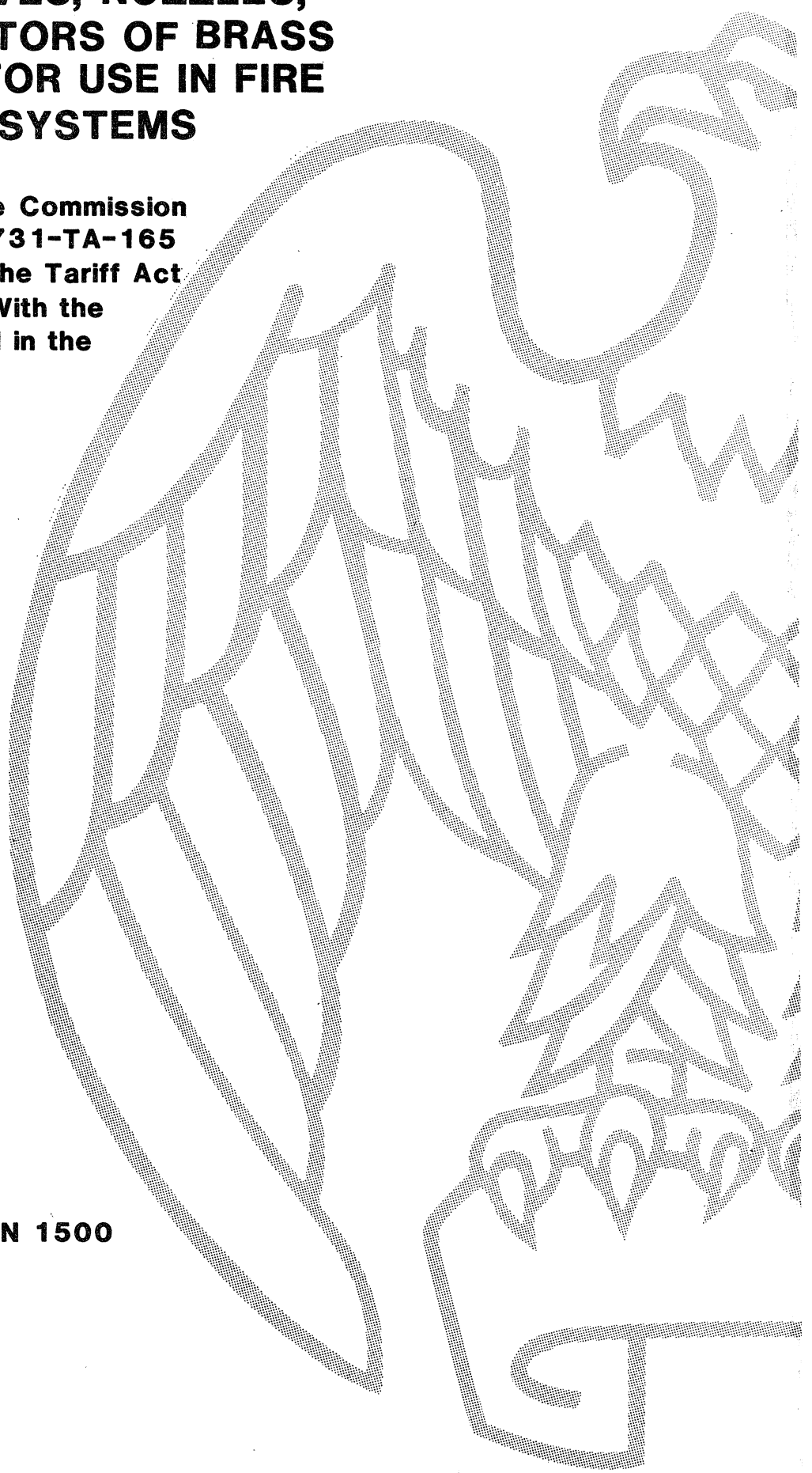
CERTAIN VALVES, NOZZLES, AND CONNECTORS OF BRASS FROM ITALY FOR USE IN FIRE PROTECTION SYSTEMS

Determination of the Commission in Investigation No. 731-TA-165 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-165 (Preliminary), Certain Valves, Nozzles, and Connectors of Brass from Italy for Use in Fire Protection Systems

Determination

On the basis of the record 1/ developed in investigation No. 731-TA-165 (Preliminary), the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that industries in the United States are being materially injured by reason of imports from Italy of fire hose couplings, fog/straight stream nozzles, angle-type hose valves, wedge disc hose gate valves, single and double clapper siamese fire department connections, and pressure restricting valves, all of the foregoing of brass and for use in fire protection systems, provided for in items 657.35, 680.14, or 680.27 of the Tariff Schedules of the United States (TSUS), which are allegedly being sold in the United States at less than fair value (LTFV). The Commission further determines that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from Italy of pressure regulating valves of brass, provided for in item 680.27 of the TSUS, which are alleged to be sold in the United States at LTFV. 2/

Background

On January 23, 1984, a petition was filed with the United States International Trade Commission and the U.S. Department of Commerce by counsel on behalf of Badger-Powhatan, a division of Figgie International, Inc.,

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1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (47 F.R. 6190, Feb. 10, 1982)

2/ Commissioner Stern finds no reasonable indication of material injury or threat thereof by reason of LTFV imports of pressure regulating valves from Italy.

Charlottesville, Va., alleging that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from Italy of brass interior fire protection products, which are allegedly being sold at LTFV prices. Accordingly, the Commission instituted a preliminary investigation under section 733(a) of the Tariff Act of 1930, to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the importation of certain valves, nozzles, and connectors of brass from Italy for use in fire protection systems, provided for in items 657.35, 680.14, or 680.27 of the TSUS.

Notice of the institution of the Commission investigation and the conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on February 1, 1984 (49 F.R. 4046). The conference was held in Washington, D.C. on February 14, 1984, and all persons who requested the opportunity were permitted to appear in person or by counsel. The Commission voted on these cases in public session on March 1, 1984.

VIEWS OF THE COMMISSION

In this preliminary investigation, we determine that there is a reasonable indication that industries in the United States are materially injured by reason of imports from Italy of brass fire hose couplings, fog/straight stream nozzles, angle-type hose gate valves, wedge disc hose gate valves, siamese fire department connections, and pressure-restricting valves, allegedly being sold at less than fair value (LTFV).

We also determine 1/ that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from Italy of brass pressure-regulating valves.

In making these preliminary determinations, we have analyzed the characteristics and uses of the various brass articles that are the subject of this investigation and found that there are seven like products, and therefore, for the purposes of this investigation, seven industries. In determining whether there is a reasonable indication of material injury or threat thereof, we have analyzed both the individual and aggregrate data for all seven products which are the subject of this investigation. In light of the producers' inability to allocate data concerning profit and loss by products, we have applied section 771(4)(D) of the Tariff Act of 1930 in making these preliminary determinations.

Domestic industries

The statutory framework under which the Commission conducts antidumping investigations requires it first to determine the domestic industry or industries against which to assess the impact of imports. Under section

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1/ Commissioner Stern dissenting. See her Separate Views which follow.

771(4)(A) of the Tariff Act of 1930, the term "industry" is defined as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 2/ "Like product" is, in turn, defined as a product which is "like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation. . . ." 3/

The articles that are the subject of this preliminary investigation are all made of brass. 4/ They consist of 1-1/2- and 2-1/2-inch fire hose couplings, 1-1/2- and 2-1/2-inch fog/straight stream nozzles, 1-1/2- and 2-1/2-inch angle-type hose gate valves, 2-1/2-inch wedge disc hose gate valves, siamese fire department connections, pressure-restricting valves, and pressure-regulating valves. 5/ In terms of types and configurations, there are domestically produced brass valves, nozzles, couplings, and connections that correspond to the articles that are the subject of this investigation.

On the basis of the best information available in this preliminary investigation, we find that there are seven separate like products, as follows: brass fire hose couplings (1-1/2- and 2-1/2-inch); brass fog/straight stream nozzles (1-1/2- and 2-1/2-inch); brass angle-type hose gate valves (1-1/2- and

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2/ 19 U.S.C. § 1677(4)(A).

3/ 19 U.S.C. § 1677(10).

4/ Report at A-2. Respondent argued that the domestically produced items are made of bronze, a more costly raw material. Transcript at 71. Brass is an alloy of copper and zinc, possibly in combination with other metals. Bronze is an alloy of copper and tin, possibly in combination with other metals. Petitioner's products are made from an alloy of copper, tin, and zinc. Thus, they satisfy the definition of both brass and bronze. Therefore, in this preliminary investigation, there is no basis for a distinction between products made from these two alloys.

5/ There is also an entire range of "other" brass components for interior fire protection systems which are not within the scope of the investigation notice issued by the Department of Commerce. Report at A-2, A-4.

2-1/2-inch); brass wedge disc hose gate valves; brass siamese fire department connections; brass pressure-restricting valves; and brass pressure-regulating valves. 6/ This conclusion is based on the fact that although all of these items are components of interior fire protection systems, 7/ each has distinct characteristics and uses.

Valves of the various types control the flow of water through the piping of the interior fire protection system. 8/ Wedge disc hose gate valves are used in "dry" standpipe systems, 9/ and angle-type hose gate valves are used in both standpipe and sprinkler systems. 10/ The essential difference between them is that the valve seats of the angle-type valves are flat rather than wedge shaped. 11/ Pressure-restricting valves restrict the pressure level in the piping, so that the outflow can be managed by people untrained in handling heavy streams of water, but can be manually adjusted to increase the outflow pressure for use by fire department personnel. 12/ Pressure-regulating valves automatically reduce the pressure level in the piping to a predetermined outlet working pressure level. 13/ These valves are used predominantly in sprinkler systems. 14/

6/ For the purposes of this preliminary investigation, we have treated 1-1/2- and 2-1/2-inch sizes of an article as one like product.

7/ Report at A-2. Interior fire protection systems are of two basic types: standpipe systems and sprinkler systems. The two can exist separately or in conjunction with one another. These systems enable water to be delivered to various points outside and inside a building for fire supression. It appears that all the products subject to this investigation may be utilized in one or both types of system, depending on the product. Id.

8/ Report at A-2.

9/ Report at A-3. Dry standpipe systems do not have water in them until it is necessary to suppress a fire. Report at A-2.

10/ 1-1/2-inch angle-type hose gate valves are used only in standpipe systems. Report at A-3.

11/ Id.

12/ Id.

13/ Id.

14/ Id.

Siamese fire department connections are inlet devices located on the exterior of buildings through which fire department personnel can introduce water into the building's interior fire protection system. 15/ These connections are used in both standpipe and sprinkler systems. 16/ The fog/straight stream nozzles direct the flow of water into open space. They can be adjusted to emit a steady stream of water, a water fog, or to shut off the flow of water completely. 17/ Finally, the couplings in this investigation are used to connect two segments of fire hoses, which are used only in standpipe systems. 18/

Although every interior fire protection system will contain most of these items in varying quantities, not all of these items are used in both standpipe and sprinkler systems. Moreover, the different articles are not interchangeable within the system. 19/ The available information indicates that the various components are not sold by the producers as a set or as an assembled system; rather, they are sold individually out of inventory to distributors, which in turn sell out of inventory to end users or other distributors. 20/

The "like product" issue in this investigation is complicated by the fact that the articles under investigation may be produced in materials other than

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15/ Id.
16/ Id.
17/ Id.
18/ Id.
19/ Petitioner acknowledged that the various types of valves cannot be used interchangeably. Transcript at 62.
20/ Report at A-11. It should be noted, however, that the components are purchased by end users as a system; that is, an end user will purchase all of the components necessary for the installation of an interior fire protection system. The end user, however, may purchase a mixture of components, including both domestic and imported components, from the distributor.

brass for use in interior fire protection systems. It appears that nozzles and couplings may be produced in plastic and/or aluminum, 21/ and there may be some production of iron couplings and connections. 22/ The data collected to date indicate that such items may be substitutable for brass products of the same configuration. 23/ On the basis of the above, we do not preclude the possiblility of redefining the like products in any final investigation.

As indicated previously, there is domestic production of each of the seven articles that are subject to the investigation. Thus, we find seven like products and seven domestic industries. Although we have information on domestic production, shipments, capacity, imports, and prices for each product, producers accounting for a substantial share of domestic shipments of these seven products have represented to the Commission that separate data regarding profit and loss and employment for these products cannot be provided. 24/ For the purposes of this preliminary investigation, we find that the profit-and-loss data are essential to enable an industry by industry

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21/ Report at A-3, A-8, n. 1.

22/ Report at A-8, n. 1.

