CERTAIN STEEL WIRE NAILS FROM THE REPUBLIC OF KOREA

Determination of the Commission in Investigation No. 731-TA-46 (Final) Under Section 735(b) of the Tariff Act of 1930, Together With the Information Obtained in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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UNITED STATES INTERNATIONAL TRADE COMMISSION

CERTAIN STEEL WIRE NAILS FROM THE REPUBLIC OF KOREA	)
Investigation No. 731-TA-46 (Final)	)

ERRATA

In reference to Views of the Commission on Inv. No. 731-TA-46 (Final) published in 47 F.R. 34864 on August 11, 1982, the first sentence which reads:

> On the basis of the record, we have found that there is a reasonable indication that a domestic industry is materially injured by reason of imports of steel wire nails from Korea, which the Department of Commerce has found to be sold in the United States at less than fair value.

should be changed to read:

> On the basis of the record, we have found that a domestic industry is materially injured by reason of imports of steel wire nails from Korea, which the Department of Commerce has found to be sold in the United States at less than fair value.

Kenneth R. Mason
Secretary

Dated: September 14, 1982

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-46 (Final)

CERTAIN STEEL WIRE NAILS FROM THE REPUBLIC OF KOREA

Determination

On the basis of the record 1/ developed in the subject investigation, the Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), that an industry in the United States is materially injured by reason of imports from the Republic of Korea (Korea) of certain steel wire nails, provided for in items 646.25 and 646.26 of the Tariff Schedules of the United States, which are being, or are likely to be, sold in the United States at less than fair value (LTFV).

Background

The Commission instituted this investigation effective January 29, 1982, following a preliminary determination by the Department of Commerce that certain steel wire nails from Korea are being sold, or are likely to be sold, in the United States at LTFV. Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. and by publishing the notice in the Federal Register on February 18, 1982 (47 F.R. 7349). The hearing was held in Washington, D.C., on June 28, 1982, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

Views of the Commission

On the basis of the record, we have found that there is a reasonable indication that a domestic industry is materially injured by reason of imports of steel wire nails from Korea, which the Department of Commerce has found to be sold in the United States at less than fair value.

The domestic industry 1/

In order to make a determination that a domestic industry is materially injured, we must first define the domestic industry. Section 771(4)(A) of the Tariff Act of 1930 provides that the domestic industry consists of 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. 2/ A like product is in turn defined as a product which is like, or in the absence of like, most similar in characteristics and uses with the article under investigation. 3/

Both the imported and domestic products which are the subject of this investigation are one-piece steel wire nails made from round steel wire rod. Nails fitting this description are available in a variety of heads, shanks, points, sizes, and finishes. 4/ There are approximately 50 U.S. firms which manufacture some or all of these steel wire nails.

1/ Commissioners Stern and Calhoun do not join the majority discussion of like product. See their additional views which follow.
2/ 19 U.S.C. 1677(4)(4).
3/ 19 U.S.C. 1677(10).
4/ Report at A-2.

In previous investigations involving imports of steel wire nails, the Commission found seven like products differentiated according to nail coating, e.g., vinyl-coated, electrogalvanized, or bright. 5/ However, there are other ways in which both imported and domestic nails may be differentiated. Distinctions may be made among nails according to the type of head, shank, or point used, which in turn make a nail suitable for different purposes or uses, e.g., roofing nails, finishing nails, scaffold nails, drywall nails, etc. 6/ These types of nails may be available in one or more of the various coatings. Further, while these distinctions between the characteristics and uses of certain types of nails may be made, they may be so slight as to readily allow substitution. 7/ Thus, we have a large number of related like products (nail types) among which clear dividing lines frequently cannot be drawn and various degrees of fungibility exist.

There are other considerations which prevent us from drawing clear dividing lines, particularly the manner in which nails are typically distributed. Information gathered during the course of the investigation indicates that orders by distributors from both imported and domestic sources typically consist of broad mixes of nail types. 8/ Seldom will a specific nail comprise the bulk of an entire order. Thus, imports of a particular type of nail will have an impact not only on the domestic production of the identical nail but on the production of other types of nails as well.

5/ USITC investigation Nos. 731-TA-45, 46, and 47 (Preliminary), USITC Pub. No. 1175 and USITC investigation No. 731-TA-26 (Final), USITC Pub. No. 1088.

6/ Report at A-2.

7/ E.g., green vinyl nails can be substituted for cement coated nails in most uses, and six penny bright nails can be substituted for eight penny bright nails in most uses.

8/ Tr. at p. 73

The separation of nails into different like products resulting from the foregoing analysis would have an effect against which the Senate Finance Committe cautioned:

> The requirement that a product be "like" the imported article should not be interpreted in such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the products and articles are not "like" each other, nor should the definition of "like product" be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under investigation. (Emphasis added.) 9/

Therefore, we determine that there is one like product, steel wire nails. It should be noted that, were our determination as to like product different, separate financial and employment data for different types of nails cannot be provided by domestic producers. Thus, in any case, we would examine data for domestic nail manufacturers as a whole, rather than for each like product, as required by section 771(4)(A). Thus, we examined the impact of imports from Korea on one domestic industry, the producers of steel wire nails. 10/ 11/

9/ Senate Rep. No. 96-249, 96th Cong. 1st Sess. at 90-91 (1979); (emphasis added).

10/ Our definition of industry here should not be construed as a repudiation of the analysis in Certain Steel Wire Nails From the Republic of Korea, Inv. No. 731-TA-26, USITC Pub. No. 1088 (1980). See views of Chairman Alberger, Vice Chairman Calhoun, and Commissioner Stern. There it was found that these were seven like products, each consisting of a different nail coating. Over 50 percent of the LTFV nails in the 1980 case consisted of electro-galvanized nails, a nail variety produced to a very limited extent in the United States. Such nails compete to a limited degree with domestically-produced hot-dipped nails, but the two are not fungible. The electro-galvanized nail is produced by a different process, has a thinner zinc coating, and is significantly cheaper.

The information in our earlier investigation showed price depression in certain nail lines, but not for those nail coatings where the bulk of the domestic production was concentrated. Hence, the Commission was unable to find any causal relationship between the lower prices of certain LTFV nails and the difficulties experienced by the domestic industry.

(Footnote continued)

Material injury by reason of LTFV imports

Section 771(7) of the Tarriff Act of 1930 directs the Commission to consider among other relevant factors the volume of imports, the impact of the imports on domestic prices, and the consequent impact on the domestic industry.

Volume of imports--The volume of imports of steel wire nails from Korea into the United States declined from 92,000 short tons in 1979 to 76,000 short tons in 1980, then increased by 51 percent to 115,000 short tons in 1981. 12/ This increase occurred at a time when domestic consumption was steadily declining. Thus imports from Korea increased their share of the market from 10 percent in 1979 to 19 percent in 1981. 13/

In the first 5 months of 1982 imports from Korea declined, when compared with the first 5 months of 1981, by 7,000 short tons or 14 percent. 14/ Domestic consumption however declined by 21 percent during January-May of 1982. This resulted in imports from Korea again increasing their share of the market, by 2 percentage points, from 22 percent to 24 percent. 15/

Effect of imports on prices.--In this and prior investigations on nails, it has become clear that the nail market is very competitive and price is a

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(Footnote continued)

Our adoption of a single like product, nails, does not foreclose consideration of the competitive relationships between different categories of nails and nail coatings.

11/ Our affirmative determination rests on our finding of a causal link between LTFV imports and material injury to the domestic industry. Such a link was lacking in 1980. There is information showing that imported bright nails undersold domestic bright nails. Bright nails are manufactured in significant quantities in the United States. There is also information that the volume of LTFV imports has increased in contrast to the declining volume presented in 1980.

12/ Report at A-28.

13/ Id.

14/ Id.

15/ Id. at A-29.

critical factor in making sales. The Commission has collected information on four types of nails from the domestic producers of nails and the importers of nails from Korea. The most complete and reliable price information was on the 16-penny bright common nails. The weighted average price of these nails imported from Korea in the first quarter of 1979 was 25.0 cents per pound as compared with 23.3 cents per pound for the comparable domestically produced nail. The price of the domestically-produced 16 penny bright nail was 25.4 cents per pound in the first quarter of 1981 and 26.2 cents per pound in the second quarter of 1981. The price of the nails from Korea had declined to 22.5 cents per pound in the first quarter of 1981 and 22.8 cents per pound in the second quarter. Thus, in the first two quarters of 1981, the period during which the Department of Commerce found less than fair value sales to have occurred, the nails imported from Korea were underselling the domestic nails by 11.4 and 13.0 percent, respectively. 16/ Furthermore, in the third quarter of 1981, the price of the domestic product actually declined to 25.9 cents per pound and then to 24.6 cents per pound in the last quarter of 1981. This drop in prices indicates an attempt by domestic producers to compete with the price of the imported product. Since the cost of production has increased and prices have decreased, there is evidence of price depression.

Impact of imports on the domestic industry.--The economic indicators for the U.S. steel wire nail producers present a picture of an industry suffering material injury. Production declined from 1979 to 1981 by 91,000 short tons or 28 percent. A continued drop of 30 percent is reflected in the first 5

16/ Report at A-31.

months of 1982 compared with the first 5 months of 1981. 17/ Capacity utilization declined from 52 percent in 1979 to 45 percent in 1981. 18/ This decrease would have been greater were it not for a concurrent drop in capacity of 112,200 short tons, or 18 percent, 19/ due in part to some domestic producers going out of business. U.S. producers' domestic shipments have followed a declining trend similar to production, dropping by 96,000 short tons or 31 percent from 1979 to 1981. A continued decline of 15 percent is indicated in the first five months of 1982. 20/ Employment has dropped from 2,044 in 1979 to 1,339 in 1981.

These indicators most clearly manifest themselves in the financial experience of the domestic industry. Profit-and-loss data submitted to the Commission show a steady decline in profitability. In 1979 the industry posted an operating income of $1.2 million dollars, with a ratio of operating income to net sales of 0.7 percent. By 1981 the operating income had become an operating loss of $6.3 million dollars with a negative ratio of operating income to net sales of 5.0 percent. In 1979, 5 of the fourteen firms from whom data was collected reported operating losses; by 1981 the number of such firms had doubled. 21/

It has been well documented in this and prior investigations that sales of nails are closely related to the performance of the housing industry. Counsel for the Korean producers has argued that it is the decline in the

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17/ Report at A-12.
18/ Id. at A-15
19/ Id.
20/ Id. at A-16.
21/ Id. at A-24.

housing industry and not imports from Korea that had an impact on the nail producing industry. There is clearly a decline in housing starts in recent months as well as a decline in consumption. However, in the face of this decline in consumption, nails from Korea increased both their volume and market penetration.

The nature of the supply relationship in the market for nails has made it difficult to substantiate instances of lost sales. The major purchasers of steel wire nails solicit bids and make purchases from both domestic producers and importers as a matter of course. Therefore, it is difficult to determine that a particular sale was lost by domestic producers to LTFV imports from Korea. But because direct competition between domestic and Korean producers is common, price undercutting by Korean firms is more likely to force domestic producers to lower prices.

Although there are other factors which may have contributed to over-all injury to the domestic industry, 22/ the data gathered in this investigation makes clear that the U.S. steel wire nail industry is being materially injured by the LTFV imports of steel wire nails from Korea.

22/ Counsel for the Korean producers has also argued that imports from Korea are simply replacing those from Japan and that it is increased imports from the People's Republic of China (China) that are having "a far stronger impact on the domestic industry than imports from Korea."

While it is true that imports from Korea and Japan together have represented approximately the same percent of imports, this share of imports represented a larger volume of imports in 1981 at a time of declining consumption. Imports from Korea were responsible for this increased volume; imports from Japan have declined. Thus imports from Korea have penetrated further into the U.S. market. Although imports from China have increased from 1979 to the present, the volume of these imports is still well below the volume of nails from Korea.

Additional Views of Commissioner Paula Stern

I agree with my colleages that the impact of subsidized imports from Korea must be measured on the domestic producers of all steel wire nails. Because separate financial and employment data for different types of nails cannot be provided by the domestic producers, much of the discussion on like product is indeed moot, given the provisions of section 771(4)(A).

Furthermore, regardless of whether the industry is regarded as one aggregate or seven individual industries, a consideration of the competitive relationships between different categories of nails can be appropriate to determining the conditions of trade and competition. For example, as the majority points out in footnote 10, in Certain Steel Wire Nails from the Republic of Korea, Inv. No. 731-TA-26 (1980), over 50 percent of the LTFV nails consisted of electro-galvanized nails, a nail variety produced to a very limited extent in the United States. Such nails compete to a limited degree with domestically produced hot-dipped nails, but the two are not fungible. The electro-galvanized nail is produced by a different process, has a thinner zinc coating, and is significantly cheaper.

The information in the 1980 investigation showed price depression in certain nail lines, but not for those nail coatings where the bulk of the domestic production was concentrated. Hence, the Commission was unable to find any causal relationship between the lower prices of certain LTFV nails and the difficulties experienced by the domestic industry.

There is now a more clearcut relationship between the LTFV imports and the deterioration in the position of domestic producers, whether grouped into one aggregate industry or divided into product lines. In the present case, margins of underselling with resultant price depression are found in bright nails, whre the bulk of domestic production is concentrated.

I agree with my colleagues that classifications of nails based on type or size may in certain situations provide useful information. However, the multiplicity of possible alternative classifications of nails is not sufficient in and of itself to invalidate a division of the domestic industry into narrower product lines. In spite of the fact that the discussion of the scope of the domestic industry in the case has no impact on the determination, for purposes of satisfying the Commission's statutory obligations, I find it most appropriate to retain the like product analysis of the earlier title VII investigations of nails. 1/ I find seven like products: electrogalvanized, bright, vinyl-coated, cement-coated, hot-galvanized, phosphated-coated, and blued nails. I join the majority in all other aspects of its analysis supporting an affirmative determination.

1/ USITC investigation Nos. 731-TA-45, 46 and 47 (Preliminary), USITC Pub. No. 1175 and USITC investigation No. 731-TA-26 (Final), USITC Pub. No. 1088.

ADDITIONAL VIEWS OF COMMISSIONER MICHAEL J. CALHOUN

In my assessment of the information before us, I concur with the views of the majority and with those of Commissioner Stern in both analysis of and the conclusion reached regarding the impact of imports on the domestic industry. Indeed, I concur with both views on the matter of what group of producers ought to be the focal point for assessing the impact of imports. Where I differ with both views is in how I arrive at the appropriate grouping of domestic producers against which the impact of imports is to be measured.

That in a majority determination there are three different approaches to identifying the same group of producers as the focal point of the material injury analysis can be viewed as a plain demonstration of the exaggerated importance given the matter. To be sure, the way in which we choose domestic producers for purposes of measuring import impact can be considered, in most instances, as overly academic if not seemingly making much out of little. This is especially so in light of the fact that, in this case anyway, Section 771(4)(D) compels assessment of impact against all nail producers no matter how one defines industry and like product.

But as has been my expressed view since joining this body, we remain in the very early stages of the interpretation of this statute. Thus, in each case before us we either establish or ratify important principles and standards for applying the statute to fact. As a result, each case requires

us to be as attentive as possible to how we interpret language and apply fact to law, not simply for consistency but also for clarity and precision. While many cases may be resolved without turning on the meaning of a particular provision, the one case which arises that relies heavily on it is captive of the meaning or lack of meaning we have given it previously. So what may appear to be myopic preoccupation with like product analysis is neither. Rather, it is part of the necessary process of methodically establishing the meaning of the Trade Act of 1979.

This is the fourth investigation of nails since the passage of the Trade Agreements Act of 1979. It is the second final investigation. The first was decided in August 1980. In that first final investigation, No. 731-TA-26, the Commission found seven domestic like products corresponding to each type of import. In the present investigation, we are confronted with virtually the same range and type of imported nails. However, we face the matter before us with the cumulated experience of, now, four investigations of nails in two years.

In this regard, I find that there is one domestic like product, nails undifferentiated by type. I reach this finding based on my view that the fundamental article being imported is nails. This conclusion arises owing to the interaction of three factors which characterize the imported nails before us.

First, the production of nails in the United States is typically a process in which the great bulk of production cost is associated with the manufacture of the product from which all other finished nails are made,

making the manufacture of the intermediate product, not necessarily the finished one, the heart of production. Thus, as the majority observed, imports of a particular type of nail will have an impact not only on the domestic production of the identical type of nail, but also on the underlying production in toto. But, more important, because of this concentration of production costs at the undifferentiated stage of product manufacture, import mix can be ready and easily shifted to meet any domestic market condition from type restriction to market preference.

Second, while there are seven types of nails being imported grouped on the basis of finish, there are numerous types of nails which can be grouped on the basis of length and diameter, type of head, or specialized use. Thus, for just about any rational basis, nails can be diffentiated and distinguished from one another. Such a circumstance suggests to me that individual nails have as much in common as they are different and efforts to group them in a meaningful way must rely upon arbitrary factors rather than upon distinctions discernible in the marketplace. While order composition is articulated in terms of coating, they also identify, and the marketplace distinguishes, by size, use, etcetera.

Third, patterns in the marketplace indicate that despite particular coatings, types of heads and length and diameter are very important factors in distinguishing which nail to use in a particular circumstance. Purchases of nails at the wholesale and distribution levels are made in bulk, containing a broad mix of types of nails whose distribution is subject to only limited control by the purchaser. It is rare that a specific type of nail will

comprise a whole order. Thus, the market at the wholesale level seems to view nails as a mixed unit rather than as distinct product types. The most important thing is that a range of types be available.

In this investigation, I find that there is one imported article, steel wire nails. 1/ Furthermore, domestically produced steel wire nails correspond in all respects in characteristics and uses to the imported article and, therefore, are the like product. Thus, the domestic industry consists of the domestic producers of steel wire nails.

1/ Nails of one-piece construction, which are made of round steel wire and which are (1) less than 1 inch in length and less than 0.065 inch in diameter or (2) 1 inch or more in length and 0.065 inch or more in diameter, as provided for in items 646.25 and 646.26, respectively, of the TSUS. Report at A-7.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On July 2, 1981, the U.S. International Trade Commission received advice from the U.S. Department of Commerce (Commerce) that it was initiating an antidumping investigation concerning imports of certain steel wire nails from Japan, the Republic of Korea (Korea), and Yugoslavia. Commerce initiated these investigations on its own accord pursuant to information developed under the Trigger-Price Mechanism (TPM). This information indicated that significant sales of steel wire nails were being made at less than the relevant trigger price. Therefore, the Commission instituted 1/ preliminary antidumping investigations on July 2, 1981 (Investigations Nos. 731-TA-45, 46, and 47 (Preliminary)).

