CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS FROM BRAZIL

Determination of the Commission in Investigation No. 731-TA-123 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose the operations of individual firms is confidential and, therefore, has been deleted from this public report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-123 (Final)

CERTAIN FLAT-ROLLED CARBON STEEL PRODUCTS FROM BRAZIL

Determination

On the basis of the record 1/ developed in the subject investigation, the Commission unanimously 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 Brazil of certain flat-rolled carbon steel products, provided for in items 607.66, 607.94, 608.07, and 608.11 of the Tariff Schedules of the United States (TSUS), 2/ which are being, or are likely to be, sold in the United States at less than fair value (LTFV). In addition, pursuant to section 735(b)(4)(A) of the act (19 U.S.C. § 1673d(b)(4)(A)), the Commission also determines that the material injury found in this case is by reason of massive imports of the subject products over a relatively short period to an extent that, in order to prevent such material injury from recurring, it is necessary to impose the antidumping duty retroactively on these imports. 3/

Background

The Commission instituted this investigation effective September 7, 1983, following a preliminary determination by the Department of Commerce that

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

2/ The specific products covered by this determination are carbon steel plate in coils or cut-to-length, whether or not not coated or plated with metal (TSUS items 607.66, 608.07, and 608.11); and clad plate (TSUS item 607.94).

3/ The effect of this determination is that, pursuant to section 733(e)(2) of the act (19 U.S.C. § 1673b(e)(2)), antidumping duties will be imposed 90 days before the date on which suspension of liquidation was first ordered (Sept. 7, 1983).

imports of the subject flat-rolled carbon steel products from Brazil were being, or were likely to be, sold in the United States at LTFV within the meaning of section 731 of the act (19 U.S.C. § 1673). 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 September 28, 1983 (48 F.R. 44279).

Commerce was scheduled to make its final determinations in this case by November 14, 1983. However, Commerce extended its investigation and published its final affirmative determination in the Federal Register on January 25, 1984 (49 F.R. 3102). The Commission's hearing was held in Washington, D.C. on January 31, 1984. All persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION 1/

On the basis of the record in investigation No. 731-TA-123 (Final), we determine that an industry in the United States is materially injured by reason of imports of certain flat-rolled carbon steel products from Brazil which the Department of Commerce has determined to be sold at less than fair value (LTFV).

We also determine that the material injury is by reason of massive imports of the subject flat-rolled carbon steel products from Brazil found by the Department of Commerce to exist over a relatively short period, to an extent that, in order to prevent such material injury from recurring, it is necessary to impose the antidumping duty retroactively on those imports.

The domestic industry

In an antidumping investigation, material injury is determined by assessing the impact of the LTFV imports on the domestic industry as defined in section 771(4) of the Tariff Act of 1930. "The term 'industry' means 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/ "Like product" is defined in section 771(10) of the Tariff Act of 1930. "The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation." 3/

The imported products that are the subject of this investigation are cut-to-length and coiled flat-rolled carbon steel products, 0.1875 inch or

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1/ Commissioner Stern transmitted her views to the Commerce Department on March 7, 1984. They accord in every respect with the present ones which, for the sake of a simpler public presentation, she now joins.

2/ 19 U.S.C. § 1667(4).

3/ 19 U.S.C. § 1667(10).

more in thickness. Substantially identical cut-to-length and coiled flat-rolled products are produced in the United States. 4/

An important issue in this investigation concerning "like product" and the definition of the domestic industry is whether cut-to-length plate and coiled plate should be considered one like product, namely, carbon steel plate.

The cut-to-length flat-rolled carbon steel product is referred to as "cut-to-length plate." The dimensions of cut-to-length plate must be a minimum of 0.1875 inches in thickness and 8 inches in width if not cold rolled, or 12 inches in width if cold rolled. 5/ Cut-to-length plate is produced primarily on universal plate mills and sheared-plate mills. 6/ The product that exits from these mills is plate which has been flattened and sheared to a desired size and shape. 7/ Cut-to-length plate can also be produced by producers using hot-strip mills. Cut-to-length plate is primarily used in the construction of bridges, storage tanks, pressure vessels, railroad freight and passenger cars, ships, industrial machinery, and other capital goods sector products. 8/

There is also a coiled flat-rolled carbon steel product with a minimum thickness of 0.1875 inches. This product is referred to as "coiled plate." Coiled plate also meets the width requirements noted earlier for the cut-to-length plate designation. 9/ Coiled plate is produced on hot-strip mills, which are continuous production mills. 10/ The end products of the hot-strip mills are coiled steel products with thicknesses below 0.1875 inches

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4/ Report at A-1 and A-2.
5/ Id.
6/ A description of these mills is included on page A-5 of the Report.
7/ Report at A-6.
8/ Report at A-3.
9/ Report at A-1 and A-2.
10/ Report at A-6.

to be ultimately used as sheet as well as coiled steel products with thicknesses 0.1875 inches or greater to be ultimately used as plate. 11/ Before these products are used, they are uncoiled, leveled, and cut-to-length by either the producer, a steel service center, 12/ a toll processor, 13/ or the end user. Once this is performed the end uses of coiled plate are the same as for cut-to-length plate of corresponding thickness.

A review of Commission precedent on the like product issue indicates that in a number of investigations, the Commission initially included coiled plate as part of the carbon steel plate industry, 14/ and, subsequently, included it as part of the carbon steel sheet industry. 15/ In more recent preliminary investigations covering cut-to-length plate and coiled plate, the Commission treated coiled plate separately from cut-to-length plate. 16/

11/ The coiled sheet product which is not the subject of this investigation is produced on the same hot-strip mills as the coiled plate but the sheet is less than 0.1875 inches thick. It also leaves the hot-strip mill in a coiled configuration and must be uncoiled, leveled, and cut-to-length before it can be ultimately used as sheet. The largest single end user of the sheet product is the automotive industry. Report at A-4, table 2.

12/ Service centers are distributors which purchase, inventory, process, and sell steel products to end users.

13/ Toll processors level the plate and cut it to specified lengths for a fee of approximately $20 per ton which is paid by a distributor or end-user customer. Report at A-6. See discussion at 8, infra.

14/ Certain Steel Products from Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom, Invs. Nos. 731-TA-18 through 24 (Preliminary), USITC Pub. 1064 (1980).

15/ See, e.g., Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, Invs. Nos. 701-TA-86 through 144, 701-TA-146 and 147 (Preliminary), and Invs. Nos. 731-TA-53 through 86 (Preliminary) USITC Pubs. 1221 and 1222, at 10-12 (1982); Certain Carbon Steel Products from the Republic of Korea, Invs. Nos. 701-TA-170-171 and 173 (Final) USITC Pub. 1346 (1983); Certain Carbon Steel Products from Spain, Invs. Nos. 701-TA-155, 157-160 and 162 (Final), USITC Pub. 1331 (1982).

16/ See, e.g., Flat-Rolled Carbon Steel Products from Brazil, Inv. No. 731-TA-123 (Preliminary) USITC Pub. 1361 (1983); Certain Flat-Rolled Carbon Steel Products from Belgium and the Federal Republic of Germany, Invs. Nos. 731-TA-146 and 147 (Preliminary), USITC Pub. 1451 (1983); Certain Hot-Rolled Carbon Steel Plate from the Republic of Korea, Inv. No. 731-TA-151 (Preliminary), USITC Pub. 1459 (1983); Certain Carbon Steel Products from Brazil, Invs. Nos. 701-TA-205-207 (Preliminary), USITC Pub. 1470 (1983).

An examination of previous cases indicates that in those cases where the Commission included coiled plate in the sheet industry the domestic industry had not justified either including coiled plate in the plate industry or treating it as a separate like product and industry. Consequently, data providing separate information on coiled plate were not developed. 17/ In more recent cases, the domestic industry has requested that cut-to-length plate and coiled plate be treated as one like product. Therefore, the staff has gathered data on production, employment, and profitability which has enabled the Commission in the preliminary phases of these investigations to separate out coiled plate from the carbon steel sheet industry. 18/

After reviewing the extensive record developed during this final investigation, we have concluded that cut-to-length plate and coiled plate should be considered one like product, namely, carbon steel plate. We have considered these products as "like" because they have essentially the same characteristics and uses. Cut-to-length plate and coiled plate have the same metallurgical composition. 19/ Coiled plate coincides in thickness with the lighter cut-to-length plate. Because thickness dictates end use, these two products have virtually identical end uses. With minor exceptions, once the coiled plate is leveled and cut, it is interchangeable with the cut-to-length plate. 20/ Once coiled plate has been processed, the end user generally would not be able to distinguish between cut-to-length plate and coiled plate. 21/ Although there may be some minor differences between the finishes of cut-to-length plate and coiled plate, these differences are not important in

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17/ See note 15, supra.
18/ See note 16, supra.
19/ U.S. Steel Prehearing Brief at 26.
20/ Bethlehem Prehearing Brief at 4-5.
21/ U.S. Steel Prehearing Brief at 18.

the vast majority of end use applications. 22/ Those domestic producers which produce both products use either cut-to-length plate or coiled plate to supply demand within the applicable specifications. 23/

According to the domestic industry, steel products have historically been classified on the basis of thickness. 24/ The American Iron & Steel Institute (AISI) has classified coiled plate as sheet because information regarding coiled plate is easier to obtain in connection with collecting data on hot-strip mill production as a whole. 25/ However, a steel products manual published by AISI defines the coiled product as plate. 26/ The TSUSA classifies the coiled product as coiled plate, 27/ and the American Society for Testing and Materials (ASIM) sets the same standard for cut-to-length plate and coiled plate for production and testing. 28/

Coiled plate has made significant inroads into markets traditionally served by cut-to-length plate for a number of reasons, including lower unit costs, technical advances that have extended the thickness and quality that can be rolled on strip mills, and the expansion in the number of service centers equipped with decoiling and cutting equipment. Technological advances in the production of coiled products in plate thickness have added the capability to roll thicker coils. Industry sources indicate that the technology now exists to roll flat-rolled products in coils up to 1 inch in

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22/ Gilmore Prehearing Brief at vii; Bethlehem Prehearing Brief at 4-5.
23/ Memorandum from Minerals and Metals (Office of Industries, USITC) at 3 (hereinafter Memorandum from Minerals and Metals); Bethlehem Prehearing Brief at 4; U.S. Steel Prehearing Brief at 18.
24/ Bethlehem Steel Prehearing Brief at 6.
25/ U.S. Steel Prehearing Brief at 16.
26/ U.S. Steel Prehearing Brief at 16.
27/ Memorandum from Minerals and Metals at 2.
28/ Id. at 3. U.S. Steel Prehearing Brief at 27.

thickness. Thus coiled plate affects markets which historically have been supplied primarily by cut-to-length plate.

In previous investigations, data were gathered which appeared to indicate a price difference between coiled plate and cut-to-length plate. It has been argued that this price difference supports the contention that coiled plate should not be considered "like" cut-to-length plate. One domestic producer has indicated that the price differential has decreased due to foreign competition. 29/ Another domestic producer has noted that prices for these plate products are fairly close, even when the processing costs required to flatten, level, and shear a coil into cut lengths are considered. 30/ Information gathered by the Commission supports these assertions.

Accordingly, we conclude that there is one like product, carbon steel plate, whether cut-to-length or coiled. We further determine that there is one domestic industry consisting of the domestic producers of carbon steel plate, whether cut-to-length or coiled. 31/

The condition of the domestic industry

The U.S. industry producing carbon steel plate has been experiencing difficulties during the period covered in this investigation. Production

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29/ U.S. Steel Prehearing Brief at 18.

30/ Carbon Steel Plate from the Republic of Korea, Preliminary Conference Transcript at 27.

31/ Our conclusion regarding the like product and the domestic industry is supported by the Senate Report of the Trade Agreements Act of 1979. In relevant part, the report states:

> 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 product and article 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). S. Rept. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

increased from 7.4 million short tons in 1980 to 8 million short tons in 1981. It then declined by 49 percent or to 4.1 million short tons in 1982. 32/ Production declined an additional 7 percent during January-September 1983, compared with production during the corresponding period of 1982. 33/ As a consequence of the decline in production, capacity utilization for plate decreased by almost one-half, from 59.2 percent in 1980 to 31.2 percent in 1982. 34/ During January-September 1983, capacity utilization dropped to 31.6 percent from 33.3 percent in the corresponding period of 1982. 35/ 36/

Data on employment and average wages paid during the period of investigation also indicate that the carbon steel plate industry is experiencing material injury. Employment increased slightly from 1980 to 1981 but fell by 45.1 percent from 1981 to 1982. 37/ The average employment

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32/ Report at A-16. The Commission has received data from firms together accounting for more than 90 percent of the domestic production of the subject plate.

33/ Production declined from 3.3 million short tons to 3 million short tons. Report at A-16.

34/ Report at A-16. During that time, capacity increased slightly from 12.6 million short tons in 1980 to 13.1 million short tons in 1982.

35/ Report at A-16. Capacity also dropped during this period from 9.8 million short tons to 9.6 million short tons. During the entire period of the investigation, the capacity for producing cut-to-length plate remained constant. However, coiled plate capacity showed a slightly declining trend from 1981-1983. Although these figures are derived from separate production lines, the allocation methods used are reasonable. Therefore, we find aggregation of these figures to be appropriate.

36/ Commissioner Stern notes that capacity utilization in raw steel was also depressed throughout the period. Capacity utilization for raw steel rose from 72.8 percent in 1980 to 78.3 percent in 1981. It then dropped to 48.4 percent in 1982. There was an increase in capacity utilization for raw steel in 1983 to 55.4 percent. Thus, there were no factors--other than the market for plate products--which prevented the fuller capacity utilization of the plate rolling mills.

37/ Report at A-21.

level fell again by 19.4 percent for January-September 1983 when compared with the corresponding period of 1982. 38/ Although average wages steadily increased from $13.18 in 1980, to $14.40 in 1981, and to $15.60 in 1982, average wages declined from $15.41 during January-September 1982 to $14.82 during the corresponding period of 1983. 39/

U.S. producers' shipments also declined. Domestic shipments increased slightly from 7.3 million short tons in 1980 to 7.7 million short tons in 1981, but fell 47 percent to 4.1 million short tons in 1982. 40/ During January-September 1983, shipments declined by an additional 8 percent, compared with the volume of shipments during the corresponding period of 1982. 41/

Data on the financial experience of U.S. producers' carbon steel plate operations indicate that profitability declined and losses were sustained during the period in question. Although net sales increased 8.6 percent between 1980 and 1981, from $2.8 billion to $3.1 billion, there was a 48 percent decrease to $1.6 billion in 1982. 42/ During January-September 1983, net sales fell by 26 percent, to $962 million, compared with $1.3 billion in the corresponding period of 1982. 43/

The reporting plate producers incurred an aggregate operating loss of $208 million in 1982, or 13 percent of net sales, compared with an aggregate operating income of $20 million in 1980, or 1 percent of net sales, and $55 million in 1981, or approximately 1.8 percent of net sales. 44/ During

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38/ Id.
39/ Report at A-23.
40/ Report at A-17.
41/ Id.
42/ Report at A-29.
43/ Id.
44/ Id.

January-September 1983, the aggregate loss reported by plate producers was $231 million, the equivalent of 24 percent of net sales, in contrast to an operating loss of $138 million, or 10.6 percent of net sales, for the corresponding period of 1982. 45/ The reporting firms also experienced substantial negative cash flows, $159 million in 1982 and $197 million in the interim period of 1983, in contrast to positive cash flows of $87 million in 1980 and $117 million in 1981. 46/

Material injury by reason of LTFV imports

As consumption has declined since 1980, the actual tonnages of the Brazilian imports have also decreased. An exception to this trend was a 49.6 percent increase to 205,000 short tons in January-September 1983, from that of 137,000 short tons during the corresponding period of 1982. During the period of investigation, carbon steel plate from Brazil, as a share of declining apparent U.S. consumption, declined gradually from 3.4 percent in 1980, to 3.1 percent in 1981, and to 3 percent in 1982. However, the share of consumption increased sharply to 4.9 percent during January-September 1983 compared with that of 3 percent during the corresponding period of 1982. 47/

The information available on prices in this investigation demonstrates that there was a general pattern of underselling of the domestic product by the Brazilian imports. 48/ Information on comparative prices of the imports and domestic products was gathered from questionnaire responses by steel service centers and end users located in the following seven metropolitan areas: Atlanta, Chicago, Detroit, Houston/New Orleans, Los Angeles/

45/ Id.
46/ Id.
47/ Report at A-38 and A-41.
48/ See Report at A-46-A-48.

San Francisco, Philadelphia/New York, and Portland/Seattle. 49/ Based on delivered purchase prices reported by steel service centers and end users during January-March 1982 to July-September 1983, price comparisons between the domestic and imported Brazilian cut-to-length plate products were possible for steel service centers in all but the Atlanta area, and for end users in the Atlanta, Chicago, Detroit, and Houston/New Orleans areas. Of the 56 instances where comparisons of prices to steel service centers' were possible, 54 of them showed underselling, ranging from 3 percent to 40 percent. 50/ Of the 23 instances where comparisons of prices to end users' were possible, 20 of them showed underselling, ranging from 4 percent to 35 percent. 51/

On the basis of delivered purchase prices reported by steel service centers from January-March 1982 to July-September 1983, comparisons between the domestic and imported Brazilian coiled plate products were possible in the Houston/New Orleans, Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle areas. Of the 18 instances where comparisons were possible in these four areas, 12 of them showed underselling, ranging from 1 percent to 18 percent. 52/

Finally, there were several verified lost sales in which U.S. consumers purchased Brazilian imports instead of the domestic product because of the lower price of the Brazilian product. 53/ The record also supports

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49/ Report at A-43.
50/ Report at A-46.
51/ Report at A-47.
52/ Report at A-48. Commissioner Stern notes that the LTFV margins of 86.81 percent for cut-to-length plate and 57.42 percent for the coiled plate found by the Commerce Department indicate that LTFV sales were an important factor in accounting for the success of the Brazilian imports in underselling their domestic competition.
53/ Report at A-52-A-54.

allegations of lost revenues by domestic producers due to price reductions forced by competition from the low-priced Brazilian imports. 54/

Critical circumstances

We determine pursuant to section 735(b)(4)(A) that the material injury is by reason of massive imports over a relatively short period to an extent that it is necessary that the duty provided in section 731 be imposed retroactively on these imports in order to prevent such injury from recurring.

The relevant legislative history indicates that the Commission is to determine whether the volume of imports during the period after the investigation is initiated and before the Department of Commerce reaches its preliminary determination 55/ is sufficient to establish that foreign producers have circumvented the intent of the antidumping statute by increasing their exports so as to warrant the retroactive application of antidumping duties. 56/ 57/

54/ Report at A-54 and A-55. No specific allegations of lost revenue from sales of coiled plate were provided by the domestic industry.

55/ In this investigation the petition was filed on Jan. 31, 1983, the Department of Commerce initiated its preliminary investigation on Feb. 28, 1983, and the preliminary determination of the Department of Commerce was published on Sept. 7, 1983.

56/ In describing this provision, the House report states:

> The provision is designed to provide prompt relief to domestic industries suffering from large volumes of, or a surge over a short period of imports, and to deter exporters whose merchandise is subject to an investigation from circumventing the intent of the law by increasing their exports to the United States during the period between initiation of an investigation and a preliminary determination by the Authority [Department of Commerce].

H. Rep. No. 317, 96th Cong., 1st Sess. 63 (1979).

57/ Since the Commission has made an affirmative determination, the Commerce Department under secs. 733(e) and 736(b) will apply antidumping duties retroactively from the date of the publication of the preliminary determination, Sept. 7, 1983, to June 9, 1983, the date which is 90 days prior to the publication of the determination.

In order to make a determination as to whether an affirmative critical circumstances determination is justified, it is necessary to examine the volume of imports entering the U.S. market during March 1983-August 1983. 58/ During this period, 164,525 short tons of carbon steel plate from Brazil was imported into the United States compared with 67,518 short tons in March 1982-August 1982. 59/

In March 1983, the month immediately following the initiation of the investigation, 27,091 short tons of the Brazilian plate were imported into the United States. 60/ During April-June 1983, the monthly volume of imports of plate ranged from 4,475 to 14,443 short tons. 61/ However, in July and August 1983, the months just prior to Commerce's preliminary determination, imports from Brazil of flat-rolled carbon steel plate surged to 55,183 short tons and 53,685 short tons, respectively. 62/ These amounts are particularly significant compared with the entry of smaller amounts during September-November 1983, the months immediately following the preliminary determination. 63/

In addition, as we noted earlier in the opinion, the market penetration for imports of flat-rolled carbon steel plate from Brazil substantially increased from 3 percent during January-September 1982 to 4.9 percent in the

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58/ This period is appropriate because the Commerce Department initiated its preliminary LTFV investigation on Feb. 28, 1983, and then issued its preliminary LTFV determination on Sept. 7, 1983.

59/ Report at A-11.

60/ Id.

61/ Id.

62/ Id.

63/ In Sept. 1983, 1,934 short tons were imported (compared with 7,838 in Sept. 1982), in Oct. 1983, 469 short tons were imported (4,999 in Oct. 1982), in Nov. 1983, 2,342 short tons were imported (12,770 in Nov. 1982). Report at A-11.

corresponding period of 1983. 64/ This is significant in that the 1983 increases of imports occurred only during the months March through August, the relevant period for our critical circumstances determination. 65/

Therefore, we find that the massive imports which are causing material injury to the domestic industry are doing so to an extent that, in order to prevent such material injury from recurring, it is necessary to impose the duty retroactively on those imports.

