

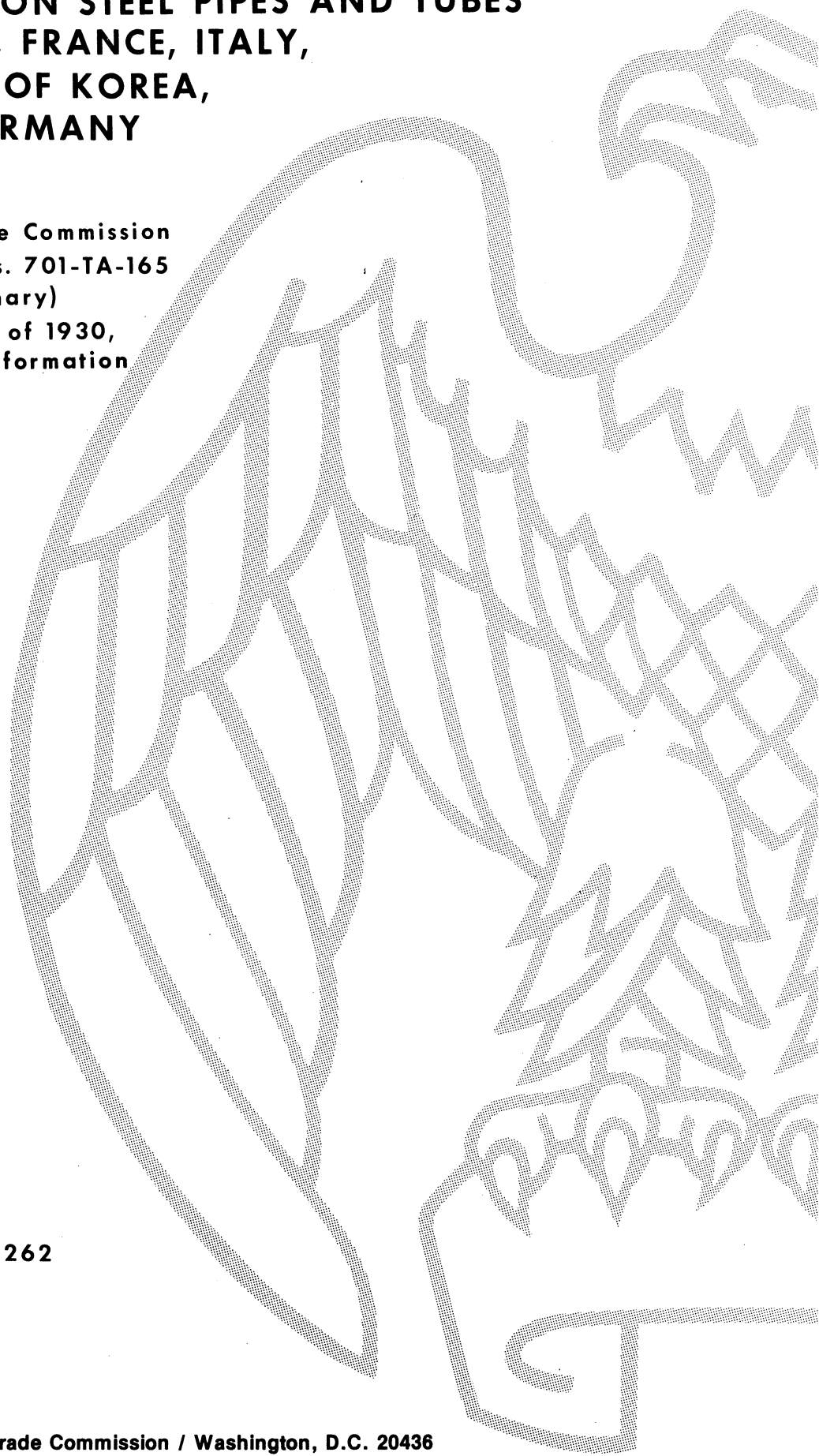
WELDED CARBON STEEL PIPES AND TUBES FROM BRAZIL, FRANCE, ITALY, THE REPUBLIC OF KOREA, AND WEST GERMANY

**Determinations of the Commission
in Investigations Nos. 701-TA-165
through 169 (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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C O N T E N T S

	<u>Page</u>
Views of Vice Chairman Michael J. Calhoun, Commissioners Paula Stern, Alfred E. Eckes, and Veronica A. Haggart-----	3
Additional views of Vice Chairman Michael J. Calhoun-----	17
Views of Commissioner Eugene J. Frank-----	21
Information obtained in the investigations:	
Introduction-----	A-1
Description and uses-----	A-1
U.S. tariff treatment-----	A-5
The alleged bounties or grants-----	A-6
The U.S. market-----	A-7
Small-diameter pipes and tubes-----	A-7
Large-diameter pipes and tubes-----	A-7
U.S. producers-----	A-8
The foreign producers:	
Brazil-----	A-10
Italy-----	A-10
Korea-----	A-10
France-----	A-12
West Germany-----	A-13
U.S. importers-----	A-14
The question of material injury-----	A-14
Production capacity-----	A-14
Production:	
Small-diameter pipes and tubes-----	A-16
Large-diameter pipes and tubes-----	A-16
U.S. producers' shipments:	
Small-diameter pipes and tubes-----	A-16
Large-diameter pipes and tubes-----	A-16
Inventories:	
Small-diameter pipes and tubes-----	A-17
Large-diameter pipes and tubes-----	A-18
Employment-----	A-19
Small-diameter pipes and tubes-----	A-19
Large-diameter pipes and tubes-----	A-19
Financial experience of U.S. producers-----	A-19
Research and development and capital expenditures-----	A-22
Consideration of the causal relationship between allegedly subsidized imports and the alleged injury:	
Imports:	
Small-diameter pipes and tubes-----	A-23
Large-diameter pipes and tubes-----	A-27
Prices:	
Small-diameter pipes and tubes-----	A-30
Large-diameter pipes and tubes-----	A-34
Large-diameter pipes and tubes from France-----	A-35
Large-diameter pipes and tubes from Italy-----	A-36
Large-diameter pipes and tubes from West Germany-----	A-36
Lost sales:	
Small-diameter pipes and tubes-----	A-36
Large-diameter pipes and tubes-----	A-37
The question of the threat of injury-----	A-37
France-----	A-37
Italy-----	A-38
West Germany-----	A-38

CONTENTS

	<u>Page</u>
Appendix A. The Federal Register notices-----	A-39
Appendix B. Witnesses at the Commission's conference-----	A-47

Tables

1. Margins of alleged bounties or grants bestowed upon the export of certain welded carbon steel pipes and tubes, by types and by countries, 1981-----	A-6
2. Certain welded carbon steel pipes and tubes: U.S. consumption, by specified types, 1979-81, January-March 1981, and January-March 1982-----	A-8
3. Welded carbon steel pipes and tubes: Korean production capacity, production, capacity utilization, and exports, 1979-81, and projected 1982-----	A-11
4. Large-diameter welded carbon steel pipes and tubes: French production capacity, production, capacity utilization and exports, 1979-81-----	A-12
5. Large-diameter welded steel pipes and tubes: West German production and exports, 1979-81-----	A-13
6. Certain welded carbon steel pipes and tubes: U.S. production, capacity, and capacity utilization, by specified types, 1979-81, January-March 1981, and January-March 1982-----	A-15
7. Certain welded carbon steel pipes and tubes: U.S. producers' shipments, by specified types, 1979-81, January-March 1981, and January-March 1982-----	A-17
8. Certain welded carbon steel pipes and tubes: U.S. producers' inventories and shipments, by specified types, 1979-81, January-March 1981, and January-March 1982-----	A-18
9. Average number of production and related workers engaged in the manufacture of certain welded carbon steel pipes and tubes, hours worked by such workers, wages paid, and total compensation, by specified types, 1979-81, January-March 1981, and January-March 1982-----	A-20
10. Profit-and-loss experience of U.S. producers on their operations on certain welded carbon steel pipes and tubes, by specified types, 1979-81-----	A-21
11. Certain welded carbon steel pipes and tubes: U.S. producers' research and development and capital expenditures, by specified types, 1979-81-----	A-22
12. Small-diameter welded carbon steel pipes and tubes: U.S. imports for consumption, by principal sources, 1979-81, January-March 1981, and January-March 1982-----	A-24
13. Small-diameter welded carbon steel pipes and tubes: Ratios of U.S. producers' shipments and imports from specified countries to consumption, 1979-81, January-March 1981, and January-March 1982-----	A-26
14. Large-diameter welded carbon steel pipes and tubes: U.S. imports for consumption, by principal sources, 1979-81, January-March 1981, and January-March 1982-----	A-28

CONTENTS

	<u>Page</u>
15. Large-diameter welded carbon steel pipes and tubes: Ratios of U.S. producers' shipments and imports from specified countries to consumption, 1979-81, January-March 1981, and January-March 1982-----	A-29
16. Small-diameter welded carbon steel pipes and tubes: Ranges and weighted average net selling prices of imports from Korea and sales of U.S.-produced products, by types of products and by quarters, January 1980-March 1982-----	A-32
17. Small-diameter welded carbon steel pipes and tubes: Average net delivered purchase prices to service center/distributors in the Los Angeles area for imports from Korea and for U.S.-produced products, and average margins of underselling, by types of product and by quarters, January 1981-March 1982-----	A-34
18. Large-diameter welded carbon steel pipes and tubes: Certain contracts awarded to the suppliers of French and West German products, by awarding companies, 1981 and January-March 1982-----	A-35

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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 701-TA-165 through 169 (Preliminary)

WELDED CARBON STEEL PIPES AND TUBES FROM BRAZIL, FRANCE,
ITALY, REPUBLIC OF KOREA, AND WEST GERMANY

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, 2/ pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), 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 of the following products which are alleged to be subsidized by the Governments of Brazil, France, Republic of Korea, and West Germany:

Small diameter carbon steel welded pipes and tubes 3/ from:

Brazil (investigation No. 701-TA-165 (Preliminary)), 4/
5/ and Republic of Korea (investigation No. 701-TA-168
Preliminary)) 4/; and

Large diameter carbon steel welded pipes and tubes 6/ from:

France (investigation No. 701-TA-166 (Preliminary)), 5/
7/ and West Germany (investigation No. 701-TA-169
Preliminary)), 5/ 7/.

1/ The "record" is defined in section 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).

2/ Chairman Alberger not participating.

3/ For purposes of these investigations, small diameter carbon steel welded pipes and tubes are those, other than oil country goods, provided for in items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 610.3244, and 610.3247 of the Tariff Schedules of the United States Annotated (TSUSA).

4/ Commissioners Eckes, Frank, and Haggart determine that there is a reasonable indication that an industry in the United States is materially injured by reason of the subject imports.

5/ Commissioner Stern dissenting.

6/ For purposes of these investigations, large diameter carbon steel welded pipes and tubes are those, other than oil country goods, provided for in items 610.3211 and 610.3251 of the TSUSA.

7/ Commissioners Eckes and Haggart determine that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of the subject imports.

The Commission determines 2/ that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports of the following products which are alleged to be subsidized by the Government of Italy (investigation No. 701-TA-167 (Preliminary)):

Small diameter carbon steel welded pipes and tubes, 3/ 8/; and

Large diameter carbon steel welded pipes and tubes. 6/ 9/

Background

On May 7, 1982, U.S. Steel Corp. filed petitions with the U.S. International Trade Commission and with the U.S. Department of Commerce alleging that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from Brazil, France, Italy, Republic of Korea, and West Germany of welded carbon steel pipes and tubes, upon which bounties or grants are alleged to be paid. Accordingly, the Commission instituted preliminary investigations under section 701 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 the importation of such merchandise into the United States.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of May 19, 1982 (47 F.R. 21643). The conference was held in Washington, D.C., on June 2, 1982, and all persons who requested the opportunity were permitted to appear in person or by counsel.

8/ Vice Chairman Calhoun and Commissioner Frank dissenting.

9/ Commissioner Frank dissenting.

VIEWS OF VICE CHAIRMAN MICHAEL J. CALHOUN, COMMISSIONERS PAULA STERN,
ALFRED E. ECKES, AND VERONICA A. HAGGART

The domestic industry

In any preliminary countervailing duty investigation, the Commission must determine whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury by reason of the allegedly subsidized imports. The industry is defined by the statute as the domestic producers as a whole of a like product or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product. 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/

In these investigations, the allegedly subsidized products being imported consist of small diameter (not over 16") standard, structural, and line welded carbon steel pipes and tubes (small diameter pipes) from the Republic of Korea (Korea), Brazil, and Italy, and large diameter (over 16") standard and line welded carbon steel pipes and tubes (large diameter pipes) from West Germany, France, and Italy.

Large diameter pipes differ from small diameter pipes principally in terms of size, use, and production process. Large diameter pipes are used almost exclusively for pipelines, while small diameter pipes are often used for other purposes as well. 3/ Small diameter pipes are generally an off-the-shelf item, whereas large diameter pipes are usually sold through

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

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

3/ Report, p. A-4.

contract for a specific project. 4/ Small and large diameter pipes are made in separate facilities. Large diameter pipes generally are made using the submerged arc or spiral weld process while small diameter pipes generally are made using the continuous weld or resistance weld process.

The petitioner, U.S. Steel Corporation, maintains that there are two industries producing products like the imported products listed above: one producing small diameter standard, structural, and line welded carbon steel pipes and tubes (the small diameter pipe industry) and one producing large diameter standard and line welded carbon steel pipes and tubes (the large diameter pipe industry). U.S. Steel argues that any distinctions among standard, structural and line pipes and tubes are blurred in industry practice, as there is considerable substitution. 5/

Other parties allege that U.S. Steel's definitions are too narrow and that production of mechanical, pressure, or oil country pipes and tubes also should be included in the industry definition. Testimony at the conference indicated, however, that mechanical and pressure pipes and tubes are not substitutable for structural, standard, and line pipe. 6/ Oil country tubular goods with "upset" ends (i.e., turned up at the ends in a way suitable for threading) are not like standard, structural, and line pipes. The oil country tubular goods with upset ends are designed specifically for use in oil well drilling and are threaded or screwed together rather than being welded. The added expense for upset ends makes it unlikely that these goods will be substituted for other standard, structural or line pipes. However, several of

4/ Transcript, pp. 10-11.

5/ See, e.g., Petition for South Korea, pp. 5-6.

6/ Transcript, pp. 26-30.

the respondents in these investigations have argued that line pipe is often substituted for the type of oil country pipe that does not have upset ends when drilling close to the surface or in shallow wells. If these investigations return for a final determination, we will explore more fully the question of the substitutability of mechanical, pressure, and oil country pipes and tubes with standard, structural, and line pipes and tubes.

We believe that the best information available at this time indicates that there are two like products, small diameter standard, structural, and line welded carbon steel pipes and tubes and large diameter structural and line welded carbon steel pipes and tubes. There are separate domestic industries producing each of the two like products. If these investigations return for a final determination, we may reconsider these industry definitions.

Cumulation

Our determinations in these investigations have been made on a case-by-case basis, without aggregation of import data for each product category with import data regarding the same products from other countries. 7/ In the event that final investigations are conducted in these cases, however, we do not rule out cumulation if the record developed demonstrates it is appropriate. 8/

7/ See additional views of Vice Chairman Calhoun.

8/ Commissioner Stern refers readers to her discussion of the practice of cumulation in Certain Carbon Steel Products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom, Invs. Nos. 731-TA-18 through 24 (Preliminary), USITC Pub. 1064 (1980), at 64-67.

See also her joint views with Chairman Alberger in Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, Invs. Nos. 701-TA-86 to 144, 701-TA-146, and 701-TA-147 (Preliminary), and Invs. Nos. 731-TA-53 to 86 (Preliminary), USITC Pubs. 1221 and 1226 (1982).

(Footnote continued)

Standards for Determination

Section 771(7) of the Tariff Act of 1930 directs the Commission to consider in making its determination, among other factors, (1) the volume of imports of the merchandise under investigation, (2) their impact on price, and (3) the consequent impact of the imports on the domestic industry. 9/ In assessing the impact on the domestic industry, we are further directed by section 771(4)(c)(iii) to evaluate all relevant economic factors which have a bearing on the state of the industry, including, but not limited to: production, sales, market share, profits, productivity, return on investments, capacity utilization, cash flow, inventories, employment, wages, growth, ability to raise capital, and investment. 10/

In these investigations, we have been able to obtain limited data on some of the economic factors listed above. For other factors, the data collected are based on allocations that limit their utility. In particular, the information submitted to the Commission by domestic producers concerning capacity and capacity utilization of the small diameter pipe industry may not be reliable because of the reported ability of producers to shift easily from

(Footnote continued)

Finally, see her joint views with Chairman Alberger in Prestressed Concrete Steel Wire Strand from Brazil, France, and the United Kingdom, Invs. Nos. 701-TA-152 and 153 (Preliminary), and Inv. No. 731-TA-89, USITC Pub. 1240 (1982), at 3; Carbon Steel Wire Rod from Brazil, Belgium, France, and Venezuela, Invs. Nos. 701-TA-148 to 150 (Preliminary), and Inv. No. 731-TA-88 (Preliminary), USITC Pub. 1230 (1982).

