SHEET PILING FROM CANADA

Determination of the Commission in Investigation No. 731-TA-52 (Preliminary) Under Section 733(a) of 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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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

INVESTIGATION NO. 731-TA-52 (PRELIMINARY)

SHEET PILING FROM CANADA

Determination

On the basis of the record 1/ developed in investigation No. 731-TA-52 (Preliminary), the Commission determines that there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, 2/ by reason of imports from Canada of sheet piling, provided for in items 609.96 and 609.98 of the Tariff Schedules of the United States (TSUS) which are possibly being sold in the United States at less than fair value (LTFV) 3/.

Background

On November 24, 1981, the U.S. International Trade Commission received advice from the U.S. Department of Commerce that it was initiating an antidumping investigation on its own accord concerning imports of sheet piling from Canada which it found to be sold in the United States below trigger prices and, therefore, possibly at LTFV. Accordingly, the Commission instituted a preliminary antidumping investigation under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of the imports of such merchandise into the United States. The statute directs that the Commission make its determination within 45 days after its receipt of such advice, or in this case by January 8, 1981.

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

2/ Chairman Alberger and Commissioner Frank, having found a reasonable indication of material injury, do not reach the issue of threat.

3/ Reasonable indication that the establishment of an industry in the United States is materially retarded is not an issue in this investigation.

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was duly 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 December 2, 1981 (46 F.R. 58618). The public conference was held in Washington, D.C., on December 16, 1981, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury 1/ by reason of imports from Canada of sheet piling allegedly sold at less than fair value. 2/ Our determination is based on the following considerations.

Domestic industry

Our analysis begins with the definition of the domestic industry against which the impact of the allegedly dumped imports is to be assessed. Section 771(4)(A) of the Tariff Act of 1930 defines "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 the total domestic production of that product." 3/ "Like product" is defined in section 771(10) as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." 4/

This investigation concerns imports from Canada of sheet piling fabricated of either carbon steel or alloy steel. 5/ Sheet piling is a

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1/ Chairman Alberger and Commissioner Frank, having found a reasonable indication of material injury, do not reach the issue of threat.

2/ Commissioner Frank notes that the statute and legislative history require the Commission in its preliminary determinations in both antidumping and countervailing duty investigations to exercise only a low threshold test based upon the best information available to it at the time of such determination that the facts reasonably indicate that an industry in the United States could possibly be suffering injury, threat thereof, or material retardation. H.R. Rep. No. 96-317, 96th Cong., 1st Sess. 52 (1979).

3/ 19 U.S.C. § 1677(4)(A).

4/ 19 U.S.C. § 1677(10).

5/ The notice of initiation of its investigation issued by the Department of Commerce defines "sheet piling" as covering piling of iron or steel, provided for in items 609.96 (other than alloy iron or steel) and 609.98 (alloy iron or steel) of the Tariff Schedules of the United States. 46 F.R. 57586 (Nov. 24, 1981). There are no known imports of iron sheet piling. Commissioner Frank would include any imports of iron sheet piling if a final investigation is conducted. The Report does not indicate any known imports of iron sheet pilings in material reviewed in this preliminary investigation.

structural steel product consisting of rolled sections that can be joined so that the individual pieces form a continuous wall when driven side by side. 6/ The sections have interlocks that allow the sections to be swung laterally, allowing flexibility in their alignment. The interlocks are also designed so that when they are subjected to lateral pressure, such as that caused by the weight of a volume of water, the wall will be watertight. Sheet piling is primarily used in applications calling for a tight steel enclosure to prevent leakage and resist pressure, such as walls for docks, wharves piers, dams, excavations, and cofferdams.

Steel sheet piling is produced in three basic types, which are designed for differing applications. Those types are straight (or flat) web, arch web and Z web piling. 7/ The domestic industry produces all three types. Imports from the principal Canadian importer, Acier Casteel, Inc., are of only the arch web and Z web types. No information as to type is available with regard to imports from the remaining Canadian importer, Brockhouse Canada, Ltd. 8/ Furthermore, both domestic and imported steel sheet piling comes in a range of gages, widths, and lengths and with varying types of interlocks to satisfy a number of different applications.

6/ The descriptions of the product are derived from information in the Report at A-1 to A-7.

7/ The three types are pictured in the Report at A-3.

8/ In addition, certain other sheet piling pieces produced by the domestic industry, such as Y's, T's, corners, and filler pieces, may be imported. Should a final investigation be conducted, the Commission will seek information regarding importation of these pieces. Commissioner Frank notes that these other pieces are related to sheet piling.

The imported article consists of the Z web, arch web, and perhaps straight web types of steel sheet piling. 9/ Thus, we find the like product to be all such domestically produced steel sheet piling. Since there are no clear dividing lines between the characteristics and uses of different sizes and shapes of steel sheet piling, our like product finding is without regard to width, length, and gage. 10/ For the purposes of this preliminary investigation, therefore, we find that the domestic industry consists of the domestic producers of the steel sheet piling described.

Condition of the domestic industry

We have examined the health of the U.S. industry producing sheet piling over the period from 1978 to September 1981. The industry's condition fluctuated in 1978, 1979 and 1980, then made a sharp downturn in the first three quarters of 1981. 11/ At the present time the industry is experiencing serious difficulties. 12/

9/ The Commission has no information at this point to confirm whether straight web piling is imported into the United States from Canada. While it is known that imports from Acier Casteel do not include straight web piling, the composition of imports from Brockhouse Canada is not known. Additionally, available information does not clarify whether other types of piling are substitutable for, and compete with, straight web piling for use in certain applications. Commissioner Frank notes that speculating on the inclusion of straight web types in imports is not appropriate at this time and does not believe the word "perhaps" is necessary.

10/ See Stainless Clad Steel Plate from Japan, Inv. No. 731-TA-50 (Preliminary), USITC Pub. 1196 (1981); Hot-Rolled Carbon Steel Plate from Romania, Belgium, and Brazil, Inv. Nos. 701-TA-83 (Preliminary) and 84 (Preliminary), and 731-TA-51 (Preliminary), USITC Pub. 1208 (1982); Hot-Rolled Carbon Steel Sheet From France, Inv. No. 701-TA-85 (Preliminary), USITC Pub. 1209 (1982).

11/ Report at A-16 to A-22.

12/ Commissioner Frank notes that it is his preliminary finding that the serious difficulties being experienced by this industry are caused by the recent increases in imports of steel sheet piling from Canada.

U.S. production of sheet piling decreased significantly from 1978 to 1979, then increased in 1980 to a level higher than that attained in 1978. 13/ Production then dropped dramatically in the first three quarters of 1981 to the lowest level during the period surveyed. 14/ Industry capacity to produce sheet piling increased slightly between 1978 and 1980, then remained stable for the first three quarters of 1981. 15/ Utilization of productive capacity fluctuated between 1978 and 1980, then fell drastically in the first three quarters of 1981. 16/

The trend in shipments by domestic producers paralleled the trend in production. Total shipments decreased from 1978 to 1979, but increased in 1980 to a level greater than in 1978. During January-September 1981 shipments decreased dramatically by approximately the same percentage as production did. 17/ While inventories held by domestic producers in January-September 1981 decreased as compared to the comparable period in 1980, the ratio of inventories to shipments increased substantially. 18/

Consistent with the trend in production, employment of production and related workers in the sheet piling sector decreased from 1978 to 1979, increased in 1980, then fell sharply in the first three quarters of 1981

13/ Because of the small number of firms comprising the domestic industry all specific data are treated as confidential, and the state of the industry is discussed only in terms of generalized trends.

14/ Report at A-16 to A-17.

15/ Id. Information regarding capacity is based upon allocations made by the reporting firms, since sheet piling is rolled in mills on which other structural steel products are made and capacity for any single product can be increased or decreased in response to demand. Id. at A-16.

16/ Id. at A-17.

17/ Id. at A-17 to A-18. "Total shipments," as used here, include intracompany shipments and exports as well as domestic shipments.

18/ Id. at A-18 to A-19.

compared to the same period in 1980. The number of hours worked also declined drastically in 1981. 19/

The most significant factor regarding the condition of the industry is its unfavorable financial performance since 1978. Net sales were up substantially in 1980 over 1978 and 1979, but plummeted in 1981 as shipments fell. Despite the fluctuating levels of net sales throughout the period, the industry reported net losses in every year since 1978. 20/

Reasonable indication of material injury by reason of alleged LTFV imports

The record demonstrates a reasonable indication that imports of allegedly dumped Canadian sheet piling have been a factor contributing to the decline recently experienced by the domestic industry. 21/ Prior to 1981 imports from Canada accounted for only 1.6 percent of total imports and a much smaller percentage of overall U.S. consumption. Canada's import share changed radically in the first three quarters of 1981, as Canadian imports increased ninefold over the corresponding period in 1980, from 1,196 tons to 12,154 tons. Imports from Canada were 16 percent of total imports during the January-September 1981 period and accounted for 71 percent of the increase in

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19/ Id. at A-19 to A-20.

20/ Id. at A-20 to A-22.

21/ Vice Chairman Calhoun is of the view that to say a less-than-fair-value import is a "factor contributing to the decline" experienced by the domestic industry does not fully satisfy the material injury standard. In his view, an LTFV import can contribute to the difficulties suffered by a domestic industry, but still have an impact on the industry which, while harmful, is inconsequential, immaterial, or unimportant.