64/ Report at A-41.
65/ Report at A-10 and A-11.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

Following a preliminary determination by the U.S. Department of Commerce that imports of certain flat-rolled carbon steel products 1/ from Brazil are being sold in the United States at less than fair value (LTFV) within the meaning of the antidumping law, the U.S. International Trade Commission instituted investigation No. 731-TA-123 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise. 2/ Notice of the institution of the Commission's final investigation and of the public hearing to be held in connection therewith was given by publishing notices in the Federal Register on September 28, 1983 (48 F.R. 44279), and October 19, 1983 (48 F.R. 48536). The public hearing was held on January 31, 1984. 3/

The Department of Commerce published its preliminary determination as to the question of LTFV sales in this investigation on September 7, 1983, with its final determination due on November 14, 1983 (48 F.R. 40419). Commerce subsequently extended the date its final determination was due to January 20, 1984 (48 F.R. 43365, Sept. 23, 1983). Commerce has also preliminarily determined that critical circumstances exist in this investigation (48 F.R. 46829, Oct. 14, 1983). 4/ Commerce's final affirmative LTFV and critical circumstances determinations were published on January 25, 1984 (49 F.R. 3102). 5/ The applicable statute directs that the Commission make its final injury determination within 45 days after the final determination by Commerce.

The Products

Description and uses

Imports from Brazil that are the subject of this investigation are cut-to-length and coiled flat-rolled carbon steel products, 0.1875 inch or more in thickness, whether known as plates or sheets. Substantially identical products are produced in the United States.

The TSUSA identifies all of the subject products as "plate" and defines them as flat-rolled carbon steel products, whether or not corrugated or

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1/ The flat-rolled carbon steel products covered by this investigation are provided for in items 607.6610, 607.6620, 607.6625, 607.9400, 608.0710, and 608.1100 of the Tariff Schedules of the United States Annotated (TSUSA).

2/ This case is a result of a petition filed on Jan. 31, 1983, on behalf of Bethlehem Steel Corp. (Bethlehem).

3/ Copies of the Commission's notices and a list of witnesses appearing at the hearing are presented in app. A.

4/ The effect of an affirmative determination of critical circumstances is that any antidumping duties imposed as a result of this investigation will be retroactive to June 9, 1983, rather than Sept. 7, 1983 (see 19 U.S.C. 1673b(e)).

5/ A copy of Commerce's final determinations is presented in app. B.

crimped, in coils or cut-to-length, 0.1875 inch (3/16 inch or 4.76 millimeters (mm)) or more in thickness and, if not cold rolled, over 8 inches in width, or, if cold rolled, over 12 inches in width. Included are carbon steel plate in coils, as provided for in TSUSA item 607.6610; carbon steel plate not in coils (i.e., cut-to-length), as provided for in TSUSA items 607.6620 and 607.6625, 1/ clad plate (TSUSA item 607.9400), 2/ and plate that has been coated or plated with metal (TSUSA items 608.0710 and 608.1100). 3/ Carbon steel slab which for tariff purposes is classified as hot-rolled plate is not included. 4/

The American Iron & Steel Institute (AISI) categorizes the coiled products covered by TSUSA item 607.6610 as hot-rolled carbon steel sheet, primarily because they are produced on the same hot-strip mills on which other sheet products are produced. In other recent investigations involving carbon steel products, the Commission has followed AISI practice in identifying such products as sheet. From a usage standpoint, the coiled products provided for in TSUSA item 607.6610 are most clearly identified as plate (i.e., they are used in applications requiring products having plate thicknesses (0.1875 inch or more)). From a marketing standpoint, because coiled plate is produced on a hot-strip mill, it is much less expensive than reversing mill plate of the same thickness. As a percent of total plate production, on the basis of questionnaire responses, coiled plate accounted for 20 percent of total plate production in 1980, 29 percent in 1981, and 31 percent in 1982. In January-September 1983, coiled plate accounted for 41 percent of total plate production. For purposes of this report, the term "coiled plate" will subsequently be used to refer to the products provided for in TSUSA item 607.6610.

In the U.S. market, sales of carbon steel plate by domestic producers and importers are made either directly to endusers or to steel service centers and distributors, which, in turn, sell to endusers. 5/ During 1980-82, an average of about 25 percent of all domestically produced carbon steel plate 6/ went to

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1/ Effective Jan. 1, 1984, the (TSUSA) statistical annotation 607.6615 was replaced by 607.6620 (cut-to length carbon steel plate over 6 inches in thickness) and 607.6625 (cut-to-length carbon steel plate not over 6 inches in thickness).

2/ Clad plate is a composite plate product consisting of two metals which have been integrally bonded together. It was developed to combine the corrosion resistance of cladding metals--such as stainless steel, nickel and nickel alloys, and copper and copper alloys--with the strength of carbon or alloy steel backing materials, thereby reducing the usage of the more expensive cladding metals.

3/ Coated or plated plates are primarily those that have been coated with zinc (galvanized) for protection against corrosion.

4/ "Slab" is defined in the TSUSA as a semifinished product 2 to 6 inches in thickness, of rectangular cross section, having a width of at least four times the thickness. Imports of semifinished products rolled from ingots more than 6 inches in thickness are classified as plate under TSUSA item 607.6620.

5/ Large, integrated domestic producers, such as United States Steel Corp. (U.S. Steel) and Bethlehem, also use part of their output of carbon steel plate in fabricating other products, such as bridges, ships, offshore oil-drilling rigs, and pressure vessels.

6/ Excluding coiled plate.

service centers and distributors. The remaining 75 percent was shipped to endusers. The largest enduser markets for carbon steel plate were the construction, machinery and industrial equipment, and shipbuilding and marine equipment industries, which accounted for 25, 15, and 7 percent, respectively, of total U.S. shipments in 1982 (table 1). Other major end-user markets included the oil and gas industry (4 percent) and rail transportation (3 percent). Carbon steel plate is primarily used in the construction of bridges, storage tanks, pressure vessels, railroad freight and passenger cars, ships, industrial machinery, and other capital goods sector products.

Table 1.--Cut-to-length carbon steel plate: U.S. producers' shipments, by major markets, 1980-82, January-September 1982, and January-September 1983

Market	1980	1981	1982	Jan.-Sept.	
				1982	1983
	Quantity (1,000 tons)				
Steel service centers and distributors	1,418	1,370	826	650	641
Construction and contractors products	1,407	1,242	772	630	34
Machinery, industrial equipment, and tools	940	933	461	392	244
Shipbuilding and marine equipment	835	781	215	170	158
Oil and gas industry	236	238	107	86	77
Rail transportation	369	223	95	83	40
All other	1,037	985	562	450	790
Total	6,242	5,772	3,038	2,461	1,984
	Percent of total				
Steel service centers and distributors	22.7	23.7	27.2	26.4	32.3
Construction and contractors products	22.5	21.5	25.4	25.6	1.7
Machinery, industrial equipment, and tools	15.1	16.2	15.2	15.9	12.3
Shipbuilding and marine equipment	13.4	13.5	7.1	6.9	8.0
Oil and gas industry	3.8	4.1	3.5	3.5	3.9
Rail transportation	5.9	3.9	3.1	3.4	2.0
All other	16.6	17.1	18.5	18.3	39.8
Total	100.0	100.0	100.0	100.0	100.0

Source: American Iron & Steel Institute.

Major markets for hot-rolled carbon steel sheet (including coiled plate), as reported by the AISI, are shown in table 2. During 1980-82, an average of 33 percent of all domestically produced hot-rolled carbon steel sheet (including coiled plate) went to service centers and distributors. The remaining 67 percent was shipped to endusers. The largest enduser market for such sheet was the automotive industry, which accounted for an average of 26 percent of total U.S. producers' shipments during 1980-82.

Table 2.--Hot-rolled carbon steel sheet: 1/ U.S. producers' shipments, by major markets, 1980-82, January-September 1982, and January-September 1983

Market	1980	1981	1982	Jan.-Sept.	
				1983	1983
	Quantity (1,000 tons)				
Steel service centers and distributors	3,233	3,638	3,327	2,556	3,347
Automotive	2,981	3,486	1,739	1,394	1,706
Construction and contractors products	1,114	1,047	727	562	630
Machinery, industrial equipment, and tools	359	336	207	172	145
Mining, quarrying, and lumbering	349	378	177	34	114
All other	2,834	3,166	1,951	1,633	1,734
Total	10,870	12,051	8,128	6,351	7,676
	Percent of total				
Steel service centers and distributors	29.7	30.2	40.9	40.2	43.6
Automotive	27.4	28.9	21.4	21.9	22.2
Construction and contractors products	10.2	8.7	8.9	8.8	8.2
Machinery, industrial equipment, and tools	3.3	2.8	2.5	2.7	1.9
Mining, quarrying, and lumbering	3.2	3.1	2.2	.5	1.5
All other	26.1	26.3	24.0	25.7	22.6
Total 2/	100.0	100.0	100.0	100.0	100.0

1/ Including coiled plate.
2/ Because of rounding, figures may not add to the totals shown.

Source: American Iron & Steel Institute.

Production processes

Carbon steel plate is produced on various types of mills, including universal plate mills, sheared-plate mills, and hot-strip mills (in which all coiled plate is produced). Universal mills are characterized by vertical rolls preceeding and following horizontal rolls. In these mills, only the length of the plate is increased, as the vertical rolls control the width. Consequently, only the ends of the plate need to be sheared. Sheared-plate mills, on the other hand, roll plate only between horizontal rolls, thereby increasing both the width and length of the product while reducing its thickness. Later all the edges are trimmed. The majority of sheared-plate mills are reversing, although some plate mills are semicontinuous or continuous. Hot-strip mills are continuous, and roll plate in the longitudinal direction of the slab. The slabs are roughed down in roughing stands and sent to finishing stands to attain the desired thickness. Hot-strip-mill plate is normally coiled and then either shipped in that configuration or cut to length on a separate production line.

The production of steel plate in plate mills begins with the uniform heating of slabs in reheating furnaces. The slabs, which usually enter the furnaces cold, are heated to their rolling temperature of approximately 2,200° F. and sent to a scalebreaker. The scalebreaker removes furnace scale by the use of high-pressure water sprays and sends the slabs to either a roughing or finishing mill, depending on mill type. In reversing mills, slabs are usually sent directly from the scalebreaker to the finishing mill, usually a four-high stand. The slab is passed back and forth through the rolls, thereby reducing the product to its final thickness. In semicontinuous plate mills, slabs are usually passed from the scalebreaker through a reversing roughing stand and a series of single-pass finishing stands. The roughing stand is usually a four-high mill; and finishing stands are customarily exact duplicates of each other, each further reducing the thickness of the product. In continuous plate mills, slabs receive only a single pass through roughing and finishing mills. A roughing mill usually consists of several roughing stands, and a finishing mill has four to six finishing stands. Semicontinuous and continuous plate mills have several advantages over reversing mills; for example, the tonnage capacity per unit of time of the former is generally greater, and their roll wear is less, thereby reducing time lost in replacing worn components. On the other hand, continuous plate mills have more limited width and thickness ranges than reversing mills.

After leaving one of the assorted finishing stands, the plates are usually divided according to their thickness. Thicker plates that cannot be flattened by a leveler are removed and usually sent to a flame-cutting department. Plates that remain are generally cooled by top and bottom water sprays, and then flattened by a leveler. The effectiveness of the flattening is increased with decreasing thickness of the plate and increasing temperature. From the leveler, the plates will usually travel to a cooling bed. They are then measured and marked to desired size and shape, and stamped or painted with proper identification. The plates are crop sheared and subsequently side and end sheared. The plates are then weighed individually and transferred to the shipping building. Circular or semicircular plates and sketch plates can be produced by gas cutting or shearing rectangular plates.

Coiled plate and hot-rolled carbon steel sheet are both produced on hot-strip mills. In the hot-strip mill, slabs are heated to a rolling temperature of about 2,000° F. The slabs are sent into a scalebreaker to remove furnace scale, roughed down to a predetermined intermediate thickness in roughing stands, and then sent to a series of finishing stands where further reductions are made. A typical continuous mill for hot rolling has four or five roughing stands and five to seven finishing stands. As the product is reduced in thickness, it is increased in length, with each succeeding set of rolls being rotated at a higher rate of speed to compensate for the elongated sheet. Water sprays at various locations cool the metal and remove oxide from the hot sheet surface. Upon reaching final thickness, the hot-rolled material has cooled to about 1,500° F. The product is then coiled or cut into shorter lengths and stacked. If desired, the sheet may be pickled (cleaned), in a bath of sulfuric or hydrochloric acid to remove surface oxides formed during hot rolling.

Coiled plate from hot-strip mills must also be leveled and cut to length before it can be used. This is sometimes done by the producer, but it is more often done by independent processors. There are basically two types of processors--toll processors, which level the plate and cut it to specified lengths for a fee paid by a distributor or end-user customer; and steel service centers/distributors, which purchase the coiled plate and level and cut it themselves in their own facilities. The leveling equipment, for the most part, has a maximum leveling capacity of about 1/2 inch.

In early 1983 coiled plate sold for approximately $80 to $100 per ton less than cut-to-length plate, because production costs in hot-strip mills are lower than those in sheared-plate mills and because the costs of cutting are foregone, and transportation costs are lower. The leveling and cutting, when done by toll processors or service centers/distributors, adds a charge of approximately $20 per ton to the product, thus making the cost of the cut products approximately $60 to $80 per ton less than cut-to-length plate from reversing mills. Because of, among other factors, higher labor costs in the hot-strip mills, it costs these domestic producers more than processors to supply this service. Thus, coiled plate which has been cut to length by the producer (called strip-mill plate) is usually priced at a level between the prices of the processor's plate and the reversing-mill plate.

U.S. tariff treatment

As mentioned, the imported products subject to this investigation are classified and reported for tariff and statistical purposes under items 607.6610 (coiled plate), 607.6620, 607.6625, 607.9400, 608.0710, and 608.1100 of the TSUSA. The current column 1 or most-favored-nation (MFN) rates of duty, 1/ final concession rates granted under the Tokyo round of the

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1/ The col. 1 rates are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA. The People's Republic of China, Hungary, Romania, and Yugoslavia are the only Communist countries currently eligible for MFN treatment. However, these rates would not apply to products of developing countries where such articles are eligible for preferential treatment provided under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.

Multilateral Trade Negotiations (MTN), 1/ rates of duty for least developed developing countries (LDDC's), 2/ and column 2 duty rates 3/ are shown in table 3. As indicated, such imports are currently dutiable at column 1 rates of from 6.8 to 9.3 percent ad valorem. Imports of the subject flat-rolled carbon steel products are not eligible for duty-free treatment under the GSP. 4/ However, such imports, if the product of designated beneficiary developing countries, are eligible for duty-free entry under the Caribbean Basin Initiative (CBI). 5/

In addition to the import duties shown in table 3, findings of dumping have been issued and antidumping duties are currently in effect with respect to imports of cut-to-length carbon steel plate from Japan and Taiwan; and countervailing duties are currently in effect with respect to imports from Brazil, the Republic of Korea (Korea), 6/ and Spain. U.S. imports of carbon

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1/ Final concession rates granted under the Tokyo round of the MTN are the result of staged duty reductions of col. 1 rates which began Jan. 1, 1980. The reductions will occur annually, with the final rates becoming effective Jan. 1, 1987.

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

3/ The rates of duty in col. 2 applies to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUSA.

4/ The GSP is a program of nonreciprocal tariff preferences granted by the United States to developing countries to aid their economic development by encouraging greater diversification and expansion of their production and exports. The GSP, as enacted in title V of the Trade Act of 1974 and 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. It provides for duty-free entry of eligible articles imported directly from designated beneficiary developing countries.

5/ The CBI is a program of nonreciprocal tariff preferences granted by the United States to developing countries in the Caribbean Basin area to aid their economic development by encouraging greater diversification and expansion of their production and exports. The CBI, as enacted in Title II of Public Law 98-67 and implemented by Presidential Proclamation No. 5133 of Nov. 30, 1983, applies to merchandise entered, or withdrawn from warehouse for consumption, on or after Jan. 1, 1984, and is scheduled to remain in effect until Sept. 30, 1995. It provides for duty-free entry of eligible articles imported directly from designated countries in the Caribbean Basin area.

6/ Coiled plate from Korea is also subject to countervailing duties as a result of an affirmative determination in investigation No. 701-TA-171 (Final), on hot-rolled carbon steel sheet from Korea.

Table 3.--Cut-to-length and coiled carbon steel plate: U.S. rates of duty as of Jan. 1, 1980, Jan. 1, 1984, and Jan. 1, 1987

Article description (abridged)	Rate of duty				
	Col. 1			LDDC's	Col. 2
	Jan. 1, 1980 1/	Jan. 1, 1984	Jan. 1, 1987		
Carbon steel plate, in coils, not coated or plated with metal, not pickled and not cold rolled. 2/	7.5% ad val.	6.8% ad val.	6.0% ad val.	6.0% ad val.	20% ad val.
Carbon steel plate, not in coils, not coated or plated with metal, not pickled and not cold rolled. 3/	7.5% ad val.	6.8% ad val.	6.0% ad val.	6.0% ad val.	20% ad val.
Clad plate 4/	12.0% ad val.	9.3% ad val.	6.5% ad val.	6.5% ad val.	30% ad val.
Carbon steel plate, coated or plated with metal, valued not over 10 cents per pound. 5/	9.0% ad val.	7.3% ad val.	5.5% ad val.	5.5% ad val.	0.2¢ per lb + 20% ad val.
Carbon steel plate, coated or plated with metal, valued over 10 cents per pound. 6/	0.1¢ per lb + 8% ad val.	7.1% ad val.	5.4% ad val.	5.4% ad val.	21.5% ad val.

1/ The rate shown for Jan. 1, 1980, was also the applicable rate prior to the first staged reduction under the Tokyo round.
2/ Imports under TSUSA item 607.6610.
3/ Imports under TSUSA items 607.6620 and 607.6625.
4/ Imports under TSUSA item 607.9400.
5/ Imports under TSUSA item 608.0710.
6/ Imports under TSUSA item 608.1100.

steel mill products such as plate are also subject to restraints imposed by administrative actions taken under provisions of the Buy American Act. 1/

Moreover, certain steel products, including cut-to-length and coiled carbon steel plate, are subject to the Arrangement Concerning Trade in Certain Steel Products concluded by the European Coal and Steel Community (ECSC) and the United States in October 1982. Under the Arrangement, European Community (EC) exports to the United States of 10 categories of steel products are to be limited to a specified share of apparent U.S. consumption from November 1, 1982, to December 31, 1985. Cut-to-length carbon steel plate is included in a category in which exports are limited to 5.36 percent of consumption. Hot-rolled carbon steel sheet (including coiled plate) is included in a category in which exports are limited to 6.81 percent of consumption.

Related Commission Investigations Concerning Imports of the Subject Carbon Steel Products From Brazil

In February 1982, the Commission determined that there was no reasonable indication that an industry in the United States was materially injured or threatened with material injury, or that the establishment of an industry in the United States was materially retarded, by reason of allegedly subsidized imports from Brazil of hot-rolled carbon steel sheet 2/ (investigation No. 701-TA-95 (Preliminary)). 3/

On December 27, 1983, the Commission determined that there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of allegedly subsidized imports from Brazil of coiled carbon steel plate (investigation No. 701-TA-205

1/ The Buy American Act, 41 U.S.C. 10a-10d (1978), is the primary Congressionally mandated preference for U.S. goods. Under this act, U.S. Government agencies may purchase products of foreign origin for delivery in the United States only if the cost of the domestic product exceeds the cost of the foreign product, including duty, by 6 percent or more. This difference rises to 12 percent if the low domestic bidder is situated in a labor-surplus area, and to 50 percent if the purchase is made by the Department of Defense. The preferences may be waived in the public interest, however. For a more complete discussion of "Buy American" restrictions, see Certain Carbon Steel Products From Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, and the United Kingdom: Determinations of the Commission in Investigations Nos. 731-TA-18-24 (Preliminary) . . ., USITC Publication 1064, May 1980, p. A-17.

2/ Including coiled plate.

3/ See Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany: Determinations of the Commission in Investigations Nos. 701-TA-86 through 144, 701-TA-146, and 701-TA-147 (Preliminary) Under Section 703(a) of the Tariff Act of 1930 and Investigations Nos. 731-TA-53 through 86 (Preliminary) Under Section 733(a) of the Tariff Act of 1930 . . ., USITC Publication 1221, February 1982.

(Preliminary)). 1/ This case is currently before the Commission for a final determination.

Nature and Extent of Sales at LTFV

On January 25, 1984, the Department of Commerce published its final determination that imports of cut-to-length and coiled carbon steel plate from Brazil are being sold in the United States at LTFV. To determine whether sales of the subject merchandise in the United States were made at LTFV, Commerce compared the United States price with the foreign market price. Foreign market price was based on home-market sales at or above cost of production, or where there were no or insufficient sales in the home market at or above costs, Commerce used constructed value.

Commerce found that the foreign market value of the subject products from Brazil exceeded the United States price on 95 percent of all sales of such products. The margins ranged from 30.95 percent to 225.53 percent for cut-to-length carbon steel plate, with a weighted-average margin on all sales compared of 86.81 percent, and from 33.47 percent to 178.73 percent for coiled plate, with a weighted-average margin of 57.42 percent.