9/ 19 U.S.C. 1677(7).

10/ According to the Senate Report on the Trade Agreements Act of 1979, "[n]either the presence nor the absence of any factor listed in the bill can necessarily give decisive guidance with respect to whether an industry is materially injured, and the significance to be assigned to a particular factor is for the ITC [Commission] to decide." S. Rept. 96-249 (96th Cong., 1st Sess.) at 88.

Imports from Korea

The United States is the largest market for welded carbon steel pipes and tubes produced in Korea. Exports from Korea to the United States increased from 32 percent of Korean production in 1979 to 55 percent in 1981. ^{14/} Imports of Korean small diameter pipes rose from 369,000 short tons in 1979 to an estimated 559,000 short tons in 1981. This is an increase from slightly over 10 percent of U.S. consumption to approximately 13 percent. ^{15/} Imports from Korea accounted for 34 percent of all imports of small diameter pipes to the United States in 1981.

There is evidence that some Korean producers are underselling the domestic producers by 15 percent or more, and the magnitude of underselling has increased since the fourth quarter of 1981. ^{16/} Eight firms confirmed that they purchased Korean products at prices less than those for comparable domestic items. ^{17/} Based on the foregoing, we conclude that there is a reasonable indication that the domestic small diameter pipe industry is materially injured by reason of imports from Korea.

Imports from Brazil

U.S. imports of the Brazilian product remained relatively stable during 1979 to 1981. However, the level of imports increased from the first quarter of 1981 to the first quarter of 1982, at the same time as U.S. consumption

^{14/} Id., p. A-11.

^{15/} Id., p. A-26.

^{16/} Id., p. A-36.

^{17/} At this preliminary stage, the impact of this underselling on domestic prices is not known.

making the like product to making other small diameter pipe products on the same equipment. Similar limitations exist with respect to data concerning investment, return on investment, and employment.

The reported profit-and-loss data are limited in their use as an absolute measure of profitability. 11/ In addition, with the exception of the Korean products, we were unable to obtain adequate price data from U.S. producers and importers on the sales of comparable products. For any final determination, we would hope to obtain better price data.

THE SMALL DIAMETER PIPE AND TUBE INDUSTRY

Condition of the industry

The small diameter standard, structural, and line welded carbon steel pipe industry is currently experiencing problems. 12/ Domestic production and shipments of small diameter pipes fell in the first quarter of 1982 by 29 percent and 26 percent, respectively, from the comparable quarter in 1981. 13/ The U.S. industry showed net operating losses of \$13 million in 1980 compared to a slight profit of \$6 million in 1979. Although there were profits of \$40 million in 1981, the domestic small diameter pipe industry was only able to attain a ratio of operating profit to sales of 3.0 percent in 1981, a particularly good year for sales in the industry. Of the 23 firms reporting profit and loss data, 8 stated in their questionnaires that they were experiencing losses in 1981 compared to 5 firms in 1979.

11/ Report, p. A-19.

12/ We considered quarterly data, in addition to the yearly data, in reaching our decision. Quarterly data with regard to small diameter pipes are significant because these pipes generally have stable year-round production and shipment levels.

13/ Id., p. A-16.

dropped by 17 percent. Import penetration, therefore, increased in the first quarter of 1982. There is some indication of underselling with regard to Brazilian imports. 18/ Based on the foregoing, we conclude that there is a reasonable indication that the domestic small diameter pipe industry is materially injured by reason of imports from Brazil.

Views of Commissioner Stern on imports from Brazil--Commissioner Stern takes exception to the majority view that there is a reasonable indication that imports of small diameter pipes from Brazil have caused material injury. She notes that the import penetration as a ratio of U.S. consumption for small diameter pipes from Brazil, adjusted to exclude oil country exports, fell slightly from 1979 to 1981. 19/ The first quarter of 1982 showed an increase in penetration and volume, though the level of imports was still small. No instances of sales lost to imports from Brazil were confirmed. The single instance of underselling alluded to above by the majority cannot be called representative. 20/ In 1981, Brazil supplied only 4 percent of U.S. imports of the product under investigation.

Commissioner Stern finds that the increased market share in the last quarter by a relatively small foreign supplier is insufficient to indicate that imports from Brazil are causing or contributing to any material injury the domestic industry is suffering. Furthermore, the fact that the Brazilian industry is already operating at extraordinarily high capacity utilization 21/

18/ Report, p. A-34.

19/ Id., p. A-26. Most data are confidential and can only be discussed in general terms.

20/ The data available to the Commission do not allow for comparisons with trends in prices reported by domestic producers. See Report, p. A-31.

21/ Report, p. A-10.

effectively eliminates any threat imports from Brazil could pose to the U.S. industry.

Imports from Italy

In contrast to imports from Korea and Brazil, imports from Italy have shown a steady downward trend from 1979 to 1981. According to information derived from Commission questionnaires, 74,000 short tons of the total 85,000 short tons of imports from Italy entered during 1981 under the items in the Tariff Schedules of the United States Annotated (TSUSA) for small diameter pipes were actually oil country tubular goods, not subject to this investigation. ^{22/} The import data for Italy, adjusted to exclude oil country tubular goods, show a decrease from 32,000 short tons in 1979 to 11,000 short tons in 1981. Import penetration, adjusted for oil country goods, fell from 0.4 percent of U.S. consumption in 1980 to 0.2 percent in 1981. First quarter 1982 data showed an increase in import penetration. However, this quarterly data has not been adjusted and the product mix between oil country tubular goods and the goods subject to this investigation reportedly has not changed from 1981. ^{23/}

There are no confirmed lost sales to imports from Italy. The Commission attempted to obtain data regarding Italian capacity, but was unable to do so.

Based on the foregoing, we conclude that there is no reasonable indication of material injury or threat of material injury by reason of imports from Italy.

^{22/} Id., p. A-24.

^{23/} Telephone conversation of June 14, 1982, between Abigail Eltzroth, staff investigator, and David P. Houlihan, counsel for Italian producers.

THE LARGE DIAMETER PIPE AND TUBE INDUSTRY

Condition of the industry

Although production and shipment data showed increases for the domestic industry from 1979 to 1981, production for the first quarter of 1982 was approximately the same as the first quarter production figures for 1981, and shipments declined by 19 percent. 24/ Financial data for the large diameter pipe industry show heavy losses in 1979, continued losses in 1980, and a slight profit in the boom year of 1981. 25/ Testimony at the Commission conference by some domestic producers indicated that they experienced losses in the first quarter of 1982. 26/

The first quarter statistics actually understate the seriousness of the situation with regard to the large diameter pipe industry. First quarter data on production, shipments, imports, profits, and other factors do not reflect the impact of imports from France and West Germany already contracted to enter the U.S. during 1982.

Views of Commissioner Stern on the condition of the industry--

Commissioner Stern evaluated the information in this investigation in light of the particular bid process in the large diameter pipe industry. This bid process can result in large swings in economic indicators within short periods of time. 27/ Thus, first-quarter 1982 data are not considered a reliable basis for making judgments on the industry's performance.

Further, Commissioner Stern notes that the health of the large diameter pipe industry is unclear. Although the profits reported in Commission

24/ Report, p. A-16.

25/ Id., p. A-21.

26/ Transcript, p. 14.

27/ Report, p. A-15.

questionnaires were modest in 1981, those figures are based on firms covering significantly less than half the industry's production. Producers who filled out other portions of the Commission's questionnaire chose not to provide profit data. Thus, the industry may very well be a good deal healthier than the partial data indicate. Commissioner Stern, however, has reached her negative determinations principally on the basis of the lack of sufficient links between the subject imports and any problems the U.S. industry may be experiencing.

Imports from France

The capacity of the three French producers of large diameter pipes increased by 7 percent, from 777,000 tons in 1979 to 832,000 tons in 1981. ^{28/} Over 80 percent of French production of large diameter pipes was exported in 1981. French exports to the United States, as a percentage of French production, increased from zero in 1979 to 13 percent in 1981.

Imports from France increased steadily from 52 short tons in 1979 to 74,973 short tons in 1981. French imports climbed from 0.2 percent of U.S. consumption in 1980 to 4.2 percent in 1981. Based solely on imports contracted to enter the United States during 1982, imports from France will be approximately 100,000 short tons in 1982. The full impact of imports to be entered in 1982 has yet to be felt by the domestic industry.

U.S. pipeline firms awarded French producers 7 contracts in 1981. There are strong indications of underselling with regard to five of the French bids. ^{29/} This information demonstrates the French producers' ability to underbid the domestic producers.

^{28/} Id., p. A-12.

^{29/} Id., p. A-35.

Based primarily on the projected import levels for 1982, the estimated decrease in U.S. consumption, 30/ and the evidence of underselling, we conclude that there is a reasonable indication of threat of material injury by reason of imports from France.

Views of Commissioner Stern regarding imports from France--Commissioner Stern finds no reasonable indication that imports of French large diameter pipes have caused or threaten to cause material injury to the domestic industry, whether considered alone or in combination with imports from West Germany. Confidential information indicates that the French ability to threaten the U.S. industry in a real and imminent sense is not feasible. 31/ Further, she notes that though price was a factor in some bids lost by the domestic industry, France's largest U.S. pipeline contract was for a pipeline for which U.S. firms won a predominant share of the tonnage awarded. 32/

Imports from West Germany

Production of large diameter pipes in West Germany has increased irregularly from 1.6 million tons in 1979 to 1.8 million tons in 1981. While data on West German production capacity are not available, information on the record indicates that existing capacity far exceeds production. 33/ West German exports to the United States of large diameter pipes increased from 0.6 percent of West German production in 1979 to 2.1 percent in 1981.

Imports from West Germany increased irregularly from 10,312 short tons in 1979 to 16,461 short tons in 1981. Imports of large diameter pipes from West

30/ Id., p. A-8.

31/ Id., p. A-37.

32/ Id., p. A-35.

33/ Id., p. A-13.

Germany varied from 1.1 percent of U.S. consumption in 1979 to 0.1 percent in 1980 and back up to 0.9 percent in 1981. 34/ According to ICF, Inc., an economic consulting firm for a German producer, there are two German shipments due for delivery in the U.S. during June-December 1982. One shipment is for 123,000 tons and the other for 20,000 tons. Thus, based on imports already contracted to enter the U.S. in 1982, imports from West Germany will be almost nine times greater in 1982 than in 1981. The full impact of these imports has yet to be felt by the domestic industry.

The Commission has pricing information concerning three contracts won by West German producers since 1980. Although much of the information regarding West German bids is confidential, it indicates that the German producers have underbid U.S. producers.

Based primarily on the estimated import levels for 1982, the projected decrease in U.S. consumption, 35/ and the evidence of underselling, we conclude that there is a reasonable indication of threat of material injury by reason of imports from West Germany.

Views of Commissioner Stern on imports from West Germany--Commissioner Stern determines that there is no reasonable indication that imports of large diameter pipes from the Federal Republic of Germany have caused or threaten to cause material injury, whether considered alone or in combination with the French imports. The West German import penetration fell from 1.1 percent of U.S. consumption in 1979 to 0.1 percent in 1980. In 1981, it recovered to 0.9 percent. Analysis of successful West German bids indicates that factors such

34/ Id., p. A-29.

35/ Id., p. A-8.

as ability to meet delivery schedules and specifications were extremely important. 36/

Imports from Italy

Italian producers have not won any contracts for large diameter pipes since 1980. The import penetration of large diameter pipes from Italy increased from less than 0.05 percent of U.S. consumption in 1980 to 6.1 percent in 1981 when 110,000 tons from the 1980 contracts were entered. These imports entered in a particularly good year for the U.S. industry in terms of production and shipments. Non-price factors were crucial in awarding these contracts to the Italian firms. 37/ There is a strong indication that these contracts were won as a result of the U.S. industry's inability to meet delivery schedules. All Italian pipes for these contracts have entered the United States, and there is no information showing that the Italian producers have any outstanding orders to be shipped during 1982. 38/

We conclude that there is no reasonable indication that the domestic industry is materially injured or threatened with material injury by reason of imports from Italy.

36/ Id., p. A-36.

37/ Id.

38/ Id., p. A-36 and p. A-38.

ADDITIONAL VIEWS OF VICE CHAIRMAN MICHAEL J. CALHOUN

Consistent with my analysis in the recent series of steel investigations 1/ and in view of all the relevant economic factors before us, my view is that the requisite impact of the imports before us is most reasonably achieved through their aggregate rather than their individual presence in the domestic marketplace. I reach this conclusion based upon all factors relied upon in the majority opinion as well as two others.

With regard to the small diameter pipes, the market share held by each of the countries under investigation, with the exception of South Korea, is very low: Italy's market share was 1.9 percent in 1981 and Brazil's market share was 1.6 percent. This strongly suggests to me that, in the absence of other information, any causal link between these imports and material injury to the domestic industry likely results from their collective rather than individual impact. In the final investigation, data may well be presented that the 15 percent market share held by Korea has such a predominant impact on domestic producers that the market share impacts from any one country or in the aggregate with other countries cannot be seen as having sufficient impact to warrant inclusion in our assessment. On the other hand, information developed may establish, in fact, my view here that a reasonable indication of nexus exists sufficient to find material injury with respect to all of the imports.

1/ Investigations Nos. 701-TA-86 through 119, 701-TA-121, 701-TA-123 through 144, 701-TA-146, 701-TA-147, 731-TA-53 through 65, and 731-TA-67 through 86 (Preliminary), USITC Pub. No. 1221.

In determining that small diameter pipes from Italy ought to be included in the aggregate, I note that the unadjusted import figures from Italy show that imports have increased from 32,000 short tons in 1979 to 85,000 short tons in 1981. Imports of small diameter pipes increased from 4,000 short tons in the first quarter of 1981 to 15,000 short tons in the first quarter of 1982. In terms of the ratio of imports to consumption, Italian imports increased from .9 percent in 1979 to 1.9 percent in 1981. Quarterly data show that Italian import penetration increased from .4 percent in the first quarter of 1981 to 1.7 percent in 1982.

However, I understand that question exists as to whether these import figures include oil country tubular goods. Apparently, our information that these imports were oil country goods was based on data supplied by the importer who could have based its characteristics on information from purchasers regarding the use to which the Italian pipes were put. Thus, circumstances raise two issues: First, to what extent line pipes are, in fact, coming in from Italy, and, second, to what extent there is actual substitutability between the two products.

Considering that the majority agrees that the question of substitutability ought to be preserved for the final, it is my view that the disposition of Italian imports ought to be made at that time, as well, so we can clearly say whether Italian small diameter pipes are line or oil country or are substitutable for either use.

With regard to large diameter pipes, I have found that the market share held by Italian imports of large diameter pipes has fallen from

6.1 percent in 1981 to less than .05 percent for 1982 thus far. Since no information is available showing some special nexus between Italian large diameter pipes and the current state of the domestic industry, I have eliminated imports from Italy from my affirmative finding.

As in the other cases, I wish to make clear that market share analysis is not the sole basis for aggregating in this investigation. Historically, the Commission has looked at a number of factors in deciding if it were appropriate to aggregate the impact of imports from various sources. These factors include comparability, simultaneous impact, and competition between the products from various countries and the like product. Evidence of lost sales and preliminary pricing data strongly suggests to me that imports from the various countries before us interact with the domestic product in ways that are indistinguishable from the way they would impact if all the imports under investigation were from the same country, if not from the same company. In my mind, this is the essence of the rationale for cumulation.

If imports of a particular product are adversely impacting domestic producers of the like product, then the fact of their national origin ought to be of little significance in finding material injury. By the same token, however, if the national origin of an import somehow has significance in distinguishing its impact from that of others, then clearly that ought to be a basis for evaluating it separately.

Views of
Commissioner Eugene J. Frank

Determination

I find that there is a reasonable indication that an industry in the United States is materially injured by reason of allegedly subsidized imports of small diameter (not over 16") standard, structural and line welded carbon steel pipes and tubes (hereinafter "small diameter pipes") from the Republic of Korea, Brazil, and Italy.