For the reasons discussed, Vice Chairman Calhoun concludes that there is a reasonable indication that the effect of Canadian sheet piling on the domestic industry, at this point in the investigation, can be characterized as a level of harm that is "not inconsequential, immaterial, or unimportant".

total imports over the corresponding period in 1980. As a result of the rapid rise in Canadian imports, the Canadian products captured a greatly increased share of U.S. consumption as well. 22/ This increase in the Canadian share of the market coincided with the sharp decline the U.S. industry experienced in 1981.

Information gathered by the Commission indicates that the Canadian imports have undersold domestically produced sheet piling in the U.S. market by substantial margins throughout the first nine months of 1981. 23/ In addition, the Commission has confirmed instances in which domestic producers lost sales to Canadian imports on the basis of price. In other instances a domestic producer made the sale, but was forced to reduce its price in order

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22/ Id. at A-23 to A-25. Respondent argued that the increase in imports from Canada came primarily at the expense of imports from West Germany and did not affect the market share of the domestic producers. Mississippi Valley Equipment Company (MVE) is presently the exclusive U.S. distributor for Acier Casteel. MVE formerly had a similar arrangement with Hoesch Huttenwerke AG, a West German producer of sheet piling. Respondent claims that MVE's purchases from Acier Casteel simply displaced purchases from Hoesch. Transcript at 85. However, the data assembled by the Commission make amply clear that despite termination of its sole distribution agreement with MVE, Hoesch remains an important supplier to the domestic market and has not been supplanted by the Canadians. Even if it could be shown that Canadian imports had merely replaced German imports, it would not necessarily follow that this replacement is noninjurious to the domestic industry. Commissioner Frank does not agree that it is necessary to review the substitution arguments presented by respondent in this preliminary determination. Commissioner Frank points out that in this preliminary determination the substitution argument presented by respondent is not corroborated by the fact Hoesch terminated its sole distribution agreement with MVE. Hoesch continues to supply the domestic market according to the information obtained by the Commission and irrespective of this, there is a reasonable indication that the imports from Canada have caused material injury to the domestic producers. Vice Chairman Calhoun and Commissioner Eckes do not join in this footnote.

23/ Id. at A-26 to A-27.

to do so, indicating possible price depression or suppression. 24/

Threat of material injury 25/

We also find a reasonable indication that imports of sheet piling from Canada pose a threat of material injury. As noted above, Canadian producers have proven to be aggressive entrants into the U.S. market, and their share of the overall market grew rapidly in 1981 as compared to previous years. Moreover, Canadian producers have substantial capacity for the production of additional sheet piling that could be turned to producing exports to the United States. Acier Casteel's cold-forming mill produces various types of products, including steel sheet piling. 26/ The total capacity of this mill is between 50,000 and 75,000 tons, depending on the product mix. 27/ This is substantially in excess of the tonnage of sheet piling exported by Acier Casteel to the United States in the first nine months of 1981. An additional factor supporting a reasonable indication of threat of material injury is the

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24/ Id. at A-27 to A-29. Respondent contended that European imports, particularly imports from Belgium, are the low-price leaders in the sheet piling market, frequently underselling Canadian imports as well as domestic products. Transcript at 86-90. Consequently, it is argued that additional domestic piling would not be sold even if Canadian imports were unavailable. Thus, imports from Canada are arguably not a cause of any material injury experienced by the domestic industry. The record in this preliminary investigation does not contain sufficient data to address this argument, and it will have to be further investigated if a final investigation is conducted. Vice Chairman Calhoun notes, in this regard, that even if low priced Belgian imports eventually replaced Canadian imports, one for one it would not negate the reasonable indication that LTFV Canadian imports are causing present material injury. In the view of Commissioner Frank, there is ample evidence indicating price depression or suppression caused by Canadian exports to the U.S. of steel sheet piling. Report at A-25 to A-29. Commissioner Eckes does not join in this footnote.

25/ Chairman Alberger and Commissioner Frank, having found a reasonable indication of material injury, do not reach the issue of threat.

26/ Transcript at 58.

27/ Id. at 59.

sizeable inventory of Canadian sheet piling currently held by Acier Casteel's U.S. distributor. 28/

Conclusion

On the basis of the record before us, we conclude that there is a reasonable indication of material injury or the threat of material injury 29/ to the domestic industry producing sheet piling by reason of imports of sheet piling from Canada. The principal grounds for our determination are the rapidly increasing penetration of the U.S. market by Canadian imports, information confirming lost sales caused by underselling, and information regarding possible price depression or suppression. 30/

28/ Report at A-29.

29/ Chairman Alberger and Commissioner Frank, having found a reasonable indication of material injury, do not reach the issue of threat.

30/ On the basis of the record before him, Commissioner Frank concludes that there is a causal link between imports of steel sheet piling from Canada with material injury experienced by the domestic industry. The principal bases for his affirmative determination are the significant volume of Canadian imports and information regarding lost sales, as well as a reasonable indication that these Canadian imports through their impact on domestic prices, have had a material adverse effect on the condition of the domestic industry.

INFORMATION DEVELOPED IN THE INVESTIGATION

Introduction

On November 24, 1981, the U.S. International Trade Commission received advice from the U.S. Department of Commerce that it was initiating an antidumping investigation concerning imports of sheet piling from Canada. 1/ Accordingly, effective November 24, 1981, the Commission instituted a preliminary antidumping investigation to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Canada of sheet piling, provided for in items 609.96 and 609.98 of the Tariff Schedules of the United States (TSUS), which are possibly sold in the United States at less than fair value (LTFV). By statute the Commission must render its determination within 45 days after the day of its receipt of advice from Commerce--in this case by January 8, 1982.

In connection with this investigation, a public conference was held in Washington, D.C., on December 16, 1981. 2/ Notice of the institution of the investigation and of the public conference was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on December 2, 1981 (46 F.R. 58618). 3/ The Commission's vote on the investigation was taken on January 4, 1982.

Commerce initiated this investigation on its own accord pursuant to information developed under the Trigger Price Mechanism (TPM). This information indicated that significant sales of sheet piling were being made at less than the relevant trigger price. Commerce's notice of investigation was published in the Federal Register of November 24, 1981 (46 F.R. 57586). 4/

Description and Uses

Introduction

The Steel Products Manual, published by the American Iron & Steel Institute, provides the following description of sheet piling:

1/ A copy of Commerce's letter of notification to the Commission is presented in app. A.

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

3/ A copy of Commission's notice is presented in app. C.

4/ A copy of Commerce's Federal Register notice is presented in app. D.

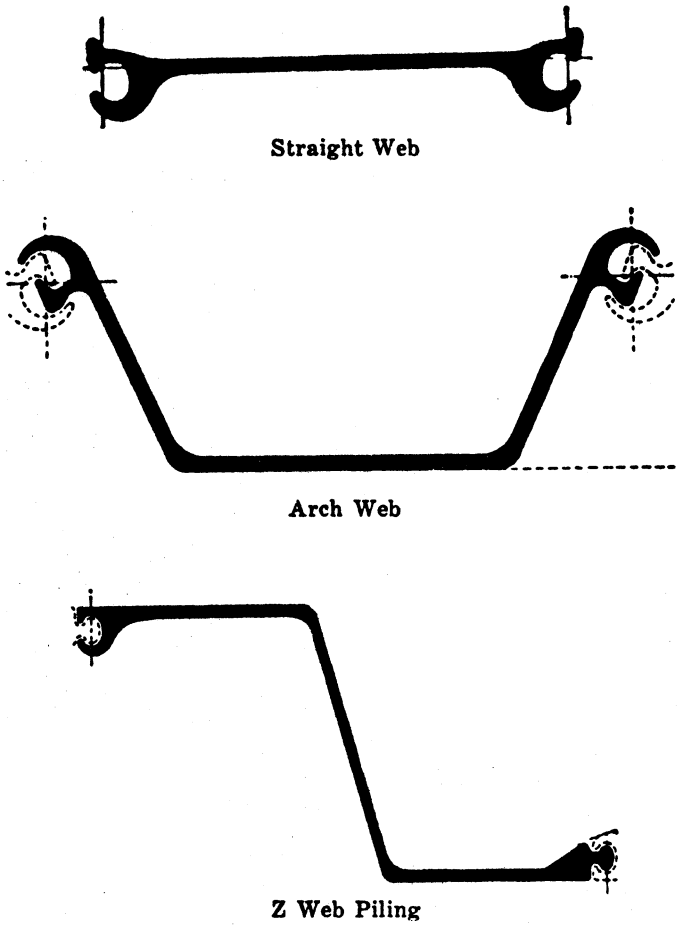
> Steel sheet piling is rolled sections which can be interlocked so that individual pieces when driven side by side form a continuous wall...These sections are used in the building of walls for docks, wharves, piers, dams, excavations, cofferdams and many other applications where the purpose is to produce a tight steel enclosure against excessive leakage and pressure.
>
> The form and distribution of metal in the interlocking members is such that sections will drive and may be extracted and at the same time swing laterally to permit flexibility in alignment. The form and shape of piling section interlocks tend to assure practical water-tightness of sections when under lateral pressure...
>
> Steel sheet piling is produced in three general types in graduated weights to meet various requirements of strength and service. The three general types of sections are straight web, arch web and Z web piling [fig. 1]...Each type of piling is provided with interlocks of the type most suitable for the section and application.
>
> For all sections and for a change of section to section, fabricated members are provided, such as corners, Y's and Tees or filler pieces which are made by bending, riveting, or welding the rolled sections.
>
> The straight web sections are used principally for applications in which the tension value of the interlock is of primary importance as in the cellular self-supporting gravity type structures.
>
> The arch and Z type sections are ordinarily used in walls as a succession of vertical beams resisting lateral pressure, and vary in section and weight to meet design requirements.

