

# **FIREPLACE MESH PANELS FROM TAIWAN**

**Determination of the Commission  
in Investigation No. 731-TA-49  
(Preliminary) Under the  
Tariff Act of 1930, Together  
With the Information Obtained  
in the Investigation**

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# UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C. 20436

Investigation No. 731-TA-49 (Preliminary)

FIREPLACE MESH PANELS FROM TAIWAN

Determination

On the basis of the record 1/ developed in investigation No. 731-TA-49 (Preliminary), the Commission unanimously determines 2/ that there is a reasonable indication that an industry in the United States is materially injured 3/ by reason of imports of fireplace mesh panels 4/ from Taiwan, classifiable in items 642.87 and 654.00 of the Tariff Schedules of the United States, which are allegedly being sold in the United States at less than fair value (LTFV).

Background

On August 11, 1981, International Management Service Associates, Inc., filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that fireplace mesh panels imported from Taiwan are being sold in the United States at LTFV. The Commission instituted a preliminary antidumping investigation under section 733(a) of the Tariff Act of 1930, 19 U.S.C. § 1673b(a), to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is

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1/ The record is defined in section 207.2(j) of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 207.2(j).

2/ Commissioners Eckes and Frank were sworn in on September 21 and 22, 1981, respectively and, therefore, did not participate in this determination.

3/ Vice Chairman Calhoun found that there is a reasonable indication that an industry in the United States is materially injured and threatened with material injury. Material retardation of the establishment of an industry is not at issue in this investigation because 11 U.S. firms currently produce fireplace mesh panels. This issue is not discussed further.

4/ For the purposes of this investigation, fireplace mesh panels are defined as precut, flexible mesh panels, both finished and unfinished, which are constructed of interlocking spirals of steel wire and are of a kind used in the manufacture of safety screening by U.S. manufacturers of fireplace accessories and wood-burning stoves.

threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of fireplace mesh panels from Taiwan. The statute directs that the Commission make its determination within 45 days of its receipt of the petition or, in this investigation, by September 25, 1981.

Notice of the institution of the Commission's investigation and of a public conference to be held in connection with the investigation was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of August 19, 1981 (46 F.R. 42219). A public conference was held in Washington, D.C., on September 4, 1981, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF CHAIRMAN BILL ALBERGER AND COMMISSIONERS  
CATHERINE BEDELL AND PAULA STERN

Our determination is based on the considerations set forth below.

The domestic industry

Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product or those producers whose collective output of the like product constitute a major proportion of the total domestic production of that product." 1/ "Like product" is defined as a product which is like, or in the absence of like, most similar in characteristics and uses with the article under investigation. 2/

The imported articles subject to this investigation are precut, flexible fireplace mesh panels, both finished and unfinished, which are constructed of interlocking spirals of steel wire and are of a kind used in the manufacture of safety screening by U.S. manufacturers of fireplace accessories and zero clearance fireplaces. 3/ We find that the U.S. products that are like the imports are fireplace mesh panels of any size, with or without rings, with black oxide or black enamel finish, and of any gauge wire. 4/ We find that fireplace mesh rolls are not like the imported mesh panels. The production of

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1/ 19 U.S.C. 1677(4)(A).

2/ 19 U.S.C. 1677(10).

3/ Safety screening for woodburning stoves was also included in the notice of investigation. However, it now appears that woodburning stoves do not use the type of mesh panels subject to this investigation.

4/ Producing a panel of a particular size is simply a matter of cutting the panel to the required width. Attaching mounting rings is also a relatively minor variation on the basic mesh panel. Either type of finish is used to prevent corrosion of the metal. The gauge of wire used by manufacturers varies somewhat, although in a fairly narrow range because the wire used must be flexible and yet sturdy enough to retain its shape and not deteriorate when exposed to the heat of the fire.

panels in the United States is a later stage in the production process than the production of rolls. Petitioner stated at the conference of September 4, 1981, that the panels were quite different from rolls and involved a separate step requiring a significant amount of labor. 5/

Based on the above, we have determined that the industry in this investigation is composed of the producers of fireplace mesh panels. 6/

#### Material Injury by Reason of Alleged LTFV Imports

Section 771(7) of the Act directs the Commission to consider, among other factors, (1) the volume of imports of the merchandise under investigation, (2) their impact on domestic prices, and (3) the consequent impact on the domestic industry.

#### Volume of Imports 7/

Between 1978 and 1980 imports of fireplace mesh panels from Taiwan rose dramatically, though irregularly, as a share of U.S. consumption. In 1978 imports from Taiwan accounted for 23% of apparent U.S. consumption and 44% of apparent U.S. open-market consumption. By 1980 the ratio of imports accounted for 47% of apparent U.S. consumption. The ratio of imports to apparent U.S.

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5/ See Transcript pp. 72-75.

6/ We take note that Vice Chairman Calhoun, in his views, comments on what he perceives to be our failure to heed the admonition of the U.S. Court of International Trade in Babcock & Wilcox v. United States, slip op. 75 (C.I.T. Aug. 20, 1981). In view of the fact that a motion for stay of proceedings in that case is pending, it is inappropriate for the Commission to comment on the case. However, all Commissioners are quite cognizant of their statutory obligations to make injury determinations with respect to the narrowest range of products that compete with the like product for which information is available. We point out that, in this investigation, we have examined the broader information only with respect to profit and loss data, which was insufficient at this time for the like product alone. For all other indicia of injury, we relied solely on data for fireplace mesh panels, not for broader product lines.

7/ There are no official U.S. statistics (e.g., Department of Commerce statistics) on U.S. imports of fireplace mesh panels. The Commission's analysis of the impact of imports in the U.S. market for fireplace mesh panels is hampered by the failure of several possibly important importers to respond to the Commission's questionnaire.

In the event that this case should require a final investigation, we would hope to obtain more data on imports. In particular, we will want to explore the extent to which imports are competing with domestic production for intra-company consumption as well as with domestic production for the open market.



open market consumption reached 72%. 8/ In absolute terms, imports from Taiwan totaled 4.0 million square feet in 1978, fell to 2.4 million square feet in 1979, and then increased to 3.8 million square feet in 1980. Although imports declined in January-June 1981, they still accounted for 31% of apparent U.S. consumption and 44% of apparent U.S. open-market consumption. 9/

#### Prices

Price comparisons of domestic and imported fireplace mesh panels revealed that the imported product consistently undersold the domestic product by an average of 50% from July 1979 to June 1981. 10/ These margins were greatest in 1980, the year market penetration by the alleged LTFV imports was at an all-time high.

Available data 11/ indicate that both U.S. producers' and importers' prices declined from 1979-1980. Although U.S. importers' prices rose in 1981, domestic prices of most U.S. producers did not increase. 12/ The decline in domestic producers' prices indicate that price suppression or price depression by the imports may have taken place.

The Commission has confirmed that U.S. producers lost sales of at least \$228,000 to imports from Taiwan because of the lower price of imports during the period in question. 13/

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8/ See Staff Report, p. A-20.

9/ Id.

10/ Id., pp. 21-22.

11/ Id., p. A-20 for data problems with price information.

12/ Id., p. A-23.

13/ Id., p. A-24.

Impact on the Domestic Industry 14/

The condition of the U.S. fireplace mesh panel industry has deteriorated sharply since 1978. Data on shipments, production, capacity utilization, and employment reveal the extent of the industry's difficulties. From 1978 to 1980 commercial shipments dropped 72% from 5.5 million square feet to 1.5 million square feet.

This decline continued in 1981, though at a much slower rate, as shipments fell from 975,000 square feet to 931,000 square feet. 15/ U.S. production similarly fell, dropping 68% from 1978 to 1980 and 5% in January-June 1981 as compared to January-June 1980. 16/

The production decline resulted in a decline in capacity utilization from 56% in 1978 to 13% in January-June 1981. 17/ The drop in capacity utilization took place despite the fact that capacity was declining during the period. Capacity was not falling nearly as rapidly as production.

The decline in capacity utilization is reflected in employment data. Firms which provided the Commission with separate data on workers engaged in production of fireplace mesh panels reported that the number of such workers fell from 105 in 1978 to 28 in January-June 1981. 18/

Only four of the eleven companies in this industry provided information to the Commission on financial performance. At this preliminary juncture, the

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14/ As with the data on imports, information available to the Commission on the condition of the domestic industry is incomplete. In determining whether or not a reasonable indication of material injury or threat of material injury exists under section 733(a) of the Tariff Act of 1930 the Commission is required to base its decision upon the best information available to it at the time.

15/ Staff Report, p. A-9.

16/ Id., p. A-8.

17/ Id., p. A-9.

18/ Id., p. A-17.

best data are available only on the overall operations of the establishments producing fireplace mesh panels. 19/ Like the other economic data, the data available on financial performance show significant downward trends. For example, the ratio of net operating profit to sales for U.S. producers on the overall operations of the establishments in which fireplace mesh panels are produced declined from 17% in 1978 to a loss of 0.1% in 1980. 20/ The limited data for firms participating in the open-market reveal more serious difficulties.

