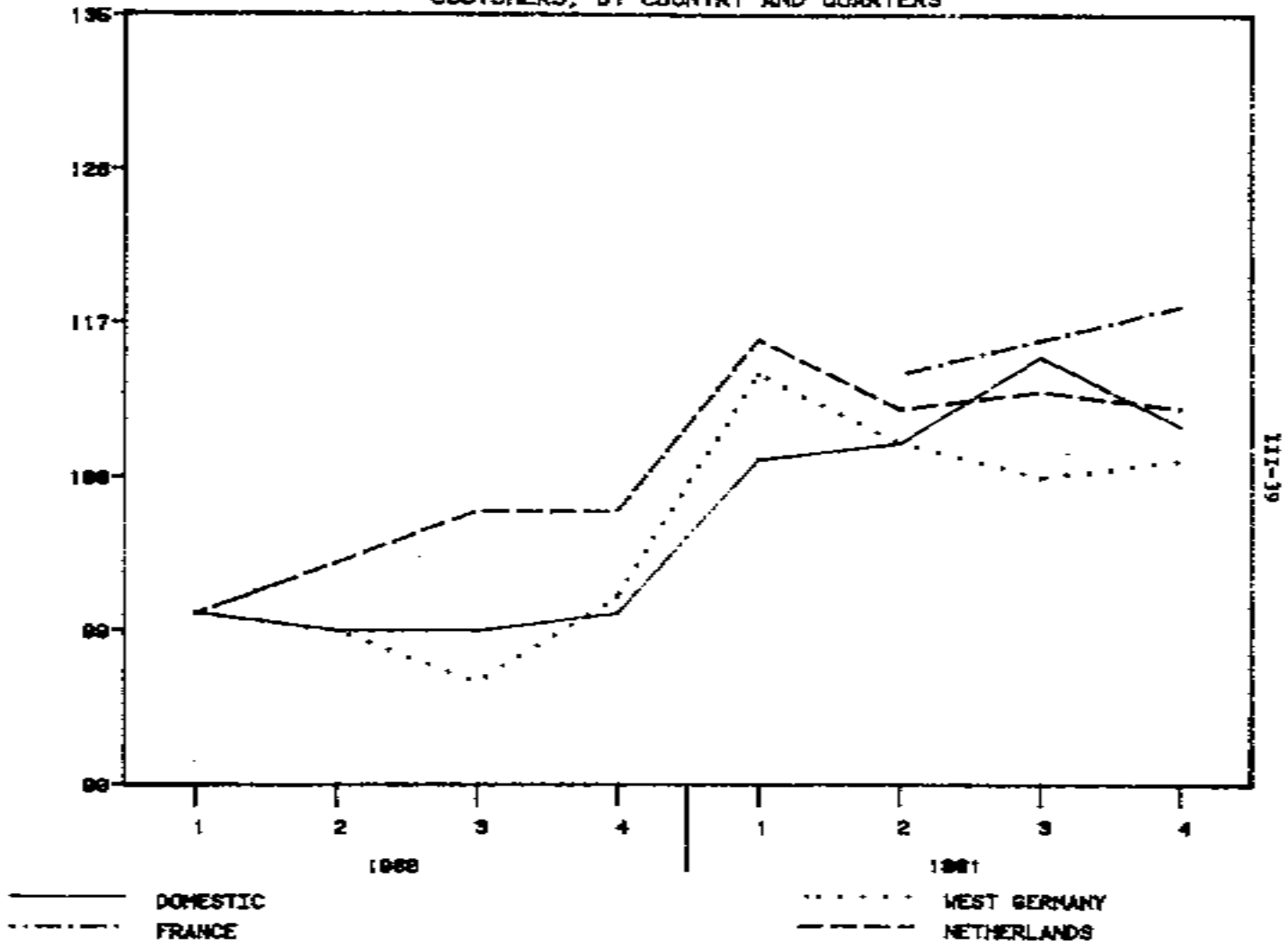
SOURCE: SEE TABLE 13, APPENDIX J.

FIGURE III-6.-- HOT-ROLLED CARBON STEEL SHEET-PRODUCT 9
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 12, APPENDIX J.

FIGURE III-7.--HOT-ROLLED CARBON STEEL SHEET-PRODUCT 3
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 13, Appendix J.

domestic prices of hot-rolled carbon steel sheet increased 12 percent for product 1, 16 percent for product 2, and 11 percent for product 3. In contrast, prices of imports increased 22 percent, 25 percent, and 18 percent for French sheet products 1, 2, and 3, respectively; 9 percent for sheet from the Netherlands; and 14 percent, 15 percent, and 12 percent for West German sheet products 1, 2, and 3, respectively.

Purchase prices.--To determine if imported carbon steel sheet undersold the competing domestic product, purchasers of steel sheet were asked by questionnaire to supply data on actual transaction prices in 1981. Transaction prices were requested for three representative hot-rolled carbon steel sheet products, and each purchaser was asked to provide the transaction price for the firm's largest purchase of the specified product during each quarter of 1981. Purchasers were identified as service centers/distributors and as end users, and were located in six different market areas.

Of the 66 purchasers that responded to the questionnaire, 35 reported purchases of hot-rolled carbon steel sheet. The number of purchasers that provided prices of hot-rolled carbon steel sheet imports by country was three for Belgium, seven for France, two for Italy, two for the Netherlands, and three for West Germany.

Transaction prices collected from purchasers and margins of underselling are presented in tables 14-21 in appendix J. 1/ In general, average margins of underselling were smaller on sales to end-user customers. In several instances, the price of the imported product exceeded the domestic price. 2/ Margins of underselling show marked differences across product categories. The data submitted also reveal differences in margins of underselling among source countries and by location of the purchaser.

For Belgium, margins of underselling on hot-rolled carbon steel sheet were as follows: for service centers/distributors in Chicago the margins ranged from -16 to 3 percent; in Los Angeles the margin was 8 percent; and in Houston the margin was -1 percent. For end users in Atlanta the margins ranged from 1 to 2 percent.

For France, margins of underselling were as follows: for service centers/distributors in Chicago the margins ranged from -3 to 2 percent; in Los Angeles the margins ranged from -1 to 4 percent; in Philadelphia the margins ranged from 6 to 11 percent; and in Houston the margin was 1 percent. For end users in Philadelphia, margins ranged from 1 to 8 percent.

For the Netherlands the margin of underselling for service centers/distributors in Detroit was -18 percent. For end users in Chicago the margins ranged from -12 to 3 percent.

For Italy, margins of underselling for service centers/distributors in Chicago ranged from -9 to 1 percent.

1/ If no purchases were reported from any country in a given period, that period is not presented in the tables.

2/ These margins are reported with negative signs.

For West Germany, margins of underselling were as follows: for service centers/distributors in Chicago the margin was -9 percent; in Los Angeles the margins ranged from -2 to 3 percent; and in Philadelphia the margin was 1 percent. For end users in Atlanta the margin was 4 percent.

Nonprice considerations.--Purchasers were also asked to rate nonprice factors that were considered when they purchased steel sheet. Purchasers of hot-rolled carbon steel sheet listed quality of the product (72 percent) and reliability of the vendor (55 percent) as the most important nonprice factors they considered when buying steel sheet. Seventy-two percent of all purchasers, however, did not pay a premium for nonprice factors.

Lost sales

Six domestic producers submitted a total of 16 specific allegations of lost sales of hot-rolled carbon steel sheet 1/ to imports of that product from one or more of the countries subject to these investigations. All of the allegations, which covered the period January 1980 to January 1982, were investigated by the staff. These allegations and attempts by the staff to verify them are discussed, by countries, below.

Imports from the Netherlands.--* * *.

Imports from West Germany.--* * *.

Imports from France.--* * *.

Imports from Italy.--* * *.

Imports from Belgium.--* * *.

In sum, 16 purchasers of hot-rolled carbon steel sheet verified lost sales amounting to approximately * * * tons of the product. Ten purchasers, representing lost sales of approximately * * * tons, cited lower price as the principal factor for their purchasing decisions. No lost sales allegations from any other foreign source were verified.

1/ No specific allegations were received concerning lost sales of hot-rolled carbon steel strip.

Part IV: COLD-ROLLED CARBON STEEL SHEET AND STRIP

Introduction

This part of the report presents information relating specifically to cold-rolled carbon steel sheet and strip. Information on foreign producers and the nature and extent of allegedly subsidized and/or LTFV sales, as it relates to cold-rolled carbon steel sheet and strip, was presented in part I and will not be repeated.

As indicated previously, following receipt on January 11, 1982, of petitions filed on behalf of seven domestic producers of steel products, the Commission instituted the following preliminary investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of allegedly subsidized and/or LTFV imports of cold-rolled carbon steel sheet and strip:

Country	Countervailing duty investigation No.	Antidumping investigation No.
Belgium	701-TA-102(P) 1/2/3/	731-TA-68(P) 1/2/
Brazil 4/	701-TA-103(P) 3/	Not applicable
France	701-TA-104(P) 1/2/3/	731-TA-69(P) 1/2/
Italy	701-TA-105(P) 1/2/3/	731-TA-70(P) 1/2/
Luxembroug	701-TA-106(P) 2/	731-TA-71(P) 2/
Netherlands	701-TA-107(P) 1/2/3/	731-TA-72(P) 1/2/
United Kingdom 4/	701-TA-108(P) 1/3/	731-TA-73(P) 1/
West Germany	701-TA-109(P) 1/2/3/	731-TA-74(P) 1/2/

In addition to the above countries, the petitioners alleged that imports of cold-rolled carbon steel sheet and strip from Spain and the Republic of South Africa were also being subsidized by the Governments of those two countries. As stated earlier, the Commission did not institute investigations on imports from Spain and the Republic of South Africa because they have not signed the GATT Subsidies Code and, therefore, are not entitled to an injury determination by the Commission.

1/ Petition filed by U. S. Steel.
2/ Petition filed on behalf of Bethlehem.
3/ Petition filed on behalf of Republic, Inland, J&L, National, and Cyclops.
4/ The countervailing and antidumping investigations relating to imports from Brazil (investigation No. 701-TA-103 (Preliminary)) and the United Kingdom (investigations Nos. 731-TA-73 (Preliminary) and 701-TA-108 (Preliminary)) covers only cold-rolled carbon steel sheet (TSUSA items 607.8320 and 607.8344).

The Product

Description and uses

Cold-rolled carbon steel sheets, whether produced domestically or abroad, are "cold-finished" products manufactured by processing hot-rolled pickled (cleaned) carbon steel coils in cold-reduction mills. Generally, there is no significant difference between U.S.-produced and imported cold-rolled sheet.

Cold-rolling refers to the passing of unheated steel through a series of reducing rolls to make a product smoother and thinner than can be made in a hot-strip mill. These cold-reduction mills reduce the thickness of the sheet by rolling it through a variety of reversing and tandem work rolls.

The TSUSA defines sheet as a flat-rolled product, whether or not corrugated or crimped, in coils or cut to length, under 0.1875 inch in thickness and over 12 inches in width. Strip is defined similarly except that it ranges in width from 12 inches down to, but not including, 0.5 inch. The industry considers the product to be strip if under 24 inches in width, and sheet if 24 inches or more in width.

The production of cold-rolled sheet and strip begins with a coil of hot-rolled sheet, which is first uncoiled and pickled in a bath of sulfuric or hydrochloric acid to remove surface oxide formed during the hot-rolling. The sheet is then dried, oiled, and recoiled. Oil is used to protect against rust and serve as a lubricant during cold reduction. The coil is then sent to a cold-reduction mill for further processing.

In the cold-reduction mill, sheet is passed through work rolls that gradually reduce the sheet to final thickness, increase the elastic limit of the steel, and improve the surface and mechanical properties of the product. It is then coiled and sent to an annealing furnace to be heated and made more formable. After the steel has been softened in the annealing furnace, the temper mill finishes the cold-rolled sheet by imparting the desired hardness, flatness, and surface quality. The product is then shipped to consumers in coils or cut lengths.

Cold-rolled carbon steel sheet is the most important category of steel mill products, accounting for approximately one-sixth of total U.S. shipments of all steel mill products in 1980. The automotive industry and steel service centers/distributors are the largest domestic markets for this product, accounting for approximately 35 and 22 percent, respectively, of total U.S. shipments in 1980. Because of the recent sales slump in the U.S. automobile market, there was a dramatic decrease in shipments of cold-rolled sheet to automobile manufacturers in 1980 and 1981. Cold-rolled sheets are also used extensively in the making of appliances and in electrical equipment.

The largest single use for cold-rolled carbon steel strip is in the making of containers, packaging, and shipping materials. The automotive industry is the second largest market.

U.S. tariff treatment

Cold-rolled carbon steel sheet is provided for in items 607.8320 and 607.8344 of the TSUSA. The column 1 rate of duty is 7.5 percent ad valorem, and the column 2 rate of duty is 0.2 cent per pound plus 20 percent ad valorem. Cold-rolled carbon steel strip is provided for, depending upon thickness, in items 608.1940, 608.2140, and 608.2340 of the TSUSA. The column 1 and column 2 rates of duty applicable to cold-rolled carbon steel strip are as follows (in percent ad valorem):

TSUSA item No.	Column 1	Column 2
608.1940	5.4	25
608.2140	7.7	25
608.2340	8.9	25

Neither cold-rolled sheet nor cold-rolled strip is eligible for duty-free treatment under the GSP; however, imports of such products are granted preferential rates of duty when imported from LDDC's. 1/ Imports of cold-rolled sheets and cold-rolled strip are also subject to provisions of the Buy American Act. 2/

Concessions granted by the United States at the Tokyo round of the MTN resulted in incremental reductions in column 1 rates of duty which began on January 1, 1982. The current and final concession rates under column 1, the column 2 rates, and LDDC rates are shown in table IV-1.

1/ An explanation of the applicability of column 1, column 2, GSP, and LDDC rates of duty is provided in part II of this report, p. II-4.

2/ See part II, p. II-6 for an explanation of the provisions of the Buy American Act.

Table IV-1.--Cold-rolled carbon steel sheet: U.S. rates of duty as of Jan. 1, 1982, and Jan. 1, 1987

1978-79 TSUSA item No.	1980 TSUSA item No.	Article	Col. 1 rate of duty		LDDC rate of duty	Col. 2 rate of duty
			Jan. 1, 1982	Jan. 1, 1987		
608.8720 608.8744	607.8320 607.8344	Cold-rolled sheet. 1/	7.5% ad val.	5.1% ad val.	5.1% ad val.	0.2¢ per lb plus 20% ad val.
609.0240	608.1940	Cold-rolled strip, not over 0.01 inch in thickness.	5.4% ad val.	2.4% ad val.	2.4% ad val.	25% ad val.
609.0340	608.2140	Cold-rolled strip, over 0.01 but not over 0.05 inch in thickness.	7.7% ad val.	3.4% ad val.	3.4% ad val.	25% ad val.
609.0440	608.2340	Cold-rolled strip, over 0.05 inch in thickness.	8.9% ad val.	5.7% ad val.	5.7% ad val.	25% ad val.

1/ For the purpose of this investigation, "cold-rolled sheet" includes certain products classified and described as "plate" in the TSUSA. This discrepancy is due to technical differences between the U.S. industry definition and the TSUSA definition with respect to flat-rolled products over 12 inches in width and 0.1875 inch or more in thickness, shipped in coils. Such products are considered "sheet" by the U.S. industry, but they meet the TSUSA definition of "plate."

Apparent U.S. Consumption

Apparent U.S. consumption of cold-rolled carbon steel sheet and strip declined from 21.2 million tons in 1978 to 14.7 million tons in 1980, or by 30 percent. During the first eleven months of 1981, apparent U.S. consumption was 15.1 million tons, which was 12 percent higher than consumption in the corresponding period of 1980 (table IV-2). According to industry sources, the decline in apparent consumption during 1978-80 was due primarily to declining demand in the automotive industry.

Table IV-2.--Cold-rolled carbon steel sheet and strip: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1978-80, January-November 1980, January-November 1981, and, by quarters, January 1980-September 1981

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1978	18,158	3,173	120	21,211	17.5	15.0
1979	17,507	2,372	103	19,778	13.5	12.0
1980	13,411	1,462	124	14,749	10.9	9.9
January-November--						
1980	12,092	1,302	119	13,274	10.8	9.8
1981	13,732	1,461	67	15,126	10.6	9.6
1980:						
Jan.-March	3,954	442	37	4,359	11.1	10.1
Apr.-June	2,966	365	38	3,293	12.3	11.1
July-Sept	2,699	301	35	2,965	11.2	10.2
Oct.-Dec	3,791	354	14	4,131	9.3	8.6
1981:						
Jan.-March	3,931	191	18	4,104	4.8	4.6
Apr.-June	4,291	342	20	4,613	8.0	7.4
July-Sept	3,544	493	20	4,017	13.9	12.3

Source: Shipments compiled from data of the American Iron and Steel Institute; imports and exports compiled from official statistics of the U.S. Department of Commerce.

As shown, U.S. producers increased their market share from 85 percent in 1978 to 90 percent in 1980 and January-November 1981. Quarterly data for 1981 show U.S. producers market share declining from 95 percent in January-March to 88 percent in July-September.

U.S. Producers

According to the AISI, 16 domestic companies have the capacity to produce cold-rolled carbon steel sheet, and 31 companies have the capacity to produce cold-rolled carbon steel strip. The producers of cold-rolled sheet and their plant locations are as follows:

Company	Plant location
American Shim Steel Co	New Kingston, Pa.
Armco	Middletown, Ohio
Bethlehem	Burns Harbor, Ind. Sparrows Point, Md. Lackawanna, N.Y.
Cyclops	Mansfield, Ohio
Ford Motor Co	Dearborn, Mich.
Greer Steel Co	Ferndale, Mich.
Inland	East Chicago, Ind.
Interlake, Inc	Chicago, Ill.
LTV	Hennepin, Ill. Pittsburgh, Pa. East Chicago, Ind. Cleveland, Ohio Aliquippa, Pa.
McLouth	Gibralter, Mich.
National	Granite City, Ill. Portage, Ind. Detroit, Mich.
Newport Steel Corp	Newport, Md.
Republic	Gadsden, Ala. Cleveland, Ohio Niles, Ohio Warren, Ohio
Sharon Steel Corp	Farrell, Pa. Sharon, Pa.
U.S. Steel	Farifield, Ala. Pittsburgh, Pa. Gary, Ind. Cleveland, Ohio Dravosburg, Pa. Fairless Hills, Pa.
Wheeling-Pittsburg Steel Corp	Steubenville, Ohio Allenport, Pa.

The seven largest U.S. producers of raw steel account for the great bulk of total U.S. production of cold-rolled carbon steel sheet. However, some of the largest firms do not produce cold-rolled strip. The following companies have the capacity to produce cold-rolled strip at the following locations:

Company	Plant location
American Shim Metal Co	New Kensington, Pa.
Barry Steel Corp	Detroit, Mich.
Beaker Bros. Steel Co	Los Angeles, Calif.
Blair Strip Steel	New Castle, Pa.
Bourne Corp	Phillysdale, R.I.
Calstrip Steel	Los Angeles, Calif.
Cold Metals Products	Indianapolis, Ind. New Haven Conn.
Cyclops	Detroit, Mich.
Elliott Brothers Steel Co	New Castle, Pa.
Gibraltar Steel Corp	Buffalo, N.Y.
Guterl Special Steel Corp	Lockport, N.Y.
Greer Steel Co	Dover, Ohio Ferndale, Mich.
Interlake, Inc	Chicago, Ill.
McLouth	Gibralter, Mich.
Mid American Steel Corp	Cleveland, Ohio
National Standard Co	Niles, Mich. Clifton, N.J.
National	Parseppany, N.J.
Newport Steel Corp	Newport, Md.
Philadelphia Steel and Wire	Philadelphia, Pa.
Rome Strip Steel Co	Rome, N.Y.
Sandvik, Inc	Benton Harbor, Mich.

Company	Plant location
Sharon Steel Corp	Sharon, Pa. Union, N.Y. Farrell, Pa. Dearborn, Mich.
Stanley Steel Works	New Britain, Conn.
Techalloy Co. Inc	Rahns, Pa.
Thomas Steel Strip	Warren, Ohio
Thompson Steel Co. Inc	Franklin Park, Ill. Sparrows Pt., Md. Worcester, Mass.
U.S. Steel	Cleveland, Ohio
Wallace Barnes Steel	Forestville, Conn.
Wheeling-Pittsburg Steel Corp	Steubenville, Ohio
Whitaker Steel Strip	Detroit, Mich.
Worthington, Industries Inc	Columbus, Ohio

Like that of most other steel mill products, production of cold-rolled sheet and strip is heavily concentrated in the North Central and Midwestern areas of the United States.

Eight carbon steel producers account for approximately 76 percent of total U.S. shipments of cold rolled sheet and strip, as shown in the following tabulation:

Firm	Market share (Percent)
Armco	***
Bethlehem	***
Inland	***
J&L	***
National	***
Republic	***
Rouge	***
U.S. Steel	***

U.S. Importers

There are about 40 importers of cold-rolled carbon steel sheet and strip from countries subject to these investigations, as shown below:

Country of origin	Company and Location
West Germany--------	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
France----------	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
The Netherlands-----	* * *
Italy----------	* * *
Belgium-Luxembourg--	* * *
	* * *
	* * *
	* * *
	* * *
United Kingdom------	* * *
	* * *
	* * *

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of cold-rolled carbon steel sheet and strip remained stable at 13.2 million tons for 1978 and 1979 and then fell to 10.3 million tons in 1980, representing a decline of 22 percent. In 1981, however, U.S. production increased to 11.2 million tons (table IV-3). U.S. production capacity for cold-rolled carbon steel sheet and strip increased from 15.6 million tons in 1978 to 16.6 million tons in 1979, but then fell to 15.9 million tons in 1980 and 1981. 1/ Thus, during 1978-81, there was a slight increase of 2 percent in production capacity for the U.S. industry. Capacity utilization, however, fell sharply from 84.7 percent in 1978 to 64.8 percent in 1980. In 1981, capacity utilization increased to 70.4 percent.

Table IV-3.--Cold-rolled carbon steel sheet and strip: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/----1,000 short tons--	13,206	13,225	10,322	11,195
Capacity----------do----	15,595	16,567	15,923	15,899
Capacity utilization------percent--	84.7	79.8	64.8	70.4

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could reasonably be attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data accounted for 77 percent of total shipments of cold-rolled carbon steel sheet and strip in 1980, as reported by the American Iron and Steel Institute.

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

U.S. producers shipments

During 1978-80, U.S. producers' shipments of cold-rolled carbon steel sheet and strip accounted for about 20 percent of aggregate shipments of all carbon steel mill products by U.S. producers, although such shipments declined steadily from 18.2 million tons in 1978 to 13.4 million tons in 1980. In 1981, U.S. producers' shipments increased by 8.4 percent to 14.5 million

1/ Capacity to produce finished steel mill products is not necessarily the best method of determining the extend to which a steelmaking operation is most efficiently utilizing its facilities. See a discussion of this issue in pt. II of this report, pp. II-11 and II-12.

tons. U.S. producers' net shipments of cold-rolled carbon steel sheet and strip, as reported by AISI (such shipments include intracompany transfers and exports but exclude sales made to other firms that report data to AISI), are shown in the following tabulation:

Period	Shipments (1,000 short tons)
1978	18,158
1979	17,507
1980	13,411
1981	14,543
1980:	
Jan.-March	3,954
Apr.-June	2,966
July-Sept	2,699
Oct.-Dec	3,791
1981:	
Jan.-March	3,931
Apr.-June	4,291
July-Sept	3,544
Oct.-Dec	2,777

As shown, U.S. producer's shipments in 1981 declined sharply from 4.3 million tons in April-June to 2.8 million tons in October-December.

U.S. producers' intracompany and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table IV-4.

As shown in table IV-4, intracompany and intercompany shipments of cold-rolled sheet and strip for the reporting firms declined by 47 percent during 1978-81. However, domestic market total shipments of the reporting firms declined by only 10.6 percent.

U.S. exports

During 1978-80, exports of cold-rolled carbon steel sheet and strip ranged from 3 to 5 percent of annual U.S. exports of all carbon steel mill products. Exports of cold-rolled sheet and strip declined from 120,000 tons in 1978 to 103,000 tons in 1979, but then rebounded to 124,000 tons in 1980. However, in January-November 1981, exports were 67,000 tons, which was 43 percent below the level of exports in the corresponding period of 1980 (table IV-5). Canada was the principal export market for cold-rolled sheet and strip during this period, although Brazil emerged as an important market in 1980, accounting for 31 percent of U.S. exports in that year.

Table IV-4.--Cold-rolled carbon steel sheet and strip: U.S. producers' shipments, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Intracompany and intercompany shipments	1,575	1,192	808	827
Domestic market shipments	11,494	12,135	9,445	10,277
Export shipments	33	19	50	32
Total	13,102	13,346	10,303	11,136
	Value (million dollars)			
Domestic market shipments	4,179	4,849	3,876	4,592
Export shipments	12	9	19	16
Total	4,191	4,858	3,895	4,608
	Unit value (per ton)			
Domestic market shipments	$364	$400	$410	$447
Export shipments	364	474	380	500
Average	364	400	410	447

1/ U.S. producers submitting usable data accounted for 77 percent of total shipments of cold-rolled carbon steel sheet and strip in 1980, as reported by the American Iron and Steel Institute.

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

Table IV-5. Cold-rolled carbon steel sheet and strip: U.S. exports of domestically produced merchandise, by principal markets, 1978-80, January-November 1980, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
Brazil	2,015	274	37,434	37,415	200
Canada	59,936	45,180	20,630	18,919	33,219
Portugal	12	1/	16,974	16,974	1/
Pakistan	12,337	16,273	7,094	6,874	3,992
Mexico	2,261	2,424	6,488	6,213	2,836
All other	43,677	38,437	35,309	32,599	27,054
Total	120,238	102,588	123,929	118,994	67,301
	Value (1,000 dollars)				
Brazil	878	673	15,120	15,065	500
Canada	25,185	22,042	14,264	13,013	25,414
Portugal	17	1	5,015	5,015	2
Pakistan	1,842	3,506	1,387	1,342	813
Mexico	1,417	1,715	3,506	3,298	2,440
All other	20,133	23,122	24,928	22,304	17,294
Total	49,472	51,059	64,220	60,037	46,463

1/ Less than 0.5 short tons.

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

U.S. producers' inventories

U.S. producers' end-of-year inventories of cold-rolled carbon steel sheet and strip remained in the range of 750,000 to 850,000 tons throughout 1978-81, but did increase by 9.3 percent from December 31, 1980, to December 31, 1981 as shown below: 1/

As of Dec. 31.--	End-of year inventories (tons)
1977	763,402
1978	878,394
1979	756,813
1980	774,488
1981	846,870

1/ U.S. producers submitting usable data accounted for 77 percent of total shipments of cold-rolled carbon steel sheet and strip in 1980.

U.S. employment, wages, and productivity

The average number of production and related workers producing cold-rolled carbon steel sheet and strip increased from 37,632 in 1978 to 39,223 in 1979, but then fell by 18 percent to 32,050 in 1980. Employment increased in 1981 to 35,303 (table IV-6). Hours paid for production and related workers producing cold-rolled sheet and strip followed the same trend as did employment, increasing by 3.6 percent from 1978 to 1979, and then falling by 21.4 percent, to 62.9 million hours, in 1980. In 1981, hours worked increased by 11.4 percent to 70.1 million. Thus, while employment in 1981 increased by 10.1 percent, hours worked similarly increased by 11.4 percent.

Table IV-6.--Average number of employees, total and production and related workers, in U.S. establishments producing cold-rolled carbon steel sheet and strip, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	200,111	218,673	186,396	192,070
Percentage change	3/	9.3	-14.8	3.0
Production and related workers producing--				
All products:				
Number	170,957	185,113	155,664	162,176
Percentage change	3/	8.3	-15.9	4.2
Cold-rolled sheet and strip:				
Number	37,632	39,223	32,050	35,303
Percentage change	3/	4.2	-18.3	10.1
Hours paid for production and related workers producing--				
All products:				
Number----------thousands--	350,195	375,457	303,557	317,954
Percentage change	3/	7.2	-19.1	4.7
Cold-rolled sheet and strip:				
Number----------thousands--	77,220	80,023	62,874	70,071
Percentage change	3/	3.6	-21.4	11.4

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 76 percent of total shipments of cold-rolled carbon steel sheet and strip in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Wages paid to production and related workers producing cold-rolled carbon steel sheet and strip increased by 17 percent during 1978-81. Total compensation paid to such workers increased by 26 percent during the same period (table IV-7).

Table IV-7.--Wages and total compensation 1/ paid to production and related workers in establishments producing cold-rolled carbon steel sheet and strip, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related workers producing--				
All products:				
Value---------million dollars--	3,889,	4,632	4,215	4,785
Percentage change----------	3/	19.1	-9.0	13.5
Cold-rolled sheet and strip:				
Value---------million dollars--	879	1,003	894	1,030
Percentage change----------	3/	14. 1	-10.8	15.2
Total compensation paid to production and related workers producing--				
All products:				
Value---------million dollars--	4,923	5,878	5,504	6,260
Percentage change----------	3/	19.4	-6.4	13.7
Cold-rolled sheet and strip:				
Value---------million dollars--	1,109	1,268	1,161	1,401
Percentage change----------	3/	14.4	-8.4	20.7

1/ Includes wages and contributions to social security and other employee benefits.

2/ U.S. producers submitting usable data accounted for 76 percent of total shipments of cold-rolled carbon steel sheet and strip in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Productivity for production and related workers of cold-rolled sheet and strip declined each year during 1978-81. In contrast, the hourly wage paid to production and related workers increased each year, from $14.35 in 1978 to $20.00 in 1981, or by 39 percent. As could be expected, the labor cost per ton of cold-rolled sheet and strip increased from $84.85 in 1978 to $125.93 in 1981, or by of 48 percent (table IV-8).

Table IV-8.--Labor productivity, hourly compensation, and unit labor costs in the production of cold-rolled carbon steel sheet and strip

Item	1978	1979	1980	1981
Labor productivity:				
Quantity--------tons per hour--	0.1692	0.1636	0.1627	0.1588
Percentage change----------	2/	-3.3	-.6	-2.4
Hourly compensation:				
Value----------per hour--	$14.36	$15.85	$18.47	$20.00
Percentage change----------	2/	10.1	16.5	8.3
Unit labor costs:				
Value----------per ton--	$84.85	$96.87	$113.54	$125.93
Percentage change----------	2/	14.2	17.2	10.9

1/ U.S. producers submitting usable data accounted for 76 percent of total shipments of cold-rolled carbon steel sheet and strip in 1980, as reported by the American Iron and Steel Institute.

2/ Not available.

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

Financial experience of U.S. producers

Operations on cold-rolled carbon steel sheet and strip.--Profit and loss data were received from nine producers accounting for about 77 percent of U.S. producers' shipments of cold-rolled carbon steel sheet and strip in 1980. As shown in table IV-9, net sales of cold-rolled sheet and strip increased by 12 percent, from $4.7 billion in 1978 to $5.3 billion in 1979, before dropping to $4.2 billion in 1980. Such sales amounted to $4.9 billion in 1981, a rise of 5 percent over sales in 1978. Cost of goods sold as a percent of net sales increased from 95.0 percent in 1978 to 106.4 percent in 1980, and then declined to 103.0 percent in 1981. The ratio of selling and administrative expenses to net sales fluctuated between 2.4 percent and 2.9 percent during 1978-81.

Aggregate operating profit declined from $114 million, or 2.4 of net sales, in 1978 to $53 million, or 1.0 percent of net sales, in 1979. Cold-rolled sheet and strip operations sustained significant operating losses of $383 million--equal to 9.2 percent of net sales--in 1980, and $293 million, or 5.9 percent of net sales, in 1981. Eight and seven firms reported operating losses in 1980 and 1981, respectively, compared with 3 and 4 firms in 1978 and 1979, respectively.

Table 9.--Profit-and-loss experience of 9 U.S. producers on their operations producing cold-rolled carbon steel sheet and strip, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales----------million dollars--	4,690	5,264	4,150	4,946
Cost of goods sold----------do----	4,454	5,084	4,414	5,095
Gross profit or (loss)----------do----	236	180	(264)	(149)
Selling and administrative expenses--do----	122	127	119	144
Operating profit or (loss)----------do----	114	53	(383)	(293)
Ratio of gross profit to or (loss) to net sales----------percent--	5.0	3.4	(6.4)	(3.0)
Ratio of operating profit or (loss) to net sales----------percent--	2.4	1.0	(9.2)	(5.9)
Ratio of cost of goods sold to net sales----------do----	95.0	96.6	106.4	103.0
Ratio of selling and administrative expenses to net sales----------do----	2.6	2.4	2.8	2.9
Number of firms reporting operating losses----------	3	4	8	7

1/ U.S. producers submitting usable data accounted for 77 percent of total shipments of cold-rolled carbon steel sheet in 1980 as reported by the American Iron and Steel Institute.

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

Capital expenditures and research and development.--Seven domestic producers' capital expenditures and research and development expenses in connection with their cold-rolled carbon steel sheet and strip operations are presented in the following tabulation (in thousands of dollars):

	Capital expenditures	Research and development
1978----------	340,191	13,419
1979----------	399,876	14,564
1980----------	346,542	14,981
1981----------	374,802	14,053

Total capital expenditures increased from $340.2 million in 1978 to $399.9 million in 1979, fell to $346.5 million in 1980, and then rose to $374.8 million in 1981. Over * * * percent of total capital expenditures were incurred by one producer, * * *. Total reported research and development expenditures increased from $13.4 million in 1978 to $15.0 million in 1980, but then declined to $14.0 million in 1981. Over 80 percent of these expenditures in 1981 were incurred by three firms--* * *, * * *, and * * *.

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

In its examination of the question of a reasonable indication of the threat of material injury to a U.S. industry, the Commission may take into consideration such factors as the rate of increase of allegedly LTFV or subsidized imports, the rate of increase of U.S. market penetration by such imports, the amounts of such imports held in inventory in the United States, and the capacity of producers in countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase of imports and of their U.S. market penetration is presented in sections of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Imports Allegedly Sold at LTFV or Subsidized." Discussions of importer inventories and foreign producers' capacity to generate exports follow.

U.S. importers' inventories

U.S. importers' end-of-period inventories of cold-rolled carbon steel sheet and strip (for reporting firms) increased from 109,000 tons in 1978 to 173,000 tons in 1979. However, the level of inventories fell sharply to 32,000 tons in 1980. In 1981, importers' inventories rose to 109,000 tons (table IV-10). The firms responding to the Commission questionnaire on importers' inventories accounted for 77 percent of imports from the EC and 50 percent of total imports of cold-rolled carbon steel sheet and strip in 1981.

Capacity of foreign producers to generate exports and the availability of export markets other than the United States

As part of its consideration of a reasonable indication of threat of material injury, the Commission requested of U.S. embassies in the subject countries, as well as representatives and counsels for subject countries, data on production, exports, and capacity to produce the various carbon and alloy steel products which are the subject of these investigations. Given the time constraints involved and difficulty inherent in estimating production capacities on a product-line basis in the steel industry, data for some countries are incomplete and no information was available for Brazil.

Belgium.--Belgium's production of cold-rolled sheet and strip declined by 19 percent from 1979 to 1981. Total exports also declined by 19 percent during the same period. Exports to the United States held the same pattern, declining by 20 percent from 1979 to 1981. Exports to the United States accounted for only 4 percent of Belgium's total exports of cold-rolled sheet and strip to all countries. The capacity utilization rate dropped from 66 percent in 1979 to 62 percent in 1980, and to 49 percent in 1980 (table IV-11).

Table IV-10.--Cold-rolled carbon steel sheet and strip: End-of-period inventories held by U.S. importers, by sources, 1978-81

Source	1978	1979	1980	1981
	Quantity (short tons)			
EC countries:				
Belgium	4,928	14,692	291	8,643
Denmark	0	0	0	0
France	626	6,038	0	9,071
Italy	23,038	9,369	1,653	0
Luxembourg	0	0	0	0
Netherlands	0	23,586	158	6,415
United Kingdom	0	0	0	0
West Germany	76,255	115,628	28,022	81,832
Subtotal (EC)	104,847	169,313	30,124	105,961
All other countries	3,917	4,177	2,297	3,049
Total, all countries	108,764	173,490	32,421	109,010
	Ratio of inventories to reported imports (percent)			
EC countries:				
Belgium	5.5	38.8	0.8	26.3
Denmark	0	0	0	0
France	.2	2.4	0	5.1
Italy	8.5	110.0	9.2	0
Luxembourg	0	0	0	0
Netherlands	0	14.8	.2	4.1
United Kingdom	0	0	0	0
West Germany	18.4	28.5	21.9	31.2
Average all EC countries	8.0	19.5	7.5	16.4
All other countries	3.1	3.5	2.2	1.4
Average, all countries	7.6	17.6	6.4	13.6

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

Table IV-11.--Cold-rolled carbon steel sheet and strip: Belgium's production, capacity, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production--1,000 short tons	3,967	3,724	3,197
Capacity--do	5,996	6,018	6,536
Capacity utilization--percent	66.1	61.8	48.9
Exports to--			
United States--1,000 short tons	86	99	69
EC--do	1,349	1,210	1,083
All other countries--do	723	679	602
Total--do	2,158	1,988	1,754

Source: U.S. Embassy/Belgium.

France.--France's production of cold rolled sheets decreased by 2 percent from 1978 to 1980. Total exports decreased by 9 percent; exports to the U.S. market decreased by about 70 percent over the same period. Exports to the United States represented about 10 percent or total exports of cold-rolled sheet from France during 1978-80.

In both 1979 and 1980, French mills operated at about 71 percent of capacity (table IV-12).

Table IV-12.--Cold-rolled carbon steel sheet: France's production, capacity, capacity utilization, and exports, 1979, 1980, and January-November 1981

Item	1979	1980	January-November 1981
Production----------1,000 short tons--	7,145	7,249	7,025
Capacity----------do----	2/	2/	2/
Capacity utilization----------percent--	2/	70.6	71.5
Exports to--			
United States----1,000 short tons--	456	310	139
EC----------do----	1,301	1,257	1,392
All other countries----------do----	1,171	1,126	-
Total----------do----	2,928	2,693	2,650

1/ Cold-rolled sheets less than 3mm. in thickness.
2/ Not available.

Source: U.S. Embassy-France.

Italy.--Italy's production of cold-rolled sheets was virtually unchanged during 1978-80. Total exports increased by about five fold, but exports to the United States decreased by more than 70 percent over the same period. Exports to the United States represented about 20 percent of total exports of cold-rolled sheets from Italy during 1978-80 (table IV-13). * * *.

Table IV-13.--Cold-rolled carbon steel sheet: 1/ Italy's production, capacity, capacity utilization, and exports, 1978-80

Item	1978	1979	1980
Production----------1,000 short tons--	4,341	4,453	4,332
Capacity----------do----	2/	2/	2/
Capacity utilization---------percent--	2/	2/	2/
Exports to--			
United States-----1,000 short tons--	82	36	22
EC----------do----	35	29	612
All other countries----------do----	120	130	644
Total----------do----	237	195	1,278

1/ Cold-rolled sheets less than 3mm. in thickness.
2/ Not available.

Source: For production data, European Community, Iron Steel Monthly Bulletin. For export data, United Nations, Statistics of World Trade in Steel, 1978-80-editions.

Luxembourg.--Luxembourg's production of cold-rolled sheets declined by 21 percent from 1979 to 1981. Exports of cold-rolled sheet declined by 10 percent during the same period. Capacity utilization declined from 73 percent in 1979 to 60 percent in 1981 (table IV-14).

Table IV-14.--Cold-rolled carbon steel sheets: 1/ Luxembourg's production, capacity, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production----------1,000 short tons--	270	241	214
Capacity----------do----	371	365	360
Capacity utilization----------percent--	72.7	66.0	60.2
Exports to--			
United States----------1,000 short tons--	0	0	3
EC----------do----	152	166	143
All other countries----------do----	81	77	66
Total----------do----	233	243	212

1/ Cold-rolled sheets less than 3mm. in thickness.

Source: U.S. Embassy/Luxembourg.

Netherlands.--Production of cold-rolled carbon steel sheet in the Netherlands decreased by 14 percent from 1978 to 1980. Total exports increased more than tenfold; exports to the United States triple over the same period. Exports to the United States represented about 14 percent of total exports of cold-rolled sheets from the Netherlands during 1978-80. capacity utilization fell from 61 percent in 1979 to 52 percent in 1980 (table IV-15).

Table IV-15.--Cold-rolled carbon steel sheets 1/: The Netherlands' production, capacity, capacity utilization, and exports, 1978-80

Item	1978	1979	1980
Production----------1,000 short tons--	2,013	1,940	1,731
Capacity----------do----	2/	2/	2/
Capacity utilization---------percent--	2/	60.7	52.3
Exports to--			
United States-----1,000 short tons--	26	218	94
EC----------do----	55	773	657
All other countries----------do----	12	293	324
Total----------do----	93	1,284	1,075

1/ Cold-rolled sheets of less than 3mm.
2/ Not available.

Source: For production data, European Community, Iron Steel Monthly Bulletin. For export data, United Nations, Statistics of World Trade in Steel, 1978-80 editions.

United Kingdom.--The United Kingdom's production of cold-rolled sheet in 1980 amounted to about 50 percent of its production in 1978. Total exports in 1980 were only 40 percent of the quantities shipped in 1978; however, exports to the United States were about four times larger in 1980 than in 1978. Exports to the United States represented 11 percent of total exports of cold-rolled sheets from the United Kingdom during 1978-80 (table IV-16).

Table IV-16.--Cold-rolled carbon steel sheet: 1/ The United Kingdom's production, capacity, capacity utilization, and exports, 1978-80

Item	1978	1979	1980
Production----------1,000 short tons--	4,098	4,330	2,065
Capacity----------do----	2/	2/	2/
Capacity utilization---------percent--	2/	2/	2/
Exports to--			
United States-----1,000 short tons--	31	21	0
EC----------do----	211	218	122
All other countries----------do----	506	329	175
Total----------do----	748	608	297

1/ Cold-rolled sheets less than 3mm. in thickness.
2/ Not available.

Source: For production data, European Community, Iron Steel Monthly Bulletin. For export data, United Nations, Statistics of World Trade in Steel, 1978-80 editions.

West Germany.--West Germany's production of cold-rolled sheets increased by 8 percent from 1978 to 1980. Exports increased by only 1 percent, but exports to the United States decreased by 65 percent over the same period. Exports to the United States represented slightly in excess of 15 percent of total exports of cold-rolled sheets from West Germany during 1978-80.

In both 1979 and 1980, capacity utilization in the production of cold-rolled sheet was about 62 percent (table IV-17).

Table IV-17.--Cold-rolled carbon steel sheet: 1/ West Germany's production, capacity, capacity utilization, and exports, 1978-80

Item	1978	1979	1980
Production----------1,000 short tons--	8,774	9,438	9,441
Capacity----------do----	2/	2/	2/
Capacity utilization---------percent--	2/	61.8	61.5
Exports to--			
United States-----1,000 short tons--	958	816	338
EC----------do----	1,014	1,168	1,475
All other countries----------do----	2,455	2,543	2,662
Total----------do----	4,427	4,527	4,475

1/ Cold-rolled sheets less than 3mm. in thickness.
2/ Not available.

Source: For production data, European Community, Iron Steel Monthly Bulletin. For export data, United Nations, Statistics of World Trade in Steel, 1978-80 editions.

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

U.S. imports and market penetration

Imports from all sources.--During 1978-80, imports of cold-rolled carbon steel sheet and strip accounted for 10 to 15 percent of total U.S. imports of all carbon steel mill products. U.S. imports of cold-rolled sheet and strip declined each year, from 3.2 million tons in 1978 to 2.4 million tons in 1979 and 1.5 million tons in 1980. In 1981, however, total imports of the subject merchandise increased slightly to 1.6 million tons, as shown in the following tabulation (in millions of short tons):

	Imports of cold-rolled carbon steel sheet and strip
1978	3.2
1979	2.3
1980	1.5
1981	1.6

Imports from the EC declined from 1.5 million tons in 1978 to 1.2 million tons in 1979 and 618,000 tons in 1980--a drop of 60 percent over the period, but increased by 41 percent during January-November 1981 compared with imports in January-November 1980 (table IV-18). Imports from all countries subject to these investigations accounted for 60 percent of total imports in 1980.

Japan is the largest exporter of cold-rolled sheet and strip to the United States. During 1978-81, imports from Japan declined by 55 percent, from 864,000 tons in 1978 to 319,000 tons in 1981. West Germany, the second largest exporter to the United States, experienced a decline of 40 percent in exports of cold-rolled sheet and strip during 1978-81, from 665,000 tons in 1978 to 400,000 tons in 1981. However, imports from West Germany increased from 273,000 tons in 1980 to 400,000 tons in 1981, an increase of 47 percent.

As a share of U.S. consumption, imports of cold-rolled carbon steel sheet and strip from all sources declined from 15 percent in 1978 to 10 percent in 1980 and January-November 1981. However, on a quarterly basis, imports have taken a larger share of the market in 1981, rising from a low of 5 percent in January-March to 14 percent in July-September.

Table IV-18.--Cold-rolled carbon steel sheet and strip (TSUSA items 607.8344, 608.1940, 608.2140, and 608.2340): 1/ U.S. imports for consumption, by selected sources, 1978-80, January-November 1980, and January-November 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/	Imports from all countries subject to antidumping investigations 4/
	Quantity (1,000 short)		
1978	1,547	1,687	1,525
1979	1,185	1,286	1,179
1980	618	671	618
January-November--			
1980	539	591	539
1981	762	831	739
	Share of apparent U.S. consumption (percent)		
1978	7.3	8.0	7.2
1979	6.0	6.5	6.0
1980	4.2	4.5	4.2
January-November--			
1980	4.1	4.4	4.1
1981	5.0	5.5	4.9

1/ In 1978 and 1979, such imports entered under TSUSA items, 608.8744, 609.0240, 609.0340, and 609.0440.

2/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, West Germany, Greece, and Ireland.

3/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, West Germany, Brazil, Spain, and South Africa.

4/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Imports from all countries subject to active countervailing duty and antidumping investigations.--Imports of cold-rolled carbon steel sheet and strip from all countries subject to active countervailing duty investigations 1/ declined steadily from 1.7 million tons in 1978 to 671,000 tons in 1980, or by 60 percent. However, imports during January-November 1981 were 831,000 tons, representing an increase of 41 percent over those in the corresponding period of 1980 (table IV-18). Imports from countries subject to the antidumping investigations followed the same trend, declining drastically from 1978 to 1980, then increasing by 37 percent in January-November 1981. Imports from countries subject to both countervailing and antidumping investigations 2/ accounted for 8.0 percent of apparent consumption in 1978, 6.5 percent in 1979, 4.5 percent in 1980, and 5.5 percent in January-November 1981.

On a quarterly basis, aggregate imports from countries subject to active countervailing duty investigations generally rose in 1980 and rose sharply in the second and third quarters of 1981 from a very low level in the first quarter of the year. U.S. market share for such imports, by quarters, fluctuated around 4 percent in 1980, but rose to 7.6 percent in July-September 1981 (table IV-19).

Belgium/Luxembourg.--Imports of cold-rolled carbon steel sheet and strip from Belgium/Luxembourg declined from 129,000 tons in 1978 to 98,000 tons in 1980. In 1981, imports were 56 percent below the 1980 level. According to a Department of Commerce analysis of imports of cold-rolled carbon steel sheet and strip from Belgium/Luxembourg, Belgium accounts for * * * percent of the total. 3/ Together, both countries never accounted for more than 0.7 percent of apparent U.S. consumption during 1978-81. 4/

France.--During 1978-80, imports of cold-rolled sheet and strip from France declined drastically, from 260,000 tons in 1978 to 118,000 tons in 1980, or by 55 percent. France's share of the U.S. market declined from 1.2 percent in 1978 and 1979 to 0.8 percent in 1980. Imports in 1981 were 154,000 tons (31 percent higher than imports in 1980).

1/ Imports of cold-rolled strip from Brazil and the United Kingdom were not cited in any countervailing or antidumping petitions; however, data on such imports are included. Imports of cold-rolled strip from these countries were 18,000 tons in January-November 1981, or 2 percent of all cold-rolled sheet and strip imports from cited countries.

2/ The same as those countries cited in the countervailing duty petitions.

3/ Based on an analysis of * * * imported tons from Belgium/Luxembourg.

4/ Annual data on the quantity of imports are presented in table IV-20; quarterly data for 1980 and 1981 are presented in table IV-21. Annual data on U.S. market penetration are presented in table IV-22, and quarterly data are shown in table IV-23.

Table IV-19.--Cold rolled carbon steel sheet and strip, TSUSA items 607.8344, 608.1940, 608.2140 and 608.2340: 1/ U.S. imports for consumption, by selected sources and by quarters January-1980-December 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/	Imports from all countries subject to antidumping investigations 4/
	Quantity (1,000 tons)		
1980:			
Jan.-Mar	137	158	137
Apr.-June	134	147	134
July-Sept	154	166	154
Oct.-Dec	194	200	194
1981:			
Jan.-Mar	77	75	65
Apr.-June	150	155	150
July-Sept	284	307	273
Oct.-Dec	331	403	331
	Share of apparent U.S. consumption (percent)		
1980:			
Jan.-Mar	3.1	3.6	3.1
Apr.-June	4.1	4.5	4.1
July-Sept	5.2	5.6	5.2
Oct.-Dec	4.7	4.8	4.7
1981:			
Jan.-Mar	1.9	1.8	1.6
Apr.-June	3.3	3.4	3.3
July-Sept	7.1	7.6	6.8
Oct.-Dec	5/	5/	5/

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8744, 609.0240 609.0340 and 609.0440.

2/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, West Germany, Greece, and Ireland.

3/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, West Germany, Brazil, Spain, and South Africa.

4/ Belgium, France, Italy, Luxembourg, the Netherlands the United Kingdom, and West Germany.

5/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Table IV-20.--Cold-rolled carbon steel sheet and strip (TSUSA items 607.8344, 608.1940, 608.2140 and 608.2340): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981

Source	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
EC countries:					
Belgium/Luxembourg	128,802	100,995	97,898	50,634	42,915
Denmark	0	0	0	0	0
France	259,744	235,567	117,888	111,802	132,314
Greece	22,225	6,209	0	0	22,928
Ireland	3	0	1	1	0
Italy	212,663	67,981	8,962	8,962	47,214
Netherlands	232,845	163,086	117,633	115,992	131,153
United Kingdom 2/	25,688	9,671	2,702	2,465	11,576
West Germany	665,411	601,557	273,142	249,281	373,468
Subtotal (EC)	1,547,381	1,185,066	618,226	539,137	761,568
Japan	864,458	789,944	595,769	534,088	371,278
Canada	106,891	76,217	78,538	69,688	105,663
Brazil 3/	866	8,765	1,491	1,489	9,289
Spain	90,023	48,705	8,235	8,235	43,439
Republic of South Africa	70,580	49,389	42,866	41,782	39,766
Republic of Korea	373,888	179,284	103,796	94,519	96,446
All other	118,541	34,533	13,444	13,336	33,329
Total, all sources	3,172,628	2,371,903	1,462,365	1,302,274	1,460,778
	Value (1,000 dollars)				
EC countries:					
Belgium/Luxembourg	37,106	34,214	32,502	17,279	17,862
Denmark	-	-	-	-	-
France	70,028	78,213	39,725	37,611	46,938
Greece	6,543	1,957	-	-	8,600
Ireland	2	-	1	1	-
Italy	52,106	20,690	2,588	2,588	18,734
Netherlands	73,546	55,134	39,782	39,266	48,851
United Kingdom	10,210	7,458	4,295	3,858	8,814
West Germany	194,177	205,885	106,856	97,651	157,317
Subtotal (EC)	443,718	403,551	225,749	198,254	307,116
Japan	270,205	280,121	225,617	202,012	152,867
Canada	35,458	29,674	31,733	28,304	45,985
Brazil	254	2,481	506	503	3,695
Spain	23,838	16,443	2,630	2,630	17,739
Republic of South Africa	16,540	14,871	13,841	13,477	13,853
Republic of Korea	102,457	58,145	34,274	31,088	36,787
All other	40,623	20,174	11,112	10,777	18,044
Total, all sources	933,093	825,460	545,462	487,045	596,086

See footnotes at end of table.

Table IV-20.--Cold-rolled carbon steel sheet and strip (TSUSA 607.8344, 608.1940, 608.2140 and 608.2340): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981--Continued

Source	1978	1979	1980	January-November-- 1980	1981
	Unit value (per ton)				
EC countries:					
Belgium/Luxembourg	$288	$339	$332	$341	$416
Denmark	-	-	-	-	-
France	270	332	337	336	355
Greece	294	315	-	-	375
Ireland	798	-	2,548	2,548	-
Italy	245	304	289	289	397
Netherlands	316	338	338	339	372
United Kingdom	397	771	1,589	1,565	761
West Germany	292	342	391	392	421
Average (EC)	287	341	365	368	403
Japan	313	355	379	378	412
Canada	332	389	404	406	435
Brazil	293	283	340	338	398
Spain	265	338	319	319	408
South Africa	234	301	323	323	348
Republic of Korea	274	324	330	329	381
All other	343	584	827	808	541
Average, all sources	294	348	373	374	408

1/ In 1978 and 1979, such imports entered under TSUSA items 608.8744, 609.0240, 609.0340, and 609.0440.

2/ Excluded from the cold-rolled carbon steel strip investigation. Imports of cold-rolled carbon steel sheet from the United Kingdom were 21,392 tons (1978); 5,771 tons (1979): 330 tons (1980); 330 tons (January-November 1980); and 8,425 tons (January-November 1981).

3/ Excluded from the cold-rolled carbon steel strip investigation. Imports of cold-rolled carbon steel sheet from the Brazil were 866 tons (1978); 8,765 tons (1979); 1,488 tons (1980); 1,487 tons (January-November 1980); and 9,285 tons (January-November 1981).

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

Table IV-21.--Cold-rolled carbon steel sheet and strip (TSUSA, item 607.8344, 609.1940, 608.2140, and 608.2340): 1/ U.S. imports for consumption, by principal sources and by quarters, January 1980-December 1981

(In short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries:								
Belgium/Luxembourg	3,024	17,673	16,304	60,898	1,119	4,639	6,872	32,975
Denmark	0	0	0	0	0	0	0	0
France	36,530	23,717	24,630	33,012	29,171	37,479	33,235	54,520
Greece	0	0	0	0	11,761	0	11,167	0
Ireland	0	0	1	0	0	0	0	0
Italy	8,849	64	39	10	69	12	24,692	30,597
Netherlands	21,263	16,300	48,047	32,023	0	32,931	52,860	60,573
United Kingdom	748	803	522	629	989	4,362	2,130	9,426
West Germany	66,259	75,773	64,055	67,056	33,469	70,611	153,319	142,445
Subtotal (EC)	136,673	134,330	153,598	193,627	76,577	150,034	284,275	330,536
Japan	214,282	164,952	101,802	114,733	46,193	122,502	105,192	116,740
Canada	17,380	20,383	17,674	23,101	34,652	29,851	25,905	18,742
Brazil	1,476	4	2	9	3	41	388	18,455
Spain	1,880	3,010	2,059	1,285	7,141	434	17,634	37,361
Republic of South Africa	17,611	9,515	10,698	5,041	2,638	4,670	16,148	16,318
Republic of Korea	49,839	27,525	10,328	16,103	20,110	27,849	26,174	26,844
All other	2,842	5,251	4,713	638	3,187	6,664	17,365	6,628
Total, all sources	441,983	364,970	300,874	354,537	190,501	342,045	493,081	571,624

1/ In 1978 and 1979, such imports entered under TSUSA items, 608.8744, 609.0240, 609.0340, and 609.0440.

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

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Table IV-22.--Cold-rolled carbon steel sheet and strip: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In percent)

Item and source	1978	1979	1980	January-November--	
				1980	1981
Ratio of imports to apparent U.S. consumption:					
EC countries:					
Belgium/Luxembourg	0.6	0.5	0.7	0.4	0.3
Denmark	-	-	-	-	-
France	1.2	1.2	.8	.8	.9
Greece	.1	1/	-	-	1/
Ireland	1/	-	1/	1/	-
Italy	1.0	.3	.1	.1	.3
Netherlands	1.1	.8	.8	.9	.9
United Kingdom	.1	1/	1/	1/	.1
West Germany	3.1	3.0	1.8	1.9	2.5
Subtotal (EC)	7.3	6.0	4.2	4.1	5.0
Japan	4.1	4.0	4.0	4.0	2.4
Canada	.5	.4	.5	.5	.7
Brazil	1/	1/	1/	1/	.1
Spain	.4	.2	.1	.1	.3
Republic of South Africa	.3	.2	.3	.3	.3
Republic of Korea	1.8	.9	.7	.7	.6
All other countries	.6	.2	.1	.1	.2
Total, all imports	15.0	12.0	9.9	9.8	9.6

See footnote at end of table.

Table IV-22.--Cold-rolled carbon steel sheet and strip: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981--Continued

(In percent)

Item and source	1978	1979	1980	January-November--	
				1980	1981
Ratio of imports to U.S. producers' shipments:					
EC countries:					
Belgium/Luxembourg	0.7	0.6	0.7	0.4	0.3
Denmark	-	-	-	-	-
France	1.4	1.3	.9	.9	1.0
Greece	.1	1/	-	-	.2
Ireland	1/	-	1/	1/	-
Italy	1.2	.4	.1	.1	.3
Netherlands	1.3	.9	.9	1.0	1.0
United Kingdom	.1	.1	1/	1/	.1
West Germany	3.7	3.4	2.0	2.0	2.7
Subtotal (EC)	8.5	6.8	4.6	4.4	5.5
Japan	4.8	4.5	4.4	4.4	2.7
Canada	.6	.4	.6	.6	.8
Brazil	1/	.1	1/	1/	.1
Spain	.5	.3	.1	.1	.3
Republic of South Africa	.4	.3	.3	.3	.3
Republic of Korea	2.0	1.0	.8	.8	.7
All other countries	.7	.2	.1	.1	.2
Total, all imports	17.5	13.5	10.9	10.8	10.6

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Table IV-23.--Cold-rolled carbon steel sheet and strip: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, January 1980-September 1981

(In percent)

Item	1980				1981			
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.
Ratio of imports to apparent U.S. consumption:								
EC countries:								
Belgium/Luxembourg	0.1	0.5	0.5	1.5	3/	0.1	0.2	2/
Denmark	-	-	-	-	-	-	-	2/
France	.8	.7	.8	.8	.7	.8	.8	2/
Greece	-	-	-	-	.3	-	.3	2/
Ireland	-	-	3/	-	-	-	-	2/
Italy	.2	3/	3/	3/	3/	3/	.6	2/
Netherlands	.5	.5	1.6	.8	-	.7	1.3	2/
United Kingdom 1/	3/	3/	3/	3/	3/	.1	.1	2/
West Germany	1.5	2.3	2.2	1.6	.8	1.5	1.8	2/
Subtotal (EC)	3.1	4.1	5.2	4.7	1.9	3.2	5.1	2/
Japan	4.9	5.0	3.4	2.6	1.1	2.7	2.6	2/
Canada	.6	.6	.6	.6	.9	.7	.6	2/
Brazil 1/	3/	3/	3/	3/	3/	3/	3/	2/
Spain	3/	.1	.1	3/	.2	3/	.4	2/
Republic of South Africa	.4	.3	.4	.1	.1	.1	.4	2/
Republic of Korea	1.1	.9	.4	.4	.5	.6	.6	2/
All other countries	.1	.2	.2	3/	.1	.1	.4	2/
Total all countries	10.1	11.1	10.2	8.6	4.7	7.4	12.3	2/
Ratio of imports to U.S. shipments:								
EC countries:								
Belgium/Luxembourg	.1	.6	.6	1.6	3/	.1	.2	2/
Denmark	-	-	-	-	-	-	-	2/
France	.9	.8	.9	.9	.7	.9	.9	2/
Greece	-	-	-	-	.3	-	.3	2/
Ireland	-	-	3/	-	-	-	-	2/
Italy	.2	3/	3/	3/	3/	3/	.7	2/
Netherlands	.5	.5	1.8	.8	-	.8	1.5	2/
United Kingdom 1/	3/	3/	3/	3/	3/	.1	.1	2/
West Germany	1.7	2.6	2.4	1.8	.8	1.7	4.3	2/
Subtotal (EC)	3.5	4.5	5.7	5.1	2.0	3.5	8.0	2/
Japan	5.4	5.6	3.8	3.0	1.2	2.9	3.0	2/
Canada	.4	.7	.7	.6	.9	.7	.7	2/
Brazil 1/	3/	3/	3/	3/	3/	3/	3/	2/
Spain	3/	.1	.1	3/	.2	3/	.5	2/
South Africa	.4	.3	.4	.1	.1	.1	.5	2/
Republic of Korea	1.1	.9	.4	.4	.5	.7	.7	2/
All other countries	.1	.2	.2	3/	.1	.2	.5	2/
Total all countries	11.2	12.3	11.2	9.4	4.9	8.0	13.9	2/

1/ Includes small amounts of strip.
2/ Not available.
3/ Less than 0.05 percent.

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

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

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Italy.--Imports of cold-rolled sheet and strip from Italy showed the greatest share decline of imports from any country subject to either the antidumping or countervailing duty investigations. In 1978, Italy supplied the U.S. market with 213,000 tons, and such imports accounted for 1.0 percent of apparent U.S. consumption. In 1980, imports from Italy were only 9,000 tons, or 0.1 percent, of the U.S. market (table IV-22). Thus, over the 3-year period, imports from Italy declined by 96 percent. It should be noted that in 1981, imports from Italy rebounded to 55,000 tons, representing a significant increase over the 1980 level but still well below the 1978 import level.

The Netherlands.--In 1980, imports from the Netherlands accounted for 8 percent of total imports, making it the third largest European supplier of cold-rolled carbon steel sheet and strip. During 1978-80, imports of the subject merchandise declined from 233,000 tons in 1978 to 118,000 tons in 1980. In 1981, imports from the Netherlands increased to 146,000 tons. In 1981, 78 percent of total imports from the Netherlands entered the United States during the last half of the year.

The United Kingdom.--Imports of cold-rolled carbon steel sheet from the United Kingdom were the smallest of any of the subject countries. The quantity of U.S. imports of sheet only (strip from the United Kingdom is not subject to these investigations) from the United Kingdom is shown in the following tabulation:

Period	Imports (short tons)
1978	21,392
1979	5,771
1980	330
Jan.-Nov--	
1980	330
1981	8,425

West Germany.--West Germany is the second largest exporter of cold-rolled sheet and strip to the United States, (Japan is the largest.) Imports of the subject merchandise declined slightly, from 665,000 tons in 1978 to 602,000 tons in 1979, but then plummeted to 273,000 tons in 1980. However, in 1981, imports (400,000 tons) increased by 47 percent over the 1980 level. West Germany accounted for 2 to 3 percent of apparent U.S. consumption during the entire 1978-81 period.

Other cited countries.--Imports of cold-rolled sheet and strip from Brazil are relatively insignificant compared with imports from other countries cited in the antidumping and countervailing duty petitions. Except for the last quarter of 1981, 1/ Brazil never accounted for more than 0.1 percent of apparent U.S. consumption during 1978-81. Imports from Spain were significant in 1978 (90,000 tons), but then fell rapidly to only 8,000 tons in 1980. However, in 1981, imports from Spain rebounded to 63,000 tons. The Republic

1/ In October-December 1981, imports of cold-rolled sheet and strip from Brazil were 18,887 tons. The ratio of imports to consumption for this quarter is not available at this time.

of South Africa has remained a small but significant supplier during 1978-81, although its share of apparent U.S. consumption never exceeded 0.4 percent.

Prices

Market conditions in industries that require steel as an input, such as automobiles, construction, energy, and utilities, influence price trends in the steel industry. For example, the auto industry has experienced declining demand for large cars and has begun to produce smaller, lighter cars. These factors have reduced the demand for steel sheet and have in turn had a dampening effect on prices.

Cold-rolled carbon steel sheet prices are usually f.o.b. mill and quoted in terms of dollars per ton. 1/ Prices are determined for each product on a standard base unit plus additional charges for extras such as variations from the base description in length, width, thickness, or chemistry. Price changes are accomplishd by changing the base, the extras, or a combination of both.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports of cold-rolled carbon steel sheet in 1979-81 are presented in table IV-24 and figure IV-1. 2/ The PPI is based primarily on reports of list prices and may not reflect changes in actual transaction prices. Unit value indexes may vary over time not only because of changes in prices, but also because of changes in the specific types of sheet being imported. The PPI for cold-rolled carbon steel sheet increased by 24.6 percent over the 3-year period; the trigger price increased by 18.5 percent. The greatest price increases in both series occurred following the third quarter of 1980.

Unit value indexes of imported cold rolled carbon steel sheet and strip have increased on average about 20 percent during 1979-81. The largest increase in unit values was for imports from Italy, which rose by 39.5 percent between January-March 1979 and July-September 1981, the last quarter for which full information is available. Increases in unit values for the other suppliers were 23 percent for Belgium, 22 percent for the Netherlands, 13.0 percent for West Germany, and 12 percent for France. Like the indexes of producer and trigger prices, the greatest increases in the unit value indexes generally followed the third quarter of 1980.

Unit value indexes are available for the month of October 1981 for Belgium, France, Italy, the Netherlands, and West Germany. Compared with the unit values of July-September 1981, unit values increased in October for imports from France, West Germany, and Italy, and decreased for imports from Belgium and the Netherlands.

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, under which a producer that supplies a customer who is located closer to a competing producer absorbs any differences in freight costs. The more distant producer charges the customer's account only for freight costs that the customer would pay if the product was shipped from the closer producer.

2/ The PPI is prepared by the Bureau of Labor Statistics.

Table IV-24.--Cold-rolled carbon steel sheet and strip: Index of producer prices, trigger prices, and unit values of imports from Belgium, France, Italy, the Netherlands, the United Kingdom, and West Germany, by quarters, 1979-81

(January-March 1979=100)

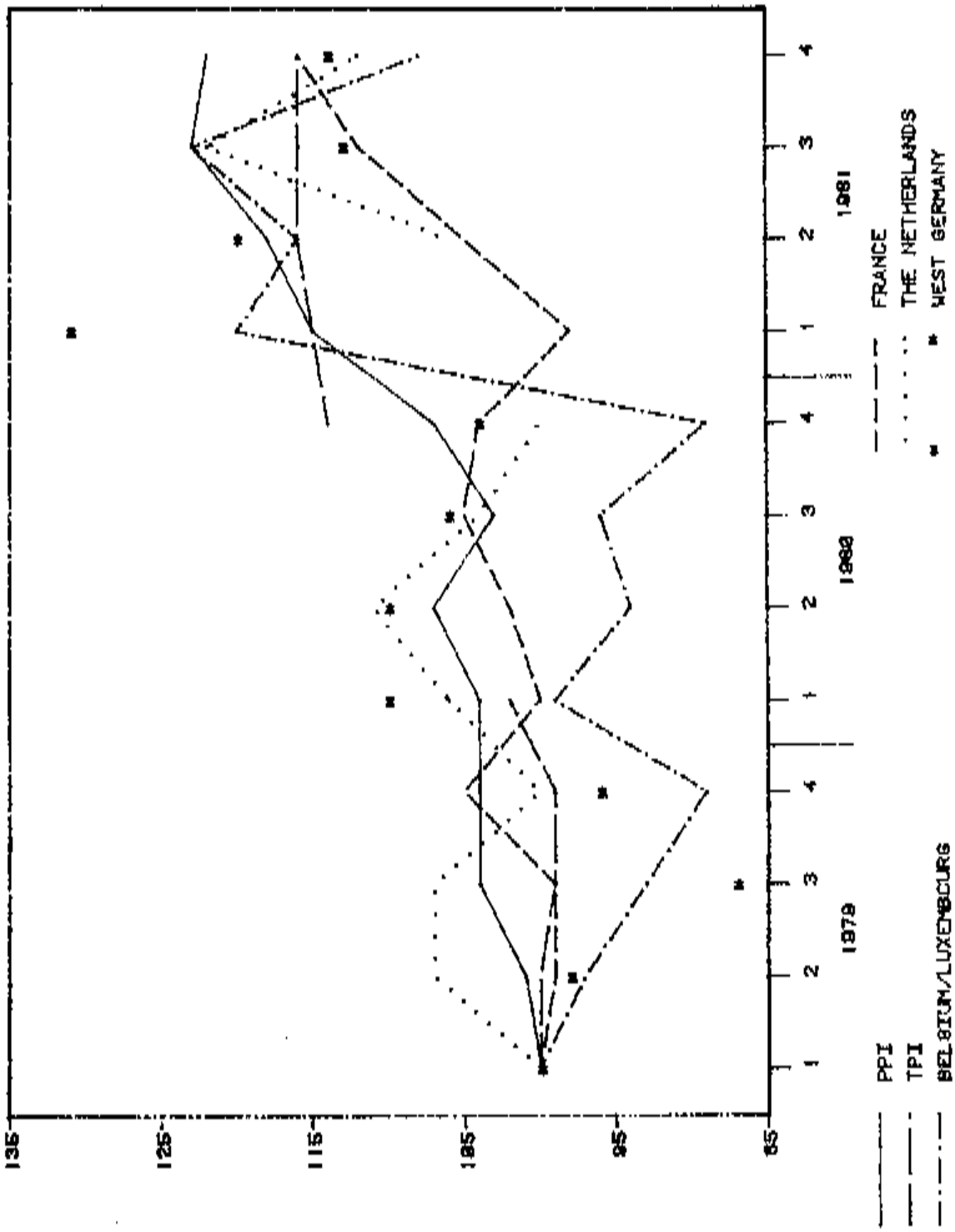
Period	PPI	Trigger-price index	Index of unit values of imports from--					
			Belgium 1/	France	Italy	Netherlands	United Kingdom	West Germany
1979:								
January-March	100.0	100.0	100.0	100.0	100.0	100.0	3/	100.0
April-June	100.0	100.0	97.2	98.8	109.8	107.1	3/	97.8
July-September	104.6	98.6	93.4	99.1	118.3	106.5	3/	87.3
October-December	104.8	98.6	89.3	105.2	108.7	100.0	3/	96.4
1980:								
January-March	104.8	101.7	99.4	99.7	101.8	105.5	3/	110.2
April-June	110.4	2/	94.2	101.5	3/	111.4	3/	109.9
July-September	104.8	2/	95.6	104.9	3/	103.7	3/	106.3
October-December	110.5	114.0	89.1	104.3	3/	100.0	3/	104.1
1981:								
January-March	116.8	115.1	120.0	98.2	3/	3/	3/	130.6
April-June	117.4	118.5	116.0	104.6	3/	105.8	3/	120.4
July-September	124.6	118.5	123.1	112.2	139.5	122.2	3/	112.7
October-December	124.6	118.5	4/ 108.0	4/ 115.8	4/ 146.0	4/ 112.0	3/	4/ 113.5

1/ Import data for Belgium include data on Luxembourg.
2/ The trigger price was suspended.
3/ Data or computation error.
4/ Refers to October only.

Source: The PPI is compiled from published data provided by the Bureau of Labor Statistics for cold-rolled sheet. The trigger-price index was constructed from published data provided by the U.S. Department of Commerce and includes only the base price for cold-rolled sheet. Unit value indexes were constructed from data provided by the U.S. Bureau of Census.

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FIGURE IV-1.--Cold rolled carbon steel sheet and strip
Indexes of producer prices, trigger prices, and
unit values, by quarters, January 1978-December 1981



Source: Table IV-24

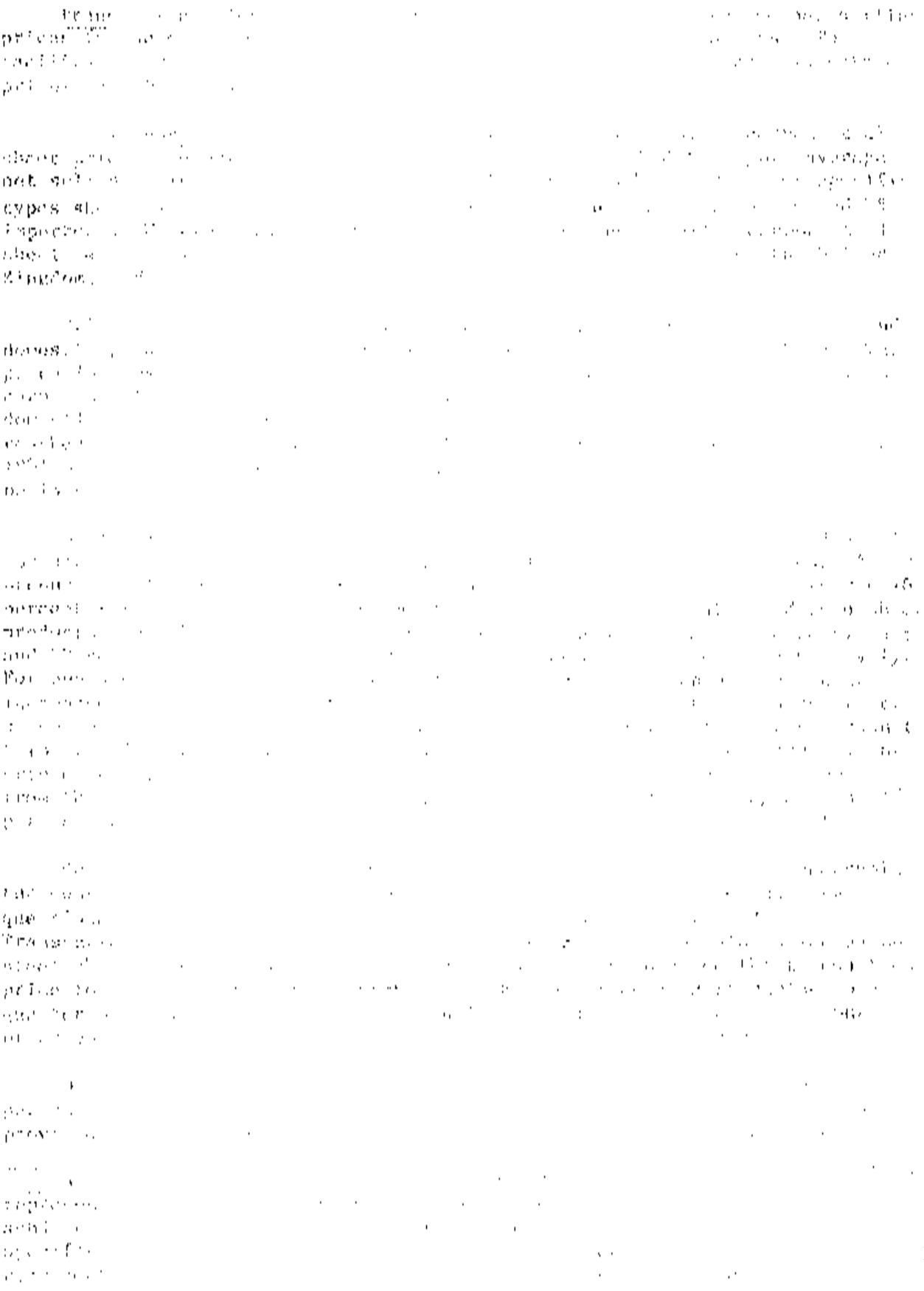
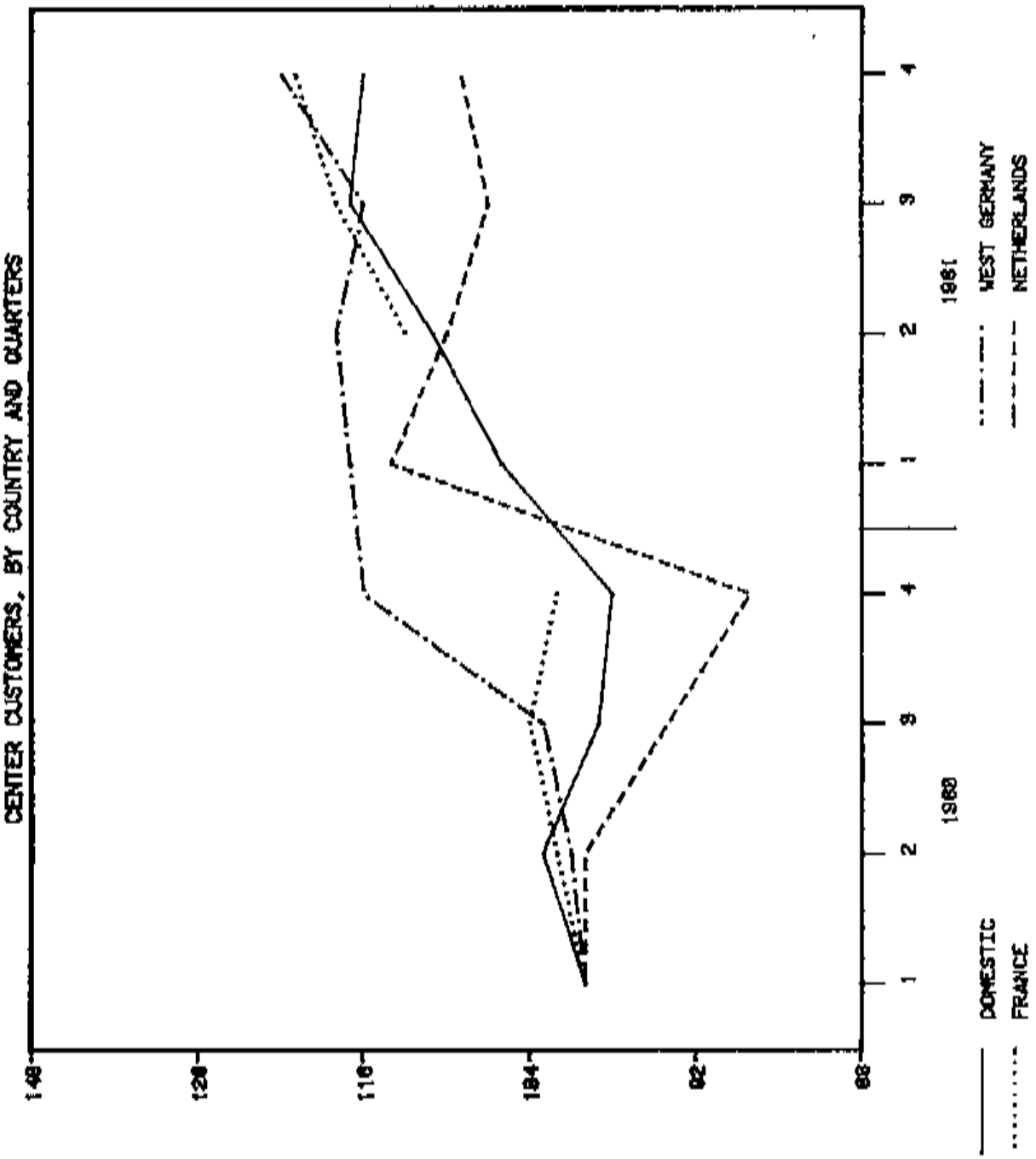
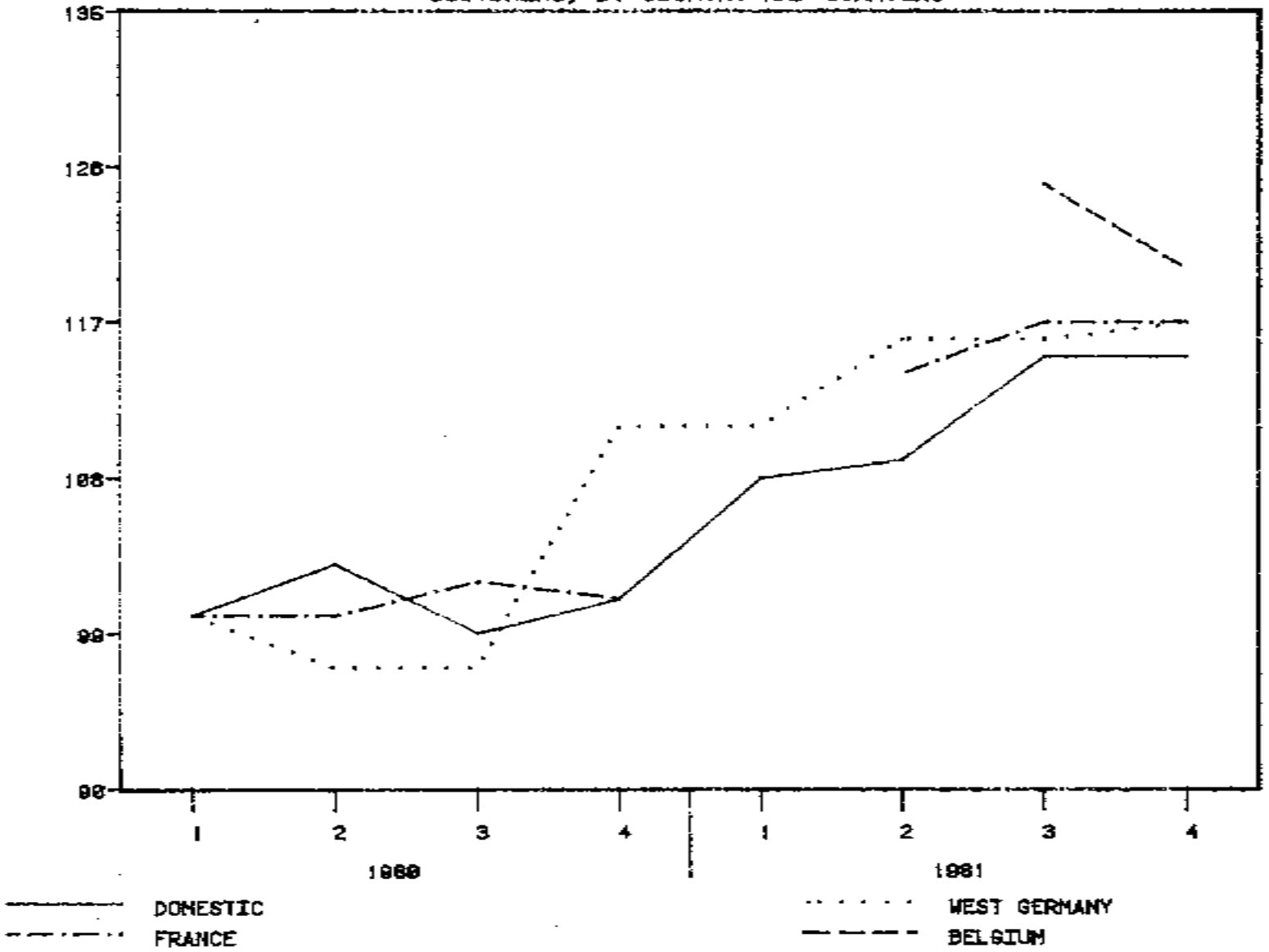


FIGURE IV-2.--COLD-ROLLED CARBON STEEL SHEET-PRODUCT 4
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 22, APPENDIX J

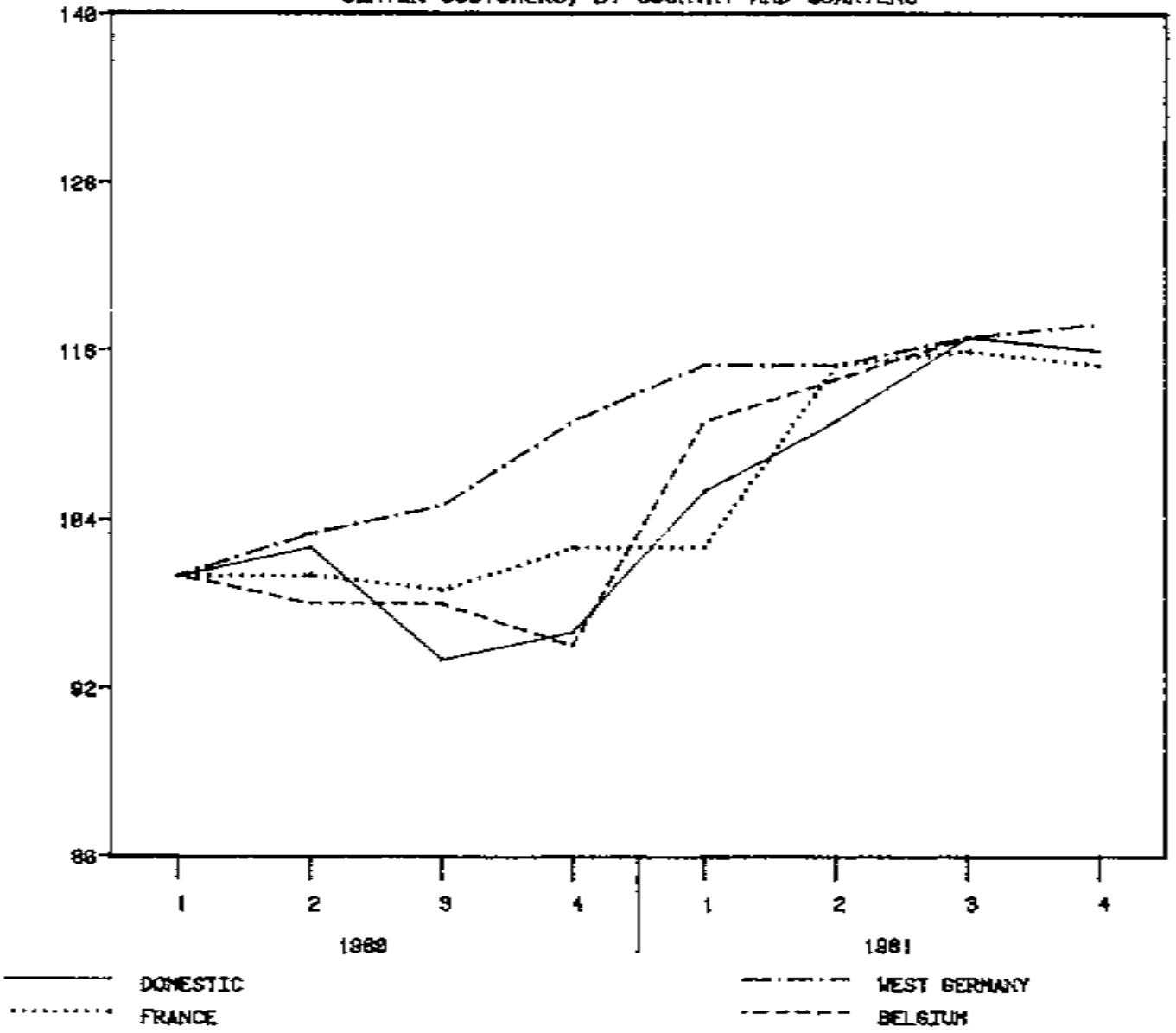
FIGURE IV-3.--COLD-ROLLED CARBON STEEL SHEET-PRODUCT 4
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 23 , Appendix J.

