CERTAIN CARBON STEEL PRODUCTS FROM BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, FRANCE, ITALY, LUXEMBOURG, THE NETHERLANDS, AND THE UNITED KINGDOM

Determinations of the Commission in Investigations Nos. 731-TA-18 — 24 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[731-TA-18-24 (Preliminary)]

CERTAIN CARBON STEEL PRODUCTS FROM BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, FRANCE, ITALY, LUXEMBOURG, THE NETHERLANDS, AND THE UNITED KINGDOM

Determination

On the basis of the record 1/ developed in these investigations, the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the following articles of iron or steel, other than alloys of iron or steel:

Plate, provided for in TSUS items 607.66, 607.83, 607.94, 608.07, and 608.11,

Hot-rolled sheet, provided for in TSUS items 607.67 and 607.83,

Cold-rolled sheet, except organic coated, provided for in TSUS item 607.83,

Sheet, coated or plated with zinc, except organic coated, provided for in TSUS items 608.07 and 608.13, and

Angles, shapes, and sections, except special sections, having a maximum cross-sectional dimension of 3 inches or more, provided for in TSUS item 609.80

from Belgium (except light I-beams), 2/ the Federal Republic of Germany, 3/ France, 3/ Italy (except angles, shapes, and sections), 4/ Luxembourg (angles, shapes, and sections only), the Netherlands (except angles, shapes, and

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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/ Vice Chairman Alberger and Commissioner Stern dissenting with respect to hot-rolled sheet, cold-rolled sheet, and galvanized sheet.

3/ Vice Chairman Alberger dissenting with respect to galvanized sheet.

4/ Vice Chairman Alberger dissenting with respect to cold-rolled sheet and galvanized sheet; Commissioner Stern dissenting with respect to plate, hot-rolled sheet, cold-rolled sheet, and galvanized sheet.

sections), 1/ and the United Kingdom, 2/ which the petitioner alleges are being, or are likely to be, sold in the United States at less than fair value.

Background

The Commission instituted these investigations on March 26, 1980, following receipt of petitions on March 21, 1980, filed on behalf of United States Steel Corp. Notice of the institution of the Commission's investigations and of a 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 the Commission's New York Office, located at 6 World Trade Center, and by publishing the notice in the Federal Register on April 1, 1980 (45 F.R. 21404).

The conference was held in Washington, D.C., on April 17 and 18, 1980, and all persons who requested the opportunity were permitted to appear in person or by counsel.

On April 10, 1980, the Commerce Department announced that it was instituting antidumping investigations on the basis of the United States Steel Corp. petitions (notice published in the Federal Register of April 17, 1980 (45 F.R. 26109)). Commerce excluded certain products from the scope of its investigations; accordingly, the Commission's determinations do not encompass those articles. The excluded products are organic-coated cold-rolled sheets from all countries, organic-coated galvanized sheets from all countries, special sections from all countries, light I-beams from Belgium, and all structural shapes from Italy.

1/ Vice Chairman Alberger dissenting with respect to plate and galvanized sheet; Commissioner Stern dissenting with respect to plate, cold-rolled sheet, and galvanized sheet.

2/ Vice Chairman Alberger and Commissioner Stern dissenting with respect to plate, hot-rolled sheet, cold-rolled sheet, and galvanized sheet.

STATEMENT OF REASONS OF CHAIRMAN CATHERINE BEDELL AND COMMISSIONERS GEORGE M. MOORE AND MICHAEL J. CALHOUN

On the basis of the record in these investigations, Certain Carbon Steel Products From Belgium (investigation No. 731-TA-18 (Preliminary)), the Federal Republic of Germany (investigation No. 731-TA-19 (Preliminary)), France (investigation No. 731-TA-20 (Preliminary)), Italy (investigation No. 731-TA-21 (Preliminary)), Luxembourg (investigation No. 731-TA-22 (Preliminary)), the Netherlands (investigation No. 731-TA-23 (Preliminary)), and the United Kingdom (investigation No. 731-TA-24 (Preliminary)), we determine, pursuant to section 733(a) of the Tariff Act of 1930, that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the following articles of iron or steel, other than alloys of iron or steel:

> Plate, provided for in TSUS items 607.66, 607.83, 607.94, 608.07, and 608.11,
>
> Hot-rolled sheet, provided for in TSUS items 607.67 and 607.83,
>
> Cold-rolled sheet, except organic coated, provided for in TSUS item 607.83,
>
> Sheet, coated or plated with zinc, except organic coated, provided for in TSUS items 608.07 and 608.13 and
>
> Angles, shapes, and sections, except special sections, having a maximum cross-sectional dimension of 3 inches or more, provided for in TSUS item 609.80

from Belgium (except light I-beams), the Federal Republic of Germany, France, Italy (except angles, shapes, and sections), Luxembourg (angles, shapes, and sections only), the Netherlands (except angles, shapes, and sections), and the United Kingdom, which the petitioner alleges are being, or are likely to be, sold in the United States at less than fair value (LTFV).

Domestic industry

The impact of allegedly dumped imports is to be measured against the industry producing a "like product." 1/ However, in assessing this impact, the statute directs the Commission to isolate the affected product lines to the extent possible and, if available data permit, to separately consider "relevant economic factors (such as profits, productivity, employment, cash flow, capacity utilization, etc.), as they relate to the production of only the like product . . . ." 2/

In the current investigations, the Commission investigative staff has been able to obtain information on many of these economic factors with respect to the production of each of the five product categories. In addition, although raw steel constitutes much of the value of each of the five product groups under investigation, competition in the U.S. market between domestically produced steel products and the alleged LTFV imports occurs in each of the five separate and distinct product groups. Further, there are separate identifiable facilities, manpower, sales forces, and research and development programs associated with the production of each product line subject to the investigations. As a result, the Commission is able to separately examine the impact of imports of like products on each of these five product lines within the domestic industry.

1/ Sec. 771(4)(A) of the Tariff Act of 1930.

2/ United States Senate, Trade Agreements Act of 1979: Report of the Committee on Finance . . ., S. Rept. No. 96-249 (96th Cong., 1st sess.), 1979, pp. 83-84.

Within each of the five product lines the impact of comparable imported items from as many of the respondent nations as produce and export to the United States the products in question has been cumulated for the purpose of this preliminary investigation. The imports of the same class or kind of merchandise are comparable and compete in the same markets, and the factors and conditions of trade show the relevance of such cumulative consideration to the determination of a reasonable indication of injury. 1/

Reasonable indication of material injury

Section 771(7)(B) lists certain factors, among others, that the Commission shall consider in making its injury determination. They are the volume of imports; the effects of such imports on prices in the United States for like products; and the impact of imports of such merchandise on domestic producers of like products. An indication of how Congress intends that the Commission should consider these factors is provided in both the Senate Finance Committee and House Ways and Means Committee Reports, which discuss final determinations under section 735. The discussion is applicable here, however, since the same factors with respect to material injury are to be considered in making both preliminary and final determinations. The Committees instruct the Commission not to weigh injury caused by imports against harm caused by other sources. Such weighing would have the undesirable effect of making relief more difficult to obtain for precisely

1/ United States Senate, Trade Reform Act of 1974: Report of the Committee on Finance . . ., S. Rept. No. 93-1298 (93d Cong., 2d sess.) 1974, p. 180; S. Rept. No. 96-249, p. 74.

those industries which are most vulnerable to import competition. The causation link required in unfair trade circumstances, such as when dumping is occurring, is weaker than when fair trade conditions exist. 1/

In this investigation we determine that there is a reasonable indication of material injury to the domestic industry producing the five product lines under investigation, namely hot-rolled sheet, cold-rolled sheet, galvanized sheet, plate, and angles, shapes, and sections, by reason of imports of comparable items under investigation, which are alleged to be sold at less than fair value. The following information, analyzed in accordance with section 771(7), and contained in the record, supports our determination. 2/

Volume of imports

The volume of imports of the subject merchandise from the countries under investigation continues to be significant. Substantial less-than-fair-value sales margins have been alleged, ranging from 7 to more than 70 percent. 3/ Imports from the subject European Community (EC) countries of carbon steel hot-rolled sheet, cold-rolled sheet, galvanized sheet, plate, and angles, shapes, and sections generally increased in 1978 to 5.5 million tons and then declined in 1979 to 4.1 million tons. 4/ Total imports of the five products

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1/ S. Rept. No. 96-249, pp. 74-75; Trade Agreements Act of 1979: Report of the Committee on Ways and Means . . ., H. Rept. No. 96-317 (96th Cong., 1st sess.), 1979, pp. 46-47.

2/ Commissioner Calhoun wishes to emphasize that he has, in accordance with section 771(4)(D), assessed the effect of the alleged LTFV imports on a product-line basis. Reference to aggregate statistics herein is for summary purposes only.

3/ Accompanying report (Report), pp. A-19-21.

4/ Report, p. A-50.

under investigation increased by almost 10 percent in the first 2 months of 1980 compared with the corresponding months of 1979. 1/ Ratios of imports to consumption for each of the five product groups from the EC remained above 5 percent during 1977-79, and averaged 7 percent in 1979. 2/

Effect of imports on U.S. prices

Although prices for selected carbon steel products rose significantly during 1977-79, price increases did not keep pace with costs incurred by carbon steel producers. 3/ The increases for U.S.-produced material ranged from 20 to 40 percent depending on product, although prices appear to have leveled off since mid-1979. Responses to the Commission's questionnaire in these investigations indicate significant suppression of prices of the products in question owing to EC import competition, with resultant significant loss in industry revenue.

Impact on affected industry

Although the ratio of seven U.S. producers' 4/ net operating profit or loss to net sales generally rose during 1977-79, profitability was exceedingly low both in absolute terms and in comparison with other manufacturing industries. For 1979, profitability for the five product groups in question totaled 1.2 percent of net sales. 5/ There is a reasonable indication that

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1/ Report, p. A-50.
2/ Report, p. A-64.
3/ Report, p. A-66; see, e.g., Brief of Republic Steel Corp., p. 8.
4/ Accounting for about 70 percent of total shipments in 1979.
5/ Report, pp. A-77, A-92, A-107, A-121, and A-135, and Petitions of United States Steel Corp., vol. II, pp. 1-2.

suppressed prices and lost sales caused by the alleged LTFV sales may have contributed to this low profit level, especially since this industry is characterized by high fixed costs. Lost incremental sales have a disproportionately large negative effect on profitability. 1/

Low earnings retard U.S. producers' efforts to modernize plants and improve technology, such as making greater use of oxygen furnaces and continuous casting. Information was presented that current profit levels do not generate sufficient internal funds for modernization nor are they at a level that permits U.S. producers to readily raise capital from external sources. This problem may be in part attributable to price suppression from the alleged LTFV imports. 2/

U.S. producers submitted a total of 1,868 allegations of sales lost to imports from the EC. The Commission contacted firms accounting for 401 of these allegations. In 298 instances the lost sales were confirmed. Many purchasers indicated that price was the principal reason for choosing the imported product in lieu of that produced in the United States. Significant margins of underselling by the EC products (ranging up 20 percent) were cited by several purchasers. In addition, the Commission was able to confirm many instances in which U.S. producers lowered domestic prices in order to make sales. 3/

1/ Transcript of the conference, pp. 37-40; Brief of Republic Steel Corp., pp. 12-14.

2/ Transcript of the conference, pp. 38-40.

3/ Report, pp. A-81, A-96, A-111, A-124, and A-138.

U.S. producers' total shipments of the five products rose slightly each year during 1977-79 to 48.7 millions tons. 1/ Their total market share for the five products fell in 1978 and rose in 1979 to 82.5 percent. 2/ U.S. producers' total capacity utilization for the five products rose in 1978 and remained unchanged in 1979 at 71 percent. 3/

Threat of material injury

Although the Commission's determination is based on a reasonable indication of current injury, the deterioration of the industry's position that is now apparent may, in light of the factors discussed below, continue. In analyzing threat of material injury, the Commission considers, among other factors such as the suspension of the Trigger-Price Mechanism (TPM), (1) the rate of increase of allegedly dumped imports in the U.S. market, (2) capacity in the exporting country to generate exports, and (3) the availability of other export markets.

Suspension of the TPM may have the effect of allowing alleged margins of underselling to increase, thereby raising a possible additional threat to the domestic industry, which is no longer protected from unfairly priced EC imports.

EC exports of the five products under investigation to the United States in January and February 1980 exceeded levels in the corresponding period of 1979. 4/ In addition, capacity utilization rates in the EC are well below

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1/ Report, p. A-47.
2/ Report, p. A-64.
3/ Report, p. A-45.
4/ Report, p. A-50.

those in the United States: the EC steel industry operated at about 65 percent of capacity in 1979. 1/ Although efforts are underway to reduce the amount of excess capacity by closing obsolete plants, there is no information that such reductions will be effected soon enough to significantly alter the capacity to increase exports to the United States in the next several years, especially since in recessionary periods a diminution in EC domestic demand can be anticipated. Further, demand for EC exports of the five products under investigation in third countries, which constitute significant export markets for the EC, is likely to decline since demand in those markets is increasingly being supplied by domestic production. 2/

Shipments and employment in the steel industry are in substantial part derived from the overall demand for goods in the economy. 3/ Thus, in recessionary periods demand for steel products necessarily declines, making domestic steel producers even more vulnerable to the injurious impact of imported merchandise. The sharp declines reported in U.S. automobile production and new housing starts during recent weeks could severely depress U.S. demand for the five categories of steel products which are the subject of these investigations, contributing to declining sales and plant utilization rates and rising unemployment or underemployment. As utilization rates fall, price competition and pressure on operating margins may increase. 4/ There

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1/ Report, p. A-30.
2/ Brief of Republic Steel Corp., pp. 24-25.
3/ Transcript of the conference, p. 81.
4/ Report, p. A-62.

is evidence that orders to United States Steel Corp. have fallen 40 percent in recent weeks. 1/

Conclusion

On the basis of the foregoing, we conclude that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the following articles of iron or steel, other than alloys of iron or steel, namely, plate, hot-rolled sheet, cold-rolled sheet, galvanized sheet, and angles, shapes, and sections, which the petitioner alleges are being, or are likely to be, sold in the United States at less than fair value.

1/ Transcript of the conference, p. 58.

VIEWS OF VICE CHAIRMAN BILL ALBERGER
ON CERTAIN STEEL PRODUCTS FROM THE EUROPEAN COMMUNITY

The Domestic Industry

The impact of allegedly dumped imports should be measured against the industry producing a "like product" (Section 771(4)(A) of the Tariff Act of 1930). However, in assessing this impact, the statute directs the Commission to isolate the affected product lines to the extent possible. Section 771(4)(D) states:

> (D) PRODUCT LINES.--The effect of subsidized or dumped imports shall be assessed in relation to the United States production of a like product if available data permit the separate identification of production in terms of such criteria as the production process or the producer's profits . . .

The Senate Finance Committee Report states:

> In examining the impact of imports on the domestic producers comprising the domestic industry, the ITC should examine the relevant economic factors (such as profits, productivity, employment, cash flow, capacity utilization, etc.), as they relate to the production of only the like product, if available data permits (sic) a reasonably separate consideration of the factors with respect to production of only the like product. (Emphasis added) 1/

In current investigations, the Commission investigative staff has been able to obtain information on many of these economic factors with respect to the production of each of the five product categories. Although raw steel constitutes much of the value of each of the five product groups under investigation, competition in the U.S. market between domestically produced steel products and the alleged LTFV imports occurs in each of the five separate and distinct product groups. Further, there are separate identifiable facilities, manpower, sales forces, and research and development programs associated with the production of each product line subject to the

1/ S. Rep. 96-249, 95th Cong., 1st Sess., at p. 83-84.

investigations. As a result, the Commission is able separately to examine the impact of imports of like products on each of these five product lines within the domestic industry.

The Cumulative Impact of Alleged LTFV Imports

Within each of the five product lines the impact of comparable imported items from as many of the respondent nations as produce and export to the United States the products in question have been considered for cumulation. The imports of the same class or kind of merchandise are generally comparable and compete in the same markets, and the factors and conditions of trade show the relevance of such cumulative consideration to the determination of a reasonable indication of injury. See, S. Rep. 93-1298, 93d Cong., 2d Sess., at p. 180; and S. Rep. 96-249, 96th Cong., 1st Sess., at p. 74. In evaluating the appropriateness of cumulation within each product line, I have considered the volume of imports, marketing practices of each country, market shares, pricing practices, inventory practices and trends of imports. Thus, imports of some of these products from certain EC nations have been found inappropriate for cumulation as not having some contributing impact on the reasonable indication of material injury. 1/.

The Period of Consideration

In arriving at my determinations in these investigations, I have generally relied upon data collected for the three-year period 1977-79, since the statutory considerations limit our inquiry to the existence of present or threatened future injury. I believe this three-year data does not limit my analysis.

1/ "Statement of Reasons of Vice Chairman Bill Alberger and Commissioners George M. Moore and Catherine Bedell," Steel Wire Strand for Prestressed Concrete from India, USITC Pub. 906, August 1978, p. 4, footnote 1/.

The Commission has extensive data on the steel industry over a considerable period of time. Thus, I have attempted to use data collected by the Commission in previous steel investigations for years prior to 1977 where such data was relevant. In certain cases, the longer term data gives a better picture of the conditions in the domestic industry vis-a-vis imports.

My analysis of the issue of whether there exists a reasonable indication of material injury, or threat thereof, to the domestic industry in each of the five product lines follows.

Hot-rolled sheets

Analysis of the economic factors set forth in section 771(7) of the Tariff Act of 1930, as amended, show steady production levels, an increase in shipments, and stable utilization of capacity as well as level yearend inventories for producers of hot-rolled sheets in the United States. Although there are steady, if not increasing, trends for most of these economic indicators, the financial performance for U.S. producers in their hot-rolled sheets operations has not been healthy. The net operating profit to net sales ratio (profit margin) showed a loss of 4.2 percent in 1977, and while this ratio has improved to the positive side of the ledger in 1978 and 1979, the 2.1 and 1.2 percent ratios for those years are quite low and well below the average for all manufactured products. Such a poor financial performance serves to limit investment and stifles attempts to modernize or replace outmoded facilities.

The poor financial performance of U.S. producers and their subsequent difficulties in generating the funds necessary to modernize to compete with more efficient producers has contributed to my conclusion that there is a reasonable indication of material injury to the industry by reason of alleged

LTFV imports from the Federal Republic of Germany, France, the Netherlands and Italy. Cumulatively, imports from these countries accounted for 7.9 percent, 8.8 percent and 6.8 percent of apparent U.S. consumption for 1977, 1978 and 1979, respectively. Of these figures, Italy's portion had dipped to only 0.3 percent of consumption in 1979. However, import statistics of carbon steel plate include products the industry considers as hot-rolled sheets. Adding such imports to those already noted raise the Italian share of the hot-rolled sheets market in the United States from 0.8 to 1.2 percent in 1977, from 0.9 to 1.5 percent in 1978, and from 0.3 to 0.5 percent in 1979. Additionally, the record indicates that very significant amounts of hot-rolled sheets were imported from Italy in 1975 and 1976, but were warehoused and sold from inventory in later years at low prices. In view of the fact the Commission has not been able to analyze the details of prices of these sales, I am unable to dismiss Italian imports as a part of this investigation.

U.S. imports of hot-rolled sheets from Belgium and the United Kingdom have diminished to very low levels from 1977 through 1979. In the case of Belgium, imports as a share of consumption plummeted to 0.1 in 1979. A sharply declining market share means increased opportunity for expanded market share for the domestic industry and decreased pricing pressures. Imports from the United Kingdom dropped from 0.2 percent of consumption in 1978 to an almost non-existent level of 0.03 percent in 1979. It is my view that neither of these countries is contributing to the material injury that may be caused by the imports from the other EC countries. In fact, it appears that the United Kingdom is pulling out of the market for hot-rolled sheets in the United States altogether. Thus I have decided it is inappropriate to cumulate the impact of alleged LTFV imports of Belgium and the United Kingdom with those from the other four countries.

Moreover, I have found there is not a reasonable indication that alleged LTFV imports of hot-rolled sheets from Belgium and the United Kingdom are causing or threatening to cause material injury to an industry in the United States.

Cold-rolled sheets

My analysis of the economic indicia raised in section 771(7) of the Tariff Act of 1930, as amended, show a slight drop in production of cold-rolled sheets by U.S. producers from 1977 through 1979 with a similar decline in shipments. Additionally, overall domestic capacity was down, but capacity utilization moved slightly upward. Yearend inventories held by U.S. producers followed irregular patterns, but show a basic downward trend for the 1977-1979 period. In this time span, the financial performance of U.S. producers was quite poor, moving from a net operating loss to net sales ratio of 6.6 percent to minimal profits of 0.3 and 0.5 in 1978 and 1979. As in the case of hot-rolled sheet, this is far from the sort of healthy profit picture that would permit necessary investment and modernization by the domestic industry.

I have concluded that there is a reasonable indication of injury to the industry in the United States producing cold-rolled sheet by alleged LTFV imports from the Federal Republic of Germany, France, and The Netherlands. These countries, as a percentage of apparent U.S. consumption, accounted for 6.1 percent in 1977, 5.7 percent in 1978 and 5.3 percent in 1979.

U.S. imports of cold-rolled sheets from Belgium, the United Kingdom and Italy have declined from 1977 through 1979, representing 0.5 percent, 0.03 percent and 0.4 percent of U.S. consumption in the latter year, respectively. Here, as well as in hot-rolled sheets, the United Kingdom seems to be leaving the

U.S. market. Additionally, the market shares held by Belgium and Italy do not appear to be significantly contributing to the possible material injury as they have declined by 70 percent in the case of Belgium and 50 percent in the case of Italy. Thus, these imports from Belgium, Italy and the United Kingdom are inappropriate for cumulation with imports from Germany, France and The Netherlands.

As a result of these factors, I have therefore concluded that there is no reasonable indication an industry in the United States is materially injured or threatened with material injury by reason of alleged LTFV imports of cold-rolled sheets from Belgium, the United Kingdom and Italy.

Carbon Steel Plate

Most of the economic factors that I have analyzed pursuant to section 771(7) of the Tariff Act of 1930, as amended, point to a steady improvement in the production and sale of carbon steel plate in the United States. Despite this improvement, however, profitability levels for this product line are still very low and declined in 1979. The ratio of net operating profit to net sales (profit margin) rebounded from a negative 2.6 in 1977 (reflecting an aggregate net operating loss of $36 million) to 2.5 in 1978, but then declined to 2.3 in 1979.

As discussed previously with respect to other product lines equally affected with miserable profit levels, this kind of performance has substantially prevented the domestic steel industry from raising the new capital necessary to modernize its production facilities. Without a constant program of modernization, the aggregate industry will continue to do poorly while more efficient competitors, such as Japan, utilize a greater percentage of basic oxygen furnaces and continuous casting methods in their steelmaking plants.

I have determined that there is a reasonable indication of material injury to the industry by reason of alleged LTFV imports of carbon steel plate from the Federal Republic of Germany, Belgium 1/, France and Italy. The cumulative imports of steel plate from these countries amounted to 8.7 percent, 12.6 percent and 7.3 percent of apparent U.S. consumption for 1977, 1978 and 1979 respectively. 2/

While imports from Italy declined to only 0.5 percent of consumption in 1979, there is evidence that large volumes of steel imported from Italy in 1975, 1976 and 1977 were not immediately sold in those years but were instead warehoused and were sold out of inventory at a later date at very low prices. Until the Commission has had an opportunity to collect and assess better information regarding recent sales of Italian steel plate in the United States, I cannot conclude that theseimports were insignificant and immaterial.

Imports of plate from the Netherlands were consistently very low and never amounted to more than 0.4% of U.S. consumption during the three year period 1977-79. Imports from the United Kingdom have declined from 1.3% in 1977 to 0.5% in 1978, and to 0.2% in 1979. It is apparent that the U.K. is withdrawing

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1/ Since import data from Belgium and Luxembourg are only available from the U.S. Customs Service on a combined basis, I am compelled in this preliminary investigation to attribute the import totals for each of these products to both countries. In any future investigation, it would be helpful if the importers and foreign manufacturers concerned would supply the Commission with separate import data.

2/ As previously mentioned in my discussion of hot-rolled sheets, the import figures for carbon steel plate include products that are considered by the industry as hot-rolled sheets. For that reason, the figures reported herein for plate should properly be adjusted downward. This adjustment has not materially affected my determination with respect to this product line.

from the U.S. steel plate market and, like The Netherlands, is not contributing in any meaningful way to the material injury that might be caused by imports from other EC countries. Thus, imports from The Netherlands and The United Kingdom seem inappropriate for cumulation with other imports from EC nations. I have therefore determined that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of alleged LTFV sales of carbon steel plate from The Netherlands and the United Kingdom.

Galvanized Sheets

An analysis of available information for each of the relevant factors set forth in section 771(7) of the Tariff Act of 1930, as amended, clearly demonstrates that galvanized sheets is the only product line for which there is no reasonable indication of material injury to the domestic industry by reason of the alleged LTFV sales. For the period 1977 to 1979, U.S. production, shipments, capacity utilization, exports, apparent consumption and profitability have all increased. Although inventories have risen slightly, net sales of U.S. producers' galvanized sheets rose by 36 percent from $1.4 billion in 1977 to $2.0 billion in 1979. The ratio of imports to apparent consumption from all sources and from the EC countries named in the complaint remained stable during 1977-79 at about 25 percent and 5.8 percent respectively. Finally, galvanized sheets were the most profitable of the five product lines for domestic producers throughout the three-year period. The aggregate net operating profit jumped from $18 million in 1977 to $114 million in 1979--an increase of over 500 percent. During the same period, the aggregate profit margins increased from 1.3 percent to 5.8 percent.

Although no one of the above factors standing alone is a sufficient basis for making a negative determination, especially at the preliminary stage, it nevertheless cannot be ignored that virtually every one of the statutory criteria we are required to analyze describe a product line that is neither presently suffering nor threatened with any future injury by reason of these alleged LTFV imports. This is true whether the imports from the EC are considered separately by country or in any combination of countries.

Angles, Shapes and Sections

The portion of the domestic steel industry producing angles, shapes, and sections, although suffering no significant declines during the 1977-79 period, maintained only steady or slightly increasing levels of production, shipments, capacity, capacity utilization, exports, and employment. Financially, the domestic producers of angles, shapes and sections have been operating at substantial losses since 1977. Although gaining ground over the 3-year period, the 1979 ratio of net operating profit to net sales was still in the loss column.

Total imports of angles, shapes and sections rose from 1.7 million short tons in 1977 to over 1.8 million short tons in 1979. Imports of such items from the EC have also increased during this period from 645,000 short tons in 1977 to 653,000 short tons in 1979. Belgium and Luxembourg 1/ are the principal suppliers of angles, shapes and sections accounting for over 6 percent of the domestic market. Overall market penetration by the EC countries has declined from 12.4 percent to 10.5 percent. Out of a sample of 24 allegations of sales lost to imports, 14 of the 24 checked confirmed that the sale was lost due to price.

1/ See footnote 1 on p. 7 of this opinion.

The domestic industry producing angles, shapes and sections has been operating at unprofitable levels and has been unable to increase its production and related activities for sometime. While imports of these products from the United Kingdom have declined significantly since 1977, they still represent 1.1 percent of consumption, and probably should be cumulated with other EC countries for purposes of the reasonable indication of injury test. I cannot say now that they are clearly withdrawing from the market, as seemed to be obvious in other product lines. Therefore, I determine that there is reasonable indication that the domestic industry is being materially injured by reason of imports of angles, shapes and sections from Belgium, Luxembourg, The Federal Republic of Germany, France, and the United Kingdom, 1/ which are alleged to be sold at less than fair value.

Section 771(7)(B) of the Tariff Act of 1930 requires the Commission to consider (i) the volume of the subject imports, (ii) their effect on the domestic price of the like product, and (iii) their impact on the domestic producers of the like product. In section 771(7)(C), the Act further specifies a series of economic facts that the Commission must include in these considerations. The following findings, based on the record in these investigations, set forth my evaluation of these factors.

Findings of Fact

A. Volume of imports

1. The imported carbon steel products alleged to be sold at LTFV are essentially the same as those produced in the United States, although there are

1/ The Department of Commerce found that imports from Italy and The Netherlands were not being sold at less than fair value and are thus eliminated from consideration in this investigation.

recognized standard quality gradations for each of the five product categories. Imported carbon steel products from the EC compete in the same geographic and product markets as domestically produced steel. As fungible products, sales are made primarily on the basis of availability and price. (Recommended Determination of the Director of Operations 1/, page 2; Posthearing briefs submitted on behalf of certain Belgian and French firms, pages 6 and 7).

2. Imports of each of the five carbon steel products under investigation from the United Kingdom (U.K.), Belgium, The Federal Republic of Germany (F.R.G.), France, Italy, Luxembourg, and The Netherlands are as set forth in Table 34 (hot-rolled sheets), page A-73; Table 40 (cold-rolled sheets), page A-87;; Table 46 (galvanized sheets), page A-103; Table 52 (plates), page A-117; and Table 58 (angles, shapes and sections), page A-131 of the Commission Staff Report (hereafter "Report").

3. The ratios of imports of each of the five carbon steel products under investigation from the seven subject EC countries to U.S. producers' shipments and to apparent U.S. consumption are as set forth in Table 37 (hot-rolled sheets), page A-80; Table 43 (cold-rolled sheets), page A-95; Table 49 (galvanized sheets), page A-110; Table 55 (plates), page A-123; Table 61 (angles, shapes and sections), page A-137.

B. Price

4. Reliable price data was not available to the Commission to permit an accurate assessment of the impact of the subject imports on the price of like products manufactured in the United States. (Report at A-66)

1/ For informational purposes, the Recommended Determination of the Director of Operations is attached following this opinion.

5. In general, domestic (U.S.) prices for each of the five products under investigation increased between 20 and 40 percent from 1977 through the first quarter of 1980, although prices in the last three quarters have been relatively flat. Limited data available on imports from EC countries indicate a similar trend. (Report at A-66)

6. On January 9, 1978, the U.S. Department of Treasury published the first set of prices under the "trigger price mechanism" (TPM). The TPM was designed to provide the Secretary of the Treasury, then the administering authority for the antidumping statute, with information necessary for determining when the government should self-initiate steel antidumping proceedings. Normally, investigations are commenced only upon receipt of a petition filed on behalf of the domestic industry. The trigger prices initially established were made applicable to all shipments loaded for export on or before June 30, 1978. Trigger prices were revised on a quarterly basis to reflect changes in Japanese production costs and yen/dollar exchange rates. On March 24, 1980, the Department of Commerce announced the suspension of TPM due to the filing of the instant petition by U.S. Steel Co. (Report at A-172-3)

7. There is substantial evidence of lost sales by reason of price for hot-rolled sheets, cold-rolled sheets, galvanized sheets, carbon steel plates, and angles, shapes and sections, as appears in Tables 30 and 31 on p. A-68.

C. Impact on domestic producers of the like product

8. Production by U.S. producers of hot-rolled sheets, cold-rolled sheets, galvanized sheets, carbon steel plate, and angles, shapes and sections from 1977 through 1979 was as appears on pages A-69, A-83, A-99, A-113, and A-127, respectively, of the Report.

9. Sales by U.S. producers of hot-rolled sheets, cold-rolled sheets, galvanized sheets, carbon steel plate, and angles, shapes and sections from 1977 through 1979 was as appears on pages A-70, A-84, A-100, A-114, and A-128, respectively, of the Report.

10. The market share held by U.S. producers of hot-rolled sheets, cold-rolled sheets, galvanized sheets, carbon steel plate, and angles, shapes and sections from 1977 through 1979 was as appears on pages A-76, A-91, A-105, 106, A-120, A-134, respectively, of the Report.

11. The financial experience of U.S. producers of hot-rolled sheets, cold-rolled sheets, galvanized sheets, carbon steel plate, and angles, shapes and sections from 1977 through 1979 was as appears on pages A-77, 78, A-92, 93, A-107, 108, A-121, 122, and A-135, 136, respectively, of the Report.

12. Worker productivity is derived from the production figures listed in finding 8 and the figures for manhours worked as set forth in Table 26, p. A-58 of the Report.

13. Capacity utilization for U.S. producers of hot-rolled sheets, cold-rolled sheets, galvanized sheets, carbon steel plate, and angles, shapes and sections from 1977 through 1979 was as appears on pages A-69, A-83, A-99, A-113, and A-127, respectively, of the Report. Information relative to the appropriate consideration of these figures appears on page A-47 of the Report.

14. Several U.S. producers who provided profit-and-loss information to the Commission did not separately report depreciation and amortization expenses, major non-cash outlays, as requested in the questionnaire. Thus, basic cash flow from operations (i.e., operating profits plus these non-cash outlays) cannot be computed on a basis that would be comparable with data presented in the staff report on U.S. producers' profits and/or loss. (Commission questionnaires)

15. Yearend inventories for 1976 through 1979 of hot-rolled sheets cold-rolled sheets, galvanized sheets, carbon steel plates, and angles, shapes and sections held by U.S. producers are as they appear on pages A-70, A-86, A-102, A-116 and A-130, respectively, of the Report.

16. The average number of production and related workers and the man-hours expended by same in establishments where certain carbon steel mill products were produced in the United States are as appears in Table 25, page A-57 and Table 26, page A-59, respectively, of the Report.

17. Wages for workers in U.S. steel mills rose at an annual rate 11.5% from 1977 through 1979. (Report at A-57)

18. Demand for hot-rolled sheets, cold-rolled sheets, galvanized sheets, carbon steel plate and angles, shapes and sections from 1977 through1979 was as appears in Table 23, page A-55 of the Report.

19. In general, low earnings retard U.S. carbon steel producers' efforts to modernize plants and improve technology such as making greater use of oxygen furnaces and continuous casting. Present profit levels in certain product lines do not generate sufficient internal funds for modernization nor are they at a level that permits U.S. producers to readily raise capital from external sources. (Petition by U.S. Steel, Injury and Threat of Continued Injury to the Steel Industry of the United States and the United Kingdom, pp. 6-13; Recommended Determination, Finding of Fact K.)

20. U.S. producers' investment in producing facilities increased by 9 percent from $27.9 billion in 1976 to $30.4 billion in 1979 based on original cost. During the same period net book value increased by 10 percent. The increase in investment would be 19 percent based on estimated replacement cost. (Commission questionnaires)

Conclusions of Law

1. For purposes of these investigations, the relevant domestic carbon steel industry consists of five separate product lines within the meaning of section 771(4)(D) of the Tariff Act of 1930: hot-rolled sheets, cold-rolled sheets; galvanized sheets, carbon steel plate, and angles, shapes and sections.

2. There is a reasonable indication that an industry in the United States is materially injured by reason of alleged LTFV sales of the following products 1/ imported from the following countries:

A. Hot-rolled sheets from France, the Federal Republic of Germany (FRG), Italy and The Netherlands;

B. Cold-rolled sheets from France, FRG and The Netherlands;

C. Plate from Belgium, France, FRG and Italy; and

D. Angles, shapes and sections from Belgium, France, FRG, Luxembourg and the United Kingdom.

3. There is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of LTFV sales of the following products 1/ imported from the following countries:

A. Hot-rolled sheets from Belgium and the United Kingdom;

B. Cold-rolled sheets from Belgium, Italy and the United Kingdom;

C. Carbon steel plate from The Netherlands and the United Kingdom; and

D. Galvanized sheets from Belgium, FRG, France, Italy, The Netherlands and the United Kingdom.

1/ The products referred to in these determinations are as described in the Commission's notice of investigation of March 26, 1980, as limited by the U.S. Department of Commerce's notice of investigation of April 17, 1980.

RECOMMENDATION AND SUPPORTING STATEMENT OF THE
DIRECTOR OF OPERATIONS

1. Recommendation

In these investigations, Certain Carbon Steel Products from Belgium (Investigation No. 731-TA-18 (Preliminary)), the Federal Republic of Germany (Investigation No. 731-TA-19 (Preliminary)), France (Investigation No. 731-TA-20 (Preliminary)), Italy (Investigation No. 731-TA-21 (Preliminary)), Luxembourg (Investigation No. 731-TA-22 (Preliminary)), the Netherlands (Investigation No. 731-TA-23 (Preliminary)), and the United Kingdom (Investigation No. 731-TA-24 (Preliminary)), on the basis of the record, I recommend that the Commission determine, pursuant to section 733(a) of the Tariff Act of 1930, that there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports of the following articles of iron or steel, other than alloys of iron or steel:

> Plate, provided for in TSUS items 607.66, 607.83, 607.94, 608.07, and 608.11,
>
> Hot-rolled sheet, provided for in TSUS items 607.67 and 607.83,
>
> Cold-rolled sheet, except organic coated, provided for in TSUS item 607.83,
>
> Sheet, coated or plated with zinc, except organic coated, provided for in TSUS items 608.07 and 608.13 and
>
> Angles, shapes, and sections, except special sections, having a maximum cross-sectional dimension of 3 inches or more, provided for in TSUS item 609.80

from Belgium (except light I-beams), the Federal Republic of Germany, France, Italy (except angles, shapes and sections), Luxembourg (angles, shapes, and sections only), the Netherlands (except angles, shapes, and

sections), and the United Kingdom, which the petitioner alleges are being, or are likely to be, sold in the United States at less than fair value.

2. Procedural Background

The Commission instituted these investigations on March 26, 1980, following receipt of petitions on March 21, 1980, filed on behalf of the United States Steel Corporation. Notice of the institution of the Commission's investigations and of a 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 the Commission's New York City Office located at 6 World Trade Center, and by publishing the notice in the Federal Register on April 1, 1980 (45 F.R. 21404).

The conference was held in Washington, D.C., on April 17 and 18, 1980. The statute directs that the Commission make its determination within 45 days of its receipt of the petitions, or in this case by May 5, 1980.

3. The Imported Products

The imported products identified in the recommended determinations are essentially the same as those produced in the United States. As fungible products, sales are made primarily on the basis of availability and price.

4. Domestic Industry

The impact of allegedly dumped imports is to be measured against the industry producing a "like product" (Section 771(4)(A) of the Tariff Act of 1930). However, in assessing this impact, the statute directs the

Commission to isolate the affected product lines to the extent possible. Section 771(4)(D) states:

> (D) PRODUCT LINES.--The effect of subsidized or dumped imports shall be assessed in relation to the United States production of a like product if available data permit the separate identification of production in terms of such criteria as the production process or the producer's profits . . . .

The Senate Finance Committee Report states:

> In examining the impact of imports on the domestic producers comprising the domestic industry, the ITC should examine the relevant economic factors (such as profits, productivity, employment, cash flow, capacity utiliztion, etc.), as they relate to the production of only the like product, if available data permits (sic) a reasonably separate consideration of the factors with respect to production of only the like product. (Emphasis added) S. Rep. 96-249, 95th Cong., 1st Sess., at p. 83-84.

In the current investigations, the Commission investigative staff has been able to obtain information on many of these economic factors with respect to the production of each of the five product categories. Although raw steel constitutes much of the value of each of the five product groups under investigation, competition in the U.S. market between domestically produced steel products and the alleged LTFV imports occurs in each of the five separate and distinct product groups. Further, there are separate identifiable facilities, manpower, sales forces, and research and development programs associated with the production of each article subject to the investigations. As a result, each constitutes an industry in the United States. Accordingly, independent consideration, assessment, and determination by the Commission with respect to the industries producing each of the five product categories is appropriate.

5. Findings With Respect to "A Reasonable Indication of Material Injury"

The Commission's analysis of economic data covers the three-year period, 1977-79. This period was chosen by the Commission both because

the injury required to be shown in antidumping investigations is present injury, and because, as a practical matter, given the short period in which the Commission must make its determination, analysis of data for a longer period would not be feasible. It is well established that the steel industry is a cyclical industry. The data developed in this investigation for 1977-79 represent "better" years in the current cycle which began with the very bad year, 1975.

a. Imports from the subject EC countries of carbon steel hot-rolled sheets, cold-rolled sheets, galvanized sheets, plates, and angles, shapes, and sections generally increased in 1978 and then declined in 1979 as shown below (in millions of tons) (Report p. A-50):

	1977	1978	1979
Hot-rolled sheets	1.3	1.6	1.1
Cold-rolled sheets	1.8	1.5	1.2
Galvanized sheets	0.4	0.5	0.5
Plates	0.8	1.2	0.7
Angles, shapes, and sections	0.6	0.6	0.7
Total	5.0	5.5	4.1

Imports increased in the first two months of 1980 compared with the corresponding months of 1979.

b. As a share of apparent U.S. consumption, U.S. imports from the subject EC countries followed the same general trend (in percent) (Report P. A-64):

	1977	1978	1979
Hot-rolled sheets	8.1	9.3	6.9
Cold-rolled sheets	8.9	7.4	6.1
Galvanized sheets	5.7	6.0	5.5
Plates	10.2	13.4	7.8
Angles, shapes, and sections	12.4	11.3	10.5
Total	8.7	9.0	7.0

c. U.S. producers' shipments rose each year during 1977-79 (in percent) (Report p. A-45):

	1977	1978	1979
Hot-rolled sheets	13.6	14.1	14.5
Cold-rolled sheets	17.1	17.2	16.6
Galvanized sheets	5.7	6.4	6.3
Plates	5.9	6.6	6.8
Angles, shapes, and sections	3.6	4.1	4.5
Total	45.9	48.4	48.7

d. U.S. producers' market share fell in 1978 and rose in 1979 (in percent) (Report p. A-64)):

	1977	1978	1979
Hot-rolled sheets	83.7	84.4	87.0
Cold-rolled sheets	83.7	84.6	87.7
Galvanized sheets	74.6	73.8	74.8
Plates	73.7	69.4	78.9
Angles, shapes, and sections	67.0	69.1	70.3
Total	79.6	79.2	82.5

e. U.S. producers' capacity utilization rose in 1978 and remained unchanged in 1979 (in percent) (Report p. A-43):

	1977	1978	1979
Hot-rolled sheets	72	74	72
Cold-rolled sheets	79	80	81
Galvanized sheets	67	81	75
Plates	59	61	62
Angles, shapes, and sections-	46	48	50
Total	68	71	71

f. The ratio of seven U.S. producers' (accounting for about 70 percent of total shipments in 1979) net operating profit or (loss) to net sales generally rose during 1977-79 (in percent) (report pp. A-77, 92, 107, 121, and 135):

	1977	1978	1979
Hot-rolled sheets	(4.3)	2.1	1.2
Cold-rolled sheets	(6.6)	0.3	0.5
Galvanized sheets	1.3	4.3	5.8
Plates	(2.6)	2.5	2.3
Angles, shapes, and sections	(11.6)	(3.5)	1.0
Total	(4.6)	1.4	1.7

g. U.S. employment generally rose during 1977-79 as shown below (in thousands) (Report p. A-57):

	1977	1978	1979
Hot-rolled sheets	34	33	34
Cold-rolled sheets	42	41	41
Galvanized sheets	18	20	21
Plates	18	19	20
Angles, shapes, and sections	11	11	12
Total	123	124	128

h. Prices for selected carbon steel mill products rose significantly during 1977-79. The increase for U.S.-produced material ranged from 20 to 40 percent depending on product, although prices appear to have leveled off since mid 1979. Limited data available on imports from EC countries indicate a similar trend. (Report p. A-66)

i. The shipments and employment in these industries are in substantial part derived from the overall demand for goods in the economy. Thus, in recessionary periods demand for steel products necessarily declines. The sharp declines reported in U.S. automobile production and new housing starts during recent weeks will severely depress U.S. demand for the five categories of steel products which are the subject of these investigations, contributing to declining sales, plant utilization rates, and rising unemployment or underemployment. As utilization rates fall, price competition and pressure on operating margins will increase. There is evidence that orders for U.S. Steel have fallen 40 percent in recent weeks.

j. U.S. producers submitted a total of 1,868 allegations of sales lost to imports from the EC. The Commission contacted firms accounting for 401 of these allegations, and in 298 instances, the lost sale was confirmed. Many purchasers indicated that price was the principal reason

for choosing the imported product in lieu of that produced in the United States. Significant margins of underselling by the EC products (ranging up 20 percent) were cited by several purchasers. (Report pp. A-81, 96, 111, 125, and 138).

k. Low earnings retard U.S. producers efforts to modernize plants and improve technology, such as making greater use of oxygen furnaces and continuous casting. Present profit levels do not generate sufficient internal funds for modernization nor are they at a level that permits U.S. producers to readily raise capital from external sources. This problem is in part attributable to price suppression from the alleged LTFV imports.

l. The European steel industry operated at about 65 percent of capacity in 1979. (Report p. A-30) Although efforts are underway to reduce the amount of excess capacity by closing obsolete plants, such reductions will not be effected soon enough to alter significantly the capacity to increase exports to the United States in the next several years. Further, there is evidence that the recession now beginning in the United States, will be followed by a recession in all or part of Europe which will reduce the operating rates of the European steel industry, further increasing the incentive to sell at less than the full cost of manufacture.

m. There are incentives for steel producers to price products to recover variable costs and make a contribution to fixed costs, even if the result of not recovering all fixed costs over a number of years is to lose all or substantially all the equity in the business. Substantial government support to certain production facilities in Italy, France, Belgium, and the United Kingdom has made this possible.

6. Standard for determinations

In its analysis of final determinations under section 735 of the Tariff Act of 1930, the Senate Finance Committee Report on the Trade Agreements Act of 1979 discusses the method by which the Commission is required to evaluate the different factors affecting the health of the domestic industry. This analysis is equally, if not more relevant with respect to preliminary determinations under section 733(a).

> Current law does not, nor will section 735, contemplate that the effects from less-than-fair-value imports be weighed against the effects associated with other factors (e.g., the volume and prices of imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology, and the export performance and productivity of the domestic industry) which may be contributing to overall injury to an industry. Nor is the issue whether less-than-fair-value imports are the principal, a substantial, or a significant cause of material injury. Any such requirement has the undesirable result of making relief more difficult to obtain for industries facing difficulties from a variety of sources; industries that are often the most vulnerable to less-than-value imports. S. Rep. 96-249, 96th Cong., 1st. Sess., at p. 74-5.