The importers did not present opposing views in this investigation. A letter was received from one domestic company opposing the petition on the grounds that the problems of the industry were attributable to the decline in the market for fireplace mesh panels. From 1973-78 the market for such panels boomed as a result of the dramatic increase in demand for fireplace screens with glass doors brought about by the 1973 OPEC oil embargo. In 1978, however, demand declined dramatically for several reasons--the market was saturated with glass-door fireplace screens, new housing starts declined rapidly as interest rates rose, and products that do not require fireplace mesh panels (e.g., wood-burning stoves and fireplace inserts) displaced fireplaces as a source of heat. Between 1978-80 U.S. apparent consumption of fireplace mesh screens fell 52% and between January-June 1980 and January-June 1981 it fell another 58%. 21/

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19/ See Staff Report at A-25.

20/ Id., p. A-19.

21/ Apparent U.S. open-market consumption fell 41% from 1978-80 and 52% from January-June 1980 to January-June 1981, Staff Report, p. A-15.

Congress has indicated that "the law does not . . . contemplate that injury from LTFV imports be weighted against other factors." 22/ Although other factors are considered, the essential point is that the Commission must satisfy itself that "in the light of all the information presented, there is a sufficient causal link between the alleged LTFV imports and the requisite injury." 23/ The problems of the domestic fireplace mesh panel industry do coincide with the dramatic decline in demand. However, in this preliminary investigation, the information on increasing import penetration in the declining market, significant underselling, possible price suppression/depression and lost sales provides a reasonable indication that material injury is by reason of the alleged LTFV imports.

#### Conclusion

On the basis of the available data we determine that the investigation should continue.

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22/ H.R. Rep. No. 96-317, 96th Cong., 1st Sess. 47 (1979).

23/ S.Rep. No. 249, 96th Cong., 1st Sess. 75 (1979).

VIEWS OF VICE CHAIRMAN MICHAEL J. CALHOUN

While I fully concur with my colleagues in their findings in this investigation, I offer a somewhat more detailed discussion of these findings. In the recent opinion of the Court of International Trade in Babcock and Wilcox Co. v. United States, 1/ it is plain that the Court primarily took exception to our failure to consider product line profit data which was in our possession at the time and to our failure to solicit product line profit data from other domestic producers comprising the boiler tube and pipe industry. 2/ In addition, it seems to me that the Court felt that, as a general matter, we have been too restrictive in our application of section 771(4)(D):

The Commission's practice of rigidly adhering to a preference for isolation of all production factors supporting a product as a predicate for ascertaining the scope of an 'industry' is not in step with the more flexible standard devised by Congress in section 771(4)(D). 3/ (Emphasis added)

The Court's observation is well taken. While section 771(4)(D) does not have much to do with "ascertaining the scope of an industry," the language of section 771(4)(D) is rather clear in providing how

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1/ Babcock & Wilcox Co. v. United States No. 80-5-00772, Slip op. 81-75 (Ct. International Trade).

2/ Id. at p. 10.

3/ Id. at pp. 10-11.

we are to undertake the assessment of the impact of imports on domestic production. This section directs that we will assess the impact of imports on the production of the product line whenever it is possible to achieve a "separate identification of production." This separate identification can be achieved in various ways including, but not limited to, the "production process" or "producer's profits." 1/ To be sure, with regard to this issue the Senate Report, and the Court in citing it, observes that,

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. 2/ (emphasis added)

The upshot, then, of such a reading of section 771(4)(D) is that whenever we are able to identify the production of the like product as a discrete undertaking, we are required to apply the material injury standard only to like product production and not to the production of a larger category of products. A corollary of this view must be that the criteria for differentiating the like product production from that of production of other products must afford us a sufficient basis upon which to decide whether the alleged harm has not been "inconsequential, immaterial or unimportant." 3/

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1/ See Section 771(4)(D).

2/ Supra, note 2, p. 9.

3/ See Section 771(7)(A).

The policy underlying such an interpretation of Title VII seems plain enough. Where the unfair import practices of subsidization and dumping occur, the determination regarding their impact ought to be made with regard to the domestic products with which they are in closest competition. To include a broader group of products tends to dilute whatever adverse impact may exist. Thus, while the indicia of impact sufficient to afford us an adequate basis on which to implement such a policy will obviously vary from case to case, if our standards for making product line assessments are overly rigid we defeat the policy.

In the context of this preliminary investigation, we have in our possession data on shipments, employment, production, capacity and capacity utilization, and prices regarding the like product. This constitutes virtually all of the data relevant to establishing the separate identification of the production of fireplace mesh panels and virtually all the data relevant to assessing the impact of imports on it, with the single exception of profit data. This information meaningfully distinguishes the production of the like product and, for purposes of this investigation, presents an adequate and rather uniform view of the impact of imports. Unless I have misread the Court opinion, the language of section 771(4)(D) and the Congressional interest, I feel compelled to use this information in making an assessment of the impact of imports on the production of the like product and to make

it clear exactly how I am applying the language of that section to the facts of this case.

The Domestic Industry

In general, the domestic industry is defined as consisting of all domestic producers of a like product or those producers whose total output of the like product constitutes a major portion of the domestic production of that product. 1/ A like product is a product which is like or in the absence of like most similar in characteristics and uses with the imported product which is the subject of this investigation. 2/

The imported articles in this investigation are fireplace mesh panels from Taiwan. These panels are manufactured primarily for use in fireplace screens which in turn are used to provide protection from sparks given off by the fire. Fireplace mesh from Taiwan is imported in the form of precut flexible panels of interlocking spirals of steel wire with rings attached for mounting. Most of the imported panels are finished with black oxide and constructed from 20 gauge wire. 3/ However, some panels are finished with black enamel and the gauge of the wire may vary from 19 to 21.

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

2/ See Section 771(10).

3/ See Staff Report at p. A-3.



Domestically produced fireplace mesh is also sold in the form of pre-cut, flexible panels with rings attached for mounting. These panels are typically finished with black enamel and constructed from 19.5 gauge wire. Some domestically produced panels are occasionally sold without rings, or with a black oxide finish and can be manufactured with wire of 19 to 21 gauge.

Although domestic and imported fireplace mesh may differ with respect both to the gauge of wire used in construction and to the finish applied, I view these differences as being minor. Fireplace mesh, either foreign or domestic, is primarily produced for use in fireplace screens and, as such, must be produced within a narrow range of specifications. 1/ The fireplace mesh must be strong enough to withstand constant exposure to heat while at the same time maintain its flexibility as a mesh. Strength and flexibility, the primary characteristics of the mesh, are a function of the gauge of wire used and the producer can choose any gauge of wire within the 19 to 21 gauge range. The black finish on the panels is for appearance and to retard rust, but these differences seem to have no discernible impact on demand in the marketplace.

In addition to fireplace mesh panels, fireplace mesh rolls are also produced and sold domestically. These rolls are different from panels

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1/ Id. at p. A-2.

in that they are the preliminary stage of production of panels and require a significant amount of labor to transform the rolls into panels. We have information that indicates that the larger panels of mesh are also used as decorative drapery walls, fence guarding for machines and other miscellaneous applications. 1/ Therefore, I find that fireplace mesh rolls are not like the imported mesh panels.

Therefore, taking the best information available, it is my view, for purposes of this preliminary investigation, that the like product is fireplace mesh panels of any size, with or without rings, with black oxide or black enamel finish, and of any gauge wire and that the domestic industry is comprised of domestic producers of fireplace mesh panels.

#### Material Injury

Material injury is defined as harm which is not inconsequential, immaterial or unimportant. 2/ In determining material injury by reason of imports, we are directed to consider, among other things, the volume of imports, the effect of the imports on prices, and the impact of the imports on the domestic industry. 3/ Section 771(4)(D) requires the Commission to assess the effect of dumped imports in relation to the U.S. production of a like product if available data permit the separate identification of production in terms of such criteria as production process or the producer's profits. 4/

Although separate profitability data on fireplace mesh panels is not currently available, we do have the following information on production of fireplace mesh panels: price, production, shipments, employment, capacity, and capacity utilization. Furthermore, production of fireplace

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1/ See Staff Report at p. A-5.

2/ See Section 771(7)(A).

3/ See Section 771(7)(B).

4/ See Section 771(4)(D).

mesh takes place on equipment not used for the production of other products. Fireplace mesh is the exclusive end product and is not integrated into other products produced by the manufacturer at this point. Thus, the best available information in this investigation does permit sufficient distinction of production to compel and sufficient data to permit a specific assessment of production of fireplace mesh panels.