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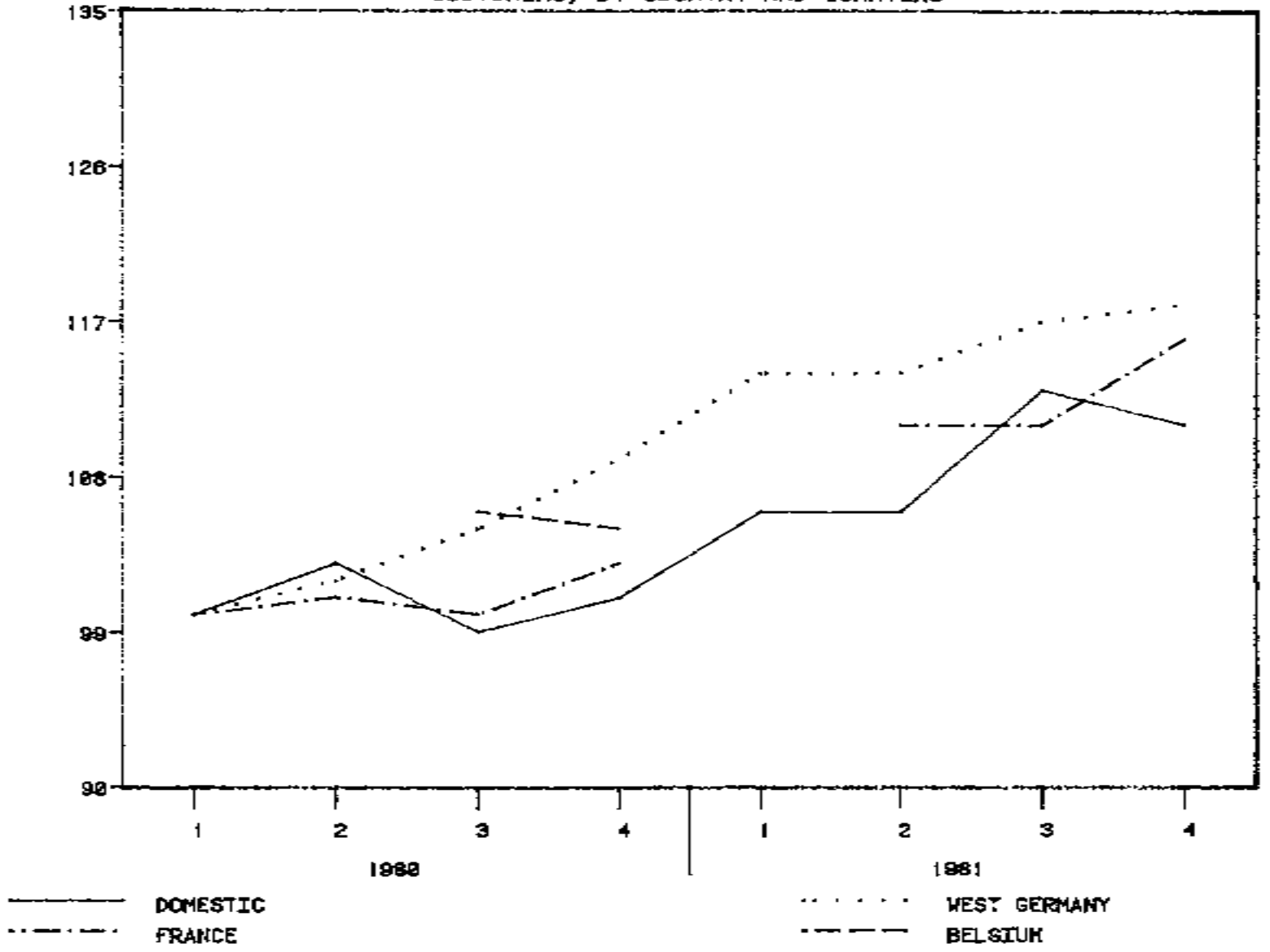
FIGURE IV-4.--COLD-ROLLED CARBON STEEL SHEET-PRODUCT 5
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 22, APPENDIX J

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FIGURE IV-5.--COLD-ROLLED CARBON STEEL SHEET-PRODUCT 5
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 23, Appendix J.

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for Belgium, five for France, one for Italy, one for the Netherlands, one for the United Kingdom, and nine for West Germany.

Margins of underselling calculated from these transaction prices are presented in tables 24 to 32 in app. J. 1/ In general, average margins of underselling were smaller on sales to end-user customers. In several instances, the price of the imported product exceeded the domestic price. 2/ Margins of underselling show marked differences across product categories. The data submitted also reveal differences in margins of underselling among source countries and by location of the purchaser.

For Belgium, margins of underselling on cold-rolled carbon steel sheet were as follows: for service centers/distributors in Chicago, the margins ranged from 2 to 7 percent; and in Philadelphia, the margins was 7 percent.

For France, margins of underselling were as follows: for service centers/distributors in Chicago, the margins ranged from -6 to 4 percent; in Los Angeles, the margins ranged from 2 to 11 percent; and in Houston, the margin was -2 percent. For end users in Detroit, the margin was -3 percent; in Los Angeles, the margin was -2 percent; and in Houston, no underselling occurred.

For the Netherlands, margins of underselling were as follows: for end users in Chicago, the margins ranged from 6 to 12 percent; and in Detroit, the margin was -3 percent.

For Italy, margins of underselling for service centers/distributors in Chicago ranged from -7 to 0 percent.

For West Germany, margins of underselling were as follows: for service centers/distributors in Chicago the margin was 10 percent; in Los Angeles, the margins ranged from 0 to 5 percent; and in Philadelphia, the margins ranged from -13 to 1 percent. For end users in Chicago, the margins ranged from -8 to -1 percent; in Philadelphia, the margins ranged from -2 to 1 percent; and in Detroit, no underselling occurred.

For the United Kingdom, the margin of underselling was 2 percent for service centers/distributors in Philadelphia.

Nonprice considerations.--Purchasers were also asked to rate nonprice factors that were considered when they purchased steel sheet. Purchasers of cold-rolled carbon steel sheet listed quality of the product (72 percent) and reliability of the vendor (53 percent) as the most important nonprice factors they considered when buying steel sheet. Seventy-two percent of all purchasers, however, did not pay a premium for nonprice factors.

Lost sales

Five domestic producers submitted a total of 91 specific allegations concerning lost sales of cold-rolled sheet to imports from 4 of the subject

1/ If no purchases were reported from any country in a given period, that period is not presented in the tables.

2/ These margins are reported with negative signs.

countries from January 1980 to January 1982. The staff investigated 22 of these allegations totaling 84,500 tons of imported cold-rolled sheet. Allegations of lost sales of cold-rolled sheet from the subject countries are summarized in the following tabulation:

Country	Total allegation	Total allegation checked	Allegations verified	Price	Reason given for purchase of		
					Quality	Availability	Alternate source
France	29	7	7	2	3		2
Italy	1	1	1			1/	1
Netherlands	12	6	6	1	1	2	2
West Germany	49	8	8		3	2/	5
Total	91	22	22	3	7	2	10

1/ Purchaer is affiliated with a foreign producer.
2/ Three of the instances involved a purchaser with affiliations to a foreign producer.

The desire to maintain an alternate source for cold-rolled sheet in addition to domestic suppliers was the principal reason given for the purchase of the imported product. These purchasers indicated that because of business affiliations or the desire for alternate sources of cold-rolled sheet, they would purchase certain amounts of cold-rolled sheet from foreign sources, and that price was a relatively minor factor in their purchasing decisions. Two purchasers of the French product and one of the product from the Netherlands verified they purchased cold-rolled sheet from France because of the lower price. These three confirmed allegations amounted to 2,100 tons of cold-rolled sheet from France and 1,000 tons from the Netherlands.

Part V. CALVANIZED CARBON STEEL SHEET

Introduction

This part of the report presents information relating specifically to galvanized carbon steel sheet. Information on foreign producers and the nature and extent of allegedly subsidized and/or LTFV sales, as it relates to galvanized carbon steel sheet, was presented in part I and will not be repeated.

As indicated previously, following receipt on January 11, 1982, of petitions filed on behalf of seven domestic producers of steel products, the Commission instituted the following preliminary investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of allegedly subsidized and/or LTFV imports of galvanized carbon steel sheet from:

Country	Countervailing duty investigation No.	Antidumping investigation No.
Belgium----------	701-TA-110(P) 1/2/3/	731-TA-75(P) 1/2/
France----------	701-TA-111(P) 1/2/3/	731-TA-76(P) 1/2/
Italy----------	701-TA-112(P) 1/2/3/	731-TA-77(P) 1/2/
Luxembourg-------	701-TA-113(P) 2/	731-TA-78(P) 2/
Netherlands------	701-TA-114(P) 1/3/	731-TA-79(P) 1/
United Kingdom---	701-TA-115(P) 1/3/	731-TA-80(P) 1/
West Germany-----	701-TA-116(P) 1/2/3/	731-TA-81(P) 1/2/

1/ Petition filed by U.S. Steel.
2/ Petition filed on behalf of Bethlehem.
3/ Petition filed on behalf of Republic, Inland, J&L, National, and Cyclops.

In addition to the above countries, the petitioners alleged that imports of galvanized carbon steel sheet from Spain and the Republic of South Africa were also being subsidized by the Governments of those two countries. As stated earlier, the Commission did not institute investigations on imports from Spain and the Republic of South Africa because they have not signed the GATT Subsidies Code and, therefore, are not entitled to an injury determination by the Commission.

The Product

Description and uses

Generally, there is no significant difference between imported and U.S.-produced galvanized steel sheet. Galvanized carbon steel sheet is that which has been coated with zinc for protection against corrosion.

With the exception of tin, zinc is the metal which is most frequently used in coating steel. It has the lowest cost per pound of all protective coating metals and protects against corrosion by acting as a shield between the steel and the atmosphere or other corrosive elements.

The effectiveness of zinc coating is governed by coating thickness and environmental conditions. The thickness of a zinc coating is the most important factor in measuring its effectiveness, with the amount of zinc on galvanized sheet being stated in terms of ounces per square foot. Although complete uniformity in coating thickness is not achieved in galvanizing, all areas of sheet should possess a minimum coating for the grade sought. Environment also determines the effectiveness of zinc coating, as the atmosphere contains numerous corrosive elements. Galvanized steel is exposed to various liquid and atmospheric corrosives which determine the life of zinc coating and the thickness needed.

The two principal methods for galvanizing sheet are the electrolytic and continuous hot-dip galvanizing processes. In electrolytic coating, the steel sheet is covered with zinc by means of an electric current. It is referred to as cold or electrogalvanized sheet and has a uniform dull gray matte appearance. It is not recommended for outdoor service.

Continuous hot-dip galvanizing is the more widely used galvanizing process. In this operation, coils are passed continuously through a bath of molten zinc with the trailing end of one coil being joined to the leading end of the next coil. The sheet most commonly used in this process is cold-reduced sheet in coil form, although hot-rolled pickled sheet is sometimes used. In a typical continuous hot-dip galvanizing process, the sheet is uncoiled and cleaned to provide for better zinc adherence. This cleaning can be either acid or alkaline. The sheet is heated in an annealing furnace to provide the appropriate physical properties and dipped into a hot-dip zinc pot. As the sheet surfaces, an air wipe is used to control the thickness of the zinc coating. The zinc cools and solidifies before receiving a chemical treatment to prevent surface stains. The sheet is then recoiled or cut to length.

The construction industry, steel service centers and distributors, and the automotive industry are the principal consumers of galvanized sheet, accounting for approximately 34, 30, and 19 percent, respectively, of total shipments in 1980.

U.S tariff treatment

Galvanized carbon steel sheet is provided for in items 608.0730 (if valued not over 10 cents per pound) and 608.1300 (if valued over 10 cents per pound) of the TSUSA. The column 1 rate of duty for galvanized sheet valued not over 10 cents per pound is 8.4 percent ad valorem, and the column 2 rate of duty is 2 cents per pound plus 20 percent ad valorem. If the galvanized sheet is valued over 10 cents per pound, the column 1 rate of duty is 8.3 percent ad valorem, and the column 2 rate of duty is 21.5 percent ad valorem. The vast majority of imports of galvanized carbon sheet in recent years were valued over 10 cents per pound and subsequently classified under item 608.1300.

Imports of galvanized carbon steel sheets are not eligible for duty free treatment under the GSP but are granted preferential rates of duty when imported from LDDC's. Imports of galvanized carbon sheets are also subject to provisions of the Buy America Act. 1/

Concessions granted by the United States at the Tokyo round of the MTN conducted under the auspices of the General Agreement on Tariffs and Trade resulted in incremental reductions in column 1 rates of duty which began on January 1, 1982. The final rates with respect to imports dutiable under item 608.0730 and 608.1300 are set forth in the table V-1:

Table V-1.--Galvanized carbon steel sheet: U.S. rates of duty as of Jan. 1, 1982, and Jan. 1, 1987

1978-79 TSUSA item No.	1980 TSUSA item No.	Article	Column 1 rate of duty		LDDC	Column 2 rate of duty
			Jan. 1, 1982	Jan. 1, 1987		
608.9430	608.0730	Galvanized sheet, valued not over 10¢ per lb.	8.4	5.5	5.5	0.2¢ per lb + 20% ad val.
608.9530	608.1300	Galvanized sheet, valued over 10¢ per lb.	8.3	6.5	6.5	21.5% ad val.

Apparent U.S. Consumption

Apparent U.S. consumption of galvanized carbon steel sheet declined from 8.7 million tons in 1978 to 6.5 million tons in 1980, or by 25 percent. Consumption during January-November 1981 amounted to 6.6 million tons, or 13 percent more than consumption in the corresponding period of 1980 (table V-2). The share of the market supplied by domestic producers increased from 73 percent in 1978 to 82 percent in January-November 1981. On a quarterly basis, the share of the market supplied by U.S. producers increased steadily from 76 percent in April-June 1980 to 90 percent in January-March 1981, but then fell to 85 percent in April-June and 78 percent in July-September.

1/ An explanation of the applicability of column 1, column 2, GSP, and LDDC rates of duty, as well as a discussion of the provisions of the Buy America Act, is presented in part II of this report, p. II-4.

Table V-2.--Galvanized carbon steel sheet: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1978-80, January-November 1980, and January-November 1981, and, by quarters, January 1980-September 1981

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1978	6,414	2,313	54	8,673	36.1	26.7
1979	6,300	2,139	41	8,398	34.0	25.5
1980	5,167	1,350	36	6,481	26.1	20.8
January-November						
1980	4,635	1,225	33	5,827	26.4	21.0
1981	5,457	1,160	47	6,570	21.3	17.7
1980:						
Jan.-March	1,435	455	7	1,883	31.7	24.2
Apr.-June	1,100	346	5	1,441	31.4	24.0
July-September	1,112	264	14	1,362	23.7	19.4
Oct.-December	1,519	285	9	1,795	18.8	15.9
1981:						
Jan.-March	1,610	184	11	1,783	11.4	10.3
Apr.-June	1,681	285	15	1,955	17.0	14.6
July-September	1,381	395	15	1,761	28.6	22.4

Source: Shipments, compiled from data of the American Iron and Steel Institute, Annual Statistical Report; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

U.S. Producers

According to the American Iron and Steel Institute, approximately 16 companies have the capacity to produce galvanized sheet. Their names and plant locations are as follows:

Firm	Location
Armco	Middleton, Ohio Ashland, Ky.
Atlantic Steel Co	Atlanta, Ga.
Bethlehem	Sparrows Point, Md. Lackawanna, N.Y.
Cyclops	New Haven, Conn. Dover, Ohio Mansfield, Ohio
Dolan Steel Co	Bridgeport, Conn.
Greer Steel Co	Ferndale, Mich. Dover, Ohio
Inland	East Chicago, Ind.
Interlake Inc	Chicago, Ill.
Kaiser	Fontana, Calif.
LTV	Pittsburgh, Pa. Hennepin, Ill. East Chicago, Ind.
National	Portage, Ind. Granite City, Ill.
Pinole Point Steel Co	Richmond, Calif.
Pittsburgh-Canfield Co	Canfield, Ohio
Republic	Cleveland, Ohio Warren, Ohio Gadsden, Ala.
Sharon Steel Co	Sharon, Pa. Hubbard, Ohio
U.S. Steel	Farrell, Pa. Fairless Hills, Pa. Dravosburg, Pa. Fairfield, Ala. Pittsburg, Calif. Gary, Ind. Cleveland, Ohio
Wheeling-Pittsburgh Steel Co	Martins Ferry, Ohio Steubenville, Ohio

The seven largest integrated producers account for the bulk of U.S. production of galvanized steel sheet. Production is concentrated in the north-central and mid-western regions of the United States. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of galvanized carbon steel sheet (as reported by AISI) in 1980 (in percent):

Firm	Market share
Armco	***
Bethlehem	***
Inland	***
J&L	***
National	***
Republic	***
U.S. Steel	***

U.S. Importers

There are about 20 principal importers of galvanized carbon steel sheets from countries subject to these investigations. Their names and locations are as follows:

Country of orgin	Firm and location
West Germany	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
	* * *
France	* * *
	* * *
	* * *
	* * *
	* * *
Belgium-Luxembourg	* * *
	* * *
The Netherlands	* * *

Country of orgin	Firm and location-Continued
Italy----------	* * *
	* * *
United Kingdom----------	* * *

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of galvanized carbon steel sheet by firms responding to the Commission's questionnaire increased slightly, from 4.5 million tons in 1978 to 4.7 million tons in 1979, and then fell to 3.7 million pounds in 1980. In 1981, production rebounded to 4.4 million tons. U.S. capacity to produce galvanized sheet increased from 6.2 million tons in 1978 to 6.7 million tons in 1979, but then declined over the next 2 years to 6.2 million tons in 1981 (table V-3). 1/ Capacity utilization for the U.S. galvanized sheet producers declined slightly, from 73 percent in 1978 to 70 percent in 1979, but then fell sharply to 59 percent in 1980. However, in 1981, capacity utilization rose significantly to 71 percent.

Table V-3.--Galvanized carbon steel sheet: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/----1,000 short tons--	4,530	4,698	3,749	4,400
Capacity----------do----	6,229	6,673	6,310	6,226
Capacity utilization------percent--	72.7	70.4	59.4	70.7

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could be attained reasonably in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data accounted for 73 percent of total shipments of galvanized sheet in 1980, as reported by the American Iron and Steel Institute.

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

1/ Capacity to produce finished steel mill products is not necessarily the best method of determining the extent to which a steel making operation is most efficiently utilizing its facilities. See a discussion of this issue in pt. II of this report, pp. II-11 and II-12.

U.S. producers shipments

During 1978-80, U.S. producers' shipments of galvanized carbon steel sheet accounted for approximately 7 percent of aggregate shipments of all carbon steel mill products by U.S. producers. Domestic producers' shipments of galvanized sheet declined steadily from 6.4 million tons in 1978 to 5.2 million tons in 1980, or by 19 percent. However, in 1981, U.S. producers' shipments were 5.8 million tons, which was an increase of 12 percent over shipments in the previous year. U.S. producers' shipments of galvanized sheet, as reported by AISI (such shipments include intracompany transfers and exports but do not include sales made to other firms that report data to AISI), are shown in the following tabulation:

Period	Shipments (1,000 short tons)
1978	6,414
1979	6,300
1980	5,167
1981	5,802
1980:	
Jan.-Mar.	1,435
Apr.-June	1,100
July-Sept	1,112
Oct.-Dec	1,519
1981:	
Jan.-Mar.	1,610
Apr.-June	1,681
July-Sept	1,381
Oct.-Dec	1,130

An examination of U.S. producers' shipments in 1981 reveals a declining trend in the third and fourth quarters. While U.S. producers' shipments were declining in the last two quarters of 1981, imports were rapidly increasing. In April-June 1981, imports increased by 55 percent over those in January-March; July-September showed an increase of 39 percent, and the October-December increase was 11 percent.

U.S. producers' intracompany and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table V-4. 1/

1/ Domestic producers responding to the Commission's questionnaires accounted for 70 percent of shipments reported by AISI in 1978, 74 percent in 1979, 73 percent in 1980, and 74 percent in January-November 1981.

Table V-4.--Galvanized carbon steel sheet: U.S. producers' shipments, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Intracompany and intercompany shipments	320	293	229	280
Domestic market shipments	4,170	4,349	3,526	4,006
Export shipments	29	24	11	13
Total	4,519	4,666	3,766	4,299
	Value (million dollars)			
Domestic market shipments	1,886	2,185	1,796	2,237
Export shipments	46	11	6	7
Total	1,932	2,196	1,802	2,244
	Unit value (per ton)			
Domestic market shipments	$452	$502	$509	$558
Export shipments	2/	458	545	538
Average	2/	502	509	558

1/ U.S. producers submitting usable data accounted for 73 percent of total shipments of galvanized sheet in 1980, as reported by the American Iron and Steel Institute.

2/ Not available.

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

Unit values of domestic market shipments of the reporting firms show a steady increase during 1978-81, from $452 in 1978 to $558 in 1981, for a total increase of 23 percent.

U.S. exports

During 1978-80, exports of galvanized carbon steel sheet ranged from 1 to 3 percent of annual U.S. exports of all carbon steel mill products. Exports of galvanized sheet declined from 54,000 tons in 1978 to 36,000 tons in 1980 (table V-5). However, in January-November 1981, exports were 47,000 tons, which was 42 percent higher than the level of exports in the corresponding period of 1980. Pakistan and Canada were the principal export markets for galvanized sheet. In 1981, Saudi Arabia became a signficant export market for this product.

Table V-5.--Galvanized carbon steel sheet: U.S. exports of domestically produced merchandise, by principal markets, 1978-80, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
Pakistan	9,654	16,921	6,735	5,839	8,271
Saudi Arabia	871	1,642	5,685	5,292	15,174
Canada	7,237	8,632	4,322	3,874	12,398
India	12,782	3,762	3,777	3,621	1,523
Indonesia	362	260	3,227	2,756	1/
All other	22,713	9,904	12,134	11,484	9,576
Total	53,619	41,121	35,880	32,866	46,942
	Value (1,000 dollars)				
Pakistan	1,783	4,234	1,389	1,224	1,567
Saudi Arabia	715	1,386	5,354	5,014	13,006
Canada	3,110	4,607	2,455	2,107	8,412
India	2,616	837	1,136	1,109	355
Indonesia	253	285	1,825	1,742	1
All other	10,451	6,423	7,117	6,597	7,382
Total	18,928	17,772	19,276	17,793	30,723

1/ Less than 0.5 short ton.

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

U.S. producers' inventories

As shown in the following tabulation, U.S. producers' end-of-year inventories of galvanized carbon steel sheet increased from 318,000 tons in 1977 to 377,000 tons in 1979. After declining in 1980, inventories reached their highest level (450,000 tons) of the reporting period in 1981.

As of Dec. 31--	Quantity (tons)
1977	318,300
1978	332,974
1979	377,321
1980	348,932
1981	449,882

U.S. employment, wages, and productivity

The average number of production and related workers producing galvanized carbon steel sheet increased slightly, from 13,123 in 1978 to 13,883 in 1979, and then declined by 13 percent to 12,046 in 1980. However, in 1981, the number of workers increased by 16 percent to 13,919 (table V-6). The number of hours paid for production and related workers producing galvanized carbon steel sheet followed the same pattern as did the number of workers.

Table V-6.--Average number of employees, total and production and related workers, in U.S. establishments producing galvanized carbon steel sheet, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	174,049	194,005	164,190	167,624
Percentage change	3/	11.5	-15.4	2.1
Production and related workers producing--				
All products:				
Number	148,821	164,433	137,014	141,245
Percentage change	3/	10.5	-16.7	3.1
Galvanized sheet:				
Number	13,123	13,883	12,046	13,919
Percentage change	3/	5.8	-13.2	15.5
Hours paid for production and related workers producing--				
All products:				
Number----------thousands--	304,678	333,511	267,232	276,726
Percentage change	3/	9.5	-19.9	3.6
Galvanized sheet:				
Number----------thousands--	26,475	27,652	23,209	27,107
Percentage change	3/	4.4	-16.1	16.8

1/ Includes hours worked plus hours of paid leave time.
2/ U.S. producers submitting usable data accounted for 73 percent of total shipments of galvanized sheet in 1980, as reported by the American Iron and Steel Institute.
3/ Not available.

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

Wages paid to production and related workers producing galvanized sheet increased by 38 percent from 1978 to 1981; total compensation paid to such workers increased by 43 percent during the 1978-81 period (table V-7).

Table V-7.--Wages and total compensation 1/ paid to production and related workers in establishments producing galvanized carbon steel sheet, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related workers producing--				
All products:				
Value----------million dollars--	3,358,055	4,092,224	3,683,196	4,139,547
Percentage change----------	3/	21.9	-10.0	12.4
Galvanized sheet:				
Value----------million dollars--	297,253	344,849	323,873	410,713
Percentage change----------	3/	16.0	-6.1	26.8
Total compensation paid to production and related workers producing--				
All products:				
Value----------million dollars--	4,271,196	5,209,021	4,829,536	5,443,883
Percentage change----------	3/	22.0	-7.3	12.7
Galvanized sheet:				
Value----------million dollars--	378,968	439,820	424,909	540,539
Percentage change----------	3/	16.1	-3.4	27.2

1/ Includes wages and contributions to social security and other employee benefits.

2/ U.S. producers submitting usable data accounted for 73 percent of total shipments of galvanized sheet in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Labor productivity of production and related workers producing galvanized sheet declined by 5 percent over the 1978-81 period (table V-8). The hourly compensation for such workers increased from $14.31 in 1978 to $19.94 in 1981, or by 39 percent. The increasing wages and decreasing productivity forced the unit labor cost per ton of galvanized sheet from $86.56 per ton in 1978 to $127.28 per ton in 1981, representing an increase of 47 percent.

Table V-8.--Labor productivity, hourly compensation, and unit labor costs in the production of galvanized carbon steel sheet, 1/ 1978-81

Item	1978	1979	1980	1981
Labor productivity:				
Quantity----------tons per hour--	0.1654	0.1647	0.1568	0.1567
Percentage change----------	2/	-.4	-4.8	-.1
Hourly compensation:				
Value----------per hour--	$14.31	$15.91	$18.31	$19.94
Percentage change----------	2/	11.2	15.1	8.9
Unit labor costs:				
Value----------per ton--	$86.56	$96.60	$116.78	$127.28
Percentage change----------	2/	11.6	20.9	9.0

1/ U.S. producers submitting usable data accounted for 73 percent of total shipments of galvanized carbon steel sheet in 1980 as reported by the American Iron and Steel Institute.

2/ Not available.

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

Financial experience of U.S. producers

Operations on galvanized carbon steel sheet.--Profit and loss data were received from eight producers accounting for about 73 percent of U.S. producers' shipments in 1980. The finanical data presented in this section reflect U.S. producers' galvanized carbon steel sheet operations.

As shown in table V-9, net sales of galvanized carbon steel sheet increased by 14 percent, from $2.0 billion in 1978 to $2.3 billion in 1979, declined to $1.9 billion in 1980, and then rose to $2.4 billion in 1981. Cost of goods sold as a share of net sales increased from 92.1 percent in 1978 to 101.8 percent in 1980 and 98.4 percent in 1981, after having dropped to 91.8 percent in 1979. The ratio of selling and administrative expenses to net sales fluctuated in the range of 2.4 percent to 3.0 percent during 1978-81.

Table V-9.--Profit-and-loss experience of 8 U.S. producers on their operations producing galvanized carbon steel sheet, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales----------million dollars--	2,046	2,338	1,914	2,383
Cost of goods sold----------do----	1,885	2,147	1,948	2,345
Gross profit or (loss)----------do----	161	191	(34)	38
Selling and administrative expenses------do----	53	56	57	67
Operating profit or (loss)----------do----	108	135	(91)	(29)
Ratio of gross profit or (loss) to net sales----------percent--	7.9	8.2	(1.8)	1.6
Ratio of operating profit or (loss) to net sales----------do----	5.3	5.8	(4.8)	(1.2)
Ratio of cost of goods sold to net sales----------do----	92.1	91.8	101.8	98.4
Ratio of selling and administrative expenses to net sales----------do----	2.6	2.4	3.0	2.8
Number of firms reporting operating losses-----	3	3	6	5

1/ U.S. producers submitting usable data accounted for 73 percent of total shipments of galvanized carbon steel sheet in 1980, as reported by the American Iron and Steel Institute.

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

Aggregate operating profit increased from $108 million in 1978 to $135 million in 1979, and then plunged to operating losses of $91 million in 1980 and $29 million in 1981. During the same period, aggregate profit margins increased from 5.3 percent to 5.8 percent and then dropped to a negative 4.8 percent and 1.2 percent. The number of firms reporting operating losses increased from 3 in 1978 and 1979, to 6 in 1980 and 5 in 1981.

* * * and * * * accounted for about * * * percent and * * * percent of total sales during 1978-81, respectively. * * * reported operating profits each year while * * * reported operating losses each year; their operating profit margins were as follows (in percent):

Firm	1978	1979	1980	1981
* * *----------	***	***	***	***
* * *----------	***	***	***	***

Capital expenditures and research and development.--Seven domestic producers' capital expenditures and research and development expenditures in connection with their galvanized carbon steel sheet operations were compiled by the Commission staff from questionnaire data and are presented in the following tabulation:

Year	Capital expenditure (1,000 dollars)	Research and development (1,000 dollars)
1978----------	256,721	6,987
1979----------	330,795	6,981
1980----------	301,452	7,931
1981----------	311,614	9,112

Total capital expenditures increased by 29 percent, from $256.7 million in 1978 to $330.8 million in 1979, but then fell to $301.5 million in 1980 and $311.6 million in 1981. * * *. Total reported research and development expenditures increased from $7.0 million in 1978 and 1979 to $9.1 million in 1981. * * *.

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

In its examination of the question of a reasonable indication of the threat of material injury to a U.S. industry, the Commission may take into consideration such factors as the rate of increase of allegedly LTFV or subsidized imports, the rate of increase of U.S. market penetration by such imports, the amounts of such imports held in inventory in the United States, and the capacity of producers in countries subject to the investigation to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase of imports and of their U.S. market penetration is presented in sections of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat thereof and Imports Allegedly Sold at LTFV or Subsidized." Discussions of importer inventories and foreign producers' capacity to generate exports follow.

U.S. importer's inventories

Total U.S. importers' inventories of galvanized carbon steel sheet declined irregularly, from 58,000 tons in 1978 to 37,000 tons in 1981, or by 36 percent (table V-10). Importers' inventories of galvanized sheet from the EC declined by 48 percent during the 1978-81 period. The firms responding to Commission's questionnaire on importers inventories accounted for 63 percent of imports of galvanized sheet from the EC in 1980 and 18 percent of total 1980 imports of galvanized sheet.

Table V-10.--Galvanized carbon steel sheet: End-of-period inventories held by U.S. importers, by sources, 1978-81

Item	1978	1979	1980	1981
	Quantity (short tons)			
EC countries:				
Belgium	10,581	4,355	1,704	2,938
Denmark	0	0	0	0
France	0	0	0	961
Greece	0	0	0	0
Ireland	0	0	0	0
Italy	8,487	2,755	826	0
Luxembourg	1,402	0	0	0
Netherlands	0	0	0	0
United Kingdom	0	0	0	560
West Germany	29,447	35,293	24,325	21,264
Subtotal (EC)	49,917	42,403	26,855	25,723
All other countries	8,161	11,140	5,512	11,395
Total, all inventories	58,078	53,543	32,367	37,118
	Ratio of inventories to reported imports (percent)			
EC countries:				
Belgium	42.8	29.2	41.0	3.9
Denmark	0	0	0	0
France	0	0	0	2.3
Greece	0	0	0	0
Ireland	0	0	0	0
Italy	22.4	43.2	1/	0
Luxembourg	83.9	0	0	0
Netherlands	0	0	0	0
United Kingdom	0	0	0	11.8
West Germany	15.0	21.4	28.4	35.8
All EC countries	12.7	14.7	22.9	21.3
All other countries	3.9	4.5	4.6	8.7
Average all countries	9.7	10.0	13.6	14.8

1/ Not available.

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

Capacity of foreign producers to generate exports and the availability of export markets other than the United States

In its consideration of a reasonable indication of threat of material injury, the Commission requested U.S. embassies in the subject countries, as well as representatives and legal counsels for the subject countries, to provide data on production, exports, and capacity to produce the various

carbon and alloy steel products which are the subject of these investigations. Given the time constraints involved and difficulty inherent in estimating production capacities on a product-line basis in the steel industry, data for some countries are incomplete and no data are are available for producers in Brazil, Italy, the Netherlands, the United Kingdom, or West Germany.

Belgium.--Belgium's production of galvanized sheets remained virtually unchanged during 1979-81, amounting to slightly less than 900,000 tons for each year. According to information obtained from the U.S. Embassy in Belgium, the capacity utilization rate fluctuated slightly during the 3 years but remained at about 62 percent. As shown in table V-11, about 70 percent of Belgium's production of galvanized sheet was exported during 1979-81. The principal market was the EC, which accounted for approximately 70 percent of aggregate exports. The United States took 2.2 percent of Belgium's aggregate exports in 1979, less than 1 percent in 1980, and 2.4 percent in 1981.

Table V-11.--Galvanized carbon steel sheet: Belgium's production, capacity, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production----------1,000 short tons--	888	895	879
Capacity----------do----	1,432	1,432	1,432
Capacity utilization---------percent--	62.0	62.5	61.4
Exports to--			
United States-----1,000 short tons--	14	1/	15
EC----------do----	469	443	435
All other countries----------do----	152	163	176
Total----------do----	635	606	626

1/ Less than 500 short tons.

Source: U.S. Embassy, Belgium.

France.--Production of galvanized sheets in 1980 amounted to 1,118,000 tons, representing a 6.2-percent increase from the 1979 total of 1,053,000 tons; production in January-November 1981 amounted to 1,049,000 tons.

According to information obtained from the U.S. embassy in France, the capacity utilization rate for French galvanized sheet production fluctuated slightly during the 3 years but remained at about 75 percent. As shown in table V-12, exports accounted for 38.6 percent of galvanized sheet production in 1979, dropped to 34.2 percent in 1980, and were 33.6 percent during January-November 1981. Exports to the United States accounted for 19.5 percent of aggregate exports in 1979, 7.3 percent in 1980, and 10.5 percent during January-November 1981.

Table V-12.--Galvanized carbon steel sheet: France's production, capacity, capacity utilization, and exports, 1979, 1980, and January-November 1981

Item	1979	1980	January-November 1981
Production----------1,000 short tons--	1,053	1,118	1,049
Capacity----------do----	1,391	1,508	1,475
Capacity utilization----------percent--	75.7	74.1	71.1
Exports to--			
United States-----1,000 short tons--	79	28	37
EC----------do----	145	180	176
All other countries----------do----	182	174	139
Total----------do----	406	382	352

1/ Not available.

Source: U.S. Embassy, France.

Luxembourg.--Production of galvanized sheet remained stable at approximately 70,000 tons in 1980 and 1981 following an approximate 18-percent increase from the 60,000 ton produced in 1979. Luxembourg's capacity utilization rate during 1979 and 1980 was 100 percent, but dropped to 90 percent in 1981. According to table V-13, Luxembourg exports most of the galvanized sheet it produces, with the EC being the major export market. In 1979 and 1981, exports exceeded production, and in 1980, they accounted for 97.2 percent. There were no exports to the United States during the 1979-81 period.

Table V-13.--Galvanized carbon steel sheet: Luxembourg's production, capacity, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production----------1,000 short tons--	60	71	70
Capacity----------do----	60	71	78
Capacity utilization----------percent--	100	100	90
Exports to--			
United States-----1,000 short tons--	0	0	0
EC----------do----	58	68	67
All other countries----------do----	3	1	5
Total----------do----	61	69	72

Source: U.S. Embassy, Luxembourg.

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

U.S. imports and market penetration of imports

Imports from all sources.--During 1978-80, imports of galvanized carbon steel sheet accounted for 8 to 12 percent of total U.S. imports of all carbon steel mill products. U.S. imports of galvanized sheet declined each year, from 2.3 million tons in 1978 to 2.1 million tons in 1979 and 1.3 million tons in 1980. In 1981, total imports of galvanized sheet remained stable at 1.3 million tons, as shown in the following tabulation:

Year	Imports of galvanized sheet (million tons)
1978	2.3
1979	2.1
1980	1.3
1981	1.3

Imports from the EC declined slightly from 518,000 tons in 1978 to 461,000 tons in 1979, but then plummented to 185,000 tons in 1980, representing a decline of 64 percent over the period. However, in 1981, imports of the subject merchandise (249,000 tons) increased by 35 percent over the level of imports in 1980. Imports from all countries subject to these investigations accounted for 23 percent of total imports in 1981.

Japan is the largest exporter of galvanized carbon steel sheet to the United States. During 1978-81, imports from Japan at first increased slightly from 1.1 million tons in 1978 to 1.2 million tons in 1979, but then fell sharply to 826,000 tons in 1980. In 1981, imports from Japan (757,000 tons) were 8 percent below the 1980 level of imports. Canada, the second largest source of imported galvanized sheet experienced a decline of 35 percent in its exports to the United States during 1978-80, from 254,000 tons in 1978 to 165,000 tons in 1980. In 1981, imports from Canada declined an additional 10 percent to 148,000 tons.

As a share of U.S. consumption, imports of galvanized carbon steel sheet from all sources declined from 27 percent in 1978 to 21 percent in 1980. However, on a quarterly basis, imports in 1981 took a larger share of the market, rising from a low of 10 percent in January-March to 22 percent in July-September (see table V-2).

Imports from all countries subject to active countervailing duty and antidumping investigations.--Imports of galvanized sheet from all countries subject to the countervailing investigations declined steadily from 717,000 tons in 1978 to 276,000 tons in 1980, representing a decline of 62 percent (table V-14). In 1981, imports increased to 299,000 tons, reapresenting an increase of 8 percent over those in the previous year. Imports from all countries subject to the antidumping investigations also experienced a drastic decline from 1978 to 1980 (64 percent), but in 1981, imports from these countries (249,000 tons) increased by 35 percent over those in the previous year. Imports from countries subject to both countervailing duty and antidumping investigations 1/ accounted for 8.3 percent of apparent consumption in 1978, 7.2 percent in 1979, and 4.3 percent in 1980. On a quarterly basis such imports increased consistantly from January-March 1981 (25,000 tons) through October-December 1981 (149,000 tons). Market share for such imports increased from 1.4 percent in January-March to 4.9 percent in July-September (table V-15).

1/ All the countries subject to the antidumping investigations are also subject to the countervailing duty investigations.

Table V-14.--Galvanized carbon steel sheet (TSUSA items 608.0730 and 608.1300): 1/ U.S. imports for consumption, by selected sources, 1978-80, January-November 1980, and January-November 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/	Imports from all countries subject to antidumping investigations 4/
	Quantity (1,000 tons)		
1978	518	717	518
1979	461	601	461
1980	185	276	185
January-November--			
1980	173	259	173
1981	204	247	204
	Share of apparent U.S. consumption (percent)		
1978	6.0	8.3	6.0
1979	5.5	7.2	5.5
1980	2.9	4.3	2.9
January-November--			
1980	3.0	4.4	3.0
1981	3.1	3.8	3.1

1/ In 1978 and 1979, such imports entered under TSUSA items 608.9430 and 608.9530.

2/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, West Germany.

3/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, West Germany, Spain, and South Africa.

4/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Table V-15.--Galvanized carbon steel sheet (608.0730 and 608.1300): 1/ U.S. imports for consumption, by selected sources, and by quarters, 1980 and 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/	Imports from all countries subject to antidumping investigation 4/
	Quantity (1,000 tons)		
1980:			
Jan.-Mar	72	112	72
Apr.-June	42	63	42
July-Sept	38	54	38
Oct.-Dec	33	47	33
1981:			
Jan.-Mar	17	25	17
Apr.-June	34	39	34
July-Sept	73	86	73
Oct.-Dec	125	149	125
	Share of apparent U.S. consumption (percent)		
1980:			
Jan.-Mar	3.8	5.9	3.8
Apr.-June	2.9	4.4	2.9
July-Sept	2.8	4.0	2.8
Oct.-Dec	1.8	2.6	1.8
1981:			
Jan.-Mar	1.0	1.4	1.0
Apr.-June	1.7	2.0	1.7
July-Sept	4.1	4.9	4.1
Oct.-Dec	5/	5/	5/

1/ In 1978 and 1979, such imports entered under TSUS items 608.9430 and 6089430.

2/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom and West Germany.

3/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom and West Germany, Spain and South Africa.

4/ Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom and West Germany.

5/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Belgium/Luxembourg.--Imports of galvanized carbon steel sheet from Belgium/Luxembourg fell sharply from 36,000 tons in 1978 to 4,000 tons in 1980. In 1981, imports from Belgium/Luxembourg rebounded to 14,000 tons (tables V-16 for annual data and V-17 for quarterly data). As of January-November 1981, imports from from Belgium/Luxembourg accounted for 0.2 percent of U.S. consumption (tables V-18 for annual data and V-19 for quarterly data). According to a Department of Commerce analysis of imports of galvanized carbon steel sheet from Belgium/Luxembourg, Belgium accounted for * * * percent of the total in 1981. 1/ Together, both countries never accounted for more than 0.4 percent of apparent U.S. consumption during 1978-81.

France.--France is the second largest EC exporter of galvanized carbon steel sheet to the United States. During 1978-80, U.S. imports of galvanized sheet from France declined from 144,000 tons in 1978 to 46,000 tons in 1980, or by 68 percent. France's share of the U.S. market declined from 1.7 percent in 1978 and 1979 to 0.7 percent in January-November 1981. Imports in 1981 were 64,000 tons (39 percent higher than the import level in 1980).

Italy.--Imports of galvanized carbon steel sheet from Italy showed the greatest percentage decline of any country subject to either antidumping or countervailing duty investigations. In 1978, Italy supplied the U.S. market with 64,000 tons and accounted for 0.7 percent of apparent U.S. consumption. In 1980, imports from Italy were only 4,000 tons or 0.1 percent of apparent U.S. consumption. Thus, over the 3-year period, imports from Italy declined by 93 percent. In 1981, imports from Italy rebounded to 31,000 tons.

1/ According to a Department of Commerce analysis of * * * tons of imports from Belgium/Luxembourg. Commerce informed the Commission that Luxembourg accounted for * * * tons of the * * * tons of galvanized sheet examined.

Table V-16.--Galvanized carbon steel sheet (TSUSA items 608.0730 and 608.1300): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980 and January-November 1981

Source	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
EC countries:					
Belgium/Luxembourg	36,014	21,241	4,096	4,096	12,758
Denmark	0	0	0	0	0
France	144,331	132,646	45,734	42,411	49,017
Greece	0	0	0	0	0
Ireland	0	0	0	0	0
Italy	64,061	40,936	4,379	4,379	23,061
Netherlands	40,499	33,284	11,138	10,140	6,403
United Kingdom	7,234	16,419	374	374	3,298
West Germany	225,614	216,888	119,346	111,767	109,088
Subtotal (EC)	517,753	461,414	185,067	173,167	203,625
Japan	1,128,823	1,219,852	825,544	740,929	680,526
Canada	254,083	184,958	165,331	145,924	142,342
Brazil	0	0	0	0	193
Spain	81,770	39,020	23,772	22,196	13,342
Republic of South Africa	116,981	100,271	67,332	63,943	29,847
All other	213,529	133,634	82,721	78,318	90,459
Total, all sources	2,312,939	2,139,149	1,349,717	1,224,777	1,160,334
	Value (1,000 dollars)				
EC countries:					
Belgium/Luxembourg	12,230	8,433	1,720	1,720	5,673
Denmark	0	0	0	0	0
France	49,945	51,488	18,603	17,205	22,216
Greece	0	0	0	0	0
Ireland	0	0	0	0	0
Italy	21,679	16,824	2,230	2,230	13,673
Netherlands	14,315	14,095	4,799	4,369	3,116
United Kingdom	2,358	6,462	127	127	1,656
West Germany	75,299	81,064	46,157	43,082	46,072
Subtotal (EC)	175,826	178,366	73,636	68,733	92,406
Japan	446,792	540,651	388,122	349,261	324,555
Canada	86,353	69,893	66,768	58,911	61,671
Brazil	0	0	0	0	81
Spain	25,015	14,740	8,320	7,831	6,258
Republic of South Africa	35,408	36,463	25,976	24,644	13,280
All other	71,324	52,395	34,503	32,660	39,017
Total, all sources	840,718	892,508	597,325	542,040	537,268

See footnote at end of table.

Table V-16.--Galvanized carbon steel sheet (TSUSA items 608.0730 and 608.1300): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981-Continued

Source	1978	1979	1980	January-November--	
				1980	1981
	Unit value (per ton)				
EC countries:					
Belgium/Luxembourg	$340	$397	$420	$420	$445
Denmark	-	-	-	-	-
France	346	388	407	406	453
Greece	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	338	411	509	509	593
Netherlands	353	423	431	431	487
United Kingdom	326	394	338	338	502
West Germany	334	374	387	385	422
Average (EC)	340	387	398	397	454
Japan	396	443	470	471	477
Canada	340	378	404	404	433
Brazil	-	-	-	-	422
Spain	306	378	350	353	469
Republic of South Africa	303	364	386	385	445
All other	334	392	417	417	431
Average all sources	363	417	443	443	463

1/ In 1978 and 1979, such imports entered under TSUSA items 608.9430 and 608.9530.

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

Table V-17.--Galvanized carbon steel sheet (TSUSA items 608.0730, and 608.1300): 1/ U.S. imports for consumption, by principal sources and by quarters, 1980 and 1981
(Short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries:								
Belgium/Luxembourg	1,222	61	2,597	215	773	4,058	3,677	5,396
Denmark	0	0	0	0	0	0	0	0
France	12,000	13,918	10,237	9,578	7,720	11,074	15,362	29,761
Greece	0	0	0	0	0	0	0	0
Ireland	0	0	0	0	0	0	0	0
Italy	0	348	4,031	0	0	14	9,679	20,913
Netherlands	316	2,101	3,461	5,261	0	2,366	2,015	6,484
United Kingdom	132	241	1	0	0	2	1,786	1,510
West Germany	58,272	25,382	17,560	18,133	8,639	16,420	40,662	60,905
Subtotal (EC)	71,942	42,051	37,887	33,187	17,183	33,934	73,181	124,969
Japan	274,065	229,209	149,069	173,201	92,368	183,317	249,867	231,409
Canada	37,177	35,435	37,456	55,264	51,859	44,522	31,846	20,079
Brazil	0	0	0	0	133	60	0	0
Spain	11,631	3,173	3,713	5,254	110	29	6,783	11,663
Republic of South Africa	28,478	18,096	12,667	8,091	7,956	5,515	5,581	11,926
Australia	18,294	9,081	15,771	7,530	11,062	11,276	14,304	10,896
All other	13,099	9,263	7,407	2,276	3,796	6,551	13,000	28,404
Total, all sources	454,882	346,308	263,970	284,803	184,466	285,204	394,562	439,346

1/ In 1978 and 1979, such imports entered under TSUSA items 608.9430 and 608.9530.
2/ Not available.

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

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Table V-18.--Galvanized carbon steel sheet: Ratios of imports, total and from selected countries, to apparent U.S. consumption and U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In percent)

Item and sources	1978	1979	1980	January-November-- 1980	1981
Ratio of imports to apparent U.S. consumption:					
EC countries:					
Belgium/Luxembourg	0.4	0.3	0.1	0.1	0.2
Denmark	-	-	-	-	-
France	1.7	1.5	.7	.7	.7
Greece	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	.7	.5	.1	.1	.4
Netherlands	.5	.4	.2	.2	.1
United Kingdom	.1	.2	1/	1/	1/
West Germany	2.6	2.6	1.8	1.9	1.6
Subtotal (EC)	6.0	5.5	2.9	3.0	3.1
Japan	13.0	14.5	12.7	12.7	10.4
Canada	2.9	2.2	2.6	2.5	2.2
Brazil	-	-	-	-	1/
Spain	.9	.5	.4	.4	.2
South Africa	1.3	1.2	1.0	1.1	.5
All other countries	2.5	1.6	1.3	1.3	1.4
Total all imports	26.7	25.5	20.8	21.0	17.7

See footnote at end of table.

Table V-18.--Galvanized carbon steel sheet: Ratios of imports, total and from selected countries, to apparent U.S. consumption and U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981--Continued

(In percent)

Item and source	1978	1979	1980	January-November-- 1980	1981
Ratio of imports to U.S. producers' shipments:					
EC countries:					
Belgium/Luxembourg	0.6	0.3	0.1	0.1	0.2
Denmark	-	-	-	-	-
France	2.3	2.1	.9	.9	.9
Greece	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	1.0	.7	.1	.1	.4
Netherlands	.6	.5	.2	.2	.1
United Kingdom	.1	.3	1/	1/	.1
West Germany	3.5	3.4	2.3	2.4	2.0
Subtotal (EC)	8.1	7.3	3.6	3.7	3.7
Japan	17.6	19.4	16.0	16.0	12.5
Canada	4.0	2.9	3.2	3.1	2.6
Brazil	-	-	-	-	1/
Spain	1.3	.6	.5	.5	.2
South Africa	1.8	1.6	1.3	1.4	.5
All other countries	3.3	2.1	1.6	1.7	1.7
Total all imports	36.1	34.0	26.1	26.4	21.3

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Table V-19.--Galvanized carbon steel sheet: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, 1980 and 1981

(In percent)

Item and source	1980				1981			
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.
Ratio of imports to apparent U.S. consumption:								
EC countries:								
Belgium/Luxembourg	0.1	1/	0.2	1/	1/	0.2	0.2	2/
Denmark	-	-	-	-	-	-	-	2/
France	.6	1.0	.8	0.5	0.4	.6	.9	2/
Greece	-	-	-	-	-	-	-	2/
Ireland	-	-	-	-	-	-	-	2/
Italy	-	1/	.3	-	-	1/	.5	2/
Netherlands	1/	.1	.2	.3	-	.1	.1	2/
United Kingdom	1/	1/	1/	-	-	1/	.1	2/
West Germany	3.1	1.8	1.3	1.0	.5	.8	2.3	2/
Subtotal (EC)	3.8	2.9	2.8	1.8	1.0	1.7	4.2	2/
Japan	14.6	15.9	10.9	9.6	5.2	9.4	14.2	2/
Canada	2.0	2.5	2.8	3.1	2.9	2.3	1.8	2/
Brazil	-	-	-	-	1/	1/	-	2/
Spain	.6	.2	.3	.3	1/	1/	.4	2/
Republic of South Africa	1.5	1.3	.9	.5	.4	.3	.3	2/
Australia	1.0	.6	1.2	.4	.6	.6	.8	2/
All other	.7	.6	.5	.1	.2	.3	.7	2/
Total, all sources	24.1	24.0	19.4	15.9	10.3	14.6	22.4	2/
Ratio of imports to U.S. producers' shipment:								
EC countries:								
Belgium/Luxembourg	.1	1/	.2	1/	1/	.2	.3	2/
Denmark	-	-	-	-	-	-	-	2/
France	.8	1.3	.9	.6	.5	.7	1.1	2/
Greece	-	-	-	-	-	-	-	2/
Ireland	-	-	-	-	-	-	-	2/
Italy	-	1/	.4	-	-	1/	.7	2/
Netherlands	1/	.2	.3	.3	-	.1	.1	2/
United Kingdom	1/	1/	1/	-	-	1/	.1	2/
West Germany	4.1	2.3	1.6	1.2	.5	1.0	2.9	2/
Subtotal (EC)	5.0	3.8	3.4	2.2	1.1	2.0	5.3	
Japan	19.1	20.8	13.4	11.4	5.7	10.9	18.1	2/
Canada	2.6	3.2	3.4	3.6	3.2	2.6	2.3	2/
Brazil	-	-	-	-	1/	1/	-	2/
Spain	.8	.3	.3	.3	1/	1/	.5	2/
Republic of South Africa	2.0	1.6	1.1	.5	.5	.3	.4	2/
Australia	1.3	.8	1.4	.5	.7	.7	1.0	2/
All other	.9	.8	.7	.1	.2	.4	.9	2/
Total, all sources	31.7	31.5	23.7	18.7	11.3	17.0	28.6	2/

1/ Below 0.05 percent.
2/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

The Netherlands.--Imports of galvanized carbon steel sheet from the Netherlands experienced a rapid decline during the 1978-81 period, from 40,000 tons in 1978 to 33,000 tons in 1979, and then fell to only 11,000 tons in 1980 and 1981. Import penetration of galvanized sheet from the Netherlands never exceeded 0.5 percent during 1978-81.

The United Kingdom.--Imports of galvanized carbon steel sheet from the United Kingdom are the smallest of any of the cited countries. In January-November 1981, imports of galvanized sheet from the United Kingdom accounted for less than 0.05 percent of the U.S. market.

West Germany.--West Germany is by far the largest exporter of galvanized carbon steel sheet to the United States from the countries subject to these investigations. On a worldwide basis, West Germany ranks third, behind Japan and Canada, as a supplier of galvanized sheet to the United States. Imports of the subject merchandise from West Germany declined slightly, from 226,000 tons in 1978 to 217,000 tons in 1979, but then plummeted to 119,000 tons in 1980, or by 47 percent over the period. In 1981, imports from West Germany increased slightly to 127,000 tons. West Germany has accounted for about 2 percent of apparent U.S. consumption during the entire 1978-81 period.

Other cited countries.--Imports from the Republic of South Africa declined from 117,000 tons in 1978 to 67,000 tons in 1980, or by 42 percent. In 1981, imports from the Republic of South Africa were 54 percent below the level of imports in 1980. Imports from Spain have suffered a similar experience, declining by 71 percent during the 1978-80 period, and they continued to decline in 1981.

Prices

Recent declines in industries that require steel as an input, such as automobiles, construction, energy, and utilities, have reduced the demand for steel sheet and have in turn had a dampening effect on prices.

Galvanized carbon steel sheet prices are usually f.o.b. mill and quoted in terms of dollars per tons. 1/ Prices are determined for each product on a standard base unit plus additional charges for extras such as variations from the base decription in length, width, thickness, or chemistry. Price changes are accomplished by changing the base, the extras, or a combination of both.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports of galvanized sheet in 1979-81 are presented in table V-20 and

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization. Under this price, a producer that supplies a customer who is located closer to a competing producer will absorb any differences in freight costs. The more distant producer charges the customer's account only for freight costs that the customer would pay if the product was shipped from the closer producer.

Table V-20.--Galvanized carbon steel sheet: Indexes of producer prices, trigger prices, and unit values of imports from Belgium, France, Italy, the Netherlands, the United Kingdom, and West Germany, by quarters, January 1979-December 1981

(January-March 1979=100)

Period	PPI	Trigger-price index	Indexes of unit values of imports from--					
			Belgium 1/	France	Italy	Netherlands	United Kingdom	West Germany
1979:								
January-March	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-June	101.0	100.0	113.2	103.2	107.2	100.5	108.9	105.1
July-September	104.1	98.6	114.3	103.2	111.6	99.5	98.4	107.6
October-December	104.1	98.6	110.5	108.0	107.5	100.9	111.0	108.2
1980:								
January-March	103.7	101.7	113.5	103.7	3/	92.7	88.2	106.2
April-June	107.0	2/	91.2	108.3	88.9	100.2	87.6	107.1
July-September	102.6	2/	118.7	110.9	134.8	102.4	3/	119.5
October-December	107.0	113.9	98.3	112.0	3/	103.3	3/	114.4
1981:								
January-March	114.9	114.9	117.1	118.7	3/	3/	3/	118.4
April-June	118.2	116.1	123.1	117.1	3/	111.6	3/	119.8
July-September	122.9	116.1	128.1	121.1	3/	116.4	143.0	123.8
October-December	122.0	4/ 116.1	4/ 117.9	4/ 123.5	3/	4/ 118.7	4/ 125.5	4/ 104.2

1/ Import data for Belgium include data on Luxembourg.
2/ The trigger price was suspended.
3/ Data or computation error.
4/ Unit value indexes refer to October only.

Source: The PPI is compiled from published data provided by the Bureau of Labor Statistics for Hot rolled sheet. The trigger-price index was constructed from published data provided by the U.S. Department of Commerce and includes only the base price for hot rolled sheet. Unit value indexes were constructed from data provided by the U.S. Bureau of Census.

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figure V-1. The PPI 1/ is based primarily on reports of list prices and may not reflect changes in actual transaction prices. Unit value indexes may vary over time not only because of changes in prices, but also because of changes in the specific types of steel being imported. The PPI for galvanized carbon steel sheet increased 22.9 percent over the 3-year period, and the trigger price increased 16.1 percent. The greatest price increased in both series occurred following July-September 1980.

Unit value indexes of imported galvanized carbon steel sheet have increased on average about 18 percent during 1979-81. The largest increase in unit values was for imports from the United Kingdom; the index increased by 43 percent between January-March 1979 and July-September 1981, the last quarter for which full information is available. Increases in unit values for the other suppliers were as follows: 24 percent for West Germany, 28 percent for Belgium, 16 percent for the Netherlands, and 21 percent for France. Like the indexes of producer and trigger prices, the greatest increases in the unit value indexes generally followed July-September of 1980.

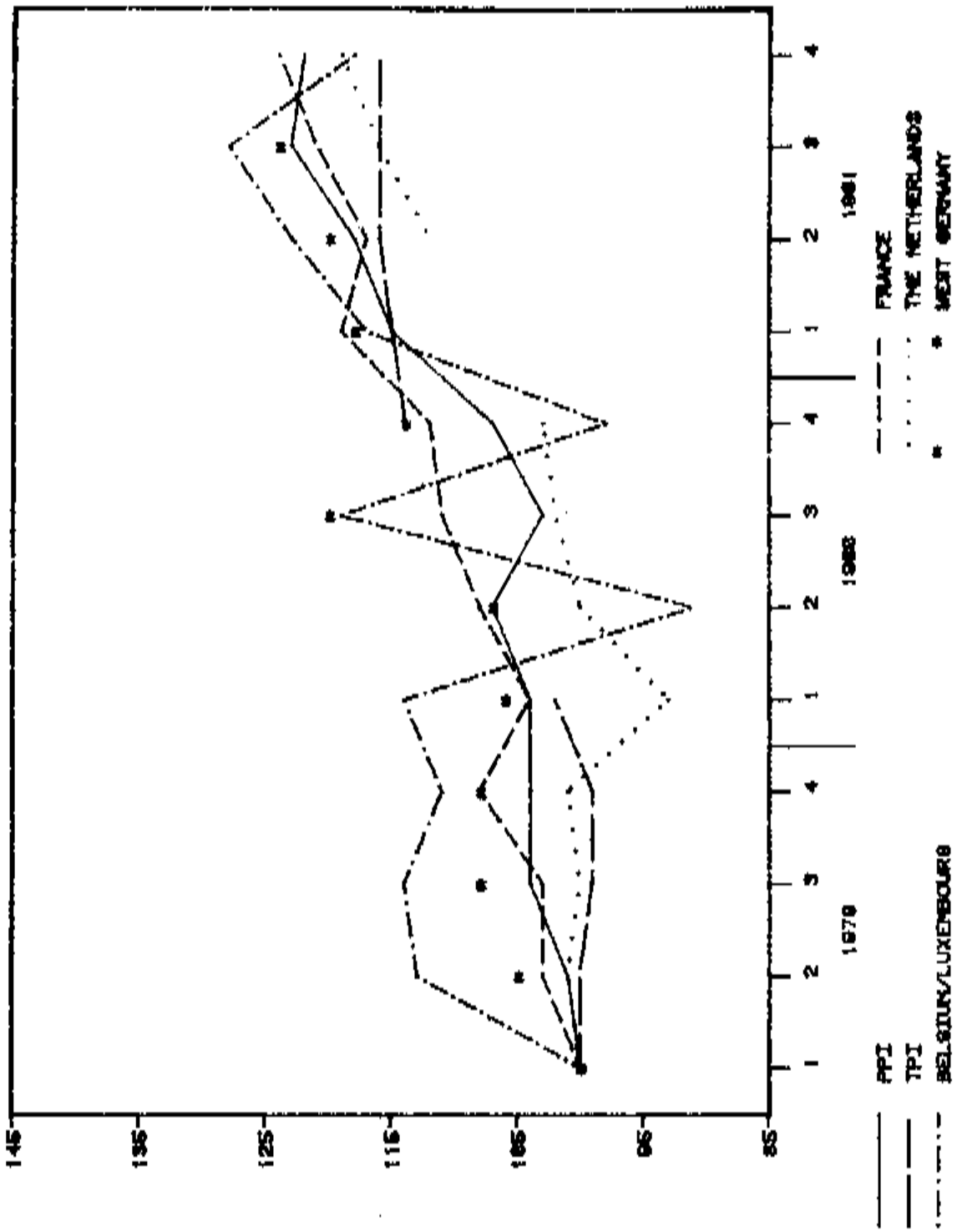
Unit value indexes are available for the month of October 1981 for Belgium, France, the Netherlands, the United Kingdom, and West Germany. Compared with unit values of July-September 1981, unit values increased in October for imports from France and the Netherlands, and decreased for imports from Belgium, the United Kingdom, and West Germany.

Transaction prices.--The Commission requested data on average net selling prices for specific products from domestic producers and importers. To facilitate direct comparision of prices, the Commission also requested data on prices paid by steel purchasers.

Trends in prices.--To determine trends in galvanized carbon steel sheet prices, domestic producers and importers were asked to supply average net selling prices to service centers/distributors and end users for specific types of galvanized carbon steel sheet. 2/ Price data were received from 20 domestic producers and 35 importers. Ten importers provided prices of galanized carbon steel sheet as follows: two for Belgium, two for France, one for Italy, and five for West Germany.

1/ The producers' PPI is prepared by the Bureau of Labor Statistics.

FIGURE V-1.--Galvanized Carbon Steel Sheet
Indexes of producer prices, trigger prices, and unit values, by quarters, January 1979-December 1981



Source: Table V-20.

Price indexes were constructed from the data submitted by importers and domestic producers (tables 33 and 34 in app. J and figs. V-2 through V-5). The price indexes show that domestic and imported selling prices of galvanized carbon steel sheet generally increased during 1980-81. In two of six cases, domestic prices finished 1981 at levels as high as or higher than levels reached in earlier periods. In four of six cases, imported prices finished 1981 at levels as high as or higher than levels reached in earlier periods.

For sales to service centers/distributors during 1980 and 1981, domestic prices of galvanized carbon steel sheet increased 28 percent for product six, 7 percent for product 7, and 5 percent for product 8. In contrast, prices of imports from West Germany increased 3 percent for product 6 and 6 percent for product 7. Prices of imports from France increased 8 percent for product 6 and 13 percent for product 7. For end-user customers, domestic prices of galvanized carbon steel sheet increased 12 percent for product 6, 10 percent for product 7, and zero percent for product 8. In contrast, prices of imports from West Germany increased 2 percent for product 6 and -1 percent for product 7.

Purchase prices.--To determine if imported galvanized carbon steel sheet undersold the competing domestic product, purchasers were asked by questionnaire to supply data on actual transaction prices in 1981. Transaction prices were requested for three representative galvanized carbon steel sheet products, and each purchaser was asked to provide the transaction price for the firm's largest purchase of the specified product during each quarter of 1981. Purchasers were identified as service centers/distributors and as endusers, and were located in six different market areas.

Of the 66 purchasers that responded to the questionnaire, 13 reported purchases of galvanized carbon steel sheet, but only 2 reported prices for imports. Those 2 had purchased galvanized carbon steel sheet from West Germany and France.

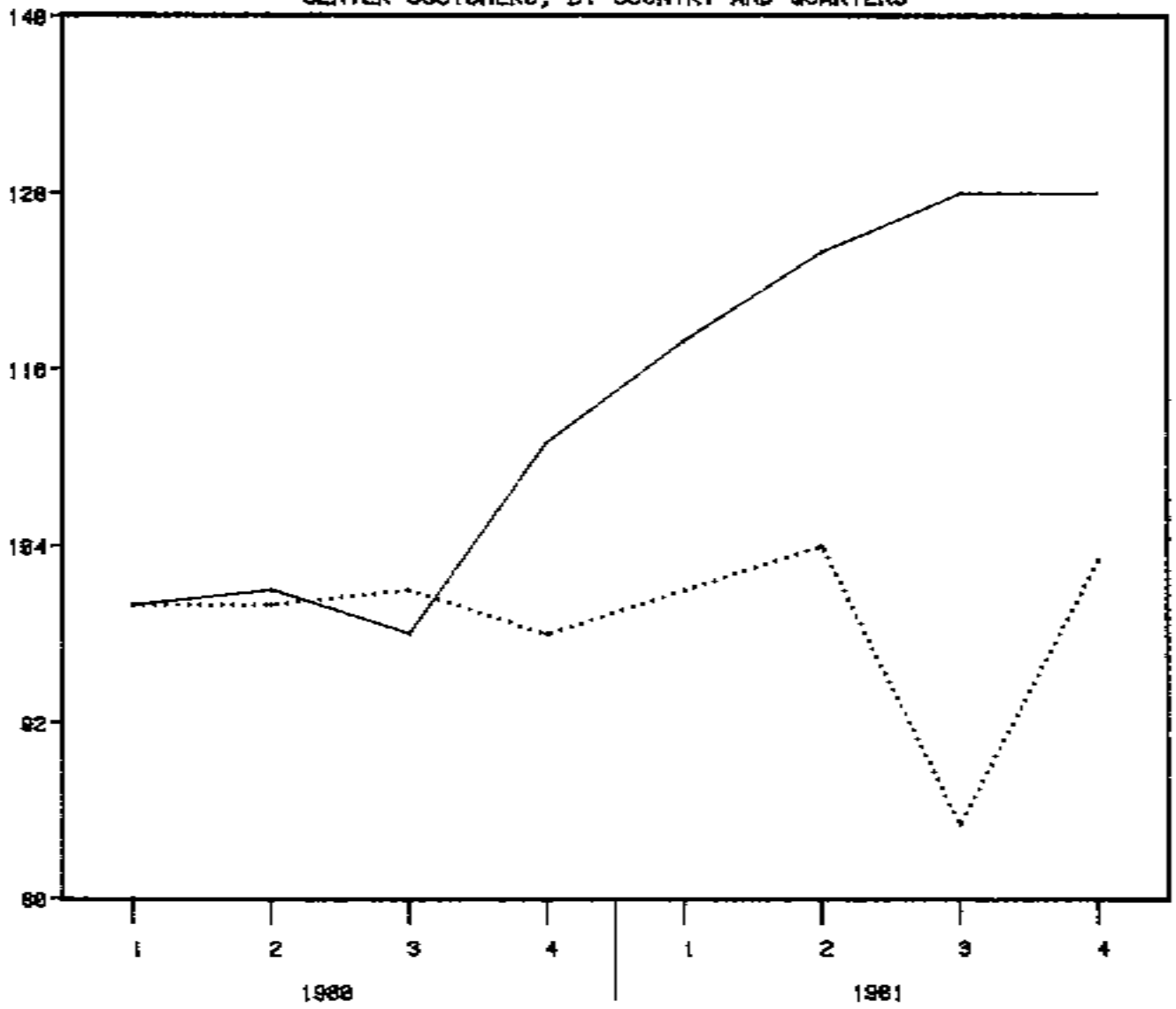
Transaction prices collected from purchasers and margins of underselling are presented in table 35 in appendix J. 2/ As shown in that table, no margins of underselling were reported.

Nonprice considerations.--Purchasers were also asked to rate nonprice factors that were considered when they purchased steel sheet. Purchasers of galvanized carbon steel sheet listed quality of the product (68 percent) and reliability of the vendor (60 percent) as the most important nonprice factors they considered when buying steel sheet. However, 72 percent of all purchasers did not pay a premium for nonprice factors.

1/ As a basis for transaction price comparisons, the Commission selected 22 representative steel mill products covering the nine product categories subject to these investigations. These products and their respective specifications are listed by product category in app. I. The three representative galavanized carbon steel sheet products are Nos. 6 to 8.

2/ If no purchases were reported from any country in a given period, that period is not presented in the tables.

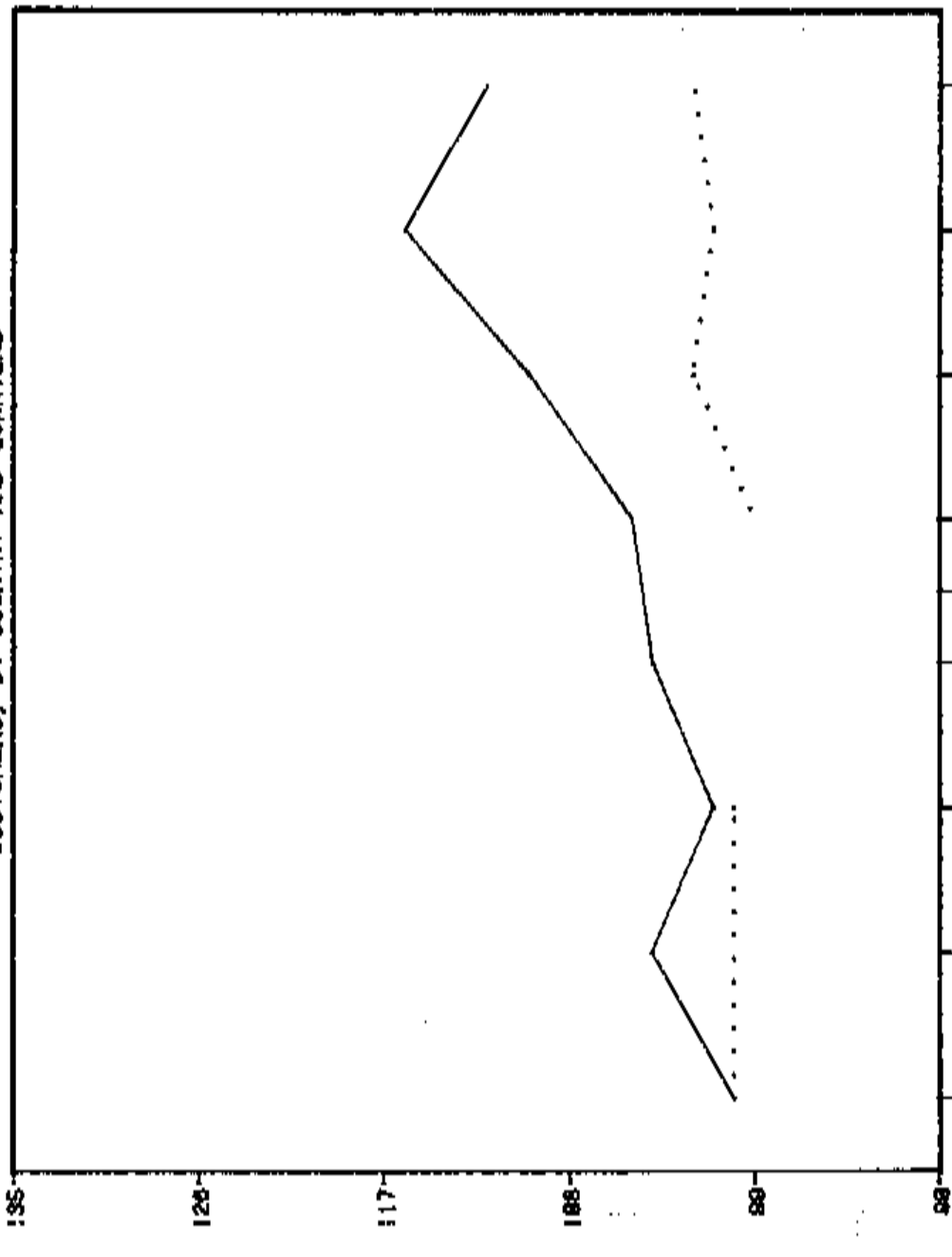
FIGURE V-2.--GALVANIZED CARBON STEEL SHEET-PRODUCT 6
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 33, APPENDIX J.

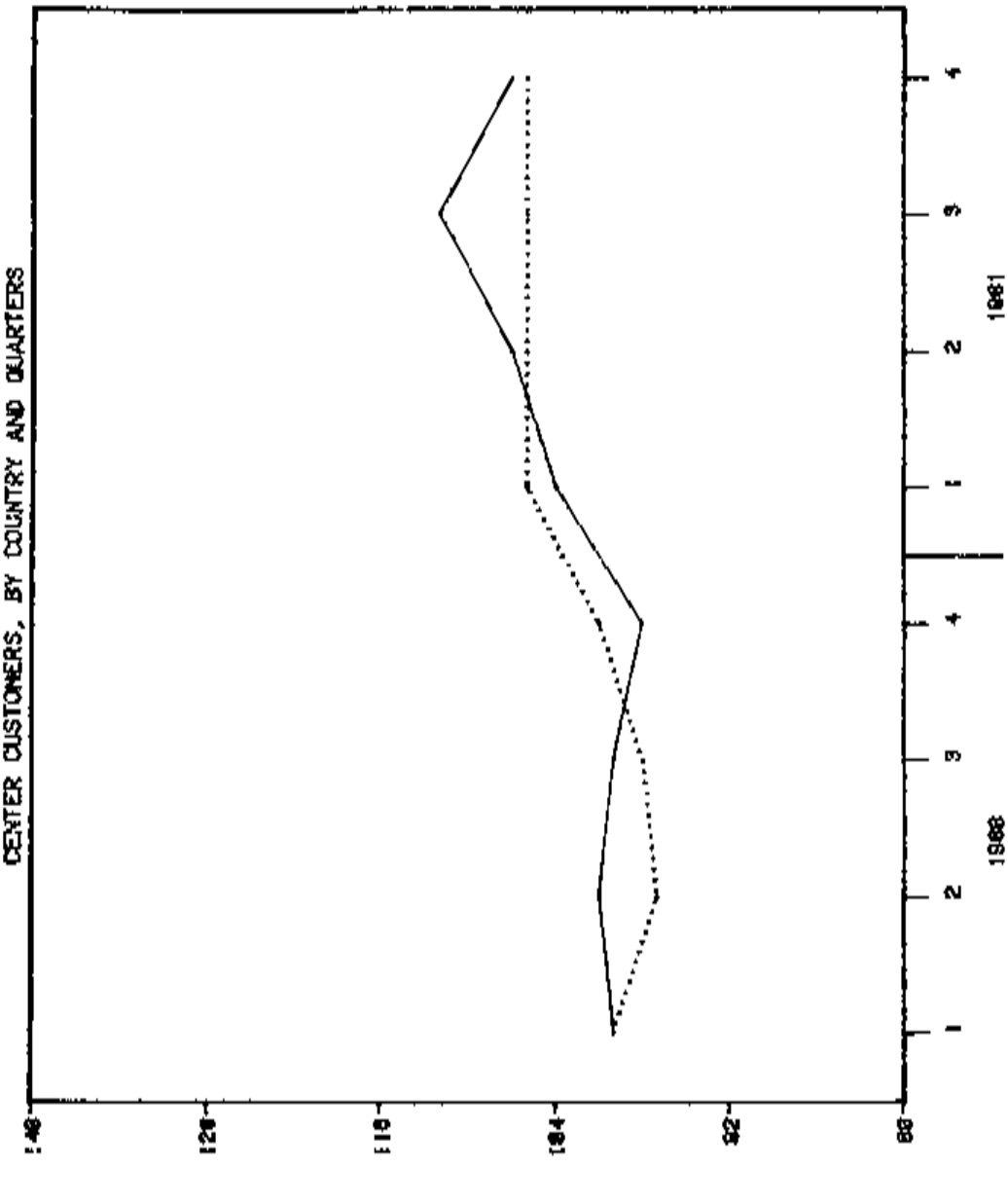
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FIGURE V-3.--GALVANIZED CARBON STEEL SHEET--PRODUCT 6
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



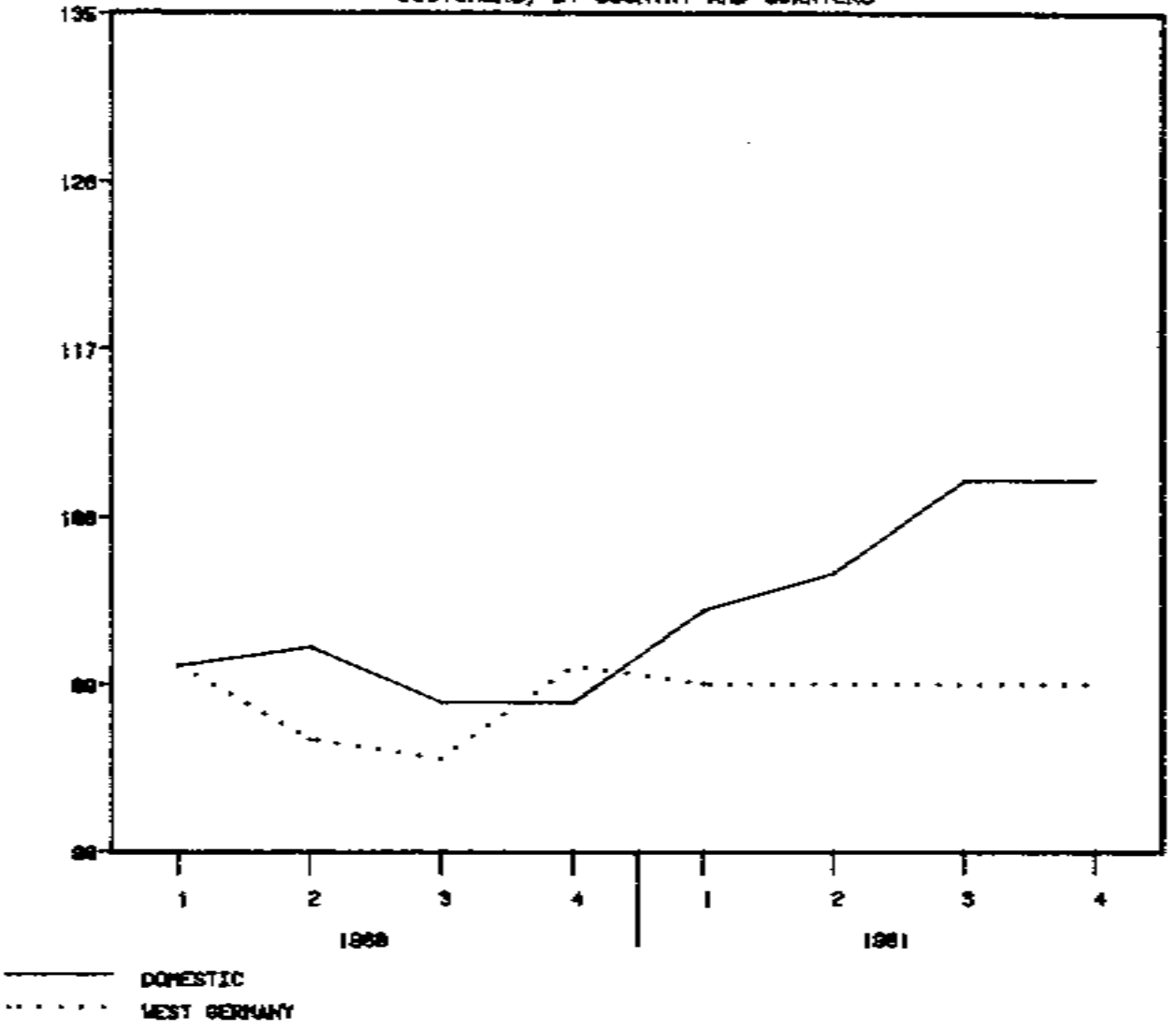
SOURCE: SEE TABLE 34, APPENDIX J.

FIGURE V-4.--GALVANIZED CARBON STEEL SHEET--PRODUCT 7
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 33, APPENDIX J.

FIGURE V-5.-- GALVANIZED CARBON STEEL SHEET-PRODUCT 7
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 34, APPENDIX J.

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Lost sales

About 70 allegations of lost sales of galvanized sheet were submitted by the domestic producers. The staff investigated 11 of these allegations. Ten lost sales to European suppliers covering the period between January 1, 1980, and January 1, 1982, were confirmed. Price and quality were listed as the principal reasons for the purchases. These allegations and the attempts to verify them are discussed, by countries, below.

Imports from West Germany.--Three allegations concerning about 4,600 tons of galvanized sheet imported from West Germany were checked. Two of these allegations accounting for approximately 2,600 tons of lost sales were confirmed. Both purchasers mentioned price as the principal factor in their decisions to buy West German steel. West German galvanized steel sheet sells for a 10- to 20-percent discount according to one of these purchasers.

Imports from France.--Three allegations concerning about 4,650 tons of galvanized sheet imported from France were checked. All three purchasers confirmed the allegations. Two purchasers cited the superior quality of French steel as the major factor behind their purchasing decisions; the other purchaser bought a certain specialty type of galvanized sheet from abroad because it was either not produced in the United States or produced only in small quantities.

Imports from Belgium.--Three allegations concerning about 4,000 tons of galvanized sheet imported from Belgium were checked. Two of these allegations amounting to approximately 2,000 tons of lost galvanized sheet sales were confirmed. One purchaser indicated that the lower price of Belgian steel was the principal inducement in his decision to purchase the foreign product. The other purchaser indicated that Belgian steel was purchased because of its superior quality.

Imports from Italy.--One allegation concerning about 280 tons of galvanized sheet imported from Italy was checked. The allegation was confirmed by the purchaser. The principal reason given for the decision to buy imported sheet was the generally lower price that has prevailed for certain foreign steels. The purchaser also noted that quality was a significant factor in his purchasing decision.

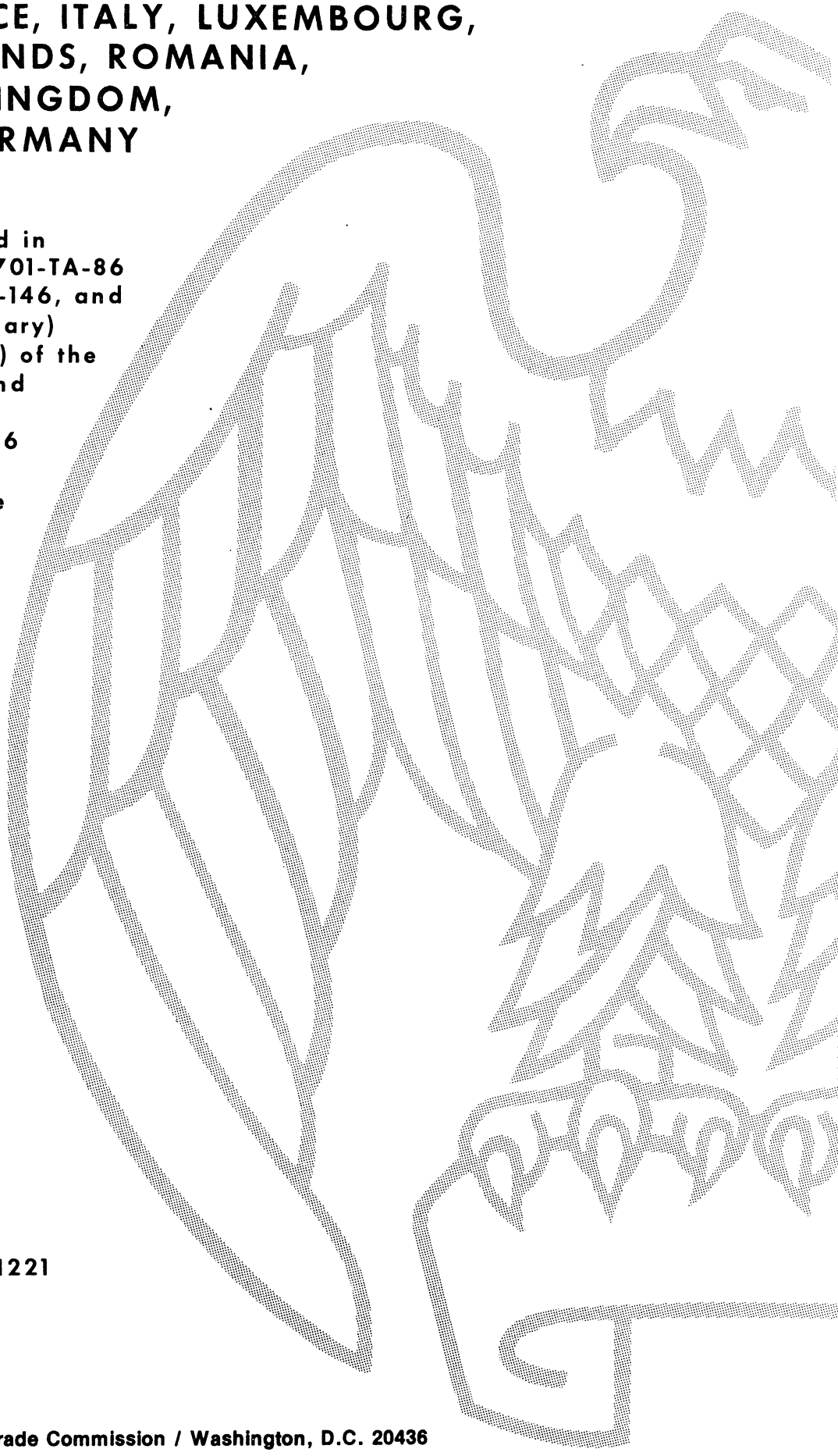
Imports from the Netherlands.--One allegation concerning about 2,000 tons of galvanized sheet imported from the Netherlands was checked. The allegation was confirmed by the purchaser. The purchaser indicated that his policy was to purchase 5 percent of his total volume of purchases from foreign sources in order to maintain an alternate source in the event of supply disruption.

In sum, four purchasers of galvanized sheet verified lost sales amounting to 6,380 tons of the product on account of the lower price.

CERTAIN STEEL PRODUCTS FROM BELGIUM, BRAZIL, FRANCE, ITALY, LUXEMBOURG, THE NETHERLANDS, ROMANIA, THE UNITED KINGDOM, AND WEST GERMANY

VOLUME 2

Information Obtained in Investigations Nos. 701-TA-86 through 144, 701-TA-146, and 701-TA-147 (Preliminary) Under Section 703(a) of the Tariff Act of 1930 and Investigations Nos. 731-TA-53 through 86 (Preliminary) Under Section 733(a) of the Tariff Act of 1930 (Parts VI through X)



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

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Bill Alberger, Chairman

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Paula Stern

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Eugene J. Frank

Kenneth R. Mason, Secretary to the Commission

This report was prepared by:

Robert Eninger, Investigator (Parts II, VII, and IX)
Daniel Leahy, Investigator (Parts III and VI)
William Schechter, Investigator (Parts IV and V)
Stephen Miller, Investigator (Parts VIII and X)

Marvin Claywell, Office of Investigations, Financial Analysis
Chandrakant Mehta, Office of Investigations, Financial Analysis

Quay Williams, Office of Industries
Patrick Magrath, Office of Industries
Richard Weible, Office of Industries
Vincent DeSapio, Office of Industries

Howard Gooley, Office of Economics
Henry McFarland, Office of Economics
Norman Elrod, Office of Economics
John Lindsey, Office of Economics

Edward Easton, Office of the General Counsel
Michael Mabile, Office of the General Counsel
Catherine Field, Office of the General Counsel

Lynn Featherstone, Supervisory Investigator

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

PART VI. CARBON STEEL STRUCTURAL SHAPES

Introduction

Following receipt of petitions on January 11, 1982, filed on behalf of U.S. Steel, Bethlehem, Republic, Inland, J&L, National, and Cyclops, the Commission instituted the following preliminary investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of carbon steel structural shapes, provided for in items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045 of the TSUSA, allegedly subsidized and/or sold in the United States at LTFV:

Country	Countervailing duty investigation No.	Antidumping investigation No.
Belgium	701-TA-117(P) 1/2/3/	731-TA-82(P) 1/2/
Brazil	701-TA-118(P) 3/	Not applicable
France	701-TA-119(P) 1/2/3/	731-TA-83(P) 1/2/
Italy	701-TA-120(P) 3/4/	Not applicable
Luxembourg	701-TA-121(P) 1/2/3	731-TA-84(P) 1/2/
Netherlands	701-TA-122(P) 3/4/	Not applicable
United Kingdom	701-TA-123(P) 1/2/3/	731-TA-85(P)1/2/
West Germany	701-TA-124(P) 1/2/3	731-TA-86(P)1/2/

1/ Petition filed by U.S. Steel.
2/ Petition filed on behalf of Bethlehem.
3/ Petition filed on behalf of Republic, National, Inland, J&L, and Cyclops.
4/ Investigation terminated on Feb. 3, 1982.

The Product

Description and uses

Carbon steel angles, shapes, and sections are steel products produced by passing ingots or semifinished steel products such as blooms and billets through a series of grooved rolls. The rolls gradually shape the products to desired contours and dimensions (making the products identifiable from other finished steel products by their cross-sectional configuration and shape), and usually consist of flat surfaces joined together at angles. Domestically produced and imported products are generally produced by the same methods and are comparable in quality.

The TSUSA defines angles, shapes, and sections as "products which do not conform completely to the respective specifications set forth herein for blooms, billets, slabs, sheet bars, bars, wire rods, plates, sheets, strip, wire, rails, joint bars, or tie plates, and do not include any tubular products."

These investigations deal with what are generally referred to as structural shapes. Structural shapes is a term referring to rolled flanged shapes having at least one dimension of their cross section 3 inches or more. Shapes having a maximum cross-sectional dimension of less than 3 inches are generally referred to as bar-size shapes and are not subject to these investigations. Structural shapes include a variety of shapes, notably wide flange beams, H-piles, I-beams, angles, channels, bulb angles, tees, and zees. Standard shapes such as angles, channels, and standard beams are produced on structural mills, with the type of product determined by the shape of the pass grooves. These differ from structural mills used for producing wide flange beams and H-piles, which are equipped with supplementary vertical rolls and horizontal edging rolls. Approximately 60 percent of imports in 1980 were wide flange beams and H-piles.

