

BIRCH THREE-PLY DOOR SKINS FROM JAPAN

**Determination of the Commission
in Investigation No. 751-TA-6
Under the Tariff Act of 1930,
Together With the Information
Obtained in the Investigation**

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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-6

BIRCH THREE-PLY DOOR SKINS FROM JAPAN

Determination

On the basis of the record 1/ developed in the subject investigation, the Commission determines, pursuant to section 751(b) of the Tariff Act of 1930 (19 U.S.C. § 1675(b)), that an industry in the United States would be materially injured by reason of imports of birch three-ply door skins 2/ from Japan covered by antidumping order No. T.D. 76-48 if the order were to be revoked.

Background

On January 8, 1982, the Commission received a request to review its determination in investigation No. AA1921-150, Birch Three-Ply Door Skins from Japan. 3/ After evaluating the request and public comments thereon, the Commission, on March 30, 1982, determined that there were sufficient changed circumstances since the original dumping finding to warrant a review investigation and, accordingly, instituted this investigation. Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on April 7, 1982 (47 F.R. 14978). The hearing was held in Washington, D.C., on June 10, 1982,

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

2/ Such imports are provided for in item 240.14 of the Tariff Schedules of the United States.

3/ USITC Pubs. Nos. 753 and 754 (1976).

and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

On the basis of the record developed in this investigation, we unanimously determine that an industry in the United States would be materially injured by reason of imports of birch three-ply door skins from Japan covered by antidumping order T.D. 76-48, if the order were to be revoked. 1/

As the Commission has stated in its consideration of previous section 751 review cases, there is little specific statutory guidance as to the appropriate standard to apply to these cases. 2/ What guidance exists in the legislative history, relevant international agreements and past Commission practice has been discussed at length in these decisions 3/ and need not be repeated here. In this case, we assessed the condition of the domestic industry and the U.S. market; examined the changes in the Japanese industry, which include the inhibiting effects of the order on the companies subject to it; 4/ predicted the likely effects of revoking the order; and finally, determined whether the domestic industry would be materially injured, or threatened with material injury, if the order were revoked.

1/ Commissioner Frank notes that footnote number 35 on page 11 covers his views and explains the interpretation that he applies to "would be materially injured."

2/ See, e.g., Electric Golf Cars from Poland, Inv. No. 751-TA-1, USITC Pub. No. 1069 (1980), at 11-14, 23-24; Television Receiving Sets From Japan, Inv. No. 751-TA-2, USITC Pub. No. 1153 (1981), at 6 and 28.

3/ Id.

4/ Assuming rational behavior in the marketplace, companies with sufficient flexibility in allocating their resources will avoid paying what is essentially a special import tax on merchandise sold at less than fair value by raising the U.S. price of the imports, lowering the home-market or other reference price, or adjusting them toward one another. Alternatively, a company may leave the U.S. import market by shifting its production onshore.

Background

On January 12, 1976, the Commission determined that an industry in the United States was injured by reason of imports of birch three-ply door skins from Japan which were determined by the Department of Treasury to be or likely to be sold in the United States at less than fair value (LTFV). 5/ The Secretary of the Treasury issued an antidumping order covering birch three-ply door skins from Japan as a result of this determination.

An association of the Japanese manufacturers, Hokkaido Plywood Manufacturers Association, filed a petition under section 751(b) of the Tariff Act of 1930 6/ on January 8, 1982, alleging changed circumstances and requesting a review of the Commission's determination. 7/ On the basis of this request and all comments filed during a 30-day comment period, the Commission determined that there were changed circumstances sufficient to warrant a review. 8/ On March 30, 1982, the Commission instituted this investigation.

5/ Birch Three-Ply Door skins from Japan, Inv. No. AA1921-150, USITC Pub. Nos. 753 and 754 (1976).

6/ 19 U.S.C. § 1675(b).

7/ The Department of Commerce, the current administering authority, may revoke an antidumping order under the statutory authority of section 751(c) as well as under section 751(b). The relevant regulation for a section 751(c) revocation requires a company seeking revocation to file an application, to have had no sales at less than fair value for at least two years following publication of a finding or order, and to agree to reinstatement of the order if there are such sales (15 CFR § 353.54). One Japanese company has followed this procedure. Commerce has published a notice in the Federal Register of a tentative determination to revoke the birch three-ply door skin antidumping order as it applies to Marutama Industries Co., Ltd., one of the members of the petitioner's association (47 F.R. 22578, May 25, 1982; Report at A-40, Appendix E).

8/ Notice of Institution, 47 F.R. 14978, April 7, 1982, Report at Appendix B. Some changes in import competition are the expected result of implementation of an antidumping order. Others, such as a significant change in the composition of the U.S. industry, may call for a review investigation.

When the original investigation was instituted, there were seven U.S. companies producing birch three-ply door skins. Four of these companies, (including Allen Quimby Veneer Co., the largest producer) are no longer producing birch three-ply door skins.

The composition and U.S. market share of the Japanese industry also have changed since the order came into effect. In 1974, there were 17 Japanese producers of birch three-ply door skins whose exports to the United States accounted for approximately 70 percent of total U.S. imports of this product. Annual production in Japan amounted to about 130,000 million square feet. 9/ With the order in effect, imports from Japan fell, and the Japanese industry contracted as lower-priced imports from Taiwan became the predominant factor in the U.S. market. 10/ The number of Japanese producers of birch three-ply door skins decreased to 7 in 1981 and annual production fell to 20,908 million square feet. 11/ By the end of the first quarter of 1982, there were three producers exporting to the United States, and the Japanese share of U.S. imports was about 7 percent. Taiwan's share was about 64 percent in that period. 12/

Definition of the Industry

Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product or those producers whose collective output of the like product constitutes a major proportion of

9/ Petitioner's prehearing brief at 6.

10/ Imports from Taiwan undersold both the Japanese and the domestic product. Taiwan's ability to undersell may be attributable at least in part to the difference in wages. In 1979, wages for wood product workers in Taiwan were only 25 percent of those in Japan and substantially lower than those in the United States.

11/ Petitioner's prehearing brief at 6.

12/ Report at A-19.

the total domestic production of that product." 13/ "Like product" is defined at section 771(10) as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle". 14/

The imported product is birch three-ply door skins. Two door skins, when supported from within by a frame, constitute a hollow-core flush door. 15/ Standard three-ply door skins consist of three layers of veneer glued together in a sheet approximately one-eighth inch thick and not over 47 inches in width or 85 inches in length. Door skins exceeding these dimensions are considered oversized. The designation of wood is determined by the face ply. Birch door skins are used primarily in housing, but may also be used in office, institutional and industrial buildings. The imported product is sold in four grades: select, AA, AB, and BB. The select grade is the best quality available and is only produced by Japan. 16/

The domestically produced birch three-ply door skins have the same characteristics and uses as the imported product. The domestic product is sold in premium (AA), good (AB) and sound (BB) grades. 17/

Both imported and domestic door skins are generally marketed in mixed-grade lots. A small portion of door skin shipments are comprised of only one grade. Since the characteristics and uses for all grades of door skins are substantially the same, we have found only one like product in this investigation: birch three-ply door skins of all sizes and grades.

13/ 19 U.S.C. § 1677(4)(A).

14/ 19 U.S.C. § 1677(10).

15/ Report at A-4.

16/ Id. Select grade represents less than 5 percent of total imports.

17/ Id. at A-5.

Therefore, the domestic industry consists of the U.S. producers of birch three-ply door skins.

There are three known domestic producers of these door skins: Patat Plywood Corp. (Patat), Weber Veneer and Plywood Corp. (Weber), and Paine Lumber Co. (Paine). Patat produces the majority of the domestic birch door skins. Weber specializes in oak door skins and limits its production of birch to premium grade door skins for special orders. Paine only produces birch door skins for its own internal needs. 18/

Condition of the domestic industry

As a remedy has been in place since 1976, we do not attribute problems the industry may be currently experiencing to LTFV sales. For example, we recognized the drop in housing starts has seriously affected the industry. An examination of the recent experience of the U.S. industry, however, enables us to gauge the industry's ability to withstand the changes in import competition which are likely to result from revocation of the dumping order.

The deteriorating condition of the domestic birch three-ply door skin industry is readily apparent from an examination of relevant indicators. U.S. production figures for 1981 through the first quarter of 1982 show that production has dropped sharply. 19/ Shipments which increased in 1980 from the 1979 level fell in 1981 to below the 1979 levels. Shipments for January-March 1982 compared with the same period in 1981 again dropped dramatically. 20/ Inventories almost tripled from March 1981 to March 1982. 21/

18/ Id. at A-11. Information on Paine is not included because the company did not provide sufficient data. Its production constitutes a very small portion of the total domestic birch three-ply door skin production.

19/ Id. at A-12.

20/ Id. at A-13.

21/ Id. at A-14.

Capacity, 22/ figured on the basis of one shift per day, five days per week, remained constant since 1979. Capacity utilization, however, decreased significantly from the first quarter of 1981 to the first quarter of 1982. 23/ Although there was an increase in the number of employees from 1979 to 1981, employment figures for the quarterly period show a substantial drop. 24/ Operating profit as a share of net sales decreased by more than 50 percent from 1979 to 1981. The ratio of net profit to net investment in assets and the net profit margin before taxes on income also declined.25/

The House Report on the Trade Agreements Act of 1979 advises the Commission that in making its determinations it should focus on the conditions of trade and development within the industry concerned. "For one industry, an apparently small volume of imports may have a significant impact on the market; for another, the same volume might not be significant." 26/ In making our determination, we have assessed the impact of changes that would be likely to result from revocation of the dumping order in the light of the current weakened condition of the domestic birch three-ply door skin industry. In this instance, even a small increase in the volume of imports from Japan would be significant.

22/ Capacity, capacity utilization, employment and profit ratios only are available on a plant basis rather than a product line basis, as all types of wooden door skins can be produced on the same equipment using the same workers. Financial data on Weber are not included because birch constitutes a small portion of its overall door skin operations. Report at A-17.

23/ Id. at A-12.

24/ Id. at A-15.

25/ Id. at A-17-18.

26/ H. Rep. No. 96-318, 96th Cong., 1st Session (1979) at 46.

Likely Effects of Revocation of the Antidumping Order

The nature of the Commission's determination in an investigation to review an affirmative antidumping order is prospective. The Commission must determine what will happen in the event that the order were revoked, particularly the likely effects on import volume and prices. 27/

In this investigation, our forecast of the likely behavior of the Japanese exporters focused on the data in the record concerning the ability of the Japanese producers to increase exports, the importance of the U.S. market to these producers, and the incentive to lower prices to compete in the United States. We also have considered the statement of the Hokkaido Plywood Manufacturers Association concerning Japanese intentions. 28/ The Association stated that, without the order, exporters would allow their plans to be dictated by the U.S. market. At this point, they foresee "some reduction of Japanese prices and a modest increase in shipments" 29/ as a result of revocation.