In my view, a reasonable indication of material injury or threat of material injury to production of fireplace mesh panels is demonstrated by several factors: Import volume from 1978 to 1980 has increased in relative terms; there has been price undercutting; and the domestic industry has suffered declines in production, capacity, capacity utilization and shipments. These factors are significant indicia of separate production and appear sufficiently associated with the LTFV imports to allow for analysis under section 771(4)(D). The financial performance of U.S. producers has suffered declines also, but, as I have observed, because the financial data is reported by the producing firms on a consolidated basis, the actual impact on the profitability of fireplace mesh production cannot be readily determined at this point in the investigation.

#### Volume of Imports

Imports of fireplace mesh panels during the first half of 1981 declined by 76 percent to 603,000 square feet from 2.2 million square feet during the first six months of 1980. Despite the decline, imports made up 44 percent of domestic open market consumption during the first six months of 1981 compared to 78 percent during the same period in 1980.

In 1978, imports were 4.0 million square feet, they declined to 2.4 million square feet in 1979 and then increased to 3.8 million square feet, or by 61 percent in 1980. The ratio of imports to apparent open-market consumption was 44, 32 and 72 percent for 1978, 1979 and 1980 respectively.

The import data for 1981 present a conflicting trend since it appears as if imports are beginning to decline both in absolute terms and as a percent of total imports compared to the 1978-1980 period. One reason for this may well be the seasonal nature of demand or unpredictable variations in imports which can reflect unusual trends in partial year data. In this preliminary case, however, the 1978-1980 trend presents enough data to support my finding. In the final investigation, more information on the current status of imports should put the 1981 partial data in better perspective.

#### Prices

Underselling of U.S. fireplace mesh panels by imports from Taiwan was found in each of those instances in which both importers' and domestic producers' prices could be compared. During the period from October 1979 to June 1981, imported fireplace mesh panels consistently undersold domestic panels by margins ranging from 29 to 61 percent. In comparison, the petitioners have alleged that dumping margins were 47 percent in the first six months of 1981 and 41 percent in 1980.

#### Impact on Domestic Producers

Several U.S. producers alleged that sales of fireplace mesh panels imported from Taiwan caused them to lose sales. Our staff has confirmed

that U.S. producers lost sales of at least \$228,000 to imports from Taiwan due to the lower price of the imports.

Furthermore, U.S. production of fireplace mesh panels declined 1.3 million square feet, or by 47 percent, during the first six months of 1981 compared to the same period in 1980. In addition, from 1978 to 1980 domestic production fell 9.2 million square feet or by 68 percent. Domestic capacity was down slightly in 1981 from 1980, by 734,000 square feet or 6 percent. Capacity utilization was 13 percent during the first six months in 1981 compared to 23 percent during the same period in 1980. From 1978 to 1980 capacity utilization fell from 56 percent to 19 percent. Total U.S. consumption declined 2.8 million square feet or 58 percent during the first half of 1981 compared to the corresponding period in 1980 and from 1978 to 1980 consumption fell 9.0 million square feet or by 52 percent.

In addition employment of production and related workers producing fireplace mesh panels declined steadily from 1978 to 1980 by 49 percent and this trend continued with employment falling by 56 percent during the first six months of 1981.

As a final matter, with regard to the nexus between these factors and the imports under inquiry here, it could be argued that the indicia of the domestic industry's injury are a result of a decline in the domestic housing market during 1980. Other factors such as market saturation of glass-door fireplace screens and an increase in other products which are more energy efficient than fireplaces, such as wood burning stoves, have also been noted as contributing to the industry's decline. There can be little doubt that these factors may have contributed to the overall condition of the industry.

However, the legislative history specifically cautions us not to weigh other causes against imports. 1/ Nevertheless, the impact of all of these factors cannot be ignored. Indeed, as I have observed before, rather than viewing these factors as competing causes, I see these factors as rendering the industry particularly vulnerable at this time to price competition and lost sales as a result of imports sold at less than fair value. 2/

#### Conclusion

On the basis of the best information available, I find that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from Taiwan of fireplace mesh panels which are allegedly being sold at less than fair value.

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1/ See Senate Report, 96-249, p. 57.

2/ See Senate Report, 96-249, p. 58. See Views of the Commission, Certain Steel Wire Nails from Japan, The Republic of Korea and Yugoslavia, USITC Pub. 1175 (1981) note 2, p. 3. and Views of Vice Chairman Calhoun, Tubeless Tire Valves from the Federal Republic of Germany, USITC Pub. 1147 (1981).

## INFORMATION OBTAINED IN THE INVESTIGATION

## Introduction

On August 11, 1981, a petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce by International Management Service Associates, Inc. (IMSA), alleging that fireplace mesh panels imported from Taiwan are being, or are likely to be, sold in the United States at less than fair value (LTFV). Accordingly, on August 13, 1981, the Commission instituted preliminary antidumping investigation No. 731-TA-49 (Preliminary) 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 fireplace mesh panels from Taiwan, as classifiable in items 642.87 and 654.00 of the Tariff Schedules of the United States (TSUS). The statute directs that the Commission make its determination within 45 days of receipt of the petition, or in this case by September 25, 1981.

Notice of the institution of the Commission's investigation and of the public conference to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of August 19, 1981 (46 F.R. 42219). 1/ A public conference was held in Washington, D.C., on September 4, 1981, at which all interested parties were afforded the opportunity to present information for consideration by the Commission. 2/ The Commission voted on this investigation on September 18, 1981.

## The Product

Description

Fireplace mesh panels are precut, flexible panels of interlocking spirals of steel wire. This mesh is primarily manufactured for use in fireplace screens and is therefore produced within a narrow range of specifications. The diameter of the wire used must be large enough so that the wire will retain its shape and not deteriorate under constant exposure to heat. On the other hand, the wire must be thin enough to maintain the flexibility of the mesh. The cost of producing the mesh also increases with the thickness of the wire used in its construction. Similarly, the size of the openings in the panels must be small enough to provide adequate protection from the sparks given off by the fire and yet be large enough to maintain the flexibility of the panel. The cost of producing the mesh increases as the mesh size of the panel declines (more wire is required to produce mesh with small openings).

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1/ A copy of the Commission's notice of investigation and conference is presented in app. A. The Department of Commerce's notice of initiation of its antidumping investigation is presented in app B.

2/ A copy of the calender of the public conference is presented in app. C. A-1

Because there is no standard size for the area to be covered by the panel in a fireplace screen, a panel may be any of a wide variety of sizes and is usually made to order. The dimensions of a panel are typically about 2 feet by 2 feet. However, each user generally has his own specifications for the size of the panels.

Virtually all panels are finished either with a black oxide or a black enamel. The black oxide is the less expensive finish, but there is some difference of opinion as to which is more durable. Nonetheless, the majority of domestic producers use black enamel and advise that it is the superior finish.

#### The product imported from Taiwan

According to the information available at this time, fireplace mesh is imported from Taiwan primarily in the form of precut panels with rings attached for mounting. The panels are generally finished with black oxide and constructed from 20-gage wire (wire which is approximately 0.032 inch in diameter). However, some imported panels may be finished with black enamel and the gage of the wire in the imported product may vary from 19 to 21.

A substantial portion of the imported panels are alleged by the petitioner to be produced manually. <sup>1/</sup> In the manual production process, a machine which forms the spirals of steel wire is cranked by hand and the wire is cut to the appropriate length by the use of a foot pedal. The spirals are then woven together and knuckled by hand. The finish is applied by dipping the panels into a hot sodium hydroxide solution. The reaction of the chemical on the surface of the wire produces a black oxide. However, some producers in Taiwan may also use high-speed weaving machines, as is the practice in the United States.

#### The domestic product

More than 90 percent of the domestic industry's fireplace mesh is either sold or consumed internally in the form of precut panels. These panels typically have rings attached for mounting, are finished with black enamel, and are constructed from 19.5-gage wire (wire which is approximately 0.036 inch in diameter). However, panels are occasionally sold without rings, and some domestic producers use a black oxide finish on their panels. Also, the gage of the wire used may vary from 19 to 21 gage. A very small amount of the fireplace mesh is sold without a finish. As much as 10 percent of the mesh may be sold in uncut rolls.

The standard machine used to manufacture the mesh is a high-speed weaving machine imported from West Germany and manufactured by Wafios. This machine, working from a large spool of wire, automatically forms the steel spirals, cuts the spirals to a specified length, weaves the wire into the mesh, and then knuckles the edges. The resulting product is a roll of mesh which is

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<sup>1/</sup> Transcript of the conference, p. 60.



then degreased, painted and dried or finished with black oxide, and "cut" to size. 1/ The rings may be attached either manually or automatically to either the finished panels or the uncut rolls.

The degree of automation involved in the production process varies. Some producers have constructed their own machines, which are not as automated as the Wafios machines. Others have made significant modifications to the Wafios equipment, so that the production process is more automated. Thus, for one firm, the production process may require a significant amount of manual labor, whereas for another, very little labor is required.