Major markets for carbon steel structural shapes, as reported by AISI, are presented in the following tabulation:

Market	1979		1980		January-September 1981	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 tons		1,000 tons		1,000 tons	
Construction and contractors' products	2,066	45.8	1,911	46.4	1,521	47.9
Steel service centers and distributors	1,283	28.4	1,122	27.2	851	26.8
Machinery, industrial equipment, and tools	197	4.4	161	3.9	132	4.2
Shipbuilding and marine equipment	98	2.2	142	3.4	106	3.3
Other	871	19.2	785	19.1	568	17.8
Total	4,515	100.0	4,121	100.0	3,178	100.0

U.S. tariff treatment

The imported carbon steel structural shapes which are the subject of the investigation are classified for tariff purposes under item 609.80 of the TSUS. This item provides for "angles, shapes, and sections, all the foregoing, of iron or steel, hot rolled or cold formed and weighing over 0.29 pound per linear foot, not drilled, punched, and not otherwise advanced, other than alloy iron or steel, and having a maximum cross-sectional dimension of 3 inches or more." The column 1 (most-favored-nation) rate of duty for item 609.80 of the TSUS is currently 0.9 percent ad valorem. This rate became effective January 1, 1982, and represented not only the second annual duty reduction under concessions granted in the Tokyo round of the MTN, but also the final rate.

The column 2 rate of duty for item 609.80 is 2 percent ad valorem. This item is not eligible for duty-free treatment under the GSP, and imports from LDDC's are not granted preferential rates. U.S. imports of carbon steel mill products such as structural shapes are sometimes also subject to restraints imposed by administrative actions taken under provisions of the Buy American Act. An explanation of the applicability of column 1, column 2, GSP, and LDDC rates of duty, as well as a discussion of the Buy American Act, is presented in part II of this report.

U.S. Consumption

Apparent U.S. consumption of carbon steel structural shapes increased from 5.7 million tons in 1978 to 6.2 million tons in 1979, and then declined to 5.7 million tons in 1980, representing an 8-percent decrease compared with consumption in 1979. Consumption during January-November 1981 amounted to 5.5 million tons, or 4 percent more than that during the corresponding period of 1980 (table VI-1). The share of the market supplied by domestic producers increased slightly from 1978 to 1979, and then decreased through January-November 1981.

Table VI-1.--Carbon steel structural shapes: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1978-80, January-November 1980, January-November 1981, and, by quarters, January 1980-September 1981

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to-- Shipments	Ratio of imports to-- Consumption
	1,000 short tons				Percent	
1978	4,057	1,771	103	5,725	43.7	30.9
1979	4,515	1,850	126	6,239	40.9	29.7
1980	4,121	1,725	120	5,726	41.9	30.1
January-November						
1980	3,791	1,564	105	5,250	41.3	29.8
1981	3,721	1,850	103	5,468	49.7	33.8
1980:						
Jan.-Mar.	1,175	462	23	1,614	39.3	28.6
Apr.-June	968	483	33	1,418	49.9	34.1
July-Sept	912	406	30	1,288	44.5	31.5
Oct.-Dec.	1,066	374	34	1,406	35.1	26.6
1981:						
Jan.-Mar.	1,141	420	34	1,527	36.8	27.5
Apr.-June	1,060	571	29	1,602	53.9	35.6
July-Sept	977	548	32	1,493	56.1	36.7

Source: Shipments compiled from data of the American Iron and Steel Institute, imports and exports compiled from official statistics of the U.S. Department of Commerce.

On a quarterly basis, the share of the U.S. market supplied by imports declined from 34.1 percent in April-June 1980 to 26.6 percent in October-December 1980 as imports declined and U.S. producer's shipments increased. In 1981, this trend changed; imports increased their share of the market in each quarter as producers' shipments declined. Imports accounted for 36.7 percent of consumption in July-September 1981.

U.S. Producers

The domestic carbon steel structural shapes industry consists of approximately 18 firms operating a total of 29 facilities. They are widely scattered throughout the United States and produce a variety of shapes in assorted sizes, weights, and dimensions. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of carbon steel structural shapes (as reported by the AISI) in 1980:

Firm	Market share (Percent)
Armco	***
Bethlehem	***
Inland	***
Northwestern	***
U.S. Steel	***

The principal domestic firms, with the exception of Northwestern, are integrated producers that roll a wide range of shapes. All are equipped not only with standard structural or bar rolls for rolling most standard shapes such as angles, channels, and standard beams, but also with universal structural mills for rolling wide flange beams and H-piles.

The remaining structural shapes producers are referred to as minimills. These producers are generally small-market mills that roll small angles, channels, and standard beams on an assortment of bar or light structural mills. Minimills are primarily concentrated in the southern states and represent a growing sector of the domestic steel industry. In 1981, three minimills that are capable of producing structural shapes began operating. They are Nucor Corp.'s Plymouth, Utah, mill; Florida Steel's Jackson, Tenn., mill; and Bayou Steel in LaPlace, La. Principal producers and their plant locations are shown in the following tabulation:

Producer	Location
Armco	Houston Works, Tex. 1/ Kansas City, Mo.
Bethlehem	Bethlehem, Pa. 1/ Los Angeles, Calif. Seattle, Wash.
Atlantic Steel Co	Atlanta, Ga.
Bayou Steel	LaPlace, La.
BW Steel, Inc (Calument Steel Co.)	Chicago Heights, Ill.
Cascade Steel Rolling Mills-Oregon Div	McMinnville, Oreg.
CF&I (Colorado Fuel and Iron)	Pueblo, Colo. 1/
Chaparral Steel Corp	Midlothian, Tex.
Conners Steel Co	Birmingham, Ala.
Florida Steel Co	Jackson, Tenn.
Inland	East Chicago, Ind. 1/
J&L	Aliquippa, Pa.
North Star Steel Co	Minneapolis, Minn.
Northwest Steel Rolling Mills, Inc	Seattle, Wash.
Northwestern	Sterling, Ill. 1/
Nucor Corp	Darlington, S.C. Norfork, Nebr. Jewett, Tex. Plymouth, Utah
Penn-Dixie	Joliet, Ill.
Roanoke Electric Steel Co	Roanoke, Va.
U.S. Steel	Fairfield, Ala. Homestead, Pa. 1/ Clairton, Pa. South Works, Ill. 1/ Geneva, Utah 1/

1/ Facility that can roll wide flange beams, H-piles, and most standard structural shapes.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies approximately 100 importers of structural shapes from the countries subject to these investigations during October 1980-September 1981. However, approximately 10 importers accounted for the majority of all U.S. imports of structural shapes from cited countries. The largest importers and the principal countries from which these firms imported during October 1980-September 1981 are shown below:

Firm	Country
* * * 1/	Belgium, 2/ West Germany
* * * 1/	Belgium, France
* * * 1/	United Kingdom
* * * 1/	Belgium
* * * 1/	Belgium
* * *	Belgium, West Germany
* * *	United Kingdom
* * *	Beligum
* * *	Belgium
* * *	Belgium

1/ These firms are owned by or affiliated with foreign steel producers.
2/ For purposes of the net importer file, imports from Belgium and Luxembourg are not separately reported.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of carbon steel structural shapes during 1978-81, as well as the capacity of domestic producers to produce such merchandise and their utilization of that capacity is shown in table VI-2. Production, capacity, and capacity utilization have all fallen since 1979. Capacity declined from 6.5 million tons in 1978 to 6.3 million tons in 1981. Production decreased from 4.1 million tons in 1979 to 3.7 million tons in 1981, representing a decline of about 10 percent. 1/

Table VI-2.--Carbon steel structural shapes: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/----1,000 short tons--	3,971	4,141	3,837	3,673
Capacity----------do----	6,466	6,430	6,310	6,310
Capacity utilization------percent--	61.4	64.4	60.8	58.2

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data accounted for 93 percent of total shipments of structural shapes in 1980 as reported by the American Iron and Steel Institute.

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

1/ Capacity to produce finished steel mill products is not necessarily the best method of determining the extent to which a steelmaking operation is most efficiently utilizing its facilities. See a discussion of this issue in pt. II of this report, pp. II-11 and II-12.

U.S. producers' shipments

During 1978-81, U.S. producers' shipments of structural shapes accounted for about 5 percent of aggregate shipments of all carbon steel mill products by U.S. producers. Producers' shipments of structural shapes increased slightly from 1978 to 1979, and then declined to 4.1 million tons in 1980, representing a decline of about 9 percent compared with shipments in 1979. Shipments declined in 1981 to 4.0 million tons. U.S. producers' net shipments of structural shapes, as reported by the AISI (such shipments include intracompany transfers and exports but exclude sales made to other steelmaking firms that report data to the AISI), are shown in the following tabulation:

Period	(Quantity) (1,000 short tons)
1978	4,057
1979	4,515
1980	4,121
1981	3,962
1980:	
Jan.-Mar	1,175
Apr.-June	968
July-Sept	912
Oct.-Dec	1,066
1981:	
Jan.-Mar	1,141
Apr.-June	1,060
July-Sept	977
Oct.-Dec	784

U.S. producers' intra- and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table VI-3. 1/ These data show the decline in producers' shipments since 1979 and indicate that intra- and intercompany shipments remained relatively stable in relation to total shipments and that exports were an insignificant portion of shipments throughout 1978-81.

1/ Domestic producers responding to the Commission's questionnaires accounted for 98 percent of shipments reported by the AISI in 1978, 92 percent in 1979, 93 percent in 1980, and 92 percent in January-November 1981.

Table VI-3--Carbon steel structural shapes: U.S. producers' shipments, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Intra- and intercompany shipments	199	159	119	113
Domestic market shipments	3,722	3,923	3,603	3,483
Export shipments	65	57	91	48
Total	3,986	4,139	3,813	3,644
	Value (million dollars)			
Domestic market shipments	1,242	1,487	1,473	1,535
Export shipments	21	21	35	21
Total	1,263	1,508	1,508	1,556
	Unit value (per ton)			
Domestic market shipments	$334	$379	$408	$441
Export shipments	323	368	385	435
Average	334	379	408	441

1/ U.S. producers submitting usable data accounted for 93 percent of total shipments of structural shapes in 1980 as reported by the American Iron and Steel Institute.

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

U.S. exports

During 1978-80, exports of structural shapes accounted for about 4 percent of aggregate U.S. exports of all carbon steel mill products. Exports of structural shapes increased from 103,000 tons in 1978 to 126,000 tons in 1979, and then declined to 120,000 tons in 1980, representing a decrease of about 5 percent. Exports in January-November 1981 amounted to 103,000 tons, approximately the same amount reported for the corresponding period of 1980 (table VI-4). Canada was the principal export market for structural shapes, accounting for over 50 percent of exports during January 1978-November 1981. Mexico was also an important market, accounting for almost 20 percent of exports during the period.

Table VI-4.--Carbon steel structural shapes: U.S. exports of domestically produced merchandise, by principal markets, 1978-80, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (1,000 short tons)				
Canada	63	71	52	49	54
Mexico	16	19	26	20	24
Venezuela	4	13	14	10	4
Argentina	1/	1	4	4	2
Taiwan	1/	1/	3	3	2
All other	20	22	21	19	17
Total	103	126	120	105	103
	Value (1,000 dollars)				
Canada	21,453	28,854	24,501	22,752	27,426
Mexico	6,795	9,328	12,809	10,421	13,964
Venezuela	1,889	9,867	6,595	4,907	1,877
Argentina	69	464	2,036	2,036	1,111
Taiwan	61	112	2,346	2,274	1,671
All other	8,987	13,712	15,037	13,850	12,368
Total	39,254	62,337	63,324	56,240	58,417

1/ Less than 500 short tons.

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

U.S. producers' inventories

Yearend inventories of structural shapes reported by U.S. producers in response to the Commission's questionnaires remained relatively constant during 1978-81, amounting to about 6 percent of producers total annual shipments in each of those years. Reported yearend inventories are shown in the following tabulation:

As of Dec. 31--	Quantity (1,000 short tons)
1977	256
1978	238
1979	223
1980	240
1981	256

U.S. employment, wages, and productivity

In domestic establishments producing structural shapes, the average employment of all persons, production and related workers producing all products, and production and related workers producing structural shapes followed a similar pattern of increasing in 1979 then declining through 1981. Similar patterns of change can be found for hours paid for production and related workers producing all products and structural shapes (table VI-5).

Wages and total compensation paid to production and related workers producing all products in domestic establishments producing structural shapes increased in 1979, declined in 1980, and then increased again in 1981 (table VI-6). In contrast, wages and total compensation for production and related workers producing structural shapes increased throughout the period.

Data on labor productivity, hourly compensation, and unit labor costs in the production of structural shapes are presented in table VI-7. Labor productivity decreased sharply in 1979, rose about 2 percent in 1980, and rose slightly in 1981. Hourly compensation increased continuously throughout the period. Without productivity increases, unit labor costs increased from $82.27 in 1978 to $120.72 in 1981, representing an increase of almost 50 percent.

Table VI-5.--Average number of employees, total and production and related workers, in U.S. establishments producing carbon steel structural shapes, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	107,171	124,768	109,596	103,871
Percentage change	3/	16.4	-12.2	-5.2
Production and related workers producing--				
All products:				
Number	94,410	108,187	94,435	89,525
Percentage change	3/	14.6	-12.7	-5.2
Structural shapes:				
Number	11,738	13,058	12,269	11,667
Percentage change	3/	11.2	-6.0	-4.9
Hours paid for production and related workers producing--				
All products:				
Number----thousands--	196,200	237,141	189,388	180,996
Percentage change	3/	20.9	-20.1	-4.4
Structural shapes:				
Number----thousands--	23,865	26,712	24,260	23,061
Percentage change	3/	11.9	-9.2	-4.9

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 93 percent of total shipments of structural shapes in 1980 as reported by the American Iron and Steel Institute.

3/ Not available.

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

Table VI-6.--Wages and total compensation 1/ paid to production and related workers in establishments producing carbon steel structural shapes, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related workers producing--				
All products:				
Value----------million dollars--	2,145	2,744	2,598	2,721
Percentage change----------	3/	27.9	-5.3	4.7
Structural shapes:				
Value---------million dollars--	259	323	327	340
Percentage change----------	3/	24.7	1.2	3.9
Total compensation paid to production and related workers producing--				
All products:				
Value---------million dollars--	2,716	3,475	3,373	3,567
Percentage change----------	3/	27.9	-2.9	5.8
Structural shapes:				
Value---------million dollars--	327	404	419	443
Percentage change----------	3/	23.5	3.7	5.7

1/ Includes wages and contributions to social security and other employee benefits.

2/ U.S. producers submitting usable data accounted for 93 percent of total shipments of structural shapes in 1980 as reported by the American Iron and Steel Institute.

3/ Not available.

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

Table VI-7.--Labor productivity, hourly compensation, and unit labor costs in the production of carbon steel structural shapes, 1/ 1978-81

Item	1978	1979	1980	1981
Labor productivity:				
Quantity----------tons per hour---	0.1664	0.1550	0.1582	0.1593
Percentage change----------	2/	-6.8	2.0	0.7
Hourly compensation:				
Value----------per hour---	$13.69	$15.14	$17.29	$19.23
Percentage change----------	2/	10.4	14.2	11.2
Unit labor cost:				
Value----------per ton---	$82.27	$97.68	$109.29	$120.72
Percentage change----------	2/	18.5	11.9	10.4

1/ U.S. producers submitting usable data accounted for 93 percent of total shipments of structural shapes in 1980 as reported by the American Iron and Steel Institute.

2/ Not available.

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

Financial experience of U.S. producers

Operations on structural shapes.--Profit-and-loss data were received from seven producers accounting for about 78 percent of U.S. shipments in 1980. The financial data presented in this section reflect U.S. producers' carbon steel structural shapes' operations.

As shown in table VI-8, net sales of carbon steel structural shapes increased by 21 percent, from $1.1 billion in 1978 to $1.3 billion in 1979, and then remained almost flat in 1980 and 1981. The seven firms reported an aggregate operating loss throughout 1978-81. This loss declined from $25 million in 1978 to $4 million in 1979, but then rose to $62 million in 1980 and $66 million in 1981. The ratio of operating loss to net sales dropped from 2.2 percent in 1978 to 0.3 percent in 1979, and then increased to 4.7 percent in 1980 and 4.9 percent in 1981.

The number of firms sustaining operating losses increased from four in 1978 and 1979 to five in 1980 and 1981. * * *.

Capital expenditures and research and development.-- Four domestic producers' total capital expenditures and research and development costs in connection with their structural shapes operations are presented in the following tabulation. Total capital expenditures declined by 30 percent, from $143.6 million in 1978 to $101.2 million in 1980, but then increased to $135.8 million in 1981. Over 60 percent of total capital expenditures were incurred by one producer, * * *.

Total reported research and development expenditures increased from $616,000 in 1978 to $917,000 in 1980, and then declined to $818,000 in 1981, as shown below. Over * * * percent of these expenditures were incurred by * * *.

Year	Capital expenditures (1,000 dollars)	Research and development (1,000 dollars)
1978	143,553	616
1979	129,180	795
1980	101,156	917
1981	135,806	818

Table VI-9.--Profit-and-loss experience of seven U.S. producers on their operations producing carbon steel structural shapes, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales----------million dollars--	1,109	1,338	1,321	1,358
Cost of goods sold----------do----	1,104	1,310	1,350	1,386
Gross profit or (loss)---------do----	5	28	(29)	(28)
Selling and administrative expenses----------do----	30	32	33	38
Operating profit or (loss)-----do----	(25)	(4)	(62)	(66)
Ratio of gross profit or (loss) to net sales----------percent--	.5	2.1	(2.2)	(2.1)
Ratio of operating profit or (loss) to net sales----------percent--	(2.2)	(.3)	(4.7)	(4.9)
Ratio of cost of goods sold to net sales----------percent--	99.5	97.9	102.2	102.1
Ratio of selling and adminstrative expenses to net sales-----percent--	2.7	2.4	2.5	2.8
Number of firms reporting operating losses----------	4	4	5	5

1/ U.S. producers submitting usable data accounted for 78 percent of total shipments of structural shapes in 1980 as reported by the American Iron & Steel Institute.

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

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

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

In its examination of the question of a reasonable indication of the threat of material injury to a U.S. industry, the Commission may take into consideration such factors as the rate of increase of allegedly LTFV or subsidized imports, the rate of increase of U.S. market penetration by such imports, the amounts of such imports held in inventory in the United States, and the capacity of producers in countries subject to the investigtions to generate exports (including the availabilty of export markets other than the United States). A discussion of the rates of increase of imports and of their U.S. market penetration is presented in sections of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury and Imports Allegedly Sold at LTFV or Subsidized." Discussions of importer inventories and foreign producers' capacity to generate exports follow.

U.S. importers' inventories

End-of-period inventories reported by U.S. importers of structural shapes from countries subject to these investigations are shown in table VI-9. As indicated, inventories generally increased throughout the period both in absolute volume and in relation to imports.

Table VI-9.--Carbon steel structural shapes: End-of-period inventories held by U.S. importers, by sources, 1978-81

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Inventories of imports from--				
EC countries:				
Belgium	1/	2	4	2
France	0	0	0	0
Italy	0	0	0	0
Luxembourg	0	0	0	1
Netherlands	0	0	0	0
United Kingdom	0	0	0	12
West Germany	6	5	12	8
Subtotal (EC)	6	7	16	23
All other countries	7	9	8	14
Total	13	16	24	38
	Ratio of inventories to reported imports (percent)			
Inventories of imports from--				
EC countries:				
Belgium	.1	1.7	4.0	2.8
France	-	-	-	-
Italy	-	-	-	-
Luxembourg	-	-	-	0.8
Netherlands	-	-	-	-
United Kingdom	-	-	-	9.3
West Germany	9.2	9.3	26.7	15.9
Average (EC)	1.4	1.5	4.0	5.2
All other countries	5.7	4.6	4.2	8.4
Average	2.4	2.3	4.0	6.2

1/ Less than 500 tons.

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

Capacity of foreign producers' to generate exports and the availability of export markets other than the United States

As part of its consideration of threat of a reasonable indication of material injury, the Commission requested U.S. embassies in the subject countries, as well as representatives and counsel for subject countries, to provide data on production, exports, and capacity to produce the various carbon and alloy steel products which are the subject of these investigations. In general, the responses to Commission inquiries were inadequate, given the time constraints involved and difficulty inherent in estimating production capacities on a product-line basis in the steel industry.

Belgium.--Belgium's production, capacity utilization, and exports declined during 1979-81 (table VI-10). Production of carbon steel structural shapes decreased 29.5 percent during this period, dropping from 1.2 million tons in 1979 to 879,000 tons in 1981. Capacity utilization dropped steadily from 64.2 percent in 1979 to 48.6 percent in 1981, and total exports dropped 33.2 percent, from 1.1 million tons in 1979 to 707,000 tons in 1981. The principal market for exports during this period was the EC, accounting for 46.3 percent of aggregate exports in 1979, 55.1 percent in 1980, and 52.6 percent in 1981. Exports to the United States fluctuated during the period and accounted for 18.8 percent of aggregate exports in 1979, 17.4 percent in 1980, and 28.1 percent in 1981.

Table VI-10.--Carbon steel structural shapes: Belgium's production, capacity, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production----------1,000 short tons--	1,246	1,040	879
Capacity----------do----	1,940	1,940	1,808
Capacity utilization----------percent--	64.2	53.6	48.6
Exports to--			
United States----------1,000 short tons--	199	149	199
EC----------do----	490	472	372
All other countries----------do----	369	235	136
Total----------do----	1,058	856	707

Source: Compiled from data obtained from the U.S. Embassy in Belgium.

Brazil.--Total exports of structural shapes from Brazil amounted to 93,000 tons in 1980, representing a 69-percent increase from the 1979 total of 55,000 tons (table VI-11). This was primarily attributed to increased exports to the United States. Exports to the United States, which amounted to 11,000 tons in 1979 and accounted for 20 percent of aggregate exports, increased to 51,000 tons in 1980, and accounted for 54.8 percent of aggregate exports. However, total exports for January-September 1981 amounted to 28,000 tons, with the United States accounting for 14 percent of the total.

Table VI-11.--Carbon steel structural shapes: Exports from Brazil, 1979-80, and January-September 1981

Item	1979	1980	January-September 1981
Exports to--			
United States-----1,000 short tons--	11	51	4
EC----------do----	7	16	4
All other countries----------do----	37	27	20
Total----------do----	55	93	28

Source: Compiled from data obtained from the U.S. Embassy in Brazil.

France.--Production in France of carbon steel structural shapes in 1980 amounted to 2.3 million tons, representing an 3.7-percent increase from the 1979 total of 2.2 million tons; production in January-November 1981 amounted to 1.9 million tons (table VI-12). France was operating at a relatively stable capacity utilization rate during this period and exported approximately one-fifth of total structural shapes produced. The EC was the major export market, accounting for over 50 percent of aggregate exports in 1980 and January-November 1981. Exports to the United States declined substantially, from 70,000 tons in 1979 to 39,000 tons in 1980; exports for January-November 1981 amounted to 35,000 tons.

Table VI-12.--Carbon steel structural shapes: France's production, capacity, capacity utilization, and exports, 1979, 1980, and January-November 1981

Item	1979	1980	January-November 1981
Production----------1,000 short tons--	2,202	2,283	1,919
Capacity----------do----	3,592	3,624	3,426
Capacity utilization---------percent--	61.3	62.9	56.0
Exports to--			
United States-----1,000 short tons--	70	39	35
EC----------do----	189	259	223
All other countries----------do----	183	128	173
Total----------do----	442	426	431

Source: Compiled from data obtained from the U.S. Embassy in France.

Luxembourg.--Luxembourg's production of carbon steel structural shapes increased 11.2 percent during 1979-81, climbing from 979,000 tons in 1979 to 1.1 million tons in 1981. Although production steadily increased, capacity utilization dropped from 97.2 percent in 1979 to 90.0 percent in 1981 as more productive capacity was added. As shown in table VI-13, Luxembourg exports nearly all the structural shapes it produces. The major export market was the EC, which accounted for over one-half of total exports for all these years. Exports to the United States accounted for 14.4 percent of aggregate exports in 1979, 12.4 percent in 1980, and 13.5 percent in 1981.

Table VI-13.--Carbon steel structural shapes: Luxembourg's production, capacity, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production---1,000 short tons	979	1,077	1,089
Capacity---do	1,008	1,157	1,213
Capacity utilization---percent	97.2	93.0	90.0
Exports to--			
United States---1,000 short tons	143	132	144
EC---do	593	627	578
All other countries---do	255	309	342
Total---do	991	1,068	1,064

Source: Compiled from data obtained from the U.S. Embassy in Luxembourg.

The United Kingdom.--Production of carbon steel structural shapes in the United Kingdom amounted to 1.2 million tons in 1980, representing a 28.4-percent decline from the 1979 total of 1.6 million tons (table VI-14). This decline was attributed to the reorganization of British Steel Corp. in the fall of 1980 following a 3-month steel strike. This reorganization led to the reduction of the capacity utilization rate for crude steel, which dropped from 75 percent in 1979 to 40 percent in 1980. However, production of carbon steel shapes climbed for January-October 1981, amounting to 1.4 million tons. Exports of structural shapes dropped considerably from the 1979 level of 1.0 million tons to 605,000 tons for 1980. This was primarily attributed to a sharp reduction of exports to countries outside the EC. Exports to the United States amounted to 11.4 percent of aggregate exports in 1979 and 12.6 percent in 1980.

Table VI-14.--Carbon steel structural shapes: The United Kingdom's production, capacity, capacity utilization, and exports, 1979, 1980, and January-October 1981

Item	1979	1980	January-October 1981
Production 1/---1,000 short tons	1,613	1,155	1,398
Capacity---do	2/	2/	2/
Capacity utilization---percent	3/ 75	3/ 40	2/
Exports to--			
United States 1/--1,000 short tons	117	76	2/
EC 1/---do	373	272	2/
All other countries 1/---do	534	257	2/
Total 1/---do	1,024	605	2/

1/ Heavy sections.
2/ Not available.
3/ Capacity is for total raw steel production.

Source: Compiled from data obtained from Iron and Steel Yearbook, 1981; and Statistics of World Trade in Steel, 1979 and 1980.

West Germany.--West Germany's production of carbon steel structural shapes in 1980 amounted to 2.4 million tons, representing an 9.3-percent increase from the 1979 total of 2.2 million tons; production in January-October 1981 amounted to 1.8 million tons. Data on West Germany's capacity utilization for carbon steel structural shapes were unavailable; however, the capacity utilization rate of raw steel for 1980 was 66 percent, down from the 68 percent rate in 1979. As shown in table VI-15, approximately one-half of West Germany's total carbon steel structural shape production is exported. The United States accounted for 13.8 percent of aggregate exports in 1979 and 10.9 percent in 1980.

Table VI-15.--Carbon steel structural shapes: West Germany's production, capacity, capacity utilization, and exports, 1979, 1980, and January-October 1981

Item	1979	1980	January-October 1981
Production 1/-------1,000 short tons--	2,228	2,435	1,814
Capacity----------do----	2/	2/	2/
Capacity utilization---------percent--	3/ 68	3/ 66	2/
Exports to--			
United States 1/--1,000 short tons--	150	133	2/
EC 1/----------do----	406	445	2/
All other countries 1/--------do----	530	637	2/
Total 1/----------do----	1,086	1,215	2/

1/ Heavy sections.
2/ Not available.
3/ Capacity is for total raw steel production and does not reflect utilization of structural shape production capacity.

Source: Compiled from data obtained from Iron and Steel Yearbook, 1981; and Statistics of World Trade in Steel, 1979 and 1980.

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

U.S. imports and market penetration

Imports from all sources.--During 1978-80, imports of structural shapes accounted for about 10 percent of total U.S. imports of all carbon steel mill products. Imports of structural shapes from all sources amounted to 1.8 million tons (valued at $445 million) in 1978, 1.9 million tons ($579 million) in 1979, and 1.7 million tons ($575 million) in 1980. About 1.9 million tons ($668 million) were imported in January-November 1981, compared with 1.6 million tons ($521 million) imported during the corresponding period of 1980 (table VI-1). Imports from all countries subject to active countervailing duty and antidumping investigations accounted for 47 percent of total imports in 1980 (table VI-16). In addition to the cited countries, other principal suppliers were Japan (36 percent in 1980) and Canada (15 percent in 1980).

Table VI-16.--Carbon steel structural shapes (TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, 609.8045): U.S. imports for consumption, by selected sources, 1978-80, January-November 1980, and January-November 1981

Period	Imports from all EC countries 1/	Imports from all countries subject to active countervailing duty investigations 2/	Imports from all countries subject to active antidumping investigations 3/
	Quantity (1,000 tons)		
1978	646	899	645
1979	651	870	651
1980	538	806	538
January-November			
1980	480	718	480
1981	657	1,010	656
	Share of apparent U.S. consumption (percent)		
1978	11.3	15.7	11.3
1979	10.4	13.9	10.4
1980	9.4	14.1	9.4
January-November			
1980	9.1	13.7	9.1
1981	12.0	18.5	12.0

1/ Belgium/Luxembourg, Denmark, France, Greece, Italy, the Netherlands, the United Kingdom, and West Germany.

2/ Belgium/Luxembourg, Brazil, France, the Republic of South Africa, Spain, the United Kingdom, and West Germany. The investigations concerning imports from Italy and the Netherlands were terminated; therefore, data on such imports are not included.

3/ Belgium/Luxembourg, France, the United Kingdom, and West Germany.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

As a share of U.S. consumption, imports of carbon steel structural shapes from all sources declined from 30.9 percent in 1978 to 30.1 percent in 1980. Imports during January-November 1981 accounted for 33.8 percent of the market, compared with 29.8 percent reported in the corresponding period of 1980. On a quarterly basis, imports have taken an increasing share of the market in 1981 rising from a low of 27.5 percent in January-March to 36.7 percent in July-September.

Imports from countries subject to active countervailing duty and antidumping investigations.--Imports of carbon steel structural shapes from all countries subject to active countervailing duty investigations declined steadily from 899,000 tons in 1978 to 806,000 tons in 1980, representing a decline of 10 percent. Imports during January-November 1981 were 1.0 million tons, representing about a 30-percent increase from those in the corresponding period of 1981. Imports from countries subject to active antidumping investigations followed a similar trend, decreasing from 1978 to 1980 and then increasing to 656,000 tons in January-November 1981. Imports from countries subject to both countervailing and antidumping investigations accounted for 15.7 percent of apparent consumption in 1978, 14.1 percent in 1980 and 18.5 percent in January-November 1981.

Imports of carbon steel structural shapes from all countries subject to active countervailing duty and antidumping investigations increased rapidly from 179,000 tons in October-December 1980 to 333,000 tons in April-June 1981, representing an increase of 86 percent (table VI-17). The share of the U.S. market accounted for by these imports also increased rapidly from 12.7 percent in October-December 1980 to 19.8 percent in July-September 1981.

Belgium/Luxembourg. 1/--Imports of carbon steel structural shapes from Belgium/Luxembourg accounted for 17 percent of total imports in 1980 (tables VI-18 and VI-19) and 36 percent of imports from countries subject to active countervailing duty and antidumping investigations. As such, these imports represented the second largest input of foreign structural steel shapes (after Japan) in the U.S. market. Imports increased from 307,000 tons in 1978 to 379,000 tons in 1979, and then declined to 293,000 tons in 1980. Imports in January-November 1981 rose to 367,000 tons, representing a 34-percent increase over those in the corresponding period of 1980. Imports from Belgium/Luxembourg represented 6.0 percent of apparent U.S. consumption in 1979, 5.1 percent in 1980, and 6.7 percent in January-November 1981. On a quarterly basis, such imports increased from 5.2 percent of the market in January-March 1981 to 7.8 percent in July-September (table VI-20 and VI-21).

France.--In 1980, imports of carbon steel structural shapes from France accounted for about 3 percent of total imports and about 1 percent of U.S. consumption. Imports from France declined steadily from 1978 to 1980, but increased in January-November 1981 to 49,000 tons, representing an increase of 36 percent over imports in the corresponding period of 1980. However, the ratio of these imports to apparent consumption remained at 1 percent.

1/ Although import data for Belgium and Luxembourg are not separately reported, an analysis of import documents by Commerce officials indicates that approximately * * * percent of the combined imports were from Luxembourg.

Table VI-17.--Carbon steel structural shapes (TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045): U.S. imports for consumption, by selected sources and by quarters, January 1980-December 1981

Period	Imports from all EC countries 1/	Imports from all countries subject to active countervailing duty investigations 2/	Imports from all countries subject to active antidumping investigations 3/
	Quantity (1,000 tons)		
1980:			
Jan.-Mar	131	190	131
Apr.-June	159	220	158
July-Sept	144	218	144
Oct.-Dec	105	179	105
1981:			
Jan.-Mar	134	221	133
Apr.-June	208	333	207
July-Sept	206	295	205
Oct.-Dec	155	216	154
	Share of apparent U.S. consumption (percent)		
1980:			
Jan.-Mar	8.1	11.8	8.1
Apr.-June	11.2	15.5	11.2
July-Sept	11.2	16.9	11.2
Oct.-Dec	7.5	12.7	7.5
1981:			
Jan.-Mar	8.8	14.5	8.8
Apr.-June	12.9	20.8	12.9
July-Sept	13.8	19.8	13.8
Oct.-Dec	4/	4/	4/

1/ Belgium/Luxembourg, Denmark, France, Italy, the Netherlands, the United Kingdom, and West Germany.

2/ Belgium/Luxembourg, Brazil, France, the Republic of South Africa, Spain, the United Kingdom, and West Germany. The investigations concerning imports from Italy and the Netherlands were terminated; therefore, data on such imports are not included.

3/ Belgium/Luxembourg, France, the United Kingdom, and West Germany.

4/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Table VI-18.--Carbon steel structural shapes (TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045): U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981

Source	1978	1979	1980	January-November--	
				1980	1981
	Quantity (1,000 short tons)				
EC countries:					
Belgium/Luxembourg	307	379	293	274	367
Denmark	0	0	1/	1/	0
France	99	70	46	36	49
Greece	1	0	0	0	0
Ireland	0	0	0	0	0
Italy	1/	1/	1/	1/	1/
Netherlands	1/	1/	1/	1/	1
United Kingdom	72	68	63	45	133
West Germany	167	134	136	125	107
Subtotal (EC)	646	651	538	480	657
Brazil	24	20	1/	1/	15
Canada	272	255	258	231	213
Japan	491	647	624	585	602
Republic of South Africa	174	103	93	87	108
Spain	56	96	174	151	231
All other	108	78	38	30	24
Total, all sources	1,771	1,850	1,725	1,564	1,850
	Value (1,000 dollars)				
EC countries:					
Belgium/Luxembourg	74,117	112,003	92,762	86,295	132,148
Denmark	-	-	53	53	-
France	23,592	20,985	14,239	11,021	17,616
Greece	468	-	-	-	-
Ireland	-	-	-	-	-
Italy	17	2/ 23	2/ 258	2/ 248	2/ 296
Netherlands	83	122	31	31	470
United Kingdom	19,386	22,377	21,369	15,341	50,051
West Germany	41,311	41,993	46,029	42,012	41,881
Subtotal (EC)	158,974	197,503	174,741	155,001	242,462
Brazil	4,548	4,861	7	4	4,772
Canada	77,376	85,714	88,868	79,725	76,762
Japan	122,522	207,778	213,452	200,507	213,260
Republic of South Africa	42,423	30,196	28,259	26,223	39,504
Spain	12,492	27,480	55,640	47,486	83,321
All other	26,836	25,957	14,068	12,239	8,254
Total, all sources	445,171	579,489	575,035	521,185	668,335

See footnotes at end of table.

Table VI-18.--Carbon steel structural shapes (TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045): U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981--Continued

Source	1978	1979	1980	January-November--	
				1980	1981
	Unit value (per ton)				
EC countries:					
Belgium/Luxembourg	$241	$295	$316	$315	$360
Denmark	-	-	328	328	-
France	238	299	309	309	357
Greece	366	-	-	-	-
Ireland	-	-	-	-	-
Italy	263	2/ 1,307	2/ 1,560	2/ 1,552	2/ 1,566
Netherlands	290	283	505	505	339
United Kingdom	271	326	340	342	376
West Germany	248	313	337	336	391
Average (EC)	246	303	325	323	369
Brazil	192	247	347	358	324
Canada	284	336	344	346	361
Japan	249	321	342	342	354
Republic of South Africa	243	294	303	302	366
Spain	223	285	320	315	361
All other	248	333	370	408	343
Average, all sources	251	313	333	333	361

1/ Less than 500 tons.
2/ Data should be considered unreliable pending verification.

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

Table VI-19.--Carbon steel structural shapes (TSUSA items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045): U.S. imports for consumption, by principal sources and by quarters, January 1980-December 1981

(In thousands of short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries:								
Belgium/Luxembourg	60	100	93	41	79	110	117	98
Denmark	1/	0	0	0	0	0	0	0
France	21	9	2	14	10	19	14	10
Greece	0	0	0	0	0	0	0	0
Ireland	0	0	0	0	0	0	0	0
Italy	1/	1/	1/	1/	1/	1/	1/	1/
Netherlands	1/	1/	1/	0	1	1	0	1/
United Kingdom	18	5	12	28	34	41	34	27
West Germany	33	44	37	23	10	38	41	20
Subtotal (EC)	131	159	144	105	133	207	206	155
Brazil	0	1/	0	1/	1/	7	6	3
Canada	83	59	46	71	61	65	55	43
Japan	178	196	139	111	132	167	190	157
Republic of South Africa	25	19	31	18	9	46	22	33
Spain	34	42	43	56	79	73	61	25
All other	11	8	3	13	5	5	8	4
Total, all sources	462	483	406	374	420	571	548	420

1/ Less that 500 short tons.

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

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

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Table VI-20.--Carbon steel structural shapes: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In percent)

Item	1978	1979	1980	January-November--	
				1980	1981
Ratio of imports to apparent U.S. consumption:					
EC countries:					
Belgium/Luxembourg	5.4	6.0	5.1	5.2	6.7
Denmark	-	-	1/	1/	-
France	1.7	1.1	.8	.7	.9
Greece	1/	-	-	-	-
Ireland	-	-	-	-	-
Italy	1/	1/	1/	1/	1/
Netherlands	1/	1/	1/	1/	1/
United Kingdom	1.3	1.1	1.0	.9	2.4
West Germany	2.9	2.1	2.4	2.4	1.9
Subtotal (EC)	11.3	10.4	9.4	9.1	12.0
Brazil	.4	.3	1/	1/	.2
Republic of South Africa	3.0	1.7	1.6	1.7	1.9
Spain	1.0	1.5	3.0	2.9	4.2
All other countries	15.2	15.7	16.1	16.1	15.3
Total, all imports	30.9	29.7	30.1	29.8	33.8
Ratio of imports to U.S. producers' shipments:					
EC countries:					
Belgium/Luxembourg	7.6	8.4	7.1	7.2	9.9
Denmark	-	-	1/	1/	-
France	2.4	1.6	1.1	.9	1.3
Greece	1/	-	-	-	-
Ireland	-	-	-	-	-
Italy	1/	1/	1/	1/	1/
Netherlands	1/	1/	1/	1/	1/
United Kingdom	1.8	1.5	1.5	1.2	3.5
West Germany	4.1	2.9	3.3	3.3	2.8
Subtotal (EC)	15.9	14.4	13.1	12.7	17.7
Brazil	.6	.4	1/	1/	.4
Republic of South Africa	4.3	2.3	2.3	2.3	2.9
Spain	1.4	2.1	4.2	3.9	6.2
All other countries	21.5	21.7	22.3	22.3	22.5
Total, all imports	43.7	40.9	41.9	41.3	49.7

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Table VI-21.--Carbon steel structural shapes: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, January 1980-December 1981

(In percent)

Item	1980				1981			
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.
Ratio of imports to apparent U.S. consumption:								
EC countries:								
Belgium/Luxembourg	3.7	7.1	7.2	2.9	5.2	6.9	7.8	2/
Denmark	1/	-	-	-	-	-	-	2/
France	1.3	.6	.2	.9	.7	1.2	.9	2/
Greece	-	-	-	-	-	-	-	2/
Ireland	-	-	-	-	-	-	-	2/
Italy	1/	1/	1/	1/	1/	1/	1/	2/
Netherlands	1/	1/	1/	-	1/	1/	-	2/
United Kingdom	1.1	1/	1/	2.0	2.2	2.6	2.3	2/
West Germany	2.0	3.1	2.9	1.6	.7	2.4	2.7	2/
Subtotal (EC)	8.1	11.2	11.2	7.5	8.8	12.9	13.7	2/
Brazil	-	1/	-	1/	1/	.4	.4	2/
Republic of South Africa	1.5	1.3	2.4	1.3	.6	2.9	1.5	2/
Spain	2.1	2.9	3.3	3.9	5.2	4.6	4.1	2/
All other countries	16.9	18.5	14.6	13.9	12.9	14.8	16.9	2/
Total, all imports	28.6	34.1	31.5	26.6	27.5	35.6	36.7	2/
Ratio of imports to U.S. producers' shipments:								
EC countries:								
Belgium/Luxembourg	5.1	10.3	10.2	3.8	6.9	10.4	11.9	2/
Denmark	1/	-	-	-	-	-	-	2/
France	1.8	.9	.2	1.3	.9	1.8	1.4	2/
Greece	-	-	-	-	-	-	-	2/
Ireland	-	-	-	-	-	-	-	2/
Italy	1/	1/	1/	1/	1/	1/	1/	2/
Netherlands	1/	1/	1/	-	1/	1/	-	2/
United Kingdom	1.5	1/	1.3	2.6	2.9	3.9	3.5	2/
West Germany	2.8	4.5	4.1	2.2	.9	3.6	4.2	2/
Subtotal (EC)	11.1	16.4	15.8	9.8	11.7	19.6	21.1	2/
Brazil	-	1/	-	1/	1/	.6	.6	2/
Republic of South Africa	2.1	1.9	3.4	1.7	.8	4.3	2.3	2/
Spain	2.9	4.3	4.7	5.3	6.9	6.9	6.2	2/
All other countries	23.1	27.2	20.6	18.3	17.4	22.4	25.9	2/
Total, all imports	39.3	48.9	44.5	35.1	36.8	53.9	56.1	2/

1/ Less than 0.05 percent.
2/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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The United Kingdom.--Imports of structural shapes from the United Kingdom gradually declined from 72,000 tons in 1978 to 63,000 tons in 1980, when they accounted for about 1 percent of apparent consumption. Imports sharply increased to 133,000 tons in January-November 1981, representing an increase of almost 200 percent over those in the corresponding period of 1980. Imports accounted for 0.9 percent of apparent consumption in January-November 1980 and 2.4 percent in the corresponding period of 1981.

West Germany.--In 1980, imports from West Germany accounted for about 8 percent of total imports and 2 percent of apparent U.S. consumption. Imports declined in 1981 to 107,000 tons, about 14 percent less than imports in the corresponding period of 1980. Imports from West Germany in July-September 1981 were only slightly larger than those in July-September 1980.

Other cited countries.--Imports of carbon steel structural shapes from the Republic of South Africa declined from 174,000 tons in 1978 to 93,000 tons in 1980, representing a decrease of almost 50 percent. Imports increased, however, in January-November 1981 to 108,000 tons, or 24 percent more than those reported in the corresponding period of 1980. Imports from South Africa accounted for about 2 percent of consumption in 1980 and in January-November 1981.

Imports from Spain increased sharply from 56,000 tons in 1978 to 174,000 tons in 1980 and continued to increase in January-November 1981. These imports represented 3.0 percent of apparent consumption in 1980 and 4.2 percent in January-November 1981.

Imports from Brazil declined from 24,000 tons in 1978 to less than 500 tons in 1980. Imports increased to 15,000 tons in 1981; however, such imports accounted for less than 0.5 percent of consumption in each reported period.

Prices

Demand for carbon steel structural shapes and price trends for such products depend largely on the level of activity in the construction industry. The construction industry, in turn, is highly influenced by the business cycle and the level of government spending, and is particularly sensitive to interest rates. Because of falling construction levels, demand for carbon steel structural shapes fell sharply in 1980 and continued to decline in 1981. As demand for structural shapes falls, competition and discounting increase and the price of structurals softens. Public nonresidential building construction, measured by value put in place, was down 9.2 percent in real terms in 1981 from its peak in 1978. 1/ Nonbuilding construction on the same basis was 19.4 percent below the 1978 level. 2/ Private nonresidential building construction (office buildings) was the only strong segment of this market in 1981.

1/ These percentages are based on Bureau of Census data on value of construction put in place, in constant 1972 dollars.

2/ Nonbuilding construction includes such construction project categories as bridges, military facilities, development projects such as dams, sewer and water supply systems, railways, and subways.

U.S. producers usually quote prices for structural shapes on a f.o.b. mill basis. 1/ Importers of the product from Belgium, France, Italy, the Netherlands, the United Kingdom, West Germany, and Brazil generally quote prices of an f.a.s. port-of-entry basis. Prices are calculated from a base price plus extra charges for differences in width, length, thickness, and steel chemistry. Price changes are at times limited to the base price and at other times to extras, but can include a combination of both. There have been seven announced price increases for structural shapes during January 1979-December 1981. The most recent one occurred in October 1981.

U.S. producers maintain published list prices, but discounting from list prices has become an increasing occurrence. Discounting can take several forms. Freight absorbtion is one method. Another is to forego the cost of extras, or discounts can be simply a reduction in base price. Domestic producers sometimes quote prices at time of shipment, while importers quote prices at time of order. Pricing of primary quality steel mill products as secondary quality is yet another method of discounting.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports of carbon steel structural shapes in 1979-81 are shown in table VI-22 and figures VI-1 and VI-2. The producers' price index is based on list prices and may not reflect changes in actual transaction prices. 2/ Unit value indexes may vary over time not only because of changes in prices, but also because of changes in the specific types of steel being imported.

The producers' price index for structural shapes reflects a steady increase totaling 33 percent for the 3-year period; trigger prices for these products increased 26 percent. Indexes of the unit value of imports of structural shapes show a varied pattern of increases. Between January-September 1979 and July-September 1981, the last quarter for which full information is available, the indexes of unit values of imports from Belgium, France, and West Germany increased by roughly the same amount and in the same pattern as the increase in trigger prices.

The unit values of imports of structural shapes from the United Kingdom remained irregularly below their January-March 1979 level during most of the period, climbing by about 8 percent during April-September 1981, and then falling back to a level only 2 percent above the initial level. Structural shapes imported from the Netherlands, in contrast, show an increase of 52 percent in the unit value index for the period. The unit value of such imports from Brazil reflects an irregular quarterly pattern that peaked in January-March 1981 at a level almost 62 percent above that of the corresponding period of 1979, and then fell to a level roughly 33 percent higher than the January-March 1979 level during the last three quarters of 1981.

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, in which a producer supplying a customer who is located closer to a competing producer absorbs any differences in freight costs. The more distant producer charges the customer's account only for freight costs as if the product was shipped from the closer producer.

2/ The producers' price index is compiled by the Bureau of Labor Statistics.

Table VI-22.--Carbon steel structural shapes: Indexes of producer prices, trigger prices, and unit values of imports from Belgium, France, the United Kingdom, West Germany, and Brazil, by quarters, January 1979-December 1981 1/

(January-March 1979=100)

Period	Producer price index	Trigger-price index	Indexes of unit values of imports from--					
			Belgium 2/	France	Nether-land	United Kingdom	West Germany	Brazil
1979:								
January-March	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-June	102.0	100.0	99.3	107.4	-	89.7	98.1	108.6
July-September	102.9	98.7	108.1	107.0	108.0	92.2	97.5	-
October-December	106.6	98.7	108.5	106.3	113.0	88.9	100.9	-
1980:								
January-March	108.6	101.6	106.4	106.3	-	94.4	103.5	-
April-June	112.7	3/	112.0	109.9	137.8	94.4	105.6	147.3
July-September	112.6	3/	112.0	111.3	130.5	89.7	107.9	-
October-December	117.8	114.1	118.4	111.6	-	97.5	111.7	137.0
1981:								
January-March	117.7	115.0	121.6	125.4	119.5	99.4	122.2	161.7
April-June	126.7	126.1	131.1	121.8	143.9	107.5	119.3	132.5
July-September	126.5	126.1	132.2	132.0	-	107.8	126.9	135.4
October-December	133.1	126.1	4/ 126.1	4/ 121.1	4/ 152.4	4/ 101.7	4/ 125.9	4/ 131.3

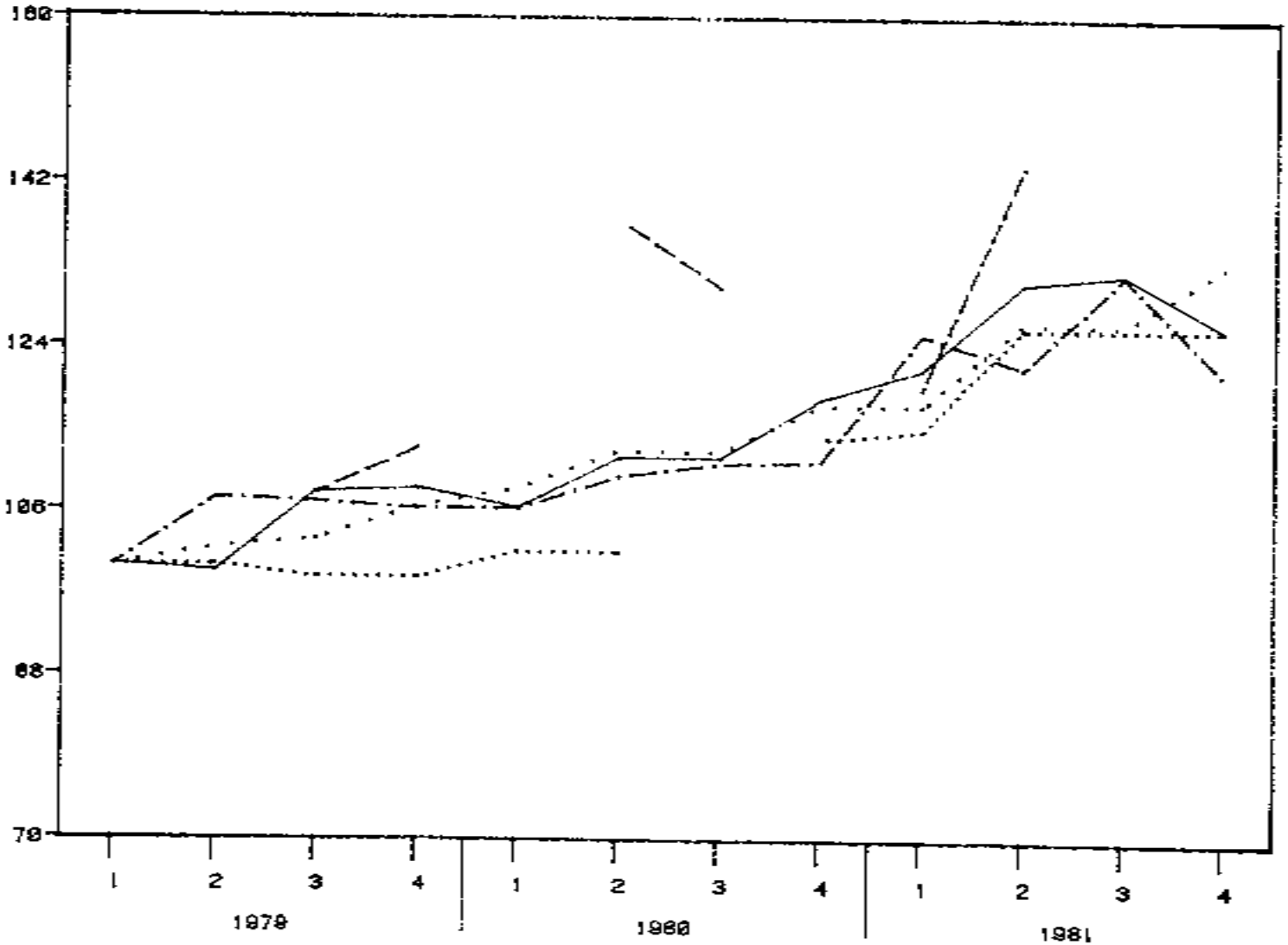
1/ The trigger-price index is for carbon steel shapes (AISI category 3-1)
2/ Import data for Belgium include data on Luxembourg.
3/ Trigger price was suspended.
4/ Unit value indexes refer to October only.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics and the U.S. Department of Commerce.

Note.--Indexes are presented for comparisons of trends; index levels are not comparable.

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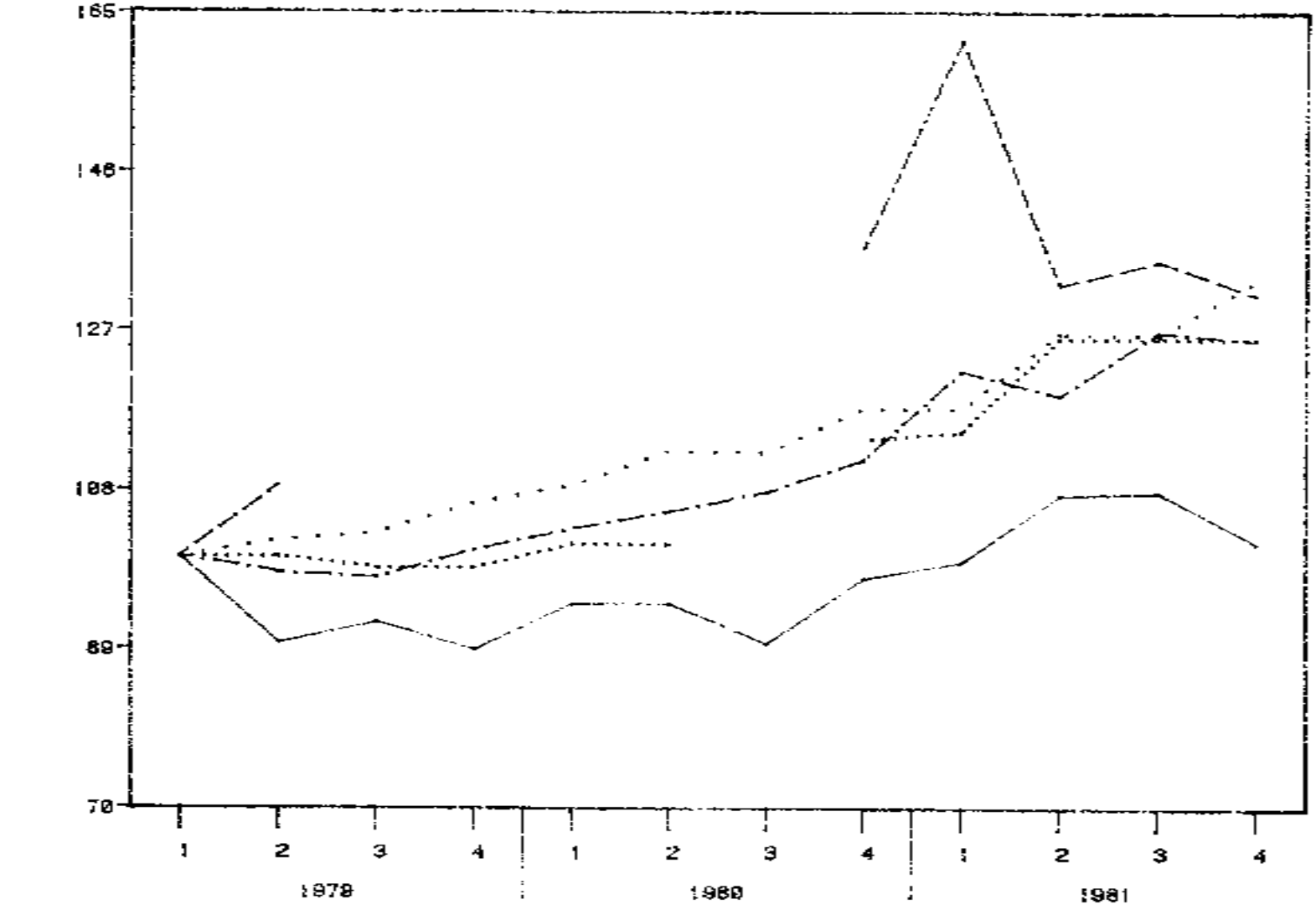
FIGURE VI-1.--CARBON STEEL STRUCTURAL SHAPES: INDEXES OF PRODUCER PRICES, TRIGGER PRICES, AND UNIT VALUES OF IMPORTS BY COUNTRY, BY QUARTER, JANUARY 1979 THRU DECEMBER 1981.



SOURCE: SEE TABLE VI-22.

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FIGURE VI-2.--CARBON STEEL STRUCTURAL SHAPES: INDEXES OF PRODUCER PRICES, TRIGGER PRICES, AND UNIT VALUES OF IMPORTS BY COUNTRY, BY QUARTER, JANUARY 1979 THRU DECEMBER 1981.



SOURCE: SEE TABLE VI-22.

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Unit value indexes are available for October 1981. Compared with unit values in July-September 1981, unit values decreased in October for imports from Belgium, France, the United Kingdom, West Germany, and Brazil. There were no imports from the Netherlands reported in July-September 1981; however, the unit value of imports from that country increased in October compared with the unit value of such imports in April-June 1981.

Transaction prices.--The Commission requested data on average net selling prices for specific products from domestic producers and importers. In addition, to facilitate direct comparison of prices, the Commission requested data on prices paid by steel purchasers.

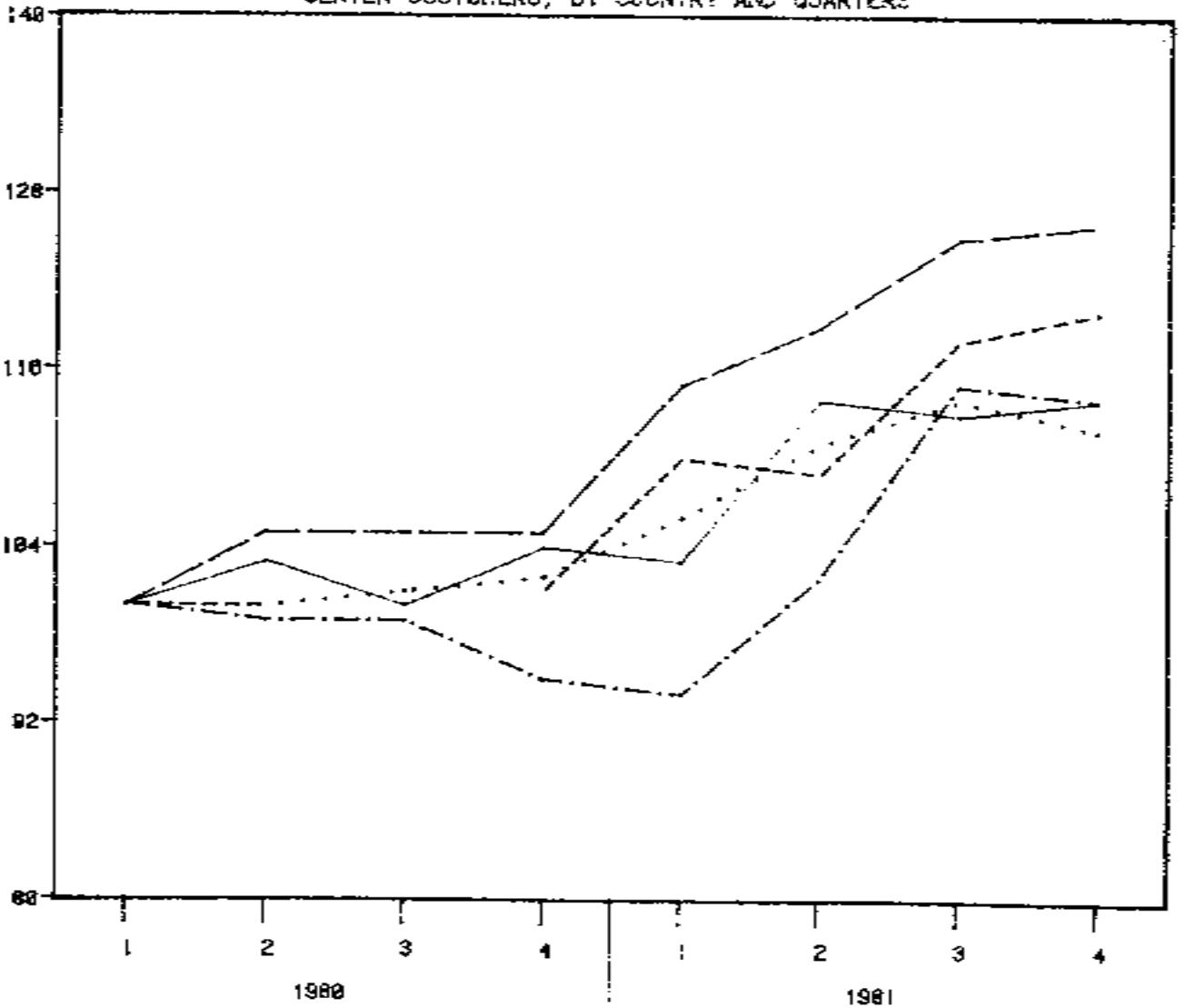
Trends in prices.--Domestic producers and importers were asked by questionnaire to supply data on selling prices, by quarters, for the period January 1980 to December 1981. The Commission requested selling prices for six representative carbon steel structural shape products. 1/ Domestic producers and importers were asked to provide the average net selling price of the specified product to both steel service center/distributor customers and to end users. These are average prices charged in many different transactions and do not include delivery charges. These data cannot be used to compare the levels of domestic producers' and importers' prices, but are useful for comparing trends and should reflect any discounting that may be occurring in these prices.

Price data covering some or all of the representative products were received from 20 domestic producers and 35 importers. The number of importers that provided prices for imported carbon steel structural shapes by country of origin was: nine (Belgium), two (France), four (Luxembourg), one (the United Kingdom), six (West Germany), and one (Brazil).

Price indexes based on the average selling prices reported by domestic producers and importers for 1980-1981 are presented in tables 36-39 in appendix J. and figures VI-3 to V-12. Prices of carbon steel structural shapes increased in irregular patterns during 1980-1981. In general, most of the overall price increases, by products and by countries, occurred in 1981 and prior to July-September of that year. The quarterly price trends reflect the cyclical impact of the 1980 and 1981 recessions. In each year, as demand for structural shapes softened and competition for scarce orders increased among domestic producers and between domestic producers and importers, the traditional April-June uptrend in prices was dampened for some products and dipped downward for others.

1/ As a basis for transaction price comparisions, the Commission selected 22 representative steel mill products covering the 9 product categories subject to these investigations. These products and their respective specifications are listed, by product categories, in app. I. The 6 representative structural shapes products are Nos. 13 through 18.

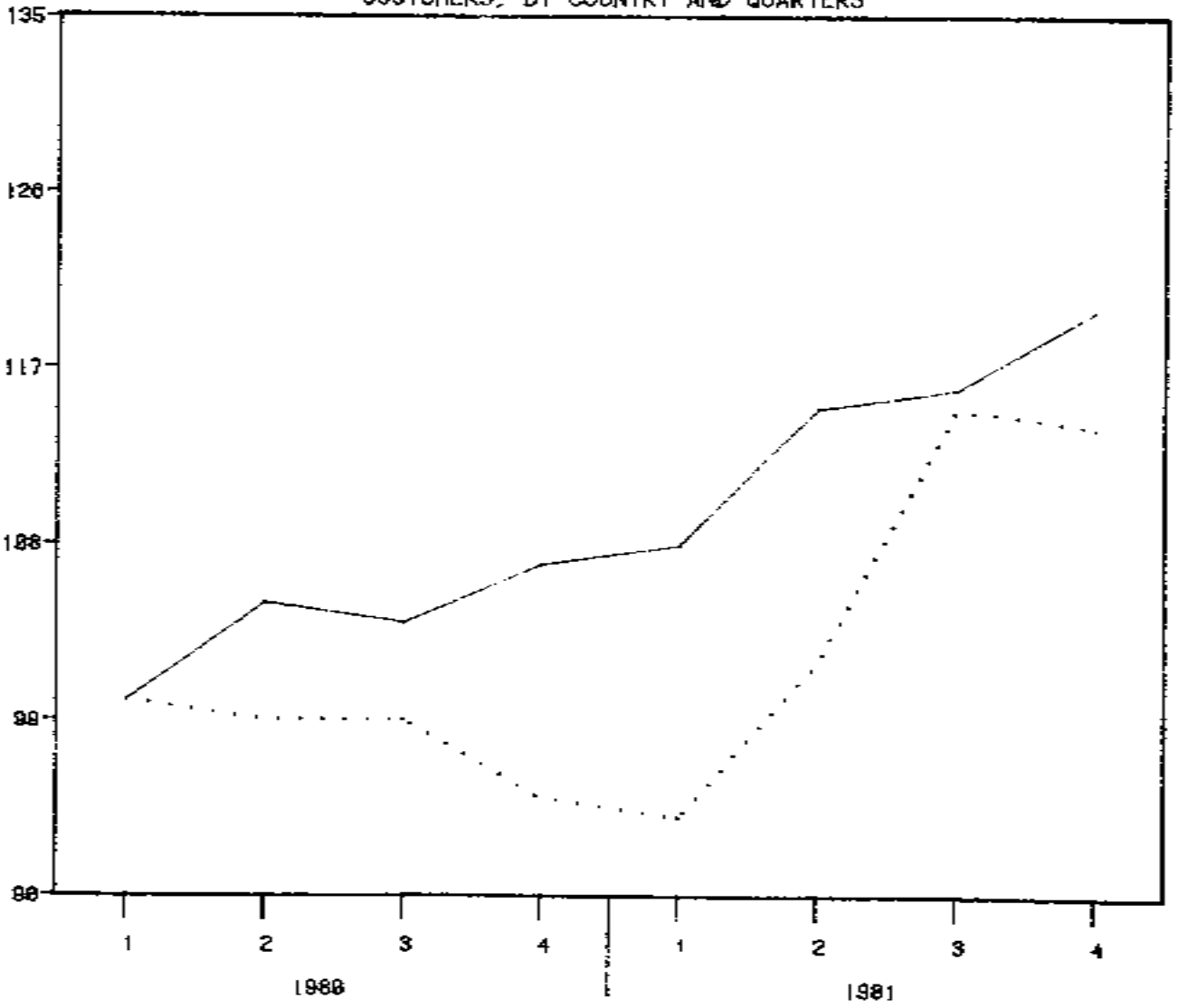
FIGURE VI-3.--CARBON STEEL STRUCTURAL SHAPES-PRODUCT 13
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 36, APPENDIX J

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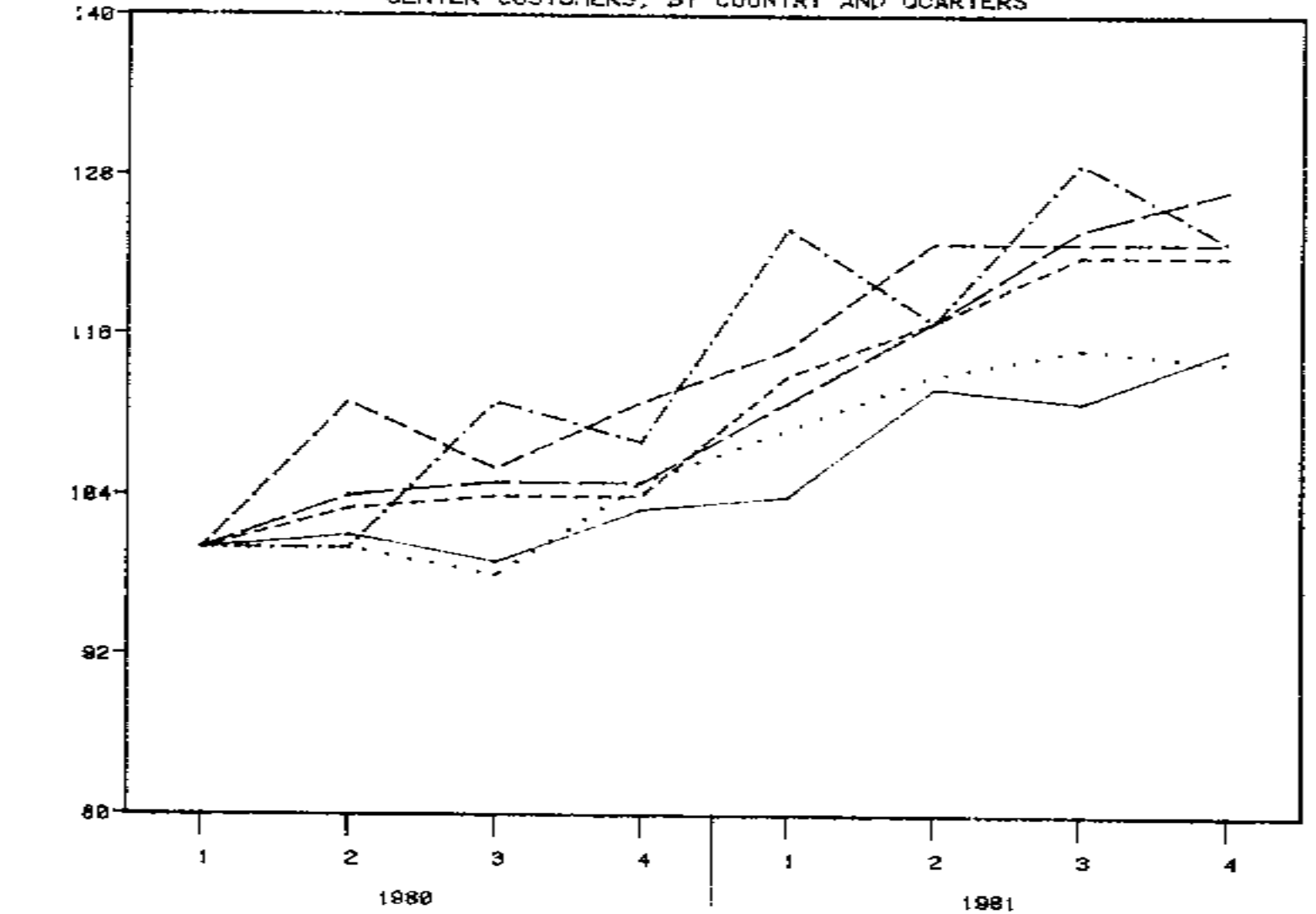
FIGURE VI-4.-- CARBON STEEL STRUCTURAL SHAPES-PRODUCT 13
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 38, APPENDIX J.

VI-39

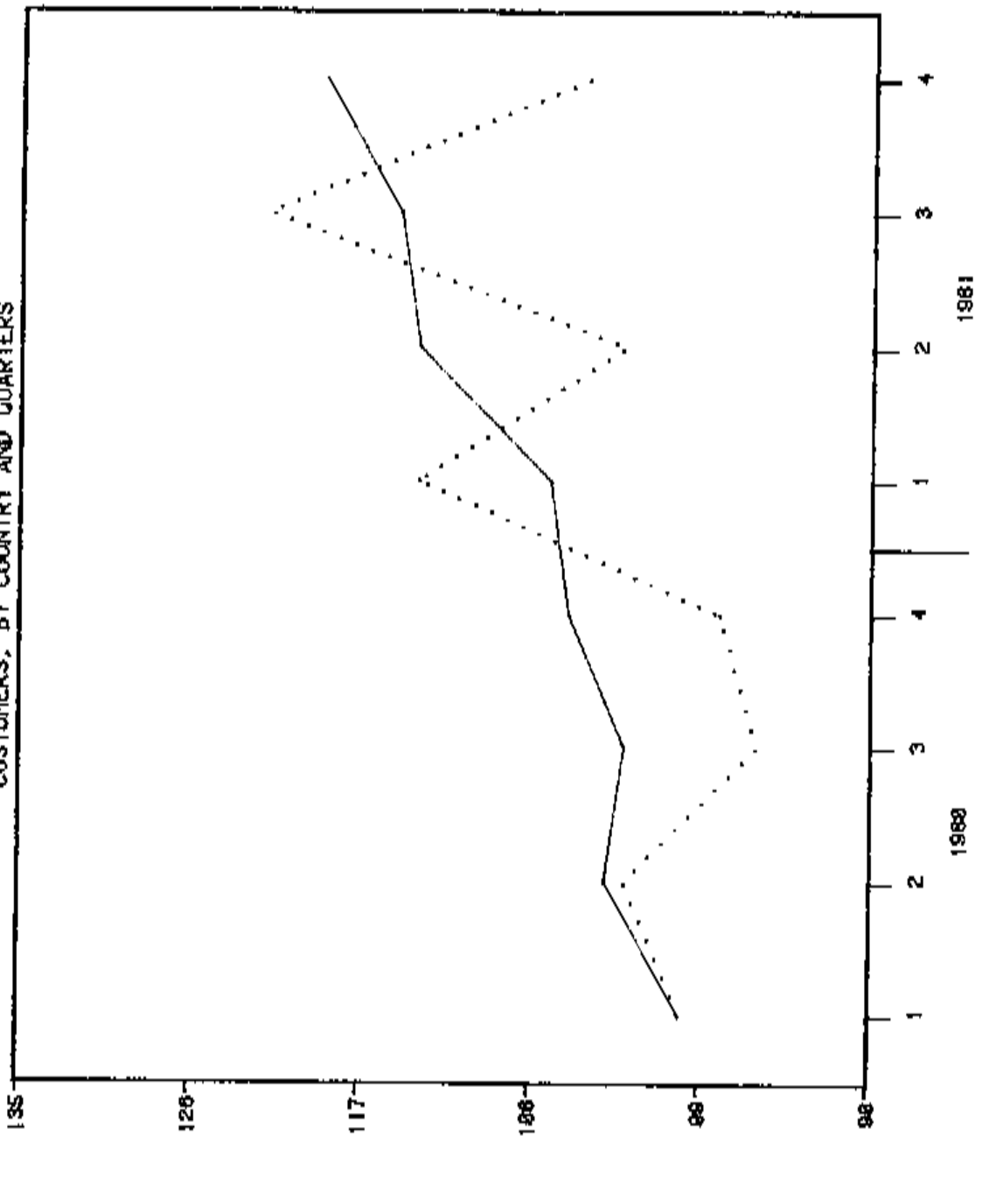
FIGURE VI-5.--CARBON STEEL STRUCTURAL SHAPES-PRODUCT 14
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 36, APPENDIX J.

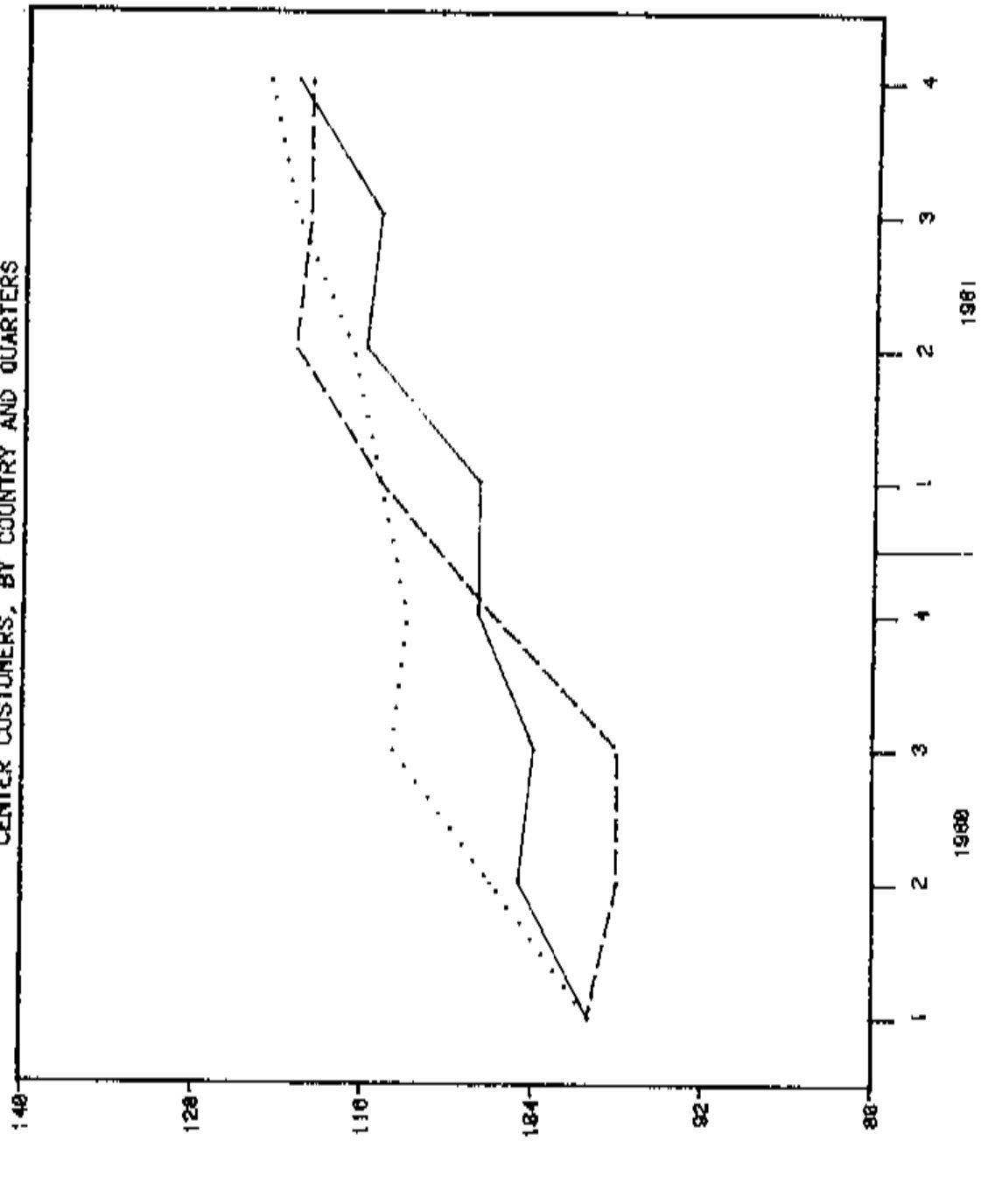
VI-40

FIGURE VI-6.--CARBON STEEL STRUCTURAL SHAPES-PRODUCT 14
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



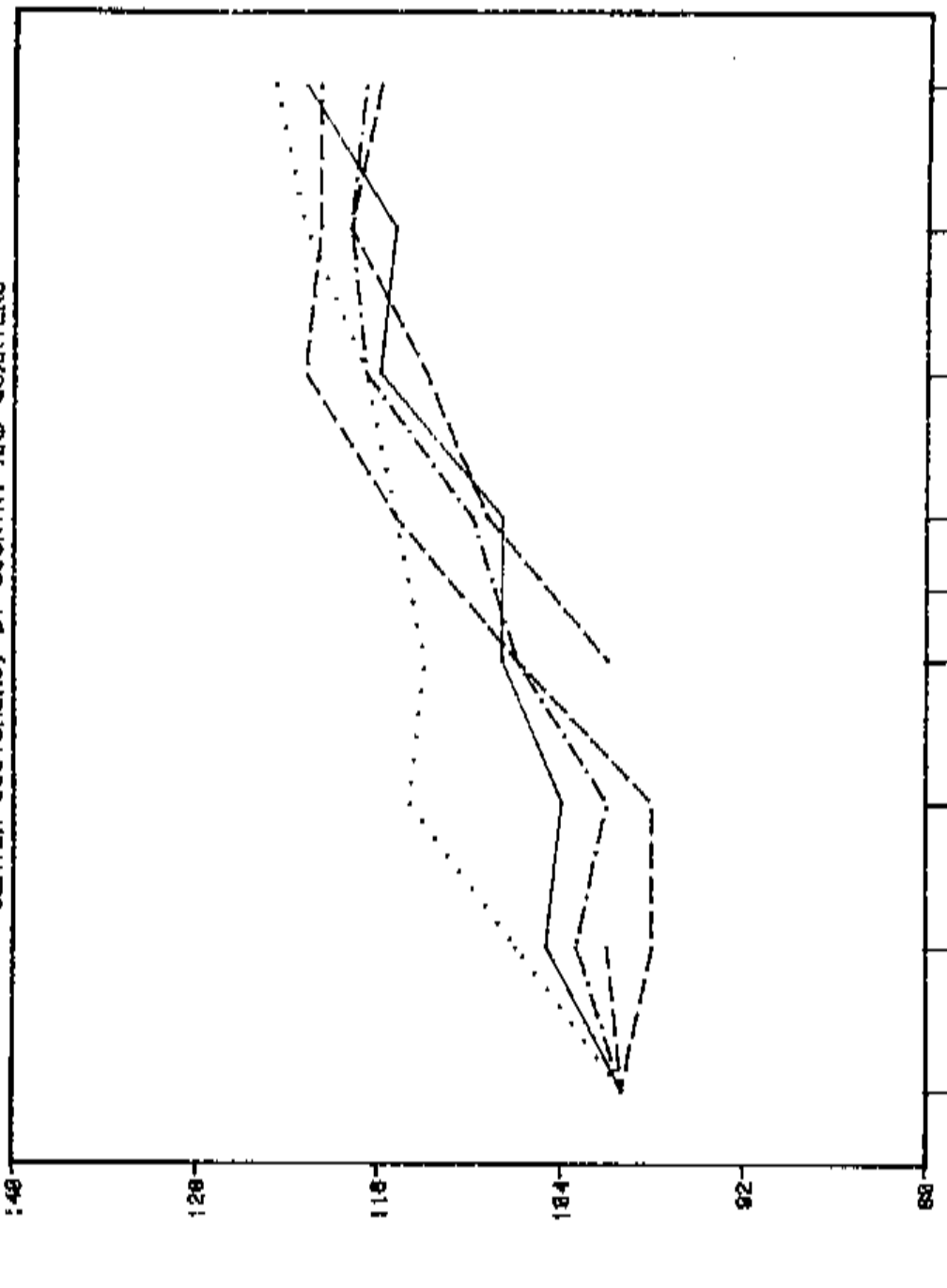
SOURCE: SEE TABLE 38, APPENDIX F.

FIGURE VI-7.--CARBON STEEL STRUCTURAL SHAPES-PRODUCT 15
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



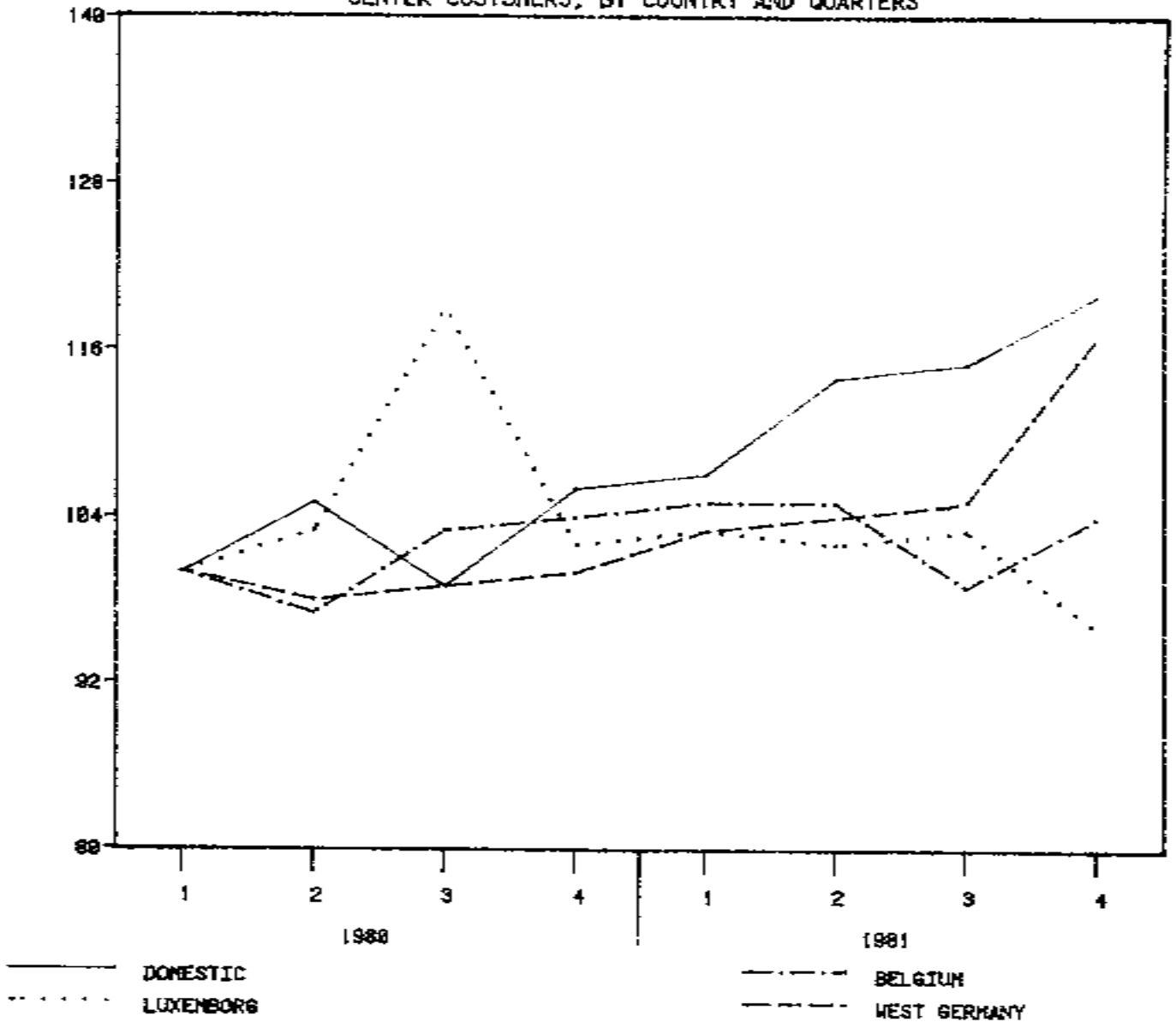
SOURCE: SEE TABLE 36, APPENDIX J.

FIGURE VI-8.--CARBON STEEL STRUCTURAL SHAPES-PRODUCT 18
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 36, APPENDIX J.

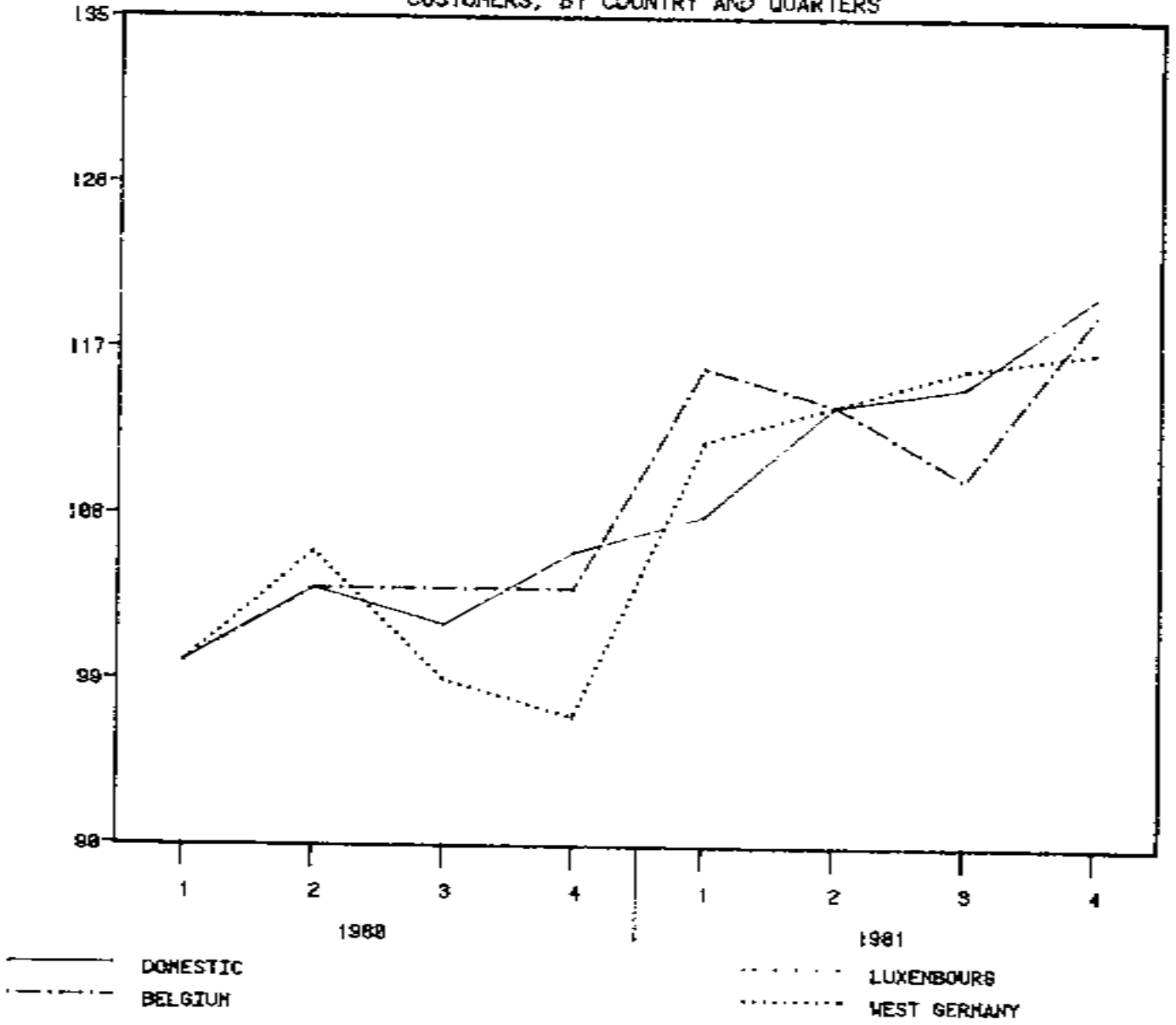
FIGURE VI-9.--CARBON STEEL STRUCTURAL SHAPES-PRODUCT 17
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 37, APPENDIX J.

