

SALMON GILL FISH NETTING OF MANMADE FIBERS FROM JAPAN

**Determination of the Commission
in Investigation No. 751-TA-5
Under the Tariff Act of 1930,
Together With the Information
Obtained in the Investigation**

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 751-TA-5

SALMON GILL FISH NETTING OF MANMADE
FIBERS FROM JAPAN

Determination

On the basis of the record 1/ developed in this investigation, the Commission unanimously determines 2/ that the establishment of an industry in the United States would be materially retarded, by reason of imports of salmon gill fish netting of manmade fibers from Japan covered by antidumping order T.D. 72-158, if the order were to be modified or revoked.

Background

On July 28, 1981, the Commission received a request to review its determination in Fish Nets and Netting of Manmade Fibers from Japan, Inv. No. AA1921-85, T.C. Pub. No. 477 (1972). On October 14, 1981, the Commission instituted an investigation, pursuant to section 751(b) of the Tariff Act of 1930, to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, if the antidumping order (T.D. 72-158) regarding fish nets and fish netting of manmade fibers from Japan were to be modified or revoked with respect to salmon gill fish netting of manmade fibers.

Notice of the institution of the investigation and of the public hearing to be held in connection therewith was published in the Federal Register on October 21, 1981 (46 F.R. 51675). The public hearing was held on March 2, 1982, in Portland, Oregon. All interested persons were afforded an opportunity to appear in person or by counsel.

1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (47 F.R. 6190, February 10, 1982).

2/ Commissioners Frank and Haggart not participating.

VIEWS OF THE COMMISSION

Imports of salmon gill fish netting of manmade fibers from Japan have been subject to an antidumping order (T.D. 72-158) covering all types of fish netting of manmade fibers from Japan since June 1972 (37 FR 11560, June 9, 1972). Based on the record developed in this investigation, 1/ we conclude that the establishment of an industry in the United States would be materially retarded by reason of imports of salmon gill fish netting of manmade fibers covered by the antidumping order if the order were to be modified or revoked.

Scope of the Commission's investigation

On April 18, 1972, the Commission determined that an industry in the United States was being injured within the meaning of the Antidumping Act, 1921, by reason of imports of fish netting of manmade fibers from Japan which the Secretary of the Treasury had determined were being sold or were likely to be sold at less than fair value. 2/ As a consequence of the Commission's determination, the Secretary of the Treasury issued an antidumping order covering the merchandise.

The Commission received a request on July 28, 1981, filed under section 751(b) of the Tariff Act, to review its determination. The request alleged changed circumstances in the domestic production of salmon gill fish netting and alleged that the modification or revocation of the outstanding antidumping order with respect to imports of salmon gill fish netting would not result in

1/ The record is defined in section 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(i), 47 F.R. 6190, February 10, 1982).

2/ Fish Nets And Netting Of Manmade Fibers From Japan, Inv. No. AA1921-85, TC Pub. 477 (1972).

material injury or the threat of material injury to a domestic industry. The review request also claimed that the establishment of a domestic industry would not be materially retarded by such modification or revocation. This investigation focused entirely on salmon gill fish netting. Prior to the institution of the Commission's investigation, no information concerning changed circumstances was alleged with regard to the domestic production of fish netting other than salmon gill netting of manmade fibers. 3/

The domestic industry

In general, the domestic industry consists of all domestic producers of a like product or those producers whose total output of the like product constitutes a major proportion of the domestic production of that product. 4/ A like product is a product which is like, or in the absence of like, most similar in characteristics and uses with, the imported product subject to investigation. 5/

The imported Japanese salmon gill fish netting of manmade fiber is of three types described in detail in the Report. 6/ They are "crystal"

3/ Section 751(b)(1) of the Tariff Act states, in relevant part--
Whenever the . . . Commission receives information concerning, or a request for the review of, . . . an affirmative determination . . . which shows changed circumstances sufficient to warrant a review of such determination, it shall conduct such a review after publishing notice of the review in the Federal Register.

Section 106 of the Trade Agreements Act of 1979 makes antidumping orders issued under the Antidumping Act, 1921, subject to review under section 751(b). 19 C.F.R. 207.45(a) (46 F.R. 18022, March 23, 1981). See, Matsushita Electric Industrial Co. Ltd., et al., v. United States, et al., United States Court of International Trade, Consolidated Court No. 81-7-00901, Slip Opinion 81-114, December 15, 1981.

4/ Section 771(4)(A) of the Tariff Act, 19 U.S.C. § 1677(4)(A).

5/ Section 771(10) of the Tariff Act, 19 U.S.C. § 1677(10).

6/ Report at A-4 and A-5.

multifilament netting, twisted monofilament netting, and monofilament netting. Monofilament netting is illegal for use in the United States except by native (Indian) fishermen. An additional type of salmon gill netting, cable-laid netting, is produced in Japan, but very little of this netting has been imported since 1977. 7/

There are no domestic producers of twisted monofilament or monofilament salmon gill fish netting. Also, there is no information on the record indicating that domestic producers of other types of fish netting have any interest in producing these types of netting. Two domestic firms currently produce crystal netting and a third is about to begin production.

Harbor Net and Twine of Hoquiam, Washington, has produced a small amount each year since 1978. Its output, however, is insignificant when compared with domestic consumption of crystal netting and is considered by fishermen to be of a lesser quality than Japanese netting. 8/ However, the company has established a distinct niche in the market for crystal netting. Normally, orders for imported salmon gill fish netting are placed in late October and early November in anticipation of the opening of the fishing season the following April. Orders placed later for imported crystal netting are often delayed as foreign manufacturers are working on the orders they have already received. 9/ Harbor Net and Twine primarily produces for fishermen who do not order in the fall. 10/ The company indicated that its sales of crystal

7/ Id.

8/ Id. at A-25

9/ Id. at A-11.

10/ Id.

netting do not directly compete with the Japanese crystal netting subject to the outstanding antidumping order. 11/

A second domestic company has just commenced production and shipments of crystal netting. Nichimo Northwest is a joint venture of Nichimo, Japan, with the principals of the Northwest Net and Twine and the Powers Twine companies. 12/ Nichimo, Japan, is a manufacturer and exporter of crystal netting subject to the antidumping order. The information on the record indicates that Nichimo Northwest began production at its Everson, Washington, plant in February 1982 and that a shipment of crystal netting was delivered to a domestic customer in March 1982. 13/

The third company, Nylon Net Co., of Memphis, Tennessee, one of the largest domestic producers of fish netting, is developing a manmade fiber yarn in a joint project with Firestone Fibers and Textiles Company. This fiber will be competitive with that used in imported crystal netting. 14/ Nylon Net Co. stated at the March 3, 1982, hearing that it expects to begin production of crystal netting by April 1982. 15/ The stated intentions of Nylon Net raise the issue of whether the modification or revocation of the outstanding antidumping order would materially retard the establishment of an industry in the United States.

11/ Letter to the USITC from the Secretary/Treasurer of Harbor Net and Twine, dated December 21, 1981. Reproduced in the Report at A-45.

12/ Transcript of public hearing at 27.

13/ Letter to Mr. Kenneth R. Mason, Secretary, USITC, from Lummi Fishery Supplies, Inc., dated March 11, 1982, and letter to Mr. Kenneth R. Mason, Secretary, USITC, from the Law Offices of George R. Tuttle, dated March 12, 1982.

14/ Transcript of hearing at 171.

15/ Id. at 179.

Harbor Net and Twine's production is insignificant and not competitive with the imports subject to investigation. The second firm, Nichimo Northwest, 16/ has only delivered one shipment. Nylon Net Co. has not yet begun production. Accordingly, there is no established domestic industry producing salmon gill fish netting.

The likely effects of modifying or revoking the antidumping order 17/

The existence of an antidumping order is presumed to change the pricing behavior of importers and exporters of the merchandise subject to the order. To avoid what is equivalent to a special tax on merchandise sold at less than fair value, importers and exporters of merchandise subject to an antidumping order often will raise the price of the imports in the United States, lower the home market or other reference price, or both. Alternatively, exporters may leave the U.S. import market and produce in the United States. In the present case, for example, Nichimo, Japan, would be in a position to phase out

16/ Nichimo Northwest is related to an exporter of the Japanese crystal netting subject to the outstanding antidumping order, the related parties provision in section 771(4)(3) of the Tariff Act authorizes the Commission to exclude the firm from the domestic industry if the circumstances for such exclusion are appropriate. Section 771(4)(B) of the act provides that--

Related Parties.--When some producers are related to the exporters or importers, or are themselves importers of the . . . dumped merchandise, the term 'industry' may be applied in appropriate circumstances by excluding such producers from those included in that industry.

A company's being controlled by a foreign exporter indicates that it may have a position in the domestic market unlike that of other domestic producers in that it would not be as likely to be adversely affected from competition with imports sold at less than fair value. Inasmuch as we do not find that a domestic industry is established, we do not reach the question of whether to exclude the firm on the basis of the related party provision.

17/ See Additional Views of Vice Chairman Calhoun.

its exports if Nichimo Northwest successfully produces the crystal netting in the United States.

The task of the Commission in a section 751(b) review investigation is to forecast the likely behavior of the importers if they were not subject to antidumping duties on sales made at less than fair value and judge whether that behavior would result in material injury or the threat of material injury to the domestic industry or the material retardation of the establishment of a domestic industry. The modification or revocation of the outstanding antidumping order's coverage of salmon gill fish netting of manmade fibers would have the effect of removing a major disincentive to dumping.

United States law contains a procedure for reviewing antidumping orders in instances where affected foreign companies are no longer selling at less than fair value. In this circumstance, the Department of Commerce, not the Commission, is the proper forum for a request for a review of the order. A company may be removed from the coverage of an antidumping order if the Commerce Department finds that its sales have not resulted in dumping margins for a period of two years. We may assume, then, that a request for review by the Commission is sought on the premise that less-than-fair value sales may resume or continue. 18/ 19/

It is our judgment that the establishment of a domestic industry would be materially retarded by imports of Japanese salmon gill fish netting if the outstanding order were modified or revoked. The absence of U.S. production of

18/ See Views of Chairman Alberger, Vice Chairman Calhoun, and Commissioner Bedell, Television Receiving Sets From Japan, Inv. No. 751-TA-2, USITC Pub. 1153, at 8 (1981).

19/ Commissioner Eckes finds it unnecessary to reach this assumption in the disposition of this case.

a yarn comparable in quality to the Japanese product has been the key element in the inability of U.S. fish netting producers to compete successfully with imports of Japanese crystal netting. 20/ The Japanese crystal netting is a higher quality product than that formerly available from domestic producers. 21/ Moreover, attempts by domestic salmon gill fish netting producers to import Japanese yarns for domestic production of crystal netting were frustrated by delays in filling orders and by deposit requirements. 22/

The Nylon Net Co. is currently testing a yarn developed by Firestone Fibers and Textiles Company of Hopewell, Virginia, for use in the manufacture of crystal netting. 23/ Firestone has the capacity to produce 1.5 million pounds of the yarn per year. 24/ In comparison, the total domestic consumption of salmon gill fish netting in 1980 was under 400,000 pounds. 25/ We note that Nylon Net Co. and Firestone have collaborated in the development and production of a black tuna netting which is being marketed successfully both in the United States and abroad. 26/

The Commission has rejected allegations of material retardation in other cases because there was no showing of a substantial commitment to commence production of the subject products. 27/ In the present case, however, Nylon

20/ Transcript of hearing at 166-167.

21/ Report at A-22, transcript of hearing at 25.

22/ Transcript of hearing at 167.

23/ Report at A-11.

24/ Transcript of hearing at 174.

25/ Report at A-14.

26/ Transcript of hearing at 175-176.

27/ See Motorcycle Batteries from Taiwan, Inv. No. 731-TA-42 (Final), USITC Pub. 1228 (1982), Synthetic L-Methionine from Japan, Inv. No. 751-TA-4, USITC Pub. 1167 (1981), cf. Certain Ultramicrotome Freezing Attachments, Inv. No. 337-10-10, USITC Pub. 771 (1976) ("prevention of establishment" provision of section 337(a) of the Tariff Act).

Net has made substantial investments in the development of a marketable crystal netting. 28/ It is our judgment that its market entry would be materially retarded, and perhaps frustrated entirely, by unrestrained less than fair value sales of Japanese imports.

As a fisherman testified at the public hearing, 29/ "Quality nets are at the heart of this [Salmon] fishery because the fishing time is so short and the effort is so intense." 30/ The cost of crystal netting is a fraction of a salmon gill netters' expenses. 31/ A fisherman will pay large premiums for better quality netting. 32/ Customer acceptance depends upon many features. 33/

Understanding the situation of the nascent domestic industry is not possible independent of an evaluation of imports in the domestic market. Taiwan became a significant supplier of salmon gill fish netting during 1981. Although small when compared with Japan or Taiwan, Korean imports also dwarf the current output of the two U.S. companies producing crystal netting. Both

28/ Transcript of hearing at 227.