The machines used to weave the mesh are only suitable for use in producing flexible fireplace mesh. These machines vary in price, but a new machine will generally cost at least \$100,000. Still, since this machine is the only significant investment required to produce fireplace mesh other than the raw materials, the industry cannot be termed capital intensive.

#### U.S. tariff treatment

Fireplace mesh may be classified under several TSUS items. Fireplace mesh panels are classifiable under item 642.87 if cut to shape, and under item 654.00 if cut to shape and further processed (e.g., with mounting rings attached). 2/ Both of these items are basket categories and include many items other than fireplace mesh panels. Item 642.87 encompasses wire cloth, gauze fabric, screen, and certain other wire products that are cut to shape and constructed of base metals other than copper. The column 1 (most-favored-nation) rate of duty for item 642.87 is 6.4 percent ad valorem. 3/ This rate became effective on January 1, 1981, and is the second in a series of progressive duty reductions effective on January 1 of each year. These reductions will occur annually until 1987, when the final rate of 4.7 percent ad valorem will be reached. These annual duty reductions are the result of concessions granted in the Tokyo round of Multilateral Trade Negotiations (MTN). From January 1972 through December 1979, the column 1 rate of duty for item 642.87 was 7.0 percent ad valorem and represented concessions granted in the Kennedy round of trade negotiations.

The column 2 rate of duty for item 642.87 is 35 percent ad valorem. 4/

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1/ This mesh is not literally "cut" since the process involves only the removal of a spiral at the appropriate place in the roll.

2/ On Apr. 1, 1981, TSUS item 654.01 was discontinued and redesignated as item 654.00.

3/ The column 1 rates are applicable to imported products from all countries except those Communist countries enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences (GSP) or under the rate for least developed developing countries (LDDC's).

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

Imports from LDDC countries are dutiable at 4.7 percent ad valorem. 1/ Imports from certain designated developing countries, including Taiwan, are eligible for duty-free treatment under the Generalized System of Preferences (GSP). 2/

TSUS item 654.00 encompasses certain household articles of iron or steel, not coated or plated with precious metals. The column 1 rate of duty for this item is 7.2 percent ad valorem. This rate is also the second in a series of progressive annual rate reductions which are effective on January 1 of each year and were the result of concessions granted in the MTN. A final rate of 3.4 percent ad valorem will be reached in 1987. From January 1972 through December 1979, item 654.00 was designated as item 653.95 and carried a column 1 duty rate of 8.5 percent ad valorem.

The column 2 rate of duty for item 654.00 is 40 percent ad valorem. The preferential rate for LDDC's is 3.4 percent ad valorem. Imports from certain designated developing countries, including Taiwan, are eligible for duty-free treatment under the GSP.

#### Nature and Extent of Alleged Sales at Less Than Fair Value

The petition alleges that LTFV sales of fireplace mesh began in 1979 and have increased dramatically in unit volume since then. To substantiate the claim of LTFV sales, the petition presents data comparing a "fair constructed cost" of the Taiwan manufacturers for 20-gage fireplace mesh with the lowest average price, f.o.b. Taiwan, at which it is presumed substantial sales of the 20-gage mesh were made. Comparisons were made for each year from 1978 through 1981. However, no sales below fair value appeared until 1980. For 1980, the alleged LTFV margin shown is 41 percent. In 1981, the margin is 47 percent.

#### U.S. Market and Channels of Distribution

Although there are no published data available, there is a general consensus among domestic producers that the United States is, by far, the largest market for fireplace mesh in the world. This is primarily because of the unique style of American housing and American fireplaces.

Fireplace mesh is especially suited for fireplace screens because of its flexible, curtain-like nature. Although many rigid products, such as glass, wire cloth, and metal sheets can arrest sparks as well as fireplace mesh, they do not provide the same easy accessibility to the fire.

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1/ The LDDC rate is a preferential rate (reflecting the full U.S. MTN concession rate for a particular item without staging) and is applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP.

2/ The Generalized System of Preferences, under title V of the Trade Act of 1974, provides duty-free treatment of specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is expected to remain in effect until Jan. 4, 1985.

More than 98 percent of the fireplace mesh produced in the United States is used in the manufacture of fireplace screens and zero-clearance fireplaces. 1/ The remainder is used in a variety of miscellaneous applications, such as decorative drapery walls, fireproof buildings, stoves, and fence guarding for machines which send off sparks, splinters, or filings. However, because the amount of mesh used in these miscellaneous applications is so small, the market for fireplace mesh is dependant on the market for fireplace screens and zero-clearance fireplaces.

Demand for fireplace screens and zero-clearance fireplaces normally follows the trend set by housing starts, the basic incentive to purchase a fireplace screen historically being ownership of a new fireplace. Nonetheless, the demand for fireplace screens is somewhat sensitive to price in that people are more likely to purchase replacement fireplace screens as the price declines.

Since the early 1970's, there have been a number of factors affecting demand for fireplace mesh other than housing starts. First, the development and sale of zero-clearance fireplaces began to grow in the early 1970's. While zero-clearance fireplaces contain a fireplace screen, the opening of this fireplace is usually smaller than that of the typical masonry fireplace. Therefore, a zero-clearance fireplace typically uses a smaller screen. Moreover, since the screen is built into the fireplace unit, homeowners are less likely to purchase a replacement screen.

The rising cost of energy has also played an important role in the demand picture. Since 1974, there has been considerable research into alternative methods of home heating. This research exposed the typical fireplace as a net energy consumer because it allows the heated air in the home to escape up the chimney. One answer to this problem for the fireplace owner was a glass-door fireplace screen. These screens typically include two panels of the fireplace mesh which is the subject of this investigation. In this way, the doors can be kept open to allow the normal enjoyment of the fireplace when a fire is burning, but when the doors are closed, heat is prevented from escaping from the home through the chimney.

Sales of glass-door fireplace screens increased dramatically from 1976 to 1978, but have declined precipitously since then for several reasons. First, the market became saturated with glass-door screens very quickly. Second, there has been a steady decline in housing starts. Third, several products entered the market and effectively cut into the demand for free-standing fireplace screens--zero-clearance fireplaces, wood-burning stoves, and fireplace inserts. 2/ Zero-clearance fireplaces are displacing masonry

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1/ A zero-clearance fireplace is a prefabricated fireplace which is constructed in such a way that it can be placed into the structure of the house with zero clearance, i.e., it can be in direct contact with the floors and walls and does not require insulation such as brick or stone.

2/ Fireplace inserts are like zero-clearance furnaces. They have an inner chamber made of a steel jacket lined with firebrick. In the fireplace insert, the wood is not burned in an open fire, but rather it is oxidized in the sealed inner chamber. The heated air surrounding the inner chamber is transmitted to the room by blowers. An insert is designed to sit in a fireplace. A-5

fireplaces in new houses because they are considerably less expensive and easier to install. Wood-burning stoves and fireplace inserts are much more efficient generators of heat than fireplaces and provide cost-conscious homeowners with better methods of heating.

#### U.S. Producers

U.S. producers of fireplace mesh panels are typically relatively small, entrepreneurial concerns. In recent years, the industry has undergone major changes. The number of producers, their ownership and organization, as well as their relative importance in the industry have varied significantly during the period under consideration.

There are currently 11 known producers of fireplace mesh in the United States. The company names and their locations are given in the following tabulation:

Manufacturer	:	Location	:	Manufacturer :Participant in	:
	:		:	of fireplace :the commercial	:
	:		:	screens :	market
Bennett-Ireland	:	Norwich, N.Y.	:	Yes	: Yes
DeSoto, Inc.	:	Chattanooga, Tenn.	:	Yes	: No
Fall River Fireplace Co., Inc.	:	Syosset, N.Y.	:	Yes	: Yes
Hart Fireplace Furnishings	:	New Albany, Ind.	:	Yes	: No
Hearth Craft	:	Portland, Oreg.	:	Yes	: Yes
Heatilator	:	Mt. Pleasant, Iowa	:	Yes	: No
International Management Services Associates, Inc.	:	Sinking Spring, Pa.	:	No	: Yes
Justesen Industries, Inc.	:	Blaine, Wash.	:	No	: Yes
Pacific Fireplace Furnishings Co.	:	Tutatin, Oreg.	:	Yes	: Yes
Portland Willamette	:	Portland, Oreg.	:	Yes	: Yes
Thermo-Pite Manufacturing	:	Akron, Ohio	:	Yes	: Yes

Four companies--IMSA, Justesen Industries, Fall River Fireplace, and Pacific Fireplace Furnishings--support the petition. 1/ \* \* \*. Hearth Craft, a division of Mobex, opposes the petition. 2/ The producers are located throughout the country--three are in Oregon, two in New York, and one each in Washington, Iowa, Indiana, Ohio, and Tennessee.