23/ All these products, except for fire hose couplings, must meet certain test standards, such as those of Underwriters' Laboratories, in order to be used in interior fire protection systems. Report at A-4. Thus, to the extent that articles of another material meet those standards, and are certified to do so, they would apparently be substitutable for the brass items of the same configuration. In any final investigation, the significance of these nonbrass articles will be further explored.

24/ Report at A-23, n. 1. We note that data were not collected from producers of sprinkler systems that may also produce certain of the articles which are the subjects of this investigation. In any final investigation, the Commission will attempt to collect data from these producers.

analysis. 25/ Pursuant to section 771(4)(D) of the Tariff Act of 1930, we have examined the effect of the allegedly dumped imports upon "the narrowest group or range of products, which includes a like product, for which the necessary information can be provided." 26/ The narrowest range of products for which the necessary information on profitability is available is all brass components for interior fire protection systems.

Condition of the domestic industries

Overall, for the seven products under investigation, domestic production increased slightly from 1981 to 1982, and then declined sharply from 1982 to 1983 to well below 1981 levels. 27/ Domestic shipments, capacity utilization, sales, and employment all declined from 1981 to 1982 and declined further in 1983. 28/ Operating income plunged from 1981 to 1983. 29/ Domestic consumption declined slightly in 1982 and somewhat more sharply in

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25/ The Commission questionnaire requested profit-and-loss data on an aggregate basis based on the representation of certain domestic producers that product-by-product allocations could not be made. Report at A-23, n. 1. Petitioner did provide profit-and-loss data for each product in the petition, but gave no indication as to the basis on which the allocations were made. Additionally, for several products, the petitioner's share of the market was not large enough to render it representative of that particular industry. Therefore, we have opted not to rely on the profit-and-loss data in the petition.

26/ 19 U.S.C. § 1677(4)(D).

27/ Report at A-14. To the extent information is available on a product-by-product basis, there are some variations in this trend. For example, production of fire hose couplings and siamese fire department connections declined in 1982, and then increased slightly in 1983. Production of fog/straight stream nozzles and pressure-restricting valves declined throughout the period under review. In any final investigation, we will explore more fully the reasons why indicators for certain products behaved differently from those of the aggregate.

28/ Report at A-9, A-16, A-23, A-21. There are some variations in these trends. For example, shipments of angle-type hose gate valves and wedge disc hose gate valves increased slightly in 1982, and then decreased in 1983, but shipments of fire hose couplings increased slightly in 1983.

29/ Report at A-23.

1983, 30/ although to a significantly lesser degree than did sales, shipments, and operating income.

The effect of these declines on the profitability of the industry has been substantial. The ratio of operating income to net sales declined precipitously during the period under investigation. 31/

Reasonable indication of material injury by reason of alleged LTFV imports

The Tariff Act of 1930 directs the Commission to make a determination on the basis of the best information available to it at the time of the determination 32/ as to whether there is a reasonable indication of material injury by considering, among other factors, (1) the volume of imports of the merchandise which is the subject of the investigation, (2) the effect of the imports of such products on prices in the United States for like products, and (3) the impact of imports of such merchandise on domestic producers of like products. 33/

The volume of Italian imports of the seven products under investigation declined steadily throughout the period under investigation. 34/ However, the

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30/ Report at A-9. Again, there are some variations on a product-by-product basis. Consumption of fog/straight stream nozzles declined in 1982, and then increased in 1983. Consumption of siamese fire department connections declined slightly in 1982, and then increased sharply in 1983, to above 1981 levels. Consumption of pressure-restricting valves increased in 1982 and then fell back to almost the 1981 levels in 1983. Meanwhile, there was a steady increase in overall domestic capacity during this period. Report at A-16. Respondent has argued that consumption of many of the articles subject to this investigation has been affected by a shift from the use of standpipe systems to sprinkler systems. Transcript at 69-70. In any final investigation, we will examine more fully the impact of this alleged shift.

31/ Report at A-23. See note 25, supra.

32/ Sec. 733(a); 19 U.S.C. § 1673(a).

33/ Sec. 771(7)(A), (B), and (C); 19 U.S.C. § 1677(7)(A), (B), and (C).

34/ Report at A-9. There were some variations in this trend for individual products. Imports of fog/straight stream nozzles declined sharply in 1982 and then recouped in 1983 to a level below the 1981 level. Imports of siamese fire department connections increased dramatically in 1983 to over twice the 1982 level. Imports of pressure-restricting valves increased sharply throughout the period under investigation. Report at A-7.

ratio of imports to apparent U.S. consumption increased in 1983 to above the 1981 and 1982 levels. These imports from Italy accounted for a substantial share of apparent U.S. consumption. 35/

The pricing information regarding imports from Italy indicates substantial margins of underselling during January 1982-December 1983. 36/ The prices of both the imports and the domestic products remained fairly steady during this entire period, although the prices paid by one distributor on all products except siamese fire department connections and pressure-restricting valves declined significantly in October-December 1983. 37/ Because of the relative stability of both domestic and import prices, the margins of underselling on all products remained fairly stable during the entire period.

The data collected in connection with investigation of lost sales allegations indicate that at least one distributor has shifted purchases from domestic producers to the Italian producer during the past 2 years because of the lower prices of the Italian products. 38/ Furthermore, the petitioner alleged that it was forced to make substantial price cuts on all products in

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35/ Report at A-9. In any final investigation, we will pursue explanations for certain product-by-product variations from the aggregate, e.g., why there has been a substantial decrease in the import share of the U.S. market for wedge disc hose gate valves at the same time that there was a substantial increase in the import share of the market for siamese fire department connections and pressure-restricting valves.

36/ Report at A-34. Respondent argued that it could sell for less because it utilizes a less costly production process, forging, versus the domestic production process of sand casting. Transcript at 70-71. In any final investigation, we will explore more fully the extent to which the Italian producer is more cost efficient than domestic producers.

37/ Report at A-39 - A-40. The only changes in import prices were an increase to one distributor for siamese fire department connections in January-March 1983, followed by a decrease in July-September 1983. Report at A-34.

38/ Report at A-42.

response to competition from low-priced Italian imports. 39/ One major distributor confirmed that the petitioner reduced its prices on all products in December 1983 in order to meet the competition from Italian imports. 40/

On the basis of the foregoing analysis, we determine that there is a reasonable indication of material injury by reason of imports from Italy which are allegedly being sold at LTFV. 41/

Reasonable indication of threat of material injury

The "threat of material injury" standard "is intended to permit import relief under the countervailing and antidumping laws before actual injury occurs." 42/ In making its determination of threat of material injury, the Commission is required to consider "any economic factor it considers relevant" 43/ in assessing the conditions of a particular industry. Findings of a reasonable indication of threat of material injury must be based on a showing that the likelihood of harm is real and imminent, and not based on mere supposition, speculation, or conjecture. 44/ The Commission considers,

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39/ Transcript at 27-29.

40/ Report at A-42.

41/ Commissioner Stern notes that the alleged LTFV margins estimated by the petitioner (see Report at A-6) are, at the highest end of the ranges shown, in every case significantly below the margins of underselling (see Report at A-34.) found by the Commission in its sampling of prices. This creates a substantial question as to whether LTFV sales are an important factor in the success the Italian imports have had in capturing shares of the U.S. market. In any final investigation, she will carefully examine this issue based on the final LTFV margins found by the Department of Commerce and any additional information obtained as to underselling by the subject imports. Furthermore, in any final investigation, the following two areas will be examined more fully: (1) the extent to which exchange-rate advantages have made it possible for the Italian imports to undersell the U.S. products without any reliance on LTFV sales; and (2) the factors underlying diverging trends in prices for certain products.

42/ S. Rep. No. 249, 96th Cong. 1st Sess. 89 (1979); H. Rep. No. 317, 96th Cong. 1st Sess. 47 (1979).

43/ S. Rep. No. 249, supra note 42, at 88.

44/ Id. at 88-89; S. Rep. No. 1298, 93d Cong. 2d Sess. 180 (1974); Alberta Gas Chemicals, Inc. v. U.S., 515 F.Supp. 780, 790 (C.I.T. 1981).

among other factors, the rate of increase of allegedly LTFV sales to the U.S. market, the capacity of the foreign producers to generate exports, and the availability of other export markets. 45/

In this investigation, there is no evidence of any sales of brass pressure-regulating valves in commercial quantities in the U.S. market. However, brass pressure-regulating valves are one item in a product line which consists of brass components for interior fire protection systems. Most, if not all, of the Italian producer's exports of the other products in this line are to the United States. 46/ There is an existing market and distribution channel for these valves in the United States among distributors that purchase the other products. The record indicates that the Italian producer has applied for and obtained Underwriters' Laboratories certification for a brass pressure-regulating valve. 47/ Such certification is generally necessary only for sales to the U.S. market. 48/ Moreover, the Italian producer has indicated that it intends to export brass pressure-regulating valves to the United States. 49/ In view of the large market share which the Italian producer has gained with the other products in this line, and the large margins of underselling on those products, we find that there is a reasonable indication of a threat of material injury to the United States industry producing brass pressure-regulating valves.

45/ 19 C.F.R. § 207.26 (1983); H. Rep. No. 317, supra note 42, at 46.
46/ Report at A-12 - A-13; Transcript at 106.
47/ Report at A-25.
48/ Report at A-12. Fire protection codes in some other countries also apparently require Underwriters' Laboratories certification, but the U.S. market is the largest and most important for these products. See id.; Transcript at 106.
49/ Transcript at 79.

SEPARATE VIEWS OF COMMISSIONER STERN ON BRASS PRESSURE-REGULATING VALVES

In this preliminary investigation, I determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports from Italy of brass pressure-regulating valves.

Findings of a reasonable indication of threat of material injury must be based on a showing that the likelihood of harm is real and imminent, and not on mere supposition, speculation, or conjecture. 1/ As a rule, the Commission considers, among other factors, the rate of increase of allegedly less-than-fair-value (LTFV) sales to the U.S. market, the capacity of the foreign producers to generate exports, and the availability of other export markets. 2/

The information gathered during this investigation relevant to threat of material injury consists of the Italian producer's receipt of Underwriters' Laboratories approval for a pressure-regulating valve, 3/ its intent to export, 4/ and data regarding imports and market penetration levels pertaining to other products. In my opinion, these factors simply indicate that the Italian producer has access to the U.S. market. This is not sufficient to demonstrate a real and imminent likelihood of harm to U.S. producers. 5/

An intent to export and access to the United States market merely indicate that sales of brass pressure-regulating valves are likely to occur.

1/ S. Rep. No. 249, 96th Cong. 1st Sess. 88-89 (1979); S.Rep. No. 1298, 93d Cong. 2d Sess. 180 (1974); Alberta Gas Chemicals, Inc. v. U.S., 515 F.Supp. 780, 790 (C.I.T. 1981).
2/ 19 C.F.R. §207.26 (1983); H.Rep. No. 317, 96th Cong. 1st Sess. 46.
3/ Report at A-25.
4/ Transcript at 79.
5/ Alberta Gas Chemicals, Inc. v. U.S., supra note 1.

These factors are not a reasonable indication that any such sales threaten to cause material injury to the domestic industry. To date, there have been no exports from Italy of brass pressure-regulating valves in commercial quantities. There is no indication that any imports are on the way, or even under contract. Furthermore, there is no evidence that the valves have even been produced by the Italian producer in commercial quantities. Thus, there are not even rudimentary volume projections as to the possible level of exports. In so far as the other product markets involved in this investigation have experienced significant levels of market penetration by imports, these are only tangentially related, and the penetration occurred over a 3-year period, far longer than that contemplated by the court in Alberta Gas Chemicals as supporting a conclusion of real and imminent likelihood of harm. 6/

In such a situation, any expectation of material injury is purely speculative in nature and not a sound basis for an affirmative finding. I know of no previous instances in which this Commission has found threat in a preliminary investigation with an import level of zero, absent concrete knowledge of significant bids and contracts for the purchase of imports of the product in question.

Therefore, I conclude that there is no reasonable indication that an industry in the United States is threatened with material injury by reason of LTFV imports of brass pressure-regulating valves from Italy.

6/ In Alberta Gas Chemicals, the Commission (Commissioners Alberger and Stern dissenting) had based its determination of likelihood of injury in part on the foreign producer's expansion plans. The court noted that the impact of any increased capacity and production resulting from these plans would not be felt in the U.S. market until, at the earliest, 3 years from the time of the Commission's determination. The court concluded that the record before the Commission demonstrated "simply a mere possibility that injury might occur at some remote future time." 515 F.Supp. at 791 (emphasis in original).