On August 11, 1981, the Commission determined that there is a reasonable indication that an industry in the United States is materially injured 2/ by reason of imports from Korea of steel wire nails, which are allegedly being sold in the United States at less than fair value (LTFV). On the same day, the Commission made a negative determination with respect to steel wire nails from Yugoslavia. The case against Japan was terminated by Commerce pursuant to section 734(a) of the Tariff Act of 1930 on the basis of assurances provided by the Japanese nail manufacturers. Therefore, the Commission terminated investigation No. 731-TA-45 (Preliminary) without making a determination on imports from Japan.

On January 29, 1982, Commerce made a preliminary determination 3/ of sales at LTFV on steel wire nails from Korea with a weighted average margin of 4 percent. As a result of the determination, the Commission initiated a final dumping investigation on steel wire nails from Korea on February 5, 1982.

Notice of the Commission's institution of investigation No. 731-TA-46 (Final) and of the public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of February 18, 1982 (47 F.R. 7349). 4/

On March 30, 1982, the U.S. Department of Commerce announced an extension of the investigation for up to 60 days, with its final LTFV determination due not later than June 18, 1981. On this date, Commerce made a final determination that certain steel wire nails from the Republic of Korea are being, or are likely to be, sold in the United States at less than fair value, with an overall weighted average margin on all sales compared of 3.8 percent.

The Commission notified Commerce of its final determination in this investigation within 45 days after the final Commerce action, or by August 2, 1981. The briefing and vote were held on July 22, 1982.

1/ The Commission notice of institution is presented in app. A.

2/ Commissioner Stern voted that there is also a threat of material injury.

3/ A copy of the Department of Commerce preliminary determination is presented in app. B.

4/ A copy of the notice of institution is presented in app. C.

Other U.S. International Trade Commission Investigations Concerning Steel Wire Nails

On January 19, 1982, the Commission and Commerce received a petition from counsel on behalf of Atlantic Steel Co., Florida Wire & Nail Co., New York Wire Mills Corp., Virginia Wire & Fabric Co., Tree Island Steel, Inc., and Armco, Inc., U.S. producers of steel wire nails, alleging that bounties or grants are being paid with respect to steel wire nails imported from Korea, classifiable under items 646.25 and 646.26 of the Tariff Schedules of the United States (TSUS). The Commission therefore instituted 1/ a preliminary countervailing duty investigation under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Korea of steel wire nails upon which the petitioners allege bounties or grants are being paid. On February 23, 1982, the Commission made a unanimous determination that there was a reasonable indication that the domestic nail-producing industry was being materially injured or was threatened with material injury by reason of imports of steel wire nails from Korea. On June 18, 1982, the Department of Commerce made a preliminary determination that benefits which constitute subsidies within the meaning of the countervailing duty law are being provided to manufacturers, producers, or exporters in Korea. The estimated net subsidy is 3.0 percent of the f.o.b value of the reported merchandise.

In a prior antidumping investigation completed in August 1980, the Commission determined (Commissioners Moore and Bedell dissenting) that an industry in the United States was not materially injured and was not threatened with material injury, and the establishment of an industry in the United States was not materially retarded, by reason of imports of certain steel wire nails from Korea, provided for in items 646.25 and 646.26 of the Tariff Schedules of the United States (TSUS), which Commerce had determined were being sold at LTFV. Counsel for Armco Inc. and CF&I Steel Corp. has appealed this determination to the U.S. Court of International Trade (Armco Inc. and CF&I Steel Corp. v U.S., No. 80-9-01435).

In February 1979, the Commission unanimously determined (Commissioner Parker not participating) that an industry in the United States was not being injured and was not likely to be injured, and was not prevented from being established, by reason of the importation of certain steel wire nails from Canada that were being, or were likely to be, sold at LTFV within the meaning of the Antidumping Act, 1921.

Description and Uses

The products which are included within the scope of this investigation are one-piece steel wire nails made from round steel wire rod. Nails fitting this description are available in a variety of heads, shanks, points, sizes,

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1/ A copy of the notice of institiution is presented in app. D.

and finishes. 1/ An indication of the variety of nails can be seen in figure 1. Nails are generally used to join two pieces of material, usually wood.

Nails are produced by drawing wire rod through a nail machine, where the head is formed. It is then pushed through the machine until the nail is of the desired length at which time it is pinched to form a point and then cut. The nail is then expelled and collected for tumbling or for further finishing. The basic nail produced is a bright common nail. Various finishes are applied to nails to improve their holding ability or to prevent rust and/or corrosion. Common coating materials include zinc (galvanized nails), cement, and vinyl.

Nail Finishes

Galvanized nails.--Nails are galvanized with a zinc coating to prevent rust and corrosion. Two methods commonly used to galvanize nails are electrogalvanizing and hot-dip galvanizing. Electrogalvanizing is a process in which a pure coating of zinc of controlled thickness is applied to nails. In the hot-galvanizing process, nails are coated by dipping them in molten zinc, resulting in a thicker coating of zinc and a product which has greater resistance to rust and corrosion.

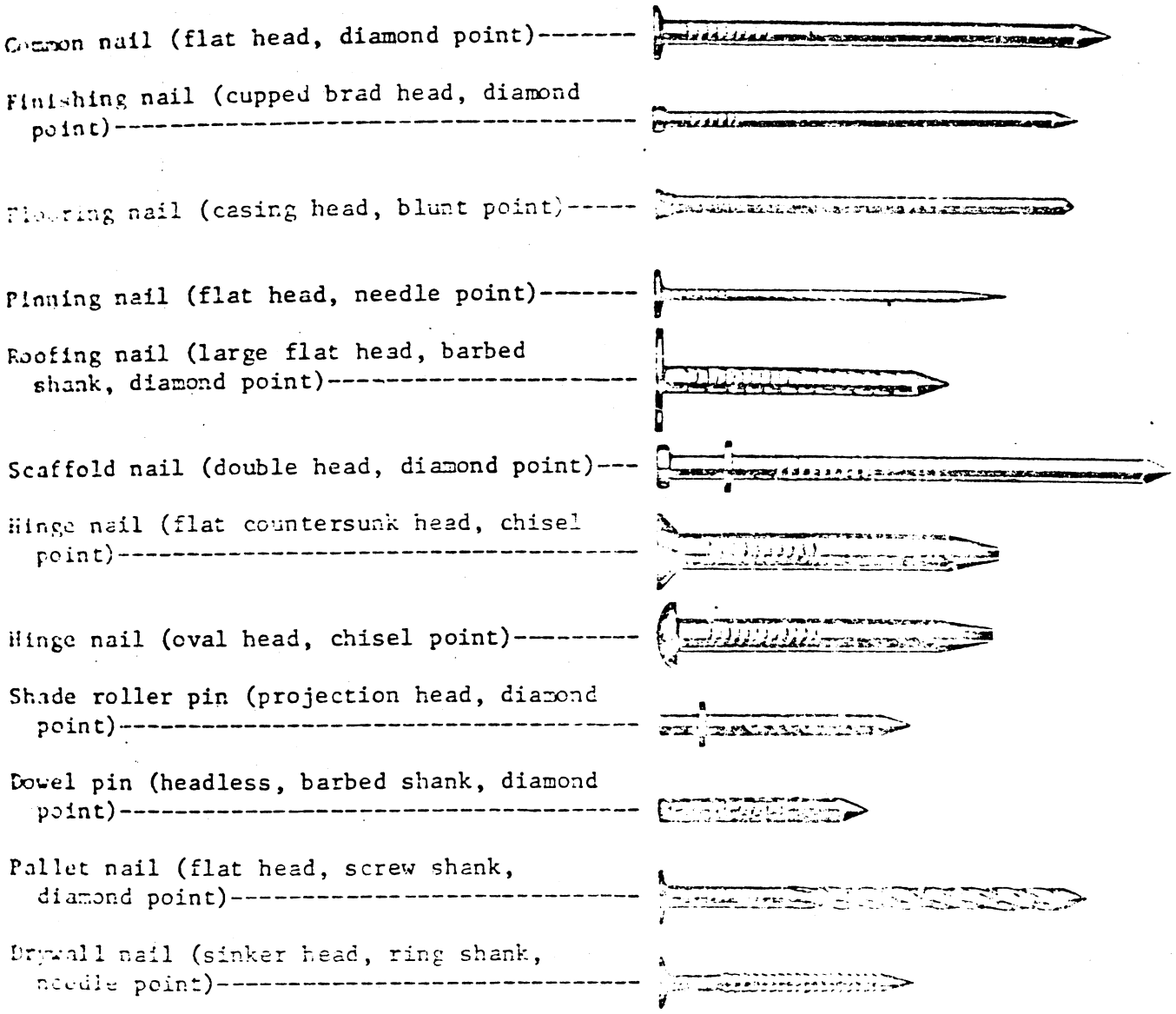
Although the hot-galvanized and electrogalvanized nails are often used interchangeably, there are instances in which one nail is preferred over the other. In the course of this investigation and previous investigations concerning nails, the Commission staff discussed the differences in use between hot-galvanized and electrogalvanized nails with several nail customers. It was generally agreed that the hot-galvanizing process produced a nail offering greater resistance to corrosion when the nail is directly exposed to the elements. One customer also indicated the hot-galvanized nail drives better in the dry wood in his area of Nevada. There were indications, however, that there are situations in which the greater corrosion resistance of the hot-galvanized nail is not required and that the less expensive electrogalvanized nail would be satisfactory. One customer noted, for example, that since roofing nails are often covered by overlapping shingles, the greater corrosion protection of hot-galvanized nails is not required for this application. In addition, since the electrogalvanized nails are smoother, they are not as rough on the hands. Several firms reported that they carry both types of nails to satisfy the individual preferences of their customers.

Cement-coated nails.--Cement coating is a process whereby nails are dipped in a resin mixture. The heat generated when this nail is driven into wood causes the cement coating to fuse slightly, forming a bond with the wood.

Vinyl-coated nails.--Vinyl-coated nails, often called green vinyl nails, are coated by immersing or tumbling chemically cleaned and dried nails in a thermoplastic material, polyvinylchloride lacquer. This coating makes the nails easier to drive and according to some sources, promotes greater adherence to the wood.

1/ A complete description of nail types and the manufacturing process is presented in app. E.

Figure 1.--Types of steel wire nails.



Source: Sales brochures of Atlantic Steel Co. and Republic Steel Corp.

Note.--The above nails are normally available in bright, galvanized, or cement-coated finishes, and most can be supplied with different heads, shanks (e.g. ring, screw, or of nonstandard gage), or points, according to customer order.

Vinyl-coated nails have been in production only since about 1975, when it was developed by Air Nail Corp. in Los Angeles. 1/ It quickly became popular on the west coast, taking a significant share of the market from other coated nails. These nails are used extensively in home construction and are now reported to be the predominant nail used for this purpose in the west.

Other coatings.--There are other coatings available, including phosphate-coated, blued, and painted. These nails make up a small percentage of the nails produced in the United States.

The imported product

Steel wire nails from Korea.--The imported products included within the scope of this investigation are nails of one-piece construction, which are made of round steel wire and which are (1) less than 1 inch in length and less than 0.065 inch in diameter or (2) 1 inch or more in length and 0.065 inch or more in diameter, as provided for in items 646.25 and 646.26, respectively, of the TSUS.

Korean nails are available in a variety of nail sizes and finishes. A breakdown of imports from Korea, by nail finishes, for the period January-July 1981 are shown in the following tabulation. 2/

Type	Percentage distribution of imports from Korea
Electrogalvanized	31.3
Bright	21.8
Vinyl-coated	17.4
Cement-coated	10.5
Hot-galvanized	5.4
Phosphate-coated	4.9
Blued	1.0
Other	7.6
Total	100.0

The Korean industry.--The Korean steel wire nail industry consists of 28 companies, most of which are small nonintegrated firms. Five of these producers operate large modern establishments that were founded by Japanese interests. Many of these firms are export oriented, and the United States is the principal export market. During January 1979-May 1982, 85 percent of total exports of steel wire nails to the United States were from 15 Korean firms. Information on the 15 Korean firms that export to the United States and that were subject to the Department of Commerce investigation is shown in table 1.

1/ Based on information provided in the prehearing statement submitted on behalf of the Korean Metal Industry Cooperative, May 1980, Inv. 731-TA-26 (Final)

2/ Provided by counsel for the Korean producers.

Table 1.--Steel wire nails: Korean exports, 1/ 1979-81, January-May 1981 and January-May 1982

(In short tons)

Period	Production	Total exports	To the United States	To other countries
1979	***	***	***	***
1980	***	***	***	***
1981	***	***	***	***
January-May--				
1981	2/	***	***	***
1982	2/	***	***	***

1/ Provided by counsel for the Korean Metal Industry Cooperative.
2/ Not available.

Two of the Korean companies that export to the United States, Jin Heung and Samchok, were excluded from the final determination of LFTV sales by the Department of Commerce. These two firms together accounted for * * * percent of exports to the United States in 1979, * * * percent in 1980, * * * percent in 1981, and * * * percent in January-May 1982.

The five modern Japanese-founded steel wire nail production facilities were established in the Masan Free Trade Zone in Korea in February-April 1973. These mills initially used Japanese rod, Japanese machinery, and Korean labor under Japanese supervision. Virtually all of the production in the free trade zone is produced for export.

The Japanese could produce nails in Korea more efficiently than in Japan because:

1. Wages in Korea were lower.

2. The Japanese in Korea were not bound by the Japanese practice of hiring workers for life. Instead, they could hire and fire workers as the market required.

3. Until recently, the Korean Government offered the Japanese investors attractive tax incentives to establish production facilities in the Masan Free Trade Zone.

At the end of 1978, the five Masan companies had a total investment in the buildings, equipment, inventories, and so forth in their Korean facilities of more than $7 million. The facilities had a capacity to produce about 70,000 short tons of nails a year.

Counsel for the Korean producers reported that since early 1980, all of the Masan companies were sold--four plants to Korean concerns and one plant to a private Japanese citizen. According to counsel, these firms were sold because tax incentives in the Masan Free Trade Zone are no longer available to

the Japanese firms. The new owners are free to buy rod from the cheapest source regardless of producer or country of origin. Under Japanese multinational ownership, these Masan producers were obliged to purchase rod from a related Japanese parent company at allegedly premium prices. Nails produced by the Japanese-founded companies in Korea are reputed to be among the highest quality in the world.

U.S. tariff treatment.--Imports of steel wire nails are classifiable under three TSUS items, depending primarily on size. The nails under consideration in these investigations enter under items 646.25 and 646.26. 1/ These two items account for the bulk of the steel wire nails imported into the United States.

Those round wire nails that are less than 1 inch in length and less than 0.065 inch in diameter are classified under item 646.25. Round wire nails of 1 inch or more in length and 0.065 inch or more in diameter are classified under item 646.26. The most-favored-nation rate of duty (column 1) 2/ for these two TSUS items is 0.5 percent ad valorem. The column 2 rates of duty 3/ for these two items are 2 percent ad valorem and 3.5 percent ad valorem, respectively.

Round wire nails of steel that do not meet the size restrictions mentioned above for items 646.25 and 646.26 (e.g., nails less than 1 inch in length and 0.065 inch or more in diameter) enter under item 646.30. These nails are not included within the scope of this investigation.

Steel wire nails classified in items 646.25 and 646.26 are not eligible articles for purposes of duty-free treatment under the Generalized System of Preferences (GSP). 4/ The present rates of duty for these two items were established during the Tokyo round of trade negotiations and became effective January 1, 1980. These rates are not scheduled for any further reductions as a result of the Tokyo round concessions. The rate of duty for item 646.25 was 0.5 cent per pound from January 1, 1948, to December 31, 1979. The rate of duty for item 646.26 was 0.1 cent per pound from January 1, 1971, to December 31, 1979.

1/ Brads, spikes, staples, and tacks also classified in these items are not included in this investigation.

2/ Col. 1 rates of duty are most-favored-nation (MFN) rates and are applicable to imported products from all countries except those communist countries and areas enumerated in general headnote 3 (f) of the TSUS. However, these rates would not apply to products of developing countries where such articles are eligible for preferential tariff treatment provided under the Generalized System of Preferences or under the "LDDC" rate of duty column.

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.

4/ 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 by 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.

The domestic product

Steel wire nails.--The domestically produced products which are most like the imported products are round, one-piece steel wire nails that are less than 1 inch in length and less than 0.065 inch in diameter and round, one-piece steel wire nails, 1 inch or more in length and 0.065 inch or more in diameter. These domestically produced nails are, like the nails imported from Korea, available in a variety of sizes and finishes (app. E). A breakdown of nails produced in the United States and the Western States, by nail finishes, in 1981, is shown in the following tabulation:

Type	Percentage distribution of production	Percentage distribution of Western States production
Bright	38.1	***
Cement-coated	32.8	***
Hot-galvanized	23.5	***
Vinyl-coated	1.7	***
Electrogalvanized	1.7	***
Other	2.3	***
Total	100.0	100.0

The U.S. industry.--The U.S. steel wire nail industry consists of two categories of producers: (1) large, integrated steel-producing firms that manufacture steel wire rod, draw it into wire, 1/ and then make nails from the wire, and (2) smaller converting firms that make nails from purchased steel wire rod or drawn wire. The larger companies typically make the high-volume smooth-shank nails, and smaller firms concentrate production in higher priced nails (e.g, those having special-purpose heads, shanks, points, or finishes).

In 1977, the integrated firms accounted for an estimated two-thirds of total production; by 1980, their share had decreased to 59 percent of total production. In 1981, the major producers and their share of production, as reported in questionnaires were the * * *.

In general, integrated steel manufacturers produce other products which are more profitable than nails. Nonintegrated producers consider nailmaking a more essential aspect of their overall operations and have accordingly made substantial investments to enhance production capability.

Nine new steel wire nail production facilities were established during 1976-80 (table 2), three of which are located in the Western States. Plant closings since 1976 include American Nail Co., located in Earth City, Mo., which shut down in the spring of 1980, and U.S. Steel, which closed its Pittsburg, Calif., Joliet, Ill., and Birmingham, Ala., plants in 1979 and

1/ Wire drawing is the process whereby steel rod is converted into wire. The rod is pulled through successive dies which reduce the diameter of the rod until the desired gage is reached.

2/ * * *.

1980. In addition, in 1980, Queen Wire & Nail, Inc., and Penn-Dixie Steel Corp. filed for reorganization under chapter 11 of the Federal Bankruptcy Act. Penn-Dixie is now producing nails as Continental Steel. On April 2, 1981, the board of directors of Tree Island Steel Co. decided to shut down the company's nail mill in Carson, Calif., and discontinued operations in October of that year.