29/ Vice Chairman Calhoun notes that, for him, the significance of one fisherman's testimony is a function of his many years of professional experience. Nevertheless, in Vice Chairman Calhoun's view, it cannot be overlooked that this was the testimony of only one person based upon that person's subjective, though substantial, experience and not premised upon an objective data base. Thus this single testimony should not be considered a major factor in Vice Chairman Calhoun's decision in this investigation.

30/ Id. at 37.

31/ Report at A-6; transcript of hearing at 115.

32/ Transcript of hearing at 114, 142.

33/ These features include: color selection; range of mesh sizes; uniformity of mesh sizes; consistent strength; heat-set knots to reduce slippage; resin treatment; the ability of the dye to produce a fast color; transparency of the twine; and, a reliable supplier. Transcript of hearing at 36, 37, and Answer of Trans-Pacific Trading Inc. to Written Questions Submitted by Commissioner Stern, at 12.

the Taiwanese and Korean netting are currently priced much lower than the Japanese crystal netting and they have been consistently priced lower than the Japanese product. 34/ The price difference reflects quality differences. 35/ Nylon Net Co. plans to market a crystal netting product comparable to Japanese quality in the same price range as the Japanese product. 36/ Nylon Netting Co. will have a delivery advantage over the imports. 37/ But it is impossible to forecast the length of time it would take Nylon Net to achieve the necessary customer acceptance if, in fact, its product is equivalent to the Japanese product in quality. During this period of market entry, any price reductions in the Japanese product would force Nylon Net's prices toward those of the Taiwanese and Korean imports, 38/ reducing its revenues and displacing its position at the higher quality end of the market. A modification or revocation of the outstanding antidumping order would invite this response.

34/ Report at A-25; transcript of hearing at 205-206, 228.

35/ Report at A-25.

36/ Transcript of hearing at 229.

37/ Id. at 226.

38/ This scenario need not affect Nichimo Northwest which could market the same product as the imported Japanese netting at the same prices. However, it could only do so as a related party benefitting from the pricing of the Japanese imports.

ADDITIONAL VIEWS OF VICE CHAIRMAN CALHOUN

It seems to me that there are established Commission standards for analyzing section 751 cases within which our analysis here ought to be explicitly undertaken. These standards were established by the majority of the Commission in Television Receiving Sets From Japan. 1/ My understanding of Televisions is that in Section 751 cases, we must first and foremost determine "whether the domestic industry would be injured if exporters and importers no longer subject to the constraint resume less-than-fair-value sales where advantageous." 2/ In pursuing this objective, we have established that we are

"to assess the inhibiting effect that the order has on the pricing, production, and marketing strategies of the companies subject to it, to predict the effect of revocation on those strategies and on the marketplace, and then to determine whether these effects would result in material injury or the threat thereof to the domestic industry." 3/

It is my further understanding that Televisions establishes that our analysis of section 751 cases assumes the continuation of the wrongful practice unless there is a finding from the Department of Commerce to the contrary. 4/

I wish to make it clear that my decision in this investigation is based upon this Commission standard.

1/ Television Receiving Sets From Japan, Inv. No. 751-TA-2, USITC Pub. 1153 (1982).

2/ Id., p. 8.

3/ Id., p. 9.

4/ Id., p. 8.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On April 18, 1972, in investigation No. AA1921-85, the Commission determined that an industry in the United States was being injured within the meaning of the Antidumping Act, 1921, by reason of imports of fish netting of manmade fibers from Japan determined by the Secretary of Treasury to be sold or likely to be sold at less than fair value (LTFV). 1/ 2/ As a result of this determination, the Department of the Treasury issued a dumping order applicable to this merchandise on June 9, 1972. 3/

On July 28, 1981, the Commission received a request to review its affirmative determination, filed on behalf of nine Seattle, Washington/Portland, Oregon area importers of salmon gill fish netting from Japan. The request, which was filed under section 751(b) of the Tariff Act of 1930, asked that the Commission retroactively modify its injury determination to exclude double knot salmon gill fish netting, in light of changed circumstances. Importers alleged that significant production of salmon gill fish netting in the United States had ceased by 1974.

The Commission requested comments from the public regarding the proposed institution of a review investigation in a notice published in the Federal Register on August 19, 1981 (46 F.R. 42219). Comments supporting the request for an investigation were received from counsel representing the Fishing Nets & Twine Division of the Japan Textile Products Exporters' Association and from counsel representing Trans-Pacific Trading, Inc., of Seattle, Wash. Comments in opposition to the request were filed on behalf of members of the American Netting Manufacturers Organization (ANMO). ANMO conceded the lack of significant U.S. production but alleged that it was caused by the lack of enforcement of the dumping order. On the basis of the request for review and all comments filed concerning the request, the Commission voted to institute investigation No. 751-TA-5 on October 14, 1981. The purpose of the investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, if the antidumping order regarding fish netting of manmade fibers from Japan were to be modified or revoked with respect to salmon gill fish netting of manmade fibers provided for in item 355.45 of the Tariff Schedules of the United States (TSUS). Notice of the institution of the investigation and of the public hearing to be held in connection therewith was published in the Federal Register on October 21, 1981 (46 F.R. 51675). The public hearing was initially scheduled for December 17, 1981, in Washington, D.C. (46 F.R. 51675). On November 24, 1981, the Commission postponed the public hearing (46 F.R. 58618). The hearing was rescheduled for February 16, 1982, in Portland, Oregon (46 F.R. 62347). Simultaneously, the Commission extended the administrative deadline for completion of the investigation until March 31,

1/ 19 U.S.C. 160-171 (replaced by Tariff Act of 1930, secs. 731-740, effective Jan. 1, 1980, 19 U.S.C. 1673-1673i).

2/ Fish Nets and Netting of Manmade Fibers From Japan . . . , investigation No. AA1921-85, TC Publication 477 (1972).

3/ A copy of Treasury Decision 72-158 is presented in app. A.

1982. The hearing was again rescheduled and was held on March 2, 1982 (47 F.R. 3897). 1/ A list of witnesses appearing at the hearing is presented in appendix C. The Commission's briefing and vote in this case occurred on March 23, 1982.

Nature and Extent of LTFV Sales

On June 9, 1972, a dumping finding on all types of fish netting of manmade fibers from Japan was published in the Federal Register as Treasury Decision 72-158 (37 F.R. 11560). Treasury's investigation concerning LTFV sales covered a sample of sales of fish netting and fish nets of manmade fibers to customers in the United States by four Japanese firms. Sales by those firms represented 55 percent of the dutiable value of all sales to the United States of Japanese fish nets and netting of manmade fibers during the period from October 1, 1969, through September 30, 1970. Treasury determined that two firms--Momoi Fishing Net Manufacturing Co., Ltd., and Amikan Fishing Net Manufacturing Co., Ltd.--were selling fish netting at LTFV. Margins for these firms were 7.9 and 5.1 percent, respectively.

Subsequent to the issuance of the dumping order, appraisement orders (master lists) were released to customs districts to permit the liquidation of entries and the collection of any dumping duties required. Such appraisement orders were issued through September 1976 for the majority of Japanese exporters. Some individual firms were covered by appraisement orders through March 1978. It is normal customs procedure to liquidate imports entered by firms for which appraisement orders are in effect. Customs' officials in Seattle, Wash., entry point for the bulk of salmon gill fish netting imports, have reported to the Commission that no dumping margins have ever been found on liquidated entries of salmon gill netting subsequent to the imposition of the dumping order. Consequently, no dumping duties were assessed on such entries. However, imports entered after the effective dates of the last appraisement orders (either September 1976 or March 1978 for most firms) have not been liquidated. Therefore, there is the possibility that dumping duties may be applicable to such imports.

On January 2, 1980, the authority for administering the antidumping law was transferred from Treasury to the Department of Commerce. On March 28, 1980, Commerce published a notice of its intent to conduct administrative reviews of all outstanding dumping findings. On May 5, 1981, Commerce published the preliminary results of its review on fish netting of manmade fibers from Japan. 2/ The review covered imports of fish netting of manmade fibers, classifiable under items 355.4520 and 355.4530 of the Tariff Schedules of the United States Annotated (TSUSA). 3/ The review covered 46 of the 65 Japanese firms known to be engaged in the manufacture and exportation of fish netting of manmade fibers to the United States. The review covered time periods from May 1, 1971, through May 31, 1980. Review of the period prior to September 30, 1976 (a period covered by appraisement instructions), was

1/ Copies of the Commission's notices are presented in app. B.

2/ A copy of Commerce's notice is presented in app. D.

3/ Fish netting and fishing nets (including sections thereof), of manmade fibers.

necessary for firms which were not known to be exporting to the United States at the time of Treasury's original investigation but may have made shipments to the United States subsequent to issuance of the dumping order. The period after September 30, 1976, was reviewed because appraisal instructions had not been issued after this date for most Japanese firms exporting fish netting to the United States. The remaining 19 firms will be covered in a subsequent review.

Ten exporters stated that they either did not export during the period of review or only sold to the United States subsequent to May 31, 1980. Margins for these firms were based on the most recent information for each firm, or the highest current rate for responding firms. Only one firm (* * *) furnished an adequate response. In calculating the U.S. price for this firm, Commerce used purchase price based on the c.i.f., packed price to unrelated purchasers in the United States. In calculating foreign market value, the price to purchasers in a third country (Canada) was used since there were no sales by this firm in the home market of such or similar merchandise. Thirty-five firms refused to respond or provided inadequate responses to Commerce questionnaires. With one exception, Commerce determined that margins for these nonresponsive exporters would be the same as that for the one responding firm (23.3 percent).

Commerce preliminarily determined that margins from 11 to 38.27 percent existed during time periods ranging from May 1, 1971, to May 31, 1980. A cash deposit based upon the most recent of the determined margins will be required on all shipments of fish netting of manmade fibers entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of Commerce's review. Such final results are not expected to be published before the end of March 1982. Commerce has allowed those respondents which submitted inadequate responses to resubmit their responses. In addition, * * *, which previously reported no sales in the home-market, has provided Commerce with data on home market (Japan) sales of salmon gill fish netting. On the basis of these data, Commerce is reviewing its use of price to purchasers in Canada in calculating foreign market value. These actions could result in significant changes in Commerce's final determination.

The Product

Description and uses

The subject of this investigation is salmon gill fish netting of manmade fibers from Japan. Almost all salmon gill nets of manmade fibers are of nylon. Salmon gill fish netting, as described in the statistical headnote to schedule 3, part 4, subpart C of the Tariff Schedules of the United States Annotated, is nylon multifilament, twisted single plied, with double or triple knot construction; or nylon monofilament, twisted multi-ply or multi-stranded, with double or triple knot construction; all of the foregoing not less than 5-1/4 inches stretch mesh size. Imports of salmon gill fish netting from Japan account for only part of the imports of fish netting from Japan which are covered by the outstanding dumping order (T.D. 72-158).

Fish netting and fishing nets represent different stages of construction of the same product. Netting is an intermediate stage; nets are normally an end product. Manmade fiber filaments are extruded and then twisted and drawn. This product is further twisted or combined to form a yarn or cord. The netting is constructed by knitting or knotting the yarn or cord together by machine to form piece goods of uniform mesh sizes. The netting is then usually dyed to a specified color or shade and may also be coated with resin to increase its durability.

Fishing nets are constructed by cutting and piecing together the netting material (webbing) and then attaching floats, sinkers, ropes, or other components. These operations are usually performed manually with the use of basic hand tools such as large needles.

Netting mesh sizes, dimensions, and characteristics will vary depending on the type of fishing net to be produced. Most of the nets used are entrapment types (i.e. seine, trawl, etc.) as opposed to gill nets. Gill nets are designed to catch fish by having the mesh size just large enough to admit the head of the fish. When the fish swims into the opening, its head or body is wedged into the mesh as it attempts to swim forward. The cords of the net tighten or twine around the bodies of the fish. In some cases the mesh actually slips under and in back of the gills, trapping the fish, thereby the term "gill" net.

The desirable characteristics in gill netting are strength, flexibility, and transparency. These characteristics are found to differing degrees in the three basic types of gill netting imported for use in salmon fishing. In the United States, multifilament netting is the most common type used. There are several types of multifilament netting distinguished by the type of yarn used and the process used to form each cord of the netting. The most widely used type of multifilament is "crystal" netting, which is constructed from twine or cords which usually consist of six or seven multifilament strands that are lightly twisted together. Each strand usually consists of a dozen or more filaments that are twisted together in the same direction. The multifilament strand is twisted in the same direction as the filaments to form the cord. These filaments are thicker than those used in other types of multifilament cord; therefore, fewer filaments are needed to produce a given size cord. A cord with less twist and fewer filaments lends itself to greater transparency, in addition to being more flexible.

Cable-laid netting is also considered a multifilament type of netting. Individual strands are formed by twisting many nylon filaments in one direction. Generally, three or four of these multifilament strands are then twisted together in the opposite direction to that of the preliminary twist to form the cord. The filaments used in cable-laid netting are not the same as those used in crystal multifilament netting, because they are generally thinner and more numerous. Although cable-laid netting is produced in Japan, distributors have indicated that very little has been imported since 1977.