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On January 23, 1984, a petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of Badger-Powhatan, a division of Figgie International, Inc., Charlottesville, Va. The petition alleges that imports of brass interior fire protection products from Italy are being, or are likely to be, sold in the United States at less than fair value (LTFV), and that by reason of such sales an industry in the United States producing the subject products is being materially injured, or is threatened with material injury. Accordingly, effective January 23, 1984, the Commission instituted investigation No. 731-TA-165 (Preliminary) under section 733(a) of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the importation of certain valves, nozzles, and connectors of brass from Italy for use in fire protection systems, provided for in items 657.35, 680.14, and 680.27 of the Tariff Schedules of the United States (TSUS). The statute directs that the Commission make its determination within 45 days after its receipt of a petition, or in this case, by March 8, 1984.

Notice of the institution of the Commission's investigation and of the public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on February 1, 1984 (49 F.R. 4046). 1/ The Commerce Department instituted its investigation of the alleged LTFV sales of the subject merchandise on February 13, 1984, notice of which was published in the Federal Register of February 21, 1984 (49 F.R. 6396). 2/ The Commission's public conference was held in Washington, D.C., on February 14, 1984, at which time all interested parties were afforded the opportunity to present information for consideration by the Commission. 3/ The Commission voted on the investigation on March 1, 1984. The brass valves, nozzles, connectors, and other components in this investigation have not been subject to previous investigations by the Commission.

The Products

Description and uses

There are four principal types of articles--valves, nozzles, couplings, and fire department inlet connections--subject to this investigation. Two types of articles--couplings and certain valves--are each offered in two sizes

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

2/ A copy of the Commerce Department's notice of investigation is presented in app. B.

3/ A list of witnesses appearing at the conference is presented in app. C.

(1-1/2 or 2-1/2 inches) depending upon the "class" of use. 1/ In addition, miscellaneous articles used in fire protection systems, such as caps or plugs used to protect inlets or outlets from corrosion, and clappers, snoots, and other articles of brass for use in fire protection systems, may be included in the scope of this industry, although not specifically named in the complaint, in the Commission's notice, or in the scope of Commerce's investigation. 2/ The volume of trade in these articles is significantly higher than originally estimated by the petitioner or by importers, however.

The products subject to this investigation are components for so-called interior fire protection systems, i.e., standpipe systems and/or sprinkler systems. These systems enable water to be delivered to various points outside and inside a building for fire suppression. Existing standpipe systems tend to be "dry" systems (i.e., systems which do not have water in them until it is necessary to introduce the water to suppress a fire) composed of "siamese" fire department connections on the outside of a building and a series of pipes leading to valves located in stairwells or valves located in hose boxes in the corridors, but most recently installed standpipe systems are "wet." Sprinkler systems utilize many of the same basic components utilized in standpipe systems; they include overhead sprinklers through which water is automatically sprayed in rooms in order to douse small fires. According to information submitted at the public conference, the products subject to this investigation may be utilized in one or both types of systems, depending on the product. The brass products may be used in other than interior fire protection systems, but in practice are used only in such systems.

Valves.--A valve is a flow-control device used to regulate the flow of fluid in piping systems (or machinery). Valves may have various structural features (resulting, e.g., in angled as opposed to straight flows) and are made from an assortment of materials, but valves for fire protection systems are most often made of brass or bronze.

There are four distinct valve types subject to this investigation: wedge disc hose gate valves, angle-type hose gate valves, pressure-restricting valves, and pressure-regulating valves; all are made of brass and used in fire protection systems. Wedge disc hose gate valves are 2-1/2 inches in diameter.

1/ There are three classes of equipment used in fire protection systems. Class I is equipment with 2-1/2-inch threading, used by fire department personnel. The standard size of threading enables the firemen to connect their municipal equipment (equipment brought to the fire by fire department vehicles) to various inlets or outlets inside or outside a building. Class II is equipment with 2-1/2-inch threading that is coupled with a 1-1/2-inch adaptor used by either fire department personnel (in which case they remove the 1-1/2-inch adaptor and connect to the 2-1/2-inch threaded equipment) or by nonprofessionals who require the more managable 1-1/2-inch equipment (hose and nozzle). Finally, class III is equipment with 1-1/2-inch threading used solely by nonprofessionals in interior standpipe systems.

2/ In a Jan. 30, 1984, meeting with members of the Commission staff, representatives of the petitioner said that * * *.

These valves are used in dry standpipe systems. Each valve's casing contains a wedge-shaped disc which can be lowered onto a seat to seal off the flow or raised into an external recess to open the flow. Angle-type hose gate valves are either 1-1/2 or 2-1/2 inches in diameter and function in a manner similar to the wedge disc hose gate valve described above; these valves can be used in either standpipe or sprinkler systems (1-1/2-inch valves are not used in sprinkler systems, however). The essential difference between angle-type hose gate valves and the wedge disc hose gate valves is that the valve seats of the angle-type valves are flat rather than wedge-shaped. Pressure-restricting valves are either 1-1/2 or 2-1/2 inches in diameter and are installed at the interior hose outlets of a standpipe system. These valves are used to restrict the pressure level in the piping system so that the nozzle can be managed by people untrained in the handling of heavy streams of water. Lastly, pressure-regulating valves are either 1-1/2 or 2-1/2 inches in diameter and are used to reduce automatically an inlet pressure of up to 300 pounds per square inch (psi) to a predetermined outlet working pressure of 20 psi or more. These valves are used predominantly in sprinkler systems.

Nozzles.--A nozzle is a projecting opening that directs the flow of fluid into an open space. The fog/straight stream nozzle is adjustable, enabling it to emit a fog spray or a straight stream of water or to shut off the flow completely. This type of nozzle is used in standpipe systems. With the introduction of the fog/straight stream nozzle, there has been a tendency to use smaller hose lines, principally the 1-1/2-inch line. The water fog spray absorbs toxic gases of a fire and helps to clear away smoke; thus, the use of this type of nozzle is widespread in fighting smoky interior fires. Sometimes aluminum nozzles can be used instead of brass nozzles. Moreover, an importer/distributor has stated that plastic nozzles produced in Canada * * *. 1/

Couplings.--Couplings are metal components used to connect two segments together. In this investigation, the couplings are used to connect fire hoses and may be either of the male or female type. They are used in standpipe systems. The couplings' sizes correspond to the diameter of the hose segments and are either 1-1/2 or 2-1/2 inches in diameter. Aluminum couplings also exist and can be used in fire protection systems.

Fire department inlet connections (siamese).--These connections are inlet valves, located on the exterior of buildings, to which fire department personnel connect their hose or hoses in order to boost the water pressure into the building's standpipe and/or sprinkler system by way of pumps on the fire trucks. The additional water is pumped into the buildings' systems through two (thus the name siamese) 2-1/2-inch hose connection inlets. Each connection houses one or two check valves, or "clappers," which permit the flow of water in one direction. A double clapper connection, which contains one clapper for each of the two inlets, permits one-hose operation. The clapper of the unused inlet remains closed and prevents the water from escaping.

1/ From the response to the Commission questionnaire by * * *.

Other components for fire protection systems.--The "other" components include caps and plugs for the subject valves, and products such as hose reducers, hose adaptors, rack nipples, clappers, and spray check snoots (articles with a function similar to clappers in siamese inlet connections).

Domestic and imported products.--The domestically produced subject products and those imported from Italy are often interchangeable. Most, if not all, such brass products are roughly equal in quality and are approved for use in fire protection systems by Underwriters Laboratory (UL) and/or by Factory Mutual Research (FM), which are nonprofit industry testing and research organizations. 1/ The Italian products tend to be concentrated in the standard product lines. The products, especially valves, entering from Italy tend to be forged rather than sand-cast like the domestic products. Forging reportedly makes the product stronger and enables the product to be manufactured using less material and, thus, to weigh less than a similar sand-cast product. For this reason, the Italian forged products weigh less than their domestically-produced counterparts. 2/ The Italian brass products have a lower proportion of copper and a higher proportion of zinc than most, if not all, of the domestic products, which enables purchasers to easily identify the imported product.

The products subject to this investigation can be (and are) all produced in one given plant, using one set of equipment, and one group of employees; however, different molds and dies may be used, depending on the product.

U.S. tariff treatment

The various products covered in this investigation--fire hose couplings, fog/straight stream nozzles, wedge-disc hose gate valves, angle-type hose gate valves, siamese fire department connections, pressure-restricting valves, and pressure-regulating valves, all made of brass--are classified under items 657.35, 680.14, and 680.27 of the Tariff Schedules of the United States (TSUS). The following tabulation shows the current rates of duty which apply to imports of these articles from those countries receiving most-favored-nation (MFN) treatment (col. 1) (in percent ad valorem):

1/ All these products, except hose couplings, require a UL listing in order to be used in fire protection systems.

2/ In 1983, at least 18 percent (and generally nearly 30 percent) less for all products except angle-type valves, which weighed 4 percent less.

TSUS item no. 1/	Description	Present rate of duty 1/
657.35	Couplings	6.0%
680.14	Fog/straight stream nozzles, wedge disc hose gate valves, angle-type hose valves, and siamese connections.	7.0%
680.27	Pressure-restricting valves, and pressure-regulating valves.	4.2%

1/ Effective Jan. 1, 1984.

Virtually all U.S. imports of articles covered by this investigation are from Italy and are dutiable at the column 1 rates of duty.

Nature and Extent of Alleged Sales at LTFV

According to the petition, imports of brass fire protection products from Italy are being, or are likely to be, sold in the United States at LTFV. In order to calculate the dumping margins, the petitioner made comparisons for January-1982-September 1983 between third-country prices (f.o.b. Italy) and the U.S. prices (f.o.b. Italy) for each of 10 specific products produced by Rubinetterie A. Giacomini, S.p.A., (Giacomini), believed to be the sole Italian exporter of these products to the United States; the 10 specific products are not sold in the Italian market. For one additional product (1-1/2-inch fog/straight stream nozzles), the petitioner made a comparison between Giacomini's home-market price and its U.S. price (f.o.b. Italy). The resulting ranges of dumping margins, as alleged by the petitioner, are presented for each product in table 1.

The Domestic Market

Apparent U.S. consumption

Data on the apparent U.S. consumption of individual brass components for interior fire protection systems covered by this investigation during 1981-83 are shown in table 2.

Table 1.--Brass components for fire protection systems: Alleged LTFV margins estimated by the petitioner, 1982 and 1983

Product	1982	1983 1/
1-1/2-inch hose coupling, #A70/E	0% - 2.9%	5.3% - 11.1%
2-1/2-inch hose coupling, #A70/1A	0% - 4%	1.3% - 25.8%
1-1/2-inch fog straight stream nozzle, #A7/1	10% - 28.9%	2% - 8.3%
1-1/2-inch angle hose gate valve, #A55/56	0% - 17.0%	2.9% - 7.1%
2-1/2-inch angle hose gate valve, #A55/56	0% - 5.8%	0% - 26.2%
2-1/2-inch wedge disc hose gate valve, #A53	0% - 13.4%	0% - 11.8%
Siamese single clapper 90°, #A96	2/	0% - 0.7%
Siamese double clapper straight, #A106	0% - 14.3%	0% - 5.3%
Siamese double clapper 90°, #A106	0% - 4.9%	0% - 2.4%
1-1/2-inch pressure-restricting valve, #A155/156	0% - 33.6%	29.5% - 32.3%
2-1/2-inch pressure-restricting valve, #A155/156	0% - 29.7%	16.7% - 29.3%

1/ 9 months.
2/ Not available.

Note.--No alleged margins were provided in the complaint on pressure regulating valves. In addition, there is no evidence of imports from Italy of pressure-regulating valves in commercial quantities.