Under certain circumstances, cement and wood piling can be used as a substitute for steel sheet piling. However, when watertightness or resistance to lateral pressure are needed, then steel sheet piling is preferable.

The imported product

U.S. imports of sheet piling from Canada are produced by two Canadian firms, Brockhouse Canada, Ltd., and Acier Casteel, Inc. Brockhouse produces lightweight sheet piling in contrast to Casteel, which produces heavier gauge sheet piling. U.S. imports of the Brockhouse product accounted for * * * percent of U.S. imports from Canada during January-September 1981. Casteel accounted for * * * percent of the imports during the same period and * * *. The following discussion of the imported product focuses on the Casteel product.

Figure 1.--Typical sheet piling sections.



Source: Steel Products Manual: Carbon Steel: Plates, Structural Sections; Rolled Floor Plates; Steel Sheet Piling, American Iron & Steel Institute, December 1957, p. 53.

U.S. imports of the Casteel product come in two basic shapes: arch web, which comes in four standard sections, and Z web, which comes in five standard sections. Casteel does not produce straight web piling. Figure 2 illustrates Casteel's basic sections and their interlock system. The firm's production process is described in Casteel Sheet Piling Handbook as follows:

> Casteel Sheet Piling is cold-formed by feeding hot rolled coils of steel strip through a series of rolls which form the steel piling into its final configuration. To ensure compliance with all designated tolerances, minimum thickness and steel quality specifications, the steel strip is tested prior to leaving the hotrolling mills and again by Casteel. Coils, which are positioned at the head of the rolling mill, are automatically uncoiled. Then the strip moves through a flattening process and through a series of 14 rolling stands, which progressively form the strip...into a profile predetermined by selecting a given set of rolls and carefully adjusting rolls within the stands. The fully formed sheet piling continues to move along the line into a saw house where it is automatically cut to a preset length and on to the end of the line where handling holes are cut and the piling is removed and prepared for shipment.

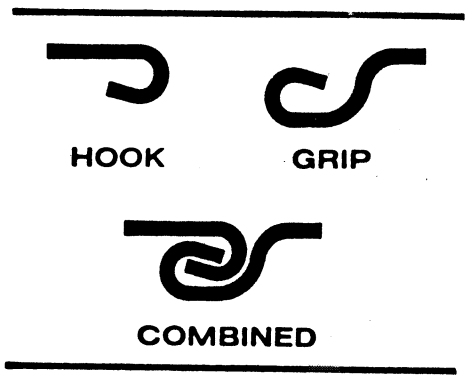
The U.S. product

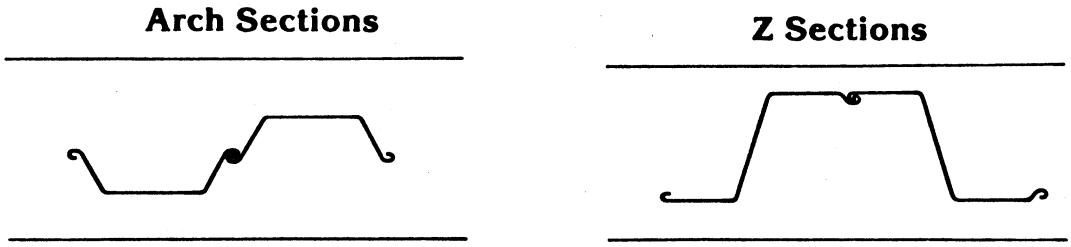
U.S. producers make all three general types of sections, straight web, arch web, and Z web, as well as lightweight sheet piling. The following discussion focuses on the straight, arch, and Z web sheet piling which constituted * * * percent of U.S. production in 1980.

The production of sheet piling in the United States starts in the blooming mill. The blooms then proceed to the structural mill where they are heated in furnaces and sent to breakdown stands for the start of rolling. The product proceeds to roughing stands, where rough forming begins, to intermediate stands, where the shaping continues, and finally to a single finishing stand. The number of roughing and intermediate passes varies with the desired product. During rolling, precise control of the bend is necessary since proper clearance within the interlock must be maintained and the resulting opening between flange tip and thumb must be within close limits. Figure 3 illustrates the hot-rolling of arch web sections of sheet piling.

The section is then cut to length and allowed to cool to atmospheric temperature. When properly cooled, it is straightened, cut to final length by either hot-shearing or hot-sawing, inspected for defects, and shipped to its destination.

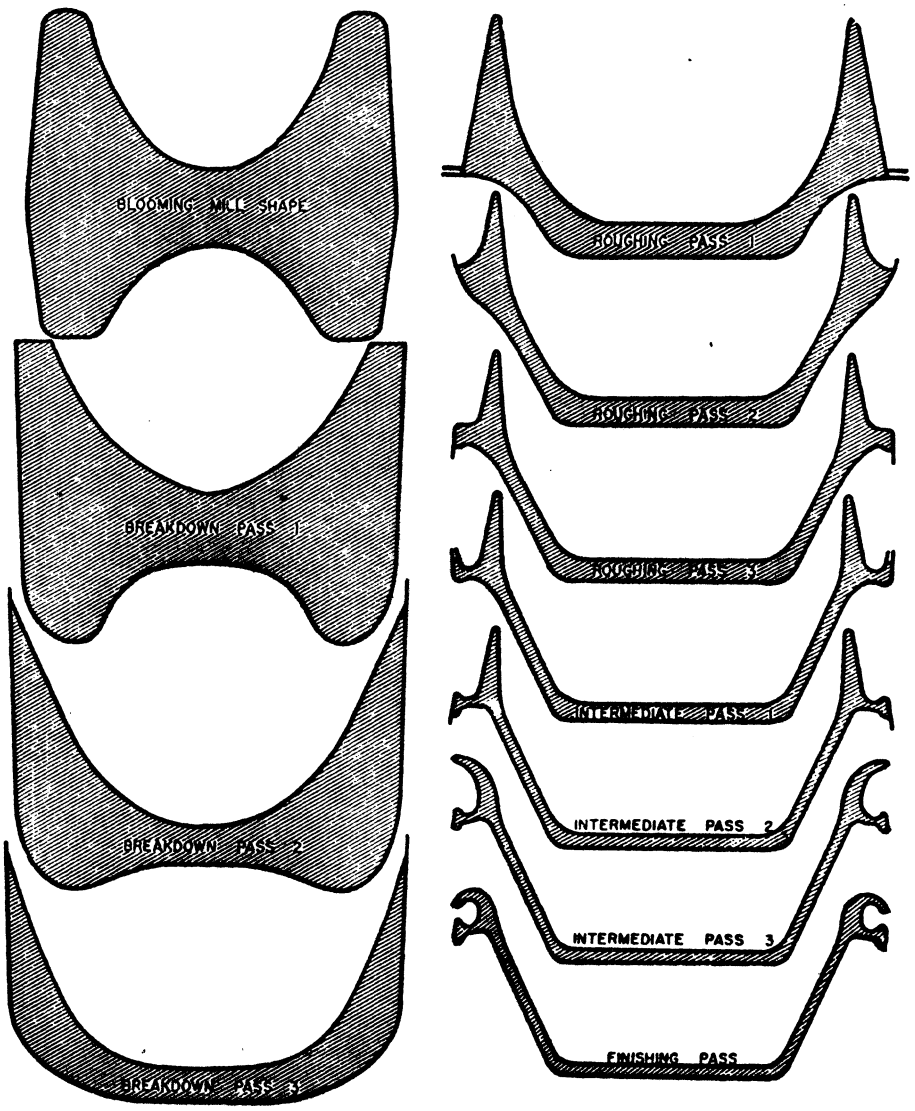
Figure 2.--Interlocks of sheet piling produced by Casteel.





Source: Casteel Sheet Piling Handbook, by Mississippi Valley Equipment Co.

Figure 3.--Roll passes for hot-rolling an arch web section of sheet piling, showing how the flange is bent to accurate configuration.



Source: The Making, Shaping and Treating of Steel, U.S. Steel Corp., 1971, p. 770.

The interlock systems for sheet piling produced by U.S. Steel are illustrated in figure 4. Interlocks for arch web and straight web piling are referred to as the thumb-and-finger type; this design provides three contact points and, according to U.S. Steel, helps develop both strength and watertightness. This interlock provides a swing of at least 10 degrees between adjacent sections (fig. 5). The interlocks of Z piling are of the ball-and-socket type.

U.S. Tariff Treatment

Imports of sheet piling are classifiable under two items of the TSUS, depending on whether the piling is of carbon or alloy steel. Carbon steel sheet piling, which accounted for 97 percent of the imports of sheet piling from Canada in 1980, enters under the provisions of item 609.96 of the TSUS. In 1981, the most-favored-nation (MFN) (column 1) rate of duty for this item was 0.1 cent per pound. That rate had been in effect since July 1, 1963. The ad valorem equivalent of the duty for imports from Canada in 1980 was 0.45 percent. As a result of agreements made during the Tokyo round of trade negotiations, the duty for this item will be changed to 0.8 percent ad valorem on January 1, 1982.