Japan has the ability to increase exports to the United States. Present production capacity in Japan is under-utilized. The three companies currently producing birch three-ply door skins, Marutama, Sattsuru and Sanmoku, have a

27/ We note that although it is impossible to quantify the effect that the order has had on the behavior of those subject to it, in this case the existence of an order apparently has affected the pricing behavior of the importer and foreign producers subject to it, and thus revocation of the order would remove a restraint on pricing behavior.

28/ The Commission must assess the validity of statements on intentions, which could easily be self-serving. Statements on intentions should be examined in the light of other objective information on the record.

29/ Petitioner's posthearing brief at 4 and 7.

combined annual capacity of 30.6 million square feet. 30/ Statistics presented by the Japanese petitioner for the most recent quarter indicate that these companies are utilizing only about 74 percent of this capacity. 31/ In addition, other Japanese firms which previously exported birch door skins to the United States could readily reestablish production of door skins and export to the United States. The capacity level of Japanese producers in 1979 was more than double the current annual capacity. 32/

There is nothing in the changed circumstances alleged in the petition to indicate a lessening in Japanese firms' interest in the U.S. market which was once so aggressively sought. 33/ Moreover, Japanese firms have an interest in fully utilizing their capacity, and the only real outlet for such production is the U.S. market. There is no market for birch door skins in Japan, and there are only two export markets--the United States and Canada. The United States accounted for almost 96 percent of Japanese exports in 1981. 34/

In order to regain U.S. market share, the Japanese firms must lower prices to compete with the price leader, currently Taiwan. Lower priced Japanese door skins would take customers away from the domestic industry and suppress or depress prices. This would result in declines in domestic production and profitability. Considering the present weakened condition of

30/ Report at A-26; Petitioner's prehearing brief at 5; Petitioner's posthearing brief at 2.

31/ Report at A-27.

32/ Id.

33/ At the time of the original investigation dumping margins ranged as high as 55 percent, with a weighted average dumping margin of 21.9 percent.

34/ Petitioner's posthearing brief at 3.

the domestic industry, additional competition from lower-priced Japanese door skins would result in material injury. 35/

For these reasons, we find that the U.S. industry would be materially injured if the antidumping duty order were to be revoked.

35/ In the opinion of Commissioner Frank, in this case there is substantial evidence that the likelihood of future injury is real and imminent if the antidumping finding that is currently in force were to be revoked. Besides the above cited factors which probably would impact on the U.S. industry's condition there are the Japanese industry capabilities and export proclivities. These are, in part, evidenced by the pending Mitsui case being considered by the Federal Grand Jury in San Francisco relating to Mitsui's questionable efforts to circumvent steel trade rules set down by the United States. This case indicates the extent to which some of the Japanese trading companies go to attain their many international trade goals. Also impacted are apparent markets available to the Japanese exporters and the stated Japanese intent. The following additional factors are considered to be relevant facts and circumstances that exist and/or can be forecasted to exist or persist into at least the immediate-or near-term future: the entire Japanese birch three-ply door skins industry is not merely the presently operating plants producing this product, but also includes those companies capable of: 1) restarting operations, or 2) converting operations from veneer for Taiwan sales or from plywood manufacture, or 3) diversion from sales of these products in other foreign markets to the United States or, 4) the emergence of companies from under Japanese bankruptcy laws into production again of birch three-ply door skins, or 5) other fast-start production capabilities in this product.

The time span that Commissioner Frank concludes is applicable in a 751 review investigation where material injury would be likely to occur includes time spans in which producers in Japan of the "like product" are able to make rapid movements to increase the number of production shifts, bring back equipment and plants that are well maintained but on idled-or standby-status, or to divert products shipped or produced such as is listed above in this footnote.

Commissioner Frank also notes that the Japanese yen currently appears to favor exports to the United States because the U.S. dollar has appreciated significantly to where more than 250 yen are equal to one U.S. dollar. This provides favorable conditions for this Japanese export industry now to earn more yen per U.S. dollar earned and to pay for inputs into their birch three-ply door skins products which in large measure are produced in Japan and bought with yens. Commissioner Frank notes that the U.S. Government argues that the Japanese yen should be 190 yen to the U.S. dollar. This, if adjusted, would avoid some Japanese export trade advantages that exist now or would necessarily exist in the immediate- or near-term future. It is not necessary for the Commission, in Commissioner Frank's opinion, to speculate on the future Generalized System of Preferences (GSP) status for Taiwan or the

(Footnote continued)

(Footnote continued)

future of the dollar rate of exchange that may apply to the Taiwan currency. It is important also to note that the Japanese claim that their birch three-ply door skin quality is superior to that of Taiwan, but no price adjustment or qualitative factors have been introduced.

It is probable that new regional penetration efforts into the South Atlantic and Gulf Coast U.S. markets may be possible for this Japanese industry if the antidumping order were revoked. It is probable that larger extended lines of credit or more favorable terms of credit, or more promotional or technical assistance or other aids or consignment of products or inventory buildup of at least some of the more standard birch three-ply door skins at Japanese exporters' expense will occur in the immediate or near-term future. All of the immediate options are available to this Japanese industry and it is probable that some or all of these marketing/financial strategies will be utilized by the Japanese birch three-ply door skins industry to compete aggressively in the U.S. industry. Such pervasive aggressiveness and probable Japanese price reductions, or at least near-term price suppression, will hurt a U.S. industry which has had some viability in the South Atlantic and Gulf Coast U.S. areas and has filled some orders when Taiwan or Japanese birch three-ply door skins were not readily available.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On January 12, 1976, in investigation No. AA1921-150, the Commission determined by a vote of 4 to 2 (Commissioners Parker and Ablondi dissenting) that an industry in the United States was being injured 1/ within the meaning of the Antidumping Act, 1921, 2/ by reason of the importation of birch three-ply door skins from Japan which the Department of the Treasury (Treasury) found were being sold, or were likely to be sold, in the United States at less than fair value (LTFV) (41 F.R. 2690). 3/ As a result of this determination, Treasury issued a dumping order applicable to this merchandise on February 6, 1976. 4/

On January 8, 1982, the Commission received a request to review its affirmative determination, filed on behalf of the Hokkaido Plywood Manufacturers Association of Japan (HPMAJ). This association represents the Japanese manufacturers of birch three-ply door skins. The request, which was filed under section 751(b) of the Tariff Act of 1930, asked that the Commission review its injury determination in light of changed circumstances. HPMAJ alleged that imports from Japan have declined and prices have continued to rise, that countries other than Japan are now the major source of U.S. imports, and that there has been a substantial change in the domestic industry producing birch three-ply door skins.

The Commission requested comments from the public regarding the proposed institution of a review investigation in a notice published in the Federal Register on February 10, 1982 (47 F.R. 6116). Comments supporting the request for an investigation were received from four U.S. firms that either import or purchase birch three-ply door skins from Japan: Toyomenka (America), Inc.; C. Itoh & Co. (America), Inc.; Pan Asiatic Trading Co., Inc.; and Nu-Dor, Inc. Comments in opposition to the request were received from Patat Plywood Corp. (Patat), a U.S. producer of birch three-ply door skins.

Patat conceded that imports from Japan have declined and that other countries now are the major source of U.S. imports, but stated that there is a questionable relationship between the mills producing veneer in Japan and those purchasing the veneer in Taiwan, that Japan and Taiwan have almost made the domestic industry extinct, and that the door skins from Japan have an effect on both captive and noncaptive producers in the United States. 5/

On the basis of the request for review and all comments filed concerning the request, the Commission voted to institute investigation No. 751-TA-6 on March 30, 1982. The purpose of the investigation is to determine whether an

1/ Commissioners Moore and Bedell also determined that an industry was likely to be injured.

2/ 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).

3/ Birch Three-Ply Door Skins from Japan: Information Obtained in Investigation No. AA1921-150. . . , USITC Publications 753 and 754 (1976).

4/ A copy of Treasury Decision 76-48 is presented in app. A.

5/ Patat's letter to the Commission, received Mar. 11, 1982.

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 birch three-ply door skins from Japan, provided for in item 240.14 of the Tariff Schedules of the United States (TSUS), were to be modified or revoked. 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 April 7, 1982 (47 F.R. 14978). 1/ The public hearing was held in the Commission's hearing room in Washington, D.C., on June 10, 1982, at which time all interested parties were afforded the opportunity to present their views. 2/ The Commission voted on the investigation on Tuesday, July 13, 1982; its administrative deadline for the notification of the Department of Commerce (Commerce) was July 21, 1982. 3/

The Nature and Extent of Sales at LTFV

On February 18, 1976, a dumping finding on birch three-ply door skins from Japan was published in the Federal Register as Treasury Decision 76-48 (41 F.R. 7389). Treasury's investigation concerning LTFV sales covered all sales by Japan's four largest exporters to customers in the United States during the period August 1, 1974, through February 28, 1975. Sales by these four firms (Sattsuru Veneer Co., Ltd., Mitsui Lumber Co., Ltd., Teshiogawa Lumber Co., Ltd., and Marutama Lumber Co., Ltd.) were believed to account for 82 percent of total export sales by Japan to the United States during that period. Treasury found dumping margins on 82 percent of the sales examined, with margins ranging from 0 to 55.3 percent. 4/ The weighted average margin was 21.9 percent. The weighted average margin for each firm and each firm's share of total Japanese exports to the United States during the period are presented in the following tabulation (in percent):

<u>Manufacturer</u>	<u>Margins as a share of fair market value</u>	<u>Share of total Japanese exports to the United States</u>
Sattsuru-----	12.6	***
Mitsui-----	28.9	***
Teshiogawa-----	27.2	***
Marutama-----	14.4	***
Total or average---	21.9	82

1/ A copy of the Commission's Notice of Institution is presented in app. B.

2/ A list of witnesses appearing at the hearing is presented in app. C.

3/ The statutory deadline is Aug. 4, 1982.

4/ As calculated by the staff of U.S. International Trade Commission (margin as a share of the fair market value).

Following the issuance of the dumping order, appraisement orders have been periodically released to the customs districts to permit the liquidation of entries 1/ and the collection of any dumping duties. These appraisement orders list the constructed values and purchase prices applicable to shipments of birch three-ply door skins exported from Japan by specified firms and purchased during certain periods.

Although appraisement orders have been issued, and entries liquidated, on some imports entered as recently as early 1980, most ports of entry receiving large quantities of birch three-ply door skins have unliquidated entries dating back at least several years. 2/

On January 2, 1980, the authority for administering the antidumping law was transferred from Treasury to Commerce. On March 28, 1980, Commerce published a notice of its intent to conduct administrative reviews of all outstanding dumping findings. Commerce published the final results of its first administrative review of the antidumping finding on June 30, 1981, (46 F.R. 33574) and published the final results of its supplementary administrative review on January 11, 1982 (47 F.R. 1162).