The Department of Commerce also made final affirmative determinations of critical circumstances. In making these determinations Commerce found (1) that there have been massive imports of these products over a relatively short period of time, (2) that, although there were no past U.S. antidumping determinations on these products from Brazil, on May 18, 1983, the Commission of the European Communities imposed antidumping duties on imports of sheets and plates, of iron and steel, not further worked than hot rolled, of a thickness of 3mm or more, originating in Brazil, and (3) that the margins calculated in these final determinations are sufficiently large, even though there is no corporate relationship between the exporters and importers, that the importers knew or should have known that the merchandise was being sold in the United States at LTFV.

Monthly imports of cut-to-length plate and coiled plate from Brazil during 1982 and 1983 are shown in the tabulation on the following page.

1/ See Certain Carbon Steel Products from Brazil: Determinations of the Commission in Investigations Nos. 701-TA-205 through 207 (Preliminary) Under Section 703(a) of the Tariff Act of 1930 and Investigations Nos. 731-TA-153 and 154 (Preliminary) Under Section 733(a) of the Tariff Act of 1930 . . ., USITC Publication 1470, December 1983.

(In short tons)

Month	Cut-to-length plate		Coiled plate	
	1982	1983	1982	1983
January	41,841	20,468	39	2,291
February	16,442	14,842	3,673	1,317
March	11,514	25,513	581	1,578
April	3,318	7,650	282	1,998
May	13,369	2,966	574	1,509
June	9,953	13,379	898	1,064
July	12,075	51,007	6,534	4,176
August	5,211	44,422	3,209	9,263
September	6,240	819	1,598	1,115
October	4,583	316	416	153
November	12,770	1,997	-	345
December	11,883	6,513	179	5,155

U.S. Producers

About 15 firms produce cut-to-length carbon steel plate in the United States. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments (based on questionnaire responses) of cut-to-length carbon steel plate in 1982:

Firm	Share of shipments (percent)
Armco, Inc. (Armco)	***
Bethlehem	***
Gilmore Steel Corp. (Gilmore)	***
Inland Steel Co. (Inland)	***
Kaiser	***
Lukens Steel Co. (Lukens)	***
National Steel Corp. (National)	***
Republic Steel Corp. (Republic)	***
U.S. Steel	***

As indicated, domestic production of cut-to-length carbon steel plate is highly concentrated, with the five largest producers--* * *, * * *, * * *, * * *, and * * *--accounting for 84 percent of total shipments in 1982. * * *. Lukens and Phoenix Steel Corp. are the only domestic steelmakers that produce significant quantities of clad plate.

About 20 firms in the United States produce hot-rolled carbon steel sheet (including coiled plate) in a total of approximately 40 mills. The majority of these mills are located in Pennsylvania (11), Ohio (6), and Indiana (5). In addition, mills are also located in Illinois, Alabama, Utah, California,

West Virginia, Maryland, and Kentucky. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaires, shows the principal producers and each firm's share of total U.S. producers' shipments (based on questionnaire responses) of coiled plate in 1982:

Firm	Share of shipments (percent)
Armco	***
Bethlehem	***
Inland	***
Interlake, Inc. (Interlake)	***
Jones and Laughlin (J&L)	***
McLouth Steel Corp	***
National	***
Rouge Steel Corp	***
Republic	***
U.S. Steel	***

As indicated, the top four producers of coiled plate--* * *, * * *, * * *, and * * *--together accounted for 72 percent of domestic producers' shipments in 1982. Most of the producers are fully integrated firms that produce a wide range of steel mill products.

U.S. Importers

The net importer file maintained by the U.S. Customs Service identifies about 70 firms that imported cut-to-length and coiled carbon steel plate from Brazil during October 1982-September 1983. The six largest importers together accounted for approximately 60 percent of the total quantity imported during January-September 1983. Most of the larger importers are trading companies that deal in a variety of steel products from a number of countries.

Apparent U.S. Consumption

Apparent U.S. consumption of carbon steel plate and hot-rolled sheet are shown in table 4. The table shows separate statistical breakouts for cut-to-length plate, coiled plate (which, as indicated previously, is a product over 0.1875 inch in thickness but which is classified by the AISI as hot-rolled sheet), cut-to-length and coiled plate combined, and total hot-rolled carbon steel sheet (including coiled plate). 1/ Apparent consumption of cut-to-length plate decreased steadily from 7.7 million tons 2/ in 1980 to 4.0 million tons in 1982, representing a decline of 48 percent. It declined by an additional 17 percent in January-September 1983 compared with

1/ Throughout this report, separate data for hot-rolled carbon steel sheet, including coiled plate, will be presented in order to provide a basis for assessing the impact of imports from Brazil on the U.S. sheet industry.

2/ Unless otherwise noted, all quantities shown in this report are in short tons (2,000 pounds).

Table 4.--Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet: U.S. producers' domestic shipments, imports for consumption, and apparent U.S. consumption, 1980-82, January-September 1982, and January-September 1983

Item and period	Domestic shipments	Imports	Apparent consumption	Ratio of-- Domestic shipments to consumption	Ratio of-- Imports to consumption
	1,000 short tons			Percent	
Cut-to-length plate:					
1980	6,092	1,571	7,663	79.5	20.5
1981	5,651	1,841	7,492	75.4	24.6
1982	2,799	1,152	3,951	70.8	29.2
January-September--					
1982	2,418	910	3,328	72.7	27.3
1983	1,983	777	2,760	71.8	28.2
Coiled plate:					
1980	1/ 1,504	445	1,949	77.2	22.8
1981	1/ 2,112	512	2,624	80.5	19.5
1982	1/ 1,213	389	1,602	75.7	24.3
January-September--					
1982	1/ 960	323	1,283	74.8	25.2
1983	1/ 1,188	203	1,392	85.3	14.7
Cut-to-length and coiled plate:					
1980	7,596	2,016	9,612	79.0	21.0
1981	7,763	2,353	10,116	76.7	23.3
1982	4,012	1,541	5,553	72.3	27.8
January-September--					
1982	3,378	1,233	4,611	73.3	26.7
1983	3,171	980	4,152	76.4	23.6
Hot-rolled sheet: 2/					
1980	10,637	1,937	12,574	84.6	15.4
1981	11,917	2,161	14,078	84.6	15.4
1982	8,089	1,754	9,842	82.2	17.8
January-September--					
1982	6,316	1,299	7,615	82.9	17.1
1983	7,670	1,487	9,157	83.8	16.2

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

2/ Including coiled plate.

Source: Shipments of cut-to-length carbon steel plate and hot-rolled carbon steel sheet, compiled from statistics of the American Iron & Steel Institute; shipments of coiled plate, compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

consumption in the corresponding period of 1982. Apparent consumption of coiled carbon steel plate increased from 1.9 million tons in 1980 to 2.6 million tons in 1981, or by 35 percent, but then declined sharply in 1982 to 1.6 million tons, or by 39 percent. U.S. consumption of coiled plate increased by 8 percent in January-September 1983 compared with that in the corresponding period of 1982. Apparent consumption of cut-to-length plate and coiled plate together increased by 5 percent from 1980 to 1981, then declined by 45 percent in 1982. It declined by 10 percent in January-September 1983 compared with consumption in the corresponding period of 1982.

Consumption of all hot-rolled carbon steel sheet (as classified by the AISI) increased from 12.6 million tons in 1980 to 14.1 million tons in 1981, or by 12 percent, and then fell to 9.8 million tons in 1982, or by 30 percent. Consumption of these products then increased by 20 percent in January-September 1983 compared with consumption in the corresponding period of 1982.

The share of the market for cut-to-length plate supplied by U.S. producers declined from 79.5 percent in 1980 to 70.8 percent in 1982. It continued to decline, to 71.8 percent, in January-September 1983 compared with 72.7 percent in January-September 1982. The share of the domestic market for coiled plate supplied by U.S. producers increased from 77.2 percent in 1980 to 80.5 percent in 1981, but then declined to 75.7 percent in 1982. It increased, however, to 85.3 percent in January-September 1983. The share of the market for cut-to-length and coiled plate together supplied by U.S. producers of the products declined from 79.0 percent in 1980 to 72.3 percent in 1982, and then increased to 76.4 percent in January-September 1983, compared with 73.3 percent in January-September 1982. The share of the market supplied by U.S. producers of all hot-rolled carbon steel sheet declined from 84.6 percent in 1980 to 82.2 percent in 1982. During January-September 1983, the U.S. producers' share of the total market for such merchandise improved slightly to 83.8 percent, compared with 82.9 percent in the corresponding period of 1982.

Consideration of Material Injury to an Industry in the United States

The information in this section of the report was compiled from questionnaire data. It is therefore understated to the extent that a few domestic firms that are believed to produce the subject products did not respond to the Commission's questionnaires. Nevertheless, all of the major producers of the products have responded, and they are believed to account for more than 85 percent of total U.S. production of cut-to-length and coiled carbon steel plate. 1/ Tables in this section are arranged to show data separately on cut-to-length plate, coiled plate, cut-to-length and coiled plate combined, and all hot-rolled carbon steel sheet (including coiled plate).

1/ In addition to data submitted in response to the Commission's questionnaire, which requested information through September 1983, one domestic producer, Bethlehem, in response to a request at the hearing, provided data for full-year 1983. This information was submitted directly to the Commission.

U.S. production, capacity, and capacity utilization

As shown in table 5, production of cut-to-length carbon steel plate fell steadily throughout the period from 5.9 million tons in 1980 to 2.8 million tons in 1982, representing a decline of 52 percent. In January-September 1983, production continued to decline, to 1.8 million tons, compared with 2.3 million tons in January-September 1982, representing a decline of 23 percent. Productive capacity for cut-to-length carbon steel plate remained fairly constant at 9.8 million tons for the full years 1980 through 1982, and 7.3 million tons for January-September 1982 and January-September 1983. Capacity utilization consequently declined from 61 percent in 1980 to 29 percent in 1982, and from 32 percent in January-September 1982 to 25 percent in the corresponding period of 1983.

Production of coiled carbon steel plate increased substantially from 1.5 million tons in 1980 to 2.3 million tons in 1981, or by 54 percent. Production then dropped dramatically to 1.2 million tons in 1982, or by 46 percent. It then increased by 32 percent in January-September 1983 compared with production in the corresponding period of 1982. Productive capacity for coiled plate rose from 2.8 million tons in 1980 to 3.4 million tons in 1981, and then declined to 3.3 million tons in 1982. It fell furtner from 2.5 million tons in January-September 1982 to 2.3 million tons in January-September 1983. Capacity utilization for coiled plate increased from 54 percent in 1980 to 68 percent in 1981, but then dropped sharply to 38 percent in 1982 as a result of the decline in production in that year. Capacity utilization improved in January-September 1983, increasing to 53 percent compared with 38 percent in the corresponding period of 1982.

Combined production of cut-to-length and coiled plate increased by 7 percent from 7.4 million short tons in 1980 to 8.0 million short tons in 1981, then declined by 49 percent to 4.1 million short tons in 1982. It then dropped by 7 percent in January-September 1983 compared with that in the corresponding period of 1982.

As stated previously, coiled plate and hot-rolled sheet are produced on the same mills, and capacity figures for coiled plate are based on allocations of the overall capacity of the equipment. It is therefore relevant to examine the information on the production, capacity, and capacity utilization for both products combined for a perspective on the overall use of the machinery. The production of both products increased from 10.8 million tons in 1980 to 12.5 million tons in 1981, or by 16 percent, but then dropped by 36 percent to 8.0 million tons in 1982. Production increased by 28 percent to 8.1 million tons in January-September 1983 compared with production of 6.3 million tons in the corresponding period of 1982. The capacity of the machinery used to produce both coiled plate and hot-rolled sheet increased steadily throughout the period from 19.5 million tons in 1980 to 20.6 million tons in 1982, and to 20.7 million tons (on an annual basis) in January-September 1983. Capacity utilization declined from 55 percent in 1980 to 39 percent in 1982, and then increased to 52 percent in January-September 1983, compared with 41 percent in the corresponding period of 1982.

Table 5.--Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet: U.S. production, 1/ practical capacity, 2/ and capacity utilization, 1980-82, January-September 1982, and January- September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
Cut-to-length plate:					
Production					
1,000 short tons	5,933	5,646	2,844	2,318	1,792
Capacity---do---	9,785	9,810	9,788	7,287	7,284
Capacity utilization					
percent	60.6	57.6	29.1	31.8	24.6
Coiled plate:					
Production					
1,000 short tons	1,510	2,321	1,248	945	1,246
Capacity---do---	2,787	3,397	3,309	2,507	2,338
Capacity utilization					
percent	54.2	68.3	37.7	37.7	53.3
Cut-to-length and coiled plate: 3/					
Production					
1,000 short tons	7,443	7,967	4,092	3,263	3,038
Capacity---do---	12,572	13,207	13,097	9,794	9,622
Capacity utilization					
percent	59.2	60.3	31.2	33.3	31.6
Hot-rolled sheet: 4/					
Production					
1,000 short tons	10,796	12,486	7,990	6,290	8,065
Capacity---do---	19,534	20,145	20,564	15,423	15,520
Capacity utilization					
percent	55.3	62.0	38.9	40.8	52.0

1/ Production and capacity figures are understated to the extent that all producers did not respond to the Commission's questionnaires.

2/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

3/ As mentioned in the section of this report on production processes, coiled plate is produced on hot-strip mills and almost all cut-to-length plate is produced in reversing mills. Because hot-strip mills are primarily producers of sheet, the allocation of their capacity to the production of coiled plate is more a function of the demand for sheet than it is the demand for the coiled plate. Therefore, combined capacity and capacity utilization data for cut-to length and coiled plate are less meaningful indicators of the producers condition than are the separate data, particularly those for cut-to-length plate.

4/ Including coiled plate.

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

U.S. producers' domestic shipments

U.S. producers' domestic shipments of cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet are presented in table 6. Domestic shipments of cut-to-length carbon steel plate fell from 5.8 million tons in 1980 to 2.8 million tons in 1982, representing a decline of 51 percent. Shipments of cut-to-length plate continued to drop in January-September 1983, to 1.7 million short tons compared with 2.2 million tons in January-September 1982.

Domestic shipments of coiled plate increased from 1.6 million tons in 1980 to 2.2 million tons in 1981, or by 43 percent, before declining by 43 percent to 1.3 million tons in 1982. Shipments of coiled plate increased in January-September 1983 to 1.2 million tons, compared with 1.0 million tons in

Table 6.--Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet: U.S. producers' domestic shipments, 1/2/ 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
	Quantity (1,000 short tons)				
Cut-to-length plate	5,772	5,513	2,836	2,207	1,695
Coiled plate	1,561	2,226	1,268	1,000	1,245
Total	7,333	7,739	4,104	3,207	2,940
Hot-rolled sheet 3/	10,328	12,041	8,059	6,355	7,828
	Value (million dollars)				
Cut-to-length plate	2,553	2,695	1,363	1,083	694
Coiled plate	503	785	436	346	385
Total	3,056	3,480	1,799	1,429	1,079
Hot-rolled sheet 3/	3,260	4,288	2,821	2,252	2,600
	Unit value (per ton)				
Cut-to-length plate	$442	$489	$481	$491	$409
Coiled plate	322	353	344	346	309
Average	417	450	438	446	367
Hot-rolled sheet 3/	316	356	350	354	332

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

2/ Includes intercompany and intracompany transfers.

3/ Including coiled plate.

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

the corresponding period of 1982, representing an increase of 24 percent. Domestic shipments of cut-to-length and coiled plate combined increased by 6 percent from 1980 to 1981, then declined by 47 percent in 1982. Domestic shipments of the two products together declined by 8 percent in January-September 1983 compared with shipments in the corresponding period of 1982.

U.S. producers' total domestic shipments of all hot-rolled carbon steel sheet (including coiled plate) increased from 10.3 million tons in 1980 to 12.0 million tons in 1981, and then declined by 33 percent to 8.1 million tons in 1982. Shipments of such merchandise increased in January-September 1983 to 7.8 million tons, or by 23 percent over shipments in January-September 1982.

The AISI compiles data on shipments of steel products, including those under investigation; however, as has been stated before, they do not breakout data for coiled plate separately, but include it in their statistics on hot-rolled sheet. A comparison of information received in response to the Commission's questionnaires with information reported by the AISI on shipments of cut-to-length carbon steel plate and hot-rolled carbon steel sheet (including coiled plate) is presented in the following tabulation:

Product and period	AISI shipments (1,000 tons)	Questionnaire shipments 1/ (1,000 tons)	Coverage (percent)
Cut-to-length plate:			
1980----------	6,092	5,174	84.9
1981----------	5,651	4,841	85.7
1982----------	2,799	2,535	90.6
Jan.-Sept--			
1982--------	2,418	1,995	82.5
1983--------	1,983	1,505	75.9
Sheet (including coiled plate):			
1980----------	10,637	9,207	86.6
1981----------	11,917	10,893	91.4
1982----------	8,089	7,166	88.6
Jan.-Sept--			
1982--------	6,316	5,633	89.2
1983--------	7,670	6,732	87.8

1/ Excluding intercompany and intracompany transfers.

U.S. producers' exports

U.S. producers' exports of cut-to-length carbon steel plate declined continually throughout the period, from 112,000 tons in 1980 to 42,000 tons in 1982, and from 28,000 tons in January-September 1982 to 15,000 tons in January-September 1983 (table 7).

U.S. producers' exports of coiled plate also declined throughout the period, from 41,000 tons in 1980 to 5,000 tons in 1982, and from 5,000 tons in January-September 1982 to 1,000 tons in January-September 1983.

Table 7.--Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet: U.S. producers' export shipments, 1/ 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	January-September--	
				1982	1983
	Quantity (1,000 short tons)				
Cut-to-length plate	112	87	42	28	15
Coiled plate	41	34	5	5	1
Total	153	121	47	33	16
Hot-rolled sheet 2/	347	254	68	53	31
	Value (1,000 dollars)				
Cut-to-length plate	43,081	38,025	20,034	12,720	6,134
Coiled plate	11,767	8,383	1,540	1,533	24
Total	54,848	46,408	21,574	14,253	6,158
Hot-rolled sheet 2/	162,916	132,258	56,496	43,042	17,527

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaires.

2/ Including coiled plate.

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

U.S. producers' inventories

End-of-period inventories of cut-to-length carbon steel plate, coiled plate, and hot-rolled sheet, as reported by U.S. producers in response to the Commission's questionnaires, remained small during 1979-82 and January-September 1983. Such inventories were equal to about 5 to 10 percent of the responding producers' shipments of each product in each of these periods. Reported end-of-period inventories are shown in the following tabulation (in thousands of short tons):

	Cut-to-length plate	Coiled plate	Cut-to-length and coiled plate combined	Hot-rolled sheet
As of Dec. 31--				
1979	311	131	442	615
1980	280	119	399	615
1981	231	161	392	687
1982	130	118	248	478
As of Sept. 30--				
1982	152	93	245	518
1983	151	106	257	616

U.S. employment, wages, and productivity

In domestic establishments producing carbon steel plate and hot-rolled carbon steel sheet (including coiled plate), the average employment of all persons increased slightly from 1980 to 1981, declined by 30 percent in 1982, and fell further in January-September 1983 (table 8). The average number of production and related workers in these establishments increased by 9 percent from 1980 to 1981 and then fell by 36 percent in 1982; the hours worked by these workers increased by 3 percent from 1980 to 1981 and then dropped by 36 percent in 1982.

The number of production and related workers producing cut-to-length carbon steel plate fell by 5 percent in 1981, by 47 percent in 1982, and by 30 percent in January-September 1983. Similarly, hours worked by these workers dropped by 51 percent from 1980 to 1982 and then fell by an additional 27 percent in January-September 1983, compared with the number of hours worked in January-September 1982. The number of production and related workers producing coiled carbon steel plate rose by 29 percent in 1981, fell by 40 percent in 1982, and then rose again, by 7 percent, in January-September 1983. Hours worked by production and related workers producing coiled plate rose by 39 percent from 1980 to 1981, dropped by that same amount in 1982, and then increased by 10 percent in January-September 1983, compared with hours worked in January-September 1982. The combined number of production and related workers producing cut-to-length and coiled carbon steel plate increased by 2 percent from 1980 to 1981, then declined by 45 percent in 1982, and by an additional 19 percent in January-September 1983 compared with those in the corresponding period of 1982. Combined hours worked by production and related workers producing cut-to-length and coiled plate rose by 1 percent from 1980 to 1981, then dropped by 46 percent in 1982. Hours worked continued to drop, by an additional 19 percent, in January-September 1983 compared with hours worked in January-September 1982.

Wages and total compensation 1/ paid to production and related workers producing all products and those paid to production and related workers producing cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet (including coiled plate) are shown in table 9. Data on these workers' productivity, hourly compensation, and unit labor costs are presented in table 10. As shown, productivity fell in 1982 but reached period highs in January-September 1983, and hourly compensation rose through 1982 but fell in January-September 1983. One component of the cost differential between the production of cut-to-length carbon steel plate and coiled plate is apparent in table 10, which shows that unit labor costs for coiled plate were, on average, 38 percent below those for cut-to-length plate.

1/ The difference between total compensation and wages is an estimate of workers' benefits.