Since 1978, three producers have ceased producing fireplace mesh panels--Wilshire Industries, United Fireplace, and Knickerbocker Guild, Inc.

1/ Transcript of conference, p. 4.

2/ See letter dated Aug. 27, 1981, from Mr. Douglas Greene, vice president A-6 of Hearth Craft.

Data on their operations are not currently available. However, the person who was president of Wilshire Industries from 1978 until the firm went out of business in 1981 has indicated that \* \* \*. <sup>1/</sup> Hardesty-Quittner, the predecessor of the petitioner, ceased operations in November 1980. IMSA began its more limited operations in December 1980. The ownership of Hearth Craft, one of the larger producers, has changed twice since 1978. Justesen Industries, formerly part of Justesen Products & Manufacturing, moved its mesh-producing operations from Canada to the United States in August 1980.

Many of the larger producers of fireplace mesh use all or a substantial portion of their fireplace mesh production internally in the manufacture of fireplace screens. These companies include Hart, Portland Willamette, Heatilator, Hearth Craft, Bennett-Ireland, Thermo-Rite, and DeSoto. Fireplace mesh operations are typically a minor part of these producers overall operations, and in some cases, detailed information concerning production, sales, profitability, and employment on fireplace mesh are not available.

#### U.S. Importers

Some of the producers of fireplace mesh panels have also imported the product from Taiwan. These include \* \* \*. Other importers, such as \* \* \* are manufacturers of zero-clearance fireplaces. The remaining importers--\* \* \* are generally dealers and distributors which sell primarily to manufacturers of zero-clearance fireplaces and fireplace screens. Apparently, the larger importers are end users of panels.

#### Foreign Producers

Fireplace mesh is reportedly produced in several countries other than the United States. These countries include Canada, Taiwan, England, and Japan. However, the only known U.S. imports of fireplace mesh in recent years have come from Canada and Taiwan. The only Canadian producer known to have exported to the United States is Justesen Products & Manufacturing, which ceased exportation in August 1980, when the firm relocated its mesh-producing facilities to the United States. There are numerous trading companies in Taiwan from which fireplace mesh can be obtained. However, the only known producers are Tah Chung Iron Co., Ltd., and Ya Seng Manufacturing Co.

#### The Question of Injury

##### U.S. production, capacity, and capacity utilization

The data on U.S. production of fireplace mesh panels are understated because of the lack of information from those companies that have gone out of business and because \* \* \* companies have not responded to the Commission's questionnaires. However, the available data on U.S. production present a steadily declining trend for the period under consideration (table 1). The data show that U.S. production of fireplace mesh panels declined from 14

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<sup>1/</sup> See Report on Outside Contacts, Sept. 11, 1981.

million square feet in 1978 to 4.4 million square feet in 1980, or by 68 percent. U.S. production then declined by another 47 percent in January-June 1981 relative to production for the corresponding period of 1980.

Table 1.--Fireplace mesh panels: U.S. production, by firms, 1978-80, January-June 1980, and January-June 1981

Firm	1978	1979	1980	January-June--	
				1980	1981
Production (1,000 ft <sup>2</sup> )					
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
Total--	13,609	9,007	4,401	2,852	1,521
Percent of total production					
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
* * *	***	***	***	***	***
Total--	100.0	100.0	100.0	100.0	100.0

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

Data on the relative size of U.S. producers illustrate the changeable nature of the industry. \* \* \* .

The capacity of U.S. firms to produce fireplace mesh panels also declined during the period under consideration, though not as rapidly as U.S. production (table 2). U.S. capacity declined from 24.2 million square feet in 1978 to 23.3 million square feet in 1980, or by 4 percent, and then declined by another 6 percent in January-June 1981 relative to that for the corresponding period of 1980.

Table 2.--Fireplace mesh panels: U.S. production, production capacity, and capacity utilization, by firms, 1978-80, January-June 1980, and January-June 1981

Item and firm	1978	1979	1980	January-June--	
				1980	1981
Production:					
* * *-----1,000 ft <sup>2</sup> ---	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
Total-----do-----	13,609	9,007	4,401	2,852	1,521
Capacity: 1/					
* * *-----1,000 ft <sup>2</sup> ---	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
Total-----do-----	24,201	24,201	23,270	12,366	11,632
Capacity utilization:					
* * *-----percent---	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
* * *-----do-----	***	***	***	***	***
Total-----do-----	56.2	37.2	18.9	23.1	13.8

1/ Capacity is defined as the normal sustained production that can be achieved on an annual basis, making allowance for anticipated maintenance and downtime. Capacity is based on 24 hours-a-day operation, 6 days a week, and on the product mix in 1980.

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

The result has been that the utilization of domestic firms' capacity to produce fireplace mesh panels has declined steadily, to extremely low levels during the period under consideration. Capacity utilization declined from 56 percent in 1978 to 19 percent in 1980 and declined again to 13 percent in January-June 1981.

#### U.S. producers' commercial shipments

U.S. producers' commercial shipments of fireplace mesh panels have represented a significant, though probably not substantial, part of the domestic industry's fireplace mesh operations during the period under consideration. The data of those companies responding to the Commission's questionnaires show that commercial shipments accounted for 35 to 40 percent of U.S. production from 1978 to 1980 (table 3). That figure jumped to 61 percent in January-June 1981 because \* \* \* .

Reporting U.S. producers' commercial shipments of fireplace mesh panels declined slightly more than U.S. production from 1978 to 1980, but then declined by much less in 1981. U.S. producers' commercial shipments declined from 5.5 million square feet in 1978 to 1.5 million square feet in 1980, or by 72 percent. However, U.S. producers' commercial shipments of fireplace mesh panels declined by only 5 percent in January-June 1981 compared with those of the corresponding period of 1980.

\* \* \* \* \*

The value of U.S. producers' commercial shipments also declined throughout the period under consideration. The value declined from \$4.4 million in 1978 to \$1.5 million in 1980, or by 66 percent. The value of U.S. producers' shipments then declined by 7 percent in January-June 1981 relative to the value of shipments made in the corresponding period of 1980.

The average unit value of U.S. producers' commercial shipments increased from 1978 to 1980, but then declined in January-June 1981. The average unit value increased from \$80 per 100 square feet in 1978 to \$97 per 100 square feet in 1980. However, in January-June 1981, the average unit value declined to \$91 per 100 square feet. The average unit value of each producer's mesh has also varied considerably. In 1978, for example, \* \* \* .

U.S. producers' exports of fireplace mesh panels have generally been occasional and relatively insignificant until 1981. Reporting U.S. producers' exports and the ratio of such exports to U.S. producers' total commercial shipments are presented in the following tabulation:



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

Firm	1978			1979			1980			1981			1978			1979			1980			1981		
	1978	1979	1980	1978	1979	1980	1978	1979	1980	1978	1979	1980	1978	1979	1980	1978	1979	1980	1978	1979	1980	1981		
	Quantity (1,000 ft <sup>2</sup> )												Percent of total quantity											
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
Total	5,455	3,657	1,548	:	975	931	:	100.0	100.0	100.0	:	100.0	100.0	100.0	:	100.0	100.0	100.0	:	100.0	100.0	100.0		
	Value (1,000 dollars)												Average unit value (per 100 ft <sup>2</sup> )											
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
*	***	***	***	:	***	***	:	***	***	***	:	***	***	***	:	***	***	***	:	***	***	***		
Total	4,384	2,976	1,501	:	909	844	:	80.4	81.3	97.0	:	93.2	97.0	93.2	:	93.2	97.0	93.2	:	93.2	97.0	90.7		

<u>Period</u>	<u>Exports</u> (1,000 square feet)	<u>Ratio of exports to</u> <u>commercial shipments</u> (percent)
1978-----	***	***
1979-----	***	***
1980-----	***	***
January-June--		
1980-----	***	***
1981-----	***	***

\* \* \* .

#### U.S. imports

There are no official statistics on U.S. imports of fireplace mesh panels, however, there have been only two known sources of the panels during the period under consideration--Canada and Taiwan. The only known source of imports from Canada was Justesen Products & Manufacturing. Data on Justesen's exports to the United States are not available. It has, however, been estimated that the firm exported 500,000 to 600,000 square feet of fireplace mesh panels to the United States annually during 1978-80. <sup>1/</sup>

The data on U.S. imports of fireplace mesh panels from Taiwan are understated because of the lack of information from \* \* \* . \* \* \* . The available data present an irregular pattern (table 4). Imports of fireplace mesh panels from Taiwan declined from 4.0 million square feet in 1978 to 2.4 million square feet in 1979, or by 41 percent. However, imports then surged, increasing to 3.8 million square feet in 1980, or by 61 percent. Imports then dropped sharply, declining by 73 percent, in January-June 1981 over those in the corresponding period of 1980.

