

# **LOW-FUMING BRAZING COPPER WIRE AND ROD FROM FRANCE, NEW ZEALAND, AND SOUTH AFRICA**

**Determination of the Commission in  
Investigation No. 701-TA-237  
(Preliminary) Under the Tariff Act of  
1930, Together With the Information  
Obtained in the Investigation**

**USITC PUBLICATION 1673**

**APRIL 1985**

**Determinations of the Commission in  
Investigations Nos. 731-TA-245-247  
(Preliminary) Under the Tariff Act of  
1930, Together With the Information  
Obtained in the Investigations**

# **UNITED STATES INTERNATIONAL TRADE COMMISSION**

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Note.--Data which would disclose confidential operations of individual concerns may not be published and therefore have been deleted from this report.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



UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC

Investigations Nos. 701-TA-237 (Preliminary) and  
731-TA-245-247 (Preliminary)

LOW-FUMING BRAZING COPPER WIRE AND ROD FROM FRANCE, NEW ZEALAND,  
AND SOUTH AFRICA

Determinations

On the basis of the record 1/ developed in investigation No. 701-TA-237 (Preliminary), the Commission determines, 2/ pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from France of low-fuming brazing copper wire and rod 3/ which are alleged to be subsidized by the Government of France.

In addition, on the basis of the record developed in investigation No. 731-TA-245 (Preliminary), the Commission determines, 4/ pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from France of low-fuming brazing copper wire and rod which are alleged to be sold in the United States at less than fair value (LTFV).

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

2/ Commissioner Lodwick dissenting.

3/ The term "low-fuming brazing copper wire and rod" covers brazing wire and rod, of copper, whether or not flux-coated, provided for in items 612.62, 612.72, and 653.15 of the Tariff Schedules of the United States (TSUS).

4/ Commissioner Lodwick dissenting.

The Commission further determines, on the basis of the record developed in investigations Nos. 731-TA-246 and 247 (Preliminary), pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from New Zealand and South Africa of low-fuming brazing copper wire and rod which are alleged to be sold in the United States at LTFV.

#### Background

On February 19, 1985, petitions were filed with the Commission and the Department of Commerce by counsel on behalf of American Brass Co., Rolling Meadows, IL; Century Brass Products, Inc., Waterbury, CT; and Cerro Metal Products, Inc., Bellefonte, PA, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of low-fuming brazing copper wire and rod from France and New Zealand, 1/ and by reason of LTFV imports of low-fuming brazing copper wire and rod from France, New Zealand, and South Africa. Accordingly, effective February 19, 1985, the Commission instituted preliminary countervailing duty investigations Nos. 701-TA-237 and 238 (Preliminary) and preliminary antidumping investigations Nos. 731-TA-245-247 (Preliminary).

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1/ Effective April 1, 1985, New Zealand lost its entitlement to an injury determination, and the Commission terminated investigation No. 701-TA-238 (Preliminary). Also, at the same time the cited petitions were filed, counsel for the petitioners filed a countervailing duty petition with Commerce concerning imports of low-fuming brazing copper wire and rod from South Africa. Inasmuch as South Africa is not a signatory to the GATT Subsidies Code, the Commission is not required to make an injury determination.



Notice of the institution of the Commission's investigations and of a 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, DC, and by publishing the notice in the Federal Register of February 27, 1985 (50 F.R. 7971). The conference was held in Washington, DC, on March 13, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.



## VIEWS OF THE COMMISSION

On the basis of the record developed in these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of low-fuming brazing copper rod and wire (LFBR) from New Zealand and South Africa allegedly sold at less than fair value (LTFV). 1/

We also 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 imports of LFBR from France allegedly sold at LTFV. 2/

We 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 allegedly subsidized imports of LFBR from France. 3/

In these preliminary investigations, we have examined the condition of the domestic industry producing LFBR and found that the industry experienced losses throughout the period of investigation. Further, the financial condition of the domestic industry as a whole drastically deteriorated in 1983. Although there has been some small improvement in the domestic industry's financial performance in 1984, the condition of the industry remains poor.

We also analyzed the market conditions that exist in the United States and developments in that market during the period of these investigations.

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1/ Material retardation of an industry in the United States is not at issue in these investigations and will not be discussed further in this opinion.

2/ Commissioner Lodwick determines that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of LFBR from France allegedly sold at LTFV.

3/ Commissioner Lodwick determines that there is a reasonable indication that an industry in the United States is materially injured by reason of allegedly subsidized imports of LFBR from France.

These include the significant volume of imports from New Zealand and South Africa and a halt to entries of French imports of LFBR into the U.S. market in the last half of 1984. Further, although a former importer commenced production of LFBR in the United States, the domestic industry's share of the U.S. market has dropped below the level established in 1982.

There are indications of underselling by imports and sales lost to imports. We note that the numerous levels of distribution in the LFBR market in the United States have made price and sales comparisons difficult. In the event of any final investigation, we will develop further information on appropriate price comparisons and lost sales.