Table 2.--Steel wire nails: U.S. production facilities established, 1976-80

Firm	Location	Year of production
Virginia Wire & Fabric Co	Warrenton, Va.	1976
New York Wire Mills, Inc	Tonawanda, N.Y.	1977
Queen Wire & Nail, Inc	Buffalo, N.Y. 1/	1977
Tree Island Steel Co	Carson, Calif. 2/	1979
American Nail Co	Schenectady, N.Y.	1980
Florida Wire & Nail Co	Quincy, Fla.	1979
Davis Walker Corp	Kent, Wash.	1979
Air Nail Corp	Los Angeles, Calif.	1979
Davis Walker Corp	New Orleans, La.	1980

1/ Moved to Columbia, S.C., in 1979. Filed for bankruptcy in March 1980.
2/ Closed in October 1981.

Source: Compiled from data provided by U.S. producers.

Nature and Extent of Sales at Less Than Fair Value

On June 22, 1982, the Department of Commerce informed the Commission that it had made a final determination that certain steel wire nails from Korea are being, or are likely to be, sold in the United States at less than fair value. Nails manufactured by Samchok Industrial Company, Ltd., and Jin Heung Iron & Steel Co., Ltd., are excluded from this determination.

Commerce investigated sales of steel wire nails made by 15 Korean producers and sold for exportation to the United States during the period of investigation, January 1, 1981, through June 30, 1981. Sales by these firms accounted for approximately 85 percent of all nail sales from Korea to the United States during the period of investigation. The 15 firms investigated were as follows:

1. Ah Ju Steel Co., Ltd. (Ah Ju)
2. Dae-A Steel Wire Ind., Co., Ltd. (Dae-A)
3. Gaya Metal Ind. Co., Ltd. (Gaya)
4. Han Duk Ind., Co. Ltd. (Han Duk)
5. Han Kuk Steel Wire Ind. Co., Ltd. (Han Kuk)
6. Je Il Steel Co. Ltd., (Je Il)
7. Jin Heung Iron and Steel Co. Ltd. (Jin Heung)

8. Kabul Ltd. (trading for Dong-A Nails Manufacturing Co., Ltd.)
9. Korea Ill Dong Co., Ltd. (Korea Il Dong)
10. Korea Nippon Seisen Co., Ltd. (Korea Nippon Seisen)
11. Kuk Dong Metal Ind. Co., Ltd. (Kuk Dong)
12. New Korea Nails Ind. Co., Ltd. (New Korea)
13. Samchok Ind. Co., Ltd. (Samchok)
14. The Tan's Metal Ind. Co., Ltd. (Tan's Co.)
15. Young Sin Metal Ind. Co., Ltd. (Young Sin)

Three methods were used by Commerce to calculate fair-value comparisons. In the case of five companies (Dae-A, Jin Heung, Kuk Dong, New Korea, and Samchok) Commerce compared U.S. price based on purchase price with foreign-market value based on home-market price. In the case of one company, Korea Nippon Seisen, Commerce determined that the rule for multinational corporations was applicable, so Commerce compared U.S. price based on purchase price with foreign-market value in Japan. For all other firms, U.S. price based on purchase price was compared with foreign-market value based on the constructed value of the imported merchandise.

Fair value comparisons were made on approximately 86 percent of the total sales to the United States made by the 15 manufacturers under investigation. Margins were found on 42 percent of the sales ranging from 0.01 to 55.7 percent, with an overall weighted-average margin on all sales compared of 3.8 percent. Samchok had no LTFV sales and Jin Heung's weighted-average margin was only 0.1 percent which is de minimis. Both firms were therefore excluded from the determination of LTFV sales.

The U.S. Market

Steel wire nails produced in the United States are generally sold first to distributors and then to wholesalers and retailers, which in turn sell them to the ultimate consumer. Nails imported from most foreign sources are initially sold to sales agents and distributors before following the same distribution channels as domestic nails. The distribution channels are not clear cut; some importers, for example, also purchase nails from domestic producers, and some domestic producers sell directly to retailers. Several producers also import nails. Because nails are heavy and costly to transport long distances, most shipments are made to customers located within 500 miles of the producing plant or port of entry (table 3).

Table 3.--Steel wire nails: Estimated shares of U.S. producers' total shipments, by distances shipped, 1977

(In percent)

Distance shipped	Share	Cumulative share
Less than 100 miles	20	20
100-299 miles	31	51
300-499 miles	28	79
500-999	18	97
1,000 miles or more	3	100
Total	100	-

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

Most nails are consumed in the building construction market for purposes such as joining structural members, assembling millwork, and securing various materials (e.g., flooring, dry wall, exterior siding, trim, roofing, and paneling). This market also includes nails consumed by the nonprofessional user. The remaining nails are consumed in the industrial market (where they are used in the construction of pallets, boxes, and other containers) and in the furniture-manufacturing market. Imported and domestically produced nails of a specific type are generally fungible, and few end users are aware of the country in which the nails they use are manufactured.

Within the building construction industry and other nail-consuming industries, a new and more efficient method of applying nails has been developed in which nails are shot from pneumatic nailing guns at rates of up to 150 nails per minute. These guns use "collated" nails (i.e., those which have been attached to strips of tape or other adhesive material), and are capable of increasing carpenter output so dramatically that the additional cost of collating is insignificant compared with the gain in efficiency. As the use of nail guns is growing rapidly, increasing amounts of nails are likely to be purchased or produced by firms specializing in collating. No allegations of injury have been made by U.S. nail collators.

Domestic and imported steel wire nails are usually shipped by truck or rail in lots of about 40,000 pounds. Truck transportation can be provided by either the manufacturer or the customer, whereas shipments by rail or sea are usually arranged by the manufacturer. Freight costs are generally the responsibility of the purchaser, although a producer will sometimes absorb a part of the transportation costs when competing with another nail producer which is closer to the customer. Most domestic and foreign nail producers offer the same financial terms to their customers, i.e., a 2-percent discount for payment within 10 days of the date of invoice or net 60 days.

Consideration of Material Injury or Threat Thereof

The statistical data for this section of the report were compiled from questionnaire responses. The Commission received usable information from 20 producers of the subject nails, accounting for approximately 55 to 70 percent of shipments, as reported by the Department of Commerce. 1/ When possible, data are presented separately for operations in a 10-State Western region. 2/

The January-May 1981 and January-May 1982 data were compiled from a telephonic update conducted by the Commission staff and are based on information provided by 15 U.S. producers, accounting for approximately 58 percent of 1981 adjusted shipments of the Department of Commerce.

U.S. production

Questionnaire respondents reported production of steel wire nails as follows:

Year	Quantity (1,000 short tons)
1979	321
1980	255
1981	230

These data show that production declined by 21 percent from 1979 to 1980 and decreased again by 10 percent in 1981, representing a total drop in production of 91,000 short tons, or 28 percent, between 1979 and 1981.

The information gathered from 15 U.S. producers comparing production in January-May 1981 with that in January-May 1982 indicates an additional decline of 30 percent in the latter period, as shown in the following tabulation:

Period	Quantity (1,000 short tons)
January-May--	
1981	96
1982	67

Total production of steel wire nails, by nail types, as reported by questionnaire respondents, is shown in table 4. The only increase in production over the three year period is of electrogalvanized nails. The share of production accounted for by each nail type remained fairly stable during 1979-81.

1/ As adjusted by the U.S. International Trade Commission.

2/ Arizona, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming.

Table 4. Steel wire nails: Production and percent of total production by nail types, 1979-81

Nail type	1979	1980	1981
	Production (1,000 short tons)		
Electrogalvanized	3.3	3.0	3.8
Hot-dipped galvanized	76.0	56.2	53.9
Bright	130.6	96.6	87.4
Cement coated	90.2	85.2	75.4
Vinyl coated	3.8	8.7	3.8
All other	17.0	5.0	5.3
Total	320.9	254.7	229.6
	Percent of total		
Electrogalvinized	1.0	1.2	1.7
Hot-dipped galvanized	23.7	22.1	23.5
Bright	40.7	37.9	38.1
Cement coated	28.1	33.5	32.8
Vinyl coated	1.2	3.4	1.7
All other	5.3	2.0	2.3
Total 1/	100.0	100.0	100.0

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

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

Production of steel wire nails, as reported by six U.S. producers located in the Western States, decreased from 60,000 tons in 1979 to 47,000 tons in 1980, or by 21 percent. Production continued to decrease, to 35,000 tons, in 1981, or by 25 percent. Two west coast producers closed their nail-producing operations during this time period--U.S. Steel in May 1980, and Tree Island in October 1981. Production figures for the west coast producers are shown in the following tabulation:

Year	Quantity (1,000 short tons)
1979	60
1980	47
1981	35

Production of steel wire nails in January-May 1982 in the Western region is based on information provided by two firms * * *. These companies reported that production * * * .

Production of nails in the Western region is shown, by types in table 5. As was the case in the United States as a whole, while production of each type of nail declined, the share of production accounted for by each nail type remained fairly stable. The only exception was an increase in the share of production accounted for by vinyl-coated nails and a consequent decline in the all-other nail category.

Table 5.--Steel wire nails: Production and percent of total production by nail types, in the Western region, 1979-81

Nail type	1979	1980	1981
	Production (1,000 short tons)		
Electrogalvanized	***	***	***
Hot-dipped galvanized	***	***	***
Bright	***	***	***
Cement coated	***	***	***
Vinyl coated	***	***	***
All other	***	***	***
Total	***	***	***
	Percent of totals		
Electrogalvinized	***	***	***
Hot-dipped galvanized	***	***	***
Bright	***	***	***
Cement coated	***	***	***
Vinyl coated	***	***	***
All other	***	***	***
Total 1/	***	***	***

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

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

Utilization of productive facilities

It is difficult to determine U.S. productive capacity for nails, because output varies significantly depending upon the type of nail produced. For example, Glader Nail King machine number 71-2-1/2, for example, is advertised as being capable of producing 7d nails at the rate of 190 pounds per hour or 8d nail at the rate of 279 pounds per hour. Because of this, companies were asked to report capacity on the basis of their "normal" product mix.

Nail machines are ideally operated three shifts a day with downtime for maintenance and repair. The capacity data presented in this report are based on operating nail-producing facilities three shifts a day, seven days a week. Capacity decreased steadily throughout the period, from 623,000 short tons in 1979 to 511,000 short tons in 1981. The ratio of production to capacity also declined steadily, from 52 percent in 1979 to 45 percent in 1981, as shown in table 6.

Table 6.--Steel wire nails: U.S. producers' 1/ production capacity, based on operating facilities 3 shifts a day, 7 days a week, 1979-81

Year	Capacity	Ratio of production to capacity
	1,000 short tons	Percent
1979	623	52
1980	539	47
1981	511	45

1/ Questionnaire respondents.

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

Capacity information for January-May 1981 and January-May 1982 was provided by 11 U.S. producers. These producers reported capacity for January-May 1981 of 233,799 short tons and 223,979 short tons in January-May 1981. * * *. Two other companies * * * indicated their capacity increased slightly but were unable to give actual numbers. Capacity and ratio of production to capacity figures for these 11 firms are shown in the following tabulation.

Period	Capacity (1,000 short tons)	Ratio of production to capacity percent
January-May--		
1981	234	35
1982	224	26

In 1979, the U.S. Steel plant located in Pittsburg, Calif., accounted for approximately * * * percent of total production capacity in the Western States. This plant was closed in May 1980. Capacity subsequently declined by * * * short tons, or * * * percent, in 1980 and by * * * short tons, or * * * percent, in 1981. The ratio of production to capacity declined from * * * percent in 1979 to * * * percent in 1980, with a slight increase to * * * percent in 1981, as shown in table 7.

Table 7.--Steel wire nails: Western U.S. producers' production capacity, based on operating facilities 3 shifts a day, 7 days a week, 1979-81

Year	Capacity	Ratio of production to capacity
	1,000 short tons	Percent
1979	140	43
1980	129	36
1981	92	38

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

U.S. producers' domestic shipments and exports

Data on U.S. producers' shipments of steel wire nails and staples are maintained by Commerce on a yearly basis (table 8). Although these data are probably the best available, caution should be used in interpreting them. Commerce limits its data collection to steel works and wire-drawing establishments. Data for firms that make nails from purchased steel wire--fabricators--are not included, and as a result, shipment totals are understated. Commerce did collect data from such fabricators in its 1977 Census of Manufactures; in that year, data show that steel works and wire-drawing establishments accounted for approximately 80 percent of the total quantity of shipments.

Table 8.--Steel wire nails: U.S. producers' shipments and exports, 1979-81

(In thousands of short tons)

Year	Shipments 1/	Exports
1979	568	10
1980	380	12
1981	2/ 323	2/ 12

1/ Includes exports. Data collected by the U.S. Department of Commerce do not include nail shipments of fabricators. The 1977 Census of Manufacturers' estimates that shipments of fabricators account for 20 percent of total shipments and the Commission staff has adjusted Commerce data accordingly.

2/ Estimated by the staff of the U.S. International Trade Commission, based on questionnaire data.

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

U.S. producers' shipments decreased from 568,000 short tons in 1979 to 380,000 short tons in 1980, a decline of 188,000 short tons or 33 percent, from the 1979 level. The Commission's staff estimates that in 1981, shipments dropped an additional 15 percent to 323,000 tons. U.S. producers' exports accounted for no more than 5 percent of shipments during 1979-81 and are made primarily to Canada, with smaller amounts going to Mexico, France, and the United Kingdom.

Shipments of nails reported by questionnaire respondents represented between 55 and 70 percent of the shipments reported by the Department of Commerce. Shipments of nails as reported by these 20 respondents are shown in the following tabulation:

Year	Quantity (1,000 Short tons)
1979	314
1980	256
1981	218

These data indicate that shipments declined by 58,000 short tons, or 18 percent, from 1979 to 1980 and then declined by an additional 38,000 short tons, or 15 percent, in 1981.

Information on U.S. shipments of steel wire nails from the 15 producers that were able to provide this information for January-May 1981 and January-May 1982 is shown in the following tabulation:

Period	Quantity (1,000 Short tons)
January-May--	
1981	84
1982	71

These numbers indicate a continued decline in shipments of 12,180 short tons, or 15 percent, in January-May 1982 compared with shipments in the corresponding period of 1981.

Regional market considerations

Questionnaire data on the distribution of shipments of nails indicate the extent to which domestic producers outside the Western States supply the 10-state area and the extent to which Western producers sell their nails outside that area. These data are summarized in table 9.

Table 9.--Steel wire nails: U.S. producers' shipments to and from the 10 state Western region of the United States, 1979-81

(In percent)

Year	Share of Western producers' shipments that are shipped outside the area 1/	Share of domestic producers' sales in the west supplied from outside the area
1979	***	17
1980	***	12
1981	***	15

1/ The 10 states in this area are Arizona, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming.

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

Western producers made * * * percent of their shipments outside the 10-state area in 1979; this share fell to * * * percent in 1980 and rose to * * * percent in 1981. Of the five Western producers that supplied shipment data, only two, * * * shipped outside that area. * * *.

The Eastern producers supplied 17 percent of the domestically produced nails sold in the west in 1979. Their share fell to 12 percent in 1980 and then increased to 15 percent in 1981. Of the 14 Eastern producers reporting shipments in 1981, * * * shipped nails to the west.

U.S. producers' inventories

Inventories of steel wire nails are maintained by most producers in order that they might be in a position to fill orders from stock. Inventory levels declined by 11,000 short tons from 1979 to 1980 and then increased by 3,000 short tons in 1981. As shown in table 10, the ratio of inventories to production decreased slightly from 1979 to 1980 before rising to 13.4 percent in 1981.

Table 10.--Steel wire nails: U.S. producers' 1/ end-of-period inventories, 1979-81

Year	Producers' inventories	Ratio of inventories to production
	1,000 short tons	Percent
1979	39	12.1
1980	28	11.0
1981	31	13.4

1/ Questionnaire respondents.

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

Inventories reported by eight producers as of May 31, 1982, show a sharp drop of 11,843 short tons, or 46 percent, compared with inventories on May 31, 1981, caused in part by * * * as well as a general reduction of inventories. Many producers reported shipment levels higher than production in this period. Inventory levels for May 31, 1981, and May 31, 1982 are shown in the following tabulation.

Period	Quantity (1,000 Short tons)
January-May--	
1981	26
1982	14

Inventories held by producers in the Western States decreased from * * * short tons in 1979 to * * * short tons in 1980, * * *. A continued drop to * * * short tons occurred in 1981. The ratio of inventories to production declined from * * * percent in 1979 to * * * percent in 1981, as shown in table 11.

Table 11.--Steel wire nails: Western U.S. producers' end-of-period inventories, 1979-81

Year	Producers' inventories	Ratio of inventories to production
	1,000 short tons	Percent
1979	***	***
1980	***	***
1981	***	***

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

U.S. consumption

As shown in table 12, apparent U.S. consumption of steel wire nails (U.S. producers' domestic shipments plus imports for consumption) declined sharply from 895,000 short tons in 1979 to 660,000 short tons in 1980, or by 235,000 short tons or 26 percent. A continued drop of 46,000 short tons, or 7 percent, is shown in 1981.

Table 12.--Steel wire nails: U.S. producers' shipments, exports, imports, and apparent U.S. consumption, 1979-81

(In thousands of short tons)

Year	U.S. producers' shipments 1/	Exports	Imports	Apparent consumption
1979	568	10	337	895
1980	380	12	292	660
1981	2/ 323	2/ 12	303	614

1/ Data collected by the U.S. Department of Commerce do not include nail shipments of fabricators. The Commission staff estimates that shipments of fabricators account for 20 percent of total shipments and has adjusted Commerce data accordingly.

2/ Estimated by the staff of the U.S. International Trade Commission, extrapolating from questionnaire data.

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

Estimates of U.S. consumption based on U.S. producers' domestic shipments as provided by the 20 questionnaire respondents plus imports during 1979-81 are presented in table 13. These data underestimate U.S. shipments and total consumption, but they are useful for the purpose of examining trends in the industry. The data indicate estimated consumption declined steadily from 1979 to 1981 by 130,000 short tons, or 20 percent.

Table 13.--Steel wire nails: U.S. producers' domestic shipments, 1/ imports, and estimated apparent U.S. consumption, 1979-81

(In thousands of short tons)

Year	Producers' shipments 1/	Imports 2/	Estimated consumption
1979	314	337	651
1980	256	292	548
1981	218	303	521

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

2/ Compiled from official statistics of the U.S. Department of Commerce.