On March 18, 1982, Commerce published the preliminary results of its second review of the antidumping finding (47 F.R. 11737). 3/ The review covered the 15 known manufacturers and 10 known exporters of the product to the United States and the period from January 1, 1980, through January 31, 1981. The Commerce review covered imports of birch three-ply door skins from Japan entered under items 240.1420, 240.1440, and 240.1460 of the Tariff Schedules of the United States Annotated (TSUSA).

Commerce found that nine manufacturers and two exporters did not produce the product or export the product to the United States during the period. Commerce held the deposits for these firms at their last calculated margins. For the other firms, Commerce calculated U.S. price by using either purchase price or exporter's sales price. Purchase price was calculated on the basis of the f.o.b. price to an unrelated Japanese exporter, making deductions, where applicable, for Japanese inland freight and loading charges. Exporter's sales price was calculated on the delivered price to the first unrelated U.S. purchaser, making applicable deductions for Japanese inland freight, loading, ocean freight and insurance, brokerage and duty charges, pier charges, and interest charges.

Commerce calculated foreign market value through the use of third-country sales or constructed value, since insufficient sales existed in the home market to be used as a basis for comparison. Third-country price was based

1/ The liquidation of entries is the actual collection of the antidumping duty on imports from individual Japanese producers and is a transaction which involves paperwork only. Imported door skins are usually removed from customs' warehouses soon after they enter the United States when the importer posts a cash bond which is determined by the margins found during Commerce's most recent administrative review.

2/ For example, San Francisco has * * * unliquidated entries dating back to Dec. 28, 1977.

3/ A copy of Commerce's notice of preliminary results is presented in app. D.

on the f.o.b. Japan selling price to the first unrelated buyer in Canada, with deductions for Japanese inland freight and loading charges. Constructed values were calculated as the sum of materials, fabrication costs, general expenses, and the cost of packing. The amount added for general expenses constituted 10 percent of the sum of materials and fabrication costs, and profit was calculated as 8 percent of the sum of general expenses and costs.

Commerce found preliminary weighted average margins, by producers, 1/ ranging from 0 to 4.1 percent (in the case of Matsumoku Industries, Ltd., and some shipments by Sanmoku Lumber Co., Ltd. 2/). Commerce announced that a cash deposit based on the margins will be required on all shipments entered or withdrawn from warehouse for consumption on or after the date of publication of the final results. 3/

On May 25, 1982, Commerce published a notice of its tentative determination to revoke, in part, the antidumping finding on birch three-ply door skins from Japan (47 F.R. 22578). 4/ This revocation would apply to only one Japanese producer, Marutama Industries Co., Ltd.

Commerce found that Marutama had no dumping margins from April 1, 1975, through December 31, 1979. Additionally, Commerce reported that Marutama has agreed in writing to an immediate suspension of liquidation and reinstatement of the finding if circumstances develop that indicate that the merchandise thereafter manufactured and sold by Marutama for export to the United States is being sold at LTFV.

The Product

Description and uses

The subject of this investigation is birch three-ply door skins from Japan. Birch three-ply door skins are one of several types of plywood door skins which are principally used as outer surface covers of doors. Two door skins, supported from within by a variety of frame types, make up a hollow-core flush door. Such doors are used predominantly in housing (mobile homes, and single- and multiple-family dwellings), but they are also used in office and institutional buildings and industrial plants.

Three-ply door skins consist of three plies of veneer glued together into a sheet which is usually about 1/8 inch in thickness and not over 47 inches in width or 85 inches in length. 5/ Door skins for oversized doors exceed these dimensions, but such sizes constitute a small share of total door skin consumption. The grain of the outer veneer plies (face and back) is generally oriented lengthwise in the panel, and the grain of the center ply (core) is approximately perpendicular to that of the outer plies.

1/ Commerce did not publish an overall weighted average margin.

2/ Both Matsumoku and Sanmoku shipped to the United States in 1981.

3/ Commerce has not announced the date it will publish the final results.

4/ A copy of Commerce's tentative determination to revoke, in part, the antidumping finding is presented in app. E.

5/ The average door skin is usually about 80-1/2 inches in length.

The face ply determines the wood species designation of the door skin. Birch, oak, and lauan are commonly used as face plies; however, mahogany, teak, rosewood, ash, and sen are used to lesser extents. 1/ The core and back plies may be of different species than the face ply and are usually of lesser quality. The use of different qualities and species on unexposed portions of the door skin allows lower material costs without sacrificing appearance.

Door skins are graded primarily according to the quality of the face veneer (although the quality of the back veneer can influence the overall grade to a lesser degree). The most commonly used domestic grades are premium, good, and sound. Imported door skins are generally graded as AA, AB, and BB, although other grading systems are also used. A comparison of grades, by countries, is presented in the following tabulation:

<u>Domestic grade</u>	<u>Japan/Taiwan</u>	<u>Canada</u>
-	Select (Japan only) <u>1/</u>	-
Premium	AA	1-3
Good	AB	2-3
Sound <u>2/</u>	BB	3-3

1/ Japan is the only producer of select grade, which is the finest quality available. Select grade is produced in both red and white birch.

2/ Sound grade is a poorer quality than either premium or good grades and is usually painted. It is a slightly higher quality than "paint grade."

Door skins may be marketed in either lots containing a mixture of grades or in lots containing only one grade. The grades contained in the lot, the portion of the lot made up by each grade, and the type of glue used on the door skins are specified by the designation given to the lot. For example, a shipment of DAA/AB 50/50 door skins would contain 50 percent AA grade door skins and 50 percent AB grade door skins, with the letter D denoting the use of type D glue (a water-resistant glue primarily for indoor applications).

The vast majority of door skins, both domestically produced and imported, are marketed in mixed lots. Several importers have stated that they are unable to provide shipments containing only AA (premium) or AB (good) grades of door skins. One of the three known domestic producers of birch three-ply door skins--Patat Plywood Corp.--estimates that * * * percent of its birch three-ply door skin business is for its so called "composite grade" (70 percent good grade, 20 to 30 percent premium grade, and 10 percent sound grade). 2/

A small portion of door skin shipments are made up of only one grade. Patat estimates that about * * * percent of its shipments are premium grade,

1/ Commission staff interviews with door skin producers and importers and door manufacturers have revealed that there is generally no substitutability between the various types of door skins. This was verified at the hearing by an official of Nu-Dor, Inc. Transcript of the hearing, pp. 21 and 22.

2/ Patat uses the term grade in referring to its "composite grade", which itself is a mixture of three grades.

and a second domestic producer--Weber Veneer & Plywood Corp.--sells only premium grade. 1/ Additionally, a small portion of imports from Japan are select grade.

Most door skins are in the standard size range. Patat estimates that as much as * * * percent of its composite grade business involves standard size, * * * of which is in the 80-1/2 inch length. Ninety percent of standard size door skins imported from Japan are estimated to be 80-1/2 inches in length. Most birch three-ply and four-ply door skins imported from Taiwan and birch three-ply door skins imported from Canada are standard size. Door skins are shipped in crates, each of which contains 200 door skins of the specified length.

Manufacturing processes

The basic processes of plywood-door-skin manufacture consist of (1) cutting and drying the veneers, (2) matching the veneers, (3) applying adhesives, (4) pressure treatment, and (5) finishing.

Step 1.--Veneers, the principal component of plywood door skins, are thin sheets of wood cut at various angles to the axis of the log. Veneers are usually machine-peeled (rotary-cut) but may be sliced or sawn from logs or a portion of a log such as a block, cant, or flitch. 2/ Cutting methods vary, depending primarily on the desired configuration of the grain. Rotary-cut veneer is used on the less expensive doors, and matched sliced veneer on the more expensive doors. The veneers are dried following cutting to avoid splitting and checking and to obtain the desired dimensional stability.

Step 2.--The veneer is generally spliced and/or matched owing to defects in rotary-cut veneer and the narrowness of sliced or cut veneer. The grade of spliced veneer depends in part on the exactness with which the configuration of grain can be matched. The veneer is cut and edge-glued by use of a splicing machine.

Step 3.--The kind of adhesive used varies depending on the intended use of the door (indoor or outdoor applications). The glue is applied by machine to both sides of the core veneer, the glue-covered core veneer is laid on the back veneer, and then the face veneer is laid on the core.

Step 4.--Immediately after gluing, the door skins are stacked into either a hot or a cold press, depending on the manufacturing process being used. The pressure and/or additional heat cures the glue and stabilizes the plywood door skins.

Step 5.--Door skins may be finished while still in the door skin plant or after delivery to the door manufacturer, depending on the particular requirements of the door manufacturer. Normally, the door skin producer will at least sand the door skin and touch up small defects such as knots and

1/ The third domestic producer--Paine Lumber Co.--produces birch three-ply door skins for captive use only.

2/ A block is a log that has been cut to a designated length (usually four or eight feet) for use in veneer production. A cant is a large squared timber cut from a log, which is destined for further processing. A flitch is a log sawn on two or more sides from which veneer is sliced (as opposed to rotary-cut veneer).

splits with glue, tape, or plywood plugs (sometimes called prefinishing) before shipment. The final finishing process may involve staining, varnishing, painting, printing, embossing, or overlaying, and is generally done after the door has been assembled.

As neither Patat nor Weber possess the equipment to produce birch veneer in their own facilities, they do not utilize steps 1 and 2. Patat purchases veneer from * * *. Weber purchases veneer from * * *. Many of the Japanese producers reportedly possess the equipment to produce veneer.

U.S. tariff treatment

Birch three-ply door skins are classified under item 240.14 of the TSUS, which includes plywood, not face-finished, or face-finished with a clear or transparent material which does not obscure the grain, texture, or markings of the face ply, with a face ply of birch (*Betula* spp.). The rate of duty applicable to plywood 1/ entered under item 240.14 is determined by the trading status of the country of production. Such plywood imported from countries afforded most-favored-nation (MFN) treatment is currently dutiable at a rate of 5.8 percent ad valorem (column 1 in the TSUS). 2/ Such plywood imported from countries with MFN status which have been designated in general headnote 3(d) of the TSUS as least developed developing countries (LDDC's) is dutiable at a rate of 3 percent ad valorem. The LDDC rate also represents the final staged rate negotiated under the recent Multilateral Trade Negotiations (MTN) for column 1 rates. The staged reductions in the rate of duty for this plywood resulting from the concessions granted in the MTN are shown in table 1.

Table 1.--Plywood, not face-finished, or face-finished with a clear or transparent material which does not obscure the grain, texture, or markings of the face ply, with a face ply of birch (TSUS item 240.14): Pre-MTN tariff rate and staged-rate modifications, 1980-87

(In percent ad valorem)										
TSUS item No.	Pre-MTN col. 1 rate of duty <u>1/</u>	Rate of duty effective on and after Jan. 1--								
		1980	1981	1982	1983	1984	1985	1986	1987	
240.14	7.5	6.9	6.4	5.8	5.3	4.7	4.1	3.6	3.0	

1/ Rate effective prior to Jan 1, 1980.

Source: History of the Tariff Schedules of the United States Annotated.

1/ Includes birch three-ply door skins.

2/ Column 1 rates of duty 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 or under the "LDDC" rate of duty column.