The average unit value (landed and duty-paid) of U.S. imports of fireplace mesh panels from Taiwan has generally increased during the period under consideration. The average unit value increased from \$24 per 100 square feet in 1978 to \$34 per 100 square feet in January-June 1981, or by 41 percent.

#### Inventories

Because of the variety of possible sizes, fireplace mesh panels are generally made to order. Very little is held in inventory. Thus, the inventory levels of U.S. producers have been relatively insignificant during the period under consideration. The inventories of those U.S. producers responding to the Commission's questionnaires and the ratio of these inventories to production are presented in the following tabulation:

<sup>1/</sup> Transcript of the conference, p. 79.

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

Firm	1978	1979	1980	January-June--		1978	1979	1980	January-June--	
				1980	1981				1980	1981
	Quantity (1,000 ft <sup>2</sup> )					Percent of total quantity				
*	***	***	***	***	***	***	***	***	***	***
*	***	***	***	***	***	***	***	***	***	***
*	***	***	***	***	***	***	***	***	***	***
*	***	***	***	***	***	***	***	***	***	***
*	***	***	***	***	***	***	***	***	***	***
Total	4,005	2,378	3,830	2,220	603	100.0	100.0	100.0	100.0	100.0
	Value (1,000 dollars) 1/					Average unit value (per 100 ft <sup>2</sup> )				
*	***	***	***	***	***	***	***	***	***	***
*	***	***	***	***	***	***	***	***	***	***
*	***	***	***	***	***	***	***	***	***	***
*	***	***	***	***	***	***	***	***	***	***
*	***	***	***	***	***	***	***	***	***	***
Total	954	593	1,016	538	207	23.8	24.9	26.5	22.0	34.3

1/ The value of imports is the landed, duty-paid value.

<u>Period</u>	<u>Inventories</u> <u>(1,000 square feet)</u>	<u>Ratio of inventories</u> <u>to production</u> <u>(percent)</u>
As of Dec. 31--		
1978-----	***	***
1979-----	***	***
1980-----	***	***
As of June 30--		
1980-----	***	***
1981-----	***	***

U.S. producers' inventories of fireplace mesh panels held as of December 31 declined from \* \* \* square feet in 1978 to \* \* \* square feet in 1980, or by \* \* \* percent. However, those inventories held as of June 30 more than tripled from 1980 to 1981. As a share of production, U.S. producers' inventories increased, but remained at less than 1 percent from 1978 through 1980. However, inventories held as of June 30, 1981, increased to \* \* \* percent of U.S. production.

Only one U.S. importer, \* \* \* , reported inventories of fireplace mesh panels from Taiwan. However, those inventories are significant. \* \* \* 's inventories of fireplace mesh panels from Taiwan, as well as the ratio of those inventories to imports from Taiwan are presented in the following tabulation:

<u>Period</u>	<u>Inventories</u> <u>(1,000 square feet)</u>	<u>Ratio of inventories</u> <u>to imports</u> <u>(percent)</u>
As of Dec. 31--		
1978-----	***	***
1979-----	***	***
1980-----	***	***
As of June 30--		
1980-----	***	***
1981-----	***	***

Although these data show that \* \* \* .

#### Apparent U.S. consumption

The data on apparent U.S. consumption are understated because of the lack of information from those firms which have gone out of business and those firms which did not respond to the Commission's questionnaires. Nonetheless, the available data show a precipitous decline in consumption (table 5). Apparent U.S. consumption of fireplace mesh panels, including captive consumption, declined from 17 million square feet in 1978 to 8.2 million square feet in 1980, or by 52 percent, and then declined by another 58 percent in January-June 1981 relative to apparent consumption for the corresponding period of 1980.

Table 5.--Fireplace mesh panels: U.S. production, imports for consumption, net change in inventories, exports, and apparent consumption, 1978-80, January-June 1980, and January-June 1981

Period	(In thousands of square feet)				
	Production	Imports 1/	Net change in inventories	Exports	Apparent consumption
1978-----	13,609	4,555	***	***	17,172
1979-----	9,007	2,928	***	***	12,757
1980-----	4,401	4,198	***	***	8,196
January-June--					
1980-----	2,852	2,496	***	***	4,721
1981-----	1,521	603	***	***	1,969
1/ The data presented include an estimate of Justesen's exports to the United States for January 1978-August 1980.					

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

Table 6.--Fireplace mesh panels: U.S. producers' open-market shipments, imports for consumption, net change in inventories, exports, and apparent open-market consumption, 1978-80, January-June 1980, and January-June 1981

Period	(In thousands of square feet)				
	U.S. producers' open-market shipments	Imports 1/	Net change in inventories	Exports	Apparent open-market consumption
1978-----	5,455	4,555	***	***	9,018
1979-----	3,657	2,928	***	***	7,407
1980-----	1,548	4,198	***	***	5,343
January-June--					
1980-----	975	2,496	***	***	2,844
1981-----	931	603	***	***	1,379
1/ The data presented include an estimate of Justesen's exports to the United States for January 1978-August 1980.					

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

The available data on apparent U.S. open-market consumption of fireplace mesh show a similar pattern, although the declines have not been as sharp (table 6). Apparent open-market consumption declined from 9.0 million square feet in 1978 to 5.3 million square feet in 1980, or by 41 percent. Apparent open-market consumption then declined by another 52 percent in January-June 1981 relative to that in the corresponding period of 1980. Relative declines in apparent open-market consumption were not as great as overall consumption because a greater percentage of open-market consumption vis-a-vis overall consumption is accounted for by producers of zero-clearance fireplaces, and the demand for zero-clearance fireplaces has not declined as much as that for fireplace screens in recent years.

#### U.S. employment and wages

Data on U.S. employment and wages in the domestic industry producing fireplace mesh were available for six companies only--\* \* \*. These data show declining trends for the period under consideration (table 7).

The average number of employees in U.S. establishments producing fireplace mesh panels declined steadily from 1,272 in 1978 to 979 in 1980, or by 23 percent. However, the number dropped by more than 50 percent in January-June 1981 from the average number of employees in the corresponding period of 1980.

The average number of production and related workers engaged in the production of fireplace mesh declined even more rapidly during the period under consideration. The number declined from 105 in 1978 to 54 in 1980, or by 49 percent, and then declined by another 35 percent in January-June 1981 relative to the number in the corresponding period of 1980.

Wages paid to production and related workers producing fireplace mesh panels increased from 1978 to 1979, but have declined sharply since then. Wages declined from \$902,000 in 1979 to \$443,000 in 1980, or by 51 percent, and then declined by another 28 percent in January-June 1981 relative to wages paid during the corresponding period of 1980.

Hours worked by production and related workers generally declined over the period under consideration. They declined from 141,000 hours in 1978 to 73,000 hours in 1980, or by 48 percent, and then declined by another 35 percent in January-June 1981 relative to those worked during the corresponding period of 1980.

#### Financial performance of U.S. producers

Only four companies provided the Commission with data on their financial performance--\* \* \*. \* \* \*.

Net sales of the overall establishments of the reporting U.S. producers of fireplace mesh panels declined throughout the period under consideration (table 8). They declined from \$36 million in 1978 to \* \* \* million in 1980, or by \* \* \* percent. The cost of goods sold of these producers declined

Table 7.--Average number of employees, total and production and related workers engaged in the production of fireplace mesh panels, and wages paid to and hours worked by production and related workers producing fireplace mesh panels, by firms, 1978-80, January-June 1980, and January-June 1981

Firm	:	1978	:	1979	:	1980	:	January-June--	
								1980	1981
Average number of all employees:	:		:		:		:		
* * *	:	***	:	***	:	***	:	***	***
* * *	:	***	:	***	:	***	:	***	***
* * *	:	***	:	***	:	***	:	***	***
* * *	:	***	:	***	:	***	:	***	***
* * *	:	***	:	***	:	***	:	***	***
Total-----	:	1,272	:	1,086	:	979	:	851	376
Production and related workers	:		:		:		:		
producing fireplace mesh panels:	:		:		:		:		
* * *	:	***	:	***	:	***	:	***	***
* * *	:	***	:	***	:	***	:	***	***
* * *	:	***	:	***	:	***	:	***	***
* * *	:	***	:	***	:	***	:	***	***
* * *	:	***	:	***	:	***	:	***	***
Total-----	:	105	:	100	:	54	:	43	28
Wages paid to production and	:		:		:		:		
related workers producing	:		:		:		:		
fireplace mesh panels:	:		:		:		:		
* * * -----1,000 dollars--	:	***	:	***	:	***	:	***	***
* * * -----do-----	:	***	:	***	:	***	:	***	***
* * * -----do-----	:	***	:	***	:	***	:	***	***
* * * -----do-----	:	***	:	***	:	***	:	***	***
* * * -----do-----	:	***	:	***	:	***	:	***	***
Total-----do-----	:	840	:	908	:	443	:	282	202
Hours worked by production and	:		:		:		:		
related workers producing	:		:		:		:		
fireplace mesh panels:	:		:		:		:		
* * * -----1,000 hours--	:	***	:	***	:	***	:	***	***
* * * -----do-----	:	***	:	***	:	***	:	***	***
* * * -----do-----	:	***	:	***	:	***	:	***	***
* * * -----do-----	:	***	:	***	:	***	:	***	***
* * * -----do-----	:	***	:	***	:	***	:	***	***
Total-----do-----	:	141	:	144	:	73	:	43	28