The reasonable indication standard is to be applied by the Commission in essentially the same manner as it was under section 201(c)(2) of the Antidumping Act. The burden of proof is on the petitioner. See, S. Rep. 96-249, 96th Cong., 1st. Sess., at p. 66. The House Committee on Ways and Means stated in relation to preliminary determinations in countervailing duty investigations how it views the reasonable indication standard. There is no reason why the same view does not apply to antidumping investigations. "It is the intention of the Committee that a reasonable indication will exist in each case in which the facts reasonably indicate that an industry in the United States could possibly be suffering material injury, threat thereof, or material retardation." H. Rep. 96-317, 96th Cong., 1st Sess., at p. 52.

Within each of the five product categories the impact of comparable imported items from as many of the respondent nations as produce and export to the United States the products in question has been cumulated. The imports of the same class or kind of merchandise are comparable and compete in the same markets, and the factors and conditions of trade show the relevance of such cumulative consideration to the determination of a reasonable indication of injury. See, S. Rep. 93-1298, 93d Cong., 2d Sess., at p. 180; and S. Rep. 96-249, 96th Cong., 1st Sess, at p. 74. The European Community is not being treated as one country so as per se to require cumulation of imports from the member states. However, the history of special joint EC planning with regard to iron and steel products, beginning with the Treaty of Paris creating the European Coal and Steel Community in 1951 and continuing through the decision of the Commission of the European Community of February 1, 1980, "establishing Commission rules for specific aid to the steel industry" suggests a pattern of attempted joint action worthy of U.S.I.T.C. consideration as a factor supporting cumulative treatment of imports of the same type of product.

7. Conclusion

Based on the standard discussed above, the petitioner has satisfied its burden of proof with respect to a reasonable indication of material injury and of threat thereof, and therefore I recommend that the Commission find with respect to each of the five domestic industries producing the products under investigation, namely hot-rolled sheet, cold-rolled sheet, galvanized sheet, plate, and angles, shapes, and sections, that there exists a reasonable indication of material injury or

threat thereof by reason of imports of the comparable items from the countries under investigation, which are alleged to be sold at less than fair value.

In support of my recommendation I cite:

a. The volume of imports of the subject merchandise from the countries under investigation continues to be significant. Import-consumption ratios for each of the five product groups from the EC have remained above 5 percent during 1977-79, and average 7 percent in 1979. They are rising in 1980. Total importations have exceeded 4 million tons per year for each of the last three years.

b. All the information available to the Commission for the first four months of 1980 indicates evidence of present injury, declining sales, plant utilization rates, shipments, and rising unemployment or underemployment. Further, the entire year of 1980 is likely to follow the pattern of the first four months.

c. There is substantial evidence of sales lost by reason of price for all articles subject to the investigations. There were also margins of underselling of up to 20 percent reported by purchasers. In addition, the Commission confirmed many instances where U.S. producers lowered domestic prices in order to make sales.

d. The profitability of the domestic industries producing each of the five product groups is much lower than that of most manufacturing industries. Suppressed prices and lost sales caused by the alleged LTFV sales contribute to this low profit level, especially since these industries are characterized by high fixed costs. Lost incremental sales have a disproportionately large negative effect on profitability.

e. With respect to the threat of material injury, capacity utilization rates in the EC are well below those in the United States. Even if significant capacity reductions are made by producers in the EC, it is unlikely that such reductions will significantly detract from the currently evident capability of the EC to export to the United States, especially since in recessionary periods a diminution in EC domestic demand can be anticipated. In addition, demand for EC exports of the five products under investigation in third countries, which presently constitute signifcant export markets for the EC, is likely to decline since demand in those markets is increasingly being supplied by domestic production. Further, imports from the EC in January and February 1980 exceeded levels for the comparable period of 1979. Finally, suspension of the Trigger Price Mechanism (TPM) may have the effect of allowing alleged margins of underselling to increase to their higher pre-TPM levels.

STATEMENT OF REASONS OF COMMISSIONER PAULA STERN

INTRODUCTION TO PRELIMINARY FINDINGS

On the basis of the record in these investigations I found that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of the following carbon steel products, alleged to be sold at less than fair value, as provided for in the Determination:

-- Plate from Belgium, the Federal Republic of Germany, and France;
-- Hot-rolled sheet from the Federal Republic of Germany, France, and the Netherlands;
-- Cold-rolled sheet from the Federal Republic of Germany and France;
-- Galvanized sheet from the Federal Republic of Germany and France;
-- Angles, shapes and sections from Belgium, the Federal Republic of Germany, France, Luxembourg, and the United Kingdom.

As to the following, I found that there is no reasonable indication of material injury or threat thereof to an industry in the United States:

-- Plate from Italy, the Netherlands, and the United Kingdom;
-- Hot-rolled sheet from Belgium, Italy, and the United Kingdom;
-- Cold-rolled sheet from Belgium, Italy, the Netherlands, and the United Kingdom;
-- Galvanized sheet from Belgium, Italy, the Netherlands, and the United Kingdom. 1/

The present cases involving certain carbon steel products from the seven named countries, all members of the European Communities (EC), focus

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1/ The imported goods which are the subject of this investigation included five lines of carbon steel products (with certain exceptions) from Belgium, the Federal Republic of Germany (FRG), France, Italy, Luxembourg, the Netherlands, and the United Kingdom. For the sake of easy reference, I shall refer to these five lines as hot-rolled sheet, cold-rolled sheet, galvanized sheet, plate, and structural shapes. Except as otherwise noted, I refer only to articles that are the subject of these investigations. See the Commission's notice of investigation in Appendix A of the accompanying staff report (Report) for a specific delineation of the subject imports.

on a basic industry which has been the subject of intense discussion throughout the industrialized world. 2/ Because of the significance of these cases and an apparently widespread misunderstanding of the role of the Commission in them, I believe it is especially important for me to take this occasion to attempt to clarify the relevant issues. 3/

The boundaries within which the Commission makes these determinations are circumscribed by the antidumping statutes. 4/ The Commission is not

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2/ See, for instance, the papers of "The Symposium in the Steel Industry in the 1980's," conducted under the auspices of the Organization for Economic Cooperation and Development (OECD) in Paris, February 27 and 28, 1980. I have based my determinations solely on information available in the record of these investigations.

3/ There is a tendency to regard the Commission as having found in these cases that dumped imports have injured the U.S. industry. Rather, emphasis should be given to the fact that the Commission has determined in these preliminary cases that there is a reasonable indication of material injury or threat thereof due to alleged less-than-fair-value (LTFV) imports. Staff also was reported to have made determinations whereas its role is only to investigate and make recommendations.

4/ Tariff Act of 1930 (Act), as amended by the Trade Agreements Act of 1979 (1979 Act). The 1979 Act (93 Stat. 163) added section 733 (19 U.S.C. 1673) to the Act:

> "PRELIMINARY DETERMINATIONS.
>
> . . . (T)he Commission, within 45 days after the date on which a petition is filed . . . shall make a determination, based upon the best information available to it at the time of the determination, of whether there is a reasonable indication that -- (1) an industry in the United States -- (A) is materially injured, or (B) is threatened with material injury, or (2) the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise which is the subject of the investigation by the administering authority."

an arbiter of monetary, investment, environmental, industrial, foreign or national security policy. Rather, in preliminary antidumping cases, it has only 45 days to determine whether there is a reasonable indication of injury or threat thereof to an industry in the United States by imports allegedly sold at less than fair value (LTFV). The Commission's task in this preliminary stage is to do nothing less and nothing more. In preliminary cases, I must base my determination as much on what information the Commission has not been able to gather (but has expectations of developing in a full scale investigation) as on the information I have before me.

Primarily legal issues of particular importance in these cases centered on the appropriate breadth of product aggregation in describing the domestic industry and the propriety of judging the cumulative impact of the subject imports on the domestic industry. Both these issues played a role in setting the stage for reaching the primarily economic findings on the existence or threat of injury and the causation of any problems experienced by the U.S. steel industry. 5/ In these cases I made my findings in the absence of systematic consumer surveys and comparable price data crucial to linking alleged LTFV imports to any material injury of the domestic industry.

5/ Since there are many firms already in existence, the establishment of an industry in the United States was not at issue and will not be discussed further.

DEFINING THE DOMESTIC INDUSTRY: THE QUESTION OF AGGREGATION

The steel industry in the United States is a large and vertically integrated one. In many cases single corporations control all operations from the mining of iron ore and coal through the marketing of products at distribution centers. Although five distinct product lines were identified in the data gathered by the Commission's staff, all five have a common feedstock -- raw steel -- which itself is the product of common melting facilities. This raw steel may be channeled in proportions varied at the discretion of the firms into these five different product categories, as well as others, in order to maximize each firm's total profit rather than the profit on any one line. The allocation of profit to product lines is not done with any consistency by the firms in this industry.

The desire to vary product mix in response to the composition of demand and the prospects for profit explains the very manner in which the steel industry operates in the United States. The full utilization of productive capacity in all five lines would create demands for raw steel feedstock far beyond the industry's capacity to produce raw steel. Thus, it is clear that no steel producers in their plans have ever intended or provided for all product lines to be operated simultaneously at their peak capacities.

The antidumping statute gives guidance on how an industry should be defined for purposes of the law. Section 771(4)(A) defines industry for the purposes of Title VII of the Act, which includes Section 733 under which my preliminary determinations have been made:

> The term 'industry' means the domestic producers as a whole of a like product, or those producers whose collective output constitutes a major proportion of the total domestic production of the product.

The Act requires that the Commission make a finding with respect to the narrowest set of domestic production facilities which satisfy reasonable criteria:

> (D) PRODUCT LINES.-- The effect of subsidized or dumped imports shall be assessed in relation to the United States production of a like product if available data permit the separate identification of production in terms of such criteria as the production process or the producer's profits. If the domestic production of the like product has no separate identity in terms of such criteria, then the effect of the subsidized or dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes a like product, for which the necessary information can be provided.

It is clear that Congress desired the Commission determinations and any resulting relief to be applied on a like product basis. There is a semantic problem, of little practical consequence in these cases, as to whether "the industry" consists of all suitable product lines, or each product line should define a separate industry for the purposes of the Act. Because Section 731 requires that the determination shall be made in terms of "an industry," I have decided to adopt the convention that product lines which are separately identifiable in the terms suggested by Section 771(4)(D) constitute separate industries for the purposes of the Act. In the present cases, demand in general appears to be product-line specific, and

the staff has been able to compile almost all data on this basis. 6/ I find that hot-rolled sheet, cold-rolled sheet, galvanized sheet, plates, and structurals, all of carbon steel, constitute separately identifiable product lines within the terms of Section 771(4)(D) and, therefore, that the domestic production facilities devoted to each constitute a separate industry for the purposes of Section 733(a). 7/ This finding, however,

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6/ There are indications on the record of circumstances under which hot- and cold-rolled sheet may be substitutes. The record in any final investigations should fully develop the boundaries between the product lines considered here.

7/ In my views in Pipes and Tubes of Iron or Steel from Japan, Inv. No. 731-TA-15 (Preliminary) (1978), I noted:

> "The Commission must determine what the value of the information is for the purpose of its assessment, not merely whether data exists (on product lines). The Commission is not to make its decision mechanically or in a vacuum. The profit data and production data specified . . . must be evaluated in the light of all other information obtained in an investigation in order for the Commission to judge whether the impact of allegedly dumped imports can be assessed on the basis of product lines with separate identities or whether there is no separate identity to these product lines." (at 18)

In that investigation, as in the present one, there was no "absolutely clear answer as to the question of the scope of the domestic industry impacted by imports" (at 21). My judgment in Pipes and Tubes was against assessment by narrowly defined product lines. In contrast to the present cases, there was no clear distinction in Pipes and Tubes between the markets for the product lines; many producers testified that it would be extremely difficult or impossible to supply profit data on individual product lines. Neither of these qualifications applied to nearly the same extent in the present cases. Also, as will be seen below, consideration by product line allows a much more refined and discriminating approach to injury, causation, and remedy considerations in the present cases.

does not prevent me from discussing the steel industry as a whole, in much the way "industry" is used in the vernacular. As Section 771(4)(D) makes clear, Congress was concerned that the domestic production of a like product have a separate identity in terms of such criteria as the production process and the producers' profits. In the cases before us, the separate identity of the lines is clouded by the almost complete vertical integration of domestic production, the reliance of the five product lines on a common feedstock which cannot even theoretically keep all five lines at full capacity simultaneously, and the producers' rational concern for maximizing total profit rather than profit on any one line. These considerations demonstrate that aggregate capacity utilization and profit data for the raw steel melting facilities common to all lines are crucial to understanding industry performance in the individual product lines and, thus, to determinations made "on the best information available." 8/ Therefore, though I have made my determination on a product line basis, I shall make reference to industry-wide data wherever they facilitate a fuller understanding of the conditions of trade and development in the domestic steel industry.

CONDITIONS OF TRADE, COMPETITION, AND DEVELOPMENT 9/

Background

Section 771(7) gives specific guidance on what factors, among others, the Commission must consider in evaluating whether a domestic industry has

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8/ Committee on Finance has stated that ". . . the ITC will consider . . . the factors set forth in Section 771(7)(C) and (D) together with any other factors it deems relevant." Committee on Finance, U.S. Senate, Trade Agreements Act of 1979, S. Rept. No. 96-249, 96th Cong., 1st Sess., at 88.

9/ Unless otherwise indicated, data are drawn from the Report.

suffered material injury by reason of alleged LTFV imports. Three general categories of analysis are mentioned: (i) the volume of imports of the merchandise which is the subject of the investigation; (ii) the effect of imports of that merchandise on prices in the United States for like products; and (iii) the impact of imports of such merchandise on domestic producers of like products.

The volume of subject imports is to be evaluated by considering its overall magnitude and any increase either absolute or relative to consumption in the United States. 10/ In analyzing price effects, the Act directs the Commission to look for evidence that subject imports have brought about "significant" undercutting, depression or suppression of domestic prices. 11/

10/ Section 771(7)(C)(i) states: "In evaluating the volume of imports of merchandise the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."

11/ Section 771(7)(C)(ii) states: "In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether -- (i) there has been significant price undercutting by the imported merchandise as compared with the price of like products of the United States, and (ii) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree."

Finally, the impact on the affected industry is to be judged on the basis of "all relevant economic factors" including output, sales, market share, profits, productivity, return on investments, capacity utilization, and factors affecting domestic prices, cash flow, inventories, employment, wages, growth, ability to raise capital, and investment. 12/

The record in these investigations contains information on virtually all these factors; a detailed compilation may be found in the Report. To simplify the difficult task of culling the most important data on the many product lines and countries, I have chosen first to consider the five product lines taken individually. Later I shall discuss any of these factors and others which, though relating to the entire carbon steel industry, are helpful in reaching my determinations on a product-line basis. The Act's language in requiring consideration of "all relevant economic factors," as well as the broad discretion Congress has traditionally allowed the Commission in making its findings on a case-by-case basis, provide firm support for this approach.

12/ Section 771(7)(C)(iii) enumerates these factors as follows: "In examining the impact on the affected industry, the Commission shall evaluate all relevant economic factors which have a bearing on the state of the industry, including, but not limited to -- (1) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, and (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment."

The Commission's questionnaires in the present investigation followed the established practice in preliminary cases of gathering detailed data for the three most recent years, 1977 through 1979. While this practice has limitations, it is adapted to the will of Congress that preliminary findings be reached within only 45 days. Also, dumping investigations consider only present injury or threat, and their period is a recent one in time. However, where relevant information lying outside the bounds of this three-year period is on the record, I shall take note of it.

Hot-rolled sheets

The domestic industry's U.S. production increased slowly but steadily by five percent from 1977 to 1979. Capacity increased during the same period by about five percent. As a result, capacity utilization hovered between 72 and 74 percent in the period. 13/ Shipments increased steadily, reaching 14.5 million short tons in 1974, a level six percent higher than that of 1977. United States exports increased irregularly during the period but accounted for less than 0.8 percent of total domestic production in the period. Year-end inventories fluctuated over the period around a level of 1.7 million short tons; they declined from 1978 to 1979. Apparent domestic consumption rose irregularly by two percent from 1977 to 1979, hitting 16.6 million short tons in 1979. Employment attributed to production of hot-rolled sheets, based on data covering 78 percent of U.S. shipments of this product

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13/ As explained above, capacity utilization and profits in any milling operation are not directly indicative of overall performance.

line increased irregularly from 33,500 production and related workers in 1977 to 34,400 in 1979.

Financial information on producers accounting for two-thirds of U.S. hot-rolled sheet production showed an uneven improvement in operations on this product line. Net operating profit went from a loss of $101 million in 1977 to a profit of $55 million in 1978 before falling to $36 million in 1979. The ratio of net operating profit to net sales showed the same pattern, never exceeding the positive 2.1 percent level of 1978. The majority of responding firms reported losses in all years.

Imports from France decreased steadily from 520 thousand short tons (1977) to 422 thousand (1979). Imports from the FRG rose from 366 thousand short tons (1977) to 513 thousand (1978) before declining to 398 thousand (1979). Imports from the Netherlands repeated this pattern reaching 241 thousand short tons in 1979. Italian imports, although peaking at 154 thousand short tons in 1978, declined to 55 thousand in 1979 from the 130 thousand posted in 1977. Belgium-Luxembourg[14/] supplied 16 thousand short tons (1979) and the U.K. 5 thousand short tons (1979), both countries having followed the Italian pattern over the three years.

The share in consumption of total subject imports increased from 8.1 percent in 1977 to 9.3 percent in 1978 before declining to 6.9 percent in 1979. Individual import penetrations followed this trend except for that of France, which declined in 1978 to 2.6 percent and then remained at that same level in 1979. The FRG showed an import penetration of 2.4 percent, almost identical to its 1977 level. In third place among subject

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14/ Separate data for the two nations is not generally available from the U.S. Customs Service.

imports was the Netherlands at 1.5 percent in 1979, also similar to its 1977 level. Italy at 0.3 percent, Belgium and Luxembourg at 0.1 percent, and the United Kingdom (U.K.) at less than 0.05 percent were much less important suppliers to the domestic consumers.

Lost sales were alleged in 367 instances affecting about 5 percent of consumption during the three-year period of investigation. 15/ More than one-third were checked by telephone and 107 were confirmed to have involved products from the European Community (EC). In a large percentage of cases, the purchaser did not know which country supplied the steel in question. Stated reasons of availability, alternate supply source and quality outnumbered those of price by a margin of five to one in the choice of the imported over the domestic product. There were confirmed instances of lost revenue where domestic producers reduced prices or failed to increase prices in order to meet European competition.

Cold-rolled sheets

Domestic production increased from 11.4 million short tons (1977) to 11.7 million (1978) before declining to 11.3 million in 1979. Capacity followed a similar trend, declining in 1979 to 13.9 million tons, four percent below the level of 1977. Capacity utilization steadily increased one percent each year, reaching 81 percent in 1979. U.S. producers' shipments were steady from 1977 to 1978 before declining four percent to 16.6 million tons in 1979. Exports by U.S. firms were not a factor since they never amounted

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15/ In the absence of a systematic survey of consumers, the meaning of the lost sales data that were gathered is questionable.

to more than 0.6 percent of shipments during the period. Year-end inventories fluctuated without a trend; in 1979 they declined 7 percent from the previous year's levels to 1.2 million short tons. Apparent U.S. consumption fell 7 percent between 1977 and 1979, virtually all of the decrease occurring in 1979. Employment attributed to production of cold-rolled sheets, based on data covering 76 percent of U.S. shipments in 1979, declined slightly from 41,600 production and related workers in 1977 to 40,600 in 1979.

Financial data, compiled on U.S. firms accounting for over two-thirds of U.S. shipments in 1979, showed that the experiences of individual firms varied. There was a steadily positive move from aggregate net operating losses at $217 million (1978) to a small profit of $20 million (1979), 0.5 percent on net sales.

The total import penetration of subject imports as a percentage of U.S. consumption declined from 16.3 percent (1977) to 12.3 percent (1979). The individual shares of all subject countries were smaller in 1979 than in 1977, with the exception of France whose share was constant over the period. In 1979 the FRG supplied 3.1 percent of consumption; France 1.3 percent; the Netherlands 0.9 percent; Belgium and Luxembourg 0.5 percent; Italy 0.4 percent; and the U.K. 0.3 percent.

Lost sales allegations involved five percent of cold-rolled sheet consumed during the period. Of the one-third of the transactions that were confirmed, non-price reasons given for purchases of the subject imports outnumbered price by a margin of over three to one. Instances of lost revenue were confirmed.

Galvanized Sheets

Domestic production of this product line increased irregularly to 4.4 million short tons in 1979, 12 percent above the level in 1977. Capacity was essentially constant at 5.9 million short tons over the period. Capacity utilization rose from 67 percent (1977) to 81 percent (1978) before falling to 75 percent (1979). Shipments followed the same pattern, though with a much more moderate fall in 1979 to 6.3 million short tons, 12 percent greater than the level posted in 1977. U.S. exports never exceeded one percent of production in the period and were not a factor in industry performance. Year-end inventories grew steadily from 444 thousand at the end of 1979; this represents a growth from eight percent of shipments (1977) to eleven percent (1979). Employment attributed to production of galvanized sheets, based on data covering 80 percent of U.S. shipments in 1979, increased steadily from 18,300 production and related workers in 1977 to 20,900 in 1979.

Financial data was gathered by the staff on firms accounting for 77 percent of U.S. shipments in 1979. Steady improvement was noted by all firms in the industry over the period, though one firm still posted losses in every year. Net operating profit rose from $18 million (or 1.3 percent of net sales) in 1977 to $114 million (5.8 percent) in 1979.

The volumes of subject imports tended to remain relatively stable or increase from 1977 to 1978, before consistently falling slightly in

1979. Levels in thousand short tons in 1979 for subject countries and their relation to 1977 figures were: the FRG (217 or 6 percent lower); France (133 or 37 percent greater); Italy (41 to 41 percent greater); the Netherlands (33 or 38 percent greater); Belgium-Luxembourg (21 or 61 percent lower); the U.K. (16 or 60 percent higher).

These figures are brought into perspective by those for the market penetration of imports as a percentage of U.S. consumption which tended to rise slightly in 1978 before falling in 1979 to levels generally at or below those of 1977. In 1979 the ratios were: the FRG (2.6 percent); France (1.6 percent); Italy (0.5 percent); the Netherlands (0.4 percent); Belgium-Luxembourg (0.3 percent); the U.K. (0.2 percent).

Of 328 allegations of lost sales covering less than five percent of U.S. production in the period, staff confirmed thirty-three. Reasons other than price were cited more frequently than price. Some instances of lost revenues were confirmed.

Plate

U.S. production increased steadily from 5.0 million short tons in 1977 to 5.6 million in 1979. Capacity followed the same trend and reached 9.0 million short tons in 1979. Capacity utilization rose over the period from 59 percent (1977) to 62 percent (1979). Domestic shipments also grew steadily, reaching 6.8 million short tons in 1979. U.S. exports grew steadily to 169,000 short tons in 1979, but this represented only 13 percent of domestic production. Inventories grew steadily to 326 thousand short tons in 1979 when they still represented less than five percent of domestic shipments. Consumption grew from 7.9 million short tons to 9.3 million

(1978) before falling off to 8.4 million (1979). Employment attributed to production of plates, based on data covering 84 percent of U.S. shipments in 1979, increased steadily from 18,000 production and related workers in 1977 to 20,400 in 1979.

The financial experience of reporting firms covering four-fifths of U.S. shipments in 1979 shows uninterrupted recovery from net losses of $36 million (1977) to a net profit of $46 million (1979). Net profit as a ratio of net sales was 2.3 percent in 1979, down from the 2.5 percent of 1978, but well above the 2.6 percent of 1977.

The volume of subject imports generally rose in 1978 before falling in all cases in 1979. In the latter year, the respective volumes in thousands of short tons and their relation to 1977 levels were: the FRG, 223, down 13 percent; Belgium-Luxembourg, 2.18, up 48 percent; France, 123, down 0.8 percent; Italy, 45, down 72 percent; the Netherlands, 33, up 50 percent; the U.K., 15, down 85 percent.

Market penetration as a percentage of consumption tended to rise in 1978 before falling to its lowest period levels in 1979. The figures in 1979 were: the FRG (2.7 percent), Belgium-Luxembourg (2.6 percent), France (1.5 percent), Italy (0.5 percent), the Netherlands (0.5 percent), the U.K. (0.2 percent).

Lost sales were alleged for less than five percent of U.S. production during the three-year period. Reasons other than price were given far more frequently than price in the 13 percent of allegations confirmed by staff. There were no confirmed losses of revenue to domestic firms.

Structurals

Domestic production increased steadily from 2.7 million short tons (1977) to 2.9 million (1979). Capacity was essentially steady at 5.8 million short tons through the period. As a result, capacity utilization rose from 46 percent (1977) to 50 percent (1979). U.S. producers' shipments grew steadily from 3.5 million short tons (1977) to 4.5 million (1979). Year-end inventories were 192 thousand tons in 1979 and exhibited no particular trend over the period. Exports rose steadily from 82,000 tons (1977) to 126,000 tons (1979), when they still accounted for less than five percent of production. Apparent consumption in 1979 was 6.2 million tons, 20 percent above the level of 1977. Employment attributed to the production of structurals, based on data covering 74 percent of U.S. shipments in 1979, grew irregularly from 11,200 production and related workers in 1977 to 11,900 in 1979.

Financial data was compiled on U.S. firms accounting for three-quarters of U.S. shipments in 1979. Losses of $90 million in 1977 were reduced to $11 million by 1979. 16/

The total import penetration of subject imports declined from 12.4 percent (1977) to 10.5 percent (1979). Individual shares of most subject countries were lower in 1979 than in 1977, those of Belgium-Luxembourg

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16/ The Report erroneously noted, until corrected, this figure as being a positive ratio of net profit to sales of 1.0 percent. It should have read -1.0 percent.

and the FRG increased slightly over the period. In 1979, the individual shares were: Belgium-Luxembourg (6.1 percent), the FRG (2.1 percent), France (1.1 percent), the U.K. (1.1 percent). Italy and the Netherlands had shares less than 0.05 percent each.

Lost sales allegations involved 13 percent of U.S. production during the period. Of the five percent of the transactions that were confirmed, price was given as the reason in 58 percent of the instances. No lost revenue was confirmed by the staff.

Industry-wide considerations

As noted above, certain factors relating to the entire carbon steel industry enhance the information available on the five subject product lines and thus allow for better informed, more specific determinations by product line. 17/

Much weight should be given to the capacity utilization of raw steel melting facilities, as it measures the common constraint on full simultaneous utilization of all milling operations. 18/ As a ratio of raw steel production to production capability, the capacity utilization of the feed-stock facilities rose from 78 percent (1977) to 87 percent (1978) before peaking at 88 percent in 1979. This figure appears to be extremely close to the point where rapidly increasing marginal costs set in. Thus, there is a good basis for regarding the steel industry as operating at close to full effective capacity, though each milling operation is running at lower levels.

17/ The carbon steel industry includes the subject product lines as well as other products such as strip, bars, and rod. In 1979, the subject products accounted for about half of all U.S. producers' shipments of carbon steel products. The breakdown was: hot-rolled sheet (17 percent), cold-rolled sheet (19 percent), galvanized sheet (7 percent), plates (8 percent), structural shapes (5 percent).

18/ Approximately two-thirds of the value of the subject products is added at the raw steel stage.

Employment aggregated over all five subject product lines has risen slowly but steadily from 122,600 (1977) to 128,200 (1979), despite plant closings and a slow move to more efficient technology. Manhours have followed the same trend.

Price data were solicited from both domestic producers and importers of the subject goods. Though the staff received excellent cooperation the data were not very useful for two independent reasons. Adequate data for analysis were not received for six of the countries and data reported on some products of the FRG were sparse. Furthermore, freight allowances were not calculated in a consistent fashion by the domestic respondents. Thus, there is no possibility of a meaningful comparison of prices to analyze underselling and price suppression or depression for any product line or country. Only trends are obvious. Prices of domestic producers generally increased between 20 and 40 percent over the 13 quarters surveyed, although in the last three quarters they were relatively constant. The limited data for imports indicated that they probably followed the same trend.

Any discussion of prices and financial performance would be deficient without reference to the trigger-price mechanism described in detail in appendix E of the Report. Implemented during 1978, the TPM was intended to substitute for individual antidumping petitions by the domestic steel industry. The TPM base price for a steel product was calculated each quarter based on constructed costs in Japan, a producer generally regarded as one of the world's most efficient. Any repeated or substantial imports

below applicable trigger prices could "trigger" an expedited antidumping investigation. Clearly, the trigger prices were not identical to a price floor for imports, but they do seem to have had similar effects. They increased steadily with the growth of Japanese production costs and the dollar-value of the yen from the first quarter of 1978 through the first quarter of 1979, and then remained constant as the value of the yen fell against the dollar. Trigger prices were increased in the first quarter of 1980, but the entire TPM program was suspended in the second quarter when United States Steel Corporation filed the instant petitions. The trend in TPM prices is identical to that in domestic steel prices.

One might have reasonably expected the worldwide overcapacity 19/ in steel to induce severe competition in the relatively open U.S. markets as foreign firms attempted to recover variable costs in these high fixed-cost industries. No such price competition appears to have occurred. Thus, the TPM is probably linked to the upward trend in domestic prices which allowed for the improvement of the domestic steel industry's financial status over the investigation period even in the face of worldwide over-capacity.

19/ I have already noted that I regard the U.S. industry as an exception to this generalization because it is operating near full capacity.

The reported aggregate profit experience of U.S. steel producers covering 72 percent of U.S. shipments in 1979 19/ shows that their ratio of net operating profit to net sales grew from -2.5 percent (1977) to +1.7 percent (1978) before falling again to 1.2 percent (1979).

INDICATIONS OF INJURY

The general picture that emerges out of the vast array of data that I have culled from the record of these investigations is that there are for all five product lines very few negative indicators. By some indicators, 1978 was slightly better than 1979. However, in this case one indicator must carry prime weight -- profits. Although the financial picture has improved since 1977, the domestic industry has effectively argued that the period of investigation represents the upside of a business cycle now in a downturn. If the modest profits of the past two years are viewed in this light, one must seriously question whether the fat of these relatively good years will be sufficient to carry the industry through the lean years of this very cyclical industry. Only in galvanized sheet has the net profit on sales exceeded 2.5 percent. Even in this line, a profit rate of 5.8 percent appears to be insufficient to sustain a rate of investment adequate to continue modernization of the industry. 20/ However, with raw

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19/ See the Report for a precise description of what these data cover.

20/ See, American Iron and Steel Institute, Steel at the Crossroads--the American Steel Industry in the 1980's (January 1980) at 17-23. Modernization of the steel industry does not appear to be proceeding very rapidly.

steel operating at what amounts to almost full capacity, it does not appear that the solution to these problems can be found in selling more steel. Rather, the problems of all product lines and the larger industry appears to lie in the price at which the steel is sold and the costs at which it is made, not the quantity produced. 21/

Therefore, I find that there are reasonable indications of material injury to each of the five product lines. It is now necessary to reach the question of whether any of the subject imports appears to be causing a material portion of this injury.

CAUSATION

The links between alleged LTFV imports and any injury the domestic industry may be experiencing are extremely weak in these cases: first, import penetrations are low, in some cases barely measureable. Secondly, lost sales information covers only a tiny portion of total sales and the reasons given for them are most often not the price of the imports in

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21/ Republic Steel Corp. argued that the loss of incremental sales is "especially injurious" because fixed costs have already been recovered on the submarginal sales when the industry is operating above the break-even point. However, if the industry is at near full capacity by the most appropriate measure, it is difficult to see that the industry may solve its profit problems by merely transferring on paper foreign sales to domestic firms. For Republic's argument to have bearing on these cases, it would have to be shown that sales had been lost by domestic producers to subject imports in sufficient quantity to depress capacity utilization. See Brief of Republic Steel Corporation, April 23, 1980, at pp. 12-13.

question. Finally, there are no comparable price data which may be used; statements on underselling or price suppression or depression would verge on complete speculation.

The problems of the steel industry do have explanations. The legislative history of the Act specifically recognizes that the Commission should take into account causes of injury other than the subject imports. 22/ Without weighing other causes against those of the alleged LTFV imports, I believe it is important to note the factors which have kept the costs of the steel industry from falling to a point at which adequate profits might be earned even at the prevailing prices in the subject product lines.

Partly as a result of a very effective cost-of-living adjustment negotiated by the United Steel Workers of America and the unexpected increase in the rate of inflation during the last decade, there has been an accelerating growth of wages at a rate far higher than in general manufacturing.

In 1977 steel wages stood at 153 percent of those in general manufacturing. By 1980 this number had grown to 175 percent. Despite the

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

"Of course, in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors.

"However, the petitioner will not be required to bear the burden of proving the negative, that is, that material injury is not caused by such other factors, nor will the ITC be required to make any precise, mathematical calculations as to the harm associated with respect to such factors. In short, the Committee does not view overall injury caused by unfair competition, such as dumping, to require as strong a causation link to unfairly competitive imports as would be required for determining the existence of injury under fair trade conditions."

rapid increases in wage rates, the portion of wages in total costs has fallen in all product lines owing to a doubling of energy costs during the period.

Significant portions of the total investment that has been undertaken has gone to satisfying stricter mandatory standards for environmental protection. Further investment funds have gone into diversification beyond the traditional bounds of the steel industry. While these investments may have been socially desirable or economically sound, they have not added to productivity in the industry.

Additionally, foreign producers not the subject of these investigations, among them some of the world's most efficient and low-cost ones, are significant sources for U.S. imports. In hot-rolled sheets, Japan is the single largest foreign supplier. In 1979, she supplied 31 percent of imports, when the combined subject countries supplied 53 percent. The figures for cold-rolled are almost identical. In galvanized, Japan supplied 58 percent of total U.S. imports against the subject countries' combined 22 percent. In structural shapes, Japan and the subject countries have equal shares at 35 percent. Only in plates did the subject countries' combined share (37 percent) dwarf the largest single supplier's share (7 percent for Japan). Without adequate comparable data for all significant foreign suppliers, I am not able to discount the possibility that some other foreign producer stands to gain if the alleged LTFV imports were reduced. The alleged LTFV imports may be hurting the foreign supplier rather than the domestic producers.

Citing these other possible causes of injury does not ipso facto imply that all the subject imports have failed to contribute in a material way to injury for which they may not be primarily responsible. Even relatively small market shares captured by LTFV imports can result in injury by price depression if the product in question is inelastically demanded (and has a price which is very price sensitive to small changes in supply). 23/ However, there is no information on the record to suggest that steel's price in any line is unusually price-sensitive to changes in supply. 24/

23/ The relevant legislative history supports this discretionary approach:

"It is expected that in its investigation the Commission will continue to focus on the conditions of trade, competition, and development regarding the industry concerned. 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. Similarly, for one type of product, price may be the key factor in making a decision as to which product to purchase, and a small price differential resulting from the amount of the subsidy or the margin of dumping can be decisive; for others the size of the differential may be of lesser significance." S. Rept. No. 96-249, 96th Con., 1st Sess. at 88. See "Views of Commissioners Paula Stern and Michael Calhoun" in Spun Acrylic Yarn from Japan and Italy, Inv. Nos. 731-TA-1 and 2 (Final) (1980) at 12 for an analysis of extremely price sensitive products.

24/ See J. Fred Weston, "A Policy for Steel Imports," (presented at the public conference, March 17-18, 1980) at 1-2. Also, see the testimony of Dr. Richard M. Cyert at the public conference at 2-3.

Cumulation

I have made my determinations on a case-by-case basis. The imports in the investigations that I voted to terminate could not conceivably have contributed to material injury even were I to cumulate imports across countries within product lines. Should any of the affirmative preliminary cases return for final determinations, I do not preclude cumulation in circumstances when the record as developed shows its appropriateness. In any event, I believe the long-standing practice of the Commission in cumulating imports on a discretionary basis merits careful consideration before discussing my determinations.

The practice of cumulation of subject imports by the Commission for the purposes of an injury determination has always been a discretionary one. There are no specific references to cumulation in the Trade Agreements Act of 1979 or its legislative history, nor are there any in the Trade Act of 1974, the previous legislation relating to antidumping proceedings. However, the Finance Committee has stated in its report on the Trade Act:

> A number of cases before the Commission have been concerned with the question of whether imports of comparable articles from different countries should be considered together or cumulated in making injury determinations. The issue arises in several different contexts, viz: (1) when Treasury determinations involving comparable imports from two or more different countries are simultaneously submitted to the Commission; (2) when Treasury determinations on comparable imports are submitted to the Commission at different times. Under consistent practice, affirmed by the U.S. Customs Court in City Lumber Co. v. United States (R.D., 11557, July 9, 1968; 64 Cust. Ct. 826 (1970); 311 F. Supp. 340 (1970); 457 F.2d 991 (C.C.P.A. 1972)) the Commission has considered the combined impact of less-than-fair-value imports in making injury determinations when the facts and economic considerations so warrant. Such result does not follow as a matter of law; it follows, on a case by case basis, only when the factors and conditions of trade shows its relevance to the determination of injury. (emphasis added) 25/

In Section 771(7)(D), for instance, the current law speaks of "like product" instead of "comparable articles." However, "like product" is defined in Section 771(10) in a manner not dissimilar to the previous usage of "comparable articles." 26/ The Finance Committee has stated in

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25/ Committee on Finance, U.S. Senate, Trade Reform Act of 1974, S. Rept. No. 93-1298, 93d Cong., 2d Sess. (1974) at 180.

26/ Section 771(10) states:

"LIKE PRODUCT.--The term 'like product' means 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 title."

general terms "current ITC practice with respect to which imports will be considered in determining the impact on the U.S. industry is continued under this bill." 27/

For cumulation to be appropriate, it must be demonstrated that "the factors and conditions of trade in the particular case show its relevance to the determination of injury." While there are many claims on the record that the Commission should treat the EC as a single entity, there has been no showing that the EC coordinates in any fashion the export behavior of member country steel producers. 28/ Furthermore, there is little to show that the conditions of trade of subject imports in any product line warrant or require such treatment at this preliminary stage. Relevant considerations might include the identity and fungibility of the subject imports, the separability of the markets affected by the various imports, and the presence or absence of coordinated action and/or common approaches to the domestic market (even if not coordinated) so as to exhibit a collective "hammering" effect on the domestic industry. The law is clear that the EC may not be considered a country for the purposes of these investigations. Section 771(3) of the Tariff Act defines "country" to mean:

27/ S. Rept. 96-249, 96th Cong., 1st Sess. at 74.

28/ I note in passing that the record in this case does not indicate any reason whatever, vis-a-vis exports, why membership in the European Communities have any greater significance than membership in the United Nations on the subject of cumulation.

> . . . a foreign country, political subdivision, dependent territory, or possession of foreign country, and, except for the purpose of antidumping proceedings, may include an association of 2 or more foreign countries, political subdivisions, dependent territories, or possessions of countries into a customs union outside the United States. (emphasis added)

The exception is explained by the Finance Committee:

> . . . However, a customs union may not be considered a country in antidumping duty proceedings. Thus, the foreign market value of merchandise in such a proceeding may not be calculated on a customs-union-wide-basis. 29/

This exception does not, however, preclude cumulation for the purposes of the Commission's injury determinations because the Commission looks at the class or kind of merchandise under investigation, not just at the country of origin.

LTFV Imports: Negative Determinations

On the basis of the best information available and the entire record, I have decided on a selective case-by-case basis to vote to terminate the following 14 investigations because there is no reasonable indication that the subject imports in each case could have possibly contributed to any material injury of the domestic industry:

-- Plate and hot-rolled, cold-rolled and galvanized sheet from the U.K.; hot-rolled and cold-rolled from Belgium: Volumes and market penetrations of the imports are too miniscule to warrant further attention.

29/ S. Rept. No. 96-249, 96th Cong., 1st Sess. at 83-84.

-- Cold-rolled sheet from Belgium: The import penetration was tiny and declined steadily over the entire period from 1.7 percent (1977) to 0.5 percent (1979).

-- Plate and cold-rolled, hot-rolled, and galvanized sheet from Italy: In 1979, the relevant importers reduced their sales and administrative staff in the United States by one-half and announced plans to close their U.S. warehouse at the end of June 1980. Import penetrations are tiny.

-- Plate and cold-rolled and galvanized sheet from the Netherlands. Import penetrations are tiny. These products have been sold to the same customers for a number of years; changes in import levels reflect changes in the demand of these customers and not the acquisition of new customers.

LTFV Imports: Affirmative Determinations

In all of the remaining 15 cases I have decided that there is a reasonable indication of material injury due to the subject imports. I have made these determinations because these are preliminary cases and I am not able to rule out the possibility that further development of the record will show that these imports, through as yet-to-be established underselling made possible by sufficient LTFV margins, depressed or suppressed domestic prices sufficiently to cause material injury. If these cases return for final determinations, the record should be augmented to include fully comparable price data for all relevant domestic products and imports as well as a detailed demand analysis by product line.

THREAT OF INJURY

In those cases where I have made affirmative preliminary findings it is not necessary for me to reach the issue of threat. In all cases where I have made negative preliminary findings I determine that there is no reasonable indication of threat. Congress has made the standard for threat quite clear -- it must be "real and imminent" and related to the economic indicators already considered. 30/

The relevant market shares of imports are tiny or minuscule. In most cases they are declining; in no case have there been any significant

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30/ The legislative history of the Act provides guidance:

> "In determining whether an industry in the United States is threatened with material injury, the ITC will consider the likelihood of actual material injury occurring. It will consider any economic factors it deems relevant, and consider the existing and potential situation with respect to such factors. An ITC affirmative determination with respect to threat of material injury must be based upon information showing that the threat is real and injury is imminent, not a mere supposition or conjecture. The 'threat of material injury' standard is intended to permit import relief under the countervailing duty and antidumping laws before actual injury occurs and should be administered in a manner so as to prevent actual injury from occurring. Relief should not be delayed if sufficient evidence exists for concluding that the threat of injury is real and injury is imminent."

S. Rept. No. 96-249, p. 89.

increases in the penetration or volume of subject imports. There are no indications that the volumes of imports over the 1977 to 1979 period are in excess of traditional trade patterns.

The industry's performance generally improved over the 1977-1979 period. There was discussion at both the Conference and Commission meeting on developments in the first few months of 1980. General references were made to the economic downturn now underway in the U.S. economy. U.S. Steel stated daily order receipts had fallen 40 percent in the previous five weeks. 31/ The Report notes that imports in the first two months of 1980 were almost ten percent higher than in January-February 1979. Data of this tentative nature covering a period beyond the one systematically studied in the investigation (1977-1979) is unsuitable for a discussion of the present injury. For two reasons, I also find that this information is not useful in a consideration of threat. First, import data for a short period like two months may be vulnerable to wild fluctuations depending on when a single boat of imports arrives. Certainly a ten percent change in any direction cannot indicate a quarterly trend. Secondly, by U.S. Steel's own account, customers in a business downturn cancel domestic orders first because lead-times are shorter. 32/ Imports are ordered well in advance and paid for by irrevocable letters of credit. 33/ In uncertain times, domestic products have especially strong non-price advantages over foreign

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31/ Conference transcript at 58.

32/ Ibid., at 57.

33/ Report at A-50.

competitors. One should expect a scenario where at the onset of a recession domestic orders would fall. But as the recession proceeded, any new orders would be placed with domestic rather than foreign producers to avoid the inflexible character of overseas orders. Thus, even if the two-month figures prove to be part of a trend, that trend might very well include an ensuing decline in import volumes and penetrations. However, econometric forecasts for the immediate future were not included in the record and it would be a violation of Congressional intent to base any judgment on seat-of-the-pants predictions or newspaper-inspired conjecture. 34/

34/ Without factoring in the TPM, which is in place and ready to be applied, speculation on the future state of the economies in Europe and the potential response of its steel producers is just that -- speculation, and not even the best informed speculation. I regard any discussion of potential responses of European producers with or without the TPM program as speculative and have given it no weight in reaching my determinations.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

Following receipt of petitions on March 21, 1980, filed on behalf of United States Steel Corp., the United States International Trade Commission on March 26, 1980, instituted preliminary antidumping investigations under section 733(a) of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the following articles of iron or steel, other than alloys of iron or steel, 1/ which the petitioner alleges are being, or are likely to be, sold in the United States at less than fair value:

Plate, provided for in Tariff Schedules of the United States (TSUS) items 607.66, 607.83, 607.94, 608.07, and 608.11,

Hot-rolled sheet, provided for in TSUS items 607.67 and 607.83,

Cold-rolled sheet, provided for in TSUS item 607.83,

Sheet, coated or plated with zinc, provided for in TSUS items 608.07 and 608.13, and

Angles, shapes, and sections, having a maximum cross-sectional dimension of 3 inches or more, provided for in TSUS item 609.80,

all the foregoing articles the products of Belgium (investigation No. 731-TA-18 (Preliminary)), the Federal Republic of Germany (investigation No. 731-TA-19 (Preliminary)), France (investigation No. 731-TA-20 (Preliminary)), Italy (investigation No. 731-TA-21 (Preliminary)), Luxembourg (angles, shapes, and sections only--investigation No. 731-TA-22 (Preliminary)), the Netherlands (except angles, shapes, and sections--investigation No. 731-TA-23

1/ The article descriptions in the petition were derived from the Tariff Schedules of the United States Annotated (1978). The descriptions presented here provide for identical coverage in terms of the Tariff Schedules of the United States Annotated (1980).

(Preliminary)), and the United Kingdom (investigation No. 731-TA-24 (Preliminary)). The statute directs that the Commission make its determination within 45 days of its receipt of the petitions or in this case by May 5, 1980.

Notice of the institution of the Commission's investigation and of a 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 at the Commission's New York City Office, located at 6 World Trade Center, and by publishing the notice in the Federal Register on April 1, 1980 (45 F.R. 21404). 1/ The conference was held in Washington, D.C., on April 17 and 18, 1980.

On April 10, 1980, the Commerce Department announced that it was instituting antidumping investigations based on the U.S. Steel Corp. petitions. 2/ Commerce excluded certain products from the scope of its investigations and, accordingly, the Commission's determinations will not encompass those articles. The excluded products are organic coated cold-rolled sheets from all countries, organic coated galvanized sheets from all countries, special sections from all countries, light I-beams from Belgium, and all structural shapes from Italy. Commerce defined the light I-beams which are excluded as "hot-rolled steel I-beams, less than 6 inches in height and weighing not over 4.5 pounds per linear foot." Exact definitions of the other excluded products are still being developed.

1/ A copy of the Commission's notice of its investigation and conference is presented in app. A.