Plywood classifiable in TSUS item 240.14 has also been designated as an eligible article for purposes of the Generalized System of Preferences (GSP). 1/

When imported from any beneficiary developing country, such plywood enters the United States free of duty. Pursuant to section 504(c)(1)(B) of the Trade Act of 1974 (19 U.S.C. 2464 (c)(1)(B)), GSP eligibility will be withdrawn from a country when imports of an eligible article from that country equal or exceed 50 percent of the value of total imports of such articles. 2/ 3/

Plywood imported under TSUS item 240.14 from certain countries which the President has designated as being under Communist control or domination is dutiable at a rate of 50 percent ad valorem (column 2 of the TSUS). 4/

For statistical purposes, item 240.14 is divided into several seven-digit annotations: 240.1420, 240.1440, and 240.1460. Item 240.1420 contains plywood with panels not exceeding in any dimension 5/32 inch in thickness, 47 inches in width, and 85 inches in length; most imports of birch three-ply door skins enter under this item number. Item 240.1440 covers oversized (a least one dimension exceeding the specifications in item 240.1420) plywood which is not face-finished; and item 240.1460 covers oversized, finished plywood. 5/

U.S. Market and Channels of Distribution

U.S. producers report that birch three-ply door skins are sold directly to door manufacturers by both themselves and the large importers. Patat and Weber have indicated that they sell their birch door skins over the telephone through personal contact with door producers. The large Japanese importers generally use salesmen to sell to smaller accounts, whereas the manager of their plywood department frequently is responsible for sales to their larger customers. The domestic producers and the large importers do not sell their products to brokers.

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.

2/ Import levels, for GSP eligibility purposes, are determined at the five-digit TSUS level.

3/ In 1981, Taiwan, the largest supplier of birch three-ply door skins to the United States and a country currently receiving preferential duty treatment under the GSP, accounted for 35.8 percent, by value, of imports under TSUS item 240.14.

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

5/ Few birch three-ply door skins are entered under this item number, because most imports are unfinished.

Apparent U.S. consumption

Apparent U.S. consumption 1/ of birch three-ply door skins declined from * * * million square feet in 1979 to * * * million square feet in 1980, and to * * * million square feet in 1981, or by * * * percent over the period (table 2). Apparent consumption decreased from * * * million square feet in January-March 1981 to * * * million square feet in January-March 1982, or by * * * percent.

Table 2.--Birch 3-ply door skins: U.S. producers' domestic shipments, imports for consumption, and apparent consumption, 1979-81, January-March 1981, and January-March 1982

(In thousands of square feet)				
Period	Producers' domestic shipments	Imports	Apparent consumption	
1979-----	***	199,051	***	
1980-----	***	167,026	***	
1981-----	***	159,296	***	
January-March--				
1981-----	***	47,208	***	
1982-----	***	27,242	***	

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce.

The demand for all door skins, including those of birch, is dependent on the demand for wooden doors, which in turn is heavily influenced by new private housing starts. As shown in the following tabulation of official Department of Commerce statistics, new private housing starts have continually declined since 1979:

1/ For purposes of determining apparent consumption, all imports entered under TSUSA item 240.1420 are considered to be birch three-ply door skins. Data received in response to Commission questionnaires (covering all known imports of birch three-ply door skin from Japan) reveal that between 70 and 80 percent of imports from Japan entered under item 240.1420 during 1979-81 were birch three-ply door skins. Questionnaire data on imports from the other major suppliers (Taiwan and Canada) are much less comprehensive but generally support the assumption that item 240.1420 consists mostly of birch three-ply door skins. The extent to which official statistics for item 240.1420 overstate imports of birch three-ply door skins is believed to be largely offset by imports of oversize door skins entering under item 240.1440.

<u>Period</u>	<u>New private housing starts (1,000 units)</u>
1979-----	1,717
1980-----	1,297
1981-----	1,100
January-March--	
1981-----	<u>1/</u> 1,399
1982-----	<u>1/</u> 616

1/ Annualized.

No official statistics exist on shipments or production of door skins; however, information developed during the original antidumping investigation reveals that an average of 539.2 square feet of door skins were used per housing start during 1970-74. Thus, total door skin consumption in 1981 is estimated to have been approximately 600 million square feet. When compared with this estimate of total consumption, the consumption of birch three-ply door skins accounted for about * * * percent of total door skin consumption in 1981.

U.S. producers

As mentioned, all known U.S. production of birch three-ply door skins is accounted for by three domestic producers, Patat Plywood Corp., Weber Veneer & Plywood Corp., and Paine Lumber Co. Patat, which accounted for about * * * percent of domestic production in 1981, is a small, family-owned and operated business located in Rockmart, Ga. Patat began production of door skins (the company's only product) in 1967, and since that time has produced both birch and oak three-ply door skins.

Weber is also a family-owned and operated business and was founded in 1931. Weber operates two plants, and produces die boards (used to cut dies) and game boards in one, and mostly door skins in the other. Unlike Patat, Weber specializes in oak door skins, and limits its production of birch door skins to premium grade door skins for special orders. Birch three-ply door skins account for about * * * percent of Weber's overall operations. Weber has stated * * *. 1/

Paine has been a producer of doors since its founding in 1853. In addition to birch doors (which accounted for an estimated * * * percent of the firm's total door production in 1981), the company produces a wide variety of wooden and metal doors which are used in many different applications.

1/ Weber's response to the Commission's questionnaire.

Paine produces wooden door skins (including birch three-ply door skins) for use in its own door production when it is unable to obtain unusual sizes from importers. * * *.

At the time of the antidumping determination, three firms in addition to Patat, Weber, and Paine were producing birch three-ply door skins. None of these firms (U.S. Plywood Corp., Weyerhaeuser Co., and Curtis Door Co.) are currently producing the product, and none have done so since at least 1978.

In 1974, the largest U.S. producer of birch three-ply door skins was the Allen Quimby Veneer Co. (Quimby) of Bingham, Maine. Quimby dismissed its employees in October 1974 and was not producing door skins at the time of the Commission's antidumping determination. However, its plant and facilities were still intact at that time. According to officials of Quimby's corporate parent, Columbia Plywood Corp., Quimby couldn't reopen because of the time which elapsed between the beginning of its quest for relief and the implementation of the dumping duties, and because of the low selling price of imports. 1/ The plant and equipment were sold to a used machinery broker, which in turn sold the equipment piecemeal to various purchasers throughout the United States and several other countries. All that currently remains in Quimby's name is a pension fund for some former employees. Columbia still produces plywood, but has stated * * *.

Foreign producers 2/

According to the HPM AJ, there are 17 Japanese birch plywood manufacturers that have the capability to produce birch three-ply door skins. All 17 firms are members of HPM AJ, and all reportedly produce door skins only when they feel that trade in this product to the United States is profitable. They have no sales in the domestic market and only limited sales in Canada, the only other export market. 3/ Only seven of these firms are known to have exported to the United States in 1981. 4/ At the present time, only three producers (Marutama, Sattsuru, and Sanmoku) still manufacture birch three-ply door skins in Japan. 5/

In addition to the Japanese producers, substantial quantities of birch three-ply door skins are produced in Taiwan and Canada, and lesser amounts are produced in Malaysia, the Republic of Korea, Finland, the Philippines, and several other countries.

1/ Commission staff interview with officials of Columbia Corp., and Allied Forest Products Corp., Apr. 22, 1982.

2/ Information regarding Japan, unless otherwise noted, was supplied by the U.S. Embassy, Tokyo, in a Department of State cable dated Apr. 28, 1982.

3/ HPM AJ estimates that 95.6 percent of its door skin shipments are to the United States and 4.4 percent are to Canada. Posthearing brief, p. 3.

4/ These seven firms included Marutama Industry, Co., Ltd.; Sattsuru Veneer & Plywood Co., Ltd.; Ikeuchi Veneer Co., Ltd.; Matsumoku Industries, Ltd.; Sanmoku Lumber Co., Ltd.; Nitta Veneer Mfg. Co., Ltd.; and Teshiogawa Lumber Co., Ltd.

5/ Prehearing brief on behalf of the HPM AJ, p. 5.

U.S. importers

The largest U.S. importers of birch three-ply door skins from Japan are the major Japanese trading companies: Toyomenka (America) Inc., C. Itoh & Co. (America), Inc., Mitsui & Co., and Mitsubishi. Together, these four companies accounted for over * * * percent of imports from Japan entered under TSUSA item 240.1420 in 1981. Most of these companies have imported birch three-ply door skins from Japan for long periods, and each has stated that its volume of shipments of such door skins has fallen markedly over the past several years. These firms, with the exception of * * *, also import birch three-ply door skins from Taiwan, primarily because of that product's lower cost. In addition to the Japanese trading companies, several large door producers import directly from Taiwan. Such companies usually do so to lower their costs and to insure the quality of the product.

The Question of Material Injury

U.S. production, capacity, and capacity utilization
for birch three-ply door skins

Production.--Production data for Patat * * *. Although Weber provided production data for all periods and Paine provided production data for 1981, * * *.

In 1981, total U.S. production of birch three-ply door skins was * * * million square feet. Production decreased from about * * * million square feet in January-March 1981 to about * * * million square feet in January-March 1982, or by almost * * * percent.

Capacity.--As all types of plywood door skins can be produced on the same equipment using the same workers, Patat and Weber were only able to provide capacity data for the production of all types of door skins. ^{1/} Such capacity is based on each firm operating one shift per day, 5 days per week. The combined annual capacity of these two U.S. producers * * * since 1979, at * * * million square feet. Capacity for the periods January-March 1981 and January-March 1982 was * * * million square feet, or one-fourth of annual capacity (table 3).

Capacity utilization.--Capacity utilization data for the production of all types of door skins are available only for Patat, and only for 1981, January-March 1981, and January-March 1982. Patat's overall capacity utilization was * * * percent in 1981. Capacity utilization fell from * * * percent in January-March 1981 to * * * percent in January-March 1982.

^{1/} Paine did not provide capacity data.

Table 3.--Door skins: Plant capacity, production, and capacity utilization for U.S. producers of birch 3-ply door skins, by firms, 1979-81, January-March 1981, January-March 1982

Period and firm	Capacity	Production	Capacity utilization
	-----1,000 square feet-----		--Percent---
1979:			
Patat-----	***	1/	1/
Weber-----	***	1/ 2/	1/
Total-----	***	1/	1/
1980:			
Patat-----	***	1/	1/
Weber-----	***	1/ 2/	1/
Total-----	***	1/	1/
1981: 3/			
Patat-----	***	4/ ***	***
Weber-----	***	1/ 2/	1/
Total-----	***	1/	1/
January-March 1981:			
Patat-----	***	4/ ***	***
Weber-----	***	1/	1/
Total-----	***	1/	1/
January-March 1982:			
Patat-----	***	4/ ***	***
Weber-----	***	1/	1/
Total-----	***	1/	1/

1/ Not available.

2/ Weber's production of birch three-ply door skins was * * *.