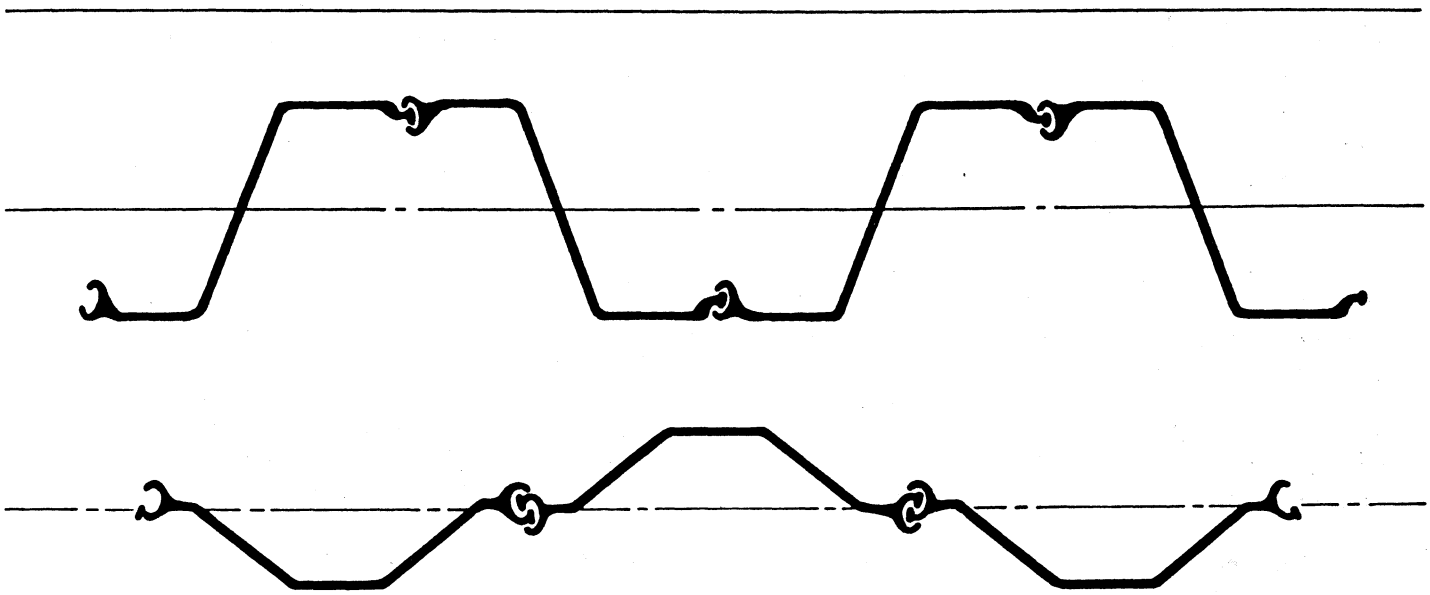
Alloy steel sheet piling enters under the provisions of item 609.98 of the TSUS. The basic MFN rate of duty for alloy steel sheet piling in 1981 was 0.1 cent per pound plus 2 percent ad valorem. This rate, which has been in effect since January 1, 1972, is scheduled to be reduced to 1.9 percent ad valorem on January 1, 1982, and 1.8 percent ad valorem on January 1, 1986. In addition to the basic rate of duty, additional duties are assessed on imports under this item depending on the content of chromium, molybdenum, tungsten, and vanadium, as provided in headnote 4, part 2, subpart B, schedule 6.

The column 2 rate of duty for TSUS item 609.96 is 2 percent ad valorem, and the column 2 rate of duty for TSUS item 609.98 is 8 percent ad valorem plus additional duties. Sheet piling classified under these two items is not an eligible article for purposes of duty-free treatment under the Generalized System of Preferences.

Commerce's Trigger Price Investigation

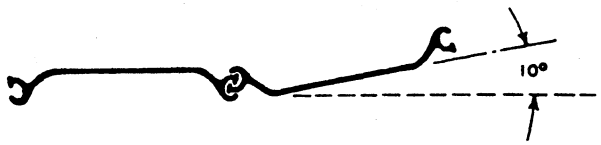
On December 6, 1977, the President approved implementation by Treasury of a Trigger Price Mechanism (TPM) to monitor import prices of steel mill products. Responsibility for administering the TPM was transferred to Commerce on January 2, 1980. The TPM was suspended in March 1980 in response to the filing of antidumping petitions by U.S. Steel Corp. relating to certain carbon steel products from European countries. On October 8, 1980, following the withdrawal of the antidumping complaints, Commerce reinstated the TPM. Production costs of steel mill products in Japan, deemed to be the most efficient producer in the world, form the basis of the trigger prices. Imports priced below trigger prices are considered potential sales at LTFV. If substantial quantities of steel mill products enter the United States below the applicable trigger price, an antidumping investigation could be "triggered" by Commerce on its own motion.

Figure 4.--Interlocks of sheet piling produced by U.S. Steel Corp.



Source: Steel Sheet Piling Handbook, U.S. Steel Corp., April 1979.

Figure 5.--Normal interlock swing on U.S.-produced arch web and straight web sheet piling.



Source: Steel Sheet Piling Handbook, U.S. Steel Corp., April 1979.

Commerce recognized that certain foreign manufacturers and exporters can produce and export steel to the United States at prices below trigger prices but which are nonetheless at fair value. On November 24, 1980, Commerce established a procedure by which these firms can avoid the risk of a TPM-initiated antidumping investigation by requesting preclearance and cooperating with Commerce's preclearance review of production costs and pricing practices. 1/ On January 21, 1981, Casteel requested preclearance treatment for sheet piling. This request had not been acted upon when, on November 5, 1981, Commerce announced the termination of the preclearance program, thereby denying preclearance to all outstanding requests, including Casteel's, and canceling preclearances already granted. 2/

Under the TPM, Commerce requires importers to supply detailed information on each customs entry of steel mill products. This information, collected on Special Summary of Steel Invoices (SSSI's), includes the date and terms of contract between the buyer and the seller. Commerce's analysis of the information contained in the SSSI's indicates that during January-September 1981, 71.3 percent of the sheet piling entering the United States from Canada was sold at a weighted average of 9 percent below the applicable trigger price.

Casteel accounted for * * * percent, and Brockhouse, * * * percent of the tonnage monitored during January-September 1981. During the period, * * * of * * * transactions monitored from Casteel were below the relevant trigger price. Of the * * * transactions Commerce monitored from Brockhouse * * * below trigger.

In administering the TPM, Commerce also received information on Canadian home-market prices of sheet piling. During April-September 1981, according to Commerce's analysis, one Canadian exporter, * * *, apparently sold sheet piling in the United States at about 17 percent below home market prices.

The U.S. Market

In 1980, U.S. consumption of sheet piling was valued at approximately * * * million, representing a small share of total U.S. consumption of steel mill products. Consumption of sheet piling depends heavily upon the general health of the economy, the level of construction, and the Federal funding of waterworks projects. U.S. producers and distributors agree that demand in 1974 was particularly strong and that the market has been weak since then. U.S. consumption of sheet piling * * * from * * * tons in 1978 to * * * tons in 1979, or by * * * percent (table 1). Consumption * * * by * * * percent to * * * tons in 1980, before * * * by * * * percent, from * * * tons in January-September 1980 to * * * tons in the corresponding period of 1981.

1/ Notice of this procedure was published in the Federal Register of Nov. 24, 1980 (45 F.R. 77500).

2/ Notice of this action was published in the Federal Register of Nov. 19, 1981 (46 F.R. 56841).

Table 1.--Sheet piling: U.S. consumption, 1978-80, January-September 1980, and January-September 1981

(In thousands of tons)

Period	U.S. producers' domestic shipments 1/	Imports	Total
1978	***	128	***
1979	***	103	***
1980	***	89	***
January-September--			
1980	***	63	***
1981	***	78	***

1/ Estimated by the U.S. International Trade Commission, on the basis of questionnaire data received from all major producers of sheet piling, and estimates of the domestic shipments of 1 small producer, Superior Piling, Inc., which did not respond to the questionnaire. The estimates used for Superior Piling were * * * tons in each of the years 1978-80 and * * * tons during each of the periods January-September 1980 and January-September 1981.

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

U.S.-produced sheet piling is generally sold directly to the end user, with only a small share being sold to distributors. There are more than 5,000 users of sheet piling. These include heavy construction contractors, firms which specialize in driving sheet piling, and various Federal, State, and local government agencies. Imported sheet piling is sold through importer-distributors to end users.

The distributors stock large inventories of the product in warehouses located throughout the United States and generally fill customers' orders from such stocks. U.S. producers' inventories are small in comparison, and when the market is strong, lead time to fill orders is comparatively long. In addition, distributors rent sheet piling for applications in which it can be reused. U.S. producers do not offer rental services.

U.S. Producers

Four firms are known to produce sheet piling in the United States. The names of the producers, the locations of their production facilities, and their share of U.S. production in 1980 are presented in the following tabulation:

Firm and location	Production Percentage distribution
U.S. Steel Corp., Homestead, Pa----------	***
Bethlehem Steel Corp., Bethlehem, Pa-----	***
Superior Piling, Inc. Bridgeview, Ill----	***
Armco Inc., Middletown, Ohio------------	***
Total----------	100

U.S. Steel, the largest U.S. producer of sheet piling, operates a mill near Pittsburgh, Pa., which was constructed in 1928. A company spokesman stated that * * * renovations have been made to the mill since the * * *. Another mill owned by U.S. Steel, its South Works in Chicago, Ill., was closed for renovations in September 1981 and will reopen late in 1982 or early in 1983. This mill will have the capability to produce a limited variety of sheet piling.

In mid-1977, Bethlehem Steel closed its sheet piling production plant in Lackawanna, N.Y., and began trial rolling of the product in Bethlehem, Pa. in 1978 and 1979. Full production rolling was achieved in 1980. The plant now produces Z web sheet piling.