Table 2.--Brass components for use in fire protection systems: U.S. producers' domestic shipments, imports, and apparent consumption, 1981-83

Item and year	U.S. producers' domestic shipments	U.S imports			Apparent consumption 1/	Ratio of imports from Italy to--	
		From Italy	From all other countries	Total		Domestic shipments	Apparent consumption
	1,000 units					Percent	
Brass fire hose couplings:							
1981	***	***	***	***	***	65.7	39.7
1982	***	***	***	***	***	82.8	45.3
1983	***	***	***	***	***	63.9	39.0
Brass fog/straight stream nozzles:							
1981	***	***	***	***	***	126.2	55.8
1982	***	***	***	***	***	111.9	52.8
1983	***	***	***	***	***	123.0	55.0
Brass angle-type hose valves:							
1981	***	***	***	***	***	134.4	57.3
1982	***	***	***	***	***	121.4	54.8
1983	***	***	***	***	***	156.8	61.1
Brass wedge disc hose gate valves:							
1981	***	***	***	***	***	200.0	66.7
1982	***	***	***	***	***	120.4	54.6
1983	***	***	***	***	***	76.5	43.3
Brass siamese fire department connections:							
1981	***	***	***	***	***	40.0	28.6
1982	***	***	***	***	***	112.5	52.9
1983	***	***	***	***	***	261.4	72.3
Brass pressure-restricting valves:							
1981	***	***	***	***	***	15.2	13.2
1982	***	***	***	***	***	55.3	35.6
1983	***	***	***	***	***	163.6	62.1
Brass pressure-regulating valves:							
1981	***	***	***	***	***	0	0
1982	***	***	***	***	***	0	0
1983	***	***	***	***	***	0	0

1/ Consists of U.S. producers' domestic shipments plus U.S. imports. U.S. importers' shipments were not used in determining apparent consumption because only two of the four importer/distributors provided their shipment data in response to Commission questionnaires.

* * *.

* * *.

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

Note.--For all other brass components for fire protection systems, the ratios of imports from Italy to domestic shipments were 15.1 percent in 1981, 50.5 percent in 1982, and 44.1 percent in 1983.

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Apparent consumption of brass fire hose couplings, brass angle-type hose gate valves, and brass wedge disc hose gate valves decreased in both 1982 and 1983; apparent consumption of brass siamese fire department connections and brass fog/straight stream nozzles decreased in 1982 and increased in 1983; and apparent consumption of brass pressure-restricting valves and brass pressure-regulating valves increased in 1982 and decreased in 1983.

Overall, as shown in table 3, U.S. consumption of the seven enumerated articles fell from an estimated * * * pounds in 1981 to * * * pounds in 1983, or by * * * percent. Consumption of other brass articles for fire protection systems fell from * * * pounds in 1981 to * * * pounds in 1983, or by * * * percent. Total apparent U.S. consumption fell from an estimated * * * pounds in 1981 to * * * pounds in 1983, or by * * * percent.

U.S. producers

The following six firms are known to produce one or more of the subject products of brass 1/ in the United States at this time:

Akron Brass Co. (Wooster, Ohio);
Badger-Powhatan, a division of Figgie International, Inc. (Charlottesville, Va.);
De Sanno Foundry & Machine Co. (Oakland, Calif.);
Elkhart Brass Manufacturing Co. (Elkhart, Ind.);
John W. Moon, Inc. (Philadelphia, Pa.); and
South Park Corp. (St. Paul, Minn.).

In addition to the producers listed, two U.S. producers have ceased operations during the past several years: (1) Seco Manufacturing Co. (Wauseon, Ohio), which ceased production and went out of business (in part because of alleged competition from Italian valves) 2/ on August 31, 1983, and (2) the W. D. Allen Co., which was purchased by John W. Moon, Inc., in 1981. 3/

The largest current producers of the subject products are the petitioner, Badger-Powhatan, a division of Figgie International, Inc. (Badger-Powhatan), Elkhart Brass Manufacturing Co. (Elkhart), and John W. Moon, Inc. (Moon). Each of these companies produces a full line or nearly a full line of brass components for interior fire protection systems and is considered by those in the trade to be an important factor in the market. The other three known current producers tend to produce only specific products on a relatively small scale.

1/ There are apparently some producers of aluminum couplings and nozzles, cast iron values, and ductile iron connectors; some of these products may compete with the subject brass products. However, no data have been collected on couplings, nozzles, and connectors of materials other than brass.

2/ Based on a Feb. 2, 1984, telephone conversation with * * * and on a letter submitted to the Commission by the former owner of Seco (app. D).

3/ The current president of John W. Moon, Inc., stated in a Feb. 6, 1984, telephone conversation * * *. A letter submitted by John W. Moon, Inc., appears in app. E.

Table 3.--Brass components for use in fire protection systems: U.S. producers' domestic shipments, imports for consumption, and apparent consumption, 1981-83

Item and year	U.S. producers' domestic shipments	U.S. imports			Apparent consumption 1/	Ratio to consumption of imports from--	
		From Italy	From all other countries	Total		Italy	All countries
	1,000 pounds					Percent	
7 enumerated articles:							
1981	***	***	***	***	***	45.2	45.2
1982	***	***	***	***	***	44.8	44.8
1983	***	***	***	***	***	49.3	49.3
Other brass articles:							
1981	***	***	***	***	***	13.1	13.1
1982	***	***	***	***	***	33.6	33.6
1983	***	***	***	***	***	30.6	30.6
All brass articles for fire protection systems:							
1981	***	***	***	***	***	32.1	32.1
1982	***	***	***	***	***	40.3	40.3
1983	***	***	***	***	***	41.4	41.4

1/ Consists of U.S. producers' domestic shipments plus U.S. imports. U.S. importers' shipments were not used in determining apparent consumption because only two of the four importer/distributors provided their shipments data in response to Commission questionnaires.

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

Note.--U.S. producers' shipments for 7 enumerated articles estimated by converting units to pounds using the pound-per-unit ratios reported in U.S. producers' questionnaires for U.S. production. Import data, which apply to all 4 importers, were estimated on the basis of the pounds-per-unit ratio for 3 of the importers, because 1 importer was able to provide data only in units. Therefore, the import data in this table are higher than those in tables 14 and 15 of this report, which exclude data of the importer unable to provide data in pounds.

Badger-Powhatan, a division of Figgie International, Inc., has produced brass components for interior fire protection systems for over 90 years at its facility, located in Ranson, W. Va. The Ranson facility consists of a foundry and finishing operations for brass components for interior fire protection systems and for parts for fire extinguishers.

Elkhart has been producing a full line of the subject products at its facility in Elkhart, Ind., for over 50 years. The only major subject product category not produced by Elkhart is wedge disc hose gate valves, for which production was discontinued about 20 years ago.

Moon has been producing brass fire department connections since 1953 at its facility in Philadelphia. In 1976, it purchased the interior fire protection facilities of Fyr-Fyter, and * * * in Philadelphia. Moon * * * after purchasing the W. D. Allen Co. in 1981. This firm had produced the subject products for 115 years.

The other three known producers are of lesser importance in this industry. De Sanno, since 1982 a wholly owned subsidiary of Service Brass and Aluminum Foundry Co. Inc., Oakland, Calif., has produced some of the subject products since 1909. Its current production facility and separate foundry are located in Oakland, Calif. South Park Corp. produces brass fittings and adaptors on a small scale for interior fire protection systems and for municipal fire protection services. 1/ Akron Brass apparently produces some of the subject products, but according to a spokesman for the company, Akron Brass' products are * * *. 2/

U.S. importers

The following are four principal U.S. importer/distributors of brass components from Italy for interior fire protection systems:

Fire End and Croker Corp. (Elmsford, N.Y.);
Guardian Fire Equipment, Inc. (Miami, Fla.);
Halprin Supply Co. (Los Angeles, Calif.); and
Potter-Roemer, Inc. (Cerritos, Calif.).

Imports of the subject products constitute all or nearly all of each of the companies' import business. The four importer/distributors are believed to together account for * * *, of the subject products imported from Italy. In 1983, they also purchased * * * percent of U.S. producers' shipments of all brass products for use in fire protection systems. The share of the value of total imports from Italy of the subject products accounted for by each importer/distributor in 1983 is shown in the following tabulation:

1/ A letter submitted by South Park Corp. appears in app. F.
2/ Based on a Feb. 20, 1984, telephone conversation with * * *.

Importer	Share (percent)
Fire End	***
Guardian	***
Halprin	***
Potter-Roemer	***
Total	***

Channels of distribution

The U.S. distribution channel for valves, nozzles, and connectors of brass used in fire protection systems is composed of two major types of distributors--"primary" and "masters"--and one minor group, plumbing job shops, which is frequently cited as a type of distributor. In the first level of distribution, primary distributors (i.e., the four importer/distributors discussed previously) handle the distribution of the various products at a national level. These firms are importers and assemblers of these products (an assembler is a company which fits the couplings and nozzles to a hose which is then sold as a unit). In the second level of distribution, master distributors handle the distribution at a regional level. These distributors exist because of varying regional building codes and function as warehousing facilities for the particular types of products required by local ordinances. The smallest group consists of so-called plumbing job shops; they operate at a regional market level close to the end user. However, plumbing job shops account for a very small portion of the distribution activity (both in terms of units and value), principally offering specialized products. There are 4 primary distributors, approximately 100 master distributors, and approximately 2,000 plumbing job shops in the United States involved in the distribution of the products subject to this investigation.

U.S.-made products are distributed principally through the distribution system described above, but some producers sell part of their output directly to end users, such as construction companies. However, imported products always enter at the top level of the distribution channel and travel through the system to the end user.

The Italian Industry

Only one Italian company (Rubinetterie A. Giacomini, S.p.A.), is known to produce and export the subject products to the United States. A second Italian company (Bocciolone Aldo, S.p.A.), is believed to produce similar fire protection products to those of Giacomini but does not produce for the U.S. market. There are five other leading producers of fire protection equipment in Italy 1/ (Caccialanza & C., S.p.A.; Silvani Antincendi, S.p.A.; Ciodue,

1/ Based on the market research study, provided by the petitioner, on interior fire protection products in Italy, p. 10.

S.p.A.; F.A.S., S.p.A.; and Antonicelli, S.p.A.); these companies reportedly design, engineer, or produce fire protection systems and equipment such as extinguishers, equipped trucks and carriages, automatic sprinkler systems, and the like, but apparently not specifically the U.S.-market products subject to this investigation. According to the market research report, "Due to the need of obtaining approvals by certified laboratories for the export sales to the U.S., only few producers are interested to consider this market, as well as any market with specific standard requirements differing from the Italian ones." 1/

Rubinetterie A. Giacomini, S.p.A. (Giacomini) is a family-owned and family-managed company, founded in 1951, which is located in San Maurizio d'Opaglio, in the northwestern section of Italy. The immediate geographical area in which Giacomini is located is highly industrialized and is characterized by many small- to medium-sized industrial companies. 2/

Giacomini produces fire protection products, which, according to the market research study, account for approximately 50 percent of its operations, and various plumbing components such as faucets, valves, and the like, which account for the remaining 50 percent of production. 3/ Giacomini's fire protection production is reportedly focused on five basic product categories: nozzles, hydrant valves, truck coupling assemblies, hose boxes, and pressure-reducing valves. 4/ Giacomini also produces couplings and connections. 5/ The company's production machinery is modern and multipurpose and reportedly can be switched rather quickly from the production of one product to another. 6/ Giacomini claims that its forging process allows it to produce quality products quickly, efficiently, and at reasonable prices. 7/

According to the market research study provided by the petitioner, most (approximately 95 percent in 1982) of Giacomini's sales of fire protection products are exported. 8/ Giacomini's exports to the United States (allegedly well over $8 million per year in 1982 and 1983) accounted for 85 percent of its sales of fire protection products in 1983, and exports to European Community countries accounted for 8 or 9 percent. 9/ The products subject to this investigation are sold only in the United States and Canada, and perhaps to some countries in the Middle East and South Asia, since the fire protection codes in those countries are reportedly similar to U.S. codes. Other country standards are different.

1/ Ibid., p. 15.
2/ Ibid., p. 6.
3/ Ibid.,
4/ Ibid., p. 4.
5/ Ibid.,
6/ Ibid., p. 7.
7/ Transcript of the conference, p. 74.
8/ Ibid, p. 17.
9/ Ibid.

There are major discrepancies between certain information appearing in the market research report provided by the petitioner, on one hand, and information provided by Giacomini and by the 4 U.S. importer/distributors of Giacomini's products, on the other hand. For example, the market research report maintains, as indicated above, that Giacomini exports well over $8 million dollars' worth per year to the United States and that these exports represent nearly 50 percent of Giacomini's overall operations. On the other hand, separate information provided by both Giacomini and the importer/distributors 1/ indicates that Giacomini's sales to the United States in 1983 were * * *. Giacomini also stated at the public conference that "the fire protection market in the United States represents only about seven to eight percent of our total sales of all products to all markets." 2/

The North American market is by far the principal market, if not the only market, for the subject fire protection products produced by Giacomini. The U.S. market is reportedly lucrative and profitable for Giacomini owing to the demand for the subject products in the United States and to the appreciation of the U.S. dollar relative to the Italian lira (constant prices and sales in dollars have resulted in increased prices and revenues in lire). 3/ Giacomini has been exporting some or all of the subject products to the United States since 1976.