3/ Paine's production of birch three-ply door skins in 1981 was * * *.

4/ Patat's production of birch three-ply door skins was * * *.

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

U.S. producers' shipments

U.S. producers' commercial shipments 1/ are presented in table 4. Neither Patat nor Weber captively consumes door skins, nor does either export door skins.

Shipments increased from * * * million square feet in 1979 to * * * million square feet in 1980, but then fell to * * * million square feet in 1981, or by * * * percent from the 1979 level. Patat's shipments also declined, from * * * million square feet in January-March 1981 to * * * million square feet in January-March 1982, or by * * * percent.

1/ Paine does not ship to the commercial market, and did not provide information on its captive shipments.

Table 4.--Birch 3-ply door skins: U.S. producers' shipments, by firms, 1979-81, January-March 1981, and January-March 1982

Period and firm	Quantity	Value	Unit value
	1,000 square feet	1,000 dollars	Per 1,000 square feet
1979:			
Patat-----	***	***	***
Weber-----	***	***	***
Total or average-----	***	***	***
1980:			
Patat-----	***	***	***
Weber-----	***	***	***
Total or average-----	***	***	***
1981:			
Patat-----	***	***	***
Weber-----	***	***	***
Total or average-----	***	***	***
January-March 1981:			
Patat-----	***	***	***
Weber-----	1/	1/	2/
Total or average-----	2/	2/	2/
January-March 1982:			
Patat-----	***	***	***
Weber-----	1/	1/	2/
Total or average-----	2/	2/	2/

1/ Weber was unable to provide shipment data on a quarterly basis.
2/ Not available.

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

Unit values for Patat's shipments (per 1,000 square feet) rose from * * * in 1979 to * * * in 1980, and then decreased to * * * in 1981 and * * * during January-March 1982. The unit value of Weber's shipments totaled * * * in 1979, * * * in 1980, and * * * in 1981.

U.S. producers' inventories

Inventory data are available only for Patat, which keeps inventory information as of March 31 and September 30 of each calendar year. Weber has no inventories, as it produces only what customers order.

Patat's reported inventories as of September 30 each year decreased from * * * square feet in 1979 to * * * square feet in 1980, but then more than doubled to * * * square feet in 1981 (table 5). Inventories as of March 31, 1982, totaled * * * square feet, representing almost a two-fold increase from the * * * square feet held as of March 31, 1981.

Table 5.--Birch 3-ply door skins: Patat's inventories as of Sept. 30 of 1979-81, Mar. 31, 1981, and Mar. 31, 1982

(In thousands of square feet)	
Period	Inventories
As of Sept. 30--	
1979-----	***
1980-----	***
1981-----	***
As of Mar. 31--	
1981-----	***
1982-----	***

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

Employment and wages

Complete data on employment and wages were provided only by Patat. The average number of production and related workers employed by Patat ^{1/} increased from * * * in 1979 to * * * in 1980 and to * * * in 1981 (table 6). However, this number declined from * * * in January-March 1981 to * * * in January-March 1982.

The hours worked by these employees increased from * * * in 1979 to * * * in 1980, but fell to * * * in 1981, representing a trend opposite that of employment. The hours worked declined from * * * in January-March 1981 to * * * in January-March 1982.

The wages paid to these workers increased from * * * in 1979 to * * * in 1980, and then declined to * * * in 1981. These wages dropped from * * * in January-March 1981 to * * * in January-March 1982.

The average hourly wage paid by Patat increased from * * * in 1979 to * * * in 1980 and to * * * in 1981. However, the average hourly wage decreased from * * * in January-March 1981 to * * * in January-March 1982. Patat's employees are not unionized.

Financial experience of U.S. producers

Patat uses common machinery and equipment to manufacture all types of door skins, and some of the raw materials used in the production of all types of door skins are the same. Patat does not have a formal cost accounting system and does not keep any records of costs incurred by each type of door skin (birch or oak). Thus, profit-and-loss data on its operations on birch three-ply door skins are not available.

^{1/} Data for Patat are for its total door skin operations.

Table 6.--Patat Plywood Corp.'s 1/ average number of employees, total and production workers engaged in the manufacture of 3-ply door skins, hours worked by the latter, and fringe benefits and wages paid to the latter, 1979-81, January-March 1981, and January-March 1982 2/

Period	Average employment		Hours worked		Wages paid to		Fringe benefits	
	All	Production and:	by production	and related	production	and related	paid to	production and
	employees	related workers:	workers	workers	workers	workers	related workers	related workers
			1,000 hours		1,000 dollars		1,000 dollars	
1979-----	***	***	***	***	***	***	***	***
1980-----	***	***	***	***	***	***	***	***
1981-----	***	***	***	***	***	***	***	***
Jan.-Mar.--								
1981-----	***	***	***	***	***	***	***	***
1982-----	***	***	***	***	***	***	***	***

1/ Includes data on Patat's total operations. Patat produces only birch and oak 3-ply door skins, and utilizes the same employees to produce both types. Patat was unable to allocate employment, hours worked, wages paid, and fringe benefits paid to production and related workers based on production.

2/ Weber Veneer & Plywood Corp. employed an average of * * * employees in its plant in which birch 3-ply door skins are produced during January 1979-March 1982. Of these, * * * were production and related workers. Weber provided no data on wages paid to or hours worked by these employees. These employees * * *. Paine stated that it employs * * * persons who produce doors skins of all types, but provided no other information.

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

Selected financial data on Patat's overall operations on door skins for accounting years 1979-81 are presented in table 7. Patat accounts for about * * * percent of total U.S. production of birch three-ply door skins, and birch three-ply door skins accounted for * * * percent of Patat's total door skin shipments (in units) in 1979, * * * percent in 1980, and * * * percent in 1981.

Table 7.--Selected financial data on the overall corporate operations of Patat Plywood Corp., accounting years 1979-81 1/

Item	:	1979	:	1980	:	1981
Net sales-----1,000 dollars--:	:	***	:	***	:	***
Cost of goods sold-----do-----:	:	***	:	***	:	***
Gross profit-----do-----:	:	***	:	***	:	***
General, selling, and administrative expenses <u>2/</u> -----do-----:	:	***	:	***	:	***
Operating profit-----do-----:	:	***	:	***	:	***
Interest expense-----do-----:	:	***	:	***	:	***
Other income-----do-----:	:	***	:	***	:	***
Net profit before income taxes-----do-----:	:	***	:	***	:	***
Federal and State income taxes-----do-----:	:	***	:	***	:	***
Net profit-----do-----:	:	***	:	***	:	***
Working capital-----do-----:	:	***	:	***	:	***
Shareholders' equity-----do-----:	:	***	:	***	:	***
Total assets-----do-----:	:	***	:	***	:	***
Net investment in assets-----do-----:	:	***	:	***	:	***
As a share of net sales:	:	:	:	:	:	:
Operating profit-----percent--:	:	***	:	***	:	***
Net profit before income taxes-----do-----:	:	***	:	***	:	***
Net profit-----do-----:	:	***	:	***	:	***
Ratio of net profit to--	:	:	:	:	:	:
Shareholders' equity-----percent--:	:	***	:	***	:	***
Total assets-----do-----:	:	***	:	***	:	***
Net investment in assets-----do-----:	:	***	:	***	:	***
Shipments (in units) of birch 3-ply door skins as a share of total door skin shipments-----percent--:	:	***	:	***	:	***

1/ Accounting years ended Sept. 30.

2/ Includes compensation paid to Mr. Claud T. Patat (salary and retirement fund contribution), who owns * * * percent of the voting stock of the company. His salary and retirement contribution, respectively, amounted to * * *.

Source: Compiled from data extracted from annual financial statements of Patat Plywood Corp.

Weber was also unable to provide product-line profit-and-loss data on birch three-ply door skins. Because birch door skin operations are so small in relation to Weber's overall operations, data on its overall operations^{A-17} do

not reflect the birch door skin segment. Weber's sales of birch three-ply door skins ranged from * * * percent to * * * percent of the company's total sales during 1979-81. Paine did not respond to the profit-and-loss section of the Commission's questionnaire.

Net sales by Patat of all door skins * * *.

Operating profits on all door skins * * *. Net profit before income taxes followed the same trend as did operating profits, * * *. The ratio of net profit to net sales * * *.

* * * * *

Patat paid salaries to Mr. Claud T. Patat (who owns * * * percent of the voting stock of the company), and made contributions to his pension fund, respectively, amounting to * * *. If the officer's salaries and contributions to his pension fund were added back to the net profit before income taxes, the net profit margin before taxes on income would have been * * *.

The return on various measures of investment followed the same trend as did the return-on-sales ratios. The ratio of net profit to shareholders' equity * * *. The ratio of net profit to total assets * * *, and the ratio of net profit to net investment in assets * * *.

The Question of the Causal Relationship Between Material Injury and LTFV Imports

U.S. imports 1/

U.S. imports of birch three-ply door skins from Japan decreased steadily from 42.7 million square feet in 1979 to 33.0 million square feet in 1980, and to 22.4 million square feet in 1981, or by 48 percent over the period (table 8). Imports from Japan fell from 6.4 million square feet in January-March 1981 to 1.8 million square feet in January-March 1982, or by 71 percent.

Total U.S. imports of birch three-ply door skins from all sources declined from 199.1 million square feet in 1979 to 167.0 million square feet in 1980, and to 159.3 million square feet in 1981, or by 20 percent over the period. Additionally, total imports fell by 42 percent from January-March 1981 to January-March 1982 from 47.2 million square feet to 27.2 million square feet.

1/ For purposes of this report, all imports entered under TSUSA item 240.1420 are assumed to be birch three-ply door skins. See footnote 1, p. A-9.

Table 8.--Birch 3-ply door skins: U.S. imports for consumption, by principal sources, 1979-81, January-March 1981, and January-March 1982

Source	1979	1980	1981	January-March--	
				1981	1982
Quantity (1,000 square feet)					
Taiwan-----	95,321	80,547	94,687	28,299	17,418
Canada-----	60,834	52,483	41,604	12,465	7,922
Japan-----	42,680	32,980	22,398	6,420	1,846
Other-----	216	1,016	607	24	56
Total-----	199,051	167,026	159,296	47,208	27,242
Value (1,000 dollars)					
Taiwan-----	18,885	16,662	19,007	5,605	3,322
Canada-----	11,722	11,314	8,956	2,723	1,759
Japan-----	8,803	7,295	5,302	1,520	375
Other-----	80	213	157	15	40
Total-----	39,489	35,484	33,422	9,863	5,496

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

The declining rates of imports, by sources, are presented in the following tabulation (in percent):

Source	Decrease, 1981 from 1979	Decrease, Jan.-Mar. 1982 from
		Jan.-Mar. 1981
Japan-----	47.5	71.2
Canada-----	31.6	36.4
Taiwan-----	.7	38.5
All imports-----	20.0	42.3

As shown, imports from Japan exhibited the steepest decline (47.5 percent) during 1979-81; imports from Taiwan fell by a negligible amount (0.7 percent). Imports from Japan also exhibited the sharpest decline from January-March 1981 to January-March 1982 (71.2 percent), and imports from Taiwan declined by 38.5 percent.