Neither U.S. Steel nor Bethlehem Steel produces lightweight piling. Armco and Superior are the only known U.S. producers of lightweight piling. In early 1979, Armco invested in a roll-form production unit for sheet piling and other structural shapes. This replaced its more costly brake-press method of production. Some of the heavier gage piling produced by Armco and Superior competes with the Casteel product.

The Canadian Industry

The two Canadian firms which produce sheet piling for export to the United States are Acier Casteel, Inc., of Longueuil, Quebec and Brockhouse Canada, Ltd., of Bramalea, Ontairo. Casteel began to produce sheet piling in July 1980. By January-September 1981, the firm accounted for more than * * * percent of exports of the product from Canada to the United States. In January-September 1981, Casteel shipped a total of * * * tons of sheet piling, * * * percent of which was shipped to the United States, as shown in the following tabulation:

Market	Shipments (tons)
Canada----------	***
United States----------	***
Total----------	***

Brockhouse has been exporting small quantities of lightweight sheet piling to the United States for a number of years. The firm's shipments of this product to the United States accounted for * * * percent of U.S. consumption of all sheet piling during January 1978-September 1981.

U.S. Importers

Mississippi Valley Equipment Co., headquartered in St. Louis, Mo., accounted for * * * percent of the imports of sheet piling from Canada during January-September 1981. It is the exclusive U.S. importer of the product produced by Casteel. Three other firms import small quantities of lightweight sheet piling produced by Brockhouse.

Mississippi Valley has been a distributor of sheet piling and pile installation equipment since 1933. The firm, which purchases both U.S.-produced and imported sheet piling, accounted for approximately * * * percent of the total U.S. sheet piling market in 1980. According to the company, * * * percent of its income and * * * percent of its tonnage is in the rental of sheet piling. On the average, sheet piling is rented to various contractors for 18 months before being sold as used piling. The rest of the company's business comes from the sale of sheet piling, the sale and rental of installation equipment, and the fabrication of special sections of sheet piling.

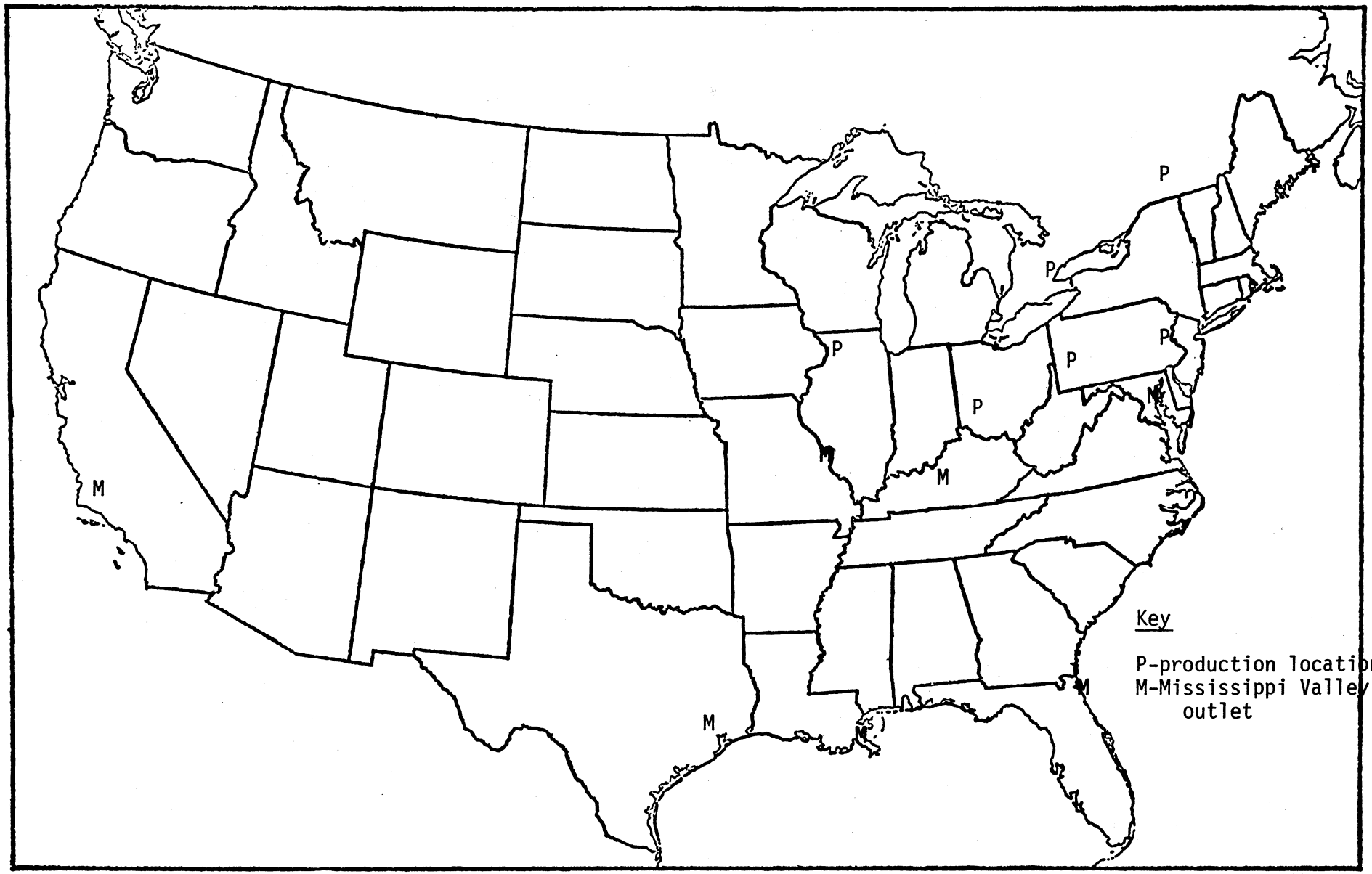
The firm has sales outlets and warehouses located in the cities identified below and in figure 6. Figure 6 also shows the locations of U.S. producers.

Baltimore, Md.
Los Angeles, Calif.
Houston, Tex.
Louisville, Ky.
St. Louis, Mo.
Jacksonville, Fla.
New Orleans, La.

Late in 1980, Mississippi Valley and Casteel entered into an exclusive purchasing agreement under which Mississippi Valley became the sole U.S. importer of Casteel's product. The agreement, which was made orally, * * *.

Hoesch Huttenwerke AG, a German producer of sheet piling, also had an exclusive sales agreement with Mississippi Valley under which Mississippi Valley was the sole U.S. distributor of the Hoesch product. Shortly after Mississippi Valley entered into its agreement with Casteel, Hoesch canceled this exclusive arrangement and has since been selling its product to other U.S. firms as well as Mississippi Valley.

Figure 6.--Sheet piling: U.S. producers' and Canadian producers' production locations and Mississippi Valley's sales outlet locations.



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

Mississippi Valley's purchases of sheet piling, valued at * * * million in 1980, * * * irregularly from, * * * tons in 1978 to * * * tons in 1980, or by * * * percent (table 2). Purchases further * * * by * * * percent, from * * * tons in January-September 1980 to * * * tons during the corresponding period of 1981. The firm attributes its * * * in purchases to * * *. Its purchases of U.S.-produced sheet piling, however, * * * from * * * tons in 1978, to * * * tons in 1980, or by * * * percent. During January-September 1981, the firm's purchases of U.S.-produced sheet piling * * * by * * * percent when compared with the level in the corresponding period of 1980. An increasing share of Mississippi Valley's purchases of new and used U.S.-produced sheet piling comes from * * *.

Table 2.--Sheet piling: Mississippi Valley's purchases, by sources, 1978-80, January-September 1980, and January-September 1981

(In short tons)

Source	1978	1979	1980	January-September--	
				1980	1981
United States 1/	***	***	***	***	***
Casteel, Canada	***	***	***	***	***
Hoesch, Germany	***	***	***	***	***
Total	***	***	***	***	***

1/ Includes purchases of new and used sheet piling from sources other than U.S. mills.

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

Mississippi Valley's purchases of sheet piling produced by Hoesch * * * from * * * tons in 1978 to * * * tons in 1980, before * * * to * * * tons during January-September 1981. The company states that its imports from Germany have been replaced by its imports from Canada, which increased from * * * in January-September 1980 to * * * tons during the corresponding period of 1981.

Mississippi Valley maintains a large inventory of sheet piling in order to be able to quickly service its customers. Its total end-of-period inventories of sheet piling purchased from all sources is presented in the following tabulation:

Period	End-of-period inventories (tons)	Ratio of inventories to shipments (Percent)
1978	***	***
1979	***	***
1980	***	***
January-September--		
1980	***	1/ ***
1981	***	1/ ***

1/ Annualized.

The firm's inventory of the product from Canada as a ratio of its annualized shipments of Canadian imports was * * * percent in 1981, * * * than the share for sheet piling from other sources.

The Question of Material Injury

To obtain information for this section of the report, the Commission sent questionnaires to the four known U.S. producers of sheet piling. Three producers accounting for an estimated * * * percent of U.S. production in 1980 responded to the questionnaires.

Sheet piling is rolled on mills on which several other structural products are rolled. Bethlehem Steel, for example, stated that the capacity of its mill is * * * tons a year, of which * * * tons are allocated to sheet piling. In certain instances the respondents were not able to breakout data specifically on sheet piling as distinguished from other structural products. Such instances will be discussed further in the appropriate sections of this report.