Giacomini sells its fire protection products to the U.S. market through the four importer/distributors discussed in the section of this report entitled "U.S. importers." The distributors reportedly buy an inventory of fire protection products from Giacomini and then resell on the U.S. market from their stock; the markups may vary among the companies. 4/

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

The information in this section of the report has been compiled from responses to questionnaires of the U.S. International Trade Commission. The Commission sent producers' questionnaires to each of the four current producers (as cited in the petition) of the subject products, to one former producer, and to three other companies believed to produce some or all of the subject products. Information was requested on each of seven specific product categories, and on one residual ("other") category. Completed questionnaire responses were received from only Badger-Powhatan, Elkhart, Moon, and De Sanno. Accordingly, the figures presented herein are only for these four companies. However, since these companies (except for De Sanno) each produce a full line, or nearly a full line, of the subject products and are generally considered to be the major producers in the United States, it is likely that most of the industry producing the subject products is covered by the information presented in this section of the report.

1/ Data provided by the importer/distributors in response to questionnaires of the U.S. International Trade Commission constitute the "official" import data shown throughout this report.

2/ Transcript of the conference, p. 79.

3/ Ibid, p. 35 bis.

4/ Ibid., p. 34.

U.S. production

U.S. production of the seven specific product categories for which data were collected amounted to * * * pounds in both 1981 and 1982, but decreased to * * * pounds in 1983, or by * * * percent, as shown in table 4. Four of the seven product categories experienced production declines, in terms of pounds, between 1981 and 1983. Production of the "all other" products decreased from * * * pounds in 1981 to * * * pounds in 1982 and 1983, for an overall drop of * * * percent from 1981 to 1983.

Table 4.--Brass components for fire protection systems: U.S. production, 1981-83

Item	1981	1982	1983
Fire hose couplings:			
1,000 units	***	***	**1
1,000 pounds	***	***	***
Fog/straight stream nozzles:			
1,000 units	***	***	***
1,000 pounds	***	***	***
Angle-type hose gate valves:			
1,000 units	***	***	***
1,000 pounds	***	***	***
Wedge disc hose gate valves:			
1,000 units	***	***	***
1,000 pounds	***	***	***
Siamese fire department connections:			
1,000 units	***	***	***
1,000 pounds	***	***	***
Pressure-restricting valves:			
1,000 units	***	***	***
1,000 pounds	***	***	***
Pressure-regulating valves:			
1,000 units	***	***	***
1,000 pounds	***	***	***
Total, 7 product categories 1,000 pounds	***	***	***
All other brass components for fire protection systems 1,000 pounds	***	***	***
Total do	***	***	***

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

Total U.S. production of brass components for fire protection systems decreased from * * * pounds in 1981 to * * * pounds in 1982, or by * * * percent, and decreased to * * * pounds in 1983, or by * * * percent. The production decline in 1982 was due to the large production decline of the * * * in that year.

* * * fog/straight stream nozzles. The 1983 percentage distribution of total production of the seven major specific product categories and of all brass components for fire protection systems, based on pounds, for each producer is shown in the following tabulation:

Producer	7 products	All other products	All products
Badger-Powhatan	***	***	***
De Sanno	***	***	***
Elkhart	***	***	***
Moon	***	***	***
Total	100.0	100.0	100.0

U.S. capacity and capacity utilization

Total capacity to produce products in the seven specific categories for which data were collected increased from * * * pounds in 1981 to * * * pounds in 1983, or by * * * percent, as shown in table 5. Capacity utilization decreased from * * * percent in 1981 to * * * percent in 1982 and to * * * percent in 1983. All of the product categories experienced * * * and nearly all * * * experienced declines in capacity utilization between 1981 and 1983.

Total U.S. capacity to produce brass components for fire protection systems increased from * * * pounds in 1981 to * * * pounds in 1982 and 1983, or by * * * percent between 1981 and 1983. Capacity utilization decreased from * * * percent in 1981 to * * * percent in 1982 and * * * percent in 1983.

* * * accounted for * * * percent of total known U.S. capacity to produce the subject products in 1983, and * * *.

U.S. producers' domestic shipments

U.S. producers' domestic shipments, measured in units, declined for * * * for which data were collected between 1981 and 1983, as shown in table 6. The value of shipments for the seven product categories increased from * * * in 1981 to * * * in 1982 and decreased to * * * in 1983. U.S. producers' shipments of "other" brass components for fire protection systems * * *.

The value of total U.S. producers' domestic shipments of brass components for fire protection systems declined from * * * in 1981 to * * * in 1982, or by * * * percent, and to * * * in 1983, or by * * * percent.

Table 5.--Brass components for fire protection systems: U.S. production, producers' capacity, and capacity utilization, 1981-83

Item	1981	1982	1983
Fire hose couplings:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Fog/straight stream nozzles:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Angle-type hose gate valves:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Wedge disc hose gate valves:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Siamese fire department connections:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Pressure-restricting valves:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Pressure-regulating valves:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Total, 7 product categories:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
All other brass components for fire protection systems:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***
Total:			
Production----------1,000 pounds--	***	***	***
Capacity----------do----	***	***	***
Capacity utilization----------percent--	***	***	***

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

Table 6.--Brass components for fire protection systems: U.S. producers' domestic shipments, 1981-83

Item	1981	1982	1983
Fire hose couplings:			
Quantity----------1,000 units--	***	***	***
Value----------1,000 dollars--	***	***	***
Fog/straight stream nozzles:			
Quantity----------1,000 units--	***	***	***
Value----------1,000 dollars--	***	***	***
Angle-type hose gate valves:			
Quantity----------1,000 units--	***	***	***
Value----------1,000 dollars--	***	***	***
Wedge disc hose gate valves:			
Quantity----------1,000 units--	***	***	***
Value----------1,000 dollars--	***	***	***
Siamese fire department connections:			
Quantity----------1,000 units--	***	***	***
Value----------1,000 dollars--	***	***	***
Pressure-restricting valves:			
Quantity----------1,000 units--	***	***	***
Value----------1,000 dollars--	***	***	***
Pressure-regulating valves:			
Quantity----------1,000 units--	***	***	***
Value----------1,000 dollars--	***	***	***
Total, 7 product categories:			
Value----------1,000 dollars--	***	***	***
All other brass components for fire protection systems:			
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars-	***	***	***
Total:			
Value----------1,000 dollars-	***	***	***

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

U.S. producers' exports

U.S. producers' exports of the subject products are small but growing, accounting for * * * percent of the value of U.S. producers' domestic shipments in 1981 and * * * percent in 1983. * * * reported exports of the subject products, and nearly all of * * *. Aggregate U.S. exports of the subject products are shown in table 7.

Table 7.--Brass components for fire protection systems: U.S. producers' exports, 1981-83

Item	1981	1982	1983
Fire hose couplings:			
Quantity----------units--	***	***	***
Value----------dollars--	***	***	***
Fog/straight stream nozzles:			
Quantity----------units--	***	***	***
Value----------dollars--	***	***	***
Angle-type hose gate valves:			
Quantity----------units--	***	***	***
Value----------dollars--	***	***	***
Wedge disc hose gate valves:			
Quantity----------units--	***	***	***
Value----------dollars--	***	***	***
Single- and double-clapper siamese fire department connections:			
Quantity----------units--	***	***	***
Value----------dollars--	***	***	***
Pressure-restricting valves:			
Quantity----------units--	***	***	***
Value----------dollars--	***	***	***
Pressure-regulating valves:			
Quantity----------units--	***	***	***
Value----------dollars--	***	***	***
Total, 7 product categories:			
Value----------dollars--	***	***	***
All other brass components for fire protection systems:			
Quantity----------pounds--	***	***	***
Value----------dollars--	***	***	***
Total:			
Value----------do----	***	***	***

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

U.S. producers' inventories

Data collected on two U.S. producers' end-of-period inventories and domestic shipments of the subject products are shown in table 8. The data comprise * * *.

Table 8.--Brass components for fire protection systems: 2 U.S. producers' end-of-period inventories, domestic shipments, and inventories as a share of domestic shipments, 1980-83

Item	1980	1981	1982	1983
Fire hose couplings:				
Inventories----------units--	***	***	***	***
Shipments----------do----	1/	***	***	***
Share of shipments----------percent--	1/	***	***	***
Fog/straight stream nozzles:				
Inventories----------units--	***	***	***	***
Shipments----------do----	1/	***	***	***
Share of shipments----------percent--	1/	***	***	***
Angle-type hose gate valves:				
Inventories----------units--	***	***	***	***
Shipments----------do----	1/	***	***	***
Share of shipments----------percent--	1/	***	***	***
Wedge disc hose gate valves:				
Inventories----------units--	***	***	***	***
Shipments----------do----	1/	***	***	***
Share of shipments----------percent--	1/	***	***	***
Siamese fire department connections:				
Inventories----------units--	***	***	***	***
Shipments----------do----	1/	***	***	***
Share of shipments----------percent--	1/	***	***	***
Pressure-restricting valves:				
Inventories----------units--	***	***	***	***
Shipments----------do----	1/	***	***	***
Share of shipments----------percent--	1/	***	***	***
Pressure-regulating valves:				
Inventories----------units--	***	***	***	***
Shipments----------do----	1/	***	***	***
Share of shipments----------percent--	1/	***	***	***
All other brass components for fire protection systems:				
Inventories----------1,000 pounds--	***	2/ ***	2/ ***	2/ ***
Shipments----------do----	1/	2/ ***	2/ ***	2/ ***
Share of shipments----------percent--	1/	2/ ***	2/ ***	2/ ***

1/ Not available.
2/ * * *.

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

Of the seven product categories for which data are shown in table 8, * * * experienced * * * in inventories in 1981, * * * in 1982, and * * * in 1983. No discernible trend is apparent, with inventories both increasing and decreasing throughout the period for each product category. * * * experienced a substantial increase in inventories in 1983.

For brass fire hose couplings, the ratio of inventories to shipments * * * 1982 and 1983. For brass fog/straight stream nozzles, the ratio of inventories to shipments * * * in 1982, and then * * * in 1983. For brass angle-type hose gate valves, brass pressure-restricting valves, brass pressure-regulating valves, and brass siamese fire department connections, the ratio of inventories to shipments * * *. For brass wedge disc hose gate valves, the ratio of inventories to shipments * * * in 1982 to * * * percent and then * * * . For all other brass components for fire protection systems, the ratio of inventories to shipments * * *.

U.S. employment, wages, and productivity

The number of production and related workers engaged in the production of brass components for fire protection systems decreased from * * * in 1981 to * * * in 1982, or by * * * percent, and to * * * in 1983, or by an additional * * * percent (table 9). The number of production and related workers producing all products in establishments where the brass components are produced decreased from * * * in 1981 to * * * in 1982, or by * * * percent, and to * * * in 1983, or by an additional * * * percent.

The number of hours worked by production and related workers engaged in the production of brass components for fire protection systems in the two reporting firms decreased from * * * in 1981 to * * * in 1982, or by * * * percent, and to * * * in 1983, or by an additional * * * percent. Nearly all of the decrease * * *.

Data on wages and total compensation paid to production and related workers producing brass components for fire protection systems are shown in table 10.

Table 9.--Average number of employees, total and production and related workers employed in establishments producing brass components for fire protection equipment, and hours worked by such production and related workers, 1981-83

Item and firm	1981	1982	1983
All persons employed in the reporting establishments:			
Badger-Powhatan	***	***	***
De Sanno	***	***	***
Elkhart	***	***	***
Moon	***	***	***
Total	***	***	***
Production and related workers producing--			
All products:			
Badger-Powhatan	***	***	***
De Sanno	***	***	***
Elkhart	***	***	***
Moon	***	***	***
Total	***	***	***
Brass components for fire protection systems:			
Badger-Powhatan	***	***	***
De Sanno	***	***	***
Elkhart	***	***	***
Moon	***	***	***
Total	***	***	***
Hours worked by production and related workers producing--			
All products:			
Badger-Powhatan----------1,000 hours--	***	***	***
De Sanno----------do----	1/	1/	1/
Elkhart----------do----	***	***	***
Moon----------do----	1/	1/	1/
Total----------do----	***	***	***
Brass components for fire protection systems:			
Badger-Powhatan----------1,000 hours--	***	***	***
De Sanno----------do----	1/	1/	1/
Elkhart----------do----	***	***	***
Moon----------do----	1/	1/	1/
Total----------do----	***	***	***

1/ Not available.