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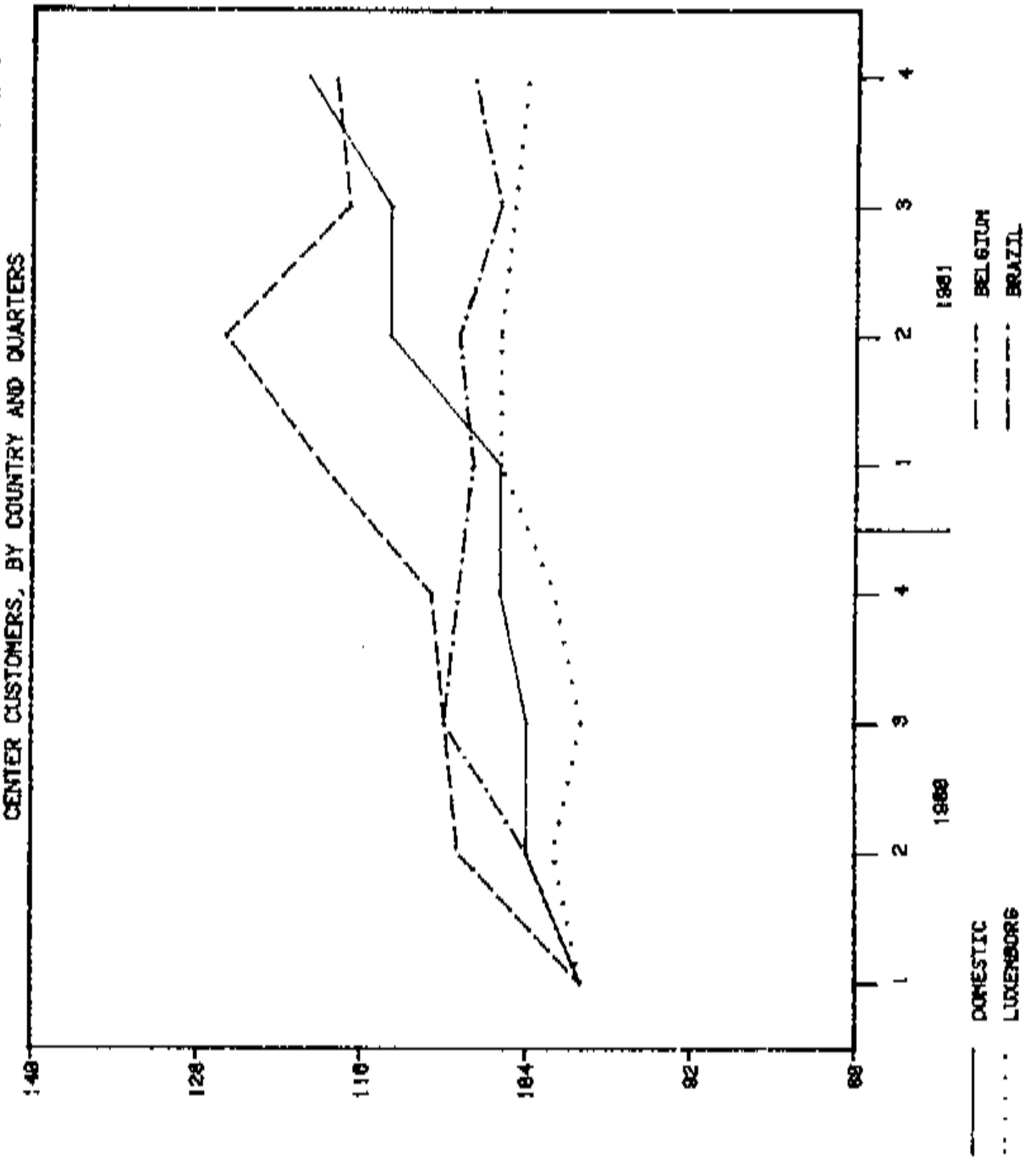
FIGURE VI-10.--CARBON STEEL STRUCTURAL SHAPES-PRODUCT 17
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 39, APPENDIX J.

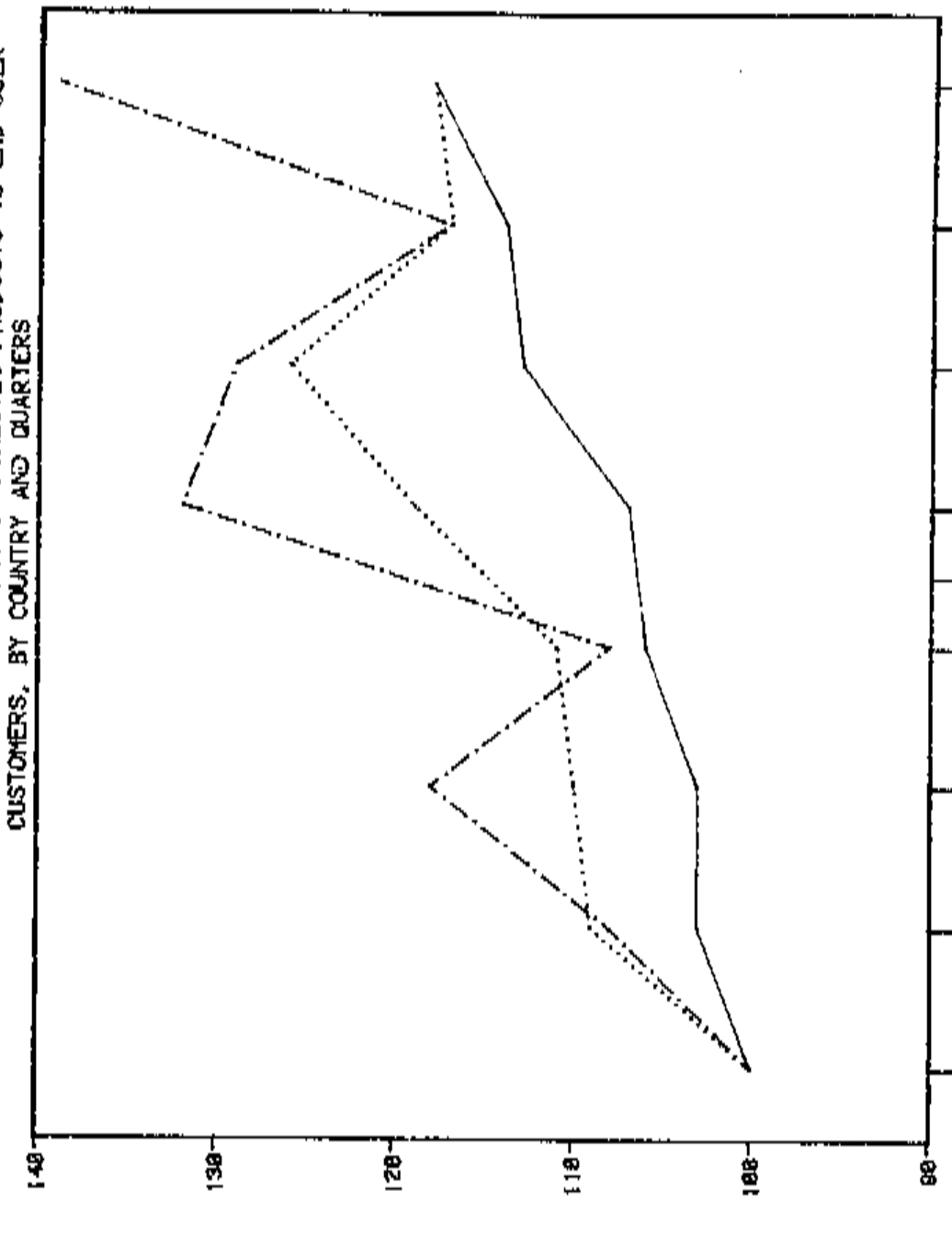
VI-45

FIGURE VI-11.-CARBON STEEL STRUCTURAL SHAPES-PRODUCT 18
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 37, APPENDIX J.

FIGURE VI-12.-- CARBON STEEL STRUCTURAL SHAPES-PRODUCT 18
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS
FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER
CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 39, APPENDIX J.

Apart from the common pattern previously noted, price trends varied broadly by representative products and by countries. Increases in domestic prices of the six representative products sold to steel service center/distributor customers ranged from 14 to 22 percent during 1980-1981. Importers' prices increased between 4 and 28 percent over the same period. For one imported product, channels from Luxembourg, average selling price decreased 4 percent.

Selling prices to steel service center/distributor customers did not increase appreciably for most products until April-June 1981, when prices rose sharply. As in 1980, a rather flat price trend generally followed the spring surge. Prices of domestic structural products were flat during April-September 1981 but increased 1 to 6 percentage points in October-December 1981. In contrast, prices of imported structural products were generally stable during July-December 1981. Compared with the April-June 1981 price levels, the October-December import price indexes were down between 1 and 8 percentage points for some products, and others show an increase of between 1 and 13 points.

Trend analysis across products shows that for steel service center/distributor customers, domestic prices have increased between 7 and 11 percent per year since January-March 1980. Prices of imports increased between 2 and 8.5 percent a year for structurals from Belgium, 13 percent a year for structurals from France, between -2 and 11.5 percent a year for structurals from Luxembourg, between 10 and 14 percent a year for structurals from the United Kingdom, between 7 and 11 percent a year for structurals from West Germany, and 9 percent a year for structurals from Brazil.

For end-user customers, price indexes of producers' and importers' selling prices of carbon steel structural shapes reflect the same general pattern as that of sales to service center/distributor customers, but price trends varied broadly by products and by countries. Increases in domestic prices of the six representative products sold to end-user customers ranged from 18 to 23 percent during 1980-1981. Importers' prices increased between 5 and 39 percent over the same period. For end-user customers, domestic prices have increased between 9 and 11.5 percent a year since January-March 1980. Prices of imports increased between 9.5 and 19.5 percent a year for structurals from Belgium, 8.5 percent a year for structurals from Luxembourg, 10.0 percent a year for structurals from the United Kingdom, between 2.5 and 8.5 percent a year for structurals from West Germany, and 9.0 percent a year for structurals from Brazil.

Purchase prices.--To determine whether or not imported carbon steel structural shapes undersold the competing domestic product, purchasers of structural shapes were asked by questionnaire to supply data on actual transaction prices, by quarters, for January-December 1981. The Commission requested purchase prices for the same six representative carbon steel structural shape products, as previously noted. To insure that these prices would be comparable, each purchaser was asked to provide the delivered purchase price for the firm's largest purchase of the specified product during each quarter of 1981. Purchasers were identified as steel service center/distributor customers and as end-user customers and were located in six

different market areas. Of the 66 purchasers responding to the questionnaire, 25 firms that purchase structural shapes provided data on such products. 1/ The number of purchasers that provided prices of imported structural shapes was: six (Belgium), two (France), one (Luxembourg), one (United Kingdom), and six (West Germany).

Average margins of underselling by imports based on comparisons of actual transaction prices paid by steel service center/distributor customers and end users located in the specified market areas are presented in tables 40-45 in appendix J. Average margins of underselling by imports predominate, but there are instances of imports selling at higher prices than domestic products. 2/ Purchase prices paid by service center/distributor customers in four market areas indicating underselling by imports of structurals were reported in 36 of the quarterly periods compared with reports of overselling in 9 quarters. Margins of overselling range from 1 to 4 percent, and margins of underselling range from lows of 2 to 5 percent to highs of 10 to 15 percent.

For Belgium, margins of underselling on carbon steel structural shapes were as follows: for service centers/distributors in Atlanta, the margins ranged from -1 to 15 percent, with overselling reported in only one period; in Chicago, the margin was 13 percent; in Houston, the margins ranged from 6 to 8 percent; in Philadelphia, the margin of overselling was 3 percent, reported in a single period. For end users in Houston, the margins ranged from -3 to 30 percent, with overselling reported in three periods.

For France, margins of underselling on carbon steel structural shapes for service centers/distributors in Chicago ranged from -2 to 6 percent, with overselling reported in only one period.

For Luxembourg, margins of underselling were as follows: For service centers/distributors in Atlanta, the margins ranged from 6 to 14 percent; in Detroit, the margin was 5 percent; and in Houston, the margins ranged from -8 to 25 percent, with overselling reported in three periods. For end users in Houston, the margins ranged from -5 to 28 percent with overselling reported in six periods.

For the United Kingdom, the margin of underselling for service centers/distributors was 12 percent in a single period.

For West Germany, margins of underselling were as follows: For service centers/distributors in Atlanta, the margins ranged from -3 to 10 percent, with overselling reported in one period; in Chicago, the margin was 4 percent in a single period; and in Houston, the margins ranged from -4 to 6 percent with overselling reported in only one period.

1/ Purchases by these firms of all product categories of steel mill products covered by these investigations totaled 3.4 million tons. Twenty-five firms that purchased structural shapes provided data on such products. Purchases of carbon steel structual shapes by those firms totaled 365,600 tons. Responses, by cities, included 6 from the Atlanta area, 14 from the Chicago area, 15 from the Detroit area, 14 from the Houston area, 8 from the Los Angeles area, and 7 from the Philadelphia area.

2/ These margins of overselling are reported with negative signs.

Nonprice considerations.--Purchasers were asked by questionnaire to rate nonprice factors that are considerations in their steel purchase decisions. The 25 firms that provided quantity data on purchases of carbon steel structural shapes ranked quality of the product and reliability of the vendor as the most important nonprice considerations. Proximity of the source and service were related as less important factors. Although most firms state that quality of the product was as important a consideration as price, 72 percent of respondent purchaser firms said that they did not pay a premium over a competing offer price because of a nonprice factor.

Lost sales

Two domestic producers submitted a total of 108 specific allegations of lost sales of carbon steel structural shapes to imports from January 1980 to January 1982. The staff investigated 25 of these allegations totaling over 85,000 tons of lost sales and found price to be the major reason for purchasing the imported product in the 21 allegations confirmed. 1/ However, other variables were cited, ranging from availability of a specific product to quality of foreign versus domestic product. A breakdown of the allegations, those checked, and those confirmed is given in the following tabulation:

Source	Total allegations	Total allegations checked	Total allegations confirmed
Belgium	21	4	2
Brazil	0	0	0
France	15	3	3
Luxembourg	21	10	10
United Kingdom	17	2	1
West Germany	1	0	0
Not specified	33	6	5
Total	108	25	21

Most allegations were against Luxembourg and Belgium, each with 21, followed by the United Kingdom, with 17, and France, with 15. Of the 21 allegations against Luxembourg, 10 were checked and in all cases were confirmed due to price. Of the 10, 3 were in the gulf coast region and four were on the west coast. Purchasers in the gulf coast region cited a price difference of approximately $70 per ton (delivered price) between foreign and domestic structurals; west coast purchasers reported a price difference of $100 to $150 per ton (delivered price) for large structural shapes. Both groups of purchasers attributed their purchases of imports to domestic producers' inability to supply large wide flange beams for the construction

1/ Although purchasers stated price was the major reason for purchasing imported structural shapes, they stated that domestic producers' estimates of tonnage involved in the alleged lost sale were grossly overstated in most cases.

industry and the high shipping costs (reflected in delivered price) for structurals from U.S. mills located primarily on the east coast and the great lakes region.

Although shipping costs were an important factor in the purchasing decisions of gulf and west coast respondents, purchasers in regions of the country where shipping costs were comparable for imports and domestic products cited import prices ranging from $20 to $80 per ton below domestic prices on an f.o.b. basis (i.e., excluding shipping costs).

PART VII. HOT-ROLLED CARBON STEEL BAR

Introduction

This part of the report presents information relating specifically to hot-rolled carbon steel bar. Information on foreign producers and the nature and extent of allegedly subsidized sales, as it relates to hot-rolled carbon steel bar, was presented in part I and will not be repeated.

As indicated previously, following receipt on January 11, 1982, of petitions filed on behalf of five domestic producers of steel products, 1/ the Commission instituted the following preliminary countervailing duty investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of allegedly subsidized imports of hot-rolled carbon steel bar:

Country	Countervailing duty investigation No.
Belgium	701-TA-125(P)
Brazil	701-TA-126(P)
France	701-TA-127(P)
Italy	701-TA-146(P)
Luxembourg	701-TA-147(P)
United Kingdom	701-TA-128(P)
West Germany	701-TA-129(P)

In addition to the above countries, the petitioners alleged that imports of hot-rolled carbon steel bar from Spain and the Republic of South Africa were also being subsidized by the Governments of those two countries. As stated earlier, the Commission did not institute investigations on imports from Spain and the Republic of South Africa because they have not signed the GATT Subsidies Code and, therefore, are not entitled to an injury determination by the Commission.

1/ Republic, Inland, J&L, National, and Cyclops. Three of these firms--Republic, Inland, and J&L--produced hot-rolled carbon steel bar in the United States during 1978-81.

The Product

Description and uses 1/

The TSUSA defines bars as "products of solid section not conforming completely to the respective specifications set forth herein for blooms, billets, slabs, sheet bars, wire rods, plates, sheets, strip, wire, rails, joint bars, or tie plates, and which have cross sections in the shape of circles, segments of circles, ovals, triangles, rectangles, hexagons, or octagons" (headnote 3 to part 2B of schedule 6). The term bars, as used in the tariff schedules, does not include bar-size shapes.

Hot-rolled carbon steel bars are divided into two principal grades. The differences between the two grades are based on such factors as degree of internal soundness, relative uniformity of chemical composition, and relative freedom from surface imperfections. The most widely produced grade of hot-rolled carbon steel bar is merchant bar. Merchant bar is used in the production of noncritical parts of bridges, buildings, ships, agricultural implements, motor vehicles, road-building equipment, railway equipment, and general types of machinery. Merchant bar is produced in a variety of standard sizes. It is estimated that 80 percent of U.S. production of hot-rolled carbon steel bars is of merchant bar. The second grade of hot-rolled carbon steel bar is special quality bar. This bar is used when quality characteristics not found in merchant bar are required.

Hot-rolled carbon steel bar can be rolled from many grades of steel, ranging from low-priced, low-carbon steel, to high-priced, high-carbon steel. The bars are generally hot rolled from billets, but can also be produced from old rails, axles, and other reclaimed products that can no longer function in the applications for which they were designed. The billets or reclaimed products are first heated to a uniform temperature and then proceed to a series of rolls that form the steel into the desired shapes and sizes. After being rolled, the bars are cut to standard straight lengths, and then shipped as such, or coiled before shipping. Hot-rolled bars may be round, oval, square, round-cornered, square, hexagonal, rectangular, and so forth, according to the desired end use. Because of the numerous cross sections and sizes required, hot-rolled bars are produced in a variety of mills especially designed to roll a variety of sections and sizes.

Major consumer markets of hot-rolled carbon steel bar are summarized in table VII-1. The automotive sector was the largest consumer of hot-rolled carbon steel bar from January 1979 to September 1981. However, consumption of this article for automotive use dropped steadily over the period, from 24 percent of total domestic producers' shipments in 1979 to 21 percent in the first 9 months of 1981.

1/ A detailed discussion of the steelmaking process and the relative significance of hot-rolled carbon steel bar compared with all carbon steel products was presented in pt. I (pp. I-1 through I-4, and tables I-7, I-8, I-9, and I-11).

Table VII-1.--Hot-rolled carbon steel bar: U.S. producers' shipments, by major markets, 1979, 1980, and January-September 1981

Market	1979		1980		Jan.-Sept. 1981	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 tons		1,000 tons		1,000 tons	
Automotive	1,386	23.6	848	21.1	708	21.1
Machinery, industrial equipment and tools	654	11.1	434	10.8	339	10.1
Steel service centers and distributors	912	15.5	622	15.5	520	15.5
Mining, quarrying, and lumbering	252	4.3	130	3.2	105	3.1
Construction and contractors' products	309	5.3	243	6.0	176	5.2
All other	2,362	40.2	1,746	43.4	1,508	44.9
Total	5,875	100.0	4,023	100.0	3,356	100.0

Source: American Iron and Steel Institute.

U.S. tariff treatment

Hot-rolled carbon steel bars are classified under items 606.8310, 606.8330, and 606.8350 of the TSUSA. 1/ The current column 1 rate of duty 2/ for these products is 6.6 percent ad valorem. 3/ MTN concessions granted by the United States will result in incremental reductions in the column 1 rate resulting in a final rate of 4.7 percent ad valorem effective January 1, 1987. The column 2 rate of duty 2/ is 20 percent ad valorem. Imports of hot-rolled carbon steel bars are not eligible for duty-free treatment under the GSP. 2/ Imports from the LDDC's are granted the preferential rate (4.7 percent ad valorem). 2/

1/ These items provide for bars (other than alloy steel, not cold formed, and not coated or plated with metal) that are classified, respectively, as flats, rounds, or other. In 1978 and 1979, hot-rolled carbon steel bars entered under TSUSA items 608.4520, 608.4540, 608.4560, 608.4620, 608.4640, and 608.4660.

2/ For an explanation of the applicability of col. 1, col. 2, GSP, and LDDC rates of duty, see p. II-4 in pt. II of this report.

3/ The col. 1 rate of duty for imports of hot-rolled carbon steel bar in 1981 was 7.0 percent ad valorem.

U.S. Producers

There are essentially three categories of producers that roll carbon steel bars in the United States: the integrated steel companies, minimills, and steel rerollers (firms that purchase billets from domestic or foreign sources and roll these billets into bars). The major hot-rolled carbon steel bar producers are the integrated steel mills. However, many minimills, particularly those in the rapidly growing Southwest United States, are also beginning to produce certain bar products to satisfy the growing demand there. Fifty-seven companies operate ninety-two mills that produce, or are capable of producing, carbon steel bars in the United States. 1/

The greatest concentration of hot-rolled carbon steel mills still remains in such industrial States as Illinois, Ohio, and Pennsylvania. Together, these three States contained 43 of the 92 mills located in the United States in 1981. Texas, with nine mills, and California, with five mills, were also major hot-rolled carbon steel bar producing States.

The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments of hot-rolled carbon steel bar (as reported by AISI) in 1981 (in percent):

Firm	Market share
Armco	***
Bethlehem	***
Inland	***
Judson Steel Corp. (Judson)	***
J&L	***
Keystone	***
Republic	***
Roanoke Electric Steel Corp. (Roanoke)	***
U.S. Steel	***

As indicated in the preceding tabulation, domestic production of hot-rolled carbon steel bar is highly concentrated, with the four largest producers--* * *--accounting for two-thirds of total producers' shipments in 1981. As noted previously, these four producers are integrated firms that produce a wide range of steel mill products. * * * 2/

U.S. Importers

Information obtained from the U.S. Customs Service identifies more than 50 importers of hot-rolled carbon steel bar from the countries subject to these investigations. In general, imports from the subject countries entered the United States through one or two exclusive importers that handled the bulk

1/ Stainless steel and alloy steel bar mills are not included in this classification.

2/ * * *.

of imports from the subject country. In many cases, these firms were owned by or affiliated with major steel producers in the subject countries. Some imports of hot-rolled carbon steel bar are handled by trading companies that import hot-rolled carbon steel bar from several sources.

Major importers of hot-rolled carbon steel bar from the subject countries during October 1980-August 1981 are listed in the following tabulation:

Country	Importing firm
Belgium/Luxembourg	* * * 1/
	* * *
Brazil	* * *
France	* * * 1/
Italy	2/
United Kingdom	* * *
	* * * 1/
	* * * 1/
	* * *
West Germany	* * * 1/
	* * *
	* * *
	* * *

1/ These importing firms are owned by or affiliated with foreign steel producers.

2/ No imports of hot-rolled carbon steel bar from Italy were entered during October 1980-August 1981.

Apparent U.S. Consumption

Apparent U.S. consumption of hot-rolled carbon steel bar declined from 6.7 million tons in 1978 to 6.2 million tons in 1979, and then dropped to 4.3 million tons in 1980. Consumption in 1980 was 36 percent less than that in 1978. Apparent consumption in January-November 1981 amounted to 4.2 million tons, or 8 percent more than consumption in the corresponding period of 1980. The ratio of imports from all sources to apparent consumption decreased from 8.8 percent in 1978 to 7.0 percent in 1979, but subsequently increased to 8.3 percent in 1980 and 8.6 percent during January-November 1981. Table VII-2 shows that, measured on a quarterly basis, the ratio of imports to apparent consumption rose substantially during 1981, reaching a peak of 11.2 percent in October-December. 1/

1/ Consumption in 1981 and in October-December 1981 shown in table VII-2 is based on exports as reported by AISI. Official U.S. export statistics for December 1981 were not available.

Table VII-2.--Hot-rolled carbon steel bar: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1978-81, January-November 1980, January-November 1981, and, by quarters, 1980 and 1981

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to-- Shipments	Ratio of imports to-- Consumption
	1,000 short tons				Percent	
1978	6,150	587	42	6,695	9.5	8.8
1979	5,875	438	68	6,245	7.5	7.0
1980	4,023	356	81	4,298	8.8	8.3
1981	4,204	405	1/ 91	4,518	9.6	9.0
January-November--						
1980	3,685	323	71	3,937	8.8	8.2
1981	3,969	366	84	4,251	9.2	8.6
1980:						
Jan.-Mar	1,239	97	17	1,319	7.8	7.3
Apr.-June	976	94	24	1,046	9.6	9.0
July-Sept	777	80	20	837	10.2	9.5
Oct.-Dec	1,031	86	20	1,097	8.3	7.8
1981:						
Jan.-Mar	1,145	79	21	1,203	6.9	6.5
Apr.-June	1,209	110	15	1,304	9.1	8.4
July-Sept	999	113	17	1,095	11.3	10.3
Oct.-Dec	851	103	1/ 38	916	12.0	11.2

1/ Reported by the American Iron and Steel Institute.

Source: Shipments compiled from data of the American Iron and Steel Institute; imports and exports compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--Ratios computed from unrounded data.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of hot-rolled carbon steel bar during 1978-81, capacity of domestic producers to produce such merchandise, and capacity utilization are shown in table VII-3. As indicated, production and capacity utilization fell sharply in 1980, and only partially recovered in 1981. Production in 1981 was 24 percent less than production in 1979, and capacity utilization in 1981 was about 14 percentage points less than that in 1979. 1/

1/ Capacity to produce finished steel mill products is not necessarily the best method of determining the extent to which a steelmaking operation is most efficiently utilizing its facilities. See a discussion of this issue in pt. II of this report, pp. II-11 and II-12.

Table VII-3.--Hot-rolled carbon steel bar: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/----1,000 short tons--	5,493	5,390	3,891	4,089
Capacity----------do----	8,061	8,090	7,667	7,723
Capacity utilization------percent--	68.1	66.6	50.7	52.9

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could reasonably be attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data accounted for 97 percent of total shipments of hot-rolled carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

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

U.S. producers' shipments

During 1978-80, U.S. producers' shipments of hot-rolled carbon steel bar accounted for 6 to 7 percent of aggregate shipments of all carbon steel mill products by U.S. producers. Producers' shipments of hot-rolled carbon bar decreased 4 percent from 1978 to 1979, and then dropped almost one-third in 1980. Shipments of such bar in 1981 were about 4 percent more than those in 1980. U.S. producers' net shipments of hot-rolled carbon steel bar, as reported by AISI, 1/ are shown in the following tabulation:

	Quantity (1,000 short tons)
1978----------	6,150
1979----------	5,875
1980----------	4,023
1981----------	4,204

1/ Such shipments include intracompany transfers and exports, but exclude sales made to other steelmaking firms that report data to AISI.

U.S. producers' intracompany and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table VII-4. These data show the decline in producers' shipments since 1979 and indicate that (a) intracompany and intercompany shipments by U.S. producers of hot-rolled carbon steel bar for use in the manufacture of other products increased from less than 10 percent of total shipments in 1978 to more than 12 percent in 1981, and (b) exports by producers accounted for 4 percent or less of their total annual shipments in 1978-81. 1/

Table VII-4.--Hot-rolled carbon steel bar: U.S. producers' shipments, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Intracompany and intercompany shipments	526	621	438	512
Domestic market shipments	4,807	4,775	3,292	3,464
Export shipments	63	77	162	127
Total	5,395	5,473	3,892	4,103
	Value (million dollars)			
Domestic market shipments	1,890	2,088	1,532	1,834
Export shipments	19	25	41	45
Total	1,909	2,113	1,573	1,879
	Unit value (per ton)			
Domestic market shipments	$393	$437	$465	$529
Export shipments	298	330	255	357
Average	392	436	456	523

1/ U.S. producers submitting usable data accounted for 97 percent of total shipments of hot-rolled carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

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

1/ Domestic producers responding to the Commission's questionnaires in these investigations accounted for 88 percent of shipments reported by AISI in 1978, 93 percent in 1979, 97 percent in 1980, and 98 percent in 1981.

U.S. exports

During 1978-80, exports of hot-rolled carbon steel bar accounted for about 3 percent of annual U.S. exports of all carbon steel mill products. Exports of such bar increased from 42,000 tons in 1978 to 81,000 tons in 1980. Exports in January-November 1981 amounted to 84,000 tons, or about 18 percent more than exports in January-November 1980 (table VII-5). Principal export markets for domestically produced hot-rolled carbon steel bar during January 1978-November 1981 were Canada and Mexico; 49 percent of aggregate exports went to Canada and 27 percent went to Mexico.

Table VII-5.--Hot-rolled carbon steel bar: U.S. exports of domestically produced merchandise, by principal markets, 1978-80, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (1,000 short tons)				
Mexico	7	10	42	36	15
Canada	28	37	22	20	48
Taiwan	1/	1/	5	5	7
Panama	1/	1/	2	2	1/
Egypt	1/	14	1	1	0
All other	7	7	9	7	14
Total	42	68	81	71	84
	Value (1,000 dollars)				
Mexico	2,807	4,363	16,073	14,050	7,187
Canada	10,055	15,676	9,454	8,657	25,695
Taiwan	54	9	2,104	2,102	3,048
Panama	12	18	666	666	155
Egypt	1	4,503	508	508	-
All other	3,530	4,303	5,581	4,947	8,010
Total	16,459	28,872	34,386	30,930	44,095

1/ Less than 500 short tons.

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

U.S. producers' inventories

Yearend inventories of hot-rolled carbon steel bar reported by U.S. producers in response to the Commission's questionnaires ranged from 5 to 7 percent of producers' total annual shipments during 1978-81. Reported yearend inventories are shown in the following tabulation:

As of Dec. 31--	Quantity (1,000 short tons)
1977	295
1978	370
1979	278
1980	283
1981	255

U.S. employment, wages, and productivity

The average number of workers engaged in producing hot-rolled carbon steel bar declined by 3 percent from 20,272 in 1978 to 19,677 in 1979, fell by 27 percent in 1980 to 14,396, and then increased by about 1 percent in 1981 to 14,579 (table VII-6). Similarly, hours paid for workers engaged in producing hot-rolled carbon bar fell by one-third from 41.1 million in 1978 to 27.6 million in 1980, and then increased by about 3 percent to 28.3 million in 1981.

Table VII-6.--Average number of employees, total and production and related workers, in U.S. establishments producing hot-rolled carbon steel bar, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	163,860	180,967	158,412	158,858
Percentage change	3/	10.4	-12.5	0.3
Production and related workers producing--				
All products:				
Number	145,107	158,300	137,546	138,407
Percentage change	3/	9.1	-13.1	0.6
Hot-rolled carbon steel bar:				
Number	20,272	19,677	14,396	14,579
Percentage change	3/	-2.9	-26.8	1.3
Hours paid for production and related workers producing--				
All products:				
Number--thousands--	298,984	323,374	269,947	272,734
Percentage change	3/	8.2	-16.5	1.0
Hot-rolled carbon steel bar:				
Number--thousands--	41,070	39,461	27,607	28,310
Percentage change	3/	-3.9	-30.0	2.5

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 94 percent of total shipments of hot-rolled carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Wages and total compensation paid to production and related workers producing all products and producing hot-rolled carbon steel bar are shown in table VII-7. The difference between total compensation and wages is an estimate of workers' benefits.

Table VII-7.--Wages and total compensation 1/ paid to production and related workers in establishments producing hot-rolled carbon steel bar, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related workers producing--				
All products:				
Value----------million dollars--	3,205	3,886	3,628	4,004
Percentage change----------	3/	21.3	-6.6	10.4
Hot-rolled carbon steel bar:				
Value----------million dollars--	440	472	371	414
Percentage change----------	3/	7.3	-21.4	11.4
Total compensation paid to production and related workers producing--				
All products:				
Value----------million dollars--	4,072	4,936	4,738	5,261
Percentage change----------	3/	21.2	-4.0	11.0
Hot-rolled carbon steel bar:				
Value----------million dollars--	561	599	487	543
Percentage change----------	3/	6.8	-18.6	11.5

1/ Includes wages and contributions to social security and other employee benefits.

2/ U.S. producers submitting usable data accounted for 94 percent of total shipments of hot-rolled carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Note.--Percentage changes computed from unrounded data.

Data on labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel bar are presented in table VII-8. Labor productivity increased by roughly 2 percent annually in 1979-81. Hourly compensation increased more rapidly during the period--by rates ranging from about 9 percent in 1981 to 16 percent in 1980. Inasmuch as the rise in hourly compensation was not entirely offset by improved labor productivity, unit labor costs increased from $104 per ton in 1978 to $137 per ton in 1981, or by 31 percent in the 4-year period.

Table VII-8.--Labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled carbon steel bar, 1/ 1978-81

Item	1978	1979	1980	1981
Labor productivity:				
Quantity----------tons per hour--	0.1310	0.1334	0.1368	0.1400
Percentage change----------	2/	1.8	2.5	2.3
Hourly compensation:				
Value----------per hour--	$13.65	$15.17	$17.64	$19.18
Percentage change----------	2/	11.1	16.3	8.7
Unit labor costs:				
Value----------per ton--	$104.23	$113.72	$128.93	$137.00
Percentage change----------	2/	9.1	13.4	6.2

1/ U.S. producers submitting usable data accounted for 94 percent of total shipments of hot-rolled carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

2/ Not available.

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

Financial experience of U.S. producers

Operations on hot-rolled carbon steel bar.--The 11 firms which furnished profit-and-loss data accounted for 91 percent of total U.S. producers' shipments of hot-rolled carbon steel bar in 1980. Their net sales of hot-rolled carbon steel bar rose from $2.0 billion in 1978 to $2.2 billion in 1979, before falling 26 percent to $1.6 billion in 1980. Net sales increased 17 percent to $1.9 billion in 1981.

The 11 firms posted meager aggregate operating profits in 1978 and 1979, and losses in 1980 and 1981 (table VII-9). The 1978 profit of $20 million was equal to a return of 1.0 percent on sales, and the 1979 profit of $19 million was equal to 0.9 percent of sales. In 1980, they sustained a loss of $114 million, or 7.1 percent of sales, and in 1981, they sustained a loss of $35 million, or 1.8 percent of sales. Six firms reported losses in 1978 and 1981, four in 1979, and seven in 1980.

Table VII-9.--Profit-and-loss experience of 11 U.S. producers on their operations producing hot-rolled carbon steel bar, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales--------million dollars--	1,973	2,169	1,597	1,876
Cost of goods sold--------do----	1,897	2,091	1,661	1,854
Gross profit--------do----	76	78	(64)	22
Selling and administrative expenses------do----	56	59	50	57
Operating profit--------do----	20	19	(114)	(35)
Ratio of gross profit to net sales----percent--	3.8	3.6	(4.0)	1.2
Ratio of operating profit to net sales---do----	1.0	.9	(7.1)	(1.8)
Ratio of cost of goods sold to net sales--------percent--	96.2	96.4	104.0	98.8
Ratio of selling and administrative expenses to net sales--------percent--	2.8	2.7	3.1	3.0
Number of firms reporting operating losses-----	6	4	7	6

1/ U.S. producers submitting usable data accounted for 91 percent of total shipments of hot-rolled carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

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

Capital expenditures.--Seven firms supplied data relative to their expenditures during 1978-81 for land, buildings, and machinery and equipment used in the production of hot-rolled carbon steel bar. As shown in the following tabulation, aggregate capital expenditures rose from $158 million in 1978 to $253 million in 1980, and then declined to $225 million in 1981:

	Capital expenditures (1,000 dollars)
1978----------	157,507
1979----------	252,061
1980----------	253,012
1981----------	225,132

Research and development.--Four firms supplied data relative to their research and development expenses incurred during 1978-81 in connection with the production of hot-rolled carbon steel bar. Such expenses amounted to $2.0 million in 1978, $2.1 million in 1979, $1.8 million in 1980, and $1.5 million in 1981.

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

In its examination of the question of a reasonable indication of the threat of material injury to an industry in the United States the Commission may take into consideration such factors as the rate of increase of allegedly subsidized imports, the rate of increase of U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of hot-rolled carbon steel bar and their U.S. market penetration is presented in the section of part VII entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Imports Allegedly Subsidized." Discussions of importers' inventories and foreign producers' capacity to generate exports follow.

U.S. importers' inventories

Yearend inventories of hot-rolled carbon steel bar reported by U.S. importers are shown in table VII-10. Inventories of such bar imported from all sources averaged about 1,000 tons during 1978-81. Importers' yearend inventories ranged from 3 to 4 percent of total imports reported by these firms during each of the years 1979-81.

Table VII-10.--Hot-rolled carbon steel bar: End-of-period inventories held by U.S. importers, by sources, 1978-81

Source	1978	1979	1980	1981
	Quantity (short tons)			
EC countries:				
Belgium	0	0	0	0
France	***	***	0	0
United Kingdom	***	***	***	***
West Germany	***	***	***	***
Subtotal	717	1,023	612	949
Brazil	0	0	0	0
All other countries	290	253	191	87
Total, all inventories	1,007	1,276	803	1,036
	Ratio of inventories to reported imports (percent)			
EC countries:				
Belgium	-	-	-	-
France	***	***	-	-
United Kingdom	***	***	***	***
West Germany	***	***	***	***
Average	1.0	6.4	7.9	5.4
Brazil	-	-	-	-
All other countries	1.8	1.3	1.5	.6
Average, all countries	1.1	3.6	3.9	3.2

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

Capacity of foreign producers to generate exports and the availability of export markets other than the United States

As part of its consideration of threat of a reasonable indication of material injury, the Commission requested of U.S. embassies in the subject countries, as well as representatives and counsels for subject countries, data on production, exports, and capacity to produce the various carbon and alloy steel products which are the subject of these investigations. In general, the responses to Commission inquiries were inadequate, given the time constraints involved and the difficulties inherent in estimating production capacities on a product line basis in the steel industry. 1/ Data on production and exports

1/ For an indication of the difficulties involved in measuring capacities for certain rolled products in the steel industry, see pp. II-11 and II-12 in pt. II of this report.

of the subject countries by broad product lines were, however, generally available from secondary sources. 1/ 2/ 3/

Belgium.--Belgium's production and capacity to produce carbon and alloy bar fell noticeably from 1979 to 1981. Capacity utilization remained stable in 1979 and 1980 but fell to 44 percent in 1981, representing a decline of 19 percent. Belgian exports of these products also declined noticeably from 1979 to 1981. Exports to the U.S. market, which represented 11 percent of total Belgian exports of carbon and alloy bar during the period, declined by 62 percent from 1979 to 1981 (table VII-11).

Table VII-11.--Hot-rolled carbon and alloy steel bar: Belgium's production, capacity, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production----------1,000 short tons--	633	499	380
Capacity----------do----	1,173	926	870
Capacity utilization----------percent--	54	54	44
Exports to--			
United States----------1,000 short tons--	86	36	33
EC----------do----	193	185	182
All other countries----------do----	306	249	122
Total----------do----	585	470	337

Source: U.S. Embassy, Belgium.

France.--France's production of carbon and alloy steel bar increased 6 percent from 1978 to 1980. Exports of these products also increased, by 11 percent from 1978 to 1980, but exports to the United States fell by 32 percent over the same period. Exports to the U.S. market represented 3 percent of total exports from France of these products from 1978 to 1980 (table VII-12). West Germany was the largest export market for French steel bar products.

1/ Data in this section should not be compared directly with data found in other sections of the report. The statistical product categories used by the United Nations, and the EC, the sources of these raw data, do not compare directly with the product groupings used elsewhere in this report. The data in this section are used to display the relative magnitudes of the various participants in the world steel market and trends in production and exports of major product groupings by those participants, but are not meant to be used for more than those specific purposes.

2/ Separate data on carbon and alloy steel bars, and hot-rolled and cold-formed steel bars, were not available, except for Belgium.

3/ Data by product line for Brazil were not available.

Table VII-12.--Carbon and alloy steel bar: France's production, capacity, capacity utilization, and exports, 1978-80

Item	1978	1979	1980
Production 1/--1,000 short tons--	2,068	2,330	2,192
Capacity--do--	2/	2/	2/
Capacity utilization--percent--	2/	2/	2/
Exports 3/ to--			
United States--1,000 short tons--	53	21	36
EC--do--	343	505	557
All other countries--do--	589	603	497
Total--do--	985	1,129	1,090

1/ Data include structural shapes of less than 80mm in length.
2/ Not available.
3/ Data include bars and rods of iron and steel; hollow mining drill steel; and structurals of less than 80mm in length.

Source: For production data, European Community, Iron and Steel Monthly Bulletin. For export data, United Nations, Statistics of World Trade in Steel, 1978-80 editions.

Italy.--Italy's production of carbon and alloy steel bar remained stable at just under 3.4 million tons in each year of the period 1978 to 1980. Exports of these products fluctuated greatly, however, declining by 38 percent from 1978 to 1979 before increasing fourfold, to 3.3 million tons, in 1980. This dramatic increase in exports was directed entirely to export markets other than the United States. Italian exports of these products to the U.S. market were less than 1 percent of total Italian exports in each year 1978 to 1980 (table VII-13). West Germany and France were Italy's main export markets for these products in 1980, accounting for 42 percent of total Italian exports.

Table VII-13.--Carbon and alloy steel bar: Italy's production, capacity, capacity utilization, and exports, 1978-80

Item	1978	1979	1980
Production 1/----------1,000 short tons--	3,392	3,360	3,381
Capacity----------do----	2/	2/	2/
Capacity utilization----------percent--	2/	2/	2/
Exports 3/ to--			
United States----------1,000 short tons--	6	1	4
EC----------do----	670	437	1,500
All other countries----------do----	382	223	1,752
Total----------do----	1,058	661	3,256

1/ Data include structural shapes of less than 80mm in length.
2/ Not available.
3/ Data include bars and rods of iron and steel; hollow mining drill steel; and structurals of less than 80mm in length.

Source: For production data, European Community, Iron and Steel Monthly Bulletin. For export data, United Nations, Statistics of World Trade in Steel, 1978-80 editions.

United Kingdom.--The United Kingdom's production of carbon and alloy steel bar remained stable from 1978 to 1979, before dropping by 34 percent in 1980. Much of this production decline is attributed to the 3-month British steel strike in early 1980. Total exports of these products declined from 1979 to 1980 by 31 percent, whereas exports to the U.S. market exhibited a decline of 28 percent over the same period. British exports of these products were well diversified in 1980, with the United States being the largest single export market, accounting for 18 percent of total British exports (table VII-14).

Table VII-14.--Carbon and alloy steel bar: The United Kingdom's production, capacity, capacity utilization, and exports, 1978-80

Item	1978	1979	1980
Production 1/----------1,000 short tons--	2,749	2,739	1,806
Capacity----------do----	2/	2/	2/
Capacity utilization----------percent--	2/	2/	2/
Exports to 3/--			
United States----------1,000 short tons--	2/	115	83
EC----------do----	2/	88	65
All other countries----------do----	2/	445	301
Total----------do----	2/	648	449

1/ Data include structural shapes of less than 80mm in length.
2/ Not available.
3/ Data include bars and rods of iron and steel; hollow mining drill steel; and structurals of less than 80mm in length.

Source: For production data, European Community, Iron and Steel Monthly Bulletin. For export data, United Nations, Statistics of World Trade in Steel, 1978-80 editions.

West Germany.--West Germany's production of carbon and alloy steel bar rose 10 percent from 1978 to 1979, and then fell 7 percent in 1980. Exports of these products followed the same trend. West Germany's exports to the U.S. market, which accounted for only 2 percent of total West German exports of carbon and alloy steel bar over the period, increased by 70 percent from 37,000 tons in 1978 to 63,000 tons in 1980, and then fell by 37 percent to 40,000 tons in 1980 (table VII-15). West Germany's major export market for such products in 1980 was France.

Table VII-15.--Carbon and alloy steel bar: West Germany's production, capacity, capacity utilization, and exports, 1978-80

Item	1978	1979	1980
Production 1/--1,000 short tons--	3,446	3,782	3,512
Capacity--do--	2/	2/	2/
Capacity utilization--percent--	2/	2/	2/
Exports to 3/--			
United States--1,000 short tons--	37	63	40
EC--do--	953	1,087	1,093
All other countries--do--	860	910	799
Total--do--	1,850	2,060	1,932

1/ Data include structural shapes of less than 80mm in length.
2/ Not available.
3/ Data include bars and rods of iron and steel; hollow mining drill steel; and structurals of less than 80mm in length.

Source: For production data, European Community, Iron and Steel Monthly Bulletin. For export data, United Nations, Statistics of World Trade in Steel, 1978-80 editions.

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

U.S. imports and market penetration

Imports from all sources.--During 1978-80, imports of hot-rolled carbon steel bar accounted for 2 to 3 percent of total U.S. imports of all carbon steel mill products. Imports of such bar from all sources fell from 587,000 tons in 1978 to 438,000 tons in 1979, and 356,000 tons in 1980. About 366,000 tons were imported during January-November 1981, compared with 323,000 tons imported during the corresponding period of 1980 (table VII-2 on p. VII-6). As indicated previously, the ratio of imports from all sources to apparent U.S. consumption decreased from 8.8 percent in 1978 to 7.0 percent in 1979, but subsequently increased to 8.3 percent in 1980 and 8.6 percent in January-November 1981. The ratio of imports to U.S. producers' shipments followed a similar trend.

Table VII-2 also shows imports of hot-rolled carbon steel bar by quarters during 1980 and 1981, and the ratios of such imports to apparent U.S. consumption and to U.S. producers' shipments during those quarters. As indicated, imports from all sources rose irregularly from 97,000 tons in January-March 1980 to a peak of 113,000 tons in July-September 1981, and then declined to 103,000 tons in October-December. The ratio of quarterly imports to apparent U.S. consumption of hot-rolled carbon steel bar increased from 7.3 percent in January-March 1980 to 10.3 percent in July-September 1981, and peaked at 11.2 percent in October-December 1981. The ratio of quarterly imports from all sources to U.S. producers' shipments followed a similar trend.

The principal suppliers of hot-rolled carbon steel bar to the United States during January 1978-November 1981 were as follows (with the percent of aggregate imports supplied by each country during that period shown in parentheses): Japan (29), Canada (27), the United Kingdom (20), Spain (7), Brazil (4), and Belgium/Luxembourg (4). The EC supplied 28 percent of aggregate U.S. imports of hot-rolled carbon steel bar during the period. EC suppliers other than the United Kingdom and Belgium/Luxembourg were France, Italy, West Germany, and the Netherlands.

Imports from the EC and from all countries subject to active countervailing duty investigations.--Imports of hot-rolled carbon steel bar from the EC and from all countries subject to active countervailing duty investigations, as well as the ratio of imports from such suppliers to apparent U.S. consumption, are shown in tables VII-16 and VII-17. Imports from all EC countries fell from 146,000 tons in 1978 to 124,000 tons in 1979 and 89,000 tons in 1980. Imports from the EC in January-November 1981 amounted to 132,000 tons, or 73 percent more than imports in January-November 1980. The ratio of imports from the EC to apparent U.S. consumption of hot-rolled carbon steel bar remained at about 2 percent during 1978-80, and then rose to 3.1 percent in the first 11 months of 1981. Trends in the aggregate quantity and market penetration of imports from all countries subject to the countervailing duty investigations were similar.

Belgium/Luxembourg.--Belgium/Luxembourg 1/ was the second largest EC supplier (after the United Kingdom) of hot-rolled carbon steel bar to the U.S. market during January 1978-November 1981, providing 4 percent of total imports in that period. Imports from Belgium/Luxembourg fell from 27,000 tons in 1978 to 20,000 tons in 1979 and 9,000 tons in 1980. Imports in January-November 1981 amounted to 13,000 tons, compared with 8,000 tons imported during the corresponding period of 1980 (table VII-18). The ratio of imports of such merchandise to apparent U.S. consumption was 0.4 percent or less during each of those periods (table VII-19). Imports from Belgium/Luxembourg, by quarters, during 1980 and 1981 are shown in table VII-20, and the ratios of such imports to apparent U.S. consumption and to U.S. producers' shipments during those quarters are shown in table VII-21. As indicated, quarterly imports from Belgium/Luxembourg reached a peak of 4,800 tons in July-September 1981, and the ratio of imports to consumption reached a maximum of 0.5 percent in October-December 1981.

1/ Official U.S. statistics aggregate imports from Belgium and Luxembourg. Only one firm produces hot-rolled carbon steel bar in Luxembourg. TradeARBED, Inc., the U.S. affiliate of this producer, reported the following estimated imports of such merchandise from Luxembourg (in short tons): 1978--***, 1979--***, 1980--***, and 1981--***.

Table VII-16.--Hot-rolled carbon steel bar (TSUSA items 606.8310, 606.8330, and 606.8350): 1/ U.S. imports for consumption, by selected sources, 1978-81, January-November 1980, and January-November 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/
	Quantity (short tons)	
1978	145,726	215,582
1979	123,762	180,816
1980	88,984	134,325
1981	151,309	194,377
January-November--		
1980	76,516	117,373
1981	132,203	168,540
	Share of apparent U.S. consumption (percent)	
1978	2.2	3.2
1979	2.0	2.9
1980	2.1	3.1
1981	3.3	4.3
January-November--		
1980	1.9	3.0
1981	3.1	4.0

1/ In 1978 and 1979, such imports entered under TSUSA items 608.4520, 608.4540, 608.4560, 608.4620, 608.4640, and 608.4660.

2/ Imports were reported from Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, and West Germany; no imports were reported from Denmark, Greece, or Ireland.

3/ Belgium/Luxembourg, France, Italy, the United Kingdom, West Germany, Brazil, the Republic of South Africa, and Spain.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from data of the American Iron and Steel Institute.

Table VII-17.--Hot-rolled carbon steel bar (TSUSA items 606.8310, 606.8330, 606.8350): 1/ U.S. imports for consumption, by selected sources and by quarters, 1980 and 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/
	Quantity (short tons)	
1980:		
Jan.-Mar	19,384	29,599
Apr.-June	8,274	25,277
July-Sept	24,215	35,215
Oct.-Dec	37,111	44,236
1981:		
Jan.-Mar	11,394	19,019
Apr.-June	41,846	55,797
July-Sept	46,009	58,916
Oct.-Dec	52,060	60,645
	Share of apparent U.S. consumption (percent)	
1980:		
Jan.-Mar	1.5	2.2
Apr.-June	.8	2.4
July-Sept	2.9	4.2
Oct.-Dec	3.4	4.0
1981:		
Jan.-Mar	.9	1.6
Apr.-June	3.2	4.3
July-Sept	4.2	5.4
Oct.-Dec	5.7	6.6

1/ In 1978 and 1979, such imports entered under TSUSA items 608.4520, 608.4540, 608.4560, 608.4620, 608.4640, and 608.4660.

2/ Imports were reported from Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, and West Germany; no imports were reported from Denmark, Greece, or Ireland.

3/ Belgium/Luxembourg, France, Italy, the United Kingdom, West Germany, Brazil, the Republic of South Africa, and Spain.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from data of the American Iron and Steel Institute.

Table VII-18.--Hot-rolled carbon steel bar (TSUSA items 606.8310, 606.8330, and 606.8350): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981

Source	1978	1979	1980	January-November--	
				1980	1981
	Quantity (1,000 short tons)				
EC countries:					
Belgium/Luxembourg	27	20	9	8	13
France	10	5	4	3	5
Italy	5	2/	2/	0	2/
United Kingdom	88	88	64	53	102
West Germany	15	11	12	12	12
Other 3/	2/	2/	0	0	2/
Subtotal	146	124	89	76	132
Brazil	26	24	14	14	7
Republic of South Africa	9	5	7	7	2
Spain	36	28	24	20	27
Canada	131	118	111	100	105
Japan	204	123	104	99	78
Republic of Korea	7	12	6	5	13
All other	30	5	2	2	2
Total, all sources	587	438	356	323	366
	Value (1,000 dollars)				
EC countries:					
Belgium/Luxembourg	6,199	5,543	2,880	2,707	4,191
France	2,798	1,581	1,388	1,188	1,724
Italy	1,218	18	1	0	9
United Kingdom	30,086	33,026	25,031	20,945	43,791
West Germany	5,062	3,974	5,049	4,628	5,740
Other 3/	52	11	-	-	41
Subtotal	45,415	44,153	34,349	29,468	55,496
Brazil	5,509	6,900	3,983	3,947	2,151
Republic of South Africa	1,531	1,371	2,104	1,998	619
Spain	8,773	8,689	8,199	6,853	9,784
Canada	31,706	34,863	35,891	32,388	39,119
Japan	52,572	42,563	37,474	35,873	29,382
Republic of Korea	1,480	2,694	1,901	1,603	3,253
All other	6,412	1,823	626	551	833
Total, all sources	153,398	143,056	124,527	112,681	140,637

See footnotes at end of table.

Table VII-18.--Hot-rolled carbon steel bar (TSUSA items 606.8310, 606.8330, and 606.8350): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981--Continued

Source	1978	1979	1980	January-November--	
				1980	1981
	Unit value (per ton)				
EC countries:					
Belgium/Luxembourg	$228	$274	$322	$320	$323
France	289	347	381	378	354
Italy	225	319	271	-	392
United Kingdom	342	376	391	392	430
West Germany	331	353	406	402	461
Other 3/	246	706	-	-	1,510
Average	311	356	386	388	420
Brazil	215	282	285	285	296
Republic of South Africa	178	280	284	283	291
Spain	244	313	342	344	363
Canada	242	296	324	325	374
Japan	258	346	362	361	376
Republic of Korea	227	230	340	335	257
All other	214	365	313	276	416
Average, all sources	261	326	350	349	384

1/ In 1978 and 1979, such imports entered under TSUSA items 608.4520, 608.4540, 608.4560, 608.4620, 608.4640, and 608.4660.

2/ Less than 500 tons.

3/ Imports from the Netherlands; no imports were reported from Denmark, Greece, or Ireland.

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

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

Table VII-19.--Hot-rolled carbon steel bar: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In percent)

Item	1978	1979	1980	January-November	
				1980	1981
Ratio of imports to apparent U.S. consumption:					
EC countries:					
Belgium/Luxembourg	0.4	0.3	0.2	0.2	0.3
France	.1	.1	.1	.1	.1
Italy	.1	1/	1/	-	1/
United Kingdom	1.3	1.4	1.5	1.4	2.4
West Germany	.2	.2	.3	.3	.3
Other 2/	1/	1/	-	-	1/
Subtotal	2.2	2.0	2.1	1.9	3.1
Brazil	.4	.4	.3	.4	.2
Republic of South Africa	.1	.1	.2	.2	.1
Spain	.5	.4	.6	.5	.6
All other countries	5.6	4.1	5.2	5.2	4.6
Total, all imports	8.8	7.0	8.3	8.2	8.6
Ratio of imports to U.S. producers' shipments:					
EC countries:					
Belgium/Luxembourg	.4	.3	.2	.2	.3
France	.2	.1	.1	.1	.1
Italy	.1	1/	1/	-	1/
United Kingdom	1.4	1.5	1.6	1.4	2.6
West Germany	.2	.2	.3	.3	.3
Other 2/	1/	1/	-	-	1/
Subtotal	2.4	2.1	2.2	2.1	3.3
Brazil	.4	.4	.3	.4	.2
Republic of South Africa	.1	.1	.2	.2	.1
Spain	.6	.5	.6	.5	.7
All other countries	6.0	4.4	5.5	5.6	4.9
Total, all imports	9.5	7.5	8.8	8.8	9.2

1/ Less than 0.05 percent.

2/ Imports from the Netherlands; no imports were reported from Denmark, Greece, or Ireland.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from data of the American Iron and Steel Institute.

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

Table VII-20.--Hot-rolled carbon steel bar (TSUSA items 606.8310, 606.8330, and 606.8350): 1/
U.S. imports for consumption, by principal sources and by quarters, 1980 and 1981

(In short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries:								
Belgium/Luxembourg	2,174	3,634	1,895	1,237	1,071	4,321	4,767	4,627
France	295	1,352	1,126	873	438	1,086	783	3,174
Italy	0	0	0	2	1	0	22	0
United Kingdom	14,029	2,400	15,774	31,753	8,577	33,227	37,422	38,055
West Germany	2,887	868	5,420	3,245	1,302	3,191	3,015	6,204
Other 2/	0	0	0	0	6	21	0	0
Subtotal	19,384	8,274	24,215	37,111	11,394	41,846	46,009	52,060
Brazil	4,180	5,759	3,628	412	1,776	2,785	2,020	678
Republic of South Africa	2,477	1,353	3,223	342	469	98	965	597
Spain	3,558	9,891	4,149	6,371	5,386	11,089	9,922	7,310
Canada	29,972	27,761	24,391	28,606	37,537	34,122	24,276	12,964
Japan	35,058	38,133	18,726	11,710	12,787	19,113	27,699	26,881
Republic of Korea	1,845	1,844	757	1,144	9,067	1,190	1,513	972
All other	271	746	564	353	327	48	726	1,171
Total, all sources	96,745	93,761	79,653	86,049	78,743	110,291	113,130	102,634

1/ In 1978 and 1979, such imports entered under TSUSA items 608.4520, 608.4540, 608.4560, 608.4620, 608.4640, and 608.4660.

2/ Imports from the Netherlands; no imports were reported from Denmark, Greece, or Ireland.

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

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

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Table VII-21.--Hot-rolled carbon steel bar: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, 1980 and 1981

(In percent)

Item	1980				1981			
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.
Ratio of imports to apparent U.S. consumption:								
EC countries:								
Belgium/Luxembourg	0.2	0.3	0.2	0.1	0.1	0.3	0.4	0.5
France	1/	.1	.1	.1	1/	.1	.1	.3
Italy	-	-	-	1/	1/	-	1/	-
United Kingdom	1.1	.2	1.9	2.9	.7	2.5	3.4	4.2
West Germany	.2	.1	.6	.3	.1	.2	.3	.7
Other 2/	-	-	-	-	1/	1/	-	-
Subtotal	1.5	.8	2.9	3.4	.9	3.2	4.2	5.7
Brazil	.3	.6	.4	1/	.1	.2	.2	.1
Republic of South Africa	.2	.1	.4	1/	1/	1/	.1	.1
Spain	.3	.9	.5	.6	.4	.8	.9	.8
All other countries	5.1	6.5	5.3	3.8	5.0	4.2	5.0	4.6
Total, all imports	7.3	9.0	9.5	7.8	6.5	8.4	10.3	11.2
Ratio of imports to U.S. producers' shipments:								
EC countries:								
Belgium/Luxembourg	.2	.4	.2	.1	.1	.4	.5	.5
France	1/	.1	.1	.1	1/	.1	.1	.4
Italy	-	-	-	1/	1/	-	1/	-
United Kingdom	1.1	.2	2.0	3.1	.7	2.7	3.7	4.5
West Germany	.2	.1	.7	.3	.1	.3	.3	.7
Other 2/	-	-	-	-	1/	1/	-	-
Subtotal	1.6	.8	3.1	3.6	1.0	3.5	4.6	6.1
Brazil	.3	.6	.5	1/	.2	.2	.2	.1
Republic of South Africa	.2	.1	.4	1/	1/	1/	.1	.1
Spain	.3	1.0	.5	.6	.5	.9	1.0	.8
All other countries	5.4	7.0	5.7	4.0	5.2	4.5	5.4	4.9
Total, all imports	7.8	9.6	10.2	8.3	6.9	9.1	11.3	12.0

1/ Less than 0.05 percent.

2/ Imports from the Netherlands; no imports were reported from Denmark, Greece, or Ireland.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Brazil.--Imports of hot-rolled carbon steel bar from Brazil fell from 26,000 tons in 1978 to 24,000 tons in 1979 and 14,000 tons in 1980. Imports in January-November 1981 amounted to 7,000 tons, or one-half of imports during the corresponding period of 1980 (table VII-18). The ratio of imports of such bar from Brazil to apparent U.S. consumption of this merchandise was 0.4 percent in 1978 and 1979, 0.3 percent in 1980, and 0.2 percent in January-November 1981 (table VII-19). Quarterly imports of hot-rolled carbon steel bar from Brazil during 1980 and 1981 peaked at 5,800 tons, or 0.6 percent of consumption, in April-June 1980 (tables VII-20 and VII-21).

France.--Imports of hot-rolled carbon steel bar from France fell from 10,000 tons in 1978 to 5,000 tons in 1979 and 4,000 tons in 1980. Imports in January-November 1981 amounted to 5,000 tons, in comparison with imports of 3,000 tons in January-November 1980 (table VII-18). The ratio of imports of such bar from France to apparent U.S. consumption remained at 0.1 percent throughout the period (table VII-19). Quarterly imports of hot-rolled carbon steel bar from France during 1980 and 1981 reached a maximum of 3,200 tons, or 0.3 percent of consumption, in October-December 1981 (tables VII-20 and VII-21).

Italy.--Imports of hot-rolled carbon steel bar from Italy fell from 5,000 tons in 1978 to less than 500 tons in 1979, 1980, and January-November 1981 (table VII-18). The ratio of such imports to apparent U.S. consumption was 0.1 percent in 1978, and less than 0.05 percent during the rest of the period (table VII-19). Quarterly imports of hot-rolled carbon steel bar from Italy during 1980 and 1981 were entered almost entirely in July-September 1981, when 22 tons, or less than 0.05 percent of apparent U.S. consumption in that quarter, were entered (tables VII-20 and VII-21).

United Kingdom.--The United Kingdom was the largest EC supplier of hot-rolled carbon steel bar to the United States during January 1978-November 1981. Imports from the United Kingdom amounted to 88,000 tons annually in 1978 and 1979, and then slipped to 64,000 tons in 1980. However, imports rose from 53,000 tons in January-November 1980 to 102,000 tons in January-November 1981 (table VII-18). The ratio of imports of such bar from the United Kingdom to apparent U.S. consumption was 1.3 percent in 1978, 1.4 percent in 1979, 1.5 percent in 1980, and 2.4 percent in January-November 1981 (table VII-19). Quarterly imports of hot-rolled carbon bar from the United Kingdom in 1980 and 1981 peaked at 38,000 tons, or 4.2 percent of consumption, in October-December 1981 (tables VII-20 and VII-21).

West Germany.--West Germany was the third largest EC supplier of hot-rolled carbon steel bar to the United States during the period under investigation. Imports from that country fell from 15,000 tons in 1978 to 11,000 tons in 1979, and then increased slightly to 12,000 tons in 1980. Imports in January-November 1981 amounted to 12,000 tons, in comparison with 11,000 tons imported in January-November 1980 (table VII-18). The ratio of imports of such bar from West Germany to apparent U.S. consumption was 0.2 percent in 1978 and 1979, and 0.3 percent in 1980 and January-November 1981 (table VII-19). Quarterly imports of hot-rolled carbon steel bar from West Germany during 1980 and 1981 reached a maximum of 6,200 tons, or 0.7 percent of consumption, in October-December 1981 (tables VII-20 and VII-21).

Prices

U.S. producers usually quote prices for hot-rolled carbon steel bar on an f.o.b. mill basis. 1/ Importers of the product from Belgium, France, the United Kingdom, West Germany, and Brazil generally quote prices on an f.a.s. port of entry or delivered basis. Prices consist of a base price for each product plus charges for extras such as differences in length, width, thickness, and chemistry. Prices can be changed by changing the base price, the extra charges, or both. The major steel producers have announced five base price increases for hot-rolled bar since January 1, 1979. According to industry sources, the most recent one occurred on December 1, 1980. Recently, one major domestic producer announced discounts on all of its bar products.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports of hot-rolled bar in 1979-81 are presented in table VII-22 and figures VII-1 and VII-2. The PPI is based on list prices and may not reflect changes in actual transaction prices. 2/ Unit value indexes may vary over time not only because of changes in prices, but also because of changes in the specific types of steel being imported. The PPI for domestically produced hot-rolled carbon steel bar increased 20.8 percent over the 3-year period, and that product's trigger price increased 9.7 percent. The unit value indexes of imports from Belgium increased 18.3 percent between January-March 1979 and July-September 1981, the last quarter for which full information is available. During that period, the unit value index for imports from France increased 11.8 percent; the index for imports from the United Kingdom increased 16.5 percent; the index for imports from West Germany increased 59.1 percent; and the index for imports from Brazil increased 15.1 percent.

Unit value indexes are available for the month of October 1981 for imports from Belgium, France, the United Kingdom, and West Germany. Compared with July-September 1981, unit values decreased in October for imports from Belgium and France, but increased for imports from the United Kingdom and West Germany.

Transaction prices.--The Commission requested data on average net selling prices to end-user and steel service center/distributor purchasers for specific products from domestic producers and importers. In addition, in order to facilitate direct comparison of prices, the Commission requested data on prices paid by steel purchasers.

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, under which a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. Major domestic steel producers usually freight equalize on bar products.

2/ The PPI is compiled by the Bureau of Labor Statistics.

Table VII-22.--Hot-rolled carbon steel bar: Indexes of producer prices, trigger prices, and unit values of imports from Belgium, France, the United Kingdom, West Germany, and Brazil, by quarters, 1979-81 1/

(January-March 1979=100)

Period	Producer price index	Trigger price index	Index of unit values of imports from--				
			Belgium	France	United Kingdom	West Germany	Brazil
1979:							
January-March	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-June	101.6	99.4	80.2	110.7	102.4	112.4	108.2
July-September	106.5	101.6	103.3	104.0	98.6	125.4	109.3
October-December	107.4	101.6	108.6	82.3	100.7	135.0	109.2
1980:							
January-March	112.0	101.6	110.0	120.7	100.4	108.6	114.2
April-June	113.3	2/	115.3	103.7	111.4	141.8	98.4
July-September	111.7	2/	122.4	115.0	106.1	151.5	113.4
October-December	111.6	111.6	122.8	105.6	105.2	159.9	118.1
1981:							
January-March	115.9	107.5	131.1	100.8	110.0	146.6	111.6
April-June	116.5	112.5	115.3	105.9	109.7	158.9	113.7
July-September	121.2	110.9	118.3	111.8	116.5	159.1	115.1
October-December	120.8	109.7	3/ 114.0	3/ 94.0	3/ 124.5	3/ 190.4	4/

1/ The producer price index and trigger-price index refer to merchant quality bar. The trigger-price index includes only the base price. Data for Belgium include imports from Luxembourg.

2/ Trigger price was suspended.

3/ Data are for October only.

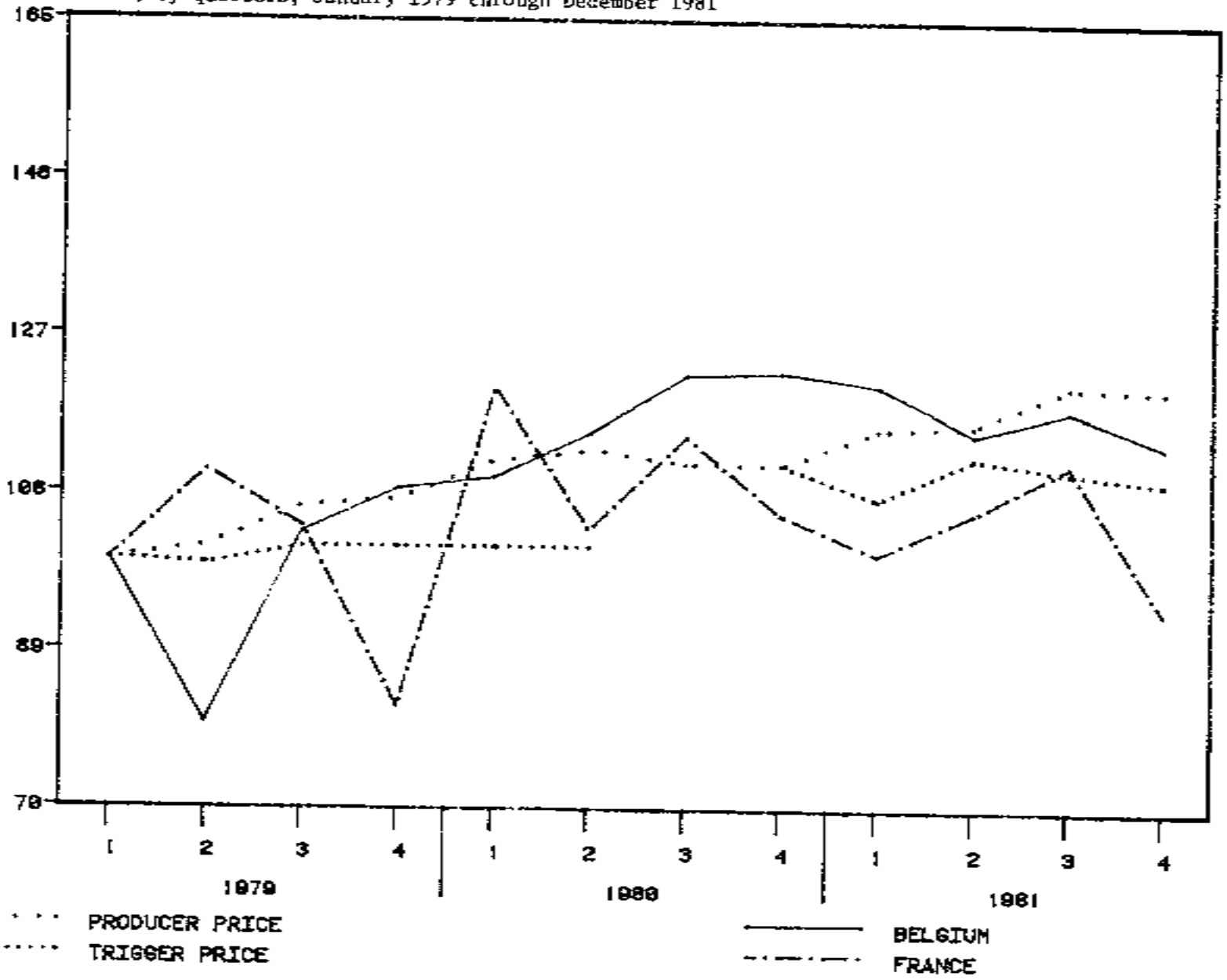
4/ No imports reported.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics and the U.S. Department of Commerce.

Note.--Indexes are presented for comparisons of trends; index levels are not comparable.

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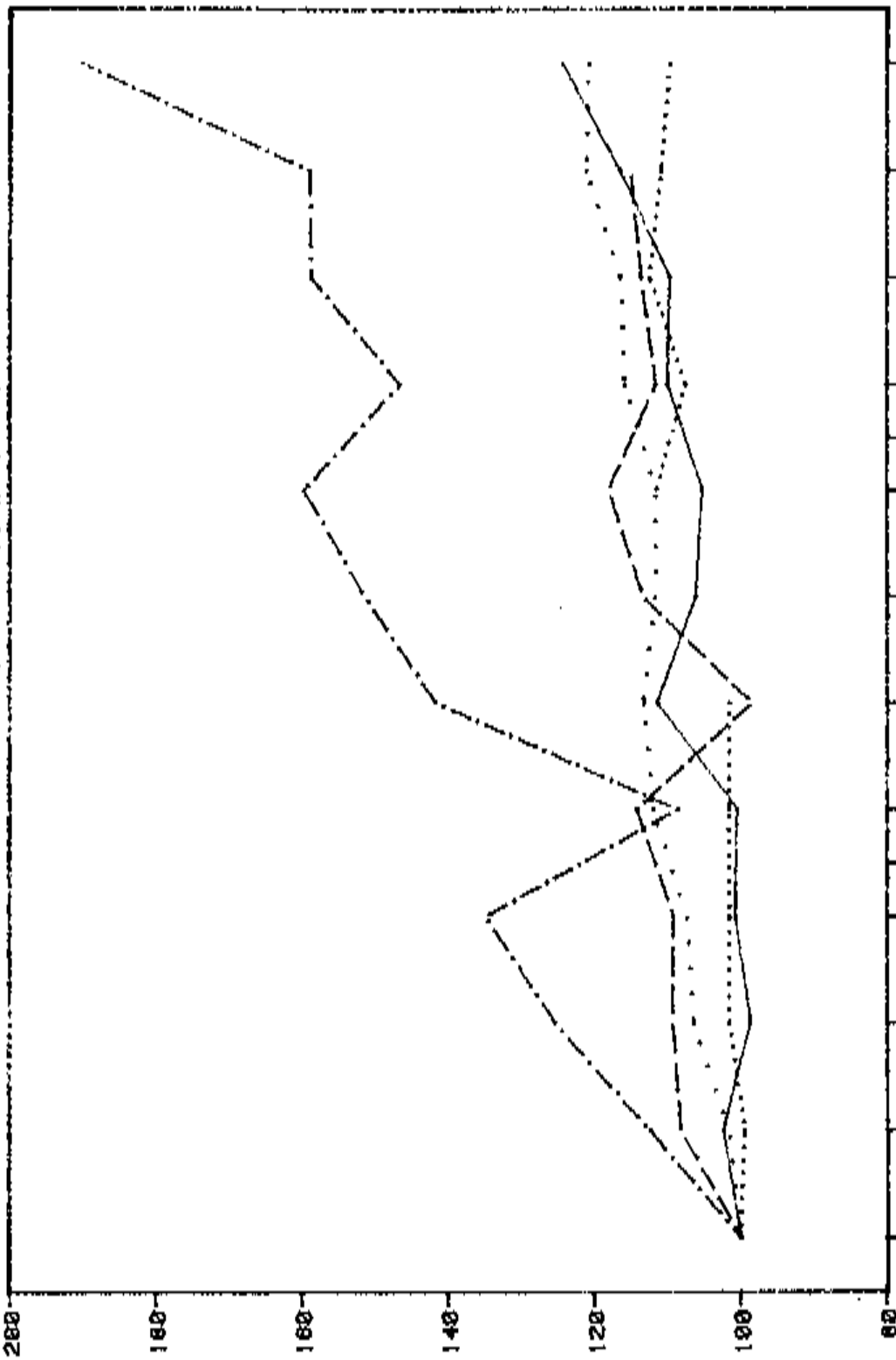
Figure VII-1.--Hot-rolled carbon steel bar: Indexes of producer price, trigger price, and the unit value of imports from Belgium, France, the United Kingdom, West Germany, and Brazil, by quarters, January 1979 through December 1981



SOURCE: SEE TABLE VII-22.

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Figure VII-2.--Hot-rolled carbon steel bar: Indexes of producer price, trigger price, and the unit value of imports from Belgium, France, the United Kingdom, West Germany, and Brazil, by quarters, January 1979 through December 1981



SOURCE: SEE TABLE VII-22.

Trends in prices.--The Commission asked domestic producers and importers for their average net selling prices for a specific type of hot-rolled carbon steel bar. 1/ These are average prices charged in many different transactions and do not include delivery charges. Such data cannot be used to compare the levels of domestic producers' and importers' prices, but are useful for comparing trends and should reflect any discounting that may be occurring in these prices.

Price data on hot-rolled carbon steel bar were received from five domestic producers and three importers for 1980 and 1981 (tables 46 and 47 in app. J and fig. VII-3). Domestic prices decreased during the first three quarters of 1980 by approximately 20 percent and then increased steadily during the rest of the period. From January-March 1980 to October-December 1981, the price charged steel service center/distributor customers for domestically produced bar increased 9 percent, and the price charged end users increased 6 percent. Importers only provided data on average prices of hot-rolled carbon steel bar from some of the countries involved in these investigations. During the last 2 years, the price charged steel service center/distributor customers for hot-rolled carbon steel bar from Luxembourg and West Germany increased by 5 percent. Price trends of imports are also up over the period, but their pattern is the reverse of the domestic. This is more apparent in the data supplied for service center/distributor customers, where domestic prices declined in 1980 whereas import prices increased, and in 1981, when domestic prices rebounded strongly while prices of imports were falling.

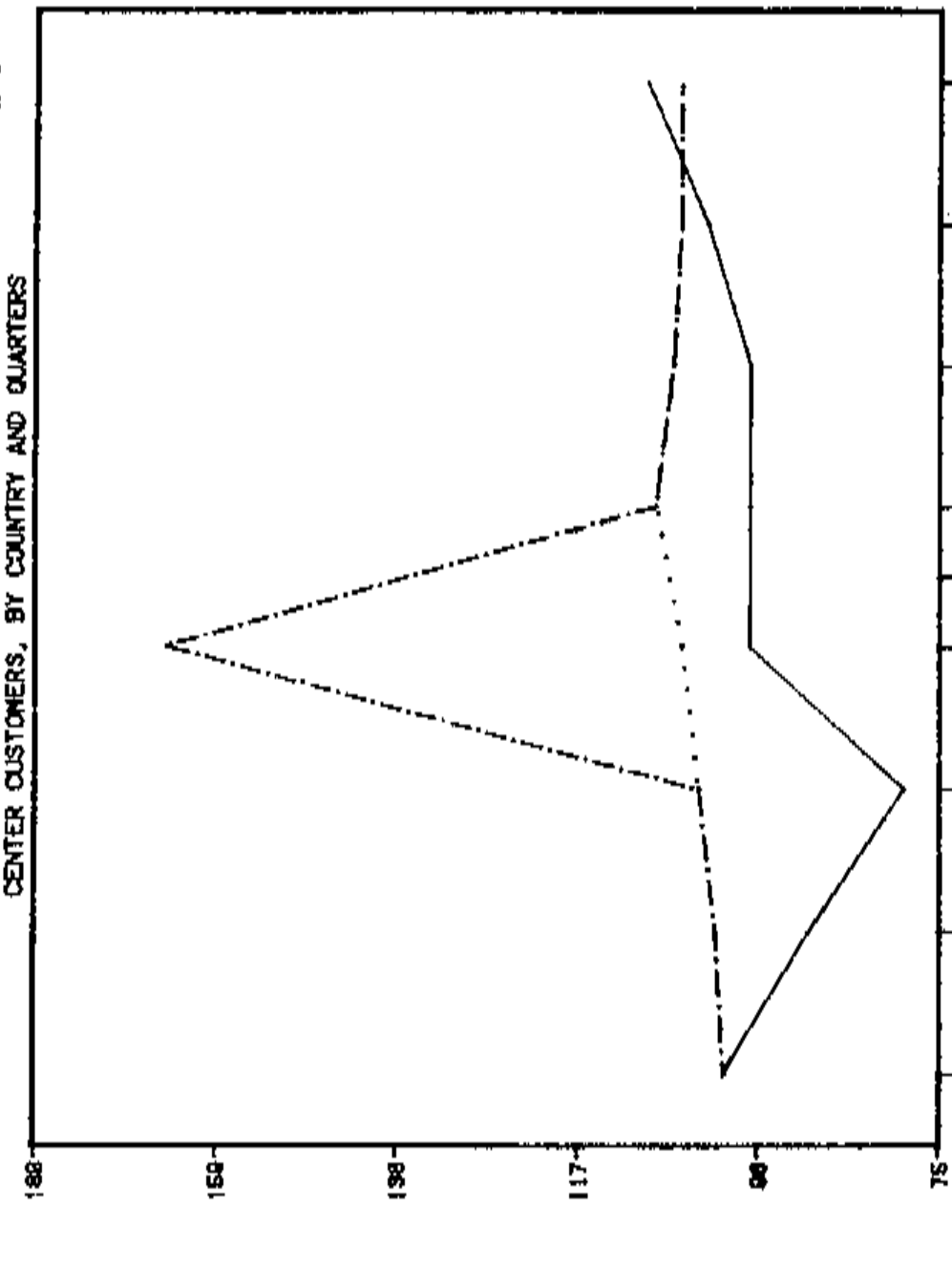
Purchase prices.--The Commission also asked purchasers to furnish the delivered prices they paid in 1981 for imported and domestically produced hot-rolled carbon steel bar. Purchasers were asked for prices, including delivery charges, paid in specific transactions. To ensure that these prices would be comparable, the purchasers were identified by their location and questionnaires were sent to firms located in six metropolitan areas: Atlanta, Chicago, Detroit, Houston, Los Angeles, and Philadelphia. These data were used to compare the levels of importers' and domestic producers' prices.

Of the 66 purchasers' responding to this questionnaire, 31 reported purchasing hot-rolled carbon steel bar. However, only two of these purchasers reported pricing data for the imported product. Margins of underselling computed from these responses are presented in tables 48 and 49 in appendix J. The data are limited to bar from Luxembourg sold in the Houston and Los Angeles areas. In each case, the prices reported for imported bar are higher than those paid for the domestic product. 2/ The margin of overselling in Houston is based on the response of a single purchaser. * * *

1/ As a basis for transaction price comparisons, the Commission selected 22 representative steel mill products covering the 9 product categories subject to these investigations. These products and their respective specifications are listed by product category in app. I. Hot-rolled carbon steel bars are represented by product No. 19.

2/ These margins are reported with negative signs.

FIGURE VII-3.--HOT-ROLLED CARBON STEEL BARS-PRODUCT 19
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 46, APPENDIX J

The staff contacted several purchasers of hot-rolled carbon steel bar that had been named in the lost sales sections of domestic producers' questionnaires. Four such purchasers were willing to compare the prices of domestic bar with the prices of imports from the United Kingdom. Two said the prices were the same; one of these said he bought British bar because of its superior quality, the other said in order to maintain a relationship with that supplier. Two purchasers said that bar from the United Kingdom undersold domestically produced bar; one said the margin of underselling was about 10 percent, the other said the margin was variable, but never as high as 10 percent.

One purchaser said bar from France was about the same price as domestic bar, and that he bought bar from France because of its superior quality and because of his corporate relationship with a French steel producer.

Nonprice factors.--Purchasers were asked to indicate the importance of four nonprice factors in their purchasing decisions. These factors were quality, service, reliability, and proximity. Thirty-one purchasers of hot-rolled carbon steel bar responded to this question. These purchasers indicated that quality was the most important nonprice consideration, reliability was next, then service, and proximity. The majority of these steel purchasers indicated that they had not paid a premium price because of a nonprice factor.

Lost sales

Two domestic producers submitted a total of 10 specific allegations of lost sales of hot-rolled carbon steel bar to imports of this product from one or more of the subject countries in 1980 and 1981. The staff investigated all of the allegations. The results, by country, are listed below.

Imports from Belgium.--One allegation concerning about *** tons of hot-rolled carbon steel bar imported from Belgium was received. The allegation was confirmed by the purchaser. This purchaser indicated that he purchased this product from Belgium because its price was much lower than the domestic integrated producers would charge. The purchaser also indicated that if this particular product were produced by a domestic minimill, he would buy from the minimill because the price would then be competitive with what he had to pay for the product imported from Belgium.

Imports from France.--Three allegations concerning about *** tons of hot-rolled carbon steel bar imported from France were received. The allegations were all confirmed by the three purchasers, all of whom cited the superior quality of French steel as the principal factor in their decisions to purchase the imported product.

Imports from the United Kingdom.--Five allegations concerning about *** tons of hot-rolled carbon steel bar imported from the United Kingdom were received. Four allegations, representing *** tons, were confirmed by the purchasers. The two largest purchasers indicated that availability of supply was the most important factor in their decision to purchase from the United Kingdom. Another large purchaser mentioned quality superiority as paramount, while the remaining small purchaser mentioned lower price as the most important reason for such merchandise from the United Kingdom.

Imports from West Germany.--One allegation concerning about *** tons of hot-rolled carbon steel bar imported from West Germany was received. The allegation was confirmed by the purchaser. The superior quality of West German steel was the principal factor cited by this purchaser as his reason for purchasing the imported product.

In summary, several instances were verified in which purchasers bought hot-rolled carbon steel bar from the subject countries in lieu of the domestically produced product. However, only one purchaser of hot-rolled carbon steel bar from Belgium and one purchaser of such bar from the United Kingdom verified that they had bought imports from those countries principally because of the lower price of the imported merchandise. In the aggregate, these latter instances of verified lost sales by reason of price amounted to 350 tons of hot-rolled carbon steel bar.

PART VIII. HOT-ROLLED ALLOY STEEL BAR

Introduction

On January 11, 1982, the U.S. International Trade Commission received a petition filed on behalf of Republic, Inland, J&L, National, and Cyclops requesting that the Commission initiate a countervailing duty investigation on imports of hot-rolled alloy steel bar from France, Italy, the United Kingdom, and West Germany. Accordingly, effective January 11, 1982, the Commission instituted investigations Nos. 701-TA-130 through 133 (Preliminary) pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from France, Italy, the United Kingdom, and West Germany of hot-rolled alloy steel bar, provided for in item 606.9700 of the TSUSA, upon which bounties or grants are alleged to be paid. The cases instituted by the Commission are:

Country	Countervailing duty investigation number
France	701-TA-130 (P)
Italy	701-TA-131 (P)
The United Kingdom	701-TA-132 (P)
West Germany	701-TA-133 (P)

The Product

Description and uses 1/

Hot-rolled alloy steel bar is a product of solid cross section produced by heating billets of the appropriate alloy steel 2/ in a furnace to a uniform

1/ A detailed discussion of the steelmaking process is presented in pt. I of this report.

2/ Alloy steel is an alloy of iron and carbon which is malleable as first cast and which contains one or more of the following elements in the quantity, by weight, respectively indicated:

1.65 percent of manganese, or
0.25 percent of phosphorous, or
0.35 percent of sulphur, or
0.60 percent of silicon, or
0.60 percent of copper, or
0.30 percent of aluminum, or
0.20 percent of chromium, or
0.30 percent of cobalt, or
0.35 percent of lead, or
0.50 percent of nickel, or
0.30 percent of tungsten, or
0.10 percent of any other metallic element.

heat, and then passing them through a series of rolls that form the steel to the desired shape and dimension. After being rolled, the bar is generally cut to standard straight lengths by hot-shearing, hot-sawing, or other means, depending on its size, cross-sectional configuration, and alloy composition.

The various alloys are introduced to carbon steel in the steelmaking process to enhance its properties in terms of hardenability, corrosion resistance, abrasion resistance, improved electrical characteristics, or other desired properties.

Hot-rolled alloy steel bar is manufactured in a variety of cross-sectional shapes. For the purpose of these investigations, "hot-rolled alloy steel bar" includes hot-rolled alloy steel products of solid section which have cross sections in the shape of circles, segments of circles, ovals, triangles, rectangles, hexagons, or octagons and are not coated or plated with metal, as provided for in item 606.9700 of the TSUSA.

Major markets for hot-rolled alloy steel bar are summarized in table VIII-1.

Table VIII-1.--Hot-rolled alloy steel bar: 1/ Major end markets for domestic shipments, 1979, 1980, and January-September 1981

Market	1979		1980		Jan.-Sept. 1981	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 tons		1,000 tons		1,000 tons	
Automotive	814	34.2	450	25.7	409	23.8
Machinery, industrial equipment, and tools	319	13.4	252	14.4	210	12.2
Steel service centers and distributors	216	9.1	188	10.7	185	10.8
Mining, quarrying, and lumbering	201	8.4	160	9.1	143	8.3
Oil and gas	147	6.2	196	11.2	234	13.6
Total	2,379	100	1,751	100	1,718	100

1/ Includes light shapes.

Source: Compiled from data of the American Iron and Steel Institute.

The table shows the automotive sector to be the largest consumer of hot-rolled alloy steel bar from 1979 to January-September 1981. Consumption of this article for automotive use dropped noticeably over the period, however, from 34 percent of total domestic shipments in 1979 to 24 percent for the first 9 months of 1981, a decline of 30 percent. Although shipments to the oil and gas sector increased markedly over the period, the increase was not enough to offset the projected decline in total shipments, which fell by 4 percent from 1979 to 1981, according to annualized 1981 data.