The second most common type of gill netting used in the United States, but to a lesser degree than the multifilament netting, is twisted monofilament netting, which has a cord which consists of several monofilament strands twisted in the same direction. This results in a netting which is of equal strength but more transparent than crystal multifilament netting.

The third basic type of gill netting is monofilament or single strand. The cord used in this type of webbing consists of a single monofilament that is knotted to form the mesh. Although not as strong as other types of netting, it is highly transparent. However, it is illegal for use in the United States except by native (Indian) fishermen, because it is far too efficient in catching salmon. Japan and many other foreign countries use this type of netting for salmon gill nets.

There are two methods of using salmon gill nets--the set method and the drift method. The method of salmon fishing used will depend on such factors as ground rights, season, location, license, and type of salmon to be caught. When used in the set method, the gill net is usually staked or anchored in place near the shore or beach and rigged with floats and sinkers to form a type of fence or barrier. In the drift method, the netting is rigged with floats and sinkers and placed in the water from a boat across the path of salmon to intercept them. The majority of commercial salmon gill net fishermen use the drift method; the set method is popular with native (Indian) fishermen.

Because many salmon gill net fishermen think of their nets as precise tools, quality is usually of utmost importance when they select their netting. The major factors that are considered when judging the quality of a salmon gill fishing net are (1) mesh sizes that are uniform; (2) cords or twines that form loosely hanging mesh; (3) knots that are tight and do not slip when stretched, and (4) dyeing that provides the correct shade of color with no fading.

Some salmon gill net fishermen prefer that the shackles or sections of their nets be of different shades or colors since the angle of sunlight will reflect differently off the water and nets. Many fishermen feel one shade is superior or more desirable in the morning for catching fish, while another shade or color is superior or more desirable in the afternoon or evenings.

The fishing industry is highly regulated and closely monitored by the Federal and State Governments. The total amount of salmon which can be harvested in any one area is determined by Government officials. The minimum legal mesh size and length of netting is also regulated on the basis of the location and species of salmon to be caught. The legal minimum mesh size for specific species of salmon and the approximate harvest seasons in the Bristol Bay area of Alaska (currently one of the most productive salmon fishing grounds) are shown in the following tabulation:

<u>Type of salmon</u>	<u>Minimum mesh size</u> <u>(inches)</u>	<u>Approximate</u> <u>season</u>
King-----	8-1/4	May 25-June 20th
Red (Sockeye)-----	5-1/8 - 5-1/4	June 15-July 1st
Late red-----	4-7/8 - 4-3/4	July 1-July 16th
Humpie (pink)-----	4-3/8 - 4-1/2	July 16-July 30th
Silver and dog (chum)---	5-1/2	July 31-Aug. 10th

Because of the short fishing seasons, the fisherman's objective is to catch the largest number of fish in the shortest period of time and then begin preparing for the start of the next season for a different species of salmon. A salmon fisherman in the Bristol Bay area will often catch three-fourths of his total catch in a 2-week period. Not only is the fisherman limited in his choices of mesh sizes, but also in the total size of his net. In the Bristol Bay area, salmon gill nets are not allowed to exceed 150 fathoms (900 feet) in length, or 29 meshes in depth. In the Puget Sound area of Washington, salmon gill nets are not to exceed 300 fathoms (1,800 feet) in length or 120 to 200 meshes deep. Many fishermen will order their netting with a mesh 1/8 to 1/4 inch under the legal mesh size. When the mesh becomes wet, it will stretch to the legal minimum size. Some fishermen claim that by using such netting they can increase their catch by as much as 25 percent. When knot slippage occurs, the meshes become misshapen and will reveal white areas near the knots where the dye did not penetrate. The net then becomes more visible in the water, possibly causing the fish to swim around it.

Salmon gill netters' investment, costs, and income vary according to the area in which they fish. A 1979 survey of fisherman in the Bristol Bay area of Alaska revealed, on the basis of responses from 252 holders of entry permits (licenses), average fishery income for salmon drift gill net fishermen of \$71,968, with average net cash available (fishery income less operating expenses and capital equipment expenses) of \$30,392. ^{1/} Average investment and expenses are shown in the following tabulation.

<u>Item</u>	<u>Value</u>
Investment:	
Vessel-----	\$38,569
Entry permit-----	107,721
Fishing gear-----	9,776
Operating expenses-----	30,269

The cost of a typical finished salmon gill net of maximum legal size for the Bristol Bay area is approximately \$600 to \$700. The netting accounts for about \$150 of the total, and labor, floats, lines, and markup account for the remaining cost of the net.

An entirely different method of salmon fishing is seine net fishing, which uses a different type of netting (heavier and less transparent) as well as a different type of net. Seine nets are not interchangeable with salmon gill nets. Salmon seine nets are entrapment types, which use a large net supported by floats at the water's surface and weighted at the bottom with a lead line, allowing it to hang in a fence-like manner. The net is pulled by the fishing vessel in a circle to enclose a school of salmon. The net is then tightened, trapping the fish when the purse line, which runs through rings attached by rope bridles to the lead line, is pulled by a winch on board the

^{1/} 1979 Fisherman's Income Survey; Alaska Sea Grant Program Report 80-5, November 1980.

main vessel. With the seine completely pursed, the net is raised onto the vessel's deck by a power block. This type of fishing requires a minimum of a six-man crew compared with a one-or two-man crew for salmon gill net fishing. Fishing with seine nets requires a much larger investment than gill net fishing. According to the 1979 income survey, salmon seine fishermen in Southeast Alaska invested an average of \$164,000 for boats, \$45,000 for entry permits, and \$38,000 for fishing gear (nets, lines, floats, etc.). Seine net fishing is also controlled by different laws and regulations. Salmon gill net fishing and salmon seine net fishing are not usually allowed at the same time in the same location. Some areas reserve daytime for seine net fishing and nighttime for gill net fishing. Individual fishermen normally use only one method, since salmon gill net fishing and salmon seine net fishing require different licenses and use different types of nets, equipment, and boats.

U.S. tariff treatment

The column 1 1/ and column 2 2/ rates of duty applicable to imports of fish netting and fish nets of textile materials other than vegetable fibers classified in TSUS item 355.45, including salmon gill netting, are shown in the following tabulation:

TSUSA item No.	Description	Rate of duty	
		Column 1	Column 2
	Fish netting and fishing nets (in-		
	cluding sections thereof), of		
	textile materials:		
355.4500	Other (than of vegetable		
	fibers)-----	21¢ per lb +	82% ad val.
		30.6% ad val.	
	Of manmade fibers:		
355.4520	Salmon gill netting, of		
	nylon-----		
355.4530	Other-----		

The current column 1 rate of duty of 21 cents per pound plus 30.6 percent ad valorem is applicable to imports of fish netting and fishing nets, of

1/ Column 1 rates of duty are most-favored-nation (MFN) rates and are applicable to imported products from all countries except those communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, these rates would not apply to products of developing countries where such articles are eligible for preferential tariff treatment provided under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

2/ Column 2 rates of duty apply to imported products from those communist countries and areas enumerated in general headnote 3(f) of the TSUS.

fibers other than vegetable fibers, under TSUS item 355.45. Such imports are not eligible for benefits of the Generalized System of Preferences (GSP) ^{1/}. The former rate of 25 cents per pound plus 32.5 percent ad valorem remained unchanged between August 31, 1963 and December 31, 1981. The ad valorem equivalent of the column 1 rate of duty during 1981 was 39.2 percent. The current column 1 rate of duty became effective on January 1, 1982, as a result of negotiations concluded in the Tokyo round of the Multilateral Trade Negotiations (MTN). The staged reductions in the rate of duty under the MTN are shown in the following tabulation:

Year	:	Rates of duty effective with respect to articles entered on or after Jan. 1 ^{1/} --
1982-----	:	21¢/lb + 30.6% ad val.
1983-----	:	18¢/lb + 28.6% ad val.
1984-----	:	15¢/lb + 26.7% ad val.
1985-----	:	12¢/lb + 24.8% ad val.
1986-----	:	9¢/lb + 22.8% ad val.
1987-----	:	6¢/lb + 20.9% ad val.
1988-----	:	3¢/lb + 18.9% ad val.
1989-----	:	17% ad val.

^{1/} Concessions granted on most textile products are conditional. Sec. 504 of the Trade Agreements Act of 1979 would restore tariffs on textile products, including fish netting and fishing net, subject to the Multifiber Arrangement (MFA) to the levels of Jan. 1, 1975, if the MFA does not continue in effect or a suitable arrangement is not implemented during the period of the staged tariff reductions.

TSUS item 355.45 was annotated for statistical purposes effective January 1, 1981. This annotation (355.4520) separates salmon gill netting of nylon from other fish netting and fishing nets of manmade fibers. The ad valorem equivalent of the duty on netting reported in TSUSA item 355.4520, based on imports during 1981, was 36.5 percent.

Two bills on fish netting and fishing nets of manmade fibers--H.R. 4002 and S. 1565--were introduced in the House of Representatives and the Senate on June 23, 1981, and July 31, 1981, respectively. Both bills provide for immediate reduction of the duty on fish netting and fishing nets (TSUS item 355.45) to the final staged rate of 17 percent ad valorem. At present, both bills are in committee awaiting further action.

^{1/} The GSP, enacted as 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 in Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise entered on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985.

The United States is party to the Arrangement Regarding International Trade in Textiles, commonly known as the Multifiber Arrangement (MFA), sanctioned under the General Agreements on Tariffs and Trade (GATT). The MFA provides the legal framework for member countries to negotiate bilateral agreements allowing for the orderly development of international trade in textiles and apparel. The MFA went into effect on January 1, 1974, for 4 years and was extended for 4 more years through 1981. In December 1981, the MFA was extended until July 1986.

Under the terms of the MFA, the United States has negotiated agreements with 19 countries 1/ providing for specific limits on U.S. imports of individual textile and apparel products or groups of products or, in some cases, providing for consultations when predetermined import levels are reached. Similar agreements were negotiated, pursuant to the provisions of section 204 of the Agricultural Act of 1956, with Taiwan, the People's Republic of China (China), Costa Rica, and Mauritius, which are not MFA signatories. The United States also has agreements with 10 other countries 2/ providing for consultations should their exports to the United States threaten to cause market disruption.

To administer the U.S. textile and apparel trade agreements programs, imports of textiles and apparel are grouped in three-digit category numbers according to their fiber content (cotton, wool, or manmade fibers), fabric construction (knit or not knit), and product group (yarn, fabric, apparel, or home furnishings). The current MFA category number which includes TSUSA items 355.4520 and 355.4530 is 669. Category 669 is a so-called basket category which includes numerous other textile articles in addition to fish nets and fish netting of manmade fibers. Current bilateral agreements with Japan, 3/ Korea, and Taiwan do not provide for any specific limits for imports in this category.

The duty on fish netting and fishing nets purchased in foreign ports by U.S. fishing vessels during a specified period of departure from the United States is 50 percent ad valorem (19 U.S.C. 1466). Such purchases are also provided for in U.S. Customs service regulations in the Code of Federal Regulations (19 CFR 4.14). On meeting one of three statutory criteria, the owner or master of the vessel may obtain a remission of the duties paid where the purchases were made in a specified period (19 U.S.C. 1466 (d)). Section 4.14 of these regulations provides specific standards for the duty refunds, requiring proof that the transaction met all the legal qualifications of replacing such equipment damaged at sea.

1/ As of September 1981, they included Brazil, Colombia, Haiti, Hong Kong, India, Japan, the Republic of Korea (Korea), Macao, Malaysia, Mexico, Pakistan, the Philippines, Poland, Romania, Singapore, Thailand, Yugoslavia, the Dominican Republic, and Sri Lanka.

2/ These include Egypt, Czechoslovakia, Greece, Hungary, Jamaica, Malta, Nicaragua, Peru, Portugal, and Spain.

3/ The bilateral agreement with Japan expired on Dec. 31, 1981. The Government of Japan and the United States have extended the provisions of the former agreement until such time as a new agreement is formalized.

U.S. Industry

Producers of all fish netting of manmade fibers

Twelve firms accounted for over 90 percent of the U.S. production of fish netting of manmade fibers in 1980. Types of fish netting produced include trammel, hoop, gill, seine, and trawl. In addition to fish netting, some of the larger firms also produce a variety of other products including net components, thread, netting for recreational uses (e.g., batting cages) and decoration (e.g., store displays). Producers are located in Alabama, California, Connecticut, Minnesota, Pennsylvania, Tennessee, Texas, Washington, and Wisconsin.

The typical firm operates at a single location which contains its production area, warehouse, administrative and sales area, and shipping and receiving facility; many operate small retail outlets at the same location. Products are marketed on a nationwide basis utilizing marine supply houses or other distributors, mailings of catalogs to licensed commercial fishermen and fishing companies, direct telephone sales, and sales representatives.