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

Table 10.--Total compensation of production and related workers engaged in the production of brass components for fire protection systems, 1981-83

Period and firm	Total compensation	Wages paid	Average hourly wage	Output per hour
	1,000 dollars			Pounds
1981:				
Badger-Powhatan	***	***	***	***
De Sanno	1/	1/	1/	1/
Elkhart	***	***	***	***
Moon	***	***	1/	1/
Total or weighted average	***	***	***	1/ ***
1982:				
Badger-Powhatan	***	***	***	***
De Sanno	1/	1/	1/	1/
Elkhart	***	***	***	***
Moon	***	***	1/	1/
Total or weighted average	***	***	***	1/
1983:				
Badger-Powhatan	***	***	***	***
De Sanno	1/	1/	1/	1/
Elkhart	***	***	***	***
Moon	***	***	1/	1/
Total or weighted average	***	***	***	1/

1/ Not available.

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

Badger-Powhatan's workers are represented by the Industrial Union of Marine and Shipbuilding Workers of America. Elkhart's and De Sanno's workers are both represented by the International Association of Molders and Allied Workers and the International Association of Machinists and Aerospace Workers. Moon's workers are represented by the United Steelworkers of America.

Financial experience of U.S. producers

Income-and-loss data on establishment operations and on brass components for fire protection systems were received in the Commission questionnaire from only one U.S. producer, Badger-Powhatan, the petitioner. 1/ These data accounted for * * * percent of the value of total U.S. shipments of brass components for fire protection systems in 1981, * * * percent in 1982, and * * * percent in 1983. The data represented only about * * * of domestic production of the seven major product categories in 1983.

Brass components for fire protection systems.--Badger-Powhatan's net sales of brass components for fire protection systems * * * (table 11). This was primarily due to * * * in terms of pounds.

* * * * * * *

Table 11.--Selected financial data for Badger-Powhatan on its operations producing brass components for fire protection systems, 1981-83

* * * * * * *

1/ Badger-Powhatan provided detailed income-and-loss data on individual products in the petition, but did not indicate how the data were developed for each product line. The Commission questionnaire did not ask for income-and-loss data for individual products because of indications from the other domestic producers that these data could not be provided.

* * * * * * *

Overall operations.--The income-and-loss data of Badger-Powhatan's establishment in which brass components for fire protection systems are produced are shown in table 12. * * *.

Table 12.--Selected financial data for Badger-Powhatan on the overall operations of the establishment within which brass components for fire protection systems are produced, 1981-83

* * * * * * *

Capital expenditures and research and development expenses.--* * *.

U.S. producers' statements on the impact of allegedly LTFV imports from Italy on their growth, investment, and ability to raise capital.--The Commission requested U.S. producers to describe and explain the actual and potential negative effects, if any, of imports from Italy of certain valves, nozzles, and connectors of brass for use in fire protection systems subject to this investigation on their firm's growth, investment, and ability to raise capital. Excerpts of their responses are presented below:

* * * * * * *

Consideration of the Alleged Threat of Material Injury

There are various factors which may contribute to the threat of injury to the domestic industry, including the ability of the foreign producers to increase the level of exports to the United States and the likelihood they will do so, any increase in U.S. importers' inventories of the subject products, and any increasing trends in the quantity of imports and U.S. market penetration.

The available data concerning Italy's capacity to produce and export the subject products are presented in the section entitled "The Italian Industry" in this report. It appears that Giacomini is the only Italian producer and exporter of the subject products, which are designed by Giacomini especially for the North American market, and is likely to remain the only producer and exporter in the foreseeable future. 1/ There is no conclusive information on Giacomini's ability to increase capacity, but presumably (on the basis of Giacomini's generally decreased exports of these products to the United States in 1982 and 1983) Giacomini has at least some excess capacity and can increase its exports somewhat if necessary. Giacomini has apparently applied for and received UL certification of a new model pressure regulating valve, and the petition states that "* * * it is obvious that Giacomini would not undertake the expense of developing a pattern and a prototype valve and of obtaining U.L. certification unless it firmly intended to enter the U.S. market once such certification was obtained." 2/

Another factor that can be examined in assessing the threat of injury is the trend in U.S. importers' inventories, as shown in table 13.

Table 13 indicates that for the seven specific product categories for which data were collected, end-of-year inventories of Italian products reported by * * * fluctuated between a high of * * * pounds in 1980 and a low of * * * pounds in 1983. Inventories of all Italian brass products reported by * * * fluctuated from a high of * * * pounds in 1982 to a low of * * * pounds in 1983.

1/ Italian producers of fire protection equipment other than Giacomini are capable of producing the subject products; however, there must be a considerable effort made to produce the components, especially to U.S. standards, and the ability to achieve UL or FM certifications prior to export to the U.S. market. So far there appears to be no desire on the part of other Italian manufacturers to export to the United States.

2/ Petition, p. 74.

Table 13.--Brass components for fire protection systems: U.S. importers' end-of-year inventories of imports from Italy, 1980-83

Item and firm	1980	1981	1982	1983
Fire hose couplings:				
Quantity------1,000 units--	***	***	***	***
Quantity-----1,000 pounds--	***	***	***	***
Fog/straight stream nozzles:				
Quantity------1,000 units--	***	***	***	***
Quantity-----1,000 pounds--	***	***	***	***
Angle-type hose gate valves:				
Quantity------1,000 units--	***	***	***	***
Quantity-----1,000 pounds--	***	***	***	***
Wedge disc hose gate valves:				
Quantity------1,000 units--	***	***	***	***
Quantity-----1,000 pounds--	***	***	***	***
Siamese fire department connections:				
Quantity------1,000 units--	***	***	***	***
Quantity-----1,000 pounds--	***	***	***	***
Pressure-restricting valves:				
Quantity------1,000 units--	***	***	***	***
Quantity-----1,000 pounds--	***	***	***	***
Pressure-regulating valves:				
Quantity------1,000 units--	***	***	***	***
Quantity-----1,000 pounds--	***	***	***	***
Total, 7 product categories 1,000 pounds--	***	***	***	***
All other brass components for fire protection systems:				
Quantity-----1,000 pounds--	***	***	***	***
Total:				
Quantity----------do----	***	***	***	***

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

A discussion of the level of imports and their market penetration is presented in the following section of this report.

Consideration of the Alleged Causal Relationship Between Imports Allegedly Sold at LTFV and the Alleged Material Injury

U.S. imports

U.S. imports from Italy 1/ of the seven major product categories of brass components for fire protection equipment decreased from * * * pounds, valued at * * *, in 1981, to * * * pounds, valued at * * *, in 1982 (table 14). The quantity of imports decreased by * * * percent (in terms of pounds) in 1982 and the value * * *. In 1983, the quantity of imports decreased to * * * pounds, or by * * * percent, and the value of imports decreased by * * *.

U.S. imports from Italy of "all other" brass components for fire protection systems * * * in 1981 to * * * pounds, valued at * * * in 1982 and totaled * * * pounds, valued at * * * in 1983.

U.S. imports from Italy of all brass components for fire protection systems * * * pounds, valued at * * *, in 1981, to * * * pounds, valued at * * *, in 1982. The quantity of imports * * * percent, and the value * * * percent. In 1983, the quantity of imports * * * pounds, or by * * * percent, and the value of imports * * * percent.

Market penetration of imports

Imports from Italy of brass components for fire protection systems as a share of apparent U.S. consumption are shown in table 15. The import penetration ratio for the seven major product categories aggregated (based on pounds) was * * * percent in 1981, * * * percent in 1982, and * * * percent in 1983. The import penetration ratio for "other" components of brass for fire protection systems is much lower, but * * * 1983. The import penetration ratio for all brass components for fire protection systems increased from * * * percent in 1981 to * * * percent in 1982, and then increased * * * in 1983.

1/ U.S. imports from Italy constitute nearly all of the total U.S. imports of the subject products.

Table 14.--Brass components for fire protection equipment: U.S. imports from Italy, 1981-83

Item	1981	1982	1983
Fire hose couplings:			
Quantity----------1,000 units--	***	***	***
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------	***	***	***
Fog/straight stream nozzles:			
Quantity----------1,000 units--	***	***	***
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------	***	***	***
Angle-type hose valves:			
Quantity----------1,000 units--	***	***	***
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------	***	***	***
Wedge disc hose gate valves:			
Quantity----------1,000 units--	***	***	***
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------	***	***	***
Siamese fire department connections::			
Quantity----------1,000 units--	***	***	***
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------	***	***	***
Pressure-restricting valves:			
Quantity----------1,000 units--	***	***	***
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------	***	***	***
Pressure-regulating valves:			
Quantity----------1,000 units--	***	***	***
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------	***	***	***
Total, 7 product categories:			
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------per pound--	***	***	***
All other brass components for fire protection systems:			
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------per pound--	***	***	***
Total:			
Quantity----------1,000 pounds--	***	***	***
Value----------1,000 dollars--	***	***	***
Unit value----------per pound--	***	***	***

1/ Excludes data for * * *. Imports in pounds were not reported by this importer/distributor.

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

Table 15.--Brass components for fire protection systems: U.S. imports from Italy and apparent consumption, 1981-83

Item and year	U.S. imports from Italy		Apparent U.S. consumption		Ratio of imports from Italy to apparent consumption	
	1,000 units	1,000 pounds	1,000 units	1,000 pounds	Units	Pounds
					Percent	Percent
Fire hose couplings:						
1981	***	1/ ***	***	1/ ***	39.7	1/ ***
1982	***	1/ ***	***	1/ ***	45.3	1/ ***
1983	***	1/ ***	***	1/ ***	39.0	1/ ***
Fog/straight stream nozzles:						
1981	***	1/ ***	***	1/ ***	55.8	1/ ***
1982	***	1/ ***	***	1/ ***	52.8	1/ ***
1983	***	1/ ***	***	1/ ***	55.0	1/ ***
Angle-type hose gate valves:						
1981	***	1/ ***	***	1/ *	57.3	1/ ***
1982	***	1/ ***	***	1/ *	54.8	1/ ***
1983	***	1/ ***	***	1/ **	61.1	1/ ***
Wedge disc hose gate valves:						
1981	***	1/ ***	***	1/ ***	66.7	1/ ***
1982	***	1/ ***	***	1/ ***	54.6	1/ ***
1983	***	1/ ***	***	1/ ***	43.3	1/ ***
Siamese fire department connections:						
1981	***	1/ ***	***	1/ ***	28.6	1/ ***
1982	***	1/ ***	***	1/ ***	52.9	1/ ***
1983	***	1/ ***	***	1/ ***	72.3	1/ ***
Pressure-restricting valves:						
1981	***	1/ ***	***	1/ ***	13.2	1/ ***
1982	***	1/ ***	***	1/ ***	35.6	1/ ***
1983	***	1/ ***	***	1/ ***	62.1	1/ ***
Pressure-regulating valves:						
1981	0	0	***	***	0	0
1982	0	0	***	***	0	0
1983	0	0	***	***	0	0
Total, seven product categories:						
1981	2/	1/ ***	2/	1/ ***	2/	1/ ***
1982	2/	1/ ***	2/	1/ ***	2/	1/ ***
1983	2/	1/ ***	2/	1/ ***	2/	1/ ***

See footnotes and source at end of table.

Table 15.--Brass components for fire protection systems: U.S. imports from Italy and apparent consumption, 1981-83--Continued

Item and year	U.S. imports from Italy		Apparent U.S. consumption		Ratio of imports from Italy to apparent consumption	
	1,000 units	1,000 pounds	1,000 units	1,000 pounds	Units	Pounds
					Percent	Percent
All other brass components for fire protection systems:						
1981	2/	1/ ***	2/	1/ ***	2/	1/ ***
1982	2/	1/ ***	2/	1/ ***	2/	1/ ***
1983	2/	1/ ***	2/	1/ ***	2/	1/ ***
Total:						
1981	2/	1/ ***	2/	1/ ***	2/	1/ ***
1982	2/	1/ ***	2/	1/ ***	2/	1/ ***
1983	2/	1/ ***	2/	1/ ***	2/	1/ ***

1/ Excludes data for * * *.
2/ Not applicable.