U.S. tariff treatment

For the purpose of this investigation, hot-rolled alloy steel bar is classifiable under item 606.9700 of the TSUSA. 1/ The column 1 (most-favored-nation) rate of duty for item 606.9700 is currently 9.8 percent ad valorem plus additional duties, which can total as much as 1 percent ad valorem. 2/ As a result of concessions granted in the Tokyo round of the MTN, this rate will undergo a series of successive annual reductions which began January 1, 1982, and will end January 1, 1987, when the final column 1 rate of 6 percent ad valorem plus additional duties will be achieved.

The column 2 rate of duty for item 606.9700 is 28 percent ad valorem plus additional duties, which can total as much as 4 percent ad valorem. This item is not eligible for duty-free treatment under the GSP. Imports from the LDDC's are granted the preferential rate of 6 percent ad valorem plus additional duties.

In addition to the import duties discussed above, U.S. imports of these products may also be subject to restraints imposed by administrative actions taken under provisions of the Buy American Act. 3/

Apparent U.S. Consumption

Apparent U.S. consumption of hot-rolled alloy steel bar declined irregularly from 2.7 million short tons in 1978 to 1.9 million short tons in 1980, or by 30 percent. Consumption during January-November 1981 was 26 percent greater than that in the corresponding period of 1980, amounting to 2.3 million short tons and 1.7 million short tons, respectively. Domestic shipments and imports followed the same trend as that displayed by apparent consumption (table VIII-2).

1/ Prior to Jan. 1, 1980, such alloy steel bar was classified under TSUSA item 608.5240. This item has since been deleted.

2/ The ad valorem tariff was reduced from 10.5 percent to 9.8 percent on Jan. 1, 1982, as part of the scheduled reduction of tariffs granted in the Tokyo round of the MTN. Additional duties may be assessed on these imports depending on the content, by weight, of chromium, molybdenum, tungsten, or vanadium. See headnote 4, schedule 6, pt. 2, subpt. B, of the TSUSA.

3/ An explanation of the applicability of col. 1, col. 2, GSP, and LDDC rates of duty, as well as a discussion of the provisions of the Buy American Act, is presented in pt. II of this report.

Table VIII-2.--Hot-rolled alloy steel bar: U.S. producers' shipments, 1/ imports for consumption, exports of domestically produced merchandise, and apparent consumption, 1978-80, January-November 1980, January-November 1981, and, by quarters, January 1980-September 1981

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to-- Shipments	Ratio of imports to-- Consumption
	1,000 short tons				Percent	
1978	2,569	160	63	2,666	6.2	6.0
1979	2,572	128	43	2,657	5.0	4.8
1980	1,890	105	120	1,875	5.6	5.6
January-November--						
1980	1,715	93	116	1,692	5.5	5.5
1981	2,202	142	49	2,295	6.4	6.2
1980:						
January-March	563	26	22	567	4.6	4.6
April-June	471	32	43	460	6.8	7.0
July-September	360	19	41	338	5.3	5.6
October-December	496	28	16	508	5.6	5.5
1981:						
January-March	586	36	12	610	6.1	5.9
April-June	650	45	21	674	6.9	6.7
July-September	605	41	9	637	6.8	6.4

1/ Includes bar-size light shapes, causing producers' shipments and apparent consumption to be overstated but the ratio of imports to apparent consumption to be understated.

Source: Shipments, compiled from data of the American Iron and Steel Institute; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

Domestic shipments and apparent consumption were up in each quarter of 1981 compared with those in the corresponding quarters of 1980, but neither showed a discernible trend in either year. The ratio of imports to shipments and the ratio of imports to apparent consumption rose very slightly from 1978 to 1981.

U.S. Producers

Some 34 firms produce hot-rolled alloy steel bars in the United States, with operating facilities scattered throughout the country but concentrated in the North Central area of Pennsylvania, Ohio, Illinois, and Michigan. U.S. producers of hot-rolled alloy steel bar and the location of their production facilities are listed below:

Firm	Location of facilities
Al Tech Specialty Steel Corp	Dunkirk, N.Y.
Al International	New Hartford, N.Y.
Armco	Houston, Tex. Kansas City, Mo.
Bethlehem	Los Angeles, Calif. Lackawanna, N.Y. Johnstown, Pa. Lebanon, Pa. Steelton, Pa. Seattle, Wash.
Border Steel Mills, Inc	El Paso, Tex.
Bourne Corp	Phillipsdale, R.I.
Bar Processing Corp	Chicago Heights, Ill.
Carpenter Technology Corp	Reading, Pa.
CF&I	Pueblo, Colo.
Connors Steel Co	Birmingham, Ala.
Continental Copper & Steel Industries, Inc	Braeburn, Pa.
Copperweld Steel Co	Warren, Ohio
Crucible, Inc	Midland, Pa. Syracuse, N.Y.
Ford Motor Co	Dearborn, Mich.
Ingersoll-Rand	Pampa, Tex.
Guterl Special Steel Corp	Lockport, N.Y.
Interlake, Inc	Chicago, Ill.
Inland	E. Chicago, Ind.
Intercontinental Steel Corp	Chicago, Ill.

Firm	Location of facilities
Jessop Steel Co	Washington, Pa.
(Green River Steel)	Owensboro, Ky.
Judson Steel Corp	Emeryville, Calif.
Jarsco Steel Corp	Roebling, N.J.
McInnes Steel Co	Corry, Pa.
LTV	Pittsburgh, Pa.
(J&L)	Aliquippa, Pa.
Midwest Wire Co	Cleveland, Ohio
North Star Steel Co	Monroe, Mich.
	Wilton, Iowa
Northwestern Steel & Wire Co	Sterling, Ill.
Republic	Massilon, Ohio
	Coalton, Ky.
	Chicago, Ill.
	Buffalo, N.Y.
	Canton, Ohio
Roblin Steel Co	N. Tonawanda, N.Y.
Sharon Steel Co	Farrell, Pa.
	Sharon, Pa.
Soule Steel Co	Carson, Calif.
Timkin Co	Canton, Ohio
	Latrobe, Pa.
Teledyne	Monroe, N.C.
	Latrobe, Pa.
U.S. Steel	Lorain, Ohio
	Gary, Ind.
	Joliet, Ill.
	Clairton, Pa.

Although some 34 firms produce hot-rolled alloy steel bar, the industry displays the concentration typical of the steel industry as a whole, with 5 large producers accounting for about 54 percent of shipments of these products in 1981. The 5 major producers of hot-rolled alloy bar and their market shares are presented in the following tabulation (in percent):

Firm	1978	1980
Republic Steel Corp	***	***
U.S. Steel Corp	***	***
Bethlehem Steel Corp	***	***
Timken Co	***	***
ARMCO	***	***

U.S. Importers

Data on importers of alloy steel products obtained from the Customs Net Importer File identifies approximately 25 importers of hot-rolled alloy steel bar from the countries subject to the investigations. In general, exports from these countries entered the United States through one or two importers, which handled the bulk of imports from them and which were owned by or affiliated with major foreign steel producers. Some imports of the product were handled by trading companies which imported hot-rolled alloy steel bar from several sources.

Major importers of hot-rolled alloy steel bar from the subject countries for the period October 1980-August 1981 were as follows:

Source	Importing firm
France	* * * 1/
Italy	* * * 1/
United Kingdom	* * * 1/
	* * *
West Germany	* * * 1/
	* * *

1/ Owned by or affiliated with foreign steel producers.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of hot-rolled alloy steel bar declined steadily from 1.8 million short tons in 1978 to 1.2 million tons in 1980, before recovering to 1.4 million tons in 1981, representing an overall decrease of 22 percent. Capacity declined from 2.4 million tons in 1978 to 2.2 million tons in 1981 or by 11 percent. Capacity utilization decreased from 73.5 percent in 1978 to 53.1 percent in 1980 before recovering to 65.1 percent in 1981, as shown in table VIII-3. 1/

1/ Capacity to produce finished steel mill products is not necessarily the best method of determining the extent to which a steel making operation is most efficiently utilizing its facilities. See a discussion of this issue in pt. II of this report, II-11 and II-12.

Table VIII-3.--Hot-rolled alloy steel bar: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/----1,000 short tons--	1,800	1,650	1,151	1,412
Capacity----------do----	2,448	2,449	2,169	2,170
Capacity utilization-----percent--	73.5	67.4	53.1	65.1

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could reasonably be attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operations.

2/ U.S. producers submitting usable data accounted for 62 percent of total shipments of hot-rolled alloy bar in 1980, as reported by the American Iron and Steel Institute.

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

U.S. producers' shipments

Total U.S. shipments of all alloy steel products in 1980 amounted to 9.4 million tons, of which hot-rolled alloy steel bar accounted for 1.9 million tons, 1/ or 20 percent, according to AISI data.

U.S. producers' shipments of hot-rolled alloy steel bar increased in each quarter of 1981 compared with those in the corresponding quarters of 1980. Shipments reached a low of 360,000 tons in the third quarter of 1980 and a peak of 650,000 tons in the second quarter of 1981. Total U.S. producers' shipments of hot-rolled alloy steel bar, as reported by the American Iron and Steel Institute (such shipments include intracompany transfers and exports), are shown in the following tabulation:

	Shipments (1,000 short tons)
1980:	
January-March----------	563
April-June----------	471
July-September----------	360
October-December----------	496
1981:	
January-March----------	586
April-June----------	650
July-September----------	605
October-December----------	558

1/ Some shipments of bar-size light shapes are included.

U.S. producers' intracompany and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table VIII-4. These data show relatively steady levels of intracompany and intercompany shipments and export shipments and a general decline in domestic market shipments totaling 22 percent for the period 1978-81. Total shipments fell from 1.8 million tons, to 1.4 million tons or by 21 percent.

Table VIII-4.--Hot-rolled alloy steel bar: U.S. producers' shipments, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Intracompany and intercompany shipments	33	34	30	30
Domestic market shipments	1,739	1,611	1,130	1,354
Export shipments	8	19	19	19
Total	1,780	1,663	1,179	1,402
	Value (million dollars)			
Domestic market shipments	888	920	731	973
Export shipments	3	9	10	11
Total	892	928	741	984
	Unit value (per ton)			
Domestic market shipments	$510.82	$570.89	$646.74	$718.73
Export shipments	435.37	475.90	536.40	596.15
Average	510.02	569.33	644.91	716.58

1/ U.S. producers submitting usable data accounted for 62 percent of total shipments of hot-rolled alloy steel bar in 1980, as reported by the American Iron and Steel Institute.

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

With the exception of 1980, the value of U.S. producers' shipments of hot-rolled alloy steel bar increased yearly during 1978-81 for a net increase of $92 million, or 10 percent. The average unit value of shipments rose annually at a rate of 12 percent.

U.S. exports

Exports of hot-rolled alloy steel bar increased from 63,000 tons in 1978 to 120,000 tons in 1980, or by 90 percent (table VIII-5). However, exports declined by 58 percent in January-November 1981 compared with those in the corresponding period of 1980 as shipments fell from 116,000 tons to 49,000 tons. The principal export markets for hot-rolled alloy steel bar were Mexico, Canada, Egypt, Italy, and Saudi Arabia. Exports to Mexico and Canada accounted for over 50 percent of total export shipments during 1978-80 and January-November 1981.

Table VIII-5.--Hot-rolled alloy steel bar: 1/ U.S. exports of domestically produced merchandise, by principal markets, 1978-80, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
Mexico	9,606	18,261	53,471	50,308	25,121
Canada	33,468	16,973	18,078	17,035	14,320
Egypt	1,676	0	27,921	27,921	0
Italy	28	93	7,193	7,169	101
Saudi Arabia	1,041	1,355	3,293	3,263	1,820
All other	16,834	6,406	10,512	9,980	7,198
Total	62,653	43,088	120,468	115,676	48,560
	Value (1,000 dollars)				
Mexico	5,786	10,510	25,205	23,887	12,754
Canada	16,562	10,392	8,815	8,389	11,808
Egypt	292	-	8,310	8,310	-
Italy	76	333	3,774	3,696	435
Saudi Arabia	555	842	2,216	2,169	1,677
All other	6,542	6,790	8,964	8,252	7,881
Total	29,813	28,867	57,284	54,703	34,555

1/ U.S. Department of Commerce export figures may include rolled flats, which are not a product included in this investigation.

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

U.S. producers' inventories

Inventories of hot-rolled alloy steel bar reported by U.S. producers in response to the Commission's questionnaires (which accounted for 62 percent of shipments reported by AISI for 1980) remained relatively steady as a percentage of U.S. producers' shipments. The yearend 1978 inventory represents 9.3 percent of 1978 shipments, and the end-of-period inventory for 1981 represents 9.8 percent of U.S. producers' shipments in that year. Reported end-of-period inventories were as follows:

As of Dec. 31--	Inventories (1,000 short tons)
1977	151
1978	166
1979	150
1980	125
1981	137

U.S. employment, wages, and productivity

In domestic establishments producing hot-rolled alloy steel bar the average employment of all persons and the average number of production and related workers producing all products increased in 1979, fell in 1980, and rose slightly in 1981. The average number of production and related workers producing hot-rolled alloy steel bar declined in both 1979 and 1980 before rebounding in 1981. However, the 1978-81 period showed an overall decrease at an annual rate of 6.6 percent. The number of hours paid for production and related workers producing all products and for those producing hot-rolled alloy steel bar generally displayed the same pattern, as did average employment for the respective categories, except that hours worked increased or decreased more sharply, as shown in table VIII-6.

Table VIII-6.--Average number of employees, total and production and related workers, in U.S. establishments producing hot-rolled alloy steel bar, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	171,392	188,329	164,625	165,642
Percentage change	3/	9.9	-12.6	0.6
Production and related workers producing--				
All products:				
Number	151,467	164,485	143,037	144,497
Percentage change	3/	8.6	-13.0	1.0
Hot-rolled alloy steel bar:				
Number	7,880	7,144	5,761	6,250
Percentage change	3/	-9.3	-19.4	8.5
Hours paid for production and related workers producing--				
All products:				
Number----------thousands	313,173	337,055	281,830	285,755
Percentage change	3/	7.6	-16.4	1.4
Hot-rolled alloy steel bar:				
Number----------thousands	15,984	14,401	10,921	12,158
Percentage change	3/	-9.9	-24.2	11.3

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 62 percent of total shipments of hot-rolled alloy steel bar in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Wages paid to production and related workers producing all products and hot-rolled alloy steel bar followed a similar pattern as that of average employment for the respective categories. In contrast to employment, which decreased over the 1978-1981 period, total wages paid were greater in 1981 than in 1978. Total compensation paid to production and related workers of all products and of hot-rolled alloy steel bar similarly showed a period gain in the value of total compensation received (table VIII-7).

Table VIII-7.--Wages and total compensation 1/ paid to production and related workers in establishments producing hot-rolled alloy steel bar, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related workers producing--				
All products:				
Value----------million dollars--	3,406	4,092	3,840	4,189
Percentage change----------	3/	20.1	-6.2	9.1
Hot-rolled alloy steel bar:				
Value----------million dollars--	172	171	145	177
Percentage change----------	3/	-0.6	-15.2	22.1
Total compensation paid to production and related workers producing--				
All products:				
Value----------million dollars--	4,319	4,394	5,010	5,570
Percentage change----------	3/	1.7	14.0	11.2
Hot-rolled alloy steel bar:				
Value----------million dollars--	219	218	190	232
Percentage change----------	3/	-0.5	-12.8	22.1

1/ Includes wages and contributions to social security and other employee benefits.

2/ U.S. producers submitting usable data accounted for 62 percent of total shipments of hot-rolled alloy steel bar in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Data on labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled alloy steel bar are presented in table VIII-8.

Table VIII-8.--Labor productivity, hourly compensation, and unit labor costs in the production of hot-rolled alloy steel bar, 1/ 1978-81

Item	1978	1979	1980	1981
Labor productivity:				
Quantity----------tons per hour--	0.1126	0.1146	0.1054	0.1161
Percentage change----------	2/	1.8	-8.0	10.2
Hourly compensation:				
Value----------per ton--	13.70	15.12	17.35	19.07
Percentage change----------	2/	10.4	14.2	9.9
Unit labor cost:				
Value----------per ton--	121.67	131.94	164.61	164.25
Percentage change----------	2/	8.4	24.8	-0.2

1/ U.S. producers submitting usable data accounted for 62 percent of total shipments of hot-rolled alloy steel bar in 1980, as reported by the American Iron and Steel Institute.

2/ Not available.

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

Labor productivity increased 3.1 percent from 1978 to 1981, despite an 8.0 percent decrease in 1980. Hourly compensation rose continuously throughout the period, increasing at an average annual rate of 11.6 percent. Unit labor costs registered increases in both 1979 and 1980 before dropping slightly in 1981. Unit labor costs increased at an average annual rate of 10.5 percent.

Financial experience of U.S. producers

Operations on hot-rolled alloy steel bar.--The nine firms which furnished profit-and-loss data accounted for about 62 percent of total U.S. producers' shipments of hot-rolled alloy steel bar in 1980, as reported by the American Iron and Steel Institute. Net sales of hot-rolled alloy steel bar rose yearly during 1978-81, ranging from $905 million to $1.0 billion (table VIII-9).

Table VIII-9.--Profit-and-loss experience of 9 U.S. producers on their operations producing hot-rolled alloy steel bar, accounting years 1978-81

Item	1978	1979	1980	1981
Net sales----------million dollars--	905	947	768	1,006
Cost of goods sold----------do----	773	837	704	887
Gross profit----------do----	132	110	64	119
Selling and administrative expenses------do----	27	28	27	32
Operating profit----------do----	105	82	37	87
Ratio of gross profit to net sales----percent--	14.6	11.6	8.3	11.8
Ratio of operating profit to net sales---do----	11.6	8.7	4.8	8.6
Ratio of cost of goods sold to net sales percent--	85.4	88.4	91.7	88.2
Ratio of selling and administrative expenses to net sales----------percent--	3.0	2.9	3.5	3.2
Number of firms reporting operating losses-----	0	1	4	1

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

The 9 firms' aggregate operations on hot-rolled alloy steel bar were profitable during 1978-81. However, net operating profit fell 65 percent during 1978-80, from $105 million to $37 million. In 1981, such profit rose to $87 million. The operating margin was 11.6 percent in 1978, 8.7 percent in 1979, 4.8 percent in 1980, and 8.6 in 1981. Operating losses were reported by one firm in both 1979 and 1981, and by four firms in 1980.

Capital expenditures.--Six firms supplied data relative to their expenditures during 1978-81 for land, buildings, and machinery and equipment used in the production of hot-rolled alloy steel bar. As shown in the following tabulation, aggregate capital expenditures rose from $135 million in 1978 to $237 million in 1980, and then declined to $209 million in 1981.

	Capital expenditures (1,000 dollars)
1978----------	134,761
1979----------	234,399
1980----------	237,251
1981----------	209,391

Research and development expenditures.--Five firms supplied data relative to their research and development expenses incurred during 1978-81 in connection with the production of hot-rolled alloy steel bar. Such expenses amounted to $526,000 in 1978, $460,000 in 1979, $840,000 in 1980, and $861,000 in 1981.

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

In its examination of the question of a reasonable indication of the threat of material injury to a U.S. industry, the Commission may take into consideration such factors as the rate of increase of imports allegedly subsidized, the rate of increase of U.S. market penetration by such imports, the amount of such imports held in inventory in the United States, and the capacity of producers in countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase of imports and of their U.S. market penetration is presented in the section of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Imports Allegedly Subsidized." A discussion of foreign producers' capacity to generate exports is presented in part VII of this report, and a discussion of importers' inventories follows.

End-of-period inventories reported by U.S. importers of hot-rolled alloy steel bar from the countries subject to the investigations and from all other countries are shown in table VIII-10. The data in this table is of only limited value, however, because the firms reporting accounted for only 9 percent of imports in 1978, 6 percent in 1979, and 29 percent in 1980, as reported by the U.S. Department of Commerce.

Table VIII-10.--Hot-rolled alloy steel bar: End-of-period inventories held by U.S. importers, by sources, 1978-81

Source	1978	1979	1980	1981
	Quantity (short tons)			
EC countries:				
France	7,076	4,745	4,026	15,624
Italy	0	0	102	62
United Kingdom	68	6	3	0
West Germany	0	359	1,025	1,263
Subtotal	7,144	5,110	5,156	16,949
All other countries	0	0	0	0
Total, all inventories	7,144	5,110	5,156	16,949
	Ratio of inventories to reported imports (percent)			
EC countries:				
France	59	69	65	40
Italy	-	-	52	15
United Kingdom	57	9	-	-
West Germany	-	46	84	117
Average	59	66	68	41
All other countries	-	-	-	-
Average, all countries	48	64	65	41

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

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

U.S. imports

Imports from all sources.--Imports of hot-rolled alloy steel bar steadily declined from 160,000 tons in 1978 to 128,000 tons in 1979 and to 105,000 tons in 1980, for a 34 percent drop during the period (table VIII-11). The value of such imports declined 17 percent during the same period. Imports increased sharply between January-November 1980 and the corresponding period of 1981, from 93,000 tons to 142,000 tons, or by 51 percent.

Table VIII-11.--Hot-rolled alloy steel bar (TSUSA item 606.9700 1/): U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981

Source	1978	1979	1980	January-November	
				1980	1981
	Quantity (short tons)				
EC countries:					
United Kingdom	8,753	995	396	354	4,719
Netherlands	3	121	28	28	69
Belgium/Luxembourg	22	45	5	5	0
France	16,064	8,793	5,954	5,954	38,450
West Germany	2,662	1,988	881	811	1,577
Italy	185	159	286	191	743
Subtotal	27,689	12,101	7,550	7,343	45,552
Brazil	528	402	11	7	52
Spain	10,606	132	800	800	3,663
Republic of South Africa	3,865	0	296	296	0
Japan	65,957	51,916	32,971	29,470	31,588
Canada	44,997	60,102	59,190	51,070	56,510
All other	6,030	3,807	4,659	4,506	4,175
Total, all sources	159,672	128,460	105,477	93,492	141,540

See footnote at end of table.

Table VIII-11.--Hot-rolled alloy steel bar (TSUSA item 606.9700 1/): U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981--Continued

Source	1978	1979	1980	January-November--	
				1980	1981
	Value (1,000 dollars)				
EC countries:					
United Kingdom	2,512	570	882	793	2,830
Netherlands	3	126	33	33	57
Belgium/Luxembourg	12	30	5	5	-
France	7,553	4,398	2,737	2,737	22,770
West Germany	1,722	1,488	871	807	1,652
Italy	82	104	244	179	609
Subtotal	11,884	6,716	4,772	4,554	27,918
Brazil	163	142	21	16	42
Spain	3,547	60	467	467	1,977
Republic of South Africa	1,216	0	105	105	0
Japan	23,729	22,715	15,931	14,066	16,736
Canada	16,091	22,820	24,619	21,453	25,174
All other	3,822	3,407	3,963	3,868	3,002
Total, all sources	$60,452	$55,860	$49,878	$44,529	$74,849
	Unit value (per ton)				
EC countries:					
United Kingdom	$287.02	$573.04	$2,230.42	$2,241.26	600.51
Netherlands	975.62	1,037.38	1,179.99	1,179.99	832.94
Belgium/Luxembourg	548.40	672.61	970.40	970.40	-
France	470.18	500.19	459.77	459.77	592.21
West Germany	646.80	748.39	988.57	994.91	1,047.49
Italy	445.08	653.96	851.12	940.80	819.30
Average	429.20	555.00	632.05	620.18	612.88
Brazil	309.12	352.01	1,963.18	2,179.32	811.43
Spain	334.41	455.11	583.14	583.14	539.78
Republic of South Africa	314.70	-	354.34	354.34	-
Japan	359.77	437.53	483.16	477.31	529.81
Canada	357.60	379.69	415.93	420.07	445.48
All other	633.83	894.93	850.61	854.41	719.04
Average, all sources	378.60	434.84	472.88	476.29	528.82

1/ In 1978 and 1979, such imports entered under TSUSA item 608.5240.

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

The bulk of U.S. imports of hot-rolled alloy steel bar enter from Canada and Japan. Imports from these two countries accounted for no less than 62 percent of all imports in each year during 1979-81, and in 1979 such imports accounted for over 87 percent of the total. Only in January-November 1981 did any country account for a larger percentage of imports than Japan or Canada. In that period, imports from France exceeded imports from Japan by 7,000 tons or 21 percent. Japan and Canada accounted for the majority of imports by value, except in January-November 1981.

The average unit value of imports of hot-rolled alloy steel bar rose from $379 per ton in 1978 to $529 per ton in January-November 1981, representing an increase of 40 percent. The average unit value for all imports remained within 5 percent of the average unit value of imports from Japan during the period under consideration.

France.--Imports of hot-rolled alloy steel bar from France fell from 16,000 tons in 1978 to 9,000 tons in 1979 and a low of 6,000 tons in 1980 before surging to a high of 38,000 tons in 1981. The annual rate of increase amounted to 37 percent. The unit value of the imports from France increased from $470 per ton in 1978 to $592 per ton in 1981. France was the third largest supplier of hot-rolled alloy steel bar imports in 1978-80 and the second largest supplier during January-November 1981.

Italy, the United Kingdom, West Germany, Spain, and the Republic of South Africa.--Imports of hot-rolled alloy steel bar from Italy, the United Kingdom, West Germany, Spain, and the Republic of South Africa collectively amounted to less than 5 percent of all imports during 1979-81. In 1978, imports from the United Kingdom constituted 5.5 percent of total imports, and imports from Spain accounted for 6.6 percent of the total.

Imports from the EC and from all countries subject to active countervailing duty investigations.--Imports from France, Italy, the United Kingdom, West Germany, Spain, and the Republic of South Africa accounted for 35 percent of imports in January-November 1981, when such imports peaked in terms of both volume and share of total imports. The trend in these imports is similar to that in imports from France since such imports accounted for over 50 percent of total imports from countries subject to the investigations in every period except 1978, when imports from Spain and the United Kingdom combined totaled approximately 19,000 tons.

There was a general rise in imports in each quarter of 1981 compared with imports in the corresponding quarters of 1980. Imports from France underwent the most substantial change, as 1981 imports exceeded 1980 imports by 583 percent. Imports in 1981 from the United Kingdom and Spain also rose substantially from the quarterly figures recorded in 1980 (table VIII-12).

U.S. market penetration

Imports from all sources.--Market penetration of imports of hot-rolled alloy steel bar from all countries fell from 6.5 percent in 1978 to 4.8 percent in 1979 before rising to 5.6 percent in 1980 and 6.2 percent in January-November 1981. Imports from countries not subject to these investigations accounted for the majority of the import penetration during the period of the investigation.

Table VIII-12.--Hot-rolled alloy steel bar (TSUSA item 606.9700 1/): U.S. imports for consumption, by principal sources and by quarters, 1980 and 1981

(In short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries: 2/								
Belgium	0	0	0	5	0	0	0	0
France	1,351	2,623	60	1,920	6,565	14,350	11,432	8,322
Italy	0	11	91	185	8	193	537	548
Netherlands	28	0	0	0	7	0	58	4
United Kingdom	89	70	150	86	40	2,182	1,730	1,245
West Germany	133	432	160	157	158	252	636	676
Subtotal	1,600	3,135	461	2,353	6,778	16,976	14,394	10,795
Republic of South Africa	296	0	0	0	0	0	0	0
Spain	0	710	29	61	684	1,714	1,265	1,099
Canada	12,880	17,467	10,223	18,621	22,547	18,950	11,335	6,275
Japan	9,919	10,239	7,389	5,424	5,173	6,773	11,488	12,802
All other	1,702	822	1,140	1,034	334	797	2,030	1,905
Total, all sources	26,397	32,374	19,182	27,525	35,515	45,210	40,513	32,876

1/ In 1978 and 1979, such imports entered under TSUSA item 608.5240.
2/ No imports were entered from Denmark, Greece, or Ireland.

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

Of the imports from countries subject to the investigations, only those from France ever amounted to more than 1 percent of apparent U.S. consumption. In January-November 1981, imports from France reached 1.7 percent of both apparent consumption and domestic shipments; the previous peak had been of 0.6 percent, recorded in 1978 (table VIII-13).

Table VIII-13.--Hot-rolled alloy steel bar: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In Percent)

Item and source	1978	1979	1980	January-November--	
				1980	1981
Ratio of imports to apparent U.S.consumption: 2/					
EC countries:					
France	0.6	0.3	0.3	0.4	1.7
United Kingdom	.4	1/	1/	1/	.2
West Germany	.1	.1	1/	1/	.1
Other	1/	1/	1/	1/	1/
Subtotal	1.1	.5	.4	.4	2.0
Republic of South Africa	.2	1/	1/	1/	1/
Spain	.4	1/	1/	1/	.2
All other countries	4.8	4.3	5.2	5.1	4.2
Total, all imports	6.5	4.8	5.6	5.5	6.2
Ratio of imports to U.S. shipments: 2/					
EC countries:					
France	.6	.3	.3	.4	1.7
United Kingdom	.3	1/	1/	1/	.2
West Germany	.1	.1	1/	1/	.1
Other	1/	1/	1/	1/	1/
Subtotal	1.1	.5	.4	.4	2.1
Republic of South Africa	.2	1/	1/	1/	1/
Spain	.4	1/	1/	1/	.2
All other countries	4.8	4.3	5.2	5.1	4.1
Total, all imports	6.5	4.8	5.6	5.5	6.2

1/ Less than 0.05 percent.

2/ Ratios of imports to apparent consumption may be understated as U.S. consumption and shipments include bar-size light shapes.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Imports from the EC and from all countries subject to active countervailing duty investigations.--Imports from all countries subject to the investigations rose from 42,000 tons in 1978, or 1.7 percent of U.S. consumption, to 49,000 tons in January-November 1981, when they accounted for 2.1 percent of consumption. Ratios of imports to consumption for EC countries as an aggregate were in all instances equal to or below those for the countries subject to the investigations (table VIII-14).

Table VIII-14.--Hot-rolled alloy steel bar (TSUSA item 606.9700 1/): U.S. imports for consumption, by selected sources, 1978-80, January-November 1980, and January-November 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/
	Quantity (short tons)	
1978	27,689	42,135
1979	12,101	12,067
1980	7,550	8,613
January-November--		
1980	7,343	8,406
1981	45,552	49,147
	Share of apparent U.S. consumption (percent) 4/	
1978	1.1	1.7
1979	.5	.5
1980	.4	.5
January-November--		
1980	.4	.5
1981	2.0	2.1

1/ In 1978 and 1979, such imports entered under TSUSA item 608.5240.

2/ United Kingdom, Netherlands, Belgium, Luxembourg, France, West Germany, Italy, Greece, Denmark, Ireland.

3/ France, Italy, United Kingdom, West Germany, Spain, and the Republic of South Africa.

4/ Penetration ratios may be understated as consumption figures may include some bar-size light shapes.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

The import penetration ratios are only slightly different when the statistics are examined on a quarterly basis. Peak penetration ratios of imports from all countries of 7.0 percent and 6.7 percent were recorded in the second quarters of 1980 and 1981, respectively (table VIII-15).

Only in the second quarter of 1981 did imports from any cited country account for more than 2 percent of apparent U.S. consumption or were they equal to more than 2 percent of domestic producers' shipments of hot-rolled alloy steel bar. It was in this period that imports from France accounted for 2.1 percent of apparent consumption and were equal to 2.2 percent of domestic shipments. Imports from all countries not subject to these investigations reached a peak penetration of 6.2 percent in the second quarter of 1980.

In the aggregate, imports from all cited countries increased markedly from about 2,000 tons in the first quarter of 1980 to almost 19,000 tons in the second quarter of 1981 before falling to about 16,000 tons in the third quarter of 1981. The corresponding import penetration ratios for those figures are 0.3 percent, 2.8 percent, and 2.5 percent, respectively. Imports from the EC countries were less than those from the cited countries in all instances, as shown in table VIII-16.

Table VIII-15.--Hot-rolled alloy steel bar: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, January 1980-September 1981

(In percent)

Item and source	1980				1981		
	January-March	April-June	July-September	October-December	January-March	April-June	July-September
Ratio of imports to apparent U.S. consumption: 2/							
EC countries:							
France	0.2	0.6	1/	0.4	1.1	2.1	1.6
Italy	1/	1/	1/	1/	1/	1/	.1
United Kingdom	1/	1/	1/	1/	1/	.3	1/
West Germany	1/	.1	1/	1/	1/	1/	.3
Other	1/	1/	1/	1/	1/	1/	1/
Subtotal	.3	.7	.1	.5	1.1	2.5	2.3
Republic of South Africa	.1	1/	1/	1/	1/	1/	1/
Spain	1/	.2	1/	1/	.1	.3	.2
All other countries	4.3	6.2	4.5	4.9	4.5	3.9	3.9
Total, all imports	4.6	7.0	4.6	5.4	5.7	6.7	6.4
Ratio of imports to U.S. producers' shipments: 2/							
EC countries:							
France	.2	.6	1/	.4	1.1	2.2	1.9
Italy	1/	1/	1/	1/	1/	1/	.1
United Kingdom	1/	1/	1/	1/	1/	.3	1/
West Germany	1/	.1	1/	1/	1/	1/	.3
Other	1/	1/	1/	1/	1/	1/	1/
Subtotal	.3	.7	.1	.5	1.2	2.6	2.4
Republic of South Africa	.1	1/	1/	1/	1/	1/	1/
Spain	1/	.2	1/	1/	.1	.3	.2
All other countries	4.4	6.1	5.5	5.1	4.6	4.1	4.1
Total, all imports	4.7	6.9	5.7	5.6	5.8	7.0	6.7

1/ Less than 0.05 percent.

2/ Ratios of imports to apparent consumption maybe understated as U.S. consumption and shipments include bar-size light shapes.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

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Table VIII-16.--Hot-rolled alloy steel bar (TSUSA item 606.9700 1/): U.S. imports for consumption, by selected sources and by quarters, January 1980-September 1981

Period	Imports from all EC countries 2/	Imports from all countries cited in countervailing duty petitions 3/
	Quantity (Short tons)	
1980:		
Jan.-Mar	1,600	1,868
Apr.-June	3,135	3,845
July-Sept	461	490
Oct.-Dec	2,354	2,410
1981:		
Jan.-Mar	6,778	7,455
Apr.-June	16,976	18,690
July-Sept	14,394	15,601
	Share of apparent U.S. consumption (percent) 4/	
1980:		
Jan.-Mar	0.3	0.3
Apr.-June	.7	.8
July-Sept	.1	.1
Oct.-Dec	.5	.5
1981:		
Jan.-Mar	1.1	1.2
Apr.-June	2.5	2.8
July-Sept	2.3	2.5

1/ In 1978 and 1979, such imports entered under TSUSA items 608.5240.

2/ Belgium, Luxembourg, Netherlands, Denmark, France, Greece, Ireland, Italy, United Kingdom, West Germany.

3/ France, Italy, United Kingdom, West Germany, Spain, and the Republic of South Africa.

4/ Penetration ratios may be understated as consumption figures include some bar-size light shapes.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Prices

U.S. producers usually quote prices for hot-rolled alloy steel bar on an f.o.b. mill basis. 1/ Importers of the product from France, Italy, the United Kingdom, and West Germany generally quote prices on an f.a.s. port of entry or delivered basis. Prices consist of a base price for each product plus charges for extras such as differences in length, width, thickness, chemistry, and so forth. Prices can be changed by altering the base price, the extra charges, or both. The major steel producers have announced five base-price increases for hot-rolled alloy steel bar since January 1, 1979. According to industry sources, the most recent occurred on June 21, 1981. Recently, one major domestic producer implemented discounts on all its bar products.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports for hot-rolled alloy steel bar are presented in table VIII-17 and figure VIII-1. The PPI (prepared by the U.S. Bureau of Labor Statistics) is based on list prices and may not reflect the behavior of actual transaction prices. Unit value indexes may vary over time not only because of changes in prices but also because of changes in the specific types of steel being imported. The PPI for domestically produced hot-rolled alloy steel bar increased 27.6 percent over the 3-year period, while that product's trigger price increased 20.0 percent. The unit value indexes for imports from France increased by 23.3 percent between the first quarter of 1979 and the third quarter of 1981, the last quarter for which full information is available. During that period, the unit value index for imports from Italy increased by 87.6 percent. Between the first quarter of 1979 and the second quarter of 1981, the unit value index for imports from the United Kingdom increased by 22.8 percent.

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, where a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. Thus, the more distant producer charges the customer's account only for freight costs as if the product were shipped from the closer producer. Major domestic steel producers usually apply this procedure to bar products.

Table VIII-17.--Hot-rolled alloy steel bar: Indexes of producer prices, trigger prices, and the unit values of imports from France, Italy, the United Kingdom, and West Germany, by quarters, 1979-81 1/

January-March 1979=100

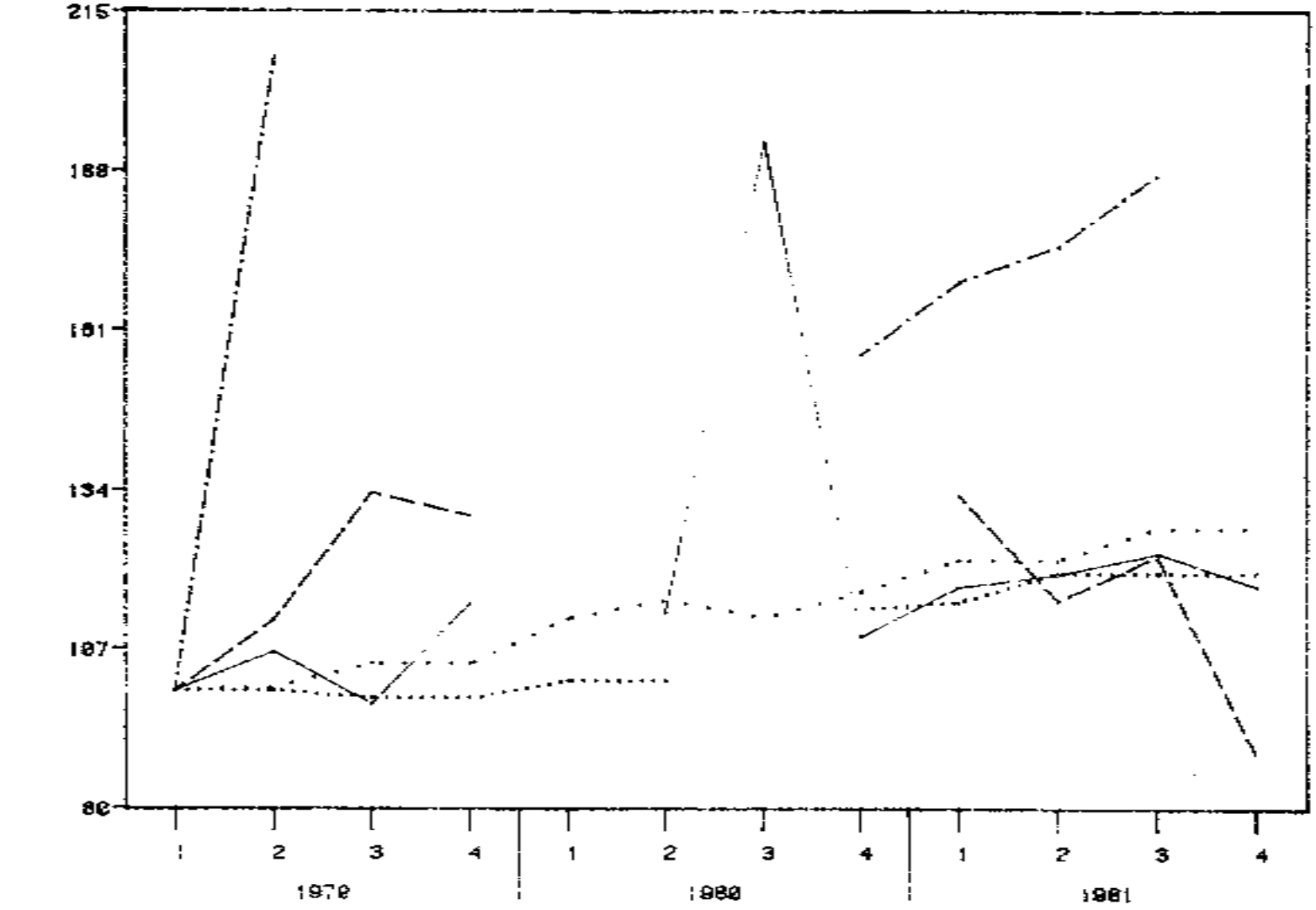
Period	PPI	Trigger-price index	Index of unit values of imports from--			
			France	Italy	United Kingdom	West Germany 3/
1979:						
January-March	100.0	100.0	100.0	100.0	100.0	
April-June	100.5	100.0	106.5	207.5	111.9	
July-September	104.6	98.7	97.7	2/	133.6	
October-December	104.6	98.7	114.7	155.5	129.7	
1980:						
January-March	112.3	101.7	3/	2/	3/	
April-June	115.2	4/	113.3	157.8	3/	
July-September	112.5	4/	193.0	3/	3/	
October-December	116.9	114.0	109.2	157.1	3/	
1981:						
January-March	122.3	115.1	117.7	169.5	133.4	
April-June	122.2	120.0	119.7	175.4	115.3	
July-September	127.6	120.0	123.3	187.6	122.8	
October-December	127.6	120.0	5/ 117.7	2/	5/ 89.0	

1/ The trigger-price index refers to hot-rolled alloy steel round bars, and round-cornered square bar, and includes only the base price.
2/ No imports in that period.
3/ Acceptable data are not available.
4/ Trigger price was suspended.
5/ Data are for October only.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics and the U.S. Department of Commerce.

Note.--Indexes are presented for comparison of trends; index levels are not comparable.

FIGURE VIII-1.--HOT-ROLLED ALLOY STEEL BAR: INDEXES OF TRIGGER PRICES, PRODUCER PRICES AND THE UNIT VALUE OF IMPORTS FROM FRANCE, ITALY, the UNITED KINGDOM, AND WEST GERMANY, BY QUARTERS, JANUARY 1979 THRU DECEMBER 1981.



SOURCE: SEE TABLE 17

Transaction prices.--The Commission requested data on average net selling prices for specific products from domestic producers and importers. Additionally, in order to facilitate direct comparison of prices, the Commission requested data on prices paid by steel purchasers.

Trends in prices.--The Commission asked domestic producers and importers for their average net selling prices for specific types of hot-rolled steel alloy bar. 1/ These prices are averages of prices charged in many different transactions and do not include delivery charges. Therefore, these data are not used to compare the levels of domestic producers' and importers' prices, but to compare the trends in these prices.

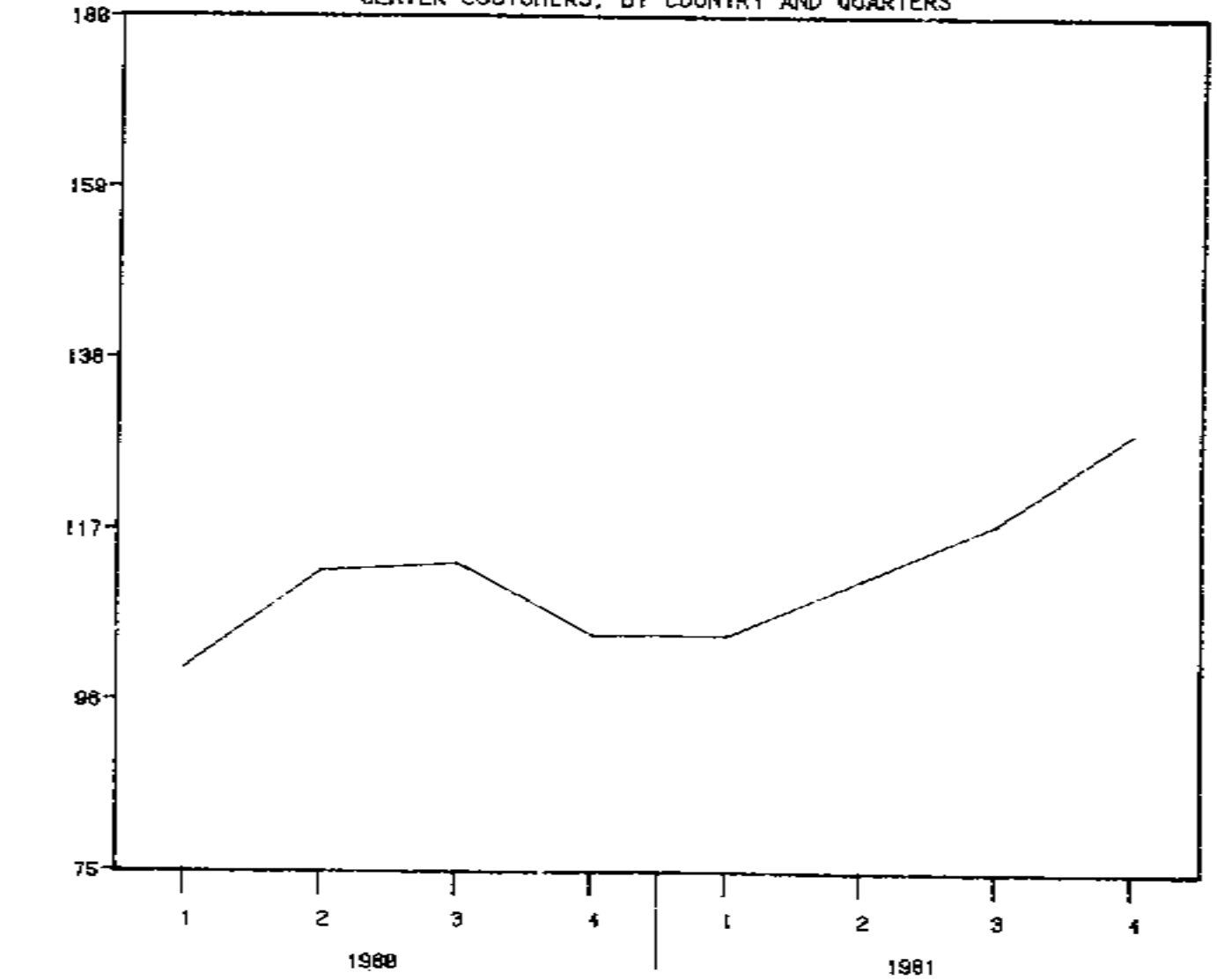
Price data on hot-rolled steel alloy bar were received from six domestic producers and one importer for 1980-1981 (tables 50 and 51 in app. J. and figs. VIII-2 and VIII-3). During this period, the price charged service center/distributors customers for domestically produced bar increased by 29 percent; the price charged end users increased by 16 percent. The importers provided data only on average prices of hot-rolled alloy bar from France; during the last 2 years the price charged end users for such bar increased by 19 percent. Domestic prices to service center/distributors fell off in late 1980 and early 1981, but have since recovered sharply. Domestic prices to end users fell to a low in July-September 1980, but recovered by almost 28 percent by the third quarter of 1981 before falling off slightly in the fourth quarter.

Purchase prices.--The Commission also asked purchasers to furnish price data for purchases of imported and domestically produced hot-rolled alloy steel bar. Purchasers were asked for prices which included delivery charges, paid in specific transactions during 1981. However, no purchasers reported prices for imported hot-rolled alloy steel bar.

Nonprice considerations.--Purchasers were asked to indicate the importance of four nonprice factors in their purchasing decisions. These factors were quality, service, reliability, and proximity. Fifteen purchasers of hot-rolled alloy steel bar responded to this question. These purchasers indicated that quality was the most important nonprice consideration, reliability was next, then service, and finally proximity. The majority of these steel purchasers indicated that they had not paid a premium price because of a nonprice factor.

1/ As a basis for transaction-price comparisons, the Commission selected 22 representative steel mill products covering the 9 product categories subject to these investigations. These products and their respective specifications are listed by product category in app. I. Hot-rolled alloy steel bar is represented by product No. 20.

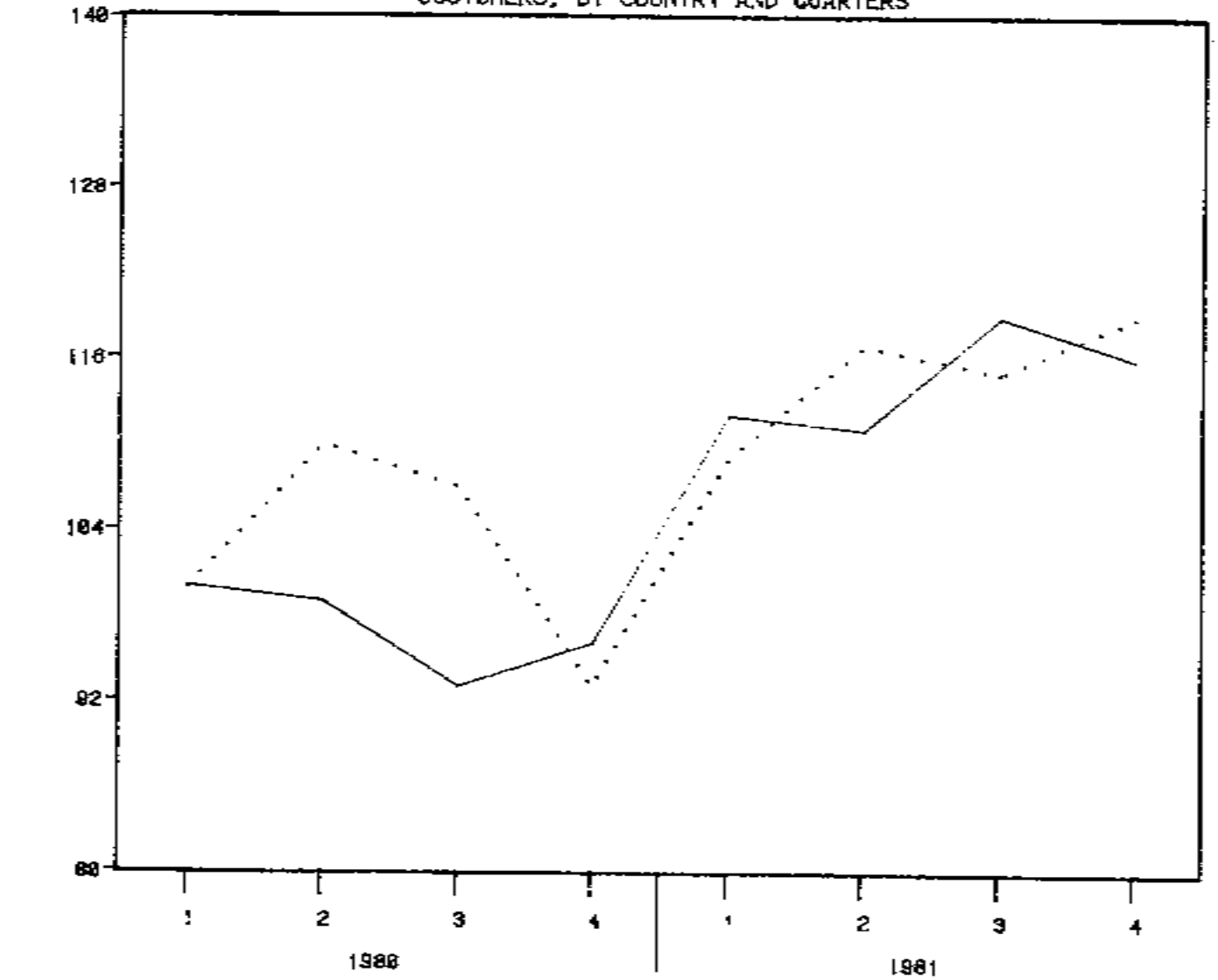
FIGURE VIII-2.-- HOT-ROLLED ALLOY STEEL BARS--PRODUCT 20
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 50, APPENDIX J

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FIGURE VIII-3.--HOT-ROLLED ALLOY STEEL BARS-PRODUCT 20
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO END-USER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 51, APPENDIX J

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Lost sales

One domestic producer of hot-rolled alloy steel bar submitted a total of 11 specific allegations of lost sales of that product to imports from one of the subject countries from January 1980 to January 1982. The staff investigated all 11 allegations. These allegations and attempts by the staff to verify them are discussed, by countries, below.

Imports from Italy.--* * *.

Imports from France.--* * *.

Imports from the United Kingdom.--* * *.

In sum, of 11 allegations of lost sales, 5 were verified. Of those five, only in the case of * * * was the purchase principally because of lower price.

PART IX. COLD-FORMED CARBON STEEL BAR

Introduction

This part of the report presents information relating specifically to cold-formed carbon steel bar. Information on foreign producers and the nature and extent of allegedly subsidized sales, as it relates to cold-formed carbon steel bar, was presented in part I and will not be repeated.

As indicated previously, following receipt on January 11, 1982, of petitions filed on behalf of five domestic producers of steel products, 1/ the Commission instituted the following preliminary investigations to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of allegedly subsidized imports of cold-formed carbon steel bar:

Country	Countervailing duty investigation No.
Belgium	701-TA-134(P)
Brazil	701-TA-135(P)
France	701-TA-136(P)
Italy	701-TA-137(P)
United Kingdom	701-TA-138(P)
West Germany	701-TA-139(P)

In addition to the above countries, the petitioners alleged that imports of cold-formed carbon steel bar from Spain and the Republic of South Africa were also being subsidized by the Governments of those two countries. As stated earlier, the Commission did not institute investigations on imports from Spain and the Republic of South Africa because they have not signed the GATT Subsidies Code and, therefore, are not entitled to an injury determination by the Commission.

1/ Republic, Inland, J&L, National, and Cyclops. Only two of these firms, Republic and J&L, produced cold-formed carbon steel bar in the United States during 1978-81.

The Product

Description and uses 1/

Cold-formed 2/ carbon steel bar is a product of solid cross section produced by heating billets 3/ in a furnace to a uniform heat, and then passing them through a series of rolls that form the steel to the desired shape and dimension. After being hot rolled, the steel is cooled somewhat and pickled before entering the final series of reducing rolls. After this final cold-reducing process, the bar may be further cold turned, ground, or polished. These various processes, termed cold-finishing, impart mechanical and surface properties to the bar which make it superior to its hot-rolled counterpart. 4/

After cold finishing, the bar is generally cut to standard straight lengths by hot-shearing, hot-sawing, or other means, depending on its size, cross-sectional configuration, and grade of steel. There are two major grades of carbon steel bar--merchant quality and special quality, the latter being manufactured to more rigorous chemical and physical specifications.

Cold-finished carbon steel bar is manufactured in a variety of cross-sectional shapes. For the purpose of these investigations, "cold-formed carbon steel bar" includes cold-finished carbon steel products of solid section which have cross sections in the shape of circles, segments of circles, ovals, triangles, rectangles, hexagons, or octagons, and which are not coated or plated with metal, as provided for in items 606.8805 and 606.8815 of the TSUSA.

Major consumer markets for cold-formed carbon steel bar are summarized in table IX-1. Steel service centers and distributors were the largest market for cold-formed carbon steel bar from January 1979 to September 1981, accounting for a little under one-quarter of domestic shipments. Market shares of the four largest markets remained relatively stable over the period, although total tonnage shipped dropped by 28 percent from 1979 to 1981, on the basis of AISI data.

1/ A detailed discussion of the steelmaking process and the relative significance of cold-formed carbon steel bar compared with all carbon steel products was presented in pt. I (pp. I-1 through I-4, and tables I-7, I-8, I-9, and I-11).

2/ The term "cold-formed" is generally used interchangeably with "cold-finished." The latter term is in greater usage in the industry; the former is utilized in this report because it tracks the terminology of the TSUS.

3/ Cold-formed carbon steel bar may also be produced from hot-rolled carbon steel bar. The hot-rolled bar must first be pickled in order to remove the oxide scale that forms during the hot-rolling process.

4/ U.S. Steel Corp., The Making, Shaping, and Treating of Steel, 1971, p. 933.

Table IX-1.--Cold-formed carbon steel bar: U.S. producers' shipments, by major markets, 1979, 1980, and January-September 1981

Market	1979		1980		Jan.-Sept. 1981	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 tons		1,000 tons		1,000 tons	
Steel service centers and distributors	414	22.8	303	24.2	243	23.6
Machinery, industrial equipment, and tools	273	15.0	182	14.5	145	14.1
Automotive	198	10.9	113	9.0	94	9.1
Agricultural	64	3.5	41	3.3	29	2.8
All other	867	47.8	614	49.0	519	50.4
Total	1,816	100.0	1,253	100.0	1,030	100.0

Source: American Iron and Steel Institute.

U.S. tariff treatment

The imported cold-formed carbon steel bar which is the subject of these investigations is classified for tariff purposes under items 606.8805 and 606.8815 of the TSUSA. Item 606.8805 covers cold-formed carbon steel bar containing over 0.10 percent by weight of either sulphur or lead, and item 606.8815 covers cold-formed carbon steel bar with other combinations of secondary elements. The product scope of TSUSA items 606.8805 and 606.8815 and the tariff treatment to be accorded such products were changed as a result of Public Law 96-467, 1/ which became effective October 17, 1980. TSUSA items for this product were also changed in 1980. These changes are summarized in table IX-2.

The current column 1 (most-favored-nation) and final post-MTN concession rate of duty for imports of cold-formed carbon steel bar is 7.5 percent ad valorem. 2/ No further reductions in the tariff rate for such products entering the United States under TSUSA items 606.8805 and 606.8815 are contemplated. The column 2 rate of duty for these items is 0.125 cent per pound plus 20 percent ad valorem. 2/ These items are not eligible for duty-free treatment under the GSP. 2/

In addition to the import duties discussed above, findings of dumping are currently in effect with respect to imports of cold-formed carbon steel bar from Australia.

1/ Public Law 96-467, sec. 20, 94 Stat. 2220.

2/ For an explanation of the applicability of col. 1, col. 2, GSP, and LDDC rates of duty, see p. II-4 in pt. II of this report.

Table IX-2.--Cold-formed carbon steel bar: U.S. rates of duty as of Jan. 1 of 1978, 1979, 1980, 1981, and 1982, and Oct. 17-Dec. 31, 1980

TSUSA item No.	1978 and 1979	1980		1981	1982
		Jan. 1-Oct. 17	Oct. 17-Dec. 31		
606.8805	-	8.5% ad val.	7.5% ad val.	7.5% ad val.	7.5% ad val.
606.8815	-	8.5% ad val.	7.5% ad val.	7.5% ad val.	7.5% ad val.
608.5005	8.5% ad val.	-	-	-	-
608.5015	8.5% ad val.	-	-	-	-
609.4105	0.3¢/lb	0.3¢/lb	-	-	-
609.4305	8.5% ad val.	8.5% ad val.	-	-	-
609.7005	9.0% ad val.	9.0% ad val.	-	-	-
911.4500	-	-	5.0% ad val.	5.0% ad val.	-

U.S. Producers

Some 40 firms produce cold-formed carbon steel bar in the United States, with operating facilities scattered throughout the United States, but concentrated in the Great Lakes area of Illinois, Ohio, and Indiana. U.S. producers of cold-formed carbon steel bar and the location of their operating facilities are listed below:

Firm	Location of facilities
Alabama Metal Industries Corp	Taylors, S.C.
Ampco-Pittsburgh Corp. (Ampco) (Wychoff Steel Div.)	Chicago, Ill. Newark, N.J. Ambridge, Pa. Putnam, Conn.
Atlantic Wire Co	Branford, Conn.
Bar Processing Corp	Fortworth, Tex. Newton Falls, Ohio
Baron Drawn Steel Corp. (Baron)	Toledo, Ohio

Firm	Location of facilities
Bliss & Laughlin Steel Corp	Los Angeles, Calif. Medina, Ohio Harvey, Ill. Batavia, Ill. Warren, Mich. Seattle, Wash.
Bourne Corp	Phillipsdale, R.I.
Connors Steel Co	Birmingham, Ala.
Copperweld Steel Co	Warren, Ohio
Corey Steel Co	Cicero, Ill.
Crucible, Inc	Midland, Pa.
Cumberland Steel Co	Cumberland, Md.
E.C.D. Corp	Hillside, N.J.
Hercules Drawn Steel Corp	Livonia, Mich.
Hoover Universal Inc (Cuyahoga Steel & Wire Co.)	Solon, Ohio
Industrial Wire Products Corp	Los Angeles, Calif.
Intercontinental Steel Corp	Chicago, Ill. Los Angeles, Calif.
LaSalle Steel Co. (LaSalle) (subsidiary of Quanex Corp.)	Hammond, Ind. Spring City, Pa.
LMP Steel & Wire Co	Maryville, Mo.
J&L (subsidiary of LTV)	Hammond, Ind. Willimantic, Conn. Pittsburgh, Pa.
Midwest Wire Co	Cleveland, Ohio
Moltrup Steel Products Co. (Moltrup)	Beaver Falls, Pa.
Nelsen Steel & Wire Co	Franklin Park, Ill.
North Star Steel Co	St. Paul, Minn.
Nucor Corp	Darlington, S.C. Norfolk, Nebr.

Firm	Location of facilities
Pacific Tube Co	Los Angeles, Calif.
Precision-Kidd Steel Co	Aliquippa, Pa.
Predco, Inc. (Predco) (subsidiary of J&L)	Atco, N.Y. Gulfport, Miss. Wilton, Iowa
Plymouth Steel Corp	Los Angeles, Calif. Detroit, Mich.
Ramco Steel, Inc	Buffalo, N.Y.
Republic	Massillon, Ohio Beaver Falls, Pa. E. Hartford, Conn. Los Angeles, Calif. Gary, Ind. Coalton, Ky.
Research Parts & Engineering Corp	Green Bay, Wis.
Sauk Steel Co. (Sauk)	Chicago Heights, Ill.
Sauk Southwest Steel Co	Calooso, Okla.
Stanadyne, Inc. (Stanadyne) (Western Cold Drawn Steel)	Elyria, Ohio Gary, Ind.
St. Louis Cold Drawn, Inc	St. Louis, Mo.
Standard Steel Specialty Co (Superior Drawn Steel Co.)	Monaca, Pa.
Teledyne Columbia-Summerhill	Union City, Calif. Carnegie, Pa.
Teledyne Vasco	Latrobe, Pa.

As indicated, some 40 firms produce cold-formed carbon steel bar in the United States. Domestic production of cold-formed carbon steel bar appears to be considerably less concentrated than production of most of the other steel products subject to these investigations. Only two large integrated steel producers, Republic and J&L, produce cold-formed carbon steel bar; these two firms account for about *** percent of aggregate U.S. production. The following tabulation, which was compiled from data submitted in response to the Commission's questionnaires, shows for those producers which responded to the questionnaire each firm's share of total U.S. producer's shipments of cold-formed carbon steel bar (as reported by AISI) in 1981 (in percent):

Firm	Market share
Ampco	***
Baron	***
J&L	***
LaSalle	***
Moltrup	***
Predco	***
Republic	***
Sauk	***
Stanadyne	***

U.S. Importers

Information provided by the U.S. Customs Service identifies approximately 50 importers of cold-formed carbon steel bar from the countries subject to these investigations. In general, exports from the subject countries entered the United States through one or two importers which handled the bulk of imports from the subject country, and which were owned by or affiliated with major steel producers in those countries. Some imports of the product were handled by trading companies, which import cold-formed carbon steel bar from several sources.

Major importers of cold-formed carbon steel bar from the subject countries during October 1980-August 1981 are listed below.

Country	Importing firm
Belgium/Luxembourg	* * *
Brazil	* * *
France	* * * 1/
	* * * 1/
	* * *
Italy	* * *
United Kingdom	* * * 1/
	* * *
	* * *
	* * *
	* * *
West Germany	* * *
	* * * 1/

1/ These importing firms are owned by or affiliated with foreign steel producers.

Apparent U.S. Consumption

Apparent U.S. consumption of cold-formed carbon steel bar increased from 1.8 million tons in 1978 to 1.9 million tons in 1979, but then dropped by 30 percent to 1.3 million tons in 1980. Apparent consumption in January-November 1981 amounted to 1.3 million tons, or 9 percent more than consumption in the corresponding period of 1980. The ratio of imports from all sources to apparent consumption decreased from 7.8 percent in 1978 to 5.0 percent in 1979, but subsequently increased to 6.5 percent in 1980 and 9.0 percent during January-November 1981. Table IX-3 shows that, measured on a quarterly basis, the ratio of imports to apparent consumption rose substantially during 1981, reaching a peak of 11.9 percent of estimated consumption in October-December. 1/

Table IX-3.--Cold-formed carbon steel bar: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent U.S. consumption, 1978-81, January-November 1980, January-November 1981, and, by quarters, 1980 and 1981

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1978	1,691	141	18	1,814	8.3	7.8
1979	1,816	95	15	1,896	5.2	5.0
1980	1,253	86	12	1,327	6.9	6.5
1981	1,298	131	1/ 9	1/ 1,420	10.1	9.2
January-November--						
1980	1,158	76	11	1,223	6.6	6.2
1981	1,221	120	8	1,333	9.8	9.0
1980:						
Jan.-Mar	398	24	4	418	5.9	5.7
Apr.-June	317	22	2	337	7.0	6.6
July-Sept	244	19	4	259	7.8	7.3
Oct.-Dec	294	21	2	313	7.3	6.8
1981:						
Jan.-Mar	356	26	2	380	7.3	6.8
Apr.-June	361	33	2	392	9.2	8.5
July-Sept	313	36	2	347	11.5	10.4
Oct.-Dec	268	36	1/ 3	1/ 301	13.4	1/ 11.9

1/ Estimated.

Source: Shipments compiled from data of the American Iron and Steel Institute; imports and exports compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--Ratios computed from unrounded data.

1/ Consumption in 1981 and in October-December 1981 shown in table IX-3 was estimated; official U.S. export statistics for December 1981 were not available.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of cold-formed carbon steel bar during 1978-81, capacity of domestic producers to produce such merchandise, and capacity utilization, as reported in response to the Commission's questionnaires, are shown in table IX-4. As indicated, production and capacity utilization fell sharply in 1980. Production partially recovered in 1981, but capacity utilization continued to decline because of the 10-percent increase in capacity in that year. 1/

Table IX-4.--Cold-formed carbon steel bar: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/----1,000 short tons--	998	1,051	738	796
Capacity----------do----	1,263	1,306	1,287	1,422
Capacity utilization------percent--	79.0	80.5	57.3	56.0

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could reasonably be attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data accounted for 60 percent of total shipments of cold-finished carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

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

U.S. producers' shipments

During 1978-80, U.S. producers' shipments of cold-formed carbon steel bar accounted for about 2 percent of aggregate shipments of all carbon steel mill products by U.S. producers. Producers' shipments of cold-formed carbon steel bar increased 7 percent from 1978 to 1979, and then dropped almost one-third in 1980. Shipments of such bar in 1981 were about 4 percent more than those in 1980. U.S. producers' net shipments of cold-formed carbon steel bar, as reported by AISI, 2/ are shown in the following tabulation:

1/ Capacity to produce finished steel mill products is not necessarily the best method of determining the extent to which a steelmaking operation is most efficiently utilizing its facilities. See a discussion of this issue in pt. II of this report, pp. II-11 and II-12.

2/ Such shipments include intracompany transfers and exports, but exclude sales made to other steelmaking firms that report data to AISI.

	Quantity (1,000 short tons)
1978	1,691
1979	1,816
1980	1,253
1981	1,298

U.S. producers' intracompany and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table IX-5. These data show the drop in producers' shipments since 1979 and indicate that (a) intracompany and intercompany shipments by U.S. producers of cold-formed carbon steel bar for use in the manufacture of other products remained relatively stable at 4 percent of total annual shipments in 1978-81, and (b) exports by producers accounted for less than 1 percent of their total annual shipments in those years. 1/

Table IX-5.--Cold-formed carbon steel bar: U.S. producers' shipments, 1/ 1978-8

Item	1978	1979	1980	1981
	Quantity (1,000 short tons)			
Intracompany and intercompany shipments	39	42	33	35
Domestic market shipments	941	993	717	729
Export shipments	4	5	6	5
Total	983	1,040	756	769
	Value (million dollars)			
Domestic market shipments	568	602	518	599
Export shipments	4	4	4	4
Total	572	605	522	603
	Unit value (per ton)			
Domestic market shipments	$604	$606	$722	$822
Export shipments	985	715	591	732
Average	605	606	721	821

1/ U.S. producers submitting usable data accounted for 60 percent of total shipments of cold-finished carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

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

1/ Domestic producers responding to the Commission's questionnaires in these investigations accounted for 58 percent of shipments reported by AISI in 1978, 57 percent in 1979, 60 percent in 1980, and 59 percent in 1981.

U.S. exports

During 1978-80, exports of cold-formed carbon steel bar accounted for 1 percent or less of annual U.S. exports of all carbon steel mill products. Exports of such bar declined from 18,000 tons in 1978 to 12,000 tons in 1980. Exports continued to fall in January-November 1981, amounting to 8,000 tons, or about 26 percent less than exports in January-November 1980 (table IX-6). Principal export markets for domestically produced cold-formed carbon steel bar during January 1978-November 1981 were Canada and Mexico; 36 percent of aggregate exports went to Canada and 21 percent went to Mexico.

Table IX-6.--Cold-formed carbon steel bar: U.S. exports of domestically produced merchandise, by principal markets, 1978-80, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
Mexico	1,699	2,896	5,516	5,178	1,376
Canada	8,112	5,665	2,505	2,348	3,029
Switzerland	685	340	642	642	282
United Kingdom	210	241	607	602	60
Venezuela	123	3,167	408	288	279
All other	7,356	2,925	2,421	2,188	3,343
Total	18,185	15,234	12,099	11,246	8,369
	Value (1,000 dollars)				
Mexico	1,027	2,028	3,312	2,734	1,139
Canada	4,629	3,913	2,297	2,147	3,107
Switzerland	535	335	401	401	277
United Kingdom	123	588	1,098	1,092	79
Venezuela	95	2,196	304	217	284
All other	5,400	3,025	2,733	2,523	4,514
Total	11,809	12,085	10,145	9,114	9,400

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

U.S. producers' inventories

Yearend inventories of cold-formed carbon steel bar reported by U.S. producers in response to the Commission's questionnaires averaged about 100,000 tons during 1978-81, or 10 to 12 percent of their annual shipments in those years. Reported yearend inventories are shown in the following tabulation:

As of Dec. 31--	Quantity (1,000 short tons)
1977	96
1978	106
1979	113
1980	92
1981	97

U.S. employment, wages, and productivity

The average number of workers engaged in producing cold-formed carbon steel bar (by firms accounting for 39 percent of industry shipments of this product in 1980) increased 2 percent from 3,660 in 1978 to 3,724 in 1979, fell 24 percent to 2,841 in 1980, and then decreased an additional 4 percent to 2,731 in 1981 (table IX-7). Similarly, hours paid for workers engaged in producing cold-formed carbon bar increased moderately in 1978 and then dropped by 30 percent in 1980 and 1 percent in 1981.

Table IX-7.--Average number of employees, total and production and related workers, in U.S. establishments producing cold-formed carbon steel bar, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	46,683	61,044	51,701	50,192
Percentage change	3/	30.8	-15.3	-2.9
Production and related workers producing--				
All products:				
Number	37,219	47,793	40,344	39,365
Percentage change	3/	28.4	-15.6	-2.4
Cold-formed carbon steel bar:				
Number	3,660	3,724	2,841	2,731
Percentage change	3/	1.7	-23.7	-3.9
Hours paid for production and related workers producing--				
All products:				
Number----------thousands--	76,151	97,746	79,432	75,464
Percentage change	3/	28.4	-18.7	-5.0
Cold-formed carbon steel bar:				
Number----------thousands--	7,475	7,657	5,376	5,325
Percentage change	3/	2.4	-29.8	-.9

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 39 percent of total shipments of cold-finished carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Wages and total compensation paid to production and related workers producing all products and producing cold-formed carbon steel bar are shown in table IX-8. The difference between total compensation and wages is an estimate of workers' benefits.

Table IX-8.--Wages and total compensation 1/ paid to production and related workers in establishments producing cold-formed carbon steel bar, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related workers producing--				
All products:				
Value----------million dollars--	823	1,196	1,094	1,149
Percentage change----------	3/	45.3	-8.5	5.0
Cold-formed carbon steel bar:				
Value----------million dollars--	76	89	70	76
Percentage change----------	3/	16.6	-21.9	9.6
Total compensation paid to production and related workers producing--				
All products:				
Value----------million dollars--	1,066	1,555	1,469	1,549
Percentage change----------	3/	45.8	-5.5	5.4
Cold-formed carbon steel bar:				
Value----------million dollars--	99	116	93	101
Percentage change----------	3/	16.8	-20.1	9.4

1/ Includes wages and contributions to social security and other employee benefits.

2/ U.S. producers submitting usable data accounted for 39 percent of total shipments of cold-finished carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Note.--Percentage changes computed from unrounded data.

Data on labor productivity, hourly compensation, and unit labor costs in the production of cold-formed carbon steel bar are presented in table IX-9. Labor productivity fluctuated considerably during 1978-81, rising by 3 percent in 1979, declining slightly in 1980, and again rising in 1981. Hourly compensation, however, increased consistently, by 14 percent in 1979 and 1980, and 10 percent in 1981. Inasmuch as the rise in hourly compensation was not entirely offset by improved labor productivity, unit labor costs increased throughout the period--from $153 per ton in 1978 to $202 per ton in 1981, or by 32 percent in the 4-year period.

Table IX-9.--Labor productivity, hourly compensation, and unit labor costs in the production of cold-formed carbon steel bar, 1/ 1978-81

Item	1978	1979	1980	1981
Labor productivity:				
Quantity----------tons per hour--:	0.0867	0.0893	0.0891	0.0944
Percentage change----------:	2/	3.0	-.2	5.9
Hourly compensation:				
Value----------per hour--:	$13.27	$15.13	$17.22	$19.02
Percentage change----------:	2/	14.0	13.8	10.4
Unit labor costs:				
Value----------per ton--:	$153.11	$169.46	$193.28	$201.47
Percentage change----------:	2/	10.7	14.0	4.2

1/ U.S. producers submitting usable data accounted for 39 percent of total shipments of cold-finished carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

2/ Not available.

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

Financial experience of U.S. producers

Operations on cold-formed carbon steel bar.--The four firms which furnished profit-and-loss data accounted for about 42 percent of total U.S. producers' shipments (as reported by AISI) of cold-formed carbon steel bar in 1980. Their net sales fluctuated yearly during 1978-81, ranging from $467 million in 1979 to $369 million in 1980 (table IX-10). Net sales were $393 million and $411 million, respectively, in 1978 and 1981.

Table IX-10.--Profit-and-loss experience of 4 U.S. producers on their operations producing cold-formed carbon steel bar, 1/ accounting years 1978-81

Item	1978	1979	1980	1981
Net sales----------million dollars--	393	467	369	411
Cost of goods sold----------do----	361	430	356	394
Gross profit----------do----	32	37	13	17
Selling and administrative expenses-do----	16	18	20	22
Operating profit----------do----	16	19	(7)	(5)
Ratio of gross profit to net sales percent--	8.1	7.9	3.5	4.1
Ratio of operating profit to net sales percent--	4.1	4.1	(1.9)	(1.2)
Ratio of cost of goods sold to net sales percent--	91.9	92.1	96.5	95.9
Ratio of selling and administrative expenses to net sales----------do----	4.1	3.8	5.4	5.3
Number of firms reporting operating losses----------	1	0	4	3

1/ U.S. producers submitting usable data accounted for 42 percent of total shipments of cold-finished carbon steel bar in 1980, as reported by the American Iron and Steel Institute.

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

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

In the aggregate, the four firms posted an operating profit of $16 million, or 4.1 percent of net sales, in 1978, and $19 million, or 4.1 percent of net sales, in 1979. In 1980 and 1981, they sustained operating losses of $7 million and $5 million, respectively. The 1980 loss was equal to 1.9 percent of net sales and the 1981 loss was equal to 1.2 percent of net sales. One firm sustained an operating loss in 1978, four firms sustained such losses in 1980, and three in 1981.

Capital expenditures.--Three firms supplied data relative to their expenditures during 1978-81 for land, buildings, and machinery and equipment used in the production of cold-formed carbon steel bar. As shown in the following tabulation, aggregate capital expenditures rose from $594,000 in 1978 to $2.3 million in 1979, declined to $539,000 in 1980, and then rose to $983,000 in 1981.

	Capital expenditures (1,000 dollars)
1978	594
1979	2,301
1980	539
1981	983

Research and development expenditures.--One firm supplied data relative to its research and development expenses incurred during 1978-81 in connection with the production of cold-formed carbon steel bar. Such expenses amounted to $210,000 in 1978, $170,000 in 1979, $180,000 in 1980, and $160,000 in 1981.

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

In its examination of the question of a reasonable indication of the threat of material injury to an industry in the United States the Commission may take into consideration such factors as the rate of increase of allegedly subsidized imports, the rate of increase of U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of cold-formed carbon steel bar and their U.S. market penetration is presented in the section of part IX entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Imports Allegedly Subsidized." The available data concerning foreign producers' capacity to generate exports of cold-formed carbon steel bar was presented in part VII of this report. A discussion of importers' inventories follows.

Yearend inventories of cold-formed carbon steel bar reported by U.S. importers are shown in table IX-11. Inventories of such bar imported from all sources rose without interruption from 630 tons in 1978 to 1,900 tons in 1981. Importers' yearend inventories rose from 4 percent of total imports reported by these firms in 1978 to 14 percent of reported imports in 1980 and 1981.

Table IX-11.--Cold-formed carbon steel bar: End-of-period inventories held by U.S. importers, by sources, 1978-81

Source	1978	1979	1980	1981
	Quantity (short tons)			
EC countries:				
Belgium	0	0	0	0
France	***	***	***	***
Italy	0	0	0	***
United Kingdom	0	***	***	***
West Germany	***	***	***	***
Subtotal	539	849	1,638	1,908
Brazil	0	0	0	0
All other countries	94	87	48	1
Total, all inventories	633	936	1,686	1,909
	Ratio of inventories to reported imports (percent)			
EC countries:				
Belgium	-	-	-	-
France	***	***	***	***
Italy	-	-	-	***
United Kingdom	-	***	***	***
West Germany	***	***	***	***
Average	5.9	7.8	18.6	17.2
Brazil	-	-	-	-
All other countries	1.6	1.8	1.5	1/
Average, all countries	4.1	6.0	14.5	14.1

1/ Less than 0.05 percent.

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

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

U.S. imports and market penetration

Imports from all sources.--During 1978-80, imports of cold-formed carbon steel bar accounted for less than 1 percent of total U.S. imports of all carbon steel mill products. Imports of such bar from all sources fell from 141,000 tons in 1978 to 95,000 tons in 1979 and 86,000 tons in 1980. However, 120,000 tons were imported during January-November 1981, or 57 percent more than imports during the corresponding period of 1980 (table IX-3 on p. IX-8). As indicated previously, the ratio of imports from all sources to apparent U.S. consumption decreased from 7.8 percent in 1978 to 5.0 percent in 1979, but subsequently increased to 6.5 percent in 1980 and 9.0 percent in January-November 1981. The ratio of imports to U.S. producers' shipments followed a similar trend.

Table IX-3 also shows imports of cold-formed carbon steel bar by quarters during 1980 and 1981, and the ratios of such imports to apparent U.S. consumption and to U.S. producers' shipments during those quarters. As indicated, imports from all sources rose irregularly from 24,000 tons in January-March 1980 to a peak of 36,000 tons per quarter in July-December 1981. The ratio of quarterly imports to apparent U.S. consumption of cold-formed carbon steel bar increased from 5.7 percent in January-March 1980 to a peak of 11.9 percent in October-December 1981. Again, the ratio of quarterly imports from all sources to U.S. producers' shipments followed a similar trend, rising from 5.9 percent in January-March 1980 to 13.4 percent in October-December 1981.

The principal supplier of cold-formed carbon steel bar to the United States during January 1978-November 1981 was Japan, with 57 percent of total imports during the period. Other major suppliers were (with the percent of aggregate imports during January 1978-November 1981 supplied by each country shown in parentheses): the United Kingdom (17), France (7), Spain (6), and Canada (5). The EC supplied 26 percent of aggregate U.S. imports of cold-formed carbon steel bar during the period. EC suppliers other than the United Kingdom and France were Belgium/Luxembourg, Italy, West Germany, and the Netherlands.

Imports from the EC and from all countries subject to active countervailing duty investigations.--Imports of cold-formed carbon steel bar from the EC and from all countries subject to active countervailing duty investigations, as well as the ratio of imports from such suppliers to apparent U.S. consumption, are shown in tables IX-12 and IX-13. Imports from all EC countries fell from 38,000 tons in 1978 to 21,000 tons in 1979 and 17,000 tons in 1980. Imports from the EC in January-November 1981 amounted to 37,000 tons, or more than double imports in January-November 1980. The ratio of imports from the EC to apparent U.S. consumption of cold-formed carbon steel bar decreased from 2.1 percent in 1978 to 1.1 percent in 1979, increased to 1.3 percent in 1980, and then rose further to 2.8 percent in the first 11 months of 1981. Trends in the aggregate quantity and market penetration of imports from all countries subject to countervailing duty investigations were similar.

Table IX-12.--Cold-formed carbon steel bar (TSUSA items 606.8805, 606.8809, and 606.8815): 1/ U.S. imports for consumption, by selected sources, 1978-81, January-November 1980, and January-November 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/
	Quantity (short tons)	
1978	38,182	42,509
1979	21,103	30,978
1980	17,255	23,818
1981	40,315	59,633
January-November--		
1980	15,679	20,737
1981	37,173	54,674
	Share of apparent U.S. consumption (percent)	
1978	2.1	2.3
1979	1.1	1.6
1980	1.3	1.8
1981	4/ 2.8	4/ 4.2
January-November--		
1980	1.3	1.7
1981	2.8	4.1

1/ In 1978 and 1979, such imports entered under TSUSA items 608.5005 and 608.5015.

2/ Imports were reported from Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, and West Germany; no imports were reported from Denmark, Greece, or Ireland.

3/ Belgium/Luxembourg, France, Italy, the United Kingdom, West Germany, Brazil, the Republic of South Africa, and Spain.

4/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from data of the American Iron and Steel Institute.

Table IX-13.--Cold-formed carbon steel bar (TSUSA items 606.8805, 606.8809, and 606.8815): 1/ U.S. imports for consumption, by selected sources and by quarters, 1980 and 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/
	Quantity (short tons)	
1980:		
Jan.-Mar	5,424	7,960
Apr.-June	3,882	5,017
July-Sept	3,586	4,298
Oct.-Dec	4,364	6,545
1981:		
Jan.-Mar	6,613	10,921
Apr.-June	10,671	15,738
July-Sept	12,880	16,298
Oct.-Dec	10,151	16,676
	Share of apparent U.S. consumption (percent)	
1980:		
Jan.-Mar	1.3	1.9
Apr.-June	1.2	1.5
July-Sept	1.4	1.6
Oct.-Dec	1.4	2.1
1981:		
Jan.-Mar	1.7	2.9
Apr.-June	2.7	4.0
July-Sept	3.7	4.7
Oct.-Dec	4/ 3.4	4/ 5.5

1/ In 1978 and 1979, such imports entered under TSUSA items 608.5005 and 608.5015.

2/ Imports were reported from Belgium/Luxembourg, France, Italy, the Netherlands, the United Kingdom, and West Germany; no imports were reported from Denmark, Greece, or Ireland.

3/ Belgium/Luxembourg, France, Italy, the United Kingdom, West Germany, Brazil, the Republic of South Africa, and Spain.

4/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from data of the American Iron and Steel Institute.

Belgium/Luxembourg.--Imports of cold-formed carbon steel bar from Belgium/Luxembourg 1/ fell from 277 tons in 1978 to 265 tons in 1979 and 120 tons in 1980. Imports in January-November 1981 amounted to 352 tons, compared with 107 tons imported during the corresponding period of 1980 (table IX-14). The ratio of imports of such merchandise to apparent U.S. consumption was less than 0.05 percent during each of those periods (table IX-15). Imports from Belgium/Luxembourg, by quarters, during 1980 and 1981 are shown in table IX-16, and the ratios of such imports to apparent U.S. consumption and to U.S. producers' shipments during those quarters are shown in table IX-17. As indicated, quarterly imports from Belgium/Luxembourg reached a peak of 183 tons, or 0.1 percent of consumption, in October-December 1981.

Brazil.--Brazil provided about 0.5 percent of aggregate U.S. imports of cold-formed carbon steel bar in January 1978-November 1981. Imports from Brazil doubled from 328 tons in 1978 to 656 tons in 1979, and increased slightly to 669 tons in 1980. Imports in January-November 1981 amounted to 731 tons, or more than double imports in the corresponding period of 1980 (table IX-14). The ratio of imports of cold-formed carbon steel bar from Brazil to apparent U.S. consumption of such merchandise was less than 0.05 percent in 1978 and 1979, and 0.1 percent in 1980 and January-November 1981 (table IX-15). Quarterly imports of such merchandise from Brazil during 1980 and 1981 peaked at 478 tons, or 0.2 percent of consumption, in October-December 1981 (tables IX-16 and IX-17).

France.--France is the second largest EC supplier (after the United Kingdom) of cold-formed carbon steel bar to the United States. Imports from France rose from 7,700 tons in 1978 to 8,500 tons in 1979 and 8,700 tons in 1980. Imports in January-November 1981 amounted to 7,000 tons, in comparison with 8,000 tons imported in January-November 1980 (table IX-14). The ratio of imports of such bar from France to apparent U.S. consumption was 0.4 percent in 1978 and 1979, 0.6 percent in 1980, and 0.5 percent in January-November 1981 (table IX-15). Quarterly imports of cold-formed carbon steel bar from France during 1980 and 1981 peaked at 2,700 tons, or 0.8 percent of consumption, in April-June 1980 (tables IX-16 and IX-17).

Italy.--Imports of cold-formed carbon steel bar from Italy fell from 911 tons in 1978 to 477 tons in 1979 and less than 0.5 ton in 1980. Imports in January-November 1981 amounted to 224 tons (table IX-14). The ratio of such imports to apparent U.S. consumption was 0.1 percent in 1978, and less than 0.05 percent in 1979, 1980, and the first 11 months of 1981 (table IX-15). Quarterly imports of cold-formed carbon steel bar from Italy during 1980 and 1981 reached a maximum of 130 tons, or less than 0.05 percent of apparent U.S. consumption, in July-September 1981 (tables IX-16 and IX-17).

1/ Official U.S. statistics aggregate imports from Belgium and Luxembourg. According to a representative of the U.S. Department of Commerce, * * * imports of cold-formed carbon steel bar from Belgium/Luxembourg in 1981 originated in Belgium.

Table IX-14.--Cold-formed carbon steel bar (TSUSA items 606.8805, 606.8809, and 606.8815): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981

Source	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
EC countries:					
Belgium/Luxembourg	277	265	120	107	352
France	7,728	8,479	8,747	8,012	7,018
Italy	911	477	2/	2/	224
United Kingdom	28,687	11,446	7,396	6,665	28,255
West Germany	579	413	950	853	1,280
Other 3/	0	23	42	42	44
Subtotal	38,182	21,103	17,255	15,679	37,173
Brazil	328	656	669	320	731
Republic of South Africa	2,799	3,298	1,243	1,149	1,220
Spain	1,200	5,944	4,693	3,631	15,594
Canada	1,213	2,606	4,741	3,649	14,416
Japan	88,646	59,565	56,491	50,893	48,201
Republic of Korea	38	73	234	92	1,700
All other	8,811	2,179	805	755	641
Total, all sources	141,217	95,424	86,131	76,168	119,676
	Value (1,000 dollars)				
EC countries:					
Belgium/Luxembourg	109	136	89	71	444
France	3,022	3,532	3,790	3,443	3,423
Italy	522	230	4/	4/	150
United Kingdom	12,177	6,121	3,986	3,604	18,030
West Germany	404	323	716	637	911
Other 3/	-	11	35	35	29
Subtotal	16,234	10,353	8,616	7,790	22,987
Brazil	154	311	310	160	405
Republic of South Africa	894	1,474	572	524	636
Spain	542	2,929	2,512	1,857	9,323
Canada	612	1,261	2,646	2,017	8,731
Japan	35,604	29,955	29,172	26,218	26,760
Republic of Korea	10	33	102	37	815
All other	2,978	1,007	482	447	269
Total, all sources	57,028	47,323	44,412	39,050	69,926

See footnotes at end of table.

Table IX-14.--Cold-formed carbon steel bar (TSUSA items 606.8805, 606.8809, and 606.8815): 1/ U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981--Continued

Source	1978	1979	1980	January-November--	
				1980	1981
	Unit value (per ton)				
EC countries:					
Belgium/Luxembourg	$392	$515	$745	$665	$1,263
France	391	416	433	430	488
Italy	573	483	934	934	668
United Kingdom	424	535	539	541	638
West Germany	698	781	754	746	712
Other 3/	-	495	828	828	657
Average	425	490	499	497	618
Brazil	470	474	464	499	554
Republic of South Africa	319	447	460	455	521
Spain	451	493	535	512	598
Canada	504	484	558	553	606
Japan	402	503	516	515	555
Republic of Korea	249	447	435	401	480
All other	338	462	599	592	420
Average, all sources	404	496	516	513	584

1/ In 1978 and 1979, such imports entered under TSUSA items 608.5005 and 608.5015.