Producers of salmon gill fish netting

According to responses to the Commission's questionnaires, three U.S. firms produced salmon gill fish netting prior to 1975. However, only one domestic firm, Harbor Net and Twine Co., Inc., currently produces this type of netting. Former producers of salmon gill netting gave various reasons for halting production. First Washington Net Factory, Blaine, Wash., produced salmon gill fish netting from 1960 to 1977. The firm discontinued such production in 1977 after concluding that the investment required to replace the old equipment used in producing the salmon gill netting could not be justified because of uncertainty in the market caused by increasing import competition and the efforts being made to remove import duties on fish netting. ^{1/} In its last year of production, First Washington produced approximately * * * pounds of salmon gill fish netting, an estimated * * * of U.S. production in that year. The firm has also stated that it would consider resuming production of salmon gill fish netting only if * * *.

Blue Mountain Industries, Blue Mountain, Ala. also produced salmon gill netting, with the largest production recorded in the early to mid-60's. Production declined sharply until it ceased completely in 1972, when it was estimated to be * * * pounds. The firm indicated that it stopped production of salmon gill fish netting because of lower priced imports. The firm also stated that it had no intention of resuming production, since it could not compete profitably with imports. Only control of import quantities and enforcement of duties would allow domestic producers to compete on a profitable basis. ^{2/}

^{1/} Statement of Mr. Carl Koring, president of First Washington; submitted in response to a questionnaire of the U.S. International Trade Commission.

^{2/} Statement of Mr. H. D. Whitlow, vice president of Blue Mountain Industries; submitted in response to a questionnaire of the U.S. International Trade Commission.

Harbor Net and Twine Company, Inc., is a small family-owned and operated establishment located in Hoquiam, Wash. This firm services a very small but distinct market. Most orders for imported salmon gill netting are placed in late October and early November in anticipation of the earliest opening date of the fishing season in April. Orders placed after this time period tend to have longer delivery times and often are delayed as Japanese suppliers react to the demand in their home market. Harbor Net and Twine's highest production period is * * *. It primarily serves those fishermen who do not order early. Harbor Net and Twine's production is composed of approximately * * * crystal type multifilament salmon gill netting, 1/ while the remaining * * * consists of the cable-laid type of salmon gill netting. Most of the cable-laid netting is destined for river fishing in Alaska, where flexibility and transparency of the netting are relatively unimportant quality features because of the fast currents and murkiness of the water. Many of the fishermen purchasing their netting in * * * from Harbor Net and Twine are part-time fishermen and have other jobs as their primary sources of income.

Although Harbor Net and Twine is currently the only U.S. producer of salmon gill fish netting, several other firms are planning to undertake production of this product in the near future. Nylon Net Co., of Memphis, Tenn., one of the largest domestic netting producers, is currently involved in a joint project with Firestone Synthetic Fibers and Textiles (a domestic fiber producer) to develop a manmade fiber yarn which would be competitive with the yarn used in Japanese netting. 2/ In addition, the owners of Northwest Net and Twine Co., Everson, Wash., have entered into a partnership with a Japanese netting manufacturer, Nichimo. This new firm, Nichimo Northwest, began production of salmon gill netting at Everson in February 1982. 3/

The Foreign Industry

Japan, the Republic of Korea, and Taiwan are the world's principal producers of all types of fish netting and fishing nets. Total world output is estimated to exceed 120 million pounds annually, consisting primarily of manmade fibers. The production of double-knot salmon gill netting accounts for only a small share of the total production of all fish netting.

Japan is the leading world producer of fish netting and fishing nets. It maintains a network of domestic and foreign factories and warehouses located in most market areas of the world. The Japanese industry consists of about 300 firms that produce about 65 million pounds of fish netting and fishing nets annually. About six multinational firms account for the bulk of the Japanese domestic production. The Japanese fish netting and fishing net manufacturers are usually affiliated with Japanese petrochemical producers, which are their source of manmade fiber textile material. The Japanese are

1/ Purchasers of this type of netting have testified that it is an inferior product compared to imported Japanese netting. Hearing transcript, pp. 137 and 138.

2/ Hearing transcript, p. 171.

3/ Id., p. 128.

usually able to obtain the amount and type of raw material needed with less difficulty than most U.S. producers because of the larger market for fish netting in Japan. Most Japanese manufacturers of fish netting and fishing nets closely examine their product prior to shipment to insure high quality.

According to data received from the Japan Fishing Net Manufacturers Association (JFNMA), 1/ Japanese producers exported over 5 million pounds of fish nets and fish netting of manmade fibers in 1980. JFNMA estimates that 60 to 70 percent of such exports were of gill fish netting and that about 80 percent of exports to the United States were salmon gill fish netting. Exports to the United States accounted for about 6 percent of total Japanese fish net and fish netting exports in 1981 (January-September). No major changes in Japanese production levels are anticipated by JFNMA, although domestic (Japanese) demand for salmon gill netting may increase in 1982, because Japanese fishing fleets are becoming more active in the northern and central Pacific and in the Sea of Japan. Total net and netting exports are expected to rise slightly in 1982. However, Japanese netting producers do not anticipate any sharp increase in salmon gill fish netting exports to the United States, because there has been little change in the number of U.S. salmon-fishing license holders and therefore little change in the total U.S. demand for this product. JFNMA predicts that the share of the U.S. market for salmon gill fish netting held by Japanese-made netting will diminish in and after 1982 because of competition from Korean and Taiwan manufacturers. Japanese producers, however, stated that such competition was not expected in the next few years, because the quality of the Korean and Taiwan netting had not reached a level high enough to be acceptable to U.S. salmon fishermen. 2/

Although recent data on the domestic fish netting and fishing net industries of Korea and Taiwan are not available, each is thought to consist of approximately 30 to 40 firms. Each country apparently produces in excess of 25 million pounds of netting and nets annually, including small quantities of salmon gill netting. The salmon gill netting purchased from Korea or Taiwan is usually less expensive than the same netting purchased from Japan; however, importers and fishermen state that it is usually of lower quality than the Japanese netting.

U.S. Market

Market developments

Demand in the U.S. market for salmon gill netting is almost entirely served by imports from Japan, Korea, or Taiwan. Imports have been a factor in the U.S. market since the 1950's. They became predominant in the late 1960's and early 70's. The salmon gill netting currently in use is the result of an evolutionary process predating World War II. At that time, salmon gill netting was constructed from cotton or flax which was tarred to prevent rotting. The resulting product was a coarse, heavy item, far different from

1/ Department of State airgram, Jan. 19, 1982.

2/ U.S. importers share this view of the quality of Korean and Taiwanese netting. See hearing transcript, pp. 124 and 125.

the light, transparent netting employed today. After World War II, nylon was introduced in many markets which had traditionally depended on natural fibers. Fish netting was such a market.

U.S. producers introduced nylon gill netting in the mid-50's. Japanese producers also exported to the United States a cable-laid nylon gill fish netting product containing from 15 to 24 multifilament strands. In the mid-1960's the Japanese introduced a netting that used fewer multifilament strands (six or seven) and therefore was much lighter and more transparent. By the late 60's and early 70's, this product dominated the market. The key to the new product was obtaining the yarn which consisted of six or seven multifilament strands. Domestic producers contend they could not interest U.S. fiber producers in making this type of multifilament yarn, since it was such a small volume item. ^{1/} Domestic producers were using and still use a multifilament yarn which was produced for use as tire cord. These same producers attempted to secure an adequate supply of the multifilament yarn from Japan but were unable to do so. They contend that when they did receive shipments of such yarn from Japan, the shipments were late. ^{2/} Some domestically produced crystal-type gill netting was available in the U.S. market in the early 70's, but importers and fishermen contend that it was not comparable in quality with Japanese netting. ^{3/} By the late 1970's, domestic producers, with the exception of Harbor Net and Twine, had abandoned production of salmon gill netting and concentrated instead on production of salmon seine netting. Seine netting can be produced in large volume from fibers and yarn that are readily available in the United States. The market for seine netting is currently dominated by the domestic producers.

Apparent consumption

U.S. consumption of all types of salmon gill fish netting increased almost * * * percent, from * * * pounds, valued at * * * million, in 1978 to * * * pounds, valued at * * * million, in 1979, as shown in table 1. Consumption declined sharply in 1980 to * * * pounds, or by more than * * * percent. Consumption in January-September 1981 was about * * * percent higher than that reported in the comparable period of 1980.

Apparent consumption by type of netting is shown in table 2. Multifilament salmon gill netting represented about * * * percent of all salmon gill fish netting purchased in 1980. Approximately * * * percent of this netting was imported from Japan. Twisted monofilament gill fish netting represented about * * * percent of purchases. The remaining * * * percent consisted of monofilament gill fish netting. Domestic shipments represented about * * * percent of multifilament netting consumption.

^{1/} Hearing transcript, p. 166.

^{2/} Id., p. 167.

^{3/} Id., p. 125.

Table 1.--Salmon gill fish netting: U.S. producer's shipments, imports for consumption and apparent consumption, 1978-80, January-September 1980, and January-September 1981

(Quantity in thousands of pounds; value in thousands of dollars)					
Period	U.S. producers' shipments <u>1/</u>	Imports	Apparent consumption	Ratio (percent) of imports to consumption	
	Quantity				
1978-----	***	591	***	***	
1979-----	***	768	***	***	
1980-----	***	350	***	***	
January-September--					
1980-----	***	323	***	***	
1981-----	***	354	***	***	
	Value				
1978-----	***	3,327	***	***	
1979-----	***	5,055	***	***	
1980-----	***	2,374	***	***	
January-September--					
1980-----	***	2,158	***	***	
1981-----	***	1,952	***	***	

^{1/} Value of shipments estimated by staff of the U.S. International Trade Commission.

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

Table 2.--Salmon gill fish netting: Apparent U.S. consumption, by types, 1978-80, January-September 1980, and January-September 1981

(In thousands of pounds)					
	1978	1979	1980	January-September--	
				1980	1981
Multifilament-----	***	***	***	***	***
Twisted monofilament-----	***	***	***	***	***
Other-----	***	***	***	***	***
Total-----	***	***	***	***	***

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 totals shown.

Consumption of salmon gill fish netting is based on a number of factors; among them are the number of fishermen, the number of salmon caught in a season, and the financial condition of salmon gill net fishermen. Industry sources have indicated that the long-term trend in consumption primarily depends on the first two factors, with fishermen's financial condition affecting year-to-year fluctuations in consumption.

Individual States strictly regulate the number of licenses issued for salmon gill net fishing. 1/ Below is a tabulation showing the number of salmon gill net license holders, by States, 1979-81.

<u>Year</u>	<u>Alaska</u>	<u>Washington</u>	<u>Oregon</u>	<u>Total</u>
1979-----	7776	2215	470	10,461
1980-----	7809	2168	510	10,487
1981-----	7843	2137	412	10,392

Although the holding of a license does not necessarily mean a fisherman has fished, these figures give some indication of trends in the number of fishermen. The data show that the number of license holders increased slightly from 1979 to 1980, but decreased in 1981. In Alaska, which accounts for about 85 percent of the annual U.S. salmon catch, the number of license holders increased every year. The number of license holders in Washington decreased in 1980 and 1981, and in Oregon, the number decreased in 1981. The decrease in Washington may be due to a U.S. district court decision in the early 1970's, which had a depressing effect on the commercial salmon-fishing industry in that State. 2/

Apparent U.S. consumption of salmon gill netting increased in 1979 with the increase in salmon catch. However, in 1980, salmon gill netting consumption decreased significantly, even though the salmon catch increased, as shown in the following tabulation (in thousands of pounds): 3/

1/ In Alaska, native American fishermen need no licenses for subsistence fishing; in Washington, no licenses are required if fishing is within tribal waters.

2/ The district court held that under treaties applicable to native Americans in what is now the State of Washington, Indian fishermen are entitled to a 45- to 50- percent share of the harvestable fish passing through their recognized tribal fishing grounds. This decision was affirmed on appeal to the U.S. Supreme Court. (See Washington v. Washington State Commercial Passenger Fishing Vessel Assn., 443 U.S. 658 (1979)).

3/ From 1975 to 1980, salmon gill nets consistently accounted for between 45 and 50 percent of the salmon catch, with the balance accounted for by seine nets (45 to 50 percent) and trollers. These figures indicate that fishermen have not been switching from one fishing method to another.

<u>Year</u>	<u>Purchases of salmon gill netting</u>	<u>Quantity of salmon landed</u>
1978-----	***	404,489
1979-----	***	536,116
1980-----	***	613,811

Several possible reasons for the decline in salmon gill netting consumption in 1980 have been offered by parties to this investigation. Although the salmon catch increased in 1980, the price of salmon declined significantly, resulting in a smaller return to the fishermen. ^{1/} As costs to the fishermen for fuel, insurance, supplies, etc. increased, purchases of netting were curtailed.

Another explanation is that large catches in 1978 and 1979, concurrent with rising salmon prices in these years, resulted in profitable seasons for the fishermen. Since the fishermen had the funds available, they purchased surplus stocks of netting in 1978, and especially in 1979, as indicated by the * * * percent increase in consumption between 1978 and 1979. These large purchases may have resulted in a decline in consumption in 1980, as fishermen drew on surplus stocks of netting rather than buy new netting.

It is possible that both of these factors contributed to the decline in consumption in 1980, but regardless of the reason, there is evidence that consumption in 1981 was slightly stronger, with reported consumption in the first nine months of 1981 about * * * percent higher than that in the corresponding period of 1980.