U.S. consumption estimates for January-May 1981 and January-May 1982 are shown in the following tabulation:

Period	Estimate of apparent U.S. consumption (1,000 short tons)
January-May--	
1981	219
1982	173

These figures are based on domestic shipment data provided by 15 domestic producers plus imports. These are provided for a comparison between January-May of 1981 to January-May 1982 and are not comparable with previous years' data.

These data indicate that consumption continued to drop in January-May 1982 by 46,000 short tons, or 21 percent, compared with data for January-May 1981.

U.S. consumption in the Western region, based on U.S. producers' domestic shipments as provided in questionnaire response plus imports in ports in the Western region during 1979-81, are shown in table 14.

Table 14.--Steel wire nails: U.S. producers' domestic shipments, 1/ imports, and estimated apparent U.S. consumption, 1979-81

(In thousands of short tons)

Year	U.S. producers' domestic shipments	Imports into the Western region	Estimated consumption in the Western region
1979	***	***	***
1980	***	***	***
1981	***	***	***

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

2/ Compiled from official statistics of the U.S. Department of Commerce.

These data show estimated consumption in the Western region declined steadily from * * * short tons in 1979 to * * * short tons in 1981, or by * * * percent.

Employment, productivity, and wages

Employment in the U.S. nail industry as reported by questionnaire respondents dropped by 515 employees, or 25 percent, from 1979 to 1980, with a drop of an additional 190 workers, or 12 percent, in 1981. On an individual

basis, nearly all responding firms reported declines in employment; however, four firms reported increases during the period. * * *. A summary of the employment data reported to the Commission on U.S. producers' nails operations is presented in table 15.

Table 15.--Average number of production and related workers engaged in the production of steel wire nails, hours worked by such workers, and output per hour, 1979-81

Year	Production and related workers	Hours worked by production and related workers	Output per hour
			Pounds
1979	2,044	3,934,727	163
1980	1,529	3,073,253	165
1981	1,339	2,247,493	204

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

Employment data for January-May 1982 as compared with those in January-May 1981 for those 15 firms that were able to supply this information show that employment decreased from 1,166 employees to 931 employees, or by 235 workers, or 20 percent.

Employment in the production of nails in the Western region also declined throughout the period from 386 workers in 1979 to 216 workers in 1981, or by 44 percent. A summary of the employment data reported to the Commission for the Western States are shown in table 16. Output per hour as reported by producers in the Western region is much lower than that applicable to total industry output.

Table 16.--Average number of production and related workers engaged in the production of steel wire nails in the Western region, hours worked by such workers, and output per hour, 1979-81

Year	Production and related workers	Hours worked by production and related workers	Output per hour
			Pounds
1979	386	821,269	144
1980	301	681,195	137
1981	216	452,462	155

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

Employment information for the western region for January-May 1982 was available from only two producers. * * *.

Total compensation paid to production and related workers declined throughout the period under investigation from $50 million in 1979 to $21 million in 1981, or by 57 percent. Average hourly wages increased from $11.60 an hour in 1979 to $12.70 an hour in 1981 (table 17).

Table. 17.--Total compensation paid to production and related workers engaged in the production of steel wire nails, wages paid to such workers excluding fringe benefits, and average hourly wages 1979-1981

Period	Total compensation	Wages paid excluding fringe benefits	Average hourly wage 1/
1979	$49,215,914	$40,425,753	$12.00
1980	31,500,070	26,074,269	11.90
1981	27,184,216	22,214,272	12.70

1/ Calculated on the basis of wages paid excluding fringe benefits.

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

Financial experience of U.S. producers

Operations on certain steel wire nails--Fourteen U.S. firms accounting for 53 percent of shipments 1/ in 1979 furnished usable income-and-loss data relative to their operations for manufacturing certain steel wire nails during 1979-81. As shown in table 18, their net sales of steel wire nails plunged from $173 million in 1979 to $126 million in 1981, or by $48 million, or 28 percent.

The 14 firms' aggregated operations on steel wire nails were profitable in 1979, but unprofitable in 1980 and 1981. Together, the 14 firms posted an operating income of $1.2 million in 1979, which represented 0.7 percent of net sales that year. These firms sustained operating losses of $6.7 million (4.9 percent of net sales) and $6.3 million (5.0 percent of net sales) in 1980 and 1981 respectively. Five firms sustained operating losses in 1979, 9 firms sustained such losses in 1980, and 10 experienced such losses in 1981.

The ratio of cost of goods sold to net sales rose from 95 percent in 1979 to 99 percent in each of the years 1980 and 1981, indicating that, in the aggregate, the 14 firms' cost to manufacture steel wire nails rose at a faster rate than their selling price. Aggregate general, selling and administrative expenses rose from 4.7 to 6.4 percent of net sales during the 3-year period.

1/ As reported by the Department of Commerce.

Table 18.--Income-and-loss experience of 14 U.S. producers on their operations producing certain steel wire nails, accounting years 1979-81

Item	1979	1980	1981
Net sales----------1,000 dollars--	173,217	136,436	125,509
Cost of goods sold----------do----	163,878	134,458	123,734
Gross income----------do----	9,339	1,978	1,775
General, selling, and administrative expenses-------do----	8,092	8,644	8,067
Operating income or (loss)------do----	1,247	(6,666)	(6,292)
Depreciation and amortization expenses included above-------do----	2,411	3,016	2,934
Cash flow from operations 1/----do----	3,658	(3,650)	(3,358)
Ratio of gross income to net sales----------percent----	5.4	1.4	1.4
Ratio of operating income (loss) to net sales----------do----	0.7	(4.9)	(5.0)
Ratio of cost of goods sold to net sales----------do----	94.6	98.6	98.6
Ratio of general, selling and administrative expenses to net sales----------do----	4.7	6.3	6.4
Number of firms reporting operating losses----------	5	9	10

1/ Cash flow from operations is understated to the extent that 2 producers did not furnish depreciation and amortization data.

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

The 14 firms' aggregate steel wire nail operations generated a positive cash flow of $3.7 million in 1979, while in 1980 and 1981, their steel wire nail operations generated negative cash flows of $3.7 million and $3.4 million, respectively.

Income-and-loss data relative to each firm's individual steel wire nail operations for 1979-81 indicate only three firms--* * *--operated profitably in each of the years 1979, 1980 and 1981. * * *.

* * * * * * *.

Ten U.S. producers were able to provide selected financial information for January-March 1982, which is provided in table 19.

Table 19.--Selected financial information of 10 U.S. producers on their operations producing certain steel wire nails, January-March 1981 and January-March 1982

Item	January-March	
	1981	1982
Net sales----------1,000 dollars--	11,287	9,656
Cost of goods sold----------do----	11,440	10,777
Gross income----------do----	153	1,121
General, selling, and administrative expenses-------do----	427	547
Operating loss----------do----	580	1,668
Ratio of gross loss to net sales----------percent----	1.4	11.6
Ratio of operating loss to net sales----------do----	5.1	17.3
Ratio of cost of goods sold to net sales----------do----	101	112
Ratio of general, selling, and administrative expenses to net sales----------do----	3.4	5.7
Number of firms reporting operating losses----------	8	9

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

These data indicated that the 10 firms' aggregated operations on steel wire nails continued to be unprofitable in January-March 1982. and their financial situation declined when compared with January-March 1981. The 10 firms together show an operating loss of $1.6 million in January-March 1982, which represented (17.3) percent of net sales that quarter.

The ratio of cost of goods sold to net sales increased from 101 percent in January-March 1981 to 112 percent in January-March 1982, indicating costs are rising at a faster rate than prices. General, selling, and administrative expenses increased from 3.4 percent of net sales in January-March 1981 to 5.7 percent of net sales in 1982.

Three firms--* * * supplied income-and-loss data relative to their steel wire nails operations located in the Western States. Their combined net sales of steel wire nails * * *. * * *.

Table 20.--Income-and-loss experience of 3 U.S. producers on their operations producing certain steel wire nails in the Western States, accounting years 1979-81 1/

Item	1979	1980	1981
Net sales----------1,000 dollars--	***	***	***
Cost of goods sold----------do----	***	***	***
Gross profit (loss)----------do----	***	***	***
General, selling, and administrative expenses-------do----	***	***	***
Operating profit (loss)---------do----	***	***	***
Depreciation and amortization expenses included above-------do----	***	***	***
Cash flow from operations-------do----	***	***	***
Ratio of gross profit (loss) to net sales----------percent----	***	***	***
Ratio of operating profit (loss) to net sales----------do----	***	***	***
Ratio of cost of goods sold to net sales----------do----	***	***	***
Ratio of general, selling, and administrative expenses to net sales----------do----	***	***	***
Number of firms reporting operating losses----------	***	***	***

1/ * * *.

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

Capital expenditures.--Fourteen firms supplied data relative to their expenditures during 1979-81 for land, buildings, and machinery and equipment used in the production of certain steel wire nails. As shown in the following tabulation, the aggregate expenditures fell sharply from $4.0 million in 1979 to $1.2 million in 1981:

Year	Capital expenditures (1,000 dollars)
1979----------	3,950
1980----------	2,472
1981----------	1,192

Three of the 14 firms produced steel wire nails in 1 or more years during 1979-81 at facilities located in the Western region of the United States. As shown in the following tabulation, capital expenditures for these three firms dropped sharply from * * * in 1979 to * * * in 1981:

Year	Capital Expenditures Western Region (1,000 dollars)
1979----------	***
1980----------	***
1981----------	***

Research and development expenses.--Only one of the 14 firms reported that it incurred research and development expenses relative to its steel wire nail operation. These expenses totaled * * * in 1979 and * * * in 1980 and 1981.

Consideration of the Causal Relationship Between LTFV Imports and Alleged Injury

U.S. imports and market penetration

U.S. imports of the steel wire nails under investigation enter under items 646.25 and 646.26 of the TSUS. Most of the imports entered under these items are nails, and some brads, tacks, spikes, and staples are also entered under these items. Therefore, data on imports of nails presented in this report are slightly overstated.

U.S. imports of steel wire nails are primarily from four countries: Canada, Korea, Japan, and Poland. Total imports declined from 337,000 short tons in 1979 to 292,000 short tons in 1980, or by 45,000 short tons, or 13 percent. They increased by 11,000 short tons, or 4 percent, to 303,000 short tons in 1981. In January-May 1982, total imports declined by 34,000 short tons, or 25 percent, compared with imports in January-May 1981.

As shown in table 21, imports from Korea decreased from 92,000 short tons in 1979 to 76,000 short tons in 1980, or by 16,000 short tons, or 17 percent. However, they increased in 1981 to 115,000 short tons, or by 39,000 short tons, or 51 percent. In January-May 1982, imports from Korea declined by 7,000 short tons, or 14 percent, compared with imports in the corresponding period of 1981.

In relation to apparent U.S. consumption, imports of steel wire nails from all countries increased from 38 percent in 1979 to 44 percent in 1980 and 49 percent in 1981.

Imports from Korea as a share of apparent U.S. consumption increased slightly from 10 percent in 1979 to 12 percent in 1980. This increase occurred even though the quantity of imports declined. In 1981, Korea's share of the U.S. market increased significantly to 19 percent (table 22). This increase occurred at a time when U.S. consumption dropped by 7 percent.

Table 21.--Steel wire nails: U.S. imports for consumption, by principal sources, 1979-81, January-May 1981, and January-May 1982

Source	1979	1980	1981	January-May--	
				1981	1982
	Quantity (1,000 short tons)				
Republic of Korea	92	76	115	49	42
Japan	68	57	33	17	10
Yugoslavia	11	10	9	4	4
Canada	80	82	70	36	18
Poland	17	26	26	12	2
Other	69	41	50	18	26
Total	337	292	303	136	102
	Value (million dollars)				
Republic of Korea	50	36	55	22	21
Japan	48	37	23	11	6
Yugoslavia	4	3	3	1	1
Canada	45	46	42	21	11
Poland	7	9	10	4	1
Other	35	22	27	11	14
Total	189	153	160	70	54
	Percent of total quantity				
Republic of Korea	27	26	38	36	42
Japan	20	20	11	12	10
Yugoslavia	3	3	3	3	4
Canada	24	28	23	27	17
Poland	5	9	9	9	2
Other	20	14	17	13	26
Total	100	100	100	100	100

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

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

Table 22.--Steel wire nails: U.S. imports from Korea as a share of apparent U.S. consumption, 1979-81

(In percent)

Year	Republic of Korea	All sources
1979	10	38
1980	12	44
1981	19	49

Source: Compiled from data presented in tables 12 and 17.

The ratio of imports to consumption using figures based on questionnaire response provided to the Commission by 20 U.S. producers indicates that imports from Korea increased their share of the U.S. market in 1981 as did imports from all sources, as shown in the following tabulation:

Year	Imports from-- (In percent) Korea	All sources
1979	14	52
1980	14	53
1981	22	58

The data for January-May 1981 and January-May 1982 indicate that despite a continued drop in estimated consumption, 1/ the ratio of imports from Korea to consumption continued to increase slightly in January-May 1982 compared with that for the corresponding period of 1981, as shown in the following tabulation.

	Ratio of imports from Korea to estimated consumption (percent)	Ratio of imports from all sources to estimated consumption (percent)
January-May--		
1981	22	62
1982	24	59

The ratio of imports to consumption in the Western region, based on consumption estimated from questionnaire responses plus official import statistics, are shown in the following tabulation:

Year	Ratio of imports from Korea to estimated consumption in the Western region (percent)	Ratio of imports from all sources to estimated consumption in the Western region (percent)
1979	***	***
1980	***	***
1981	***	***

These data show imports as a share of consumption in the Western region * * * slightly in 1980 before increasing significantly in 1981. Imports from Korea as a share of consumption in the Western region increased steadily from * * * percent in 1979 to * * * percent in 1981, or by * * * percentage points.

1/ Estimated consumption based on shipments of 15 U.S. producers plus imports.

Prices

Previous Commission investigations dealing with imports of steel wire nails 1/ have established that it was a common practice used by a majority of U.S. producers and importers to sell nails at negotiated prices rather than by price lists. Price lists are more prevalent among domestic producers than importers. Generally, U.S. producers quote prices on an f.o.b., mill basis, but occasionally, they absorb part or all freight expenses to customers; importers sell their nails in a number of ways--ex-dock (duty paid) ex-warehouse, or on a delivered basis (freight charges included).

In order to obtain price data for steel wire nails produced in the United States and those imported from the Republic of Korea, the Commission requested domestic producers and importers to supply net f.o.b. selling prices for the period 1979-81, by quarters, for four representative nails. Separate price data were requested for U.S. sales and sales in the Western region only. The four selected nails are 16-penny cement-coated countersunk nails, 16-penny green-vinyl sinker nails, 11G x 1-1/4 x 7/16 electrogalvanized roofing nails, and 16-penny bright common nails. Price data furnished by U.S. producers of steel wire nails provided a full series for each of the four specified nail categories. Importers supplied a complete series for three types of nails, and only partial coverage for the other.

Transaction price trends.--There were no common price trends noted in sales of domestic and imported nails during 1979-81. In some cases, the prices for domestic nails increased and the prices for the imports declined; in other cases, the situation was reversed. Price movements during 1979-81 for the four different types of nails on which data were collected are discussed below.

The average net selling prices for domestic 16-penny bright common nails rose from 23.3 cents per pound during January-March 1979 to a high of 26.5 cents per pound during January-March 1980, declined irregularly to 24.2 cents per pound during October-December 1981, then climbed to 26.2 cents per pound during April-June 1981, and fell to 24.6 cents per pound by the end of 1981. The total price increase for the three year period was 5.6 percent (table 23, fig. 2).

The average net selling prices for 16-penny bright common nails from Korea declined steadily from 25.0 cents per pound during January-March 1979 to 22.8 cents per pound during January-March 1980, jumped to 25.2 cents per pound during July-September 1980 and then declined again to 22.5 cents per pound during October-December 1980 through January-March 1981. Prices increased steadily for the remainder of 1981, reaching 25.0 cents per pound, or the same price at which the subject nails sold during January-March 1979. In October-December 1981, the imported nail was overselling the domestic product by 1.6 percent.

1/ Certain Steel Wire Nails from Korea: . . ., USITC Publication 108, August 1980, p. 34, and Certain Steel Wire Nails from Japan, the Republic of Korea, and Yugoslavia: Determination of the Commission in Investigation Nos. 731-TA-45 46 and 47 (Preliminary) . . ., USITC Publication 1175, August 1981, p. 34.