Table 8.--Average number of employees, total and production and related workers, in U.S. establishments producing cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet, and hours paid 1/ for the latter, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	Jan.-Sept.--	
				1982	1983
Average employment:					
All persons:					
Number	185,662	190,422	133,316	140,116	121,600
Percentage change	2/	2.6	-30.0	2/	-13.2
Production and related workers producing--					
All products:					
Number	154,834	168,695	108,334	113,998	100,448
Percentage change	2/	9.0	-35.8	2/	-11.9
Cut-to-length plate:					
Number	17,403	16,482	8,765	9,196	6,439
Percentage change	2/	-5.3	-46.8	2/	-30.0
Coiled plate:					
Number	4,729	6,111	3,642	3,646	3,911
Percentage change	2/	29.2	-40.4	2/	7.3
Cut-to-length and coiled plate:					
Number	22,132	22,593	12,407	12,842	10,350
Percentage change	2/	2.1	-45.1	2/	-19.4
Hot-rolled sheet: 3/					
Number	21,680	24,586	17,577	18,453	19,197
Percentage change	2/	13.4	-28.5	2/	4.0
Hours worked by production and related workers producing--					
All products:					
Number--thousands	310,375	319,426	205,443	163,017	152,657
Percentage change	2/	2.9	-35.7	2/	-6.4
Cut-to-length plate:					
Number--thousands	34,067	32,218	16,748	13,567	9,870
Percentage change	2/	-5.4	-48.0	2/	-27.2
Coiled plate:					
Number--thousands	5,912	8,192	4,989	3,700	4,065
Percentage change	2/	38.6	-39.1	2/	9.9
Cut-to-length and coiled plate:					
Number--thousands	39,979	40,410	21,737	17,267	13,935
Percentage change	2/	1.1	-46.2	2/	-19.3
Hot-rolled sheet: 3/					
Number--thousands	42,923	48,803	34,056	26,874	28,403
Percentage change	2/	13.7	-30.2	2/	5.7

1/ Includes hours worked plus hours of paid leave time.
2/ Not available.
3/ Including coiled plate.

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

Table 9.--Wages and total compensation 1/ paid to production and related workers in establishments producing cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	Jan.-Sept.--	
				1982	1983
Wages paid to production and related workers producing--					
All products:					
Value-million dollars--	4,148	4,669	3,421	2,811	2,321
Cut-to-length plate:					
Value-million dollars--	448	459	251	205	139
Percentage change------	2/	2.5	-45.3	2/	-32.2
Coiled plate:					
Value-million dollars--	79	123	88	61	60
Percentage change------	2/	55.7	-28.5	2/	-1.6
Cut-to-length and coiled plate:					
Value-million dollars--	527	582	339	266	199
Percentage change------	2/	10.4	-41.8	2/	-25.2
Hot-rolled sheet: 3/					
Value-million dollars--	601	744	557	438	431
Percentage change------	2/	23.8	-25.0	2/	-1.6
Total compensation paid to production and related workers producing--					
All products:					
Value-million dollars--	5,445	6,129	4,831	3,783	3,451
Percentage change------	2/	12.6	-21.2	2/	-8.8
Cut-to-length plate:					
Value-million dollars--	550	599	348	283	209
Percentage change------	2/	8.9	-41.9	2/	-26.1
Coiled plate:					
Value-million dollars--	104	161	110	81	85
Percentage change------	2/	54.8	-31.7	2/	4.9
Cut-to-length and coiled plate:					
Value-million dollars--	654	760	458	364	294
Percentage change------	2/	16.2	-39.7	2/	-19.2
Hot-rolled sheet: 3/					
Value-million dollars--	791	977	783	604	632
Percentage change------	2/	23.5	-19.9	2/	4.6

1/ Includes wages and contributions to social security and other employee benefits.

2/ Not available.

3/ Including coiled plate.

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

Table 10.--Labor productivity, hourly compensation, and unit labor costs in the production of cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet, 1980-82, January-September 1982, and January-September 1983

Item	1980	1981	1982	Jan.-Sept.-- 1982	Jan.-Sept.-- 1983
Labor productivity:					
Cut-to-length plate:					
Quantity--tons per hour--	0.1598	0.1586	0.1531	0.1530	0.1634
Percentage change--------	1/	-.8	-3.5	1/	6.8
Coiled plate:					
Quantity--tons per hour--	0.2554	0.2833	0.2502	0.2533	0.3065
Percentage change--------	1/	10.9	-11.7	1/	20.9
Cut-to-length and coiled plate:					
Quantity--tons per hour--	0.1749	0.1822	0.1737	0.1734	0.2026
Percentage change--------	1/	4.2	-4.7	1/	16.8
Hot-rolled sheet: 2/					
Quantity--tons per hour--	0.2515	0.2558	0.2017	0.2348	0.2839
Percentage change--------	1/	1.7	-21.1	1/	20.9
Hourly compensation: 3/					
Cut-to-length plate:					
Value----------per hour--	$13.06	$14.23	$14.99	$15.13.	$14.09
Percentage change--------	1/	9.0	5.3	1/	-6.9
Coiled plate:					
Value----------per hour--	$13.35	$15.01	$17.70	$16.47	$14.75
Percentage change--------	1/	12.4	17.9	1/	-10.4
Cut-to-length and coiled plate:					
Value----------per hour--	$13.18	$14.40	$15.60	$15.41	$14.28
Percentage change--------	1/	9.2	8.3	1/	-7.3
Hot-rolled sheet: 2/					
Value----------per hour--	$13.99	$15.23	$16.36	$16.32	$15.17
Percentage change--------	1/	8.9	7.4	1/	-7.0
Unit labor costs: 4/					
Cut-to-length plate:					
Value----------per ton--	$100.98	$117.31	$135.77	$136.17	$129.48
Percentage change--------	1/	16.2	15.7	1/	-4.9
Coiled plate:					
Value----------per ton--	$67.13	$71.29	$90.34	$88.26	$70.14
Percentage change--------	1/	6.2	26.7	1/	-20.5
Cut-to-length and coiled plate:					
Value----------per ton--	$93.52	$103.21	$121.27	$121.58	$104.15
Percentage change--------	1/	10.4	17.5	1/	-14.3
Hot-rolled sheet: 2/					
Value----------per ton--	$74.10	$79.20	$99.00	$97.16	$79.56
Percentage change--------	1/	6.9	25.0	1/	-18.1

1/ Not available.
2/ Including coiled plate.
3/ Based on wages paid excluding fringe benefits.
4/ Based on total compensation paid.

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

Financial experience of U.S. producers

Overall operations of the establishments within which cut-to-length plate, coiled plate, and hot-rolled sheet are produced.--There were 12 producers of cut-to-length plate, coiled plate, and hot-rolled carbon steel sheet which provided the Commission with usable income-and-loss data relative to the overall operations of the establishments within which such merchandise was produced. Net sales for these establishments were $17.6 billion in 1982, compared with $26.0 billion in 1981 and $22.5 billion in 1980 (table 11). During the interim period ended September 30, 1983, net sales declined by an additional 6 percent to $13.0 billion, compared with $13.8 billion in the corresponding period of 1982.

Table 11.--Income-and-loss experience of 12 U.S. producers 1/ on the overall operations of their establishments within which cut-to-length plate, coiled plate, and carbon steel sheet are produced, accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30--	
				1982	1983
Net sales------million dollars--	22,485	25,980	17,568	13,839	13,044
Cost of goods sold--------do----	22,905	25,421	19,540	15,161	14,091
Gross income or (loss)----do----	(420)	559	(1,972)	(1,323)	(1,046)
General, selling, and administrative expenses------do----	646	694	708	546	497
Operating income or (loss)----------do----	(1,066)	(136)	(2,680)	(1,869)	(1,543)
Depreciation and amortization expenses 2/--------do----	590	596	523	346	326
Cash flow or (deficit) from operations---------do----	(476)	460	(2,157)	(1,523)	(1,217)
Ratio to net sales of--					
Gross income or (loss) percent--	(1.9)	2.2	(11.2)	(9.6)	(8.0)
Operating income or (loss) do----	(4.7)	(0.5)	(15.3)	(13.5)	(11.8)
Cost of goods sold------do----	101.9	97.8	111.2	109.6	108.0
General, selling, and administrative expenses----------do----	2.9	2.7	4.0	3.9	3.8
Number of firms reporting operating losses----------	9	5	12	12	11

1/ These 12 firms accounted for 92 percent of 1982 shipments of cut-to-length and coiled plate, as reported in response to the Commission's questionnaires.

2/ Only 10 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

In 1982, the firms sustained an aggregate operating loss of $2.7 billion, or 15.3 percent of net sales, compared with operating incomes of $1.1 billion, or 4.7 percent of net sales, in 1980 and $136 million, or 0.5 percent of net sales, in 1981. During interim 1983, U.S. producers reported an aggregate operating loss of $1.5 billion, equivalent to 11.8 percent of net sales, compared with an operating loss of $1.9 billion, or 13.5 percent of net sales, in interim 1982. All 12 responding firms reported operating losses in 1982, compared with 9 firms that posted losses in 1980 and 5 firms that did so in 1981. There were 11 firms that sustained operating losses in the interim period of 1983.

In the aggregate, the 12 responding firms experienced a positive cash flow of $460 million in 1981, compared with negative cash flows of $476 million in 1980, $2.2 billion in 1982 and $1.2 billion in the interim period ended September 30, 1983.

Operations on cut-to-length carbon steel plate.--Income-and-loss data were received from 10 firms, accounting for 91 percent of total reported shipments of cut-to-length steel plate in 1982. These data are presented in table 12. The 10 responding producers' net sales of such merchandise declined from $2.4 billion in 1980 to $1.3 billion in 1982, or by 47 percent. During the interim period ended September 30, 1983, net sales declined by an additional 38 percent to $660 million, compared with $1.0 billion in the corresponding period of 1982.

In 1982, the 10 firms sustained an aggregate operating loss of $158 million, or 12.4 percent of net sales, compared with operating incomes of $37 million, or 1.5 percent of net sales, in 1980 and $66 million, or 2.7 percent of net sales, in 1981. During interim 1983, U.S. producers reported an aggregate operating loss of $190 million, equivalent to 28.8 percent of net sales, compared with an operating loss of $107 million, or 10.2 percent of net sales, in interim 1982. All 10 responding firms reported operating losses in 1982, compared with 4 firms that posted losses in 1980 and 2 that did so in 1981. In the interim period of 1983, seven firms sustained operating losses .

In the aggregate, the 10 responding firms experienced positive cash flows of $95 million and $116 million in 1980 and 1981, respectively, compared with negative cash flows of $118 million in 1982 and $166 million in the interim period ended September 30, 1983.

Operations on coiled plate.--There were seven producers, accounting for about 95 percent of total U.S. shipments (as reported in response to the Commission's questionnaires) of coiled carbon steel plate in 1982, that provided income-and-loss data relative to their operations producing such merchandise. Net sales of coiled plate increased by 49 percent, from $397 million in 1980 to $591 million in 1981, and then fell by 46 percent to $322 million in 1982, as shown in table 13. During the interim period ended September 30, 1983, net sales increased by 20 percent to $302 million, compared with $252 million in the corresponding period of 1982.

U.S. producers of coiled plate reported aggregate operating losses throughout the period under investigation. Operating losses were reduced in 1981 to $11 million, or 1.9 percent of net sales, compared with losses of $17

Table 12.--Income-and-loss experience of 10 U.S. producers 1/ on their operations producing cut-to-length carbon steel plate, 2/ accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30--	
				1982	1983
Net sales------million dollars--	2,418	2,467	1,273	1,045	660
Cost of goods sold--------do----	2,310	2,327	1,370	1,104	813
Gross income or (loss)----do----	108	140	(97)	(59)	(153)
General, selling, and administrative expenses----do----	71	74	61	48	37
Operating income or (loss)----------do----	37	66	(158)	(107)	(190)
Depreciation and amortization expenses 3/--------do----	58	50	40	28	24
Cash flow or (deficit) from operations---------do----	95	116	(118)	(79)	(166)
Ratio to net sales of--					
Gross income or (loss) percent--	4.5	5.7	(7.6)	(5.6)	(23.2)
Operating income or (loss) do----	1.5	2.7	(12.4)	(10.2)	(28.8)
Cost of goods sold------do----	95.5	94.3	107.6	105.6	123.2
General, selling, and administrative expenses----------do----	2.9	3.0	4.8	4.6	5.6
Number of firms reporting operating losses----------	4	2	10	10	7

1/ These 10 firms accounted for 91 percent of 1982 shipments of cut-to-length plate, as reported in response to the Commission's questionnaires.

2/ Excluding coiled plate.

3/ Only 8 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

Table 13.--Income-and-loss experience of 7 U.S. producers 1/ on their operations producing coiled carbon steel plate, accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30--	
				1982	1983
Net sales------million dollars--	397	591	322	252	302
Cost of goods sold--------do----	405	589	360	275	330
Gross income or (loss)----do----	(8)	2	(38)	(23)	(28)
General, selling, and administrative expenses------do----	9	13	12	8	13
Operating income or (loss)----------do----	(17)	(11)	(50)	(31)	(41)
Depreciation and amortization expenses 2/--------do----	9	12	9	7	10
Cash flow or (deficit) from operations 2/------do----	(8)	1	(41)	(24)	(31)
Ratio to net sales of--					
Gross income or (loss) percent--	(2.0)	0.3	(11.8)	(9.1)	(9.3)
Operating income or (loss) do----	(4.3)	(1.9)	(15.5)	(12.3)	(13.6)
Cost of goods sold------do----	102.0	99.7	111.8	109.1	109.3
General, selling, and administrative expenses----------do----	2.3	2.2	3.7	3.2	4.3
Number of firms reporting operating losses----------	4	4	7	7	6

1/ These 7 firms accounted for 95 percent of 1982 shipments of coiled plate, as reported in response to the Commission's questionnaires.

2/ Only 5 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

million, or 4.3 percent of net sales, in 1980. Such losses increased rapidly to $50 million, or 15.5 percent of net sales, in 1982. A further operating loss of $41 million, or 13.6 percent of net sales, was incurred in the interim period of 1983, compared with a loss of $31 million, or 12.3 percent of net sales, in the corresponding period of 1982. Four firms reported operating losses in 1980 and in 1981. All seven responding firms sustained operating losses in 1982, and six firms did so in the interim period of 1983.

In the aggregate, the seven responding firms experienced negative cash flows of $41 million in 1982 and $31 million in the interim period of 1983, compared with a negative cash flow of $8 million in 1980 and a small positive cash flow of $1 million in 1981.

Operations on cut-to-length plate and coiled plate.--Combined income-and-loss data for the production of cut-to-length plate and coiled plate is presented in table 14. Net sales of these products increased from $2.8 billion in 1980 to $3.1 billion in 1981, representing an increase of 9 percent, then dropped by 48 percent to $1.6 billion in 1982. During the interim period ended September 30, 1983, net sales dropped by 26 percent to $962 million, compared with $1.3 billion in the corresponding period of 1982.

In 1982, the firms reported an operating loss of $208 million, or 13.0 percent of sales, compared with an operating income of $20 million (0.7 percent of sales) in 1980, and $55 million (1.8 percent of sales) in 1981. A further loss of $231 million, or 24.0 percent of net sales, was incurred in the interim period of 1983, compared with a loss of $138 million, or 10.6 percent of net sales in the corresponding period of 1982. Six firms reported operating losses in 1980 and 1981, and 10 firms did so in 1982 and in the interim period of 1983.

Operations on all hot-rolled carbon steel sheet.--Income-and-loss data were received from seven firms, which together accounted for 76 percent of total shipments (as reported by the AISI) of all hot-rolled carbon steel sheet 1/ in 1982. These data are presented in table 15. The responding producers' net sales of all hot-rolled carbon steel sheet (including coiled plate) increased from $2.7 billion in 1980 to $3.4 billion in 1981, or by 26 percent. Such sales dropped sharply to $2.2 billion in 1982, or by 35 percent. During the interim period ended September 30, 1983, net sales increased by 18 percent to $2.1 billion, compared with sales of $1.8 billion in the corresponding period of 1982.

In 1982, the seven firms sustained an aggregate operating loss of $379 million, or 17.2 percent of net sales, compared with operating losses of $158 million, or 5.9 percent of net sales, in 1980 and $81 million, or 2.4 percent of net sales, in 1981. During the interim period ended September 30, 1983, U.S. producers reported an aggregate operating loss of $235 million, equivalent to 11.3 percent of net sales, compared with an operating loss of $272 million, or 15.5 percent of net sales, in the corresponding period of 1982.

1/ Including coiled plate.

Table 14.--Income-and-loss experience of 10 U.S. producers 1/ on their operations producing cut-to-length and coiled carbon steel plate, accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30--	
				1982	1983
Net sales------million dollars--	2,815	3,058	1,595	1,297	962
Cost of goods sold--------do----	2,715	2,916	1,730	1,379	1,143
Gross income or (loss)----do----	100	142	(135)	(82)	(181)
General, selling, and administrative expenses------do----	80	87	73	56	50
Operating income or (loss)----------do----	20	55	(208)	(138)	(231)
Depreciation and amortization expenses 2/--------do----	67	62	49	35	34
Cash flow or (deficit) from operations 2/------do----	87	117	(159)	(103)	(197)
Ratio to net sales of--					
Gross income or (loss) percent--	3.6	4.6	(8.5)	(6.3)	(18.8)
Operating income or (loss) do----	.7	1.8	(13.0)	(10.6)	(24.0)
Cost of goods sold------do----	96.4	95.4	108.5	106.3	118.8
General, selling, and administrative expenses----------do----	2.8	2.8	4.6	4.3	5.2
Number of firms reporting operating losses----------	6	6	10	10	10

1/ These 10 firms accounted for 95 percent of 1982 shipments of coiled plate and 91 percent of 1982 shipments of cut-to-length plate, as reported in response to the Commission's questionnaires.

2/ Only 5 firms provided depreciation and amortization expenses for operations on coiled plate and only 8 firms provided depreciation and amortization expenses for operations on plate cut-to-length. Hence, cash flow from operations is somewhat understated, and deficits are somewhat overstated.

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

Table 15.--Income-and-loss experience of 7 U.S. producers 1/ on their operations producing all hot-rolled carbon steel sheet, 2/ accounting years 1980-82 and interim periods ended Sept. 30, 1982, and Sept. 30, 1983

Item	1980	1981	1982	Interim period ended Sept. 30--	
				1982	1983
Net sales------million dollars--	2,690	3,384	2,205	1,752	2,076
Cost of goods sold--------do----	2,753	3,343	2,459	1,928	2,198
Gross income or (loss)----do----	(63)	41	(254)	(176)	(122)
General, selling, and administrative expenses------do----	95	122	125	96	113
Operating income or (loss)----------do----	(158)	(81)	(379)	(272)	(235)
Depreciation and amortization expenses 3/--------do----	61	68	62	45	59
Cash flow or (deficit) from operations 3/------do----	(97)	(13)	(317)	(227)	(176)
Ratio to net sales of--					
Gross income or (loss) percent--	(2.3)	1.2	(11.5)	(10.0)	(5.9)
Operating income or (loss) do----	(5.9)	(2.4)	(17.2)	(15.5)	(11.3)
Cost of goods sold------do----	102.3	98.8	111.5	110.0	105.9
General, selling, and administrative expenses----------do----	3.5	3.6	5.7	5.5	5.4
Number of firms reporting operating losses----------	6	5	7	7	7

1/ These 7 firms accounted for 76 percent of 1982 shipments of hot-rolled sheet, as reported in response to the Commission's questionnaires.

2/ Including coiled plate.

3/ Only 5 firms provided depreciation and amortization expenses. Hence, cash flow from operations is somewhat understated and deficits are somewhat overstated.

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

All seven responding firms reported operating losses in 1982 and interim 1983, compared with six firms that reported such losses in 1980 and five firms that did so in 1981. In the aggregate, the seven firms experienced negative cash flows from their operations on hot-rolled carbon steel sheet (including coiled plate) throughout the period covered. Such negative cash flows amounted to $97 million in 1980, $13 million in 1981, $317 million in 1982, and $176 million in the interim period of 1983.

Capital expenditures.--Three firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of cut-to-length carbon steel plate. Such capital expenditures declined annually from *** in 1980 to *** in 1982, and dropped to *** in January-September 1983. Two firms supplied data relative to their capital expenditures used in the manufacture of coiled plate. Such expenditures declined annually from *** in 1980 to *** in 1982, and amounted to *** in January-September 1983. Two firms supplied data relative to their expenditures for land, buildings, and machinery and equipment used in the manufacture of all hot-rolled carbon steel sheet (including coiled plate). Such capital expenditures declined annually, from *** in 1980 to *** in 1982, and amounted to *** in January-September 1983, as shown in the following tabulation (in thousands of dollars):

Item and period	Expenditures (1,000 dollars)
Cut-to-length plate:	
1980	***
1981	***
1982	***
January-September--	
1982	***
1983	***
Coiled plate:	
1980	***
1981	***
1982	***
January-September--	
1982	***
1983	***
Hot-rolled sheet:	
1980	***
1981	***
1982	***
January-September--	
1982	***
1983	***

Research and development expenditures.--Research and development expenses relative to operations on cut-to-length carbon steel plate, as reported by eight producers that responded to this part of the Commission's questionnaires, increased from $4.7 million in 1980 to $5.4 million in 1981, and then declined to $3.8 million in 1982 and $1.7 million in January-September

1983. Research and development expenses relative to operations on coiled plate were provided by five producers. These expenses increased by 18 percent from 1980 to 1981, then declined by 17 percent in 1982, before increasing by 6 percent in January-September 1983. Research and development expenses relative to operations on all hot-rolled carbon steel sheet (including coiled plate), as reported by six producers that responded to this part of the Commission's questionnaire, increased from $4.7 million annually in 1980 and 1981 to $5.5 million in 1982, and then declined to $3.0 million in January-September 1983. Research and development expenditures are shown in the following tabulation (in thousands of dollars):

Item and period	Expenditures (1,000 dollars)
Cut-to-length plate:	
1980	4,685
1981	5,420
1982	3,844
January-September--	
1982	2,628
1983	1,725
Coiled plate:	
1980	592
1981	697
1982	576
January-September--	
1982	428
1983	453
Hot-rolled sheet:	
1980	4,732
1981	4,722
1982	5,518
January-September--	
1982	4,196
1983	2,950

Consideration of Threat of Material Injury to an Industry in the United States

In its examination of the question of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase in LTFV imports, the rate of increase in U.S. market penetration by such imports, the amounts of imports held in inventory in the United States, and the capacity of producers in the country subject to the investigation to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of cut-to-length and coiled carbon steel plate and of their U.S. market penetration is presented in the section of this report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and LTFV Imports."