Production capacity, production, and capacity utilization

U.S. capacity to produce sheet piling, as reported by questionnaire respondents, * * * from * * * tons a year in 1978 to * * * a year in 1980, or by * * * percent (table 3). Production capacity remained the same in January-September 1981 as that in the corresponding period of 1980.

These data on capacity are based upon idealized product mixes. Bethlehem Steel and U.S. Steel reported that * * *.

Bethlehem Steel's capacity data for 1978 and 1979 * * *. During those years, the firm was rolling sheet piling on a trial basis. Full production was achieved in 1980.

Table 3.--Sheet piling: U.S. producers' production capacity, production, and capacity utilization, by producers, 1978-80, January-September 1980, and January-September 1981

Producer	1978	1979	1980	January-September--	
				1980	1981
	Production capacity (tons)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Production (tons)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Capacity utilization (percent)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***

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

U.S. production of sheet piling * * * from * * * tons in 1978 to * * * tons in 1979, or by * * * percent. In 1980, production * * * by * * * percent to * * * tons. During January-September 1981, production * * * by * * * percent when compared with the level during the corresponding period of 1980.

Utilization of productive capacity * * * from * * * percent in 1978 to * * * percent in 1979. Utilization * * * to * * * percent during 1980 before * * * to * * * percent during January-September 1981. Bethlehem Steel may have * * * its capacity utilization for 1978 and 1979--the years the firm was bringing the sheet piling production line on stream.

Shipments

U.S. producers' shipments of sheet piling * * * from * * * tons in 1978 to * * * tons in 1979, or by of * * * percent (table 4). Shipments subsequently * * * by * * * percent to * * * tons in 1980. During January-September 1981, shipments * * * by * * * percent when compared with shipments

Table 4.--Sheet piling: U.S. producers' shipments, by producers, 1978-80, January-September 1980, and January-September 1981

(In tons)

Producer	1978	1979	1980	January-September--	
				1980	1981
	Intracompany shipments				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Other domestic shipments				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Export shipments				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Total shipments				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***

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

during the corresponding period of 1980. Intracompany shipments and export shipments accounted for * * * percent of total shipments during January 1978-September 1981.

Inventories

As shown in table 5, U.S. producers' inventories * * * from * * * percent of shipments in 1978 to * * * percent of shipments in 1979, and * * * to * * * percent in 1980. Inventories * * * from * * * percent of annualized shipments during January-September 1980 to * * * percent during the corresponding period of 1981.

Table 5.--Sheet piling: U.S. producers' inventories, shipments, and ratio of inventories to shipments, by producers, 1978-80, January-September 1980, and January-September 1981

Producer	1978	1979	1980	January-September--	
				1980	1981
	End-of-period inventories (tons)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Shipments (tons)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Ratio of inventories to shipments (percent)				
U.S. Steel	***	***	***	1/ ***	1/ ***
Bethlehem Steel	***	***	***	1/ ***	1/ ***
Armco	***	***	***	1/ ***	1/ ***
Total	***	***	***	1/ ***	1/ ***

1/ Based on annualized shipments.

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

Employment

Data on employment, as reported by U.S. Steel, includes * * *. Company officials informed the Commission staff that there are approximately * * * workers a shift at their Homestead mill. The number of hours worked by production and related workers, as reported by U.S. Steel, * * * by * * * percent from 1978-79, and * * * by * * * percent from 1979-80. Such hours subsequently * * * by * * * percent from January-September 1980 to the corresponding period of 1981 (table 6). Armco's highly automated plant employed * * * to * * * workers during January 1978 to September 1981. Employment by Bethlehem Steel * * * from * * * in 1978, the year trial production began, to * * * in 1980. Employment at Bethlehem Steel subsequently * * * to * * * during January-September 1981. Total compensation of production and related workers engaged in the production of sheet piling, as reported by all three questionnaire respondents, increased from * * * an hour in 1978 to * * * an hour during January-September 1981, or by * * * percent.

Table 6.--Average number of production and related workers engaged in the manufacture of sheet piling, hours worked by such workers, wages paid, and total compensation, by producers, 1978-80, January-September 1980, and January-September 1981

Producer	1978	1979	1980	January-September--	
				1980	1981
	Number of workers				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Hours worked (1,000 hours)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Wages paid (dollars per hour)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Average	***	***	***	***	***
	Total compensation 1/ (dollars per hour)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Average	***	***	***	***	***

1/ Wages plus fringe benefits.

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

Financial experience of U.S. producers

None of the three sheet piling producers which responded to the Commission's questionnaire keeps complete accounting records on a product-line basis. In addition, U.S. Steel provided only standard cost data adjusted for the effects of volume, wage rates, commercial raw-material prices, and prices of purchased products and services, not actual product costs. Consequently, the data submitted by the firms on sheet piling are their best estimates

compiled by using various arbitrary allocation methods and, therefore, are limited in their use as a measure of profitability.

Total net sales * * * from * * * million in 1978 to * * * million in 1979 (table 7). This * * * can be attributed to the * * * percent * * * in the volume of shipments during the two years. Net sales * * * to * * * million in 1980, or by * * * percent * * * the level of sales in 1979. This * * * was due to a * * * percent * * * in shipments and * * *. Sales subsequently * * * from * * * million during January-September 1980 to * * * million during the corresponding period of 1981, or by * * * percent. During the same period U.S. producers' shipments * * * by * * * percent.

The sheet piling industry reported losses each year since 1978. At the net operating level, these losses totaled * * * million from January 1978 to September 1981. U.S. Steel showed * * *. Bethlehem Steel, which brought a new sheet piling production line on stream in 1978 and 1979, * * *. Armco reported * * * during 1978-80 and reported * * * in January-September 1981. The losses reported by the sheet piling industry can be attributed to the fact that price increases did not keep pace with significant cost increases.

Research and development, and capital expenditures

Only * * * reported any research and development expenditures during January 1978-September 1981. These expenditures of * * * include directly incurred costs for sheet piling plus an allocation of research and development expenses related to basic steelmaking processes.

* * * * * * *

Table 7.--Selected financial data for 3 U.S. producers on their operations on sheet piling, by producers, 1978-80, January-September 1980, and January-September 1981

Producer	1978	1979	1980	January-September--	
				1980	1981
	Net sales (1,000 dollars)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Cost of goods sold (1,000 dollars)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Gross profit or (loss) (1,000 dollars)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	General, selling, and administrative expenses (1,000 dollars)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Net operating profit or (loss) (1,000 dollars)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***
	Ratio of net profit or (loss) to net sales (percent)				
U.S. Steel	***	***	***	***	***
Bethlehem Steel	***	***	***	***	***
Armco	***	***	***	***	***
Total	***	***	***	***	***

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

Consideration of the Causal Relationship Between Possible LTFV Imports and Alleged Injury

U.S. imports

During January-September 1981, U.S. imports of sheet piling came primarily from five counties, as shown in the following tabulation:

Source	Percentage distribution of imports
Belgium	27
France	25
United Kingdom	19
Canada	16
West Germany	12
All other	1
Total	100

Imports of sheet piling increased from 63,000 tons in 1976 to 128,000 tons in 1978 (table 8). Imports subsequently fell to 103,000 tons in 1979 and 89,000 tons in 1980. During January-September 1981, imports increased by 25 percent when compared with the level of imports in the corresponding period of 1980.

With the opening of Casteel in July 1980, imports of sheet piling from Canada increased ninefold, from 1,196 tons in January-September 1980 to 12,154 tons in the corresponding period of 1981. As a share of total imports, imports of this product from Canada increased from 1.6 percent of total imports during 1976-80 to 16 percent of imports during January-September 1981. This increase in imports from Canada accounted for 71 percent of the total increase in imports from January-September 1980 to January-September 1981.

Imports as a share of U.S. consumption * * * from * * * percent in 1978 to * * * percent in 1980 (table 9). During January-September, 1981 this share * * * to * * * percent. Imports from Canada of sheet piling accounted for * * * percent of U.S. consumption during the three years 1978-80. This share * * * to * * * percent during January-September 1981. U.S. producers' share of the domestic market * * * from * * * percent in 1978 to * * * percent in 1980, before * * * to * * * percent during January-September 1981.

Table 8.--Sheet piling: U.S. imports for consumption, by principal sources, 1976-80, January-September 1980, and January-September 1981

Source	1976	1977	1978	1979	1980	January-September--	
						1980	1981
	Quantity (short tons)						
Canada	322	1,894	1,473	1,534	2,223	1,196	12,154
Belgium	11,462	21,702	47,465	33,293	28,884	15,860	21,017
France	6,416	5,089	21,768	27,944	29,193	23,909	19,298
United Kingdom	31,151	26,629	18,628	11,143	10,133	5,442	15,028
West Germany	12,486	18,238	38,655	28,671	17,237	14,991	9,130
All other	1,251	402	19	227	1,754	1,283	1,488
Total	63,088	73,955	128,008	102,812	89,423	62,681	78,116
	Value (1,000 dollars)						
Canada	128	675	560	492	980	529	5,304
Belgium	2,690	5,079	14,785	12,909	10,459	6,382	9,471
France	1,453	1,169	6,103	9,661	11,300	9,135	7,690
United Kingdom	6,048	5,604	4,812	3,847	3,475	1,864	5,773
West Germany	3,046	4,754	11,890	10,806	6,831	5,902	3,786
All other	260	89	8	106	706	536	460
Total	13,626	17,370	38,157	37,822	33,750	24,348	32,485

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

Note.--Because of rounding, figures may not add to the totals shown.