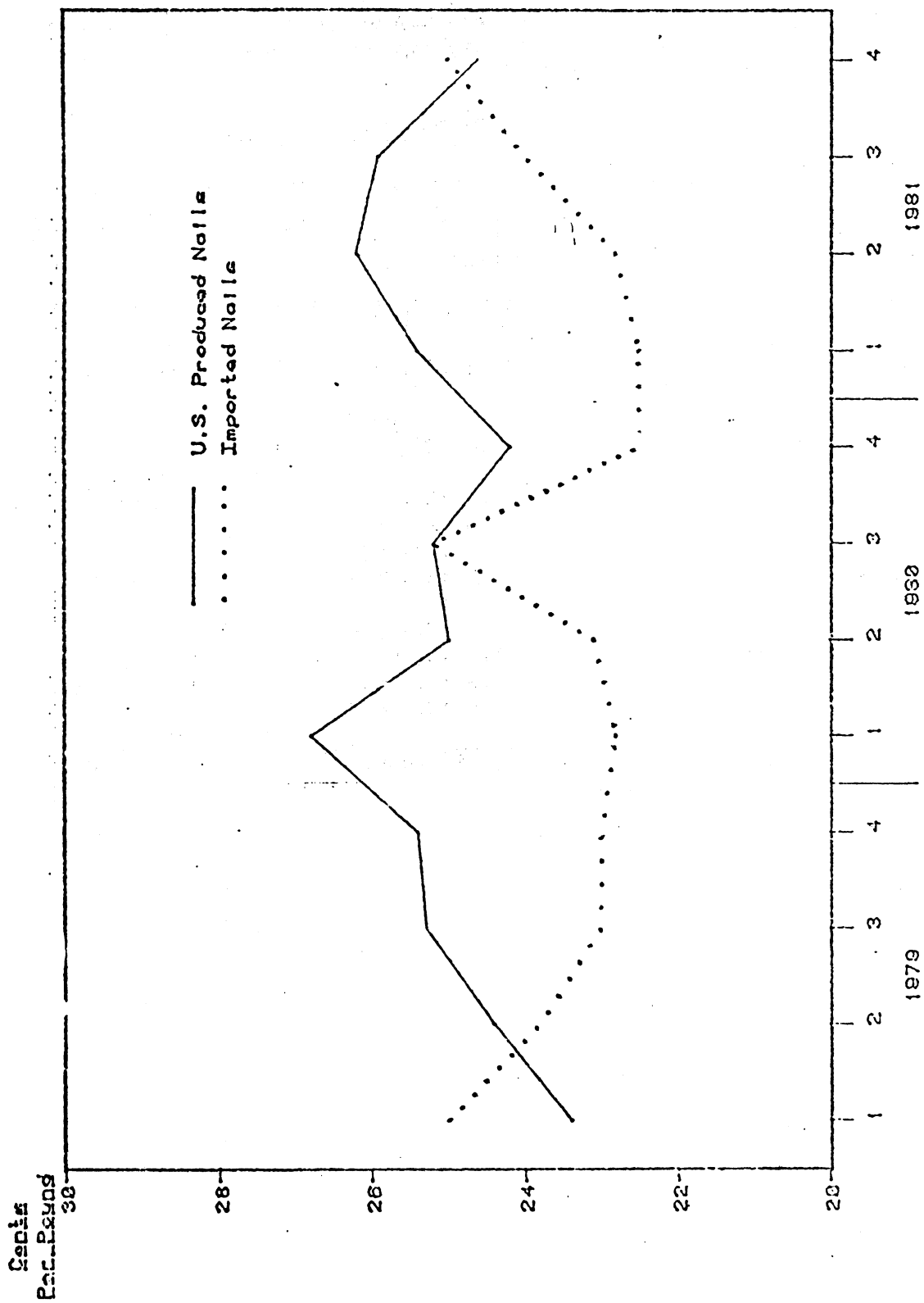
Table 23.--Steel wire nails: Price ranges and weighted-average prices for the largest shipments of U.S.-produced 16-penny bright common nails and those imported from the Republic of Korea and importers' margin of underselling or overselling, by quarters, 1979-81

(In cents per pound)

Period	U.S. produced nails		Nails from Korea		Importers' margin of underselling (overselling)	
	Price range	Weighted average price	Price range	Weighted average price	Value	As a percent of U.S., producers price
	Cents per pound					Percent
1979:						
January-March	19.0-27.0	23.3	23.0-27.0	25.0	(1.7)	(7.3)
April-June	20.0-28.0	24.4	23.0-27.0	23.8	0.6	2.5
July-September	20.0-28.7	25.3	23.0-23.0	23.0	2.3	9.1
October-December	20.0-30.0	25.4	23.0-23.0	23.0	2.4	9.4
1980:						
January-March	20.2-32.0	26.5	21.0-24.0	22.8	3.7	14.0
April-June	20.0-30.5	25.0	23.0-28.0	23.1	1.9	7.6
July-September	19.0-31.7	25.2	23.0-27.6	25.2	-	-
October-December	20.0-31.0	24.2	21.0-24.0	22.5	1.7	7.0
1981:						
January-March	20.0-30.0	25.4	21.0-24.0	22.5	2.9	11.4
April-June	21.8-31.0	26.2	21.0-25.6	22.8	3.4	13.0
July-September	21.0-29.0	25.9	22.0-26.0	24.0	1.9	7.3
October-December	20.0-30.0	24.6	23.0-29.5	25.0	(0.4)	(1.6)

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

Figure 2.--Steel wire nails: Net selling price for 16-penny bright common nails by quarters, 1979-1981



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

The average net selling prices for domestic electrogalvanized roofing nails increased irregularly during January-March 1979 through July-September 1980, rising from 35.8 cents per pound to 44.7 cents per pound, their highest point during the 3-year period (table 24, fig. 3). It dropped to 40.4 cents per pound, however, during October-December 1981. The total price increase for 1979-81 was 12.8 percent, making it the largest increase for any of the types of nails under discussion during the 3-year period.

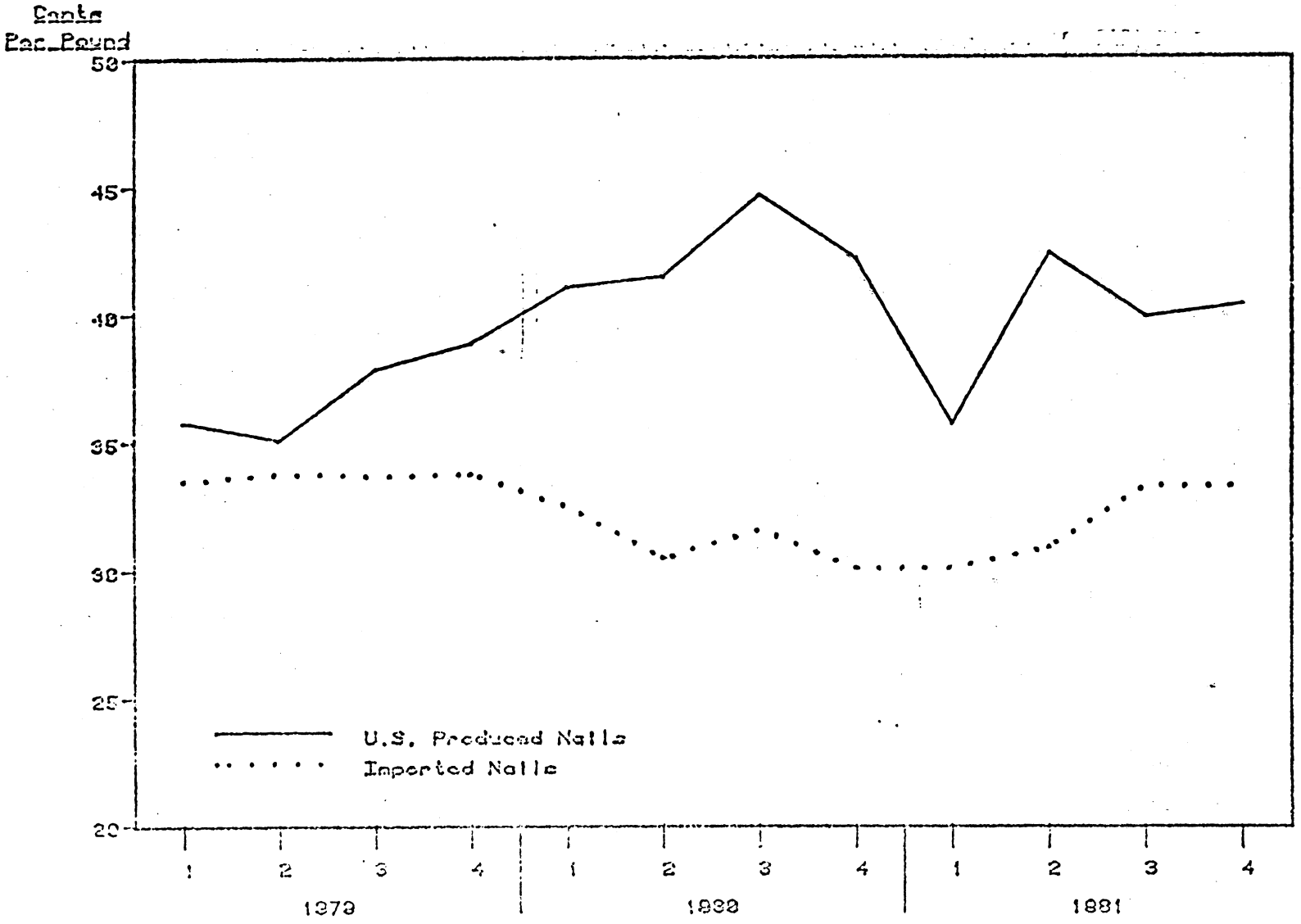
Table 24.--Steel wire nails: Price ranges and weighted average for the largest shipments of U.S.-produced electrogalvanized roofing nails and those imported from the Republic of Korea and importers margin of underselling, by quarters, 1979-81

Period	U.S. produced nails		Nails from Korea		Importers' margin of underselling	
	Price range	Weighted average price	Price range	Weighted average price	Value	As a percent of U.S. producers' price
	Cents per pound					Percent
1979:						
January-March	23.0-38.7	35.8	32.8-37.0	33.5	2.3	6.4
April-June	24.0-40.7	35.1	32.5-36.0	33.8	1.3	3.7
July-September	26.0-41.3	37.9	32.8-38.5	33.7	4.2	11.1
October-December	25.0-43.9	38.9	31.0-38.5	33.8	5.1	13.1
1980:						
January-March	28.0-43.5	41.1	30.0-38.5	32.5	8.6	20.9
April-June	25.0-45.4	41.5	30.0-33.0	30.5	11.0	26.5
July-September	29.8-47.0	44.7	28.0-35.7	31.6	13.1	29.3
October-December	36.8-44.6	42.2	28.0-33.0	30.1	12.1	28.7
1981:						
January-March	25.0-42.3	35.7	28.0-32.8	30.1	5.6	15.7
April-June	32.5-45.3	42.4	28.4-36.0	30.9	11.5	27.1
July-September	28.0-47.7	39.9	30.4-36.0	33.3	6.6	16.5
October-December	39.4-48.5	40.4	31.0-35.8	33.3	7.1	17.6

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

Data for net selling prices of Korean electrogalvanized roofing nails indicate that prices for this type of nail remained fairly stable, increasing slightly in July-December 1979 and then dropping in 1980. The weighted-average price on the imported nail in October-December 1981 was 0.2 cent per pound less than it was in January-March 1979. This was 7.1 cents, or 17.6 percent, below that of the domestic electrogalvanized nails.

Figure3.--Steel wire nails: Net selling price for electrogalvanized roofing nails by quarters, 1970-1981



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

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The average net selling price for domestic 16-penny green vinyl nails rose irregularly from 24.8 cents per pound during January-March 1979 to 25.7 cents per pound during October-December 1979, fell to 22.5 and 22.4 cents per pound during January-June 1980, then increased slightly to 23.0 cents per pound during July-December of 1980 and increased to 23.6 cents per pound in October-December 1981. During the 3-year period, domestic prices decreased by 4.8 percent (table 25, fig. 4).

Table 25.--Steel wire nails: Price ranges and weighted-average prices for the largest shipments of U.S.-produced 16-penny green vinyl nails and those imported from the Republic of Korea, and importers' margin of underselling or overselling, by quarters, 1979-81

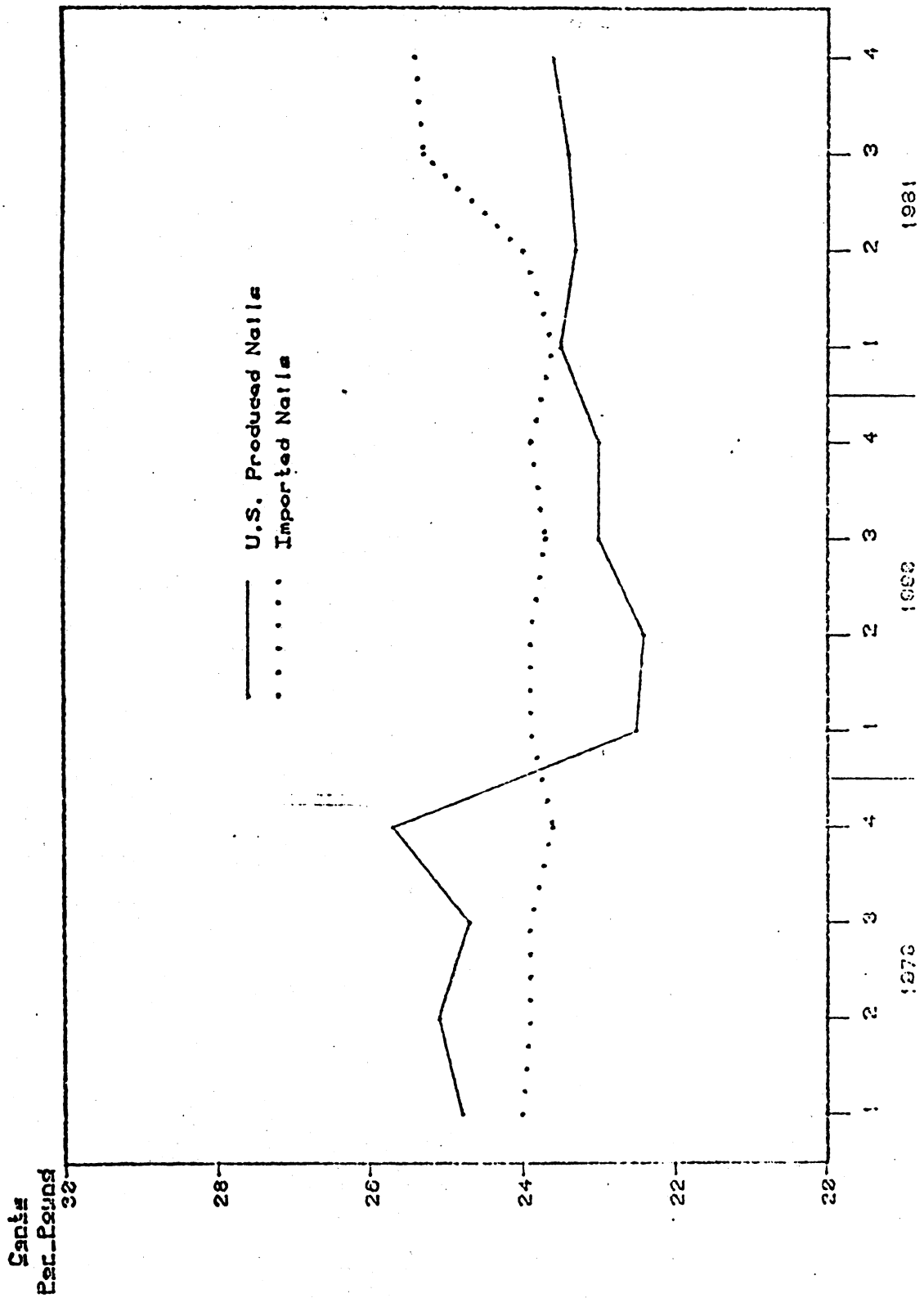
Period	U.S. produced nails		Nails from Korea		Importers' margin of underselling or (overselling)	
	Price range	Weighted-average price	Price range	Weighted-average price	Value	As a share of U.S. producers' price
	Cents per pound					Percent
1979:						
January-March	23.3-26.0	24.8	23.9-25.0	24.0	0.8	3.2
April-June	23.3-28.0	25.1	23.9-25.4	23.9	1.2	4.8
July-September	23.3-28.0	24.7	23.9-23.9	23.9	0.8	3.2
October-December	23.3-29.0	25.7	22.0-23.9	23.6	2.1	8.2
1980:						
January-March	21.9-30.0	22.5	23.0-23.9	23.9	(1.4)	(6.2)
April-June	22.0-31.0	22.4	23.9-23.9	23.9	(1.5)	(6.7)
July-September	22.0-29.0	23.0	23.0-24.0	23.7	(0.7)	(3.0)
October-December	22.0-30.0	23.0	23.9-24.0	23.9	(0.9)	(3.9)
1981:						
January-March	18.3-30.0	23.5	23.0-25.4	23.6	(0.1)	(0.4)
April-June	18.3-30.0	23.3	23.9-25.0	24.0	(0.7)	(3.0)
July-September	18.3-30.0	23.4	25.0-25.4	25.3	(1.9)	(8.1)
October-December	18.3-30.0	23.6	25.4-25.4	25.4	(1.8)	(7.6)

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

The average net selling prices for imported Korean 16-penny green vinyl nails remained at between 23.0 and 24.0 cents per pound between January-March 1979 and April-June 1981, and then increased to 25.4 percent during October-December 1981, representing a total increase of 5.8 percent over the 3-year period.

Domestic producers provided a full price series on 16-penny cement-coated countersunk nails. These data show that the average net selling price for this nail increased steadily from 22.9 cents per pound during January-March 1979 to 24.2 cents per pound in April-June 1980 before falling to 23.3 cents per pound during July-December 1980. The price rose steadily during January-

Figure 4.—Steel wire nails: Net selling prices for the 16-penny green vinyl nails, by quarters, 1979-1981



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

September 1981, increasing from 24.0 to 24.8 cents per pound, but declined again to 24.1 cents per pound during October-December 1981. The total price increase for this type of nail during 1979-81 amounted to 5.2 percent.

Importers reported prices for 16-penny cement-coated countersunk nails in five quarters only. In each of the five quarters, the price is based on only one entry and therefore is not an accurate reflection of a weighted-average price. Based on these single transaction prices, however, the price of the imported nail was 44 percent higher than that of the domestic nail in January-March 1979, but dropped to only 2 percent higher by April-June 1981, the last quarter in which a price was reported.

Prices in the Western region of the United States.--Average net selling prices for domestic and imported steel wire nails were obtained for sales in the Western region of the United States during 1979-81. In general, the questionnaire data contain similar patterns to those found in all U.S. sales, discussed above.

Average net selling prices for domestic 16-penny bright common nails showed a slight and irregular increase during 1979-81, rising from 23.6 cents per pound during January-March 1979 to 25.2 cents per pound during October-December 1979. Average net selling prices then declined to 21.9 cents per pound during July-September 1980, and increased irregularly to 24.4 cents per pound during October-December 1981, representing a total 3-year increase of 3.4 percent (table 26, figure 5).

The average net selling prices for Korean 16-penny bright common nails * * * per pound during 1979 and 1980. The prices for the subject nails * * * cents per pound during January-March 1981, and then * * * cents per pound during July-September before * * * cents per pound during October-December 1981. The total price increase for the 3-year period amounted to * * * percent.

Prices for domestically produced electrogalvanized roofing nails were reported * * *.

The average net selling prices for imported electrogalvanized roofing nails * * * cents per pound during 1979 and January-March 1980. A * * * cents per pound was noted during April-June 1980, recovering to earlier levels of * * * cents per pound during the remainder of 1980. Prices * * * to * * * and * * * cents per pound during January-June 1981, and then * * * and * * * cents per pound during July-September 1980 and October-December 1980, respectively. The total price increase for the 3-year period amounted to * * * percent.