Discussions of the available information on end-of-period inventories of cut-to-length and coiled carbon steel plate from Brazil, as provided by importers in response to the Commission's questionnaires, and the capacity of producers in that country to generate exports of such merchandise follow.

U.S. importers' inventories

The Commission sent questionnaires to 31 firms which were believed to have imported cut-to-length or coiled plate from Brazil. Four firms, accounting for approximately *** percent of imports of cut-to-length plate from Brazil in 1982 and *** percent of such imports in January-September 1983, responded to the Commission's questionnaire, as did three firms which accounted for *** percent of imports of coiled plate from Brazil in 1982 and *** percent of such imports in January-September 1983.

These firms reported that inventories of cut-to-length plate accounted for *** percent of their imports of this product in 1980, *** percent in 1981, *** percent in 1982, and *** percent in January-September 1983. Importers reported no inventories of coiled plate in 1980 or 1981, but inventories were equal to *** percent of imports of coiled plate in 1982, and less than *** percent of such imports in January-September 1983.

The Brazilian steel industry and its capacity to generate exports

The Brazilian steel industry produced 14.3 million tons of raw steel in 1982, ranking 13th among world steel-producing countries. This represented a 2-percent decrease from production in 1981. However, Brazil's raw steel production in 1982 still represented a substantial increase from that of production levels prior to 1979, as shown in the following tabulation:

	Quantity (million short tons)
1972	7.2
1973	7.9
1974	8.3
1975	9.2
1976	10.2
1977	12.4
1978	13.5
1979	15.3
1980	16.9
1981	14.6
1982	14.3

Brazil's estimated production of raw steel in 1983 will amount to 14.8 million tons, or 3 percent more than its production in 1982.

The Siderbras group of companies produced 8.5 million tons of raw steel in 1982, representing 59 percent of total Brazilian production. 1/ Its three largest producers--Usinas Siderurgicas de Minas Gerais (Usiminas), Companhia Siderurgica Paulista (Cosipa), and Companhia Siderurgica Nacional (CSN)--together accounted for 92 percent of Siderbras' raw steel production, and approximately 54 percent of Brazilian raw steel production, in 1982. These three firms, all fully integrated steel producers, account for virtually all of Brazil's production of cut-to-length and coiled plate.

Usiminas was Brazil's largest raw steel producer in 1982, accounting for 3.2 million tons, or 22 percent, of Brazil's total production of raw steel. Usiminas is primarily a producer of flat-rolled carbon steel products, including plate, hot-rolled sheet, and cold-rolled sheet. Its production of flat-rolled products declined from 3.3 million tons in 1980 to 2.6 million tons in 1982, or by 21 percent. Usiminas produces such products on a plate mill with an annual capacity of 1.3 million tons and in a hot-strip mill with an annual capacity of 2.4 million tons.

CSN, the second largest Brazilian steel producer, makes a full line of carbon steel products, including hot-rolled sheet, cold-rolled sheet, plate, bars, and structural shapes. Its production of all flat-rolled steel products declined from 2.1 million tons in 1980 to 2.0 million tons in 1982, or by 5 percent. Its hot-strip mill has an annual capacity of 5.2 million tons.

Cosipa, the third largest Brazilian steel producer, makes flat-rolled carbon steel products exclusively. Its hot-strip mill has an annual capacity of 2.2 million tons and its plate mill has an annual capacity of 1.4 million tons. Its production of such products declined from 2.8 million tons in 1980 to 2.2 million tons in 1982, or by 20 percent. Exports were principally of plate (82 percent of the total), and the United States was the principal export market.

Brazil's aggregate production of plate (including coils) fell from 2.6 million tons in 1980 to 1.8 million tons in 1982, representing a drop of 31 percent. Brazil's aggregate production of hot-rolled sheet declined from 1.8 million tons in 1980 to 1.4 million tons in 1981, before rising to 2.0 million tons in 1982 (table 16). 2/

1/ Siderbras, a Government-controlled corporation in charge of Federally owned steel corporations, was established in 1973 to promote and stimulate new steel projects involving State participation. It controls eight operating Brazilian steel companies; two additional facilities are planned. The most recent steel facility of the Siderbras group to start production was Companhia Siderurgica de Tubarao, which came on line Dec. 1, 1983. The facility is a joint venture of Siderbras and Japanese and Italian steel companies; it produces carbon steel slabs, primarily for the export market.

2/ Brazil's production of hot-rolled sheet in 1982 was the largest achieved during the past decade. Its average annual production of such products rose from 1.04 million tons during 1973-77 to 1.65 million tons during 1978-82.

Table 16.--Flat-rolled carbon steel products: 1/ Brazil's production, imports, exports, and apparent consumption, by types, 1980-82

Item	1980	1981	1982
Plate (including coils):			
Production----------1,000 short tons--	2,647	2,209	1,832
Imports----------do----	127	65	15
Exports to--			
United States----------do----	2/	285	143
European Community----------do----	2/	49	69
Argentina----------do----	2/	27	60
Japan----------do----	2/	11	100
All other----------do----	2/	170	192
Total----------do----	634	542	564
Apparent consumption----------do----	2,140	1,732	1,283
Hot-rolled sheet:			
Production----------do----	1,826	1,410	2,020
Imports----------do----	3	104	2
Exports to--			
United States----------do----	2/	1	81
European Community----------do----	2/	45	121
Argentina----------do----	2/	17	64
Japan----------do----	2/	9	50
All other----------do----	2/	39	260
Total----------do----	56	111	576
Apparent consumption----------do----	1,773	1,403	1,446

1/ Plate and sheet.
2/ Not available.

Source: Annuario Estatistico da Industria Siderurgica Brasileria (IBS), 1982 and 1983.

Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and LTFV Imports

U.S. imports

Imports from all sources.--Imports of cut-to-length plate from all sources increased from 1.6 million tons in 1980 to 1.8 million tons in 1981, and then dropped to 1.2 million tons in 1982. These imports continued to decline, by 15 percent, in January-September 1983 compared with those during January-September 1982 (table 17).

Imports of coiled carbon steel plate from all sources rose from 445,000 tons in 1980 to 512,000 tons in 1981, and then declined to 389,000 tons in 1982 (table 18). Imports of coiled plate decreased by 37 percent in January-September 1983 compared with imports in January-September 1982. 1/

1/ Combined imports of cut-to-length plate and coiled plate are shown in table 19.

Table 17.--Cut-to-length carbon steel plate: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983

Source	1980	1981	1982	Jan.-Sept.-- 1982	Jan.-Sept.-- 1983
	Quantity (1,000 short tons)				
Brazil	323	309	149	120	181
Belgium/Luxembourg	286	301	178	154	96
West Germany	102	96	51	38	27
Republic of Korea	212	115	90	81	80
Republic of South Africa	66	63	128	95	23
Japan	33	31	53	46	9
All other	549	925	503	376	361
Total	1,571	1,841	1,152	910	777
	Value (1,000 dollars)				
Brazil	101,796	112,855	47,528	39,856	41,299
Belgium/Luxembourg	92,619	110,978	62,057	55,201	24,377
West Germany	34,394	37,500	17,077	13,824	6,979
Republic of Korea	67,887	41,259	31,230	28,198	17,268
Republic of South Africa	20,031	22,428	40,300	31,314	5,791
Japan	11,846	16,004	22,199	19,165	3,102
All other	183,244	336,474	170,120	128,538	90,859
Total	511,817	677,499	390,511	316,096	189,675
	Unit value (per ton)				
Brazil	$315	$365	$319	$332	$228
Belgium/Luxembourg	328	370	349	358	253
West Germany	338	389	335	362	261
Republic of Korea	320	359	345	347	217
Republic of South Africa	306	354	316	328	254
Japan	357	523	419	417	339
All other	334	364	338	342	252
Average	326	368	339	347	244

1/ Includes imports under TSUSA items 607.6620, 607.6625, 607.9400, 608.0710, and 608.1100.

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

Note.--Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Table 18.--Coiled carbon steel plate: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983

Source	1980	1981	1982	Jan.-Sept.-- 1982	Jan.-Sept.-- 1983
	Quantity (1,000 short tons)				
Brazil	2	2/	18	17	24
Belgium/Luxembourg	4	40	25	24	9
West Germany	133	100	131	98	27
Republic of Korea	11	18	39	29	24
Republic of South Africa	16	11	6	5	6
Japan	115	89	40	35	8
All other	164	254	130	115	105
Total	445	512	389	323	203
	Value (1,000 dollars)				
Brazil	436	22	4,913	4,758	5,028
Belgium/Luxembourg	1,237	12,879	6,979	6,753	2,034
West Germany	35,611	31,251	38,182	29,144	7,129
Republic of Korea	2,924	5,266	11,154	8,589	5,183
Republic of South Africa	4,075	3,039	1,715	1,372	1,313
Japan	34,951	28,573	12,577	11,256	2,194
All other	47,180	76,268	38,500	34,307	24,888
Total	126,415	157,299	114,019	96,179	47,769
	Unit value (per ton)				
Brazil	$275	$338	$273	$274	$207
Belgium/Luxembourg	313	324	278	278	225
West Germany	267	312	291	296	263
Republic of Korea	277	300	284	293	219
Republic of South Africa	254	284	285	297	214
Japan	304	319	317	318	289
All other	287	300	296	298	237
Average	284	307	293	299	235

1/ Includes imports under TSUSA item 607.6610.
2/ Less than 500 short tons.

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

Note.--Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Table 19.--Cut-to-length and coiled carbon steel plate: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983

Source	1980	1981	1982	Jan.-Sept.-- 1982	Jan.-Sept.-- 1983
	Quantity (1,000 short tons)				
Brazil	324	309	167	137	205
Belgium/Luxembourg	290	341	203	178	105
West Germany	235	197	182	136	54
Republic of Korea	223	133	130	110	104
Republic of South Africa	82	74	134	100	29
Japan	148	120	93	81	17
All other	713	1,180	633	491	466
Total	2,016	2,353	1,542	1,233	980
	Value (1,000 dollars)				
Brazil	102,232	112,877	52,440	44,614	46,327
Belgium/Luxembourg	93,856	123,878	69,036	61,954	26,411
West Germany	70,005	68,751	55,259	42,968	14,108
Republic of Korea	70,811	46,525	42,384	36,787	22,451
Republic of South Africa	24,106	25,467	42,015	32,686	7,104
Japan	46,797	44,578	34,776	30,421	5,296
All other	230,424.	412,741	208,620	162,845	115,747
Total	638,232	834,797	504,530	412,275	237,444
	Unit value (per ton)				
Brazil	$315	$365	$314	$326	$226
Belgium/Luxembourg	323	364	340	348	252
West Germany	298	350	303	316	261
Republic of Korea	318	351	327	334	216
Republic of South Africa	295	344	315	327	245
Japan	315	371	376	376	312
All other	323	350	330	332	248
Average	317	355	327	334	242

1/ Includes imports under TSUSA items 607.6610 (coiled plate), 607.6620, 607.6625, 607.9400, 608.0710, and 608.1100.

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

Note.--Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

Aggregate U.S. imports of all hot-rolled carbon steel sheet (including coiled plate) from all sources increased from 1.9 million tons in 1980 to 2.2 million tons in 1981, and then declined by 19 percent to 1.8 million tons in 1982. Imports increased by 14 percent in January-September 1983 compared with imports in the corresponding period of 1982 (table 20).

As shown in tables 17-20, the average unit values of these imports rose in 1981, fell in 1982, and then fell sharply in January-September 1983. For cut-to-length plate the average unit value changes were as follows: up 13 percent in 1981, down 8 percent in 1982, and down 30 percent in January-September 1983 (compared with average unit values in January-September 1982). For coiled plate the average unit values were up 5 percent in 1981, down 2 percent in 1982, and down 21 percent in January-September 1983. For all hot-rolled carbon steel sheet (including coiled plate) the average unit values were up 9 percent in 1981, down 4 percent in 1982, and down 16 percent in January-September 1983.

Imports from Brazil.--Imports of cut-to-length carbon steel plate from Brazil declined from 323,000 tons in 1980 to 149,000 tons in 1982, representing a drop of 54 percent. Imports increased by 51 percent, however, from 120,000 tons in January-September 1982 to 181,000 tons in the corresponding period of 1983 (table 17).

Imports of coiled carbon steel plate from Brazil amounted to only 2,000 tons in 1980 and less than 500 tons in 1981. Such imports then rose to 18,000 tons in 1982, and increased further to 24,000 tons in January-September 1983 (table 18).

Imports of all hot-rolled carbon steel sheet (including coiled plate) from Brazil declined from 7,000 tons in 1980 to 3,000 tons in 1981, or by 57 percent. Imports then increased to 63,000 tons in 1982 and to 179,000 tons in January-September 1983 (table 20).

As shown in the previous tables, the average unit values of these imports from Brazil rose in 1981, fell in 1982, and then fell sharply in January-September 1983. For cut-to-length plate, the average unit value changes were as follows: up 16 percent in 1981, down 13 percent in 1982, and down 31 percent in January-September 1983 (compared with average unit values in January-September 1982). For coiled plate the average unit values were up 23 percent in 1981, down 19 percent in 1982, and down 24 percent in January-September 1983. For all hot-rolled carbon steel sheet (including coiled plate) the average unit values were up 39 percent in 1981, down 28 percent in 1982, and down 23 percent in January-September 1983.

U.S. market penetration

Imports from all sources.--Market penetration of cut-to-length plate from all countries increased steadily from 20.5 percent of consumption in 1980 to 29.2 percent in 1982. It stood at 28.1 percent in January-September 1983. Imports of coiled plate declined from 22.8 percent of apparent U.S. consumption of that product in 1980 to 19.5 percent in 1981, before increasing to 24.3 percent in 1982. Market penetration of coiled plate imports dropped

Table 20.--Hot-rolled carbon steel sheet: 1/ U.S. imports for consumption, by principal sources, 1980-82, January-September 1982, and January-September 1983

Source	1980	1981	1982	Jan.-Sept.-- 1982	Jan.-Sept.-- 1983
	Quantity (1,000 short tons)				
Brazil	7	3	63	55	179
Belgium/Luxembourg	21	106	88	74	42
West Germany	338	325	403	260	157
Republic of Korea	34	72	151	106	151
Republic of South Africa	69	38	26	21	43
Japan	640	531	381	297	227
All other	828	1,086	642	486	688
Total	1,937	2,161	1,754	1,299	1,487
	Value (1,000 dollars)				
Brazil	1,750	1,104	16,831	15,151	37,917
Belgium/Luxembourg	6,430	33,942	24,634	21,303	10,875
West Germany	90,420	100,523	118,250	79,605	42,556
Republic of Korea	9,428	21,788	43,673	31,885	35,993
Republic of South Africa	18,064	10,883	7,351	6,104	9,979
Japan	200,167	176,190	125,543	98,566	69,998
All other	230,928.	334,560	190,146	147,329	178,742
Total	557,187	678,990	526,428	399,943	386,060
	Unit value (per ton)				
Brazil	$266	$370	$268	$274	$212
Belgium/Luxembourg	305	321	280	286	258
West Germany	267	310	294	306	271
Republic of Korea	276	305	290	300	239
Republic of South Africa	261	288	281	286	229
Japan	313	332	329	331	308
All other	279	308	296	303	260
Average	288	314	300	308	260

1/ Includes imports under TSUSA items 607.6610 (coiled plate), 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

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

Note.--Because of rounding, figures may not add to the totals shown. Unit values were computed from unrounded data.

sharply to 14.6 percent of consumption in January-September 1983. Market penetration of imports from all sources of cut-to-length and coiled plate combined increased from 21.0 percent of apparent consumption in 1980 to 27.8 percent in 1982. It declined to 23.6 percent in January-September 1982. Market penetration of imports of all hot-rolled carbon steel sheet (including coiled plate) from all countries increased from 15.4 percent of U.S. consumption in 1980 to 17.8 percent in 1982, and then dropped to 16.2 percent in January-September 1983 (table 21).

Table 21.--Cut-to-length carbon steel plate, coiled plate, and hot-rolled carbon steel sheet: Ratios of imports from Brazil and all countries to apparent U.S. consumption, 1980-82, January-September 1982, and January-September 1983

(In percent)

Item	1980	1981	1982	January-September--	
				1982	1983
Ratio of imports from Brazil to apparent U.S. consumption: 1/					
Cut-to-length plate 2/	4.2	4.1	3.7	3.6	6.6
Coiled plate 3/	0.1	5/	1.1	1.3	1.7
Total plate	3.4	3.1	3.0	3.0	4.9
Hot-rolled sheet 4/	5/	5/	0.6	0.7	2.0
Ratio of imports from all countries to apparent U.S. consumption: 1/					
Cut-to-length plate 2/	20.5	24.6	29.2	27.3	28.2
Coiled plate 3/	22.8	19.5	24.3	25.2	14.6
Total plate	21.0	23.3	27.8	26.7	23.6
Hot-rolled sheet 4/	15.4	15.4	17.8	17.1	16.2

1/ Consumption calculated as the sum of U.S. producers' domestic shipments and imports for consumption.

2/ Includes imports under TSUSA items 607.6620, 607.6625, 607.9400, 608.0710 and 608.1100.

3/ Includes imports under TSUSA item 606.6610. Because domestic producers' shipments (and therefore apparent U.S. consumption) are understated to the extent that questionnaire data were not received from all firms, market penetration by imports is somewhat overstated.

4/ Includes imports under TSUSA items 607.6610 (coiled plate), 607.6710, 607.6720, 607.6730, 607.6740, 607.8320, and 607.8342.

5/ Less than 0.05 percent.

Source: Shipments of cut-to-length carbon steel plate and hot-rolled carbon steel sheet, compiled from statistics of the American Iron & Steel Institute; shipments of coiled plate, compiled from questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

Imports from Brazil.--Imports of cut-to-length plate from Brazil declined from 4.2 percent of consumption in 1980 to 3.7 percent in 1982. They then increased, however, to 6.6 percent of consumption in January-September 1983, compared with 3.6 percent in January-September 1982. Imports of coiled plate from Brazil were at very low levels in 1980, accounting for only about 0.1 percent of consumption; they rose to 1.1 percent of consumption in 1982, however, and then to 1.7 percent in January-September 1983. Market penetration of combined imports from Brazil of cut-to-length plate and coiled plate declined from 3.4 percent of apparent consumption in 1980 to 3.0 percent in 1982, then increased to 4.9 percent of apparent consumption in January-September 1983. Market penetration of imports of all hot-rolled carbon steel sheet (including coiled plate) from Brazil increased from less than 0.1 percent of consumption in 1980 and 1981 to 0.6 percent in 1982, and then to 2.0 percent in January-September 1983.

Prices

Market conditions in sectors that require steel plate as an input, such as machinery and industrial equipment, shipbuilding, and construction, are associated with demand for carbon steel plate and its price. The aggregate real value (1977 dollars) of producer shipments of machinery and industrial equipment, shipbuilding, and of construction put in place for three major plate-using segments of the construction sector--private and public nonresidential building construction and public nonbuilding construction--increased by 2.5 percent from 1980 to 1981, decreased by 5.9 percent in 1982, and continued to decline, by 6 percent, in January-September 1983 from its level in January-September 1982. 1/2/ In a similar fashion, apparent consumption of steel plate increased in 1981, decreased in 1982, and continued to decline in January-September 1983 (see table 4). As demand for plate falls, competition and discounting increase, and the price of plate softens. Plate prices generally increased in 1981, decreased in 1982, and continued to fall in January-September 1983 (see pp. 44 and 45 in this section of the report).

U.S. producers that maintain published list prices usually quote prices for carbon steel products on an f.o.b. mill basis, whereas importers of such products from Brazil generally quote prices either f.a.s. port of entry or f.o.b. warehouse. 3/ Prices consist of a base price for each product plus

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1/ Real values for machinery and industrial equipment and shipbuilding were based on current dollar values reported by the Bureau of Census and deflated by the overall Producer Price Index reported by the Bureau of Labor Statistics; real values for construction put in place were based solely on Bureau of Census data.

2/ Shipbuilding includes military tanks. Public nonbuilding construction includes such construction projects as bridges, military facilities, dams, sewer and water supply systems, railways, and subways.