The majority of birch three-ply door skins imported from Japan in 1981 entered the United States on the west coast, as shown in the following tabulation (in percent):

<u>Port of entry</u>	<u>Share of total imports from Japan in 1981</u>
Galveston, Tex-----	22.1
Portland, Oreg-----	20.6
Philadelphia, Pa-----	19.8
San Francisco, Calif-----	19.1
Los Angeles, Calif-----	11.3
Total-----	92.9

Imports into Portland, San Francisco, and Los Angeles together accounted for about 51 percent of total U.S. imports from Japan. Galveston, on the gulf coast, accounted for about 22 percent of imports, and an east coast port, Philadelphia, accounted for about 20 percent.

Conversely, the majority of imports from Taiwan during the same period entered the United States on the east coast, as shown by the data for the five largest ports of entry for such imports in the following tabulation (in percent):

<u>Port of entry</u>	<u>Share of total imports from Taiwan in 1981</u>
Charleston, S.C-----	37.3
Philadelphia, Pa-----	15.5
Los Angeles, Calif-----	14.4
Galveston, Tex-----	10.8
New Orleans, La-----	7.4
Total-----	85.4

Imports into Charleston and Philadelphia together accounted for about 53 percent of total imports, and the gulf coast (Galveston and New Orleans) and the west coast (Los Angeles) accounted for approximately 18 and 14 percent, respectively.

Imports from Canada entered the United States mainly in the north-central and northeast areas, as shown below:

<u>Port of entry</u>	<u>Percentage distribution of total imports from Canada in 1981</u>
Detroit, Mich-----	50.1
Ogdensburg, N.Y-----	33.9
St. Albans, Vt-----	14.0
Portland, Oreg-----	1.9
Los Angeles, Calif-----	.1
Total-----	100.0

Market penetration

Imports of birch three-ply door skins from Japan decreased from 42.7 million square feet in 1979 to 33.0 million square feet in 1980, and to 22.4 million square feet in 1981. Such imports accounted for * * * percent, * * * percent, and * * * percent of apparent U.S. consumption in 1979, 1980, and 1981, respectively (table 9).

Table 9.--Birch 3-ply door skins: U.S. imports from Japan and apparent U.S. consumption, 1979-81, January-March 1981, and January-March 1982

Period	Imports from Japan	Apparent consumption	Ratio of imports from Japan to apparent consumption
	1,000 square feet		Percent
1979-----	42,680	***	***
1980-----	32,980	***	***
1981-----	22,398	***	***
Jan.-Mar.--			
1981-----	6,420	***	***
1982-----	1,846	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Imports from Japan declined from 6.4 million square feet in January-March 1981 to 1.8 million square feet in January-March 1982, as the market share held by these imports declined from * * * percent to * * * percent.

During 1979-81, imports from all sources accounted for * * * percent, * * * percent, and * * * percent, respectively, of apparent consumption of birch three-ply door skins. Total imports accounted for * * * percent of apparent consumption during January-March 1982, representing a slight increase from * * * percent during January-March 1981.

Prices

Birch three-ply door skins are typically sold in lots of mixed grades (discussed earlier in the description and uses section of this report) and are priced per 1,000 square feet. Domestically produced birch door skins are priced f.o.b. mill, and imported birch door skins are usually priced f.o.b. port of entry. In both cases, inland freight charges are generally borne by the customer. Door producers are the only known purchasers of door skins, and their terms of payment for this material usually are 30 days net but range up to 60 days net in some instances.

The Commission requested domestic producers to furnish f.o.b. prices for January 1979 through March 1982. Prices were requested for the largest shipment in each quarter of composite grade and premium grade birch three-ply door skins of standard size, with the length restricted to 80-1/2 inches. Patat reported quarterly prices for its composite grade for the entire period; Weber provided prices for its premium grade, but for only three quarters during the period. Because Weber sells only premium grade door skins, Patat's prices are used in this section for comparisons with imported products.

Importers were requested to supply f.o.b port-of-entry prices for the same period on each quarter's largest shipment of comparable grades and sizes imported from Japan, Taiwan, and Canada. 1/ Eight importers reported f.o.b. port-of-entry prices for birch three-ply door skins imported from Japan. Six importers reported prices for the same product imported from Taiwan, and five importers reported prices on four-ply door skins imported from Taiwan, although no more than three concurrently reported in the same quarter. No importers reported prices of birch three-ply door skins imported from Canada.

Domestic producers and importers were also requested to report the inland freight charges on these shipments paid by them and those paid by the customer. In all cases, freight charges were paid by the purchasers and were not reported. Freight costs do not appear to be a significant influence on door skin prices and/or purchases.

Table 10 presents the quarterly prices charged from January 1979 through March 1982 for Patat's domestically produced composite grade birch three-ply door skins and the weighted average prices of the eight responding importers of comparable Japanese-produced DAA/AB 50/50 grade birch three-ply door skins. Also shown in table 10 are the margins of overselling (in percent) determined from these two price series. Weber's prices for premium grade birch three-ply door skins are also shown in the table, but were not used to determine margins of overselling.

The price of Patat's composite grade door skins was at its lowest level (* * * per 1,000 square feet) in January-March 1979, then increased by * * * percent to * * * in April-June 1979, and rose to its highest level of * * * in October-December 1979. Throughout 1980 and 1981, the price per 1,000 square feet fluctuated within a range of * * * to * * *. The price, however, has declined in each quarter since April-June 1981, and in the most recent quarter (January-March 1982) was * * * per 1,000 square feet. Although the price of Patat's composite grade door skins increased by * * * percent during the entire period covered by this investigation, most of this increase occurred in April-June 1979; the increase since that time has been less than * * * percent.

1/ DAA/AB 50/50 grade birch three-ply door skins imported from Japan; DAA/AB 50/50 grade birch three-ply door skins, and rotary-cut one-piece birch four-ply fancy door skins imported from Taiwan; and 1-3/2-3 50/50 grade birch three-ply door skins imported from Canada, all of standard size with length restricted to 80-1/2 inches.

Table 10.--Birch 3-ply door skins: Weighted average net selling prices for sales of domestic products and for sales of imports from Japan, and average margins of overselling, by quarters, January 1979-March 1982

Period	Produced		Imported from Japan 3/	Margins of overselling 4/
	domestically by--			
	Patat 1/	Weber 2/		
	-----Per thousand square feet-----			Percent
1979:				
January-March-----	***	***	\$226.27	***
April-June-----	***	5/	248.69	***
July-September-----	***	5/	254.40	***
October-December-----	***	5/	256.18	***
1980:				
January-March-----	***	5/	257.59	***
April-June-----	***	5/	248.78	***
July-September-----	***	***	261.74	***
October-December-----	***	5/	246.43	***
1981:				
January-March-----	***	5/	243.65	***
April-June-----	***	***	250.06	***
July-September-----	***	5/	261.09	***
October-December-----	***	5/	254.07	***
1982: January-March----	***	5/	249.13	***

1/ Composite grade.

2/ Premium grade.

3/ DAA/AB 50/50 grade.

4/ Margins of overselling of Japanese imports are determined only for domestic door skins produced by Patat Plywood Corp.

5/ Not available.

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

The weighted average price of DAA/AB grade door skins imported from Japan, like the price of the domestic product, was at its lowest level (\$226.27 per 1,000 square feet) in January-March 1979 and increased significantly (by 9.9 percent) to \$248.69 per 1,000 square feet in April-June 1979. However, although the price of door skins imported from Japan rose throughout 1979, its highest level was not reached until July-September 1980. The weighted average price of door skins imported from Japan also fluctuated throughout 1980 and 1981, but within a much wider range (\$243.65-\$261.74) than the comparable domestic product, and has dropped in each quarter since July-September 1981. The January-March 1982 weighted average price was \$249.13 per 1,000 square feet, and although the weighted average price of door skins imported from Japan increased by 10.1 percent during the period covered by this investigation, the increase since April-June 1979 has been negligible.

Throughout the entire period, birch three-ply door skins imported from Japan have been priced higher than the domestic product. This margin of overselling has been as large as * * * per 1,000 square feet, or * * * percent. In January-March 1982, imported Japanese birch three-ply door skins were priced * * * percent above the comparable domestic product.

Prices for the two grades of birch door skins imported from Taiwan (DAA/AB 50/50 birch three-ply and rotary-cut birch four-ply) are presented in table 11, by quarters, January 1979-March 1982. Prices for birch three-ply door skins produced domestically and imported from Japan are also shown for comparison. As in the cases of U.S.- and Japanese-produced door skins, the weighted average prices for the door-skin products imported from Taiwan were at their lowest in January-March 1979 and increased sharply in April-June 1979.

Table 11.--Birch 3-ply and 4-ply door skins: Weighted average net selling prices for sales of the domestic product and for sales of imports from Japan and Taiwan, by quarters, January 1979-March 1982

Period	Patat <u>1/</u>	Imported from--		
		Japan <u>2/</u>	Taiwan <u>2/</u>	Taiwan <u>3/</u>
-----Per thousand square feet-----				
1979:				
January-March-----	***	\$226.27	\$218.76	\$202.82
April-June-----	***	248.69	235.83	227.21
July-September-----	***	254.40	243.16	232.62
October-December-----	***	256.18	238.01	226.27
1980:				
January-March-----	***	257.59	238.69	230.36
April-June-----	***	248.78	240.30	230.80
July-September-----	***	261.74	234.98	228.50
October-December-----	***	246.43	227.83	<u>4/</u>
1981:				
January-March-----	***	243.65	226.80	222.25
April-June-----	***	250.06	227.19	233.00
July-September-----	***	261.09	227.65	226.00
October-December-----	***	254.07	228.98	222.52
1982: January-March-----	***	249.13	221.27	212.98
<hr/>				
<u>1/</u> Composite grade, 3-ply.				
<u>2/</u> DAA/AB 50/50 grade, 3-ply.				
<u>3/</u> Rotary cut one-piece fancy, 4-ply.				
<u>4/</u> Not available.				

1/ Composite grade, 3-ply.

2/ DAA/AB 50/50 grade, 3-ply.

3/ Rotary cut one-piece fancy, 4-ply.

4/ Not available.

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

The weighted average price for six importers of birch three-ply door skins imported from Taiwan increased to its highest level (\$243.16 per 1,000 square feet) in July-September 1979, but has tended to decline since. The weighted average price dropped to between \$238 and \$241 per 1,000 square feet during October 1979-June 1980. Prices fell again to a level of approximately \$227 per 1,000 square feet from October-December 1980 through July-September 1981, and decreased to \$221.27 per 1,000 square feet in January-March 1982. Overall, the weighted average price of birch three-ply door skins imported from Taiwan in January-March 1982 was just over 1 percent above the price in January-March 1979, but has decreased 6.2 percent when compared with the price in April-June 1979.