Salmon catches increased an average of 82 million pounds per year from 1975 to 1980. Preliminary 1981 catch data from Alaska, which generally accounts for about 85 percent of the U.S. salmon catch, indicate another productive year, although the catch was lower than that in 1980. On the basis of weather conditions in 1981, the salmon breeding cycle, and other factors, State and local officials think that 1982 should be a good year for the salmon catch, although they caution that the salmon supply in any year is often unpredictable.

Channels of distribution

Distribution of salmon gill fish netting is usually made through marine supply houses, which furnish fishermen with nets, netting, boating equipment and other supplies used by the fishing industry. Although some of the large domestic producers have their own sales organizations, most producers sell to the supply houses, which are typically located in the Northwest. The majority of imports are also distributed by these same supply houses. However, several of the large foreign producers have their own sales organizations.

^{1/} Ex-vessel salmon prices declined from an index of 615.4 in 1979 to 479.0 in 1980 (1967=100).

Although fish netting is usually sold to individual fishermen and usually custom ordered, substantial sales are also made to fish canneries, which in turn contract with fishermen for their catch and provide them with nets. It has also been alleged by distributors of fish netting that Japanese fishing companies, which are restricted from using their own boats within 200 miles of the U.S. coast, contract with U.S. fishermen for their catch and also provide them with nets. The salmon are never landed in the United States, but rather are loaded on Japanese processing vessels located outside the restricted area.

Consideration of Material Injury or Threat of Material Injury

Producers of all types of fish netting of manmade fibers

The 12 U.S. firms ^{1/} manufacturing fish netting of manmade fibers produced over 4 million pounds of fish netting in 1980, as shown in the following tabulation:

<u>Period</u>	<u>Production (1,000 pounds)</u>
1978-----	4,523
1979-----	5,074
1980-----	4,247
January-September--	
1980-----	2,966
1981-----	3,543

Production of all types of fish netting followed the same trend as that reported for consumption of salmon gill fish netting, although the recovery in 1981 was somewhat greater. Domestic shipments by U.S. producers are shown in table 3.

Producers' shipments increased from 1978 to 1979, and then declined 18 percent in 1980 to 4.2 million pounds, valued at \$13.4 million. Shipments in January-September 1981 were about 9 percent higher than those in the corresponding period of 1980. Shipments of seine netting, used in salmon, tuna, and other types of fishing, accounted for almost 50 percent of netting shipped in 1980. Exports by U.S. producers were negligible in all reported periods.

Inventories of fish netting appear to be small, since most netting is custom ordered; however, several of the larger producers carry stocks of common sizes of netting. In response to Commission questionnaires, seven firms indicated that their operations on fish netting had been profitable in 1980 and had been so since 1978. Three firms did not respond to the question,

^{1/} Data for Nichimo Northwest are not included in this report. The firm began production in February 1982.

Table 3.--Fish netting of manmade fibers: U.S. producers' domestic shipments, by types, 1978-80, January-September 1980, and January-September 1981

Item	1978	1979	1980	January-September	
				1980	1981
	Quantity (1,000 pounds)				
Gill netting 1/-----	126	167	114	101	107
Seine netting-----	1,859	2,550	1,937	1,459	1,484
Other-----	2,504	2,386	2,134	1,657	1,927
Total-----	4,489	5,103	4,185	3,217	3,518
	Value (1,000 dollars)				
Gill netting-----	588	849	690	605	617
Seine netting-----	5,322	7,292	6,211	4,303	4,882
Other-----	6,496	7,058	6,544	4,941	5,703
Total-----	12,406	15,199	13,445	9,849	11,202

1/ With the exception of shipments by Harbor Net and Twine, gill netting shipments are of types other than salmon gill fish netting.

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

and two firms reported their fish netting operations were not profitable in 1980. Both former producers of salmon gill fish netting reported * * * fish netting operations.

Producers of salmon gill fish netting

Salmon gill fish netting was produced by three domestic firms prior to 1975. However, only one firm--Harbor Net and Twine--continues to manufacture this type of netting. Harbor Net and Twine produces a relatively small quantity of crystal type multifilament salmon gill netting and a somewhat larger volume of cable-laid salmon gill netting, as shown in table 4.

The firm produces only on order, does not export, and does not carry any netting inventory. The firm employs from * * * production workers according to demand for netting.

As noted in an earlier section of this report, Harbor Net and Twine appears to have a unique spot in the market for salmon gill fish netting. Although importers and fishermen have alleged that the firm's crystal-type multifilament netting is inferior to that available from Japanese manufacturers, the firm maintains small but stable sales of this product to a small group of fishermen who tend to place their orders just before the salmon

Table 4.--Salmon gill fish netting: U.S. production, by types, 1978-80, January-September 1980, and January-September 1981

(In pounds)						
Item	1978	1979	1980	January-September		
				1980	1981	
Crystal multifilament--:	***	***	***	***	***	***
Cable-laid-----:	***	***	***	***	***	***
Total-----:	***	***	***	***	***	***

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

fishing season starts. 1/ According to fish netting distributors and fishermen, 2/ the firm's cable-laid salmon gill fish netting is not considered to be competitive with imported multifilament netting, since it has none of the characteristics of transparency or flexibility that fishermen deem desirable. However, this type of netting is sought by fishermen who fish the swift, murky river waters of Alaska and Washington, where strength and durability are the most important characteristics. Harbor Net and Twine does not appear to be in the mainstream of competition for salmon gill netting sales, as evidenced by the firm's statement that it has not been affected by sales of salmon gill netting imported from Japan. 3/ The firm could not provide data on the profitability of its fish netting operations.

U.S. imports

Imports of salmon gill fish netting increased from 591,000 pounds, valued at \$3.3 million, in 1978, to 768,000 pounds, valued at \$5.1 million, in 1979, as shown in table 5.

Imports dropped sharply to 350,000 pounds in 1980, or by more than 50 percent. Imports rose again in January-September 1981 to 354,000 pounds, 10 percent greater than imports in the corresponding period of 1980. The value of imports, however, dropped in 1981, with the average unit value falling to \$5.51 per pound compared with \$6.68 in 1980. Much of this decline in value can be attributed to low-cost imports from Taiwan. Japan was the principal source of imports during 1978-80, when it accounted for * * * percent of total salmon gill fish netting imports. Taiwan became a significant supplier in January-September 1981, when it accounted for 23 percent of total imports.

1/ Hearing transcript, p. 137.

2/ Information gathered during a staff fieldtrip (October 30 to November 4, 1981) and in subsequent telephone conversations. Also, hearing transcript, p. 40.

3/ See letter from Harbor Net and Twine, Inc., presented in app. E.

Table 5.--Salmon gill fish netting: U.S. imports for consumption, by principal sources, 1978-80, January-September 1980, and January-September 1981

Source	1978	1979	1980	January-September	
				1980	1981
Quantity (1,000 pounds)					
Japan-----	***	***	***	***	270
Taiwan-----	***	***	***	***	81
Republic of Korea-----	***	***	***	***	3
Other-----	***	***	***	***	1/
Total-----	591	768	350	323	354
Value (1,000 dollars)					
Japan-----	***	***	***	***	1,684
Taiwan-----	***	***	***	***	251
Republic of Korea-----	***	***	***	***	17
Other-----	***	***	***	***	1
Total-----	3,327	5,055	2,374	2,158	1,952
Unit value (per pound)					
Japan-----	***	***	***	***	\$6.24
Taiwan-----	***	***	***	***	3.10
Republic of Korea-----	***	***	***	***	5.67
Other-----	***	***	***	***	3.64
Average-----	\$5.63	\$6.58	\$6.78	\$6.68	5.51

1/ Less than 500 pounds.

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 totals shown.

As shown in table 6, imported multifilament fish netting was the most important type of netting, representing 74 percent of the quantity of netting imported in 1980. Imports of each type of netting followed the same trend, increasing from 1978 to 1979 and then declining sharply in 1980.

Table 6.--Salmon gill fish netting: U.S. imports for consumption, by types, 1978-80, January-September 1980, and January-September 1981

Item	1978	1979	1980	January-September	
				1980	1981
Quantity (1,000 pounds)					
Multifilament-----	385	464	258	236	168
Twisted monofilament--	188	243	67	61	118
Other-----	17	61	26	25	68
Total-----	591	768	350	323	354
Value (1,000 dollars)					
Multifilament-----	2,200	3,014	1,772	1,592	1,030
Twisted monofilament--	1,039	1,717	474	441	617
Other-----	87	325	127	126	306
Total-----	3,327	5,055	2,374	2,158	1,952
Unit value (per pound)					
Multifilament-----	\$5.71	\$6.49	\$6.86	\$6.75	\$6.13
Twisted monofilament--	5.52	7.08	7.08	7.23	5.24
Other-----	5.12	5.33	4.88	5.04	4.50
Average-----	5.63	6.58	6.78	6.68	5.51

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 totals shown.

Prices

The structure of the domestic salmon gill fish netting industry has changed significantly since the early 1970's. There is now just one manufacturer, whereas from the early to the mid 1970's there were several U.S. manufacturers of salmon gill fish netting, including the crystal multifilament type. 1/ Testimony indicates that in the early 1970's, fishermen began to regard Japanese crystal multifilament salmon gill netting (crystal netting) as a superior product and were willing to pay a premium for this perceived quality. 2/ The following analysis describes conditions of price competition between domestic and imported Japanese salmon gill netting from 1970 to 1981.

1970-78.---Price data are available for 1970 and 1971 from the Commission staff report for investigation No. AA1921-85 (1972). In 1970, Japanese crystal netting was higher priced than domestic crystal netting for two of the five specifications for which prices were reported. In these two specifications, Japanese prices were an average of \$0.06 per pound higher than the average domestic price of \$3.54 per pound (table 7). In the other three specifications, Japanese prices were an average of \$0.22 per pound lower than the average domestic price of \$3.57 per pound. In 1971, Japanese netting was higher priced for all five specifications by an average of \$0.21 per pound compared with the average domestic price of \$3.56 per pound.

No price data were available for 1972-75 although importers/distributors have indicated that prices of Japanese salmon gill fish netting were consistently higher than domestic netting prices during these years. 3/ Importers/distributors have stated that in 1976 and 1977, all specifications of Japanese crystal netting were higher priced than domestic crystal netting, by even greater margins than existed in the early 1970's. Price data provided by two distributors for one specification (210/18) show that in 1976 and 1977, Japanese crystal netting was an average of about \$1.00 per pound higher than the domestic producer's average price of \$5.92 per pound. Price data are not available for 1978.

1979-81.---Questionnaire price data for salmon gill fish netting are available for 1979 to 1981 (Table 8). These prices are for distributors' purchases of Japanese crystal netting and twisted monofilament netting, and of Harbor Net and Twine's crystal and cable-laid netting. Harbor Net and Twine Co. was the only domestic manufacturer of salmon gill netting during this period. Distributors of salmon gill fish netting have indicated that little cable-laid salmon gill netting has been imported since 1977.

Prices of domestic salmon gill fish netting ranged from * * * to * * * per pound, with cable-laid netting the lowest priced, and crystal netting the highest priced. Prices of imported salmon gill fish netting ranged from \$8.79 to \$11.69 per pound over the period and include a base duty of \$0.25 plus 32.5 percent per pound. This duty had the effect of increasing the landed duty-paid price over the c.i.f. price by an average of about \$2.70 per pound, or from 36 to 38 percent. Duties collected did not include an additional

1/ A second firm, Nichemo Northwest, began production of salmon gill fish netting in February 1982.

2/ Hearing transcript, pp. 8, 10, 15, 30, 31, 116, 124, and 125.

3/ Id., pp. 54 and 100.

Table 7.--Salmon gill fish netting: Prices paid by netting distributors for purchases of imported and domestic crystal multifilament salmon gill netting, 1/ 1970, 1971, 1976, and 1977

Twine size	Japanese		U.S. produced
	* * *	* * *	* * *
1970:			
210/9-----	\$3.75 :	- :	\$3.69
210/11-----	3.46 :	\$3.47 :	3.62
210/12-----	3.17 :	- :	3.62
210/18-----	3.39 :	3.43 :	3.48
210/21-----	- :	3.43 :	3.38
1971:			
210/9-----	3.95 :	- :	3.69
210/11-----	3.80 :	3.87 :	3.62
210/12-----	3.66 :	- :	3.62
210/18-----	3.59 :	3.75 :	3.48
210/21-----	- :	3.75 :	3.38
1976: 2/			
210/9-----	7.70 :	- :	6.14
210/18-----	6.91 :	- :	5.79
1977: 2/			
210/18-----	6.91 :	7.38 :	6.05

1/ All nonresin netting.

2/ For this year, importers/distributors supplied price data for these specifications only.

Source: Prices for 1970 and 1971 from the staff report in investigation No. AA1921-85 (1972), p. 38; prices for 1976 and 1977 are from telephone conversations with importers/distributors of salmon gill fish netting.