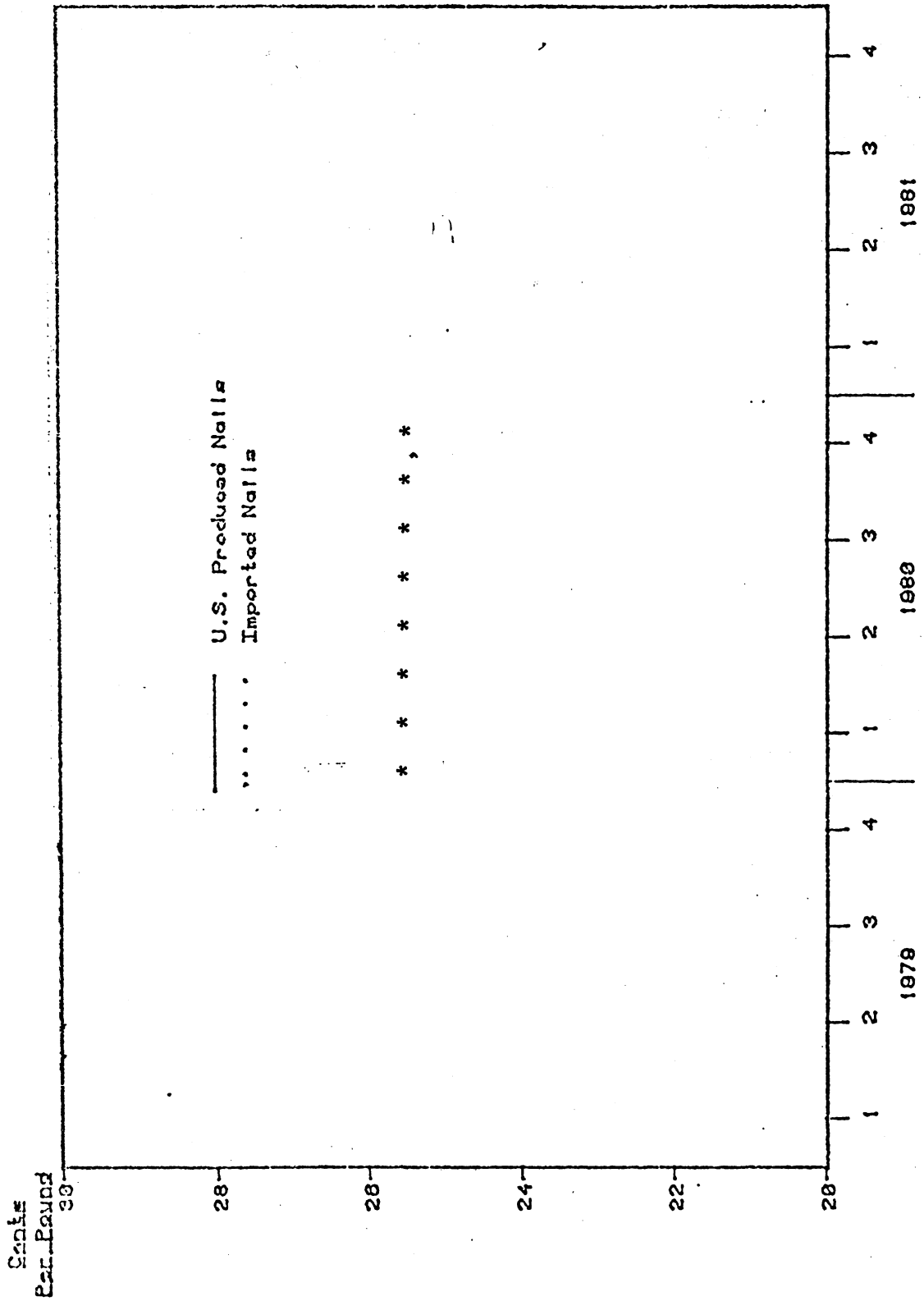
Table 26.--Steel wire nails: Price ranges and weighted-average prices in the Western region only for the largest shipments of U.S.-produced 16-penny bright common nails and those imported from the Republic of Korea and importers margin of underselling or overselling, by quarters, 1979-81

Period	U.S. produced nails		Nails from Korea		Importers' margin of underselling or (overselling)	
	Price range	Weighted average price	Price range	Weighted average price	Value	As a percent of producers' price
	Cents per pound					
1979:						
January-March	22.4-24.0	23.6	1/	***	***	***
April-June	22.4-26.0	25.0	1/	***	***	***
July-September	20.0-26.0	25.0	1/	***	***	***
October-December	20.0-28.0	25.2	1/	***	***	***
1980:						
January-March	20.0-28.0	24.8		***	***	***
April-June	20.0-28.0	22.1	1/	***	***	***
July-September	20.0-24.0	21.9	1/	***	***	***
October-December	20.0-26.0	22.4		***	***	***
1981:						
January-March	21.8-27.0	23.9		***	***	***
April-June	20.6-28.0	25.1		***	***	***
July-September	21.8-27.0	24.2		***	***	***
October-December	21.8-26.0	24.4		***	***	***

1/ Based on prices reported by 1 importer.

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

Figure 5.--Steel wire nails: Net selling price in the western region only for 16 penny bright common nails, by quarters, 1979-1981



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

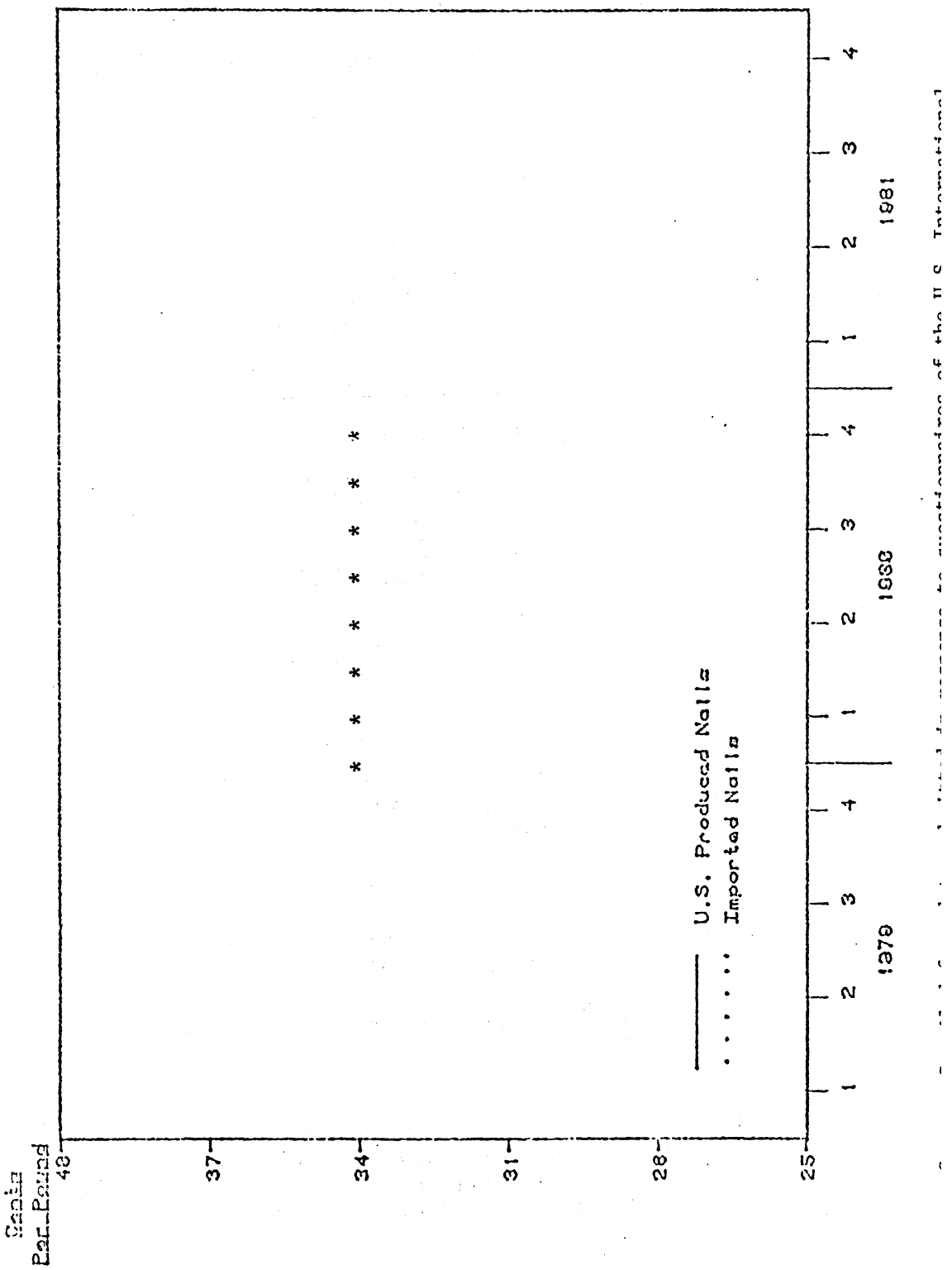
Table 27.--Steel wire nails: Price ranges and weighted-average prices in the Western region only for the largest shipments of U.S.-produced electro-galvanized roofing nails and those imported from the Republic of Korea, and importers margin of underselling or overselling, by quarters, 1979-81

(In cents per pound)

Period	U.S.-produced nails		Nails from Korea		Importers' margin of underselling or overselling	
	Price range	Weighted average price	Price range	Weighted average price	Value	As a percent of producers' price
	Cents per pound					Percent
1979:						
January-March	***	***	***	***	***	***
April-June	***	***	***	***	***	***
July-September	***	***	***	***	***	***
October-December	***	***	***	***	***	***
1980:						
January-March	***	***	***	***	***	***
April-June	***	***	***	***	***	***
July-September	***	***	***	***	***	***
October-December	***	***	***	***	***	***
1981:						
January-March	***	***	***	***	***	***
April-June	***	***	***	***	***	***
July-September	***	***	***	***	***	***
October-December	***	***	***	***	***	***

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

Figure 6.-- Steel wire nails: Net selling prices in the western region for electrogalvanized roofing nails, by quarters, 1979-1981



Domestic prices for 16-penny green vinyl nails * * * (table 29, fig. 7).

The average net selling prices for Korean 16-penny green vinyl nails * * *. (Table 28, figure 7).

Table 28.--Steel wire nails: Price ranges and weighted average prices, in the Western region only for the largest shipments of U.S.-produced 16-penny green vinyl nails and those imported from the Republic of Korea and importers' margin of underselling and overselling, by quarters, 1979-81

(In cents per pound)

Period	U.S. produced nails		Imported nails		Importers' margin of underselling or overselling	
	Price range	Weighted average price	Price range	Weighted average price	Value	As a share of producers' price
	Cents per pound					Percent
1979:						
January-March	***	***	***	***	***	***
April-June	***	***	***	***	***	***
July-September	***	***	***	***	***	***
October-December	***	***	***	***	***	***
1980:						
January-March	***	***	***	***	***	***
April-June	***	***	***	***	***	***
July-September	***	***	***	***	***	***
October-December	***	***	***	***	***	***
1981:						
January-March	***	***	***	***	***	***
April-June	***	***	***	***	***	***
July-September	***	***	***	***	***	***
October-December	***	***	***	***	***	***

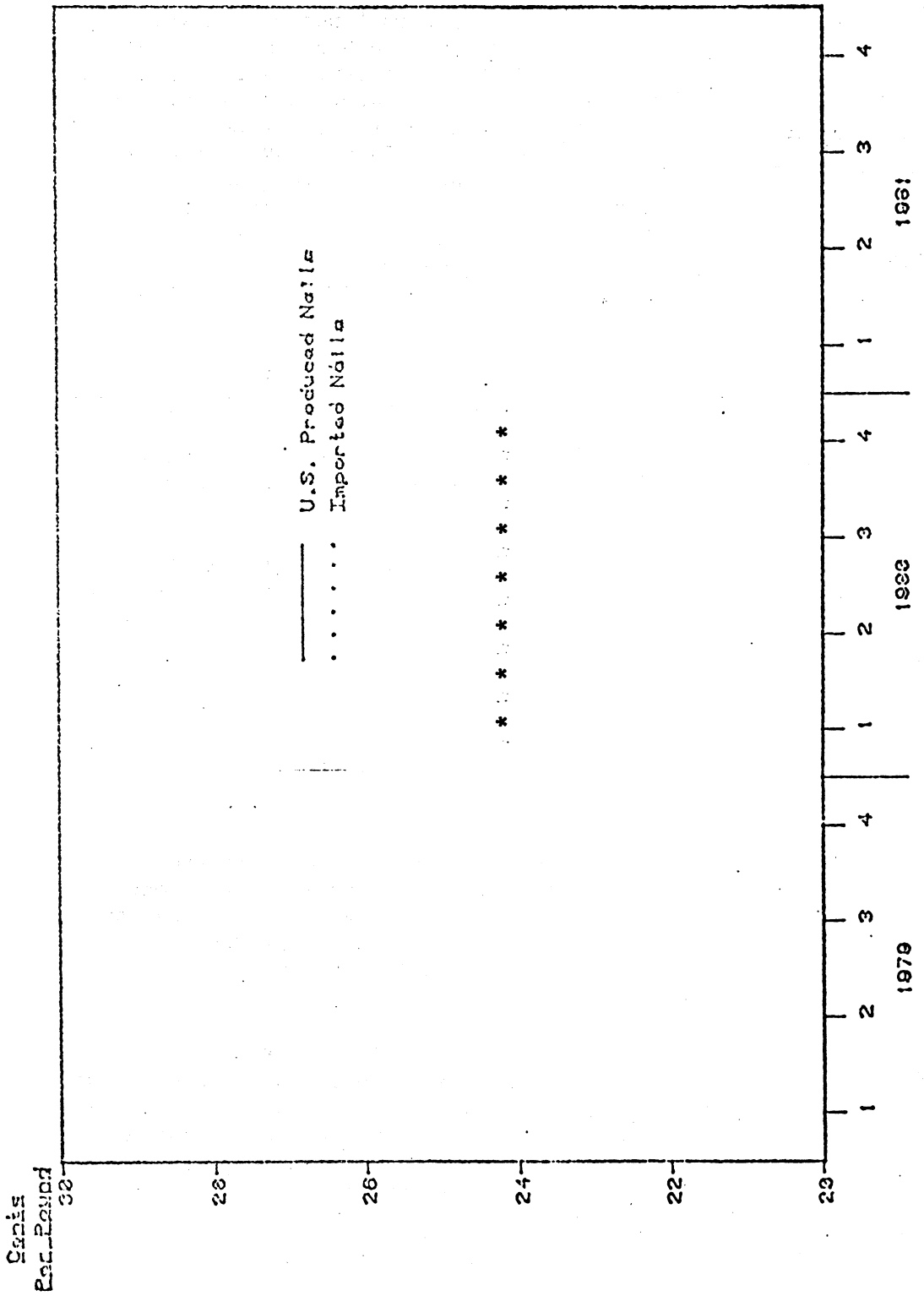
Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Importers reported no prices on 16-penny cement-coated countersunk nails; therefore, price comparisons on this product are not possible. Prices on the domestically produced 16-penny cement-coated nail increased from 25 cents per pound in January-March 1979 to 28 cents per pound in October-December 1981, or by 12 percent.

Lost sales

Domestic producers were asked to provide information on sales lost to imports from the Republic of Korea. Of the 20 domestic producers responding to the questionnaire, five reported lost sales. A total of 28 allegations

Figure 7.--Steel wire nails; Net selling prices in the western region only for 16-penny green vinyl nails, by quarters 1979-1981



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

were made, including sales lost to 24 customers. In addition, some companies indicated that they have lost or were losing sales to imports from Korea but were unable to provide specific examples to support such claims. A great majority (19) of the alleged lost sales were reported on the west coast, only one on the east coast, only one in the midwest, and the remaining three in the southwest. Of the 24 customers listed as lost sales by U.S. producers, all were contacted by the Commission staff. All customers had been purchasing imported nails, and the reasons for buying Korean nails were given in rank order of importance: unavailability or shortage of domestic nails on the West coast, significantly higher prices for domestic product, high transportation cost for nails produced in the midwest and offered for sale on the west coast, and the lack of interest on the part of domestic producers in selling smaller quantities (less than a railroad car).

Six purchasers of nails stated that the quality of domestic nails was better, six stated that the Korean imports were better, and six thought that there was no difference in quality between the domestic and imported nails. One purchaser stated that he had not bought domestic nails for such a long time that he did not know the difference in quality, and one purchaser stated that the quality varied.

One purchaser stated that he would pay 5 percent more for domestic nails than for imported nails. Another advised it would pay 10 percent more. One purchaser, reported that the domestic common nails were cheaper on the west coast than the imports.

* * * * * * *.

An east coast purchaser reported that * * *. Among domestic producers, only * * * was interested in selling smaller orders of nails on the east coast. The majority of purchasers claimed that they have not changed their buying patterns and sources during the past year, and would prefer buying domestic nails if the prices were competitive with imports and no shortage of domestic nails existed.

It was difficult to confirm specific instances of lost sales. * * * stated in its questionnaire reponse "we have no documentation of losses, but we know that hundreds of tons have been sold on the west coast, which is part of our marketing area." Numerous west coast purchasers stated in response to specific lost sales allegations that domestic prices were too high and that their firms' import sourcing patterns were well established.

Transportation costs

The major reason nail producers might be unable to compete effectively outside their own area is the cost of transportation. Therefore, the Commission asked domestic producers for the cost of shipping nails by the most

frequently used mode of transportation from their plants to several major metropolitan areas. Responses show that most nails are shipped by truck and that the costs of transporting nails are often significant. Furthermore, because these costs increase with the distance traveled, producers shipping to or from the 10-state Western area have a significant transportation cost disadvantage relative to local producers.

The transportation cost advantage of * * *.

Table 29.--Steel wire nails: Transportation cost disadvantage of * * * in shipping to cities outside the 10-state Western area relative to the Eastern producer with the lowest known rate, March 1981

Destination	Cost per $/cwt hundred weight	Share of price 1/
Atlanta, Ga.	***	***
St. Louis, Mo.	***	***
New York, N.Y.	***	***
Chicago, Ill.	***	***

1/ Price is $24.60 per hundredweight, the average price reported by domestic producers for 16 penny bright common nails for October-December 1981. These nails are the most common of the 4 varieties of nail for which price data were collected.

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

The transportation cost disadvantage faced by Eastern producers when shipping into the Western area is indicated by the data in table 31. The Eastern producer located in * * *.

The Eastern producers' transportation cost disadvantage is partially offset because prices of nails are higher in the Western area than in the rest of the country. Although the price of nails is generally higher in the west, the difference in prices is less than the Eastern producers' transportation cost disadvantage. Data on domestic producers' f.o.b. prices from January 1979 to June 1981 were analyzed to determine regional pricing differentials. These data indicate that the price of 16-penny bright common nails was 1.8 percent higher in the Western region. These nails are the most common of the three varieties for which regional pricing data are available.