2/ Less than 0.5 ton.

3/ Imports from the Netherlands; no imports were reported from Denmark, Greece, or Ireland.

4/ Less than $500.

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

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

Table IX-15.--Cold-formed carbon steel bar: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In percent)

Item	1978	1979	1980	January-November--	
				1980	1981
Ratio of imports to apparent U.S. consumption:					
EC countries:					
Belgium/Luxembourg	1/	1/	1/	1/	1/
France	0.4	0.4	0.6	0.6	0.5
Italy	.1	1/	1/	1/	1/
United Kingdom	1.6	.6	.6	.5	2.1
West Germany	1/	1/	.1	.1	.1
Other 2/	-	1/	1/	1/	1/
Subtotal	2.1	1.1	1.3	1.3	2.8
Brazil	1/	1/	.1	1/	.1
Republic of South Africa	.2	.2	.1	.1	.1
Spain	.1	.3	.4	.3	1.2
All other countries	5.4	3.4	4.7	4.5	4.9
Total, all imports	7.8	5.0	6.5	6.2	9.0
Ratio of imports to U.S. producers' shipments:					
EC countries:					
Belgium/Luxembourg	1/	1/	1/	1/	1/
France	.4	.5	.7	.7	.6
Italy	.1	1/	1/	1/	1/
United Kingdom	1.7	.6	.6	.6	2.3
West Germany	1/	1/	.1	.1	.1
Other 2/	-	1/	1/	1/	1/
Subtotal	2.2	1.2	1.4	1.4	3.0
Brazil	1/	1/	.1	1/	.1
Republic of South Africa	.2	.2	.1	.1	.1
Spain	.1	.3	.4	.3	1.3
All other countries	5.8	3.5	5.0	4.8	5.3
Total, all imports	8.3	5.2	6.9	6.6	9.8

1/ Less than 0.05 percent.

2/ Imports from the Netherlands; no imports were reported from Denmark, Greece, or Ireland.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Table IX-16.--Cold-formed carbon steel bar (TSUSA items 606.8805, 606.8809, and 606.8815): 1/ U.S. imports for consumption, by principal sources and by quarters, 1980 and 1981

(In short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries:								
Belgium/Luxembourg	56	29	10	25	102	46	63	183
France	2,605	2,729	1,420	1,993	1,595	2,557	1,903	1,819
Italy	0	0	0	0	0	23	130	70
United Kingdom	2,374	992	2,038	1,991	4,556	7,901	10,402	7,343
West Germany	361	131	116	342	357	143	351	708
Other 2/	27	1	2	12	3	0	32	28
Subtotal	5,424	3,882	3,586	4,364	6,613	10,671	12,880	10,151
Brazil	211	79	0	379	72	72	126	478
Republic of South Africa	697	0	182	365	367	318	318	405
Spain	1,655	1,057	532	1,449	3,872	4,677	3,006	5,670
Canada	708	588	547	2,898	3,746	3,660	4,404	4,024
Japan	14,352	16,432	14,106	11,602	10,636	13,357	14,458	14,649
Republic of Korea	20	0	0	214	411	437	521	495
All other	610	71	37	84	311	123	175	36
Total, all sources	23,677	22,109	18,990	21,355	26,028	33,315	35,888	35,907

1/ In 1978 and 1979, such imports entered under TSUSA items 608.5005 and 608.5015.

2/ Imports from the Netherlands; no imports were reported from Denmark, Greece, or Ireland.

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

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

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Table IX-17--Cold-formed carbon steel bar: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, 1980 and 1981

(In percent)

Item	1980				1981			
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.
Ratio of imports to apparent U.S. consumption:								
EC countries:								
Belgium/Luxembourg	1/	1/	1/	1/	1/	1/	1/	0.1
France	0.6	0.8	0.5	0.6	0.4	0.6	0.5	.6
Italy	-	-	-	-	-	1/	1/	1/
United Kingdom	.6	.3	.8	.6	1.2	2.0	3.0	2.4
West Germany	.1	1/	1/	.1	.1	1/	.1	.2
Other 2/	1/	1/	1/	1/	1/	-	1/	1/
Subtotal	1.3	1.2	1.4	1.4	1.7	2.7	3.7	3.4
Brazil	.1	1/	-	.1	1/	1/	1/	.2
Republic of South Africa	.2	-	.1	.1	.1	.1	.1	.1
Spain	.4	.3	.2	.5	1.0	1.2	.9	1.9
All other countries	3.8	5.1	5.7	4.7	4.0	4.5	5.5	6.4
Total, all imports	5.7	6.6	7.3	6.8	6.8	8.5	10.4	11.9
Ratio of imports to U.S. producers' shipments:								
EC countries:								
Belgium/Luxembourg	1/	1/	1/	1/	1/	1/	1/	.1
France	.6	.9	.6	.7	.4	.7	.6	.7
Italy	-	-	-	-	-	1/	1/	1/
United Kingdom	.6	.3	.8	.7	1.3	2.2	3.3	2.7
West Germany	.1	1/	1/	.1	.1	1/	.1	.3
Other 2/	1/	1/	1/	1/	1/	-	1/	1/
Subtotal	1.4	1.2	1.5	1.5	1.8	3.0	4.1	3.8
Brazil	.1	1/	-	.1	1/	1/	1/	.2
Republic of South Africa	.2	-	.1	.1	.1	.1	.1	.2
Spain	.4	.3	.2	.5	1.1	1.3	1.0	2.1
All other countries	3.9	5.4	6.0	5.0	4.2	4.9	6.2	7.2
Total, all imports	5.9	7.0	7.8	7.3	7.3	9.2	11.5	13.4

1/ Less than 0.05 percent.

2/ Imports from the Netherlands; no imports were reported from Denmark, Greece, or Ireland.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

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United Kingdom.--The United Kingdom was the largest EC supplier of cold-formed carbon steel bar to the United States in January 1978-November 1981. Imports from the United Kingdom fell from 28,700 tons in 1978 to 11,400 tons in 1979 and 7,400 tons in 1980. However, imports jumped from 6,700 tons in January-November 1980 to 28,300 tons in January-November 1981 (table IX-14). The ratio of imports of such bar from the United Kingdom to apparent U.S. consumption was 1.6 percent in 1978, 0.6 percent in 1979 and 1980, and 2.1 percent in January-November 1981 (table IX-15). Quarterly imports of cold-formed carbon steel bar from the United Kingdom during 1980 and 1981 peaked at 10,400 tons, or 3.0 percent of consumption, in July-September 1981 (tables IX-16 and IX-17).

West Germany.--West Germany was the third largest EC supplier of cold-formed carbon steel bar to the United States in 1980 and January-November 1981. Imports from that country fell from 579 tons in 1978 to 413 tons in 1979, and then more than doubled to 950 tons in 1980. Imports in January-November 1981 reached 1,280 tons, compared with 853 tons imported in January-November 1980 (table IX-14). The ratio of imports of such bar from West Germany to apparent U.S. consumption was less than 0.05 percent in 1978 and 1979, and 0.1 percent in 1980 and the first 11 months of 1981 (table IX-15). Quarterly imports of cold-formed carbon steel bar from West Germany during 1980 and 1981 reached a maximum of 708 tons, or 0.2 percent of consumption, in October-December 1981 (tables IX-16 and IX-17).

Prices

U.S. producers usually quote prices for cold-formed carbon steel bar on an f.o.b. mill basis. 1/ Importers of the product from Belgium, France, Italy, the United Kingdom, West Germany, and Brazil generally quote prices on an f.a.s. port of entry or delivered basis. Prices consist of a base price for each product plus charges for extras such as differences in length, width, thickness, and chemistry. Prices can be changed by changing the base price, the extra charges, or both. The major steel producers have announced five base price increases for cold-formed bar since January 1, 1979. According to industry sources, the most recent one occurred on June 21, 1981. Recently, one major domestic producer announced discounts on all of its bar products.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports for cold-formed carbon steel bar are presented in table IX-18 and figures IX-1 and IX-2. The PPI is based on list prices and may not reflect the behavior of actual transaction prices. 2/ Unit value indexes may vary over time not only because of changes in prices, but also because of changes

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, under which a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. Thus, the more distant producer charges the customer's account only for freight costs as if the product were shipped from the closer producer. Major domestic steel producers usually freight equalize on bar products.

2/ The PPI is prepared by the Bureau of Labor Statistics.

Table IX-18-.Cold-formed carbon steel bar: Indexes of producer prices, trigger prices, 1/ and unit values of imports from Belgium, France, Italy, the United Kingdom, West Germany, and Brazil, by quarters, 1979-81

(January-March 1979=100)

Period	Producer price index	Trigger price index	Index of unit values of imports from--					
			Belgium	France	Italy	United Kingdom	West Germany	Brazil
1979:								
January-March	100.0	100.0	100.0	100.0	100.0	100.0	2/	100.0
April-June	100.0	100.0	122.5	97.7	3/	94.6	2/	123.6
July-September	103.1	98.7	184.2	96.0	3/	97.8	2/	127.3
October-December	103.1	98.7	195.2	101.7	3/	93.3	2/	130.7
1980:								
January-March	106.6	101.7	154.3	97.8	3/	95.0	2/	130.4
April-June	108.3	4/	156.9	99.6	3/	97.4	2/	129.7
July-September	108.3	4/	126.7	107.7	2/	96.3	2/	2/
October-December	110.8	114.0	2/	110.7	3/	99.1	2/	115.0
1981:								
January-March	115.8	115.1	2/	118.4	3/	111.0	2/	138.8
April-June	115.8	120.0	198.4	115.4	157.2	112.3	2/	134.5
July-September	126.8	120.0	2/	112.9	133.6	115.3	2/	137.0
October-December	126.8	120.0	2/	5/ 121.1	5/ 133.0	5/ 118.7	2/	5/ 151.5

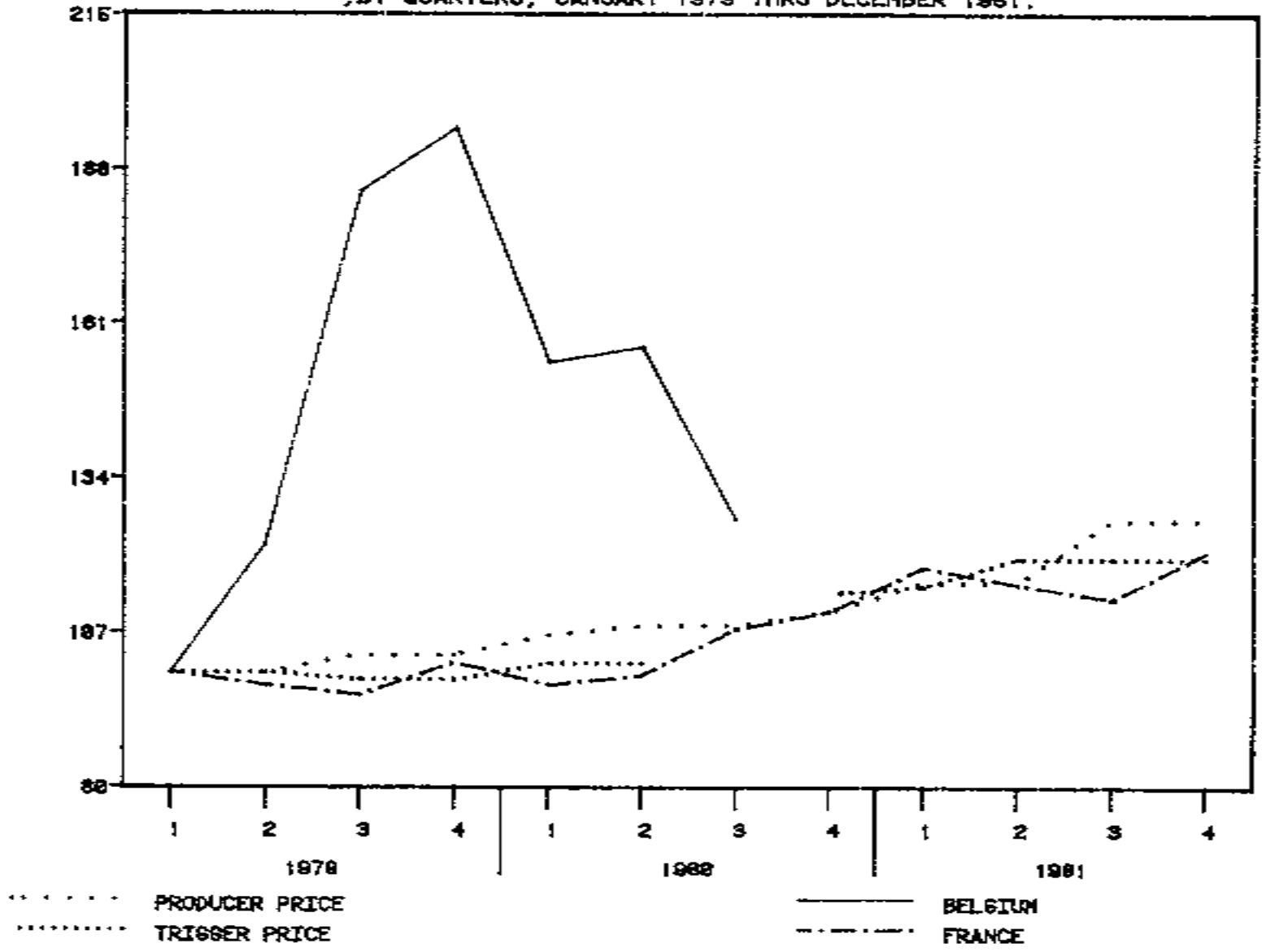
1/ The trigger price index refers to cold-finished carbon steel round and hexagonal bars, and includes only the base price.
2/ Acceptable data are not available.
3/ No imports in that period.
4/ Trigger price was suspended.
5/ Data are for October only.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics and the U.S. Department of Commerce.

Note.--Indexes are presented for comparisons of trends; index levels are not comparable.

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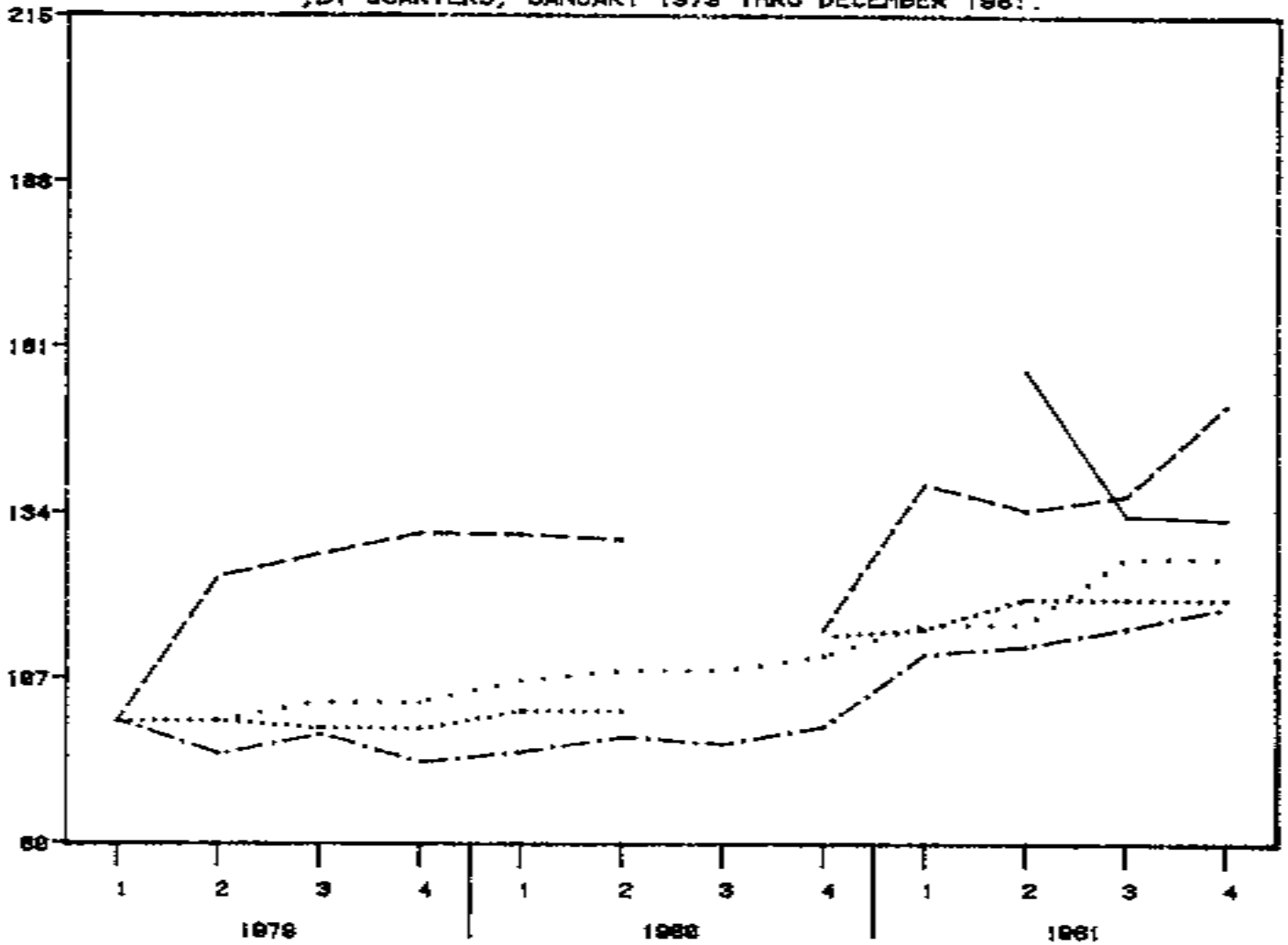
FIGURE IX-1.--COLD-FORMED CARBON STEEL BAR: INDEXES OF TRIGGER PRICES, PRODUCER PRICES, AND THE UNIT VALUE OF IMPORTS FROM BELGIUM, BRAZIL, FRANCE ITALY, the UNITED KINGDOM, and WEST GERMANY, BY QUARTERS, JANUARY 1979 THRU DECEMBER 1981.



SOURCE: SEE TABLE IX-18.

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FIGURE IX-2.--COLD-FORMED CARBON STEEL BAR: INDEXES OF TRIGGER PRICES, PRODUCER PRICES, AND THE UNIT VALUE OF IMPORTS FROM BELGIUM, BRAZIL, FRANCE ITALY, the UNITED KINGDOM, and WEST GERMANY, ,BY QUARTERS, JANUARY 1978 THRU DECEMBER 1981.



SOURCE: SEE TABLE IX-16.

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in the specific types of steel being imported. The PPI for domestically produced cold-formed carbon steel bar increased 26.8 percent over the 3-year period, and that product's trigger price increased 20.0 percent. The unit value indexes for imports from France increased 12.9 percent between the first quarter of 1979 and the third quarter of 1981, the last quarter for which full information is available. During that period, the unit value index for imports from Italy increased 33.6 percent; the index for imports from the United Kingdom increased 15.3 percent; and the index for imports from Brazil increased 37.0 percent. Between the first quarter of 1979 and the second quarter of 1981, the unit value index for imports from Belgium increased 98.4 percent.

Unit value data are available for the month of October 1981 for France, Italy, the United Kingdom, and Brazil. Compared with July-September 1981, unit values increased in October for imports from France, the United Kingdom, and Brazil, but declined slightly in October for imports from Italy.

Transaction prices.--The Commission requested data on average net selling prices to end-user and steel service center/distributor purchasers for specific products from domestic producers and importers. In addition, in order to facilitate direct comparison of prices, the Commission requested data on prices paid by steel purchasers.

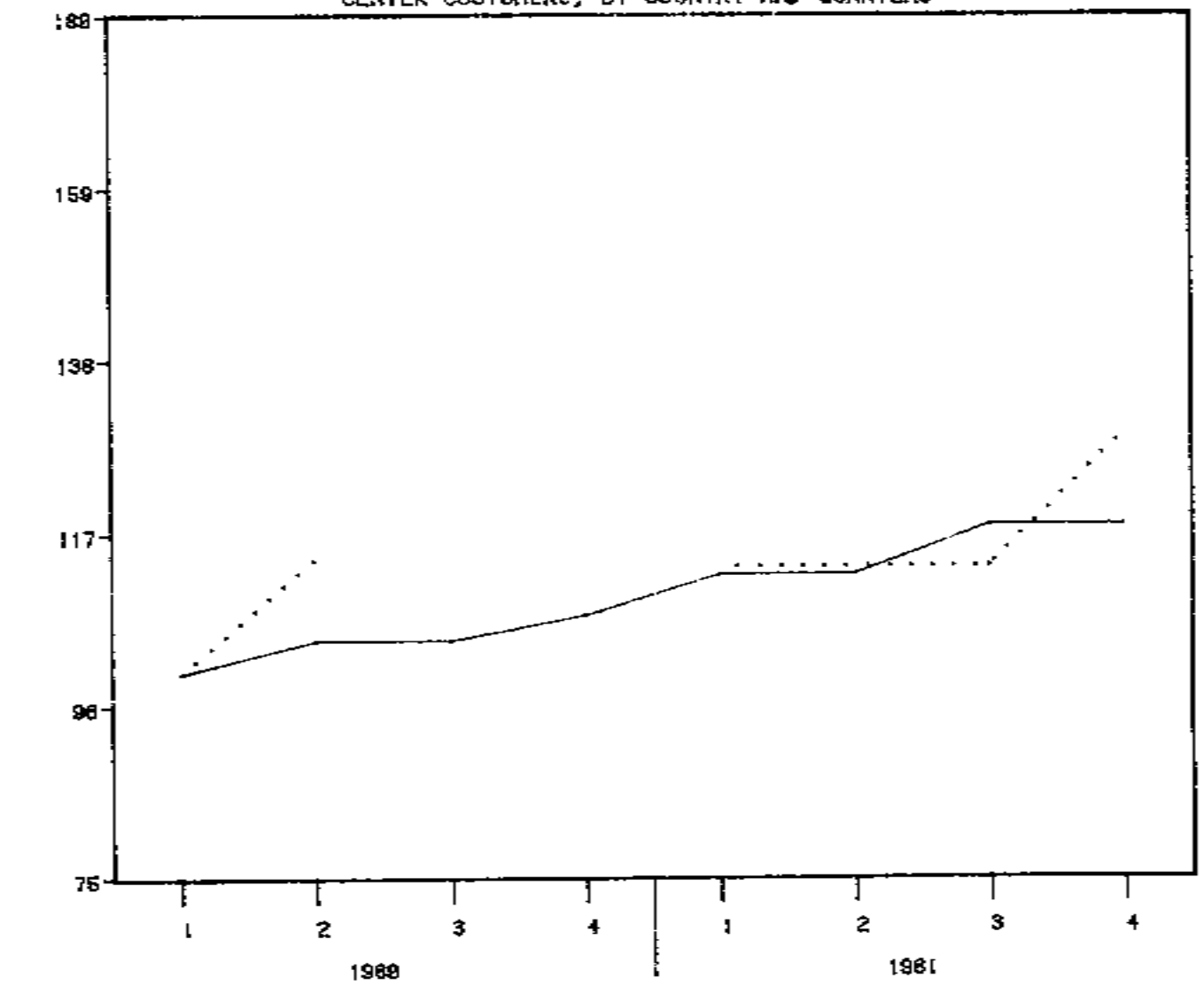
Trends in prices.--The Commission asked domestic producers and importers for their average net selling prices for a specific type of cold-formed carbon steel bar. 1/ These prices are averages of prices charged in many different transactions and they do not include delivery charges. Therefore, such data are not used to compare the levels of domestic producers' and importers' prices, but to compare the trends in these prices.

Price data on cold-formed carbon steel bar were received from two importers and four domestic producers for 1980 and 1981 (tables 52 and 53 in app. J and fig. IX-3). During this period, the price charged steel service center/distributors for the domestic product increased 18 percent, and the price charged end users increased 17 percent. Importers provided usable data only on average prices of cold-formed carbon steel bar from France. These data indicate that during the last 2 years, the price charged steel service center/distributor customers for imports from France increased by 29 percent.

Purchase prices.--The Commission also asked purchasers to furnish the delivered prices they paid in 1981 for imported and domestically produced cold-formed carbon steel bar. Purchasers were asked for prices, including delivery charges, paid in specific transactions. To ensure that these prices would be comparable, the purchasers were identified by their location and questionnaires were sent to such firms in six metropolitan areas: Atlanta, Chicago, Detroit, Houston, Los Angeles, and Philadelphia. These data were used to compare the levels of importers' and domestic producers' prices.

1/ As a basis for transaction price comparisons, the Commission selected 22 representive steel mill products covering the 9 product categories subject to these investigations. These products and their respective specifications are listed by product category in app. I. Cold-formed carbon steel bars are represented by product No. 21.

FIGURE IX-3.--COLD-FORMED CARBON STEEL BARS-PRODUCT 21
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 52, APPENDIX J

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Of the 66 purchasers responding to this questionnaire, 18 reported purchasing cold-formed carbon steel bar. However, only two of these purchasers provided prices for the imported product. * * *. Margins of underselling computed from these responses are presented in tables 54 and 55 in appendix J.

Cold-formed bar from the United Kingdom undersold domestic bar in Chicago by 9 percent in January-March 1981. That margin fell to 3 percent in July-September 1981 and increased slightly to 4 percent in October-December. Bar from the United Kingdom also undersold the domestic product in Detroit by 4 percent in October-December 1981, the only observation reported.

Nonprice factors --Purchasers were asked to indicate the importance of four nonprice factors in their purchasing decisions. These factors were quality, service, reliability, and proximity. Eighteen purchasers of cold-formed carbon steel bar responded to this question. These purchasers indicated that quality was the most important nonprice consideration, reliability was next, then service, and proximity. The majority of these steel purchasers indicated that they had not paid a premium price because of a nonprice factor.

Lost sales

Two domestic producers submitted a total of 17 specific allegations of lost sales of cold-formed carbon steel bar to imports of this product from the subject countries in 1980 and 1981. The staff investigated 11 of the allegations accounting for 96 percent of the total tonnage of sales alleged to have been lost. These allegations and attempts by the staff to verify them are discussed, by country, below.

Imports from Italy.--Two allegations concerning *** tons of cold-formed carbon steel bar from Italy were investigated. Both allegations concerned purchasers in the Gulf States area, and both were verified by the staff. The principal reason cited for the purchasing decision was availability for one purchaser, and the lower price and desire to maintain an alternate source for its materials for the other purchaser.

Imports from France.--Two allegations concerning *** tons of cold-formed carbon steel bar from France were investigated. Both allegations were denied by the purchasing firms, which stated that their sources of imports of the product were countries other than those subject to the investigations.

Imports from the United Kingdom.--Six allegations concerning approximately *** tons of cold-formed carbon steel bar from the United Kingdom were investigated. The staff verified 4 of the 6 allegations. Two of the four purchasers, which were responsible for *** tons of the imported product, cited the lower price of the imports from the United Kingdom as the most important consideration in their purchasing decisions. In the other two verified

allegations, price, quality, and availability of the product were all mentioned as being equally important. The other two lost sales allegations concerning the United Kingdom were denied by the purchasers.

Imports from West Germany.--One allegation concerning *** tons of cold-formed carbon steel bar from West Germany was received. The allegation was denied by the purchaser, which stated that it imported all its cold-formed carbon steel bar from a country not subject to the investigations.

In summary, two purchasers of cold-formed carbon steel bar from the United Kingdom and one purchaser of such merchandise from Italy verified lost sales owing to the lower price of the imported product. These three instances amounted in the aggregate to 640 tons of the product.

PART X. COLD-FORMED ALLOY STEEL BAR

Introduction

On January 11, 1982, the U.S. International Trade Commission received a petition filed on behalf of Republic, Inland, J&L, National, and Cyclops requesting that the Commission initiate countervailing duty investigations on imports of cold-formed alloy steel bar from Belgium, France, Italy, the United Kingdom, and West Germany. Accordingly, effective January 11, 1982, the Commission instituted investigations Nos. 701-TA-140 through 144 (Preliminary) pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Italy, the United Kingdom, and West Germany of cold-formed alloy steel bar, provided for in item 606.9900 of the TSUSA, upon which bounties or grants are alleged to be paid. The cases instituted by the Commision are:

Country	Countervailing duty investigation number
Belgium	701-TA-140(P)
France	701-TA-141(P)
Italy	701-TA-142(P)
The United Kingdom	701-TA-143(P)
West Germany	701-TA-144(P)

The Product

Description and uses 1/

Cold-formed 2/ alloy steel bar is a product of solid cross section produced by heating billets of the appropriate alloy steel 3/ in a furnace to a uniform temperature, and then passing them through a series of rolls that form the steel to the desired shape and dimension. After being hot-rolled, the steel is cooled, pickled, and entered into the final series of reducing rolls. After this final "cold-reducing" process, the bar may be further cold-turned, ground, or polished. These various processes, termed "cold-finishing," impart mechanical and surface properties which make the cold-formed bar superior to its hot-rolled counterpart. 4/

After cold-finishing, the bar is generally cut to standard straight lengths by hot-shearing, hot-sawing, or other means depending on its size, cross-sectional configuration, and alloy composition.

Cold-formed alloy steel bar is manufactured in a variety of cross-sectional shapes. For the purpose of these investigations, "cold-formed alloy steel bar" includes cold-formed alloy steel products of solid section which have cross sections in the shape of circles, segments of circles, ovals,

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1/ A detailed discussion of the steelmaking process is presented in pt. I of this report.

2/ The term "cold-formed" is generally used interchangeably with "cold-finished." The latter term is in greater usage in the industry; the former is utilized by the Commission because it tracks the terminology of the TSUSA.

3/ Alloy steel is an alloy of iron and carbon which is malleable as first cast and which contains one or more of the following elements in the quantity, by weight, respectively indicated:

1.65 percent of manganese, or
0.25 percent of phosphorous, or
0.35 percent of sulphur, or
0.60 percent of silicon, or
0.60 percent of copper, or
0.30 percent of aluminum, or
0.20 percent of chromium, or
0.30 percent of cobalt, or
0.35 percent of lead, or
0.50 percent of nickel, or
0.30 percent of tungsten, or
0.10 percent of any other metallic element.

These elements are introduced to carbon steel in the steelmaking process to enhance its properties in terms of hardenability, corrosion resistance, abrasion resistance, improved electrical characteristic, or other desired properties.

4/ U.S. Steel Corp., The Making, Shaping, and Treating of Steel, 1971, p. 933.

triangles, rectangles, hexagons, or octagons and are not coated or plated with metal, as provided for in item 606.9900 of the TSUSA. Major markets for cold-formed alloy steel bar are summarized in table X-1.

Table X-1.--Cold-formed alloy steel bar: Major end markets for domestic shipments, 1979, 1980, and January-September 1981

Markets	1979		1980		Jan.-Sept. 1981	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 tons		1,000 tons		1,000 tons	
Machinery, industrial equipment, and tools	115	35.8	88	37.4	71	38.8
Steel service centers and distributors	64	19.9	47	20.0	36	19.7
Nonclassified shipments	52	16.2	39	16.6	31	16.9
Automotive	50	15.6	28	11.9	21	11.5
Total	321	100	235	100	183	100

Source: Compiled from data of the American Iron and Steel Institute.

The table shows all major markets, with the exception of the automotive sector, remaining stable as a share of the total market. The share for automotive uses fell from 15.6 percent of total shipments in 1979 to 11.5 percent in January-September 1981, or by 26 percent. Total domestic shipments of this product fell substantially in the same period, from 321,000 tons in 1979 to an estimated 244,000 tons in 1981, or by 24 percent.

U.S. tariff treatment

For the purpose of these investigations, cold-formed alloy steel bar is classifiable under item 606.9900 of the TSUSA. 1/ The column 1 (most-favored-nation) rate of duty for item 606.9900 is currently 10.0 percent ad valorem plus additional duties, which can total as much as 1 percent ad valorem. 2/ As a result of concessions granted in the Tokyo round of the MTN, this rate will undergo a series of successive annual reductions which began January 1, 1982, and will end January 1, 1987, when the final column 1 rate of 7.5 percent ad valorem plus additional duties will be achieved. This rate is currently applicable to products of LDDC's.

1/ Prior to Jan. 1, 1980, such alloy steel bar was classified under TSUSA item 608.5280. This item has since been deleted.

2/ The ad valorem tariff was reduced from 10.5 percent to 10.0 percent on Jan. 1, 1982, as part of the scheduled reduction of tariffs granted in the Tokyo round of the MTN. Additional duties may be assessed on these imports depending on the content, by weight, of chromium, molybdenum, tungsten, or vanadium. See headnote 4, schedule 6, pt. 2, subpt. B, of the TSUSA.

The column 2 rate of duty for item 606.9900 is 28 percent ad valorem plus additional duties. This item is not eligible for duty-free treatment under the GSP, but imports from LDDC's are granted preferential rates.

In addition to the import duties discussed above, U.S. imports of these products may also be subject to restraints imposed by administrative actions taken under provisions of the Buy American Act. 1/

Apparent U.S. Consumption

Apparent U.S. consumption of cold-formed alloy steel bar declined irregularly during 1978-80, rising from 323,000 tons in 1978 to 354,000 tons in 1979 and then dropping to 246,000 tons in 1980 for an overall decline of 77,000 tons or 24 percent. However, apparent consumption rose from 228,000 tons in January-November 1980 to 262,000 tons in January-November 1981, or by 15 percent. The increase during these two periods is almost entirely attributable to an increase in imports during the latter.

On a quarterly basis, apparent consumption of cold-formed alloy steel bar generally decreased in 1980 and increased in 1981. Consumption fell from 79,000 tons in the first quarter of 1980 to a low of 50,000 tons in the third quarter before rising slightly to 52,000 tons in the fourth quarter. It reached its highest quarterly level in the second quarter of 1981, when 81,000 tons were consumed.

1/ An explanation of the applicability of Col. 1, Col. 2, GSP, and LDDC rates of duty, as well as a discussion of the provisions of the Buy American Act, is presented in pt. II of this report.

Table X-2.--Cold-formed alloy steel bar: U.S. producers' shipments, imports for consumption, exports of domestically produced merchandise, and apparent consumption, 1978-80, January-November 1980, and January-November 1981, and, by quarters, January 1980-September 1981.

Period	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	Short tons				Percent	
1978	297,530	37,050	11,189	323,391	12.5	11.5
1979	321,467	44,161	11,429	354,199	13.7	12.5
1980	235,064	23,435	12,827	245,672	10.0	9.5
January-November--						
1980	218,080	21,539	11,504	228,115	9.9	9.4
1981	221,093	57,077	16,091	262,079	25.8	21.8
1980:						
Jan.-Mar.	76,350	6,788	3,913	79,225	8.9	8.6
Apr.-June	61,566	6,154	3,040	64,680	10.0	9.5
July-Sept	47,838	4,877	3,080	49,635	10.2	9.8
Oct.-Dec.	49,310	5,606	2,794	52,122	11.4	10.8
1981:						
Jan.-Mar.	59,850	8,415	2,879	65,386	14.1	12.9
Apr.-June	62,756	21,794	3,367	81,183	34.7	26.8
July-Sept	60,301	15,399	6,162	69,538	25.5	22.1

Source: Shipments, compiled from data of the American Iron and Steel Institute; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

U.S. Producers

Total U.S. shipments of all alloy steel products in 1980 amounted to 9.4 million tons, of which cold-formed alloy bar accounted for 235,000 tons, or 3 percent, according to AISI data.

Some 41 firms produce cold-formed alloy steel bars in the United States, with operating facilities scattered throughout the country but concentrated in the North Central area of Ohio, Pennsylvania, and Illinois. U.S. producers of cold-formed alloy bars and the location of their production facilities are listed below:

Firm	Location of facilities
Altech Specialty Steel Corp	Dunkirk, N.Y.
AMPCO-Pittsburgh Corp (Wycoff Steel Div.)	Ambridge, Pa. Chicago, Ill. Newark, N.J. Putnam, Conn.
Baron Drawn Steel Corp	Toledo, Ohio
Bliss & Laughlin Steel Co	Harvey, Ill. Medina, Ohio Los Angeles, Calif. Warren, Mich. Houston, Tex. Seattle, Wash.
Carpenter Technology Corp	Bridgeport, Conn. Reading, Pa.
Copperweld Steel Co	Warren, Ohio Bedford Park, Ill.
Crucible Div., Colt Industries	Midland, Pa. Syracuse, N.Y.
Guterl Special Steel Corp	Lockport, N.Y.
Hoover Universal Inc (Cuyahoga Steel & Wire, Inc.)	Solon, Ohio
La Salle Steel Co (Keystone Drawn Steel Corp.)	Hammond, Ind. Spring City, Pa.
LTV (J&L)	Hammond, Ind. Willimantic, Conn. Pittsburgh, Pa.
Moltrup Steel Products Co	Beaver Falls, Pa.
Nelsen Steel Co	Franklin Park, Ill.
Midwest Wire Co	Cleveland, Ohio
Pacific Tube Co	Los Angeles, Calif.
Ramco Steel, Inc	Buffalo, N.Y.
Republic	Massillon, Ohio Los Angeles, Calif. E. Hartford, Conn. Gary, Ind.

Firm	Location of facilities
Stanadyne (Western Cold-Drawn Steel)	Elyria, Ohio
Teledyne Columbia-Summerhill	Carnegie, Pa. Union City, Ca.
Teledyne Vasco	Latrobe, Pa.
Timkin Co (Latrobe Steel Co.)	Canton, Ohio Latrobe, Pa.
Corey Steel Co	Cicero, Ill.
Sauk Southwest Steel Corp	Calooss, Okla.
Bar Processing Corp	Newton Falls, Pa. Detroit, Mich.
Connors Steel Co	Birmingham, Ala.
Industrial Wire Products Corp	Los Angeles, Calif.
Atlantic Wire Corp	Branford, Conn.
Intercontinental Steel Corp	Chicago, Ill.
Interlake, Inc	Chicago, Ill.
Sauk Steel Co	Chicago Heights, Ill.
Precision Steel Co	Wilton, Iowa
Maryland Specialty Wire	Cockeysville, Md.
New England Drawn Steel Corp	Mansfield, Mass.
Barsteel Corp	Detroit, Mich.
Plymouth Steel Corp	Detroit, Mich.
North Star Steel Corp	St. Paul, Minn.
Predco, Inc	Wichita, Kans. Gulfport, Miss. Atco, N.J.

Firm	Location of facilities
St. Louis Cold Drawn, Inc	St. Louis, Mo.
E.C.D. Corp	Hillside, N.J.
Continental Copper & Steel Industries, Inc.	Braeburn, Pa.
Jessop Steel Co.	Washington, Pa.

Although some 41 firms produce cold-formed alloy steel bar, the industry displays the concentration typical of the steel industry as a whole, with 4 large steel producers accounting for 51 percent of shipments of these products in 1981. Four major producers of cold-formed alloy bar and their market shares are presented in the following tabulation (in percent):

Firm	1978	1980
AMPCO	***	***
La Salle	***	***
Republic	***	***
Timken	***	***

U.S. Importers

Data on importers of alloy steel products obtained by the Commission from the Customs Net Importer File identifies approximately 30 importers of cold-formed alloy bar from the countries subject to these investigations. In general, exports from these countries entered the United States through one or two importers, which handled the bulk of imports from them and which were affiliated with major foreign steel producers. However, one importing firm, Creusot-Loire, Inc., a wholly owned affiliate of Compagnie Francaise des Aciers Speciaux of France, accounted for the bulk of import entries and quantities reported under the relevant TSUSA item.

Major importers of cold-formed alloy steel bar from the subject countries during October 1980-August 1981 were as follows:

Source	Importing firm
Belgium/Luxembourg	* * *
France	* * *
Italy	* * *
	* * *
	* * *
	* * *
United Kingdom	* * *
West Germany	* * *
	* * *

1/ Owned by or affiliated with foreign steel producers.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production of cold-formed alloy steel bar declined irregularly from 1978 to 1981, falling from 147,110 tons to 122,268 tons, or by 17 percent. U.S. practical capacity rose slightly over the period, from 207,100 tons in 1978 to 213,300 tons in 1981, or by 3 percent. Capacity utilization also declined irregularly, from 71.0 percent in 1978 to 57.3 percent in 1981, as shown in table X-3. 1/

1/ Capacity to produce finished steel mill products is not necessarily the best method of determining the extent to which a steelmaking operation is most efficiently utilizing its facilities. See a discussion of this issue in pt. II of this report, pp. II-11 and II-12.

Table X-3.--Cold-formed alloy steel bar: U.S. production, practical capacity, 1/ and capacity utilization, 1978-81

Item	1978	1979	1980	1981
Production 2/----------short tons--	147,110	158,627	115,590	122,268
Capacity----------do----	207,100	209,000	208,400	213,300
Capacity utilization------percent--	71.0	75.9	55.5	57.3

1/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could reasonably be attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

2/ U.S. producers submitting usable data accounted for 52 percent of total shipments of cold-formed alloy steel bar in 1980, as reported by the American Iron and Steel Institute.

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

U.S. producers' shipments

U.S. producers' shipments of cold-formed alloy steel bar generally increased on a quarterly basis in 1981 compared with those in the corresponding quarters of 1980. However, quarterly shipments in the 2 years were at their highest level in the first quarter of 1980 when they totaled 76,350 short tons, and at their lowest level in the third quarter of 1980, at 47,838 tons. Total U.S. producers' shipments of cold-formed alloy bars, as reported by AISI (including intracompany transfers and exports but excluding sales made to other firms that report data to AISI), are shown in the following tabulation:

	Shipments (short tons)
1980:	
January-March	76,350
April-June	61,566
July-September	47,838
October-December	49,310
1981:	
January-March	59,850
April-June	62,756
July-September	60,301
October-December	51,930

U.S. producers' intracompany and intercompany shipments, domestic market shipments, and export shipments, as reported in response to the Commission's questionnaires, are shown in table X-4. These data indicate that intracompany and intercompany shipments dropped 20 percent from 1978 to 1981 and domestic market shipments declined by approximately 16 percent. Export shipments showed healthly gains in 1979 and 1980, and yet even at their peak they accounted for only 3.6 percent of total shipments.

Table X-4.--Cold-formed alloy steel bar: U.S. producers' shipments, 1/ 1978-81

Item	1978	1979	1980	1981
	Quantity (short tons)			
Intracompany and intercompany shipments	28,483	32,586	22,765	22,716
Domestic market shipments	120,326	126,801	95,895	101,407
Export shipments	110	2,189	4,423	387
Total	148,919	161,576	123,083	124,510
	Value (1,000 dollars)			
Domestic market shipments	102,581	121,177	97,676	109,162
Export shipments	94	1,565	4,371	317
Total	102,675	122,742	102,047	109,479
	Unit value (per ton)			
Domestic market shipments	$852.53	$955.65	$1,018.57	$1,076.47
Export shipments	854.55	714.94	988.24	819.12
Average	852.53	949.47	1,017.24	1,075.50

1/ U.S. producers submitting usable data accounted for 52 percent of cold-formed alloy bar in 1980, as reported by the American Iron and Steel Institute.

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

U.S. exports

Exports of cold-formed alloy steel bar increased steadily from 11,000 tons in 1978 to 16,000 tons in January-November 1981. The 16,000 ton figure for 1981 represents a 40 percent increase over the figure for the corresponding period of 1980, as shown in table X-5.

Table X-5.--Cold-formed alloy steel bar: U.S. exports of domestically produced merchandise, by principal markets, 1978-80, January-November 1980, and January-November 1981

Market	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
Mexico	1,892	4,192	3,990	3,399	3,763
Canada	2,089	2,949	2,335	2,089	3,636
Brazil	3	868	1,919	1,919	14
Saudi Arabia	296	109	273	270	1,626
Colombia	81	510	533	532	408
All other	6,828	2,801	3,777	3,335	6,644
Total	11,189	11,429	12,827	11,504	16,091
	Value (1,000 dollars)				
Mexico	1,153	2,864	2,693	2,277	3,038
Canada	1,568	2,324	2,545	2,294	3,731
Brazil	43	633	1,461	1,461	114
Saudi Arabia	354	136	373	364	1,441
Colombia	44	242	394	392	251
All other	3,252	4,569	5,380	4,745	6,489
Total	6,414	10,768	12,846	11,533	15,064

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

The principal export markets for U.S. cold-formed alloy steel bar during 1978-81 were Mexico, Canada, and Brazil. Exports to Mexico more than doubled between 1978 and 1979, fell slightly in 1980, and exhibited a gain in January-November 1981 compared with those in the corresponding period of 1980.

U.S. producers' inventories

Inventories of cold-formed alloy steel bar reported by U.S. producers in response to the Commission's questionnaires (which accounted for 52 percent of shipments reported by AISI in 1980) remained relatively steady as a percentage of U.S. producers' shipments. The inventory as of December 31, 1978, represents 7.2 percent of U.S. producers' shipments of cold-formed alloy steel bar in that year. In 1979, the same ratio prevailed, in 1980 it rose to 8.0 percent, and in 1981 it fell to 7.3 percent. Reported end-of-period inventories were as follows:

As of Dec. 31--	Inventories (short tons)
1977	9,661
1978	10,648
1979	11,559
1980	9,899
1981	9,099

U.S. employment, wages, and productivity

In domestic establishments producing cold-formed alloy steel bar the average employment of all persons, production and related workers producing all products, and production and related workers producing cold-formed alloy steel bar increased in 1979 and declined in both 1980 and 1981. Employment of all persons and production and related workers producing all products was greater in 1981 than in 1978, whereas employment of production and related workers producing cold-formed alloy steel bar decreased between 1978 and 1981, by 24 percent (table X-6).

Hours paid for production and related workers producing all products and cold-formed alloy steel bar reached their respective peaks in 1979. Both categories registered overall decreases between 1978 and 1981, falling 3.8 percent (production and related workers producing all products) and 27.1 percent (production and related workers producing cold-formed alloy steel bar).

Wages paid to production and related workers producing all products rose dramatically in 1979, fell in 1980, and rose once more in 1981, for an overall increase of 38 percent. Wages paid to production and related workers producing cold-formed alloy steel bar fell slightly during 1978-81, as shown in the table X-7.

Table X-6.--Average number of employees, total and production and related workers, in U.S. establishments producing cold-formed alloy steel bar, and hours paid 1/ for the latter, 2/ 1978-81

Item	1978	1979	1980	1981
Average employment:				
All persons:				
Number	50,417	64,951	55,173	53,798
Percentage change	3/	28.8	-15.1	-2.5
Production and related workers producing--				
All products:				
Number	40,334	51,063	43,214	42,380
Percentage change	3/	26.6	-15.4	-1.9
Cold-formed alloy steel bar:				
Number	923	931	799	701
Percentage change	3/	0.9	-14.3	-12.3
Hours paid for production and related workers producing--				
All products:				
Number----thousands--	85,453	105,275	85,643	82,202
Percentage change	3/	23.2	-18.6	-4.2
Cold-formed alloy steel bar:				
Number----thousands--	1,905	1,972	1,517	1,388
Percentage change	3/	3.5	-23.0	-8.5

1/ Includes hours worked plus hours of paid leave time.

2/ U.S. producers submitting usable data accounted for 47 percent of total shipments of cold-formed alloy bar in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Table X-7.--Wages and total compensation 1/ paid to production and related workers in establishments producing cold-formed alloy steel bar, 2/ 1978-81

Item	1978	1979	1980	1981
Wages paid to production and related workers producing--				
All products:				
Value----------million dollars--	897	1,278	1,170	1,241
Percentage change----------	3/	42.5	-8.5	6.1
Cold-formed alloy bar:				
Value----------million dollars--	20	22	19	19
Percentage change----------	3/	10.0	-13.6	-
Total compensation paid to production and related workers producing--				
All products:				
Value----------million dollars--	1,158	1,657	1,566	1,667
Percentage change----------	3/	43.1	-5.5	6.4
Cold-formed alloy bar:				
Value----------million dollars--	25	28	25	25
Percentage change----------	3/	12.0	-10.7	-

1/ Includes wages and contributions to social security and other employee benefits.

2/ U.S. producers submitting usable data accounted for 47 percent of total shipments of cold-formed alloy steel bar in 1980, as reported by the American Iron and Steel Institute.

3/ Not available.

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

Data on labor productivity, hourly compensation, and unit labor costs in the production of cold-formed alloy steel bar are present in table X-8.

Table X-8.--Labor productivity, hourly compensation, and unit labor costs in the production of cold-formed alloy steel bar, 1/ 1978-81

Item	1978	1979	1980	1981
Labor productivity:				
Quantity----------tons per hour--	0.0690	0.0721	0.0684	0.0767
Percentage change----------	2/	4.5	-5.1	12.1
Hourly compensation:				
Value----------per hour--	13.13	14.42	16.61	18.21
Percentage change----------	2/	9.8	15.2	9.6
Unit labor costs:				
Value----------per ton--	190.29	200.00	242.84	237.2
Percentage change----------	2/	1.5	21.4	-2.2

1/ U.S. producers submitting usable data accounted for 47 percent of total shipments of cold-formed alloy steel bar in 1980, as reported by the American Iron and Steel Institute.
2/ Not available.

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

Labor productivity increased at an average annual rate of 3.8 percent. Hourly compensation increased each year at an average annual rate of 11.5 percent. Unit labor costs increased in every year except 1981, for an average annual rate of increase of 8.1 percent.

Financial experience of U.S. producers

Operations on cold-formed alloy steel bar.--The three firms which furnished profit-and-loss data accounted for about 47 percent of total U.S. producers' shipments of cold-formed alloy steel bar in 1980, as reported by the American Iron and Steel Institute. Their net sales rose from $105 million in 1978 to $124 million in 1979, slipped to $106 million in 1980, and then rose slightly to $111 million in 1981, as shown in table X-9.

Table X-9.--Profit-and-loss experience of 3 U.S. producers on their operations producing cold-formed alloy steel bar, accounting years 1978-81

Item	1978	1979	1980	1981
Net sales--million dollars	105	124	106	111
Cost of goods sold--do	84	104	90	95
Gross profit--do	21	20	16	16
Selling and administrative expenses--do	4	5	5	5
Operating profit--do	17	15	11	11
Ratio of gross profit to net sales--percent	20.0	16.1	15.1	14.4
Ratio of operating profit to net sales--do	16.2	12.1	10.4	9.9
Ratio of cost of goods sold to net sales percent	80.0	83.9	84.9	85.6
Ratio of selling and administrative expenses to net sales--percent	3.8	4.0	4.7	4.5
Number of firms reporting operating losses	0	0	0	0
Ratio of captive sales to total net sales--percent	22	22	24	24

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

The three firms' aggregate operations on cold-formed alloy steel bar were profitable during 1978-81, posting profits of $17 million, or 16.2 percent of net sales, in 1979, $15 million, or 12.1 percent of net sales, in 1979, and $11 million in both 1980 and 1981, with returns of 10.4 percent and 9.9 percent, respectively, on net sales.

Capital expenditures.--Three firms supplied data relative to their expenditures during 1978-81 for land, buildings, and machinery and equipment used in the production of cold-formed alloy steel bar. As shown in the following tabulation, aggregate capital expenditures rose from $2.8 million in 1978 to $4.2 million in 1979 and then declined to $813,000 in 1981:

	Capital expenditures (1,000 dollars)
1978	2,779
1979	4,186
1980	1,196
1981	813

The decline in 1980 was due to the fact that one of the three producers (* * *) that had reported data for the prior year closed its producing facilities and reported no capital expenditures for that year.

Research and development expenditures.--Two firms supplied data relative to their research and development expenses incurred during 1978-81 in connection with the production of cold-formed alloy steel bar. Such expenses amounted to * * * in 1978, * * * in 1979, * * * in 1980, and * * * in 1981.

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

In its examination of the question of a reasonable indication of the threat of material injury to a U.S. industry, the Commission may take into consideration such factors as the rate of increase of imports allegedly subsidized, the rate of increase of U.S. market penetration by such imports, the amount of such imports held in inventory in the United States, and the capacity of producers in countries subject to the investigations to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase of imports and of their U.S. market penetration is presented in the section of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Imports Allegedly Subsidized." A discussion of foreign producers' capacity to generate exports is presented in part VII of the report, and a discussion of importers' inventories follows.

End-of-period inventories reported by U.S. importers of cold-formed alloy steel bar from the EC countries, other countries subject to the investigations, and all other countries are shown in table X-10. Importers' yearend inventories were negligible in 1978 and 1979 and below 4 percent of reported imports in both 1980 and 1981. Firms reporting inventory data to the Commission accounted for 75 percent of total imports of cold-formed alloy steel bar, as reported by the Department of Commerce in 1978, 64 percent in 1979, 67 percent in 1980, and 72 percent in 1981.

Table X-10.--Cold-formed alloy steel bar: End-of-period inventories held by U.S. importers, by sources, 1978-81

Source	1978	1979	1980	1981
	Quantity (short tons)			
EC countries:				
Belgium	0	0	0	0
France	0	0	0	0
Italy	0	0	179	347
United Kingdom	0	0	0	0
West Germany	2	3	2	949
Subtotal	2	3	181	1,296
All other countries	0	0	0	0
Total, all inventories	2	3	181	1,296
	Ratio of inventories to reported imports (percent)			
EC countries:				
Belgium	-	-	-	-
France	-	-	-	-
Italy	-	-	34.4	22.2
United Kingdom	-	-	-	-
West Germany	1/	25.0	1/	74.4
Average	2/	1/	1.2	3.1
All other countries	-	-	-	-
Average, all countries	2/	2/	1.2	3.1

1/ No imports were recorded, hence a ratio is not applicable.
2/ Less than 0.05 percent.

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

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

U.S. imports

Imports from all sources.--Imports of cold-formed alloy steel bar increased in 1979 and 1981, but plunged to their 1978-81 period low of 23,000 tons in 1980. Imports increased from 37,000 tons in 1978 to 44,000 tons in 1979 and to 57,000 tons in January-November 1981 (see table X-2). Over the period, import penetration nearly doubled from 11.5 percent in 1978 to 21.8 percent in 1981. The quarterly import penetration figures show more dramatic changes, as the ratio of imports to apparent consumption rose from 8.6 percent in the first quarter of 1980 to 26.8 percent in the second quarter of 1981. It fell to 22.1 percent in the third quarter of 1981.

Imports from the EC and from all countries subject to active countervailing duty investigations.--Imports from all EC countries rose from 25,000 tons in 1978 to 42,000 tons in 1981, or by 68 percent. Similarly, imports of cold-formed alloy steel bar from all countries subject to the investigations increased from 26,000 tons in 1978 to 42,000 tons in 1981 or by 64 percent as shown in table X-11. Such imports accounted for almost 8 percent of apparent consumption in 1978; that figure doubled in 1981. As mentioned earlier, imports were at their lowest level in 1980 before surging to an overall high in 1981.

Table X-11.--Cold-formed alloy steel bar (TSUSA item 606.9900 1/): U.S. imports for consumption, by selected sources, 1978-80, January-November 1980, and January-November 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/
	Quantity (tons)	
1978	24,913	25,668
1979	30,355	32,196
1980	14,055	14,231
January-November--		
1980	13,337	13,513
1981	41,920	42,066
	Share of apparent U.S. consumption (percent)	
1978	7.7	7.9
1979	8.6	9.1
1980	5.7	6.0
January-November--		
1980	5.8	5.9
1981	16.0	16.1

1/ In 1978 and 1979, such imports entered under TSUSA item 608.5280.
2/ Belgium, France, Italy, United Kingdom, West Germany, Ireland, Greece, Denmark, Netherlands, and Luxembourg.
3/ Belgium, France, Italy, United Kingdom, West Germany, and Spain.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

There was a substantial increase in imports from the countries subject to the investigations in each of the three quarters of 1981, compared with those in the corresponding quarters of 1980. All import penetration ratios in 1980 were less than 7 percent, while all ratios in 1981 were at least 10 percent, with second quarter 1981 penetration surpassing the 19 percent level, as shown in table X-12.

Table X-12.--Cold-formed alloy steel bar (TSUSA item 606.9900 1/): U.S. imports for consumption, by selected sources and by quarters, January 1980-September 1981

Period	Imports from all EC countries 2/	Imports from all countries subject to countervailing duty investigations 3/
	Quantity (short tons)	
1980:		
January-March	4,650	4,671
April-June	3,895	4,050
July-September	2,628	2,628
October-December	2,881	2,881
1981:		
January-March	6,506	6,506
April-June	15,570	15,609
July-September	10,481	10,519
	Share of apparent U.S. consumption (percent)	
1980:		
January-March	5.9	5.9
April-June	6.0	6.3
July-September	5.3	5.3
October-December	5.5	5.5
1981:		
January-March	10.0	10.0
April-June	19.2	19.2
July-September	15.1	15.1

1/ In 1978 and 1979, such imports entered under TSUSA item 608.5280.
2/ Belgium, Luxembourg, Netherlands, Denmark, France, Greece, Ireland, Italy, United Kingdom, West Germany.
3/ Belgium, France, Italy, United Kingdom, West Germany, and Spain.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

Imports from individual countries subject to active countervailing duty investigations.--The principal sources of supply of imported cold-formed alloy steel bar during 1978-81 were France, Japan, Finland, and Italy. Of the four, France was the dominant supplier of imports, providing approximately one-half of all cold-formed alloy steel bar imports. Both France and Japan increased the volume of their exports to the United States in each year from 1978 to 1981 with the exception of 1980, which was the year in which shipments from each country reached their overall low. Imports from France doubled from 18,000 tons in 1978 to 36,000 tons in January-November 1981. Japan increased shipments to the United States in that period from 6,000 tons to almost 9,000 tons; imports from Italy increased steadily from approximately 800 tons in 1978 to about 2,700 tons in 1981; and imports from Finland rose from 3,800 tons to over 5,000 tons.

Of the remaining sources of imports of cold-formed alloy steel bar, imports from the United Kingdom surpassed 1,000 tons in 1978 and 1979, imports from West Germany rose above 1,000 tons in 1978, and imports from Spain totaled 1,000 tons only in 1979. Imports from the rest of the countries generally remained well below 1,000 tons, as shown in table X-13.

Table X-13.--Cold-formed alloy steel bar (TSUSA item 606.9900 1/): U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981

Source	1978	1979	1980	January-November--	
				1980	1981
	Quantity (short tons)				
EC countries:					
Belgium/Luxembourg	735	419	6	6	1,032
Denmark	0	0	0	0	0
France	18,400	26,918	11,955	11,313	36,122
Greece	0	0	0	0	0
Ireland	0	0	0	0	0
Italy	787	1,488	1,679	1,628	2,723
Netherlands	137	4	0	0	0
United Kingdom	3,245	1,241	310	306	626
West Germany	1,609	265	105	84	1,417
Subtotal	24,913	30,335	14,055	13,337	41,920
Spain	892	1,865	176	176	146
Republic of South Africa	513	0	0	0	0
Brazil	0	0	70	21	28
Japan	6,032	7,744	5,232	4,481	8,659
Finland	3,833	3,037	2,009	1,709	5,386
All other	867	1,180	1,893	1,815	938
Total, all sources	37,050	44,161	23,435	21,539	57,077
	Value (1,000 dollars)				
EC countries:					
Belgium/Luxembourg	253	283	5	5	845
Denmark	-	-	-	-	-
France	8,270	14,242	8,534	8,066	27,590
Greece	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	456	1,036	1,283	1,247	2,323
Netherlands	69	3	-	-	-
United Kingdom	2,098	846	258	250	733
West Germany	744	220	109	68	1,614
Subtotal	11,890	16,630	10,189	9,636	33,105
Spain	415	1,063	125	125	213
Republic of South Africa	144	-	-	-	-
Brazil	-	-	118	20	44
Japan	3,296	5,181	4,399	3,701	7,232
Finland	1,635	2,219	1,525	1,301	4,666
All other	716	1,030	2,067	1,978	997
Total, all sources	18,096	26,123	18,423	16,761	46,257

See footnote at end of table.

Table X-13.--Cold-formed alloy steel bar (TSUSA item 606.9900 1/): U.S. imports for consumption, by principal sources, 1978-80, January-November 1980, and January-November 1981--Continued

Source	1978	1979	1980	January-November--	
				1980	1981
	Unit value (per ton)				
EC countries:					
Belgium/Luxembourg	$343.55	$675.08	$823.51	$823.51	$819.16
Denmark	-	-	-	-	-
France	449.46	529.09	713.82	713.00	763.79
Greece	-	-	-	-	-
Ireland	-	-	-	-	-
Italy	579.65	696.08	764.55	766.23	853.14
Netherlands	506.19	712.55	0	0	0
United Kingdom	646.45	681.62	832.01	815.92	1,171.73
West Germany	462.67	831.37	1,035.62	818.46	1,139.02
Average	477.26	547.85	724.94	722.50	789.72
Spain	465.08	569.72	708.46	708.46	1,459.99
Republic of South Africa	280.82	-	-	-	-
Brazil	-	-	1,693.76	926.22	1,550.53
Japan	546.42	668.97	840.81	825.85	835.25
Finland	426.71	730.72	759.18	761.38	866.26
All other	825.84	887.93	1,091.92	1,089.81	1,062.90
Average, all sources	488.42	591.55	786.17	778.18	810.44

1/ In 1978 and 1979, such imports entered under TSUSA item 608.5280.

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

The value of imports of cold-formed alloy steel bar from all countries rose from $18 million in 1978 to $46 million in January-November 1981. The value of imports from all EC countries rose from $12 million in 1978 to $33 million in January-November 1981; the value of imports from the countries subject to the investigations also increased, from $12 million in 1978 to $33 million in January-November 1981. As with the volume of imports, imports from France, Japan, Finland, and Italy accounted for the bulk of the total value (90 percent in January-November 1981).

U.S. market penetration

The ratio of imports of cold-formed alloy steel bar to apparent U.S. consumption increased from 11.5 percent in 1978 to 21.8 percent in January-Novembr 1981. The EC countries in general and France in particular accounted for the majority of the import penetration. Imports from the EC accounted for 7.7 percent of consumption in 1978 and rose irregularly to 16.0 percent in January-November 1981. The penetration by imports from France was 5.7 percent and 13.8 percent in 1978 and January-November 1981. The ratios of imports to shipments were slightly higher than the ratios of imports to consumption, as shown in table X-14.

Table X-14.--Cold-formed alloy steel bar: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, 1978-80, January-November 1980, and January-November 1981

(In percent)

Item and source	1978	1979	1980	January-November--	
				1980	1981
Ratio of imports to apparent U.S. consumption:					
EC countries:					
Belgium/Luxembourg	0.2	0.1	1/	1/	0.4
France	5.7	7.6	4.9	5.0	13.8
United Kingdom	1.0	.4	.1	.1	.2
West Germany	.5	.1	1/	1/	.5
Italy	.2	.4	.7	.7	1.0
Other	1/	1/	1/	1/	1/
Subtotal	7.7	8.6	5.7	5.8	16.0
Spain	.3	.5	.1	.1	.1
All other countries	3.5	3.4	3.7	3.5	5.7
Total, all imports	11.5	12.5	9.5	9.4	21.8
Ratio of imports to U.S. producers' shipments:					
EC countries:					
Belgium/Luxembourg	.2	.1	1/	1/	.5
France	6.2	8.4	5.1	5.2	16.3
United Kingdom	1.1	.4	.1	.1	.3
West Germany	.5	.1	1/	1/	.6
Italy	.3	.5	.7	.7	1.2
Other	1/	1/	1/	1/	1/
Subtotal	8.4	9.4	6.0	6.1	19.0
Spain	.3	.6	.1	.1	.1
All other countries	3.8	3.7	3.9	3.7	6.7
Total, all imports	12.5	13.7	10.0	9.9	25.8

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

Imports from those countries outside the EC and not subject to the investigations fell from 3.5 percent of apparent consumption in 1978 to a low of 2.3 percent in January-November 1980 and then more than doubled to 5.7 percent in the corresponding period of 1981. Of the remaining countries, only the imports from Italy and the United Kingdom ever accounted for as much as 1 percent of apparent consumption. Penetration by imports from Italy rose steadily from 0.2 percent of apparent consumption in 1978 to 1.0 percent in January-November 1981. Penetration by imports from the United Kingdom displayed the opposite trend.

On a quarterly basis, imports were greater in 1981 than in 1980. Imports from all countries peaked in the second quarter of 1981, when 22,000 short tons of cold-formed alloy steel bar entered the United States. Imports decreased to 13,500 tons in October-December 1981. Imports from France accounted for at least half of all imports in each of the eight quarters of 1980 and 1981 except for the second and final quarters of 1980, when they accounted for 49 and 36 percent, respectively. Imports from all EC countries decreased throughout 1980, falling from 4,600 tons in the first quarter to a low of 2,600 tons in the third quarter. Such imports jumped to 15,600 tons in the third quarter of 1981, as shown in table X-15.

Only imports from France, Japan, Finland, and Italy exceeded 1,000 tons in any quarter in 1980 and 1981. Imports from France in the last three quarters of 1981 were approximately four times as great as those in the corresponding quarters of 1980. Similarly, imports from Italy, Japan, and Finland were generally greater in 1981 than in 1980.

Import penetration from the EC countries ranged from a low of 5.3 percent in the third quarter of 1980 to a high of 19.2 percent in the second quarter of 1981. These ratios remain basically the same for aggregate imports from the countries subject to the investigations. Overall, import penetration varied from a low of 8.6 percent in the first quarter of 1980 to a peak of 26.8 percent in the second quarter of 1981. The ratios of imports to U.S. producers' shipments were somewhat larger. They climbed steadily from 8.9 percent in the first quarter of 1980 to 34.7 percent in the second quarter of 1981 before falling to 25.5 percent in the third quarter of 1981, as shown in table X-16.

Unit values of cold-formed alloy steel bar imports

The unit value of cold-formed alloy steel bar rose steadily from $488 per ton in 1978 to $810 per ton in January-November 1981, or by 66 percent. Such imports from France were valued well below the average unit value of all imports during 1978-81; they rose from $449 per ton in 1978 to $764 per ton in 1981, or by 70 percent. One factor allowing imports of cold-formed alloy steel bar from France to remain below not only the average unit value of all cold-formed alloy steel bar imports but also the unit value of Japanese imports (generally the basis for trigger prices) is the anomaly in its classification. One company, the Compagnie Francaise des Aciers Speciaux, supplies over 99 percent of the imports entering the United States from France

Table X-15.--Cold-formed alloy steel bar (TSUSA item 606.9900 1/): U.S. imports for consumption, by principal sources and by quarters, 1980 and 1981

(In short tons)

Source	1980				1981			
	January-March	April-June	July-September	October-December	January-March	April-June	July-September	October-December
EC countries:								
Belgium	0	6	0	0	88	797	36	111
France	4,303	3,038	2,602	2,011	4,963	13,128	9,741	8,712
Italy	146	704	7	822	1,122	1,045	136	516
United Kingdom	200	66	17	27	102	181	236	164
West Germany	2	80	2	21	232	420	331	589
Subtotal 2/	4,650	3,895	2,628	2,881	6,506	15,570	10,481	10,091
Spain	21	155	0	0	0	39	38	68
Japan	1,085	974	1,490	1,683	1,119	2,853	2,932	2,376
Finland	373	578	353	704	564	3,126	1,525	836
All other	659	551	415	337	226	206	423	177
Total, all sources	6,788	6,154	4,887	5,606	8,415	21,794	15,399	13,548

1/ In 1978 and 1979, such imports entered under TSUSA item 608.5280.
2/ Represents 100 percent of imports from the EC.

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

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

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Table X-16.--Cold-formed alloy steel bar: Ratios of imports, total and from selected countries, to apparent U.S. consumption and to U.S. producers' shipments, by quarters, January 1980-September 1981

(In percent)

Item and source	1980				1981		
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.
Ratio of imports to apparent U.S. consumption:							
EC countries:							
Belgium/Luxembourg	1/	1/	1/	1/	0.1	1.0	0.1
France	5.4	4.7	5.2	3.9	7.6	16.2	14.0
Italy	.2	1.1	1/	1.6	1.7	1.3	.2
United Kingdom	.3	.1	1/	.1	.2	.2	.3
West Germany	1/	.1	1/	1/	.4	.5	.5
Other	1/	1/	1/	1/	1/	1/	1/
Subtotal	5.9	6.0	5.3	5.5	10.0	19.2	15.1
Spain	1/	.2	1/	1/	1/	1/	.1
All other countries	2.8	3.3	4.6	5.2	2.9	7.7	7.0
Total, all imports	8.6	9.5	9.8	10.8	12.9	26.8	22.1
Ratio of imports to U.S. producers' shipments:							
EC countries:							
Belgium/Luxembourg	1/	1/	1/	1/	.1	1.3	.1
France	5.6	4.9	5.4	4.1	8.3	20.9	16.2
Italy	.2	1.1	1/	1.7	1.9	1.7	.2
United Kingdom	.3	.1	1/	.1	.2	.3	.4
West Germany	1/	.1	1/	1/	.4	.7	.5
Other	1/	1/	1/	1/	1/	1/	1/
Subtotal	6.1	6.3	5.5	5.8	10.9	24.8	17.4
Spain	1/	.3	1/	1/	1/	.1	.1
All other countries	2.8	3.4	4.7	5.5	3.2	9.9	8.1
Total, all imports	8.9	10.0	10.2	11.4	14.1	34.7	25.5

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data of the American Iron and Steel Institute.

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

which are classified by Customs as cold-formed alloy steel bar. Of that amount, approximately 80 percent is composed of a product known as rough-turned rolled bar. Virtually all the rough-turned bar imports enter the United States in the Houston area for use as drill collars in oil-drilling equipment.

The importer of the rough-turned bar, Creusot-Loire, contends that the rough-turned bar is misclassified under its present TSUSA designation. Its rationale is twofold. (1) The imported cold-formed product basically competes with the domestic hot-rolled alloy bar; that is, domestic producers do not manufacture a cold-formed product for use as drill collars, and no other firm imports cold-formed alloy steel bar products for use as drill collars. (2) AISI classifies the rough-turned import in its 4100 series, which is made up of hot-rolled alloy steel bar products. The imported bar has never been classified by the domestic industry in the AISI 8000 series, which is the cold-formed alloy steel bar classification.

The classification confusion has possibly led to another anomaly, in that the import data reported by the importer exceed the official statistics of the U.S. Department of Commerce for cold-formed alloy bar imports from France for all years since 1978. The importer has advised that Customs has not maintained a consistent approach in classifying the rough-turned bar product. The most pronounced change resulting from the substitution of questionnaire data for Commerce statistics is in data for 1978, as total imports are shown as 46,458 short tons rather than 37,050 short tons (see table X-2). This results in an increased penetration ratio of 14.0 percent, compared with 11.5 percent. Imports from France accounted for 8.4 percent of apparent consumption with the revised figures compared with 5.7 percent using Commerce data. The discrepancy between Commission questionnaire data and official statistics diminishes for 1979, yet in 1981 the revised data raise penetration of imports from France from 13.2 percent to 13.8 percent.

Other Government action with respect to the rough-turned product came in response to U.S. industry claims of unfair trade practices by the French producer of rough-turned bar. The Department of Commerce addressed this issue in the November 24, 1981, Federal Register (46 F.R. 57586), stating--

> Our examination of the second quarter surge in cold finished bars from France did not reveal any unfair trade practices. The product surging was cold finished alloy bar used as drill collars for deep well oil exploration. Import statistics show that about 80 percent of cold finished bars from France entered at Houston, the primary port of entry for products used in oil exploration. Indications are that U.S. producers in the region were unable to meet demand for this product.

This accentuates the importers' primary contention that their product meets a demand which the domestic producers are unable to accommodate. The Commission learned that many manufacturers of oil-drilling equipment are unable to purchase sufficient quantities of hot-rolled alloy bar domestically for use as drill collars. Some purchasers stated that the domestic steel producers have placed them on allotment for the hot-rolled bar. The importer

provided the Commission with copies of statements from purchasers which related similar facts. 1/

Most of the hot-rolled alloy steel bar for use as drill collars is consumed in the Gulf area because of the concentration of oil and gas drilling activity in that area. Of the domestic mills capable of producing hot-rolled alloy steel bar that has a diameter of 4 to 11 inches, the range required for most drill collars, one is in the Houston area, and most of the others are in Pennsylvania, Ohio, and Illinois. Domestic transportation costs may hamper the ability of mills in Pennsylvania, Ohio, and Illinois to compete in the Gulf area. As was shown in Part I, the cost of shipping steel bars between the North Central and the Gulf areas is substantial. Nevertheless, producers located outside the Gulf area are known to supply significant amounts of large diameter hot-rolled alloy steel bar to purchasers located in that area and such producers are also known to have placed purchasers on allotment for the product during 1980 and 1981.

Creusot Loire's importing of rough-turned bars at less than the trigger price for cold-formed steel alloy bar led to the aforementioned Commerce investigation. The imported product is priced approximately $150 above the trigger price for hot-rolled alloy steel bar and hence above the price of the product with which the import competes domestically. The 1981 per-ton value for cold-formed alloy steel bar imported from France was $763.79 compared with $612.88 per ton for the average value of hot-rolled alloy steel bar imports from all EC countries.

A new set of import, apparent consumption, and market penetration figures result if we accept the importers' argument that imports of cold-formed alloy bar from France have been misclassified. The following discussion and table X-17 present revised figures accommodating such a position.

1/ Mudge, Rose, Guthrie & Alexander post conference brief on behalf of Compagnie Francaise des Aciers Speciaux, Confidential Appendix.

Table X-17.--Cold-formed alloy steel bar: Apparent U.S. consumption and penetration of imports from France, excluding rough-turned bar imported from France for use as drill collars, 1978-1981

Period	Domestic shipments	Imports from France	Total imports	Exports	Apparent consumption	Ratio of imports to apparent consumption	Ratio of imports from France to apparent consumption
1978	297,530	5,562	24,212	11,189	310,553	7.8	1.8
1979	321,467	9,172	26,415	11,429	336,453	7.9	2.7
1980	235,064	5,315	16,795	12,827	239,032	7.0	2.2
1981 1/	235,650	7,687	28,406	17,432	246,624	11.5	3.1

1/ Exports based on annualized data from 11 months of export statistics.

Source: Domestic shipments, based on data of the American Iron and Steel Institute; exports, based on official statistics of the U.S. Department of Commerce; imports, based on data received in response to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce.

After the adjustment to exclude rough-turned bar from France, annual imports of cold-formed alloy steel bar from all countries remain below 30,000 tons during 1978-81, and imports from France total less than 10,000 tons during the same period. Additionally, annual import penetration ratios for imports from all countries remain below 8 percent except for 1981, and ratios for imports from France remain below 4 percent. The following tabulation presents import figures for France in all three scenarios along with respective import penetration ratios: I shows original Commerce data; II, revisions based on Commission questionnaire data; and III, 20 percent of the questionnaire data concerning imports of cold-formed alloy bar from France to account for the possible misclassification of cold-formed alloy steel bar imports used as drill collars (approximately 80 percent of the imports from France):

Year	Imports from France			Ratio of imports from France to apparent consumption		
	I	II	III	I	II	III
	Short tons			Percent		
1978	18,400	27,808	5,562	5.7	8.4	1.8
1979	26,918	28,615	9,172	7.6	8.0	2.7
1980	11,955	15,093	5,315	4.9	6.1	2.2
1981	36,544	38,437	7,687	13.2	13.8	3.1

Prices

U.S. producers usually quote prices for cold-formed alloy steel bar on an f.o.b. mill basis. 1/ Importers of the product from Belgium, France, Italy, the United Kingdom, and West Germany generally quote prices on an f.a.s. port of entry or delivered basis. Prices consist of a base price for each product plus charges for extras such as differences in length, width, thickness, and chemistry. The major steel producers have announced five base-price increases for cold-formed alloy steel bar since January 1, 1979, and according to industry sources, the most recent increase occurred on June 1, 1981. Recently, one major domestic producer implemented discounts on all its bar products.

1/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, where a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. Thus, the more distant producer charges the customer's account only for freight costs as if the product were shipped from the closer producer. Major domestic steel producers usually apply this procedure to bar products.

Indexes of U.S. producers' prices, trigger prices, and unit values of imports of cold-formed alloy steel bar in 1979-81 are presented in table X-18 and figures X-1 and X-2.

The PPI (prepared by the U.S. Bureau of Labor Statistics) is based on list prices and may not reflect changes in actual transaction prices. Unit value indexes may vary over time, not only because of changes in prices but also because of changes in the specific types of steel being imported. The PPI for domestically produced cold-formed alloy steel bar increased 26.9 percent over the 3-year period, while that product's trigger price increased 20.0 percent. The unit value indexes of imports from Belgium increased by 35.4 percent between the first quarter of 1979 and the third quarter of 1981, the last quarter for which full information is available. During that period, the unit value index for imports from France increased by 42.2 percent, and the index for imports from Italy increased by 60.9 percent. Between the first quarter of 1979 and the second quarter of 1981, the unit value index for imports from the United Kingdom increased by 34.9 percent, and the unit value for imports from West Germany increased by 3.7 percent.

Unit value data are available for October 1981 for France, Italy, the United Kingdom, and West Germany. Compared with the immediately previous quarter for which data are available, unit values declined in October for imports from France, Italy, and the United Kingdom, and increased for imports from West Germany.

Transaction prices.--The Commission requested data on average net selling prices for specific products from domestic producers and importers. Additionally, in order to facilitate direct comparison of prices, the Commission requested data on prices paid by steel purchasers.

Trends in prices.--The Commission asked domestic producers and importers for their average net selling prices for a specific type of cold-formed alloy steel bar. 1/ These are average prices charged in many different transactions and do not include delivery charges. These data cannot be used to compare the levels of domestic producers' and importers' prices, but are useful for comparing trends in these prices and should reflect any discounting that may be occurring.

Price data on cold-formed alloy steel bar were received from four domestic producers and one importer for 1980 and 1981 (tables 56 and 57 in app. J and fig. X-3). During this period, the price charged service centers/distributors and end users for the domestic product increased by 14 percent. Importers provided data only on average prices of cold-formed alloy steel bar from France. These data indicate that during the last 2 years the price charged service centers/distributors for imports from France increased by 25 percent, and the price charged end users increased by 42 percent. Both domestic and import prices to service centers/distributors decreased in the

1/ As a basis for transaction-price comparisons, the Commission selected 22 representative steel mill products covering the 9 product categories subject to these investigations. These products and their respective specifications are listed by product category in app. I. Cold-formed steel alloy bar is represented by product No. 22.

Table X-18.--Cold-formed alloy steel bar: Indexes of producer prices, trigger prices, and the unit values of imports from Belgium, France, Italy, the United Kingdom, and West Germany, by quarters, 1979 and 1981 1/

January-March 1979=100

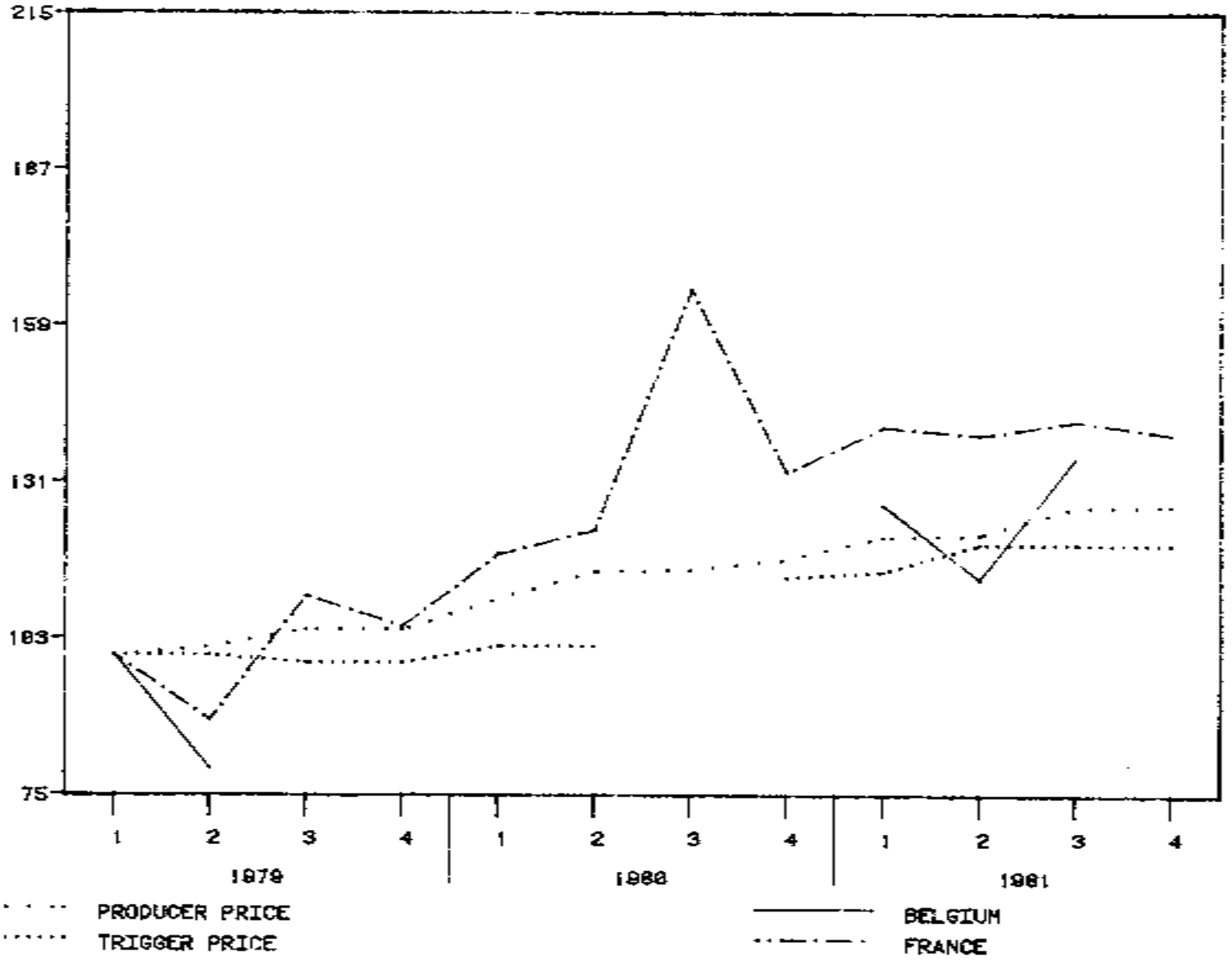
Period	PPI	Trigger price index	Indexes of unit values of imports from--				
			Belgium	France	Italy	United Kingdom	West Germany
1979:							
January-March	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-June	101.5	100.0	79.5	88.3	116.3	92.7	122.0
July-September	104.6	98.7	2/	110.6	114.6	95.9	125.9
October-December	104.6	98.7	111.6	105.1	116.8	86.3	3/
1980:							
January-March	110.2	101.7	3/	118.2	122.0	103.7	89.6
April-June	115.2	4/	101.0	122.6	121.7	123.2	107.1
July-September	115.5	4/	2/	165.7	3/	131.2	3/
October-December	117.4	114.0	2/	132.9	120.9	3/	3/
1981:							
January-March	121.3	115.1	127.1	141.0	137.5	3/	3/
April-June	121.7	120.0	113.7	139.5	142.4	134.9	103.7
July-September	126.8	120.0	135.4	142.2	160.9	3/	3/
October-December	126.9	120.0	3/	5/ 139.7	5/ 120.2	5/ 131.3	5/ 127.8

1/ The trigger-price index refers to cold finished alloy steel round bars, and includes only the base price. Data for Belgium include imports from Luxembourg.
2/ No imports in that period.
3/ Acceptable data are not available.
4/ Trigger price was suspended.
5/ Data are for October only.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics and the U.S. Department of Commerce.

Note.--Indexes are presented for comparisons of trends; index levels are not comparable.

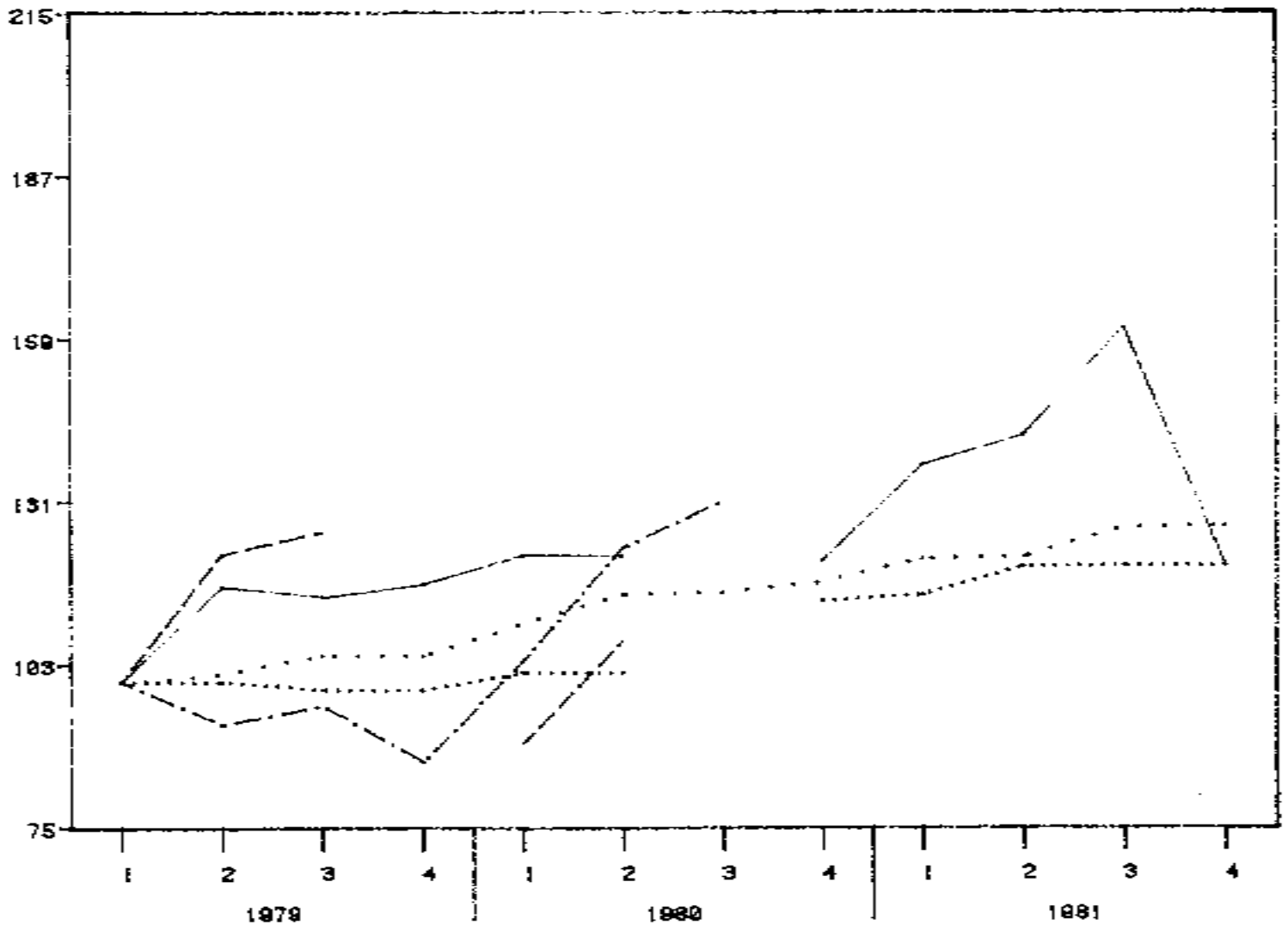
FIGURE X-1.--COLD-FORMED ALLOY STEEL BAR: INDEXES OF TRIGGER PRICES, PRODUCER PRICE AND THE UNIT VALUE OF IMPORTS FROM BELGIUM, FRANCE, ITALY, the UNITED KINGDOM, and WEST GERMANY, BY QUARTERS, JANUARY 1979 THRU DECEMBER 198



SOURCE: SEE TABLE X-1B.