Table 9.--Sheet piling: U.S. producers' domestic shipments and imports as a share of U.S. consumption, 1978-80, January-September 1980, and January-September 1981

(In percent)

Period	U.S. producers' domestic shipments	Imports from--			Total
		Canada	Other countries	Total	
1978	***	***	***	***	100.0
1979	***	***	***	***	100.0
1980	***	***	***	***	100.0
January-September--					
1980	***	***	***	***	100.0
1981	***	***	***	***	100.0

Source: Tables 1 and 8.

Prices

U.S. Steel and Bethlehem Steel both maintain price lists for sheet piling. Both firms offer sheet piling to distributors and end users at the same f.o.b. price. While most sales of the product are made at list price, prices are sometimes adjusted to meet competitive prices or to equalize differences in transportation costs. These transportation costs can account for as much as * * * a ton, or * * * percent of the delivered price.

Although distributors and end users purchase sheet piling from U.S. mills at the same price, the distributors can compete with the mills for the end users' business for the following reasons:

1. Distributors maintain large inventories and can ship the product to potential purchasers from stock immediately;

2. Distributors offer potential users the opportunity to rent sheet piling; and

3. Some distributors offer additional services, for example, the rental of sheet piling installation equipment.

Federal, State, and local laws require that the materials used in certain Government-funded projects must be produced in the United States. Mississippi Valley estimates that sheet-piling projects which require U.S.-produced materials account for a significant share of the U.S. sheet-piling market. U.S. Steel estimates that only a small share of the market requires U.S.-produced goods.

In order to obtain information with respect to prices charged for sheet piling, the Commission requested Mississippi Valley to supply data concerning

its purchases of a specified Z web sheet piling from U.S. Steel and Bethlehem Steel and its purchases of a comparable sheet piling from Casteel. 1/ U.S. producers were requested to supply information on their sales of this specified sheet piling to Mississippi Valley and to their largest distributor other than Mississippi Valley. All three firms agree that the specified U.S.-produced sheet piling, PZ27, is comparable to Canadian-produced CZ128 sheet piling. The specified U.S.-produced sheet piling accounts for * * * percent of U.S. Steel's production of sheet piling and * * * percent of Bethlehem Steel's production; the comparable sheet piling produced by Casteel accounts for * * * percent of Mississippi Valley's imports of sheet piling produced by Casteel.

U.S. producers' weighted average quarterly f.o.b. price for the specified sheet piling increased irregularly from * * * per ton to * * * per ton from January 1980 to September 1981, or by * * * percent in seven quarters (table 10). Casteel began to sell sheet piling to Mississippi Valley in early 1981. Casteel's weighted quarterly average f.o.b. price for the comparable product increased from * * * per ton to * * * per ton from January 1981 to September 1981, or by * * * percent. By comparison, U.S. producers' prices rose by * * * percent during the same period.

Casteel's price for the specified sheet piling was 12 percent below the price charged by U.S. producers' for the comparable product in January-March 1981, 19 percent below the price charged by U.S. producers during April-June 1981, and 17 percent below the price charged by U.S. producers during July-September 1981. * * *.

Mississippi Valley informed the Commission staff that Casteel's prices were lower than U.S. producers' prices for the following reasons:

* * * * * * *

Average unit values of sheet piling imported from major sources, other than Canada, namely the United Kingdom, France, and West Germany, were almost

---

1/ The specified U.S.-produced sheet piling is PZ27; the comparable Canadian-produced product is CZ128. These designations for stock sheet piling can be decoded as follows:

U.S.-produced	Canadian-produced
P-Steel sheet piling	C-Casteel
Z-Z web	Z-Z web
27-pounds per square foot of wall	128-pounds per square meter of wall, equivalent to 26.22 pounds per square foot

Table 10.--Sheet piling: U.S. producers' and Casteel's weighted average prices to distributors, by quarters, January 1980-September 1981

Period	U.S. producers' prices 1/	Casteel's prices 2/	Margin of underselling
	Per ton		Percent
1980:			
January-March	***	-	-
April-June	***	-	-
July-September	***	-	-
October-December	***	-	-
1981:			
January-March	***	***	12
April-June	***	***	19
July-September	***	***	17

1/ Weighted average price of PZ27 sheet piling from Bethlehem Steel and U.S. Steel to Mississippi Valley and * * * as reported by Bethlehem Steel, U.S. Steel, and Mississippi Valley.

2/ Weighted average price of CZ128 sheet piling from Casteel to Mississippi Valley as reported by Mississippi Valley.

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

without exception consistently lower than those of the imports from Canada. The data show that the average unit value during January-September 1981 for sheet piling imported from the United Kingdom was 13.5 percent below that for products imported from Canada (table 11). Imports from France were 8.5 percent lower than imports of the Canadian product and those from West Germany averaged 4.4 percent below the unit values of sheet piling from Canada. Average unit values of imports from Belgium, although lower than the unit values of imports from Canada during the first quarter of 1981, were higher by about 6.0 percent during the remaining two quarters. Imports from the European Community accounted for 96 percent of U.S. imports of sheet piling in 1980 and 83 percent in 1981.

Lost sales

Domestic producers were requested to supply information concerning sales of sheet piling which they lost, or which were made at reduced prices, because of competition from Canada. * * * domestic producers which responded to the Commission's questionnaire reported such sales. The Commission received 9 allegations of business lost to the Canadian product. The alleged lost business to 7 customers involved orders of * * * tons valued at * * * million. In addition, the Commission received 3 reports of instances in which the domestic producer was forced to reduce its price in order to make a sale. The domestic producers of sheet piling state that total price discounts were valued at * * *.

Table 11.--Carbon steel sheet piling: Average unit values 1/ of imports from major sources, by quarters, January-September 1981

(Per ton)

Source	January-March	April-June	July-September	Average
Canada	$439.0	$447.8	$410.4	$432.4
United Kingdom	378.0	384.2	380.5	380.9
Belgium	424.3	477.0	451.0	450.8
France	398.4	391.7	405.0	398.4
West Germany	413.2	411.0	418.3	414.2
Average	403.5	416.0	413.7	411.1

1/ Customs value.

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

These 12 allegations involved 9 sheet piling customers six of which the Commission was able to contact. Two of the customers informed the Commission that they purchased Canadian-produced sheet piling in 1981 because the price was lower than that offered from other sources. These firms did not disclose which domestic or other foreign firms competed for their business.

Another firm stated that although it had purchased imported sheet piling, it never purchased the Canadian-produced product. However, the company stated that it is now in the process of negotiating to buy sheet piling from Canada because it finds the price of the Canadian product competitive and the short delivery time attractive. A spokesman for the firm stated that he will buy U.S.-produced sheet piling only when the specifications for a given project require the domestic product. He stated that U.S. producers charge "an arm and a leg" for the product.

An official for * * * construction firm stated that although his company had never bought Canadian sheet piling, he had received price quotations for the Canadian product. The prices quoted for the Canadian product were below the prices quoted by U.S. producers. The company maintains a large stock of U.S.-produced PZ27 sheet piling which can be reused on several jobs. Domestic and imported sheet piling is not interchangeable because the flanges of domestic sheet piling do not interlock with the flanges of imported sheet piling. Thus, if this contractor were to purchase imported sheet piling, the company would have to replace its whole inventory.

A construction company located in * * * reports that it has never purchased Canadian-produced sheet piling. The company stated that, although the quality of the U.S. Steel product is superior to the foreign product, the firm purchases from the low bidder, regardless of quality. In 1981, Mississippi

Valley was among those firms which competed to sell sheet piling to this construction company.

Two U.S. producers alleged that they lost business to Mississippi Valley. Mississippi Valley's purchases of sheet piling from U.S. mills * * * from * * * tons during January-September 1980 to * * * tons during the corresponding period of 1981. The firm attributes this * * * in its purchases to * * *. During the same period * * * the firm's purchases of sheet piling from Canada * * * from * * * in January-September 1980 to * * * tons during the corresponding period of 1981 (table 2). 1/

The Question of Threat of Material Injury

Sheet piling is one of several products Casteel produces on its cold-forming mill. This mill has the capacity to produce between 50,000 and 75,000 tons a year of structural products, depending on the product mix. Casteel's total shipments of sheet piling during January-September 1981 were * * * tons.

In 1982, Casteel plans to produce * * * tons of sheet piling for sale to Canada, the United States, and to other foreign countries. Counsel for Casteel stated that, * * *. The company projects that its sales to the United States will be * * * in 1982 than in 1981.

As of September 30, 1981, Mississippi Valley held * * * tons of sheet piling imported from Canada in inventory. This inventory accounts for * * * percent of Mississippi Valley's total imports from Canada of * * * tons which began late in 1980.

1/ Mississippi Valley's purchases of U.S.-produced sheet piling, both new and used, from U.S. mills and from other sources were * * * tons in January-September 1980 and * * * tons during the corresponding period in 1981.

APPENDIX A

COMMERCE'S LETTER OF NOTIFICATION TO THE COMMISSION

UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

November 24, 1981

The Honorable Bill Alberger, Chairman
International Trade Commission
701 E Street, N.W.
Washington, D.C. 20436

Dear Chairman Alberger:

We have determined that an antidumping investigation of steel sheet piling from Canada is warranted under section 732 (a) of the Tariff Act of 1930, as amended ("the Act"). Pursuant to section 732 (d) (1) of the Act, I hereby formally advise you of this determination. The basis for this determination is specified in the attached copy of the Federal Register notice.