Table 8.--Salmon gill fish netting: Prices paid by netting distributors for purchases of imported and domestic salmon gill fish netting, by semiannual periods, 1979-81

Period	(Per pound)				
	Imported from Japan <u>1/</u>			U.S. produced <u>2/</u>	
	Crystal		Twisted monofilament 3/	Crystal	Cable- laid <u>3/</u>
	Resin	Nonresin			
1979:					
Jan.-June-----	\$9.74	\$8.79	\$9.33	***	***
July-Dec-----	11.07	9.45	9.53	***	***
1980:					
Jan.-June-----	11.67	9.50	10.32	***	***
July-Dec-----	11.67	9.51	10.33	***	***
1981:					
Jan.-June-----	11.69	9.52	10.42	<u>4/</u>	***
July-Dec-----	11.69	9.52	10.45	<u>4/</u>	***

1/ Prices of imported salmon gill fish netting are weighted-average purchase prices of netting imported from Japan by 12 distributors.

2/ Prices of U.S.-produced salmon gill fish netting are simple-average purchase prices of netting bought by 2 distributors from Harbor Net and Twine, the only domestic manufacturer.

3/ This netting is nonresin.

4/ Not reported.

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

dumping duty, which has not been collected since about 1976. Japanese salmon gill fish netting was consistently higher priced than domestic salmon gill fish netting, by an average of * * * per pound over the average domestic netting price of * * * per pound, for the 3-year period.

Of the various types of salmon gill fish netting for which prices are presented, the most comparable are Japanese- and U.S.-produced nonresin crystal netting, both constructed of the same type of Japanese yarn. The other types of netting differ by the type of yarn used in their construction or by the addition of a light resin coating. In 1979, the Japanese price for nonresin crystal netting was an average of * * * higher than the domestic price of * * * per pound. In 1980, the import price premium increased to * * * per pound, as import prices increased and domestic prices fell. Japanese prices remained stable in 1981, but there were no price data provided for domestic nonresin crystal netting. Netting distributors have indicated that fishermen

consider Japanese nonresin crystal netting to be superior to the domestic product, primarily because of better construction. 1/

Domestic cable-laid netting was the lowest priced salmon gill fish netting. In 1979, the prices of imported resin-dipped crystal netting was an average of * * * higher than the domestic cable-laid average price of * * * per pound. In the same year, the price of imported twisted monofilament netting was * * * per pound higher, and the price of imported nonresin crystal netting was * * * per pound higher than that of domestic cable-laid netting. The import price premium increased an average of * * * per pound in 1980, as import netting prices increased at a faster rate than domestic netting prices; the import price premium remained relatively constant in 1981.

Effect on price of revocation of the dumping order.--A representative from Nylon Net, the U.S. firm which plans to begin production of salmon gill fish netting in 1982, has stated that they expect the price of their netting to be competitive with the Japanese netting. Domestic fish netting producers are concerned that revocation of the dumping duty on salmon gill fish netting from Japan will enable Japanese manufacturers to lower their salmon gill fish netting prices in the U.S. market if a domestic netting manufacturer enters this market. 2/ Representatives of Japanese netting manufacturers and importers/distributors testified that revocation of the dumping order for salmon gill fish netting will have little effect on import prices. They claim that salmon gill fish netting prices over the past 4 years have not been affected by the dumping order, since they believed this netting would not be liable for dumping duties. 3/

Taiwan and Korean salmon gill fish netting.--Duty-paid c.i.f. unit values of salmon gill fish netting from Japan, Taiwan, and Korea in 1981 give some indication of how prices from these three countries compare, although Japanese netting is regarded as a higher quality product. 4/ In 1981, unit values of Taiwan salmon gill fish netting were an average of \$5.02 per pound lower than the average Japanese unit value of \$9.21 per pound. Korean unit values were \$3.17 per pound lower than the average Japanese unit value, as shown in the following tabulation:

	<u>Japan</u>	<u>Taiwan</u>	<u>Korea</u>
1981:			
Jan.-Mar-----	\$9.46	\$4.65	\$6.75
Apr.-June-----	9.48	4.38	3.27
July-Sept-----	10.48	3.38	3.51
Oct.-Dec-----	<u>1/</u> 7.43	4.35	<u>2/</u> 10.63

1/ This unit value is the result of a small volume of low-value imports in December. The decline in value appears to represent a change in product mix or off-season sales rather than a downward price trend.

2/ This unit value represents a shipment of only 132 pounds that was made in October.

1/ Hearing transcript, pp. 137 and 138.

2/ Id., pp. 167, 207, and 208.

3/ Id., pp. 122 and 123 and 154 and 155.

4/ Id., p. 124.

Consideration of Material Retardation

One domestic manufacturer of fishing nets, Nylon Net and Twine Co., Memphis, Tenn., has stated that it has both the intent and the capability to produce crystal multifilament salmon gill fish netting (crystal netting). However, officials of the firm also stated that unless the dumping duty on salmon gill fish netting imports from Japan remains in effect, it cannot successfully compete in this market. 1/ The owners of a second U.S. netting manufacturer have entered into a partnership with a Japanese netting firm and have begun production of crystal netting as well as herring gill netting in a new U.S. facility. This new firm, Nichimo Northwest, has not commented on the request for modification or revocation of the dumping order.

Commercial quantities of crystal nylon yarn, the raw material necessary for production of crystal salmon gill fish netting, are not currently produced in the United States. Domestic netting producers claim that in the mid 1970's delivery of crystal yarn from Japan, the only foreign source, was both unreliable and costly. This was one reason they discontinued production of crystal netting. Other reasons for this discontinuation have also been given, including the existence in the market of Japanese netting sold at LTFV (domestic producers' claim) 2/ and the superior quality of Japanese crystal netting (importers' claim).

In early 1981, at the request of Nylon Net, the Firestone Synthetic Yarn Co., Hopewell, Va., investigated the possibility of producing crystal nylon yarn. 3/ To date, Firestone has supplied * * * pounds of crystal yarn to Nylon Net for testing in the production of crystal salmon gill fish netting. If the yarn proves satisfactory, Firestone officials have stated that it has the capacity to supply all of Nylon Net's crystal yarn needs with no additional investment in plant or equipment. It estimates that it can produce 1.5 million pounds of crystal yarn per year, which is about 2 percent of their total yarn capacity. 4/ Nylon Net anticipates production from this yarn of * * * pounds of crystal netting per year over the first 3 years of production, and expects to begin commercial production in April 1982. 5/ It is currently in the process of choosing a dyeing technique that will yield colors or shades that are resistant to fading and consistent from one batch to the next.

1/ Statement of Mr. R.N. Steele Sr., executive vice president of Nylon Net and Twine Co., submitted in response to a questionnaire of the U.S. International Trade Commission. Hearing transcript, pp. 172 and 173.

2/ Hearing transcript, pp. 163, 166, and 170.

3/ Firestone has been a major supplier of nylon yarn to Nylon Net during the past 5 years. Firestone had previously developed for Nylon Net a solution-dyed yarn used in the production of tuna netting. Nylon Net had exclusive rights to this yarn for 1 year. It would not have exclusive rights to the crystal nylon yarn.

4/ Hearing transcript, p. 174.

5/ Id., p. 179.

Nylon Net has stated they can use existing production facilities to produce crystal netting. They have recently invested in additional equipment that will be used in the manufacture of all types of netting, including planned production of crystal netting. These investments include \$150,000 in an autoclave, which can be used in salmon gill fish netting production for heat setting knots and for stretching netting to its specified depth. 1/ This autoclave is expected to be in operation in April 1982 at an installation cost of \$25,000. 2/ Nylon Net has also invested \$25,000 in equipment to test netting characteristics such as elasticity and tensile strength. 3/ * * *.

Nylon Net will be entering a market where the final consumers of salmon gill fish netting (the fishermen) are apparently satisfied with the quality of imported Japanese salmon gill fish netting. Questionnaire responses from salmon gill fish netting importers/distributors and testimony at the hearing expressed doubt in the ability of U.S. netting producers to manufacture salmon gill fish netting comparable in quality with the Japanese product. These distributors attributed this skepticism to past problems they have had with the quality of domestic salmon gill fish netting. However, some also indicated that if a domestic netting producer offered salmon gill fish netting comparable in quality and price with the Japanese netting, that they would consider purchasing it. * * *.

Nichimo Northwest, the U.S.-Japanese partnership, 4/ began production of crystal netting in February 1982. 5/ Although some orders have been received, no netting has yet been delivered to customers. It expects to produce 100,000 to 150,000 pounds of salmon gill fish netting a year, and production is expected to gradually replace some, but not all, imports from Nichimo (Japan). 6/ This firm expects to use Japanese crystal yarn in its netting, although an official of the firm stated it would consider using domestically produced yarn if available. Investment in plant and equipment is approximately \$900,000, with anticipated employment of * * * persons.

Domestically produced salmon gill fish netting will benefit from a relatively high base duty (36 percent ad valorem equivalent) that will continue for a number of years, assuming that the duty is not lowered through legislative action. One former domestic manufacturer of salmon gill fish netting stated that the repeated introduction of a bill to reduce the duty created uncertainty concerning import competition and was one reason it discontinued production of salmon gill fish netting at the end of 1977.

1/ Hearing transcript, p. 172.

2/ Id.

3/ Id.

4/ Nichimo (Japan) owns 70 percent of this firm. The owners of Northwest Net and Twine, a domestic netting producer, own the remaining 30 percent of the new firm.

5/ Hearing transcript, p. 27.

6/ Statement of Mr. Enemoto, of Nichimo Washington, the U.S.-based sales organization of Nichimo (Japan). Also, hearing transcript, p. 52.

Retention of a dumping duty may affect the market for salmon gill fish netting in a number of ways. It would give domestically produced netting an additional price advantage relative to Japanese imports. The full effect of the advantage will depend on the final dumping margins, if any, found by Commerce. According to the importers' petition, if the importers/distributors are held responsible for dumping duties on unliquidated entries, this could impose a large cost on some of these distributors, and perhaps lead to their bankruptcy. 1/ If some distributors leave the market, the void could be filled by increased imports from the remaining distributors, by the establishment of other importers, and/or by domestic production. Domestic production would consist of netting produced by Harbor Net and Twine and Nichimo Northwest, and planned production of Nylon Net. Imports from other sources are also possible. This adjustment process would take time, and a domestic distributor testified that the bankruptcy of distributors would disrupt the market, with a significant adverse impact on the fishermen these distributors serve. 2/

Import data show that during the past year, imports of salmon gill fish netting from Taiwan and Korea have increased, although imports from Korea were small relative to Japanese imports. Taiwan's share of salmon gill fish netting imports increased from less than * * * percent in 1980 to 23 percent in 1981. The quality of Taiwanese and Korean salmon gill fish netting is not considered by industry sources to be as high as that of the Japanese product. 3/ In 1981, the average customs value of salmon gill fish netting imports from both Taiwan and Korea was about 60 percent lower than the average customs value of \$6.97 per pound of imports from Japan. Retention and enforcement of a dumping order on Japanese salmon gill fish netting could increase the share of the salmon gill fish netting market held by Taiwan and Korea, especially if the quality of their netting improves.

1/ Most imports of salmon gill fish netting have not been appraised or liquidated since about 1976. The importers estimate that if the preliminary dumping margins found in 1981 are applied to unliquidated entries, importers would pay about \$2 million in duties.

2/ Hearing transcript, p. 46.

3/ Id., p. 124.

Appendix A

Treasury Decision 72-158

(T.D. 72-158)

Antidumping—Fish netting of manmade fibers from Japan

The Secretary of the Treasury makes public a finding of dumping with respect to fish netting of manmade fibers from Japan. Section 153.43, Customs Regulations, amended

DEPARTMENT OF THE TREASURY,
Washington, D.C., June 1, 1972.

TITLE 19—CUSTOMS DUTIES

CHAPTER I—BUREAU OF CUSTOMS

PART 153—ANTIDUMPING

Section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), gives the Secretary of the Treasury responsibility for determination of sales at less than fair value. Pursuant to this authority the Secretary of the Treasury has determined that fish nets and netting of manmade fibers from Japan are being, or are likely to be, sold at less than fair value within the meaning of section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). (Published in the Federal Register of January 19, 1972 (37 F.R. 815, F.R. Doc. 72-897)).

Section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), gives the United States Tariff Commission responsibility for determination of injury or likelihood of injury. The United States Tariff Commission has determined, and on April 18, 1972, it notified the Secretary of the Treasury that an industry in the United States is being and is likely to be injured by reason of the importation of fish netting of manmade fibers from Japan, sold at less than fair value; and that no industry in the United States is being, or is likely to be, injured, or prevented from being established, by reason of the importation of fish nets of manmade fibers from Japan, sold at less than fair value. (Published in the Federal Register of April 22, 1972 (37 F.R. 8036, F.R. Doc. 72-6211).)

On behalf of the Secretary of the Treasury, I hereby make public these determinations, which constitute a finding of dumping with respect to fish netting of manmade fibers from Japan.