I find that there is a reasonable indication that an industry in the United States is materially injured by reason of allegedly subsidized imports of large diameter (over 16") standard and line welded carbon steel pipes and tubes (hereinafter "large diameter pipes") from West Germany, France, and Italy.

Discussion

I concur with my colleagues in that the best information available to the Commission at this time indicates for these preliminary investigations that there are two like products: i) small diameter standard, structural, and line welded carbon steel pipes and tubes; and ii) large diameter structural and line welded carbon steel pipes and tubes. Therefore, I have determined that there are separate domestic industries producing each of the two like products for which adequate relevant economic data are available, for the purpose of these preliminary investigations to assess the condition of each industry. However, should these investigations return for a final Commission determination, these industry definitions will be subject to reconsideration based on the record developed at that time.

I would reiterate my oft-stated view that the statute and legislative²¹ history of the Title VII investigations require the Commission in its

preliminary determinations for both antidumping and countervailing duty investigations to exercise only a low threshold test based on the best information available that the facts reasonably indicate an industry in the United States could possibly be suffering material injury, threat thereof, or material retardation. 1/ This less rigorous standard, in my view, was intended by Congress to screen those petitions where it was readily apparent, notwithstanding a necessarily incomplete record compiled in a compressed 45-day time period, that there was no indication of possibly establishing injury even with adequate time, a thorough and fully developed investigation and record and a detailed hearing before the Commission. 2/

I have determined that the "factors and conditions of trade" affecting the pertinent industry involved in these preliminary investigations, and other relevant economic factors, compel cumulation of the articles in question. 3/

I note that there are questions surrounding the reliability of data obtained with respect to certain economic factors traditionally scrutinized by the Commission 4/ in the conduct of Title VII investigations in assessing the impact of subject imports on the affected domestic industry. The nature and character of the welded carbon pipe and tube industry, both small and large diameter, require certain arbitrariness in allocation of economic data on a "like product", industry basis to comply with the statutory scheme. I believe it germane to reiterate my discussion on this important issue set forth in my views in the recently concluded preliminary investigation on

1/ H.R. Rep. No. 96-317, 96th Cong., 1st Sess., 52 (1979).

2/ I refer the reader to my views on the January 1982 92 carbon and alloy steel preliminary investigations in which the structural context, from which I believe the Commission should review and analyze the record developed in these preliminary Title VII investigations pursuant to this low threshold standard and render its determinations accordingly, is more fully articulated. Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, The Netherlands, Romania, The United Kingdom, and West Germany, Invs. Nos. 701-TA-86 to 144, 701-TA-146 and 701-TA-147 (Prel.), and Invs. Nos. 731-TA-53 to 86 (Prel.), 22 USITC Pubs. 1221 and 1226 (1982), Views of Commissioner Eugene J. Frank, pp. 121-185.

3/ See my views on cumulation in the carbon steel cases, Certain Steel Products from Belgium...pp. 127-129.

4/ See 19 U.S.C. 1677(7)(c)(iii).

Certain Seamless Steel Pipes and Tubes from Japan: 5/

Although there are inherent limitations in certain "economic" data submitted to the Commission by domestic producers and perhaps questionable reliability with regard to capacity and capacity utilization, employment, investment, etc., I believe such data cannot be dismissed and discarded in entirety inasmuch as perhaps trends can be ascertained which are germane to injury considerations under a "low threshold" standard applicable in preliminary investigations. One of the concerns I think is relevant to any application of the "like product" industry definition approach in determining injury pursuant to the statute, employed in a "universe" comprised by multi-product integrated operations, is an inherent degree of arbitrariness in allocation of economic factors exclusively to various product-lines. One can become mired in a quagmire of assumptions as to e.g. their reasonability and consistency of application in a narrow-focused product-line analysis, yet face the dilemma of taking into consideration extraneous and perhaps inappropriate data if an industry definition were expanded, based on necessarily available data. I would expect a final investigation if conducted, to discuss thoroughly these underlying assumptions and their application for such data.

In those views in that investigation, I also expressed my misgivings about the validity of profitability data obtained which are also applicable in these investigations in view of the lack of thorough analysis of varying cost accounting methodologies employed by U.S. producers. Obviously a compressed time-frame in analyzing the available information obtained for the record in the conduct of these preliminary investigations might preclude such a comprehensive analysis of cost allocation considerations; however, I would expect the staff to be in a position in a final investigation, should the Commission be called upon to conduct same, to obtain such data on a uniform, consistent cost allocation basis for domestic producers. Subject to the above, I concur with my colleagues in their assessment of the present condition of the small diameter pipe and tube industry, and concur with Vice Chairman Calhoun, and Commissioners Eckes and Haggart on their assessment of the present condition of the large diameter pipe and tube industry.

Finally, I would expect for any final determinations in these cases that the Commission would have the benefit of more comprehensive and

representative price data from U.S. producers and importers on sales of comparable products and on lost sales. The absence of such information in these preliminary investigations from certain of the countries was not a decisive factor in my analyses in view of this expectation.

In aggregating imports of small diameter pipes from South Korea, Italy, and Brazil, it is readily apparent such imports increased markedly during the 1979-1981 period in quantity, value, and in market penetration, and remained at significant levels to the first quarter of 1982. 6/ Likewise, in aggregating imports of large diameter pipes from West Germany, France, and Italy, such imports increased substantially during the 1979-1981 period in quantity, value, and in market penetration. Although such imports in the aggregate declined markedly with respect to domestic consumption in the first quarter of 1982, nonetheless their market share remained at a significant level. 7/ Moreover, in 1981 such aggregate import levels represented a massive increase over prior years in large part due to Italian imports that were shipped to pipe line projects that year. The terms and conditions and comparable bidding information vis-a-vis domestic and foreign producers for these 1980 bid awards to the Italian producers were not available for their tonnage shipped in 1981, which I expect would be available in the conduct of a final investigation.

6/ I would expect the question of whether such import data included oil country tubular goods, not subject to these investigations, and any resulting adjustment of data would be resolved in a final investigation on the basis of independent verification by the Commission of such data.

7/ In my analyses leading to cumulation, I considered the historical market presence of such imports in the U.S. as well as the fact that incremental participation in the market in view of the bidding process involved could have a deleterious effect on pricing patterns whether successful bidder or not. I 24 would expect this issue of participation and potential adverse price effects on the domestic market, in view of the dearth of comprehensive pricing information of a representative and comparable nature on U.S. and imported products, to be more fully explored in a final investigation.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On May 7, 1982, United States Steel Corp. (U.S. Steel) filed petitions with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is materially injured and is threatened with material injury by reason of imports from Brazil, France, Italy, the Republic of Korea (Korea), and West Germany of welded carbon steel pipes and tubes, provided for in item 610.32 of the Tariff Schedules of the United States (TSUS), upon which bounties or grants are alleged to be paid. Accordingly, effective May 7, 1982, the Commission instituted preliminary investigations under section 701 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 the importation of such merchandise into the United States. The statute directs that the Commission make its determination within 45 days after its receipt of a petition, or in this case, by June 21, 1982.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on May 19, 1982 (47 F.R. 21643). 1/ The conference was held in Washington, D.C., on June 2, 1982, 2/ and the briefing and vote was held on June 15, 1982.

The Commission conducted previous investigations concerning steel pipes and tubes of types other than those which are the subject of the current investigations. 3/

Description and Uses

For the most part, the terms "pipes," "tubes," and "tubular products" can be used interchangeably. In some industry publications, however, a distinction is made between pipes and tubes. According to these publications, pipes are produced in large quantities to a few standard sizes, whereas tubes are made to customers' specifications for dimensions, finish, chemical composition, and mechanical properties. There is apparently no clear line of demarcation in all cases between pipes and tubes.

1/ Copies of the Commission's and Commerce's notices are presented in app. A.

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

3/ Most recently, in March 1982, the Commission conducted a preliminary investigation concerning certain seamless steel pipes and tubes from Japan, investigation No. 731-TA-87 (Preliminary). In the spring of 1980, the Commission conducted an investigation concerning pressure pipes and tubes, investigation No. 731-TA-15 (Preliminary).

Steel pipes and tubes can be divided into two general categories based on method of manufacture--welded or seamless. Each category can be further subdivided by grade of steel: carbon, heat-resisting, stainless, or other alloy. This method of distinguishing among steel pipe and tube product lines is one of several used by the industry. Pipes and tubes typically come in circular, square, or rectangular cross section.

Welded steel pipes and tubes are generally less expensive to manufacture than seamless steel pipes and tubes, are smoother, and have more uniform wall thickness. Until recently, welded pipes and tubes had been considered not to be as strong as seamless pipes and tubes when both are produced from steel of the same composition. This perception affected the marketability of welded products for particular applications. However, improvements in manufacturing techniques and in the performance of welded pipes and tubes have tended to erode this perception.

The strength of both welded and seamless steel pipes and tubes is enhanced by the presence of alloying elements in the steel. The presence of these elements also enables a steel pipe or tube to withstand pressure (both external and internal) and elevated temperatures, and to resist corrosion. Most welded steel pipes and tubes are made from carbon steel.

The American Iron & Steel Institute (AISI) distinguishes among the various types of steel pipes and tubes according to six end uses, which are described below.

Standard pipes

Steel standard pipes are intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. These steel pipes may carry fluids at elevated temperatures and pressures and may not be subjected to the application of external heat.

Pressure tubes

Steel pressure tubes are used to convey fluids and gases at elevated temperatures or pressures, or both, and may be subjected to the application of heat. These tubes include air heater tubes, boiler tubes, heat-exchanger and condenser tubes, and superheater tubes.

Mechanical tubing

Mechanical tubing is employed in a variety of mechanical applications including bicycle and motorcycle frames and parts, conveyor rolls and links, fishing rods, flagstaffs and masts, furniture tubing, gun barrels, handles, muffler tubes, posts and poles, and vacuum cleaner parts. The products in this category are frequently cold-drawn to improve the smoothness of the material.

Structure pipe and tubing

Structure pipe and tubing are used for framing and support members for construction or load-bearing purposes in the construction, shipbuilding, trucking, farm equipment, and related industries.

Oil country tubular goods

Oil country tubular goods are steel pipes and tubes used in the drilling of oil and gas wells and in conveying oil and gas to ground level. Included here are oil well drill pipe, oil well casing, and oil well tubing. These pipes and tubes are frequently further processed by an upsetting operation in which the ends are flared. There is no known production of welded oil well drill pipe; oil well casing and tubing may be welded or seamless.

Line pipes

Line pipes are used for the transportation of gas, oil, or water, generally in pipeline or utility distribution systems.

The pipes and tubes in all six AISI categories can be of either welded or seamless construction and can be produced from various grades of steel. In addition, many are suitable for multiple applications. There may be little or no inherent differences between a number of tubular steel products. For example, mechanical tubing which has been tested and warranted to withstand high pressures would be considered pressure tubing, while the same material not tested or warranted would be considered mechanical tubing. Similar problems exist in distinguishing standard pipe from structural pipe and tubing. In many applications, a pipe can be either welded or seamless and meet the required specifications; the end user would probably select the pipe which is least expensive. In selecting a grade of steel, an end user frequently has the option of choosing between a longer lasting and more expensive high-alloy product and a shorter lived and less expensive low-alloy product. The end user's choice is likely to be determined by a combination of initial cost considerations and the ease with which a worn pipe or tube can be replaced.

Steel pipes and tubes are generally produced according to standards and specifications published by a number of organizations, including the American Society for Testing & Materials (ASTM); the American Society of Mechanical Engineers; and the American Petroleum Institute (API). Comparable organizations in Japan, West Germany, the United Kingdom, the U.S.S.R., and other countries have also developed standard specifications for steel pipes and tubes.

The imported pipe and tube product lines which are alleged to receive bounties or grants are welded carbon steel pipes and tubes. They are further distinguished by the petitioner by end uses, sizes, and cross section, as follows:

1. Small-diameter pipes and tubes.--Welded carbon steel pipes and tubes of circular cross section 0.375 inch to 16 inches in outside diameter (with walls not thinner than 0.065 inch) for use as standard, structural, and line pipe.

2. Large-diameter pipes and tubes.--Welded carbon steel pipes and tubes of circular cross section over 16 inches in outside diameter (with walls not thinner than 0.065 inch) for use as standard and line pipe.

The pipes and tubes which the petitioner alleges are receiving bounties or grants, as differentiated by end uses, by sizes, and by countries of origin, are presented in the following tabulation:

Diameter	:	Standard	:	Structural	:	Line
Small 1/-----	:	X	:	X	:	X
Large 2/-----	:	X	:		:	X

1/ Brazil, Italy, and Korea.

2/ France, Italy, and West Germany.

Welded steel pipes and tubes are made by forming flat-rolled steel--sheet, strip, or plate--into a tubular configuration and welding along the joint axis. There are various ways to weld pipes and tubes. The most popular are the butt weld (continuous weld), the electric-resistance weld, the submerged-arc weld, and the spiral weld.

In the continuous-weld process, skelp, a coiled flat steel product, is heated and formed into a cylinder. The heat in this process, in combination with the pressure created by the rolls, forms the weld. U.S. Steel's continuous-weld mills can produce pipes and tubes between 0.405 inches and 4-1/2 inches in outside diameter.

In the electric-resistance-weld process, hot-rolled band, another coiled flat steel product, is cold-formed into a cylinder. The weld is made when an electric current heats the edges to approximately 2,600 degrees Fahrenheit. Pressure exerted by the rolls squeezes the hot edges together to form the weld. Using this process, U.S. Steel can produce pipes and tubes which have outside diameters ranging from 4-1/2 inches to * * * inches.

In the submerged-arc-weld process, a steel plate is cold-formed into a cylinder, the edges of which are beveled and form a V-notch when brought together. The edges are welded as the notch is filled with molten metal from a welding rod. The seam on the inside is also welded. The pipe is turned upside down and a welding apparatus inserted inside. Pipes and tubes made by U.S. Steel using the submerged-arc-weld process are between 20 inches and 48 inches in outside diameter.

In the spiral-weld process, coiled steel strip, plate, or sheet is spiraled into a cylinder. This process enables pipes and tubes of very large diameter to be made from standard flat steel products. Outside diameters of 48 inches or more are common.

According to * * *, one type of weld may be cheaper to produce than another type of weld depending on the dimensions of the pipe. However, company officials report that no matter which type of welding process is used, the resultant pipe or tube is the same. The small pipes and tubes under investigation are generally produced by continuous welding or electric-resistance welding. The machinery used to produce the small-diameter pipes and tubes under investigation can also be used to produce pressure pipes and tubes, oil country tubing, and mechanical tubing, and some large-diameter welded carbon steel pipes and tubes. The pressure, mechanical, and oil country pipes and tubes, however, are generally produced to more stringent standards, require more testing, and are frequently subjected to additional operations (e.g., cold-drawing, annealings, tempering, upsetting, pickling, and threading) before being sold.

The large-diameter pipes and tubes under investigation are generally produced by submerged-arc welding and spiral welding. The machinery used to produce large-diameter pipes and tubes is generally used to produce only those types of pipes and tubes which are the subject of this investigation, i.e., standard and line pipe.

U.S. Tariff Treatment

Imports of the welded carbon steel pipes and tubes under investigation are classifiable under item 610.32 of the TSUS, which covers welded pipes and tubes (and blanks therefor) of iron (except cast iron) or nonalloy (carbon) steel and of circular cross section, with walls not thinner than 0.065 inch and having a diameter of 0.375 inch or more. 1/ During the Tokyo round of trade negotiations (MFN), the most-favored-nation (MFN) (col. 1) 2/ rate of duty for this item was changed from 0.3 cents per pound to 1.9 percent ad valorem, effective January 1, 1982. This MFN rate of duty is the final staged rate negotiated in the Tokyo round. The column 2 rate 3/ of duty is 5.5 percent ad valorem. The pipes and tubes classifiable under item 610.32 are not eligible articles for purposes of duty-free treatment under the

1/ The small-diameter pipes and tubes under investigation enter under items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 610.3244, and 610.3247 of the Tariff Schedules of the United States Annotated (TSUSA); the large-diameter pipes and tubes enter under items 610.3211 and 610.3251.