Pursuant to section 353.39 (f), Commerce Regulations, we will give you full access to all non-privileged and non-confidential information in our files. We will make all privileged and confidential information in the files available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under administrative protective order, without the express written consent of the Deputy Assistant Secretary for Import Administration.

Sincerely,

Gary N. Horlick
Deputy Assistant Secretary
for Import Administration

APPENDIX B

WITNESSES AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigation No. 731-TA-52 (PRELIMINARY)

SHEET PILING FROM CANADA

Those listed below appeared as witnesses at the United States International Trade Commission conference held in connection with the subject investigation on Wednesday, December 16, 1981, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, D.C.

In support of the imposition of antidumping duties

Law Offices of Eugene L. Stewart--Counsel
Washington, D.C.
on behalf of

Bethlehem Steel Corp.

Laird D. Patterson, General Attorney
Robert J. Carl, Assistant Manager of Sales

Eugene L. Stewart)
Paul Jameson) --OF COUNSEL

Law Offices of Eugene L. Stewart--Counsel
Washington, D.C.
on behalf of

Armco Inc.
David E. Beck, Product Engineer

Eugene L. Stewart)
Paul Jameson) --OF COUNSEL

United States Steel Corp.
Pittsburgh, Pa.

D.B. King, Assistant General Counsel
L. Ranney, Attorney
P.L. Fidel, Manager, Special Services, Import and Domestic

In opposition to the imposition of antidumping duties

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

Acier Casteel, Inc.

Blair Shallow, Vice-President Marketing, Acier Casteel, Inc.
Robert Elrod, Consultant

William E. Wright, Economic Consultant
William K. Ince--OF COUNSEL

Mississippi Valley Equipment Co.
St. Louis, Mo.

John Frew, Vice President, Planning & Development

APPENDIX C

THE COMMISSION'S FEDERAL REGISTER NOTICE

[Investigation No. 731-TA-52 (Preliminary)]

Sheet Piling From Canada; Preliminary Antidumping Investigation; Conference

AGENCY: United States International Trade Commission.

ACTION: Institution of a preliminary antidumping investigation and scheduling of a conference to be held in connection with the investigation.

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigation No. 731-TA-52 (Preliminary) to determine, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)), whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Canada of sheet piling of iron or steel, provided for in items 609.96 and 609.98 of the Tariff Schedules of the United States Annotated (1981), which are possibly sold in the United States at less than fair value.

EFFECTIVE DATE: November 24, 1981.

FOR FURTHER INFORMATION CONTACT: Mr. Lynn Featherstone, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0242.

SUPPLEMENTARY INFORMATION:

Background.—This investigation is being instituted following receipt of advice from the U.S. Department of Commerce on November 24, 1981, that it was initiating an antidumping investigation on sheet piling from Canada pursuant to section 732(a) of the Tariff Act of 1930 (19 U.S.C. 1673a(a)). After monitoring imports of certain steel products under the Trigger Price Mechanism, Commerce found significant sales of sheet piling from Canada being made less than the relevant trigger price. These sales constitute possible sales at less than fair value. The Commission must make its determination in the investigation within 45 days after the date of notification from Commerce, or by January 8, 1982 (19 CFR 207.17). The investigation will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207, 44 FR 76457), and particularly subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before December 18, 1981, a written statement of information pertinent to the subject matter of this investigation. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m., e.s.t., on December 16, 1981, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigation, Mr. Lynn Featherstone, telephone 202-523-0242, not later than December 9, 1981, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

For further information concerning the conduct of the investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and part 201, subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Featherstone.

This notice is published pursuant to § 207.12 of the Commission's rules of practice and procedure (19 CFR 207.12).

By order of the Commission.

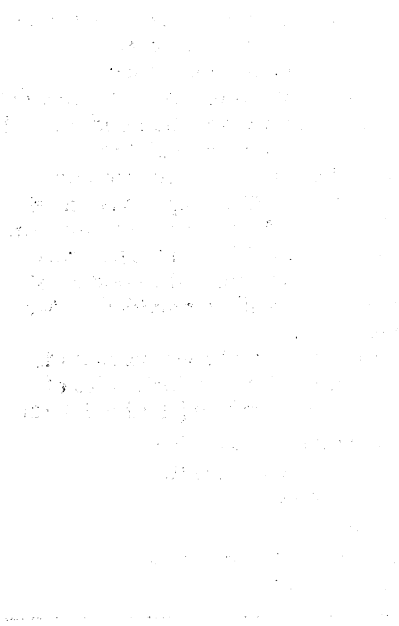
Issued: November 25, 1981.

Kenneth R. Mason,

Secretary.

[FR Doc. 81-34623 Filed 12-1-81; 8:45 am]

BILLING CODE 7020-02-M



APPENDIX D

COMMERCE'S FEDERAL REGISTER NOTICE

Steel Sheet Piling From Canada; Initiation of Antidumping Investigation

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of antidumping investigation.

SUMMARY: On the basis of information developed by the U.S. Department of Commerce under the Steel Trigger Price Mechanism for steel mill products, the Department is initiating an antidumping investigation to determine whether steel sheet piling from Canada is being imported at less than fair value. The Department is notifying the U.S. International Trade Commission of this action so that it may determine whether there is a reasonable indication that these imports are materially injuring or threatening to materially injure a U.S. industry.

EFFECTIVE DATE: November 24, 1981.

FOR FURTHER INFORMATION CONTACT: Bill Matthews, Office of Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, (202) 377-2291.

SUPPLEMENTARY INFORMATION:

Background

On December 6, 1977, the President approved implementation by the Treasury Department of a Steel Trigger Price Mechanism (TPM) applicable to imports of certain steel mill products. As stated in the Federal Register of December 30, 1977 (42 FR 65214), the TPM consisted of four major parts: (1) The establishment of trigger prices for basic steel mill products imported into the United States; (2) the use of a Special Summary Steel Invoice ("SSSI") applicable to imports of all basic steel mill products; (3) the continuous collection and analysis of data concerning (a) the cost of production and prices of basic steel mill products exported to the United States, and (b) the condition of the domestic steel industry; and, (4) where appropriate, the expedited initiation and dispostion of proceedings under the antidumping law with respect to imports below the trigger prices.

Responsibility for administration of the antidumping law and the TPM was transferred to the Department of Commerce on January 2, 1980, as part of Reorganization Plan No. 3 of 1979.

The original TPM was designed as a substitute for major antidumping petitions by the domestic industry. On March 21, 1980, antidumping petitions involving basic steel mill products from seven European countries were filed with the Department of Commerce. As a result of these petitions, the Department suspended the TPM. On October 8, 1980, following withdrawal of the petitions against the European steel producers, the Department of Commerce announced its intention to reinstate the TPM in modified form (45 FR 66833).

The present TPM still incorporates the four principles described above. It is a monitoring device used by the Department of Commerce to identify those basic steel mill products most likely to be sold at less than fair value in the United States or with the benefit of countervailable subsidization. Actual C.I.F. prices of merchandise entering the United States are compared with applicable trigger prices established by the Department of Commerce. Since trigger prices reflect the estimated cost of production and shipping costs of the world's most efficient producers of steel, any imports entering the United States at prices significantly below the applicable trigger prices represent potential sales at less than fair value.

Initiation of Antidumping Investigation

The Department has examined SSSIs submitted by importers of steel sheet piling from Canada. Based on its information, the Department estimates that, during the period January-September 1981, 71.3 percent of the sheet piling entering the United States from Canada was sold below applicable trigger prices. The weighted average percentage increase in price necessary to reach trigger is 10 percent. The Department has also received information on Canadian home market prices of sheet piling. It has learned that in the last two quarters one Canadian exporter has apparently been selling in the U.S. at about 17 percent below home market prices. Such information indicates the possibility that steel sheet piling is being, or is likely to be, sold at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (hereafter referred to as "the Act").

There is also evidence indicating that these sales may be having an injurious effect upon the U.S. steel industry. Imports of Canadian steel sheet piling at less than fair value may be causing depressed conditions in the U.S. industry, including suppressed prices and declining shipments and sales.

Based on this information, I hereby determine in accordance with section 732(a) of the Act (19 U.S.C. 1673(a)) that an antidumping investigation should be initiated to determine whether steel sheet piling from Canada is being, or is likely to be, sold in the United States at less than fair value and whether a U.S. industry is being materially injured or is threatened with material injury by reason of imports of such merchandise.

Scope of the Investigation

For the purpose of this investigation, the term "sheet piling" covers sheet piling of iron or steel, currently provided for in items 609.9600 and 609.9800 of the *Tariff Schedules of the United States Annotated.*

Notification of International Trade Commission

As required by section 732(d) of the Act (19 U.S.C. 1673a(d)), the Department of Commerce is notifying the International Trade Commission ("ITC") of this determination and is making available to it all non-privileged and non-confidential information we used in reaching our decision to initiate. The Department will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

Under section 733(a) of the Act (19 U.S.C. 1673b(a)), the ITC must determine no later than 45 days from the date of notification whether there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, by reason of imports of steel sheet piling from Canada. If that determination is negative, this investigation will be terminated, and we will publish no further notice. Unless this investigation is terminated or extended, the Department of Commerce will announce its preliminary determination no later than 160 days after publication of this notice. This notice is published pursuant to section 732 of the Act (19 U.S.C. 1673a) and § 353.37 of the Commerce Regulations (19 CFR 353.37).

Dated: November 19, 1981.

Lawrence J. Brady,

Assistant Secretary for Trade Administration.

[FR Doc. 81-33639 Filed 11-23-81; 8:45 am]

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