2/ Copies of the Department of Commerce notices are presented in app. B.

Discussion of Report Format

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

Part I. Summary of all products included within the scope of the investigations

Part II. Carbon steel hot-rolled sheets

Part III. Carbon steel cold-rolled sheets

Part IV. Carbon steel galvanized sheets

Part V. Carbon steel plates

Part VI. Carbon steel angles, shapes, and sections.

Each part presents a discussion of the considerations of material injury to an industry in the United States and of the causal relationship between the alleged LTFV imports and the alleged injury. Information on product descriptions, the nature and extent of alleged sales at LTFV, U.S. and foreign producers, and U.S. importers is presented, by product categories, in part I.

The report is organized in this manner to allow Commissioners the opportunity to evaluate the "reasonable indication of material injury" by reason of--

(1) cumulative imports of all products in the five product groups from all countries subject to the investigations (pt. I); 1/

(2) cumulative imports of all products in the five product groups from each country subject to the investigations (pt. I); 2/

1/ E.g., certain carbon steel products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom.

2/ E.g., certain carbon steel products from Belgium.

(3) imports of products in each product group from all countries subject to the investigations (pts. II-VI); 1/ or

(4) imports of products in each product group from each country subject to the investigations (pts. II-VI). 2/

1/ E.g., carbon steel plates from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom.

2/ E.g., carbon steel plates from Belgium.

PART I. SUMMARY OF ALL PRODUCTS INCLUDED WITHIN THE SCOPE OF THE INVESTIGATIONS

The Products

Description and uses

The carbon steel mill products covered by these investigations are hot-rolled sheets; cold-rolled sheets; galvanized sheets; plates; and angles, shapes, and sections having a maximum cross-sectional dimension of 3 inches or more. 1/ These products are produced in rolling mills by passing semifinished steel products through a series of grooved or reducing rolls.

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

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

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

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

1/ Throughout this report, the angles, shapes, and sections referred to are those which have a cross-sectional dimension of 3 inches or more.

Products of alloy steel are not included within the scope of these investigations.

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

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

The pig iron is converted into steel in a steelmaking furnace by removing excess carbon and impurities and adding desired elements in controlled amounts. Pig iron contains over 2 percent carbon and is not malleable, being brittle and limited in shaping ability. Steel contains a maximum of 2 percent

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

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

carbon, is much stronger than pig iron, and can be shaped and rolled into a variety of mill products.

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

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

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

The electric furnace is a steelmaking process where electrodes are used to make molten steel. This furnace does not use molten iron from the blast furnace like the other furnaces. Instead, it is dependent on scrap for making steel. In this method, three electrodes are lowered to just inches above the charge. Electric currents arc from one electrode into the charge and from the charge to another electrode, thereby melting the charge. Limestone and flux

are added to the molten steel to remove the impurities, after which the furnace is tilted to pour off molten steel or slag.

After the molten steel has been poured or tapped from the steelmaking furnaces into ladles, it must be solidified into a manageable shape. This is accomplished by either one of two methods: ingot molding or continuous casting. In ingot molding, molten steel is poured into ingot molds and allowed to cool and solidify. When the steel is solid, the mold is removed. Because ingots cool quickly on the surface but slowly inside, the stripped ingots are taken to furnaces called soaking pits. Here the ingots are heated (soaked) until the temperature is uniform. The ingots are then transported to semifinishing mills where they are rolled into semifinished steel products, usually slabs, blooms, and billets.

Continuous casting is a newer and more efficient method of producing slabs or billets, as the making and reheating of ingots is bypassed. In this process, molten steel flows from the ladle into a reservoir called a tundish. The tundish allows the molten steel to flow into the molds of the casting machine. Through water cooling in the molds and rolling, the liquid steel is gradually solidified into slabs or billets.

Semifinished steel products are rough rectangular shapes of steel that are usually rolled into more advanced steel mill shapes. The principal semifinished products are slabs, blooms, and billets. Distinctions between these products are made according to size and cross-sectional dimensions. Slabs are oblong, tending to be relatively wide and thin. The TSUS defines a slab as a "semifinished product of rectangular cross section, having a width of at least 4 times the thickness. A slab is not less than 2 inches and not over 6 inches in thickness." Blooms and billets tend to be more square; however, billets are smaller than blooms in cross-sectional area. The TSUS

defines blooms and billets as "semifinished products generally of rectangular or circular cross section, having a length several times greater than the maximum cross-sectional dimension, and, if rectangular, a width less than 4 times the thickness. A bloom is at least 36 square inches in cross-sectional area; a billet is less than 36 square inches but not less than 3 inches in cross-sectional area." The semifinished products are inspected for defects that may have arisen from the heating, rolling, and casting of the steel, and then sent to the finishing mills for conversion into finished steel products.

Carbon steel hot-rolled sheets.--Hot-rolled carbon steel sheets are flat-rolled products that are produced by passing heated steel slabs through a series of reducing rolls in a hot-strip mill.

The TSUS defines sheets as "flat-rolled products, whether or not corrugated or crimped, in coils or cut to length, under 0.1875 inch in thickness and over 12 inches in width." As flat-rolled products, sheets possess qualities that distinguish them from other rolled steel shapes and forms. They are produced on rolls with smooth, rather than cut or grooved, surfaces, and the ratio of the width to thickness is generally much greater than in other rolled steel products.

In the hot-strip mill, slabs are heated to a rolling temperature of about 2,200 degrees Fahrenheit. The slabs are sent into a scale breaker to remove furnace scale, roughed down to a predetermined intermediate thickness in rough stands, and then sent to a series of finishing stands where further reductions are made. A typical continuous mill for hot-rolling will have four or five roughing stands and five to seven finishing stands. As the product is reduced in thickness, it is increased in length, with each succeeding set of rolls being rotated at a higher rate of speed to compensate for the elongated sheet.

Water sprays are located at various locations to cool the metal and remove oxide from the hot sheet surface. Upon reaching final thickness, the hot-rolled sheet has cooled to about 1,200 degrees Fahrenheit. The product is then coiled or cut in shorter lengths and stacked. If desired, the sheet may then be cleaned, or pickled, in a bath of sulfuric or hydrochloric acid to remove surface oxide formed during hot-rolling.

The TSUS classification of hot-rolled sheets includes both finished and semifinished (hot-rolled bands) carbon steel products. Semifinished products lack the additional processing after hot-rolling of finished hot-rolled sheets. The automotive industry and steel service centers and distributors are the largest consumers of hot-rolled sheets, accounting for approximately 40 and 20 percent, respectively, of total shipments in 1978. Hot-rolled products are also used in the making of tubular products and appliances.

Carbon steel cold-rolled sheets.--Cold-rolled carbon steel sheets are "cold-finished" products manufactured by reducing hot-rolled pickled coils in cold-reduction mills.

Cold-rolling refers to the passing of unheated steel through a series of reducing rolls to make a product smoother and thinner than can be made in a hot-strip mill. This is accomplished in a variety of reversing and tandem mills. These cold-reduction mills reduce the thickness of sheet by rolling the product through pressured work rolls.

The production of cold-rolled sheet begins with a coil of hot-rolled sheet, which is uncoiled and pickled in a bath of sulfuric or hydrochloric acid to remove surface oxide formed during the hot-rolling. The sheet is dried, oiled, and recoiled. Oil is used to protect against rust and serve as a lubricant during cold-reduction. The coil is then sent to a cold-reduction mill for further processing.

In the cold-reduction mill, sheet is passed through work rolls that gradually reduce the sheet to final thickness, increase the elastic limit of the steel, and improve the surface and mechanical properties of the product. The product is coiled and sent to an annealing furnace to be heated and made more formable. After the steel has been softened in the annealing furnace, the temper mill finishes the cold-rolled sheet by imparting the desired hardness, flatness, and surface quality. The product is then shipped to consumers in coils or cut lengths.

The automotive industry and steel service centers and distributors are the largest consumers of cold-rolled sheets, accounting for approximately 48 and 18 percent, respectively, of total shipments in 1978. Cold-rolled products are also extensively used in the making of appliances.

Carbon steel galvanized sheets.--Galvanized carbon steel sheets are those that have been coated with zinc for protection against corrosion. This is accomplished by dipping sheet steel in, or passing it through, a molten bath of zinc.

With the exception of tin, zinc is the metal which is most frequently used in coating steel. It has the lowest cost per pound of all protective coating metals and protects against corrosion by acting as a shield between the steel and the atmosphere or other corrosive elements.

The effectiveness of zinc coating is governed by coating thickness and environmental conditions. The thickness of a zinc coating is the most important factor in measuring its effectiveness, with the amount of zinc on a galvanized sheet being stated in terms of ounces per square foot. Although complete uniformity in coating thickness is not achieved in galvanizing, all areas of sheet should possess a minimum coating for the grade sought. Environment also determines the effectiveness of zinc coating, as the

atmosphere contains numerous corrosive elements. Galvanized steel is exposed to various liquid and atmospheric corrosives which determine the life of zinc coating and the thickness needed.

The two principal methods for galvanizing sheets are the electrolytic and continuous hot-dip galvanizing processes. In electrolytic coating, the steel sheet is covered with zinc by means of an electric current. It is referred to as cold or electro-galvanized sheet and has a uniform dull gray matte appearance. It is not recommended for outdoor service.

Continuous hot-dip galvanizing is the more widely used galvanizing process. In this operation, coils are passed continuously through a bath of molten zinc with the trailing end of one coil being joined to the leading end of the next coil. The sheet most commonly used in this process is cold-reduced sheet in coil form, although hot-rolled pickled sheet is sometimes used. In a typical continuous hot-dip galvanizing process, the sheet is uncoiled and cleaned to provide for better zinc adherence. This cleaning can be either acid or alkaline. The sheet is heated in an annealing furnace to provide the appropriate physical properties and dipped into a hot-dip zinc pot. As the sheet surfaces, an air wipe is used to control the thickness of the zinc coating. The zinc cools and solidifies before receiving a chemical treatment to prevent surface stains. The sheet is then recoiled or cut to length.

The construction industry, steel service centers and distributors, and the automotive industry are the principal consumers of galvanized sheets, accounting for approximately 33, 24, and 23 percent, respectively, of total shipments in 1978.

Carbon steel plates.--Plates are flat-rolled steel articles produced by hot-rolling reheated ingots or slabs in plate mills. They are generally

considered to be finished products and are distinguished from other flat-rolled products by their dimensional characteristics.

The TSUS defines plates as "flat-rolled products, whether or not corrugated or crimped, in coils or cut in length, 0.1875 inch or more in thickness and, if not cold rolled, over 8 inches in width, or, if cold rolled, over 12 inches in width."

The production of steel plates begins with the uniform heating of slabs. This is accomplished by applying heat to both the top and bottom surfaces of the slabs in furnaces, thus bringing the product to a satisfactory state for rolling. The product is then sent to a scale breaker for removal of furnace scale by hydraulic sprays, and to the rolling mill for reduction in thickness. The principal plate production mills are the reversing mills, universal mills, and hot-strip mills. On reversing mills, slabs are reduced in thickness by passing them back and forth through rolls. The slab is often increased in both width and length, and the finished product is usually cut to length. On universal mills, only the length is increased as vertical edging rolls control the width. On hot-strip mills, all rolling is done in the longitudinal direction of the slab. The slabs are roughed down in roughing stands and sent to finishing stands to attain a desired thickness. Some of the variables affecting the rolling of plates are roll wear, temperature, variation in the plates from front end to back, mill spring between the roll necks and the housings, and temperature control.

After leaving the rolls, the plates are flattened by a leveler. The effectiveness of this flattening is increased with the decreasing thickness of the rolls and increasing temperature. The plates are cooled to avoid distortions and sheared or cut to desired size. The rolled product of the

plate mill is in rectangular form and is referred to as rectangular plate. By gas cutting or shearing these rectangular plates, circular or semicircular plates and sketch plates, including rings, are produced.

The construction industry, steel service centers and distributors, and the producers of machinery and industrial equipment are the largest consumers of plates, each accounting for approximately 21 percent of total U.S. producers' shipments in 1978. Plates are used in the construction of ships, bridges, railroad freight and passenger cars, storage tanks, and a large variety of other products.

Carbon steel angles, shapes, and sections.--Angles, shapes, and sections are steel articles produced by passing ingots, blooms, or billets through a series of grooved rolls. They are identifiable from other finished steel products by their cross-sectional configuration and shape, usually consisting of flat surfaces being joined together at angles.

The TSUS defines angles, shapes, and sections as "products which do not conform completely to the respective specifications set forth herein for blooms, billets, slabs, sheet bars, bars, wire rods, plates, sheets, strip, wire, rails, joint bars, or tie plates, and do not include any tubular products."

These investigations deal with what is generally referred to as structural shapes. Structural shapes are rolled flanged shapes having a maximum cross-sectional dimension of 3 inches or more. Shapes having a maximum cross-sectional dimension of 3 inches or less are usually referred to as bar-size shapes. Structural shapes include a variety of standard shapes, notably I-beams, channels, angles, wide flange beams, bulb angles, and tees.

The production of structural shapes involves the rolling of heated blooms and billets in structural mills. 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. Blooming mills are used to partially shape ingots into blooms for the larger structural shapes. The number of roughing and intermediate passes varies with the desired product. However, nine roughing passes and five intermediate passes represent the average. The shape is then cut to lengths and allowed to cool to atmospheric temperature. When properly cooled, the shape is straightened if necessary, cut to final length by either hot-shearing or hot-sawing, inspected for defects, and shipped to its destination.

The construction industry and steel service centers and distributors are the largest consumers of structural shapes, accounting for approximately 50 percent and 26 percent, respectively, of total shipments in 1978. Structural shapes are used in the construction of bridges, buildings, cranes, machinery, ships, and numerous other products.

U.S. tariff treatment

The current rates of duty for the products covered by this investigation are shown in the following table. Concessions granted by the United States at the recently concluded Tokyo round of Multilateral Trade Negotiations (MTN), conducted under the auspices of the General Agreement on Tariffs and Trade, will result in incremental reductions in column 1 rates beginning January 1, 1982. The final concession rates (also shown in the table) will become effective on January 1, 1987.

Table 1.--Certain carbon steel products: U.S. rates of duty as of Jan. 1, 1980, and Jan. 1, 1987

1977-79 TSUS item No.	1980 TSUS item No.	Article	Rate of duty 1/		
			Col. 1		Col. 2
			Jan. 1, 1980	Jan. 1, 1987	
608.84	607.67	Hot-rolled sheets, not pickled	7.5% ad val.	4.9% ad val.	20% ad val.
608.87	607.83	Hot-rolled sheets, pickled	8% ad val.	5.1% ad val.	0.2¢ per lb + 20% ad val.
608.87	607.83	Cold-rolled sheets	8% ad val.	5.1% ad val.	0.2¢ per lb + 20% ad val.
608.94	608.07	Galvanized sheets, valued not over 10 cents per pound.	9% ad val.	5.5% ad val.	0.2¢ per lb + 20% ad val.
608.95	608.13	Galvanized sheets, valued over 10 cents per pound.	0.1¢ per lb + 8% ad val.	6.5% ad val.	21.5% ad val.
608.84	607.66	Plates in coils, not pickled and not cold-rolled.	7.5% ad val.	6.0% ad val.	20% ad val.
608.84	607.66	Plates, other than in coils, not pickled and not cold-rolled.	7.5% ad val.	6.0% ad val.	20% ad val.
608.87	607.83	Plates, pickled or cold-rolled	8% ad val.	5.1% ad val.	0.2¢ per lb + 20% ad val.
608.89	607.94	Plates, clad	12% ad val.	6.5% ad val.	30% ad val.
608.94	608.07	Plates, coated or plated with metal, valued not over 10 cents per pound.	9% ad val.	5.5% ad val.	0.2¢ per lb + 20% ad val.
608.95	608.11	Plates, coated or plated with metal, valued over 10 cents per pound.	0.1¢ per lb + 8% ad val.	5.4% ad val.	21.5% ad val.
609.80	609.80	Angles, shapes, and sections	0.1¢ per lb	0.9% ad val.	2% ad val.

1/ Col. 2 rates of duty apply to most Communist-dominated countries (except China, Poland, Romania, and Yugoslavia). Col. 1 duty rates apply to products of all other countries.

Source: Tariff Schedules of the United States Annotated.

All the imports of carbon steel hot-rolled sheets, cold-rolled sheets, and galvanized sheets and most of the imports of carbon steel plates are dutiable at rates ranging from 7.5 to 9.0 percent ad valorem. The rate of duty on carbon steel angles, shapes, and sections is 0.1 cent per pound, equal to an ad valorem equivalent of less than 1 percent based on imports in 1979.

In addition to the import duties discussed above, imports of some carbon steel mill products are subject to restraints imposed by administrative actions taken under provisions of antidumping, countervailing duty, and import-relief legislation, and by the Buy American Act. 1/ For example, findings

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1/ The Buy-American Act, 41 U.S.C. 10a-10d (1978), is the primary congressionally mandated legislative preference for U.S. goods. Under this act, U.S. Government agencies may purchase products of foreign origin for delivery in the United States only if the cost of the domestic product exceeds the cost of the foreign product, including duty, by 6 percent or more. This differential rises to 12 percent if the low domestic bidder is situated in a labor-surplus area, and to 50 percent if the purchase is made by the Department of Defense. The preferences may be waived in the public interest, however.

There are other similar restrictions on U.S. Government procurement which may affect imports of carbon steel products in specific instances. For example, appropriations acts restrictions preclude purchases of foreign-made buses and vessels by the Department of Defense (Public Law 90-500, 82 Stat. 849, sec. 404, and Public Law 94-212, 90 Stat. 53, title IV). Still other statutes effect programs favoring certain disadvantaged domestic suppliers, to the competitive detriment of other nonfavored domestic and foreign suppliers; these programs include preferences for small and minority business set-asides (15 U.S.C. 631.44, 41 U.S.C. 252(b), 42 U.S.C. 6705(f)(2), Public Law 95-507, and Executive Orders Nos. 11458, 11158, and 11625), and labor-surplus-area concerns (15 U.S.C. 644(d) and Executive Order No. 12073).

Certain Federal grant programs also have Buy-American restrictions on the use of funds by State and local governments. See, e.g., Public Works Employment Act of 1977, Public Law 95-28, and the Surface Transportation Assistance Act of 1978, Public Law 95-599, sec. 401. Like the Federal agency restrictions, however, these preferences may generally be waived in the public interest.

Finally, a number of States have Buy-American restrictions on their own procurements. A recent compilation may be found in GAO Report IP-79-1, pp. 2, 20-25 (Nov. 30, 1978).

It should be noted that the United States has recently initialed the Agreement on Government Procurement, negotiated as a part of the Tokyo round of the MTN. Title III of the Trade Agreements Act of 1979 (Public Law 96-39, sec. 301 et seq.) implements U.S. commitments arising from the agreement. In general, under this legislation the President may waive application of the Buy-American Act and other domestic preference legislation to products and suppliers which originate in another signatory to the agreement with which the United States has concluded a schedule of mutually reciprocal procurement concessions. This waiver authority will not be exercised with respect to Federal grant programs and to State or local legislation or rules. Nevertheless, the nontariff barriers to carbon steel imports described above may become inoperative in many instances.

of dumping are currently in effect with respect to steel reinforcing bars from Canada; carbon steel bars and structural shapes from Canada; certain steel bars, reinforcing bars, and shapes from Australia; certain stainless steel plates from Sweden; certain stainless steel wire rods from France; certain steel wire rope from Japan; hot-rolled carbon steel plate from Japan and Taiwan; and steel wire strand for prestressed concrete from Japan.

In addition, as a result of the filing of 24 antidumping petitions during September-December 1977, the Treasury Department instituted 20 dumping investigations covering a wide range of products, including carbon steel bars, pipe and tubing, plate, shapes, sheet, strand, strip, wire nails, wire rods, wire rope, and certain basic steel products. Twelve of the 20 investigations involved imports from the European Community (EC) (6 involved imports from the United Kingdom, a member of the EC). Five of the 20 involved imports from Japan. Most of the investigations were eventually terminated at the request of the complainants as a result of the establishment of the Trigger-Price Mechanism (TPM).

In the Federal Register of September 20, 1979 (44 F.R. 54579), the Treasury Department published a determination of "no sales at less than fair value" with respect to hot-rolled steel I-beams less than 6 inches in height and weighing not over 4.5 pounds per linear foot from Belgium. These products, if entered from Belgium, will be excluded from the scope of the Commission's determination in investigation No. 731-TA-18 (Preliminary).

Nature and Extent of Alleged Sales at Less Than Fair Value

The complainant in these investigations, United States Steel Corp., alleges that virtually all imports of carbon steel hot-rolled sheets, cold-rolled sheets; galvanized sheets; plates; and angles, shapes, and sections from Belgium, the Federal Republic of Germany, France, Italy,

Luxembourg, the Netherlands, and the United Kingdom have been and are being sold in the United States at less than fair value (LTFV) 1/ and that the LTFV margins allow a substantial degree of underselling in the U.S. market by those foreign manufacturers. The complainant further alleges that these LTFV sales have occurred in large part because of the slowdown in the growth of the domestic EC market and the resulting excess productive capacity, the inability of EC steel firms to reduce their labor force without losing access to governmental financing, and the need for these firms to export due to the internal EC production quotas dictated by the Simonet-Davignon plan. The complainant contends that because the United States is the most open and the largest steel-importing country, it was the recipient of most of the excess EC production.

The alleged LTFV margins as calculated by United States Steel are shown in text tables 2-7 and in a more detailed fashion in tables C-1 to C-6, appendix C. The margins were calculated in two ways. First, they were determined by comparing export prices with home-market prices. Second, the margins were determined by comparing export prices with constructed home-market values (costs of production). The complainant asks that the administering authority use whichever margin is larger in determining sales at LTFV. United States Steel calculated the LTFV margins by dividing the difference between home-market price and export price, or the difference between cost of production and export price, by export price. This is the procedure employed by Commerce in making its LTFV determination. Such margins may also be calculated by dividing by home-market value or cost of production

1/ In the case of angles, shapes, and sections from Italy, the complainant alleges likelihood of LTFV sales. The Department of Commerce did not institute an investigation with respect to these articles, and they will not be included within the scope of the Commission's determination.

Table 2.--Hot-rolled sheets: Alleged LTFV margins, by specified countries, 1975-78 and January-September 1979

(In percent)

Period	Alleged LTFV margin											
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom
1975	3.7	9.6	18.4	21.4	29.9	2/	18.9	47.6	62.5	42.0	33.5	1/
1976	4.9	17.6	26.4	27.0	14.7	21.8	27.5	48.3	51.6	34.5	18.0	53.1
1977	9.8	10.7	16.3	17.1	6.7	15.8	34.9	54.2	52.8	45.7	33.9	70.1
1978	22.0	27.7	22.4	40.1	12.1	27.4	43.4	55.5	40.3	67.5	28.8	82.5
1979 (January-September)	7.4	18.3	12.8	23.1	15.6	22.8	21.4	52.2	30.6	45.5	35.9	71.9

1/ Not provided in petition.

Source: Calculated from United States Steel petition.

Table 3.--Cold-rolled sheets: Alleged LTFV margins, by specified countries, 1975-78 and January-September 1979

(In percent)

Period	Alleged LTFV margin											
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom
1975	29.8	18.6	19.7	24.4	19.8	28.8	66.9	47.6	63.8	49.4	39.8	66.8
1976	13.5	7.5	10.3	42.1	7.6	18.5	54.0	48.3	50.0	33.0	37.3	56.5
1977	16.2	10.1	13.8	15.4	5.5	18.9	58.7	54.2	59.0	52.4	42.3	69.6
1978	22.0	25.9	27.9	35.9	13.3	14.3	45.1	55.5	55.9	71.3	36.9	79.8
1979 (January-September)	16.4	18.4	17.4	30.0	15.8	11.0	36.2	52.2	39.0	55.1	40.1	59.5

Source: Calculated from United States Steel petition.

Table 4.--Galvanized sheets: Alleged LTFV margins, by specified countries, 1975-78 and January-September 1979

(In percent)

Period	Alleged LTFV margin											
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom
1975	1/	1/	1/	1/	1/	1/	38.0	52.6	49.7	31.0	32.3	23.8
1976	1/	1/	1/	1/	1/	1/	50.9	49.3	45.7	20.3	30.4	39.7
1977	1/	1/	1/	1/	1/	1/	47.4	53.4	45.7	26.3	16.2	64.7
1978	1/	1/	1/	1/	1/	1/	50.3	59.6	41.4	47.5	34.7	27.5
1979 (January-September)	1/	16.9	20.0	1/	1/	1/	39.1	66.4	39.3	30.0	28.8	78.0

1/ Not provided in petition; petition states that margins should closely resemble those for cold-rolled sheets since galvanized sheets are produced from cold-rolled sheets.

Source: Calculated from United States Steel petition.

Table 5.--Heavy plates: Alleged LTFV margins, by specified countries, 1975-78 and January-September 1979

(In percent)

Period	Alleged LTFV margin											
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom
1975	9.7	20.4	14.4	25.9	34.1	31.9	26.9	38.6	17.3	45.8	38.1	57.2
1976	7.8	13.8	4.5	41.7	28.0	21.7	38.7	43.3	23.4	43.1	33.1	45.4
1977	1.2	1.1	3.7	8.3	1/	4.3	44.6	40.2	50.6	45.2	34.2	62.6
1978	7.4	9.8	13.7	25.2	7.4	9.3	34.0	43.8	40.1	64.7	30.0	73.5
1979 (January-September)	8.9	9.5	6.4	13.7	4.9	10.0	24.5	47.7	31.3	34.4	31.1	60.3

1/ Export price was higher than the home-market price.

Source: Calculated from United States Steel petition.

Table 6.--Medium plates: Alleged LTFV margins, by specified countries, 1975-78 and January-September 1979

(In percent)

Period	Alleged LTFV margin											
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom
1975	1/	1/	13.6	4.8	17.0	2/	18.9	49.6	62.5	42.0	33.5	2/
1976	10.5	12.6	17.4	19.3	13.6	19.2	27.5	44.7	51.6	32.4	28.0	53.1
1977	14.4	8.6	9.6	10.5	6.9	8.6	34.9	55.4	52.8	45.7	33.9	70.1
1978	18.5	23.8	19.1	36.1	9.1	23.4	43.4	59.1	40.3	67.5	28.8	82.5
1979 (January-September)	7.4	16.4	12.8	23.1	15.6	22.8	21.4	53.9	30.6	45.5	35.9	71.9

1/ Export price was higher than the home-market price.
2/ Not provided in petition.

Source: Calculated from United States Steel petition.

Table 7.—Angles, shapes, and sections: Alleged LTFV margins, by specified countries, 1975-78 and January-September 1979

(In percent)

Period	Alleged LTFV margin											
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Luxem-bourg	United Kingdom	Belgium	West Germany	France	Italy	Luxem-bourg	United Kingdom
1975	1/	1/	1/	2/	1/	1/	29.6	12.4	59.9	2/	25.2	47.2
1976	3.0	2.9	9.8	2/	3.0	17.2	32.0	27.3	46.0	2/	28.9	49.5
1977	12.0	8.4	17.2	2/	12.0	13.5	52.9	42.9	62.9	2/	54.8	71.5
1978	18.0	19.8	17.9	2/	18.1	17.3	47.8	48.3	45.3	2/	44.5	49.1
1979 (January-September	13.1	7.3	7.7	2/	13.1	25.0	41.4	38.2	28.9	2/	37.0	51.9

1/ Export price was higher than the home-market price.
2/ Not provided in petition; past exports to the United States have been de minimis. Petition asks for likelihood of LTFV sales finding.

Source: Calculated from United States Steel petition.

(the procedure traditionally used by the Commission), which would result in lower margins than those shown in the complaint.

Data published by the firms listed in the following sections, together with other published and unpublished information, were used by United States Steel in its calculations of the LTFV margins.

Belgium

The complaint specifically cites four firms--Cockerill, Sidmar S.A., Ste Metallurgique Hainaut-Sambre S.A., and Forges de Clabecq S.A.--as the principal Belgian producers. In 1978, these four firms accounted for 86 percent of all ordinary steel shipped by the Belgian steel industry.

Federal Republic of Germany

Six firms are listed by United States Steel: Klockner-Werke A.G., Fried. Krupp Huttenwerke A.G., Stahlwerke Peine-Salzgitter A.G., Stahlwerke Rochling-Burbach GmbH, Thyssen A.G., and Hoesch A.G. During the 4-year period 1975-78, these six companies accounted for three-fourths of total rolled steel production in the Federal Republic of Germany. The complaint further alleges that these companies exported from 22 percent to 50 percent of their total steel sales.

France

The complaint lists Usinor (Union Siderurgique du Nord et de l'Est de la France) and Sacilor (Acieries et Laminoirs de Lorraine) as the dominant firms in the French carbon steel industry. The complainant further alleges that these two firms together with their holdings in two major affiliates, Solmer (Societé Lorraine et Meridionale de Laminage Continu) and Sollac (Societé Lorraine de Laminage Continu), accounted for two-thirds of French steel

production and shipments and almost 69 percent of all steel shipped by the French industry outside the European Community. The complaint notes that these percentages would be higher if confined to carbon steel only.

Italy

Italsider SpA is cited in the complaint as the major Italian producer. During 1975-78, this firm is alleged to have accounted for 40 to 50 percent of Italian rolled steel production and 25 to 33 percent of all Italian exports.

Luxembourg

The Luxembourg steel industry is alleged to be dominated by one producer: Arbed (Acieries Reunies de Burbach-Eich-Dudelange S.A.). During 1975-78, Arbed's production of rolled steel accounted for roughly 90 percent of all rolled steel produced in Luxembourg. No estimate of Arbed's share of Luxembourg exports was given.

The Netherlands

The United States Steel complaint listed Hoogovens IJmuiden BV as the major Dutch producer. During 1975-77, about 94 percent of all rolled steel produced in the Netherlands was made by Hoogovens. Export figures for Hoogovens are not available; however, during 1975-77, approximately 77 percent of all Dutch rolled products were exported.

United Kingdom

The petitioner lists British Steel Corp. (BSC) as being representative of the entire British steel industry. During 1975-78, BSC shipped about two-thirds of all finished steel sold in the United Kingdom by the British steel industry. No exact estimate of BSC's share of total United Kingdom exports is alleged, but BSC is alleged to be a significant exporter.

Overview of Steel Producers Worldwide

The United States Steel industry's position in world steel production has steadily declined since the 1950's. In 1956, the United States accounted for 37 percent of total world steel production; in 1978, it accounted for only 18 percent. The United States, which produced 137 million tons of raw steel in 1978, is second only to the U.S.S.R. in world steel production. Japan (113 million tons in 1978) ranks a close third, and the Federal Republic of Germany is a distant fourth (45 million tons in 1978). An additional 12 countries, including Brazil, India, Spain, and all the EC countries named in the complaint except the Netherlands, 1/ produced in excess of 10 million tons of raw steel in 1978. Developing countries have significantly increased steel production in recent years. Collectively, the developing countries represent a growing factor in international steel trade inasmuch as most of them are unable to internally consume the increased tonnages produced.

World trade in steel mill products has grown from about 13 percent of world steel production in the late 1950's to about 25 percent of current world output. Japan has been by far the world's largest steel exporter, followed by the Federal Republic of Germany; on the other hand, the United States is by far the world's largest importer. In 1977-79, U.S. imports of the products covered by these investigations exceeded U.S. exports by 10 million to 12 million tons annually.

The dominance of the United States and Japan in market-economy countries' steel output is readily apparent--of the 10 leading steel-producing firms, 4 are located in Japan and 3 in the United States. United States Steel Corp. is the 2d largest steel producer in the free world, Bethlehem Steel Corp. ranks

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1/ Belgium and Luxembourg were combined.

4th and National Steel Co., 10th. Among EC producers, British Steel Corp. ranks third and A. Thyssen Huttle A.G. (Federal Republic of Germany), ninth.

World steel capacity far exceeds actual production. In 1978 and 1979, Japanese and European mills operated at about 65 to 70 percent of capacity. 1/ With unused annual capacity of about 125 million tons in Europe and Japan, along with rapidly increasing production in developing countries and a projected annual growth rate of less than 3 percent for worldwide consumption of steel mill products, the potential exists for these nations to substantially increase their penetration of the U.S. steel market. It is also likely that the industrialized steel-producing countries of Europe and Japan will increasingly emphasize the exportation of products containing significant amounts of steel in order to keep mills operating at acceptable levels of utilization.

In the United States, the basic oxygen furnace (BOF) process in 1979 accounted for about 65 percent of total raw steel production, the electric furnace process, for 20 percent, and the open hearth, for the remainder. About 18 percent was continuously cast. In contrast, about 82 percent of Japan's production was by the BOF process and about one-half was continuously cast. EC countries in the aggregate had a higher percentage of steel production by the BOF method (70 percent in 1978), and a higher percentage by the continuous-casting method (29 percent in 1978), than the United States.

1/ In 1978, U.S. mills operated at almost 87 percent of capacity.

U.S. Producers

The seven largest steel producers of raw steel are shown in table 8.

Table 8.--Raw steel: U.S. production, by principal U.S. producers, 1979

Firm	Production	Share of total U.S. production
	1,000 short tons	Percent
United States Corp	29,700	25.7
Bethlehem Steel Corp	19,400	16.7
Jones & Laughlin Steel Corp/Youngstown Sheet & Tube Co	11,500	9.9
National Steel Corp	10,731	9.3
Republic Steel Corp	10,500	9.1
Inland Steel Corp	8,221	7.1
Armco Steel Corp	8,001	6.9
All other	17,756	15.3
Total	115,809	100.0

Source: Total, American Iron & Steel Institute, Annual Statistical Report; other, 1979 Annual Reports for the firms indicated.

Domestic steel production is heavily concentrated in large integrated firms, the seven largest of which account for about 85 percent of total U.S. raw steel production. These firms not only operate blast furnaces and rolling and finishing facilities but also own and operate mines which provide iron ore, coal, and limestone for the production of pig iron. In some cases they also own service centers through which their products are distributed.

In addition, there are also minimills, which operate electric furnaces and specialize in the production of a narrow product range, primarily reinforcing bars and, in some cases, light structural shapes. These firms, which are dependent upon scrap to operate their electric furnances, have become increasingly important in recent years.

Most of the integrated firms are diversified into non-steel-related activities. These include United States Steel, which produces such articles

as industrial chemicals and oil-drilling and oil-pumping equipment; Bethlehem Steel, which is engaged in the building and repair of ships and the manufacture of oil-drilling platforms and plastics; National Steel, which is engaged in the production of aluminum and finished aluminum products and building components, and which recently acquired United Financial Corp. of California, the Nation's seventh largest publicly held savings and loan holding company; and Armco, which is engaged in the manufacture of oil field equipment, fabricated metal products, and industrial products; financial services; and the development of natural resources.

There are about 26 firms which reportedly produce one or more of the following carbon steel mill products: Hot-rolled sheets; cold-rolled sheets; galvanized sheets; plates; and angles, shapes, and sections. Of these 26 firms, 18 produce hot-rolled sheets, 16 produce cold-rolled sheets, 14 produce galvanized sheets, 21 produce plates, and 12 produce angles, shapes, and sections. Seven firms--Armco Steel Corp., Bethlehem Steel Corp., Inland Steel Corp., Jones & Laughlin Steel Corp./Youngstown Sheet & Tube Co., Kaiser Steel Corp., National Steel Corp., and United States Steel Corp.--produce all five products, and Republic Steel Corp., Sharon Steel Corp., and Wheeling-Pittsburgh Steel Corp. produce all the products except angles, shapes, and sections.

There are three firms which produce three of the products: Universal Cyclops (hot-rolled, cold-rolled, and galvanized sheets), Ford Motor Co. (hot-rolled, cold-rolled, and galvanized sheets), and McLouth Steel Corp. (hot-rolled and cold-rolled sheets and plates). The remaining 13 firms produce two products or less: 1 produces only cold-rolled sheets; 1, only hot-rolled sheets; 1, only hot-rolled and galvanized sheets; 1, only hot-rolled sheets and plates; 3, only structurals; 4, only plates; and 2, only plates and structurals.

The following firms are known to have closed, or are scheduled to close, facilities producing the subject articles: United States Steel Corp.--Torrance Works, Torrance, Calif. (structurals), in 1979, plate mill at Fairfield Works, Fairfield, Ala., in 1979, hot-strip mill at Gary Works, Gary, Ind., in 1979 and, scheduled to close in 1980, the Youngstown Works, Youngstown, Ohio (hot-rolled sheets); Bethlehem Steel Corp.--Johnstown, Pa. (galvanized sheets and plates), in 1977 and Lackawanna, N.Y. (structurals; hot-rolled, cold-rolled, and galvanized sheets) in 1977; Jones & Laughlin Steel Corp./Youngstown Sheet & Tube Co.--Campbell Works, Youngstown, Ohio (hot-rolled and cold-rolled sheets and plates), in 1977 and Brier Hill Works, Youngstown, Ohio (plate-finishing mill), in 1977; and Kaiser Steel Corp.--Fontana, Calif. (structural mill in 1977 and cold-rolled sheet mill in 1979).

Foreign Producers and Capacity of the Foreign Industry To Generate Exports 1/

The EC and Japan are the world's major steel exporters. The United States, on the other hand, is the largest importer, importing twice as much as the EC. Japanese steel imports are minor. While the EC is the largest steel producer, the United States is the largest consumer of steel mill products. The data presented in table 9 indicate the relative status of the EC, Japan, and the United States in terms of production, imports and exports, and apparent consumption of steel in 1978.

Table 9.--Steel production, trade, and apparent consumption, by selected producers, 1978

(In millions of metric tons)

Producer	Production		Imports 1/	Exports 1/	Trade balance	Apparent consumption
	Crude steel	Ingot equivalent				
EC	132	139	13	44	31	108
Japan	102	110	2/	39	38	72
United States	124	127	24	3	-21	148

1/ Does not include shipments made from one EC country to another.
2/ Less than 500,000 metric tons.

Source: Organization for Economic Cooperation and Development, The Steel Market in 1978 and The Outlook for 1979.

1/ Data in this section are reported in metric tons and should not be compared directly with data found in other sections of the report. In addition, 1979 data are estimated. The statistical product categories used by the United Nations, the source of this raw data, do not compare directly with the product groupings used elsewhere in this report. The data in this section are used to display the relative magnitudes of production, imports, exports, capacity, and apparent consumption of the various participants in the world steel market but are not meant to be used for more than that specific purpose.

Table 10 shows the steelmaking capacity and the utilization of that capacity for the United States, Japan, and the EC for the period 1977-79.

Table 10.--Crude steel: Capacity and capacity utilization, by selected producers, 1977-79

Producer	Capacity 1/			Capacity utilization		
	1977	1978	1979 1/	1977	1978	1979 1/
	--Million metric tons---			---------Percent----------		
EC	201	201	208	63	66	65
Japan	152	151	153	68	68	70
United States	148	140	141	77	88	90

1/ Estimates of capacity are based on information from delegates and other sources. Owing to differences in country definitions, these estimates are not wholly comparable.

Source: Organization for Economic Cooperation and Development, The Steel Market in 1978 and The Outlook for 1979.

The United States and Japan have about the same steel-producing capacity; the EC exceeds their level by about one-third. While U.S. capacity utilization of 90 percent in 1979 indicates that the U.S. steel industry has relatively little excess capacity, Japan and the EC, with their lower levels of capacity utilization, have an excess capacity of about 46 million tons and 73 million tons, respectively.

European Community 1/

Within the EC, steel prices, levels of shipments, and modernization and rationalization of steel production are controlled by the Commission of the European Community. A two-tier price system exists: there are minimum prices

1/ Information in this section was compiled principally from reports published by the United Nations and the Organization for Economic Cooperation and Development (OECD).

for shipments within the EC by EC producers; these minimum prices less a specific discount represent the minimum price acceptable for shipments into the EC steel market by the EC's major foreign suppliers. Bilateral trade arrangements with these major steel foreign steel suppliers set the minimum import prices and, for non-European Free Trade Association countries, quantitative levels of imports as well.

As a result of the restructuring effort, the proportion of electric furnace and BOF steel plants has risen, the proportion of continuous cast steel has risen, and the EC steel producers have become more competitive through the closure of their most obsolete plants and modernization of other plants. Progress in restructuring the industry is essential to the steel market since growth in demand sufficient to compensate for Europe's excess steel production capacity is not expected in the next few years. Additional information on the EC market is presented in appendix D.

The largest EC producer of steel is the Federal Republic of Germany (41 million tons in 1978), which produces about twice as much steel as each of the next three largest producers--Italy (24 million tons), France (23 million tons), and the United Kingdom (20 million tons). The largest exporter is also the Federal Republic of Germany, as shown below.

Table 11.--Crude steel: Production, imports, exports, and apparent consumption 1/ of semifinished and finished products, by selected EC countries, 1978

(In millions of metric tons)

Country	Crude steel production	Semifinished and finished steel		
		Imports	Exports	Apparent consumption
Federal Republic of Germany	41	12	18	35
Italy	24	4	8	20
France	23	7	9	17
United Kingdom	20	4	4	20
Belgium	13	3	13	5
Luxembourg	5			
Netherlands	5	4	5	4
Total	132	34	58	108

1/ Apparent consumption is not calculated from data in this table.

Source: Production, imports, and exports, compiled from data in Quarterly Bulletin of Steel Statistics for Europe, vol. XXX, No. 1, 1979; apparent consumption, compiled from The Steel Market in 1978, Economic Commission for Europe, United Nations, New York, 1979.

Of the total 59.5 million tons exported in 1978 by the seven EC countries considered, 45 percent or 26.7 million tons remained within the EC (table 12). The United States is the largest export market outside of the EC, receiving 6.3 million tons in 1978 or 20 percent of the EC export tonnage. However, both the Federal Republic of Germany and Italy exported more tonnage to Eastern Europe in 1977 and 1978 than to the United States.

Table 12.--Semifinished and finished steel products: Exports from selected EC countries, by destinations, 1978

(In thousands of metric tons)

Country of origin	Exports to EC countries	Exports to the United States	Total
Federal Republic of Germany	6,288	2,097	18,517
France	4,248	1,429	10,470
Italy	3,031	705	8,249
Netherlands	2,697	580	4,638
Belgium-Luxembourg	8,868	971	13,262
United Kingdom	1,304	534	4,377
Total	26,758	6,316	59,513

Source: Statistics of World Trade in Steel, 1979.

The EC countries are aggressive competitors in the worldwide steel market and appear able to compensate for loss of export markets in one area by taking advantage of increased demand in other areas. Year-to-year exports fluctuate widely between regions and within product groupings (see tables 13 and 14).

Belgium

The largest steel producer in Belgium is Cockerill, with raw steel production capacity of about 7 million tons. Cockerill is about twice as large as the two next largest producers, Sidmar and Hainut-Sambre. Clabecq is the fourth largest Belgian producer, with a capacity of 2 million tons. These four companies account for approximately 85 percent of Belgian ordinary steel shipments. There are approximately 20 additional Belgian steel firms listed in Iron and Steel Works of the World.

Sidmar is owned by Arbed in Luxembourg; its trading arm in the United States is Trade Arbed, Inc., in New York City. Cockerill's U.S. trading representative is the Cockerill-Stinnes Steel Corp., located in Wilmington, Del.

In response to inquiries made by the Commission through Department of Commerce attachés, spokesmen for the Belgian steel industry indicated that--

1. The Belgian Steel Federation forecasts a decline in Belgian steel production capacity of 600,000 tons between 1980 and 1982. There will be no change in finished rolling capacity during this period.
2. The Steel Federation expects activity in 1980 to be about the same as in 1979, or slightly lower, if demand for steel declines in the second half of 1980.
3. Overall, the Federation is reluctant to make a forecast for 1981 and 1982, observing that it appears unlikely that Belgian output could increase substantially over 1979 levels.
4. As for exports to the United States in 1980-82, the Federation says it is "very difficult" to make any forecast for 1980, much less 1981 and 1982. Steel exports to the United States depend on a number of factors, including not only general U.S. demand, and the behavior of U.S. producers, but also the policies of regular or irregular third-country suppliers to the U.S. market. The latter factor is rated by the Federation as particularly important for Belgian producers. Belgian sales to U.S. consumers

Table 13.--Semifinished and finished steel products: Exports from selected EC countries, by principal markets, 1977 and 1978

(In thousands of metric tons)

Market	Country of origin											
	Federal Republic of Germany		France		Belgium-Luxembourg		United Kingdom		Italy		Netherlands	
	1977	1978	1977	1978	1977	1978	1977	1978	1977	1978	1977	1978
Africa	539	653	906	778	486	466	348	301	657	707	75	86
Far East	737	1,745	177	616	129	593	334	611	155	406	64	312
Middle East	708	1,272	414	689	322	663	240	414	539	1,017	50	118
Oceania	10	25	13	25	3	4	42	41	0	1	0	1
Canada	86	143	83	99	73	44	110	161	14	7	0	1
United States	1,967	2,097	1,576	1,429	1,101	971	787	534	721	705	595	580
Other America	356	729	372	651	149	173	228	244	453	497	26	184
Western Europe	8,631	8,526	5,418	5,487	9,130	9,663	2,102	1,913	3,273	3,864	3,272	3,234
Eastern Europe	2,404	3,327	729	697	677	685	202	156	905	1,038	68	122
Unallocated	0	0	0	0	0	0	0	0	6	8	0	0
Total	15,438	18,517	9,689	10,470	12,070	13,262	4,404	4,377	6,723	8,249	4,150	4,638

Source: Statistics of World Trade in Steel, 1978 and 1979.