3/ Domestic producers usually charge freight to the purchaser's account. One exception is the practice of freight equalization, in which a producer supplying a customer located closer to a competing producer will absorb any differences in freight costs. The more distant producer charges the customer's account for freight costs as if the product were shipped from the closer producer.

additional charges for extras such as differences in length, width, thickness, chemistry, and so forth. Prices can be changed by changing the base price, the charges for extras, or both. According to Bureau of Labor Statistics data, domestic producers announced eight base price increases for carbon steel plate during January 1979-September 1983. 1/

The Commission asked domestic producers and importers for their average net selling prices to steel service centers/distributors (SSC's) and endusers for six representative cut-to-length carbon steel plate products and two representative coiled carbon steel plate products, by quarters, during January 1981-September 1983. 2/ Domestic producers' selling prices are weighted-average f.o.b. mill prices, net of all discounts and allowances (including freight allowances), and excluding inland freight charges. Importers' selling prices are weighted-average duty-paid prices, ex-dock, port of entry, net of all discounts and allowances, and excluding U.S. inland freight charges. These are average prices charged in many different transactions and do not include delivery charges. Such data do not provide the best basis to compare levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect any discounting that may have occurred. Indexes of the f.o.b. net selling prices reported by domestic producers and importers are shown in table 22 for the cut-to-length plate products, and table 23 for the coiled plate products.

To compare delivered prices in particular market areas, the Commission requested purchasers to furnish the delivered prices they paid for the eight representative imported and domestically produced carbon steel plate products, by quarters, during January 1982-September 1983. 3/ Purchasers were asked for prices, including delivery charges, paid in specific transactions. To ensure that these prices would be comparable, purchasers were grouped as SSC's or endusers, and were identified by location. Questionnaires were sent to firms located in the following seven metropolitan areas: Atlanta, Chicago, Detroit, Houston/New Orleans, Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle. Data from respondents are presented by these market areas. Average margins by which the imported Brazilian steel products undersold the domestic products are presented in tables 24 and 25 for the representative cut-to-length plate products, and table 26 for the representative coiled plate products. 4/

1/ Base price increases of 5 and 7 percent for cut-to-length plate and 7 percent for coiled plate that were announced in 1983 generally did not hold, and in many instances only resulted in larger discounts from list prices.

2/ These products and their specifications are listed in app. C. The six representative cut-to-length carbon steel plate products are numbered 1-6, and the two representative coiled carbon steel plate products are numbered 7 and 8.

3/ Specifications of the six cut-to-length plate products and the two coiled plate products are the same as those requested of domestic producers and importers, and are listed in app. C.

4/ The reported delivered prices that were provided by purchasers and used to calculate average margins of underselling are shown in appendix tables C-1 through C-7 for the cut-to-length plate products and tables C-8 through C-11 for the coiled plate products.

Table 22.--Cut-to-length carbon steel plate: Indexes of weighted-average net selling prices for sales of domestic products and sales of imports from Brazil, by types of customers, by types of products, and by quarters, January 1981-September 1983

(January-March 1981=100)

Product and Period 1/	Prices to service centers/distributors		Prices to end users	
	Domestic	Brazil	Domestic	Brazil
Product 1				
1981				
January-March	100	100	100	-
April-June	101	100	104	-
July-September	103	-	102	-
October-December	104	-	104	-
1982				
January-March	105	99	102	-
April-June	102	-	99	-
July-September	88	-	95	-
October-December	89	-	92	-
1983				
January-March	89	-	94	-
April-June	72	-	80	-
July-September	73	-	85	-
Product 2				
1981				
January-March	100	100	100	-
April-June	103	106	104	-
July-September	104	112	104	-
October-December	105	106	106	-
1982				
January-March	104	99	104	-
April-June	99	90	102	-
July-September	96	79	100	-
October-December	90	76	92	-
1983				
January-March	89	70	92	-
April-June	83	54	84	-
July-September	83	53	86	-
Product 3				
1981				
January-March	100	100	100	-
April-June	104	103	106	-
July-September	103	100	107	-
October-December	104	105	110	-
1982				
January-March	104	103	107	-
April-June	97	87	107	-
July-September	95	76	102	-
October-December	90	76	96	-
1983				
January-March	79	69	93	-
April-June	75	55	90	-
July-September	78	59	85	-
Product 4				
1981				
January-March	100	100	100	-
April-June	96	102	101	-
July-September	94	104	101	-
October-December	99	-	101	-
1982				
January-March	86	-	103	-
April-June	77	87	102	-
July-September	67	-	98	-
October-December	69	-	97	-
1983				
January-March	63	-	99	-
April-June	60	-	97	-
July-September	67	63	97	-
Product 5				
1981				
January-March	100	100	100	-
April-June	102	103	106	-
July-September	102	97	107	-
October-December	104	103	110	-
1982				
January-March	102	99	108	-
April-June	99	86	108	-
July-September	93	79	102	-
October-December	89	76	95	-
1983				
January-March	75	71	96	-
April-June	80	55	96	-
July-September	76	57	90	-
Product 6				
1981				
January-March	100	100	100	-
April-June	108	97	106	-
July-September	107	93	106	-
October-December	106	103	105	-
1982				
January-March	105	98	107	-
April-June	101	80	105	-
July-September	93	73	97	-
October-December	88	68	87	-
1983				
January-March	79	63	91	-
April-June	75	50	88	-
July-September	76	52	89	-

1/ See product list for specifications.

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

Table 23.--Coiled carbon steel plate: Indexes of weighted-average net selling prices for sales of domestic products and sales of imports from Brazil, by types of customers, by types of products, and by quarters, January 1981-September 1983

(January-March 1981=100)

Product and Period 1/	Prices to service centers/distributors		Prices to end users	
	Domestic	Brazil	Domestic	Brazil
Product 7				
1981				
January-March	100	-	100	-
April-June	102	-	101	-
July-September	105	-	107	-
October-December	103	(2)	102	-
1982				
January-March	101	(2)	103	-
April-June	98	-	97	-
July-September	91	-	98	-
October-December	87	-	92	-
1983				
January-March	89	(2)	90	-
April-June	89	(2)	90	-
July-September	92	-	89	-
Product 8				
1981				
January-March	100	-	100	-
April-June	103	-	102	-
July-September	102	-	110	-
October-December	96	-	104	-
1982				
January-March	101	(2)	104	-
April-June	97	-	104	-
July-September	88	-	102	-
October-December	84	-	99	-
1983				
January-March	84	(2)	99	-
April-June	88	(2)	97	-
July-September	83	-	102	-

1/ See product list for specifications.
2/ Comparable data base for indexing not available.
SOURCE: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 24.--Cut-to-length carbon steel plate: Average margins by which imports from Brazil undersold U.S.-produced products based on average net delivered purchase prices reported by SSC's, by specified city areas, by types of products, and by quarters, January 1982-September 1983 1/

Product and period 2/	Chicago		Detroit		Houston/ New Orleans		Los Angeles/ San Francisco		Philadelphia/ New York		Portland/ Seattle	
	Per ton	Percent	Per ton	Percent	Per ton	Percent	Per ton	Percent	Per ton	Percent	Per ton	Percent
Product 1:												
1982:												
Apr.-June--	-	-	-	-	$48	11	-	-	-	-	-	-
Product 2:												
1982:												
Apr.-June--	-	-	-	-	229	38	-	-	-	-	-	-
July-Sept--	-	-	-	-	152	29	-	-	-	-	-	-
Oct.-Dec---	$126	27	($43)	(14)	-	-	$45	12	-	-	-	-
1983:												
Jan.-Mar---	-	-	-	-	213	40	-	-	-	-	$28	7
Apr.-June--	-	-	-	-	121	29	-	-	-	-	-	-
July-Sept--	91	25	-	-	32	11	31	9	-	-	39	11
Product 3:												
1982:												
Jan.-Mar---	-	-	-	-	67	15	-	-	-	-	-	-
Apr.-June--	-	-	-	-	144	28	-	-	-	-	-	-
July-Sept--	-	-	-	-	65	15	-	-	-	-	-	-
Oct.-Dec---	102	23	14	4	-	-	-	-	-	-	-	-
1983:												
Apr.-June--	-	-	-	-	89	22	42	13	-	-	-	-
July-Sept--	55	17	-	-	37	12	-	-	-	-	81	21
Product 4:												
1982:												
Oct.-Dec---	111	24	-	-	-	-	-	-	-	-	-	-
1983:												
Jan.-Mar---	-	-	-	-	-	-	-	-	-	-	41	10
Apr.-June--	-	-	-	-	-	-	-	-	-	-	23	6
July-Sept--	102	27	-	-	66	20	-	-	-	-	-	-
Product 5:												
1982:												
Jan.-Mar---	-	-	-	-	45	9	-	-	-	-	-	-
Apr.-June--	-	-	-	-	43	10	-	-	-	-	-	-
July-Sept--	112	25	-	-	-	-	-	-	-	-	49	11
Oct.-Dec---	94	22	81	19	-	-	-	-	-	-	-	-
1983:												
Jan.-Mar---	110	26	-	-	156	34	10	3	$147	30	(2)	(1)
Apr.-June--	-	-	-	-	180	37	32	9	-	-	-	-
July-Sept--	55	17	-	-	17	6	39	12	-	-	-	-
Product 6:												
1982:												
July-Sept--	131	27	-	-	37	9	126	23	-	-	-	-
Oct.-Dec---	134	28	75	18	-	-	-	-	-	-	-	-
1983:												
Jan.-Mar---	44	11	-	-	18	6	-	-	-	-	-	-
Apr.-June--	-	-	-	-	105	26	51	14	-	-	-	-
July-Sept--	71	21	-	-	-	-	58	17	-	-	49	13

1/ Purchasers were requested to provide their delivered purchase price data for a large purchase in each quarter, from January-March 1982 through July-September 1983, for the six specified cut-to-length plate products.

2/ See product list in app. C for specifications.

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

Note.--Average margins of underselling were calculated as the difference between prices of the domestic and imported Brazilian products. Any overselling (price of the imported Brazilian product greater than the price of the domestic product) is shown with parentheses ( ) in the table.

SSC price comparisons were not available in the Atlanta area; responding SSC's in this area reported prices of the domestic and imported cut-to-length plate products, but not for comparable periods.

Reported prices of the cut-to-length plate products provided by purchasers are shown in appendix tables C-1 through C-7.

Table 25.--Cut-to-length carbon steel plate: Average margins by which imports from Brazil undersold U.S.-produced products based on average net delivered purchase prices reported by endusers, by specified city areas, by types of products, and by quarters, January 1982-June 1983 1/

Product and period 2/	Atlanta		Chicago		Detroit		Houston/ New Orleans	
	Per ton	Percent	Per ton	Percent	Per ton	Percent	Per ton	Percent
Product 2:								
1982:								
Oct.-Dec---	$58	15	-	-	-	-	-	-
1983:								
Jan.-Mar---	58	14	-	-	-	-	($49)	(13)
Apr.-June--	98	24	-	-	-	-	47	12
Product 3:								
1982:								
Jan.-Mar---	-	-	$85	16	-	-	-	-
Apr.-June--	-	-	70	14	-	-	-	-
1983:								
Jan.-Mar---	53	13	-	-	-	-	-	-
Apr.-June--	-	-	-	-	-	-	66	16
Product 5:								
1982:								
Jan.-Mar---	-	-	50	10	$117	23	-	-
Apr.-June--	(30)	(8)	43	9	-	-	-	-
Oct.-Dec---	-	-	-	-	18	4	-	-
1983:								
Jan.-Mar---	53	13	-	-	-	-	-	-
Product 6:								
1982:								
Jan.-Mar---	-	-	73	14	73	14	-	-
Apr.-June--	(12)	(3)	73	14	73	14	-	-
Oct.-Dec---	-	-	170	35	57	12	-	-
1983:								
Jan.-Mar---	53	13	-	-	-	-	-	-

1/ Purchasers were requested to provide their delivered purchase price data for a large purchase in each quarter, from January-March 1982 through July-September 1983, for the six specified cut-to-length plate products.

2/ See product list in app. C for specifications.

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

Note.--Average margins of underselling were calculated as the difference between prices of the domestic and imported Brazilian products. Any overselling (price of the imported Brazilian product greater than the price of the domestic product) is shown with parentheses ( ) in the table.

Enduser price comparisons were not available in the Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle areas; responding endusers in these three areas provided prices of only the domestic products.

Reported prices of the cut-to-length plate products provided by purchasers are shown in appendix tables C-1 through C-7.

Table 26.--Coiled carbon steel plate: Average margins by which imports from Brazil undersold U.S.-produced products based on average net delivered purchase prices reported by SSC's, by specified city areas, by types of products, and by quarters, January 1982-September 1983 1/

Product and period 2/	Houston/ New Orleans		Los Angeles/ San Francisco		Philadelphia/ New York		Portland/ Seattle	
	Per ton	Percent	Per ton	Percent	Per ton	Percent	Per ton	Percent
Product 7:								
1982:								
Jan.-Mar---	($29)	(11)	-	-	-	-	-	-
Apr.-June--	(28)	(10)	-	-	-	-	$22	6
July-Sept--	(31)	(12)	($1)	0	-	-	25	7
Oct.-Dec---	(35)	(13)	-	-	-	-	-	-
1983:								
Jan.-Mar---	17	6	14	4	-	-	-	-
Apr.-June--	5	2	10	3	$56	18	-	-
July-Sept--	22	8	5	1	-	-	27	9
Product 8:								
1982:								
Apr.-June--	-	-	-	-	-	-	(16)	(5)
July-Sept--	-	-	-	-	-	-	29	8
1983:								
July-Sept--	15	5	-	-	-	-	-	-

1/ Purchasers were requested to provide their delivered purchase price data for a large purchase in each quarter, from January-March 1982 through July-September 1983, for the two specified coiled plate products.

2/ See product list in app. C for specifications.

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

Note.--Average margins of underselling were calculated as the difference between prices of the domestic and imported Brazilian products. Any overselling (price of the imported Brazilian product greater than the price of the domestic product) is shown with parentheses ( ) in the table.

SSC price comparisons were not available in the Atlanta, Chicago, and Detroit areas; responding SSC's in these three areas provided prices of only the domestic products.

Reported prices of the coiled plate products provided by purchasers are shown in appendix tables C-8 through C-11.

Trends in prices of cut-to-length carbon steel plate.--Quarterly net selling prices of the six domestic cut-to-length plate products sold to SSC's and to endusers generally increased during 1981, decreased in 1982, and then decreased still further in 1983 (table 22). From January-March 1981 to July-September 1983, price declines ranged from 12 to 33 percent for the six cut-to-length plate products sold to SSC's, and from 3 to 15 percent for the six cut-to-length plate products sold to endusers.

Quarterly net selling prices of five of the six imported Brazilian cut-to-length plate products (products 2-6) sold to SSC's followed similar price trends as those of U.S. producers, generally increasing during 1981, decreasing in 1982, and then decreasing still further in 1983 (table 22). 1/ From January-March 1981 to July-September 1983, price declines ranged from 37 to 48 percent for these five cut-to-length plate products sold to SSC's. Price trends for imported Brazilian product 1 sold to SSC's could not be adequately established because of insufficient data.

Margins of underselling 2/ for cut-to-length carbon steel plate.--On the basis of delivered purchase prices reported by SSC's and endusers from January-March 1982 to July-September 1983, price comparisons between the domestic and imported Brazilian cut-to-length plate products were possible for SSC's in all but the Atlanta area, and for endusers in the Atlanta, Chicago, Detroit, and Houston/New Orleans areas (tables 24 and 25). 3/ Of the 56 instances where comparisons of SSC's prices were possible, 54 showed underselling, ranging from 3 to 40 percent (table 24). Houston/New Orleans accounted for the greatest number of these comparisons (20), followed by Chicago (14), Los Angeles/San Francisco (9), Portland/Seattle (8), Detroit (4), and Philadelphia/New York (1). Houston/New Orleans also accounted for the single largest margin of underselling reported by SSC's, approximately 40 percent. Of the 23 instances where comparisons of endusers' prices were possible, 20 showed underselling, ranging from 4 to 35 percent (table 25). Atlanta accounted for the greatest number of these latter comparisons (8), followed by Chicage (7), Detroit (5), and Houston/New Orleans (3). Chicago accounted for the single largest margin of underselling reported by endusers, approximately 35 percent.

1/ Price trends for the imported Brazilian cut-to-length plate products sold to endusers could not be adequately established because of incomplete data.

2/ Average margins of underselling were calculated as the difference between prices of the domestic and imported Brazilian products.

3/ There were 42 firms responding to the purchaser questionnaire that provided usable delivered purchase price data for the cut-to-length steel plate products; 31 firms reported prices of the domestic steel products and 27 reported prices of the imported Brazilian steel products. Purchase prices were reported for all six steel plate products produced domestically and imported from Brazil, but not necessarily for each quarter during January 1982-September 1983, each metropolitan area, or each type of customer. In many instances, reported pricing data of the imported Brazilian steel products could not be matched with corresponding data of the domestically produced products, because of differences in periods, metropolitan areas, or types of purchasers.

The 56 possible comparisons between domestic and imported prices reported by SSC's are shown in table 24. In the Chicago area, all 14 comparisons, involving products 2 through 6, showed underselling, ranging from 11 to 28 percent. Products 5 and 6 purchased by SSC's in the Chicago area showed the greatest number of comparisons, but average margins of underselling for these two products fluctuated without any clear trends for the quarters reported. In the Detroit area, three of the four comparisons, involving products 3, 5, and 6, showed underselling, ranging from 4 to 19 percent. No clear trends in underselling were shown in this latter area for the products and quarters reported. In the Houston/New Orleans area, all 20 comparisons, involving products 1 through 6, showed underselling, ranging from 6 to 40 percent. Products 2, 3, and 5 purchased by SSC's in the Houston/New Orleans area showed the greatest number of comparisons, but average margins of underselling in each of these three product categories fluctuated without any clear trends for the quarters reported. Of note, however, are the end-of-period (July-September 1983) average margins of underselling in each of these three product categories, which were at their lowest levels of the period at 11, 12, and 6 percent, respectively, for the quarters reported. In the Los Angeles/San Francisco area, all nine comparisons, involving products 2, 3, 5, and 6, showed underselling, ranging from 3 to 23 percent. Product 5 purchased by SSC's in the Los Angeles/San Francisco area showed the greatest number of quarter-to-quarter comparisons, with average margins of underselling increasing steadily, from 3 percent in January-March 1983 to 12 percent in July-September 1983. In the Philadelphia/New York area, the single comparison, involving only product 5, showed underselling of 30 percent. In the Portland/Seattle area, seven of the eight comparisons, involving products 2 through 6, showed underselling, ranging from 6 to 21 percent. No clear trends in underselling were shown in this latter area for the products and quarters reported.

The 23 possible comparisons between domestic and imported prices reported by endusers are shown in table 25. In the Atlanta area, six of the eight comparisons, involving products 2, 3, 5, and 6, showed underselling, ranging from 13 to 24 percent. In the Chicago area, all seven comparisons, involving products 3, 5, and 6, showed underselling, ranging from 9 to 35 percent. In the Detroit area, all five comparisons, involving products 5 and 6, showed underselling, ranging from 4 to 23 percent. In the Houston/New Orleans area, two of the three comparisons, involving products 2 and 3, showed underselling, ranging from 12 to 16 percent. No clear trends in underselling were shown in any of these four market areas for the products and quarters reported.

Trends in prices for coiled carbon steel plate.--Similar to the trends in prices received by U.S. producers for the cut-to-length plate products, the quarterly net selling prices of the two coiled plate products sold to SSC's and to endusers generally increased during 1981, and then generally decreased in 1982 and 1983 (table 23). From January-March 1981 to July-September 1983, price declines ranged from 8 to 17 percent for the two coiled plate products. The major exception to these trends was in the price of product 8 sold to endusers, which, although following the general price trend, increased 5 percent in July-September 1983 to end the period 2 percent higher than at the beginning of the period.

Because of incomplete data, price trends for the imported Brazilian coiled plate products sold to SSC's or endusers could not be adequately established.

Margins of underselling for coiled carbon steel plate.--On the basis of delivered purchase prices reported by SSC's from January-March 1982 to July-September 1983, price comparisons between the domestic and imported Brazilian coiled plate products were possible in the Houston/New Orleans, Los Angeles/San Francisco, Philadelphia/New York, and Portland/Seattle areas (table 26). 1/2/ Of the 18 instances where comparisons were possible in these four areas, 12 showed underselling, ranging from 1 to 18 percent. Houston/New Orleans accounted for the greatest number of comparisons (8), followed by Portland/Seattle (5), Los Angeles/San Francisco (4), and Philadelphia/New York (1). Philadelphia/New York accounted for the single largest margin of underselling, approximately 18 percent.

The 18 possible comparisons between domestic and imported prices reported by SSC's are shown in table 26. In the Houston/New Orleans area, four of the eight comparisons, involving products 7 and 8, showed underselling, ranging from 2 to 8 percent. Product 7 purchased by SSC's in the Houston/New Orleans area, which accounted for seven of the eight comparisons, showed overselling throughout 1982 that turned to underselling during the first three quarters of 1983, the latter ranging from 2 to 8 percent. In the Los Angeles/San Francisco area, three of the four comparisons, involving only product 7, showed steadily decreasing underselling during the first three quarters of 1983 (from 4 percent in January-March to 1 percent in July-September). In the Philadelphia/New York area, the single comparison, involving product 7, showed underselling of 18 percent. In the Portland/Seattle area, four of the five comparisons, involving products 7 and 8, showed underselling, ranging from 6 to 9 percent. No clear trends in underselling were shown in this latter area for the products and quarters reported.

Appreciation of the U.S. dollar.--Table 27 presents indexes of producer prices in the United States and Brazil and indexes of the nominal and real exchange rates between the U.S. dollar and the Brazilian cruzeiro, by quarters, during January-March 1981 (the base period) through July-September 1983. As shown in the table, the dollar appreciated in nominal terms by approximately 800 percent against the cruzeiro since the base period, but, because of Brazil's rapid inflation during that period (more than 584 percent), the dollar appreciated in real terms by much less, approximately 40 percent.