Table 30.--Steel wire nails: Transportation cost disadvantage of Eastern producers in shipping to cities in the 10-State Western area relative to the Western producer with the lowest known rate, March 1982

Destination/source	Disadvantage	
	$/cwt	Percent of price 1/
Destined for Seattle, Wash., from--		
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
Destined for Los Angeles, Calif., from		
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
Destined for Denver, Colo., from--		
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***
* * *----------	***	***

1/ Price is $24.60 per hundredweight, the average price reported by domestic producers for 16d penny bright common nails for October-December 1981. These nails are the most common of the 4 varieties of nail for which price data were collected.

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

APPENDIX A

COMMISSION'S NOTICE OF INSTITUTION OF PRELIMINARY ANTIDUMPING INVESTIGATION

[731-TA-45, 46, and 47 (Preliminary)]

Certain Steel Wire Nails From Japan, the Republic of Korea, and Yugoslavia; Notice of Institution of Preliminary Antidumping Investigations and Scheduling of Conference

AGENCY: International Trade Commission.

ACTION: Institution of preliminary antidumping investigations.

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of preliminary antidumping investigations 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 Japan, the Republic of Korea, and Yugoslavia of steel wire nails, provided for in items 646.25 and 646.26 of the Tariff Schedules of the United States, possibly sold at less than fair value.

EFFECTIVE DATE: July 2, 1981.

FOR FURTHER INFORMATION CONTACT: Mr. Lynn Featherstone, Supervisory Investigator, telephone (202-523-0242), U.S. International Trade Commission, Room 346, 701 E Street, NW., Washington, D.C. 20436.

SUPPLEMENTARY INFORMATION:

Background. On July 2, 1981, the Department of Commerce (hereinafter "Commerce") advised the Commission that Commerce was initiating antidumping investigations of steel wire nails from Japan, the Republic of Korea, and Yugoslavia pursuant to section 732(a) of the Tariff Act of 1930, (19 U.S.C. Section 1673a(a) (Supp. III 1979)). After monitoring imports of certain steel products under the Trigger Price Mechanism, Commerce found significant sales of steel wire nails being made at less than the relevant trigger price. These sales constitute possible sales at less than fair value.

Accordingly, on July 2, 1981, the Commission, pursuant to section 733(a) of the Tariff Act of 1930, (19 U.S.C. 1673b(a) (Supp. III 1979)), instituted preliminary antidumping investigations Nos. 731-TA-45, 46, and 47 (Preliminary).

Section 733(a) of the Tariff Act of 1930 requires the Commission to make a determination of 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 possibly sold in the United States at less than fair value. Such a determination must be made within 45 days after the date on which notice of an investigation commenced under section 732(a) is received from the Department of Commerce. These investigations will be subject to the provisions of the Commission's Rules of Practice and Procedure (19 CFR 201.00, *et seq.*) and, particularly, to part 207 thereof (19 CFR 207.1, *et seq.*).

Written submissions. Any person may submit to the Commission on or before July 30, 1981, a written statement of information pertinent to the subject matter of these investigations. A signed original and nineteen copies of such statements must be submitted.

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

Conference. The Director of Operations of the Commission has scheduled a conference in connection with the investigations for 10 a.m., e.d.t., on July 23, 1981, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Persons wishing to participate in the conference

APPENDIX B

DEPARTMENT OF COMMERCE NOTICE OF PRELIMINARY
DETERMINATION OF SALES AT LTFV
&
REVISED PRELIMINARY DETERMINATION

Certain Steel Wire Nails From the Republic of Korea; Antidumping Preliminary Determination of Sales at Less Than Fair Value and Exclusion From Preliminary Determination

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of preliminary determination of sales at less than fair value and exclusion from preliminary determination.

SUMMARY: We have preliminarily determined that there is a reasonable basis to believe that certain steel wire nails from the Republic of Korea (Korea) are being, or are likely to be, sold in the United States at less than fair value. Therefore, we have directed the U.S. Customs Service to suspend the liquidation of all entries of this merchandise, with the exception of entries of this merchandise produced by Samchok Industrial Company, Ltd. A cash deposit, bond, or other security in an amount equal to the estimated dumping margin, applicable to each manufacturer investigated, will be required at the time of each entry, or withdrawal from warehouse, for consumption in the United States. Imports from other manufacturers, except Samchok which has been excluded from this determination, will be subjected to security in the amount of 4 percent. We are notifying the United States International Trade Commission of this determination. If the investigation proceeds normally, we will make our final determination not later than April 15, 1982.

EFFECTIVE DATE: February 3, 1982.

FOR FURTHER INFORMATION CONTACT: Steven Lim or Richard Rimlinger, Office of Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230 (202-377-1279).

SUPPLEMENTARY INFORMATION: A previous antidumping investigation on certain steel wire nails from Korea was self-initiated on April 4, 1979. The final determination made by the Department of Commerce on May 23, 1980 was that certain steel wire nails from Korea were being sold to the United States at less than fair value (45 FR 34941). On August 13, 1980, the ITC published a determination that sales of this merchandise at less than fair value were not injuring, nor were likely to injure, a U.S. industry (45 FR 53924). This ITC final negative determination ended that earlier antidumping proceeding before the Department of Commerce.

On July 2, 1981, the Department of Commerce published a notice (46 FR 34615) announcing that, on the basis of information developed under the "Trigger Price Mechanism" (TPM) for steel mill products, we were self-initiating a new antidumping investigation to determine whether imports of certain steel wire nails from Korea are being, or are likely to be, sold at least than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the "Act"). The TPM was a monitoring device used by the Department of Commerce to determine those basis steel mill products most likely to be sold at less than fair value in the United States. In accordance with section 731(b) of the Act, we notified the U.S. International Trade Commission (the "ITC") of our action.

On August 17, the ITC found that there is a reasonable indication that imports of certain steel wire nails from Korea are materially injuring, or threatening to materially injure, a U.S. industry. The ITC published its determination in the Federal Register on August 26, 1981.

On November 23, 1981, the Department published a notice announcing that this investigation is extraordinarily complicated and that the preliminary determination was being postponed from December 9, 1981, to no later than January 28, 1982 (46 FR 57336).

Scope of Investigation

The types of nails covered by this investigation are nails of one piece construction, which are made of round steel wire and which are either less than 1 inch in length and less than 0.065 inch in diameter, or 1 inch or more in length and 0.065 inch or more in diameter. Such nails are classified under items 646.25 and 646.26 of the Tariff Schedules of the United States. We investigated sales of these nails which were made by fifteen Korean producers and sold for exportation to the United States during the period of investigation, January 1, 1981 through June 30, 1981. The firms investigated were:

1. Ah Ju Steel Co., Ltd. (Ah Ju)
2. Dae-A Wire Steel Co., Ltd. (Dae-A)
3. Gaya Metal Ind., Co., Ltd. (Gaya)
4. Han Duk Ind., Co., Ltd. (Han Duk)
5. Han Kuk Steel Wire Ind., Co., Ltd., (Han Kuk)
6. Je Il Steel Co., Ltd. (Je (Il)
7. Jin Heung Iron and Steel Co., Ltd. (Jin Heung)
8. Kabul Ltd. (trading for Dong-A Nails Manufacturing Co., Ltd.)
9. Korea Ill Dong Co., Ltd. (Korea Ill Dong)
10. Korea Nippon Seisen Co., Ltd., (Korea Nippon Seisen)
11. Kuk Dong Metal Ind., Co., Ltd. (Kuk Dong)
12. New Korea Nails Ind., Co., Ltd. (New Korea)
13. Samchok Ind., Co., Ltd. (Samchok)
14. The Tan's Metal Ind., Co., Ltd. (Tan's Co.)
15. Young Sin Metal Ind., Co., Ltd. (Young Sin)

Sales by the above firms accounted for approximately 85 percent of all nail sales to the United States during the period of investigation.

Methodology of Fair Value Comparisons

To calculate fair value, we compared the U.S. price with the foreign market value. In the cases of Dae-A, Jin Heung, Kuh Dong, New Korea and Samchok we compared U.S. price based on purchase price with foreign market value based on home market price. In the case of Korea Nippon Seisen, we compared U.S. price based on purchase price with foreign market value in Japan (as represented by information supplied under the Trigger Price Mechanism). For all other firms investigated, we compared U.S. price based on purchase price with foreign market value based

on the constructed value of the imported merchandise.

U.S. Price

All Korean producers sold nails either directly to unrelated U.S. importers or to unrelated trading companies which sold to U.S. importers. Since the price of nails to unrelated United States importers was agreed to before the nails were imported into the United States, we used purchase price as defined in section 772(b) of the Act as the U.S. price for all firms investigated.

We calculated purchase price on the basis of the FOB, C&F, or CIF prices to U.S. importers, or, where appropriate, to the trading companies which resold to U.S. importers. We made deductions for all shipping and port charges.

Foreign Market Value

In the cases of Dae-A, Jim Heung, Kuk Dong, New Korea and Samchok, there were sufficient sales in the home market above the cost of production to allow us to use home market price as defined in section 773(a)(1)(A) of the Act, to determine foreign market value. We calculated home market price on the basis of the delivered or ex-factory prices to unrelated home market customers. Where appropriate, we deducted shipping charges and adjusted for differences between domestic and export nails. We also adjusted for differences between domestic and export packing.

Korea Nippon Seisen, which is located in the Masan Free Trade Zone and is wholly owned by a Japanese firm that also has nail producing facilities in Japan, meets the requirements of section 773(d) of the Act, and is, therefore, subject to the special rule for certain multinational corporations, which states:

> Whenever, in the course of an investigation under this title, the administering authority determines that—
>
> "(1) merchandise exported to the United States is being produced in facilities which are owned or controlled, directly or indirectly, by a person, firm or corporation which also owns or controls, directly or indirectly, other facilities for the production of such or similar merchandise which are located in another country or countries;
>
> "(2) the sales of such or similar merchandise by the company concerned in the home market of the exporting country are nonexistent or inadequate as a basis for comparison with the sales of the merchandise to the United States; and
>
> "(3) the foreign market value of such or similar merchandise produced in one more of the facilities outside the country of exportation is higher than the foreign market value of such or similar merchandise produced in the facilities located in the country of exportation, it shall determine the foreign market value of such merchandise by reference to the foreign market value at which such or similar merchandise is sold in substantial quantities by one or more facilities outside the country of exportation."

With respect to the requirements of this section, we attempted to obtain information from a related Japanese nail producer, Nippon Seisen Co., Ltd. (Nippon Seisen), Osaka, Japan, concerning the cost of production and prices of nails sold in the Japanese home market. However, Nippon Seisen did not respond to our request for this information. Section 776(b) of the Act states that whenever any party refuses or is unable to produce information requested the Commerce Department may use the best information otherwise available for determining the existence of less than fair value sales. We have used the relevant trigger prices for steel wire nails as the best available information of the foreign market value for nails produced by Nippon Seisen in Japan. Since these trigger prices are greater than he foreign market value which would otherwise be used for Korea Nippon Seisen, section 773(d) is applicable. Therefore, we compared the purchase price to the foreign market value of Nippon Seisen in Japan, as represented by trigger prices. Furthermore, since Nippon Seisen failed to supply cost data, we made no adjustments to trigger prices to reflect differences in the cost of production between Japan and Korea.

With respect to all remaining firms investigated, we used constructed value, as defined in section 773(e) of the Act, to determine the foreign market value of the nails. None of these companies, with one exception, had adequate sales of such or similar merchandise in the home market or to third countries. The one exception is the Korean producer, Dong-A, which sold nails to the United States using the name of its parent firm Kabul, which is a Korean trading company. Although Dong-A had sales of this merchandise in the home market, there were insufficient sales above the cost of production to use home market sales as the basis of foreign market value.

Therefore, in accordance with section 773(e), we calculated constructed value by adding raw material costs, fabrication costs, general expenses, profit and packing costs. For materials, fabrication and packing costs, we used each firm's actual cost figures. For general expenses, we used each firm's actual cost figures allocated over its respective nail production. In cases in which the actual general expenses were less than the statutory minimum amount of 10 percent of the total cost for materials and fabrication, we used 10 percent for general expenses. We calculated profit on the basis of the statutory minimum of 8 percent of materials, fabrication and general expenses. We used the statutory minimum profit, because data submitted by the Korean producers indicated that the usual profit on sales of this merchandise in the Korean home market was less than the statutory minimum.

In calculating foreign market value, we made currency conversions from Korean won to U.S. dollars using unofficial average monthly rates which were supplies to the Department of Commerce by the Federal Reserve Bank of New York ("FRB"). The FRB is in the process of certifying daily rates for the investigative period and these certified rates will be used for our final determination, in accordance with the provisions of section 522 of the Tariff Act of 1930, as amended (31 U.S.C. 372), provided that they are received in a timely manner. In the interim, the unofficial rates supplied by the FRB will continue to be used as the best available information.

An interest expense adjustment was shown in the sales information supplied by Jin Heung, Kuk Dong Samchok. This interest expense was attributable to the extension of credit on payment terms for either home or U.S. sales transactions. The amount of interest expense has been calculated by prorating the prevailing annual loan rate of interest by the period claimed for the extension of credit. This adjusted rate was then applied to the sales price to approximate the amount of expense which is attributable to the extension of credit on that sale. However, we allow this adjustment only if the respondent can demonstrate that its total actual short-term interest expense is not less than the amount claimed.

For purposes of this preliminary determination, there is insufficient information to make this determination for any firms other than Samchok. We have, therefore, disallowed this adjustment for Jin Heung and Kuk Dong.

Verification

We verified, to the extent possible, all information used in making this preliminary determination. We were granted access to the books and records of the fifteen foreign manufacturers investigated and Kabul, a related company trading for Dong-A. We used standard verification procedures, including on-site inspection of the manufacturers' operations and examination of accounting records and randomly selected documents containing relevant information.

Preliminary Results of Investigation

We made fair value comparisons on approximately 70 percent of the total sales to the United States made by the fifteen manufacturers under investigation. We found margins on 42 percent of the sales. The margins ranged from 0.01 to 71 percent. The overall weighted-average margin on all sales compared is 4 percent. On a firm-by-firm basis, the results for the purposes of this determination are as follows:

Manufacturers	Percent of sales compared	Percent of comparisons with dumping margins	Percent weighted average margin on all sales compared
Ah-Ju	75.2	56.4	2.2
Dae-A	100	40.3	1.0
Gaya	99.0	97.0	12.3
Han Duk	82.1	29.9	0.5
Han Kuk	39.8	37.5	2.7
Je Il	77.0	12.4	0.6
Jin Heung	100	42.7	2.4
Kabul or Dong-A	52.0	45.1	5.3
Korea Ill Dong	93.4	62.9	3.0
Korea Seisen Nippon	97.6	100	29.1
Kuk Dong	47.3	74.2	5.9
New Korea	55.4	9.1	0.6
Samchok	97.3	0	0
Tan's Co.	89.4	17.7	0.9
Young Sin	100	94.5	6.7

In the case of Samchok, we found no sales at less than fair value. Samchok is, therefore, excluded from this preliminary determination of sales at less than fair values.

Suspension of Liquidation

In accordance with section 733(d)(1) and (2) of the Act, we are directing the U.S. Customs Service to suspend, upon this notice's publication, the liquidation of all entries of nails, with the exception of those nails produced by Samchok Industrial Company, Ltd., which are entered into the United States, or withdrawn from warehouse, for consumption. As of that date, a cash deposit, bond, or other security must be posted for all entries of nails produced by all firms, except Samchok, in the amount of the weighted-average margin of the FOB price for the listed firms investigated and 4 percent of the FOB price for all other Korean producers.

ITC Notification

We are notifying the U.S. International Trade Commission of this action. We will 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.

Public Comment

If requested, we will hold a public hearing to afford interested parties an opportunity to comment orally on this preliminary determination. This hearing is scheduled for 9:30 a.m. on March 4, 1982, U.S. Department of Commerce, Room 3080, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230.

Any request for a hearing must be submitted on or before February 16, 1982, to the Deputy Assistant Secretary for Import Administration, Room 3099B, at the same address above. They should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reason for attending; and (4) a list of the issues to be discussed. In addition, prehearing briefs must be submitted to the Deputy Assistant Secretary by February 26, 1982. Oral presentations will be limited to the issues raised in the briefs.

Any written views should be filed in accordance with 19 CFR 353.46 at the above address, in at least ten copies, and on or before March 5, 1982. This determination is published in accordance with § 353.39, Commerce regulations (19 CFR 353.39).

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 82-2790 Filed 2-2-82; 8:45 am]
BILLING CODE 3510-25-M

DEPARTMENT OF COMMERCE

International Trade Administration

Certain Steel Wire Nails From the Republic of Korea; Amendment to Preliminary Determination of Sales at Less Than Fair Value and Exclusion From Preliminary Determination

AGENCY: International Trade Administration, Commerce.

ACTION: Amendment to Preliminary Determination of Sales at Less Than Fair Value and Exclusion From Preliminary Determination.

SUMMARY: On February 3, 1982, we announced our preliminary determination that certain steel wire nails from the Republic of Korea (Korea) are being, or are likely to be, sold in the United States at less than fair value. We directed the U.S Customs Service to suspend the liquidation of all entries of this merchandise, with the exception of entries of this merchandise produced by Samchok Industrial Company, Ltd. (Samchok), and that the Customs Service require the posting of a cash deposit, bond, or other security in an amount equal to the estimated dumping margin listed for each manufacturer investigated, except Samchok.

We are amending our preliminary determination of sales at less than fair value to exclude merchandise produced by Jin Heung Iron and Steel Co., Ltd. (Jin Heung). The order issued February 3, 1982, to suspend liquidation is hereby terminated with respect to Jin Heung. No cash deposit, bond, or other security will be required at the time of each entry, or withdrawal from warehouse, for consumption in the United States of this merchandise produced by this manufacturer. All other manufacturers, with the exception of Samchok and Jin Heung, will continue to be subject to our original notice. However, those manufacturers not specifically listed wil now be subject to security in the amount of 3.6 percent. Customs officers are being instructed to refund all deposits of estimated duties paid by importers on entries of steel wire nails produced by Jin Heung.

EFFECTIVE DATE: March 19, 1982.

FOR FURTHER INFORMATION CONTACT: Steven Lim or Richard Rimlinger, Office of Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202–377–1279).

Amendment

On February 18, 1982, we found an error in our comparisons for one of the firms investigated, Jin Heung Iron and Steel Co., Ltd. (Jin Heung). We had compared U.S. prices for 50 lbs. cartons with home market prices for 25 kilogram cartons (which equals 55.115 lbs.) and had not adjusted for the difference in weight. With this adjustment, Jin Heung's weighted-average dumping margin is reduced from 2.4 percent to .19 percent, which is *de minimis*. We, therefore, are excluding Jin Heung from the preliminary determination.