2/ Col. 1 rates of duty are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

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

Generalized System of Preferences (GSP), 1/ and imports from least developed developing countries (LDDC's) are not granted preferential rates. 2/

The Alleged Bounties or Grants

According to the petitioner, the Governments of Brazil, Italy, and Korea subsidize the export of small-diameter steel pipes and tubes, and the Governments of France, Italy, and West Germany subsidize the export of large-diameter steel pipes and tubes. The alleged bounties or grants, as presented in the U.S. Steel petitions, are shown in table 1.

Table 1.--Margins of alleged bounties or grants bestowed upon the export of certain welded carbon steel pipes and tubes, by types and by countries, 1/ 1981

Type and country	Margin of bounty or grant
	<u>Percent</u>
Small-diameter:	
Brazil-----	43
Italy-----	21
South Korea-----	38-40
Large-diameter:	
France-----	21
Italy-----	13
West Germany-----	11

1/ The small-diameter and large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of the report.

Source: Petitions of U.S. Steel.

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

2/ The preferential rates of duty in the "LDDC" column reflect the full U.S. MTN concession rates implemented without staging for particular items which are the products of LDDC's enumerated in general headnote 3(d) of the TSUS. If no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty in col. 1 applies.

The U.S. Market

U.S. demand for all steel pipes and tubes (both welded and seamless) increased dramatically during 1979-81, with U.S. consumption exceeding 16 million tons in 1981, or 58 percent more than consumption in 1979. This increase in demand can be attributed in large part to the increase in demand for oil country tubular goods. U.S. demand for welded steel pipes and tubes increased by 2.1 million tons (35 percent) during 1979-81, as shown in the following tabulation (in millions of tons):

Year	:	Seamless	:	Welded	:	Total
1979-----	:	4.4	:	6.0	:	10.4
1980-----	:	5.8	:	6.6	:	12.4
1981-----	:	8.3	:	8.1	:	16.4

Toward the end of 1981 and at the beginning of 1982, the price of oil and gas did not increase as anticipated. As a consequence, the number of new oil-drilling projects decreased, as did the demand for oil country tubular goods. It is anticipated that U.S. consumption of steel pipes and tubes in 1982 will be well below the record level attained in 1981. U.S. consumption of the pipes and tubes under investigation accounted for more than 75 percent of the consumption of all welded steel pipes and tubes in 1981.

Small-diameter pipes and tubes

According to U.S. Steel, *** percent of the small-diameter welded carbon steel pipes and tubes it produces are sold to steel service centers, which warehouse the product throughout the United States. Approximately *** percent of its sales of the small-diameter product are made directly to end users.

U.S. consumption of small-diameter welded carbon steel pipes and tubes increased from 3.6 million tons in 1979 to 3.9 million tons in 1980 and to 4.5 million tons in 1981, or by 26 percent in 2 years (table 2). U.S. consumption decreased by 17.0 percent in January-March 1982 compared with the level attained in the corresponding period of 1981.

Large-diameter pipes and tubes

According to U.S. Steel, more than *** percent of the large-diameter pipes and tubes consumed in the United States are sold directly to pipeline contractors and less than *** percent are sold to steel service centers. U.S. demand for large-diameter welded carbon steel pipes and tubes nearly doubled from 1979 to 1981, rising from 919,000 tons to 1.8 million tons. It decreased by 5 percent in January-March 1982 compared with the level of demand in the corresponding period of 1981. According to a survey conducted by ICF Inc., an

Table 2.--Certain welded carbon steel pipes and tubes: 1/ U.S. consumption, by specified types, 1979-81, January-March 1981, and January-March 1982

(In thousands of short tons)

Type and period	: U.S. producers': : domestic : shipments 2/	: Imports	: Consumption
Small-diameter:	:	:	:
1979-----	2,257	3/ 1,323	3,580
1980-----	2,429	3/ 1,494	3,923
1981-----	2,533	3/ 1,967	4,500
January-March--	:	:	:
1981-----	674	3/ 406	1,080
1982-----	499	397	896
Large-diameter:	:	:	:
1979-----	514	405	919
1980-----	648	340	988
1981-----	1,078	717	1,795
January-March--	:	:	:
1981-----	213	165	378
1982-----	168	190	358

1/ The small-diameter and large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ Understated to the extent that all firms did not respond to the Commission's questionnaires.

3/ May be overstated to the extent that such data include some imports of pipes and tubes which are not the subject of these investigations.

Source: U.S. producers' shipments, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

economic consulting firm representing a West German producer, U.S. consumption of large-diameter pipes and tubes is likely to equal or exceed 1.2 million tons in 1982.

U.S. Producers

Welded carbon steel pipes and tubes are produced by 136 firms in the United States. Data on the small-diameter pipes and tubes which are the subject of these investigations were provided by 38 firms, and data on the large-diameter pipes and tubes were provided by 8. Most of the rest of the manufacturers of welded carbon steel pipes and tubes are small concerns which make other types of pipes and tubes. It is believed that the producers mentioned above accounted for the bulk of the pipes and tubes under investigation.

There are two types of welded steel pipe and tube producers---large, integrated producers and small, nonintegrated producers. In general, the integrated producers make their own steel, roll their own sheet, plate, skelp, and strip, and produce the high-volume, low-cost pipes and tubes. The nonintegrated producers buy the sheet, skelp, plate, and strip on the open market and specialize in the production of the low-volume, more specialized pipes and tubes.

The seven largest U.S. producers of the small-diameter pipes and tubes in 1981, as compiled from questionnaires of the U.S. International Trade Commission, are shown in the following tabulation:

<u>Firm</u>	<u>Percentage distribution of shipments</u>
Bethlehem Steel Corp-----	***
Jones & Laughlin Steel, Inc-----	***
Kaiser Steel Corp-----	***
Laclede Steel Co-----	***
Republic Steel Corp-----	***
U.S. Steel Corp-----	***
Wheatland Tube Co-----	***
Subtotal-----	75
Other firms-----	25
Total-----	100

The names of the U.S. firms producing the large-diameter pipes and tubes and their share of shipments in 1981, as compiled from questionnaire responses, are shown in the following tabulation:

<u>Firm</u>	<u>Percentage distribution of shipments</u>
American Cast Iron Pipe Co-----	***
Armco Inc-----	***
Berg Steel Pipe Co-----	***
Bethlehem Steel Corp-----	***
L. B. Foster Co-----	***
Kaiser Steel Corp-----	***
Stupp Corp-----	***
U.S. Steel Corp-----	***
Total-----	100

The Foreign Producers

Brazil

According to the Brazilian Association of Tubes & Metal Accessories Industries there are * * * significant manufacturers of welded steel pipes and tubes in Brazil. Only * * * of these firms export welded steel pipes and tubes to the United States: * * * and Persico-Pizzamiglio, S.A. The last-named firm accounts for more than 85 percent of exports of small-diameter pipes and tubes to the United States.

According to the association, Brazil has a yearly capacity to produce * * * tons of all welded steel pipes and tubes. Persico-Pizzamiglio is running its welded pipe and tube facilities at nearly * * * percent of capacity. According to the association, neither this firm nor any other Brazilian manufacturer of welded steel pipes and tubes has * * *.

Between * * * percent of Brazil's production of welded pipes and tubes is for domestic Brazilian consumption. Of the * * * percent of production which is commonly exported, about * * * goes to the United States.

Italy

The Commission has not obtained information concerning Italy's production, production capacity, and exports of the specific pipes and tubes under investigation.

Korea

There are five producers of small-diameter welded carbon steel pipes and tubes in Korea. These firms are Hyundai Pipe Co., Ltd.; Ilssin Steel Co., Ltd.; Korea Steel Pipe Co., Ltd.; Pusan Steel Pipe Co., Ltd.; and Union Steel Mfg. Co., Ltd. According to the U.S. Embassy in Seoul, Ilssin filed for bankruptcy early in May 1982 as a result of its involvement in a "financial scandal." According to the Embassy, it "will be reorganized and undoubtedly will continue to produce steel products." This company, the largest producer of small-diameter pipes and tubes in Korea, accounted for *** percent of total Korean capacity in 1981.

Data on Korean production capacity, production, and exports of small-diameter welded pipes and tubes are not available on a product-line basis. The data presented below are for all Korean welded tubular steel products, including mechanical pipes and tubes and oil country tubular goods. Most of the welded pipes and tubes produced in Korea are less than 16 inches in outside diameter.

Korean capacity to produce welded pipes and tubes increased from 2.3 million tons in 1979 to 2.6 million in 1981, or by 13 percent (table 3).

France

According to information received from the U.S. Embassy in Paris, there are three producers of large-diameter pipes and tubes in France: Vallourec, Pont a Mousson S.A., and Profiles and Tubes de L'Esy. These firms' capacity to produce large-diameter pipes and tubes increased by 7 percent from 777,000 tons in 1979 to 832,000 tons in 1981 (table 4). According to the Embassy--

The useful capacity indicated in tons may vary within a large range depending on the line of manufactured tubes during the analyzed period. The capacity indicated above takes into account the average sampling of tubes manufactured in French plants to respond to the needs of accessible segments of the world market.

Table 4.--Large-diameter welded carbon steel pipes and tubes: French production capacity, production, capacity utilization, and exports, 1979-81

Item	1979	1980	1981
Production capacity-----1,000 short tons--	777.1	777.1	832.2
Production-----do-----	650.1	681.2	625.9
Capacity utilization-----percent--	83.7	87.7	75.2
Exports to--			
United States-----1,000 short tons--	0	0.2	83.6
European Community-----do-----	132.5	39.5	75.4
Other countries-----do-----	399.7	494.6	352.0
Total-----do-----	532.2	534.3	511.0
Exports to the United States as a share of--			
Production-----percent--	-	1/	13
Total exports-----do-----	-	1/	16

1/ Less than 0.05 percent.

Source: Compiled from data submitted by the U.S. Embassy in Paris.

French production of large-diameter pipes and tubes increased from 650,000 tons in 1979 to 681,000 tons in 1980. Production decreased to 626,000 tons in 1981, when it was 3.7 percent less than production in 1979. Utilization of productive capacity in France increased from 84 percent in 1979 to 88 percent in 1980, and then decreased to 75 percent in 1981 as production decreased and capacity increased. More than 80 percent of French production of large-diameter pipes and tubes entered the export market in 1981. Exports to the United States accounted for less than 0.05 percent of French production in 1980, and accounted for 13 percent in 1981.

Table 3.--Welded carbon steel pipes and tubes: Korean production capacity, production, capacity utilization, and exports, 1979-81 and projected 1982 ^{1/}

Item	1979	1980	1981	1982
Production capacity-1,000 short tons--	2,307	2,485	2,618	3,086
Production-----do-----	1,208	1,237	1,570	1,874
Capacity utilization-----percent--	52	50	60	61
Exports to--				
United States-----1,000 short tons--	390	584	859	838
Other countries-----do-----	154	250	236	2/
Total-----do-----	545	834	1,095	2/
Exports to the United States as a share of--				
Production-----percent--	32	47	55	45
Total exports-----do-----	72	70	78	-

^{1/} Includes standard, line, and mechanical welded steel pipes and tubes, and oil country tubular goods.

^{2/} Not available.

Source: Compiled from data submitted by the U.S. Embassy in Seoul.

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

Korean production increased from 1.2 million tons in 1979 to 1.6 million tons in 1981, or by 30 percent. Utilization of productive capacity increased from 52 percent in 1979 to 60 percent in 1981. The United States is the largest market for welded pipes and tubes produced in Korea; exports to the United States accounted for 32 percent of Korean production in 1979, 47 percent in 1980, and 55 percent in 1981.

The Government of Korea has imposed an export restraint program for steel pipes and tubes less than 8 inches in outside diameter. The 1982 export ceiling set by the Ministry of Commerce and Trade is 90 percent of total exports of such pipes and tubes to the United States in 1981. According to the U.S. Embassy in Seoul, the projections for 1982--

will undoubtedly be adjusted downward for the following reasons. The projected capacity expansion for 1982 is approximately 450,000 m/t for two firms, Hyundai Pipe and Pusan Steel Pipe. This new capacity is scheduled to be completed in July (for Hyundai) and in October (for Pusan). However, the actual increase is uncertain at this moment because (1) of Ilssin's bankruptcy and (2) the restraint measures for export.

West Germany

According to information supplied by the U.S. counsel in Dusseldorf, West Germany, four firms manufacture large-diameter pipes and tubes in West Germany: Mannesmannroehren-werke AG, Estel Rohr AG, Stahlwerke Peine-Salzgitter AG, and Bergrohr GmbH. Mannesmann and Estel Rohr account for 75 percent of West Germany's large-diameter pipe and tube production.

Production of large-diameter pipes and tubes in West Germany decreased from 1.6 million tons in 1979 to 1.4 million tons in 1980 before increasing to 1.8 million tons in 1981, for an overall increase of 7.5 percent (table 5). While data on West Germany's capacity to produce large-diameter pipes and tubes are not available, the consul in Dusseldorf states that--

existing capacities are far in excess of current production and that capacity expansions are therefore not envisaged. It has also been pointed out that the linear capacity of a given large-diameter pipe mill may vary by nearly 50 p.c., depending on the wall thickness of the pipe produced.

Exports of large-diameter pipes and tubes to the United States accounted for 0.6 percent, 0.1 percent, and 2.1 percent of West German production in 1979, 1980, and 1981, respectively.

Table 5.--Large-diameter welded steel pipes and tubes: West German production and exports, 1979-81

Item	:	1979	:	1980	:	1981
Production-----1,000 tons--	:	1,636	:	1,418	:	1,759
Exports to--	:		:		:	
United States-----1,000 tons--	:	10	:	2	:	37
European Community-----do----	:	151	:	224	:	262
Other countries-----do----	:	1,303	:	983	:	1,187
Total-----do----	:	1,464	:	1,209	:	1,487
Exports to the United States as a share of--	:		:		:	
Production -----percent--	:	0.6	:	0.1	:	2.1
Total exports-----do----	:	0.7	:	0.2	:	2.5

Source: Compiled from data submitted by the U.S. counsel in Dusseldorf, West Germany.

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

U.S. Importers

There are dozens of firms which import welded steel pipes and tubes into the United States. In general, two types of concerns--independent trading companies and U.S. subsidiaries of foreign producers--import welded carbon steel pipes and tubes. Importers of the small-diameter pipes and tubes frequently act as distributors, warehousing the product and filling orders from inventory. Importers of the large-diameter product generally submit bids for the sale of the product to pipeline contractors, and thus do not place orders with the foreign producers until they have won a particular bid.

The Question of Material Injury

To obtain information for this section of the report, the Commission sent questionnaires to all 136 known U.S. producers of welded carbon steel pipes and tubes. Of the respondents, 38 provided usable information on the small-diameter pipes and tubes and 8 provided information on the large-diameter pipes and tubes which are the subject of these investigations. Not all the respondents were able to complete all sections of the questionnaire.

The small-diameter and large-diameter pipes and tubes which are the subject of these investigations are frequently produced in mills which also produce other types of welded carbon steel pipes and tubes. As a result, some questionnaire respondents were not able to break out data by product lines. In some instances, respondents provided the Commission with data estimated by a variety of methods.

Production capacity

Data on U.S. capacity to produce the welded carbon pipes and tubes under investigation should be used with caution. Producers indicated that production can shift from one product line to another if the demand so warrants. Thus, capacity data, as reported by questionnaire respondents, are based upon optimum product mixes. Some producers, including * * * and * * *, were unable to provide data on their capacity to produce the specific small-diameter pipes and tubes under investigation. These firms provided data on the capacity to produce all types of welded carbon steel pipes and tubes produced in their continuous-weld and electric-resistance-weld mills.

* * *. The data on U.S. producers' capacity are presented on operating bases of both 10 shifts and 15 shifts a week.

U.S. capacity to produce small-diameter pipes and tubes on a 15-shifts-a-week basis decreased from 1.9 million tons in 1979 to 1.8 million tons in 1980 and then increased to 2.0 million tons in 1981 (table 6). Utilization of such capacity increased from 61 percent in 1979 to 68 percent in 1981 and then fell to 59 percent in January-March 1982.

Table 6.--Certain welded carbon steel pipes and tubes: 1/ U.S. production, capacity, and capacity utilization, by specified types, 1979-81, January-March 1981, and January-March 1982

Type and period	Production <u>2/</u>	Capacity		Capacity utilization	
		10-shift	15-shift	10-shift	15-shift
		basis	basis	basis	basis
		1,000 short tons		Percent	
Small-diameter: <u>3/</u>					
1979-----	1,156	1,256	1,884	92	61
1980-----	1,187	1,177	1,776	101	67
1981-----	1,350	1,332	1,998	101	68
January-March--					
1981-----	338	295	443	115	76
1982-----	312	353	530	88	59
Large-diameter: <u>4/</u>					
1979-----	***	***	***	***	***
1980-----	450	794	1,191	57	38
1981-----	806	841	1,262	96	64
January-March--					
1981-----	183	207	311	88	59
1982-----	185	214	321	86	58

1/ The small-diameter and large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of the report.