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

Counsel for Giacomini claims that due to U.S., State, and municipal building code changes, there has been a shift in market demand away from products used in standpipe systems to those used in sprinkler systems or combined standpipe/sprinkler systems and that this development (and not imports) is one of the causes responsible for injury, if any, to the domestic industry. 1/ Of the subject products, the brass couplings, nozzles, wedge disc hose gate valves, and pressure-restricting valves are those used mainly or completely in standpipe systems. The unit data in table 15 indicate that apparent U.S. consumption of brass fire hose couplings decreased in both 1982 and 1983; apparent U.S. consumption of brass fog/straight stream nozzles decreased in 1982 and increased in 1983, but remained below the 1981 level; apparent U.S. consumption of brass wedge disc hose gate valves decreased in both 1982 and 1983; and apparent U.S. consumption of brass pressure-restricting valves, used in standpipe systems but sometimes also used in sprinkler systems, increased in 1982 and fell in 1983. Apparent U.S. consumption of brass angle-type hose gate valves, which are used in both standpipe and sprinkler systems, decreased in both 1982 and 1983, and apparent U.S. consumption of brass siamese fire department connections, also used in both systems, decreased in 1982 and

1/ A representative of Badger stated at the public conference that only 15 percent of Badger's production of the subject products are manufactured for use in combined standpipe/sprinkler systems.

increased in 1983. Apparent U.S. consumption of brass pressure-regulating valves, which are used only in sprinkler systems, increased in 1982 and decreased in 1983 to about the 1981 level. Apparent U.S. consumption of all brass components for fire protection systems, measured in pounds, decreased by * * * percent in 1982 and by * * * percent in 1983.

Comparative purchases of U.S.-produced and Italian brass components for fire protection systems during 1981-83 by three of the four importer/distributors are shown in table 16. The importer/distributors' purchases of U.S.-produced brass fire hose couplings, brass fog/straight stream nozzles, and brass valves and siamese fire department connections amounted to * * * percent of the total weight and * * * percent of the total value of these products purchased by the 3 importer/distributors in 1981, * * * percent of the weight and * * * percent of the value purchased in 1982, and * * * percent of the weight and * * * percent of the value purchased in 1983. The importer/distributors' purchases of all U.S.-produced brass components for fire protection systems amounted to * * * percent of their total purchases by weight and * * * percent of their total purchases by value in 1981, * * * percent by weight and * * * percent of the value of in 1982, and * * * percent by weight and * * * percent of the value in 1983. Accordingly, the share of the three importer/distributors' total purchases of the subject products that were accounted for by U.S.-produced articles * * * in 1983.

Prices

The petitioner, Badger-Powhatan, sells its products through * * *. The subject fire protection equipment is sold on the basis of a price list that * * * of small quantities; these purchasers pay * * *. The second group of rather large purchasers, numbering about * * * receives * * * for their purchases, and the * * * largest customers, buying more than * * * worth of Badger-Powhatan's merchandise per year, * * *. The price lists are changed approximately once a year. In recent years, the prices have * * * annually. Company officials stated 1/ that in November 1983, the prices were cut across the board by * * * in order to meet the Italian competition. These cuts were made * * * where the competition with the imports * * *.

Price and quality are the major considerations in selecting fire protection equipment. There is no significant quality difference between the domestic and Italian products meeting UL or FM approval. 2/

1/ During an interview conducted at Badger-Powhatan plant in Ranson, W. Va., on Feb. 8, 1984.

2/ Representatives of * * * and of * * * expressed reservations about the Italian products' ability to resist corrosion due to the high zinc content in the Italian products. However, UL and FM approval of these products is based on testing and performance standards which incorporate considerations of durability. Neither organization has found it necessary to establish or specify the relative ratios of metal in alloys for these products.

Table 16.--Brass components for fire protection systems: 3 importer/distributors' 1/ purchases of U.S.-produced and Italian-produced articles, 1981-83

Item and source	1981	1982	1983
	Quantity (1,000 pounds)		
Fire hose couplings:			
United States	***	***	***
Italy	***	***	***
Fog/straight stream nozzles:			
United States	***	***	***
Italy	***	***	***
Valves and siamese fire department connections:			
United States	***	***	***
Italy	***	***	***
All of the above products:			
United States	***	***	***
Italy	***	***	***
All other brass components for fire protection systems:			
United States	***	***	***
Italy	***	***	***
Total:			
United States	***	***	***
Italy	***	***	***
	Value (1,000 dollars)		
Fire hose couplings:			
United States	***	***	***
Italy	***	***	***
Fog/straight stream nozzles:			
United States	***	***	***
Italy	***	***	***
Valves and siamese fire department connections:			
United States	***	***	***
Italy	***	***	***
All of the above products:			
United States	***	***	***
Italy	***	***	***
All other brass components for fire protection systems:			
United States	***	***	***
Italy	***	***	***
Total:			
United States	***	***	***
Italy	***	***	***

See footnotes at end of table.

Table 16.--Brass components for fire protection systems: 3 importer/distributors' 1/ purchases of U.S.-produced and Italian-produced articles, 1981-83--Continued

Item and source	1981	1982	1983
	Unit value (per pound)		
Fire hose couplings:			
United States	***	***	***
Italy	***	***	***
Fog/straight stream nozzles:			
United States	***	***	***
Italy	***	***	***
Valves and siamese fire department connections:			
United States	***	***	***
Italy	***	***	***
All of the above products:			
United States	***	***	***
Italy	***	***	***
All other brass components for fire protection systems:			
United States	***	***	***
Italy	***	***	***
Total:			
United States	***	***	***
Italy	***	***	***

1/ Excludes data for * * * which did not report usable data in all instances.

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

The Italian producer of the subject fire protection products, Giacomini, does not sell the products directly to U.S. end-users, but through the four major importer/distributors located in the United States.

Each of these companies has an agreement with Giacomini in that the equipment bears only the logo of the Italian company, but not its name. When required, the items are usually stamped with the customer's name, the stamping being done in Italy before the items are shipped to the United States. 1/ When a client in the United States requests price quotations directly from Giacomini, the Italian producer hands the matter over to one of its four U.S. distributors, according to the prospective client's location. The U.S. distributors of Giacomini's products maintain inventories of subject products and sell them from stock. The four major importer/distributors also buy the domestic product from U.S. producers.

1/ See market research study provided by the petitioner, p.33.

The Commission requested price data for six specific brass components for fire protection from the four major U.S. producers and the four major importer/distributors. All four importer/distributors provided price data, but only two domestic producers provided usable, although sometimes spotty, price data. Price data were requested for each quarter during January 1982-December 1983. The price data requested from domestic producers were net f.o.b. and delivered prices to their major customers. The price data requested from importer/distributors were delivered prices paid for domestic and imported products during a given quarter. Price data were requested for the following items:

1. Brass fire hose couplings, 1-1/2 inches in diameter;
2. Brass fog/straight stream nozzles;
3. Brass angle-type hose gate valves for 1-1/2-inch lines;
4. Brass wedge disc hose gate valves for 2-1/2-inch lines;
5. Brass siamese fire department connections; and
6. Brass pressure-restricting valves, 2-1/2 inches in diameter.

For most of the specific products for which price data were obtained, the importer/distributors' prices paid for U.S.-produced and imported products were * * * during the eight calendar quarters studied. Although import prices * * * they * * * throughout the entire period examined, as shown in tables 17-22. For the most part, prices paid by importer/distributors, * * * during the first seven quarters for which data are available, for individual customers. The prices paid to domestic producers by * * * in October-December 1983 were * * * paid for the same types of merchandise. The prices paid by * * * for brass siamese fire department connections and brass pressure-restricting valves, however, were * * * in October-December of 1983. The other purchasers * * *. * * * reported * * * of imports in October-December 1983, for any of the product categories in which the * * * occurred. For all product lines and for each quarter in which an individual purchaser obtained the product from both foreign and domestic sources, the Italian product undersold the domestic product by substantial margins. Because of the * * * of the import and domestic prices, the margins of underselling fluctuated only marginally during the eight quarters studied. For 1-1/2-inch brass fire hose couplings, the margins of underselling ranged from * * * to * * * percent; for brass fog/straight stream nozzles, the margins of underselling ranged from * * * to * * * percent; for 1-1/2-inch brass angle type hose gate valves, the margins of underselling ranged from * * * to * * * percent; for 2-1/2-inch brass wedge disc hose gate valves, the margins of underselling ranged from * * * to * * * percent; for brass siamese fire department connections, the margins of underselling ranged from * * * to * * * percent; and for brass pressure-restricting valves, the margins of underselling ranged from * * * to * * * percent.

Price data submitted by the petitioner in response to the Commission questionnaire * * * from price data provided by importer/distributors. The price data submitted by Badger-Powhatan reflect its * * * that occurred mainly at the end of 1983, reportedly in order to meet the lower Italian prices. A summary of the petitioner's data for late 1983, by types of products and the percentage of price drop (sometimes a small increase), is given below:

* * * * * * *

Table 17.--Brass fire hose couplings, 1-1/2 inches in diameter: Net delivered prices paid by the largest importer/distributors for domestic and imported products and margins of underselling, by quarters, January 1982-December 1983

Period	Fire-End and Croker Corp.			Guardian Fire Equipment			Halprin Supply Co.			Potter-Roemer, Inc.		
	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling
	--Per unit---		Percent	---Per unit---		Percent	--Per unit---		Percent	--Per unit---		Percent
1982:												
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***	***	***	***
1983:												
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***	***	***	***

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

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Table 18.--Brass fog/straight stream nozzles: Net delivered prices paid by the largest importer/distributors for domestic and imported products and margins of underselling, by quarters, January 1982-December 1983

Period	Fire-End and Croker Corp.			Guardian Fire Equipment			Halprin Supply Co.			Potter-Roemer, Inc.		
	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling
	--Per unit---		Percent	--Per unit---		Percent	---Per unit---		Percent	---Per unit---		Percent
1982:												
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***	***	***	***
1983:												
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***	***	***	***

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

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Table 19.--Brass angle-type hose gate valves for 1-1/2-inch lines: Net delivered prices paid by the largest importer/distributors for domestic and imported products and margins of underselling, by quarters, January 1982-December 1983

Period	Fire-End and Croker Corp.			Guardian Fire Equipment			Halprin Supply Co.			Potter-Roemer, Inc.		
	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling
	Per unit		Percent	Per unit		Percent	Per unit		Percent	Per unit		Percent
1982:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***
1983:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***

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

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Table 20.--Brass wedge disc hose gate valves for 2-1/2-inch lines: Net delivered prices paid by the largest importer/distributors for domestic and imported products and the margins of underselling, by quarters, January 1982-December 1983

Period	Fire-End and Croker Corp.			Guardian Fire Equipment			Halprin Supply Co.			Potter-Roemer, Inc.		
	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling
	--Per unit---		Percent	---Per unit---		Percent	---Per unit---		Percent	---Per unit---		Percent
1982:												
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***	***	***	***
1983:												
Jan.-Mar---	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec---	***	***	***	***	***	***	***	***	***	***	***	***

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

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Table 21.--Brass siamese fire department connections: Net delivered prices paid by the largest importer/distributors for domestic and imported products and the margins of underselling, by quarters, January 1982-December 1983

Period	Fire-End and Croker Corp.			Guardian Fire Equipment			Halprin Supply Co.			Potter-Roemer, Inc.		
	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling
	Per unit		Percent	Per unit		Percent	Per unit		Percent	Per unit		Percent
1982:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***
1983:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***

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

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Table 22.--Brass pressure-restricting valves, 2-1/2 inches in diameter: Net delivered prices paid by the largest importer/distributors for domestic and imported products and margins of underselling, by quarters, January 1982-December 1983

Period	Fire-End and Croker Corp.			Guardian Fire Equipment			Halprin Supply Co.			Potter-Roemer, Inc.		
	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling	Domestic price	Import price	Margin of underselling
	Per unit		Percent	Per unit		Percent	Per unit		Percent	Per unit		Percent
1982:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***
1983:												
Jan.-Mar	***	***	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***	***	***	***	***

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

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Exchange rates

The value of Italy's lira in terms of U.S. dollars has depreciated significantly, although slightly irregularly during 1981-83 as shown in table 23.

Table 23.--Nominal and real exchange rates for the Italian lira, and U.S. and Italian Producer Price Indexes, 1981-83

(January-March 1981 = 100)

Period	Lire per U.S. dollar	Index			
		Nominal exchange rate	Real exchange rate	U.S PPI	Italian PPI
1981:					
Jan.-Mar	1,001.4	100	100	100	100
Apr.-June	1,134.1	113	111	102	105
July-Sept	1,215.4	121	116	103	109
Oct.-Dec	1,196.2	119	110	103	113
1982:					
Jan.-Mar	1,261.8	126	113	104	117
Apr.-June	1,319.3	132	116	105	119
July-Sept	1,393.6	139	119	105	123
Oct.-Dec	1,435.2	143	119	105	128
1983:					
Jan.-Mar	1,399.4	140	115	105	129
Apr.-June	1,477.5	148	119	106	131
July-Sept	1,573.7	157	126	107	134
Oct.-Nov	1,625.9	162	127	107	138

Table 23 indicates that during 1981-83, the lira's value declined continuously. The total drop of the nominal value of the lira in terms of the U.S. dollar during January 1981-November 1983 amounted to nearly two-thirds of its January 1981 value. The real drop of the lira's value during this period was 27 percent. During 1981-83, the U.S. Producer Price Index (PPI) rose by only 7 percent, and Italy's PPI rose by 38 percent. Despite the fluctuation of the lira's value vis-a-vis that of the U.S. dollar, Giacomini's prices to U.S. purchasers remained constant in terms of the U.S. dollar throughout the period for which prices were reported.