Accordingly, we are amending our preliminary determination of sales at less than fair value by directing the U.S. Customs Service to remove the suspension of liquidation earlier imposed on imports of steel wire nails manufactured by Jin Heung. This recalculation of the fair value comparison for Jin Heung had reduced the weighted-average fair value margin for all companies investigated to 3.6 percent which will represent the security amount to be required for any company which was not specifically included in the fair value investigation. Customs officers are being instructed to refund all deposits of estimated duties paid by importers on entries of steel wire nails produced by Jin Heung. Our preliminary determination is, otherwise, unchanged.

This determination is published in accordance with § 353.39, Commerce Regulations (19 CFR 353.39).

Dated: March 19, 1982.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

A-53

[FR Doc. 82-7414 Filed 3-18-82 8:45 am]

BILLING CODE 3510-25-M

APPENDIX C

COMMISSION NOTICES OF INSTITUTION OF FINAL ANTIDUMPING INVESTIGATION

[Investigation No. 731-TA-46 (Final)]

Certain Steel Wire Nails From Korea

AGENCY: International Trade Commission.

ACTION: Institution of a final antidumping investigation.

SUMMARY: As a result of the affirmative preliminary determination on January 29, 1982, by the International Trade Administration, United States Department of Commerce, that certain steel wire nails provided for in items 646.25 and 646.26 of the Tariff Schedules of the United States (TSUS) from certain Korean companies are being sold in the United States, at less than fair value, within the meaning of section 731 of the Tarriff Act of 1930 (19 U.S.C. 1673), the United States International Trade Commission (hereinafter "the Commission") hereby gives notice of the institution of investigation No. 731-TA-46 (Final) to determine whether an industry in the United States is materially injured, or is threatened with material injury or the establishment of an industry is materially retarded by reason of imports of such merchandise. For purposes of this investigation, the term "steel wire nails" refers to nails of one-piece construction which are made of round steel wire and which enter the United States under item numbers 646.25 and 646.26 of the TSUS.[1] The Commission's investigation encompasses imports of nails as defined above from Korea, produced by all firms, except Samchok, which was found not to be selling at less than fair value.

EFFECTIVE DATE: January 29, 1982.

FOR FURTHER INFORMATION CONTACT: Judith C. Zeck, Office of Investigations, U.S. International Trade Commission, (202-523-0339).

SUPPLEMENTARY INFORMATION: On August 11, 1981, the Commission unanimously determined, on the basis of the information developed during the course of investigation No. 731-TA-46 (Preliminary), that there was a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from Korea of steel wire nails which were possibly being sold in the United States at LTFV. As a result of the Commission's affirmative preliminary determination, the Department of Commerce continued its investigation into the question of LTFV sales. Unless the investigation is extended, the final LTFV determination will be made by the Department of Commerce on or before April 15, 1982.

Written submissions: Any person may submit to the Commission a written statement of information pertinent to the subject of the investigation. A signed original and fourteen (14) true copies of each submission must be filed at the Office of the Secretary, U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, on or before April 15, 1982. All written submissions except for confidential business data will be available for public inspection.

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

A staff report containing preliminary findings of facts will be available to all interested parties on March 31, 1982.

Public hearing: The Commission will hold a public hearing in connection with this investigation at 10:00 a.m. on April 21, 1982, in the Hearing Room of the U.S. International Trade Commission Building. Request to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5.15 p.m.) on March 25, 1982. All persons desiring to appear at the hearing and make oral presentations must file prehearing statements and should attend a prehearing conference to be held at 9:30 a.m., on March 31, 1982.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules of practice and procedure (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing statements and to new information. All legal arguments, economic analysis, and factual materials relevant to the public hearing should be included in prehearing statements in accordance with § 207.22. Post hearing briefs will also be accepted within a time specified at the hearing.

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's rules of practice and procedure, Part 207, Subparts A and C (19 CFR 207), and Part 201, Subparts A through E (19 CFR Part 201).

This notice is published pursuant to § 207.20 of the Commission's rules of practice and procedure (19 CFR 207.20).

By order of the Commission.

Issued: February 12, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-4404 Filed 2-17-82; 8:45 am]

BILLING CODE 7020-02-M

[1] For purposes of this investigation, brads, spikes, staples and tacks are not included.

APPENDIX D

COMMISSION NOTICE OF INSTITUTION OF PRELIMINARY COUNTERVAILING DUTY INVESTIGATION

[Investigation No. 701-TA-145 (Preliminary)]

Certain Steel Wire Nails From Korea

AGENCY: International Trade Commission.

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

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigation No. 701-TA-145 (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 Korea of steel wire nails,[1] provided for in items 646.25 and 646.26 of the Tariff Schedules of the United States Annotated (1982), upon which bounties or grants are alleged to be paid.

EFFECTIVE DATE: January 19, 1982.

FOR FURTHER INFORMATION CONTACT: Judith C. Zeck, Office of Investigations, U.S. International Trade Commission (202-523-0539).

SUPPLEMENTARY INFORMATION:

Background.—This investigation is being instituted in response to a petition filed on January 19, 1982, by counsel on behalf of Atlantic Steel Co., Florida Wire and Nail, New York Wire Mills, Virginia Wire and Fabric, Tree Island Steel, Inc., and Armco Inc., U.S. producers of steel wire nails.

The Commission must make its determination in this investigation within 45 days after the date of the filing of the petition or, in this case, by March 5, 1982 (19 CFR 207.17). The investigation will be subject to Part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 41 FR 76457), and particularly subpart B thereof.

Written Submissions.—Any person may submit to the Commission on or before February 16, 1982, a written statement of information pertinent to the subject matter of this investigation. A signed original and nineteen copies of such a statement must be submitted.

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

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m., e.s.t., on February 12, 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 supervisory investigator for this investigation, Mr. John MacHatton (202-523-0439). It is anticipated that parties in support of the petition for countervailing duties and parties opposed to the petition will each be allocated one hour within which to make an oral presentation at the conference. Further details concerning the conduct of the conference will be provided by the supervisory investigator.

Inspection of the Petition.—A copy of the petition filed with the Department of Commerce in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

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

Issued: January 22, 1982.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-2046 Filed 1-25-82; 8:45 am]

BILLING CODE 7020-02-M

[1] For purposes of this investigation, brads, spikes, staples, and tacks are not nails.

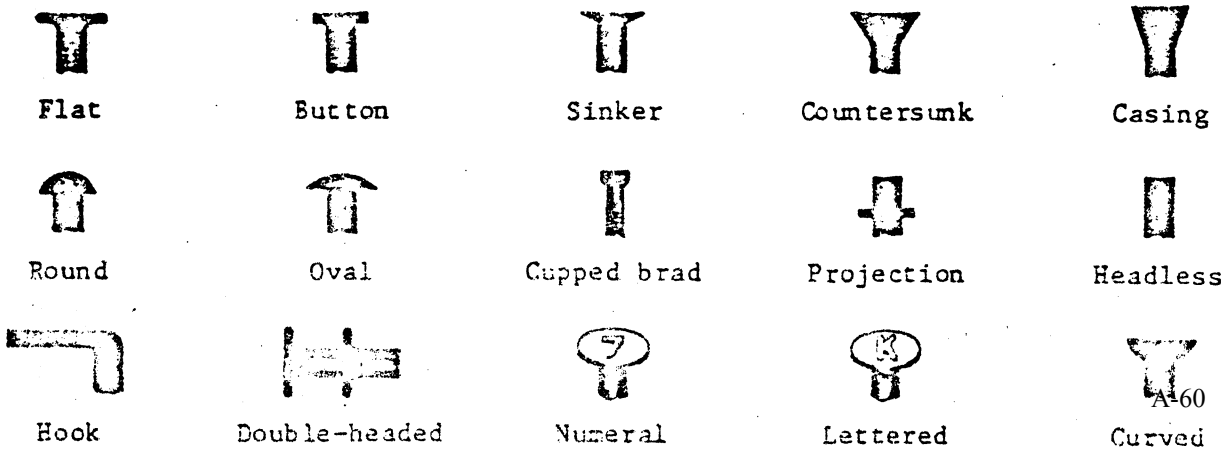
APPENDIX E

DESCRIPTION OF NAIL TYPES AND OF THE MANUFACTURING PROCESS

Nails are generally described on the basis of their intended use and the nature of their main parts--the head, shank, and point.

Head.--The head of the nail is designed to facilitate its use, both while being driven and after in place. The "flat head" is by far the most common as it is best suited to general use. The diameter of the flat head may be enlarged to obtain maximum bearing area in specific applications such as roofing and sheathing nails. A "cupped brad head" is used on finishing nails to make the head less visible after being driven. Similarly, "countersunk" or "casing heads" (such as those used on flooring nails) allow the nail to be driven flush with the surface. "Double-headed" nails are designed for easy removal in temporary applications; "embossed heads" are used to identify some characteristic of the nail; "round" or "oval heads" are used for decorative effects; and "projection" heads are designed for special purpose nails such as shade roller pins. Various combinations of these basic heads may be used in such special applications as gutter spikes with countersunk oval heads. Several head designs are shown in figure F-1.

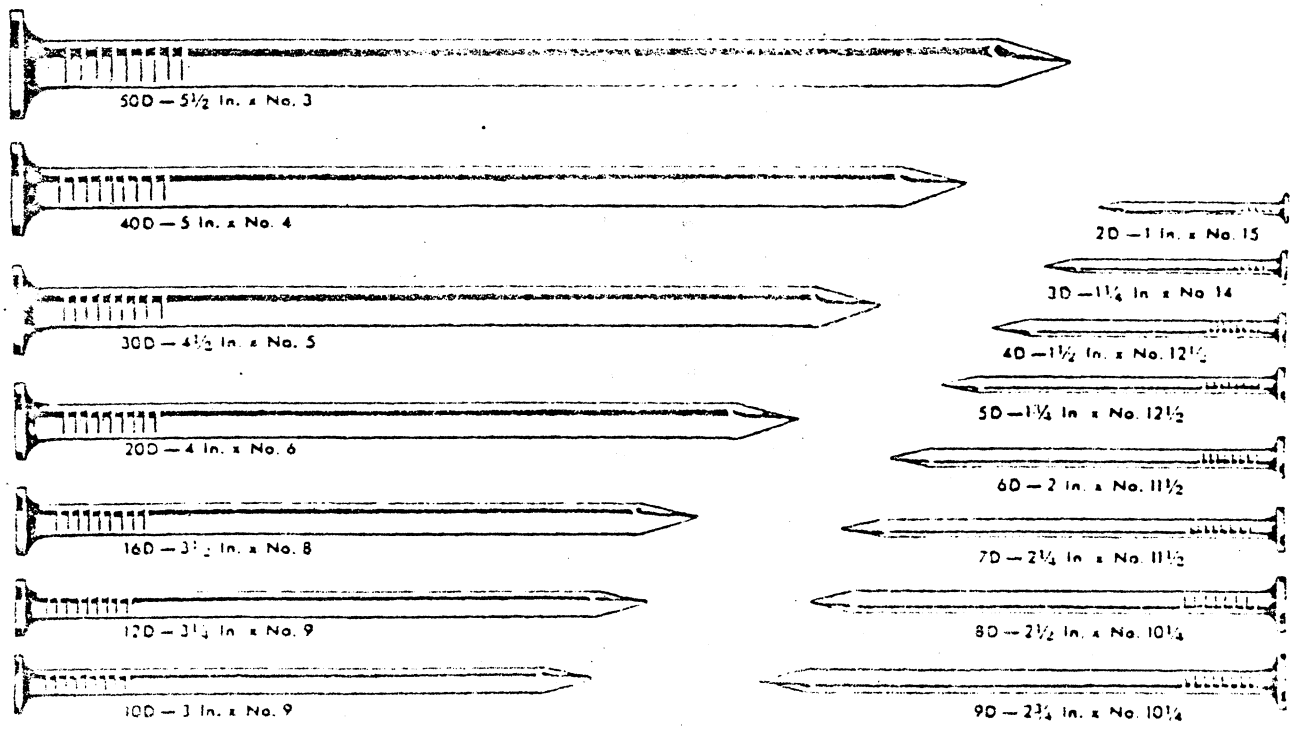
Figure F-1.--Types of nail heads.



Source: Sales brochure of Independent Nail, Inc.

Shank.--The shank of the nail can be described in terms of its length, diameter, surface texture, and finish. Wire nail sizes are standardized by length 1/ and designated in terms of "penny" size. The origin of this method of designation is not known, but is probably found in the English system of measurements. A sixteenpenny nail was likely one of such size that 1,000 weighed approximately 16 pounds. Such a nail would have been known as a 16-pound nail and designated "16d," the letter "d" being the English symbol for pound. As the letter "d" is also the symbol for the English penny, the 2 terms probably came to be used interchangeably. Today, penny (or "d") size indicates a definite length (see figure F-2) regardless of weight, which varies with diameter (or

Figure F-2.--Nail sizes, by "penny" (d) designation (length and wire gage).

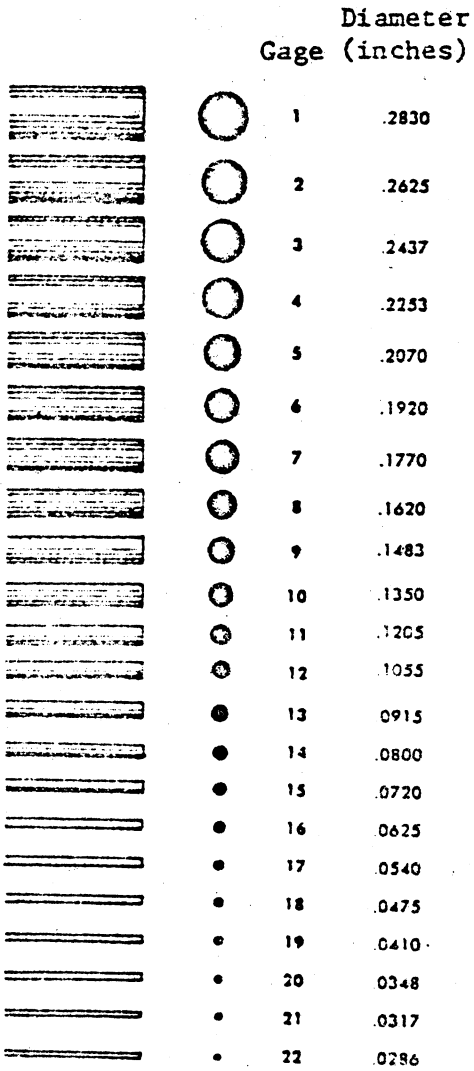


Source: Sales brochure of Republic Steel Corp.

1/ Length is generally measured from the underside of the head to the tip of the point.

gage) and type of head. Gage is also generally standardized for specific penny nails as indicated in figure F-2, but customers may specify nonstandard gages with most suppliers. A listing of gage sizes is presented in figure F-3.

Figure F-3.--Wire gage sizes, by gage number and diameter.



Source: Sales brochure of The Hillwood Manufacturing Co.

Most domestically produced nails have smooth shanks. For special uses, however, barbs, rings, or threads may be added to the shank during production. Nail shanks are usually bare metal (called "bright"), but may also be treated to gain special properties. Zinc coating (or galvanizing), for example, imparts corrosion resistence, and cement or resin coating gives the nail extra holding power. When a cement-coated nail is driven, the resinous coating melts under the heat of friction and forms a tighter bond between the nail and the wood. Any nail may also be blued or annealed (softened).

Point.--Nail points are designed to best facilitate driving while causing the least possible damage to the wood (or other medium). The "diamond point" (fig. F-4) is the most common and is well suited for general commercial use. It has high holding power, but tends to cause splitting in dense woods. "Blunt points" are preferred when working with such dense woods (e.g., hardwood flooring, trim, and shingles) since they tend to reduce the danger of splitting by breaking the wood fibers upon entry. Sharper points force the wood fibers apart, thus setting up strains which induce splitting. "Chisel points" also reduce the risk of splitting by cutting through the wood fibers

Figure F-4.--Types of nail points.

Regular diamond | Long diamond | Blunt | Conical | Needle | Sheared bevel | Chisel | Sheared square

Source: Sales brochure of Independent Nail, Inc.

and are principally used on larger nails. "Needle" and "conical" points are largely used in applications where fast hand nailing is required. Nails with these points are easily started with a light tap of the hammer or even by hand. Other points designed for special uses include "side points," "duck-bill points," "sheared bevel points," and "sheared square points."

APPENDIX F

CALENDAR OF THE PUBLIC HEARING

CALENDAR OF PUBLIC HEARING

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

Subject : Certain Steel Wire Nails from Korea

Inv. No. : 731-TA-46 (Final)

Date and time: June 28, 1982 - 10:00 a.m., e.d.t.

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

Domestic:

Fried, Frank, Harris, Shriver & Kampleman--Counsel
Washington, D.C.
on behalf of

Atlantic Steel Company, Florida Wire & Nail,
New York Wire Mills and Virginia Wire & Fabric

Jack Klein, Senior Vice-President, Ivaco, Inc.

Edward A. Knapp, Sales Manager, Florida Wire &
Nail, Virginia Wire & Fabric

Samuel M. Rosenblatt, SMR, Inc.

David E. Birenbaum)
Nathaniel M. Rosenblatt)--OF COUNSEL
Alan G. Kashdan)

- more -

Steptoe & Johnson--Counsel
Washington, D.C.
on behalf of

Armco, Inc., Middletown, Ohio

William von Glahn, Assistant Counsel and Assistant Secretary

Tree Island Steel, Inc., New Westminister, B.C.

Michael Sandler--OF COUNSEL

Bethlehem Steel Corporation, Washington, D.C.

James Van Vliet, Manager, Rod and Wire Sales

Laird D. Patterson, General Attorney

Importers:

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

Korea Metal Industry Cooperative, Seoul, Korea

Ah-Ju Steel Co., Ltd.
Dae-A Wire Steel Wire Ind.
Gaya Metal Ind. Co., Ltd.
Handuk Industrial Co., Ltd.
Hankuk Steel Wire Ind. Co.
Hyung Jin Ind. Co., Ltd.
Je Il Steel Co., Ltd.
Kabul Ltd.
Korea Nippon Seisen Co., Ltd.
Kuk Dong Metal Industries Co.
New Kore Nails Ind. Co., Ltd.
The Tan's Metal Ind. Co., Ltd.
Young Sin Metal Ind. Co., Ltd.

N. David Palmeter)
Donald B. Cameron) --Of Counsel