2/ Includes data for only those firms which provided information on capacity.

3/ Data from 12 firms, accounting for 66 percent of U.S. producers' shipments in 1981.

4/ Data from 4 firms, accounting for 74 percent of U.S. producers' shipments in 1981.

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

U.S. capacity to produce large-diameter pipes and tubes on a 10-shift a week basis * * * from * * * tons in 1979 to 841,000 tons in 1981, or by * * * percent. Utilization of U.S. capacity to produce large-diameter pipes and tubes on a 10-shift-a-week basis * * * to 96 percent in 1981. Capacity utilization in January-March 1982 was only slightly below the level attained during the corresponding period of 1981. Industry sources indicate that capacity utilization has fallen since March 1982.

U.S. producers stated that demand for large-diameter pipes and tubes is very cyclical: a sudden surge in demand can be followed by an equally sudden drop in demand. Thus, several large-diameter pipe mills may run at full capacity for a couple of months to fill a large order and then be closed completely because of a lack of orders.

Production

Small-diameter pipes and tubes.--U.S. production of small-diameter welded carbon steel pipes and tubes as reported by 15 firms, accounting for 87 percent of shipments in 1981, increased from 2.0 million tons in 1979 to 2.3 million tons in 1981, or by 14 percent. Production decreased by 29 percent in January-March 1982 from the level reported in the corresponding period of 1981, as shown in the following tabulation (in thousands of short tons):

Period	Small-diameter	Large-diameter
1979-----	2,002	***
1980-----	2,179	450
1981-----	2,290	806
January-March--		
1981-----	600	183
1982-----	425	185

Large-diameter pipes and tubes.--U.S. production of large-diameter welded carbon steel pipes and tubes as reported by four firms, accounting for 74 percent of shipments in 1981, increased from * * * tons in 1979 to 806,000 tons in 1981, or by * * * percent. Production remained at the same level in January-March 1982 as was attained in January-March 1981.

U.S. producers' shipments

Small-diameter pipes and tubes.--Information on shipments of small-diameter welded carbon steel pipes and tubes was provided by 38 producers. Shipments by these firms increased from 2.3 million tons in 1979 to 2.5 million tons in 1981, or by 11 percent (table 7). Shipments decreased by 26 percent in January-March 1982 compared with shipments in the corresponding period of 1981. Export shipments and intracompany transfers accounted for only a small portion of total shipments of small-diameter pipes and tubes.

Large-diameter pipes and tubes.--U.S. producers' shipments of large-diameter welded carbon steel pipes and tubes as reported by eight firms increased by 77 percent from 611,000 tons in 1979 to 1.1 million tons in 1981 (table 7). Shipments in January-March 1982 were 19 percent below the level attained during January-March 1981. Except in 1979, when exports of * * * tons were reported by * * *, exports of large-diameter pipes and tubes accounted for a small share of total shipments.

Table 7.--Certain welded carbon steel pipes and tubes: 1/ U.S. producers' shipments, by specified types, 1979-81, January-March 1981, and January-March 1982

(In thousands of short tons)				
Type and period	: Domestic	: Export	:	Total
	: shipments 2/	: shipments	:	
Small-diameter:	:	:	:	
1979-----	2,257	29	:	2,286
1980-----	2,429	27	:	2,456
1981-----	2,533	6	:	2,539
January-March--	:	:	:	
1981-----	674	1	:	675
1982-----	499	1	:	500
Large-diameter:	:	:	:	
1979-----	514	97	:	611
1980-----	648	9	:	657
1981-----	1,078	3	:	1,081
January-March--	:	:	:	
1981-----	213	1	:	214
1982-----	168	5	:	173
	:	:	:	

1/ The small-diameter and large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ Includes intracompany transfers.

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

Inventories

Small-diameter pipes and tubes.--U.S. producers' inventories of small-diameter pipes and tubes increased from 260,000 tons in 1979 to 291,000 tons in 1981 (table 8). As a share of shipments, inventories decreased from 12.5 percent in 1979 to 10.9 percent in 1980 and then increased to 12.8 percent in 1981. As a share of annualized shipments, inventories increased from 10.5 percent in January-March 1981 to 16.0 percent in January-March 1982.

Table 8.--Certain welded carbon steel pipes and tubes: 1/ U.S. producers' inventories 2/ and shipments, by specified types, 1979-81, January-March 1981, and January-March 1982

Type and period	Inventories	Shipments 3/	Ratio of inventories to shipments
	-----1,000 short tons-----		Percent
Small-diameter:			
1979-----	260	2,086	12.5
1980-----	244	2,240	10.9
1981-----	291	2,272	12.8
January-March--			
1981-----	254	607	4/ 10.5
1982-----	284	444	4/ 16.0
Large-diameter:			
1979-----	***	***	***
1980-----	***	***	***
1981-----	30	796	3.8
January-March--			
1981-----	27	171	4/ 3.9
1982-----	89	125	4/ 17.8

1/ The small-diameter and large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ May be overstated to the extent that firms reported work in progress as inventory.

3/ Includes data for only those firms which provided information on inventories.

4/ Based on annualized shipments.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by 14 firms' accounting for 85 percent of U.S. producers' shipments of small-diameter pipes and tubes in 1981, and 4 firms, accounting for 74 percent of U.S. producers' shipments of large-diameter pipes and tubes in 1981.

Large-diameter pipes and tubes.--U.S. producers' inventories of large-diameter pipes and tubes * * * from * * * percent of shipments in 1979 to 3.8 percent in 1981 (table 8). In January-March 1982 this ratio (on the basis of annualized shipments) increased to 17.8 percent. U.S. producers' inventories of large-diameter pipes and tubes consist mostly of production overruns or orders completed and not yet shipped.

Employment

Employment data, as reported by questionnaire respondents, reflect estimates of the actual number of production and related workers engaged in the production of the specified pipes and tubes. The responding firms estimated the number of workers using methods of allocation--generally based on hours worked or on estimated labor costs--which do not necessarily reflect the total number of workers actually engaged in the production of the specified pipes and tubes over the course of a given year. The data on employment received by the Commission are presented in table 9.

Small-diameter pipes and tubes.--The number of production and related workers engaged in the production of small-diameter pipes and tubes increased from 8,116 in 1979 to 9,228 in 1981, or by 14 percent. The number of such workers decreased to 7,399, or by 20 percent, in January-March 1982. The hours worked by such workers followed a similar trend, increasing in 1979-81 and decreasing in January-March 1982. Total compensation (wages plus fringe benefits) received by such workers increased from \$15.19 per hour in 1979 to \$19.85 per hour in January-March 1982, or by 31 percent.

Large-diameter pipes and tubes.--The number of production and related workers engaged in the production of large-diameter welded carbon steel pipes and tubes increased from 1,389 in 1979 to 2,275 in 1981, or by 64 percent. The number of workers in January-March 1982 decreased by 23 percent compared with the number of workers employed in the corresponding period of 1981. Their total compensation increased from \$14.60 per hour in 1979 to \$17.01 per hour in January-March 1982, or by 16.5 percent.

Financial experience of U.S. producers

Profit-and-loss data as reported by U.S. producers on their operations on the pipes and tubes under investigation are presented in table 10. Several producers manufacture other products in their establishments in which the pipes and tubes under investigation are produced. With the exception of the submerged-arc-weld and spiral-weld mills, most of the machinery and equipment in these establishments are used in the production of more than one product. In addition, producers do not generally keep separate profit-and-loss data on each product line. Depending on the cost accounting system employed, costs are either directly charged to a product line or allocated.

The basis for allocating each of the costs and expenses to each product varied from producer to producer. Any method of allocation is inherently arbitrary. Hence, the profit-and-loss data developed here are limited in their use as a measure of profitability. However, if each producer was consistent from year to year in its use of its respective allocation base (and there is no evidence to the contrary), the data presented in this section should reflect a reasonable profit trend for each product line.

Table 9.--Average number of production and related workers engaged in the manufacture of certain welded carbon steel pipes and tubes, 1/ hours worked by such workers, wages paid, and total compensation, by specified types, 1979-81, January-March 1981, and January-March 1982

Type and period	Number of: workers	Hours : worked	Wages : paid	Total compensation 2/
		Thou- sands	Per hour	Per hour
Small-diameter:				
1979-----	8,116	16,255	\$11.65	\$15.19
1980-----	8,881	17,132	12.94	17.31
1981-----	9,228	17,458	14.22	18.97
January-March--				
1981-----	9,288	4,602	13.75	18.24
1982-----	7,399	3,438	14.52	19.85
Large-diameter:				
1979-----	1,389	2,840	11.57	14.60
1980-----	1,455	2,846	13.03	16.53
1981-----	2,275	4,645	13.49	17.12
January-March--				
1981-----	1,922	971	13.34	16.87
1982-----	1,473	781	13.35	17.01

1/ The small-diameter and large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ Wages plus fringe benefits.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by 14 firms, accounting for 85 percent of U.S. producers' shipments of small-diameter pipes and tubes in 1981, and 4 firms, accounting for 74 percent of U.S. producers' shipments of large-diameter pipes and tubes in 1981.

Twenty-three producers, accounting for 87 percent of total U.S. producers' shipments in 1981, reported profit-and-loss data on their operations on small-diameter welded carbon steel pipes and tubes. Total net sales reported by these firms increased from \$1.01 billion in 1979 to \$1.3 billion in 1981, or by 32 percent (table 10). The net operating margin decreased from a profit of \$6 million in 1979 to a loss of \$13 million in 1980 and then increased to a profit of \$40 million in 1981. The ratio of net operating profit to net sales amounted to 0.6 percent in 1979 and 3.0 percent in 1981; the ratio of net operating loss to sales was 1.1 percent in 1980.

Table 10.--Profit-and-loss experience of U.S. producers on their operations on certain welded carbon steel pipes and tubes, 1/ by specified types, 1979-81

Type and year	Total 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		Number of firms reporting a loss
			Million dollars			Percent		
Small-diameter:								
1979-----	1,014	966	47	42	6	0.6		5
1980-----	1,164	1,130	34	47	(13)	(1.1)		7
1981-----	1,335	1,245	90	50	40	3.0		8
Large-diameter:								
1979-----	***	***	***	***	***	***		***
1980-----	***	***	***	***	***	***		***
1981-----	***	***	***	***	***	***		***

1/ The small-diameter and large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by 23 firms, accounting for 87 percent of U.S.-producers' shipments of small-diameter pipes and tubes in 1981, and 2 firms, accounting for * * * percent of U.S. producers' shipments of large-diameter pipes and tubes in 1981.

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

Two firms, accounting for * * * percent of U.S. producers' shipments of large-diameter welded carbon steel pipes and tubes, provided the Commission with data on their profit-and-loss experience. These firms' sales * * *.

U.S. producers' profitability on the small diameter and large-diameter pipes and tubes under investigation was lower in January-March 1982 than in the corresponding period of 1981 on the basis of conference testimony. This decrease can be attributed to declining prices and shipments.

Research and development
and capital expenditures

Only nine U.S. producers of small-diameter welded carbon steel pipes and tubes reported data on research and development and capital expenditures. These firms, which accounted for 43 percent of shipments in 1981, reported * * * in research and development expenses and \$16.2 million in capital expenditures during 1979-81 (table 11). Two producers of large-diameter pipes and tubes, accounting for * * * percent of U.S. producers' shipments in 1981, reported * * * in research and development expenditures and * * * in capital expenditures during 1979-81.

Table 11.--Certain welded carbon steel pipes and tubes: 1/ U.S. producers' research and development and capital expenditures, by specified types, 1979-81

(In thousands of dollars)			
Type and year	Research and development:		Capital expenditures
	expenditures		
Small-diameter:	:	:	
1979-----	***	:	3,602
1980-----	***	:	5,906
1981-----	***	:	6,718
Large-diameter:	:	:	
1979-----	***	:	***
1980-----	***	:	***
1981-----	***	:	***

1/ The small-diameter and large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this reported.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by 9 firms, accounting for 43 percent of U.S. producers' shipments of small-diameter pipes and tubes in 1981, and 2 firms, accounting for *** percent of U.S. producers' shipments of large-diameter pipes and tubes in 1981.

Consideration of the Causal Relationship Between Allegedly
Subsidized Imports and the Alleged Injury

Imports

Small-diameter pipes and tubes.--Imports of the small-diameter pipes and tubes under investigation as well as imports of welded carbon steel mechanical pipes and tubes and welded carbon steel oil country tubular goods entered under the same TSUSA items in 1979-81. As a consequence, data on imports of small-diameter pipes and tubes as presented in this section of the report are overstated. Beginning on January 1, 1982, the bulk of the welded carbon steel pipes and tubes and welded carbon steel oil country tubular goods which conform to API specifications enter under separate TSUSA items. Importers have reported, however, that when TSUSA customs classifications are changed, it takes up to 6 months for customs brokers and agents to become familiar with the new classifications. In the meantime, some inadvertent misclassification of imports may occur.

U.S. imports of small-diameter pipes and tubes from all countries increased from 1.3 million tons in 1979 to 1.9 million tons in 1981, or by 43 percent (table 12). Imports decreased from 406,000 tons in January-March 1981 to 397,000 tons in January-March 1982, or by 2.2 percent. The principal sources of these imports in 1981 were Korea, Japan, and Canada, as shown in the following tabulation:

<u>Source</u>	<u>Percentage distribution of imports</u>
Korea-----	34
Japan-----	26
Canada-----	8
Taiwan-----	6
West Germany-----	5
Brazil-----	4
Italy-----	4
All other-----	13
Total-----	<u>100</u>

Table 12.--Small-diameter welded carbon steel pipes and tubes: 1/ U.S. imports for consumption, 2/ by principal sources, 1979-81, January-March 1981, and January-March 1982

Source	1979	1980	1981	January-March--	
				1981	1982
	Quantity (1,000 short tons)				
Korea-----	369	509	3/ 659	155	132
Italy-----	32	15	4/ 85	4	15
Brazil 5/-----	40	49	74	11	19
Subtotal-----	441	573	744	170	166
Japan-----	437	456	509	109	116
Canada-----	104	118	164	44	25
Taiwan-----	72	69	118	26	23
West Germany-----	6	28	91	13	21
Other countries-----	263	250	267	44	46
Total-----	1,323	1,494	1,967	406	397
	Value (million dollars)				
Korea-----	146	208	306	65	64
Italy-----	13	6	43	2	7
Brazil-----	13	17	37	5	10
Subtotal-----	173	231	386	72	81
Japan-----	180	203	264	52	62
Canada-----	45	58	86	22	14
Taiwan-----	28	29	57	12	12
West Germany-----	3	17	66	9	13
Other countries-----	94	100	127	21	22
Total-----	523	638	986	188	204

1/ The small-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ Data may be overstated to the extent that they include imports of types of pipes and tubes which are not the subject of these investigations.

3/ According to the Korea Iron & Steel Association, at least 100 thousand short tons of this amount imported under the TSUSA items for small-diameter pipes and tubes was oil country tubular goods.

4/ According to information derived from questionnaires of the U.S. International Trade Commission, 74 thousand short tons of this amount imported under the TSUSA items for small-diameter pipes and tubes was oil country tubular goods.

5/ If exports of oil country tubular goods by Persico-Pizzamiglio, S.A., and exports of secondary pipe by another firm, * * * were excluded from the imports which entered under the TSUSA items for small-diameter pipes and tubes, the following levels of imports from Brazil would be obtained: * * * tons in 1979 and 1980, * * * tons in 1981, and * * * tons in January-March 1982.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

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

Imports of small-diameter pipes and tubes from Korea increased from 369,000 tons in 1979 to 659,000 tons in 1981, or by 79 percent (table 12). Imports then decreased 15 percent from 155,000 tons in January-March 1981 to 132,000 tons in the corresponding period of 1982. As a share of U.S. consumption, such imports increased from 10.3 percent in 1979 to 14.6 percent in 1981 (table 13). This share was 14.4 percent in January-March 1981 and 14.7 percent in January-March 1982.

According to the Korea Iron & Steel Association, Korea began to export oil country tubular goods to the United States in 1981. At least 100,000 tons of such merchandise, according to the Association, was imported in 1981 under the TSUSA items for small-diameter pipes and tubes. Imports of this merchandise thus accounted for the bulk of the increase in imports from Korea between 1980 and 1981. If this quantity is excluded from the total tonnage imported, Korea's share of consumption in 1981 would be 12.7 percent.