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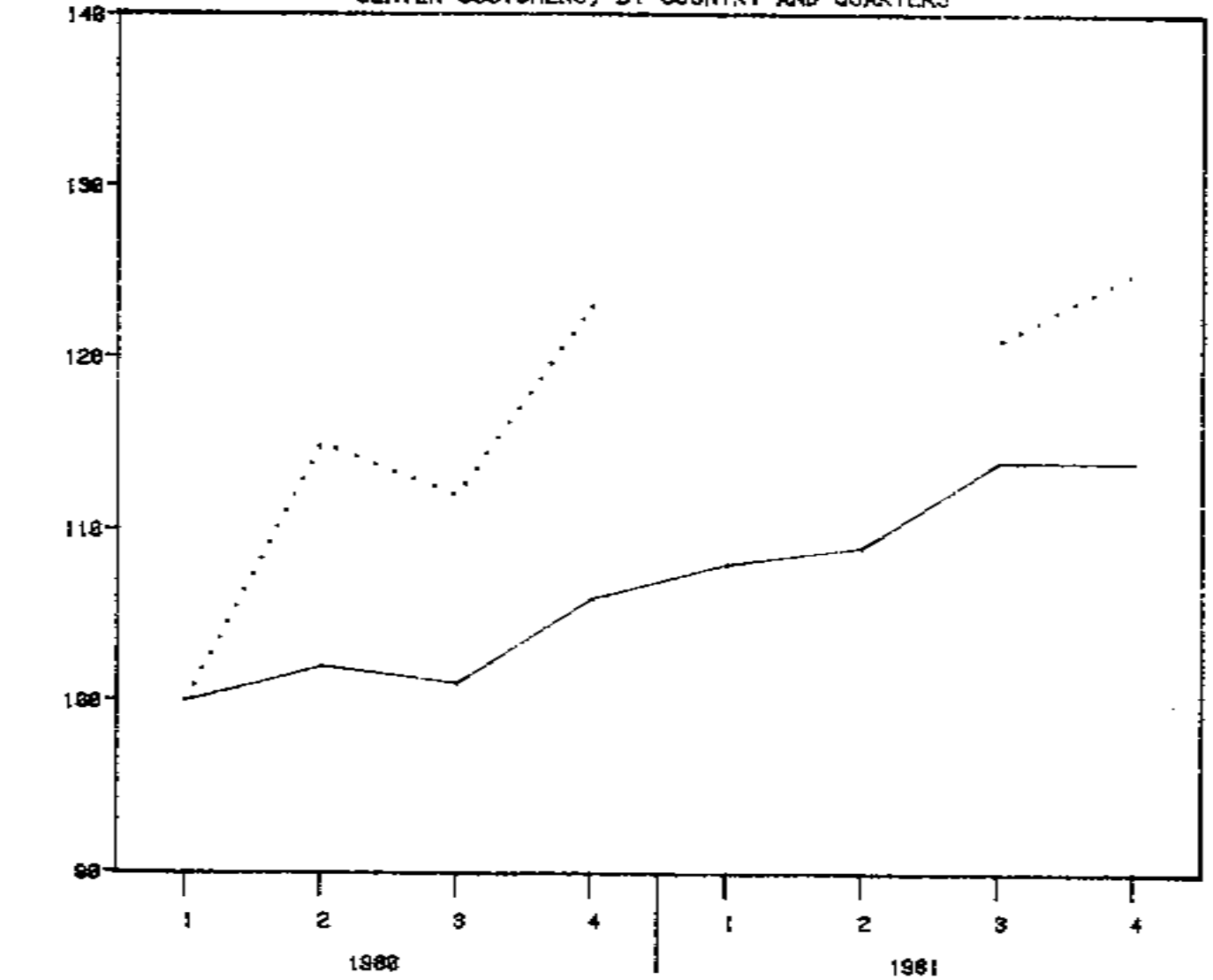
FIGURE X-2.--COLD-FORMED ALLOY STEEL BAR: INDEXES OF TRIGGER PRICES, PRODUCER PRICE AND THE UNIT VALUE OF IMPORTS FROM BELGIUM, FRANCE, ITALY, the UNITED KINGDOM, and WEST GERMANY, BY QUARTERS, JANUARY 1979 THRU DECEMBER 198



SOURCE: SEE TABLE X-18.

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FIGURE X-3.--COLD-FORMED ALLOY STEEL BARS--PRODUCT 22
INDEXES OF WEIGHTED AVERAGE NET SELLING PRICES FOR SALES OF IMPORTS FROM SELECTED COUNTRIES AND FOR SALES OF DOMESTIC PRODUCTS TO SERVICE CENTER CUSTOMERS, BY COUNTRY AND QUARTERS



SOURCE: SEE TABLE 56, APPENDIX J

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third quarter of 1980, and the import price was down again in the third quarter of 1981, but all prices reported from both sources generally increased during the 2 year period. Prices from both sources to end users increased steadily throughout 1980 and 1981.

Purchase prices.--The Commission also asked purchasers to furnish the delivered prices paid in 1981 for imported and domestically produced cold-formed alloy steel bar. Purchasers were asked for prices, including delivery charges, paid in specific transactions. However, no purchasers reported prices for imported cold-formed alloy steel bar.

Nonprice considerations.--Purchasers were asked to indicate the importance of four nonprice factors in their purchasing decisions. These factors were quality, service, reliability, and proximity. Six purchasers of cold-formed alloy steel bar responded to this question, indicating that quality was the most important nonprice consideration, reliability was next, then service, and finally proximity.

Lost sales

Two domestic producers submitted a total of six specific allegations of lost sales of cold-formed alloy steel bar to imports of that product from one of the subject countries from January 1980 to January 1982. The staff investigated all six allegations. These allegations and attempts by the staff to vertify them are discussed, by countries, below.

> Imports from France.--One allegation concerning about * * * tons of cold-formed alloy steel bar was received. The allegation was * * *.
>
> Imports from Italy.--Five allegations involving approximately * * * tons of cold-formed alloy steel bar were received. The staff verified three of these allegations. One purchaser cited price, and another cited price and the desire to maintain an alternate source, as the most important factors in their purchasing decisions. These two allegations were for sales amounting to approximately * * * tons of cold-formed alloy steel bar. The other purchaser stated that the greater availability of the Italian product was the most important factor in its decision. Two purchasers denied the allegations.

In sum, three purchasers of cold-formed alloy steel bar from Italy verified lost sales amounting to * * * tons of the imported product on account of its lower price.

APPENDIX A

U.S. INTERNATIONAL TRADE COMMISSION NOTICES OF INVESTIGATIONS

[Investigations Nos. 701-TA-86 Through 93 (Preliminary) and Investigations Nos. 731-TA-53 Through 60 (Preliminary)]

Hot-Rolled Carbon Steel Plate

AGENCY: International Trade Commission.

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

SUMMARY: The International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-86 through 93 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany of hot-rolled carbon steel plate, provided for in items 607.6615, 607.9400, 608.0710, and 608.1100 of the Tariff Schedules of the United States Annotated (1982), upon which bounties or grants are alleged to be paid.

The Commission also gives notice of the institution of investigations Nos. 731-TA-53 through 60 (Preliminary) under section 733(a) of the Tariff Act (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany of hot-rolled carbon steel plate, provided for in items 607.6615, 607.9400, 608.0710, and 608.1100 of the Tariff Schedules, which are alleged to be sold in the United States at less than fair value.

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Robert Eninger, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0312.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of United States Steel Corp., Bethlehem Steel Corp., Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 FR 76457), and particularly subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR § 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202-523-0242, not later than January 27, 1982, to arrange for their appearance. The conference in these investigations will be held concurrently with that for countervailing duty investigations Nos. 701-TA-94 through 144 (Preliminary) and antidumping investigations Nos. 731-TA-81 through 86 (Preliminary).

Record.—The records of Commission investigations Nos. 701-TA-83 (Preliminary), Hot-Rolled Carbon Steel Plate from Belgium, 701-TA-84 (Preliminary), Hot-Rolled Carbon Steel Plate from Brazil, and 731-TA-51 (Preliminary), Hot-Rolled Carbon Steel Plate from Romania will be incorporated in the records of investigations Nos. 701-TA-86 through 93 (Preliminary) and investigations Nos. 731-TA-53 through 60 (Preliminary).

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

Issued: January 15, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1400 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-94 Through 101 (Preliminary), 731-TA-61 Through 67 (Preliminary)]

Hot-Rolled Carbon Steel Sheet and Strip

AGENCY: International Trade Commission.

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

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-94 through 101 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kindom, and West Germany of hot-rolled carbon steel sheet, provided for in items 607.8810, 607.6700, 607.8320, 607.8342, and 607.9400 of the Tariff Schedules of the United States Annotated (1982) (TSUSA), upon which bounties or grants are alleged to be paid. The Commission also gives notice of the investigation of imports of hot-rolled carbon steel strip, provided for in TSUSA items 608.1920, 608.2120, and 608.2320, from all of these countries except Brazil [investigation No. 701-TA-95 (Preliminary)].

The Commission also gives notice of the institution of investigations Nos. 731-TA-61 through 67 (Preliminary) under section 733(a) of the Tariff Act [19 U.S.C. 1673b(a)] to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Italy, Luxembourg, the Netherlands, the

United Kingdom, and West Germany of hot-rolled carbon steel sheet and strip, provided for in items 607.0010, 607.6700, 607.8020, 607.8342, 607.9400, 608.1920, 608.2120, and 608.2320 of the Tariff Schedules, which are alleged to be sold in the United States at less than fair value

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Daniel Leahy, Office of Investigations, U.S. International Trade Commission; telephone 202-523-1369.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of United States Steel Corp., Bethlehem Steel Corp., Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of Part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207, 44 FR 76457), and particularly Subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202-523-0242, not later than January 27, 1982, to arrange for their appearance. The conference in these investigations will be held concurrently with that for countervailing duty investigations Nos. 701-TA-86 through 93 and 102 through 144 (Preliminary) and antidumping investigations Nos. 731-TA-53 through 60 and 68 through 86 (Preliminary).

Record.—The record of Commission investigation No. 701-TA-85 (Preliminary), Hot-Rolled Carbon Steel Sheet from France will be incorporated in the records of investigations Nos. 701-TA-94 through 101 (Preliminary) and investigations Nos. 731-TA-61 through 67 (Preliminary).

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and procedure (19 CFR 207.12).

Issued: January 15, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1401 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-102 through 109 (Preliminary) and Investigations Nos. 731-TA-68 through 74 (Preliminary)]

Cold-Rolled Carbon Steel Sheet and Strip

AGENCY: International Trade Commission.

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

SUMMARY: The International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-102 through 109 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany of cold-rolled carbon steel sheet, provided for in items 607.8320 and 607.8344 of the Tariff Schedules of the United States Annotated (1982) (TSUSA), upon which bounties or grants are alleged to be paid. The Commission also gives notice of the investigation of imports of cold-rolled carbon steel strip, provided for in TSUSA items 608.1940, 608.2140, and 608.2340, from all of these countries except Brazil (investigation No. 701-TA-103 (Preliminary).

The Commission also gives notice of the institution of investigations Nos. 731-TA-68 through 74 (Preliminary) under section 733(a) of the Tariff Act (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany of cold-rolled carbon steel sheet and strip, provided for in items 607.8320, 607.8344, 608.1940, 608.2140, and 608.2340 of the Tariff Schedules, which are alleged to be sold in the United States at less than fair value.

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. William Schechter, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0300.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of United States Steel Corp., Bethlehem Steel Corp., Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207, 44 FR 76457), and particularly Subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S. International Trade Commission

Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202–523–0242, not later than January 27, 1982, to arrange for their appearance. The conference in these investigations will be held concurrently with that for countervailing duty investigations Nos. 701–TA–86 through 101 and 110 through 144 (Preliminary) and antidumping investigations Nos. 731–TA–53 through 67 and 75 through 86 (Preliminary).

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

Issued: January 15, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1349 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

Annotated (1982), upon which bounties or grants are alleged to be paid.

The Commission also gives notice of the institution of investigations Nos. 731-TA-75 through 81 (Preliminary) under section 733(a) of the Tariff Act (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany of galvanized carbon steel sheet, provided for in items 608.0730 and 608.1300 of the Tariff Schedules, which are alleged to be sold in the United States at less than fair value.

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. William Schechter, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0300.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of United States Steel Corp., Bethlehem Steel Corp., Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207, 44 FR 76457), and particularly Subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202-523-0242, not later than January 27, 1982, to arrange for their appearance. The conference in these investigations will be held concurrently with that for countervailing duty investigations Nos. 701-TA-86 through 109 and 117 through 144 (Prliminary) and antidumping investigations Nos. 731-TA-53 through 74 and 82 through 86 (Preliminary).

For further information concerning the conduct of the investigatons and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

Issued: January 15, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1827 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-110 through 116 (Preliminary) and Investigations Nos. 731-TA-75 through 81 (Preliminary)]

Galvanized Carbon Steel Sheet

AGENCY: International Trade Commission.

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

SUMMARY: The International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-110 through 116 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany of galvanized carbon steel sheet, provided for in items 608.0730 and 608.1300 of the Tariff Schedules of the United States

[Investigations Nos. 701-TA-117 through 124 (Preliminary) and Investigations Nos. 731-TA-82 through 86 (Preliminary)]

Carbon Steel Structural Shapes

AGENCY: International Trade Commission.

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

SUMMARY: The International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-117 through 124 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany of carbon steel structural shapes, provided for in items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045 of the Tariff Schedules of the United States Annotated (1982), upon which bounties or grants are alleged to be paid.

The Commission also gives notice of the institution of investigations Nos. 731-TA-82 through 86 (Preliminary) under section 733(a) of the Tariff Act (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Luxembourg, the United Kingdom, and West Germany of carbon steel structural shapes, provided for in items 609.8005, 609.8015, 609.8035, 609.8041, and 609.8045 of the Tariff Schedules, which are alleged to be sold in the United States at less than fair value.

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Daniel Leahy, Office of Investigations, U.S. International Trade Commission; telephone 202-523-1369.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of United States Steel Corp., Bethlehem Steel Corp., Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 FR 76457), and particularly subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202-523-0242, not later than January 27, 1982, to arrange for their appearance. The conference in these investigations will be held concurrently with that for countervailing duty investigations Nos. 701-TA-86 through 110 and 125 through 144 (Preliminary) and antidumping investigations Nos. 731-TA-53 through 82 (Preliminary).

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR Part 207.12).

Issued: January 15, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1373 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-125 through 129 (Preliminary)]

Hot-Rolled Carbon Steel Bar

AGENCY: International Trade Commission.

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

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-125 through 129 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, Brazil, France, the United Kingdom, and West Germany of hot-rolled carbon steel bar, provided for in items 606.8310, 606.8330, and 606.8350 of the Tariff Schedules of the United States Annotated (1982), upon which bounties or grants are alleged to be paid.

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Robert Eninger, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0312.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR part 207, 44 FR 76457), and particularly subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202-523-0242, not later than January 27, 1982, to arrange for their appearance. The conference in these investigations will be held concurrently with that for countervailing duty investigations Nos. 701-TA-86 through 124 and 130 through 144 (Preliminary) and antidumping investigations Nos. 731-TA-53 through 80 (Preliminary).

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR § 207.12).

Issued: January 15, 1982 A-9

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1965 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-130 through 133 (Preliminary)]

Hot-Rolled Alloy Steel Bar

AGENCY: International Trade Commission.

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

SUMMARY: The International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-130 through 133 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of A-10 imports from France, Italy, the United Kingdom, and West Germany of hot-rolled alloy steel bar, provided for in item 606.9700 of the Tariff Schedules of

the United States Annotated (1982), upon which bounties or grants are alleged to be paid.

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Stephen Miller, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0305.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR part 207, 44 FR 76457), and particularly subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202-523-0242, not later than January 27, 1982, to arrange for their appearance. The conference on these investigations will be held concurrently with that for countervailing duty investigations Nos. 701-TA-86 through 129 and 134 through 144 (Preliminary) and antidumping investigations Nos. 731-TA-53 through 86 (Preliminary).

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to section 207.12 of the Commission's Rules of Practice and Procedure (19 CFR § 207.12).

Issued: January 15, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1486 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

Federal Register / Vol. 47, No. 13 / Wednesday, January 20, 1982 / Notices 2951

[Investigations Nos. 701-TA-134 through 139 (Preliminary)]

Cold-Formed Carbon Steel Bar

AGENCY: International Trade Commission.

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

SUMMARY: The International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-134 through 139 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with

material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, Brazil, France, Italy, the United Kingdom, and West Germany of cold-formed carbon steel bar, provided for in items 606.6605 and 606.8815 of the Tariff Schedules of the United States Annotated (1982), upon which bounties or grants are alleged to be paid.

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Robert Eninger, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0312.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of Part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 FR 76457), and particularly Subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202-523-0242, not later than January 27, 1982, to arrange for their appearance. The conference in these investigations will be held concurrently with that for countervailing duty investigations Nos. 701-TA-86 through 133 and 140 through 144 (Preliminary) and antidumping investigations Nos. 731-TA-53 through 66 (Preliminary).

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

Issued: January 15, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1990 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-140 through 144 (Preliminary)]

Cold-Formed Alloy Steel Bar

AGENCY: International Trade Commission.

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

SUMMARY: The International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-140 through 144 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Italy, the United Kingdom, and West Germany of cold-formed alloy steel bar, provided for in item 606.9900 of the Tariff Schedules of the United States Annotated (1982), upon which bounties or grants are alleged to be paid.

EFFECTIVE DATE: January 11, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Stephen Miller, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0305.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207, 44 FR 76457), and particularly Subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and such sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., e.s.t., on February 3, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone, telephone 202-523-0242, not later than January 27, 1982, to arrange for their appearance. The conference in these investigations will be held concurrently with that for countervailing duty investigations Nos. 701-TA-86 through 139 (Preliminary) and antidumping investigations Nos. 731-TA-53 through 96 (Preliminary).

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

Issued: January 15, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-1394 Filed 1-19-82; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-86 through 144, 701-TA-146, 701-TA-147, and 731-TA-53 through 86 (Preliminary)

CERTAIN STEEL PRODUCTS FROM BELGIUM, BRAZIL, FRANCE, ITALY, LUXEMBOURG, THE NETHERLANDS, ROMANIA, THE UNITED KINGDOM, AND WEST GERMANY

Those listed below appeared as witnesses at the United States International Trade Commission conference held in connection with the subject investigations on February 3 and 4, 1982, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, D.C.

Public witnesses

Honorable Robert C. Byrd, United States Senator, State of West Virginia
Honorable John Heinz, United States Senator, State of Pennsylvania
Robert D. Farag, Director of the Division of Physical and Economic Development, City of Gary, Indiana
Nicholas DeBenedictis, Executive Director of the Governor's Economic Development Committee, State of Pennsylvania

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

Cravath, Swaine & Moore--Counsel
New York, N.Y.
on behalf of

Republic Steel Corp.
Inland Steel Co.
Jones & Laughlin Steel Corp.
National Steel Corp.
Cyclops Corp.

Lawrence R. Klein, Benjamin Franklin Professor of Economics and Finance, University of Pennsylvania
William F. Ewart, Senior Vice President-Planning and Corporate Development, National Steel Corp.

Alan J. Hruska)
David Boies)--OF COUNSEL

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

Law Offices of Eugene L. Stewart--Counsel
Washington, D.C.
on behalf of

Bethlehem Steel Corp.

Laird D. Patterson, General Attorney, Bethlehem Steel Corp.
Larry R. Mosser, Market Analyst, Bethlehem Steel Corp.

Eugene L. Stewart)
Terence P. Stewart) --OF COUNSEL

Law Offices of Eugene L. Stewart--Counsel
Washington, D.C.
on behalf of

Armco, Inc.

Claude Barker, Jr., Manager-Sales, Plate and Line Products, Armco, Inc.
R.R. Mahl, Product Manager, Hot-Rolled Bars and Semi-Finished, Armco, Inc.
Peter M. Smith, Assistant to Director, Products and Customer Service, Armco, Inc.

Eugene L. Stewart)
Terence P. Stewart) --OF COUNSEL

United States Steel Corp.
Pittsburgh, Pa.

H.W. Pifer, President, Putnam, Hayes & Bartlett, Inc., Economic Consultant
D.B. King, Assistant General Counsel, United States Steel Corp.
J.J. Mangan, General Attorney, International Trade, United States Steel Corp.
L. Ranney, Attorney, United States Steel Corp.
C.D. Mallick, Attorney, United States Steel Corp.
D.C. Bell, Vice President-Marketing, Steel, United States Steel Corp.
P.L. Fidel, Manager, Special Services, Import and Domestic, United States Steel Corp.

In opposition to the imposition of antidumping and/or countervailing duties

Graubard, Moskovitz, McGoldrick, Dannett & Horowitz--Counsel
New York, N.Y.
on behalf of

Cockerill-Sambre S.A. (Belgium)
Sidmar S.A. (Belgium)

Joel B. Dirlam, Professor Emeritus, Economics, University of Rhode Island
Hans Mueller, Professor of Economics, Middle Tennessee State Universtiy

Michael H. Greenberg)
Charles L. Rosenzweig)--OF COUNSEL

Graubard, Moskovitz & McCauley--Counsel
Washington, D.C.
on behalf of

Fabfer (Fabrique de Fer de Charleroi) (Belgium)
Charleroi (USA) (Fabrique de Fer de Charleroi (USA))

Alfred R. McCauley)
Beatrice A. Brickell)--OF COUNSEL
Patrick J. Hines)

Law Offices of Robert M. Gottschalk, P.C.--Counsel
New York, N.Y.
on behalf of

Forges de Clabecq (Belgium)
Phenix Works, S.A. (Belgium)

Robert M. Gottschalk)
Richard E. Hull)--OF COUNSEL
Roger L. Levy)

In opposition to the imposition of antidumping and/or countervailing duties--Continued

Arter, Hadden & Hemmendinger--Counsel
Washington, D.C.
on behalf of

Cosipa (Companhia Siderurgica Paulista) (Brazil)
Usiminas (Usinas Siderurgicas de Minas Gerais) (Brazil)
CSN (Companhia Siderurgica Nacional) (Brazil)
Acos Villares S/A (Brazil)
Siderurgica Nossa Senhora Aparecida S/A (Brazil)
Acos Finos Piratini S/A (Brazil)
Acesita (Companhia Acos Especiais Itabira) (Brazil)
Acos Anhanguera S/A (Brazil)

William H. Barringer)
Jennifer F. Graham)--OF COUNSEL
Arthur J. Lafave, III)

Mudge, Rose, Guthrie & Alexander--Counsel
Washington, D.C.
Law Offices of Robert M. Gottschalk, P.C.--Counsel
New York, N.Y.
on behalf of

Compagnie Francaise des Aciers Speciaux (France)
Creusot Loire Steel Products Co. (U.S. importer)
Usinor (Union Siderurgique du Nord et de L'Est de la France) (France)

Richard W. Poore, Vice President-General Manager, Creusot Loire Steel Products Co.

Joel Davidow)
Robert M. Gottschalk)
David A. Vaughan)--OF COUNSEL
William N. Walker)
Donald Zoeller)

Windels, Marx, Davies & Ives--Counsel
New York, N.Y.
on behalf of

Sacilor (Acieries et Laminoirs de Lorraine) (France)
Sollac (Societe Lorraine de Laminage Continu) (France)
Solmer (Societe Lorraine et Meridionale de Laminage Continu) (France)

Pierre F. de Ravel d'Esclapon--OF COUNSEL

In opposition to the imposition of antidumping and/or countervailing duties--Continued

Covington & Burling--Counsel
Washington, D.C.
on behalf of

Ugine Aciers (France)
Intsel (U.S. importer)

Harvey Applebaum)
John Warden)--OF COUNSEL

Law Offices of Robert M. Gottschalk, P.C.--Counsel
New York, N.Y.
on behalf of

Societe Metallurgique et Navale Dunkerque-Normandie (France)

Robert M. Gottschalk--OF COUNSEL

Daniels, Houlihan & Palmeter--Counsel
Washington, D.C.
on behalf of

Finsider, S.p.A. (Italy)

David P. Houlihan--OF COUNSEL

Graubard, Moskovitz, McGoldrick, Dannett & Horowitz--Counsel
New York, N.Y.
on behalf of

Arbed S.A. (Luxembourg)

Fernand Lamesch, President, TradeARBED, Inc.

Michael H. Greenberg)
Charles L. Rosenzweig)--OF COUNSEL

Sharretts, Paley, Carter & Blauvelt, P.C.--Counsel
Washington, D.C.
on behalf of

ESTEL Hoogovens, BV (Netherlands)
N.V.W. (USA), Inc. (U.S. importer)

Peter O. Suchman--OF COUNSEL

In opposition to the imposition of antidumping and/or countervailing duties--Continued

Leva, Hawes, Symington, Martin & Oppenheimer--Counsel
Washington, D.C.
on behalf of

Metalimportexport (Romania)

Joseph H. Price)
Simeon M. Kriesberg)--OF COUNSEL
Anthony C. Epstein)

Steptoe & Johnson Chartered--Counsel
Washington, D.C.
on behalf of

British Steel Corp. (United Kingdom)

Michael Sandler--OF COUNSEL

Coudert Brothers--Counsel
Washington, D.C.
on behalf of

Members of the West German Iron and Steel Federation

Milo Coerper--OF COUNSEL

Windels, Marx, Davies & Ives--Counsel
New York, N.Y.
on behalf of

Aktiengesellschaft der Dillinger Huttenwerke (West Germany)

Pierre F. de Ravel d'Esclapon--OF COUNSEL

APPENDIX C

U.S. DEPARTMENT OF COMMERCE NOTICES OF INVESTIGATIONS

International Trade Administration

Initiation of Countervailing Duty Investigations Certain Steel Products From France

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Countervailing Duty Investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in France of certain steel products receive benefits that constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Nicholas C. Tolerico, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202)/377–4036.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation; from counsel for Bethlehem Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manufacturers, or exporters in France of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1671a(5)) (the "Act") and that imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 703(e) of the Act. We will make a decision regarding this issue on or before the date of our preliminary determinations, April 6, 1982.

France is a "country under the Agreement" within the meaning of section 701(b) of the Act; therefore, title VII of the Act applies to these investigations.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petitions on certain steel products and we have found that they meet these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in France of certain steel products receive benefits that constitute subsidies within the meaning of section 771(5) of the act. If our investigations proceed normally, we will make our preliminary determinations of April 6, 1982.

Scope of the Investigations

The products covered by these investigations are: Carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, galvanized carbon steel sheet, hot-rolled carbon steel bars, hot-rolled alloy steel bars, cold-formed carbon steel bars and cold-formed alloy steel bars. For a further description of these products, see the appendix to this notice.

Allegations of Subsidies

The petitions allege that producers, manufacturers, or exporters in France receive the following benefits that constitute subsidies: preferential loans and loan guarantees, the recapitalization of the French carbon steel industry under the 1978 Rescue Plan, grants and preferential loans through the Short-term Industrial Adaptation Fund, regional development incentives, labor-related aid, research and development funding, incentives to supplier industries, preferential export credits, and export insurance.

The petitions also allege that producers, manufacturers, or exporters in France of certain steel products benefit from the following European Communities subsidies: preferential loans and loan guarantees, research and development incentives, and assistance to labor. Therefore, we will investigate both French government and European Communities programs as applicable.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from France are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

Appendix—Description of Products

For purposes of these investigations:

1. The term *carbon steel structural shapes"* covers hot-rolled, forged, extruded, or drawn, or cold-formed or cold-finished carbon steel angles, shapes, or sections, not drilled, not punched, and not otherwise advanced, and not conforming completely to the specifications given in the headnotes to Schedule 6, Part 2 of the *Tariff Schedules of the United States Annotated ("TSUSA")*, for blooms, billets, slabs, sheet bars, hars, wire rods, plates, sheets, strip, wire, rails, joint bars, tie plates, or any tubular products set forth in the *TSUSA*, having a maximum cross-sectional dimension of 3 inches or more, as currently provided for in items 609.6005, 609.6015, 609.6035, 609.6041, or 609.6045 of the *TSUSA*. Such products are generally referred to as structural shapes.

2. The term *"hot-rolled carbon steel plate"* covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; 0.1875 inch or more in thickness and over 8 inches in width; as currently provided for in items 607.6615, or 607.94, of the *Tariff Schedules of the United States Annotated ("TSUSA")*; and hot- or cold-rolled carbon steel plate which has been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for in items 608.0710 or 608.11 of the *TSUSA*. Semifinished products of solid rectangular cross section with a width at least four times the thickness in the as cast condition or processed only through primary mill hot rolling are not included.

3. The term *"hot-rolled carbon steel sheet and strip"* covers the following hot-rolled carbon steel products. Hot-rolled carbon steel sheet is a hot-rolled carbon steel product, whether or not corrugated or crimped and whether or not pickled; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 12 inches in width and in coils or if not in coils under 0.1875 inch in thickness; as currently provided for in items 607.6610, 607.6700, 607.8320, 607.8342, or 607.9400 of the *Tariff Schedules of the United States Annotated ("TSUSA"). PLEASE NOTE THAT THE DEFINITION OF HOT-ROLLED CARBON STEEL SHEET INCLUDES SOME PRODUCTS CLASSIFIED AS "PLATE" IN THE TSUSA (ITEMS 607.6610 AND 607.8320).* Hot-rolled carbon steel strip is a flat-rolled steel product, whether or not corrugated or crimped and whether or not pickled; not cold-rolled, not cut, not pressed, and not stamped to non-rectangular shape; under 0.1875 inch in thickness and not over 12 inches in width; as currently provided for in items 608.1920, 608.2120, or 608.2320 of the *TSUSA*. Hot-rolled carbon steel strip originally rolled less than 12 inches in width and containing over 0.25 percent carbon is not included.

4. The term *"cold-rolled carbon steel sheet and strip"* covers the following cold-rolled carbon steel products. Cold-rolled carbon steel sheet is a cold-rolled carbon steel product, whether or not corrugated or crimped and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 12 inches in width and in coils or if not in coils under 0.1875 inch in thickness; as currently provided for in items 607.8320 or 607.8344 of the *Tariff Schedules of the United States Annotated ("TSUSA"). PLEASE NOTE THAT THE DEFINITION OF COLD-ROLLED CARBON STEEL SHEET INCLUDES SOME PRODUCTS CLASSIFIED AS "PLATE" IN THE TSUSA (ITEM 607.8320).* Cold-rolled carbon steel strip is a flat-rolled carbon steel product; cold-rolled, whether or not corrugated or crimped and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; under 0.1875 inch in thickness and over 0.50 inch in width but not over 12 inches in width; as currently provided for in items 608.1940, 608.2140, or 608.2340 of the *TSUSA*. Cold-rolled carbon steel strip originally rolled less than 12 inches in width and containing over 0.25 percent carbon is not included.

5. The term *"galvanized carbon steel sheet"* covers hot- or cold-rolled carbon steel sheet which has been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for in items 608.0710, 608.0730, 608.11 or 608.13 of the *Tariff Schedules of the United States Annotated ("TSUSA"). NOTE THAT THE DEFINITION OF GALVANIZED CARBON STEEL SHEET INCLUDES SOME PRODUCTS CLASSIFIED AS "PLATE" IN THE TSUSA (ITEMS 608.0710 AND 608.11).* Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc is not included.

6. The term *"hot-rolled carbon steel bars"* covers hot-rolled carbon steel products of solid section which have cross sections in the shape of circles, segments of circles, ovals, triangles, rectangles, hexagons, or octagons, not cold-formed, and not coated or plated with metal, as currently provided for in items 606.8310, 606.8330, or 606.8350 of the *Tariff Schedules of the United States Annotated.*

7. The term *"hot-rolled alloy steel bars"* covers hot-rolled alloy steel products, other than those of stainless or tool steel, of solid section which have cross sections in the shape of circles segments of circles, ovals, triangles, rectangles, hexagons, or octagons, not cold-formed, and not coated or plated with metal, as currently provided for in item 606.97 of the *Tariff Schedules of the United States.*

8. The term *"cold-formed carbon steel bars"* covers cold-formed carbon steel products of solid section which have cross sections in the shape of circles, segments of circles, ovals, triangles, rectangles, hexagons, or octagons, and not coated or plated with metal, currently provided for in items 606.6605 or 606.8815 of the *Tariff Schedules of the United States Annotated.*

9. The term *"cold-formed alloy steel bars"* covers cold-formed alloy steel products, other than those of stainless or tool steel, of solid section which have cross sections in the shape of circles, segments of circles, ovals, triangles, rectangles, hexagons, or octagons, and not coated or plated with metal, as currently provided for in item 606.99 of the *Tariff Schedules of the United States.*

[FR Doc. 82-3191 Filed 2-3-82; 11:56 am]

BILLING CODE 3510-25-M

Initiation of Antidumping Investigations; Certain Steel Products From France

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Antidumping Investigations.

SUMMARY: On the basis of petitions filed with the Department of Commerce, we are initiating antidumping investigations to determine whether certain steel products from France are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before June 21, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Nicholas C. Tolerico, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202)/377–4036.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation, and from counsel for Bethlehem Steel Corporation, on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that imports of certain steel products from France are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the

Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act") and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. The petitions also allege that sales in the home market of certain steel products have been made at less than the cost of production. Critical circumstances have been alleged under section 733(e) of the Act. We will make a determination regarding this issue on or before the date of our preliminary determinations, June 21, 1982.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products and we have found that they meet these requirements.

Therefore, in accordance with section 732 of the Act, we are initiating antidumping investigations to determine whether certain steel products from France are being, or are likely to be, sold at less than fair value. We will also investigate whether sales in the home market of certain steel products have been made at less than cost of production. If our investigations proceed normally, we will make our preliminary determinations by June 21, 1982.

Scope of the Investigations

The products covered by these investigations are carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, and galvanized carbon steel sheet. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from France are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3102 Filed 2-3-82; 11:56 am]
BILLING CODE 3510-25-M

Federal Register / Vol. 47, No. 26 / Monday, February 8, 1982 / Notices 5741

Initiation of Countervailing Duty Investigations; Certain Steel Products From the Federal Republic of Germany

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufactures, or exporters in the Federal Republic of Germany (FRG) of certain steel products receive benefits that constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may be determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, D.C. 20230, (202) 377-1279.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation; from counsel for Bethleham Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manfuacturers, or exporters in the FRG of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1671a(5)) (the "Act") and that imports of these steel products are materially injuring, or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 703(e) of the Act. We will make a determination regarding this issue on or before the date of our preliminary determinations, April 6, 1982.

The FRG is a "country under the Agreement" within the meaning of section 701(6) of the Act; therefore, title VII of the Act applies to these investigations.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petitions on certain steel products, and we have found that the petitions on the products listed in the "Scope of the Investigations" section of this notice meet these requirement.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in FRG of certain steel products as listed in the "Scope of Investigations" section of this notice receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigations proceed normally, we will make our preliminary determinations by April 6, 1982.

Scope of the Investigations

The products covered by these investigations are: Curbon steel structural shapes, hot-rolled carbon steel sheet plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, galvanized carbon steel sheet, hot-rolled carbon steel bars, hot-rolled alloy steel bars, cold-formed carbon steel bars, and cold-formed alloy steel bars. For a further description of these products see the appendix

appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Allegations of Subsidies

The petitions allege that producers, manufacturers, or exporters in the FRG receive the following benefits that subsidize: Preferential loans and loan guarantees, coal and coke subsidies, transportation subsidies, debt forgiveness, debt conversion and equity infusions, capital grants, tax exemptions, labor-related aid, research and development funding, and other general and regional incentives.

The petitions also allege that producers, manufacturers, or exporters in the FRG of certain steel products benefit from the following European Communities subsidies: preferential loans and loan guarantees, research and development incentives, and assistance to labor. Therefore, we will investigate both the FRG government and European Communities programs as applicable.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982, whether there is a reasonable indication that imports of certain steel products from the Federal Republic of Germany are materially injuring, or threating to materially injury a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3160 Filed 2-5-82; 11:56 am]

BILLING CODE 3510-25-M

Initiation of Antidumping Investigations; Certain Steel Products From the Federal Republic of Germany

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of antidumping investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating antidumping investigations to determine whether certain steel products from the Federal Republic of Germany are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before June 21, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230, (202) 377-1279.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation and counsel for Bethlehem Steel Corporation, on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that imports from the Federal Republic of Germany of certain steel products are being, or are likely to be, sold in the United States at less-than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act") and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. The petitions also allege that sales in the home market of certain steel products have been made at less than the cost of production. Critical circumstances have been alleged under section 733(e) of the Act. We will make a determination regarding this issue on or before the date of our preliminary determinations, June 21, 1982.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products and we have found that they meet these requirements.

Therefore, in accordance with section 732 of the Act, we are initiating antidumping investigations to determine whether certain steel products from the Federal Republic of Germany are being, or are likely to be, sold at less than fair value. We will also investigate whether sales in the home market of certain steel products have been made at less than cost of production. If our investigations proceed normally, we will make our preliminary determination by June 21, 1982.

Scope of the Investigations

The products covered by these investigations are carbon steel structural shapes, hot-rolled carbon steel plates, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, and galvanized carbon steel sheet. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from the Federal Republic of Germany are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will

terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3194 Filed 2-3-82; 11:35 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigations/Dismissal of Countervailing Duty Petitions; Certain Steel Products From the Netherlands

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in the Netherlands of certain steel products receive benefits that constitute subsidies within the meaning of the countervailing duty law. Concurrently, we are dismissing other petitions on steel bar products. Additionally, a petitioner withdrew a petition on carbon steel structural shapes. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, (202) 377–1279.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation; from counsel for Bethlehem Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manufacturers, or exporters in the Netherlands of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1671a(5)) (the "Act") and that imports of these steel products are materially injuring, or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 703(e) of the Act. We will make a decision regarding this issue on or before the date of our preliminary determinations, April 6, 1982.

The Netherlands is a "country under the Agreement" within the meaning of section 701(b) of the Act; therefore, title VII of the Act applies to these investigations.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petitions on certain steel products, and we have found that petitions on products listed in the "Scope of the Investigations" section of this notice meet these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in the Netherlands of certain steel products as listed in the "Scope of the Investigations" section of this notice receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigations proceed normally, we will make our preliminary determinations by April 6, 1982.

Scope of the Investigations

The products covered by these investigations are: hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet, and galvanized carbon steel sheet. For a further description of these products, see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Withdrawal

On January 26, 1982, the Five withdrew their petition on carbon steel structural shapes.

Dismissals

We are dismissing the Five's petitions with respect to hot-rolled carbon steel bars, hot-rolled alloy steel bars, cold-formed carbon steel bars, and cold-formed alloy steel bars because there have been no or only *de minimis* imports of those products at any time in recent years. A prerequisite for the imposition of countervailing duties is that the foreign government " * * * is providing, directly or indirectly, a subsidy with respect to * * * merchandise imported into the United States * * *" (19 U.S.C. 1671). We have concluded that the statutory standard is not met where there have been either no imports or a *de minimis* level of imports within recent years.

Allegations of Subsidies

The petitions allege that producers, manufacturers, or exporters in the Netherlands receive the following benefits that constitute subsidies: Preferential loans and loan guarantees, interest rebates, preferential export financing, capital grants, tax exemptions, labor-related aid, research and development funding, debt forgiveness, debt conversion and equity infusions, energy subsidies, and other general and regional incentives.

The petitions also allege that producers, manufacturers, or exporters in the Netherlands of certain steel products benefit from the following European Communities subsidies: Preferential loans and loan guarantees, research and development incentives, and assistance to labor. Therefore, we will investigate both the Netherlands government and European Communities programs as applicable.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from the Netherlands are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these

Investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3196 Filed 2-5-82; 11:36 am]

BILLING CODE 3510-25-M

Initiation of Antidumping Investigations; Certain Steel Products From the Netherlands

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of antidumping investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating antidumping investigations to determine whether certain steel products from the Netherlands are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before June 21, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230, (202) 377-1279.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation and from counsel for Bethlehem Steel Corporation, on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that imports of certain steel products from the Netherlands are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act") and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. The petitions also allege that sales in the home market of certain steel products have been made at less than the cost of production. Critical circumstances have been alleged under section 733(e) of the Act. We will make a determination regarding this issue on or before the date of our preliminary determinations, June 21, 1982.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products, and we have found that they meet these requirements.

Therefore, in accordance with section 732 of the Act, we are initiating antidumping investigations to determine whether certain steel products from the Netherlands are being, or are likely to be, sold at less than fair value. We will also investigate whether sales in the home market of certain steel products have been made at less than cost of production. If our investigations proceed normally, we will make our preliminary determination by June 21, 1982.

Scope of the Investigations

The products covered by these investigations are hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet, and galvanized carbon steel sheet. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from the Netherlands are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3186 Filed 2-3-82; 11:39 am]
BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigations; Certain Steel Products From Belgium

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in Belgium of certain steel products receive benefits which constitute subsidies within the meaning of the countervailing duty law. Additionally, a petitioner withdrew a petition on hot-rolled alloy steel bar. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982, and we will make ours on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Michael J. Altier, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202) 377-1785.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation; from counsel for Bethlehem Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manufacturers, or exporters in Belgium

of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1671a(5)) (the "Act") and that imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 703(e) of the Act. We will make a decision regarding this issue on or before our preliminary determinations, April 6, 1982.

Belgium is a "country under the Agreement" within the meaning of section 701(b) of the Act; therefore, title VII of the Act applies to these investigations.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petitions on certain steel products, and we have found that they meet these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers or exporters in Belgium of certain steel products receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigations proceed normally, we will make our preliminary determinations by April 6, 1982.

Scope of the Investigations

The products covered by these investigations are: carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, galvanized carbon steel sheet, hot-rolled carbon steel bars, cold-formed carbon steel bars and cold-formed alloy steel bars. For a further description of these products, see the appendix with the notice of "Initiation of Countervailing Duty Investigation, Certain Steel Products form France", in this issue of the **Federal Register.**

Withdrawal

On January 28, 1982, the Five withdrew their petition on hot-rolled alloy steel bar.

Allegations of Subsidies

The petitions allege that producers, manufacturers, or exporters in Belgium receive the following benefits from the Belgian government that constitute subsidies: Capital grants; interest rebates; preferential loans and loan guarantees; special government purchases of convertible debentures; debt consolidation, extension, and conversion; tax incentives; commercial risk assistance; labor-related aids; and research and development advances and loans. The petitions also allege that producers, manufacturers, or exporters in Belgium of certain steel products benefit from the following European Communities subsidies: Preferential loans and loan guarantees, research and development incentives, coal and coke input subsidies, and assistance to labor. Therefore, we will investigate both Belgian government and European Communities programs as applicable.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982, whether there is a reasonable indication that imports of certain steel products from Belgium are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3197 Filed 2-5-82; 11:56 am]
BILLING CODE 3510-25-M

Initiation of Antidumping Investigations; Certain Steel Products From Belgium

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Antidumping Investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating antidumping investigations to determine whether certain steel products from Belgium are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before June 21, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Michael J. Altier, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202) 377-1785.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation, and from counsel for Bethlehem Steel Corporation, on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that imports of certain steel products from Belgium are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act") and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. The petitions also allege that sales in the home market of certain steel products have been made at less than the cost of production. Critical circumstances have been alleged under section 733(e) of the Act. We will make a determination regarding this issue on or before the date of our preliminary determinations, June 21, 1982.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products and we have found that they meet these requirements.

Therefore, in accordance with section 732 of the Act, we are initiating antidumping investigations to determine whether certain steel products from Belgium are being, or are likely to be,

sold at less than fair value. We will also investigate whether sales in the home market of certain steel products have been made at less than cost of production. If our investigations proceed normally, we will make our preliminary determinations by June 21, 1982.

Scope of the Investigations

The products covered by these investigations are carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, and galvanized carbon steel sheet. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by February 23, 1982 whether there is a reasonable indication that imports of certain steel products from Belgium are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3148 Filed 2-3-82; 11:56 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigations; Certain Steel Products From Italy

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in Italy of certain steel products receive benefits which constitute subsidies within the meaning of the countervailing duty law. Additionally, a petitioner withdrew a petition on carbon steel structural shapes. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982, and we will make ours on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Charles E. Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230, (202) 377–5288.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation; from counsel for Bethlehem Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manufacturers, or exporters in Italy of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1671a(5)) (the "Act") and that imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 703(e) of the Act. We will make a decision regarding this issue on or before the date of our preliminary determinations, April 6, 1982.

Italy is a "country under the Agreement" within the meaning of section 701(b) of the Act; therefore, title VII of the Act applies to these investigations.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petitions on certain steel products and we have found that the petitions on products listed in the "Scope of the Investigations" section of this notice meet these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers or exporters in Italy of certain steel products as listed in the "Scope of the Investigations" section of this notice receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigations proceed normally, we will make our preliminary determinations by April 6, 1982.

Scope of the Investigations

The products covered by these investigations are: hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, galvanized carbon steel sheet, hot-rolled carbon steel bars, hot-rolled alloy steel bars, cold-formed carbon steel bars and cold-formed alloy steel bars. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Withdrawal

On January 31, 1982 the Five withdrew their petitions on carbon steel structural shapes.

Allegations of Subsidies

The petitions allege that producers, manufacturers, or exporters in Italy receive the following benefits that constitute subsidies: Preferential loans and loan guarantees, interest subsidies, capital grants, local and federal tax exemptions, recapitalizations, debt forgiveness, debt conversion and equity infusions, research and development funding, labor-related aid, utility subsidies, and other general and regional incentives.

The petitions also allege that producers, manufacturers, or exporters in Italy of certain steel products benefit from the following European Communities subsidies: Preferential loans and loan guarantees, research and development incentives, and assistance to labor. Therefore, we will investigate both Italian government and European Communities programs as applicable.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from Italy are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3196 Filed 2-5-82; 11:50 am]

BILLING CODE 3510-25-M

Initiation of Antidumping Investigations; Certain Steel Products From Italy

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Antidumping Investigations.

SUMMARY: On the basis of petitions filed in proper form with the U.S. Department of Commerce, we are initiating antidumping investigations to determine whether certain steel products from Italy are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before June 21, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Charles E. Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202) 377–5288.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation and from counsel for Bethlehem Steel Corporation, on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that imports of certain steel products from Italy are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act") and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. The petitions also allege that sales in the home market of certain steel products have been made at less than the cost of production. Critical circumstances have been alleged under section 733(e) of the Act. We will make a decision on the validity of the allegation on or before the date of our preliminary determinations, June 21, 1982.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain carbon steel products and we have found that they meet these requirements.

Therefore, in accordance with section 732 of the Act, we are initiating antidumping investigations to determine whether certain steel products from Italy are being, or are likely to be, sold at less than fair value. We will also investigate whether sales in the home market of certain steel products have been made at less than the cost of production. If our investigations proceed normally, we will make our preliminary determination by June 21, 1982.

Scope of the Investigations

The products covered by these investigations are hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, and galvanized carbon steel sheet. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from Italy are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3200 Filed 2-4-82; 11:56 am]

BILLING CODE 3510-25-M

Initiation of Antidumping Investigations; Certain Steel Products From the United Kingdom

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Antidumping Investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating antidumping investigations to determine whether certain steel products from the United Kingdom are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before June 21, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT:

Brian Kelly, Office of Investigations,

Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202)/377-2920.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation and from counsel for Bethlehem Steel Corporation, on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that imports of certain steel products from the United Kingdom are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act"), and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. The petitions also allege that sales in the home market of certain steel products have been made at less than the cost of production. Critical circumstances have been alleged under section 733(e) of the Act. We will make a determination regarding this issue on or before the date of our preliminary determinations, June 21, 1982.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products and we have found that they meet these requirements.

Therefore, in accordance with section 732 of the Act, we are initiating antidumping investigations to determine whether certain steel products from the United Kingdom are being, or are likely to be, sold at less than fair value. We will also investigate whether sales in the home market of certain steel products have been made at less than cost of production. If our investigations proceed normally, we will make our preliminary determinations by June 21, 1982.

Scope of the Investigations

The products covered by these investigations are carbon steel structural shapes, hot-rolled carbon steel plate, cold-rolled carbon steel sheet and strip, and galvanized carbon steel sheet. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register.**

Withdrawal

On January 30 United States Steel Corporation withdrew its petition on hot-rolled carbon steel sheet.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982, whether there is a reasonable indication that imports of certain steel products from the United Kingdom are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Leonard M. Shambon,

Director, Office of Compliance, Import Administration.

[FR Doc. 82-3201 Filed 2-3-82; 11:50 am]
BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigations; Certain Steel Products From the United Kingdom

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Countervailing Duty Investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in the United Kingdom of certain steel products receive benefits that constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Brian Kelly, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230, (202) 377-2923.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation; from counsel for Bethlehem Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manufacturers, or exporters in the United Kingdom of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1671a(5)) (the "Act") and that imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 703(e) of the Act. We will make a decision regarding this issue on or before the date of our preliminary determinations, April 6, 1982.

The United Kingdom is a "country under the Agreement" within the meaning of section 701(b) of the Act; therefore, title VII of the Act applies to these investigations.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products, and we have found that they meet these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in the United

Kingdom of certain steel products receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigations proceed normally, we will make our preliminary determination by April 6, 1982.

Scope of the Investigations

The products covered by these investigations are: Carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet, cold-rolled carbon steel sheet, galvanized carbon steel sheet, hot-rolled carbon steel bars, hot-rolled alloy steel bars, cold-formed carbon steel bars and cold-formed alloy steel bars. For a further description of these products, see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Allegations of Subsidies

The petitions allege that producers, manufacturers, or exporters in the United Kingdom receive the following benefits that constitute subsidies: Preferential loans and loan guarantees, transportation subsidies, overdraft guarantees, debt forgiveness, debt conversion and equity infusions, capital grants, subsidization of inputs, direct grants in return for overvalued equity, concessional export financing, labor-related aid, research and development funding, and other general and regional incentives.

The petitions also allege that producers, manufacturers, or exporters in the United Kingdom of certain steel products benefit from the following European Communities subsidies: Preferential loans and loan guarantees, research and development incentives, and assistance to labor. Therefore, we will investigate both United Kingdom government and European Communities programs as applicable.

Notification of ITC

Section 702(c') of the Act requires us to notify the U.S. International Trade Commission of these actions and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Director of the Office of Compliance, Import Administration.

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from the United Kingdom are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Leonard M. Shambon,

Director, Office of Compliance Import Administration.

[FR Doc. 82-3302 Filed 2-5-82; 11:25 am]
BILLING CODE 3510-25-M

Initiation of Antidumping Investigations; Certain Steel Products From Luxembourg

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Antidumping Investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating antidumping investigations to determine whether certain steel products from Luxembourg are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before June 21, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Michael J. Aitler, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230, (202) 377-1785.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation and from counsel for Bethlehem Steel Corporation, on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that imports of certain steel products from Luxembourg are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act") and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. The petitions also allege that sales in the home market of certain steel products have been made at less than the cost of production. Critical circumstances have been alleged under section 733(e) of the Act. We will make a determination regarding this issue on or before the date of our preliminary determinations, June 21, 1982.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products and we have found that they meet these requirements.

Therefore, in accordance with section 732 of the Act, we are initiating antidumping investigations to determine whether certain steel products from Luxembourg are being, or are likely to be, sold at less than fair value. We will also investigate whether sales in the home market of certain steel products have been made at less than cost of production. If our investigations proceed normally, we will make our preliminary determination by June 21, 1982.

Scope of the Investigations

The products covered by these investigations are carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, and galvanized carbon steel sheet. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the Federal Register.

Notification to ITC

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

consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by February 25, 1982 whether there is a reasonable indication that imports of certain steel products from Luxembourg are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3303 Filed 2-5-82; 11:56 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigations/Dismissal of Countervailing Duty Petition Certain Steel Products From Luxembourg

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Countervailing Duty Investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in Luxembourg of certain steel products receive benefits which constitute subsidies within the meaning of the countervailing duty law. Concurrently, we are dismissing the petitions on hot-rolled alloy steel bar. Additionally, a petitioner withdrew petitions on cold-formed carbon steel bar and cold-formed alloy steel bar. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982 and we will make ours on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Michael J. Altier, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230, (202) 377-1785.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation; from counsel for Bethlehem Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manufacturers, or exporters in Luxembourg of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1671)a(5)) (the "Act") and that imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 703(e) of the Act. We will make a decision regarding this issue on or before the date of our preliminary determinations, April 6, 1982.

Luxembourg is a "country under the Agreement" within the meaning of section 701(b) of the Act; therefore, title VII of the Act applies to these investigations.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products and we have found that petitions on products listed in the "Scope of the Investigations" section of this notice meet these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Luxembourg of certain steel products as listed in the "Scope of the Investigations" section of this notice receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigations proceed normally, we will make our preliminary determination by April 6, 1982.

Scope of the Investigations

The products covered by these investigations are: Carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet and strip, cold-rolled carbon steel sheet and strip, galvanized carbon steel sheet, and hot-rolled carbon steel bars. For a further description of these products, see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register.**

Withdrawals

On January 28, 1982, the Five withdrew their petitions on cold-formed carbon steel bars and cold-formed alloy steel bars.

Dismissals

We are dismissing the Five's petition with respect to hot-rolled alloy steel bars because there have been no or only *de minimis* imports of those products at any time in recent years. A prerequisite for the imposition of countervailing duties is that the foreign government "* * * is providing, directly or indirectly, a subsidy with respect to * * * merchandise imported into the United States * * *" (19 U.S.C. 1671). We have concluded that this statutory standard is not met where there have been either no imports or a *de minimis* level of imports within recent years.

Allegations of Subsidies

The petitions allege that producers, manufacturers, or exporters in Luxembourg receive the following benefits that constitute subsidies: Preferential loans and loan guarantees, interest subsidies on loans, preferential export financing, capital grants, tax concessions, labor-related aid, research and development funding, Societe Nationale de Credit et d' Investissement credits, and special government purchase of convertible debentures.

The petitions also allege that producers, manufacturers, or exporters in Luxembourg of certain steel products benefit from the following European Communities subsidies: Preferential loans and loan guarantees, research and development incentives, and assistance to labor. Therefore, we will investigate both Luxembourg government and European Communities programs as applicable.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of these actions and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it

confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by February 25, 1982, whether there is a reasonable indication that imports of certain steel products from Luxembourg are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3204 Filed 2-3-82; 11:56 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigations Certain Steel Products From South Africa

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Countervailing Duty Investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in South Africa of certain steel products receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If our investigations proceed normally, we will make our preliminary determinations on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Joseph A. Black, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230 (202) 377-1774.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation and Cyclops Corporation, (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26) the petitions allege that producers, manufacturers, or exporters in South Africa of certain steel products receive, directly or indirectly, bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the "Act"). Critical circumstances also have been alleged.

Since South Africa is not a "country under the Agreement", section 303 of the Act applies to these investigations. In addition, the merchandise is dutiable; therefore, an injury determination is not required.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products, and we have found that petitions on products listed in the "Scope of the Investigations" section of this notice meet these requirements.

Therefore, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in South Africa of certain steel products as listed in the "Scope of the Investigations" section of this notice receive bounties or grants. If our investigations proceed normally, we will make our preliminary determinations by April 6, 1982.

Since South Africa is not a "country under the Agreement" and this investigation is under section 303 of the Act, the critical circumstances provision is not applicable (see section 303(b)(3)). Accordingly, we will take no further action on the critical circumstances allegation.

Scope of the Investigations

The products covered by these investigations are: Carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet, cold-rolled carbon steel sheet, galvanized carbon steel sheet, hot-rolled carbon steel bars, hot-rolled alloy steel bars, and cold-formed carbon steels bars. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the Federal Register.

Withdrawals

On January 31, 1982, the Five withdrew their petition on cold-formed alloy steel bar.

Allegations of Bounties or Grants

The petitions allege that manufacturers, producers, or exporters of certain steel products in South Africa receive the following benefits that constitute bounties or grants: Reduced transportation rates; refunds of shipping costs; export credit insurance; preferential pre- and post-shipment financing for exports; preferential development loans, direct grants, and preferential loans given to a government-owned steel producer; tax deductions and investment allowances for certain export development expenses; employee training programs, doing business in certain development areas, and beneficiation of base minerals; the steel export incentive scheme; and other export incentives.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3205 Filed 2-3-82; 11:58 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigations; Certain Steel Products From Brazil

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigations.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in Brazil of certain steel products receive benefits that constitute subsidies within the meaning of the countervailing duty law. Additionally, a petitioner withdrew petitions on galvanized carbon steel sheet, hot-rolled alloy steel bars and cold-formed alloy steel bars. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before February 25, 1982, and we will make ours on or before April 6, 1982.

EFFECTIVE DATE: February 8, 1982.

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FOR FURTHER INFORMATION CONTACT: Paul J. McGarr, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and

Constitution Avenue, NW., Washington, D.C. 20230. (202)/377-1167.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manufacturers, or exporters in Brazil of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1671a(5)) (the "Act") and that imports of these steel products are materially injuring, or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 703(e) of the Act. We will make a decision regarding this issue on or before the date of our preliminary determinations.

Brazil is a "country under the agreement" within the meaning of section 701(b) of the Act; therefore, title VII of the Act applies to these investigations.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petitions on certain steel products, and we have found that petitions on products listed in the "Scope of the Investigations" section of this notice meet these requirements.

Therefore, in accordance with section 702(c) of the act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Brazil of certain steel products as listed in the "Scope of the Investigations" section of this notice receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigations proceed normally, we will make our preliminary determinations by April 6, 1982.

Scope of the Investigations

The products covered by these investigations are: carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet, cold-rolled carbon steel sheet, hot-rolled carbon steel bars, and cold-formed carbon steel bars. For a further description of these products, see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the Federal Register.

Withdrawal

On January 26, 1982, the Five withdrew their petitions on hot-rolled alloy steel bars and cold-formed alloy steel bars; on January 31, 1982, the Five withdrew its petition on galvanized carbon steel sheet.

Allegations of Subsidies

The petitions allege that producers, manufacturers, or exporters in Brazil of certain steel products benefit from the following subsidies: preferential loans and loan guarantees, preferential working capital and export financing, capital grants, tax exemptions, investment subsidies from tax rebates, overrebate of indirect taxes, special amortization and tax-loss carry forward privileges for export-oriented projects, subsidized factor inputs and transportation subsidies.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982, whether there is a reasonable indication that imports of certain steel products from Brazil are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3208 Filed 2-3-82; 11:56 am]

BILLING CODE 3510-25-M

Initiation of Antidumping Investigation/Dismissal of Antidumping Petitions Certain Steel Products From Romania

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of antidumping investigation/dismissal of petitions.

SUMMARY: On the basis of petitions filed in proper form with the Department of Commerce, we are initiating antidumping investigation to determine whether hot-rolled carbon steel plate from Romania is being, or is likely to be, sold in the United States at less than fair value. Concurrently, we are dismissing petitions on other steel products. Additionally, petitions on some steel products have been withdrawn. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of the merchandise are materially injuring, or threatening to materially injure, a U.S. industry. If the investigation proceeds normally, the ITC will make its preliminary determination on or before February 25, 1982 and we will make ours on or before June 21, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: Raymond G. Busen, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230, (202) 377-1784.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982 we received petitions from United States Steel Corporation; and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation, and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitions allege that imports of certain steel products from Romania are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the "Act") and that these imports are materially injuring or threatening to materially injure, a U.S. industry. Critical circumstances have been alleged under section 733(e) of the Act. We will make a determination regarding this issue on or before the

date of our preliminary determination, June 21, 1982.

The United States Steel Corporation and the Five petitions allege that Romania is a state-controlled economy country within the meaning of the Act. They allege that sales of certain steel products in Romania do not permit a determination of foreign market value and that the Department of Commerce must choose a non-state-controlled economy country to be used as a surrogate for the purpose of determining foreign market value of the product.

The petitions suggest that Italy be chosen as the surrogate country and that an Italian manufacturer, Italsider, is representative of the entire Italian steel industry. It is also alleged that sales by Italsider are made at prices below the cost of production.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products and we have found that they meet these requirements.

Therefore, in accordance with section 732 of the Act, we are initiating an antidumping investigation to determine whether hot-rolled carbon steel plate from Romania is being, or is likely to be, sold at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by June 21, 1982.

Scope of the Investigation

The product covered by this investigation is hot-rolled carbon steel plate. For a further description of this product see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the **Federal Register**.

Withdrawals

On January 26, 1982, the Five withdrew their petitions on carbon steel structural shapes, hot-rolled carbon steel bars, hot-rolled alloy steel bars, cold-formed carbon steel bars, and cold-formed alloy steel bars. On January 31, 1982, the Five withdrew their petition on galvanized carbon steel sheet.

Dismissals

We are dismissing the Five's petitions with respect to hot-rolled carbon steel sheet and cold-rolled carbon steel sheet because there have been no or only *de minimis* imports of those products in recent years, and no evidence has been provided of bona fide offers on merchandise for export to the United States. One of the two prerequisites for imposition of antidumping is a determination by the Department of Commerce that "* * * a class or kind of foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value * * *" (19 U.S.C. 1673). We have concluded that, where there have been either no imports or a *de minimis* level of imports within recent years, and where no evidence has been furnished of a current offer the acceptance of which is reasonably expected, then no adequate allegation has been made of current or likely sales at less than fair value.

Notification to ITC

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

Preliminary Determination by ITC

The ITC will determine by February 25, 1982, whether there is a reasonable indication that imports of hot-rolled carbon steel plate from Romania are materially injuring, or threatening to materially injure, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed to conclusion.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3207 Filed 2-3-82; 11:50 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigations Certain Steel Products From Spain

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of Countervailing Duty Investigations.

SUMMARY: On the basis of petitions filed in proper form with the U.S. Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in Spain of certain steel products receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If our investigations proceed normally, we will make our preliminary determinations on or before April 8, 1982.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: John J. Kenkel, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230 (202)/377-1273.

SUPPLEMENTARY INFORMATION:

Petitions

On January 11, 1982, we received petitions from United States Steel Corporation and from counsel for Republic Steel Corporation, Inland Steel Company, Jones & Laughlin Steel Incorporated, National Steel Corporation and Cyclops Corporation (the "Five"), on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of 355.26 of the Commerce Regulations (19 CFR 355.26) the petitions allege that producers, manufacturers, or exporters in Spain of certain steel products receive, directly or indirectly, bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the "Act"). Critical circumstances also have been alleged.

Since Spain is not a "country under the Agreement," section 303 of the Act applies to these investigations. In addition, the merchandise is dutiable; therefore, no injury determination is required.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain steel products, and we have found that petitions on products listed in the "Scope of the Investigations" section of this notice meet these requirements.

Therefore, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Spain of certain steel products, as listed in the "Scope of the Investigations" section of this notice, receive bounties or grants. If

our investigations proceed normally, we will make our preliminary determinations by April 6, 1982.

Since Spain is not a "country under the Agreement," and this investigation is under section 303 of the Act, the critical circumstances provision is not applicable (see section 303(b)(3)). Accordingly, we will take no further action on the critical circumstances allegation.

Scope of the Investigation

The products covered by these investigations are: Carbon steel structural shapes, hot-rolled carbon steel plate, hot-rolled carbon steel sheet, cold-rolled carbon steel sheet, galvanized carbon steel sheet, hot-rolled carbon steel bars, hot-rolled alloy steel bars, cold-formed carbon steel bars and cold-formed alloy steel bars. For a further description of these products see the appendix appearing with the notice of "Initiation of Countervailing Duty Investigations, Certain Steel Products from France", in this issue of the Federal Register.

Allegations of Bounties or Grants

The petitions allege that producers, manufacturers, or exporters of certain steel products in Spain receive the following benefits that constitute bounties or grants: Excessive remission of indirect taxes; export credit insurance at premium rates; preferential loans and loan guarantees; preferential export financing programs; capital grants; refinancing of existing debt; amendment of annual financial investment plans; exceptional credit for new investments; deferral of tax and social security benefits; research and development funding; and other general and regional incentives.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3208 Filed 2-3-82; 11:56 am]

BILLING CODE 3510-25-M

Termination of Countervailing Duty and Antidumping Investigations; Certain Steel Products from Belgium, Brazil, France, Romania, South Africa, and Spain

AGENCY: International Trade Administration, Commerce.

ACTION: Termination of countervailing duty and antidumping investigations.

SUMMARY: We are terminating the countervailing duty and antidumping investigations on certain steel products from Belgium, Brazil, France, Romania, South Africa, and Spain that the Department of Commerce initiated in November 1981 under the steel Trigger Price Mechanism. The terminations are based on our initiation of investigations encompassing all the products and allegations covered by the November 1981 cases. These initiations are the result of countervailing duty and antidumping petitions filed by several U.S. steel manufacturers on behalf of the domestic steel industry.

EFFECTIVE DATE: February 8, 1982.

FOR FURTHER INFORMATION CONTACT: F. Lynn Holec, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230 (202) 377-3793.

SUPPLEMENTARY INFORMATION: On November 18, 1981, the Department of Commerce self-initiated three countervailing duty investigations regarding carbon steel plate from Belgium, Brazil, and South Africa; one countervailing duty investigation regarding hot-rolled steel sheet from France; and one antidumping investigation regarding carbon steel plate from Romania. On November 24, 1981, we self-initiated one countervailing duty investigation on structural steel from Spain. These investigations were self-initiated based upon information developed under the steel Trigger Price Mechanism, which indicated that imports of these products might be benefitting from subsidies or were being, or were likely to be, sold in the United States at less than fair value.

On January 11, 1982, several U.S. steel manufacturers, on behalf of the domestic steel industry, filed petitions, alleging that steel products imported from eleven countries were receiving subsidies upon their manufacture, production or exportation and/or were being, or were likely to be, sold in the United States at less than fair value. These petitions covered a greater number of products, programs and countries than the self-initiated cases discussed above. However, included within the petitions were allegations sufficient to cover the entire scope of investigation of our self-initiated cases. On February 1, 1982, we initiated countervailing duty and antidumping investigations based on the petitions filed on behalf of the domestic steel industry.

Sections 704(a) and 734(a) of the Tariff Act of 1930, as amended (the "Act") (19 U.S.C. (1671c(a), 1673c(a)), provide that "An investigation under this subtitle may be terminated by either the administering authority or the Commission after notice to all parties to the investigation, upon the withdrawal of the petition by the petitioner." Under section 103(b) of the Trade Agreements Act of 1979 (19 U.S.C. 1303) and 19 CFR 355.30 investigations under section 303 of the Act also may be terminated on this basis.

We have determined that in self-initiated investigations the administering authority is the petitioner for purposes of these provisions and may, in appropriate circumstances, withdraw its petitions and terminate the investigations.

Termination of the self-initiated cases will consolidate, on a single timetable, both the Department of Commerce and the International Trade Commission ("ITC") investigations. Consolidation of all the cases will ease the administrative burden and allow simultaneous consideration of issues common to all investigations. Thus, the Department has concluded that the termination of these investigations is in the public interest.

The Department of Commerce has notified all parties to the investigations that it is terminating the self-initiated investigations and has consulted with the ITC regarding this action.

Accordingly, I hereby terminate these investigations.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

February 1, 1982.

[FR Doc. 82-3209 Filed 2-3-82; 11:55 am]

BILLING CODE 3510-25-M

APPENDIX D

U.S. INTERNATIONAL TRADE COMMISSION NOTICES OF TERMINATED AND NEWLY INSTITUTED INVESTIGATIONS

from the United Kingdom. (The scope of this antidumping investigation had been described as "Hot-Rolled Carbon Steel Sheet and Strip" in the Commission's notice of institution of antidumping investigation No. 731–TA–66 (Preliminary) published in the Federal Register on Wednesday, January 20, 1982, at pages 2955–2956.) Accordingly, the U.S. Department of Commerce has not initiated investigations for these products and the Commission hereby terminates the captioned investigations pursuant to the authority under § 207.13 of its Rules of Practice and Procedure (19 CFR 207.13).

EFFECTIVE DATE: February 3, 1982.

FOR FURTHER INFORMATION CONTACT: Edward Easton, Esq., Office of the General Counsel, U.S. International Trade Commission; telephone 202–523–0379.

By order of the Commission.

Issued: February 5, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc. 82–3369 Filed 2–9–82; 8:45 am]

BILLING CODE 7020–02–M

[Investigation Nos. 701–TA–120 (Preliminary), 701–TA–122 (Preliminary), and 731–TA–66 (Preliminary)]

Carbon Steel Structural Shapes From Italy and the Netherlands and Hot-Rolled Carbon Steel Sheet and Strip From the United Kingdom

AGENCY: International Trade Commission.

ACTION: Termination of investigations.

Background

On January 26, 1982, Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp., withdrew their petition for countervailing duty investigations of imports of carbon steel structural shapes from the Netherlands. On January 31, 1982, these forms withdrew their petition for a countervailing duty investigation of imports of carbon steel structural shapes from Italy. On January 30, 1982, United States Steel Corp. withdrew its petition for a antidumping investigation of imports of hot rolled carbon steel sheet

[Investigations Nos. 701-TA-146 and 147 (Preliminary)]

Hot-Rolled Carbon Steel Bar

AGENCY: International Trade Commission.

ACTION: Institution of preliminary countervailing duty investigations.

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-146 and 147 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Italy and Luxembourg of

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hot-rolled carbon steel bar, provided for in items 606.8310, 606.8330, and 606.8350 of the Tariff Schedules of the United States Annotated (1932), upon which bounties or grants are alleged to be paid.

EFFECTIVE DATE: February 3, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Robert Eninger, Office of Investigations, U.S. International Trade Commission, telephone 202–523–0312.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to petitions filed January 11, 1982, on behalf of Republic Steel Corp., Inland Steel Corp., Jones & Laughlin Steel, Inc., National Steel Corp., and Cyclops Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions or by February 25, 1982 (19 CFR 207.17). The investigations will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207), and particularly subpart B thereof.

Written Submissions

Any person may submit to the Commission on or before February 9, 1982, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

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

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

By order of the Commission.

Issued: February 5, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-3488 Filed 2-8-82; 10:11 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-86 (Preliminary) Through 701-TA-93 (Preliminary) and Investigations Nos. 731-TA-53 (Preliminary) Through 731-TA-60 (Preliminary)]

Hot-Rolled Carbon Steel Plate

AGENCY: International Trade Commission.

ACTION: Amendment of the scope of captioned countervailing duty investigations and antidumping investigations being conducted in accordance with the provisions of the Tariff Act of 1930. The notice of the institution of these investigations was published in the Federal Register on Wednesday, January 20, 1982, at 47 FR 2955.

SUMMARY: The U.S. International Trade Commission hereby gives notice of the amendment of the scope of investigations Nos. 701-TA-86 (Preliminary) through 701-TA-93 (Preliminary) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany of hot-rolled carbon steel plate, provided for in items 607.6615, 607.9400, 608.0710, and 608.1100 of the Tariff Schedules of the United States Annotated (1982), upon which bounties or grants are alleged to be paid. For the purpose of this investigation semifinished products of solid rectangular cross section with a width at least four times the thickness in the as cast condition or processed only through primary mill hot rolling are not included within the scope of hot-rolled carbon steel plate.

The Commission also gives notice of the amendment of the scope of investigations Nos. 731-TA-53 (Preliminary) through 731-TA-60 (Preliminary) to determine whether

there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Belgium, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany of hot-rolled carbon steel plate, provided for in items 607.6615, 607.9400, 608.0710, and 608.1100 of the Tariff Schedules, which are alleged to be sold in the United States at less than fair value. For the purpose of this investigation, semifinished products of solid rectangular cross section with a width at least four times the thickness in the as cast condition or processed only through primary mill hot rolling are not included within the scope of hot-rolled carbon steel plate.

EFFECTIVE DATE: February 3, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Robert Eninger, Office of Investigations, U.S. International Trade Commission; telephone 202–523–0312.

This notice is published pursuant to § 207.13 of the Commission rules of practice and procedure (19 CFR 207.13).

By order of the Commission.

Issued: February 10, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-4402 Filed 2-17-82; 8:45 am]

BILLING CODE 7020-02-M

[Investigation Nos. 701-TA-100 (Preliminary), 701-TA-108 (Preliminary), and 731-TA-73 (Preliminary)]

Hot-Rolled Carbon Steel Sheet and Cold-Rolled Carbon Steel Sheet From the United Kingdom

AGENCY: International Trade Commission.

ACTION: Amendment of the scope of the countervailing duty investigations and the antidumping investigation as it appeared in the notices for the institution of these investigations on Wednesday, January 20, 1982, at 47 FR 2955 and 47 FR 2952.

SUMMARY: On January 15, 1982, the Commission issued a notice in investigation No. 701-TA-100 (Preliminary) concerning the institution of a countervailing duty investigation of imports of hot-rolled carbon steel sheet and strip from the United Kingdom. That notice stated that imports of hot-rolled carbon steel strip provided for in items 608.1930, 608.3120, and 608.3320 of the Tariff Schedules of the United States Annotated (TSUSA), were within the scope of that investigation. The Commission hereby gives notice of the amendment of the scope of investigation No. 701-TA-100 (Preliminary) to exclude hot-rolled carbon steel strip.

On January 15, 1982, the Commission issued a notice in investigations Nos. 701-TA-108 (Preliminary) and 731-TA-73 (Preliminary) concerning the institution of a countervailing duty investigation and an antidumping investigation, respectively, of cold-rolled carbon steel sheet and strip from the United Kingdom. That notice stated that imports of cold-rolled carbon steel strip, provided for in TSUSA items 608.1940, 608.3140, and 608.3340, were within the scope of those investigations. The Commission hereby gives notice of the amendment of the scope of investigations 701-TA-108 (Preliminary) and 731-TA-73 (Preliminary) to exclude cold-rolled carbon steel strip.

EFFECTIVE DATE: February 3, 1982.

FOR FURTHER INFORMATION CONTACT: Edward Easton, Esq., Office of the General Counsel, U.S. International Trade Commission; telephone: 202/523-0379.

This notice is published pursuant to § 207.13 of the Commission's rules of practice and procedure (19 CFR 207.13).

By order of the Commission.

Issued: February 10, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-4403 Filed 2-17-82; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX E

NATURE AND EXTENT OF ALLEGED SUBSIDIES

NATURE AND EXTENT OF ALLEGED SUBSIDIES

Based on its review of the petitions, the Department of Commerce determined that there is "sufficient evidence of the subsidization of the manufacture, production, or exportation of products" to warrant initiation of countervailing duty investigations with respect to certain steel products from each of the following countries: Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, the United Kingdom, and West Germany. As described below, the alleged subsidy programs concern the foreign steel industries generally and are not directed toward the production or exportation of particular steel products.

Belgium

The Department of Commerce initiated countervailing duty investigations which correspond to the following Commission investigations:

Inv. No. 701-TA-86(P), Hot-Rolled Carbon Steel Plate;
Inv. No. 701-TA-94(P), Hot-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-102(P), Cold-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-110(P), Galvanized Carbon Steel Sheet;
Inv. No. 701-TA-117(P), Carbon Steel Structural Shapes;
Inv. No. 701-TA-125(P), Hot-Rolled Carbon Steel Bar;
Inv. No. 701-TA-134(P), Cold-Formed Carbon Steel Bar; and,
Inv. No. 701-TA-140(P), Cold-Formed Alloy Steel Bar.

The Commerce Department's description of the Belgian subsidy programs alleged in the petitions follows. 1/ In addition, the Department may investigate other programs which it has encountered in other investigations of imports from Belgium. These programs are described below also.

I. Belgian Government Programs

A. Capital Grants

Petitioners allege that the Government of Belgium (GOB) provides non-repayable capital premiums to eligible firms to assist specific investments for capital expansion and improvements. Authorized by the 1959 Economic Expansion Act and the 1970 Regional Development Act, these grants are alleged to equal up to 50 pecent of the total investment.

1/ This information has been taken from the Memorandum For Gary N. Horlick, Deputy Assistant Secretary of Commerce For Import Administration, from Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), Subject: Initiation of Countervailing Duty Investigations--Certain Steel Products from Belgium (February 1, 1982).

B. Interest Rebates

Petitioners allege that the GOB subsidizes the steel industry's borrowing costs by paying rebates ranging from 4 to 5 percent of total investment and more in special cases.

C. Employment Bonuses

Petitioners allege that employment bonuses are paid by the GOB to employers who create new jobs in Belgium.

D. Research and Development Assistance

Petitioners allege that the GOB subsidizes research and development (R&D) through various forms, including capital grants and interest rebates. It is alleged that the GOB most commonly provides interest-free advances that cover as much as 80 percent of R&D project cost and that must be repaid only if the project is successful.

E. Accelerated Depreciation

Petitioners allege that subsidies are provided in the form of accelerated depreciation, which is allowed for tax purposes under Belgian law in the case of Government-supported investments. Under the terms of this program as alleged, depreciation may be calculated with a double declining balance method for the first three years of normal depreciable life of the related assets.

F. Reduced Capital Gains Tax

Petitioners allege that the GOB has provided for reduced taxes on capital gains derived from investments made in the regional development area.

G. Exemptions from Real Estate Taxes

Petitioners allege that Belgian firms eligible for assistance from the Government can be exempted from paying Belgian real estate taxes for a five-year period.

H. Waiver of Title Taxes

Petitioners allege that Belgian companies making investments that are eligible for Government assistance under a 1970 Act may be granted a waiver of the title tax normally levied on the acquisition of new assets.

I. Investment Tax Exemptions

Petitioners allege that the Belgian steel industry receives a tax exemption equal to 1.1 percent of investment cost over five years based on present investments.

J. State Loan Guarantees

Petitioners allege that the GOB guarantees loans made by public and private institutions to eligible industrial concerns. The Societe Nationale pour le Credit Industriel (SNCI) is alleged to provide loans under this program.

K. Convertible Debenture Equity Infusions

Petitioners allege that, under the 1978 Restructuring Plan, the GOB wrote off a large part of the Belgian steel industry's debt in return for new shares of the companies' stock. Since that time, the GOB is alleged to have continued to provide funds in return for convertible debentures backed up by newly created shares.

L. Debt Extension, Consolidation, and Conversion

Petitioners allege that the GOB provided for extension of steel industry debt and consolidation and short-term credits, which covered liquidity problems. Steel industry debt is alleged to have been forgiven by a variety of means, including convertible debentures.

II. Other Programs

A. Export Assistance

Petitioners allege that the Office National Ducroire, a semi-public institution, provides commercial risk insurance to the steel industry at premium rates that are much lower than premiums charged by comparable private organizations.

B. European Coal and Steel Community Assistance

Petitioners allege that the European Coal and Steel Community (ECSC) has provided grants and has provided and guaranteed loans on favorable terms to the Belgian steel industry for expansion and improvement of productive capacity. Petitioners also allege that the ECSC channels R&D subsidies to the Belgian industry through the Centre de Recherches Metallurgiques, which cover up to 60 percent of the cost of selected projects.

C. European Investment Bank Loans

Petitioners allege that the European Investment Bank (EIB) provides credit for regional development and modernization projects when these projects are of such size or nature as to render conventional financing problematic.

D. Coal/Coke Input Subsidies

Petitoners allege that production subsidies have been provided by the ECSC and the GOB for coal production. Coal imported by Belgium from other sources receives similar ECSC and national assistance.

E. Labor-Related Aid

Petitioners allege that the GOB pays unemployment benefits for laid-off steel workers. It is alleged by one petitioner that the GOB subsidizes up to 75 percent of the industry's early retirement pensions. The ECSC has also allegedly provided Belgian steel producers with subsidies to finance worker retraining.

III. Programs Not Alleged in the Petitions That May be Included in Our Investigations

We may include in our investigations certain programs that we have encountered in the course of other investigations of imported products from Belgium. The programs are briefly described below.

A. Exemption from Capital Registration Tax

We have information that contributions in cash or in kind to the capital of companies that make investments pursuant to the law of December 30, 1970, may be exempted from payment of the normally applicable one percent capital registration tax.

B. Environmental Incentives

We have information that the GOB will repay some of the principal and interest on loans toward research and improvement of facilities for the control of water pollution.

C. Preferential Export Financing

We have information that medium- and long-term export loans granted by the banks may be refinanced at preferred rates through a semi-public credit-export organization.

Brazil

The Department of Commerce initiated countervailing duty investigations which correspond to the following Commission investigations:

Inv. No. 701-TA-87(P), Hot-Rolled Carbon Steel Plate;
Inv. No. 701-TA-95(P), Hot-Rolled Carbon Steel Sheet;
Inv. No. 701-TA-103(P), Cold-Rolled Carbon Steel Sheet;
Inv. No. 701-TA-118(P), Carbon Steel Structural Shapes;
Inv. No. 701-TA-126(P), Hot-Rolled Carbon Steel Bar; and
Inv. No. 701-TA-135(P), Cold-Formed Carbon Steel Bar.

The Commerce Department's description of the Brazilian subsidy programs alleged in the petitions follows. 1/

1. Capital Grants

Petitioners allege that the Government of Brazil invests large sums for the expansion of a steel industry that continually loses money. Although much of the investment is the purchase of equity, without a reasonable expectation of profitable return, this infusion of equity capital is allegedly equivalent to non-repayable, interest-free loans.

2. Capital Subsidies Funded by IPI Rebates

Petitioners allege that expansion of the Brazilian steel industry is funded in part by the rebate of the Industrial Products Tax (IPI), the Brazilian federal value-added tax.

3. Investment Subsidies

Petitioners allege that steel producers receive an investment subsidy via credits against the corporate income tax.

4. Subsidized Capital Loans

Petitioners allege that the Government of Brazil lends large sums to steel producers at interest rates that are extremely advantageous despite constant losses by the firms.

5. Government Guarantees of Third-Party Loans

Petitioners allege that the Government of Brazil guarantees loans made by third parties to the steel producers and that the lower interest rates that result are countervailable subsidies.

6. Excessive Remission of the IPI

Petitioners allege that the Government of Brazil provides to steel producers an export credit premium that is an excessive remission over and above the exemption from payment of the IPI due to export transactions.

7. Income Tax Exemption

Petitioners allege that the export profits of the steel producers are exempt from the corporate income tax.

1/ This information has been taken from the Memorandum For Gary N. Horlick, Deputy Assistant Secretary of Commerce For Import Administration, from Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), Subject: Initiation of Countervailing Duty Investigations--Certain Steel Products from Brazil (February 1, 1982).

8. Possible Excessive Remission of the ICM

Petitioners allege that the Government of Brazil has in the past provided an export credit premium that was an excessive remission over and above the exemption from payment, due to export transactions, of the Merchandise Circulation Tax (ICM), the state value-added tax. They allege the possibility that steel producers currently benefit from this program.

9. Exemption of Capital Equipment from Import Duties and the IPI

Petitioners allege that, under programs of the Industrial Development Council and the Commission for the Granting of Fiscal Benefits to Special Export Programs (BEFIEX), firms that undertake export commitments may be granted a reduction of the import tax and the IPI for the purchase of capital goods intended for equipping, extending, or re-equipping such firms.

10. Extension of the Period for Carrying Tax Losses Forward

Petitioners allege that, under a BEFIEX program, firms that undertake specific export commitments may be granted an extension of the period for carrying tax losses forward provided they pay no dividends before tax losses are absorbed.

11. Special Amortization of Pre-Operational Expenses

Petitioners allege that, under a BEFIEX program, firms carrying out projects approved by BEFIEX may amortize pre-operational expenses at any time during the first 10 years with no limitation on the amount amortized each year.

12. Accelerated Depreciation of Capital Goods

Petitioners allege that, under a program of the Industrial Development Council (CDI), steel producers that purchase capital equipment manufactured in Brazil are eligible for accelerated depreciation at three time the normal straight-line rate provided the equipment is used for export-oriented projects approved by the CDI.

13. Preferential Working-Capital Financing for Exports

Petitioners allege that steel producers may obtain Government subsidized loans to finance production costs of products for export.

14. Preferential Financing for Warehousing Products for Export

Petitioners allege that steel producers are eligible for preferential financing for goods destined for export that are stored in bonded warehouses controlled by Brazilian entities.

15. Subsidized Export Financing to Exporters

Petitioners allege that steel producers may secure extremely low-cost export financing through two separate Government programs. They allegedly obtain funds at rates far below those available elsewhere either through advances against foreign exchange contracts or receivables or through direct financing for Brazilian exporters or foreign importers of Brazilian manufactured products.

16. Subsidized Factor Input Prices

Petitioners allege that Government subsidies to iron ore mines and firms supplying inputs to steel producers are indirect subsidies to steel producers.

17. Reduced Freight Insurance Rates

Petitioners allege that steel producers may benefit from preferential rates for the use of rail and port facilities and for the freight and insurance rates on export shipments.

France

The Department of Commerce initiated countervailing duty investigations which correspond to the following Commission investigations:

Inv. No. 701-TA-88(P), Hot-Rolled Carbon Steel Plate;
Inv. No. 701-TA-96(P), Hot-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-104(P), Cold-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-111(P), Galvanized Carbon Steel Sheet;
Inv. No. 701-TA-119(P), Carbon Steel Structural Shapes;
Inv. No. 701-TA-127(P), Hot-Rolled Carbon Steel Bar;
Inv. No. 701-TA-130(P), Hot-Rolled Alloy Steel Bar;
Inv. No. 701-TA-136(P), Cold-Formed Carbon Steel Bar; and,
Inv. No. 701-TA-141(P), Cold-Formed Alloy Steel Bar.

The Commerce Department's description of the French subsidy programs alleged in the petitions follows. 1/

1/ This information has been taken from the Memorandum For Gary N. Horlick, Deputy Assistant Secretary of Commerce For Import Administration, from Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), Subject: Initiation of Countervailing Duty Investigations--Certain Steel Products from France (February 1, 1982).

I. French Government Programs

A. Preferential Financing

Petitioners allege preferential financing in the form of low-interest loans and guarantees from the French Treasury (Fonds de Developpement Economique et Social), governmental credit institutions (e.g., Credit National and the Caisse des Depots et Consignations), the steel industry consortium (Groupement de l'Industrie Siderurgique (GIS)), and specialized financial institutions (e.g., Groupement Interprofessionel Antipollution, Groupement pour le Financement des Economies d'Energie, etc.).

B. Recapitalization

Petitioners allege recapitalization of the French carbon steel industry under the 1978 Rescue Plan. The Government funded the conversion of the accumulated debt (approximately 32 billion francs, from the creditors listed above) of the major carbon steel producers (Usinor, Sacilor, Sollac, Solmer, and Chatillon-Neuves-Maisons) to "loans of special characteristics" (0.1 percent interest for five years, 1 percent thereafter, with no fixed obligation to repay principal). The Government also mandated the original shareholders of Sacilor and Usinor to forgive part of the corporate debt of those companies (totalling 500 million francs), and private banks to forego for five years 80 million francs in interest payments due on their loans to the companies concerned.

C. Grants and Preferential Loans

Petitioners allege the existence of grants and preferential loans to French steel companies through the Short-Term Industrial Adaptation Fund, established in 1978 with a 3 billion franc endowment to promote job creation and industrial diversification in French steel, textile, shipbuilding, and coal regions.

D. Regional Development Programs

Petitioners allege that regional development programs, including grants and tax incentives, are available to industries in designated priority zones. In addition, during the construction in the early 1970's of Solmer at Fos-sur-Mer, the Government allegedly provided low-cost land, funded infrastructure development, and exonerated the company from payment of the value-added tax on plant and equipment.

E. Labor-Related Aid

Petitioners allege the existence of aid for the retraining or readaptation, partial lay-offs, early retirement, and housing of steel workers.

F. Research and Development Funding

Petitioners allege the existence of research and development of funding through the Steel Research Institute (Institut de Recherches de la Siderurgie).

G. Preferential Export Financing

Petitioners allege the existence of preferential export financing, including suppliers' credit (exporters, with bank financing, grant credits to foreign buyers); buyers' credit (exporter's bank grants credit directly to foreign buyers); and insurance against non-payment, inflation, exchange rate fluctuation, or other commercial risks.

H. Coal/Coke Input Subsidies

Petitoners allege the existence of coal/coke input subsidies.

II. Other Programs

A. ECSC Preferential Loans

Petitioners allege that the existence of ECSC preferential loans (3 percentage points below normal rate) and loan guarantees. In 1980 the ECSC allegedly offered 30 loans, totalling 829 million francs, to French companies, including Usinor and Sacilor, to facilitate the modernization of steelmaking equipment or to finance job-creating capital investments in mining or steelmaking zones.

B. Other Preferential Loans

Petitioners allege the existence of EIB and New Community Instrument (NCI) preferential loans and loan guarantees for regional development, modernization, and conversion projects.

C. Labor-Related Aid

Petitioners allege the existence of ECSC aid for the retraining or readaptation, and housing of steel workers.

D. Research and Development Funding

Petitioners allege the existence of ECSC research and development funding through its Iron and Steel Research Program.

E. Coal/Coke Input Subsidies

Petitioners allege the existence of ECSC subsidies to coal/coke industries, including preferential loans for regional development, environmental projects, and industrial modernization; labor subsidies; research and development funds; and direct assistance to coking coal projects in the form of non-repayable grants.

In addition, petitoners allege the existence of EIB preferential loans to coal/coke industries.

Finally, petitoners allege the existence of West German "pass-through" subsidies to coal/coke industries. Since French steel producers obtain an estimated 50 percent of their coal and coke from West Germany, they allegedly benefit from a West German subsidy on the production of coke and coal; a West German subsidy on the sale of coke and coal coming from mines at a distance from consumption centers; West German State Aid; and other subsidies listed in U.S. Steel's petition concerning West Germany.