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

Table 8.--Profit-and-loss experience of selected U.S. producers of fireplace mesh panels on the operations of the total establishment in which fireplace mesh panels are produced, by firms, accounting years 1978-80

Period and firm	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1978:						
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
Total	35,503	23,243	12,260	6,090	6,170	17.4
1979:						65.5
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
Total	23,271	17,900	5,371	5,381	(10)	1/
1980:						76.9
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
* * *	***	***	***	***	***	***
Total	***	***	***	***	***	(0.1)
1/ Less than .05 percent.						74.5

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



similarly, from \$23 million in 1978 to \* \* \* million in 1980, or by \* \* \* percent. However, as a percentage of net sales, the cost of goods sold of these producers generally increased over the period under consideration. The ratio of the cost of goods sold to net sales increased from 66 percent in 1978 to 74 percent in 1980. The resulting gross profit also declined falling sharply from \$12 million in 1978 to \* \* \* million in 1980, or by \* \* \* percent. General, selling, and administrative expenses declined throughout the period under consideration. They declined from \$6.1 million in 1978 to \* \* \* million in 1980, or by \* \* \* percent.

The net operating profit of these producers dropped sharply, falling to a net operating loss, from 1978 to 1979 and continued to decline in 1980. The net operating profit declined from \$6.2 million in 1978 to a loss of \$10,000 in 1979 and then declined further to a loss of \* \* \* in 1980. The ratio of net operating profit (or loss) to net sales declined from 17 percent in 1978 to negative 0.1 percent in 1980.

A similar trend is presented by U.S. producers' cash flow from the operations of the establishments in which fireplace mesh panels are produced (table 9). These U.S. producers' cash flow dropped from \* \* \* million in 1978 to \* \* \* in 1980, a decline of 92 percent.

Table 9.--Cash flow of selected U.S. producers of fireplace mesh panels from the operations of the total establishment in which fireplace mesh panels are produced, by firms, for accounting years 1978-80

(In thousands of dollars)							
Firm		:	1978	:	1979	:	1980
		:		:		:	
* * *	-----	:	***	:	***	:	***
* * *	-----	:	***	:	***	:	***
* * *	-----	:	***	:	***	:	***
* * *	-----	:	***	:	***	:	***
Total-----		:	***	:	***	:	***
		:		:		:	

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

### The Question of Threat of Injury

There are various factors which may contribute to the threat of injury to the domestic industry. These factors include the ability of the foreign producers' to increase the level of imports or the likelihood that the foreign producers' will do so and any significant increase in U.S. importers' inventories of fireplace mesh panels from Taiwan.

At the present time, there is little information available on the foreign producers. There is no information available on their capacity to produce fireplace mesh panels or on their ability to increase the level of imports. There is also no information available on the inventory levels of the foreign

producers. The available data on U.S. importers' inventories are discussed on page A-14. These data do not show a significant increase in U.S. importers' inventories during the period under consideration.

The Question of the Causal Relationship Between the Alleged LTFV  
Imports from Taiwan and the Alleged Injury

Market penetration of alleged LTFV imports

The ratio of U.S. imports of fireplace mesh panels from Taiwan to apparent U.S. consumption (including captive consumption) and to apparent U.S. open-market consumption are presented in the following tabulation: 1/

<u>Period</u>	<u>Imports from Taiwan (1,000 square feet)</u>	<u>Ratio of imports to apparent consumption (percent)</u>	<u>Ratio of imports to apparent open-market consumption (percent)</u>
1978-----	4,005	23.3	44.4
1979-----	2,378	18.6	32.1
1980-----	3,830	46.7	71.7
January-June--			
1980-----	2,220	47.0	78.1
1981-----	603	30.6	43.7

The ratio of imports of fireplace mesh panels from Taiwan to apparent U.S. consumption followed an irregular pattern during the period under consideration. The ratio declined from 23 percent in 1978 to 19 percent in 1979, but then surged to 47 percent in 1980. The ratio then declined slightly to 31 percent in January-June 1981.

The trend presented by the ratio of imports of fireplace mesh panels to apparent open-market consumption is slightly different. The ratio declined from 44 percent in 1978 to 32 percent in 1979, and then surged to 72 percent in 1980. However, the ratio then fell to 44 percent in January-June 1981.

Prices

Quarterly prices charged to the principal purchasers of fireplace mesh panels were requested from both importers and producers of fireplace mesh panels for January 1979-June 1981. Four domestic producers and four U.S. importers provided the Commission with such pricing data. However, only two domestic producers furnished prices for each of the 10 quarters. No importer provided such consistent data.

The prices and quantities of transactions, as furnished by the domestic

1/ See p. A-12 for a discussion of the data on imports.

producers and importers, were used to construct weighted average prices for each quarter. Tables 10 and 11 compare these prices. Table 10 shows U.S. producers' prices for panels constructed from 19.5-gage wire and importers prices for panels constructed from 19.75- and 20-gage wire. Table 11 shows weighted average prices for sales of all panels combined. Because almost all of the prices reported were for panels of from 19.5 to 20 gage, there is little difference between the two tables.

Table 10.--Fireplace mesh panels: Weighted average prices of U.S. producers and importers and margins of underselling for panels constructed from 19.5- to 20-gage wire, by quarters, January 1979-June 1981

Period	Weighted average prices		Margins of underselling	
	U.S. producers	Importers	Actual	Percent
	Per 100 square feet	Per 100 square feet		
1979:				
January-March-----	\$59.92	1/	-	-
April-June-----	59.21	1/	-	-
July-September-----	61.09	1/	-	-
October-December-----	68.90	\$43.90	\$25.00	36.3
1980:				
January-March-----	63.22	25.00	38.22	60.5
April-June-----	58.42	25.00	33.42	57.2
July-September-----	61.19	29.65	31.54	51.5
October-December-----	64.82	29.75	35.07	54.1
1981:				
January-March-----	62.80	32.56	30.24	48.2
April-June-----	71.46	33.41	38.05	53.2

1/ Not available.

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

Table 11.--Fireplace mesh panels: Weighted average prices of U.S. producers and importers and margins of underselling for all panels, by quarters, January 1979-June 1981

Period	Weighted average prices		Margins of underselling	
	U.S. producers	Importers	Actual	Percent
	Per 100 square feet	Per 100 square feet		
1979:				
January-March-----	\$61.53	1/	-	-
April-June-----	59.45	1/	-	-
July-September-----	61.64	\$43.90	\$17.74	28.8
October-December-----	68.39	43.90	24.49	35.8
1980:				
January-March-----	63.57	25.00	38.57	60.7
April-June-----	58.74	25.00	33.74	57.4
July-September-----	62.84	29.65	33.19	52.8
October-December-----	64.83	29.75	35.08	54.1
1981:				
January-March-----	62.80	32.56	30.24	48.2
April-June-----	71.46	33.41	38.05	53.2

1/ Not available.

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

Fireplace mesh panels may differ from one another in several ways. The most important characteristics of these panels are the gage of the wire, the finish applied to the panel, the size of the panel, and whether the panel includes rings for mounting. Each of these characteristics can affect a panel's price. 1/ Adding rings to the panel commonly increases a panel's price. However, almost all prices reported were for ringed panels, so only ringed-panel prices were used to construct the tables.

Fireplace mesh is made to order and is available in many different panel sizes. A panel's specific size seems to have little effect on its price per square foot. Questionnaire responses show that for many domestic producers and importers, the price per square foot does decline as the size of the panel increases, but this effect is small. Furthermore, the panel sizes sold by importers do not differ appreciably from the panel sizes sold by domestic producers. Therefore, panel size apparently has little effect on these price comparisons.

Panel finishes are commonly either black oxide or black enamel. The product imported from Taiwan is typically finished with black oxide. In

1/ Domestic producers quote fireplace mesh panel prices by the square foot, by the panel, or for a set of two panels. To ensure that data are comparable all prices in this section are expressed in dollars per 100 square feet.

contrast, domestic producers generally use black enamel to finish their panels. An enamel finish reportedly resists rust better than an oxide finish. However, the finish seems to have little effect on a panel's price. It has been stated that an enamel finish commands a premium of a few cents a square foot, at most. 1/

The gage of the wire refers to the thickness of the wire used in the construction of the panel. Generally, the thicker the wire, the lower the gage, and the better the quality of the panel. The gage of the wire used in the construction of the panel may have a significant effect on price. It has been stated that panels constructed of 19.5-gage wire could sell for a premium of from 13 to 15 percent of panels constructed of 20-gage wire. 2/

Tables 10 and 11 compare the domestic producers' prices, f.o.b. the plant, to the importers' landed, duty-paid price at the port of entry into the United States. Because of differences in the costs of transporting the product from these locations to the purchaser, margins of underselling on a delivered-price basis may be different from those shown in the tables. Transportation costs do not appear to represent a major portion of the delivered value of a fireplace mesh panel, so the use of f.o.b. prices to determine the margins of underselling probably does not seriously distort the price comparisons.