1/ There were 18 firms responding to the purchaser questionnaire that provided usable delivered purchase price data for the two coiled steel plate products; 14 firms reported prices of the domestic steel products and 15 reported prices of the imported Brazilian steel products. Purchase prices were reported for both coiled plate products produced domestically and imported from Brazil, but not necessarily for each quarter during January 1982-September 1983, each metropolitan area, or each type of customer. In many instances, reported pricing data of the imported Brazilian steel products could not be matched with corresponding data of the domestically produced products, because of differences in periods, metropolitan areas, or types of purchasers.

2/ Endusers in the seven specified areas did not report any usable purchase price data for the two coiled plate products.

Table 27.--Indexes of producer prices in the United States and Brazil and indexes of the nominal and real exchange rates between the U.S. dollar and the Brazilian cruzeiro, by quarters, January 1981-September 1983

(January-March 1981=100)

Period	United States Producer Price Index	Brazilian Producer Price Index	Nominal exchange-rate index 1/	Real exchange-rate index 1/
1981:				
January-March	100.0	100.0	100.0	100.0
April-June	102.4	119.7	118.5	101.4
July-September	103.3	138.2	140.8	105.2
October-December	103.2	160.5	166.8	107.3
1982:				
January-March	104.0	188.4	194.7	107.5
April-June	104.2	227.4	226.2	103.7
July-September	104.8	269.0	267.9	104.4
October-December	104.8	310.8	325.4	109.7
1983:				
January-March	104.9	387.9	461.1	124.7
April-June	105.2	512.8	672.2	137.9
July-September	106.3	2/ 684.9	900.5	139.8

1/ Based on nominal exchange rates expressed in units of cruzeiros per U.S. dollar.

2/ Based on data for July and August.

Source: International Monetary Fund, International Financial Statistics, December 1983.

Lost sales

The Commission asked domestic producers to report specific instances where they had lost sales of their steel plate products to imports from Brazil since January 1, 1981. * * * provided the requested lost sales information for cut-to-length and coiled plate, whereas * * * provided lost sales information for cut-to-length plate only. No other domestic producers provided the requested lost sales information.

Cut-to-length carbon steel plate.--U.S. producers provided the Commission with 47 specific allegations of lost sales of cut-to-length steel plate to imports from Brazil. These alleged lost sales amounted to approximately 30,359 tons. The Commission staff investigated 12 allegations, which amounted to approximately 27,988 tons and involved seven purchasers--six steel service centers and one steel fabricator. All the investigated allegations occurred in 1983. In nine allegations, amounting to 15,488 tons of alleged lost sales, purchasers reported buying approximately 5,566 tons of the imported Brazilian plate. In the latter instances, purchasers reported that the domestic and imported Brazilian steel plate were generally comparable in quality. In another investigated allegation, amounting to *** tons of alleged lost sales,

the purchaser was unable to estimate how much of this tonnage was Brazilian plate and how much was plate from other foreign countries. In two other allegations investigated by the staff, amounting to *** tons of alleged lost sales, the purchasers reported that they did not buy the Brazilian plate.

* * * was cited in two lost sales allegations. In one instance, occurring in * * * and amounting to an alleged *** tons of steel plate of various sizes and grades, * * * reported buying the imported Brazilian plate at a price of *** per ton, or approximately ***-*** per ton less than competing domestic steel. * * * stated that price was the major reason he purchased the imported steel. In the other instance, occurring in * * * and amounting to *** tons of steel plate of various sizes, * * * reported that it purchased this tonnage from a broker who sourced the steel from various foreign countries, including Brazil. Because * * * did not have the mill test certificates, he was unable to estimate the quantity of Brazilian plate in this *** tons. * * * stated, however, that the Brazilian plate was priced at approximately *** per ton, or ***-*** per ton less than competing domestic steel.

* * * was cited in one lost sale allegation, occurring in * * * and amounting to *** tons of steel plate. * * * reported buying *** tons of the Brazilian plate instead of competing domestic steel because the foreign steel was approximately *** per ton cheaper, on a delivered basis, than the lowest competing domestic price.

* * * was cited in one lost sale allegation, occurring in * * * and amounting to *** tons of steel plate. * * * stated that his firm purchased the Brazilian plate at *** per ton, or approximately *** per ton less than competing domestic steel. According to * * *, price was the major reason his firm bought the foreign steel.

* * * was cited in *** lost sale allegations, occurring during * * * and totaling approximately *** tons of steel plate. * * * stated that he purchased approximately *** tons of Brazilian plate, at prices ranging from *** per ton to *** per ton, or approximately ***-*** per ton less than the competing domestic steel. According to * * *, all these purchases were made on a spot basis, with the foreign steel supplier able to deliver in one or two days but the alleging domestic mill only able to deliver in 4 to 6 weeks. * * * stated that he purchased the foreign steel instead of the competing domestic steel because of both price and delivery.

* * * was cited in one lost sale allegation, occurring in the * * * and amounting to *** tons of * * * plate. * * * stated that during * * * his firm bought approximately *** tons of Brazilian plate, at about *** per ton. According to * * *, his firm bought the Brazilian plate on a trial order basis and did not consider domestic firms when making this purchase. He stated, however, that * * * was not satisfied with the quality of the Brazilian steel and is trying to obtain a refund from the supplying Brazilian mill, * * *. * * * also reported that in * * * approximately *** percent of his firm's plate requirements were supplied with domestic steel, whereas in * * * this figure was approximately *** percent. More competitive domestic prices in * * * and frequent small-ton orders by * * * were the major reasons cited by * * * for this sourcing change.

* * * was cited in one lost sale allegation, occurring in * * * and amounting to *** tons of steel plate. * * * stated that * * * did not buy the Brazilian steel because of uncertainties involving the dumping investigations, but purchased European steel instead.

* * * was cited in one lost sale allegation, occurring in * * * and amounting to *** tons of steel plate. * * * stated that * * * did not buy the Brazilian steel but purchased other foreign steel instead.

Coiled carbon steel plate.--* * * provided the Commission with three specific allegations of lost sales of coiled plate to imports from Brazil. These alleged lost sales amounted to approximately *** tons, which * * * reported were purchased in * * *. All three allegations involved a single purchaser, * * *. * * * reported that his firm * * *. * * * noted that currently most domestic producers and importers in the * * * area are quoting prices of about *** per ton for coiled plate, whereas * * * is selling its coiled plate for *** per ton to some of * * *'s rivals.

Lost revenue

The Commission asked domestic producers to report specific sales, since January 1, 1981, where they had to reduce prices of their steel plate products as a result of competition with imports from Brazil. * * * and * * * were the only responding firms that provided the requested information, which was limited to sales of cut-to-length plate. It was not possible to calculate an accurate figure for lost revenue in every instance cited because some of the reported initial price quotes were list prices, which, according to the purchasers, did not reflect market pricing during the alleged periods. No specific instances of lost revenue were reported for sales of the coiled plate products.

Cut-to-length carbon steel plate.--U.S. producers reported seven specific instances where they allegedly reduced their prices on sales of cut-to-length steel plate in competition with imports from Brazil. Of the seven allegations, which amounted to approximately 4,051 tons, the Commission staff investigated five, involving 3,731 alleged tons. The five instances investigated were for sales during the July-December 1983 and involved four purchasers, that reported buying 1,831 of the alleged 3,731 tons.

* * * reported that in * * * it bought approximately *** tons of the alleged domestic steel plate, at *** per ton, from * * *, which reduced its initial price quote. * * * stated that he could not recall * * *'s initial price quote, 1/ but the accepted price of *** per ton was similar to other price quotes that his firm received for this order from suppliers of imported steel from several countries, including Brazil.

1/ * * * stated that the U.S. producer's reported initial price quote of *** per ton, reported in the questionnaire, would be unrealistically high for the * * * market area during * * *.

* * * reported that in * * * it bought approximately *** tons of the alleged domestic steel plate, at *** per ton. * * * stated that the domestic producer reduced its initial price quote of *** per ton as a result of competition from suppliers of Brazilian plate, that quoted prices of *** per ton for this order. In this instance, lost revenue amounted to ***.

* * * reported that in * * * it bought approximately *** tons of the alleged domestic steel plate, at *** per ton. * * * stated that the domestic producer reduced its initial price quote of *** per ton as a result of competition from * * * and * * *, which quoted prices of *** per ton and *** per ton, respectively. According to * * *, Brazilian steel was not being quoted in his market area during this period.

* * * reported buying *** orders of the alleged domestic steel plate from * * *. * * * bought *** tons at *** per ton in * * * and *** tons at *** per ton in * * *. * * * stated that he bought both orders from a U.S. mill because his customer requested domestic steel; suppliers of the Brazilian steel did not quote prices to his firm for these orders. * * * stated that he could not recall * * *'s initial price quotes, 1/ but the accepted price quotes were closer to market prices, which, according to * * *, have been driven down by low Brazilian prices. As an example of low Brazilian prices, * * * reported that during * * * he bought Brazilian plate at *** per ton.

Coiled carbon steel plate.--U.S. producers did not report any specific examples where they reduced their prices on sales of coiled steel plate as a result of competition with imports from Brazil.

1/ * * * stated that * * *'s reported initial price quotes of *** per ton would be unrealistically high for the * * * market area during * * *.

APPENDIX A

NOTICES OF THE COMMISSION AND LIST OF WITNESSES APPEARING AT THE HEARING HELD IN CONNECTION WITH THE INVESTIGATION

[Investigation No. 731-TA-123 (Final)]

Antidumping; Certain Flat-Rolled Carbon Steel Products From Brazil; Institution of Final Investigation

AGENCY: International Trade Commission.

ACTION: Institution of a final antidumping investigation.

EFFECTIVE DATE: September 7, 1983.

SUMMARY: As a result of an affirmative preliminary determination by the U.S. Department of Commerce that there is a reasonable basis to believe or suspect that certain flat-rolled carbon steel products, provided for in items 607.6615, 607.9400, 608.0710, and 608.1100 of the Tariff Schedules of the United States Annotated, imported from Brazil are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673), the United States International Trade Commission hereby gives notice of the institution of investigation No. 731-TA-123 (Final) under section 735(b) of the act (19 U.S.C. 1673d(b)) 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 FURTHER INFORMATION CONTACT: Judith Zeck (202-523-0339), Office of Investigations, U.S. International Trade Commission, Washington, D.C. 20436.

SUPPLEMENTARY INFORMATION:

Background

On March 8, 1983, the Commission determined, on the basis of the information developed during the course of its preliminary investigation, that there was a reasonable indication that an industry in the United States was materially injured by reason of allegedly LTFV imports of certain flat-rolled carbon steel products from Brazil. The preliminary investigation was instituted in response to a petition filed on January 31, 1983, by counsel on behalf of Bethlehem Steel Corp.

Participation in the Investigation

Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than 21 days after the publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation, pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)). Each document filed by a party to this investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service (19 CFR 201.16(c), as amended by 47 FR 33682, Aug. 4, 1982).

Hearing

The date of the Commission's hearing to be held in connection with this investigation will be announced later.

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 Part 207, as amended by 47 FR 33682, Aug. 4, 1982), and Part 201, Subparts A through

E (19 CFR Part 201, as amended by 47 FR 33682, Aug. 4, 1982).

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

By order of the Commission.

Issued: September 23, 1983.

Kenneth R. Mason,

Secretary.

[FR Doc. 83-25447 Filed 9-27-83; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-123 (Final)]

Certain Flat-Rolled Carbon Steel Products From Brazil

AGENCY: United States International Trade Commission.

ACTION: Revised notice of institution of final antidumping investigation and scheduling of a hearing to be held in connection with the investigation.

EFFECTIVE DATE: October 12, 1983.

SUMMARY: The definition of the products included within the scope of this investigation is hereby expanded to include those flat-rolled carbon steel products provided for in item 607.6610 of the Tariff Schedules of the United States Annotated (TSUSA). The Commission will hold a public hearing in connection with this investigation on January 31, 1984.

FOR FURTHER INFORMATION CONTACT: Judith Zeck (202-523-0339), Office of Investigations, U.S. International Trade Commission, Washington, D.C. 20436.

SUPPLEMENTARY INFORMATION:

Products Covered by the Investigation

On September 28, 1983, the United States International Trade Commission published in the **Federal Register** (48 FR 44279) notice of the institution of its final antidumping investigation No. 731-TA-123 (Final) relating to certain flat-rolled carbon steel products from Brazil. The original notice stated that the products included within the term certain flat-rolled carbon steel products were provided for in TSUSA items 607.6615, 607.9400, 608.0710, and 608.1100. This notice hereby expands the scope of this investigation to include those flat-rolled carbon steel products provided for in TSUSA item 607.6610; this item number was inadvertently omitted from the Commission's original notice.

Hearing

The original notice of institution of the investigation stated that the date of the Commission's hearing to be held in connection with the investigation would be announced later. On September 23, 1983, the Department of Commerce postponed the scheduled date for making its final determination in its investigation of less-than-fair value sales from Brazil from November 14, 1983, to January 20, 1984 (48 FR 43365). Accordingly, the Commission's public hearing is hereby scheduled to begin at 10 a.m. on January 31, 1984, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Requests 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 January 26, 1984. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10 a.m. on January 23, 1984, in room 117 of the U.S. International Trade Commission Building.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23, as amended by 47 FR 33682, Aug. 4, 1982). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22, as amended by 47 FR 33682, Aug. 4, 1982). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on February 7, 1984.

Staff Report

A public version of the prehearing staff report containing preliminary findings of fact in this investigation will be placed on the public record on January 16, 1984, pursuant to § 207.21 of the Commission's Rules (19 CFR 207.21).

Written Submissions

As mentioned, parties to this investigation may file prehearing and posthearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigations on or before February 7, 1984. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

By order of the Commission.

Issued: October 13, 1983.

Kenneth R. Mason,

Secretary.

[FR Doc. 83-28486 Filed 10-18-83; 8:45 am]

BILLING CODE 7020-02-M

CALENDAR OF PUBLIC HEARING

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

Subject : Certain Flat-Rolled Carbon Steel Products from Brazil

Inv. No. : 731-TA-123 (Final)

Date and time: January 31, 1984 - 10:00 a.m.

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.

In support of the imposition of antidumping duties:

Stewart and Stewart--Counsel
Washington, D.C.
on behalf of

Bethlehem Steel Corporation

Laird D. Patterson, General Attorney

Richard Bollinger, General Manager, Sales and Marketing

Eugene L. Stewart--OF COUNSEL

United States Steel Corporation,
Pittsburgh, Pennsylvania

Paul Fidel, Manager, International Trade and Litigation Services

Timothy J. Moran, General Manager - Heavy Products

Leslie Ranney, Attorney, International Trade

Heller, Ehrman, White & McAuliffe--Counsel
San Francisco, California
on behalf of

Gilmore Steel Corporation and its Oregon Steel Mills Division

Thomas B. Boklund, President

John H. Cutler--OF COUNSEL

APPENDIX B

NOTICES OF THE DEPARTMENT OF COMMERCE

[A-351-012, A-351-014]

Final Determinations of Sales at Less Than Fair Value: Hot-rolled Carbon Steel Plate and Hot-Rolled Carbon Steel Sheet From Brazil

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: We have determined that hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil are being sold in the United States at less than fair value. The United States International Trade Commission (ITC) will determine within 45 days of the publication of this notice whether these imports are materially injuring, or are threatening to materially injure, a United States industry.

EFFECTIVE DATE: February 23, 1984.

FOR FURTHER INFORMATION CONTACT: Kenneth K. Haldenstein, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202 377-4130.

SUPPLEMENTARY INFORMATION:

Final Determinations

We have determined that hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil are being sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (19 U.S.C. 1673d) (the Act).

We found that the foreign market value of hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil exceeded the United States price on approximately 95% of all sales of these products. The margins ranged from 30.95 percent to 225.53 percent for hot-rolled carbon steel plate and 33.47 percent to 178.73 percent for hot-rolled carbon steel sheet. The overall weighted-average margin on all sales compared is 86.81 percent for hot-rolled carbon steel plate and 57.42 percent for hot-rolled carbon steel sheet.

Case History

On January 31, 1983, we received a petition from counsel for Bethlehem Steel Corporation on behalf of the domestic hot-rolled carbon steel plate and hot-rolled carbon steel sheet industry. In accordance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act and that these imports are materially injuring, or threatening to materially injure, a United States industry.

After reviewing the petition, we determined that it contained sufficient grounds to initiate antidumping duty investigations. We notified the ITC of our action and initiated the investigations on February 28, 1983 (48 FR 8320-21). On March 17, 1983, we were informed by the ITC that there is a reasonable indication that imports of hot-rolled carbon steel plate and hot-rolled carbon steel sheet are materially injuring a United States industry.

Questionnaires were presented to Companhia Siderurgica Paulista (COSIPA), Companhia Siderurgica Nacional (CSN), and Usinas Siderurgicas de Minas Gerais S/A. (USIMINAS) on March 21, 1983. The responses were received on May 24, 1983. On July 5, 1983, we received an allegation that sales of these products in Brazil were at prices which were below the cost of production and requested responses to cost questionnaires. The cost responses were received on August 8, 1983. Supplemental responses were received on October 25, 1983.

The preliminary determinations in these investigations were originally due by July 11, 1983. We subsequently determined that these investigations were "extraordinarily complicated" as defined in section 733(c)(1)(B) of the Act, and we extended the deadline for making our preliminary determinations to August 29, 1983 (48 FR 28680).

On August 29, 1983, we made preliminary determinations that hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil were being sold, or were likely to be sold, in the United States at less than fair value (48 FR 40419).

On September 6, 1983, the petition was amended to include an allegation that "critical circumstances" exist with respect to imports of hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil. We preliminarily determined that critical circumstances exist within the meaning of section 703(e) of the Act (19 U.S.C. 1671(b)) (48 FR 46829).

From September 12 through 29, 1983, we verified the responses of COSIPA, USIMINAS and CSN. On September 13, 1983, we received a letter from counsel for the Brazilian exporters of carbon steel plate and sheet requesting that the final determinations be extended until January 20, 1984. We extended our final determinations until this date (48 FR 43365). We held a hearing on December 8, 1983, to allow the parties an opportunity to address the issues. We also provided for the submission of written views.

Scope of Investigations

The products covered by these investigations are hot-rolled carbon steel plate and hot-rolled carbon steel sheet.

The term "hot-rolled carbon steel plate" covers hot-rolled carbon steel products, whether or not corrugated or crimped; not pickled; not cold-rolled; not in coils; not cut, not pressed, and not stamped to non-rectangular shape; 0.1875 inch or more in thickness and

over 8 inches in width; as currently provided for in items 607.6615 and 607.9400 of the *Tariff Schedules of the United States Annotated* (TSUSA); and hot-rolled carbon steel plate which has been coated or plated with metal including any material which has been painted or otherwise covered after having been coated or plated with metal, as currently provided for in items 608.0710 and 608.1100 of the TSUSA. Semifinished products of solid rectangular cross section with width at least four times the thickness in cast condition or processed only through primary mill hot rolling are not included.

Hot-rolled carbon steel plate is used in the construction of bridges, mining equipment, pressure vessels, railroad freight and passenger cars, ships, line pipe, industrial machinery, machine parts, and a large variety of other products.

The term "hot-rolled carbon steel sheet" covers hot-rolled carbon steel products, whether or not corrugated or crimped and not pickled; not cold-rolled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; over 8 inches in width and over 0.1875 inch in thickness and in coils, as currently provided for in item 607.6610 of the TSUSA.

Hot-rolled carbon steel sheet is used in the construction of automobiles, industrial machinery and products, pipe, and a large variety of other products.

The hot-rolled carbon steel sheet covered by these investigations is a different product from that covered by the recently initiated investigations on "Certain Steel Products from Brazil." The sheet in these investigation is the product described as "plate in coil" in Appendix A to the notice of "Certain Steel Products from Mexico; initiation of Countervailing Duty Investigations" (48 FR 55013).

These investigations cover the period from August 1, 1982 to January 31, 1983. COSIPA, CSN, and USIMINAS are the only known Brazilian producers who export the subject merchandise to the United States. COSIPA and USIMINAS export hot-rolled carbon steel plate and COSIPA, CSN and USIMINAS export hot-rolled carbon steel sheet to the United States. We examined virtually all United States sales made during the period of investigation.

Fair Value Comparisons

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value.

United States Price

As provided in section 772(b) of the Act, we used the purchase price of the subject merchandise to represent the United States price because the merchandise was sold to unrelated purchasers prior to its importation into the United States. We calculated the purchase price based on the F.O.B. price to United States purchasers. We deducted brokerage charges, inland freight, handling charges, inland insurance and other expenses incurred in delivering the products to the port of exportation, where appropriate. When comparing to home market prices, we accounted for taxes imposed in Brazil but rebated or not collected by reason of the exportation of the merchandise to the United States.

Foreign Market Value

In accordance with section 773(a)(1) of the Act, we used home market prices where there were sufficient home market sales at or above cost of production to determine foreign market value. Where there were no or insufficient sales in the home market at prices at or above cost, we used constructed value. The petitioner alleged that sales in the home market were at prices below the cost of producing hot-rolled carbon steel plate and hot-rolled carbon steel sheet. We examined production costs, including materials, labor and general expenses. In calculating foreign market value, we made currency conversions from Brazilian cruzeiros to United States dollars in accordance with § 353.56(a)(1) of the Commerce Regulations using the certified daily exchange rates.