Imports of small-diameter pipes and tubes from Italy decreased from 32,000 tons in 1979 to 15,000 tons in 1980. Siderius, Inc., which accounted for the bulk of U.S. imports of small-diameter pipes and tubes from Italy in 1979 and 1980, stated that it decided to stop importing line and standard pipes and tubes into the United States because it felt that the prices for these products were not high enough. The firm did not import any small-diameter pipes and tubes in 1981. In that year, responding to the increase in U.S. demand for oil country tubular goods, other firms began to import such merchandise into the United States from Italy. These imports enter under the TSUSA items which included small-diameter pipes and tubes. Total imports under these TSUSA items from Italy increased from 15,000 tons in 1980 to 85,000 tons in 1981. The Commission's staff contacted nine firms, which accounted for more than * * * percent of these imports from Italy in 1981; these importers advised that the bulk of their imports were oil country tubular goods. Only two importers stated that in 1981 they imported the types of small-diameter welded carbon steel pipes and tubes (line, standard, or structural) from Italy which are the subject of these investigations. On the basis of the information obtained from the importers, the Commission's staff estimates that total imports from Italy of the small-diameter pipes and tubes which are the subject of these investigations amounted to about 11,000 tons in 1981, 4,000 tons in January-March 1981, and 15,000 tons in January-March 1982. These imports accounted for 0.9 percent of U.S. consumption in 1979, 0.4 percent in 1980, 0.2 percent in 1981, and 1.7 percent in January-March 1982.

Persico-Pizzamiglio, S.A., accounts for more than * * * percent of Brazil's exports of small-diameter pipes and tubes from Brazil to the United States. According to the company, it exported the following quantities of oil country tubular goods into the United States (in short tons):

<u>Period</u>	<u>Quantity</u>
1979-----	***
1980-----	***
1981-----	***
1982 (January-March)-----	***

Table 13.--Small-diameter welded carbon steel pipes and tubes: 1/ Ratios of U.S. producers' shipments and imports from specified countries to consumption, 1979-81, January-March 1981, and January-March 1982

Period	(In percent)									
	U.S. producers'					Imports				
	shipments 2/	From Korea	From Italy	From Brazil 3/	Subtotal	From Japan	From other countries	Total		Total
1979-----	63.0	10.3	0.9	1.1	12.3	12.2	12.5	37.0		100.0
1980-----	61.9	13.0	.4	1.2	14.6	11.6	11.9	38.1		100.0
1981-----	4/ 56.3	4/ 14.6	5/ 1.9	1.6	18.2	11.3	14.2	43.7		100.0
January-March--										
1981-----	62.4	14.4	.4	1.0	15.7	10.1	11.8	37.6		100.0
1982-----	55.7	14.7	1.7	2.1	18.5	12.9	12.9	44.3		100.0

1/ The small-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ Data may be overstated to the extent that firms did not respond to the Commission's questionnaires and by the extent to which import data include imports of pipes and tubes which are not the subject of these investigations.

3/ If exports of oil country tubular goods and secondary pipe from Brazil, as reported by the Brazilian Association of Tubes & Metal Accessories Industries, are subtracted from the imports under the TSUSA items for small-diameter pipes and tubes, imports would account for * * * percent of U.S. consumption in 1979, * * * percent in 1980 and 1981, and * * * percent in January-March 1982.

4/ According to the Korea Iron & Steel Association, in 1981 at least 100,000 short tons of oil country tubular goods was imported under the TSUSA items for small-diameter pipes and tubes. If this quantity is excluded from the total tonnage imported under these items, Korea's share of the market would be 12.7 percent and the U.S. producers' share would be 57.6 percent.

5/ If the oil country tubular goods which were imported from Italy under the TSUSA items for the small diameter pipes and tubes which are the subject of these investigations are excluded, imports from Italy would account for 0.2 percent of U.S. consumption.

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

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

These oil country tubular goods entered under the same TSUSA items as the small-diameter pipes and tubes which are the subject of these investigations. In addition, during January-March 1982, another Brazilian firm, * * * which has not otherwise exported pipes and tubes to the United States, exported * * * tons of small-diameter pipes and tubes. These pipes and tubes had been in inventory for several years and were not certifiable as prime condition pipes. Excluding the oil country tubular goods and the secondary pipes from the total tonnage which entered under the TSUSA items, the following levels of imports from Brazil are obtained (in thousands of short tons):

<u>Period</u>	<u>Quantity</u>
1979-----	***
1980-----	***
1981-----	***
1982 (January-March)-----	***

Using these data, the ratio of imports from Brazil to U.S. consumption would be * * * percent in 1979, * * * percent in 1980 and 1981, and * * * percent in January-March 1982.

Large-diameter pipes and tubes.--In 1981, U.S. imports of large-diameter pipes and tubes were entered principally from Japan, Korea, and France, as shown in the following tabulation:

<u>Source</u>	<u>Percentage distribution of imports</u>
Japan-----	68.0
Italy-----	15.3
France-----	10.5
West Germany-----	2.3
All other-----	4.0
Total-----	100.0

Imports from all countries increased from 405,000 tons in 1979 to 717,000 tons in 1981, or by 77 percent (table 14). Imports increased from 165,000 tons in January-March 1981 to 190,000 tons in January-March 1982.

Imports of large-diameter welded carbon steel pipes and tubes from Italy decreased from 2,188 tons in 1979 to 57 tons in 1980 and then increased to 109,977 tons in 1981, when Italian large-diameter pipes and tubes were shipped for * * * pipeline projects. Imports decreased to 17 tons in January-March 1982. Imports from Italy accounted for 0.2 percent of U.S. consumption in 1979, less than 0.05 percent in 1980, 6.1 percent in 1981, and less than 0.05 percent in January-March 1982 (table 15).

Table 14.--Large-diameter welded carbon steel pipes and tubes: 1/ U.S. imports for consumption, by principal sources, 1979-81, January-March 1981, and January-March 1982

Source	1979	1980	1981	January-March	
				1981	1982
	Quantity (short tons)				
Italy-----	2,188	57	109,977	34,063	17
France-----	52	2,394	74,973	0	2,493
West Germany-----	10,312	1,237	16,461	1,332	8,115
Subtotal-----	12,552	3,688	201,411	35,395	10,625
Japan-----	273,126	291,477	487,489	117,108	160,406
All other-----	119,227	45,194	28,410	12,133	18,728
Total-----	404,905	340,359	717,310	164,636	189,759
	Value (1,000 dollars)				
Italy-----	839	25	58,837	18,671	26
France-----	35	988	45,190	-	1,357
West Germany-----	4,535	1,016	8,944	776	3,663
Subtotal-----	5,409	2,029	112,971	19,447	5,046
Japan-----	115,157	126,950	254,556	57,779	97,983
All other-----	55,245	20,406	15,187	6,868	7,366
Total-----	175,811	149,385	382,714	84,094	110,395

1/ The large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

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

Table 15.--Large-diameter welded carbon steel pipes and tubes: 1/ Ratios of U.S. producers' shipments and imports from specified countries to consumption, 1979-81, January-March 1981, and January-March 1982

Period	(In percent)									
	U.S. producers'					Imports				
	shipments 2/	From Italy	From France	From West Germany	Subtotal	From Japan	From other countries	Total		
1979-----	55.9	0.2	3/	1.1	1.4	29.7	13.0	44.1	100.0	
1980-----	65.6	3/	0.2	.1	.4	29.5	4.6	34.4	100.0	
1981-----	60.0	6.1	4.2	.9	11.2	27.2	1.6	40.0	100.0	
January-March--										
1981-----	56.3	9.0	-	.4	9.4	31.0	3.2	43.6	100.0	
1982-----	46.9	3/	.7	2.3	3.0	44.8	5.2	53.0	100.0	

1/ The large-diameter welded carbon steel pipes and tubes for which data are presented are defined in the description and uses section of this report.

2/ Data may be understated to the extent some firms did not respond to the Commission's questionnaires.

3/ Less than 0.05 percent.

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

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

Imports from West Germany decreased from 10,312 tons, or 1.1 percent of consumption, in 1979 to 1,237 tons, or 0.1 percent of consumption, in 1980, and to 16,461 tons, or 0.9 percent of consumption, in 1981. They continued to increase in January-March 1982, accounting for 2.3 percent of consumption during the period.

Imports from France increased from 52 tons in 1979 to 2,394 tons in 1980 and to 74,973 tons in 1981; in January-March 1982, such imports amounted to 2,493 tons. Imports from France accounted for 4.2 percent of U.S. consumption in 1981 and 0.7 percent in January-March 1982.

Aggregate imports of large-diameter welded carbon steel pipes and tubes from Italy, France, and West Germany decreased from 1.4 percent of consumption in 1979 to 0.4 percent in 1980. This share increased to 11.2 percent in 1981 before decreasing to 2.3 percent in January-March 1982. The U.S. producers' share of the market increased from 56 percent in 1979 to 66 percent in 1980 and decreased to 47 percent in January-March 1982.

Prices

Small-diameter pipes and tubes.--Small-diameter pipes and tubes are sold either to service centers/distributors or to end users. U.S. producers usually quote prices of these products on an f.o.b.-mill basis. ^{1/} Importers generally quote prices f.a.s. port of entry or f.o.b. warehouse. Prices consist of a base price for each product plus additional charges for extras such as differences in length, wall thickness, steel composition, and so forth. Prices can be changed by changing the base price, or changing the charges for extras, or both. According to the Bureau of Labor Statistics, domestic manufacturers increased their announced base prices for welded carbon steel pipes and tubes six times during January 1979-March 1982, with the most recent increases occurring in October-December 1981.

U.S. producers maintain list prices, but discounting from list prices has become more and more common. Discounting can take several forms, including absorbing freight, forgoing the cost of extras, or reducing the base price.

In its questionnaires the Commission requested that domestic producers and importers provide their average net selling prices to steel service centers/distributors for the four products specified below:

^{1/} Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, in which a producer supplying a customer located closer to a competing producer or importer charges the customer's account for freight costs as if the product were shipped from the closer competitor.

Product 1: ASTM-A120, standard pipe, carbon welded, 21 ft. uniform length, galvanized, threaded and coupled,
2-3/8" OD x .154" WT (st. wt.);

Product 2: ASTM-A120, standard pipe, carbon welded, 21 ft. uniform length, black, plain and beveled,
3-1/2" OD x .216" WT (st. wt.);

Product 3: API 5L and ASTM-A53, Grade B, line and standard pipe, carbon welded, black, plain and beveled, double random length,
6-5/8" OD x .280" WT;

Product 4: API 5L and ASTM-A53, Grade B, line and standard pipe, carbon welded, black, plain and beveled, double random length,
12-3/4" OD x .375" WT.

Domestic producers reported their weighted average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers reported their weighted average duty-paid prices, ex dock, port of entry, net of all discounts and allowances, excluding U.S. inland freight charges. The reported prices from both the producers and importers are average prices charged in many different transactions and do not include delivery charges. Although such data cannot be used to compare the levels of domestic producers' and importers' prices from the purchaser's viewpoint, the data are useful for comparing trends in these prices and should reflect any discounting that may have occurred.

Five U.S. producers reported data for products 1, 2, and 3, and four reported data for product 4. These data are shown in table 16. U.S. producers' prices for products 1 and 2 increased by 15 percent and 13 percent, respectively, during January 1979-March 1982. Domestic producers' prices for products 3 and 4 increased by 20 percent and 8 percent, respectively. Domestic producers' average net selling prices for three of the four products decreased in the first quarter of 1982.

Importers reported prices for small-diameter pipes and tubes imported from Brazil, Italy, and Korea. The data reported for Brazil and Italy are limited and do not allow for comparisons of trends with prices reported by domestic producers, ^{1/} as do the data reported for Korea. Six importers of the Korean product reported data for product 1, seven reported data for products 2 and 3, and four reported data for product 4.

The prices of products 1 and 2 imported from Korea increased 14 percent and 12 percent, respectively, or slightly less than those of the U.S.-made products during the period. In contrast, the prices of products 3 and 4 imported from Korea increased 28 percent and 11 percent, respectively. These increases were greater than those reported for the U.S.-made products.

^{1/} One importer of small-diameter pipes and tubes from Brazil reported prices for sales during one quarter for product 2 and for sales during two quarters for product 3 to service center/distributors. No data were received concerning importers' prices of the products from Italy to service center/distributors. A-31

Table 16.--Small-diameter welded carbon steel pipes and tubes: Ranges and weighted average net selling prices for sales of imports from Korea and sales of U.S.-produced products to service center/distributors, by types of products and by quarters, January 1980-March 1982

Product 1/ and period	Import price		U.S. producers' price	
	Range	Weighted average	Range	Weighted average
Product 1:				
1980:				
January-March-----	\$508-\$574	\$534	\$632-\$665	\$652
April-June-----	549- 622	562	638- 667	653
July-September-----	556- 591	565	629- 673	647
October-December-----	546- 578	559	634- 676	655
1981:				
January-March-----	577- 647	622	666- 736	706
April-June-----	585- 679	642	713- 780	747
July-September-----	647- 688	658	709- 780	745
October-December-----	593- 657	637	725- 821	770
1982: January-March----	506- 647	608	730- 790	752
Product 2:				
1980:				
January-March-----	382- 487	432	457- 501	485
April-June-----	428- 506	452	466- 505	487
July-September-----	419- 453	431	463- 502	484
October-December-----	425- 465	443	450- 503	483
1981:				
January-March-----	403- 500	467	492- 523	511
April-June-----	468- 525	499	518- 572	541
July-September-----	458- 548	517	526- 572	546
October-December-----	429- 534	512	517- 599	556
1982: January-March----	455- 497	482	539- 577	548
Product 3:				
1980:				
January-March-----	393- 431	429	459- 567	474
April-June-----	457- 465	458	488- 612	545
July-September-----	466- 494	477	541- 617	556
October-December-----	420- 476	453	503- 681	531
1981:				
January-March-----	519- 532	527	485- 680	529
April-June-----	498- 567	536	509- 758	582
July-September-----	549- 560	554	514- 791	583
October-December-----	545- 576	553	573- 791	658
1982: January-March----	540- 564	548	554- 679	658

See footnote at end of table.

Table 16.--Small-diameter welded carbon steel pipes and tubes: Ranges and weighted average net selling prices for sales of imports from Korea and sales of U.S.-produced products to service center/distributors, by types of products and by quarters, January 1980-March 1982--Continued

Product <u>1</u> / and period	Import price		U.S. producers' price	
	Range	Weighted average	Range	Weighted average
Product 4:				
1980:				
January-March-----	***	***	\$439-\$494	\$480
April-June-----	***	***	476- 587	485
July-September-----	***	***	500- 604	517
October-December-----	***	***	506- 540	523
1981:				
January-March-----	***	***	484- 613	537
April-June-----	510- 536	532	534- 670	548
July-September-----	***	***	466- 712	617
October-December-----	527- 549	528	558- 668	573
1982: January-March----	536- 541	539	493- 656	517

1/ See product specifications earlier in the price section.

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

The data on prices of the imported small-diameter pipes and tubes from Korea should be used cautiously. In some of the quarters, only one or two importers reported prices for the specific product. Thus, these data are limited in their use for measuring pricing trends of all Korean imports of small-diameter pipes and tubes. However, on the basis of these data, from information obtained from the conference, and from discussions with purchasers, it appears that imports of small-diameter pipes and tubes from Korea are underselling the domestic product.

The Commission asked purchasers in selected metropolitan areas to furnish their quarterly delivered prices for the products detailed in the preceding section during January 1981-March 1982. The six metropolitan areas were Atlanta, Chicago, Detroit, Houston, Los Angeles, and Philadelphia.

Of the six purchasers (service centers/distributors only) which responded to the questionnaire, no more than three gave price information for any of the four pipe and tube products manufactured domestically, and no more than one gave price information for any one of these products imported from Brazil or Korea. No price information was reported for any of the four products imported from Italy.

The best response was reported for purchases of steel pipes and tubes imported from Korea by service centers/distributors in Los Angeles (table 17). During January-March 1981 through January-March 1982, product 1 imported from

Table 17.--Small-diameter welded carbon steel pipes and tubes: Average net delivered purchase prices to service centers/distributors in the Los Angeles area for imports from Korea and for U.S.-produced products, and average margins of underselling, by types of product and by quarters, January 1981-March 1982

* * * * *

Korea * * * the domestic product by * * * percent, product 2 from Korea * * * the domestic product by * * * percent, and product 3 * * * the domestic product by * * * percent.