The data in the tables indicate that U.S. importers' and domestic producers' prices declined from 1979 to 1980. 3/ Both the drop in demand for fireplace mesh panels and the lower price of the product imported from Taiwan may have contributed to the decline in U.S. producers' prices. In 1981, U.S. importers' prices rose, but in January-March 1981, the domestic producers' prices remained near the 1980 level. One domestic producer reported a very high price for April-June 1981, whereas the other two producers furnishing data for that period reported prices that were close to the January-March levels. Thus, although the weighted average price for all producers increased, several U.S. producers' were apparently unable to raise their prices in January-June 1981.

The data in the tables indicate that importers consistently undersold domestic producers. The margins of underselling ranged from a low of 28.8 percent to a high of 60.7 percent. The superior finish and the heavier gage of wire used in the construction of the domestic panels may justify a price premium for the domestic product. However, that premium would account for approximately 15 percent and, thus, only a small portion of the margins of underselling.

#### Lost sales

Three domestic producers--IMSA, Justesen Industries, and Fall River Fireplace--reported that they had lost sales of fireplace mesh panels at 10 different domestic firms because of imports from Taiwan. One of these

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1/ Transcript of the conference, p. 48.

2/ Ibid., p. 50.

3/ \* \* \* .

producers did not estimate the value of its lost sales. The other two valued their lost sales at a total of \* \* \* .

The Commission's staff was able to contact six of the firms at which these sales were allegedly lost. These firms accounted for \* \* \* percent of the value of the alleged lost sales. Representatives of three of these firms stated that the firm had purchased no fireplace mesh panels from Taiwan in the last 3 years. Of these three firms, two did not purchase fireplace mesh panels at all, and one purchased only from domestic producers.

Representatives of the three other firms stated that from 1979 to 1981, they purchased almost all of their fireplace mesh panels from Taiwan. These purchasers said that the imported product's quality was as good or better than that of the domestic product and that they purchased the imported product primarily because it was cheaper. These purchasers accounted for \$228,000, or \* \* \* percent, of the alleged lost sales.

APPENDIX A

NOTICE OF THE COMMISSION'S INVESTIGATION AND CONFERENCE

**[Investigation No. 731-TA-49 (Preliminary)]****Fireplace Mesh Panels From Taiwan**

**AGENCY:** International Trade Commission.

**ACTION:** Institution of preliminary antidumping investigation.

**SUMMARY:** The U.S. International Trade Commission hereby gives notice of the institution of investigation No. 731-TA-49 (Preliminary) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Taiwan of fireplace mesh panels which are allegedly sold, or likely to be sold, in the United States at less than fair value (LTFV). For the purpose of this investigation, fireplace mesh panels are defined as precut, flexible mesh panels, both finished and unfinished, which are constructed of interlocking spirals of steel wire and are of a kind used in the manufacture of safety screening by U.S. manufacturers of fireplace accessories and wood-burning stoves. Fireplace mesh panels are provided for either in item 642.87 or item 654.00 of the Tariff Schedules of the United States depending on their stage of processing.

**EFFECTIVE DATE:** August 13, 1981.

**FOR FURTHER INFORMATION CONTACT:** Ms. Vera A. Libeau, Office of Investigations, U.S. International Trade Commission, Room 339, 701 E Street NW., Washington, D.C. 20438; telephone 202-523-0368.

**SUPPLEMENTARY INFORMATION:** On August 11, 1981, petitions were simultaneously filed with the U.S. Department of Commerce and the U.S. International Trade Commission by International Management Service Associates, Inc. alleging that fireplace mesh panels from Taiwan are being sold in the United States at LTFV and that an industry in the United States is being materially injured, or threatened with material injury, by reason of such imports. Accordingly, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673h(a)), the Commission is instituting preliminary antidumping

investigation No. 731-TA-49 (Preliminary) to determine whether a reasonable indication of such injury exists. The Commission must make its determination within 45 days after the date on which the petition was received, or in this case by September 25, 1981. The investigation will be conducted according to the provisions of Part 207, Subpart B, of the Commission's Rules of Practice and Procedure (19 CFR 207).

**Written Submissions:** Any person may submit to the Commission a written statement of information pertinent to the subject of the investigation. A signed original and nineteen (19) true copies of each submission must be filed at the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20438, on or before September 8, 1981. All written submissions except for confidential business data will be available for public inspection.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6).

For further information concerning the conduct of the investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR 207), and Part 201, Subparts A through E (19 CFR 201).

**Conference:** The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 10 a.m., e.d.t., on Friday, September 4, 1981, at the U.S. International Trade Commission Building. Parties wishing to participate in the conference should contact the supervisory investigator for this investigation, Ms. Vera A. Libeau (202-523-0368). It is anticipated that parties in support of the petition for the imposition of antidumping duties and parties opposed to such petition will each be collectively allocated one (1) hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the supervisory investigator.

**Inspection of the Petition:** The petition filed in this case is available for public inspection at the office of the Secretary, U.S. International Trade Commission.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12).

By order of the Commission.

Issued: August 13, 1981.

Kenneth R. Mason,  
Secretary.

[FR Doc. 81-24227 Filed 8-18-81; 8:45 am]

BILLING CODE 7020-02-M



APPENDIX B

DEPARTMENT OF COMMERCE'S NOTICE OF INITIATION OF ANTIDUMPING INVESTIGATION

**Fireplace Mesh Panels From Taiwan;  
Initiation of Antidumping Investigation**

**AGENCY:** International Trade  
Administration, Commerce.

**ACTION:** Initiation of antidumping  
investigation.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping investigation to determine whether fireplace mesh panels from Taiwan are being sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission of this action, so that it may preliminarily determine whether these imports are materially injuring or threatening to materially injure a U.S. industry.

**EFFECTIVE DATE:** September 8, 1981.

**FOR FURTHER INFORMATION CONTACT:** Steve Garment, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230 (202-337-1756).

**SUPPLEMENTARY INFORMATION:**

**Initiation of Investigation**

On August 11, 1981, we received a petition from the International Management Service Associates, Inc. of Sinking Spring, Pennsylvania, on behalf of the U.S. fireplace mesh panels industry. The petition complies with the filing requirements of § 353.36 the Department of Commerce Regulations (19 CFR 353.36).

The petitioner alleges that fireplace mesh panels from Taiwan are being sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended ("the Act") and that such sales are materially injuring a U.S. industry.

The petitioner also alleges that sales of fireplace mesh panels are not made in the home market, but are sold to third countries. These third country sales allegedly are also being made at prices below the cost of production. We have determined that the methodology utilized by the petitioner is reasonable, and that we have a sufficient basis for initiating an inquiry into the cost of producing fireplace mesh panels in Taiwan. This inquiry will permit the determination of whether, in fact, third country sales are being made at prices less than the cost of production within the meaning of section 773(b) of the Act.

After conducting a summary review of the petition as section 732(c)(1) of the Act requires, we have found that the petitioner's allegations and supporting information warrant further

investigation. Therefore, we are initiating an antidumping investigation to determine whether fireplace mesh panels are sold in the United States at less than fair value, and we are publishing this notice in accordance with 19 CFR 353.37(b). Unless we extend this investigation, we will make our preliminary determination by January 18, 1981.

**Scope of Investigation**

For purposes of this investigation, the fireplace mesh panels are defined as pre-cut, flexible mesh panels, both finished and unfinished, which are constructed of interlocking spirals of steel wire and are of a kind used in the manufacture of safety screening by U.S. manufacturers of fireplace accessories and wood-burning stoves. Fireplace mesh panels are currently believed classifiable under item numbers 642.8700 or 654.0045, of the Tariff Schedules of the United States Annotated, depending on their stage of processing.

**ITC Notification and Preliminary Determination**

Section 732(d) of the Act also requires us to notify the U.S. International Trade Commission (ITC) of this decision. We will make available to the ITC all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration. The ITC will determine by September 25, 1981, whether there is a reasonable indication that fireplace mesh panels from Taiwan are materially injuring or are likely to materially injure a U.S. industry.

Gary N. Horlick,

*Deputy Assistant Secretary for Import  
Administration.*

[FR Doc. 81-26127 Filed 9-4-81; 8:45 am.]

BILLING CODE 3510-25-M

APPENDIX C

CALENDER OF THE PUBLIC CONFERENCE