No more than three importers reported prices in any quarter during January 1979-March 1982 for birch four-ply door skins imported from Taiwan. The highest price for four-ply door skins imported from Taiwan was \$233.00 per 1,000 square feet in April-June 1981 and was based on one importer's reported price. The highest weighted average price of three importers was \$232.62 per 1,000 square feet in July-September 1979, the same quarter in which the highest price for three-ply door skins imported from Taiwan was reported. Prices dropped in each of the three succeeding quarters since April-June 1981, but the overall change in the weighted average price of four-ply door skins imported from Taiwan was an increase of 5.0 percent from January 1979 through March 1982. However, from July 1979 through March 1982, the price decreased 8.4 percent.

A comparison of the four different price series shows that birch three-ply and four-ply door skins imported from Taiwan continuously undersold three-ply door skins imported from Japan from January 1979 through March 1982. This underselling by door skins from Taiwan has also been true with respect to comparable three-ply door skins produced domestically by Patat, except during the first two quarters of 1979. The margin of underselling of birch four-ply door skins imported from Taiwan has widened more during the first quarter of 1982 than the margin of underselling of birch three-ply door skins imported from Taiwan when compared with birch three-ply door skins produced domestically and those imported from Japan.

Taiwan is one of the beneficiary countries receiving the duty-free treatment applied to door skins under the GSP. Therefore, the prices for door skins imported from Taiwan are approximately 5.8 percent lower than they otherwise may be. Estimates indicate that in the absence of GSP status, and assuming that the 5.8 percent duty were added to the price, birch three-ply door skins imported from Taiwan would have undersold Patat's product only during * * * and birch four-ply door skins imported from Taiwan would have undersold Patat's product only during * * *. However, imports of three-ply door skins from Taiwan would have undersold imports from Japan from October 1979 through March 1982 (except for April-June 1980), and imports of four-ply door skins from Taiwan would have undersold imports from Japan throughout the entire period shown.

Lost sales

Neither Patat nor Weber submitted any information regarding sales lost to imports from Japan. Patat stated * * *. 1/ Weber * * *. Paine * * *.

The Question of the Threat of Material Injury

The rate of decrease of
imports from Japan

Imports of birch three-ply door skins from Japan declined constantly during the period covered by this investigation, as shown in table 8. The share changes in imports from Japan between 1979 and 1981 and between January-March 1981 and January-March 1982 are presented in the following tabulation (in percent):

<u>Period</u>	<u>Decrease</u>
1979-81-----	47.5
January-March 1981-January-March 1982-----	71.2

The share of the U.S. market supplied by imports of birch three-ply door skins from Japan decreased continually from 1979 to January-March 1982, as shown in the following tabulation:

<u>Period</u>	<u>Ratio of imports to apparent consumption (percent)</u>
1979-----	***
1980-----	***
1981-----	***
January-March--	
1981-----	***
1982-----	***

The capacity of Japan to generate exports and
the availability of other export markets

According to the HPMAJ, the three current producers of birch three-ply door skins in Japan (Marutama, Sattsuru, and Sanmoku) have a combined annual capacity of 30.6 million square feet for that product. 2/ 3/ Additionally, the 1979 capacity of those firms that formerly produced birch three-ply door

1/ Patat's response to the Commission's questionnaire, p. 15.

2/ Posthearing brief, p. 2, prehearing brief, p. 5.

3/ Plywood capacity in Japan is currently 24.2 billion square feet per year. Posthearing brief, p. 2.

skins 1/ was 32.8 million square feet. HPM AJ statistics show that production during January-April 1982 was about 7.6 million square feet, 2/ which represents a capacity utilization rate of about 74 percent for the present producers.

According to HPM AJ, seven firms in Japan export birch veneer to Taiwan for use in that country's production of birch door skins. 3/ Four of these firms are members of HPM AJ, and the others are not. 4/ Only one firm, Teshiogawa, exported birch three-ply door skins to the United States in 1981. Current birch veneer capacity in Japan is 51.6 million square feet per year, and production during January-April 1982 was 14.4 million square feet.

As shown in the following tabulation, the wages paid to lumber and wood product workers in Japan (according to the 1981 Japan Statistical Yearbook) and to wood and bamboo product workers in Taiwan (according to the Statistical Yearbook of the Republic of China, 1981) varies considerably:

Monthly wages <u>1/</u> in--		
<u>Year</u>	<u>Japan</u>	<u>Taiwan</u>
1977-----	\$619.37	\$138.16
1978-----	814.73	165.36
1979-----	773.20	192.33
1980-----	<u>2/</u>	223.30

1/ U.S. dollars.

2/ Not available.

The sizable difference (wages in Taiwan were only 25 percent of those in Japan in 1979) may explain, in part, the lower cost of the Taiwan product in the U.S. market. 5/

HPMAJ has stated that future sales will be in response to U.S. market conditions 6/ and that one of the major factors discouraging future Japanese shipments has been the sharp increase in Taiwan door skin sales to the United States. 7/

Japan has no export markets besides the United States and Canada for birch three-ply door skins.

1/ Matsumoku, Nitta, Teshiogawa, Iwakura, and Keisei, and Kiyosata: Prehearing brief, p. 9; posthearing brief, p. 2.

2/ Posthearing brief, p. 2.

3/ Ibid., p. 3.

4/ HPM AJ has stated that none of its members have any financial interest in any of the producers of birch three-ply door skins in Taiwan. Prehearing brief, p. 5.

5/ For comparison, Patat's average monthly wages were about * * *.

6/ Posthearing brief, p. 4.

7/ Department of State cable, Apr. 28, 1982.

APPENDIX A

TREASURY DECISION
76-48

(T.D. 76-48)

Antidumping—Birch 3 Ply Doorskins from Japan

The Secretary of the Treasury makes public a finding of dumping with respect to birch 3 ply doorskins from Japan; Section 153.43, Customs Regulations, amended

DEPARTMENT OF THE TREASURY,
Washington, D.C., February 6, 1976.

TITLE 19—CUSTOMS DUTIES

CHAPTER 1—UNITED STATES CUSTOMS SERVICE

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 birch 3 ply doorskins 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 October 15, 1975 (40 FR 48383)).

Section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), gives the United States International Trade Commission responsibility for determination of injury or likelihood of injury. The United States International Trade Commission has determined, and on January 12, 1976, it notified the Secretary of the Treasury that an industry in the United States is being injured by reason of the importation of birch 3 ply doorskins from Japan that are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. (Published in the FEDERAL REGISTER of January 19, 1976 (41 FR 2690)).

On behalf of the Secretary of the Treasury, I hereby make public these determinations, which constitute a finding of dumping with respect to birch 3 ply doorskins 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>
Birch 3 ply doorskins	Japan	76-48

(Secs. 201, 407, 42 Stat. 11, as amended, 18; 19 U.S.C. 160, 173)
(APP-2-01)

DAVID R. MACDONALD,
Assistant Secretary of the Treasury.

[Published in the FEDERAL REGISTER February 18, 1976 (41 FR 7389)]

APPENDIX B

COMMISSION'S NOTICE OF INSTITUTION

INTERNATIONAL TRADE COMMISSION

[Investigation No. 751-TA-6]

Birch Three-Ply Door Skins From Japan

AGENCY: International Trade Commission.

ACTION: Institution of a review investigation concerning the Commission's affirmative determination in investigation No. AA1921-150, Birch Three-Ply Door Skins 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)) to review its determination in investigation No. AA1921-150. 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, by reason of imports of birch three-ply door skins from Japan if the antidumping order regarding such merchandise were to be revoked. Birch three-ply door skins are provided for in item 240.14 of the Tariff Schedules of the United States.

SUPPLEMENTARY INFORMATION: On January 12, 1976, the Commission determined that an industry in the United States was injured within the meaning of the Antidumping Act, 1921, by reason of the importation of birch three-ply door skins from Japan which were determined by the Secretary of the Treasury to be, or likely to be, sold in the United States at less than fair value.

On February 18, 1976, the Department of the Treasury issued a finding of dumping (T.D. 76-48) and published notice thereof in the Federal Register (41 FR 7389).

The Department of Commerce published notice of the preliminary results of its most recent administrative review of the antidumping finding in this matter in the Federal Register on March 18, 1982 (47 FR 11737).

On January 8, 1982, the Commission received a request to review its affirmative determination in investigation No. AA1921-150 from counsel representing the Hokkaido Plywood Manufacturers Association of Japan.

The Commission requested comments from the public regarding the institution of a review investigation in a notice published in the Federal Register on February 10, 1982 (47 FR 6116).

Comments supporting the request for an investigation were received from four U.S. firms that either import or purchase birch three-ply door skins from Japan: Toyomenka (America), Inc.; C. Itoh & Co. (America), Inc.; Pan Asiatic Trading Co., Inc.; and Nu-Dor, Inc. Comments opposing the institution of an investigation were received from Patat Plywood Corp., a U.S. producer of such door skins. On the basis of the request for review and all comments filed concerning the request, the Commission on March 30, 1982, voted to institute investigation No. 751-TA-6.

The Commission determined that the alleged changed circumstances were sufficient to warrant a review investigation. For example, the production facilities of the domestic producer that accounted for a majority of U.S. production at the time of the Commission's determination have been sold and are no longer used for the production of door skins, and the share of the U.S. market for birch three-ply door skins lost by Japan following the dumping finding has been taken by other foreign suppliers rather than by domestic producers.

The investigation will be conducted in accordance with § 207.45(b) of the Commission's Rules of Practice and Procedure (19 CFR 207.45(b)). 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 by reason of imports of birch three-ply door skins from Japan if the antidumping order regarding such merchandise were to be revoked.

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 written statements of information pertinent to the subject matter of the investigation on or before June 3, 1982. A signed original and fourteen true copies of such statements must be submitted in accordance with section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8).

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 May 21, 1982.

Public hearing.—The Commission will hold a public hearing in connection with this investigation on June 10, 1982, 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.d.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.d.t.), May 20, 1982. 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.d.t., on May 21, 1981, in Room 117 of the U.S. International Trade Commission Building, and may file prehearing briefs on or before June 3, 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, subparts A, C, and E (19 CFR 207), and part 201, subparts A through E (19 CFR 201).

FOR FURTHER INFORMATION CONTACT: David Coombs, investigator, Office of Investigations, U.S. International Trade Commission (202-523-1376) or Laird Street, Esq., Office of the General Counsel, U.S. International Trade Commission (202-523-3395).

By order of the Commission.
Issued: April 1, 1982.

Kenneth R. Mason,
Secretary.

[FR Doc. 82-9361 Filed 4-6-82; 8:45 am]
BILLING CODE 7020-02-M

APPENDIX C

WITNESSES APPEARING AT THE PUBLIC HEARING

CALENDAR OF PUBLIC HEARING

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

Subject : Birch Three-Ply Door Skins
from Japan

Inv. No. : 751-TA-6

Date and time: June 10, 1982 - 10:00 a.m., e.d.t.