Three quarterly comparisons of purchase prices for Korean pipes and tubes were reported in the Philadelphia area. In April-June 1981, product 1 from Korea * * * the domestic product by * * * per ton or * * * percent. Purchase prices of product 2 from Korea were * * * than domestic prices in * * * 1981 and * * *.

Two comparisons of Korean and domestic purchase prices were possible in the Atlanta area. In both cases there were * * * of * * * percent: * * * percent for product 1 and * * * percent for product 2 in July-September 1981.

Only one quarterly purchase price comparison * * *.

Large-diameter pipes and tubes.--Large-diameter pipes and tubes are sold through a bid process to pipeline companies. These companies solicit bids by invitation from approved vendors. Many of the pipeline companies are privately owned and do not generally publicize the bids received. As a result, losing bidders may not know the amount of the winning bid or the winning bidder's identity. Bid prices are often quoted on both an f.o.b.-factory or c.i.f.-dock basis, as well as on a delivered basis.

Project awards are based on several factors, including the quoted prices, financing terms, attention to project specifications, and the ability to meet the scheduled delivery date. Contracts are generally awarded to the lowest bidder. Sometimes, however, projects are awarded to a higher bidder which offers the best overall package.

The cost of the pipe accounts for 35 to 40 percent of the total cost of a typical pipeline project. An additional 30 to 35 percent of the total cost is spent on laying the pipe, and the remaining 25 to 35 percent is spent for other materials, rights-of-way, legal fees, and so forth. Many pipeline companies determine the pipe specifications for their particular projects and purchase the pipe themselves, but most contract with an outside firm to lay the pipe. Some small pipeline companies may also contract out the pipe specification work, but they generally still purchase the pipe themselves.

Although conference testimony by both U.S. and foreign producers ^{1/} indicated that generally foreign suppliers are seldom excluded from bidding on projects, questionnaire responses indicate that "buy domestic" preferences of some purchasers may limit imports. Information on project awards reported by three pipeline companies showed that only domestic producers of large-diameter pipes and tubes participated in the bidding for their business. ^{2/} Awards of these three firms amounted to * * * tons for delivery in 1981, an amount equal to about * * * percent of U.S. producers' shipments in 1981.

Domestic producers and importers were asked to provide data on their five largest bids in 1980, 1981, and January-March 1982. In addition, pipeline companies were requested to provide similar data for 1981 and January-March 1982.

Large diameter pipes and tubes from France.--Since 1980, U.S. pipeline firms have awarded French producers * * * bids, for a total of * * * tons of large-diameter pipes and tubes. All these bids were awarded in 1981. The French manufacturers delivered * * * tons in 1981, and the remainder is scheduled to be delivered in 1982. The largest pipeline contract won by the French, * * * tons, was awarded by * * * for the * * * pipeline. The French won * * * of the tonnage awarded for the entire * * * project. The remaining tonnage was awarded to * * * in separate bids from which * * *. The French producer won its share of the pipeline project because it was the lowest bidder. Details of this bid are presented in table 18.

Table 18.--Large-diameter welded carbon steel pipes and tubes: ^{1/} Certain contracts awarded to the suppliers of French, Italian, and West German products, by awarding companies, 1981 and January-March 1982

* * * * * *

In * * * of the contracts won by the French, for * * * tons, they were the lowest bidders. In * * * other contracts, for * * * tons, they were not the lowest bidders. The purchasers awarded these * * * contracts to the French supplier because it had low quotes and offered attractive financing. No information is available on the bids for the other two contracts, totaling * * * tons, which the French were awarded in 1981.

^{1/} Transcript of the conference, pp. 31, 139, and 140.

^{2/} Questionnaire responses indicated that one of these three firms had a "buy domestic" policy, another had a "buy domestic" practice, and the third "supported domestic mills 100 percent."

Large-diameter pipes and tubes from Italy.--Since 1979, U.S. pipeline firms have awarded * * * bids to Italian producers of large-diameter pipes and tubes for a total of * * * tons. These * * * bids were awarded in 1980, and the tonnage was delivered in 1981. * * *.

Large-diameter pipes and tubes from West Germany.--The Commission has information concerning * * * bids for large-diameter pipes and tubes which West German producers have won since 1980. These bids, for * * * tons, accounted for more than * * * percent of West Germany's exports to the United States in 1980 and 1981 and projected exports in 1982. The vast bulk of this tonnage is accounted for by a * * * placed in 1981 for * * * tons. 1/

Lost sales

Small-diameter pipes and tubes.--The Commission staff contacted eight firms which were cited by U.S. manufacturers as being customers to which they lost sales because of imports of small-diameter pipes and tubes from Brazil, Italy, and Korea. The eight firms accounted for about 22,000 tons in alleged lost sales. All eight firms purchased small-diameter pipes and tubes from Korea; none purchased the product from Brazil or Italy. Each firm stated that the prices of the Korean pipes and tubes were less than those of comparable domestic products. Two of the firms reported that the Korean products were underselling the domestic products by 15 percent or more. 2/ In addition, four of the eight firms reported that the magnitude of this underselling increased after the fourth quarter of 1981. Principal reasons cited for the increase in underselling were (1) the termination of the Trigger-Price Mechanism in January 1982, (2) the deepening U.S. recession, and (3) intense competition among Korean manufacturers in order to maintain mill capacities in the face of a worldwide recession.

Four purchasers stated that the quality of U.S.-produced and Korean-produced small-diameter pipes and tubes was the same. However, one purchaser stated that the quality of the Korean product was not as consistent as that of the domestic product. Two purchasers encountered problems with the delivery of the U.S. product, and one purchaser stated that the pipes and tubes it required were not always readily available from domestic producers. Finally, one purchaser stated that domestic producers were unable to provide * * * which it required.

For the period January 1981 to the present, the eight firms reported the following: One firm 3/ increased its purchases of the Korean products; six firms neither increased nor decreased their purchases of the Korean products (one of these six has purchased its small-diameter pipes and tubes from only

1/ Telephone conversation between * * * and Lisa Jenkins, of the Commission's staff, on June 4, 1982.

2/ A representative from one of these two firms indicated that the Koreans were the price leaders.

3/ This firm accounted for about * * * tons, or * * * percent, of the 22,000 tons of alleged lost sales for all eight firms.

Japan and Korea since at least 1980); and one firm decreased its purchases of the Korean products. A representative of the firm (located in * * *) that bought all its tonnage from Japan and Korea * * * and, therefore, are no longer price competitive with * * *. The firm that reduced its purchases of the Korean products reported that it did so in response to increased demand for types of small-diameter pipes and tubes which are not supplied by the Korean manufacturers.

The eight firms could not conclusively verify the U.S. producers' allegations concerning the specific lost tonnage. In no instance in their reports of their alleged lost sales did U.S. producers cite specific transactions lost to imports; instead they provided estimates (for a month, quarter, year, or, in some cases, no period was specified) of total lost business to individual customers. These eight firms did confirm that the tonnage figures cited by the U.S. producers as lost sales represented some of their purchases of small-diameter pipes and tubes from Korea. However, they indicated that had they not purchased the Korean-produced pipes and tubes, they would not necessarily have purchased the product from the U.S. producer which cited the firm as a lost customer. The purchasers stated that their business would have gone instead to other suppliers (both domestic and foreign) because these suppliers offered low prices and ready availability.

Large-diameter pipes and tubes.--Each sale of large-diameter pipes and tubes from France, Italy, and West Germany during January 1980-March 1982 is discussed in the section of this report on prices.

The Question of the Threat of Injury

Available data concerning production and production capacity of small-diameter and large-diameter pipes and tubes in Brazil, France, Italy, Korea, and West Germany for 1979-81 and projections for 1982 are presented in the section concerning the foreign producers. The following is a discussion of the outstanding orders for large-diameter pipes and tubes from France, Italy, and Germany.

France

According to testimony at the Commission's conference, Vallourec has one outstanding order of 100,000 tons of large-diameter pipes and tubes which was booked in October-December 1981 for delivery to the United States in 1982. This firm, which is the largest French producer of large-diameter pipes and tubes, states that this order is being shipped now. Its large-diameter pipe and tube facilities, according to the firm, will run at * * * percent of capacity through the end of 1982 to fill orders it has from other countries.

Italy

There are no outstanding orders for large-diameter pipes and tubes to be imported from Italy.

West Germany

According to ICF Inc., an economic consulting firm representing Mannesmann, there are two outstanding West German shipments due for delivery in the United States during June-December 1982. One shipment is an order for 123,000 tons, and the other is for 20,000 tons. The former was awarded to a West German company in May 1981 in response to bids made in late 1980. Because of delays encountered by the purchaser, the order was not released for production until early 1982. According to ICF, the--

West German producers will be major suppliers of the large diameter carbon steel pipe to the Yamel natural gas pipeline, which will run from Siberia to Western Europe. The Yamel pipeline alone constitutes a 4-5 million ton market.

APPENDIX A

THE FEDERAL REGISTER NOTICES

FOR FURTHER INFORMATION CONTACT:

Ms. Abigail Eltzroth, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0289.

SUPPLEMENTARY INFORMATION:**Background**

These investigations are being instituted following receipt of petitions filed by U.S. Steel Corp. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petitions, or by June 21, 1982 (19 CFR Part 207.17). These investigations will be subject to the provisions of Part 207 of the Commission's Rules of Practice and Procedure (19 CFR Part 207, (1981) and 47 FR 6190, Feb. 10, 1982), and particularly subpart B thereof.

Written Submissions

Any person may submit to the Commission on or before June 7, 1982, a written statement of information pertinent to the subject matter of these investigations. A signed original and fourteen copies of such statements must be submitted. In the event that confidential treatment of the document is requested under § 201.6, at least one additional copy shall be filed in which the confidential business information shall have been deleted and which shall have been marked "nonconfidential" or "public inspection".

Any business information which a submitter desires the Commission to treat as confidential shall be submitted in conformance with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6 (1981)). Each sheet must be clearly marked at the top "Confidential Business Data." All written submissions, except for confidential business data, will be available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

Conference

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., on June 2, 1982, 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 Investigator for the investigations, Ms. Abigail Eltzroth, telephone 202-523-0289, not later than May 26, 1982, to arrange for their appearance. Parties in support of the imposition of countervailing duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour

within which to make an oral presentation at the conference.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR Part 201 (1981)), as amended by 47 FR 6190 (Feb. 10, 1982) and part 201, subparts A through E (19 CFR Part 201 (1981)), as amended by 47 FR 6188 (Feb. 10, 1982). Further information concerning the conduct of the conference will be provided by Ms. Eltzroth.

This notice is published pursuant to § 207.12 of the Commission's Rules of Practice and Procedure (19 CFR 207.12 (1981)).

Issued: May 13, 1982.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 82-13653 Filed 5-18-82, 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-165 Through 169 (Preliminary)]

Welded Carbon Steel Pipes and Tubes From Brazil, France, Italy, South Korea, and West Germany

AGENCY: International Trade Commission.

ACTION: Institution of preliminary countervailing duty investigations and scheduling of a conference to be held in connection with the investigations.

SUMMARY: The International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-165 through 169 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Brazil, France, Italy, South Korea, and West Germany of welded carbon steel pipes and tubes, provided for in item 610.32 of the Tariff Schedules of the United States (TSUS) (1982), upon which bounties or grants are alleged to be paid.

EFFECTIVE DATE: May 7, 1982.

Initiation of Countervailing Duty Investigations; Certain Steel Products From the Republic of Korea

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigations.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in the Republic of Korea (Korea) of certain steel product receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission ("ITC") of these actions so that it may determine whether imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before June 21, 1982, and we will make ours on or before August 2, 1982.

EFFECTIVE DATE: June 3, 1982.

FOR FURTHER INFORMATION CONTACT: Richard Rimlinger or Steven S. Lim, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue NW., Washington, DC 20230, (202) 377-1276.

SUPPLEMENTARY INFORMATION:

Petition

On May 7, 1982, we received a petition from United States Steel Corporation on behalf of the U.S. industry producing certain steel products. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petitions allege that producers, manufacturers, or exporters in Korea of certain steel products receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1677(5)) (the "Act") and that

imports of certain steel products are materially injuring, or threatening to materially injure, a U.S. industry. Korea is a "country under the Agreement" within the meaning of section 701(b) of the Act. Therefore, Title VII of the Act applies to this investigation and an injury determination is required.

Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petitions on certain steel products and have found they meet these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers or exporters in Korea of certain steel products receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigations proceed normally, we will make our preliminary determinations by August 2, 1982.

Scope of the Investigations

The products covered by these investigations are: small diameter (16" and under) welded carbon steel steel pipes and tubes, hot-rolled carbon steel plate, cold-rolled carbon steel sheet, hot-rolled carbon steel sheet and galvanized carbon steel sheet. For a further description of these products see the Appendix to this notice.

Allegations of Subsidies

The petition alleges that producers, manufacturers, or exporters in Korea receive the following benefits constituting subsidies from the Korean government: preferential rates for utilities, labor-related aids, tax incentives, preferential loans and loan guarantees, government purchases of steel at inflated prices, tariff incentives, and input subsidies on hot-rolled carbon steel sheet.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of these actions and to provide it with the information used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in files, provided it confirms that it will not disclose such information

either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by June 21, 1982, whether there is a reasonable indication that imports of certain steel products from Korea are materially injuring, or threatening to materially injure, a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will continue according to the statutory procedure.

May 27, 1982.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

Description of Products

For purposes of this investigation:

1. The term "hot-rolled carbon steel plate" covers carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; 0.1875 of an inch or more in thickness and over 8 inches in width; as currently provided for in items 607.8615, or 607.94, of the *Tariff Schedules of the United States Annotated* ("TSUSA"); and hot- or cold-rolled carbon steel plate which has been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for in items 608.0710 or 608.11 of the TSUSA. Semi-finished products of solid rectangular cross section with a width at least four times the thickness in the cast condition or processed only through primary mill hot-rolling are not included.

2. The term "hot-rolled carbon steel sheet" covers the following hot-rolled carbon steel products. Hot-rolled carbon steel sheet is a hot-rolled carbon steel product, whether or not corrugated or crimped and whether or not pickled; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 8 inches in width and in coils or if not in coils under 0.1875 of an inch in thickness and over 12 inches in width; as currently provided for in items 607.6810, 607.6700, 607.8320, 607.8342, or 607.9400 of the *Tariff Schedules of the United States Annotated* "TSUSA". PLEASE NOTE THAT THE DEFINITION OF HOT-ROLLED CARBON STEEL SHEET INCLUDES SOME PRODUCTS CLASSIFIED AS "PLATE" IN THE TSUSA (ITEMS 607.6610 AND 607.8320).

3. The term "cold-rolled carbon steel sheet" covers the following cold-rolled carbon steel products. Cold-rolled carbon steel sheet is a cold-rolled carbon steel product, whether or not corrugated or crimped and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 8 inches in width and in coils or if not in coils under 0.1875 of an inch in thickness and over 12 inches in width; as currently provided for in items 607.8320 or

607.8344 of the *Tariff Schedules of the United States Annotated* ("TSUSA"). PLEASE NOTE THAT THE DEFINITION OF COLD-ROLLED CARBON STEEL SHEET INCLUDES SOME PRODUCTS CLASSIFIED AS "PLATE" IN THE TSUSA (ITEM 607.8320).

4. The term "Galvanized carbon steel sheet" covers hot- or cold-rolled carbon steel sheet which has been coated or plated with zinc including any material which has been painted or otherwise covered after having been coated or plated with zinc, as currently provided for in items 608.0710, 608.0730, 608.11 or 608.13 of the *Tariff Schedules of the United States Annotated* ("TSUSA"). NOTE THAT THE DEFINITION OF GALVANIZED CARBON STEEL SHEET INCLUDES SOME PRODUCTS CLASSIFIED AS "PLATE" IN THE TSUSA (ITEMS 608.0710 and 608.11). Hot- or cold-rolled carbon steel sheet which has been coated or plated with metal other than zinc is not included.

5. The term "small diameter welded carbon steel pipes and tubes" covers welded carbon steel pipes and tubes with walls not thinner than 0.065 of an inch, of circular cross section and 0.375 of an inch or more in outside diameter but not more than 16 inches as currently provided for in items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 610.3244, and 610.3247, of the *Tariff Schedules of the United States Annotated* ("TSUSA"). Pipes or tubes suitable for use in boilers, superheaters, heat exchangers, condensers, and feedwater heaters, or conforming to A.P.I. specifications for oil well tubing, with or without couplings, cold drawn pipes and tubes and cold-rolled pipes and tubes with wall thickness not exceeding 0.1 inch are not included.