Section 153.43 of the Customs Regulations is amended by adding the following to the list of findings of dumping currently in effect:

<i>Merchandise</i>	<i>Country</i>	<i>T.D.</i>
Fish netting of manmade fibers	Japan	72-158

(Sections 201, 407, 42 Stat. 11, as amended, 18; 19 U.S.C. 160, 173.)
(643.3)

EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

[Published in the Federal Register June 9, 1972 (37 F.R. 11560)]

Appendix B

Commission Notices

Salmon Gill Fish Netting of Manmade Fibers From Japan; Commission Request for Comments Concerning Institution of Section 751(b) Review Investigation

AGENCY: International Trade Commission.

ACTION: Request for comments regarding institution of section 751(b) review investigation concerning affirmative determination in Investigation No. AA1921-85, Fish Nets and Netting of Manmade Fibers from Japan.

SUMMARY: The Commission invites comments from the public on whether changed circumstances exist which warrant the institution of an investigation pursuant to section 751(b) of the Tariff Act of 1930 (19 U.S.C. 1675(b)), to review the Commission's affirmative determination in investigation No. AA1921-85 regarding salmon gill fish netting of manmade fibers from Japan. The purpose of the proposed section 751(b) review investigation, if instituted, would be to determine whether an industry in the United States would be materially injured, would be threatened with material injury, or the establishment of an industry would be materially retarded, by reason of imports of salmon gill fish netting of manmade fibers if the antidumping order regarding fish netting of manmade fibers from Japan is modified or revoked with respect to salmon gill fish netting of manmade fibers provided for in item 355.45 of the Tariff Schedules of the United States. Revocation or modification of the dumping finding as to salmon gill fish netting would not affect the Commission's affirmative determination as to other types of fish netting from Japan.

SUPPLEMENTARY INFORMATION: On April 18, 1972, the Commission determined that an industry in the United States was injured within the meaning of the Antidumping Act, 1921, by reason of imports of fish netting of manmade fibers from Japan determined by the Secretary of Treasury to be sold or likely to be sold at less than fair value (LTFV).

On June 1, 1972, the Department of the Treasury issued a finding of dumping (T.D. 72-158) and on June 9, 1972,

published notice of the dumping finding in the Federal Register.

On July 28, 1981, the Commission received a request to review its affirmative determination in investigation No. AA1921-85. The request was filed pursuant to section 751(b) of the Tariff Act of 1930 by the Law Offices of George R. Tuttle on behalf of Seattle Marine and Fishing Supply Co., Nordby Supply Co., Redden Net Co., Fisheries Supply Co., Lummi Fishery Supply Co., Nets, Inc., Tacoma Marine Supply, Astoria Marine Supply, and Englund Marine Supply, importers of salmon gill fish netting from Japan.

Written Comments Requested

Pursuant to § 207.45(b)(2) of the Commission's Rules of Practice and Procedure (46 FR 18023), the Commission requests comments on whether the following alleged changed circumstances are sufficient to warrant institution of a review investigation: (1) the likelihood that there has been no significant manufacturing of salmon gill netting in the United States comparable to that imported from Japan, since approximately 1974, and (2) the likelihood that the decline of salmon gill netting production in the United States is not a result of LTFV imports from Japan, but rather the inability of U.S. netting manufacturers to produce a commercially competitive product due to technology inferior to that in Japan. In addition, comments are invited on petitioners' request that the Commission's injury determination on salmon gill fish netting of manmade fibers be revoked retroactively to approximately 1974 and that the determination be made within sixty days of institution rather than the one hundred and twenty days provided for in § 207.45(b)(3).

The Request for Review of The Injury Determination

Copies of the request for review of the injury determination and any other public documents in this matter are available to the public during official working hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436; telephone 202-523-0161.

Additional Information

Under § 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8), the signed original and 10 true copies of all written submissions must be filed with the Secretary to the Commission, 701 E Street, NW., Washington, D.C. 20436. All comments must be filed no later than September

18, 1981. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request business confidential treatment under § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). Such request should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. Each sheet must be clearly marked at the top "Confidential Business Data." The Commission will either accept the submission in confidence or return it. All nonconfidential written submissions will be available for public inspection in the Office of the Secretary.

FOR FURTHER INFORMATION CONTACT: Dan Leahy, senior investigator, Office of Investigations, U.S. International Trade Commission (202-523-1369) or Jane Albrecht, Esq., U.S. International Trade Commission (202-523-1827).

Issued: August 11, 1981.

By order of the Commission.

Kenneth R. Mason,
Secretary.

FR Doc. 81-24231 Filed 8-18-81; 8:45 am)
BILLING CODE 7030-02-M

[Investigation No. 751-TA-5]**Salmon Gill Fish Netting of Manmade Fibers From Japan; Institution of Section 751(b) Review Investigation****AGENCY:** International Trade Commission.**ACTION:** Institution of Section 751(b) review investigation concerning affirmative determination in investigation No. AA1921-85, Fish Nets and Netting of Manmade Fibers from Japan.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has initiated an investigation pursuant to section 751(b) of the Tariff Act of 1930, 19 U.S.C. § 1675(b) (Supp. III 1979), to review its determination in investigation No. AA1921-85. The purpose of the investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, if the antidumping order regarding fish netting of manmade fibers from Japan were to be modified or revoked with respect to salmon gill fish netting of manmade fibers provided for in item 355.45 of the Tariff Schedules of the United States.

SUPPLEMENTARY INFORMATION: On April 18, 1972, the Commission determined that an industry in the United States was injured within the meaning of the Antidumping Act, 1921, by reason of imports of fish netting of manmade fibers from Japan determined by the Secretary of Treasury to be sold or likely to be sold at less than fair value (hereinafter LVFV).

On June 1, 1972, the Department of the Treasury issued a finding of dumping, T.D. 72-158, and published notice thereof in the Federal Register, 37 FR 11560.

The U.S. Department of Commerce published a notice of the preliminary results of an administrative review of the antidumping finding in this matter in the Federal Register of May 5, 1981 (45 FR 25118).

On July 28, 1981, the Commission received a request to review its affirmative determination in investigation No. AA1921-85. The request was filed under section 751(b) of the Tariff Act of 1930 by counsel representing nine Seattle, Washington/Portland, Oregon area importers of salmon gill fish netting from Japan.

The Commission requested comments from the public regarding the proposed institution of a review investigation in a notice published in the Federal Register on August 19, 1981 (46 FR 42219). Comments supporting the request for an investigation were received from counsel representing the Fishing Nets Twine Division of the Japan Textile Products Exporters' Association and from counsel representing Trans-Pacific Trading, Inc., of Seattle, Washington. Comments in opposition to the request were filed on behalf of members of the American Netting Manufacturers Organization (ANMO). On the basis of the request for review and all comments filed concerning the request, the Commission on October 14, 1981, voted to institute investigation No. 751-TA-5.

The Commission determined that the request showed the following changed circumstance sufficient to warrant review: since 1972 the volume of production of salmon gill fish netting in the United States has changed to such a degree that at the present time there is no significant manufacturing of salmon gill fish netting in the United States compared to that imported into the United States from Japan.

The investigation will be conducted in accordance with § 207.45(b) of the Commission's Rules of Practice and Procedure (46 FR 18023) (March 23, 1981). The purpose of this investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded if the present antidumping order were to be modified or revoked to exclude salmon gill fish netting of manmade fibers. Modification or revocation of the dumping finding as to salmon gill fish netting would not affect the Commission's affirmative determination as to other forms of fish netting of manmade fibers from Japan.

Dates.—Pursuant to § 207.45(b) of the Commission's Rules of Practice and Procedure, the 120 day period for

completion of this investigation begins on the date of publication of this notice in the Federal Register.

Written submissions.—Any person may submit to the Commission on or before December 23, 1981, written statements if information pertinent to the subject matter of the investigation. A signed original and nineteen true copies of such statements must be submitted in accordance with § 201.8 of the Commission's Rules of Practice and Procedure 129 CFR 201.8 (1980).

Any business information which a submitter desires the Commission to treat as confidence 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 Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except confidential business data, will be available for public inspection. A staff report containing preliminary findings of fact will be available to all interested parties on November 25, 1981.

Public hearing.—The Commission will hold a public hearing in connection with this investigation on December 17, 1981, in the Hearing Room of the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10:00 a.m. e.s.t. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m., e.s.t.), December 7, 1981. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 10:00 a.m., e.s.t., on December 9, 1981, in Room 117 of the U.S. International Trade Commission Building and must file prehearing statements on or before December 11, 1981. For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure Part 207, Subpart (19 CFR 207), and Part 201, Subparts A through E (19 CFR 201).

The Commission has waived commission rule 201.12(d), "submission of prepared statements," in connection with this investigation. This rule states that "Copies of witnesses" prepared statements should be filed with the Office of the Secretary of the Commission not later than 3 business days prior to the hearing and submission of such statements shall comply with § 201.6 and § 201.8 of this subpart". It is nevertheless the Commission's request that parties submit copies of witnesses' prepared testimony as early as practicable before the hearing in order to permit Commission review.

FOR FURTHER INFORMATION CONTACT: Daniel Lehy, Investigator, Office of Investigations, U.S. International Trade Commission, (202) 532-1369 or Jane Albrecht, attorney, Office of the General Counsel, U.S. International Trade Commission, (202) 523-1627.

By Order of the Commission.

Issued: October 16, 1981.

Kenneth R. Mason,
Secretary.

[Investigation No. 751-TA-5]

**Salmon Gill Fish Netting of Manmade
Fibers from Japan; Postponement of
Public Hearing**

AGENCY: United States International
Trade Commission

ACTION: Postponement of public hearing
in connection with investigation No.
751-TA-5.

SUMMARY: Notice is hereby given that
the United States International Trade
Commission has postponed its
December 17, 1981 public hearing in the
subject investigation (46 FR 51675,
October 21, 1981). A new hearing date
and location will be announced.

FOR FURTHER INFORMATION CONTACT:
Daniel Leahy, Office of Investigations,
U.S. International Trade Commission,
(202) 523-1369.

By Order of the Commission.

Issued: November 25, 1981.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-34619 Filed 12-1-81; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 751-TA-5]

Salmon Gill Fish Netting of Manmade Fibers From Japan; Public Hearing and Extension of Deadline for Completion of Investigation

AGENCY: United States International Trade Commission.

ACTION: Scheduling of public hearing and extension of deadline for completion of investigation No. 751-TA-5. Salmon gill fish netting of manmade fibers from Japan.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission will conduct a public hearing in connection with the subject investigation. The hearing will be held on February 16, 1982 in Portland, Oregon. The Commission also gives notice that it has waived the 120 day limit for completion of this investigation. The new administrative deadline for completion is March 31, 1982.

EFFECTIVE DATE: December 11, 1981.

SUPPLEMENTARY INFORMATION: On November 18, 1981, the Commission received a request to waive the 120 day time limit for completion of the subject investigation upon the condition that a public hearing be held in Portland, Oregon or Seattle, Washington subsequent to December 1981. On November 24, 1981, the Commission voted to postpone the December 17, 1981 hearing scheduled to be held in Washington, D.C. (46 FR 58618). Since salmon fishing is centered in the rivers and offshore waters of the Pacific Northwest the majority of importers and users of salmon gill fish netting are located in that area. A public hearing in Portland will provide these groups with the opportunity to present oral testimony to the Commission.

Written submissions.—Any person may submit to the Commission on or before February 24, 1982, written statements of information pertinent to the subject matter of the investigation. A signed original and nineteen true copies of such statements must be submitted in accordance with § 201.8 of the Commission's Rules of Practice and Procedure, 19 CFR 201.8 (1980).

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 Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except confidential business data, will be available for public inspection. A staff report containing preliminary findings of fact will be available to all interested parties on January 26, 1982.

Public hearing.—The Commission will hold a public hearing in connection with this investigation on February 16, 1982, beginning at 10:00 a.m., p.s.t., in room 223 of the New Federal Building, 1220 South West 3rd Street, Portland, Oregon. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m., e.s.t.) on January 29, 1982. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 2:00 p.m., e.s.t., on February 2, 1982, in Room 117 of the U.S. International Trade Commission Building and must file prehearing statements on or before February 10, 1982. For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subpart C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201).

The Commission has waived Commission rule § 201.12(d), "Submission of prepared statements," in connection with this investigation. This rule states that "Copies of witnesses prepared statements should be filed with the Office of the Secretary of the Commission not later than 3 business days prior to the hearing and submission of such statements shall comply with §§ 201.6 and 201.8 of this subpart". It is nevertheless the Commission's request that parties submit copies of witnesses prepared testimony as early as practicable before the hearing in order to permit Commission review.

FOR FURTHER INFORMATION CONTACT:

Daniel Leahy, investigator, Office of Investigations, U.S. International Trade Commission, (202) 523-1369 or Jane Albrecht, attorney, Office of the General Counsel, U.S. International Trade Commission, (202) 523-1627.

By Order of the Commission,

Issued: December 14, 1981.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-36629 Filed 12-22-81; 8:45 am]
BILLING CODE 7020-02-M

[Investigation No. 751-TA-5]**Salmon Gill Fish Netting of Manmade
Fibers from Japan; Notice of Change
of Public Hearing Date****AGENCY:** International Trade
Commission.**ACTION:** Change of date of public
hearing in connection with investigation
No. 751-TA-5.