Table 14.--Semifinished and finished steel products: Exports from selected EC countries, to the United States and total, by products, 1977 and 1978

(In thousands of metric tons)

Country of origin	Heavy sections	Plates	Sheets	Strip	Other	Total
Belgium-Luxembourg:						
To the United States:						
1978	262	366	108	12	223	971
1977	285	171	314	31	300	1,101
Total:						
1978	2,043	1,613	3,116	594	5,896	13,262
1977	1,870	1,392	3,119	553	5,136	12,070
France:						
To the United States:						
1978	105	38	414	0	872	1,429
1977	85	47	389	4	1,051	1,576
Total:						
1978	631	518	2,656	273	6,392	10,470
1977	546	511	2,340	249	6,043	9,689
Federal Republic of Germany:						
To the United States:						
1978	183	160	869	41	844	2,097
1977	119	180	931	57	680	1,967
Total:						
1978	1,219	1,904	4,016	1,221	10,157	18,517
1977	1,017	1,659	3,343	1,100	8,319	15,438
Italy:						
To the United States:						
1978	9	235	74	1	386	705
1977	0	117	224	1	379	721
Total:						
1978	2,608	1,169	215	126	4,131	8,248
1977	172	430	864	75	5,182	6,723
Netherlands:						
To the United States:						
1978	0	221	24	0	335	580
1977	0	14	243	2	336	595
Total:						
1978	267	1,232	84	119	2,936	4,638
1977	47	234	1,056	98	2,715	4,150
United Kingdom:						
To the United States:						
1978	1/ 217	22	28	10	257	534
1977	1/ 367	118	90	1	211	787
Total:						
1978	1/ 1,324	429	679	128	1,816	4,377
1977	1/ 1,390	447	661	120	1,786	4,404

1/ Includes light sections.

Source: Statistics of World Trade in Steel, 1978 and 1979.

located considerable distances from the major U.S. steel production centers meet with more competition from Japanese, South Korean, Brazilian, and South African suppliers than they do from domestic U.S. producers.

5. In conclusion, the Steel Federation says the Belgian steel producers will attempt to increase their sales to developing countries in the next 2 years. The search for new outlets could be further intensified if U.S. steel consumption continued to decline, largely in an effort by the Belgian industry to avoid more loss of employment. The Federation recalls that Belgian steel industry employment declined by 25 percent between 1974 and 1979.

Federal Republic of Germany

Thyssen A.G. is the largest German steel producer, with raw steel capacity in excess of 20 million tons. Hoesch A.G., Fried. Krupp Huttenwerke A.G., and Stahlwerke Peine-Salzgitter A.G. have from 6 million to 7 million tons of capacity each; Klockner-Werke A.G. and Stahlwerke Rochling-Burbach GmbH have about 5 million and 4 million tons, respectively. These six companies account for about three-quarters of total German rolled steel production.

Hoesch A.G. is part of the Dutch firm Estel NV and markets steel in the United States through Hoesch America, located in Atlanta, Ga. Stahlwerke Rochling-Burbach GmbH is owned by Arbed in Luxembourg and markets U.S. sales through Trade Arbed Inc. Klockner-Werke A.G., Fried. Krupp Huttenwerke A.G., and Thyssen A.G. sell through their U.S. subsidiaries.

Information obtained by Department of Commerce attaches in response to Commission inquiries indicates that (1) exports to the United States are expected to be similar to, and in the same range as, 1979 exports barring an unfavorable decision in the antidumping investigations, (2) there is no major change in capacity or capacity utilization foreseen, and (3) the EC consolidation plans envision a Community-wide cutback, but these reductions have not yet been apportioned to individual national industries. Projections based upon best available information were promised for April 12, but senior EC officials subsequently forbade the German industry to provide such

information, on grounds that it was not required under provisions of the General Agreements on Tariffs and Trade.

France

Usinor (Union Siderurgique du Nord et de l'Est de la France) is the largest French steel producer, with an annual capacity for raw steel of about 12 million tons. This can be compared with total capacity of the French steel industry of 33 million tons in 1978. The second largest producer is Sacilor (Acieries et Laminoirs de Lorraine), which produced 4.2 million tons of ingots in 1976 and delivered 5.2 million tons of steel. In 1976, Solmer had an annual capacity for raw steel of 3.5 million tons and a rolling capacity of 6 million tons, Sollac produced 2.4 million tons of raw steel, Cruesot-Loire S.A. had a capacity of 1.5 million tons of crude steel, and Ugine Aciers had a capacity of 1 million tons. In addition to these six firms, there are several dozen smaller firms in operation in France. Usinor and Sollac share ownership of Solmer, and Sacilor owns 64 percent of Sollac.

The trading arm of Usinor in the United States is Usinor Steel Corp. in New York City and that of Sacilor is Daval Steel Products, New York City.

French production of basic steel in 1979 was 23.4 million tons. This represented a 2.3-percent increase from the 1978 level of 22.8 million tons, but was still significantly below peak-year performance of 27.0 million tons in 1974. Production for the first 3 months of 1980 was 6.7 million tons, compared with 6.1 million tons in the corresponding period of 1979.

French basic steel capacity reached a peak of 33.3 million tons in 1976 and declined slightly to 32.7 million tons in 1978. During the second half of 1979, Usinor closed facilities with a total capacity of 1.65 million tons leaving an industrywide French capacity at the end of 1979 of 31.0 million tons. In August 1980, Usinor is scheduled to close facilities with another 1.65 million tons of capacity, which would leave an industrywide capacity of

29.4 million tons. The closure by Usinor of remaining facilities with about 750,000 tons of capacity in July 1981 would reduce industry capacity to about 28.6 million tons. The scheduled closure by Sacilor of a 700,000-ton integrated plant in 1983 would further reduce capacity to just below 28 million tons in that year.

Capacity utilization rates have improved as production has increased and facilities have been closed. The French Steel Institute estimates capacity utilization at 64 percent in 1976, 66.5 percent in 1977, 70 percent in 1978 and 72 percent in 1979. Capacity utilization for the first 3 months of 1980 was 87 percent.

In response to inquiries made by Commerce attachés, French industry spokesmen indicated that at the present time, neither of the two major steel producers is planning investment in new, capacity-increasing facilities. Steel institute officials also commented that French social policy, which makes layoffs relatively difficult, discourages hiring workers even when demand is high. One official suggested that currently it might be difficult for many French steelworks to achieve their theoretic capacity owing to insufficient numbers of workers.

Italy

Italsider SpA is the largest Italian steel producer, with a capacity for raw steel production of about 17 million tons, compared with total crude steel production in Italy of 24 million tons in 1978. There are more than 200 small Italian producers listed in Iron and Steel Works of the World, most of which have small amounts of steelmaking capacity. Italsider SpA's marketing arm in the United States is Siderius Inc., New York City.

Assider (the main Italian steel producers' association) did not respond to the Commission's queries on projected changes in production, capacity utilization, and exports to the United States.

Luxembourg

Arbed (Acieries Reunies de Burbach-Eich-Dudelange S.A.) produces about 90 percent of all rolled steel in Luxembourg and is the only producer of structural shapes. Arbed has many subsidiaries in other countries, including Sidmar S.A., Belgium; Stahlwerke Rochling-Burbach GmbH, Federal Republic of Germany; and Metallurgique et Miniere de Rodange-Athus, Luxembourg. The principal sales outlet for Arbed is Trade Arbed S.A., Luxembourg, and the principal marketing arm in the United States is Trade Arbed, Inc., of New York City.

Export data for Luxembourg are grouped with those of Belgium, making it difficult to determine the quantity of Luxembourg's exports. However, its exports of heavy structurals could not have exceeded 500,000 tons, roughly Arbed's production of wide flange beams and sections in 1976. No more than half this amount could have been sent to the U.S. market, since in 1978, U.S. imports of heavy sections from Belgium and Luxembourg combined were 262,000 tons.

In response to Commission inquiries made through Commerce attaches, spokesmen for Luxembourg's steel industry indicated that (1) Luxembourg, like other Common Market countries, has embarked on a long-term program to phase out outmoded and less efficient facilities; (2) Luxembourg has a historic dependence on steel for economic activity and employment; (3) steel exports have always have been a large part of Luxembourg's trade with its EC trading partners and other nations including the United States; (4) in the last 5 years, Arbed has reduced its work force by 26 percent or 6,200 persons, and plans a further reduction of 10 percent over the next 2 years; (5) in 1979, production of structural shapes 3 inches and over was 174,500 metric tons and shipments to the United States of such shapes amounted to 123,112 metric tons; (6) production in 1980-82 is expected to remain stable, and production

facilities will continue to be upgraded and modernized; (7) production of rolled steel in 1980 is expected to reach the 1979 level, 775,000 tons; and (8) Luxembourg expects to further reduce its work force; therefore, it will not be practical to increase production, or shipments to the United States, in 1980-82.

The Netherlands

Hoogovens IJmuiden BV is the major Dutch steel producer, with capacity to produce raw steel of about 7 million tons. Hoogovens is a member of the Estel group. The only other producer of raw steel in the Netherlands is NKF Staal BV, with raw steel production capacity of 0.3 million tons. In addition to these two companies there are five producers mainly engaged in the production of pipe and tube. The principal marketing arms in the United States for Hoogovens are Hoesch America Inc. and NVW, USA.

United Kingdom

British Steel Corp. (BSC) dominates the British steel industry. It produced about 17 million tons of raw steel during April 1978-March 1979, which can be compared with total crude steel production in the United Kingdom in 1978 of 20 million tons. Although BSC dwarfs other British firms in size, there are many smaller firms in operation providing a smaller range of products. The 1978 edition of Iron and Steel Works of the World lists about 150 British steel firms.

Almost half of BSC's total exports are sold through wholly owned sales companies in strategic markets. This policy of establishing the corporation's direct presence overseas is pursued to improve performance and establish closer links with customers. All of BSC's exports to the United States are directed through British Steel in Houston.

In response to Commission inquiries made through Commerce attaches, spokesmen for the United Kingdom steel industry indicated that projected changes during 1980-82 in production, capacity, and capacity utilization are not available because BSC's strategy is currently being reviewed. Nevertheless, BSC's capacity is expected to be reduced to about *** million tons. The strategy is to bring capacity into line with demand as soon as possible, with emphasis on sales in the most profitable *** and *** markets. No plans have been formulated with respect to the quantity of exports to the United States in 1980-82 because of BSC's strike and the review of BSC's strategy. In general terms, BSC's sales to the United States of the products named in the antidumping complaint will depend upon several factors, such as--

1. The strength of demand in the United States,
2. Relative value of sterling to dollars, and
3. The relative attractiveness of the U.S. market compared with other markets.

It is unlikely that sales of the products concerned will ***. In the latter part of 1980 and subsequently, the effects of the substantial reductions in capacity will also have to be taken into account.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 700 importers of the products subject to these investigations. However, about 50 importers accounted for the great bulk of all U.S. imported carbon steel products. The largest importers and the principal country from which these firms import are listed below:

Firm	Country
*	*
*	*
*	*
*	*
*	*
*	*
*	*

Channels of Distribution

In the U.S. market, sales of carbon steel mill products are made either directly to end users or to service centers/distributors, which, in turn, sell to end users. In 1979, about 20 percent of all domestically produced steel went to service centers/distributors. The remaining 80 percent was shipped to end users. The largest single end-user markets were the automotive and construction industries, which accounted for about 19 percent and 14 percent, respectively, of total U.S. steel industry shipments. No precise data exist on the percentage of total U.S. imports that reach each class of customer; however, a recent Commission study indicates that service centers/distributors may be the largest single market for imported steel. 1/ Steel importers have traditionally sold their steel to independent U.S. steel service centers/distributors. In recent years, however, wholly owned or affiliated service centers/distributors have been established by many foreign steel producers, particularly those in the EC. In contrast, only three U.S. steel companies--United States Steel, Inland, and National Steel--currently operate subsidiary service centers. In 1978, Jones & Laughlin Steel Corp. sold its service center subsidiary.

1/ Conditions of Competition in the Western U.S. Steel Market Between Certain Domestic and Foreign Steel Products, USITC Publication 1004, September 1979. According to this study, importers shipped 60 percent of their imports to the service center/distributor market in 1978.

Consideration of Material Injury to an Industry in the United States

U.S. production and production capability

U.S. production of raw carbon steel 1/ increased from 108 million tons in 1977 to 117 million tons in 1978 before declining slightly to 116 million tons in 1979 (table 15). During 1977-79, raw carbon steel production ranged from between 85.2 percent (1979) and 86.3 percent (1977) of total raw steel production of all grades (carbon, alloy, and stainless). In 1979, three States--Pennsylvania, Indiana, and Ohio--accounted for 53 percent of total raw steel production of all grades.

The basic oxygen furnace accounted for about 65 percent of total raw carbon steel production during 1977-79. During the same period, production in electric furnances, the principal steelmaking facilities of the minimills, increased from 18 to 20 percent of the total, while the share for open-hearth furnaces, the least efficient production furnace, declined from 17 percent to 15 percent.

According to AISI, raw steel production capability 2/ totaled 160 million tons in 1977, 157.9 million tons in 1978, and 152.9 million tons in 1979. Thus, production equaled 78.4 percent of the industry's total raw steel production capability in 1977, 86.8 percent in 1978, and 87.5 percent in 1979.

1/ Raw steel, as defined by the American Iron & Steel Institute (AISI), is steel in the first solid state after melting suitable for further processing or sale, including ingots, steel castings, and continuous or pressure-cast blooms, billets, slabs, or other product forms.

2/ Capability, as defined by the AISI, is the tonnage capability to produce raw steel for a full order book on the current availability of raw materials, fuels, and supplies and of the industry's coke, iron, steelmaking, rolling, and finishing facilities, recognizing current environmental and safety requirements.

Table 15.--Raw carbon steel production, by types of furnace, 1977-79

Type of furnace	1977		1978		1979	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 short tons		1,000 short tons		1,000 short tons	
Open-hearth	18,045	16.7	19,026	16.3	17,200	14.8
Basic-oxygen	70,551	65.2	75,053	64.2	75,334	65.1
Electric	19,534	18.1	22,837	19.5	23,275	20.1
Total	108,130	100.0	116,916	100.0	115,809	100.0

Source: American Iron & Steel Institute, Annual Statistical Report.

Annual capacity of U.S. firms to produce hot-rolled sheets; cold-rolled sheets; galvanized sheets; plates; and angles, shapes, and sections during 1977-79 are provided in table 16.

The capacity utilization of rolling and finishing mills is not necessarily the best method of determining the extent to which a steelmaking operation is most efficiently utilizing its facilities. The primary reason is that all steelmaking facilities--blast furnaces, steelmaking furnaces, and rolling and finishing mills--are interrelated, and the primary consideration of the firms in the industry is to insure that their primary production facilities, i.e, ironmaking and steelmaking furnaces, are operating at high capacity levels. This normally requires excess capacity at rolling and finishing mills. It is generally agreed, therefore, that a better gage of the industry's, and individual company's, operating levels is capacity utilization for the production of raw steel, as discussed above.

Table 16.--Carbon steel mill products: U.S. production and practical capacity, by types, 1/ 1977-79

Type	Production			Capacity			Ratio of domestic production to capacity		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	Percent	Percent	Percent
Hot-rolled sheets	10,390	10,512	10,944	14,418	14,294	15,109	72	74	72
Cold-rolled sheets	11,360	11,684	11,254	14,443	14,555	13,888	79	80	81
Galvanized sheets	3,924	4,760	4,397	5,835	5,854	5,854	67	81	75
Plates	4,950	5,386	5,624	8,396	8,804	9,041	59	61	62
Angles, shapes, and sections	2,657	2,773	2,866	5,814	5,789	5,789	46	48	50
Total	33,281	35,115	35,085	48,906	49,296	49,681	68	71	71

1/ Capacity is defined as maximum sustainable output reflecting the firms' normal product mix.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. Questionnaire respondents accounted for the following percentages of total U.S. shipments in 1979: hot-rolled sheets, 69 percent; cold-rolled sheets, 67 percent; galvanized sheets, 70 percent; plates, 79 percent; and angles, shapes, and sections, 57 percent.

U.S. producers' shipments

Shipments of carbon steel mill products accounted for about 88 percent of total industry shipments of all steel grades (carbon, alloy, and stainless) during 1977-79. U.S. producers' shipments of all carbon steel mill products increased from 81.3 million tons in 1977 to 87.9 million tons in 1979, or by 8 percent (table 17).

U.S. producers' shipments of carbon steel sheets, plates, and angles, shapes, and sections, articles which are the subject of these investigations, increased from 45.9 million tons in 1977 to 48.7 million tons in 1979, or by 6 percent 1/. Virtually all this increase occurred in 1978; shipments in 1979 were essentially unchanged from the prior year. U.S. producers' shipments of these articles accounted for 56.5 percent of total shipments of carbon steel mill products in 1977, 56.1 percent in 1978, and 55.4 in 1979.

The average unit value of U.S. producers' shipments of the five products subject to the investigations (as reported in response to Commission questionnaires) rose sharply during 1977-79, as shown below (per ton):

Product	1977	1978	1979
Hot-rolled sheets	$270	$302	$336
Cold-rolled sheets	325	361	396
Galvanized sheets	399	438	490
Plates	330	368	402
Angles, shapes, and sections	298	337	382
Average	316	353	390

U.S. exports

During 1977-79, exports of carbon steel mill products ranged from a low of 78 percent of exports of all steel grades (carbon, alloy, and stainless) in 1978 to a high of 85 percent in 1977. Exports of all carbon steel mill

1/ A tabular presentation of the principal markets for U.S. producers' shipments of these five products is shown in app. F.

Table 17.--Carbon steel mill products: U.S. producers' shipments, 1/ by types, 1977-79

Type	1977		1978		1979	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 short tons		1,000 short tons		1,000 short tons	
Hot-rolled sheets	13,637	16.8	14,114	16.4	14,494	16.5
Cold-rolled sheets	17,145	21.1	17,235	20.0	16,616	18.9
Galvanized sheets 2/	5,654	7.0	6,414	7.4	6,300	7.2
Plates	5,859	7.2	6,588	7.6	6,803	7.7
Angles, shapes, and sections	3,564	4.4	4,057	4.7	4,515	5.1
Subtotal	45,859	56.5	48,408	56.1	48,728	55.4
Other carbon steel mill products	35,409	43.6	37,779	43.8	39,151	44.6
Total	81,268	100.0	86,187	100.0	87,879	100.0

1/ Excludes intercompany shipments.
2/ Includes strip, a carbon steel mill product not included in the scope of this investigation.

Source: American Iron & Steel Institute, Annual Statistical Report.

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

products increased from 1.7 million tons in 1977 to 2.3 million tons in 1979, or by 34 percent (table 18). Canada and Mexico are principal markets, accounting for 29 percent and 13 percent, respectively, of total exports in 1978. Other markets include the Latin American countries (other than Mexico), primarily Venezuela (16 percent); the Asian countries, primarily Taiwan, Pakistan, India, and Japan (26 percent); and the EC countries, including Denmark and Ireland (7 percent).

Exports of carbon steel sheets, plates, and angles, shapes, and sections, articles which are the subject of these investigations, increased from 269,000 tons in 1977 to 482,000 tons in 1979, when they accounted for about 1 percent of producers' shipments. The bulk of this increase occurred in 1978. Exports of these articles accounted for 15.7 percent of total exports of all carbon steel mill products in 1977, 24.2 percent in 1978, and 21.1 percent in 1979.

Table 18.--Carbon steel mill products: U.S. exports of domestic merchandise, by types, 1977-79

Type	1977		1978		1979	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 short tons		1,000 short tons		1,000 short tons	
Hot-rolled sheets	28	1.6	79	4.2	69	3.0
Cold-rolled sheets	84	4.9	101	5.4	77	3.4
Galvanized sheets	30	1.8	54	2.9	41	1.8
Plates	45	2.6	118	6.3	169	7.4
Angles, shapes, and sections	82	4.8	103	5.5	126	5.5
Subtotal	269	15.7	455	24.2	482	21.1
Other carbon steel mill products	1,439	84.3	1,426	75.8	1,802	78.9
Total	1,708	100.0	1,881	100.0	2,284	100.0

Source: Total exports, American Iron & Steel Institute, Annual Statistical Report; all other data compiled from official statistics of the U.S. Department of Commerce.

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

U.S. producers' inventories

U.S. producers' inventories of hot-rolled sheets; cold-rolled sheets; galvanized sheets; plates; and angles, shapes, and sections at yearend 1976-79 are provided in table 19.

Table 19.--Carbon steel mill products: U.S. producers' inventories, by types, Dec. 31 of 1976-79

(In thousands of short tons)

Type	Dec 31--			
	1976	1977	1978	1979
Hot-rolled sheets	1,876	1,698	1,925	1,735
Cold-rolled sheets	1,347	1,163	1,254	1,171
Galvanized sheets	444	498	569	667
Plates	248	279	318	326
Angles, shapes, and sections	201	213	210	192
Total	4,116	3,851	4,276	4,092

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. Questionnaire respondents accounted for the following percentages of total U.S. shipments in 1979: hot-rolled sheets, 78 percent; cold-rolled sheets, 76 percent, galvanized sheets, 80 percent; plates 89 percent; and angles, shapes, and sections, 74 percent.

Note.--The ratio of U.S. producers' total inventories of these 5 products to total domestic shipments remained at about 11 percent during 1977-79. By product groups, the ratios of inventories to domestic shipments were as follows: hot-rolled sheets--16 percent in 1977, 17 percent in 1978, and 15 percent in 1979; cold-rolled sheets--9 percent in 1977 and 1979 and 10 percent in 1978; galvanized sheets--11 percent in 1977 and 1978 and 13 percent in 1979; plates--5 percent in 1977 and 6 percent in 1978 and 1979; and angles, shapes, and sections--7 percent in 1977 and 1978 and 6 percent in 1979.

U.S. producers' aggregate inventories of sheets, plates, and angles, shapes, and sections decreased 6 percent at yearend 1977 when compared with the prior yearend level, increased 11 percent in 1978, but declined 4 percent in 1979. Hot-rolled and cold-rolled sheets accounted for between 71 percent and 83 percent of total inventories of these items.

U.S. imports

Total imports of carbon steel mill products have been a major force in the U.S. market for almost two decades, reaching an all-time high of 20.2 million tons in 1978. Such imports declined to 16.6 million tons in 1979.

U.S. imports of the five carbon steel mill products covered by this investigation from all sources rose from 11.7 million tons in 1977 to 12.6 million tons in 1978, and declined to 10.2 million tons in 1979. Such imports represented about 62 percent of all imports of carbon steel mill products which entered the United States during 1977-79 (tables 20, 21, and 22). Total imports of these products in January-February 1980 were 1.7 million tons, about 13 percent more than in January-February 1979. As importing firms usually must order merchandise several months prior to delivery, the quantity of imports entered for consumption typically lags behind trends in U.S. consumption by a corresponding period of time. This is in contrast to U.S. producers' shipments, which respond much more rapidly to changes in demand.

Imports of the five products from the EC countries named in the petition 1/ amounted to 5.0 million tons, valued at $1.2 billion, in 1977, 5.5 million tons, valued at $1.6 billion, in 1978, and 4.1 million tons, valued at $1.4 billion, in 1979. Imports from the cited EC countries in January-February 1980 totaled 510,000 tons, about 10 percent more than in January-February 1979. These countries supplied 43 percent of total imports of the five products from all sources in 1977 and 1978 and 40 percent in 1979. Japan was the predominant individual source of such imports, accounting for 36 percent in 1977, 25 percent in 1978, and 34 percent in 1979. Imports of the five

1/ Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom.

Table 20.--Carbon steel mill products: U.S. imports for consumption, by principal sources and by types, 1977

Source	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Plates	Angles, shapes, and sections	Total
	Quantity (1,000 short tons)					
EC:						
Federal Republic of Germany	366	755	230	253	104	1,708
France	520	257	97	124	74	1,072
Belgium-Luxembourg	31	338	43	147	304	863
Italy	130	154	29	158	3	474
Netherlands	254	234	24	22	1/	534
United Kingdom	12	74	10	100	158	354
Subtotal	1,313	1,812	432	805	645	5,007
Japan	801	1,034	1,124	509	730	4,198
All other	544	482	353	762	342	2,483
Total	2,658	3,328	1,910	2,076	1,716	11,688
	Value (1,000 dollars)					
EC:						
Federal Republic of Germany	82,522	202,907	74,338	60,734	25,910	446,411
France	109,254	68,485	33,153	28,472	16,911	256,275
Belgium-Luxembourg	6,743	87,303	14,490	36,071	72,003	216,610
Italy	25,536	39,201	10,338	33,680	703	109,458
Netherlands	56,221	64,464	9,144	4,836	98	134,763
United Kingdom	2,697	18,091	3,046	23,346	36,643	83,823
Subtotal	282,973	480,451	144,510	187,139	152,268	1,247,341
Japan	192,633	306,184	408,175	130,464	166,857	1,204,313
All other	110,428	125,204	114,012	163,828	82,219	595,691
Total	586,035	911,839	666,697	481,431	401,344	3,047,345
	Unit value (per ton)					
EC:						
Federal Republic of Germany	$225	$269	$324	$240	$247	$261
France	210	266	341	229	227	239
Belgium-Luxembourg	218	258	335	245	237	251
Italy	196	254	362	214	222	231
Netherlands	221	276	386	225	260	252
United Kingdom	221	245	320	232	232	237
Average	216	265	334	233	236	249
Japan	240	296	363	256	229	286
All other	203	260	323	215	241	240
Average	220	274	349	232	234	261

1/ Less than 500 short tons.

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

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

Table 21.--Carbon steel mill products: U.S. imports for consumption, by principal sources and by types, 1978

Source	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Plates	Angles, shapes, and sections	Total
	Quantity (1,000 short tons)					
EC:						
Federal Republic of Germany	513	647	226	344	167	1,897
France	505	260	144	250	99	1,258
Belgium-Luxembourg	58	129	36	400	307	930
Italy	154	212	64	177	1/	607
Netherlands	295	233	40	32	1/	600
United Kingdom	25	21	7	44	72	169
Subtotal	1,550	1,502	518	1,246	644	5,460
Japan	526	856	1,123	181	491	3,177
All other	519	756	622	1,422	631	3,950
Total	2,595	3,114	2,263	2,850	1,767	12,587
	Value (1,000 dollars)					
EC:						
Federal Republic of Germany	128,405	198,940	82,971	96,177	46,493	552,986
France	129,612	76,715	54,614	67,290	26,964	355,195
Belgium-Luxembourg	15,355	39,993	13,392	111,604	85,187	265,531
Italy	32,637	56,114	23,694	40,128	17	152,590
Netherlands	78,293	76,401	14,785	9,135	98	178,712
United Kingdom	6,357	5,772	2,616	11,299	22,533	48,577
Subtotal	390,659	453,935	192,073	335,633	181,293	1,553,593
Japan	143,556	279,822	466,998	54,434	135,905	1,080,715
All other	122,742	223,134	214,638	357,443	170,929	1,088,886
Total	656,958	956,891	873,709	747,510	488,127	3,723,194
	Unit value (per ton)					
EC:						
Federal Republic of Germany	$250	$307	$368	$280	$279	$292
France	257	295	378	269	274	282
Belgium-Luxembourg	264	310	372	279	278	286
Italy	212	264	370	227	264	251
Netherlands	266	328	365	287	344	298
United Kingdom	257	270	361	259	315	287
Average	252	302	371	269	282	285
Japan	273	327	416	301	277	340
All other	237	295	345	251	271	276
Average	253	307	386	262	276	296

1/ Less than 500 short tons.

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

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

Table 22.--Carbon steel mill products: U.S. imports for consumption, by principal sources and by types, 1979

Source	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Plates	Angles, shapes, and sections	Total
	Quantity (1,000 short tons)					
EC:						
Federal Republic of Germany	398	586	217	223	134	1,558
France	422	235	133	123	70	983
Belgium-Luxembourg	16	100	21	218	379	734
Italy	55	68	41	45	1/	209
Netherlands	241	163	33	33	1/	470
United Kingdom	5	6	16	15	68	110
Subtotal	1,137	1,158	461	657	653	4,066
Japan	662	781	1,220	125	647	3,435
All other	352	382	425	992	550	2,701
Total	2,151	2,321	2,106	1,774	1,850	10,202
	Value (1,000 dollars)					
EC:						
Federal Republic of Germany	117,441	211,664	89,347	69,819	47,345	535,616
France	126,596	86,187	56,212	37,980	23,742	330,717
Belgium-Luxembourg	5,180	36,636	9,305	75,081	128,524	254,726
Italy	15,329	22,871	18,415	13,310	25	69,950
Netherlands	72,160	57,839	14,577	10,375	143	155,094
United Kingdom	1,652	2,480	7,262	5,228	26,171	42,793
Subtotal	338,358	417,677	195,118	211,791	225,949	1,388,896
Japan	211,436	293,236	573,179	41,270	227,757	1,346,878
All other	103,344	134,678	171,248	321,112	180,130	910,512
Total	653,138	845,591	939,545	574,173	633,836	3,646,286
	Unit value (per ton)					
EC:						
Federal Republic of Germany	$295	$361	$412	$313	$353	$344
France	300	366	424	310	338	379
Belgium-Luxembourg	330	365	438	345	339	347
Italy	278	337	450	293	1,428	308
Netherlands	299	355	438	313	331	330
United Kingdom	310	430	442	348	382	389
Average	298	361	423	322	346	342
Japan	319	375	470	329	352	392
All other	293	352	403	324	328	337
Average	304	364	446	324	343	357

1/ Less than 500 short tons.

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

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

products from Canada have averaged about 1 million tons annually in recent years. The ratio of imports of these products from all sources to apparent U.S. consumption was 20.4 percent in 1977, 20.8 percent in 1978, and 17.5 percent in 1979. The ratio of imports of these products from the EC countries cited to apparent U.S. consumption was 8.7 percent in 1977, 9.0 percent in 1978, and 7.0 percent in 1979.

Among the countries of the EC, the Federal Republic of Germany has been the principal source of imports of the five products, followed by France and Belgium-Luxembourg. During 1977-79, Germany supplied 36 percent of imports from the EC; France, 23 percent; and Belgium-Luxembourg, 17 percent.

The average unit value of the five products from the cited EC countries increased from $249 per ton in 1977 to $285 per ton in 1978 and to $342 per ton in 1979. The average unit value per ton from the EC countries, although varying widely from product to product and from country to country, was consistently lower than the average unit value per ton from Japan and from all countries combined. The average unit value of the five products imported from EC countries was $37 per ton lower than that of the same products imported from Japan in 1977, $55 per ton lower in 1978, and $50 per ton lower in 1979. For all sources combined, the average unit value per ton from EC countries ranged from $11 per ton lower in 1978 to $15 per ton lower in 1979.

Apparent U.S. consumption

Apparent U.S. consumption of all carbon steel mill products increased from 98 million tons in 1977 to 104 million tons in 1978 before declining to 102 million tons in 1979 (table 23). The share of apparent consumption accounted for by sheets, plates, and angles, shapes, and sections (the articles which are the subject of these investigations) decreased from 58.4 percent in 1977 to 57.2 percent in 1979 (table 24).

Table 23.--Carbon steel mill products: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, by types, 1977-79

Year and type	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to apparent consumption
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	Percent
1977:					
Hot-rolled sheets	13,636	2,658	28	16,266	16.3
Cold-rolled sheets	17,145	3,328	84	20,389	16.3
Galvanized sheets	5,654	1,910	30	7,534	25.4
Plates	5,859	2,076	45	7,890	26.3
Angles, shapes, and sections	3,564	1,716	82	5,198	33.0
Subtotal	45,858	11,688	269	57,277	20.4
Other carbon steel mill products	35,410	6,861	1,439	40,832	16.8
Total	81,268	18,549	1,708	98,109	18.9
1978:					
Hot-rolled sheets	14,114	2,595	78	16,631	15.6
Cold-rolled sheets	17,235	3,114	101	20,248	15.4
Galvanized sheets	6,414	2,263	54	8,623	26.2
Plates	6,588	2,850	118	9,320	30.6
Angles, shapes, and sections	4,057	1,767	103	5,721	30.9
Subtotal	48,408	12,589	454	60,543	20.8
Other carbon steel mill products	37,779	7,592	1,427	43,944	17.3
Total	86,187	20,181	1,381	104,487	19.3
1979:					
Hot-rolled sheets	14,494	2,151	69	16,576	13.0
Cold-rolled sheets	16,616	2,321	77	18,860	12.3
Galvanized sheets	6,300	2,106	41	8,365	25.2
Plates	6,803	1,774	169	8,408	21.1
Angles, shapes, and sections	4,515	1,850	126	6,239	29.7
Subtotal	48,728	10,202	482	58,448	17.5
Other carbon steel mill products	39,151	6,419	1,802	43,768	14.7
Total	87,879	16,621	2,284	102,216	16.3

Source: Producers' shipments, compiled from data published by the American Iron & Steel Institute; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

Table 24.--Carbon steel mill products: Apparent U.S. consumption, by types, 1977-79

Type	1977		1978		1979	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
	1,000 short tons		1,000 short tons		1,000 short tons	
Hot-rolled sheets	16,266	16.5	16,631	15.9	16,576	16.2
Cold-rolled sheets	20,389	20.8	20,248	19.4	18,860	18.4
Galvanized sheets	7,534	7.7	8,623	8.2	8,365	8.2
Plates	7,890	8.0	9,320	8.9	8,408	8.2
Angles, shapes, and sections	5,198	5.3	5,721	5.5	6,239	6.1
Subtotal	57,277	58.4	60,543	57.9	58,448	57.2
Other carbon steel mill products	40,432	41.6	43,944	42.1	43,768	42.8
Total	98,109	100.0	104,487	100.0	102,216	100.0

Source: Compiled from table 23.

Apparent U.S. consumption of sheets, plates, and angles, shapes, and sections followed the same general trend during 1977-79 as total consumption, increasing from 57.3 million tons in 1977 to 60.5 million tons in 1978 before declining to 58.4 million tons in 1979. However, the increase in consumption of these articles in 1978 was less than that in consumption of all carbon steel mill products (5.7 percent compared with 6.5 percent) and the decline in consumption in 1979 was greater than that for all carbon steel mill products (3.5 percent compared with 2.2 percent).

Employment

Production workers.--The average number of production and related workers in the U.S. steel industry producing all products, including alloy and stainless steel, increased from 337,400 in 1977 to 339,200 in 1978 and to 341,900 in 1979 (table 25). The long-term employment trend has been downward;

Table 25.--Average number of production and related workers in the U.S. steel industry and in establishments in which certain carbon steel mill products were produced, 1977-79

Item	1977	1978	1979
Production and related workers employed on--			
All steel mill products	337,400	339,200	341,900
Carbon steel mill products:			
Hot-rolled sheets	33,500	32,900	34,400
Cold-rolled sheets	41,600	40,700	40,600
Galvanized sheets	18,300	20,200	20,900
Plates	18,000	18,800	20,400
Angles, shapes, and sections	11,200	11,000	11,900
Total, carbon steel mill products	122,600	123,600	128,200

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from data obtained from the American Iron & Steel Institute. Questionnaire respondents accounted for the following percentages of total U.S. shipments in 1979: hot-rolled sheets, 78 percent; cold-rolled sheets, 76 percent; galvanized sheets, 80 percent; plates, 84 percent; and angles, shapes, and sections, 74 percent.

decreases have occurred in 10 of the 15 years since 1965, when the industry employed 458,500 workers.

The number of workers employed in producing the five products covered by the investigations increased from 122,600 in 1977 to 123,600 in 1978 and to 128,200 in 1979. About 37 percent of all workers engaged in the steel industry were employed in the manufacture of the five products under discussion.

During 1977-79, employment increased with respect to galvanized sheets and plates, and decreased for cold-rolled sheets. Employment for both hot-rolled sheets and angles, shapes, and sections decreased in 1978, but increased in 1979.

Wages in U.S. steel mills, as reported by the Bureau of Labor Statistics, are among the highest and most rapidly increasing in the United States. For example, hourly earnings for steel mill workers rose at an annual rate of 11.5 percent during 1977-79, while those for total manufacturing rose at an annual rate of 8.5 percent, as shown below:

	1977	1978	1979
Total private	$5.25	$5.69	$6.16
Total manufacturing	5.68	6.17	6.69
Primary metal industries	7.45	8.20	8.97
Blast furnace and steel mills	8.67	9.70	10.77

Man-hours.--Man-hours expended in producing all steel mill products increased from 646.9 million in 1977 to 669.7 million in 1978, but decreased slightly to 669.0 million in 1979. Man-hours expended on the five products covered by the investigations showed a slightly different trend, increasing from 235.0 million in 1977 to 242.4 million in 1978 and to 247.5 million in 1979 (table 26). Man-hours worked in producing hot-rolled sheets, plates, and angles, shapes, and sections increased in both 1978 and 1979; man-hours for cold-rolled sheets declined in 1978 and 1979; and man-hours expended in the manufacture of galvanized sheets increased in 1978 but declined in 1979.

In terms of man-hours expended, cold-rolled sheets were the most important product, followed by hot-rolled sheets. These two products accounted for about 60 percent of all man-hours expended on the five products under discussion.

Worker productivity rose by about 2 percent in 1978, and then fell by a little more than 1 percent in 1979, as shown below (shipments in tons per 1,000 man-hours):

	1977	1978	1979
Hot-rolled sheets	171.6	175.6	170.7
Cold-rolled sheets	156.1	158.8	156.9
Galvanized sheets	131.4	133.1	135.9
Plates	148.6	153.3	151.3
Angles, shapes, and sections	136.0	144.6	141.1
Average, these 5 products	153.8	157.0	155.1

Table 26.--Man-hours expended by production and related workers in the U.S. steel industry and in establishments in which certain carbon steel mill products were produced, 1977-79

(In thousands of man-hours)

Item	1977	1978	1979
Man-hours expended on--			
All steel mill products	645,853	669,720	669,045
Carbon steel mill products:			
Hot-rolled sheets	63,446	63,674	66,473
Cold-rolled sheets	81,301	81,005	80,464
Galvanized sheets	34,068	38,620	36,849
Plates	35,017	37,599	40,125
Angles, shapes, and sections	21,217	21,494	23,550
Total, carbon steel mill products	235,049	242,392	247,461

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from data obtained from the American Iron & Steel Institute. Questionnaire respondents accounted for the following percentages of total U.S. shipments in 1979: hot-rolled sheets, 78 percent; cold-rolled sheets, 76 percent; galvanized sheets, 80 percent; plates, 84 percent; and angles, shapes, and sections, 74 percent.

The average number of hours worked per week on the five products under investigation increased from 36.9 in 1977 to 37.7 in 1978, but declined to 37.1 in 1979.

Financial Experience of U.S. producers

Overall operations.--Profit-and-loss data were received from 11 producers in 1977 and 1978 and 10 in 1979. Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined with those of Jones & Laughlin Steel in 1979. The reporting firms accounted for about 72 percent of U.S. producers' shipments in 1979. The financial data presented in this section reflect U.S. producers' overall operations of the establishments within which the steel mill products under investigation are produced.

As shown in table 27, net sales of steel mill products produced in those establishments increased from $23.1 billion in 1977 to $29.3 billion in 1979, or by of 27 percent. During the same period, sales of the five steel mill products under investigation, which accounted for about 41 percent of total sales of those establishments in each year, increased by 30 percent. Gross margin on overall operations jumped from $186 million in 1977 to $1.1 billion in 1979, or by more than 500 percent. Cost of goods sold declined from 99.2 percent of net sales in 1977 to 96.1 percent in 1979. General, selling, and administrative expenses remained fairly steady, approximately 3 percent of sales, during the period.

Table 27.--Profit-and-loss experience of 11 U.S. producers 1/ on their overall operations of the establishments within which the steel mill products under investigation are produced, 1977-79

Item	1977	1978	1979
Net sales----------million dollars--	23,053	25,981	29,302
Cost of goods sold----------do----	22,867	24,789	28,168
Gross profit----------do----	186	1,192	1,134
General, selling, and administrative expenses----------do----	768	757	784
Net operating profit or (loss)----------do----	(582)	435	350
Ratio of net operating profit or (loss) to net sales--			
For operations mentioned above-----percent--	(2.5)	1.7	1.2
For U.S. iron and steel industry 2/---do----	3.4	6.0	5.4
Number of firms reporting a net operating profit----------	3	7	5
Number of firms reporting a net operating loss----------	8	4	5

1/ There are 10 producers in 1979 because Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined those of with Jones & Laughlin Steel in 1979.

2/ Averaged from data published by the Federal Trade Commission in its Quarterly Financial Report.

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

Net operating profit or loss on overall operations improved significantly from an operating loss of $582 million in 1977 to an operating profit of $350 million in 1979. In the same period the ratio of net operating profit to net sales increased, but it was still low compared with the ratio for the iron and steel industry as a whole.

Caution should be exercised in evaluating reported profit-and-loss data in that responding firms do not generally maintain accounting records on a product-line basis. Thus, the information shown in this section, as well as that in the financial sections in parts II-VI, reflects estimates for many "cost" items that are based on arbitrary allocations of total overall costs.

United States Steel Corp. reported that its operations were affected from August 1977 through the end of 1978 by labor disruptions including the 1977 iron ore strike, a 110-day industrywide coal strike, and a 63-day strike by the Fraternal Association of Steel Haulers.

Contribution margin.--The contribution margin per unit is the difference between sales price per unit and variable costs per unit. The variable costs are those that normally change in total in direct proportion to changes in volume. The term "contribution" is used because the amount left from a sale price after variable costs are covered contributes to covering other costs (mainly fixed costs) and producing profit. Once the fixed costs of operations are covered by a required volume of sales, a break-even point is reached. The break-even point is the point at which total revenues equal total costs; the point at which profit is zero.

The average contribution margin per ton is approximately 29 percent of the sales price for the steel mill products under investigation at an average level of capacity utilization of 70 percent. Any additional ton of steel mill products sold will increase profit by 29 percent of the sales price, but any increases in fixed costs will raise the break-even point.

A comparison of average contribution margin for each product under investigation expressed in percentage of net sales and distribution of total operating costs into variable costs and fixed costs for the period 1977-79 are shown in table 28.

Table 28.--Carbon steel mill products: Average contribution margin and share of total costs of U.S. producers accounted for by variable and fixed costs, by types, 1977-79 1/

(In percent)

Type	Average contribution margin as a percentage of net sales			Average percentage of total costs					
				1977		1978		1979	
	1977	1978	1979	Variable	Fixed	Variable	Fixed	Variable	Fixed
Hot-rolled sheets	26	30	27	68	32	68	32	72	28
Cold-rolled sheets	27	31	29	68	32	68	32	70	30
Galvanized sheets	31	33	31	69	31	68	32	71	29
Plates	31	34	32	67	33	65	35	70	30
Angles, shapes, and sections	24	20	22	68	32	70	30	75	25

1/ Capacity utilization is assumed to have been 70 percent.

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

The average contribution margin ratio for all products remained fairly steady in 1977 and 1979 but increased in 1978 except for angles, shapes, and sections. The fixed costs represent approximately 32 percent of total operating costs in 1977 and 1978 and 28 percent in 1979. General, selling, and administrative expenses are treated as fixed costs by all responding firms.

The largest part of the labor engaged in direct manufacturing is treated as a variable cost. However, because of labor agreements, direct labor costs do not decrease in proportion to reductions in operating levels. Because of the capital-intensive nature of the steel industry, a small percentage change in operating level results in much greater impact on its profitability.

For example, Inland Steel Corp. supplied a detailed analysis of the impact of changes in operating levels on its net operating profit:

Change in operating level	Change in net operating profit		
Percent	Percent		
	1977	1978	1979
-5	***	***	***
-10	***	***	***
-15	***	***	***
-20	***	***	***

Other domestic producers' data for changes in the level of operations reflect a similar trend. Information supplied by domestic producers indicates that the industry as a whole is profitable when operating at about 80 percent of capacity.

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

Market penetration

The ratios of total U.S. imports of carbon steel hot-rolled sheets; cold-rolled sheets; galvanized sheets; plates; and angles, shapes, and sections to U.S. producers' shipments and to apparent U.S. consumption of these products are provided in table 29. The ratio of total imports to apparent U.S. consumption increased from 20.4 percent in 1977 to 20.8 percent in 1978 before declining to 17.5 percent in 1979. The ratio of imports from the EC to consumption followed the same trend, increasing from 8.7 percent in 1977 to 9.0 percent in 1978 before declining to 7.0 percent in 1979.

The ratios of imports to apparent consumption were higher for Japan than for any other single foreign supplier. However, unlike the ratios for other import sources, the ratio for Japan declined from 7.3 percent in 1977 to 5.3 percent in 1978 and then increased in 1979 to 5.9 percent.

Table 29.--Carbon steel sheets, plates, and angles, shapes, and sections: Ratios of imports to U.S. producers' shipments and apparent U.S. consumption, by principal sources, 1977-79

(In percent)

Source	Ratio of imports to--					
	Shipments			Consumption		
	1977	1978	1979	1977	1978	1979
Japan	9.2	6.6	7.1	7.3	5.3	5.9
EC:						
France	2.3	2.6	2.0	1.9	2.1	1.7
Belgium-Luxembourg	1.9	1.9	1.5	1.5	1.5	1.3
United Kingdom	.8	.4	.2	.6	.3	.2
Federal Republic of Germany	3.7	3.9	3.2	3.0	3.1	2.7
Italy	1.0	1.3	.4	.8	1.0	.4
Netherlands	1.2	1.2	1.0	.9	1.0	.8
Subtotal	10.9	11.3	8.3	8.7	9.0	7.0
All other	5.4	8.2	5.5	4.3	6.5	4.6
Total	25.5	26.0	20.9	20.4	20.8	17.5

Source: Compiled from official statistics of the U.S. Department of Commerce and from data published by the American Iron & Steel Institute.

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

Price comparisons

The Commission sent extensive questionnaires to U.S. producers and importers of carbon steel mill products to obtain price data on 16 specific products, at least two from each of the five product groups under investigation. The selected products were those that were imported in the largest quantities. They were chosen on the basis of an analysis of Special Steel Summary Invoices and interviews with U.S. producers and importers. Care was taken to insure that price "extras" (i.e., charges added to base prices for width and thickness specifications) were uniform.

Price data were requested on sales of each product in four geographic regions to two classes of customers (steel service centers/distributors and end users), by quarters, from January 1977 through March 1980.

Although many questionnaire recipients responded in the very short time allowed, adequate data for analysis were not received for six of the EC countries. For the seventh country, the Federal Republic of Germany, data reported for some of the products were sparse. In addition, problems were encountered in the manner in which freight allowances were treated by some respondents. This resulted in a lack of comparability for many of the U.S. and import prices.

In examining the data provided, prices for the products sold by the domestic producers generally increased between 20 and 40 percent over the 13 quarters surveyed, although prices in the last 3 quarters were relatively stable. From the limited data received from importers, it appears that their prices followed roughly the same trend. As would be expected, prices to service centers/distributors were usually lower than those to end users.