We found sales of certain subgroups of hot-rolled carbon steel plate and hot-rolled carbon steel sheet were made at less than cost over an extended period of time in substantial quantities and at prices not permitting the recovery of all costs within a reasonable period of time in the normal course of trade. Consequently, we could not use sales in the home market to determine the foreign market value of the products under investigation in these subgroups. Therefore, we used constructed value. Sufficient sales of other subgroups of the products under investigation were made in the home market at or above cost. Therefore, we used home market prices to determine the foreign market value for these subgroups.

The home market prices were based on ex-factory or delivered prices to unrelated home market purchasers. From these prices, we deducted, where appropriate, regional discounts. We made an adjustment for differences in circumstances of sale for post-shipment credit in accordance with 19 CFR 353.15. An adjustment was also made, where appropriate, for the differences between commissions on sales to the United States and indirect selling expenses in the home market used as an offset to U.S. commissions in accordance with 19 CFR 353.15(c). We made adjustments for differences in physical characteristics, where appropriate, in accordance with 19 CFR 353.16. Packing was not included in the price to either market.

The respondents claimed an additional adjustment for differences in pre-shipment credit costs. We determined that these costs were not directly related to the sales under consideration for reasons discussed in the "Respondents' Comments" section of this notice.

In accordance with section 773 of the Act, we calculated constructed value, where appropriate, by adding the cost of materials and of fabrication, general expenses, and profit. For materials and fabrication, we used the appropriate producers' actual cost figures.

We used the actual general expenses incurred on sales since they exceeded the statutory minimum of 10 percent of the sum of material and fabrication costs. Profit was calculated using the statutory minimum of 8 percent of the sum of the general expenses and cost since the actual profit was less than the statutory minimum. We did not add packing costs since the merchandise sold to the United States was unpacked.

Petitioner's and Other U.S. Industry Representative's Comments

Comment 1. Petitioner argues that since CSN and USIMINAS can produce slabs either by continuous casting or ingot casting, the ITA should calculate slab cost on the basis of USIMINAS' actual casting mix for all rolled products.

DOC Response: We verified actual production costs by product for both products under investigation. Because these figures more accurately reflect CSN's and USIMINAS' costs for producing the subject merchandise, we have used them in our calculations. Any changes in costs resulting from variations in the continuous/ingot casting ratios will be taken into account in subsequent annual reviews.

Comment 2. Petitioner argues that SIDERBRAS or the government has assumed some of the respondents' cost of transporting raw materials which should be included in their costs of production.

DOC Response: Petitioner did not provide credible evidence that the

government has assumed respondents' transportation costs. Therefore, we did not pursue petitioner's allegation.

Comment 3. Petitioner argues that the labor costs reported by the respondents are suspiciously low in comparison to its own experience and should be increased to reflect a commercially realistic ratio of man-hours per ton of steel produced.

DOC Response: All of the labor costs, including fringe benefits, were reconciled with company "cost by cost-center" records and with the cost of goods sold figures in the applicable audited financial statements in the course of the verification. Therefore, we consider them to be the correct costs for purposes of our calculations.

Comment 4. Petitioner argues that the financial expenses reported by the respondents unlawfully excluded the costs of inflation.

DOC Response: Since the audited financial statements of the respondents are indexed to inflation and the financial expenses reported were reconciled with these statements at verification the reported expenses properly account for the costs of inflation.

Comment 5. Petitioner argues that the respondents have understated their actual financial expenses to the extent interest expenses and costs of equity financing were incurred on their behalf by SIDERBRAS in 1982.

DOC Response: We reconciled all the financial expenses attributable to the respondent companies with the audited financial statements of each company. Based upon the verification of deferred interests costs allocable to expansion projects, it appears that the equity and debt financing provided by SIDERBRAS was used for expansion and does not affect current production costs.

Comment 6. Another U.S. industry representative argues that no deferral of pre-operating interest expense should be permitted unless and until the ITA investigates and verifies that pre-operating expenses associated with facilities placed in service during the last 15 years were similarly deferred and are included in the cost of producing the products covered in this proceeding.

DOC Response: We relied on the respondents' audited financial statements, which indicate that amortization of costs, including interest expenses, begins when assets become operational.

Comment 7. Another U.S. industry representative argues that if the ITA decides to consider cost data other than that based upon respondents' audited financial records, it should require submission of the cost and loss information filed by the Brazilian companies with the *Interministerial Council of Prices.*

DOC Response: This issue is rendered moot by our decision to use the interest expense allocation of the firm's audited financial statements.

Comment 8. Petitioner and another U.S. industry representative argue that the circumstances of sale adjustments claimed by differences in credit costs is impermissible as a matter of law because the differences in cost have no effect on the value of the shipments. They further argue that on USIMINAS' export sales to the U.S., the periods for payments are well in excess of the about 60-day terms allegedly provided on home market sales, and the Department should adjust the foreign market value upward (or United States price downward) to account for the difference between home market and U.S. credit costs.

DOC Response: We accepted respondents' claim concerning post-shipment credit because the credit terms for the companies differ between the U.S. and home market both in duration of financing and in the applicable interest rates. We verified that credit terms on both sides were generally longer than 60 days and were varied in duration. The home market terms were generally at much higher rates of interest than for U.S. sales. This adjustment was based on the cost to the seller in accordance with CFR 353.15(d). The fact that terms of sale in the price list include a discount for payment within 10 days demonstrates the effect of credit terms on prices. For a discussion of the treatment of pre-shipment credit claims, see the response to respondents' Comment 7.

Comment 9. Petitioner argues that credit costs on respondents' U.S. sales are greater than on home market sales due to exchange losses incurred with respect to financing extended through ACC loans, and that this actual loss must be included as a cost of extending credit to purchases for export to the United States.

DOC Response: The claim for adjustment for preshipment financing based on ACC loans was disallowed as not being directly related to the sales in question, as explained in our response to respondents' Comment 7.

Comment 10. Petitioner argues that export taxes are directly related to particular sales for export to the United States, and therefore should not be included in the home market indirect selling expenses used to calculate the offset for commissions in the U.S. market.

DOC Response: We agree. These export taxes were specifically excluded from the reported indirect selling expenses in the home market.

Comment 11. Petitioner argues that the Department should disregard the U.S. transaction data submitted by the COSIPA and USIMINAS because of errors in the questionnaire response and instead should rely upon the best information otherwise available in reaching a final determination.

DOC Response: We rejected this argument because there were no significant errors in the U.S. sales data submitted by these companies. The errors found at verification were of a very small magnitude and have been corrected. We have conducted additional verification of these and other sales and found no other errors.

Comment 12. Petitioner argues that SIDERBRAS should be treated as a single commercial entity of purposes of these investigations because it sets prices, coordinates marketing, obtains financing on behalf of, and is the principal shareholder of CSN, COSIPA, and USIMINAS.

DOC Response: We disagree. The home market prices of these companies were not set by SIDERBRAS, but rather by the *Interministerial Council on Prices.* Each company maintains separate manufacturing facilities and sales operations. United States sales prices are negotiated by each company with its individual customers. For these reasons, we consider it appropriate to treat these companies as separate commercial entities.

Comment 13. Petitioner argues that the ITA should increase the constructed value of carbon steel plate to the extent of the 12.16 percent export tax impose to offset subsidies after October 1981.

DOC Response: Section 772(d)(2)(B) requires the deduction of export taxes from the United States price except in instances where the export tax was imposed to offset subsidies. The Act neutralizes the effect of all export taxes except those which offset subsidies. The addition of the export taxes to the constructed value would have the effect of neutralizing the export taxes. Since the intent of Congress as reflected in section 772(d)(2)(B) of the Act is not to neutralize the effect of this tax, we did not add the tax to the constructed value.

Comment 14. Petitioner and another U.S. industry representative argue that the ITA should calculate production costs and constructed value on the basis of the best information available, such as the "top-down" approach outlined by United States Steel Corporation.

A-66

DOC Response: We verified the costs provided in the responses for these investigations. Since we found no major cost discrepancies at verification, we used the information in the responses, adjusted for our methodology, in the final determinations.

Respondents' Issues

Comment 1. A respondent, COSIPA, argues that the Department should allocate its monthly fixed costs over the monthly average production figures based on a three-year business cycle.

DOC Response: In determining cost of production, the ITA requires that calculations of costs be in accordance with the home country's generally accepted accounting principles, and that they do not significantly distort the firm's financial position or actual costs. The respondent did not demonstate that its proposal to allocate its fixed costs over a three year business cycle is in accordance with Brazilian generally accepted accounting principles. The other two companies under investigation allocated their fixed costs over one year.

We have therefore allocated COSIPA's fixed costs incurred during the review period over the production for the review period.

Comment 2. Respondents argue that the financial expenses reported in the cost of production responses submitted by COSIPA, USIMINAS and CSN should be used by the Department of Commerce to calculate cost of production. They state that the capitalization and deferral of interest costs on assets under construction is consistent with U.S. and Brazilian generally accepted accounting principles and is permissible under the antidumping law, and that the method used by the companies to quantify the deferred interest charges on expansion assets was reasonable.

DOC Response: We disagree. In calculating cost of production, our policy is to use a firm's expenses as recorded in its financial statements as long as those statements are prepared in accordance with the home country's generally accepted accounting principles and do not significantly distort the firm's financial position or actual costs. Respondents' financial statements have been certified by independent auditors and their opinion indicates that such statements are in accordance with the generally accepted accounting practices of Brazil. In addition, respondents have not shown that the method used in the financial statements to calculate interest expenses significantly distorted their financial positions or actual costs.

Comment 3. Respondents argue that the costs of ingot casting and continuous casting of slabs should be allocated according to the proportionate tonnage of specific grades of the products under investigation which were produced during the applicable period.

DOC Response: This comment is discussed in our response to petitioner's Comment 1.

Comment 4. Respondents argue that the companies' cost of production should be reduced by the amount of the capital grants determined by the Department to exist on the subject merchandise.

DOC Response: The grants received by the respondents were IPI rebates which were used for capital investment in expansion projects, and thus do not benefit current production and do not affect current costs. Therefore, we did not deduct amounts equal to these grants in our calculations.

Comment 5. Respondents argue that where there were no sales of a particular grade or dimension of the subject merchandise in the home market, or the only sales were made below cost because of regional discounts, the Department should use offers for sale or sales of "similar" merchandise, rather than constructed value, as the basis for foreign market value.

DOC Response: Where there were no sales of a particular grade or dimension, we compared the U.S. item to the most similar home market item. We did not use offers based on price lists because they do not allow us to determine regional variations in price due to regional discounts, and thus are not precise enough to be considered firm offers by the Department.

Comment 6. Respondents argue that the Department should compare sales prices on identical merchandise, rather than using the subgroups used for the cost comparison, in making its price comparisons.

DOC Response: Merchandise sold in the U.S. and merchandise sold in the home market were not identical due to measurement differences. The cost subgroups were considered representative of similar merchandise.

Comment 7. Counsel for the respondents claims that an adjustment should be made for differences in circumstances of sale with respect to pre-shipment credit. The claim is based on the fact that financing is available for anticipated export sales denominated in U.S. dollars and that pre-shipment financing of home market sales would be at substantially higher interest rates.

DOC Response: We disallowed this claim because we do not consider the pre-shipment credit to be directly related to the sales under consideration, or to affect the prices set by the respondents. In making these decisions, we considered evidence relating to pre-shipment financing in both the export and domestic markets.

The pre-shipment financing on export sales is available under exchange contracts. These contracts enable the seller to borrow funds in cruzeiros up to the amount of anticipated export sales payable in U.S. dollars. The exchange contracts are for extended periods of time, often 180 days, and specify the applicable interest rate. Either the lending bank receives the payment from the foreign purchaser in U.S. dollars at the time of shipment or the exchange contract provides for postshipment credit (usually 60 to 90 days) and the bank receives the U.S. dollar payment at the end of the period. If the level of anticipated sales is not met, the exchange contract period can be extended in some instances.

Specific export sales are not tied to specific exchange contracts until the issuance of the export license at the time of exportation. In most instances checked at verification, the export sale was made several months after the exchange contract was issued. Until that time, the exporter has the choice of assigning payment for the export sale to a specific exchange contract or receiving the U.S. dollar payment directly.

Exporting companies often have several outstanding exchange contracts at any given time. Based on the fact that the exporter can choose which contract, if any, is to be assigned the U.S. dollar payment at the time of exportation, we do not consider the pre-shipment credit to be directly related to the sale under consideration. Further, we have no evidence that the pre-shipment credit affects the prices negotiated for export sales, and conclude that it does not since the prices are determined prior to the assignment of the dollar payment.

Pre-shipment financing is not available for anticipated home market sales. Therefore, the claimed costs for pre-shipment credit in the home market are hypothetical and cannot be considered directly related to the sales under consideration. The claimed costs also could not affect the home market prices set by the companies.

Comment 8. Respondents argue that critical circumstances do not exist in these investigations because there has not been a massive surge in imports during the period between the filing of the petition and the preliminary determinations. A-67

DOC Response: The level of imports of hot-rolled carbon steel plate from Brazil during each of the two months immediately preceding our preliminary determinations was higher than during

any previous month since October, 1981. The average level for the 2 months was much higher than for any two-month or longer period since at least 1977. Further, the average level of import penetration of hot-rolled carbon steel plate from Brazil in the U.S. market for the period between the initiation of these cases and the preliminary determinations was much higher than for any other period since at least 1977.

The level of imports of hot-rolled carbon steel sheet from Brazil between the initiation and the preliminary determinations was nigher then during the previous seven months and all previous years since at least 1979. Further, the level of imports during each of the two months immediately preceding our preliminary determinations was higher than any prior month except one since at least 1979.

Based upon these facts, we found there to be a massive surge in imports of the subject merchandise over a relatively short period of time.

Verification

In accordance with section 776(a) of the Act, we verified data used in making these determinations by using verification procedures which included on-site inspection of manufacturers's facilities and examination of company records and selected original source documentation containing relevant information.

Final Affirmative Determinations of Critical Circumstances

Counsel for petitioner alleged that imports of hot-rolled carbon steel sheet and hot-rolled carbon steel plate from Brazil present "critical circumstances." Under section 735(a)(3) of the Act, critical circumstances exist when the Department finds that: (1) There have been massive imports of the merchandise under investigation over a relatively short period; and (2)(a) there is a history of dumping in the United States or elsewhere of the merchandise under investigation, or (b) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise under investigation at less than its fair value.

In determining whether there have been massive imports over a relatively short periodd, we considered the following factors: Recent import penetration levels; changes in import penetration since the date of the ITC's preliminary affirmative determination of injury; whether imports have surged recently; whether recent imports are significantly above the average calculated over several years (1980–1982); and whether the patterns of imports over that three-year period may be explained by seasonal swings. Based upon our analysis of the information, we determine that imports of the products covered by these investigations do appear massive over a relatively short period.

We therefore proceeded to consider whether there is a history of dumping of hot-rolled carbon steel sheet and hot-rolled carbon steel plate from Brazil in the United States or elsewhere. We reviewed past antidumping findings of the Department of the Treasury as well as past Department of Commerce antidumping orders, and found no past U.S. antidumping determinations on hot-rolled carbon steel sheet or hot-rolled carbon steel plate from Brazil. We also reviewed the antidumping actions of other countries made available to us through the Antidumping Code Committee established by the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade. On May 18, 1983, in Commission Recommendation No. 1230/83 ECSC, the Commission of the European Communities imposed antidumping duties on imports of sheets and plates, of iron and steel, not further worked than hot-rolled of a thickness of 3 mm or more, originating in Brazil. This recommendation included merchandise both within and outside the scope of our investigations.

We also considered whether the person by whom, or for whose account, these products were imported knew or should have known that the exporters were selling these products at less than fair value. We believe that the importer knew or should have known that a product was being sold at less than its fair value where margins calculated on the basis of responses to the Department's questionnaire are sufficiently large that the importer knew or should have known that prices for sales to the United States (as adjusted according to the antidumping law) were sufficiently below home market sales prices. In these cases, the margins calculated in these final determinations on the basis of responses to the Department's questionnaire are sufficiently large, even though there is no corporate relationship between the exporters and importers, that the importers knew or should have known that the merchandies was being sold in the United States at less than fair value.

For the reasons described above, we determine that "critical circumstances" do exist with respect to hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil.

Suspension of Liquidation

In accordance with section 733(d) of the Act, on September 8, 1983, we instructed the U.S. Customs Service to suspend liquidation of all entries of hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil. As of the date of publication of this notice in the Federal Register, the liquidation for consumption of all entries or withdrawals from warehouse for consumption of this merchandise will continue to be suspended. The Customs Service shall require a cash deposit or the posting of a bond equal to the estimated weighted-average margin amount by which the foreign market value of the merchandise subject to these investigations exceeds the United States price. The suspension of liquidation will remain in effect until further notice. The weighted-average margins are as follows:

Manufacturers/producers/exporters	Weighted-average margin (percent)
Hot-rolled carbon steel plate:	
COSIPA	100.04
USIMINAS	65.58
All other manufacturers/producers/exporters	86.81
Hot-rolled carbon steel sheet:	
COSIPA	89.46
CSN	52.57
USIMINAS	50.55
All other manufacturers/producers/exporters	57.42

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our determinations. In addition, we are making available to the ITC all non-privileged and non-confidential information relating to these investigations. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC confirms that it will not disclose such information either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

The ITC will make its determinations of whether these imports are materially injuring, or threatening to materially injure, a U.S. industry within 45 days of the publication of this notice.

If the ITC determines that material injury or the threat of material injury does not exist, these proceedings will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. If, however, the ITC determines that such injury does exist, we will issue antidumping orders, directing Customs

officers to assess antidumping duties on hot-rolled carbon steel plate and hot-rolled carbon steel sheet from Brazil, as appropriate, entered, or withdrawn from warehouse, for consumption after the suspension of liquidation, equal to the amount by which the foreign market value of the merchandise exceeds the U.S. prices.

William T. Archey,

Acting Assistant Secretary for Trade Administration.

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APPENDIX C

DESCRIPTIONS OF PRODUCTS COVERED IN THE PRICE SECTION AND THE NET DELIVERED PRICES REPORTED BY PURCHASERS

The products identified below are those used by the Commission to collect pricing information in its producer, importer, and purchaser questionnaires:

Cut-to-length Carbon Steel Plate

Product 1: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 3/16 inch to under 1/4 inch in thickness, over 90 inches through 100 inches in width.

Product 2: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 1/4 inch to under 5/16 inch in thickness, over 90 inches through 100 inches in width.

Product 3: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 3/8 inch to under 1/2 inch in thickness, over 90 inches through 100 inches in width.

Product 4: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 1 inch through 1-3/16 inches in thickness, over 36 inches through 48 inches in width.

Product 5: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge, not heat treated, not cleaned or oiled, 1 inch through 1-3/16 inches in thickness, over 90 inches through 100 inches in width.

Product 6: Hot-rolled carbon steel plate, in cut lengths, A-36 or equivalent, sheared edge or gas cut, not heat treated, not cleaned or oiled, over 1-1/2 inches through 3 inches in thickness, over 90 inches through 100 inches in width.

Coiled Carbon Steel Plate

Product 7: Hot-rolled carbon steel bands, in coils, structural quality, mill edge, 0.20 percent carbon maximum, 58,000 pounds tensile strength minimum, 36,000 pounds yield strength minimum, not pickled, non-killed, 3/16 inch through 1/4 inch in thickness, over 36 inches through 72 inches in width.

Product 8: Hot-rolled carbon steel bands, in coils, structural quality, mill edge, 0.20 percent carbon maximum, 58,000 pounds tensile strength minimum, 36,000 pounds yield strength minimum, not pickled, non-killed, over 1/4 inch through 1/2 inch in thickness, over 36 inches through 72 inches in width.

Table C-1.--Cut-to-length carbon steel plate purchased by endusers in the Atlanta area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of products, and by quarters, January 1982-September 1983

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Table C-2.--Cut-to-length carbon steel plate purchased in the Chicago area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, and by quarters, January 1982-September 1983

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Table C-3.--Cut-to-length carbon steel plate purchased in the Detroit area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, and by quarters, January 1982-September 1983

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Table C-4.--Cut-to-length carbon steel plate purchased in the Houston/New Orleans area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of customers, by types of products, and by quarters, January 1982-September 1983

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Table C-5.--Cut-to-length carbon steel plate purchased by SSC's in the Los Angeles/SanFrancisco area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of products, and by quarters, January 1982-September 1983

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Table C-6.--Cut-to-length carbon steel plate purchased by SSC's in the Philadelphia/New York area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of products, and by quarters, January 1982-September 1983

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Table C-7.--Cut-to-length carbon steel plate purchased by SSC's in the Portland/Seattle area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of products, and by quarters, January 1982-September 1983

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Table C-8.--Coiled carbon steel plate purchased by SSC's in the Houston/New Orleans area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of products, and by quarters, January 1982- September 1983

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Table C-9.--Coiled carbon steel plate purchased by SSC's in the Los Angeles/San Francisco area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of products, and by quarters, January 1982-September 1983

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Table C-10.--Coiled carbon steel plate purchased by SSC's in the Philadelphia/New York area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of products, and by quarters, January 1982-September 1983

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Table C-11.--Coiled carbon steel plate purchased by SSC's in the Portland/ Seattle area: Ranges and weighted-average net delivered purchase prices for the largest purchases of domestic products and imports from Brazil and the average margins by which imports from Brazil undersold domestic products, by types of products, and by quarters, January 1982- September 1983

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