Sessions were held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

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

Barnes, Richardson & Colburn--Counsel
Chicago, Illinois
on behalf of

The Hokkaido Plywood Manufacturers' Association,
C. Itoh & Co. (America), Inc.,
Toyomenka (America), Inc., and
Mitsui & Company (USA), Inc.

Robert W. Bright, President, Nu-Dor, Inc.,
Lacey, Washington

Donald J. Unger--OF COUNSEL

APPENDIX D

COMMERCE'S NOTICE OF PRELIMINARY RESULTS
OF ADMINISTRATIVE REVIEW

**Birch 3-Ply Doorskins 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 birch 3-ply
doorskins from Japan. The review
covers the fifteen known manufacturers
and ten known exporters of this
merchandise to the United States and
the period from January 1, 1980 through
January 31, 1981. The review indicates
the existence of dumping margins for
certain of the manufacturers and
exporters.

As a result of this review, the
Department has preliminarily
determined to assess dumping duties on
shipments of certain of the exporters
and manufacturers. Interested parties
are invited to comment on these
preliminary results.

EFFECTIVE DATE: March 18, 1982.

FOR FURTHER INFORMATION CONTACT:
Brian Kelly or David R. Chapman, Office
of Compliance, International Trade
Administration, U.S. Department of
Commerce, Washington, D.C. 20230
(202-377-2923/2857).

SUPPLEMENTARY INFORMATION:

Background

The Department of Commerce ("the
Department") published in the *Federal
Register* on June 30, 1981, the final
results of its first administrative review
of the antidumping finding on birch 3-ply
doorskins from Japan and announced its
intent to conduct the next administrative
review by the end of February 1982 (46
FR 33574). As required by section 751 of
the Tariff Act of 1930 ("the Tariff Act")
the Department has now conducted that
administrative review.

Scope of the Review

Imports covered by the review are
shipments of birch 3-ply doorskins,
manufactured in a variety of glue types,
sizes, and colors. Birch 3-ply doorskins
are currently classifiable under items
240.1420, 240.1440, and 240.1460 of the
Tariff Schedules of the United States
Annotated (TSUSA).

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This review covers the fifteen known
manufacturers and ten known exporters
of birch 3-ply doorskins to the United
States and the period from January 1,
1980 through January 31, 1981.

Nine manufacturers and two exporters did not produce birch 3-ply doorskins or export to the United States during this period. The rate for deposit of estimated duties for these firms shall be the most recent information for each firm.

United States Price

In calculating United States price the Department used purchase price or exporter's sales price, as defined in sections 772(b) and 772(c) of the Tariff Act. Purchase price was calculated on the basis of the F.O.B. price to an unrelated Japanese exporter. Where applicable, deductions were made for Japanese inland freight and loading charges. Exporter's sales price was calculated on the delivered price to the first unrelated U.S. purchaser. Where applicable, deductions were made for Japanese inland freight, loading, ocean freight and insurance, brokerage and duty charges, pier charges, and interest charges. No other adjustments were claimed or allowed.

Foreign Market Value

In calculating foreign market value the Department used third country sales or constructed value, as defined in sections 773(a) and 773(e) of the Tariff Act, since insufficient sales existed in the home market to be used as a basis for comparison. Third country price was based on the F.O.B. Japan selling price to the first unrelated buyer in Canada; deductions were made for Japanese inland freight and loading charges. No other adjustments were claimed or allowed.

Constructed values were calculated as the sum of materials, fabrication costs, general expenses, profit, and the cost of packing. The amount added for general expenses constituted ten percent of the sum of materials and fabrication costs. Profit was calculated using eight percent of the sum of general expenses and cost.

Preliminary Results of the Review

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

Manufacturer/exporter	Time period	Margin percent
Marutama Industries Co., Ltd.:		
(Mitsubishi Corp.).....	2/1/80-1/31/81	0.0
(Mitsui & Co., Ltd.).....	1/1/80-1/31/81	0.0
(Nichimen Co., Ltd.).....	2/1/80-1/31/81	0.0
(Toyo Menka Kaisha, Ltd.).....	2/1/80-1/31/81	0.0
Matsumoku Industries, Ltd.:		
(C. Itoh & Co., Ltd.).....	2/1/80-1/31/81	4.3
(Mitsubishi Corp.).....	2/1/80-1/31/81	4.3
Nitta Veneer:		
(C. Itoh & Co., Ltd.).....	2/1/80-1/31/81	0.0

Manufacturer/exporter	Time period	Margin percent
Sanmoku Lumber Co., Ltd.:		
(C. Itoh & Co., Ltd.).....	2/1/80-1/31/81	3.0
(Associated Lumber Co., Ltd.).....	1/1/80-1/31/81	2.7
(Mitsui & Co., Ltd.).....	1/1/80-1/31/81	1.2
(Toyo Menka Kaisha, Ltd.).....	2/1/80-1/31/81	4.3
Satsuru Veneer Co., Ltd.:		
(C. Itoh & Co., Ltd.).....	2/1/80-1/31/81	0.0
(Mitsubishi Corp.).....	2/1/80-1/31/81	0.0
(Mitsui & Co., Ltd.).....	1/1/80-1/31/81	0.0
(Toyo Menka Kaisha, Ltd.).....	2/1/80-1/31/81	0.2
(Yusasa Trading Co., Ltd.).....	2/1/80-1/31/81	0.0
Teshiogawa Lumber Co., Ltd.:		
(Ikeuchi Industry Co., Ltd.).....	2/1/80-1/31/81	0.0
Ataka & Co.	2/1/80-1/31/81	1.0
Fujikawa Veneer Co., Ltd.	2/1/80-1/31/81	1.0
Hokusei Plywood	2/1/80-1/31/81	1.0
Iwakura Gumit:		
(Mitsubishi Corp.).....	2/1/80-1/31/81	1.0
(Toyo Menka Kaisha).....	2/1/80-1/31/81	1.0
(All other exps.).....	2/1/80-1/31/81	1.2
Keisei Lumber Co., Ltd.	2/1/80-1/31/81	1.0
Kiyosato Rinsen:		
(Nishio-Iwai).....	2/1/80-1/31/81	1.6
(All other exps.).....	2/1/80-1/31/81	1.7
Okura & Co.	2/1/80-1/31/81	1.6
Shingu Shoko	2/1/80-1/31/81	1.0
Showa Lumber	2/1/80-1/31/81	1.0
Tokiwa Plywood	2/1/80-1/31/81	1.6

* No shipments during the review period.

Interested parties may submit written comments on these preliminary results on or before April 19, 1982 and may request disclosure and/or a hearing within 10 days of the date of publication. Any hearing, if requested, will be held on April 19, 1982 or the first working day thereafter. Any request for an administrative protective order must be made within 5 days of the date of publication. 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 appropriate entries with purchase or export dates during the time period involved. Individual differences between United States price and foreign market value may vary from the percentages stated above. The Department will issue appraisal instructions on each exporter directly to the Customs Service.

Further, as provided by § 353.48(b) of the Commerce Regulations, a cash deposit based upon the margins calculated above shall be required on all shipments entered, or withdrawn from warehouse, for consumption on or after the date of publication of final results. The Department waives the deposit requirement for Satsuru Veneer (exporter Toyo Menka), since the margin is *de minimis*. This requirement, and the waiver for Satsuru Veneer, 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)

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

March 11, 1982.

[FR Doc. 82-7302 Filed 3-17-82; 8:45 am]

BILLING CODE 3510-25-M

APPENDIX E

COMMERCE'S TENTATIVE DETERMINATION TO REVOKE,
IN PART, THE ANTIDUMPING FINDING

DEPARTMENT OF COMMERCE
International Trade Administration**Birch 3-Ply Doorskins From Japan;
Tentative Determination To Revoke In
Part Antidumping Finding****AGENCY:** U.S. Department of Commerce,
International Trade Administration.**ACTION:** Notice of Tentative
Determination To Revoke In Part
Antidumping Finding.**SUMMARY:** The Department of
Commerce has tentatively determined to
revoke in part the antidumping finding
on birch 3-ply doorskins from Japan. The
tentative determination applies to one
company, Marutama Industries Co., Ltd.
Marutama has had no dumping margins
from April 1, 1975, through December 31,
1979.The Interested parties are invited to
comment on this tentative
determination.**EFFECTIVE DATE:** May 25, 1982.**FOR FURTHER INFORMATION CONTACT:**
Brain Kelly or David R. Chapman, Office
of Compliance, International Trade
Administration, U.S. Department of
Commerce, Washington, D.C. 20230
(202-377-2923).**SUPPLEMENTARY INFORMATION:****Background**

On February 18, 1976, a dumping
finding with respect to birch 3-ply
doorskins was published in the *Federal
Register* as Treasury Decision 76-48 (41
FR 7389). The Department of Commerce
("the Department") has published the
final results of its first review of the
finding (46 FR 33574-5, 47 FR 1162), and,
more recently, the preliminary results of
its second review (47 FR 11737).

Scope of the Determination

Imports covered by this determination
are shipments of birch 3-ply doorskins

manufactured by Marutama Industries
Co., Ltd. ("Marutama"). Birch 3-ply
doorskins are currently classifiable
under items 240.1420, 240.1440, and
240.1460 of the Tariff Schedules of the
United States Annotated (TSUSA). The
determination applies to such doorskins
sold by Marutama for export to the
United States.

Basis of Determination

Section 353.54 of the Commerce
Regulations requires that for a company
to apply for revocation, two conditions
must usually be met: (1) sales at not less
than fair value for at least a two year
period following publication of a finding
or order, and (2) an agreement by the
parties subject to the revocation to
reinstatement of the finding or order in
the case of subsequent less than fair
value sales. During the period April 1,
1975, through December 31, 1979,
Marutama made all sales at not less
than fair value.

In addition, Marutama has agreed in
writing to an immediate suspension of
liquidation and reinstatement of the
finding if circumstances develop that
indicate that the merchandise thereafter
manufactured and sold by Marutama for
export to the United States is being sold
at less than fair value. As a result, we
tentatively determine to revoke the
antidumping finding on birch 3-ply
doorskins with respect to Marutama
Industries Co., Ltd. Such revocation, if
made final, shall apply to all
unliquidated entries of the merchandise
entered, or withdrawn from warehouse,
for consumption on or after the date of
publication of this notice.

Interested parties may submit written
comments on this tentative
determination on or before June 24, 1982
notice and may request disclosure and/
or a hearing on or before June 4, 1982.
Any hearing, if requested, will be held
30 days after publication of this notice
or the first workday thereafter. The
Department will publish the results of its
analysis of any such comments or
hearing.

This tentative determination to revoke
in part is in accordance with section
751(c) of the Tariff Act of 1930 (19 U.S.C.
1675(c)) and § 353.54 of the Commerce
Regulations (19 CFR 353.54).

Gary N. Horlick,

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*Deputy Assistant Secretary for Import
Administration.*

May 19, 1982.

[FR Doc. 82-14220 Filed 5-24-82; 8:45 am]

BILLING CODE 3510-25-M