Trigger prices 1/ for the products surveyed by the Commission increased steadily from the institution of the Trigger-Price Mechanism in January 1978 through the first quarter of 1979, and then remained relatively unchanged through the last three quarters of 1979. Trigger prices were increased in the first quarter of 1980 and unchanged in the second quarter, when the program was suspended. The trend in trigger prices was generally similar to that exhibited by prices reported for U.S.-produced and imported steel mill products. Worldwide overcapacity in these high fixed-cost industries might have been expected to induce severe price competition as firms--both domestic and foreign--sought to recover variable costs. However, the pricing pattern normally associated with this situation was not observed in the initially rising and then stable price trends exhibited in all five product lines. The trigger-price program thus may have provided a price base that allowed generally increasing prices in 1978 and the first quarter of 1979 and firm prices in the remainder of 1979, even in the face of the overcapacity.

Loss of sales

U.S. producers submitted 1,868 allegations of lost sales of carbon steel mill products to imports from the EC. The Commission contacted a sample of the firms (accounting for 401 of the total allegations) that allegedly purchased EC products in lieu of those produced in the United States in an attempt to confirm or refute these allegations. Detailed information on the results of this effort is presented, by products, in parts II-IV. A summary of the confirmed lost sales (298 of the 401 allegations) is shown in table 30. Of the firms that confirmed that they purchased EC products, many indicated that the principal reasons for their decision were other than price considera-

1/ A discussion of the Trigger-Price Mechanism is presented in app. E.

tions. These reasons are discussed in parts II-VI. A summary of the confirmed sales that were lost because of price considerations is presented in table 31.

Table 30.--Carbon steel mill products: Confirmed lost sales to imports, by types and by sources, 1977-79

(Number)

Source	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Plates	Angles, shapes, and sections
Federal Republic of Germany	27	33	10	13	4
France	32	16	5	4	2
United Kingdom	3	5	2	1	4
Netherlands	14	7	0	0	0
Italy	6	0	0	0	0
Belgium	0	3	0	6	0
Luxembourg	0	0	0	1	5
EC, not specified	25	30	16	15	9
Total	107	94	33	40	24

Source: Compiled from telephone inquiries conducted by the U.S. International Trade Commission.

Table 31.--Carbon steel mill products: Confirmed lost sales to imports by reason of price, by types and by sources, 1977-79 1/

(Number)

Source	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Plates	Angles, shapes, and sections
Federal Republic of Germany	0	6	5	3	3
France	4	0	1	0	0
United Kingdom	0	2	0	1	3
Italy	5	0	0	0	0
Luxembourg	0	0	0	1	3
EC, not specified	9	14	8	10	5
Total	18	22	14	15	14

1/ There were no lost sales attributed to imports from the Netherlands and Belgium.

Source: Compiled from telephone inquiries conducted by the U.S. International Trade Commission.

PART II. CARBON STEEL HOT-ROLLED SHEETS

This part of the report presents data relating specifically to carbon steel hot-rolled sheets. Information on product descriptions, the nature and extent of alleged sales at LTFV, U.S. and foreign producers, U.S. importers, channels of distribution, and employment as it relates to carbon steel hot-rolled sheets, is presented in part I and will not be repeated.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production, annual capacity of U.S. firms to produce hot-rolled sheets during 1977-79, and their utilization of such capacity during that period are provided table in 32.

Table 32.--Hot-rolled sheets: U.S. production and practical capacity, 1/ 1977-79

Item	1977	1978	1979
Production 2/----------1,000 short tons--	10,390	10,512	10,944
Capacity----------do----	14,418	14,294	15,109
Ratio of domestic production to capacity percent--	72	74	72

1/ Capacity is defined as maximum sustainable output reflecting the firms' normal product mix.

2/ U.S. producers submitting usable data accounted for about 69 percent of total shipments in 1979 as reported by the AISI.

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

Caution should be used in evaluating these capacity utilization figures, as discussed in part I of the report, p. A-44.

U.S. producers' shipments

U.S. producers' shipments (including exports) of hot-rolled sheets during 1977-79 were as follows:

	Quantity (1,000 short tons)
1977	13,637
1978	14,114
1979	14,494

During 1977-79, U.S. producers' shipments of hot-rolled sheets accounted for about 16 percent of shipments of all carbon steel mill products (p. A-47, pt. I).

U.S. producers' shipments of hot-rolled sheets increased from 13.6 million tons in 1977 to 14.5 million tons in 1979, or by 6 percent.

U.S. exports

Exports of hot-rolled sheets increased from 28,000 tons in 1977 to 78,000 tons in 1978 before declining to 69,000 tons in 1979 (table 33). During 1977-79, exports of hot-rolled sheets accounted for 1.6 percent to 4.2 percent of exports of all carbon steel mill products (p. A-48, pt. I).

The principal market for U.S. exports of hot-rolled sheets is Canada, which accounted for 41 percent to 78 percent of total exports during the 3-year period. In 1977, exports to the EC (virtually all to Italy) accounted for 14 percent of total exports; in 1978 and 1979, exports to the EC accounted for less than 1 percent of total exports.

U.S. producers' inventories

U.S. producers' inventories of hot-rolled sheets at yearend 1976-79 were as follows:

As of Dec. 31--	Quantity (1,000 short tons)
1976	1,867
1977	1,698
1978	1,925
1979	1,735

Table 33.--Hot-rolled sheets: U.S. exports of domestic merchandise, by selected markets, 1977-79

Market	1977	1978	1979
	Quantity (short tons)		
Canada	11,709	33,569	53,506
Mexico	3,866	6,328	8,036
EC:			
France	0	8	0
Belgium-Luxembourg	76	18	0
United Kingdom	104	54	202
Federal Republic of Germany	0	26	16
Italy	3,894	11	37
Netherlands	1/	7	3
Subtotal	4,074	124	258
Japan	58	290	956
All other	8,789	37,584	6,205
Total	28,496	77,895	68,961
	Value (1,000 dollars)		
Canada	3,353	10,649	16,139
Mexico	956	2,142	3,292
EC:			
France	-	3	-
Belgium-Luxembourg	30	3	-
United Kingdom	28	68	162
Federal Republic of Germany	-	11	12
Italy	576	8	108
Netherlands	1	2	10
Subtotal	636	95	292
Japan	11	120	107
All other	2,499	10,422	3,070
Total	7,455	23,428	22,900
	Unit value (per ton)		
Canada	$286	$317	$301
Mexico	247	338	409
EC:			
France	-	409	-
Belgium-Luxembourg	395	158	-
United Kingdom	273	1,261	804
Federal Republic of Germany	-	416	708
Italy	147	712	2,880
Netherlands	3,138	322	3,712
Average	156	766	1,128
Japan	183	412	112
All other	284	277	494
Average	261	300	332

1/ Less than 0.5 short ton.

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

Yearend inventories of hot-rolled sheets declined 9 percent in 1977 from the prior yearend level, increased 13 percent in 1978, and declined 10 percent in 1979. Although 4 of the firms maintaining inventories of hot-rolled sheets during the period reported decreased inventories at yearend 1977, 1 firm accounted for virtually the entire decline in that year; 6 of the 10 firms reported increased inventories in 1978, and 6 of the 10 firms reported decreased inventories in 1979.

U.S. imports

U.S. imports of hot-rolled sheets from all sources amounted to 2.7 million tons, valued at $586 million, in 1977, 2.6 million tons, valued at $657 million, in 1978, and 2.2 million tons, valued at $653 million, in 1979 (table 34). Such imports accounted for about 13 to 14 percent of total U.S. imports of all carbon steel mill products. Of the total U.S. imports of hot-rolled sheets, the EC countries named in the complaint supplied 49 percent in 1977, 60 percent in 1978, and 53 percent in 1979. Imports from all sources rose from 278,000 tons in January-February 1979 to 339,000 tons in January-February 1980; similarly, imports from the cited EC countries rose from 115,000 tons in January-February 1979 to 133,000 tons in January-February 1980.

Imports of hot-rolled sheets from all countries supplied 16.3 percent of apparent U.S. consumption in 1977, 15.6 percent in 1978, and 13.0 percent in 1979; imports from the EC supplied 8.1 percent, 9.3 percent, and 6.9 percent, respectively.

Table 34.--Hot-rolled sheets: U.S. imports for consumption, by principal sources, 1977-79

Source	1977	1978	1979
	Quantity (1,000 short tons)		
EC:			
Belgium-Luxembourg	31	58	16
Federal Republic of Germany	366	513	398
France	520	505	422
Italy	130	154	55
Netherlands	254	295	241
United Kingdom	12	25	5
Subtotal	1,313	1,550	1,137
Japan	801	526	662
All other	544	519	352
Total	2,658	2,595	2,151
	Value (1,000 dollars)		
EC:			
Belgium-Luxembourg	6,743	15,355	5,180
Federal Republic of Germany	82,522	128,405	117,441
France	109,254	129,612	126,596
Italy	25,536	32,637	15,329
Netherlands	56,221	78,293	72,160
United Kingdom	2,697	6,357	1,652
Subtotal	282,973	390,659	338,358
Japan	192,633	143,556	211,436
All other	110,428	122,742	103,344
Total	586,035	656,958	653,138
	Unit value (per ton)		
EC:			
Belgium-Luxembourg	$218	$264	$330
Federal Republic of Germany	225	250	295
France	210	257	300
Italy	196	212	278
Netherlands	221	266	299
United Kingdom	221	257	310
Average	216	252	298
Japan	240	273	319
All other	203	237	293
Average	220	253	304

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

During 1977-79, 44 percent of all U.S. imports of hot-rolled sheets entered through ports located in the Great Lakes region; 55 percent of total EC imports entered through the Great Lakes region, reflecting the heavy use by the automotive industry, which is located in close proximity. The gulf coast was the second leading region for the entry of imports from the EC countries, followed by the east coast and west coast (table C-7).

The annual average unit value of imports of hot-rolled sheets from the EC countries ranged from $21 per ton lower than that of imports of hot-rolled sheets from Japan, the principal U.S. supplier, in 1978 and 1979 to $24 per ton lower in 1977. In both 1978 and 1979, the average unit value of imports from the EC countries was the highest for imports entering through the Great Lakes, followed by the east coast; however, in 1977, before TPM, the unit value of imports from the EC through the Great Lakes was the lowest of any of the four major regions.

Belgium-Luxembourg.--U.S. imports of hot-rolled sheets from Belgium-Luxembourg have been very small, amounting to 31,000 tons in 1977, 58,000 tons in 1978, and 16,000 tons in 1979. Such imports accounted for 0.1 to 0.3 percent of apparent U.S. consumption during 1977-79.

Federal Republic of Germany--The Federal Republic of Germany has been the second leading source of imports of hot-rolled sheets from the EC countries, accounting for about one-third of all such imports. Imports from the Federal Republic of Germany amounted to 366,000 tons, valued at $82.5 million, in 1977; 514,000 tons, valued at $128.4 million, in 1978, and 398,000 tons, valued at $117.4 million, in 1979. The ratio of imports of hot-rolled sheets from the Federal Republic of Germany to apparent U.S. consumption was 2.3 percent in 1977, 3.1 percent in 1978, and 2.4 percent in 1979.

France.--Among the EC countries, France has been the principal source of U.S. imports of hot-rolled sheets, accounting for more than 35 percent of total EC imports during 1977-79. Imports from France totaled 520,000 tons, valued at $109.3 million, in 1977, 505,000 tons, valued at $129.6 million, in 1978, and 422,000 tons, valued at $126.6 million, in 1979. Imports of hot-rolled sheets from France accounted for 3.2 percent of apparent U.S. consumption in 1977, 3.0 percent in 1978, and 2.6 percent in 1979. The average unit value of imports of hot-rolled sheets from France was $30 per ton less than the average unit value of hot-rolled sheets imported from Japan in 1977; however, the spread narrowed to $16 per ton in 1978 and $19 per ton in 1979.

Italy.--Imports of hot-rolled sheets from Italy amounted to 130,000 tons, valued at $25.5 million, in 1977, increased to 154,000 tons, valued at $32.6 million, in 1978, and declined to 55,000 tons, valued at $15.3 million, in 1979. The ratio of imports of hot-rolled sheets from Italy to apparent U.S. consumption was 0.8 percent in 1977, 0.9 percent in 1978, and 0.3 percent in 1979. The average unit value per ton of imports of hot-rolled sheets from Italy was the lowest of any of the EC countries throughout the period, or about $40 to $55 per ton lower than the average unit value of Japanese imports.

The Netherlands.--Among EC suppliers, the Netherlands was the third largest source of U.S. imports of hot-rolled sheets. Imports from the Netherlands amounted to 254,000 tons, valued at $56.2 million, in 1977, 295,000 tons, valued at $78.3 million, in 1978, and 241,000 tons, valued at $72.2 million, in 1979. The Netherlands supplied 1.6 percent of apparent U.S. consumption of hot-rolled sheets in 1977, 1.8 percent in 1978, and 1.5 percent in 1979. During 1977-79, 85 percent of the imports of hot-rolled sheets from the Netherlands entered through the Great Lakes.

United Kingdom.--The United Kingdom was a very minor source of hot-rolled sheets during 1977-79, supplying only 12,000 tons in 1977, 25,000 tons in 1978, and 5,000 tons in 1979. The ratio of imports of hot-rolled sheets from the United Kingdom to apparent U.S. consumption was 0.1 percent in 1977, 0.2 percent in 1978, and 0.03 percent in 1979.

Apparent U.S. consumption

Apparent U.S. consumption of hot-rolled sheets during 1977-79 is shown in table 35.

Table 35.--Hot-rolled sheets: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1977-79

Year	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1977	13,637	2,658	28	16,267	19.5	16.3
1978	14,114	2,595	79	16,630	18.4	15.6
1979	14,494	2,151	69	16,576	14.8	13.0

Source: Shipments, compiled from American Iron & Steel Institute, Annual Statistical Report; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

In 1978, apparent U.S. consumption of hot-rolled sheets increased 2 percent from the prior year's level; in 1979, apparent consumption was virtually unchanged from the 1978 level. The domestic industry supplied an increasing share of apparent consumption during 1977-79 as U.S. producers' shipments increased while imports declined.

Financial experience of U.S. producers

Profit-and-loss data were received from 8 producers in 1977 and 1978 and 7 producers in 1979. Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined those of Jones & Laughlin Steel in 1979. The reporting firms accounted for about 68 percent of U.S. shipments in 1979. The financial data presented in this section reflect U.S. producers' hot-rolled sheet operations.

As shown in table 36, net sales of hot-rolled sheets increased by 27 percent from $2.3 billion in 1977 to $2.9 billion in 1979. Cost of goods sold declined from 101 percent of net sales in 1977 to 96 percent in 1979. Three firms out of the total eight responding firms, accounting for about 60 percent of total sales of all eight firms, reported usable data for the raw materials and direct labor costs. As a percentage of sales, the raw material and direct labor costs declined as shown in the following tabulation:

	1977	1978	1979
Net sales----------percent--	100.0	100.0	100.0
Raw materials----------do----	42.5	34.1	37.7
Direct labor----------do----	20.4	19.1	17.1

The aggregate net operating profit-or-loss picture improved from a net operating loss of $101 million in 1977 to a net operating profit of $55 million in 1978 and then declined to a net operating profit of $36 million in 1979.

The ratio of net operating profit or loss to net sales rose from a negative 4.3 percent in 1977 to a positive 2.1 percent in 1978 and then fell to 1.2 percent in 1979.

A majority of the responding firms reported losses during 1977-79. National and Bethlehem accounted for about * * * percent and * * *

percent, respectively, of total sales during 1977-79; their operating profit margins were * * * percent and * * * percent in 1978 and * * * percent and * * * percent in 1979, respectively. United States Steel accounted for about * * * percent of total sales in each year.

Table 36.--Profit-and-loss experience of 8 U.S. producers 1/ on their operations on hot-rolled sheets, 1977-79

Item	1977	1978	1979
Net sales----------million dollars--	2,328	2,619	2,949
Cost of goods sold----------do----	2,342	2,478	2,820
Gross profit or (loss)----------do----	(14)	141	129
General, selling, and administrative expenses----------do----	87	86	93
Net operating profit or (loss)----------do----	(101)	55	36
Ratio of net operating profit or (loss) to net sales----------percent--	(4.3)	2.1	1.2
Number of firms reporting a net operating profit----------	1	2	2
Number of firms reporting a net operating loss----------	7	6	5

1/ There are 7 producers in 1979 because Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined with those of Jones & Laughlin Steel in 1979.

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

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

Market penetration

The ratios of U.S. imports of hot-rolled sheets to U.S. producers' shipments and to apparent U.S. consumption are provided in table 37. During 1977-79, the ratio of total imports to apparent U.S. consumption declined from 16.3 percent to 13.0 percent.

Unlike the ratio of total imports to consumption, which declined in each year during 1977-79, the ratio for the EC increased in 1978 before declining in 1979. In fact, the ratio for each country of the EC increased in 1978, except for France. In 1979, the ratio for all countries of the EC declined.

In each year during 1977-79 the ratio of imports to consumption was higher for Japan than for any other single foreign supplier. Unlike the ratio for other sources, the ratio for Japan increased in 1979 (from 3.2 percent to 4.0 percent).

Table 37.--Carbon steel hot-rolled sheets: Ratios of imports to U.S. producers' shipments and to apparent U.S. consumption, by principal sources, 1977-79

(In percent)

Source	Ratio of imports to--					
	Shipments			Consumption		
	1977	1978	1979	1977	1978	1979
Japan	5.9	3.7	4.6	4.9	3.2	4.0
EC:						
France	3.8	3.6	2.9	3.2	3.0	2.6
Belgium-Luxembourg	.2	.4	.1	.2	.3	.1
United Kingdom	1/	0.2	1/	.1	.2	1/
Federal Republic of Germany	2.7	3.6	2.8	2.3	3.1	2.4
Italy	1.0	1.1	.4	.8	.9	.3
Netherlands	1.9	2.1	1.7	1.6	1.8	1.5
Subtotal	9.6	11.0	7.9	8.1	9.3	6.9
All other	4.0	3.7	2.4	3.3	3.1	2.1
Total	19.5	18.4	14.8	16.3	15.6	13.0

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data published by the American Iron & Steel Institute.

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

Loss of sales

Domestic producers of hot-rolled sheets were requested to supply evidence of sales and/or revenue lost to imports of these products from countries in the EC. Seven firms furnished lists containing 367 allegations of lost sales, amounting to 2.3 million tons, and 272 allegations of lost revenue, amounting to $179 million, since 1977. The companies advised that these instances of reduced sales and revenues might be attributable to purchasers' buying hot-rolled sheet from EC suppliers.

Phone inquiries concerning 130 allegations of lost sales were conducted by the staff. Of these, purchasers of hot-rolled sheets confirmed that in 107 instances, products imported from EC countries were purchased. The following tabulation enumerates these transactions, by sources, and the reasons offered by buyers for their purchasing decisions:

Source	Total allegations	Total allegations checked	Total allegations confirmed	Reasons given for purchases of confirmed lost sales				
				Price	Quality	Alternate source	Availability	Other
Belgium	7	0	0	0	0	0	0	0
Federal Republic of Germany	79	29	27	0	0	3	21	1/ 3
France	84	35	32	4	4	3	18	2/ 3
Italy	18	9	6	5	0	0	1	0
Luxembourg	0	0	0	0	0	0	0	0
Netherlands	22	15	14	0	6	2	6	0
United Kingdom	11	9	3	0	0	0	3	0
EC, not specified	146	33	25	9	6	3	7	0
Total	367	130	107	18	16	11	56	6

1/ In this instance, the purchasing firm was a subsidiary of a German corporation.
2/ In this instance, the pruchasing firm was a subsidiary of a French corporation.

Of the 107 instances in which purchasers of hot-rolled sheets purchased imports from EC suppliers, 56, or 50 percent of the total, were by reason of lack of availability of the domestic product. Several purchasers related that in periods of short supply, domestic producers of hot-rolled sheets reduced the supply offered to purchasers, most of which are independent distributors of steel products; these distributors are competitive in some markets with the domestic producers themselves. Other purchasers related that domestic producers were unable to provide them with the special sizes and properties of hot-rolled sheets required by their customers. Finally, purchasers of hot-rolled steel products on the west coast of the United States cited a general scarcity of domestic steel products in that region of the country.

In addition to data gathered on alleged lost sales of hot-rolled sheets, 29 allegations of lost revenue were substantiated by the Commission's staff. These comprised instances in which purchasers confirmed that domestic producers of hot-rolled sheets reduced prices in order to meet those offered by EC suppliers of the product.

PART III. CARBON STEEL COLD-ROLLED SHEETS

This part of the report presents data relating specifically to carbon steel cold-rolled sheets. Information on product descriptions, the nature and extent of alleged sales at LTFV, U.S. and foreign producers, U.S. importers, channels of distribution, and employment as it relates to carbon steel cold-rolled sheets, is presented in part I and will not be repeated.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production, annual capacity of U.S. firms to produce cold-rolled sheets during 1977-79 and their utilization of such capacity during that period are provided in table 38.

Table 38.--Cold-rolled sheets: U.S. production and practical capacity, 1/ 1977-79

Item	1977	1978	1979
Production 2/-------1,000 short tons-------:	11,360	11,684	11,254
Capacity----------do----:	14,443	14,555	13,888
Ratio of domestic production to capacity percent--:	79	80	81

1/ Capacity is defined as maximum sustainable output reflecting the firms' normal product mix.

2/ U.S. producers submitting usable data accounted for about 67 percent of total shipments in 1979 as reported by the AISI.

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

Caution should be used in evaluating these capacity utilization figures as discussed in part I of the report, p. A-44.

U.S. producers' shipments

U.S. producers' shipments (including exports) of cold-rolled sheets during 1977-79 were as follows:

	Quantity (1,000 short tons)
1977----------	17,145
1978----------	17,235
1979----------	16,616

During 1977-79 U.S. producers' shipments of cold-rolled sheets accounted for between 18.9 percent and 21.1 percent of shipments of all carbon steel mill products (p. A-47, pt. I). In 1978, U.S. producers' shipments of cold-rolled sheets remained virtually unchanged from the prior year's level; in 1979, such shipments declined by 4 percent.

U.S. exports

Exports of cold-rolled sheets increased from 84,000 tons in 1977 to 101,000 tons in 1978 before declining to 77,000 tons in 1979 (table 39). During 1977-79, exports of cold-rolled sheets accounted for 3.4 percent to 5.4 percent of exports of all carbon steel mill products (p. A-48, pt. I).

The principal market for U.S. exports of cold-rolled sheets is Canada, which accounted for between 36 percent and 52 percent of total exports during the 3-year period. Exports to the EC accounted for 1 percent of total exports in 1977, 12 percent in 1978, and 2 percent in 1979. In 1978, substantial

Table 39.--Cold-rolled sheets: U.S. exports of domestic merchandise, by selected markets, 1977-79

Market	1977	1978	1979
	Quantity (short tons)		
Canada	29,874	52,331	38,563
Mexico	2,643	1,173	1,424
EC:			
France	18	2	18
Belgium-Luxembourg	11	9,359	23
United Kingdom	371	2,800	561
Federal Republic of Germany	123	84	1,053
Italy	385	195	119
Netherlands	46	56	2
Subtotal	953	12,495	1,776
Japan	1/	36	227
All other	50,512	34,882	35,010
Total	83,982	100,917	77,000
	Value (1,000 dollars)		
Canada	8,797	18,882	15,257
Mexico	844	552	759
EC:			
France	37	3	24
Belgium-Luxembourg	3	4,479	14
United Kingdom	193	913	261
Federal Republic of Germany	64	76	593
Italy	82	43	38
Netherlands	24	41	6
Subtotal	403	5,555	935
Japan	1	40	60
All other	10,337	7,196	9,112
Total	20,382	32,225	26,123
	Unit value (per ton)		
Canada	$294	$360	$395
Mexico	319	470	533
EC:			
France	2,032	1,266	1,300
Belgium-Luxembourg	272	478	612
United Kingdom	519	326	465
Federal Republic of Germany	523	910	562
Italy	213	222	317
Netherlands	522	737	4,153
Average	422	444	526
Japan	6,215	1,101	266
All other	204	206	260
Average	242	319	339

1/ Less than 0.5 short ton.

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

shipments to Belgium-Luxembourg and the United Kingdom caused the share for total EC to increase. Pakistan, Taiwan, Thailand, and India accounted for a substantial share of exports to all other countries.

U.S. producers' inventories

U.S. producers' inventories of cold-rolled sheets at yearend 1976-79 were as follows:

As of Dec. 31--	Quantity (1,000 short tons)
1976	1,347
1977	1,163
1978	1,254
1979	1,172

Yearend inventories of cold-rolled sheets declined 14 percent in 1977 from the 1976 yearend level, increased 8 percent in 1978, and declined 7 percent in 1979. Of the nine firms maintaining inventories of cold-rolled sheets during the period, seven reported decreased inventories at yearend 1977, five reported increased inventories at yearend 1978, and six reported decreased inventories in 1979.

U.S. imports

U.S. imports of cold-rolled sheets from all sources amounted to 3.3 million tons, valued at $912 million, in 1977, 3.1 million tons, valued at $957 million, in 1978, and 2.3 million tons, valued at $846 million, in 1979 (table 40). During 1977-79, U.S. imports of cold-rolled sheets from all sources accounted for about 16 percent of total U.S. imports of all carbon steel mill products. The quantities of imports of cold-rolled sheets are the largest of any of the five products under investigation. Of the total U.S. imports of cold-rolled sheets, the EC countries named in the complaint

Table 40.--Cold-rolled sheets: U.S. imports for consumption, by principal sources, 1977-79

Source	1977	1978	1979
	Quantity (1,000 short tons)		
EC:			
Belgium-Luxembourg	338	129	100
Federal Republic of Germany	755	647	586
France	257	260	235
Italy	154	212	68
Netherlands	234	233	163
United Kingdom	74	21	6
Subtotal	1,812	1,502	1,158
Japan	1,034	856	781
All other	482	756	382
Total	3,328	3,114	2,321
	Value (1,000 dollars)		
EC:			
Belgium-Luxembourg	87,303	39,993	36,636
Federal Republic of Germany	202,907	198,940	211,664
France	68,485	76,715	86,187
Italy	39,201	56,114	22,871
Netherlands	64,464	76,401	57,839
United Kingdom	18,091	5,772	2,480
Subtotal	480,451	453,935	417,677
Japan	306,184	279,822	293,236
All other	125,204	223,134	134,678
Total	911,839	956,891	845,591
	Unit value (per ton)		
EC:			
Belgium-Luxembourg	$258	$310	$365
Federal Republic of Germany	269	307	361
France	266	295	366
Italy	254	264	337
Netherlands	276	328	355
United Kingdom	245	270	430
Average	265	302	361
Japan	296	327	375
All other	260	295	352
Average	274	307	364

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

supplied 54 percent in 1977, 48 percent in 1978, and 50 percent in 1979. Imports from all sources rose from 317,000 tons in January-February 1979 to 343,000 tons in January-February 1980; imports from the cited EC countries fell from 114,000 tons in January-February 1979 to 110,000 tons in January-February 1980.

Imports of cold-rolled sheets from all countries supplied 16.3 percent of apparent U.S. consumption in 1977, 15.4 percent in 1978, and 12.3 percent in 1979; imports from the EC countries supplied 8.9 percent, 7.4 percent, and 6.1 percent, respectively.

During 1977-79, the quantities of cold-rolled sheets imported into the four U.S. regions from all sources were as follows: Great Lakes, 39 percent; east coast, 25 percent; gulf coast, 20 percent; and west coast, 16 percent (table C-8).

In 1977, the average unit value of imports of cold-rolled sheets from the EC countries was about $31 per ton less than the average unit value of imports from Japan; however, in 1978 the spread narrowed to $25 per ton, and in 1979, to $14 per ton.

Belgium-Luxembourg.--U.S. imports of cold-rolled sheets from Belgium-Luxembourg declined from 338,000 tons, valued at $87.3 million, in 1977 to 129,000 tons, valued at $40.0 million, in 1978, and to 100,000 tons, valued at $36.6 million, in 1979.

The ratio of imports of cold-rolled sheets from Belgium-Luxembourg to apparent U.S. consumption was 1.7 percent in 1977, 0.6 percent on 1978, and 0.5 percent in 1979.

Federal Republic of Germany.--The Federal Republic of Germany was the principal source of imports of cold-rolled sheets from the EC countries, accounting for about 45 percent of total U.S. imports from the EC countries during 1977-79. Imports from the Federal Republic of Germany declined from 755,000 tons, valued at $202.9 million, in 1977 to 647,000 tons, valued at $198.9 million, in 1978, and to 586,000 tons, valued at $211.7 million, in 1979.

The ratio of imports of cold-rolled sheets from the Federal Republic of Germany to apparent U.S. consumption was 3.7 percent in 1977, 3.2 percent in 1978, and 3.1 percent in 1979. In 1977, the average unit value of imports of cold-rolled sheets from the Federal Republic of Germany was $30 per ton lower than the average unit valued of cold-rolled sheets imported from Japan. The spread narrowed to $20 per ton in 1978 and to $14 per ton in 1979.

France.--France was the second largest EC supplier of cold-rolled sheets to the U.S. market, accounting for about 17 percent of total imports of cold-rolled sheets from the EC countries during 1977-79. Imports of cold-rolled sheets from France amounted to 257,000 tons, valued at $68.5 million in 1977, 260,000 tons, valued at $76.7 million in 1978, and 235,000 tons, valued at $86.2 million in 1979. Such imports accounted for 1.3 percent of apparent U.S. consumption of cold-rolled sheets in both 1977 and 1978, and 1.2 percent in 1979.

Italy.--Imports from Italy fluctuated widely from 68,000 tons in 1979, valued at $22.9 million, to 212,000 tons, valued at $56.1 million in 1978. Imports in 1977 totalled 154,000 tons, valued at $39.2 million. Imports of cold-rolled sheets from Italy supplied 0.8 percent of apparent U.S. consumption in 1977, 1.0 percent in 1978, and 0.4 percent in 1979.

The Netherlands.--Imports of cold-rolled sheets from the Netherlands amounted to 234,000 tons, valued at $64.5 million in 1977, 233,000 tons, valued at $76.4 million in 1978, and 163,000 tons, valued at $57.8 million in 1979. The ratio of imports of cold-rolled sheets from the Netherlands to apparent U.S. consumption was 1.1 percent in 1977, 1.2 percent in 1978, and 0.9 percent in 1979.

United Kingdom.--Imports of cold-rolled sheets from the United Kingdom were very small, declining from 74,000 tons, valued at $18.1 million in 1977, to 21,000 tons, valued at $5.8 million, in 1978, and to 6,000 tons, valued at $2.5 million in 1979. The ratio of imports of cold-rolled sheets from the United Kingdom to apparent U.S. consumption was 0.4 percent in 1977, 0.1 percent in 1978, and 0.03 percent in 1979.

Apparent U.S. consumption

Apparent U.S. consumption of cold-rolled sheets during 1977-79 is shown in table 41.

Table 41.--Cold-rolled sheets: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1977-79

Year	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1977	17,145	3,328	84	20,389	19.4	16.3
1978	17,235	3,114	101	20,248	18.1	15.4
1979	16,616	2,321	77	18,860	14.0	12.3

Source: Shipments, compiled from American Iron & Steel Institute, Annual Statistical Report; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

During 1977-79, apparent U.S. consumption of cold-rolled sheets declined by 7 percent, with virtually all of the decrease occurring in 1979. The domestic industry supplied an increasing share of apparent consumption during the period. In 1978, U.S. producers' shipments increased by 0.5 percent from the prior year's level, while apparent consumption and imports declined by 0.7 percent and 6 percent, respectively. In 1979, U.S. producers' shipments declined by 4 percent compared with a 7 percent decline for apparent consumption and a 25 percent decline for imports.

Financial experience of U.S. producers

Profit-and-loss data were received from eight producers in 1977 and 1978 and seven producers in 1979. Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined with those of Jones & Laughlin Steel in 1979. The reporting firms accounted for about 69 percent of U.S. shipments in 1979. The financial data presented in this section reflect U.S. producers' cold-rolled sheet operations.

As shown in table 42, net sales of U.S. producers' cold-rolled sheets increased from $3.3 billion in 1977 to $4.0 billion in 1979, representing a rise of 22 percent. Cost of goods sold declined from 103 percent of net sales in 1977 to 97 percent in 1979. Three firms out of the total eight responding firms, accounting for about 58 percent of total sales of all eight firms, reported usable data for raw materials and direct labor costs. As a percentage of sales, the raw material and direct labor costs declined as shown in the following tabulation:

	1977	1978	1979
Net sales-------Percent---	100.0	100.0	100.0
Raw materials-------do----	41.8	34.2	37.0
Direct labor--------do----	23.0	20.8	20.2

The aggregate net operating profit-or-loss picture improved from a net operating loss of $217 million in 1977 to a net operating profit of $20 million in 1979. The aggregate operating profit margins rose from a negative 6.6 percent in 1977 to a positive 0.5 percent in 1979.

Table 42.--Profit-and-loss experience of 8 U.S. producers 1/ on their operations on cold-rolled sheets, 1977-79

Item	1977	1978	1979
Net sales----------million dollars--	3,270	3,670	3,992
Cost of goods sold----------do----	3,371	3,542	3,857
Gross profit or (loss)----------do----	(101)	128	135
General, selling, and administrative expenses----------do----	116	118	115
Net operating profit or (loss)----------do----	(217)	10	20
Ratio of net operating profit or (loss) to net sales----------percent--	(6.6)	0.3	0.5
Number of firms reporting a net operating profit----------	0	3	2
Number of firms reporting a net operating loss----------	8	5	5

1/ There are 7 producers in 1979 because Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined with those of Jones & Laughlin Steel in 1979.

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

All eight firms reported losses in 1977, but *** and *** reported profits in 1978 and 1979. *** reported a negligible profit in 1978. National's and Bethlehem's sales averaged about *** percent and *** percent of total sales during 1977-79, and their operating profit margins were *** percent in 1978 and *** percent and *** percent in 1979, respectively. U.S. Steel accounted for about *** percent of total sales in each year.

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

Market penetration

The ratios of U.S. imports of cold-rolled sheets to U.S. producers' shipments and to apparent U.S. consumption are provided in table 43. During 1977-79, the ratio of total imports to apparent U.S. consumption declined from 16.3 percent to 12.3 percent.

The ratios for the EC and for Japan, which had higher ratios than any other single foreign supplier, followed the trend of the ratios for total imports. Countries of the EC which did not follow the trend were France, Italy, and the Netherlands. The ratios for imports from countries other than the EC and Japan increased in 1978 before declining in 1979 and thus did not follow the trend of other import sources in that year.

Table 43.--Cold rolled sheets: Ratios of imports to U.S. producers' shipments and apparent U.S. consumption, by principal sources, 1977-79

(In percent)

Source	Ratio of imports to--					
	Shipments			Consumption		
	1977	1978	1979	1977	1978	1979
Japan	6.0	5.0	4.7	5.1	4.2	4.1
EC:						
France	1.5	1.5	1.4	1.3	1.3	1.3
Belgium-Luxembourg	2.0	.8	.6	1.7	.6	.5
United Kingdom	.4	.1	1/	.4	.1	1/
Federal Republic of Germany	4.4	3.8	3.5	3.7	3.2	3.1
Italy	.9	1.2	.4	.8	1.0	.4
Netherlands	1.4	1.4	1.0	1.1	1.2	.9
Subtotal	10.6	8.7	7.0	8.9	7.4	6.1
All other	2.8	4.4	2.3	2.4	3.7	2.0
Total	19.4	18.1	14.0	16.3	15.4	12.3

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data published by the AISI.

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

Loss of sales

Domestic producers of cold-rolled sheets were requested to supply evidence of sales and/or revenue lost to imports of these products from countries in the EC. Seven firms furnished lists containing 292 allegations of lost sales, amounting to 1.8 million tons, and 196 allegations of lost revenue, amounting to $75 million, since 1977. The companies advised that these instances of reduced sales and revenues might be attributable to purchasers buying cold-rolled sheet from EC suppliers.

Phone inquiries concerning 122 allegations of lost sales were conducted by the staff. Of these, purchasers of cold-rolled sheets confirmed that in 94 instances, products imported from EC countries were purchased. The following tabulation lists these purchases, by sources, and the reasons offered by buyers for their purchasing decisions:

Source	Total allegations	Total allegations checked	Total allegations confirmed	Reasons given for purchases of confirmed lost sales				
				Price	Quality	Alternate source	Availability	Other
Belgium	12	3	3	0	0	0	3	0
Federal Republic of Germany	80	45	33	6	6	0	18	1/ 3
France	51	16	16	0	1	0	15	0
Italy	9	9	0	0	0	0	0	0
Luxembourg	0	0	0	0	0	0	0	0
Netherlands	12	9	7	0	3	1	3	0
United Kingdom	7	5	5	2	0	0	3	0
EC, not specified	121	35	30	14	6	3	7	0
Total	292	122	94	22	16	4	49	3

1/ In this instance, the purchasing firm was a subsidiary of a German corporation.

Of the 94 instances in which purchasers of cold-rolled sheets purchased imports from EC suppliers, 49, or 52 percent of the total, were by reason of lack of availability of the product from U.S. and other sources. Several purchasers related that in periods of short supply, domestic suppliers of cold-rolled sheets reduced the amount offered to purchasers, most of which are independent distributors of steel products which are competitive in some markets with the domestic producers themselves. When these suppliers were put on reduced allocation of cold-rolled sheets from domestic mills, they related that they purchased cold-rolled sheets from EC countries in order to fill customer orders, and have maintained this relationship even as shortages eased and the domestic product became more readily available.

In addition to data gathered on alleged lost sales of cold-rolled sheets, 19 allegations of lost revenue were substantiated by the Commission's staff. These comprised instances where purchasers confirmed that domestic producers of cold-rolled sheets reduced prices, or failed to increase prices, in order to meet those offered by EC suppliers of the product.

PART IV. CARBON STEEL GALVANIZED SHEETS

This part of the report presents data relating specifically to carbon steel galvanized sheets. Information on product descriptions, the nature and extent of alleged sales at LTFV, U.S. and foreign producers, U.S. importers, channels of distribution, and employment as it relates to carbon steel galvanized sheets, is presented in part I and will not be repeated.

Considerations of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production, annual capacity of U.S. firms to produce galvanized sheets during 1977-79, and their utilization of such capacity during that period are provided in table 44.

Table 44.--Galvanized sheets: U.S. production and practical capacity, 1/ 1977-79

Item	1977	1978	1979
Production 2/-------1,000 short tons-------:	3,924	4,760	4,397
Capacity----------do----:	5,835	5,854	5,854
Ratio of domestic production to capacity percent--:	67	81	75

1/ Capacity is defined as maximum sustainable output reflecting the firms' normal product mix.

2/ U.S. producers submitting usable data accounted for about 70 percent of total shipments in 1979 as reported by the AISI.

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

Caution should be used in evaluating these capacity utilization figures as discussed in part I of the report, p. A-44.

U.S. producers' shipments

U.S. producers' shipments (including exports) of galvanized sheets were as follows: 1/

	Quantity (1,000 short tons)
1977	5,654
1978	6,414
1979	6,300

During 1977-79 U.S. producers' shipments of galvanized sheets accounted for about 7 percent of shipments of all carbon steel mill products (p. A-47, pt. I). In 1978, U.S. producers' shipments of galvanized sheets increased 13 percent from the prior year's level; in 1979 such shipments declined by 2 percent.

U.S. exports

Exports of galvanized sheets increased from 30,000 tons in 1977 to 54,000 tons in 1978 before declining to 41,000 tons in 1979 (table 47). During 1977-79 exports of galvanized sheets accounted for between 1.8 percent and 2.9 percent of exports of all carbon steel mill products (p. A-48, pt. I).

Canada accounted for between 13 percent and 21 percent of total U.S. exports during the 3-year period. Exports to the EC accounted for 12 percent of total exports in 1977, 25 percent in 1978 owing to substantially increased shipments to Belgium-Luxembourg, and less than 1 percent in 1979. Pakistan and India accounted for a substantial share of exports to all other countries.

1/ Includes strip, a carbon steel mill product not included in the scope of this investigation.

Table 45.--Galvanized sheets: U.S. exports of domestic merchandise, by selected markets, 1977-79

Market	1977	1978	1979
	Quantity (short tons)		
Canada	6,454	7,237	8,632
Mexico	2,558	520	1,286
EC:			
France	28	3	43
Belgium-Luxembourg	9	11,890	16
United Kingdom	1,130	1,690	14
Federal Republic of Germany	252	9	77
Italy	1,931	0	0
Netherlands	378	2	15
Subtotal	3,728	13,595	164
Japan	4	121	8
All other	17,679	32,146	31,031
Total	30,423	53,619	41,121
	Value (1,000 dollars)		
Canada	2,269	3,110	4,607
Mexico	957	237	747
EC:			
France	7	7	35
Belgium-Luxembourg	5	4,205	22
United Kingdom	544	355	8
Federal Republic of Germany	148	15	137
Italy	431	-	-
Netherlands	156	11	32
Subtotal	1,290	4,593	235
Japan	2	35	7
All other	5,880	10,953	12,176
Total	10,398	18,928	17,772
	Unit value (per ton)		
Canada	$351	$429	$533
Mexico	374	455	580
EC:			
France	241	2,564	823
Belgium-Luxembourg	541	353	1,401
United Kingdom	481	210	594
Federal Republic of Germany	585	1,633	1,789
Italy	223	-	-
Netherlands	411	4,580	2,108
Average	346	337	1,430
Japan	496	289	873
All other	332	340	392
Average	341	353	432

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

U.S. producers' inventories

U.S. producers' inventories of galvanized sheets at yearend 1976-79 were as follows:

As of Dec. 31--	Quantity (1,000 short tons)
1976	444
1977	498
1978	569
1979	667

Inventories of galvanized sheets increased annually and at yearend 1979 were 50 percent more than the 1976 yearend level. Of the 10 firms maintaining inventories of galvanized sheets during the period, 6 reported increased inventories at yearend 1977 and 1978, and 5 reported increased inventories in 1979.

U.S. imports

U.S. imports of galvanized sheets from all sources amounted to 1.9 million tons, valued at $667 million, in 1977, 2.3 million tons, valued at $874 million, in 1978, and 2.1 million tons, valued at $940 million, in 1979 (table 46). During 1977-79, U.S. imports of galvanized sheets from all sources accounted for about 11 percent of total U.S. imports of all carbon steel mill products. Imports from all sources fell from 388,000 tons in January-February 1979 to 363,000 tons in January-February 1980; similarly, imports from the cited EC countries fell from 75,000 tons in January-February 1979 to 61,000 tons in January-February 1980.

Imports of galvanized sheets from all countries supplied 25.4 percent of apparent U.S. consumption in 1977, 26.2 percent in 1978, and 25.2 percent in 1979. Imports from the EC countries named in the complaint supplied 5.8 percent in 1977, 6.0 percent in 1978, and 5.6 percent in 1979.

Table 46.--Galvanized sheets: U.S. imports for consumption, by principal sources, 1977-79

Source	1977	1978	1979
	Quantity (1,000 short tons)		
EC:			
Belgium-Luxembourg	43	36	21
Federal Republic of Germany	230	226	217
France	97	144	133
Italy	29	64	41
Netherlands	24	40	33
United Kingdom	10	7	16
Subtotal	432	518	461
Japan	1,124	1,123	1,220
All other	353	622	425
Total	1,910	2,263	2,106
	Value (1,000 dollars)		
EC:			
Belgium-Luxembourg	14,490	13,392	9,305
Federal Republic of Germany	74,338	82,971	89,347
France	33,153	54,614	56,212
Italy	10,338	23,694	18,415
Netherlands	9,144	14,785	14,577
United Kingdom	3,046	2,616	7,262
Subtotal	144,510	192,073	195,118
Japan	408,175	466,998	573,179
All other	114,012	214,638	171,248
Total	666,697	873,709	939,545
	Unit value (per ton)		
EC:			
Belgium-Luxembourg	$335	$372	$438
Federal Republic of Germany	324	368	412
France	341	378	424
Italy	362	370	450
Netherlands	386	365	438
United Kingdom	320	361	442
Average	334	371	423
Japan	363	416	470
All other	323	345	403
Average	349	386	446

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

During 1977-79, imports of galvanized sheets from all sources were evenly distributed throughout the four regions, the gulf and east coasts each received 27 percent; the Great Lakes, 24 percent; and the west coast, 23 percent (table C-9).

The annual average unit value of imports of galvanized sheets from the EC countries was $29 per ton lower than that for Japan in 1977; the spread increased to $45 per ton in 1978 and $47 per ton in 1979.

Belgium-Luxembourg.--U.S. imports of galvanized sheets from Belgium-Luxembourg declined from 43,000 tons, valued at $14.5 million, in 1977 to 36,000 tons, valued at $13.4 million, in 1978, and to 21,000 tons, valued at $9.3 million in 1979. During 1977-79, such imports from Belgium-Luxembourg supplied from 0.3 to 0.6 percent of apparent U.S. consumption.

Federal Republic of Germany.--The Federal Republic of Germany has been the principal source of galvanized sheets from the EC countries, accounting for about 48 percent of all such imports. Imports from the Federal Republic of Germany amounted to 230,000 tons, valued at $74.3 million in 1977, 226,000 tons, valued at $83.0 million in 1978, and 217,000 tons, valued at $89.3 million in 1979. The ratio of imports of galvanized sheets from the Federal Republic of Germany to apparent U.S. consumption, was 3.1 percent in 1977 and 2.6 percent in both 1978 and 1979.

France.--France was the second leading EC source of imports of galvanized sheets, accounting for 97,000 tons, valued at $33.2 million in 1977, 144,000 tons, valued at $54.6 million in 1978, and 133,000 tons valued at $56.2 million in 1979. France supplied 1.3 percent in 1977, 1.7 percent in 1978, and 1.6 percent in 1979 of the U.S. market for galvanized sheets.

Italy.--U.S. imports of galvanized sheets from Italy increased from 29,000 tons, valued at $10.3 million in 1977 to 64,000 tons, valued at $23.7

million in 1978. In 1979, imports declined to 41,000 short tons, valued at $18.4 million. The ratio of imports of galvanized sheets from Italy to apparent U.S. consumption was 0.4 percent in 1977, 0.7 percent in 1978, and 0.5 percent in 1979.