SUMMARY: Notice is hereby given that
the United States International Trade
Commission has changed the date of the
previously announced public hearing in
the subject investigation (46 FR 62347).
The hearing will now be held on March
2, 1982, beginning at 10:00 a.m., p.s.t., in
room 223 of the New Federal Building,
1220 S.W. 3rd Street, Portland, Oregon.**SUPPLEMENTARY INFORMATION:** Requests
to appear at the hearing should be filed
in writing with the Secretary to the
Commission not later than the close of
business (5:15 p.m., e.s.t.) on January 29,
1982. All persons desiring to appear at
the hearing and make oral presentations
should attend a prehearing conference
to be held at 2:00 p.m., e.s.t., on February
2, 1982, in Room 117 of the U.S.
International Trade Commission
Building and must file prehearing
statements on or before February 10,
1982. Any person may submit to the
Commission on or before March 9, 1982,
written statements of information
pertinent to the subject matter of the
investigation.**FOR FURTHER INFORMATION CONTACT:**
Daniel Leahy, Office of Investigations.U.S. International Trade Commission.
(202) 523-1369.

By order of the Commission.

Issued: January 20, 1982.

Kenneth R. Mason,
Secretary.

[FR Doc. 82-2088 Filed 1-26-82; 8:45 am]

BILLING CODE 7020-02-M

Appendix C

Public Hearing Witness List

TENTATIVE CALENDAR OF PUBLIC HEARING

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

Subject : Salmon Gill Fish Netting of Manmade
Fibers from Japan

Inv. No. : 751-TA-5

Date and time: March 2, 1982 - 10:00 a.m., p.s.t.

Sessions were held in Room 223 of the New Federal Building, 1220 S.W. 3rd Street, Portland, Oregon.

Parties in support of the application for review of the
determination of injury:

George R. Tuttle--Counsel
San Francisco, California
on behalf of

Seattle, Washington/Portland, Oregon area importers of
Salmon Gill Fish Netting

William Lee, Seattle Marine and Fishing Supply,
Seattle, Washington

Ward Turnbull, Nordby Supply Co., Seattle, Washington

James Armstrong, Redden Net Company, Bellingham,
Washington

Jim Splaine, Lummi Fishery Supply Co., Bellingham,
Washington

Earl Carmody, Nets, Inc., Issaquah, Washington

John P. Lowman, Fisherman, Mercer Island, Washington

David Milholland, Fisherman, Anacordas, Washington,

Neil Gilbertsen, Fisherman, Seattle, Washington

Seiki Hamada, Nichimen Corporation, Japan

George Hasegawa, Momoi Corporation, Japan

George R. Tuttle)
Stephen S. Spraitzar }--OF COUNSEL
Gary C. Cooper)

Jovanovich, Supply Company, Seattle, Washington

John Jovanovich

Davis, Wright, Todd, Reise & Jones--Counsel
Seattle, Washington
on behalf of

Trans-Pacific Trading, Inc.

Barry Tyrer, President

Allen D. Clark, Esq.--OF COUNSEL

Parties opposing a review of the
determination of injury:

Williams & Ince--Counsel
Washington, D.C.
on behalf of

American Netting Manufacturers Organization

Howard C. Losea, President, Brownell and Company

Roger Crowe, Marketing Technical Representative,
Firestone Synthetic Fibers Co.

Reggie Steele, Executive Vice President, Nylon Net Co.

William E. Wright, Economic Consultant, Willking International
Corporation

James D. Williams, Jr.)
William K. Ince }--OF COUNSEL
Ms. Ann King)

Appendix D

**Commerce Notice of Preliminary Results
of Administrative Review**

Fish Netting of Manmade Fibers From Japan; Preliminary Results of Administrative Review of Antidumping Finding

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of Preliminary Results of Administrative Review of Antidumping Finding.

SUMMARY: The Department of Commerce has conducted an administrative review of the antidumping finding on fish netting of manmade fibers from Japan. The scope of the review covers 21 manufacturers and 25 other exporters of this merchandise to the United States. The review covers varying time periods for manufacturers and exporters through May 31, 1980. This review indicates the existence of dumping margins in particular periods for certain manufacturers and exporters.

As a result of this review, for the one exporter with sales activity that provided adequate information, the Department has preliminarily determined to assess dumping duties equal to the calculated difference between United States price and foreign market value on each of its shipments occurring during the covered periods. Where company-supplied information was inadequate or no information was received, the Department has used the best information available. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: May 5, 1981.

FOR FURTHER INFORMATION CONTACT: Harry A. Patrick, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-3813).

SUPPLEMENTARY INFORMATION:

Procedural Background

On June 9, 1972, a dumping finding with respect to fish netting of manmade fibers from Japan was published in the Federal Register as Treasury Decision 72-158 (37 FR 11560). On January 1, 1980, the provisions of title I of the Trade Agreements Act of 1979 became effective. Title I replaced the provisions of the Antidumping Act of 1921 ("the 1921 Act") with a new title VII to the Tariff Act of 1930 ("the Tariff Act"). On January 2, 1980, the authority for administering the antidumping duty law was transferred from the Department of the Treasury to the Department of Commerce ("the Department"). The Department published in the Federal Register of March 28, 1980 (45 FR 20511-20512) a notice of intent to conduct

administrative reviews of all outstanding dumping findings. As required by section 751 of the Tariff Act, the Department has conducted an administrative review of the finding on fish netting of manmade fibers from Japan. The substantive provisions of the 1921 Act and the appropriate Customs Service Regulations apply to all unliquidated entries made prior to January 1, 1980.

Scope of the Review

Imports covered by this review are shipments of fish netting of manmade fibers, currently classifiable under items 355.4520 and 355.4530 of the Tariff Schedules of the United States Annotated (TSUSA).

The Department knows of a total of 65 Japanese firms engaged in the manufacture and exportation of fish netting of manmade fibers to the United States. This review covers 46 of them (21 manufacturers and 25 non-manufacturing exporters) for all time periods through May 31, 1980, during which shipments of fish netting of manmade fibers may have been made to the United States, and for which appraisal instructions ("master lists") have not been issued. Therefore, different time periods are involved for different firms. The remaining firms were discovered late in the review and will be covered in a subsequent review.

The issue of the Department's obligation to conduct administrative review of entries, unliquidated as of January 1, 1980 and covered by previously issued master lists, is under review. Liquidation has been suspended pending disposition of the issue.

Seven exporters stated that they did not export fish netting of manmade fibers to the U.S. during the periods of review. Three non-manufacturing exporters, whose suppliers failed to respond, sold only to the United States during the latest period. The estimated deposit rate for these firms shall be based on the most recent information for each firm, or the highest current rate for responding firms. One firm with sales activity furnished an adequate response.

Thirty-five firms refused to respond or provided inadequate responses to our questionnaire. For these non-responsive exporters we proceeded to use the best information available. The best information available is the current rate for the one responding firm, which is 23.3 percent, except for Hakodate, for which we used its most recent master list rate of 38.27%.

United States Price

In calculating United States price the Department used purchase price, as

defined in section 772 of the Tariff Act or section 203 of the 1921 Act, as appropriate. Purchase price was based on the CIF, packed price to unrelated purchasers in the United States. Where applicable, deductions were made for ocean freight, marine insurance and shipping charges. No other adjustments were claimed or made.

Foreign Market Value

In calculating foreign market value, since there were no sales by the firm in the home market of such or similar merchandise, the Department used the price to purchasers in a third country (Canada), as defined in section 773 of the Tariff Act or section 205 of the 1921 Act, as appropriate. Foreign market value was based on the CIF, packed price with deductions, where applicable, for ocean freight, marine insurance and shipping charges.

Although adjustments were claimed for interest expenses and a commission, no supporting documentation was furnished and they were disallowed. No other adjustments were claimed or made.

Preliminary Results of the Review

As a result of our comparison of United States price to foreign market value we preliminarily determine that the following margins exist:

Mfr./exporter	Time period	Margin (per-cent)
Amikan Fishing Net Mfg. Co., Ltd.	12/1/78-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Amisho Kabushiki Kaisha, Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Amiya Company, Ltd.	4/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Arai Gomi K.K.	5/1/71-5/31/80	23.3
Fukuda Shoten	5/1/71-5/31/80	23.3
Fukui Fishing Net Co., Ltd.	4/1/78-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hakodate Semo Sengu Co., Ltd.	10/1/76-5/31/80	38.27
Hakodate Semo Sengu Co., Ltd./Mitsui & Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hiraga Fishing Net Mfg. Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hiraga Fishing Net Mfg. Co., Ltd./Sanyo Enterprises Co., Ltd.	5/1/71-12/31/74	11.00
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hiraga Fishing Net Mfg. Co., Ltd./Yamada Trading Co., Ltd.	1/1/77-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hirata Spinning Co., Ltd.	4/1/78-3/31/79	38.27
	4/1/79-9/30/79	16.4

Mfr./exporter	Time period	Margin (per-cent)
10/1/79	-5/31/80	23.3
Hirata Spinning Co., Ltd./		
Nichimen Co., Ltd.	4/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hirose Tankuchi Shoten	5/1/71-5/31/80	23.3
Ikesen K.K.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Inagaki Fishing Net Mfg. Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Inagaki Fishing Net Mfg. Co., Ltd./Nichimen Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Itoh-Seni Mfg. Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Itoh-Seni Mfg. Co., Ltd./Yamada Trading Co., Ltd.	1/1/77-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Kasumi Fishing Net Mfg. Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Kasumi Fishing Net Mfg. Co., Ltd./Sanyo Enterprises Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Kataoka Seimo Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Kataoka Seimo Co., Ltd./Horunko Seimo Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Kataoka Seimo Co., Ltd./K.Y. Corp.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Kinoshita Fishing Net Mfg. Co., Ltd.	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Kinoshita Fishing Net Mfg. Co., Ltd./Nishio Hwei Corp.	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Miye Seimo Co., Ltd.	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Miye Seimo Co., Ltd./Nichimen Co., Ltd.	7/1/73-5/31/80	23.3
Momoi Fishing Net Mfg. Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Moribun Shoten	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Morinen Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Morishita Fishing Net Mfg. Co., Ltd.	6/1/73-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Morishita Fishing Net Mfg. Co., Ltd./Mitsui & Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Nagaura Seimosho Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Nichino Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Nippon Kenryo Co., Ltd.	1/1/77-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Nitto Seimo Co., Ltd.	4/1/76-5/31/80	23.3

Mfr./exporter	Time period	Margin (per-cent)
Ogura Trading Co., Ltd.	9/1/76-5/31/80	23.3
Ohno Netting Co., Ltd.	9/1/76-3/31/79	23.3
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Ohno Netting Co., Ltd./Mitsui & Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Osada Fishing Net Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Osada Fishing Net Co., Ltd./Nichimen Co., Ltd.	4/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Taito Seiko Co., Ltd.	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Techets Co.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Toyama Fishing Net Mfg. Co., Ltd.	4/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Toyonen Co., Ltd.	4/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Watanabe Chosen Shoten	9/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Yagi Fishing Net Co., Ltd.	5/1/71-5/31/80	23.3
Yamaji Fishing Net Co., Ltd.	2/1/76-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Wako Boeki K.K.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hashimoto	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Makino	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Yamagen	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3

¹ No shipments during period.

Interested parties may submit written comments on these preliminary results on or before June 4, 1981 and may request disclosure and/or a hearing on or before May 20, 1981. Any request for an administrative protective order must be made no later than May 11, 1981. The Department will publish the final results of the administrative review including the results of its analysis of any such comments or hearing.

The Department shall determine, and the U.S. Customs Service shall assess, dumping duties on all entries made with purchase dates during the time periods involved. Individual differences between United States price and foreign market value may vary from the percentage stated above. The Department will issue appraisal instructions separately on each exporter directly to the Customs Service.

Further, as required by § 353.48(b) of the Commerce Regulations, a cash deposit based upon the most recent of the margins calculated above shall be required on all shipments of fish netting

of manmade fibers entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results. This requirement shall remain in effect until publication of the final results of the next administrative review.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 353.53 of the Commerce Regulations (19 CFR 353.53).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

April 30, 1981.

[FR Doc. 81-13512 Filed 5-4-81; 8:45 am]

BILLING CODE 3510-25-M

Appendix E

Letter from Harbor Net and Twine Company, Inc.

Harbor Net and Twine

P. O. Box 236

HOQUIAM, WASHINGTON

98580

DOCKET

December 21, 1981

NOTED, 3:44, 12/21/81

served CB

U. S. Int. Trade Comm.
701 E Street Northwest,
Washington, D. C. 20436

OFFICE OF THE SECRETARY
DOCKET/USITC

81 DEC 28 12:44

RECEIVED

Mr. Dan Leahy

Dear Sir:

In regard to the hearing on Antidumping: antidumping duties on gillnet type fish netting.

We at Harbor Net & Twine do not feel that our business has been hurt in any way. Business has always been affected more by the amount of production of fish by the fisherman.

Yours truly,

Harbor Net & Twine

Grace E. Savde Sec. Treas.

EGS:gs