[FR Doc. 82-15043 Filed 6-2-82; 8:45 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigation; Large Diameter and Small Diameter Welded Carbon Steel Pipes and Tubes From Italy

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigation.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers, manufacturers, or exporters in Italy of large diameter and small diameter welded carbon steel pipes and tubes receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission ("ITC") of this action so that it may determine whether imports of large diameter and small diameter welded carbon steel pipes and tubes are materially injuring, or threatening to materially injure, a U.S. industry. If the

investigation proceeds normally, the ITC will make its preliminary determination on or before June 21, 1982, and we will make ours on or before August 2, 1982.

EFFECTIVE DATE: June 3, 1982.

FOR FURTHER INFORMATION CONTACT:

Charles E. Wilson, 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) 377-5288.

SUPPLEMENTARY INFORMATION:

Petition

On May 7, 1982, we received a petition from the United States Steel Corporation on behalf of the U.S. industry producing large diameter and small diameter welded carbon steel pipes and tubes. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges producers, manufacturers, or exporters in Italy of large diameter and small diameter welded carbon steel pipes and tubes receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1677(5)) ("the Act"), and that imports of large diameter and small diameter welded carbon steel pipes and tubes are materially injuring, or threatening to materially injure, a U.S. industry.

Since Italy is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation and an injury determination is required.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petition on large diameter and small diameter welded carbon steel pipes and tubes and have found it meets these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Italy of large diameter and small diameter welded carbon steel pipes and tubes as listed in the "Scope of the Investigation" section of this notice receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigation proceeds normally, we will

make our preliminary determination by August 2, 1982.

Scope of the Investigation

For purposes of this investigation, the term "*small diameter welded carbon steel pipes and tubes*" covers welded carbon steel pipes and tubes with walls not thinner than 0.065 of an inch, of circular cross section and 0.375 of an inch or more in outside diameter but not more than 16 inches as currently provided for in items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 610.3244, and 610.3247, of the *Tariff Schedules of the United States Annotated ("TSUSA")*. Pipes or tubes suitable for use in boilers, superheaters, heat exchangers, condensers, and feedwater heaters, or conforming to A.P.I. specifications for oil well tubing, with or without couplings, cold drawn pipes and tubes and cold-rolled pipes and tubes with wall thickness not exceeding 0.1 of an inch are *not included*.

The term "*large diameter welded carbon steel pipes and tubes*" covers welded carbon steel pipes and tubes with walls not thinner than 0.065 of an inch, of circular cross section and over 16 inches in outside diameter as currently provided for in items 610.3211, and 610.3251, of the *Tariff Schedules of the United States Annotated ("TSUSA")*. Pipes or tubes suitable for use in boilers, superheaters, heat exchangers, condensers, and feedwater heaters, or conforming to A.P.I. specifications for oil well tubing, with or without couplings, cold drawn pipes and tubes and cold-rolled pipes and tubes with wall thickness not exceeding 0.1 of an inch are *not included*.

Allegations of Subsidies

The petition alleges producers, manufacturers, or exporters in Italy receive the following benefits which constitute subsidies: preferential loans and loan guarantees, interest subsidies, capital grants, local and federal tax exemptions, recapitalizations, debt conversion and equity infusions, research and development funding, labor-related aid, transportation subsidies, and other general and regional incentives.

The petition also alleges producers, manufacturer, or exporters in Italy of large diameter and small diameter welded carbon steel pipes and tubes benefit from the following European Communities subsidies: preferential loans and loan guarantees, research and development incentives, and assistance to labor.

Notification of ITC

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission of this action and to provide it with the information used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by June 21, 1982, whether there is a reasonable indication that imports of large diameter and small diameter welded carbon steel pipes and tubes from Italy are materially injuring, or threatening to materially injure, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will continue according to statutory procedures.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.
May 27, 1982.

[FR Doc. 82-15044 Filed 6-2-82; 8:45 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigation; Small Diameter Welded Carbon Steel Pipes and Tubes From Brazil

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigation.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers, manufacturers, or exporters in Brazil of small diameter welded carbon steel pipes and tubes receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission ("ITC") of this action so that it may determine whether imports of small diameter welded carbon steel pipes and tubes are materially injuring, or threatening to materially injure, a U.S. industry. If the investigation proceeds normally, the ITC will make its preliminary determination

on or before June 21, 1982, and we will make ours on or before August 2, 1982.

EFFECTIVE DATE: June 3, 1982.

FOR FURTHER INFORMATION CONTACT: Paul J. McGarr, 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)/377-1167.

SUPPLEMENTARY INFORMATION:

Petition

On May 7, 1982, we received a petition from the United States Steel Corporation on behalf of the U.S. industry producing small diameter welded carbon steel pipes and tubes. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges producers, manufacturers, or exporters in Brazil of small diameter welded carbon steel pipes and tubes receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1677(5)) (the "Act") and that imports of these products are materially injuring, or threatening to materially injure, a U.S. industry.

Brazil is a "country under the Agreement" within the meaning of section 701(b) of the Act. Therefore, Title VII of the Act applies to this investigation and an injury determination is required.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petition on small diameter welded carbon steel pipes and tubes and have found that it meets these requirements.

Therefore, in accordance with section 702(o) of the Act, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Brazil of small diameter welded carbon steel pipes and tubes as listed in the "Scope of the Investigation" section of this notice receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If the investigation proceeds normally, we will make our preliminary determination by August 2, 1982.

Scope of the Investigation.

For purposes of this investigation, the term "*small diameter welded carbons*

steel pipes and tubes" covers welded carbon steel pipes and tubes with walls not thinner than 0.065 of an inch, of circular cross section and 0.375 of an inch or more in outside diameter but not more than 16 inches as currently provided for in items 610.3208, 610.3209, 610.3231, 610.3232, 610.3241, 601.3244, and 610.3247, of the *Tariff Schedules of the United States Annotated*. Pipes or tubes suitable for use in boilers, superheaters, heat exchangers, condensers, and feedwater heaters, or conforming to A.P.I. specifications for oil well tubing, with or without couplings, cold drawn pipes and tubes and cold-rolled pipes and tubes with wall thickness not exceeding 0.1 of an inch are *not included*.

Allegations of Subsidies

The petition alleges producers, manufacturers, or exporters in Brazil of small diameter welded carbon steel pipes and tubes benefit from the following subsidies: preferential loans and loan guarantees, preferential working capital and export financing, capital grants, tax exemptions, investment subsidies from tax rebates, overrebate of indirect taxes, accelerated depreciation, special amortization and tax-loss carry forward privileges for export-oriented projects, indirect subsidies through subsidized feedstock, labor subsidies, and transportation subsidies.

Notification of ITC

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission of this action and to provide it with the information used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms it will to disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by June 21, 1982, whether there is a reasonable indication that imports of small diameter welded carbon steel pipes and tubes from Brazil are materially injuring, or threatening to materially injure, a U.S. industry. If its determination is negative, this investigation will terminate;

otherwise, it will continue according to the statutory procedures.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

May 27, 1982.

[FR Doc. 82-15045 Filed 6-2-82, 8:45 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigation; Large Diameter Welded Carbon Steel Pipes and Tubes From France

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigation.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers, manufacturers, or exporters in France of large diameter welded carbon steel pipes and tubes receive benefits that constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission ("ITC") of this action so that it may determine whether imports of large diameter welded carbon steel pipes and tubes are materially injuring, or threatening to materially injure, a U.S. industry. If the investigation proceeds normally, the ITC will make its preliminary determination on or before July 21, 1982, and we will make ours on or before August 2, 1982.

EFFECTIVE DATE: June 3, 1982.

FOR FURTHER INFORMATION CONTACT: Nicholas C. Tolerico, 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)/377-4036.

SUPPLEMENTARY INFORMATION:

Petition

On May 7, 1982, we received a petition from the United States Steel Corporation on behalf of the U.S. industry producing large diameter welded carbon steel pipes and tubes. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges producers, manufacturers, or exporters in France of large diameter welded carbon steel pipes and tubes receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1677(5)) (the "Act") and that imports of these products are materially injuring, or threatening to materially injure, a U.S. industry.

Since France is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation and an injury determination is required.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petition on large diameter welded carbon steel pipes and tubes and have found it meets these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in France of large diameter welded carbon steel pipes and tubes receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigation proceeds normally we will make our preliminary determination by August 2, 1982.

Scope of the Investigations

The term "*large diameter welded carbon steel pipes and tubes*" covers welded carbon steel pipes and tubes with walls not thinner than 0.065 of an inch, of circular cross section and over 16 inches in outside diameter as currently provided for in items 610.3211, and 610.3251, of the *Tariff Schedules of the United States Annotated* ("TSUSA"). Pipes or tubes suitable for use in boilers, superheaters, heat exchangers, condensers, and feedwater heaters, or conforming to A.P.I. specifications for oil well tubing, with or without couplings, cold drawn pipes and tubes and cold-rolled pipes and tubes with wall thickness not exceeding 0.1 of an inch are *not included*.

Allegations of Subsidies

The petition alleges producers, manufacturers, or exporters in France receive the following benefits that constitute subsidies: preferential loans and loan guarantees, the recapitalization of the French carbon steel industry under the 1978 Rescue Plan, regional development incentives, incentives to supplier industries, preferential export credits, and export insurance.

The petition also alleges producers, manufacturers, or exporters in France of large diameter welded carbon steel pipes and tubes benefit from the

following European Communities subsidies: preferential loans, loan guarantees, and research and development incentives.

Notification of ITC

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission of this action and to provide it with the information used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by June 21, 1982 whether there is a reasonable indication that imports of large diameter welded carbon steel pipes and tubes from France are materially injuring, or threatening to materially injure, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will continue according to statutory procedures.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

May 27, 1982

[FR Doc. 82-15046 Filed 6-2-82; 8:45 am]

BILLING CODE 3510-25-M

Initiation of Countervailing Duty Investigation, Large Diameter Welded Carbon Steel Pipes and Tubes From; The Federal Republic of Germany

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of countervailing duty investigation.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers, manufacturers, or exporters in the Federal Republic of Germany ("FRG") of large diameter welded carbon steel pipes and tubes receive benefits that constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission ("ITC") of this action so that it may determine whether imports of large diameter welded carbon steel pipes and tubes are materially injuring, or threatening to materially injure, a U.S. industry. If the

investigation proceeds normally, the ITC will make its preliminary determination on or before June 21, 1982, and we will make ours on or before August 2, 1982.

EFFECTIVE DATE: June 3, 1982.

FOR FURTHER INFORMATION CONTACT:

Mary S. Clapp, 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) 377-1279.

SUPPLEMENTARY INFORMATION:

Petition

On May 7, 1982, we received a petition from United States Steel Corporation on behalf of the U.S. industry producing large diameter welded carbon steel pipes and tubes. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges producers, manufacturers, or exporters in the FRG of large diameter welded carbon steel pipes and tubes receive subsidies within the meaning of section 771(5) of the Tariff Act of 1930, as amended (19 U.S.C. 1677(5)) ("the Act") and that imports of these steel products are materially injuring, or threatening to materially injure, a U.S. industry.

Since the FRG is a "country under the Agreement" within the meaning of section 701(6) of the Act, Title VII of the Act applies to this investigation and an injury determination is required.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petition on large diameter welded carbon steel pipes and tubes and have found it meets these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in the FRG of large diameter welded carbon steel pipes and tubes, as listed in the "Scope of Investigation" section of this notice, receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If our investigation proceeds normally, we will make our preliminary determination by August 2, 1982.

Scope of the Investigation

The term "large diameter welded

carbon steel pipes and tubes" covers welded carbon steel pipes and tubes with walls not thinner than 0.065 of an inch, of circular cross section and over 16 inches in outside diameter as currently provided for in items 610.3211, and 610.3251, of the *Tariff Schedules of the United States Annotated* ("TSUSA"). Pipes or tubes suitable for use in boilers, superheaters, heat exchangers, condensers, and feedwater heaters, or conforming to A.P.I. specifications for oil well tubing, with or without couplings, cold drawn pipes and tubes and cold-rolled pipes and tubes with wall thickness not exceeding 0.1 of an inch are *not included*.

Allegations of Subsidies

The petition alleges producers, manufacturers, or exporters in the FRG receive the following benefits that constitute subsidies: preferential loans and loan guarantees, coal and coke subsidies, capital grants, tax exemptions, labor-related aid, research and development funding, and other general and regional incentives.

The petition also alleges producers, manufacturers, or exporters in the FRG of large diameter welded carbon steel pipes and tubes benefit from the following European Communities subsidies: preferential loans and loan guarantees, research and development incentives, and assistance to labor.

Notification of ITC

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission of this action and to provide it with the information used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by June 21, 1982, whether there is a reasonable indication that imports of large diameter welded carbon steel pipes and tubes from the FRG are materially injuring, or threatening to materially injure, a U.S. industry. If its determination is negative, this investigation will terminate;

otherwise, it will continue according to statutory procedures.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

May 27, 1982.

[FR Doc. 82-15047 Filed 6-2-82; 8:45 am]

BILLING CODE 3510-25-M

APPENDIX B

WITNESSES AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-165 through 169 (Preliminary)

WELDED CARBON STEEL PIPES AND TUBES FROM BRAZIL, FRANCE, ITALY,
KOREA, AND WEST GERMANY

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on June 2, 1982, in the hearing room of the USITC Building, 701 F Street, N.W., Washington, D.C.

In support of the imposition of
countervailing duties

Verneer, Liipfert, Bernhard & McPherson--Counsel
Washington, D.C.
on behalf of

U.S. Steel Corp.

John Connelly, General Manager of Tubular Marketing,
U.S. Steel Corp.
Paul Fidel, Special Services, Import and Domestic, U.S.
Steel Corp.

John D. Greenwald--OF COUNSEL

Schnader, Harrison, Segal & Lewis--Counsel
Philadelphia, Pa.
on behalf of

Wheatland Tube Co.

John O'Donnell, Chief Executive Officer, Wheatland Tube Co.

Joseph Tate--OF COUNSEL

Cravath, Swaine & Moore--Counsel
New York, N.Y.
on behalf of

Republic Steel Corp.
Jones & Laughlin Steel, Inc.
Cyclops Corp.
Laclede Steel Corp.
National Steel Corp.

Frank Crandell, Marketing Manager,
Jones & Laughlin Steel, Inc.

Randall K. Anderson)
David Boies }--OF COUNSEL

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

Bethlehem Steel Corp.

Larry Mosser, Market Analyst,
Bethlehem Steel Corp.

Terence P. Stewart--OF COUNSEL

John W. Feist--Counsel
Washington, D.C.
on behalf of

Kaiser Steel Corp.

John W. Feist--OF COUNSEL

In opposition to the imposition of
countervailing duties

Arter Hadden & Hemmendinger--Counsel
Washington, D.C.
on behalf of

Associacao Brasileira de Industrias
de Tubos e Accessorios de Metal

Vittorio Vignoli, Director Commercial,
Persico Pizzamiglio, S.A.

Paulo Moraes Correa, Export Manager,
Persico Pizzamiglio, S.A.

Royal Daniel)--OF COUNSEL
Christopher Dunn)

Daniels, Houlihan & Palmeter--Counsel
Washington, D.C.
on behalf of

Finsider, S.P.A.

David P. Houlihan--OF COUNSEL

Daniels, Houlihan & Palmeter--Counsel
Washington, D.C.
on behalf of

Korea Iron & Steel Association
Dong Kuk Heavy Industries Ltd.
Hyundai Pipe Co., Ltd.
Ilssin Steel Co., Ltd.
Korea Steel Pipe Co., Ltd.
Pusan Steel Pipe Co., Ltd.
Union Steel Mfg. Co., Ltd.

N. David Palmeter)
Donald B. Cameron, Jr.)--OF COUNSEL

Coudert Brothers--Counsel
Washington, D.C.
on behalf of

Mannesmannroehren-Werke AG

ICF Inc.
John G. Reilly

Milo G. Coerper)
Mark D. Herlach)--CF COUNSEL

Busby, Rehm & Leonard--Counsel
Washington, D.C.
on behalf of

Estel Rohr AG

Will E. Leonard--CF COUNSEL

Debevoise & Plimpton--Counsel
Washington, D.C.
on behalf of

Vallourec

Robert J. Geniesse--OF COUNSEL