The Netherlands.--U.S. imports of galvanized sheets from the Netherlands have been small, ranging from 24,000 tons valued at $9.1 million in 1977 to 40,000 tons, valued at $14.8 million in 1978. In 1979, imports amounted to 33,000 tons valued at $14.6 million. The ratio of imports of galvanized sheets from the Netherlands to apparent U.S. consumption was 0.3 percent in 1977, 0.5 percent in 1978, and 0.4 percent in 1979.

United Kingdom.--The United Kingdom was the smallest of the EC suppliers of galvanized sheets to the United States. Imports amounted to 10,000 tons in 1977, 7,000 tons in 1978, and 16,000 tons in 1979; such imports supplied 0.1 percent of apparent U.S. consumption in both 1977 and 1978, and 0.2 percent of consumption in 1979.

Apparent U.S. consumption

Apparent U.S. consumption of galvanized sheets during 1977-79 is provided in table 47.

Table 47.--Galvanized sheets: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1977-79

Year	Shipments 1/	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent 2/	
1977	5,654	1,910	30	7,534	33.8	25.3
1978	6,414	2,263	54	8,623	35.3	26.2
1979	6,300	2,106	41	8,365	33.4	25.2

1/ Includes strip, a carbon steel mill product not included within the scope of this investigation.

2/ Slightly understated owing to the inclusion of strip with U.S. producers' shipments and apparent consumption.

Source: Shipments, American Iron & Steel Institute, Annual Statistical Report; imports and exports, official statistics of the U.S. Department of Commerce.

In 1978, apparent U.S. consumption of galvanized sheets increased 14 percent from the prior year's level; in 1979, apparent consumption declined 3 percent from the prior year's level. In 1978, the share of apparent consumption supplied by the domestic industry declined as the increase in imports during that year (18 percent) exceeded that of U.S. producers' shipments (13 percent) and apparent consumption (14 percent). In 1979, the domestic industry regained virtually all of the market share lost in 1978 as the decline in imports exceeded that of U.S. producers' shipments and apparent consumption (7 percent versus 2 percent and 3 percent, respectively).

Financial experience of U.S producers

Profit-and-loss data were received from eight producers in 1977 and 1978 and seven producers in 1979. Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined with those of Jones & Laughlin Steel in 1979. The reporting firms accounted for about 77 percent of U.S. shipments in 1979. The financial data presented in this section reflect U.S. producers' galvanized sheet operations.

As shown in table 48, net sales of U.S. producers' galvanized sheets increased from $1.4 billion in 1977 to $2.0 billion in 1979, representing a rise of 36 percent. Cost of goods sold declined from 95.5 percent of net sales in 1977 to 91.3 percent in 1979. Three firms out of the total eight responding firms, accounting for about 54 percent of total sales of all eight firms, reported usable data for raw material and direct labor costs. As a percentage of sales, raw material and direct labor costs declined as shown in the following tabulation:

	1977	1978	1979
Net sales----------percent--	100.0	100.0	100.0
Raw materials----------do----	37.2	32.4	34.0
Direct labor----------do----	17.6	17.8	16.2

The aggregate net operating profit jumped from $18 million in 1977 to $114 million in 1979, representing an increase of more than 500 percent. During the same period, the aggregate profit margins increased from 1.3 percent to 5.8 percent.

Three-fourths of the firms reported losses in 1977 and half of the firms reported profits in 1978 and 1979. National and U.S. Steel accounted for about *** percent and *** percent of total sales during 1977-79, respectively. National Steel reported *** while U.S. Steel reported ***; their profit margins were as follows:

	1977	1978	1979
National Steel Corp----------	***	***	***
U.S. Steel Corp----------	***	***	***

Table 48.--Profit-and-loss experience of 8 U.S. producers 1/ on their operations on galvanized sheets, 1977-79

Item	1977	1978	1979
Net sales----------million dollars--	1,439	1,789	1,951
Cost of goods sold----------do----	1,374	1,658	1,782
Gross profit----------do----	65	131	169
General, selling, and administrative expenses----------do----	47	54	55
Net operating profit----------do----	18	77	114
Ratio of net operating profit to net sales----------percent--	1.3	4.3	5.8
Number of firms reporting a net operating profit----------	2	4	4
Number of firms reporting a net operating loss----------	6	4	3

1/ There were 7 producers in 1979 because Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined with those of Jones & Laughlin Steel in 1979.

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

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

Market penetration

The ratios of U.S. imports of galvanized sheets to U.S. producers' shipments and to apparent U.S. consumption are provided in table 49. The ratio of total imports to apparent U.S. consumption increased from 25.4 percent in 1977 to 26.2 percent in 1978 before declining to 25.2 percent in 1979.

While the ratios for total EC followed the trend of total imports (increasing in 1978, declining in 1979), the ratios for certain of the EC countries did not follow the trend. The ratios for the Federal Republic of Germany, the principal U.S. supplier from the EC, Belgium-Luxembourg, and the United Kingdom declined in 1978 while those for the United Kingdom increased in 1979.

In each year of 1977-79, the ratios of imports to consumption were higher for Japan than for any other single foreign supplier. Unlike the ratios for other sources, the ratios for Japan declined in 1978 (from 14.9 percent to 13.0 percent) and increased in 1979 (from 13.0 percent to 14.6 percent).

Table 49.--Galvanized sheets: Ratios of imports to U.S. producers' shipments and apparent U.S. consumption, 1/ by principal sources, 1977-79

(In percent)

Source	Ratio of imports to--2/					
	Shipments			Consumption		
	1977	1978	1979	1977	1978	1979
Japan	19.9	17.5	19.4	14.9	13.0	14.6
EC:						
France	1.7	2.3	2.1	1.3	1.7	1.6
Belgium-Luxembourg	.8	.6	.3	.6	.4	.3
United Kingdom	.2	.1	.3	.1	.1	.2
Federal Republic of Germany	4.1	3.5	3.4	3.1	2.6	2.6
Italy	.5	1.0	.7	.4	.7	.5
Netherlands	.4	.6	.5	.3	.5	.4
Subtotal	7.6	8.1	7.3	5.7	6.0	5.5
All other	6.2	9.7	6.8	4.7	7.2	5.1
Total	33.8	35.2	33.4	25.4	26.2	25.2

1/ Includes strip, a carbon steel mill product not included within the scope of these investigations.

2/ Slightly understated owing to the inclusion of strip with U.S. producers' shipments and apparent consumption.

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

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

Loss of sales

Seven domestic producers supplied information on specific lost sales since January 1, 1977, to customers which allegedly purchased galvanized sheets from EC countries in lieu of U.S.-produced galvanized sheets. In addition, these producers alleged that they had lost revenue on certain sales that were made, but at reduced prices, because of price depression caused by imports from EC countries. In its efforts to verify these allegations, certain firms, randomly selected, were contacted.

With respect to imports of galvanized sheets from EC countries, U.S. producers made 328 specific allegations of lost sales, totaling 607,000 tons. Of the 70 allegations that the staff was able to investigate, 33 allegations represented instances in which galvanized sheets from EC countries were purchased. The principal reason for purchases provided by the firms that verified that galvanized sheets from EC countries were chosen in lieu of the domestic product was lower price, as shown in the following tabulation:

Source	Total allegations	Total allegations checked	Total allegations confirmed	Reasons given for purchases of confirmed lost sales				
				Price	Quality	Alternate source	Availability	Other
Belgium	14	0	0	0	0	0	0	0
Federal Republic of Germany	88	26	10	5	0	2	3	0
France	48	5	5	1	1	0	3	0
Italy	14	0	0	0	0	0	0	0
Luxembourg	2	0	0	0	0	0	0	0
Netherlands	6	3	0	0	0	0	0	0
United Kingdom	5	15	2	0	0	2	0	0
EC, not specified	151	21	16	8	1	3	4	0
Total	328	70	33	14	2	7	10	0

Some firms reported that the EC product was more than 5 percent cheaper than the comparable domestic product, while other firms noted that price was the only reason for purchase of the galvanized sheets from EC since quality between domestic and EC made sheets was comparable. Such firms added, however, that since TPM came into effect, prices between domestic and EC made galvanized sheets have become very competitive.

In addition to lost sales, U.S. producers cited 60 specific allegations of lost revenue amounting to $3.5 million on sales of galvanized sheets that were made only after prices were reduced to be competitive with those offered for the comparable product from EC countries. Losses of revenue were confirmed for eight allegations in instances where purchasers confirmed that domestic producers of galvanized sheets reduced prices in order to meet prices offered by EC suppliers of the product.

PART V. CARBON STEEL PLATES

This part of the report presents data relating specifically to carbon steel plates. Information on product descriptions, the nature and extent of alleged sales at LTFV, U.S. and foreign producers, U.S. importers, channels of distribution, and employment as it relates to carbon steel plates is presented in part I and will not be repeated.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production, annual capacity of U.S. firms to produce plates during 1977-79, and their utilization of such capacity during that period are provided in table 50.

Table 50.--Plates: U.S. production and practical capacity, 1/ 1977-79

Item	1977	1978	1979
Production 2/-------1,000 short tons-------:	4,950	5,386	5,624
Capacity----------do----:	8,396	8,804	9,041
Ratio of domestic production to capacity percent--:	59	61	62

1/ Capacity is defined as maximum sustainable output reflecting the firms' normal product mix.

2/ U.S. producers submitting usable data accounted for about 79 percent of total shipments in 1979 as reported by the AISI.

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

Caution should be used in evaluating these capacity utilization figures as discussed in part I of the report, p. A-44.

U.S. producers' shipments

U.S. producers' shipments (including exports) of plates during 1977-79 were as follows:

	Quantity (1,000 short tons)
1977	5,859
1978	6,588
1979	6,803

During 1977-79 U.S. producers' shipments of plates accounted for about 7 percent of shipments of all carbon steel mill products (p. A-47, pt. I). U.S. producers' shipments of plates during the 3-year period increased by 16 percent. The bulk of this increase (12 percent) occurred in 1978.

U.S. exports

U.S. exports of plates increased from 45,000 tons in 1977 to 169,000 tons in 1979 (table 51). During 1977-79, exports of plates accounted for 2.6 percent to 7.4 percent of exports of all carbon steel mill products (p. A-48, part 1). In 1978, exports increased to all markets except the EC; the increase in shipments to Thailand, which accounted for 40 percent of total exports in that year, was especially large. In 1979, exports continued to increase to all markets except Japan.

Canada accounted for between 28 percent and 46 percent of total exports during the 3-year period. Exports to the EC accounted for 7 percent of total exports in 1977, less than 1 percent in 1978, and 10 percent in 1979.

Table 51.--Plates: U.S. exports of domestic merchandise, by selected markets, 1977-79

Market	1977	1978	1979
	Quantity (short tons)		
Canada	20,459	32,503	62,990
Mexico	3,331	10,117	18,841
EC:			
France	23	44	38
Belgium-Luxembourg	107	75	25
United Kingdom	3,003	110	5,165
Federal Republic of Germany	22	85	51
Italy	59	257	11,836
Netherlands	1/	39	10
Subtotal	3,213	610	17,125
Japan	0	8,103	2,228
All other	17,949	66,318	67,482
Total	44,952	117,651	168,666
	Value (1,000 dollars)		
Canada	6,573	14,209	26,619
Mexico	1,408	4,340	9,889
EC:			
France	18	31	75
Belgium-Luxembourg	81	58	52
United Kingdom	523	152	1,270
Federal Republic of Germany	11	158	393
Italy	24	124	2,686
Netherlands	-	9	9
Subtotal	657	532	4,484
Japan	3	1,120	625
All other	6,672	16,501	23,512
Total	15,313	36,702	65,129
	Unit value (per ton)		
Canada	$321	$437	$422
Mexico	422	428	524
EC:			
France	760	714	1,954
Belgium-Luxembourg	760	769	2,102
United Kingdom	174	1,381	245
Federal Republic of Germany	499	1,856	7,710
Italy	402	480	226
Netherlands	-	234	962
Average	204	872	261
Japan	10,411	138	280
All other	371	248	348
Average	340	311	386

1/ Less than 0.5 short ton.

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

U.S. producers' inventories

U.S. producers' inventories of plates at yearend 1976-79 were as follows:

As of Dec. 31--	Quantity (1,000 short tons)
1976----------	248
1977----------	279
1978----------	318
1979----------	326

Inventories of plates increased annually and at yearend 1979 were 31 percent more than the 1976 yearend level. Of the 10 firms maintaining inventories of plates during the period, 5 reported increased inventories at yearend 1977, 6 at yearend 1978, and 5 at yearend 1979.

U.S. imports

U.S. imports of plates from all sources amounted to 2.1 million tons, valued at $481 million in 1977, 2.8 million tons, valued at $748 million in 1978, and 1.8 million tons, valued at $574 million in 1979 (table 52). During 1977-79, such imports accounted for about 12 percent of total U.S. imports of all carbon steel mill products. Of the total U.S. imports of plates, the EC countries named in the complaint supplied 39 percent in 1977, 44 percent in 1978, and 37 percent in 1979. Japan was the principal source of imports in 1977; however, owing to a dumping finding against imports of plates from Japan in 1978, imports declined precipitously from 509,000 tons in 1977 to 181,000 tons in 1978; and imports declined even further in 1979 to 125,000 tons. Imports from all sources rose from 253,000 tons in January-February 1979 to 304,000 tons in January-February 1980; similarly, imports from the cited EC countries rose from 89,000 tons in January-February 1979 to 117,000 tons in January-February 1980.

Table 52.--Plates: U.S. imports for consumption, by principal sources, 1977-79

Source	1977	1978	1979
	Quantity (1,000 short tons)		
EC:			
Belgium-Luxembourg	147	400	218
Federal Republic of Germany	253	344	223
France	124	250	123
Italy	158	177	45
Netherlands	22	32	33
United Kingdom	100	44	15
Subtotal	805	1,246	657
Japan	509	181	125
All other	762	1,422	992
Total	2,076	2,850	1,774
	Value (1,000 dollars)		
EC:			
Belgium-Luxembourg	36,071	111,604	75,081
Federal Republic of Germany	60,734	96,177	69,819
France	28,472	67,290	37,980
Italy	33,680	40,128	13,310
Netherlands	4,836	9,135	10,375
United Kingdom	23,346	11,299	5,228
Subtotal	187,139	335,633	211,791
Japan	130,464	54,434	41,270
All other	163,828	357,443	321,112
Total	481,431	747,510	574,173
	Unit value (per ton)		
EC:			
Belgium-Luxembourg	$245	$279	$345
Federal Republic of Germany	240	280	313
France	229	269	310
Italy	214	227	293
Netherlands	225	287	313
United Kingdom	232	259	348
Average	233	269	322
Japan	256	301	329
All other	215	251	324
Average	232	262	324

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

Imports of plates from all countries supplied 26.3 percent of U.S. apparent consumption in 1977, 30.6 percent in 1978, and 21.1 percent in 1979; imports from the EC countries supplied 10.2 percent, 13.4 percent, and 7.8 percent, respectively.

About 35 percent of total U.S. imports of plates entered through the Great Lakes; the gulf coast accounted for 30 percent, the east coast, 22 percent, and the west coast, 12 percent (table C-10). About 34 percent of the EC imports went into the gulf coast region compared with 27 percent for the Great Lakes.

The annual average unit value of imports of plates from the EC countries ranged from $7 per ton lower in 1979 to $32 per ton lower in 1978 than imports of plates from Japan.

Belgium-Luxembourg.--During 1977-79, Belgium-Luxembourg was the second largest source of plates among EC suppliers. Imports increased from 147,000 tons, valued at $36.1 million, in 1977, to 400,000 tons, valued at $111.6 million, in 1978, before declining to 218,000 tons, valued at $75.1 million, in 1979. The ratio of imports of plates from Belgium-Luxembourg to apparent U.S. consumption was 1.9 percent in 1977, 4.3 percent in 1978, and 2.6 percent in 1979.

Federal Republic of Germany.--The Federal Republic of Germany was the principal source of U.S. imports of plates during 1977-79. Imports increased from 253,000 tons, valued at $60.7 in 1977 to 344,000 tons, valued at $96.2 million in 1978. In 1979, imports declined to 223,000 tons, valued at $69.8 million. The ratio of imports of plates from the Federal Republic of Germany to apparent U.S. consumption was 3.2 percent in 1977, 3.7 percent in 1978, and 2.7 percent in 1979.

France.--U.S. imports from France exhibited the same trend as imports from other EC suppliers in that imports increased in 1978 and declined in 1979. Imports amounted to 124,000 tons, valued at $28.5 million in 1977, 250,000 tons, valued at $67.3 million in 1978, and 123,000 tons, valued at $38.0 million in 1979. Imports of plates from France supplied 1.6 percent in 1977, 2.7 percent in 1978, and 1.5 percent in 1979 of apparent U.S. consumption.

Italy.--U.S. imports of plates from Italy increased from 158,000 tons, valued at $33.7 million in 1977 to 177,000 tons, valued at $40.1 million in 1978. In 1979, imports declined to 45,000 tons, valued at $13.3 million. The average unit value of imports from Italy was the lowest of all EC suppliers throughout the period, ranging from $36 per ton lower in 1979 to $74 per ton lower in 1978 than that for Japan, or from $19 per ton lower in 1977 to $42 per ton lower than the average unit value of all EC suppliers. U.S. imports of plates from Italy supplied 2.0 percent of apparent U.S. consumption in 1977, 1.9 percent in 1978, and 0.5 percent in 1979.

The Netherlands.--U.S. imports of plates from the Netherlands were the least of any of the EC suppliers, amounting to 22,000 tons, valued at $4.8 million in 1977, 32,000 tons, valued at $9.1 million in 1978, and 33,000 tons, valued at $10.4 million in 1979. Such imports supplied 0.3 percent of apparent U.S. consumption in both 1977 and 1978, and 0.4 percent in 1979.

United Kingdom.--U.S. imports of plates from the United Kingdom declined from 100,000 tons, valued at $23.3 million in 1977, to 44,000 tons, valued at $11.3 million in 1978, to only 15,000 tons, valued at $5.2 million in 1979. Such imports supplied 1.3 percent of apparent U.S. consumption in 1977, 0.5 percent in 1978, and 0.2 percent in 1979.

Apparent U.S. consumption

Apparent U.S. consumption of plates during 1977-79 is shown in table 53.

Table 53.--Carbon steel plates: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1977-79

Year	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 short tons				Percent	
1977	5,859	2,076	45	7,890	35.4	26.3
1978	6,588	2,850	118	9,320	43.3	30.6
1979	6,803	1,774	169	8,408	26.1	21.1

Source: Shipments, American Iron and Steel Institute, Annual Statistical Report; imports and exports, official statistics of the U.S. Department of Commerce.

In 1978, apparent consumption of plates increased 18 percent from the prior year's level; in 1979, apparent consumption declined 10 percent from the 1978 level. The share of the market supplied by the domestic industry declined in 1978 as the increase in imports in that year (37 percent) exceeded that of U.S. producers' shipments (12 percent) and apparent consumption (18 percent). In 1979, the domestic industry regained the market share lost in 1978, and more, as U.S. producers' shipments increased (3 percent), while imports and apparent consumption declined (38 percent and 10 percent, respectively).

Financial experience of U.S. producers

Profit and loss data were received from eight producers in 1977 and 1978 and seven producers in 1979. Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined with those of Jones & Laughlin Steel in 1979. The reporting firms accounted for about 83 percent of U.S. shipments in 1979. The financial data presented in this section reflect U.S. producers' plate operations.

As shown in table 54, net sales of plates by U.S. producers' increased from $1.4 billion in 1977 to $2.0 billion in 1979, or by 42 percent. Cost of goods sold declined from 98.5 percent of net sales in 1977 to 94 percent in 1979. Three firms out of the total eight responding firms, accounting for about 33 percent of total sales of all eight firms, reported usable data for raw material and direct labor costs. As a percentage of sales, raw materials and direct labor costs declined as shown in the following tabulation:

	1977	1978	1979
Net sales---------percent--	100.0	100.0	100.0
Raw materials--------do----	51.4	46.9	47.6
Direct labor---------do----	30.0	27.3	26.4

The aggregate net operating profit-or-loss picture improved from a net operating loss of $36 million in 1977 to a net operating profit of $46 million in 1979. The aggregate operating profit margins rose from a negative 2.6 percent in 1977 to a positive 2.3 percent in 1979.

Almost two-thirds of the firms reported losses in 1977 and in 1979 and profits in 1978. United States Steel and Bethlehem accounted for about *** percent and *** percent of total sales during 1977-79, respectively. Both firms reported *** in 1977 and *** in 1978 and 1979; their profit margins were *** percent and *** percent, respectively, in 1978, and *** percent and *** percent, respectively, in 1979.

Table 54.--Profit-and-loss experience of 8 U.S. producers 1/ on their operations on plates, 1977-79

Item	1977	1978	1979
Net sales----------million dollars--	1,396	1,702	1,977
Cost of goods sold----------do----	1,375	1,600	1,863
Gross profit----------do----	21	102	114
General, selling, and administrative expenses----------do----	57	59	68
Net operating profit or (loss)----------do----	(36)	43	46
Ratio of net operating profit or (loss) to net sales----------percent--	(2.6)	2.5	2.3
Number of firms reporting a net operating profit----------	3	5	3
Number of firms reporting a net operating loss----------	5	3	4

1/ There are 7 producers in 1979 because Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978, and hence its operations were combined with those of Jones & Laughlin Steel in 1979.

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

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

Market penetration

The ratios of U.S. imports of plates to U.S. producers' shipments and to apparent U.S. consumption are provided in table 55. During 1977-79 the ratio of total imports to apparent U.S. consumption increased from 26.3 percent in 1977 to 30.6 percent in 1978, before declining to 21.1 percent in 1979.

The ratios for total EC followed the trend for all imports. Countries of the EC which did not follow the trend were the United Kingdom and Italy in 1978 and the Netherlands in 1978 and 1979.

The ratios for Japan, which began the 1977-79 period with the largest ratios of any single foreign supplier, substantially declined in 1978 and continued to decline in 1979.

Table 55.--Plates: Ratios of imports to U.S. producers' shipments and apparent U.S. consumption, by principal sources, 1977-79

(In percent)

Source	Ratio of imports to--					
	Shipments			Consumption		
	1977	1978	1979	1977	1978	1979
Japan	8.7	2.8	1.8	6.5	1.9	1.5
EC:						
France	2.1	3.8	1.8	1.6	2.7	1.5
Belgium-Luxembourg	2.5	6.1	3.3	1.9	4.3	2.6
United Kingdom	1.7	.6	.2	1.3	.5	.2
Federal Republic of Germany	4.3	5.2	3.3	3.2	3.7	2.7
Italy	2.7	2.7	.7	2.0	1.9	.5
Netherlands	.4	.5	.5	.3	.3	.4
Subtotal	13.7	18.9	9.7	10.2	13.4	7.8
All other	13.0	21.6	14.6	9.7	15.3	11.8
Total, all sources	35.4	43.3	26.1	26.3	30.6	21.1

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

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

Loss of sales

Eight domestic producers provided information on specified lost sales to customers which allegedly purchased plates from EC countries in lieu of U.S.-produced plates. These producers also alleged that revenues had been lost on certain sales by reason of lower priced plates from EC countries. The staff was able to contact a limited number of the cited firms.

Domestic producers made 321 allegations of lost sales, accounting for 735,000 tons. Firms accounting for 55 allegations were contacted. As shown in the following tabulation, 40 allegations were confirmed where plates from EC countries were purchased:

Source	Total allegations	Total allegations checked	Total allegations confirmed	Reasons given for purchases of confirmed lost sales				
				Price	Quality	Alternate source	Availability	Other
Belgium	63	6	6	0	3	0	3	0
Federal Republic of Germany	93	13	13	3	3	0	7	0
France	55	8	4	0	0	0	4	0
Italy	29	1	0	0	0	0	0	0
Luxembourg	3	1	1	1	0	0	0	0
Netherlands	1	0	0	0	0	0	0	0
United Kingdom	23	4	1	1	0	0	0	0
EC, not specified	54	22	15	10	0	0	5	0
Total	321	55	40	15	6	0	19	0

The principal reason for purchase provided by firms that verified that plates from EC countries were chosen in lieu of the domestic product was lack of availability. Certain purchasers located in the West noted that even if the domestic industry was operating at full capacity, only a limited share of their needs would be satisfied since Kaiser is the only domestic plate-producing firm in that region. One firm indicated that Japan had also been a foreign supplier of plates but virtually ceased as a result of an earlier antidumping action.

In 15 instances, price was given as the principal reason for purchase, however, firms generally agreed that since TPM, EC prices for plates have been competitive with comparable U.S.-made plates.

Additionally, U.S. producers made 49 allegations of lost revenue amounting to $3.7 million. The Commission contacted several cited firms and was unable to confirm any instances of lost revenue.

PART VI. CARBON STEEL ANGLES, SHAPES, AND SECTIONS

This part of the report presents data relating specifically to carbon steel angles, shapes, and sections. Information on product descriptions, the nature and extent of alleged sales at LTFV, U.S. and foreign producers, U.S. importers, channels of distribution, and employment, as it relates to carbon steel angles, shapes, and sections, is presented in part I and will not be repeated.

Consideration of Material Injury to an Industry in the United States

U.S. production, capacity, and capacity utilization

U.S. production, annual capacity of U.S. firms to produce angles, shapes, and sections during 1977-79, and their utilization of such capacity during that period are provided in table 56.

Table 56.--Angles, shapes, and sections: U.S. production and practical capacity, 1/ 1977-79

Item	1977	1978	1979
Production 2/-------1,000 short tons-------:	2,657	2,773	2,866
Capacity----------do----:	5,814	5,789	5,789
Ratio of domestic production to capacity percent--:	46	48	50

1/ Capacity is defined as maximum sustainable output reflecting the firms' normal product mix.

2/ U.S. producers submitting usable production data accounted for about 57 percent of total shipments in 1979 as reported by the AISI.

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

Caution should be used in evaluating these capacity utilization figures as discussed in part I of the report, p. A-44.

U.S producers' shipments

U.S. producers' shipments (including exports) of angles, shapes, and sections during 1977-79 were as follows:

	Quantity (1,000 short tons)
1977	3,564
1978	4,057
1979	4,515

During 1977-79 U.S. producers' shipments of angles, shapes, and sections accounted for between 4.4 percent and 5.1 percent of shipments of all carbon steel mill products (p. A-47, pt. I). U.S. producers' shipments of angles, shapes, and sections increased from 3.6 million tons in 1977 to 4.5 million in 1979, or by 27 percent.

U.S. exports

Exports of angles, shapes, and sections increased from 82,000 tons in 1977 to 126,000 tons in 1979 (table 57). During 1977-79 exports of angles, shapes, and sections accounted for between 4.8 percent and 5.5 percent of exports of all carbon steel mill products (p. A-48, pt. I).

The principal market for U.S. exports of angles, shapes, and sections is Canada, which accounted for between 56 percent and 65 percent of total exports during the 3-year period. Exports to the EC accounted for less than 1 percent of total exports during 1977-79. Venezuela was the principal destination of U.S. exports to all other countries.

Table 57.--Angles, shapes, and sections: U.S. exports of domestic merchandise, by selected markets, 1977-79

Market	1977	1978	1979
	Quantity (short tons)		
Canada	53,053	62,507	70,696
Mexico	6,665	15,662	19,157
EC:			
France	150	156	164
Belgium-Luxembourg	193	99	0
United Kingdom	115	352	167
Federal Republic of Germany	0	0	37
Italy	51	70	355
Netherlands	0	172	0
Subtotal	508	849	723
Japan	652	885	166
All other	20,769	23,244	35,514
Total	81,647	103,147	126,256
	Value (1,000 dollars)		
Canada	16,212	21,453	28,854
Mexico	2,469	6,795	9,328
EC:			
France	80	97	99
Belgium-Luxembourg	111	48	-
United Kingdom	63	129	82
Federal Republic of Germany	-	-	20
Italy	21	46	105
Netherlands	-	81	-
Subtotal	276	401	306
Japan	351	464	105
All other	7,785	10,141	23,744
Total	27,093	39,254	62,337
	Unit value (per ton)		
Canada	$305	$343	$408
Mexico	370	433	486
EC:			
France	536	623	602
Belgium-Luxembourg	578	481	-
United Kingdom	548	367	492
Federal Republic of Germany	-	-	537
Italy	410	659	294
Netherlands	-	470	-
Average	542	472	422
Japan	539	524	633
All other	374	436	668
Average	331	380	493

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

U.S. producers' inventories

U.S. producers' inventories of angles, shapes, and sections at yearend 1976-79 were as follows:

As of Dec. 31--	Quantity (1,000 short tons)
1976	201
1977	213
1978	210
1979	192

Yearend inventories of angles, shapes, and sections increased 6 percent in 1977 from the 1976 yearend level, but declined annually thereafter. At yearend 1979, inventories were 10 percent below the 1977 yearend level. Of the seven firms maintaining inventories of angles, shapes, and sections during the period, five reported increased inventories at yearend 1977, and three reported increased inventories at yearend 1978 and 1979.

U.S. imports

U.S. imports of angles, shapes, and sections from all sources increased from 1.7 million tons, valued at $401 million to almost 1.8 million tons, valued at $488 million in 1978 (table 58). Unlike the other products covered by this investigation, imports of angles, shapes, and sections increased in 1979 to more than 1.8 million tons, valued at $634 million. During 1977-79, such imports accounted for about 10 percent of total U.S. imports of all carbon steel mill products. Of the total U.S. imports of angles, shapes, and sections, the EC countries named in the complaint supplied 38 percent in 1977, 36 percent in 1978, and 35 percent in 1979. Imports from all sources rose from 246,000 tons in January-February 1979 to 321,000 tons in January-February 1980; similarly, imports from the cited EC countries rose from 74,000 tons in January-February 1979 to 90,000 tons in January-February 1980.

Table 58.--Angles, shapes, and sections: U.S. imports for consumption, by principal sources, 1977-79

Source	1977	1978	1979
	Quantity (1,000 short tons)		
EC:			
Belgium-Luxembourg	304	307	379
Federal Republic of Germany	104	167	134
France	74	99	70
Italy	3	1/	1/
Netherlands	1/	1/	1/
United Kingdom	158	72	68
Subtotal	645	644	653
Japan	730	491	647
All other	342	631	550
Total	1,716	1,767	1,850
	Value (1,000 dollars)		
EC:			
Belgium-Luxembourg	72,003	85,187	128,524
Federal Republic of Germany	25,910	46,493	47,345
France	16,911	26,964	23,742
Italy	703	17	25
Netherlands	98	98	143
United Kingdom	36,643	22,533	26,171
Subtotal	152,268	181,293	225,949
Japan	166,857	135,905	227,757
All other	82,219	170,929	180,130
Total	401,344	488,127	633,836
	Unit value (per ton)		
EC:			
Belgium-Luxembourg	$237	$278	$339
Federal Republic of Germany	247	279	353
France	227	274	338
Italy	222	264	1,428
Netherlands	260	344	331
United Kingdom	232	315	382
Average	236	282	346
Japan	229	277	352
All other	241	271	328
Average	234	276	343

1/ Less than 500 short tons.

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

Imports of angles, shapes, and sections from all countries supplied 33.0 percent of apparent U.S. consumption in 1977, 30.9 percent in 1978, and 29.7 percent in 1979 . The ratio of imports of angles, shapes, and sections from the EC countries combined to apparent U.S. consumption was 12.4 percent in 1977, 11.3 percent in 1978, and 10.5 percent in 1979.

About 32 percent of total U.S. imports entered through the gulf coast; the east coast accounted for 29 percent; the west coast, 25 percent; and the Great Lakes, 14 percent. A slightly higher percentage of the EC imports entered through the gulf and east coasts (Table C-11).

The annual average unit value of imports of angles, shapes, and sections from the EC countries ranged from $7 per ton higher in 1977 to $6 per ton lower in 1979 than imports of these articles from Japan.

Belgium-Luxembourg.--Belgium-Luxembourg was the principal supplier of the EC countries, accounting for more than one-half of total imports of angles, shapes, and sections from the EC during 1977-79. U.S. imports from Belgium-Luxembourg increased from 304,000 tons, valued at $72.0 million in 1977 to 307,000 tons, valued at $85.2 million, in 1978, and to 379,000 tons, valued at $128.5 million, in 1979. The ratio of imports of angles, shapes, and sections from Belgium-Luxembourg to apparent U.S. consumption was 5.8 percent in 1977, 5.4 percent in 1978, and 6.1 percent in 1979.

Federal Republic of Germany.--The Federal Republic of Germany was the second leading supplier of angles, shapes, and sections to the United States among EC countries, accounting for slightly in excess of one-fifth of total imports from the EC during 1977-79. U.S. imports from the Federal Republic of Germany increased from 104,000 tons, valued at $25.9 million in 1977, to 167,000 tons, valued at $46.5 million in 1978. Imports declined to 134,000

tons, valued at $47.4 million in 1979. The Federal Republic of Germany supplied 2.0 of apparent U.S. consumption percent in 1977, 2.9 percent in 1978, and 2.1 percent in 1979.

France.--U.S. imports of angles, shapes, and sections from France increased from 74,000 tons, valued at $16.9 million in 1977 to 99,000 tons, valued at $27.0 million in 1978, but declined to 70,000 tons, valued at $23.7 million in 1979. The ratio of imports to apparent U.S. consumption was 1.4 percent in 1977, 1.7 percent in 1978, and 1.1 percent in 1979.

Italy.--Imports from Italy amounted to only 3,000 tons in 1977 and were less than 100 tons in both 1978 and 1979.

The Netherlands.--U.S. imports from the Netherlands were negligible, accounting for less than 500 tons in each of the years 1977-79.

United Kingdom.--U.S. imports of angles, shapes, and sections from the United Kingdom declined from 158,000 tons, valued at $36.6 million in 1977, to 72,000 tons, valued at $22.5 million in 1978, and to 68,000 tons, valued at $26.2 million in 1979. The ratio of imports of angles, shapes, and section from the United Kingdom to apparent U.S. consumption was 3.0 percent in 1977, 1.3 percent in 1978, and 1.1 percent in 1979.

Apparent U.S. consumption

Apparent U.S. consumption of angles, shapes, and sections during 1977-79 is shown in table 59.

Table 59.--Angles, shapes, and sections: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1977-79

Year	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to--	
					Shipments	Consumption
	1,000 tons				Percent	
1977	3,564	1,716	82	5,198	48.1	33.0
1978	4,057	1,767	103	5,721	43.5	30.9
1979	4,515	1,850	126	6,239	41.0	29.7

Source: Shipments, compiled from American Iron & Steel Institute, Annual Statistical Report; imports and exports, compiled from official statistics of the U.S. Department of Commerce.

During 1977-79, apparent U.S. consumption of angles, shapes, and sections increased by 20 percent. The share of apparent consumption accounted for by the domestic industry increased in 1978 and 1979 as the increase in imports during those years (3 percent and 5 percent, respectively) was below increases for U.S. producers' shipments (14 percent and 11 percent, respectively) and apparent consumption (10 percent and 9 percent, respectively).

Financial experience of U.S. producers

Profit-and-loss data were received from eight producers in 1977 and 1978 and seven producers in 1979. Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined with those of Jones & Laughlin Steel in 1979. The reporting firms accounted for about 74 percent of U.S. shipments in 1979. The financial data presented in this section reflect U.S. producers' angle, shape, and section operations.

As shown in table 60, net sales of U.S. producers' angles, shapes, and sections increased by 40 percent from $777 million in 1977 to $1.1 billion in 1979. Cost of goods sold declined from 107.6 percent of net sales in 1977 to 98 percent in 1979. Three firms out of the total five responding firms, accounting for about 52 percent of total sales of all five firms, reported usable data for raw material and direct labor costs. As a percentage of sales, raw material and direct labor costs remained fairly steady as shown in the following tabulation:

	1977	1978	1979
Net sales----------percent--	100.0	100.0	100.0
Raw materials----------do----	45.0	42.2	43.0
Labor costs----------do----	31.3	27.4	29.2

The aggregate net operating profit-or-loss picture improved from a net operating loss of $90 million in 1977 to a loss of $11 million in 1979. The aggregate operating loss margins fell from 11.6 percent in 1977 to 1.0 percent in 1979.

All responding firms reported losses during 1977-79 except ***, which had profits in 1978 and 1979. Bethlehem and United States Steel accounted for about *** percent and 38 percent, respectively, of total sales during 1977-79. The operating profit margins of both firms during 1977-79 are represented in the following tabulation:

	Operating profit margins		
	1977	1978	1979
Bethlehem Steel Corp	***	***	***
United States Steel Corp	***	***	***

Table 60.--Profit-and-loss experience of 5 U.S. producers 1/ on their operations on angles, shapes, and sections, 1977-79

Item	1977	1978	1979
Net sales--million dollars	777	928	1,090
Cost of goods sold--do	836	930	1,068
Gross profit or (loss)--do	(59)	(2)	22
General, selling, and administrative expenses--do	31	30	33
Net operating loss--do	(90)	(32)	(11)
Ratio of net operating loss to net sales--percent	(11.6)	(3.5)	(1.0)
Number of firms reporting a net operating profit	0	1	1
Number of firms reporting a net operating loss	5	4	3

1/ There are 4 producers in 1979 because Youngstown Sheet & Tube Co. became a subsidiary of Jones & Laughlin Industries, Inc., at the end of 1978 and hence its operations were combined those of with Jones & Laughlin Steel in 1979.

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

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

Market penetration

The ratios of U.S. imports of angles, shapes, and sections to U.S. producers' shipments and to apparent U.S. consumption are provided in table 61. During 1977-79 the ratio of total imports to apparent U.S. consumption declined from 33.0 percent to 29.7 percent.

While the ratios for the EC followed the trend of total imports (decreasing in each year of 1977-79), the ratios for certain of the EC countries did not follow the trend. The ratios for France and the Federal Republic of Germany increased in 1978, while those for Belgium and Luxembourg increased in 1979.

Table 61.--Angles, shapes, and sections: Ratios of imports to U.S. producers' shipments and apparent U.S. consumption, by principal sources, 1977-79

(In percent)

Source	Ratio of imports to--					
	Shipments			Consumption		
	1977	1978	1979	1977	1978	1979
Japan	20.5	12.1	14.3	14.0	8.6	10.4
EC:						
France	2.1	2.4	1.6	1.4	1.7	1.1
Belgium-Luxembourg	8.5	7.6	8.4	5.8	5.4	6.1
United Kingdom	4.4	1.8	1.5	3.0	1.3	1.1
Federal Republic of Germany	2.9	4.1	3.0	2.0	2.9	2.1
Italy	.1	1/	1/	.1	1/	1/
Netherlands	1/	1/	1/	1/	1/	1/
Subtotal	18.1	15.9	14.5	12.4	11.3	10.5
All other	9.6	15.6	12.2	6.6	11.0	8.8
Total	48.1	43.5	41.0	33.0	30.9	29.7

1/ less than 0.05 percent.

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

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

Loss of sales

Six domestic producers provided information pertaining to specific lost sales since January 1977, to customers which allegedly purchased angles, shapes, and sections imported from EC countries in lieu of comparable U.S.-produced products. Further, these producers alleged that they had lost revenue on certain sales that were made at lowered prices, because of price depression caused by imports from the EC. The staff was able to contact only a limited number of such firms.

Domestic producers made 560 allegations of lost sales totaling 1.1 million tons. In its efforts to verify these allegations, the staff contacted firms representing 24 of those allegations. In all 24 instances, firms reported having purchased angles, shapes, and/or sections from EC sources. As shown in the following tabulation, major reasons for such purchases were reported to be lower price and lack of availability.

Source	Total allegations	Total allegations checked	Total allegations confirmed	Reasons given for purchases of confirmed lost sales				
				Price	Quality	Alternate source	Availability	Other
Belgium	12	0	0	0	0	0	0	0
Federal Republic of Germany	27	4	4	3	0	0	1	0
France	20	2	2	0	0	0	2	0
Italy	9	0	0	0	0	0	0	0
Luxembourg	20	5	5	3	0	0	2	0
Netherlands	2	0	0	0	0	0	0	0
United Kingdom	86	4	4	3	0	0	1	0
EC, not specified	384	9	9	5	0	0	4	0
Total	560	24	24	14	0	0	10	0

Several firms noted that from 1974-75 to 1979, mills located on the west coast virtually ceased production of all angles, shapes, and sections, because these mills could not compete with comparable products imported from EC

countries. Price differentials between comparable products from EC countries and domestic firms, as reported by one west-coast purchaser, ranged from $60 to $70 per ton lower than the price from EC sources. No specific instances of lost revenue were confirmed by the staff.

APPENDIX A

U.S. INTERNATIONAL TRADE COMMISSION
NOTICE OF INVESTIGATIONS AND CONFERENCE

INTERNATIONAL TRADE COMMISSION

[731-TA-18/24 (Preliminary)]

Certain Carbon Steel Products From Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, The Netherlands, and the United Kingdom; Institution of Preliminary Antidumping Investigations and Scheduling of Conference

Investigations instituted. Following receipt of petitions on March 21, 1980, filed on behalf of United States Steel Corp., the Commission on March 26, 1980, instituted preliminary antidumping investigations under section 733(a) of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the following articles of iron or steel, other than alloys of iron or steel,[1] which the petitioner alleges are being, or are likely to be, sold in the United States at less than fair value:

Plate, provided for in TSUS items 607.66, 607.83, 607.94, 608.07, and 608.11,

[1] The articles descriptions in the petitions were derived from the Tariff Schedules of the United States Annotated (1978) (TSUS). This notice provides for identical coverage in terms of the TSUS (1980).

Hot-rolled sheet, provided for in TSUS items 607.67 and 607.83,

Cold-rolled sheet, provided for in TSUS item 607.83,

Sheet, coated or plated with zinc, provided for in TSUS items 608.07 and 608.13, and

Angles, shapes, and sections, having a maximum cross-sectional dimension of 3 inches or more, provided for in TSUS item 609.80,

all the foregoing articles the products of Belgium (Inv. No. 731-TA-18), the Federal Republic of Germany (Inv. No. 731-TA-19), France (Inv. No. 731-TA-20), Italy (Inv. No. 731-TA-21), Luxembourg (angles, shapes, and sections only—Inv. No. 731-TA-22), The Netherlands (except angles, shapes, and sections—Inv. No. 731-TA-23), and the United Kingdom (Inv. No. 731-TA-24).

These investigations will be subject to the provisions of Part 207 of the Commission's *Rules of Practice and Procedure* (19 CFR 207, 44 FR 76457) and, particularly, Subpart B thereof, effective January 1, 1980.

Written Submissions. Any person may submit to the Commission on or before April 23, 1980, a written statement of information pertinent to the subject matter of the investigations. A signed original and nineteen copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of section 201.6 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.6). All the 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 the investigations for 10 a.m., e.s.t., on Thursday, April 17, 1980, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisory investigator for the investigations, Mr. Lynn Featherstone (202-523-1376). It is anticipated that parties in support of the petition for antidumping duties will be allocated three hours within which to make an oral presentation at the conference and parties opposed to such petition will be collectively allocated four hours. Further details concerning the conduct of the conference will be provided by the supervisory investigator.

Inspection of petitions. The petitions filed in these cases are available for public inspection at the Office of Secretary, U.S. International Trade Commission, and at the New York City office of the U.S. International Trade Commission located at 6 World Trade Center.

Issued: March 27, 1980.

Kenneth R. Mason,

Secretary.

[FR Doc. 80-9740 Filed 3-31-80; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

U.S. DEPARTMENT OF COMMERCE
NOTICES OF INVESTIGATIONS

International Trade Administration

Carbon Steel Cold Rolled Sheet From Belgium, the Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom; Initiation of Antidumping Investigations

AGENCY: U.S. Department of Commerce, International Trade Administration.

ACTION: Initiation of antidumping investigations.

SUMMARY: This notice is to advise the public that the Department of Commerce has determined that antidumping investigations are warranted for the purpose of determining whether imports of carbon steel cold rolled sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom are being, or are likely to be, sold at less than fair value. The International Trade Commission is being notified of this action so that it may, in accordance with the Tariff Act of 1930, as amended, make a determination no later than May 5, 1980, of whether there is a reasonable indication of material injury by reason of imports of this merchandise.

EFFECTIVE DATE: April 17, 1980.

FOR FURTHER INFORMATION CONTACT: F. Lynn Holec, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1781).

SUPPLEMENTARY INFORMATION: On March 21, 1980, petitions in proper form were received from the United States Steel Corporation, Pittsburgh, Pennsylvania, alleging that carbon steel cold rolled sheet from Belgium, the Federal Republic of Germany (FRG), France, Italy, the Netherlands, and the United Kingdom (UK) is being, or is likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (93 Stat. 162, 19 U.S.C. 1673) (hereinafter referred to as "the Act").

For purposes of this investigation, the term "carbon steel cold rolled sheet" is defined as flat-rolled products in coils or cut to length under 0.1875 inch in thickness and over 12 inches in width provided for in item number 607.8744 on and after January 1, 1980, and during 1979 and prior years, provided for in item number 608.8744 of the Tariff Schedules of the United States.

Based upon the Commerce Department's review of the petitions it has been determined that there is not sufficient evidence of sales at less than fair value of organic coated cold rolled sheet to warrant the initiation of antidumping investigations with respect to this product from the above named countries. Therefore, for purposes of these investigations, the definition of cold rolled sheet does not include organic coated cold rolled sheet.

Based on petitioner's information on home market prices and prices for export to the U.S. for the fourth quarter 1978, and first quarter and third quarter of 1979, there is a reasonable basis to believe that dumping margins exist on cold rolled sheet from each of the above named countries.

Petitioner has also alleged that home market sales of cold rolled sheet in each of the countries are being made at prices below the cost of production and that pursuant to section 773(b) of the Act, such below cost home market sales must be disregarded in determining fair value. The cost of production for cold rolled sheet in Belgium, the FRG, France, italy, the Netherlands, and the U.K. was derived from the estimated average cost of producing all steel products as calculated from the financial statements of major steel producers in each country. It has been determined that the methodology utilized by the petitioner is reasonable in light of the information publicly available regarding the cost of producing cold rolled sheet in each of these countries and that a sufficient basis exists for the Commerce Department to initiate an inquiry into the cost of producing cold rolled sheet in each of these countries. This inquiry will permit the determination of whether, in fact, home market sales in each of these countries are being made at prices less than the cost of production within the meaning of section 773(b) of the Act.

The petitioner has requested that we investigate sales and cost of production for a five year period, 1975–1979, to determine whether cold rolled sheet from these countries has been sold at less than fair value in the United States throughout this period.