Italy

The Department of Commerce initiated countervailing duty investigations which correspond to the following Commission investigations:

Inv. No. 701-TA-89(P), Hot-Rolled Carbon Steel Plate;
Inv. No. 701-TA-97(P), Hot-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-105(P), Cold-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-112(P), Galvanized Carbon Steel Sheet;
Inv. No. 701-TA-146(P), Hot-Rolled Carbon Steel Bar;
Inv. No. 701-TA-131(P), Hot-Rolled Alloy Steel Bar;
Inv. No. 701-TA-137(P), Cold-Formed Carbon Steel Bar; and,
Inv. No. 701-TA-142(P), Cold-Formed Alloy Steel Bar.

The Commerce Department's description of the Italian subsidy programs alleged in the petitions follows. 1/

I. Italian Government Programs

A. Capital Infusions

Petitioners allege that the Italian Government provides non-repayable capital grants to Italsider, an Italian manufacturer, through Italsider's state-owned parent, Finsider.

1/ This information has been taken from the Memorandum For Gary N. Horlick, Deputy Assistant Secretary of Commerce For Import Administration, from Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), Subject: Initiation of Countervailing Duty Investigations--Certain Steel Products from Italy (February 1, 1982).

B. Aid Granted Under the Industrial Reconstruction and Reconversion Act (Law 675)

Petitioners allege that this law is designed to aid industrial sectors which the Government has determined to be financially distressed. Steel is alleged to be one such industry. Aid under the law allegedly includes low interest Government loans, interest subsidies, and capital grants.

C. Aid to the Mezzogiorno Region (Law 183)

Petitioners allege that the existence of regional development incentives, which include investment grants, preferential loans, tax exemptions, and other benefits.

D. Subsidization of Labor Costs

Petitioners allege that the Italian Government, on at least one occasion in 1981, transferred to Italsider 35 billion lire to permit the company to meet its monthly payroll.

II. Other Programs

A. Coking Coal Subsidies

Petitioners allege that Italsider benefits from subsidized purchases of coking coal. This allegedly occurs because Italsider's German suppliers of coking coal are the recipients of substantial production subsidies from West Germany and the ECSC. These subsidies are alleged to flow through to the coal company's customers--including Italsider--in the form of reduced prices.

B. Aid from the ECSC

Petitioners allege that the ECSC has become a major source of subsidized financing for the Italian Government and the Italian steel industries. The ECSC allegedly provides preferential loans, loan guarantees, research and development grants, and payments to subsidize labor costs.

Luxembourg

The Department of Commerce initiated countervailing duty investigations which correspond to the following Commission investigations:

Inv. No. 701-TA-90(P), Hot-Rolled Carbon Steel Plate;
Inv. No. 701-TA-98(P), Hot-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-106 (P), Cold-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-113(P), Galvanized Carbon Steel Sheet;
Inv. No. 701-TA-121(P), Carbon Steel Structural Shapes; and,
Inv. No. 701-TA-147(P), Hot-Rolled Carbon Steel Bar.

The Commerce Department's description of the subsidy programs of Luxembourg alleged in the petitions follows. 1/ In addition, the Department may investigate other programs which it has encountered in other investigations of imports from Luxembourg. These programs are described below also.

I. Government of Luxembourg Programs

A. Capital Grants

Petitioners allege that in 1979 the Government of Luxembourg (GOL) agreed to grant the steel industry FLux 3.2 billion over a ten-year period for plant modernization. In 1980, GOL allegedly awarded a grant of FLux 7.5 billion for Acieries reunies de Burbach-Eich-Dudelange's (Arbed) investment requirements. Petitioners allege that the GOL reconfirmed that grant commitment in a 1981 agreement.

B. GOL Loans

Petitioners allege that the GOL made a loan to finance construction of two large capacity blast furnaces in 1976 and made other preferential loans in 1980.

C. GOL Investment Aids

Petitioners allege the existence of a program under which loans are available for capital investments in real estate and equipment, research and development projects, and capital expenditures made in connection with environmental projects. Petitioners allege that GOL subsidies have been promised covering up to 15 percent of investments made from 1981 to 1984 in buildings and equipment, research and development, and environmental projects. An additional 10 percent subsidy can be provided for such investments which need not be repaid until the beneficiary earns a taxable income and on terms then to be set.

D. Societe Nationale de Credit d'Investissement Credits

Petitioners allege that the Societe Nationale de Credit d'Investissement Credits (SNCI) provides credits at favorable rates to enterprises for equipment, building, restructuring, new investments, export credits, and equity capital. These loans allegedly cover one third to one half of the investment cost and bear interest rates five to six percent below prevailing market rates.

1/ This information has been taken from the memorandum for Gary N. Horlick, Deputy Assistant Secretary of Commerce for Import Administration, from Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), Subject: Initiation of Countervailing Duty Investigations/Dismissal of Petition--Certain Steel Products from Luxembourg (February 1, 1982).

E. Interest Subsidies

Petitioners allege that three percent interest subsidies are available to the steel industry on loans for capital investments in real estate and equipment, research and development projects, expenses for retraining laborers, and capital expenditures for environmental projects.

F. Tax Concessions

Petitioners allege that, in 1981, the GOL enacted a law that authorizes a tax carryover of losses equal to one half of the depreciation available in any given year to the benefited company. Another tax concession is alleged to permit corporations that are economically and organically, though not legally, related to be treated as a single taxable entity.

G. Aid for Infrastructure

Petitioners allege that the GOL provided a grant to FLux 100 million toward infrastructure costs at the site of Arbed's new cold steel rolling mill. Petitioners also allege the existence of preferential rates for rail transportation from 1980 to 1984.

H. Labor-Related Aid

Petitioners allege that the GOL makes available to the steel industry subsidies for partial lay-offs, grants for retirement, reduction programs, and retraining of workers. The Anti-Crisis Division (DAC) of Arbed was allegedly subsidized through the award of public works projects, and twenty percent of the DAC wage costs were allegedly absorbed by the GOL through payments from the Unemployment Fund.

I. GOL Purchase of Shares and Convertible Bonds

Petitioners allege that in 1980 an arrangement was made for the GOL to buy Arbed convertible bonds in the amount of FLux 7.25 billion. Petitioners also allege that the GOL, through SNCI, purchased FLux 200 million shares of newly issued Metallurgique et Miniere de Rodange-Athus (MMRA) stock in 1978.

J. GOL Guarantee of ECSC Loans

Petitioners allege that in 1981 the GOL agreed to guarantee ECSC loans up to FLux 10 billion.

II. Other Programs

A. ECSC Loans

Petitioners allege that Arbed was granted, in 1980, an ECSC loan to FLux 4 billion to help finance the construction of a new beam and medium section mill, and for other purposes. Petitioners allege that the ECSC subsidizes 60 percent of all approved research programs.

B. EIB and New Community Investment Loans

Petitioners allege that the named institutions grant long-term loans and furnish guarantees. Loans are alleged to be for regional development, modernization, and conversion projects.

C. Coal/Coke Input Subsidies

Petitioners allege that Arbed is subsidized in its purchases of in excess of 85 percent of its annual coke requirements from its German subsidiary, Eschweiler Bergswerks-Verein (EBV). Petitioners allege that EBV is the recipient of substantial subsidies from the Government of West Germany in connection with the production of coking coal and coke.

D. German Pass-Through Subsidies to EBV

Petitioners allege that the West German Government provides subsidies for the sale of coking coal and coke coming from mines at a distance from the consumption centers. P&D subsidies from the West German Government are alleged to include grants.

E. Restructuring Subsidies

Petitioners allege that Arbed benefits from restructuring subsidies, including conditionally repayable subsidies from West Germany and the Government of the State of Nordrhein-Westfalen.

III. Programs Not Alleged in the Petitions That May Be Included In Our Investigations.

We may include in our investigations certain programs which we have encountered in the course of other investigations. The programs are briefly described below.

A. MMFA Rescue Program

We have information that, in 1977, the GOL granted MMFA a credit line in tax and social security payments.

B. Aid for Exportation of Capital Goods

We have information that the Comite pour la Promotion des Exportations des Biens d'Equipment Luxembourgeois (Copel) helps companies export capital goods made in Luxembourg by granting interest subsidies of 1 to 1.5 percent on bank loans to finance production of finished goods for export. Loans may have been granted to Arbed since at least 1977.

The Netherlands

The Department of Commerce initiated countervailing duty investigations which correspond to the following Commission investigations:

Inv. No. 701-TA-91(P), Hot-Rolled Carbon Steel Plate;
Inv. No. 701-TA-99(P), Hot-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-107(P), Cold-Rolled Carbon Steel Sheet and Strip; and,
Inv. No. 701-TA-114(P), Galvanized Carbon Steel Sheet.

The Commerce Department's description of the Dutch subsidy programs alleged in the petitions follows. 1/

I. Dutch Government Programs

A. Loans

Petitioners allege the existence of a plan to provide ten-year, Government-guaranteed loans. The plan is alleged to have been jointly developed in April 1977 by the Dutch Ministry for Economic Affairs and NEHEM (a government agency involved in development planning for Dutch industries) for the purpose of improving the steel industry's long-term earning capacity.

B. Export Incentive Program

Petitioners allege the existence of an export incentive program that includes matching funds designed to encourage exports of capital goods; an export financing arrangement that allows Dutch exporters to borrow money from the Nederlandse Bank NV (NIB) at lower than Government rates; and subordinated loans for exporting companies that provide funds, through at-cost NIB loans, to companies that "contribute significantly to Dutch exports" and that are unable to fund their operations internally.

1/ This information has been taken from the memorandum for Gary N. Horlick, Deputy Assistant Secretary of Commerce for Import Administration, from Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), Subject: Initiation of Countervailing Duty Investigations/Dismissal of Petitions--Certain Steel Products from the Netherlands (February 1, 1982)

C. R&D Grants

Petitioners allege that R&D grants are offered by the Dutch Ministry of Economic Affairs and the Dutch Energy Development Corp. Subsidies are also allegedly provided by various "research centers."

D. Investment Incentive Program

Petitioners allege the existence of an investment incentive program that provides certain bonuses for large-scale investments and encourages the export of capital goods that promote employment in the Netherlands.

E. Labor-Related Aid

Petitioners allege that the Dutch Government provides assistance for vocational training, improvement of labor conditions, and early retirement of workers through various labor subsidy programs.

II. Other Programs

A. ECSC Loans

Petitioners allege that the ECSC provides grants and guaranteed loans to members at either cost or preferential rates.

B. EIB Loans

Petitioners allege that the EIB grants long-term loans and furnishes guarantees to enterprises, public authorities, and financial institutions.

C. Energy Subsidies

Petitioners allege that energy subsidies are provided in the form of ECSC and EC aid to European coal or coke producers that supply Dutch steel producers, agreements between the Netherlands and West Germany concerning the importation of coal and coke from West Germany into the Netherlands, and preferential utility rates.

United Kingdom

The Department of Commerce initiated countervailing duty investigations which correspond to the following Commission investigations:

Inv. No. 701-TA-92(P), Hot-Rolled Carbon Steel Plate;
Inv. No. 701-TA-100(P), Hot-Rolled Carbon Steel Sheet;
Inv. No. 701-TA-108(P), Cold-Rolled Carbon Steel Sheet;
Inv. No. 701-TA-115(P), Galvanized Carbon Steel Sheet;
Inv. No. 701-TA-123(P), Carbon Steel Structural Shapes;

Inv. No. 701-TA-128(P), Hot-Rolled Carbon Steel Bar;
Inv. No. 701-TA-132(P), Hot-Rolled Alloy Steel Bar;
Inv. No. 701-TA-138(P), Cold-Formed Carbon Steel Bar; and,
Inv. No. 701-TA-143(P), Cold-Formed Alloy Steel Bar.

The Commerce Department's descriptions of the British subsidy programs alleged in the petitions follows. 1/

I. British Government Programs:

A. Equity Contributions

Petitioners make subsidy allegations with regard to direct Government payments to British Steel Corp. (BSC) as equity in the form of payments of "Public Dividend Capital" and "New Capital" accounts. Petitioners allege that the accounts are debts of BSC to the Government and that payment of this debt through acceptance of newly issued equity is a subsidy.

B. Low-Interest Loans and Forgiveness of Debt

Petitioners make subsidy allegations with regard to the alleged provision to BSC by the British Government of loans from the National Loans Fund at the Government's cost of borrowing. In addition, BSC has allegedly been provided with partial write-offs of outstanding debt on loans from the National Loans Fund.

C. Guarantees of Third-Party Loans

Petitioners allege that the British Government guarantees repayment by BSC of third party loans. Section 22(1) of the 1967 Iron and Steel Act allegedly allows the Government to guarantee both principal and interest payments on such loans. All foreign loans to BSC are accorded this guarantee.

D. Regional Development Grants

Petitioners allege that the British Government provides grants for capital expenditures in designated regions of the country for use in qualifying activities.

E. Coal and Coke Subsidies

Petitioners allege that the British Government lowers coke prices by subsidizing the National Coal Board.

1/ This information has been taken from the Memorandum For Leonard Shambon, Director, Office of Compliance, From Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), Subject: Initiation of Countervailing Duty Investigations--Certain Steel Products from the United Kingdom (February 1, 1982).

F. Labor Subsidies

Petitioners allege that the British Government operates programs to alleviate adverse economic and social effects of restructuring the steel industry. These programs allegedly include a temporary short-time working compensation scheme, the British Government Redundancy Fund, the Manpower Services Commission, and the Iron and Steel Industry Training Board.

II. Other Programs

A. Low-Interest Loans

Petitioners allege that U.K. steel producers benefit from low-interest loans from the EIB and the ECSC. Petitioners allege that these loans are guaranteed by the British Government. ECSC loans allegedly may include interest reduction rebates.

B. R&D Loans

Petitioners allege that U.K. steel producers may benefit under a program whereby the ECSC provides funds for technical and economic research to EC steel firms with the provision that research findings will be made available to all steel firms in the EC. Petitioners allege that U.K. producers may derive benefits from research and development funds provided directly to them as well as from other grants provided within the EC.

C. Labor Subsidies

Petitioners allege that the ECSC provides assistance in the form of labor subsidies. Programs allegedly include the European Social Fund, the Iron and Steel Employee's Readaptation Benefit Scheme, and ECSC housing loan programs.

West Germany

The Department of Commerce initiated countervailing duty investigations which correspond to the following Commission investigations:

Inv. No. 701-TA-93(P), Hot-Rolled Carbon Steel Plate;
Inv. No. 701-TA-101(P), Hot-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-109(P), Cold-Rolled Carbon Steel Sheet and Strip;
Inv. No. 701-TA-116(P), Galvanized Carbon Steel Sheet;
Inv. No. 701-TA-124(P), Carbon Steel Structural Shapes;
Inv. No. 701-TA-129(P), Hot-Rolled Carbon Steel Bar;
Inv. No. 701-TA-133(P), Hot-Rolled Alloy Steel Bar;
Inv. No. 701-TA-139(P), Cold-Formed Carbon Steel Bar; and,
Inv. No. 701-TA-144(P), Cold-Formed Alloy Steel Bar.

The Commerce Department's descriptions of the West German subsidy programs alleged in the petitions follows. 1/

I. West German Government Programs

A. R&D Subsidies

Petitioners allege the existence of programs administered by the Ministry of Research and Technology, the Ministry of Defense, and various state governments that provide funds for R&D purposes to research institutes, universities, and most West German steel companies.

B. Loan Guarantees

Petitioners allege that West Germany provides guarantees to commercial banks lending to steel companies in a program administered by the Ministry of Economics.

C. Equity Funding

Petitioners allege the funding of financially distressed companies through the purchase of newly issued stock.

D. Other Grants

Petitioners allege the existence of programs intended to stimulate certain industries, or to attract industries to certain areas, through cash compensations for a portion of costs incurred.

E. Coal and Coke Subsidies

Petitioners allege benefits accrue to steel companies after turning over their coal properties to a specially created, Government-endorsed coal company.

F. Price Support System

Petitioners allege that existence of a Government-funded price support system.

II. ECSC Programs

Petitioners allege the provision by the ECSC of direct assistance in the forms of non-repayable grants, R&D grants, funding of certain labor benefits, and loan guarantees to members of the steel industry.

1/ This information has been taken from the Memorandum for Gary N. Horlick, Deputy Assistant Secretary of Commerce for Import Administration, from Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), Subject: Initiation of Countervailing Duty Investigations--Certain Steel Products from the Federal Republic of Germany (February 1, 1982).

APPENDIX F

NATURE AND EXTENT OF ALLEGED SALES AT LTFV

NATURE AND EXTENT OF ALLEGED SALES AT LTFV

Based upon its review of the petitions, the Department of Commerce determined that there is "sufficient evidence of sales at less than fair value" to warrant the initiation of antidumping investigations with respect to certain steel products from each of the following countries: Belgium, France, Italy, Luxembourg, the Netherlands, Romania, The United Kingdom, and West Germany. 1/ The Department relied upon estimates of the margins of LTFV sales supplied in the U.S. Steel petitions and the estimates of the percentage of sales made at LTFV in the Bethlehem petitions. In each case, the petitions alleged that sales in the home markets are made at prices below the cost of production.

Hot-Rolled Carbon Steel Plate

Country and investigation No.	Percentage of sales at LTFV	Average or weighted-average LTFV margin, or range of margins
Belgium, 731-TA-53(P)	14.4	6.8
France, 731-TA-54(P)	74.4	29.5
Italy, 731-TA-55(P)	96.9	51.4
Luxembourg, 731-TA-56(P)	14.4	26.7
the Netherlands, 731-TA-57(P)	100.0	11.2 - 42.1
Romania, 731-TA-58(P)	2/	3/ 19.1 - 34.3
the United Kingdom, 731-TA-59(P)	100.0	4/ 268
West Germany, 731-TA-60(P)	78.9	17.4 - 32.6

Hot-Rolled Carbon Steel Sheet and Strip

Country and investigation No.	Percentage of sales at LTFV	Average or weighted-average LTFV margin, or range of margins
Belgium, 731-TA-61(P)	53.1	21.5
France, 731-TA-62(P)	100.0	27.5
Italy, 731-TA-63(P)	100.0	55.1
Luxembourg, 731-TA-64(P)	53.1	32.1
the Netherlands, 731-TA-65(P)	15.6	9.8 - 38.4
West Germany, 731-TA-67(P)	91.4	25.7 - 34.6

1/ The information relied upon by the Department was specifically set forth in the February 1, 1982, memoranda to Gary N. Horlick, Deputy Assistant Secretary for Import Administration, from Melinda L. Carmen, Director, Office of Investigations (International Trade Administration), concerning the initiation of antidumping duty investigations of certain steel products from each of these countries.

2/ Not available.

3/ Based upon surrogate Italian manufacturer.

4/ 1981 value divided by quantity.

Cold-Rolled Carbon Steel Sheet and Strip

Country and investigation No.	Percentage of sales at LTFV	Average or weighted-average LTFV margin, or range of margins
Belgium, 731-TA-68(P)	6.3	7.2
France, 731-TA-69(P)	97.9	45.8
Italy, 731-TA-70(P)	99.9	40.8
Luxembourg, 731-TA-71(P)	6.3	45.8
the Netherlands, 731-TA-72(P)	71.3	24.9 - 43
the United Kingdom, 731-TA-73(P) 1/	100.0	2/ 332
West German, 731-TA-74(P)	98.4	29.6 - 38.7

Galvanized Carbon Steel Sheet

Country and investigation No.	Percentage of sales at LTFV	Average or weighted-average LTFV margin, or range of margins
Belgium, 731-TA-75(P)	38.8	27.5
France, 731-TA-76(P)	100.0	28
Italy, 731-TA-77(P)	12.5	14.9
Luxembourg, 731-TA-78(P)	38.8	27.5
the Netherlands, 731-TA-79(P)	3/	16.1 - 20.3
the United Kingdom, 731-TA-80(P)	100.0	2/ 305
West Germany, 731-TA-81(P)	98.5	47.2 - 52.4

Carbon Steel Structural Shapes

Country and investigation No.	Percentage of sales at LTFV	Average or weighted-average LTFV margin, or range of margins
Belgium, 731-TA-82(P)	15.7	10.2
France, 731-TA-83(P)	3.0	16.9
Luxembourg, 731-TA-84(P)	15.7	32.2
the United Kingdom, 731-TA-85(P)	100.0	2/ 259
West Germany, 731-TA-86(P)	85.4	4.5 - 11.6

1/ Cold-rolled carbon steel sheet only.
2/ 1981 value divided by quantity.
3/ Not available.

APPENDIX G

THE TRIGGER-PRICE MECHANISM

THE TRIGGER-PRICE MECHANISM 1/

The President, on December 6, 1977, approved a "trigger-price mechanism" (TPM) for certain articles of steel, as formally recommended to him on the same date by the U.S. Treasury Department. 2/ The TPM provided the Secretary of the Treasury 3/ with information necessary for determining when the Government should self-initiate steel antidumping investigations. Normally, investigations are commenced only upon receipt of a petition filed on behalf of the domestic industry. In the original public announcements of the TPM, Treasury described it as consisting of four parts, as follows:

> (1) The establishment of trigger prices for steel mill products imported into the United States. 4/
>
> (2) The adoption of a new Special Summary Steel Invoice (SSSI), Customs Form 5520, applicable to imports of all steel mill products.

1/ The "trigger-price mechanism" was generally referred to in the press and elsewhere as a "reference price" plan prior to its formal announcement in early 1978.

2/ See Report to the President: A Comprehensive Program for the Steel Industry (Dec. 6, 1977), often referred to as the Solomon Report.

3/ At that time, the Secretary of the Treasury was the administering authority for the antidumping statute. The authority has since been transferred to the Secretary of Commerce under Reorganization Plan No. 3 of 1979, effective Jan. 2, 1980. Executive Order No. 12188 (Jan. 2, 1980).

4/ The steel mill products covered are those identified by the American Iron and Steel Institute in 32 categories, as follows:

1 - Ingots, blooms, billets, slabs, etc.
2 - Wire rods.
3 - Structural shapes--plain 3 inches and over.
4 - Sheet piling.
5 - Plates.
6 - Rail and track accessories.
7 - Wheels and axles.
8 - Concrete reinforcing bars.
9 - Bar shapes under 3 inches.
10 - Bars--hot rolled--carbon.
11 - Bars--hot rolled--alloy.
12 - Bars--cold finished.
13 - Hollow drill steel.
14 - Welded pipe and tubing.
15 - Other pipe and tubing.
16 - Round and shaped wire.
17 - Flat wire.
18 - Bale ties.
19 - Galvanized wire fencing.
20 - Wire nails.
21 - Barbed wire.
22 - Black plate.
23 - Tin plate.
24 - Terne plate.
25 - Sheets--hot rolled.
26 - Sheets--cold rolled.
27 - Sheets--coated (including galvanized).
28 - Sheets--coated--alloy.
29 - Strip--hot rolled.
30 - Strip--cold rolled.
31 - Strip--hot and cold rolled--alloy.
32 - Sheets, other-electric coated.

> (3) The continuous collection and analysis of data concerning (a) the cost of production and prices of steel mill products in the countries that are the principal exporters of such products to the United States, and (b) the condition of the domestic steel industry.
>
> (4) Where appropriate, the expedited initiation (triggering) and disposition of proceedings under the Antidumping Act, 1921, and section 153.25 of the Customs Regulations, with respect to imports below the trigger prices.

A final rule was published on February 13, 1978, which amended the Customs Regulations, effective on and after February 21, 1978, to require that SSSI's be presented to Customs at the time entry is made of each shipment of steel covered by the program having an aggregate purchase price over $2,500. 5/ The additional information provided for on the special invoice is for use in the administration and enforcement of the Antidumping Act, 1921.

On March 24, 1980, the Department of Commerce announced the suspension of the TPM after U.S. Steel filed dumping petitions involving steel mill products from seven European countries. 6/

The rationale for the suspension was that--

> The TPM was designed as a substitute for individual antidumping petitions by the domestic steel industry. Under the TPM the resources of the administering authority were utilized to continuously monitor all basic steel mill product imports instead of applying resources to the investigation of individual petitions that necessarily focus on specific products and countries.
>
> With the filing of antidumping petitions (those filed by U.S. Steel Corp.), the basis upon which TPM was maintained no longer exists. Continuation of the TPM while investigating the industry complaints involving a major portion of U.S. imports would be largely redundant. 7/

The TPM was reinstated on October 8, 1980, after U.S. Steel agreed to withdraw its antidumping petitions. 8/ In announcing its decision to reinstate the TPM, Commerce gave notice of the addition to the TPM of an "anti-surge" provision designed to "help identify instances in which dumped or

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5/ The $2,500 figure will be based on the purchase price as shown in the invoice filed in connection with the entry. 43 F.R. 6065 (Feb. 13, 1978).
6/ 45 F.R. 20150 (Mar. 27, 1980).
7/ Id.
8/ 45 F.R. 66833 (Oct. 8, 1980).

subsidized imports may be causing injury." 9/ The anti-surge provision operates as follows:

> 1. Commerce, on request at any time, will consult with the U.S. industry concerning surges in apparently dumped or subsidized imports.
>
> 2. Whenever steel mill product imports rise over 13.7 percent of apparent domestic consumption, the United States industry is operating below 87 percent capability utilization, and there appears to be a surge in imports of one or more specific products from one or more specific countries, Commerce will review the situation. If, as a result of this review, it appears that TPM is being evaded, appropriate action will be taken. (emphasis added)
>
> 3. Whenever aggregate imports exceed 15.2 percent of apparent domestic consumption, the U.S. industry is operating below 87 percent capability utilization, and there appears to be a surge in imports of one or more specific products from one or more specific countries, Commerce will examine the situation to ascertain whether the imports are apparently (1) being dumped on a cost or price basis, (2) the result of government subsidization, or (3) the result of fair competition. (emphasis added) 10/

If the imports "appear to be a result of unfair competition (dumping or subsidization) and if the apparent unfair practice does not abate promptly, Commerce will either initiate dumping/countervailing duty cases on the specific country/product line basis or will immediately make nonconfidential materials and the results of its examination available and any interested party may then file an antidumping or countervailing duty petition . . . ." 11/

It is important to note that neither a surge in imports nor a steel shipment sold for less than the trigger price necessarily means that Commerce will initiate an investigation. Imports below the trigger price are only grounds for informal inquiry. If the importer can satisfy Commerce that there is no reasonable possibility that sales at LTFV have been made, Commerce will not institute an investigation.

On January 11, 1982, the Department of Commerce once again suspended the operation of the TPM in response to the filing of the antidumping and countervailing duty petitions that provide the basis of these investigations. 12/

9/ Id., p. 66834.
10/ Id., pp. 66834 and 66835.
11/ Id., p. 66835.
12/ 47 F.R. 2392 (Jan. 15, 1982).

The establishment of trigger prices

Treasury and, since January 1980, Commerce have announced quarterly trigger prices for each major steel mill product imported into the United States in significant quantities (except during periods in which the TPM was suspended). The trigger price for each product was the total of a "base price" plus "extras," if any, plus "transportation charges" from Japan, and was quoted per metric ton. The trigger prices applied to importations from all countries.

The base price for a steel product was derived from the estimated costs of production in Japan of all steel products. Base prices were constructed and revised (on a quarterly basis after June 30, 1978) from information available to Treasury (Commerce), including evidence submitted by Japan's Ministry of International Trade and Industry (MITI) in regard to the current cost of producing steel in Japan--the country Treasury determined to be the most efficient producer. The data supplied by MITI were compiled by the six major integrated steel companies in Japan, and by a number of nonintegrated minimills.

The extras, if any, were charges added to the base prices of steel mill products which were sold to specifications for width, thickness, chemistry, or surface preparation that differed from those of the base products. The extras were calculated by Treasury from data obtained from MITI and other sources.

The transportation charges which were added to the base price plus extras, if any, included foreign inland freight, loading, ocean freight, insurance, interest, and wharfage charges, but did not include U.S. import duties. Importers' sales commissions were also excluded since the trigger price was based upon the cost to the importer, assuming the importer was dealing on an arm's-length basis. To the extent the importer was related to the exporter of the steel mill product and the transfer price did not reflect an arm's-length transaction, the first resale price by the importer to an unrelated U.S. buyer was compared with the trigger price.

The "importation charges" were calculated for each broad product category on the basis of existing data on average freight rates and wharfage charges for each of four regions of the country served by ports of entry on the west coast, gulf coast, east coast, and Great Lakes, 13/ respectively. In general, transportation charges and, hence, trigger prices, were lowest on the west coast, and increased for each of the other regions in the above-mentioned order. Thus, a trigger price for a specific steel mill product varied depending upon the region into which is was imported and entered.

The trigger prices initially established were applicable to all shipments loaded for export on or before June 30, 1978, i.e., the end of the second

13/ Questions raised about the Great Lakes transportation charges were published for comment. 43 F.R. 23669 (May 31, 1978). Treasury's findings, conclusions, and adjustments of the freight component of trigger prices for steel mill products imported through Great Lakes ports of entry were published thereafter. 43 F.R. 32730 (July 27, 1978).

calendar quarter of 1978. 14/ All original calculations used in estimating costs of production in Japan were based upon several stated assumptions, including an exchange rate of 240 yen to the U.S. dollar. The trigger prices were revised on a quarterly basis to reflect changes in costs and in exchange rates. 15/ Revised trigger prices were established within 5 percent above or below any revised cost of production data, where necessary, to minimize fluctuations. 16/

On October 8, 1981, Commerce published a new TPM procedures manual, which describes the manner in which the Department monitors the importation of basic steel mill products into the United States. 17/ One of the major revisions in the manual was the adoption of new procedures for determining the relevant transaction price where the foreign seller is related to the U.S. purchaser (importer). 18/ Under such circumstances, Commerce can obtain and monitor the ex-mill price whenever it believes, based on its evaluation of all the circumstances of a transaction, that such monitoring is required to realize the objectives of the TPM. 19/

Use of the SSSI

As mentioned, the SSSI was to be filed, effective on or after February 21, 1978, at the time customs entry was made of a shipment of steel covered by the TPM having an aggregate purchase price of more than $2,500. Information supplied on this invoice, including the date and terms of the contract between buyer and seller, was used to "monitor" the TPM. Beginning with shipments entered on February 21, 1978, all imports of steel mill products loaded for export to the United States after the publication of the relevant trigger prices were examined by the Customs Service. If the SSSI's filed at the time of entry reflected "substantial" or "repeated" imports at prices below applicable trigger prices, the matter was investigated by the Special Customs Steel Task Force to determine whether an immediate investigation under the Antidumping Act should be "triggered" by Treasury on its own motion.

Grace periods.--When a trigger price was first published for a specific steel mill product, a grace period was provided during which no formal Antidumping Act investigations were triggered by Treasury with respect to shipments of such products (1) if the SSSI and other documentation satisfied

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14/ For "base prices," see 43 F.R. 1464 (Jan. 9, 1978); for "extras," see 43 F.R. 4703 (Feb. 3, 1978); and for "transportation charges," see 43 F.R. 8657 (Mar. 2, 1978).

15/ 43 F.R. 1464 (Jan. 9, 1978).

16/ Id.

17/ 46 F.R. 49928-36 (Oct. 8, 1981).

18/ 46 F.R. 49928 and 49932 (Oct. 8, 1981). The specific abuse that the new procedures were intended to redress was the establishment by a U.S. steel purchaser of an offshore buying office.

19/ Id.

Treasury that the prices for such shipments were fixed before the publication of the applicable trigger price and could not be varied in accordance with the terms of the parties' contract and (2) in the absence of other information indicating that such shipments were priced at LTFV within the meaning of the Antidumping Act. 20/

For contracts between the importer and an unrelated foreign exporter, the imports covered thereby had to be entered on or before the relevant date specified for the grace period. For contracts between the importer and a related foreign exporter, the imports had to be delivered to an unrelated U.S. buyer before that date.

Preclearance.--In administering the TPM, the Customs Service initiated procedures to determine whether a company could sell a product or group of products at a price less than the established trigger price and still be selling in the United States at fair value. Customs sent questionnaires to those companies requesting such "preclearance" from selling at or above trigger prices. The data were verified, and certain companies were granted preclearances. Followup procedures were also instituted to insure continued compliance. The list of preclearances granted by company, country, and products is shown below:

Company	Country	Products
Ivaco	Canada	Wire rods.
Dofasco	Canada	All steel mill products.
Algoma	Canada	All steel mill products.
Stelco	Canada	All steel mill products.
Swedish Wire Corp	Sweden	Wire (stainless).
Bekaert Steel Wire Corp	Belgium	Wire (stainless).
Productos De Acero	Mexico	Barbed wire.

Triggered Antidumping Act investigations.--In all other instances in which the price of a shipment was found by Customs to be lower than the applicable trigger price, Customs could initiate immediate informal inquiries of the importer to determine whether such sale was less at LTFV within the meaning of the Antidumping Act. Unless Treasury (Commerce) was satisfied within an alloted time period that no reasonable possibility of sales at LTFV was found, an antidumping proceeding notice was published with respect to that shipment and other shipments of such or similar merchandise from the same exporter or from the same country of exportation, as Treasury (Commerce) deemed appropriate.

In accordance with this procedure, Treasury initiated (triggered) a formal investigation under the Antidumping Act with respect to carbon steel

20/ See Treasury Press Release B-689 of Feb. 10, 1978; 43 F.R. 12783 (Mar. 27 1978); 43 F.R. 18383 (Apr. 28, 1978); 43 F.R. 22122 (May 23, 1978); 43 F.R. 32715 (July 27, 1978); 43 F.R. 54717 (Nov. 22, 1978); and 44 F.R. 4767 (Jan. 23, 1979).

plate from Taiwan and Poland 21/ and certain steel wire nails from the Republic of Korea. The Commission subsequently made an affirmative injury determination in the case of carbon steel plate from Taiwan 22/ and a negative injury determination in the case of imports of plate from Poland. 23/ In the case of imports of nails from Korea, the Commission made an affirmative determination of reasonable indication of injury, 24/ but made a final determination of no injury. 25/ The final determination is now being litigated in the Court of International Trade. 26/

The Department of Commerce has self-initiated 10 cases pursuant to TPM procedures. It initiated a second series of investigations concerning imported steel wire nails, this time from Japan, the Republic of Korea, and Yugoslavia. 27/ The Japanese case was terminated prior to the Commission's vote on the preliminary investigation, on the basis of assurances given to Commerce by the Japanese nail manufacturers. 28/ The Commission found no reasonable indication of injury from imports of nails from Yugoslavia, 29/ but did find a reasonable indication of injury by reason of imports of certain steel wire nails from the Republic of Korea. 30/ That case is now before the Commission for a final determination of material injury or threat thereof. 31/

In November 1981, Commerce self-initiated seven cases on steel products: (1) Hot-rolled carbon steel plate from Belgium; 32/ (2) hot-rolled carbon

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21/ 43 F.R. 49875 (Oct. 25, 1978), terminated as to Spain, 43 F.R. 54315 (Nov. 21, 1978).

22/ Carbon Steel Plate From Taiwan: Determination of Injury in Investigation No. AA1921-197 . . ., USITC Publication 970, May 1979.

23/ Carbon Steel Plate From Poland: Determination of No Injury or the Likelihood Thereof in Investigation No. AA1921-203 . . ., USITC Publication 994, June 1979.

24/ Certain Steel Wire Nails From the Republic of Korea: Determination of "A Reasonable Indication of Injury" in Inquiry No. AA1921-Inq.-26 . . ., USITC Publication 975, May 1979.

25/ Certain Steel Wire Nails From the Republic of Korea: Determination of the Commission in Investigation No. 731-TA-26 (Final) . . ., USITC Publication 1088, August 1980.

26/ Armco, Inc. v. United States, No. 80-9-01435 (C.I.T., filed Sept. 12, 1980).

27/ 46 F.R. 34613 (July 2, 1981) (Japan); 46 F.R. 34614 (July 2, 1981) (Yugoslavia); 46 F.R. 34615 (July 2, 1981) (Republic of Korea).

28/ 46 F.R. 41122 (Aug. 14, 1981) (Commerce's notice of termination based on assurances); Certain Steel Wire Nails From Japan, the Republic of Korea, and Yugoslavia: Determination of the Commission in Investigations Nos. 731-TA-45, 46, and 47 (Preliminary) . . ., USITC Publication 1175, August 1981, pp. 3, A-1, and A-57 through A-67.

29/ Id., p. 1.

30/ Id.

31/ Certain steel wire nails from the Republic of Korea, inv. No. 731-TA-46 (Final).

32/ 46 F.R. 56635 (Nov. 18, 1981) (initiation of investigation).

steel plate from Brazil; 33/ (3) hot-rolled carbon steel plate from Romania; 34/ (4) hot-rolled carbon steel plate from South Africa; 35/ (5) hot-rolled carbon steel sheet from France; 36/ (6) sheet piling from Canada; 37/ and (7) structural steel from Spain. 38/ The Commission made affirmative preliminary determinations on the five steel cases that came before it. 39/ However, Commerce terminated all of the steel investigations, except for the case on sheet piling from Canada, when the domestic steel industry filed the antidumping and countervailing duty petitions currently under investigation. 40/ The reason for the terminations was that the terminated cases are all covered by the current investigations. 41/

33/ 46 F.R. 56636 (Nov. 18, 1981) (initiation of investigation).

34/ 46 F.R. 56637 (Nov. 18, 1981) (initiation of investigation).

35/ 46 F.R. 56638 (Nov. 18, 1981) (initiation of investigation). The case involving imports from South Africa did not come before the Commission for an injury determination, as South Africa does not qualify as "a country under the Agreement" per 19 U.S.C. § 1671(b). Consequently, imports from South Africa are not entitled to an injury determination prior to the imposition of a countervailing duty.

36/ 46 F.R. 56639 (Nov. 18, 1981) (initiation of investigation).

37/ 46 F.R. 57586 (Nov. 24, 1981) (initiation of investigation).

38/ 46 F.R. 57587 (Nov. 24, 1981) (initiation of investigation). The case involving imports from Spain did not come before the Commission for an injury determination, as Spain does not qualify as "a country under the Agreement" per 19 U.S.C. § 1671(b). Consequently, imports from Spain are not entitled to an injury determination prior to the imposition of a countervailing duty.

39/ Hot-Rolled Carbon Steel Sheet From France: Determination of the Commission in Investigation No. 701-TA-85 (Preliminary) . . ., USITC Publication 1206, January 1982; Hot-Rolled Carbon Steel Plate From Belgium, Brazil, and Romania: Determinations of the Commission in Investigations Nos. 701-TA-83 and 701-TA-84 (Preliminary) . . . and Investigation No. 731-TA-51 (Preliminary) . . ., USITC Publication 1207, January 1982; and Sheet Piling From Canada: Determination of the Commission in Investigation No. 731-TA-52 (Preliminary) . . ., USITC Publication 1212, January 1982.

40/ 47 F.R. 5754 (Feb. 8, 1982).

41/ 47 F.R. 5754 (Feb. 8, 1982).

APPENDIX H

THE DAVIGNON PLAN

THE DAVIGNON PLAN

Within the EC steel market, control of prices, levels of shipments, and restructuring, modernization, and rationalization of steel production are orchestrated by the Commission of the European Community (CEC). Minimum price levels within the EC have been in effect since May 1977. Bilateral trade arrangements which set minimum prices and, in the case of non-European Free Trade Association (EFTA) countries, quantitative levels of imports have been effected with major steel importers of the EC. As a result of the restructuring effort, the proportion of steel made in electric and BOF steel furnaces has risen (from 78 percent in 1974 to 94 percent in 1979 and 97 percent in 1980), 1/ the proportion of continuous cast steel has risen (from 12 percent of the total in 1974 to 30 percent in 1979 and 39 percent in 1980), 2/ obsolete plants have been closed and labor forces reduced (e.g., total employment in the EC's steel industry fell from 685,000 workers on December 31, 1978, 3/ to 549,000 workers on December 31, 1981), 4/ 5/ and substantial investments have been made for modernization in existing plants.

By late 1976, it was clear that the EC domestic steel situation was very grave. Operating rates ranged from 60 to 70 percent, and a dramatic shift had occurred in the EC steel trade position (from net exports of 27 million tons in 1974 to only 7 million tons in 1976). As a result, on January 1, 1977, the EC embarked on a new effort devised by the CEC, called the Simonet Plan, which called for "voluntary" quotas on steel produced by European firms for distribution within the Common Market.

While the CEC plan for voluntary guidelines did not need the approval of the European Council or the ECSC Consultative Committee, mandatory quotas or minimum prices would have required such approval. In this connection, in April 1977, the CEC presented the Davignon Plan to the European Council in Rome. The fundamental goals of the Davignon Plan are to establish minimum price levels in the EC market, control levels of imports and levels of shipments within the EC by domestic producers, and restructure the EC steel industry.

The goal of establishing minimum price levels in the EC market was approached by the institution of compulsory price minimums for concrete reinforcing bars and "guidance" prices for most other principal steel products. These prices were published in the May 5, 1977, issue of the Official Journal of the European Communities. The Community Council of Ministers recommended in November 1977, and the Consultative Committee of the ECSC recommended in December 1977, approval of the CEC's plans to set obligatory minimum prices for steel imports effective January 1978 "to prevent undercutting of Community producers by foreign competitors."

1/ Eurostat, Iron and Steel Yearbook 1981.
2/ Ibid.
3/ Eurostat, Monthly Bulletin, Dec. 13, 1980.
4/ Ibid., Jan. 15, 1982.
5/ Represents employment for all EC steel-producing countries, except Greece.

To insure the effectiveness of the Davignon Plan in raising domestic price levels, measures were required to limit steel shipments from third countries, both in terms of quantity and price. This protection of Europe's home market was achieved through a series of bilateral trade arrangements.

By 1979, the CEC had arranged bilateral trade arrangements with 17 countries. Bilateral arrangments for 1980 were in effect between the CEC and 12 of the 17 countries. The 1980 agreements between the CEC and Japan, Spain, Australia, Bulgaria, Czechoslovakia, Romania, Hungary, and Poland set prices for sales in the EC market and specific tonnage targets for shipments into the EC market. 1/ The arrangements in effect with the four EFTA countries, Austria, Finland, Norway, and Sweden, set prices (identical to those for the non-EFTA countries) for sales in the EC market but set no quantitative ceilings. Most countries undershot the quantitative targets both in 1978 and 1979. Only Spain seriously exceeded its quantitative level.

In 1981, the CEC negotiated bilateral trade arrangements with 14 countries. 2/ Bilateral trade arrangements for 1982 are being negotiated with the same countries. As of February 1, 1982, arrangements had been concluded with 4 of the 14 countries. 3/ The 1981 and 1982 bilateral arrangements set ceilings on the levels of imports. The 1981 ceiling was 87.5 percent of the 1980 level of shipments to the EC from each country. The 1982 ceiling is 90.5 percent of the 1980 levels. If the exporting countries stay within the negotiated ceilings, they are allowed certain penetration margins. They can sell ordinary steel at prices that are 6 percent below the price levels that EC producers are required to charge. They can sell specialty steel at 4 percent below the EC's pricing structure. If a country exceeds the ceiling, it is allowed to continue selling in the EC, but it loses the penetration allowance and becomes subject to published basic prices for imports. If a particular product from that country is sold at less than the basic price, it becomes subject to antidumping measures.

The reference price system of the EC and the U.S. trigger-price system (a discussion of the TPM is presented in appendix G) both provided that sales negotiated below the reference price became liable to antidumping investigations. However, subsequent to the establishment of bilateral trade arrangements, the EC suspended antidumping procedures against countries with which it had concluded such agreements as long as they stayed within the permissible ceilings and penetration margins.

1/ The quantitative levels were generally close to the 1979 levels.

2/ Australia, Austria, Brazil, Bulgaria, Czechoslovakia, Finland, Hungary, Japan, Norway, Poland, Rumania, the Republic of Korea, Spain, and Sweden.

3/ Finland, Japan, Norway, and Sweden.

APPENDIX I

PRODUCT LIST

PRODUCT LIST

The products identified in this appendix are those used by the Commission to collect pricing information in its questionnaires.

Hot-Rolled Carbon Steel Sheet and Strip

Product 1: Hot-rolled carbon steel sheets, in coils, commercial quality, 0.25 percent carbon maximum, not pickled, 0.1210 inch through 0.2509 inch in thickness, over 36 inches through 72 inches in width.

Product 2: Hot-rolled carbon steel sheets, in coils, commercial quality, 0.25 percent carbon maximum, not pickled, 0.0810 inch through 0.1209 inch in thickness, over 48 inches through 72 inches in width.

Product 3: Hot-rolled carbon steel bands, in coils, mill edge, commercial quality, 0.25 percent carbon maximum, not pickled, 0.1210 inch through 0.2509 inch in thickness, over 36 inches through 72 inches in width.

Cold-Rolled Carbon Steel Sheet and Strip

Product 4: Cold-rolled carbon steel sheets, in coils, commercial quality, class 1, 0.0280 inch to 0.0630 inch in thickness, 45 inches through 60 inches in width.

Product 5: Cold-rolled carbon steel sheets, in coils, commercial quality, class 2, 0.0280 inch to 0.0630 inch in thickness, 45 inches through 60 inches in width.

Galvanized Carbon Steel Sheet

Product 6: Galvanized carbon steel sheets, in coils, commercial or lockforming quality, G-90 coating, regular or minimum spangle, 0.0190 inch through 0.0209 inch in thickness, over 42 inches through 48 inches in width.

Product 7: Galvanized carbon steel sheets, in coils, commercial or lockforming quality, G-90 coating, regular or minimum spangle, 0.0350 inch through 0.0379 inch in thickness, 36 inches through 48 inches in width.

Product 8: Galvanized carbon steel sheets, in coils, commercial or lockforming quality, G-60 coating, regular or minimum spangle, 0.0130 inch through 0.0139 inch in thickness, 30 inches through 42 inches in width.

Hot-Rolled Carbon Steel Plate

Product 9: Hot-rolled carbon steel plate, 0.33 percent carbon maximum, sheared or mill edge, not heat treated, not cleaned or oiled, in cut lengths, 0.1875 inch through 0.2499 inch in thickness, over 90 inches through 100 inches in width.

Product 10: Hot-rolled carbon steel plate, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 0.3750 inch through 0.4999 inch in thickness, over 90 inches through 100 inches in width.

Product 11: Hot-rolled carbon steel plate, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 1/4 inch to under 5/16 inch in thickness, over 60 inches through 72 inches in width.

Product 12: Hot-rolled carbon steel plate, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 1-1/2 inches through 3 inches in thickness, over 90 inches through 100 inches in width.

Carbon Steel Structural Shapes

Product 13: Wide flange carbon steel beams, A-36 or equivalent, 8 inches by 6-1/2 inches, 24-28 lbs./ft., 40-60 feet in length.

Product 14: Wide flange carbon steel beams, A-36 or equivalent, 8 inches by 8 inches, 31-67 lbs./ft., 40-60 feet in length.

Product 15: Wide flange carbon steel beams, A-36 or equivalent, 24 inches by 9 inches, 24 inches by 12 inches, or 24 inches by 12-3/4 inches, 68-162 lbs./ft., 40-60 feet in length.

Product 16: Wide flange carbon steel beams, A-36 or equivalent, 10 inches by 10 inches, 49-112 lbs./ft., 40-60 feet in length.

Product 17: Carbon steel channels, A-36 or equivalent, 3 inches and over in maximum cross-sectional dimension, 50 lbs./ft. and under.

Product 18: Standard carbon steel I beams, A-36 or equivalent, 3 inches and over in maximum cross-sectional dimension, 50 lbs./ft. and under.

Hot-Rolled Carbon Steel Bar

Product 19: Hot-rolled carbon steel bars, in cut lengths or coils, 3/4 inch through 4-3/8 inches in diameter/thickness, all shapes except flats, 1000 series, not thermal treated.

Hot-Rolled Alloy Steel Bar

Product 20: Hot-rolled alloy steel bars, in cut lengths or coils, 2-15/16 inches through 9-1/2 inches in diameter/thickness, rounds, 4100 series (chrome-moly steel), not thermal treated.

Cold-Formed Carbon Steel Bar

Product 21: Cold-finished carbon steel bars, in cut lengths or coils, 1/2 inch through 4 inches in diameter/thickness, all shapes including flats, 1000 series, not thermal treated.

Cold-Formed Alloy Steel Bar

Product 22: Cold-finished alloy steel bars, in cut lengths or coils, 1/2 inch through 4 inches in diameter/thickness, all shapes except flats, 8600 series, not thermal treated.

APPENDIX J

PRICING TABLES

Hot-rolled carbon steel plate	Tables 1-11
Hot-rolled carbon steel sheet and strip	Tables 12-21
Cold-rolled carbon steel sheet and strip	Tables 22-32
Galvanized carbon steel sheet	Tables 33-35
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Cold-formed alloy steel bar	Tables 56-57

Table I : Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Hot-rolled carbon steel plate

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 9										
1981										
January-March	100	104	-	-	-	-	-	109	100	-
April-June	105	105	-	-	-	-	-	102	101	-
July-September	100	109	-	-	-	-	-	101	-	-
October-December	101	102	-	-	2/	-	-	102	-	-
1981										
January-March	103	99	-	-	-	-	-	99	113	-
April-June	105	110	-	-	-	-	2/	101	-	-
July-September	106	106	-	-	-	-	-	112	-	-
October-December	105	107	-	-	-	-	-	118	-	-
Product 10										
1980										
January-March	100	109	-	-	-	-	-	100	100	100
April-June	105	103	-	-	-	-	-	102	117	96
July-September	104	101	-	-	-	-	100	108	109	94
October-December	109	104	-	-	-	-	98	122	100	103
1981										
January-March	110	107	-	-	-	2/	-	125	110	-
April-June	115	114	-	-	-	-	-	133	117	-
July-September	115	115	-	-	-	-	114	120	117	-
October-December	114	113	-	-	-	-	114	127	124	-
Product 11										
1980										
January-March	104	109	-	-	-	-	-	100	100	-
April-June	107	103	-	-	-	-	-	105	112	-
July-September	102	107	-	-	-	-	-	96	-	-
October-December	104	108	-	-	-	-	-	101	112	-
1981										
January-March	117	117	-	-	-	-	-	114	109	-
April-June	108	124	-	-	-	-	100	112	115	-
July-September	105	123	-	-	-	-	-	113	113	-
October-December	110	125	-	-	-	-	117	119	117	-
Product 12										
1980										
January-March	104	108	-	-	-	-	-	108	108	-
April-June	104	96	-	-	-	-	-	102	108	100
July-September	104	104	-	-	-	-	-	105	113	96
October-December	108	103	-	-	-	-	-	127	113	110

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

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Table 2 : Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1983-December 1984

Hot-rolled carbon steel plate

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 12										
1984										
January-March---	108	118	-	-	-	100	-	109	108	111
April-June------	116	113	-	100	-	-	-	115	103	113
July-September--	116	116	-	100	-	-	-	118	114	-
October-December	116	116	-	100	-	100	-	115	115	-

1/ See product list for specifications, Appendix I.

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

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Table 3 :Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Hot-rolled carbon steel plate

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 9										
1980										
January-March---	108	108	-	-	-	-	-	-	-	-
April-June------	103	108	-	-	-	-	-	100	-	-
July-September--	106	114	-	-	-	-	-	101	-	-
October-December	106	-	-	-	-	-	-	100	-	-
1981										
January-March---	109	117	-	-	-	-	-	99	-	-
April-June------	113	119	-	-	-	-	-	102	-	-
July-September--	115	119	-	-	-	-	-	-	-	-
October-December	116	128	-	-	-	-	-	100	104	100
Product 10										
1980										
January-March---	110	110	-	-	-	-	-	100	104	95
April-June------	105	111	-	-	-	-	-	102	103	93
July-September--	105	110	-	-	-	-	-	109	99	98
October-December	107	115	-	-	-	-	-	118	110	113
1981										
January-March---	109	111	-	-	-	-	-	109	107	-
April-June------	115	122	-	-	-	-	100	-	111	-
July-September--	117	116	-	-	-	-	115	-	120	-
October-December	119	120	-	-	-	-	-	120	111	-
Product 11									102	-
1980										
January-March---	101	109	-	-	-	-	-	100	-	-
April-June------	106	116	-	-	-	-	-	106	100	-
July-September--	107	119	-	-	-	-	-	97	-	-
October-December	108	124	-	-	-	-	-	100	100	-
1981										
January-March---	111	128	-	-	-	-	-	110	-	-
April-June------	116	-	-	-	-	-	-	119	108	-
July-September--	116	-	-	-	-	-	-	113	102	-
October-December	116	131	-	-	-	-	-	128	105	-
Product 12										
1980										
January-March---	100	104	-	-	-	-	-	-	100	-
April-June------	103	97	-	-	-	-	-	100	105	-
July-September--	102	-	-	-	-	-	-	101	104	-
October-December	99	-	-	-	-	-	-	101	108	-

1/ See product list for specifications, Appendix I.

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

J-4

Table 4 : Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Hot-rolled carbon steel plate

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 12										
1981										
January-March	109	108	-	-	-	-	-		110	-
April-June	107	108	-	-	-	-	-	96	105	-
July-September	108	121	-	-	-	-	-	94	106	-
October-December	126	123	-	-	-	-	-	117	108	-
								105		

1/ See product list for specifications, Appendix I.

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

J-5

Table 5 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1984-December 1984

Hot-rolled carbon steel plate, purchased in the Atlanta area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 9																		
January-March	48	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95	24	-	-
July-September	-	-	-	-	-	-	-	-	-	-	-	-	43	9	-	-	-	-
October-December	44	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 10																		
January-March	6	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	21	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July-September	-3	-1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 11																		
January-March	36	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64	9	-	-
Product 12																		
April-June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84	16	-	-
July-September	27	5	-	-	-	-	-	-	-	-	-	-	-	-	105	21	-	-
October-December	4	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-6

Table 6 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel plate, purchased in the Chicago area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 10																		
October-December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34	7	-	-

1/ See product list for specifications, Appendix 1.

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

J-7

Table 7 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel plate, purchased in the Philadelphia area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 10																		
October-December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72	16	-	-

1/ See product list for specifications, Appendix I.

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

J-8

Table 8 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel plate, purchased in the Atlanta area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Rumania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 10																		
April-June	47	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December	11	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

I-9

Table 9 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel plate, purchased in the Chicago area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 10																		
July-September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83	13	-	-
Product 12																		
January-March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61	13	-	-
April-June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78	15	-	-
July-September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98	17	-	-
October-December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98	17	-	-

1/ See product list for specifications, Appendix I.

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

J-10

Table III:Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel plate, purchased in the Detroit area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 12																		
January-March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-20	-4	-	-

1/ See product list for specifications, Appendix I.

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

J-11

Table 11: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel plate, purchased in the Houston area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 9																		
January-March	-16	-6	-	-	-	-	-	-	-	-	-	-	-	-	-45	-10	-	-
April-June	-9	-2	-	-	-	-	-	-	-	-	-	-	-	-	-38	-9	-	-
Product 10																		
January-March	45	9	-	-	-	-	-	-	-	-	-	-	-	-	16	3	-	-
April-June	64	13	-	-	-	-	-	-	-	-	-	-	-	-	81	16	-	-
July-September	74	14	-	-	-	-	-	-	-	-	-	-	-	-	2	0	-	-
October-December	48	11	-	-	-	-	-	-	-	-	-	-	-	-	-39	-8	-	-
Product 11																		
January-March	-6	-1	-	-	-	-	-	-	-	-	-	-	-	-	-45	-10	-	-
October-December	-84	-19	-	-	-	-	-	-	-	-	-	-	-	-	-85	-19	-	-
Product 12																		
January-March	-38	-7	-	-	-	-	-	-	-	-	-	-	-	-	-24	-5	-	-
April-June	25	5	-	-	-	-	-	-	-	-	-	-	-	-	11	2	-	-
July-September	-25	-5	-	-	-	-	-	-	-	-	-	-	-	-	-29	-6	-	-
October-December	24	5	-	-	-	-	-	-	-	-	-	-	-	-	-15	-3	-	-

1/ See product list for specifications, Appendix J.

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

J-12

Table 12: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 1										
1980										
January-March	100	-	100	-	-	-	-	100	-	-
April-June	100	-	102	-	-	-	-	102	-	-
July-September	99	-	104	-	-	-	-	104	-	-
October-December	101	-	107	-	-	-	-	107	-	-
1981										
January-March	102	-	-	-	-	-	-	114	-	-
April-June	106	-	111	-	-	-	-	115	-	-
July-September	107	-	115	-	-	-	-	110	-	-
October-December	108	-	117	-	-	-	-	114	-	-
Product 2										
1980										
January-March	100	-	100	-	-	101	-	100	-	-
April-June	106	-	102	-	-	-	-	102	-	-
July-September	102	-	105	-	-	-	-	101	-	-
October-December	99	-	105	-	-	-	-	101	-	-
1981										
January-March	106	-	-	-	-	-	-	112	-	-
April-June	111	-	111	-	-	-	-	105	-	-
July-September	118	-	118	-	-	-	-	114	-	-
October-December	120	-	115	-	-	-	-	115	-	-
Product 3										
1980										
January-March	100	-	100	-	-	104	-	105	-	-
April-June	102	-	105	-	-	94	-	99	-	-
July-September	97	-	105	-	-	88	-	103	-	-
October-December	99	-	106	-	-	87	-	104	-	-
1981										
January-March	105	100	116	-	-	107	-	103	-	-
April-June	103	102	114	-	-	102	-	109	-	-
July-September	115	106	114	-	-	95	-	109	2/	-
October-December	112	98	116	-	-	108	-	115	-	-

1/ See product list for specifications, Appendix J.
2/ Single observation.

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

J-13

Table 13: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Hot-rolled carbon steel sheet

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brazil	Romania
Product 1										
1980										
January-March	100	-	100	-	-	-	-	100	-	-
April-June	103	-	106	-	-	-	-	102	-	-
July-September	99	-	106	-	-	-	-	104	-	-
October-December	100	-	105	-	-	-	-	107	-	-
1981										
January-March	106	-	-	-	-	-	-	114	-	-
April-June	109	-	119	-	-	-	-	115	-	-
July-September	104	-	120	-	-	-	-	115	-	-
October-December	102	-	122	-	-	-	-	116	-	-
Product 2										
1980										
January-March	100	-	100	-	-	-	-	100	-	-
April-June	104	-	103	-	-	-	-	102	-	-
July-September	100	-	102	-	-	-	-	101	-	-
October-December	103	-	104	-	-	-	-	101	-	-
1981										
January-March	109	-	-	-	-	-	-	112	-	-
April-June	114	-	117	-	-	-	-	109	-	-
July-September	114	-	117	-	-	-	-	114	-	-
October-December	116	-	125	-	-	-	-	115	-	-
Product 5										
1980										
January-March	100	-	100	-	-	100	-	100	-	-
April-June	99	-	103	-	-	99	-	103	-	-
July-September	99	-	-	-	-	96	-	104	-	-
October-December	100	-	103	-	-	101	-	106	-	-
1981										
January-March	109	-	-	-	-	114	-	106	-	-
April-June	110	-	114	-	-	110	-	102	-	-
July-September	115	2/	116	-	-	106	-	103	-	-
October-December	111	-	118	-	-	109	-	112	-	-

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

J-14

Table J-1: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet, purchased in the Chicago area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1																		
April-June	-	-	-1	-3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December	-	-	7	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 2																		
October-December	-	-	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 3																		
July-September	-54	-16	-	-	-29	-9	-	-	-	-	-	-	-29	-9	-	-	-	-
October-December	14	3	-	-	5	1	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix J.

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

J-15

Table 15: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet , purchased in the Detroit area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 3																		
April-June	-	-	-	-	-	-	-	-	-56	-18	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-16

Table [illegible]: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet, purchased in the Houston area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1																		
July-September	-41	-11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 2																		
July-September	-	-	6	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix [illegible].

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

J-17

Table J-7: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet, purchased in the Los Angeles area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1																		
April-June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July-September	34	4	-61	-11	-	-	-	-	-	-	-	-	12	3	-	-	-	-
Product 2																		
April-June	-	-	-24	-7	-	-	-	-	-	-	-	-	-7	-2	-	-	-	-
Product 3																		
January-March	-	-	16	4	-	-	-	-	-	-	-	-	8	8	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-18

Table 18:Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet , purchased in the Philadelphia area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1																		
April-June	-	-	41	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December	-	-	25	7	-	-	-	-	1	-	-	-	-	-	-	-	-	-
Product 2																		
January-March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	-	-	24	6	-	-	-	-	1	-	-	-	3	1	-	-	-	-
October-December	-	-	35	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-19

Table 19.--Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet , purchased in the Atlanta area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1																		
July-September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December	3	1	-	-	-	-	-	-	-	-	-	-	18	6	-	-	-	-
Product 2																		
April-June	8	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July-September	-	-	-	-	-	-	-	-	-	-	-	-	19	6	-	-	-	-

1/ See product list for specifications, Appendix J.

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

J-20

Table 20: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet , purchased in the Chicago area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 3																		
April-June	-	-	-	-	-	-	-	-	-39	-12	-	-	-	-	-	-	-	-
July-September	-	-	-	-	-	-	-	-	10	3	-	-	-	-	-	-	-	-
October-December	-	-	-	-	-	-	-	-	-15	-5	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-21

Table 21-Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel sheet , purchased in the Philadelphia area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 1																		
January-March	-	-	31	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	-	-	7	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July-September	-	-	7	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December	-	-	5	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-22

Table 22: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Cold-rolled carbon steel sheet

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Netherlands	United Kingdom	West Germany	Brazil	Romania
Product 4										
1980										
January-March---	101	100	100	-	-	100	-	100	-	-
April-June------	101	98	102	-	-	100	-	101	-	-
July-September--	99	-	104	-	-	99	-	103	-	-
October-December	98	89	102	-	-	88	-	116	-	-
1981										
January-March---	106	-	-	-	-	116	-	117	-	-
April-June------	108	-	111	-	-	110	2/	118	-	-
July-September--	107	-	118	-	-	107	-	116	-	-
October-December	116	-	121	-	-	109	-	122	-	-
Product 5										
1980										
January-March---	101	100	100	-	-	-	-	100	-	-
April-June------	102	98	100	-	-	100	-	103	-	-
July-September--	94	98	99	-	-	94	-	105	-	-
October-December	96	95	102	-	-	99	-	111	-	-
1981										
January-March---	106	101	102	-	-	113	-	105	-	-
April-June------	108	104	105	-	-	105	-	115	-	-
July-September--	107	107	108	-	-	105	-	117	-	-
October-December	106	106	105	-	-	106	-	108	-	-

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

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Table 23--Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Cold-rolled carbon steel sheet

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Netherlands	United Kingdom	West Germany	Brasil	Romania
Product 4										
1980										
January-March	108	100	101	-	-	-	-	101	-	-
April-June	103	-	104	-	-	100	-	97	-	-
July-September	99	96	102	-	-	95	-	97	-	-
October-December	101	-	101	-	-	101	-	111	-	-
1981										
January-March	108	-	-	-	-	113	100	111	-	-
April-June	109	-	114	-	-	108	97	116	-	-
July-September	115	125	117	-	-	113	99	116	-	-
October-December	115	120	117	-	-	113	99	117	-	-
Product 5										
1980										
January-March	100	100	100	-	-	-	-	105	-	-
April-June	103	-	101	-	-	100	-	102	-	-
July-September	99	106	100	-	-	95	-	105	-	-
October-December	101	105	103	-	-	94	-	109	-	-
1981										
January-March	105	-	-	-	-	115	-	114	-	-
April-June	106	117	111	-	-	106	-	114	-	-
July-September	113	-	111	-	-	106	-	117	-	-
October-December	111	117	116	-	-	108	-	116	-	-

1/ See product list for specifications, Appendix I.

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

J-24

Table 24.-Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Cold-rolled carbon steel sheet , purchased in the Chicago area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 4																		
January-March----	-	-	19	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July-September----	33	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December--	8	2	7	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 5																		
July-September----	-	-	-	-	-2	-1	-	-	-	-	-	-	-	-	-	-	-	-
October-December--	-	-	-26	-6	-31	-7	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix J.

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

J-25

Table 25: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1983-December 1984

Cold-rolled carbon steel sheet , purchased in the Houston area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 5																		
April-June	-	-	-18	-2	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-26

Table 26.--Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Cold-rolled carbon steel sheet , purchased in the Los Angeles area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 4																		
January-March	-	-	52	15	-	-	-	-	-	-	-	-	28	4	-	-	-	-
April-June	-	-	28	4	-	-	-	-	-	-	-	-	8	1	-	-	-	-
July-September	-	-	10	2	-	-	-	-	-	-	-	-	11	2	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-27

Table 27 : Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Cold-rolled carbon steel sheet , purchased in the Philadelphia area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 4																		
January-March	-	-	-	-	-	-	-	-	-	-	-	-	-55	-13	-	-	-	-
April-June	-	-	-	-	-	-	-	-	-	-	-	-	4	2	4	1	-	-
October-December	38	7	-	-	-	-	-	-	-	-	-	-	-8	-2	-	-	-	-

1/ See product list for specifications, Appendix E.

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

J-28

Table 28 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Cold-rolled carbon steel sheet , purchased in the Chicago area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 4																		
July-September----	-	-	-	-	-	-	-	-	-	-	-	-						
October-December--	-	-	-	-	-	-	-	-	61	12	-	-	-3	-1	-	-	-	-
Product 5									61	12	-	-	-	-	-	-	-	-
October-December--	-	-	-	-	-	-	-	-	27	6	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-29

Table 29 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Cold-rolled carbon steel sheet , purchased in the Detroit area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 4																		
January-March	-	-	-	-	-	-	-	-	-	-	-	-	-1	0	-	-	-	-
April-June	-	-	-14	-3	-	-	-	-	-16	-3	-	-	0	0	-	-	-	-
July-September	-	-	-14	-3	-	-	-	-	-16	-3	-	-	0	0	-	-	-	-
October-December	-	-	-14	-3	-	-	-	-	-	-	-	-	-1	0	-	-	-	-
Product 5																		
January-March	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	-	-
April-June	-	-	-	-	-	-	-	-	-	-	-	-	1	0	-	-	-	-
July-September	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	-	-
October-December	-	-	-	-	-	-	-	-	-	-	-	-	0	0	-	-	-	-

1/ See product list for specifications , Appendix I.

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

J-30

Table 31 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Cold-rolled carbon steel sheet , purchased in the Houston area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 5																		
October-December--	-	-	(1)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

Table 31 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Cold-rolled carbon steel sheet , purchased in the Los Angeles area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 4																		
April-June	-	-	-8	-2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 5																		
July-September	-	-	-9	-2	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-32

Table 32: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Cold-rolled carbon steel sheet , purchased in the Philadelphia area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 4																		
April-June	-	-	-	-	-	-	-	-	-	-	-	-	-7	-11	-	-	-	-
October-December	-	-	-	-	-	-	-	-	-	-	-	-	6	1	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-33

Table 33: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Galvanized carbon steel sheet

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Netherlands	United Kingdom	West Germany	Brasil	Romania
Product 6										
1980										
January-March	100	-	-	-	-	-	-	100	-	-
April-June	101	-	-	-	-	-	-	100	-	-
July-September	98	-	-	-	-	-	-	101	-	-
October-December	111	-	-	-	-	-	-	98	-	-
1981										
January-March	118	-	100	-	-	-	-	101	-	-
April-June	126	-	99	-	-	-	-	106	-	-
July-September	128	-	95	-	-	-	-	85	-	-
October-December	128	-	108	-	-	-	-	103	-	-
Product 7										
1980										
January-March	108	-	-	-	-	-	-	100	-	-
April-June	101	-	-	-	-	-	-	97	-	-
July-September	109	-	100	-	-	-	-	95	-	-
October-December	98	2/	-	-	-	-	-	101	-	-
1981										
January-March	104	-	-	-	-	-	-	105	-	-
April-June	107	-	103	-	-	-	-	105	-	-
July-September	152	-	111	-	-	-	-	105	-	-
October-December	107	-	113	-	-	-	-	105	-	-
Product 8										
1980										
January-March	109	-	-	-	-	-	-	106	-	-
April-June	106	-	-	-	-	-	-	-	-	-
July-September	135	-	-	-	-	-	-	-	-	-
October-December	117	-	-	-	-	-	-	-	-	-
1981										
January-March	122	-	-	-	-	-	-	-	-	-
April-June	152	-	-	-	-	-	-	-	-	-
July-September	118	-	2/	-	-	-	-	-	-	-
October-December	105	2/	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix J.
2/ Single observation.

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

J-34

Table 34 : Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Galvanized carbon steel sheet

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 6										
1980										
January-March	104	-	-	-	-	-	-	140	-	-
April-June	104	-	-	-	-	-	-	140	-	-
July-September	101	-	-	-	-	-	-	140	-	-
October-December	104	-	-	-	-	-	-	-	-	-
1981										
January-March	105	-	-	-	-	-	-	99	-	-
April-June	114	-	-	-	-	-	-	142	-	-
July-September	116	-	-	-	-	-	-	143	-	-
October-December	112	-	-	-	-	-	-	142	-	-
Product 7										
1980										
January-March	104	-	100	-	-	-	-	140	-	-
April-June	101	-	101	-	-	-	-	96	-	-
July-September	98	-	-	-	-	-	-	95	-	-
October-December	98	-	-	-	-	-	-	140	-	-
1981										
January-March	103	-	-	-	-	-	-	99	-	-
April-June	105	-	-	-	-	-	-	99	-	-
July-September	114	-	-	2/	-	-	-	99	-	-
October-December	114	-	-	-	-	-	-	99	-	-
Product 8										
1980										
January-March	104	-	-	-	-	-	-	-	-	-
April-June	104	-	-	-	-	-	-	-	-	-
July-September	109	-	-	-	-	-	-	-	-	-
October-December	1031	-	-	-	-	-	-	-	-	-
1981										
January-March	107	-	-	-	-	-	-	-	-	-
April-June	161	-	-	-	-	-	-	-	-	-
July-September	114	-	100	-	-	-	-	-	-	-
October-December	104	-	100	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

J-35

Table 55: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1978-December 1981

Galvanized carbon steel sheet, purchased in the Los Angeles area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 6																		
January-March----	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December--	-	-	2/	8/	-	-	-	-	-	-	-	-	1/	8/	-	-	-	-

1/ See product list for specifications, Appendix E.
2/ Single observation.

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

J-36

Table 36: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Carbon steel structural shapes

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 13										
1980										
January-March	100	100	100	-	100	-	-	100	-	-
April-June	103	100	105	-	101	-	-	99	-	-
July-September	100	101	105	-	-	-	-	99	-	-
October-December	104	102	105	-	101	-	-	95	-	-
1981										
January-March	103	106	115	-	110	-	-	94	-	-
April-June	114	111	119	-	109	-	-	102	-	-
July-September	113	114	125	-	118	-	-	115	-	-
October-December	116	112	126	-	120	-	-	116	-	-
Product 14										
1980										
January-March	100	100	100	-	100	-	100	101	-	-
April-June	101	100	106	-	103	-	111	104	-	-
July-September	99	98	105	-	104	-	106	111	-	-
October-December	105	105	105	-	106	-	111	108	-	-
1981										
January-March	106	109	111	-	113	-	115	126	-	-
April-June	112	113	117	-	117	-	123	117	-	-
July-September	111	115	126	-	122	-	123	129	-	-
October-December	115	114	127	-	122	-	123	123	-	-
Product 15										
1980										
January-March	100	100	-	-	100	-	100	-	-	-
April-June	105	-	-	-	107	-	98	-	-	-
July-September	109	-	-	-	104	-	98	-	-	-
October-December	108	-	-	-	103	-	107	-	-	-
1981										
January-March	108	-	-	-	115	-	115	-	-	-
April-June	116	-	-	-	117	-	123	-	-	-
July-September	115	105	-	-	121	-	120	-	-	-
October-December	121	-	-	-	123	-	120	-	-	-
Product 16										
1980										
January-March	104	100	100	-	100	-	100	101	-	-
April-June	106	103	105	-	101	-	101	101	-	-
July-September	105	101	105	-	-	-	106	-	-	-
October-December	109	107	103	-	101	-	120	101	-	-

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

J-37

Table 37.--Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Carbon steel structural shapes

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Rosania
Product 16										
1981										
January-March---	109	110	-	-	109	-	120	109	-	-
April-June------	108	117	-	-	113	-	129	111	-	-
July-September--	117	118	-	-	118	-	126	118	-	-
October-December	122	117	-	-	117	-	128	116	-	-
Product 17										
1980										
January-March---	100	100	-	-	100	-	-	100	-	-
April-June------	105	97	-	-	103	-	-	98	-	-
July-September--	99	103	-	-	109	-	-	99	-	-
October-December	106	104	-	-	102	-	-	104	-	-
1981										
January-March---	107	105	-	-	103	-	-	103	-	-
April-June------	104	105	-	-	102	2/	-	104	-	-
July-September--	105	99	-	-	103	-	-	105	-	-
October-December	120	104	-	-	96	-	-	107	-	-
Product 18										
1981										
January-March---	100	100	-	-	106	-	-	-	100	-
April-June------	104	104	-	-	102	-	-	-	109	-
July-September--	104	101	-	-	104	-	-	-	110	-
October-December	106	109	-	-	102	-	-	-	111	-
1981										
January-March---	106	103	-	-	106	-	-	-	119	-
April-June------	114	109	-	-	106	-	-	-	126	-
July-September--	119	106	-	-	105	-	-	-	117	-
October-December	120	103	-	-	104	-	-	-	116	-

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

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Table 38: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Carbon steel structural shapes

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 13										
1980										
January-March	100	100	-	-	-	-	-	104	-	-
April-June	105	-	-	-	-	-	-	99	-	-
July-September	104	107	-	-	-	-	-	93	-	-
October-December	107	-	-	-	-	-	-	95	-	-
1981										
January-March	108	103	-	-	-	-	-	96	-	-
April-June	115	-	-	-	-	-	-	99	-	-
July-September	116	-	-	-	-	-	-	102	-	-
October-December	128	-	-	-	2/	-	-	115	-	-
Product 14								114	-	-
1980										
January-March	101	100	-	-	-	-	100	100	-	-
April-June	104	102	-	-	-	-		103	-	-
July-September	103	-	-	-	-	-	-	96	-	-
October-December	106	-	-	-	-	-	-	98	-	-
1981										
January-March	107	-	-	-	-	-	-	114	-	-
April-June	114	-	-	-	-	-	-	103	-	-
July-September	115	116	-	-	100	-	-	122	-	-
October-December	119	-	-	-	102	-	123	105	-	-
Product 15										
1980										
January-March	101	-	-	-	-	-	100	-	-	-
April-June	105	-	-	-	-	-		-	-	-
July-September	104	-	-	-	-	-	-	-	-	-
October-December	107	-	-	-	-	-	-	-	-	-
1981										
January-March	108	-	-	-	-	-	115	-	-	-
April-June	116	-	-	-	-	-	121	-	-	-
July-September	114	-	-	-	-	-	120	-	-	-
October-December	123	-	-	-	-	-	120	-	-	-
Product 16										
1980										
January-March	100	104	-	-	-	-	100	-	-	-
April-June	104	100	-	-	-	-		-	-	-
July-September	103	-	-	-	-	-	-	-	-	-
October-December	107	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

J-39

Table 39: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Carbon steel structural shapes

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 16										
1981										
January-March	118	-	-	-	-	-	-	-	-	-
April-June	116	-	-	-	-	-	136	-	-	-
July-September	116	-	-	-	-	-	-	-	-	-
October-December	121	-	-	-	-	-	-	-	-	-
Product 17										
1980										
January-March	100	100	-	-	100	-	-	100	-	-
April-June	104	104	-	-	106	-	-	105	-	-
July-September	102	104	-	-	99	-	-	99	-	-
October-December	106	104	-	-	97	-	-	97	-	-
1981										
January-March	105	116	-	-	112	-	-	112	-	-
April-June	116	114	-	-	116	-	-	106	-	-
July-September	115	110	-	-	116	-	-	106	-	-
October-December	120	119	-	-	117	-	-	107	-	-
Product 18										
1980										
January-March	100	100	-	-	-	-	-	-	100	-
April-June	103	100	-	-	-	-	-	-	109	-
July-September	103	108	-	-	-	-	-	-	110	-
October-December	106	108	-	-	-	-	-	-	111	-
1981										
January-March	107	132	-	-	-	-	-	-	119	-
April-June	113	129	-	-	-	-	-	-	126	-
July-September	116	117	-	-	-	-	-	-	117	-
October-December	118	139	-	-	-	-	-	-	118	-

1/ See product list for specifications, Appendix I.

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

Table III-Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Carbon steel structural shapes, purchased in the Atlanta area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 13																		
January-March	50	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	46	10	-	-	-	-	-	-	-	-	-	-	25	6	-	-	-	-
July-September	44	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 14																		
January-March	44	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	-3	-1	-	-	-	-	-	-	-	-	-	-	30	7	-	-	-	-
July-September	16	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 15																		
January-March	43	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	37	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 17																		
January-March	-	-	-	-	-	-	-	-	25	6	-	-	-	-	-	-	-	-
April-June	22	5	-	-	-	-	-	-	-	-	-	-	-12	-5	-	-	-	-
July-September	17	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December	9	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 18																		
January-March	-	-	-	-	-	-	-	-	64	14	-	-	-	-	-	-	-	-
April-June	70	15	-	-	-	-	-	-	-	-	-	-	48	10	-	-	-	-
July-September	60	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-41

Table 41 :Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Carbon steel structural shapes, purchased in the Chicago area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 13																		
April-June	-	-	28	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 14																		
April-June	-	-	26	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July-September	-	-	-7	-2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 17																		
April-June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 18																		
April-June	61	13	-	-	-	-	-	-	-	-	-	-	19	4	-	-	-	-
July-September	63	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix J.

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

J-42

Table 42:Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Carbon steel structural shapes, purchased in the Detroit area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 13																		
October-December	-	-	-	-	-	-	24	5	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-43

Table J-5: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Carbon steel structural shapes, purchased in the Houston area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 13																		
April-June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October-December	-	-	-	-	-	-	-	-	-	-	-	-	17	4	-	-	-	-
Product 14																		
April-June				8		2												
July-September	10	7	-	-	-	-	3	1					9	2				
October-December	16	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Product 15																		
January-March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	-	-	-	-	-	-	28	6	-	-	-	-	8	1	-	-	-	-
July-September	-	-	-	-	-	-	29	7	-	-	-	-	-	-	-	-	-	-
Product 16																		
April-June	-	-	-	-	-	-	25	6	-	-	-	-	16	3	-	-	-	-
July-September	-	-	-	-	-	-	8	2	-	-	-	-	-19	-4	-	-	-	-
October-December	-	-	-	-	-	-	-	-	-	-	-	-	26	6	-	-	-	-
Product 17																		
April-June	-	-	-	-	-	-	-30	-8	-	-	-	-	-	-	-	-	-	-
July-September	-	-	-	-	-	-	138	25	-	-	-	-	-	-	-	-	-	-
October-December	-	-	-	-	-	-	118	23	-	-	-	-	-	-	-	-	-	-
Product 18																		
January-March	25	6	-	-	-	-	68	15	-	-	-	-	28	5	-	-	-	-

1/ See product list for specifications, Appendix J.

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

J-44

Table J-1: Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Carbon steel structural shapes, purchased in the Philadelphia area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 14																		
July-September----	-12	-3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

Table 45.--Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Carbon steel structural shapes, purchased in the Houston area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 13																		
January-March	19	4	-	-	-	-	25	6	-	-	-	-	-	-	-	-	-	-
April-June	19	4	-	-	-	-	16	3	-	-	-	-	-	-	-	-	-	-
July-September	23	5	-	-	-	-	13	3	-	-	-	-	-	-	-	-	-	-
Product 14																		
January-March	9	2	-	-	-	-	4	1	-	-	-	-	-	-	-	-	-	-
April-June	19	4	-	-	-	-	9	2	-	-	-	-	-	-	-	-	-	-
July-September	21	4	-	-	-	-	11	2	-	-	-	-	-	-	-	-	-	-
October-December	14	3	-	-	-	-	4	1	-	-	-	-	-	-	-	-	-	-
Product 15																		
January-March	-13	-3	-	-	-	-	-23	-5	-	-	-	-	-	-	-	-	-	-
April-June	10	2	-	-	-	-	9	1	-	-	-	-	-	-	-	-	-	-
July-September	7	1	-	-	-	-	-3	-1	-	-	-	-	-	-	-	-	-	-
October-December	-5	-1	-	-	-	-	-15	-3	-	-	-	-	-	-	-	-	-	-
Product 16																		
January-March	8	2	-	-	-	-	-7	-2	-	-	-	-	-	-	-	-	-	-
April-June	15	3	-	-	-	-	0	0	-	-	-	-	-	-	-	-	-	-
July-September	13	3	-	-	-	-	-2	0	-	-	-	-	-	-	-	-	-	-
October-December	5	1	-	-	-	-	-10	-2	-	-	-	-	-	-	-	-	-	-
Product 17																		
January-March	29	6	-	-	-	-	19	4	-	-	-	-	-	-	-	-	-	-
April-June	42	8	-	-	-	-	32	6	-	-	-	-	-	-	-	-	-	-
July-September	45	9	-	-	-	-	55	11	-	-	-	-	-	-	-	-	-	-
October-December	-6	-1	-	-	-	-	-16	-3	-	-	-	-	-	-	-	-	-	-
Product 18																		
January-March	187	38	-	-	-	-	177	28	-	-	-	-	-	-	-	-	-	-
April-June	161	26	-	-	-	-	151	25	-	-	-	-	-	-	-	-	-	-
July-September	58	10	-	-	-	-	40	8	-	-	-	-	-	-	-	-	-	-
October-December	157	24	-	-	-	-	147	22	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

I-46

Table 46: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Hot-rolled carbon steel bars

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Netherlands	United Kingdom	West Germany	Brasil	Romania
Product 19										
1980										
January-March	108	108	-	-	106	-	-	101	-	-
April-June	90	124	-	-	101	-	-	101	-	-
July-September	79	-	-	-	103	-	-	101	-	-
October-December	97	-	-	-	105	-	-	105	-	-
1981										
January-March	97	-	-	-	108	-	-	108	-	-
April-June	93	-	-	-	106	-	-	106	-	-
July-September	102	-	-	-	105	-	-	105	-	-
October-December	109	-	-	-	105	-	-	105	-	-

1/ See product list for specifications, Appendix I.

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

J-47

Table J-17: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Hot-rolled carbon steel bars

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Netherlands	United Kingdom	West Germany	Brasil	Rumania
Product 13										
1980										
January-March	108	108	-	-	-	-	-	108	-	-
April-June	85	125	-	-	-	-	-	90	-	-
July-September	81	-	-	-	-	-	-	105	-	-
October-December	92	-	-	-	-	-	-	111	-	-
1981										
January-March	98	-	-	-	-	-	-	61	-	-
April-June	98	-	-	-	-	-	-	-	-	-
July-September	101	-	-	-	-	-	-	-	-	-
October-December	106	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-48

Table 18:Average margins by which imports undersold U.S -produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel bars, purchased in the Los Angeles area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 19																		
January-March	-	-	-	-	-	-	-$6	-4%	-	-	-	-	-	-	-	-	-	-
April-June	-	-	-	-	-	-	-95	-27	-	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

Table 49:Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by end user customers, by country of origin, and by quarters, January 1981-December 1981

Hot-rolled carbon steel bars, purchased in the Houston area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 19																		
January-March	-	-	-	-	-	-	-	-	-	-	-18	-2	-	-	-	-	-	-
April-June	-	-	-	-	-	-	-	-	-	-	-10	-2	-	-	-	-	-	-
July-September	-	-	-	-	-	-	-	-	-	-	-10	-2	-	-	-	-	-	-
October-December	-	-	-	-	-	-	-	-	-	-	-18	-2	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-50

Table 50 Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Hot-rolled alloy steel bars

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 20										
1980										
January-March---	100	-	-	-	-	-	-	-	-	-
April-June------	112	-	-	-	-	-	-	-	-	-
July-September--	113	-	-	-	-	-	-	-	-	-
October-December	104	-	-	-	-	-	-	-	-	-
1981										
January-March---	104	-	-	-	-	-	-	-	-	-
April-June------	111	-	-	-	-	-	-	-	-	-
July-Sepember---	138	-	-	-	-	-	-	-	-	-
October-December	129	-	-	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-51

Table 51: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Hot-rolled alloy steel bars

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Netherlands	United Kingdom	West Germany	Brasil	Romania
Product 20										
1980										
January-March	104	-	100	-	-	-	-	-	-	-
April-June	99	-	110	-	-	-	-	-	-	-
July-September	93	-	107	-	-	-	-	-	-	-
October-December	96	-	93	-	-	-	-	-	-	-
1981										
January-March	112	-	109	-	-	-	-	-	-	-
April-June	114	-	117	-	-	-	-	-	-	-
July-September	119	-	115	-	-	-	-	-	-	-
October-December	116	-	119	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix J.

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

J-52

Table 52: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Cold-formed carbon steel bars

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 21										
1980										
January-March	100	-	100	-	-	-	-	-	-	-
April-June	106	-	114	-	-	-	-	-	-	-
July-September	106	-	-	-	-	-	-	-	-	-
October-December	107	-	-	-	-	-	-	-	-	-
1981										
January-March	112	-	113	-	-	-	-	-	-	-
April-June	112	-	113	-	-	-	-	2/	-	-
July-September	118	-	113	-	-	-	-	-	-	-
October-December	118	-	129	2/	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

J-53

Table 53 - Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Cold-formed carbon steel bars

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brasil	Romania
Product 21										
1980										
January-March	100	-	-	-	-	-	-	-	-	-
April-June	104	-	-	-	-	-	-	-	-	-
July-September	104	-	-	-	-	-	-	-	-	-
October-December	107	-	-	-	-	-	-	-	-	-
1981										
January-March	111	-	-	-	-	-	-	-	-	-
April-June	111	-	100	-	-	-	-	-	-	-
July-September	116	-	-	-	-	-	-	-	-	-
October-December	117	-	126	2/	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.
2/ Single observation.

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

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Table 54.--Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Cold-formed carbon steel bars, purchased in the Chicago area

Product and period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 21																		
January-March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April-June	-	-	-	-	-	-	-	-	-	-	67	9	-	-	-	-	-	-
July-September	-	-	-	-	-	-	-	-	-	-	35	5	-	-	-	-	-	-
October-December	-	-	-	-	-	-	-	-	-	-	24	3	-	-	-	-	-	-
											26	4	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-55

Table 55.--Average margins by which imports undersold U.S.-produced products based on average net delivered purchase prices for the largest purchases of such imports and domestic products by service center/distributor customers, by country of origin, and by quarters, January 1981-December 1981

Cold-formed carbon steel bars, purchased in the Detroit area

Product and Period 1/	Belgium		France		Italy		Luxembourg		Netherlands		United Kingdom		West Germany		Brazil		Romania	
	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent	$ per ton	per cent
Product 21																		
October-December	-	-	-	-	-	-	-	-	-	-	29	4	-	-	-	-	-	-

1/ See product list for specifications, Appendix J.

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

J-56

Table 56: Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to service center/distributor customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Cold-formed alloy steel bars

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Netherlands	United Kingdom	West Germany	Brazil	Romania
Product 22										
1980										
January-March	100	-	100	-	-	-	-	-	-	-
April-June	102	-	115	-	-	-	-	-	-	-
July-September	101	-	112	-	-	-	-	-	-	-
October-December	106	-	123	-	-	-	-	-	-	-
1981										
January-March	108	-	*	-	-	*	-	*	*	-
April-June	109	-	*	-	-	*	-	*	*	*
July-September	114	-	121	-	*	-	-	-	-	-
October-December	114	-	125	*	*	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

J-57

Table 57 Indexes of weighted average net selling prices for sales of imports from selected countries and for sales of domestic products to end user customers, by country of origin, by types of products, and by quarters, January 1980-December 1981

Cold-formed alloy steel bars

Product and Period 1/	Domestic	Belgium	France	Italy	Luxembourg	Nether lands	United Kingdom	West Germany	Brazil	Romania
Product 22										
1980										
January-March	100	-	100	-	-	-	-	-	-	-
April-June	102	-	-	-	-	-	-	-	-	-
July-September	102	-	126	-	-	-	-	-	-	-
October-December	105	-	-	-	-	-	-	-	-	-
1981										
January-March	109	-	-	-	-	-	-	-	-	-
April-June	109	-	141	-	-	-	-	-	-	-
July-September	114	-	-	-	-	-	-	-	-	-
October-December	114	-	142	-	-	-	-	-	-	-

1/ See product list for specifications, Appendix I.

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

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