Lost revenues

* * * submitted * * * product-specific lost revenue allegations. Most of the allegations concerned lost revenues experienced by * * * in its sales to the four importer/distributors in * * * due to the * * *. The specific allegations, when aggregated, result in a claim of * * * in lost

revenues in 1981, * * * in lost revenues in 1982, * * * in lost revenues in 1983, and * * * in lost revenues in 1984. The Commission staff contacted importer/distributors for verification of the allegations.

* * * confirmed that * * * reduced its prices in * * * in order to meet the Italian price. * * * price decrease was allegedly voluntary, with no prodding by * * *. As a result of the price decrease, * * * bought more products from * * * (and less from Giacomini) than it otherwise would have. * * *.

* * *, confirmed that * * * met * * * the Italian prices in its * * * price reduction. By way of background to this price reduction, he said that * * *.

In responses to Commission questionnaires, one importer/distributor * * *, and another * * * stated--

* * * * * * *

* * * did not provide any specific allegations of lost revenues. * * * provided the following statement in the lost revenues section of its questionnaire:

* * * * * * *

Lost sales

* * * provided four specific lost sales allegations, * * *. * * * alleges that it lost sales of * * *, because of * * * purchase of Italian valves in lieu of * * * valves.

A spokesman for * * * stated in a February 21, 1984 telephone conversation with a member of the Commission staff that he * * *.

* * * provided two specific lost sales allegations, both relating to * * *. 1/ * * * alleges that it lost * * *. * * * telephone conversation, * * * said that he has only bought from * * *, except for * * * that he bought for * * *. He said, however, that the Italian products are available at a lower price than the domestic products. In fact, his company, which is a * * *, has had to lower its profit margins in order to compete with the Italian products being sold by * * *. He also mentioned that he has recently * * *.

1/ * * * submitted a letter to the Commission stating that "As a U.S. manufacturer of the subject products who has seen steadily declining sales due primarily to imports from Italy, we wish to acknowledge our support of this investigation."

APPENDIX A

NOTICE OF THE COMMISSION'S INSTITUTION OF A PRELIMINARY ANTIDUMPING INVESTIGATION

[Investigation No. 731-TA-165 (Preliminary)]

Antidumping; Certain Valves, Nozzles, and Connectors of Brass From Italy for Use in Fire Protection Systems

AGENCY: International Trade Commission.

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

EFFECTIVE DATE: January 23, 1984.

SUMMARY: The United States International Trade Commission hereby gives notice of the institution of a preliminary antidumping investigation under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Italy of certain valves, couplings, nozzles, and connections of brass, suitable for use in fire protection systems, provided for in items 657.35, 680.14, and 680.27 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value.

FOR FURTHER INFORMATION CONTACT: Mr. George L. Deyman, Office of Investigations, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436, telephone 202-523-0481.

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted in response to a petition filed on January 23, 1984, by counsel on behalf of Badger-Powhatan, a division of Figgie International, Inc., Charlottesville, VA. The Commission must make its determination in this investigation within 45 days after the date of the filing of the petition, or by March 8, 1984 (19 CFR 207.17).

Participation

Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided for in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than seven (7) 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 notice.

Service of Documents

The Secretary will compile a service list from the entries of appearance filed in this investigation. Any party submitting a document in connection with the investigations shall, in addition to complying with § 201.8 of the Commission's rules (19 CFR 201.8), serve a copy of each such document on all other parties to the investigation. Such service shall conform with the requirements set forth in § 201.16(b) of the rules (19 CFR 201.16(b)).

In addition to the foregoing, each document filed with the Commission in the course of this investigation must include a certificate of service setting forth the manner and date of such service. This certificate will be deemed proof of service of the document. Documents not accompanied by a certificate of service will not be accepted by the Secretary.

Written Submissions

Any person may submit to the Commission on or before February 17, 1984, a written statement of information pertinent to the subject matter of this investigation (19 CFR 207.15). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8).

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

Conference

The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m. on February 14, 1984, in the Hearing Room of the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the staff investigator, Mr. George L. Deyman (202-523-0481) not later than the close of business (5:15 p.m.) on February 10, 1984, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Public Inspection

A copy of the petition and all written submissions, except for confidential business data, will be available for public inspection during regular buinesss hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR Part 207), and part 201, subparts A through E (19 CFR Part 201). Further information concerning the conduct of the conference will be provided by Mr. Deyman.

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

Issued: January 27, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 84-2782 Filed 1-31-84; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

NOTICE OF THE DEPARTMENT OF COMMERCE'S INSTITUTION OF AN ANTIDUMPING INVESTIGATION

[A-475-401]

Certain Valves, Couplings, Nozzles and Connections, of Brass Suitable for Use in Interior Fire Protection Systems From Italy; Initiation of Antidumping Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating antidumping investigations to determine whether certain valves, couplings, nozzles and connections or brass, suitable for use in interior fire protection systems from Italy are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of the action, so that it may determine whether imports of this merchandise are materially injuring, or threatening to materially injure, a United States industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before March 8, 1984, and we will make our own on or before July 2, 1984.

EFFECTIVE DATE: February 21, 1984.

FOR FURTHER INFORMATION CONTACT: William D. Kane, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230: (202) 377-1776.

SUPPLEMENTARY INFORMATION: On January 23, 1984, we received a petition in proper form from counsel for Badger-Powhatan, a division of Figgie International Inc.

In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merhandise from Italy are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring, or are threatening to materially injure, a United States industry. The allegations of sales at less than fair value of the merchandise under investigation from Italy are supported by comparisons of U.S. price to home market and third country prices developed by an independent market research study performed in Italy and commissioned by the petitioner.

Initiation of Investigations

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition filed by counsel for Badger-Powhatan, and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating antidumping investigations to determine whether certain valves, couplings, nozzles and connections, of brass, suitable for use in interior fire protection systems, from Italy are being, or are likely to be, sold at less than fair value in the United States. If our investigations proceed normally, we will make our preliminary determinations by July 1, 1984.

Scope of Investigations

The merchandise covered by these investigations consist of: 1½ inch and 2½ inch brass angle hose valves and 2½ inch brass wedge disc hose gate valves as currently provided for in item 680.1430 of the *Tariff Schedules of the United States, Annotated* (TSUSA); pressure restricting and pressure regulating valves, of brass, currenatly provided for in TSUSA item number 680.2720; brass single clapper and double clapper siamese fire department connections (2½ inch inlet, 4 inch outlet), currently provided for in TSUSA item number 680.1420; 1½ inch and 2½ inch brass fog/straight stream hose nozzles, currently provided for in TSUSA item number 680.1480; and 1½ inch and 2½ inch brass fire hose coupling, currently provided for in TSUSA item number 657.3540.

Notification to the ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either

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

Preliminary Determination by the ITC

The ITC will determine within 45 days of the date the petition was received whether there is a reasonable indication that imports of certain valves, couplings, nozzles and connections, of brass, suitable for use in interior fire protection systems, from Italy are materially injuring, or are likely to materially injure, a United States industry. If its determinations are negative, these investigations will terminate; otherwise they will proceed according to the statutory procedures.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

February 13, 1984.

[FR Doc. 84-4497 Filed 2-17-84; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX C

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

UNITED STATES INTERNATIONAL TRADE COMMISSION

CALENDAR OF PUBLIC CONFERENCE

Investigation No. 731-TA-165 (Preliminary)

CERTAIN VALVES, NOZZLES, AND CONNECTORS OF BRASS
FROM ITALY FOR USE IN FIRE PROTECTION SYSTEMS

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigation on February 14, 1984 in the Hearing Room of the USITC Building, 701 E Street, N.W., Washington, D.C.

In support of the imposition of antidumping duties

Stewart and Stewart--Counsel
Washington, D.C.
on behalf of
Badger-Powhatan, a division of Figgie International Inc.

Gerald F. LaVelle, President and General Manager, Badger-Powhatan
A. O. (Mike) Pittinger, Product Manager, Municipal Hose/Brass Products Division, Badger-Powhatan
Brent Wilson, Accounting Manager, Badger-Powhatan

Eugene L. Stewart--OF COUNSEL

In opposition to the imposition of antidumping duties

Law Office of Larry E. Klayman--Counsel
Washington, D.C.
on behalf of
Rubinetterie A. Giacomini, S.p.A.

Dott. Alberto Giacomini, President, Rubinetterie A. Giacomini, S.p.A.
Hubert Fayet, Export Manager, Rubinetterie A. Giacomini, S.p.A.
P. Lance Graef, ICF Incorporated

Larry E. Klayman)
V. James Adduci, II) --OF COUNSEL

Other parties appearing at the conference

Alan Reilly, National Sales Manager, Potter-Roemer, Inc., Cerritos, California, and past President (1980-83) of the Fire Equipment Manufacturers Association, Cleveland, Ohio

APPENDIX D

LETTER SUBMITTED BY SECO MANUFACTURING, INC.

SECO MANUFACTURING, INC.

P. O. BOX 378 • WAUSEON, OHIO 43567 • 419-335-1010

February 8, 1984

U.S. International Trade Commission
Washington, D.C. 20436

Re: Investigation - 731-TA-165

Gentlemen:

This letter is in response to your questionnaire regarding the above noted investigation and is in lieu of our returning to you the questionnaire with answers.

Seco Manufacturing, Inc. has been in the process of liquidation and terminating its operations since August of 1983. We were engaged in the manufacture of brass products for use in Fire Protection Systems.

It would be inaccurate to state that the availability of Italian made brass Fire Fighting components in the United States was the sole reason for our discontinuing operations. However, it would be equally inaccurate not to state that availability of Italian made brass products was not a major consideration in our decision.

The pricing practices of the Italian producer have had a major disruptive impact on the marketing of fire fighting products in the United States.

While corrective action to protect domestic manufacturers would be of no value to Seco Manufacturing, Inc., I wish to make the following observations.

There are presently only two remaining manufacturers who produce a complete line of brass Fire Fighting Products operating in the United States. I question the wisdom of placing the ability of these domestic manufacturers to continue manufacturing such products in jeopardy. The possibility of domestic needs for these vital products being solely dependent on foreign production carries with it undesirable risks.

Thank you for your interest.

Cordially,

SECO MANUFACTURING, INC.

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P. C. Tainsh
President

PCT:gd

APPENDIX E

LETTER SUBMITTED BY JOHN W. MOON, INC.

J. W. MOON INC.
W. D. ALLEN MANUFACTURING DIVISION
ESTABLISHED 1869
4717 STENTON AVE., PHILADELPHIA, PENNA. 19144
AREA CODE 215 TELEPHONE 842-1100

ALLENCO

February 17, 1984

U.S. Int'l Trade Commission
Washington, D.C. 20438

Attn: Mr. George L. Deyman

Dear Mr. Deyman:

After reviewing the statements made during the February 14th conference regarding Fire Protection Items imported from Italy, I feel I should add what knowledge we have of the problem.

Mr. Giacomini estimates that exports of products in question comprise less than thirty percent of the total U.S. market. It is my opinion that the Italian exports comprise over seventy percent of the U.S. market and is increasing constantly.

Mr. Giamcomini stated the raw material they use costs less than the raw material Badger-Powhatan uses. I spoke with one of our metal suppliers today. They told me that the brass used in the forging process would cost the same or more than the brass Badger-Powhatan uses and it is my understanding that the forging process cost much more than the sand casting process.

We have found it impossible to compete with the imported Italian products. In most cases their distributor will quote thirty percent below what we are able to sell our products. I can not believe the Italian products can be made, packed and delivered to this country at the prices they are selling their porducts to their four U.S. distributors.

We as one of the companies mentioned by Mr. Giacomini as "not being injured by our exports", we in fact, have been severely injured and we hope the U.S. International Trade Commission will rule in favor of Badger-Powhatan.

Very truly yours,

Lewis P. Moon, Jr.
President

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LPM:hem

APPENDIX F

LETTER SUBMITTED BY SOUTH PARK CORP.

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