After reviewing the petitioner's arguments in support of its request for the five year period of investigation, we have determined that there is no justification for utilizing a period of investigation of this length. Consistent practice under the antidumping law has been to investigate sales or cost of production over a recent representative period. We have determined that the appropriate period of investigation of sales in the U.S. and home markets is April 1, 1979 through September 30, 1979. Cost of production data will be collected for a recent period, which will vary as to specific producers depending upon factors such as the accounting year of the company concerned.

In considering petitioner's request for a five year period of investigations, we noted that the information on home market prices submitted for the period 1975–1977 appears to be inadequate. The home market prices for this time period have only been provided for manufacturers in France with the suggestion that the French prices are representative of prices in all of the above mentioned countries.

The petitioner has not provided information supporting this contention. Indeed, the specific country price information provided by the petitioner for the later time periods indicates clear differences in price levels between the countries subject to the petitions.

There is evidence on record concerning material injury or likelihood of material injury from the alleged less than fair value imports from Belgium, the FRG, France, Italy, the Netherlands and the U.K. The evidence includes data showing reduced profitability, reduced capacity utilization, declining employment, reduced cash flow and difficulties in capital formation experienced by the U.S. steel industry.

The petition also contains information with regard to price undercutting by the subject merchandise which would be eliminated if the alleged margins of dumping were eliminated.

In accordance with section 732(c) of the Act (93 Stat. 162, 19 U.S.C. 1673a(c)), I hereby determine that investigations should be initiated to determine whether imports of carbon steel cold rolled sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom are being, or are likely to be, sold at less than fair value.

Pursuant to section 732(d) of the Act (93 Stat. 163, 19 U.S.C. 1673a(d)), the U.S. International Trade Commission ("U.S.I.T.C.") is being notified of this determination. A copy of the information upon which these investigations are being initiated is being delivered to the U.S.I.T.C. All nonprivileged and nonconfidential information in the files of the International Trade Administration is being made available to the U.S.I.T.C., and all privileged and confidential information in the files will be made available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under an administrative protective order, without the express written consent of the Assistant Secretary for Trade Administration.

In accordance with section 733(a) of the Act (93 Stat. 163, 19 U.S.C. 1673b(a)), the U.S.I.T.C. will make a determination within 45 days after the date on which the petition was filed as to 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 the aforementioned merchandise. If that determination is negative, this investigation will be deemed terminated and no further notice will be published by the International Trade Administration. Otherwise, these investigations will continue.

Pursuant to section 733 of the Act and § 353.39 of the Commerce Regulations (19 CFR 353.30, 45 FR 8200), the International Trade Administration normally is required to issue a preliminary determination as to whether or not there is a reasonable basis to believe or suspect that merchandise which is the subject of these investigations is being sold, or is likely to be sold, at less than fair value within 160 days after the date of which the petition was filed. Pursuant to section 735 of the Act and § 353.44 of the Commerce Regulations (19 CFR 353.44, 45 FR 8203), a final decision normally is required within 75 days after the preliminary determination. Therefore, a preliminary determination of this petition, absent an extension of these investigations, will be made no later than August 28, 1980, as to whether cold rolled sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom is being sold, or is likely to be sold, at less than fair value within the meaning of the Act.

This notice is published pursuant to section 732 of the Act and § 353.37(b) of the Commerce Regulations (19 CFR 353.37(b), 45 FR 8199).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 80-11628 Filed 4-16-80; 8:45 am]

BILLING CODE 3510-25-M

Carbon Steel Galvanized Sheet From Belgium, the Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom; Initiation of antidumping investigations

AGENCY: U.S. Department of Commerce, International Trade Administration.

ACTION: Initiation of Antidumping Investigations.

SUMMARY: This notice is to advise the public that the Department of Commerce has determined that antidumping investigations are warranted for the purpose of determining whether imports of carbon steel galvanized sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom are being, or are likely to be, sold at less than fair value. The International Trade Commission is being notified of this action so that it may, in accordance with the Tariff Act of 1930, as amended, make a determination no later than May 5, 1980, of whether there is a reasonable indication of material injury by reason of imports of this merchandise.

EFFECTIVE DATE: April 17, 1980.

FOR FURTHER INFORMATION CONTACT: F. Lynn Holec, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1781).

SUPPLEMENTARY INFORMATION: On March 21, 1980, petitions in proper form were received from the United States Steel Corporation, Pittsburgh, Pennsylvania, alleging that carbon steel galvanized sheet from Belgium, the Federal Republic of Germany (FRG), France, Italy, the Netherlands, and the United Kingdom (UK) is being, or is likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (93 Stat. 162, 19 U.S.C. 1673) (hereinafter referred to as "the Act").

For purposes of this investigation, the term "carbon steel galvanized sheet" is defined as a cold rolled sheet which has been coated or plated with zinc, provided for in item number 608.0730 and 608.1300 on and after January 1, 1980, and during 1979 and prior years, provided for in item number 608.9430 and 608.9530 of the Tariff Schedules of the United States.

Based upon the Commerce Department's review of the petitions it has been determined that there is not sufficient evidence of sales at less than fair value of organic coated galvanized sheet to warrant the initiation of antidumping investigations with respect to this product from the above named countries. Therefore, for purposes of these investigations, the definition of galvanized sheet does not include organic coated galvanized sheet.

Based on petitioner's information on estimated home market prices and prices for export to the U.S. for the fourth quarter 1978, and first quarter and third quarter of 1979, there is a reasonable basis to believe that dumping margins exist on galvanized sheet from each of the above named countries.

Petitioner has also alleged that home market sales of galvanized sheet in each of the countries are being made at prices below the cost of production and that pursuant to section 773(b) of the Act, such below cost home market sales must be disregarded in determining fair value. The cost of production for galvanized sheet in Belgium, the FRG, France, Italy, the Netherlands and the U.K. was derived from the estimated average cost of producing all steel products as calculated from the financial statements of major steel producers in each country. It has been determined that the methodology utilized by the petitioner is reasonable in light of the information publicly available regarding the cost of producing galvanized sheet in each of these countries and that a sufficient basis exists for the Commerce Department to initiate an inquiry into the cost of producing galvanized sheet in each of these countries. This inquiry will permit the determination of whether, in fact, home market sales in each of these countries are being made at prices less than the cost of production within the meaning of section 773(b) of the Act.

The petitioner has requested that we investigate sales and cost of production for a five year period, 1975-1979, to determined whether galvanized sheet from these countries has been sold at

less than fair value in the United States throughout this period.

After reviewing the petitioner's arguments in support of its request for the five year period of investigation, we have determined that there is no justification for utilizing a period of investigation of this length. Consistent practice under the antidumping law has been to investigate sales or cost of production over a recent representative period. We have determined that the appropriate period of investigation of sales in the U.S. and home markets is April 1, 1979 through September 30, 1979. Cost of production data will be collected for a recent period, which will vary as to specific producers depending upon factors such as the accounting year of the company concerned.

In considering petitioner's request for a five year period of investigations, we noted that the information on home market prices submitted for the period 1975–1977 appears to be inadequate. The home market prices for this time period have only been provided for manufacturers in France with the suggestion that the French prices are representative of prices in all of the above mentioned countries.

The petitioner has not provided information supporting this contention. Indeed, the specific country price information provided by the petitioner for the later time periods indicates clear differences in price levels between the countries subject to the petitions.

There is evidence on record concerning material injury or likelihood of material injury from the alleged less than fair value imports from Belgium, the FRG, France, Italy, the Netherlands and the U.K. the evidence includes data showing reduced profitability, reduced capacity utilization, declining employment, reduced cash flow and difficulties in capital formation experienced by the U.S. steel industry. The petition also contains information with regard to price undercutting by the subject merchandise which would be eliminated if the alleged margins of dumping were eliminated.

In accordance with section 732(c) of the Act (93 Stat. 162, 19 U.S.C. 1673a(c)), I hereby determined that investigations should be initiated to determine whether imports of carbon steel galvanized sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom are being, or are likely to be, sold at less than fair value.

Pursuant to section 732(d) of the Act (93 Stat. 163, 19 U.S.C. 1673a(d)), the U.S. International Trade Commission ("U.S.I.T.C.") is being notified of this determination. A copy of the information upon which these investigations are being initiated is being delivered to the U.S.I.T.C. All nonprivileged and nonconfidential information in the files of the International Trade Administration is being made available to the U.S.I.T.C., and all privileged and confidential information in the files will be made available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under a administrative protective order, without the express written consent of the Assistant Secretary for Trade Administration.

In accordance with section 733(a) of the Act (93 Stat. 163, 19 U.S.C. 1673b(a)), the U.S.I.T.C. will make a determination within 45 days after the date on which the petition was filed as to 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 the aforementioned merchandise. If that determination is negative, this investigation will be deemed terminated and no further notice will be published by the International Trade Administration. Otherwise, these investigations will continue. Pursuant to section 733 of the Act and § 353.39 of the Commerce regulations (19 CFR 353.30, 45 FR 8200), the International Trade Administration normally is required to issue a preliminary determination as to whether or not there is a reasonable basis to believe or suspect that merchandise which is the subject of these investigations is being sold, or is likely to be sold, at less than fair value within 160 days after the date of which the petition was filed. Pursuant to section 735 of the Act and § 353.44 of the Commerce Regulations (19 CFR 353.44, 45 FR 8203), a final decision normally is required within 75 days after the preliminary determination. Therefore, a preliminary determination of this petition, absent an extension of these investigations, will be made no later than August 28, 1980, as to whether galvanized sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom is being sold, or is likely to be sold, at less than fair value within the meaning of the Act.

This notice is published pursuant to section 732 of the Act and § 353.37(b) of the Commerce Regulations. (19 CFR 353.37(b), 45 FR 8199).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 80-11625 Filed 4-16-80; 8:45 am]

BILLING CODE 3510-25-M

Carbon Steel Hot Rolled Sheet From Belgium, the Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom; Initiation of antidumping investigations

AGENCY: U.S. Department of Commerce, International Trade Administration.

ACTION: Initiation of Antidumping Investigations.

SUMMARY: This notice is to advise the public that the Department of Commerce has determined that antidumping investigations are warranted for the purpose of determining whether imports of carbon steel hot rolled sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom are being, or are likely to be, sold at less than fair value. The International Trade Commission is being notified of this action so that it may, in accordance with the Tariff Act of 1930, as amended, make a determination no later than May 5, 1980, of whether there is a reasonable indication of material injury by reason of imports of this merchandise.

EFFECTIVE DATE: April 17, 1980.

FOR FUTHER INFORMATION CONTACT: F. Lynn Holec, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202–377–1781).

SUPPLEMENTARY INFORMATION: On March 21, 1980, petitions in proper form were received from the United States Steel Corporation, Pittsburgh, Pennsylvania, alleging that carbon steel hot rolled sheet from Belgium, the Federal Republic of Germany (FRG), France, Italy, the Netherlands, and the Unites Kingdom (UK) is being or is likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (93 Stat. 162, 19 U.S.C. 1673) (hereinafter referred to as "the Act").

For purposes of this investigation, the term "carbon steel hot rolled sheet" is defined as a flat rolled product in coils or cut to length under 0.1875 inches in thickness and over 12 inches in width which is imported under TSUS items 607.6700 and 607.8342 on and after January 1, 1980 and during 1979 and prior years in item numbers 608.8440 and 608.8742.

Based on petitioner's information on home market prices and prices for export to the U.S. for the fourth quarter 1978, and first quarter and third quarter of 1979, there is a reasonable basis to believe that dumping margins exist on hot rolled sheet from each of the above named countries.

Petitioner has also alleged that home market sales of hot rolled sheet in each of the countries are being made at prices below the cost of production and that pursuant to section 773(b) of the Act, such below cost home market sales must be disregarded in determining fair value. The cost of production for hot rolled sheet in Belgium, the FRG, France, Italy, the Netherlands and the U.K. was derived from the estimated average cost of producing all steel products as calculated from the financial statements of major steel producers in each country. It has been determined that the methodology utilized by the petitioner is reasonable in light of the information publicly available regarding the cost of producing hot rolled sheet in each of these countries and that a sufficient basis exists for the Commerce Department to initiate an inquiry into the cost of producing hot rolled sheet in each of these countries. This inquiry will permit the determination of whether, in fact, home market sales in each of these countries are being made at prices less than the cost of production within the meaning of section 773(b) of the Act.

The petitioner has requested that we investigate sales and cost of production for a five year period, 1975–1979, to determine whether hot rolled sheet from these countries has been sold at less than fair value in the United States throughout this period.

After reviewing the petitioner's arguments in support of its request for the five year period of investigation, we have determined that there is no justification for utilizing a period of investigation this length. Consistent practice under the antidumping law has been to investigate sales or cost of production over a recent representative period. We have determined that the appropriate period of investigation of sales in the U.S. and home markets is April 1, 1979 through September 30, 1979. Cost of production data will be collected for a recent period, which will vary as to specific producers depending upon factors such as the accounting year of the company concerned.

In considering petitioner's request for a five year period of investigations, we noted that the information on home market prices submitted for the period 1975–1977 appears to be inadequate. The home market prices for this time period have only been provided for manufacturers in France with the suggestion that the French prices are representative of prices in all of the above mentioned countries.

The petitioner has not provided information supporting this contention. Indeed, the specific country price information provided by the petitioner for the later time periods indicates clear differences in price levels between the countries subject to the petitions.

There is evidence on record concerning material injury or likelihood of material injury from the alleged less than fair value imports from Belgium, the FRG, France, Italy, the Netherlands and the U.K. The evidence includes data showing reduced profitability, reduced capacity utilization, declining employment, reduced cash flow and difficulties in capital formation experienced by the U.S. steel industry. The petition also contains information with regard to price undercutting by the subject merchandise which would be eliminated if the alleged margins of dumping were eliminated.

In accordance with section 732(c) of the Act (93 Stat. 162, 19 U.S.C. 1673a(c)), I hereby determine that investigations should be initiated to determine whether imports of carbon steel hot rolled sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom are being, or are likely to be, sold at less than fair value.

Pursuant to section 732(d) of the Act (93 Stat. 163, 19 U.S.C. 1673a(d)), the U.S. International Trade Commission ("U.S.I.T.C.") is being notified of this determination. A copy of the information upon which these investigations are being initiated is being delivered to the U.S.I.T.C. All nonprivileged and nonconfidential information in the files of the International Trade Administration is being made available to the U.S.I.T.C., and all privileged and confidential information in the files will be made available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under an administrative protective order, without the express written consent of the Assistant Secretary for Trade Administration.

In accordance with section 733(a) of the Act (93 Stat. 163, 19 U.S.C. 1673b(a)), the U.S.I.T.C. will make a determination within 45 days after the date on which the petition was filed as to 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 the aforementioned merchandise. If that determination is negative, this investigation will be deemed terminated and no further notice will be published by the International Trade Administration. Otherwise, these investigations will continue.

Pursuant to section 733 of the Act and § 353.39 of the Commerce Regulations (19 CFR 353.39, 45 FR 8200), the International Trade Administration normally is required to issue a preliminary determination as to whether or not there is a reasonable basis to believe or suspect that merchandise which is the subject of these investigations is being sold, or is likely to be sold, at less than fair value within 160 days after the date of which the petition was filed. Pursuant to section 735 of the Act and § 353.44 of the Commerce Regulations (19 CFR 353.44, 45 FR 8203), a final decision normally is required within 75 days after the preliminary determination. Therefore, a preliminary determination of this petition, absent an extension of these investigations, will be made no later than August 28, 1980, as to whether hot rolled sheet from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom is being sold, or is likely to be sold, at less than fair value within the meaning of the Act.

This notice is published pursuant to section 732 of the Act and § 353.37(b) of the Commerce Regulations, (19 CFR 353.37(b), 45 FR 8199).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 80-11624 Filed 4-16-80; 8:45 am]

BILLING CODE 3510-25-M

Carbon Steel Plate From Belgium, the Federal Republic of Germany, France, Italy, the Netherlands, and the United Kingdom; Initiation of Antidumping Investigations

AGENCY: U.S. Department of Commerce, International Trade Administration.

ACTION: Initiation of antidumping investigations.

SUMMARY: This notice is to advise the public that the Department of Commerce had determined that antidumping investigations are warranted for the purpose of determining whether imports of carbon steel plate from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom are being, or are likely to be, sold at less than fair value. The International Trade Commission is being notified of this action so that it may, in accordance with the Tariff Act of 1930,

as amended, make a determination no later than May 5, 1980, of whether there is a reasonable indication of material injury by reason of imports of this merchandise.

EFFECTIVE DATE: April 17, 1980.

FOR FURTHER INFORMATION CONTACT: F. Lynn Holec, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1781).

SUPPLEMENTARY INFORMATION: On March 21, 1980, petitions in proper form were received from the United States Steel Corporation, Pittsburgh, Pennsylvania, alleging that carbon steel plate from Belgium, the Federal Republic of Germany (FRG), France, Italy, the Netherlands, and the United Kingdom (UK) is being, or is likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (93 Stat. 162, 19 U.S.C. 1673) (hereinafter referred to as "the Act").

For purposes of this investigation, the term "carbon steel plate" is defined as a flat rolled product in coils or cut to length, 0.1875 inches or more in thickness, and, if not cold rolled, over 8 inches in width, or if cold rolled, over 12 inches in width provided for in TSUS numbers 607.6610, 607.6615, 607.8320, 607.9400, 608.0710 and 608.1100 on and after January 1, 1980, and during 1979 in prior years in item numbers 608.8410, 608.8415, 608.8720, 608.8900, 608.9410 and 608.9510.

Based on petitioner's information on home market prices and prices for export to the U.S. for the fourth quarter 1978, and first quarter and third quarter of 1979, there is a reasonable basis to believe that dumping margins exist on plate from each of the above named countries.

Petitioner has also alleged that home market sales of plate in each of the countries are being made at prices below the cost of production and that pursuant to section 773(b) of the Act, such below cost home market sales must be disregarded in determining fair value. The cost of production for plate in Belgium, the FRG, France, Italy, the Netherlands and the U.K. was derived from the estimated average cost of producing all steel products as calculated from the financial statements of major steel producers in each country. It has been determined that the methodology utilized by the petitioner is reasonable in light of the information publicly available regarding the cost of producing plate in each of these countries and that a sufficient basis exists for the Commerce Department to initiate an inquiry into the cost of producing plate in each of these countries. This inquiry will permit the determination of whether, in fact, home market sales in each of these countries are being made at prices less than the cost of production within the meaning of section 773(b) of the Act.

The petitioner has requested that we investigate sales and cost of production for a five year period, 1975-1979, to determine whether plate from these countries has been sold at less than fair value in the United States throughout this period.

After reviewing the petitioner's arguments in support of its request for the five year period of investigation, we have determined that there is no justification for utilizing a period of investigation of this length. Consistent practice under the antidumping law has been to investigate sales or cost of production over a recent representative period. We have determined that the appropriate period of investigation of sales in the U.S. and home markets is April 1, 1978 through September 30, 1979. Cost of production data will be collected for a recent period, which will vary as to specific producers depending upon factors such as the accounting year of the company concerned.

In considering petitioner's request for a five year period of investigations, we noted that the information on home market prices submitted for the period 1975-1977 appears to be inadequate. The home market prices for this time period have only been provided for manufacturers in France with the suggestion that the French prices are representative of prices in all of the above mentioned countries.

The petitioner has not provided information supporting this contention. Indeed, the specific country price information provided by the petitioner for the later time periods indicates clear differences in price levels between the countries subject to the petitions.

There is evidence on record concerning material injury or likelihood of material injury from the alleged less than fair value imports from Belgium, the FRG, France, Italy, the Netherlands and the U.K. The evidence includes data showing reduced profitability, reduced capacity utilization, declining employment, reduced cash flow and difficulties in capital formation experienced by the U.S. steel industry. The petition also contains information with regard to price undercutting by the subject merchandise which would be eliminated if the alleged margins of dumping were eliminated.

In accordance with section 732(c) of the Act (93 Stat. 162, 19 U.S.C. 1673a(c)), I hereby determine that investigations should be initiated to determine whether imports of carbon steel plate from Belgium, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom are being, or are likely to be, sold at less than fair value.

Pursuant to section 732(d) of the Act (93 Stat. 163, 19 U.S.C. 1673a(d)), the U.S. International Trade Commission ("U.S.I.T.C.") is being notified of this determination. A copy of the information upon which these investigations are being initiated is being delivered to the U.S.I.T.C. All nonprivileged and nonconfidential information in the files of the International Trade Administration is being made available to the U.S.I.T.C., and all privileged and confidential information in the files will be made available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under an administrative protective order, without the express written consent of the Assistant Secretary for Trade Administration.

In accordance with section 733(a) of the Act (93 Stat. 163, 19 U.S.C. 1673b(a)), the U.S.I.T.C. will make a determination within 45 days after the date on which the petition was filed as to 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 the aforementioned merchandise. If that determination is negative, this investigation will be deemed terminated and no further notice will be published by the International Trade Administration. Otherwise, these investigations will continue.

Pursuant to section 733 of the Act and § 353.39 of the Commerce Regulations (19 CFR 353.30, 45 FR 8200), the International Trade Administration normally is required to issue a preliminary determination as to whether or not there is a reasonable basis to believe or suspect that merchandise which is the subject of these investigations is being sold, or is likely to be sold, at less than fair value within 160 days after the date of which the petition was filed. Pursuant to section 735 of the Act and § 353.44 of the Commerce Regulations (19 CFR 353.44, 45 FR 8203), a final decision normally is required within 75 days after the preliminary determination. Therefore, a preliminary determination of this petition, absent an extension of these investigations, will be made no later than August 28, 1980, as to whether plate from Belgium, the Federal Republic of

Germany, France, Italy, the Netherlands and the United Kingdom is being sold, or is likely to be sold, at less than fair value within meaning of the Act.

This notice is published pursuant to section 732 of the Act and § 353.37(b) of the Commerce Regulations, (19 CFR 353.37(b), 45 FR 8199).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 80-11623 Filed 4-16-80; 8:45 am]

BILLING CODE 3510-25-M

Carbon Steel Structural Shapes From Belgium, the Federal Republic of Germany, France, Luxembourg, and the United Kingdom; Initiation of Antidumping Investigations

AGENCY: U.S. Department of Commerce, International Trade Administration.

ACTION: Initiation of antidumping investigations.

SUMMARY: This notice is to advise the public that the Department of Commerce has determined that antidumping investigations are warranted for the purpose of determining whether imports of carbon steel structural shapes from Belgium, the Federal Republic of Germany, France, Luxembourg, and the United Kingdom are being, or are likely to be, sold at less than fair value. The International Trade Commission is being notified of this action so that it may, in accordance with the Tariff Act of 1930, as amended, make a determination no later than May 5, 1980, of whether there is a reasonable indication of material injury by reason of imports of this merchandise.

EFFECTIVE DATE: April 17, 1980.

FOR FURTHER INFORMATION CONTACT: F. Lynn Holec, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-1781).

SUPPLEMENTARY INFORMATION: On March 21, 1980, petitions in proper form were received from the United States Steel Corporation, Pittsburgh, Pennsylvania, alleging that carbon steel structural shapes from Belgium, the Federal Republic of Germany (FRG), France, Italy, Luxembourg, and the United Kingdom (UK) are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (93 Stat. 162, 19 U.S.C. 1673) (hereinafter referred to as "the Act").

For purposes of this investigation, the term "carbon steel structural shapes" is defined as in the TSUSA as structurals (angles, shapes, and sections) which are products which do not conform completely to the respective specifications set forth in the TSUSA for blooms, billets, slabs, sheet bars, bars, wire rods, plates, sheets, strip, wire, rails, joint bars, or tie plates and do not include any tubular products. The angles, shapes and sections which are the subject of this investigation are those of carbon steel having a maximum cross sectional dimension of 3 inches or more, and which are imported under TSUS items 609.8005, 609.8015, 609.8035, 609.8041 and 609.8045.

Based upon the Commerce Department's review of the petitions it has been determined that there is not sufficient evidence of sales at less than fair value of special sections to warrant the initiation of antidumping investigations with respect to this product from the above named countries. Therefore, for purposes of these investigations, the definition of structural shapes does not include special sections.

Based on the Commerce Department review of the petitions it has been determined that there is not sufficient evidence of sales of less than fair value of light I-beams from Belgium to warrant initiation of an antidumping investigations with respect to this product.

Light I-beams (hot rolled steel I-beams with symmetrical flanges or with one or more flanges offset, less than six inches in height and weighing not over 4½ pounds per linear foot, provided for under TSUS item 609.80) from Belgium were the subject of a September 1979 negative less than fair value determined and U.S. Steel has offered no evidence that conditions have changed since this determination. Therefore, for purpose of this investigation, the definition of structural shapes will not include such light I-beams from Belgium.

In light of the *de minimis* amount of U.S. imports of structural shapes from Italy and the lack of evidence provided by the petitioner that the level of imports would increase or that less than fair value sales are likely to occur, we have determined that an antidumping investigation of this product from Italy is not warranted at this time.

Based on petitioner's information on home market prices and prices for export to the U.S. for the fourth quarter 1978, and first quarter and third quarter of 1979, there is a reasonable basis to believe that dumping margins exist on structural shapes from Belgium, the FRG, France, Luxembourg and the United Kingdom.

Petitioner has also alleged that home market sales of structural shapes in each of the countries are being made at prices below the cost of production and that pursuant to section 773(b) of the Act, such below cost home market sales must be disregarded in determining fair value. The cost of production for structural shapes in Belgium, the FRG, France, Luxembourg, and the U.K. was derived from the estimated average cost of producing all steel products as calculated from the financial statements of major steel producers in each country. It has been determined that the methodology utilized by the petitioner is reasonable in light of the information publicly available regarding the cost of producing structural shapes in each of these countries and that a sufficient basis exists for the Commerce Department to initiate an inquiry into the cost of producing structural shapes in each of these countries. This inquiry will permit the determination of whether, in fact, home market sales in each of these countries are being made at prices less than the cost of production within the meaning of section 773(b) of the Act.

The petitioner has requested that we investigate sales and cost of production for a five year period, 1975-1979, to determine whether structural shapes from these countries have been sold at less than fair value in the United States throughout this period.

After reviewing the petitioner's arguments in support of its request for the five year period of investigation, we have determined that there is no justification for utilizing a period of investigation of this length. Consistent practice under the antidumping law has been to investigate sales or cost of production over a recent representative period. We have determined that the appropriate period of investigation of sales in the U.S. and home markets is April 1, 1979 through September 30, 1979. Cost of production data will be collected for a recent period, which will vary as to specific producers depending upon factors such as the accounting year of the company concerned.

In considering petitioner's request for a five year period of investigation, we noted that the information on home market prices submitted for the period 1975-1979 appears to be inadequate. The home market prices for this time period have only been provided for manufacturers in France with the suggestion that the French prices are representative of prices in all of the above-mentioned countries.

The petitioner has not provided information supporting this contention. Indeed, the specific country price information provided by the petitioner for the later time periods indicates clear differences in price levels between the countries subject to the petitions.

There is evidence on record concerning material injury or likelihood of material injury from the alleged less than fair value imports from Belgium, the FRG, France, Luxembourg and the U.K. The evidence includes data showing reduced profitability, reduced capacity utilization, declining employment, reduced cash flow and difficulties in capital formation experienced by the U.S. steel industry. The petition also contains information with regard to price undercutting by the subject merchandise which would be eliminated if the alleged margins of dumping were eliminated.

In accordance with section 732(c) of the Act (93 Stat. 162, 19 U.S.C. 1673a(c)), I hereby determined that investigations should be initiated to determine whether imports of carbon steel structural shapes from Belgium, the Federal Republic of Germany, France, Luxembourg and the United Kingdom are being, or are likely to be, sold at less than fair value.

Pursuant to section 732(d) of the Act (93 Stat. 163, 19 U.S.C. 1673a(d)), the U.S. International Trade Commission ("U.S.I.T.C.") is being notified of this determination. A copy of the information upon which these investigations are being initiated is being delivered to the U.S.I.T.C. All nonprivileged and nonconfidential information in the files of the International Trade Administration is being made available to the U.S.I.T.C., and all privileged and confidential information in the files will be made available upon confirmation that the confidentiality of such information will be maintained and that it will not be disclosed, either publicly or under an administrative protective order, without the express written consent of the Assistant Secretary for Trade Administration.

In accordance with section 733(a) of the Act (93 Stat. 163, 19 U.S.C. 1673(b)(a)), the U.S.I.T.C. will make a determination within 45 days after the date on which the petition was filed as to whether there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, by reasons of imports of the aforementioned merchandise. If that determination is negative, this investigation will be deemed terminated and no further notice will be published by the International Trade Administration. Otherwise, these investigations will continue.

Pursuant to section 733 of the Act and § 353.39 of the Commerce Regulations (19 CFR 353.30, 45 FR 8200), the International Trade Administration normally is required to issue a preliminary determination as to whether or not there is a reasonable basis to believe or suspect that merchandise which is the subject of these investigations is being sold, or is likely to be sold, at less than fair value within 160 days after the date of which the petition was filed. Pursuant to section 735 of the Act and § 353.44 of the Commerce Regulations (19 CFR 353.44, 45 FR 8203), a final decision normally is required within 75 days after the preliminary determination. Therefore, a preliminary determination of this petition, absent an extension of these investigations, will be made no later than August 28, 1980, as to whether structural shapes from Belgium, the Federal Republic of Germany, France, Luxembourg and the United Kingdom are being sold, or are likely to be sold, at less than fair value within the meaning of the Act.

This notice is published pursuant to section 732 of the Act and § 353.37(b) of the Commerce Regulations, 19 CFR 353.37(b), 45 FR 8199).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 80-11622 Filed 4-16-80; 8:45 am]

BILLING CODE 3510-25-M

APPENDIX C

STATISTICAL TABLES

Table C-1.—Hot-Rolled Sheet: Alleged LTFV margins, by specified countries and by quarters, January 1975-September 1979

(In percent)

Period	Alleged LTFV margin													
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price							
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom		
1975:														
January-March	0.8	10.2	4.4	1/	21.2	2/	2/	2/	2/	2/	2/	2/		
April-June	4.5	11.3	33.7	26.9	45.6	2/	2/	2/	2/	2/	2/	2/		
July-September	1/	6.5	9.5	19.8	14.3	2/	2.6	34.5	45.5	34.3	31.7	2/		
October-December	0.2	10.5	26.0	17.5	8.6	2/	35.1	60.7	79.5	49.7	35.3	2/		
1976:														
January-March	1/	11.4	28.6	2/	3/	2/	18.1	40.7	69.0	2/	3/	2/		
April-June	1/	38.6	38.0	32.0	29.1	2/	20.2	66.1	55.4	31.7	17.8	2/		
July-September	2.0	17.5	28.4	42.1	16.6	2/	16.2	44.3	40.1	42.2	8.1	2/		
October-December	12.8	3.0	10.5	6.8	1/	21.8	55.6	42.0	42.0	29.6	28.2	53.1		
1977:														
January-March	1/	8.3	7.3	21.9	0.3	2/	27.3	48.0	42.5	50.6	29.0	2/		
April-June	1/	3.6	10.2	8.3	2.3	11.1	24.1	46.1	54.7	41.0	35.7	63.7		
July-September	5.7	13.7	20.8	15.6	9.7	18.8	34.5	59.3	56.8	42.3	33.0	70.8		
October-December	23.6	17.3	27.0	22.4	14.6	17.4	53.8	63.3	57.3	48.7	37.7	75.8		
1978:														
January-March	31.4	28.8	24.2	45.4	8.1	31.2	58.8	60.2	48.3	75.7	26.7	91.9		
April-June	30.3	24.2	20.8	44.4	7.7	24.6	53.2	51.4	38.3	74.3	24.1	79.6		
July-September	3.9	23.8	20.5	32.0	12.7	2/	20.1	50.6	35.1	57.5	28.3	2/		
October-December	22.2	31.5	24.0	38.7	19.8	26.3	41.5	59.8	39.4	62.3	36.1	75.9		
1979:														
January-March	7.4	24.4	16.7	26.4	20.8	2/	26.4	53.4	34.0	52.4	40.6	2/		
April-June	2/	13.3	10.2	11.6	12.5	2/	8.4	46.0	27.4	31.6	32.2	2/		
July-September	2/	17.3	11.5	31.2	13.6	22.8	29.5	57.3	30.4	52.4	35.0	71.9		
October-December														

1/ Export price was higher than the home-market price.
2/ Not provided in petition
3/ Less than 1,000 tons imported

Source: United States Steel petition

Table C-2.--Cold-Rolled Sheet: Alleged LTFV margins, by specified countries and by quarters, January 1975-September 1979

(In percent)

Period	Alleged LTFV margin											
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom
1975:												
January-March	30.9	20.1	17.1	31.9	22.5	34.9	2/	2/	2/	2/	2/	2/
April-June	41.6	29.3	38.0	28.1	34.9	37.0	2/	2/	2/	2/	2/	2/
July-September	30.1	17.0	16.8	28.8	16.1	27.4	67.0	34.5	61.0	48.8	38.0	2/
October-December	16.5	8.1	6.8	8.9	5.6	15.9	66.7	60.7	64.6	50.0	41.6	66.8
1976:												
January-March	21.0	3.0	15.2	5.2	3/	21.4	64.2	40.7	63.7	25.3	3/	69.2
April-June	17.4	10.3	11.9	9.7	8.3	14.5	59.5	66.1	54.5	27.7	35.7	50.0
July-September	4.2	6.9	1.8	5.7	3.7	2/	39.7	44.3	36.0	31.9	32.4	2/
October-December	11.3	9.8	12.1	21.5	10.8	19.5	52.6	42.0	45.7	47.1	43.8	50.4
1977:												
January-March	21.5	4.7	18.1	15.9	3/	2/	59.5	48.0	55.0	40.7	3/	2/
April-June	13.1	9.9	11.4	16.5	1.9	10.0	63.0	46.1	64.4	59.6	42.4	70.3
July-September	17.1	13.2	14.5	14.6	7.9	28.0	56.9	59.3	59.2	51.0	40.0	96.3
October-December	13.0	12.7	11.0	14.7	6.7	18.8	55.5	63.3	57.2	58.3	44.6	102.1
1978:												
January-March	30.1	25.2	18.6	32.0	13.2	31.6	66.9	60.2	57.0	75.5	45.7	112.1
April-June	14.9	20.6	24.5	41.6	4.3	1/	37.9	51.4	54.0	81.9	27.6	47.5
July-September	16.9	22.2	40.6	22.0	11.7	2/	34.4	50.6	65.6	51.0	32.1	2/
October-December	26.1	35.4	27.8	48.0	23.8	2/	41.1	59.8	47.1	76.9	42.2	2/
1979:												
January-March	21.9	20.8	17.2	35.4	21.7	2/	39.3	53.4	37.6	65.2	42.5	2/
April-June	8.6	12.5	17.6	27.1	9.4	2/	27.0	46.0	38.9	51.7	32.2	2/
July-September	18.8	21.9	17.5	27.6	16.4	11.0	42.2	57.3	40.4	48.3	45.5	59.5
October-December												

1/ Export price was higher than the home-market price.
2/ Not provided in petition
3/ Less than 1,000 tons imported.

Source: United States Steel petition

Table C-3.—Galvanized Sheet: Alleged LTFV margins, by specified countries and by quarters, January 1975-September 1979

(In percent)

Period	Alleged LTFV margin															
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price									
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom				
1975:																
January-March	3/	3/	3/	3/	3/	3/	1/	1/	1/	1/	1/	1/				
April-June	3/	3/	3/	3/	3/	3/	1/	1/	1/	1/	1/	1/				
July-September	3/	3/	3/	3/	3/	3/	29.3	48.8	44.8	26.1	2/	1/				
October-December	3/	3/	3/	3/	3/	3/	46.6	56.4	54.6	35.8	32.3	23.8				
1976:							59.2	55.8	66.7	34.3	2/	32.1				
January-March	3/	3/	3/	3/	3/	3/										
April-June	3/	3/	3/	3/	3/	3/	51.8	51.8	48.2	28.7	2/	20.2				
July-September	3/	3/	3/	3/	3/	3/	61.2	44.3	36.6	6.2	2/	64.6				
October-December	3/	3/	3/	3/	3/	3/	31.2	45.3	31.4	12.0	30.4	41.8				
1977:							62.7	48.3	45.2	22.0	2/	1/				
January-March	3/	3/	3/	3/	3/	3/										
April-June	3/	3/	3/	3/	3/	3/	34.0	56.2	46.0	21.7	13.6	60.4	60.4			
July-September	3/	3/	3/	3/	3/	3/	46.6	50.7	46.9	22.6	17.3	46.4	46.4			
October-December	3/	3/	3/	3/	3/	3/	46.2	58.3	44.6	38.9	17.6	87.2	87.2			
1978:							59.0	69.5	50.8	63.6	2/	1.1	1.1			
January-March	3/	3/	3/	3/	3/	3/										
April-June	3/	3/	3/	3/	3/	3/	41.3	50.5	35.9	55.9	18.6	56.3				
July-September	3/	3/	3/	3/	3/	3/	42.6	51.6	37.5	32.5	39.2	2.8				
October-December	3/	3/	3/	3/	3/	3/	58.1	66.8	41.3	37.9	46.4	49.6				
1979:																
January-March	3/	3/	3/	3/	3/	3/	53.4	68.3	38.1	34.0	27.0	70.7				
April-June	3/	3/	3/	3/	3/	3/	34.5	60.6	34.1	26.9	25.5	64.4				
July-September	3/	16.9	20.0	3/	3/	3/	29.5	70.2	45.6	29.1	33.8	98.9				
October-December																

1/ Not provided in petition
2/ Less than 1,000 tons imported
3/ Not provided in petiton, petitioner states that margins should closely resemble that of cold-rolled sheet since galvanized sheet is produced from cold-rolled sheet.

Source: United States Steel petition

Table C-4.—Heavy Plate: Alleged LTFV margins, by specified countries and by quarters, January 1975-September 1979

(In percent)

Period	Alleged LTFV margin											
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom
1975:												
January-March	1/	1/	1/	2.0	17.1	1/	2/	2/	2/	2/	2/	2/
April-June	11.4	9.1	14.4	39.2	66.9	1/	2/	2/	2/	2/	2/	2/
July-September	6.6	1/	1/	17.6	23.1	29.4	24.4	22.0	12.5	17.5	35.6	2/
October-December	11.0	31.6	1/	44.7	29.2	34.4	29.4	55.2	22.0	79.0	40.6	57.2
1976:												
January-March	6.8	13.6	3.6	81.6	3/	38.9	34.4	40.6	33.0	100.0	3/	75.2
April-June	15.8	27.6	4.6	37.2	35.8	33.0	39.2	46.9	20.9	37.4	35.7	47.6
July-September	7.9	13.1	5.2	6.4	20.1	11.2	39.0	50.0	23.7	19.0	37.8	30.7
October-December	0.6	1.0	1/	1/	1/	3.7	42.3	35.6	15.9	15.9	25.7	28.2
1977:												
January-March	1/	1/	0.3	12.2	1/	6.1	42.7	35.1	41.6	47.8	24.8	55.3
April-June	1/	1/	1/	1/	1/	1/	44.0	1/	52.2	46.7	37.1	62.0
July-September	1/	1/	4.4	1/	1/	2.4	38.5	36.3	56.2	39.2	38.7	68.8
October-December	1.2	1.1	6.4	4.3	1/	1/	46.1	49.3	52.4	47.1	36.0	64.3
1978:												
January-March	12.8	7.8	8.5	27.0	3/	11.2	52.3	48.7	44.5	69.6	2/	80.7
April-June	2.2	5.2	11.2	37.5	3/	7.3	29.4	39.3	38.4	75.5	3/	66.2
July-September	3.5	3.8	15.6	26.8	2.9	2/	23.3	33.2	38.4	71.2	25.8	2/
October-December	11.2	22.4	19.4	9.5	11.9	2/	31.0	54.1	39.2	42.6	34.1	2/
1979:												
January-March	4.0	13.5	6.2	26.7	5.8	2/	24.5	44.3	26.8	52.3	3/	2/
April-June	1/	6.6	7.6	4.2	1.0	7.8	15.3	44.4	30.0	37.4	25.6	57.0
July-September	13.7	8.3	11.8	12.3	7.9	12.2	33.8	54.5	37.1	47.8	36.5	63.5
October-December												

1/ Export price was higher than the home-market price.
2/ Not provided in petition
3/ Less than 1000 tons imported

Source: United States Steel petition

Table C-5.—Medium plate: Alleged LTFV margins, by specified countries and by quarters, January 1975-September 1979

(In percent)

Period	Alleged LTFV margin													
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom	Belgium	West Germany	France	Italy	Nether-lands	United Kingdom
1975:												
January-March	1/	1/	1/	1/	7.2	2/	2/	2/	2/	2/	2/	2/
April-June	1/	1/	16.5	10.5	26.8	2/	2/	2/	2/	2/	2/	2/
July-September	1/	1/	1/	.6	1/	2/	2.6	47.8	45.5	34.3	31.7	2/
October-December	1/	1/	10.7	3.2	1/	2/	35.1	51.3	79.5	49.7	35.3	2/
1976:												
January-March	1/	1/	14.9	2/	3/	2/	18.1	37.2	69.0	3/	3/	2/
April-June	1/	27.9	27.3	21.7	19.1	2/	20.2	46.6	55.4	21.5	33.2	2/
July-September	1/	8.9	19.1	31.7	8.1	2/	16.2	45.1	40.1	46.2	22.7	2/
October-December	10.5	0.9	8.2	4.6	1/	19.2	55.6	49.8	42.0	29.6	28.2	53.1
1977:												
January-March	1/	1/	1/	7.7	1/	2/	27.3	39.8	42.5	50.6	29.0	2/
April-June	1/	1/	1/	1/	1/	1/	24.1	62.3	54.7	41.0	35.7	63.7
July-September	1/	1/	1.7	1/	7.7	0	34.5	56.0	56.8	42.3	33.0	70.8
October-December	14.4	8.6	17.5	13.2	6.1	8.6	53.8	63.4	57.3	48.7	37.7	75.8
1978:												
January-March	24.2	22.0	17.4	37.5	2.2	23.3	58.8	69.9	48.3	75.7	26.7	91.9
April-June	25.6	19.9	16.5	39.4	3.8	20.5	53.2	56.1	38.3	74.3	24.1	79.6
July-September	2.0	21.6	18.4	29.8	10.7	2/	20.1	53.6	35.1	57.5	28.3	2/
October-December	22.2	31.5	24.0	37.8	19.8	26.3	41.5	65.6	39.4	62.3	36.1	75.9
1979:												
January-March	7.4	24.4	16.7	26.4	20.8	2/	26.4	50.8	34.0	52.4	40.6	2/
April-June	2/	11.4	10.2	11.6	12.5	2/	8.4	46.1	27.4	31.6	32.2	2/
July-September	2/	13.5	11.5	31.2	13.6	22.8	29.5	64.9	30.4	52.4	35.0	71.9

1/ Export price was higher than the home-market price.
2/ Not provided in petition.
3/ Less than 1,000 tons imported

Source: United States Steel Corp. petition.

Table C-6.--Angles, Shapes and Sections: Alleged LTFV margins, by specified countries and by quarters January 1975-September 1979

(In percent)

Period	Alleged LTFV margin													
	Home-market price less export price as a share of export price						Constructed value less export price as a share of export price					
	Belgium	West Germany	France	Italy	Luxem-bourg	United Kingdom	Belgium	West Germany	France	Italy	Luxem-bourg	United Kingdom
1975:												
January-March	1/	1/	1/	3/	1/	1/	2/	2/	2/	3/	2/	2/
April-June	1/	1/	1/	3/	1/	1/	2/	2/	2/	3/	2/	2/
July-September	1/	1/	1/	3/	1/	1/	23.8	1/	52.5	3/	19.7	2/
October-December	1/	1/	1/	3/	1/	1/	35.4	12.4	61.3	3/	30.6	47.2
1976:												
January-March	1/	1/	2.2	3/	1/	9.0	33.5	16.3	49.5	3/	29.2	53.9
April-June	2.7	1.1	25.0	3/	2.7	25.3	30.3	28.4	67.6	3/	26.1	58.1
July-September	0.7	4.6	.5	3/	0.7	15.9	27.9	32.6	27.4	3/	24.9	43.7
October-December	5.6	2.9	11.5	3/	5.6	18.4	36.3	31.9	39.3	3/	35.4	42.3
1977:												
January-March	8.5	1/	10.9	3/	8.5	2.0	46.9	25.7	52.0	3/	49.3	42.3
April-June	6.2	2.3	11.5	3/	6.2	6.8	54.0	47.8	66.1	3/	58.4	64.7
July-September	17.6	11.1	20.4	3/	17.6	24.2	57.8	48.3	66.2	3/	62.3	86.8
October-December	15.8	11.9	25.8	3/	15.8	21.0	52.8	49.8	67.2	3/	49.1	92.1
1978:												
January-March	29.2	31.6	28.7	3/	29.2	27.9	66.5	69.4	64.5	3/	65.6	86.2
April-June	13.0	7.8	17.3	3/	13.0	7.4	41.7	35.1	45.0	3/	37.9	44.5
July-September	11.2	9.9	13.8	3/	11.6	16.6	36.9	33.5	37.4	3/	33.1	47.2
October-December	18.6	29.8	11.7	3/	18.6	1/	46.1	55.3	34.3	3/	41.3	18.3
1979:												
January-March	11.4	5.8	7.6	3/	11.4	4.5	39.6	29.1	32.0	3/	35.3	27.0
April-June	11.5	2.8	2.9	3/	11.5	25.2	39.5	32.3	23.3	3/	35.2	59.3
July-September	16.4	12.3	12.5	3/	16.4	4/ 45.2	45.2	53.3	31.3	3/	40.6	69.3
October-December										3/		

1/ Export price was higher than the home-market price.
2/ Not provided in petition
3/ Not provided in petition past exports to U.S. have been deminimis.
4/ Based on wide flanged beams only.

Source: United States Steel petition

Table C-7.--Carbon steel hot-rolled sheets: U.S. imports for consumption, by regions of entry and selected sources, 1977-79

Region of entry and source	1977			1978			1979		
	Quantity	Value	Unit value	Quantity	Value	Unit value	Quantity	Value	Unit value
	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton
WEST COAST									
EEC									
FRANCE	17,724	4,071	229.71	102,590	25,023	243.91	39,225	11,244	286.67
BEL-LUX	2,724	598	219.57	6,959	1,710	245.76	3,960	1,345	339.75
U. KING	18	10	563.17	580	154	265.71	66	21	319.34
FR. GERM	18,919	4,246	224.42	118,386	29,159	246.31	52,864	15,586	294.82
ITALY	15,987	2,989	187.00	70,982	14,371	202.46	2,846	757	265.95
NETHLDS	-	-	-	-	-	-	474	153	323.86
EEC TOTAL	55,371	11,915	215.18	299,497	70,417	235.12	99,434	29,107	292.72
JAPAN	297,066	72,387	243.67	278,395	75,667	271.87	319,243	100,741	315.56
ALL OTHER	33,082	6,733	203.53	81,368	17,869	219.66	30,083	8,707	289.42
TOTAL	385,519	91,035	236.14	659,260	163,994	248.75	448,761	138,554	308.75
GULF COAST									
EEC									
FRANCE	28,873	6,705	232.21	93,833	23,616	251.68	89,915	26,468	294.37
BEL-LUX	4,491	1,096	244.02	15,232	3,689	242.18	4,567	1,590	348.12
U. KING	2,352	497	211.41	6,870	1,676	243.98	1,265	373	295.15
FR. GERM	75,191	16,511	219.58	196,491	47,979	244.18	131,603	38,318	291.17
ITALY	13,267	2,758	207.89	22,237	5,059	227.52	22,922	6,101	266.17
NETHLDS	-	-	-	28,028	7,104	253.45	15,113	4,229	279.81
EEC TOTAL	124,174	27,567	222.00	362,693	89,124	245.73	265,384	77,080	290.45
JAPAN	245,229	57,316	233.72	157,551	42,001	266.58	201,191	63,986	318.04
ALL OTHER	42,900	8,978	209.28	96,323	20,738	215.30	81,754	23,813	291.28
TOTAL	412,302	93,860	227.65	616,567	151,863	246.30	548,329	164,879	300.69
EAST COAST									
EEC									
FRANCE	50,708	12,319	242.93	61,761	15,724	254.60	73,335	22,617	308.41
BEL-LUX	2,479	615	248.16	16,753	4,870	290.71	1,492	553	370.36
U. KING	3,934	948	241.01	592	116	196.06	23	30	1,290.16
FR. GERM	58,330	13,462	230.79	100,187	24,427	243.82	100,544	29,657	294.97
ITALY	14,267	3,045	213.12	25,684	5,786	225.29	13,020	3,632	279.00
NETHLDS	14,717	3,378	229.51	37,101	9,120	245.83	2,584	735	284.62
EEC TOTAL	144,455	33,767	233.75	242,078	60,045	248.04	190,997	57,225	299.61
JAPAN	121,303	29,482	243.04	65,230	18,572	284.72	110,631	36,182	327.05
ALL OTHER	59,368	12,229	205.98	69,137	16,604	240.16	48,665	14,460	297.13
TOTAL	325,126	75,477	232.15	376,445	95,221	252.95	350,293	107,866	307.93
GREAT LAKES									
EEC									
FRANCE	422,342	86,160	204.01	246,532	65,249	264.67	219,842	66,266	301.43
BEL-LUX	21,200	4,434	209.14	19,239	5,085	264.32	5,689	1,692	297.49
U. KING	5,888	1,242	210.90	16,719	4,411	263.83	3,974	1,228	308.95
FR. GERM	213,666	48,303	226.07	98,713	26,839	271.89	112,691	33,880	300.65
ITALY	86,456	16,743	193.66	35,127	7,420	211.24	16,306	4,839	296.74
NETHLDS	239,304	52,844	220.82	229,678	62,068	270.24	222,896	67,042	300.78
EEC TOTAL	988,856	209,725	212.09	646,008	171,073	264.82	581,396	174,947	300.91
JAPAN	137,519	33,450	243.24	24,815	7,296	294.02	30,925	10,528	340.43
ALL OTHER	408,612	82,488	201.87	272,091	67,510	248.12	191,641	56,364	294.11
TOTAL	1,534,987	325,663	212.16	942,914	245,880	260.77	803,962	241,839	300.81
TOTAL OF ALL DISRICTS									
EEC									
FRANCE	519,646	109,254	210.25	504,715	129,612	256.80	422,316	126,596	299.77
BEL-LUX	30,893	6,743	218.26	58,184	15,355	263.90	15,708	5,180	329.79
U. KING	12,191	2,697	221.23	24,761	6,357	256.75	5,327	1,652	310.06
FR. GERM	366,107	82,522	225.40	513,777	128,405	249.92	397,701	117,441	295.30
ITALY	129,997	25,536	196.43	154,031	32,637	211.89	55,093	15,329	278.24
NETHLDS	254,021	56,221	221.33	294,807	78,293	265.57	241,067	72,160	299.34
EEC TOTAL	1,312,855	282,973	215.54	1,550,276	390,659	251.99	1,137,212	338,358	297.53
JAPAN	801,115	192,633	240.46	525,991	143,556	272.93	661,990	211,436	319.40
ALL OTHER	543,963	110,428	203.01	518,920	122,742	236.53	352,143	103,344	293.47
TOTAL	2,657,934	586,035	220.49	2,595,187	656,956	253.14	2,151,345	653,138	303.60

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

Table C-8.--Carbon steel cold-rolled sheets: U.S. imports for consumption, by regions of entry and selected sources, 1977-79

Region of entry and source	1977			1978			1979		
	Quantity	Value	Unit value	Quantity	Value	Unit value	Quantity	Value	Unit value
	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton
WEST COAST									
EEC									
FRANCE	10,258	2,803	273.19	20,241	6,063	299.55	10,565	3,670	347.42
BEL-LUX	1,005	442	439.51	1,732	544	314.06	482	170	352.99
U. KING	15,364	3,531	229.81	-	-	-	-	-	-
FR. GERM	36,341	10,033	276.07	51,426	15,589	303.14	33,283	12,047	361.97
ITALY	9,788	2,227	227.51	20,108	4,937	245.51	-	-	-
NETHLDS	-	-	-	-	-	-	10,340	3,368	326.96
EEC TOTAL	72,756	19,035	261.62	93,507	27,133	290.17	54,627	19,255	352.47
JAPAN	284,185	85,523	300.94	300,732	99,262	330.07	297,811	111,396	374.05
ALL OTHER	65,205	16,468	252.55	152,234	44,095	289.65	92,430	31,421	339.95
TOTAL	422,146	121,025	286.69	546,474	170,490	311.98	444,868	162,072	364.31
GULF COAST									
EEC									
FRANCE	45,797	12,167	265.68	83,727	24,858	296.86	40,245	14,710	365.51
BEL-LUX	19,965	5,329	266.94	14,822	3,951	266.59	5,029	1,770	352.07
U. KING	5,329	1,432	268.79	5,392	1,407	260.98	1,946	689	353.93
FR. GERM	50,038	13,441	268.62	114,424	32,897	287.50	74,361	26,207	352.42
ITALY	13,719	3,463	252.39	27,135	8,231	303.32	7,722	2,589	335.26
NETHLDS	198	51	260.13	2,708	887	327.54	21,860	6,981	319.37
EEC TOTAL	135,045	35,864	265.72	248,207	72,228	291.00	151,163	52,946	350.26
JAPAN	313,867	88,564	283.44	290,743	94,479	324.96	257,869	94,610	366.98
ALL OTHER	78,064	19,805	253.70	155,566	43,276	278.18	93,410	32,472	347.63
TOTAL	526,976	144,652	274.50	694,516	209,982	302.34	502,383	180,029	358.35
EAST COAST									
EEC									
FRANCE	50,493	13,545	268.26	69,378	20,866	301.04	99,121	36,191	365.12
BEL-LUX	63,192	16,205	256.44	39,292	11,117	282.92	24,920	9,546	383.07
U. KING	13,042	3,376	258.99	15,376	3,963	257.72	2,343	944	402.79
FR. GERM	165,484	46,837	283.03	241,408	72,191	299.04	186,743	72,377	387.58
ITALY	47,532	12,304	260.55	87,537	22,689	259.19	28,895	8,846	306.15
NETHLDS	6,090	1,728	283.74	20,606	6,831	331.54	18,763	7,130	380.01
EEC TOTAL	345,833	94,077	272.03	473,597	137,676	290.70	360,786	135,035	374.28
JAPAN	215,164	65,246	303.24	187,929	59,638	317.35	143,398	55,375	386.17
ALL OTHER	162,888	43,319	265.95	227,217	66,360	292.06	111,643	41,185	368.90
TOTAL	723,885	202,642	279.94	888,742	263,675	296.68	615,827	231,595	376.07
GREAT LAKES									
EEC									
FRANCE	150,664	39,970	265.29	86,388	24,911	288.37	85,394	31,616	370.24
BEL-LUX	254,096	65,327	257.10	72,955	24,381	334.19	70,042	25,149	359.05
U. KING	40,229	9,750	242.37	623	403	645.85	1,481	847	571.94
FR. GERM	502,757	132,597	263.74	239,947	78,263	326.17	291,341	101,033	346.79
ITALY	83,019	21,128	254.49	77,655	20,258	260.87	31,230	11,436	366.19
NETHLDS	227,664	62,684	275.34	209,497	68,683	327.85	112,150	40,360	359.88
EEC TOTAL	1,258,428	331,456	263.39	687,064	216,896	315.69	591,657	210,441	355.69
JAPAN	220,802	66,452	300.96	76,313	26,443	346.51	82,362	31,854	386.76
ALL OTHER	175,821	45,612	259.42	220,870	69,403	314.22	84,115	29,600	351.90
TOTAL	1,655,052	443,520	267.98	984,247	312,744	317.75	758,113	271,895	358.65
TOTAL OF ALL DISTRICTS									
EEC									
FRANCE	257,212	68,485	266.26	259,733	76,715	295.36	235,323	86,187	366.25
BEL-LUX	338,258	87,303	258.10	128,800	39,993	310.50	100,473	36,636	364.63
U. KING	73,964	18,091	244.59	21,391	5,772	269.85	5,771	2,480	429.72
FR. GERM	754,619	202,907	268.89	647,205	198,940	307.34	585,729	211,664	361.37
ITALY	154,057	39,201	254.46	212,434	56,114	264.15	67,846	22,871	337.10
NETHLDS	233,952	64,464	275.54	232,811	76,401	328.17	163,072	57,839	354.69
EEC TOTAL	1,812,061	480,451	265.14	1,502,375	453,935	302.15	1,158,213	417,677	360.62
JAPAN	1,034,019	306,184	296.11	855,717	279,822	327.00	781,380	293,236	375.28
ALL OTHER	481,978	125,204	259.77	755,886	223,134	295.19	381,599	134,678	352.93
TOTAL	3,328,059	911,839	273.99	3,113,978	956,891	307.29	2,321,192	845,591	364.29

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

Table C-9.Carbon steel galvanized sheets: U.S. imports for consumption, by regions of entry and selected sources, 1977-79

Region of entry and source	1977			1978			1979		
	Quantity	Value	Unit value	Quantity	Value	Unit value	Quantity	Value	Unit va
	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton
WEST COAST									
EEC									
FRANCE	3,690	1,123	304.42	17,969	6,706	380.96	7,138	2,767	387.71
BEL-LUX	226	81	358.27	1,495	554	370.67	1,360	529	388.05
U. KING	5	4	773.71	55	33	612.54	166	88	528.25
FR. GERM	13,882	4,682	337.30	29,516	10,892	369.02	13,709	5,586	407.46
ITALY	1,121	492	438.60	2,087	766	366.83	-	-	-
EEC TOTAL	18,924	6,382	337.26	51,121	18,951	362.89	22,593	8,970	400.56
JAPAN	292,484	106,990	365.80	353,170	147,532	417.74	345,451	162,354	469.98
ALL OTHER	74,673	24,972	334.42	163,956	59,692	364.07	100,762	43,265	429.38
TOTAL	386,081	138,345	358.33	568,247	225,775	397.32	468,806	214,589	457.93
GULF COAST									
EEC									
FRANCE	14,267	4,843	339.45	26,016	9,807	376.94	23,642	9,565	404.56
BEL-LUX	5,529	1,646	296.44	8,738	3,049	348.92	1,386	578	432.91
U. KING	1,057	444	420.41	3,024	1,265	418.32	6,235	2,603	417.44
FR. GERM	35,800	11,546	322.52	61,630	21,639	351.11	61,770	24,643	398.94
ITALY	1,058	375	354.71	10,270	4,005	390.01	1,753	731	416.90
NETHLDS	1	2	2,983.83	1,176	418	355.60	-	-	-
EEC TOTAL	55,712	18,257	327.71	110,853	40,183	362.49	94,735	38,119	402.37
JAPAN	421,383	152,373	361.60	420,789	173,758	412.93	416,467	194,643	467.37
ALL OTHER	19,202	5,957	310.21	92,908	31,292	336.81	60,271	25,431	421.95
TOTAL	496,298	176,587	355.81	624,551	245,233	392.65	571,473	258,194	451.80
EAST COAST									
EEC									
FRANCE	28,742	9,621	334.73	45,330	16,907	372.97	46,079	19,878	431.38
BEL-LUX	15,545	5,241	337.17	11,443	4,282	374.23	10,233	4,587	448.28
U. KING	5,941	1,796	302.27	3,144	940	299.14	6,658	3,003	451.02
FR. GERM	47,261	15,419	326.25	45,126	15,853	351.29	74,512	30,699	413.10
ITALY	20,727	7,684	370.71	35,346	12,336	349.00	29,718	13,085	440.26
NETHLDS	519	206	397.42	704	236	327.11	3,116	1,351	433.49
EEC TOTAL	118,735	39,967	336.60	141,093	50,548	358.26	170,116	72,601	426.77
JAPAN	348,298	125,874	361.40	280,527	116,362	414.80	350,785	166,029	473.31
ALL OTHER	55,207	16,466	298.25	117,003	37,312	318.90	89,926	33,610	373.75
TOTAL	522,240	182,306	349.08	538,623	204,222	379.16	610,828	272,240	445.69
GREAT LAKES									
EEC									
FRANCE	50,652	17,567	346.81	55,016	21,594	392.51	55,787	24,002	430.25
BEL-LUX	24,006	8,121	338.29	14,339	5,507	384.08	8,292	3,611	435.47
U. KING	2,526	802	317.52	1,021	378	369.90	3,360	1,569	466.99
FR. GERM	132,679	42,691	321.76	89,342	34,568	387.14	67,097	28,420	423.56
ITALY	5,643	1,787	316.74	16,358	6,588	402.71	9,466	4,601	486.06
NETHLDS	23,185	8,936	385.41	38,619	14,136	366.04	30,167	13,226	438.43
EEC TOTAL	238,691	79,904	334.76	214,694	82,790	385.62	174,170	75,429	433.09
JAPAN	62,814	22,938	365.17	68,786	29,347	426.64	106,879	50,152	469.24
ALL OTHER	203,801	66,617	326.87	248,225	86,341	347.83	173,920	68,942	396.40
TOTAL	505,306	169,459	335.36	531,705	198,478	373.29	454,969	194,522	427.55
TOTAL OF ALL DISRICTS									
EEC									
FRANCE	97,351	33,153	340.56	144,331	54,614	378.39	132,646	56,212	423.78
BEL-LUX	43,307	14,490	334.58	36,014	13,392	371.86	21,241	9,305	438.07
U. KING	9,529	3,046	319.66	7,243	2,616	361.23	16,419	7,262	442.30
FR. GERM	229,622	74,338	323.74	225,614	82,971	367.76	216,688	89,347	411.95
ITALY	28,549	10,338	362.12	64,061	23,694	369.87	40,936	19,415	448.85
NETHLDS	23,704	9,144	385.76	40,499	14,785	365.06	33,284	14,577	437.96
EEC TOTAL	432,062	144,510	334.47	517,762	192,073	370.97	461,415	195,118	422.87
JAPAN	1,124,979	408,175	362.83	1,123,273	466,998	415.75	1,219,583	573,179	469.98
ALL OTHER	352,884	114,012	323.09	622,092	214,638	345.03	424,679	171,248	403.05
TOTAL	1,909,925	666,697	349.07	2,263,126	873,709	386.06	2,105,876	939,545	446.15

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

Table C-10.--Carbon steel plates: U.S. imports for consumption, by regions of entry and selected sources, 1977-79

Region of entry and source	1977			1978			1979		
	Quantity	Value	Unit value	Quantity	Value	Unit value	Quantity	Value	Unit value
	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton
WEST COAST									
EEC									
FRANCE	15,453	3,814	246.81	30,325	7,846	258.74	8,813	2,819	319.84
BEL-LUX	24,870	6,336	254.76	99,484	28,294	284.41	56,750	19,429	342.35
U. KING	1,615	384	237.83	3,954	1,044	264.12	1,029	367	356.77
FR. GERM	21,488	5,302	246.76	73,171	20,363	278.30	27,442	8,944	325.92
ITALY	9,024	1,672	185.30	54,169	12,365	228.64	3,239	832	256.77
EEC TOTAL	72,450	17,508	241.66	261,102	69,933	267.84	97,273	32,390	332.98
JAPAN	165,958	41,544	250.33	53,952	15,852	293.81	48,543	15,376	316.75
ALL OTHER	38,150	8,023	210.29	135,229	34,077	251.99	46,513	14,998	322.45
TOTAL	276,558	67,075	242.53	450,283	119,861	266.19	192,329	62,764	326.34
GULF COAST									
EEC									
FRANCE	8,447	2,172	257.11	110,210	29,899	271.29	34,801	11,199	321.79
BEL-LUX	58,228	14,038	241.08	200,339	55,931	279.18	98,331	33,960	345.36
U. KING	41,112	9,282	225.77	25,556	6,505	254.53	6,142	1,943	316.41
FR. GERM	93,277	22,411	240.26	137,282	37,799	275.34	65,303	20,547	314.63
ITALY	37,856	8,352	220.62	59,404	14,063	236.74	30,409	8,532	280.58
NETHLDS	22	5	258.40	2,336	599	256.64	987	296	300.10
EEC TOTAL	238,941	56,259	235.45	535,127	144,796	270.58	235,973	76,477	324.09
JAPAN	253,055	66,560	263.03	109,722	33,439	304.76	59,014	20,008	339.03
ALL OTHER	173,127	33,932	195.99	435,702	106,837	245.21	303,201	99,682	328.77
TOTAL	665,124	156,751	235.67	1,080,551	285,072	263.82	598,188	196,166	327.93
EAST COAST									
EEC									
FRANCE	13,109	3,276	249.88	14,568	4,514	309.86	9,842	3,289	334.15
BEL-LUX	36,653	8,957	244.38	91,558	24,828	271.17	49,388	17,165	347.55
U. KING	13,857	3,292	237.57	6,400	1,653	258.32	62	30	480.51
FR. GERM	32,625	7,665	234.95	68,805	19,872	288.81	50,244	14,906	296.68
ITALY	51,689	10,859	210.09	54,024	11,606	214.83	2,974	911	306.26
NETHLDS	2,734	695	254.03	4,668	1,405	301.04	763	225	295.29
EEC TOTAL	150,668	34,744	230.60	240,022	63,878	266.13	113,272	36,525	324.46
JAPAN	57,824	14,298	247.27	7,926	2,263	285.56	6,143	2,000	325.55
ALL OTHER	97,451	21,389	219.49	236,529	61,461	259.84	180,556	60,127	333.01
TOTAL	305,942	70,432	230.21	484,477	127,602	263.38	299,972	98,652	328.87
GREAT LAKES									
EEC									
FRANCE	87,454	19,211	219.67	95,182	25,031	262.98	69,184	20,674	298.82
BEL-LUX	27,407	6,740	245.92	8,145	2,551	313.19	13,068	4,527	346.44
U. KING	43,881	10,388	236.73	7,718	2,096	271.65	7,795	2,887	370.43
FR. GERM	106,028	25,355	239.14	64,557	18,143	281.04	80,153	25,422	317.17
ITALY	59,062	12,797	216.67	9,559	2,074	216.97	8,792	3,035	345.20
NETHLDS	18,756	4,136	220.54	24,859	7,131	286.85	31,412	9,853	313.68
EEC TOTAL	342,588	78,627	229.51	210,020	57,027	271.53	210,404	66,399	315.58
JAPAN	32,638	8,062	247.01	9,234	2,860	311.95	11,564	3,887	336.10
ALL OTHER	453,089	100,485	221.78	615,013	155,068	252.14	461,718	146,305	316.87
TOTAL	828,315	187,174	225.97	834,266	214,975	257.68	683,686	216,591	316.80
TOTAL OF ALL DISRICTS									
EEC									
FRANCE	124,463	28,472	228.76	250,285	67,290	268.85	122,639	37,980	309.69
BEL-LUX	147,158	36,071	245.12	399,526	111,604	279.34	217,538	75,081	345.14
U. KING	100,465	23,346	232.38	43,628	11,299	258.99	15,027	5,228	347.87
FR. GERM	253,417	60,734	239.66	343,814	96,177	279.73	223,142	69,819	312.89
ITALY	157,632	33,680	213.66	177,155	40,128	226.52	45,414	13,310	293.07
NETHLDS	21,512	4,836	224.81	31,863	9,135	286.71	33,162	10,375	312.85
EEC TOTAL	804,647	187,139	232.57	1,246,271	335,633	269.31	656,922	211,791	322.40
JAPAN	509,475	130,464	256.07	180,834	54,434	301.02	125,264	41,270	329.46
ALL OTHER	761,817	163,828	215.05	1,422,472	357,443	251.28	991,988	321,112	323.71
TOTAL	2,075,939	481,431	231.91	2,849,577	747,510	262.32	1,774,174	574,173	323.63

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

Table C-11.--Carbon steel angles, shapes, and sections: U.S. imports for consumption, by regions of entry and selected sources, 1977-79

Region of entry and source	1977			1978			1979		
	Quantity	Value	Unit value	Quantity	Value	Unit value	Quantity	Value	Unit value
	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton	Short tons	1,000 dollars	Per ton
EST COAST									
EEC									
FRANCE	4,751	1,078	226.98	22,457	6,183	275.32	8,660	2,881	332.63
BEL-LUX	45,344	8,302	234.89	34,315	9,277	270.33	60,411	20,718	342.95
U. KING	35,981	8,365	232.47	26,411	7,419	280.91	44,457	15,683	352.76
FR. GERM	5,732	1,346	234.89	18,597	4,341	233.40	9,442	3,220	341.04
NETHLDS	-	-	-	-	-	-	181	55	301.48
EEC TOTAL	81,808	19,091	233.37	101,781	27,219	267.43	123,152	42,556	345.56
JAPAN	252,514	59,106	234.07	262,052	74,312	283.58	362,128	129,150	356.64
ALL OTHER	13,895	3,086	222.07	49,624	11,906	239.92	43,378	13,546	312.27
TOTAL	348,217	81,283	233.43	413,457	113,437	274.36	528,658	185,252	350.42
GULF COAST									
EEC									
FRANCE	22,073	4,938	223.69	37,556	9,925	264.27	27,447	9,271	337.77
BEL-LUX	95,172	21,678	227.78	98,544	26,034	264.19	118,750	40,636	342.20
U. KING	55,524	12,602	226.96	15,013	4,510	300.42	9,764	3,755	384.56
FR. GERM	35,009	8,144	232.63	72,136	19,020	263.67	59,865	20,134	336.31
ITALY	1,526	322	210.94	-	-	-	-	-	-
NETHLDS	-	-	-	11	5	430.27	-	-	-
EEC TOTAL	209,305	47,683	227.82	223,260	59,494	266.48	215,827	73,795	341.92
JAPAN	258,233	58,173	225.27	150,343	41,323	274.86	201,435	69,760	349.32
ALL OTHER	90,296	19,875	220.11	202,007	50,080	247.91	152,161	50,121	329.40
TOTAL	557,834	125,731	225.39	575,610	150,897	262.15	569,423	193,676	340.13
WEST COAST									
EEC									
FRANCE	17,131	3,987	232.74	16,674	4,644	278.53	19,227	6,397	332.70
BEL-LUX	113,368	27,780	245.04	140,598	40,042	284.80	130,570	45,224	346.36
U. KING	50,481	11,501	227.83	17,637	4,853	275.15	5,454	2,338	428.62
FR. GERM	29,743	7,536	253.38	54,217	15,287	281.96	35,128	12,489	355.51
ITALY	1,290	264	204.55	30	8	272.40	18	25	1,428.11
NETHLDS	336	80	239.58	274	93	340.87	228	81	359.07
EEC TOTAL	212,349	51,149	240.87	229,429	64,927	282.99	190,625	66,554	349.13
JAPAN	168,718	38,815	230.06	75,716	19,206	253.66	79,045	27,376	346.33
ALL OTHER	127,562	31,056	243.46	240,953	68,433	284.01	222,363	72,474	325.93
TOTAL	508,628	121,020	237.94	546,098	152,565	279.37	492,032	166,404	338.20
GREAT LAKES									
EEC									
FRANCE	30,492	6,908	226.54	22,060	6,211	281.57	14,814	5,194	350.58
BEL-LUX	59,733	14,243	238.44	33,268	9,835	295.63	69,767	21,945	314.55
U. KING	16,079	4,176	259.68	12,460	5,751	461.55	8,773	4,396	501.03
FR. GERM	34,361	8,883	258.52	21,654	7,846	362.33	29,804	11,503	385.94
ITALY	354	117	331.88	35	9	257.70	-	-	-
NETHLDS	41	18	429.84	-	-	-	22	7	318.41
EEC TOTAL	141,061	34,345	243.47	89,477	29,652	331.40	123,181	43,044	349.44
JAPAN	50,436	10,762	213.39	3,338	1,065	318.95	4,435	1,471	331.74
ALL OTHER	109,915	28,202	256.58	138,574	40,510	292.34	132,056	43,989	333.16
TOTAL	301,412	73,309	243.22	231,388	71,227	307.83	259,652	88,504	340.86
TOTAL OF ALL DISRICTS									
EEC									
FRANCE	74,448	16,911	227.15	98,748	26,964	273.06	70,148	23,742	338.45
BEL-LUX	303,617	72,003	237.15	306,725	85,187	277.73	379,498	128,524	338.67
U. KING	158,066	36,643	231.82	71,521	22,533	315.06	68,448	26,171	382.34
FR. GERM	104,845	25,910	247.12	166,604	46,493	279.07	134,240	47,345	352.69
ITALY	3,170	703	221.84	65	17	264.42	18	25	1,428.11
NETHLDS	377	98	260.49	285	98	344.36	432	143	330.69
EEC TOTAL	644,523	152,266	236.25	643,947	181,293	281.53	652,784	225,949	346.13
JAPAN	729,901	166,857	228.60	491,449	135,905	276.54	647,042	227,757	352.00
ALL OTHER	341,667	82,219	240.64	631,158	170,929	270.82	549,959	180,130	327.55
TOTAL	1,716,091	401,344	233.87	1,766,554	488,127	276.32	1,849,765	633,836	342.66

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

APPENDIX D

THE DAVIGNON PLAN

The Davignon Plan

Within the European Community (EC) steel market, control of prices, levels of shipments, and restructurization, modernization and rationalization of steel production are orchestrated by the Commission of the European Community (CEC). Minimum price levels within the EC have been in effect since May 1977. Bilateral trade arrangements which set minimum prices and, in the case of non-European Free Trade Association (EFTA) countries, set quantitative levels of imports, have been effected with major steel importers of the EC. As a result of the restructurization effort, the proportion of electric and oxygen steel plants has risen, the proportion of continuous cast steel has risen, and the EC steel producers have become more competitive through the closure of the most obsolete plants and modernization investments in existing plants.

By late 1976 it was clear that the EC domestic steel situation was very grave. Operating rates ranged from sixty to seventy percent and a dramatic shift had occurred in the EC steel trade position (from net exports of 27 million tons in 1974 to only 7 million tons in 1976). As a result, the EC embarked on a new effort devised by the CEC, called the Simonet Plan, which was instituted on January 1, 1977, and which called for "voluntary" quotas on steel produced by European firms for distribution within the Common Market.

While the CEC plan for voluntary guidelines did not need the approval of the European Council or the European Coal and Steel Community (ECSC) Consultative Committee, mandatory quotas or minimum prices would have required such approval. In this connection, in April 1977, the CEC presented the Davignon Plan to the European Council in Rome. The fundamental goals of the Davignon Plan are to establish minimum price levels in the EC market, control levels of imports and levels of shipments within the EC by domestic producers,

and restructure of the EC steel industry. The goal of establishing minimum price levels in the EC market was approached by the institution of compulsory price minimums for concrete reinforcing bars and "guidance" prices for most other principal steel products. These prices were published in the May 5, 1977, issue of the Official Journal of the European Communities. The Community Council of Ministers recommended in November 1977, and the Consultative Committee of the ECSC recommended in December 1977, approval of the CEC's plans to set obligatory minimum prices for steel imports effective January 1978 "to prevent undercutting of Community producers by foreign competitors." This plan created a system of reference prices. Amendments to the EC reference prices, effective into 1980, are published in the Official Journal of the European Communities. 1/

To insure the effectiveness of the Davignon Plan in raising domestic price levels, measures were required to limit steel shipments from third countries, both in terms of quantity and price. This protection of Europe's home market was achieved through a series of bilateral trade arrangements.

By 1979, the CEC had arranged bilateral trade arrangements with 17 countries. Bilateral trade arrangements for 1980 are signed and in effect between the CEC and 12 of those 17 countries. The CEC decided not to ask the remaining five countries to renew their arrangements because of their relatively small trade significance. 2/

1/ Davignon prices were subsequently amended in the Official Journal of the European Communities on the following dates: July 22, 1977, Dec. 28, 1977, Apr. 1, 1978, June 14, 1978, Dec. 29, 1978, July 1979, and Dec. 27, 1979.

2/ The five countries were Switzerland, Portugal, Brazil, South Africa, and South Korea.

The 1980 agreements between the CEC and Japan, Spain, Australia, Bulgaria, Czechoslovakia, Romania, Hungary, and Poland set prices for sales in the EC market and specific tonnage targets for shipments into the EC market. 1/ The arrangements in effect with the four EFTA countries, Austria, Finland, Norway, and Sweden, set prices (identical to those for the non-EFTA countries) for sales in the EC market but set no quantitative ceilings. Most countries undershot the quantitative targets both in 1978 and 1979; only Spain seriously exceeded its quantitative level.

The reference price system of the EC and the U.S. trigger-price system (a discussion of the Trigger-Price Mechanism is presented in app. E) are both based on Article 8 of the GATT antidumping code. As was the case with the trigger-price system, imports negotiated below the reference price became liable to antidumping investigations. However, subsequent to the establishment of bilateral trade arrangements, the EC suspended antidumping procedures against countries with which it had concluded such agreements.

The trends of the steel market in recent years clearly illustrate the structural nature of the problems of the steel industry. The lack of equilibrium between steel demand and steel supply during periods of weakening and sluggish business activity has been a recurrent phenomenon giving rise to growing pressure on the world steel market and intensifying international competition. Monetary restrictions, rising costs of production, and declining home demand lead many steel producers to promote export sales. In the foreign market, however, there is only a very narrow margin to absorb excess tonnages without the established trading practices deteriorating. In addition, there is the problem of world capacity far exceeding demand currently and for years to come.

1/ Prices were set at *** percent below EC delivery prices in the case of specialty steels and *** percent in the case of ordinary steels. The quantitative levels were generally close to the 1979 levels.

In the EC, action in several of the member countries is taking place on the national level within the framework of communitywide discussion. Structural changes in the EC steel industry include a significant increase in continuous casting (from 12 percent of total in 1974 to 30 percent in 1979), an increase in steel made in electric and oxygen steel plants (from 78 percent in 1974 to 94 percent in 1979), and closure of obsolete plants. The CEC has reported that up to 140,000 steel jobs are expected to be lost in the 3 years 1978 through 1980 on top of the 46,800 jobs already lost in the EC countries in the 2 years 1976 and 1977. The objective of large-scale labor contraction, undertaken in the context of industry modernization and rationalization and against the background of world steel excess capacity, is to raise productivity to meet world standards.

APPENDIX E.

THE TRIGGER-PRICE MECHANISM

The Trigger-Price Mechanism 1/

The President, on December 6, 1977, approved a "trigger price mechanism" for certain articles of steel, as formally recommended to him on the same date by the U.S. Treasury Department. 2/ The trigger-price mechanism (TPM) was announced and partially implemented 3/ in early 1978. By the end of the year, it apparently has been almost completely implemented. 4/ On October 17, 1978, the Treasury announced the publication of a TPM manual, which incorporated all trigger prices announced to that date and which was for use by Customs at ports of entry during the third and fourth quarters of 1978. 5/ On November 22, 1978, Treasury published revised trigger prices for the first quarter of 1979, and on January 23, 1979, revised certain trigger prices and added new products to the program. 6/ New trigger prices were announced and implemeted for the second, third, and fourth quarters of 1979 and the first and second quarters 7/ of 1980. On March 24, 1980, the Department of Commerce announced the suspension of the TPM, 8/ 9/ noting that--

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1/ The "trigger-price mechanism" was generally referred to in the press and elsewhere as a "reference price" plan prior to its formal announcement in early 1978.

2/ See Report to the President: A Comprehensive Program for the Steel Industry (Dec. 6, 1977), often referred to as the Solomon Report.

3/ See 43 F.R. 9912 of Mar. 10, 1978, which states that the trigger prices which were published on Jan. 9, 1978 (43 F.R. 1463), were for a majority of the steel mill products imported during 1976 and 1977. Also, this partial list is described as relating to 17 steel mill products. (43 F.R. 6065 of Feb. 13, 1978.)

4/ The Treasury Department announced base prices applicable in October-December 1978 to all shipments exported on or after Oct. 1, 1978, for 84 types of steel products covered by the program. (43 F.R. 33993 of Aug. 2, 1978.)

5/ 43 F.R. 47809.

6/ 43 F.R. 54710 and 44 F.R. 4767.

7/ Second quarter 1980 trigger prices were unchanged from the first quarter.

8/ 45 F.R. 20150 of Mar. 27, 1980.

9/ The TPM provided the Secretary of the Treasury, then the administering authority for the antidumping statute (the authority has since been transferred to the Secretary of Commerce under Reorganization Plan No. 3 of 1979), with information necessary for determining when the government should self-initiate steel antidumping investigations; normally investigations are commenced only upon receipt of a petition filed on behalf of the domestic industry.

The TPM was designed as a substitute for individual antidumping petitions by the domestic steel industry. Under the TPM the resources of the administering authority were utilized to continuously monitor all basic steel mill product imports instead of applying resources to the investigation of individual petitions that necessarily focus on specific products and countries.

With the filing of antidumping petitions (those filed by U.S. Steel Corp.), the basis upon which TPM was maintained no longer exists. Continuation of the TPM while investigating the industry complaints involving a major portion of U.S. imports would be largely redundant.

In the original public announcements of the TPM, Treasury described it as consisting of four parts, as follows:

(1) The establishment of trigger prices for steel mill products imported into the United States. 1/

(2) The adoption of a new Special Summary Steel Invoice ("SSSI"), Customs Form 5520, applicable to imports of all steel mill products.

(3) The continuous collection and analysis of data concerning (a) the cost of production and prices of steel mill products in the countries that are the principal exporters of such products to the United States, and (b) the condition of the domestic steel industry.

1/ The steel mill products covered are those identified by the American Iron and Steel Institute in 32 categories, as follows:

1 - Ingots, blooms, billets, slabs, etc.
2 - Wire rods.
3 - Structural shapes--plain 3 inches and over.
4 - Sheet piling.
5 - Plates.
6 - Rail and track accessories.
7 - Wheels and axles.
8 - Concrete reinforcing bars.
9 - Bar shapes under 3 inches.
10 - Bars--hot rolled--carbon.
11 - Bars--hot rolled--alloy.
12 - Bars--cold finished.
13 - Hollow drill steel.
14 - Welded pipe and tubing.
15 - Other pipe and tubing.
16 - Round and shaped wire.
17 - Flat wire.
18 - Bale ties.
19 - Galvanized wire fencing.
20 - Wire nails.
21 - Barbed wire.
22 - Black plate.
23 - Tin plate.
24 - Terne plate.
25 - Sheets--hot rolled.
26 - Sheets--cold rolled.
27 - Sheets--coated (including galvanized).
28 - Sheets--coated--alloy.
29 - Strip--hot rolled.
30 - Strip--cold rolled.
31 - Strip--hot and cold rolled--alloy.
32 - Sheets, other--electric coated.

(4) Where appropriate the expedited initiation (triggering) and disposition of proceedings under the Antidumping Act, 1921, and section 153.25 of the Customs Regulations, with respect to imports below the trigger prices.

A final rule was published on February 13, 1978, which amended the Customs Regulations, effective on and after February 21, to require that SSSI (Customs Form 5520) be presented to Customs at the time entry is made of each shipment of steel covered by the program having an aggregate purchase price over $2,500. 1/ The additional information provided for on the special invoice is for use in the administration and enforcement of the Antidumping Act, 1921.

The establishment of trigger prices

Treasury (or Commerce) each quarter, up to and including the second quarter of 1980, announced a trigger price per metric ton for each major steel mill product imported in significant quantities. The trigger price for each imported steel mill product was the total of a "base price" plus "extras," if any, plus "transportation charges" from Japan. The trigger prices applied to importations from all countries.

The base price for a steel product was derived from the estimated costs of production in Japan of all steel products. Base prices were constructed and revised (on a quarterly basis after June 30, 1978), from information available to Treasury, including evidence submitted by the MITI in regard to the current cost of producing steel in Japan--the country Treasury determined to be the most efficient producer. The data supplied by MITI were compiled by the six major integrated steel companies in Japan, and by a number of smaller, electric-furnace steelmakers.

1/ The $2,500 figure will be based on the purchase price as shown in the invoice filed in connection with the entry (43 F.R. 6065 of Feb. 13, 1978).

The extras, if any, were charges added to the base prices of steel mill products, which were sold to specifications for width, thickness, chemistry, or surface preparation that differ from the base products. The extras were calculated by Treasury from data obtained from MITI and other sources.

The transportation charges which were added to the base price plus extras, if any, did not include U.S. import duty. Such transportation charges included inland freight, loading, ocean freight, insurance, interest, and wharfage charges. Importers' sales commissions were excluded since the trigger price was based upon the cost to the importer, assuming the importer was dealing on an arm's-length basis. To the extent the importer was related to the exporter of the steel mill product and the transfer price did not reflect an arm's-length transaction, the first resale price by the importer to an unrelated U.S. buyer was compared with the trigger price.

The "importation charges" were calculated for each broad product category on the basis of existing data on average freight rates and wharfage charges for each of four regions of the country served by ports of entry on the west coast, gulf coast, east coast, and Great Lakes, 1/ respectively. In general, the transportation charges and, hence, the trigger prices, were lowest on the west coast, and increased for each of the other regions in the above-mentioned order. Thus, a trigger price for a specific steel mill product varied depending upon the region into which it was imported and entered.

1/ Questions raised about the Great Lakes transportation charges were published for comment (43 F.R. 23669 of May 31, 1978). Treasury's findings, conclusions, and adjustments of the freight component of trigger prices for steel mill products imported through Great Lakes ports of entry were published thereafter (43 F.R. 32730 of July 27, 1978).

The trigger prices initially established were applicable to all shipments loaded for export on or before June 30, 1978, i.e., the end of the second calendar quarter of 1978. 1/ All original calculations used in estimating Japanese costs of production were based upon serveral stated assumptions including an exchange rate of 240 yen to the U.S. dollar. The trigger prices were revised on a quarterly basis to reflect changes in costs and in exchange rates. 2/ Revised trigger prices were established within 5 percent above or below any revised cost of production data, where necessary, to minimize fluctuations. 3/

Use of the SSSI

As mentioned previously, the SSSI was to be filed, effective on an after February 21, 1978, at the time customs entry was made of a shipment of steel covered by the TPM having an aggregate purchase price of more than $2,500. Information supplied on this invoice, including the date and terms of the contract between buyer and seller, was used to "monitor" the TPM. Beginning with shipments entered on February 21, 1978, all imports of steel mill products loaded for export to the United States after the publication of the relevant trigger prices were examined by the Customs Service. If the SSSIs filed at the time of entry reflected "substantial" or "repeated" imports at prices below applicable trigger prices, the matter was investigated by the Special Customs Steel Task Force to determine whether an immediate investigation under the Antidumping Act should be "triggered" by Treasury on its own motion.

1/ For "base prices," see 43 F.R. 1464, Jan. 9, 1978; for "extras," see 43 F.R. 4703, Feb. 3, 1978; and for "transportation charges," see 43 F.R. 8657, Mar. 2, 1978.

2/ See 43 F.R. 1464, Jan. 9, 1978.

3/ Ibid.

Grace periods.--When a trigger price was first published for a specific steel mill product, a grace period was provided during which no formal Antidumping Act investigations were triggered by Treasury with respect to shipments of such products, (1) if the SSSI and other documentation satisfied Treasury that the prices for such shipments were fixed before the publication of the applicable trigger price and could not be varied in accordance with the terms of the parties' contract, and (2) in the absence of other information indicating that such shipments were priced at less than fair value within the meaning of the Antidumpting Act. 1/

For contracts between the importer and an unrelated foreign exporter, the imports covered thereby had to be entered on or before the relevant date specified for the grace period; and for contracts between the importer and a related foreign exporter, the imports had to be delivered to an unrelated U.S. buyer before that date.

Preclearance.--In administering the TPM program, the Customs Service initiated procedures to determine whether a company could sell a product or group of products at a price less than the established trigger price and still be selling in the United States at fair value. Customs sent questionnaires to those companies requesting preclearance from TPM prices. The data were verified and certain companies were granted preclearances. Followup procedures were also instituted to insure continued compliance. The list of preclearances granted by company, country, and products is shown below:

Company	Country	Products
Ivaco	Canada	Wire Rods
Dofasco	Canada	All steel mill products
Algoma	Canada	All steel mill products

1/ See Treasury Press Release B-689 of Feb. 10, 1978; 43 F.R. 12783 (Mar. 27, 1978); 43 F.R. 18383 (Apr. 28, 1978); 43 F.R. 22122 (May 23, 1978); 43 F.R. 32715 (July 27, 1978); 43 F.R. 54717 (Nov. 22, 1978); and 44 F.R. 4767 (Jan. 23, 1979).

Company	Country	Product
Stelco	Canada	All steel mill products
Swedish Wire Corp.	Sweden	Wire (stainless)
Bekaert Steel Wire Corp.	Belgium	Wire (stainless)
Productos De Acero	Mexico	Barbed wire

Triggered antidumping act investigations.--In all other instances in which the price of a shipment was found by Customs to be lower than the applicable trigger price, Customs could initiate immediate, informal inquiries of the importer to determine whether such sale was less than fair value within the meaning of the Antidumping Act. Unless the Treasury was satisfied, within the time to be allotted therefor, that no reasonable possibility of sales at less than fair value was found, an antidumping proceeding notice was published with respect to that shipment and other shipments of such or similar merchandise from the same exporter or from the same country of exportation, as Treasury deemed appropriate.

In accordance with this procedure, the Treasury initiated (triggered) a formal investigation under the Antidumping Act with respect to carbon steel plate from Taiwan and Poland 1/ and certain steel wire nails from the Republic of Korea. The Commission subsequently made an affirmative injury determination in the case of the relevant imports from Taiwan 2/ and a negative injury determination in the case of imports of plate from Poland. 3/ In the case of imports of nails from Korea, the Commission made an affirmative determination of a reasonable indication of injury. 4/

1/ 43 F.R. 49875 (Oct. 25, 1978). Terminated as to Spain, 43 F.R. 54315 (Nov. 21, 1978).

2/ Carbon Steel Plate From Taiwan: Determination of Injury in Investigation No. AA1921-197 . . ., USITC Publication 970, May 1979.

3/ Carbon Steel Plate From Poland: Determination of No Injury or the Likelihood Thereof in Investigation No. AA1921-203 . . ., USITC Publication 984, June 1979.

4/ Certain Steel Wire Nails From the Republic of Korea: Determination of "A Reasonable Indication of Injury" in Inquiry No. AA1921-Inq.-26 . . ., USITC Publication 975, May 1979.

APPENDIX F

PRINCIPAL MARKETS FOR U.S. PRODUCERS' SHIPMENTS

Carbon steel mill products: Percentage distribution of U.S. producers' shipments, by principal markets and by types, 1977 and 1978

(In percent)

Market	Hot-rolled sheets	Cold-rolled sheets	Galvanized sheets	Plates	Angles, shapes, and sections
1977					
Automotive	43.3	48.3	22.9	2.8	1.4
Service centers/distributors	22.4	17.9	23.7	19.8	22.5
Construction and contractors' products	9.1	4.6	33.4	24.8	54.6
Machinery/industrial equipment	3.7	1.7	.8	22.0	5.3
Appliances/utensils/cutlery	1.2	8.1	4.7	.1	1/
Containers/packaging and shipping materials	2.3	4.1	.8	.1	1/
Electrical equipment	1.7	6.5	1.9	3.0	.2
Agricultural	2.9	.4	7.8	1.9	.8
Shipbuilding and marine equipment	.4	1/	1/	8.8	2.5
All other	13.0	8.4	4.0	16.7	12.7
Total	100.0	100.0	100.0	100.0	100.0
1978					
Automotive	39.8	46.0	23.7	2.8	1.5
Service centers/distributors	22.4	18.6	23.8	20.9	26.2
Construction and contractors' products	9.5	5.1	32.6	22.5	50.4
Machinery/industrial equipment	3.7	1.9	1.1	20.8	4.5
Appliances/utensils/cutlery	1.1	7.9	4.1	1/	1/
Containers/packaging and shipping materials	1.3	4.8	2.2	.1	.1
Electrical equipment	1.8	7.0	1.9	2.4	.3
Agricultural	3.1	.5	8.2	1.9	.6
Shipbuilding and marine equipment	.4	1/	1/	7.5	2.0
All other	16.9	8.2	2.4	21.1	14.4
Total	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Source: Compiled from data published by the American Iron & Steel Institute.

Library Cataloging Data

United States. International Trade Commission.

Certain carbon steel products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom : determinations of the Commission in investigations nos. 731-TA-18--24 (preliminary) under the Tariff act of 1930, together with the information obtained in the investigations / USITC. -- Washington : USITC, 1980.

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