#### Like product and the domestic industry

Section 771(4)(A) of the Tariff Act of 1930 defines the domestic industry as "[t]he 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." <sup>4/</sup> The statute defines "like product" as "[a] product that is like, or in the absence of like, most similar in characteristics and uses with the article subject to investigation . . . ." <sup>5/</sup> The legislative history concerning the definition of like product states that:

[T]he requirement that a product be 'like' the imported article should not be interpreted in such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a

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<sup>4/</sup> 19 U.S.C. § 1677(4)(A).

<sup>5/</sup> 19 U.S.C. § 1677(10).

fashion as to prevent consideration of an industry adversely affected by the imports under investigation. 6/

The imported product which is the subject of these investigations is low-fuming brazing copper rod and wire, principally of copper and zinc alloy, whether bare or flux-coated. 7/ LFBR is a material used to bond dissimilar materials together in a process similar to welding. The brazing process involves heating the brazing material with an oxyacetylene apparatus and joining different materials together with the melted brazing material. 8/

The Copper Development Association (CDA) has designated standard chemical compositions for LFBR. 9/ There are two LFBR copper-based alloys, CDA 680 and CDA 681, sold in the United States. Currently, all of the imported LFBR appears to be of CDA alloy 681. 10/

LFBR must be used with a flux in the brazing process in order to prevent oxidation. 11/ Thus, LFBR is either produced with a flux coating on the rod or the end user hand dips the bare LFBR in flux during the brazing operation. 12/ Some end users use an automatic gas-fluxing apparatus that applies the flux and heats the LFBR at the same time. 13/ All of the imported

6/ S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

7/ Department of Commerce (Commerce), Initiation of Antidumping Investigation, 50 Fed. Reg. 10518, 10522, 10524 (Mar. 15, 1985); Initiation of Countervailing Duty Investigations, 50 Fed. Reg. 11004-06 (Mar. 19, 1985).

8/ Report of the Commission (Report) at A-2. Welding involves the heating of the two materials that are joined rather than a filler material. Id.

9/ Id. at 2. There are five major types of non-ferrous, copper-based alloy brazing materials. LFBR accounts for an estimated 80 percent of copper-based alloy brazing materials consumed in the United States.

10/ Id. at A-5.

11/ Id. at A-2.

12/ A representative of Cerro Metal Products (Cerro) estimates that flux-coated LFBR constitutes approximately 60 percent of consumption of LFBR. Transcript of Commission conference (TR) at 44.

13/ Id. at 44 and 113.

LFBR is bare product. 14/ Some manufacturers in the United States produce both the CDA 680 and CDA 681 alloy LFBR and also flux-coat the bare LFBR. 15/

For the purposes of these preliminary investigations, we find that the like product is LFBR of either CDA 680 or CDA 681 alloy which is bare or flux-coated. The chemistries of CDA 680 and CDA 681 alloy are very similar and are interchangeable in 90 percent of their uses. 16/ CDA 680 alloy contains a small amount of nickel which results in a more wear-resistant weld and enables the brazing material to flow more freely. 17/ The same machinery and employees produce LFBR from both alloys. 18/

The flux-coated product is manufactured from the bare LFBR, and the cost of the bare LFBR constitutes the majority of the cost of the flux-coated product. 19/ The two forms of LFBR are sold through the same distribution channels. Moreover, prospective customers for LFBR can use either bare or pre-coated LFBR. Although the flux-coated product does cost more than the bare LFBR, the nature of the end user's brazing equipment and labor costs affect the cost of each product to the end user. Convenience of the end user's equipment generally governs the choice between bare and flux-coated

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14/ Transportation costs and potential damage to the flux-coating during transit deter importation of the flux-coated product. Report at A-7.

15/ Id. at A-5. There are two types of firms that manufacture the flux-coated LFBR. The first type of firm produces the bare LFBR and then flux-coats it, and the second type of firm purchases bare LFBR and flux-coats that LFBR. Id.

16/ TR at 71.

17/ See Report at A-2 for a comparison of the chemistries of the CDA 680 and CDA 681 alloys.

18/ TR at 20.

19/ Id. at 66.

LFBR. 20/ Thus, there could be competition between the two forms of LFBR in sales to end users. 21/

#### Related parties

Two firms that produce LFBR also imported the product subject to investigation during the period of these investigations. 22/ The statute provides that the Commission may exclude parties from the domestic industry:

When some producers are related to the exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise, the term 'industry' may be applied in appropriate circumstances by excluding such producers from those included in that industry. 23/

In assessing whether appropriate circumstances exist for excluding firms, the Commission has considered the following factors:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reasons that the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and

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20/ Id. at 44-45, 113, 143.

21/ The best available information available at the time of these determinations does not include detailed information concerning the operations of domestic flux-coaters. Thus, we have made our determinations based on information from producers of flux-coated LFBR that also produce the bare LFBR. Although we have not included U.S. firms that only flux-coat purchased LFBR, we will reexamine this question in any final investigation that may be necessary. We note that these flux-coating firms are also major importers of LFBR. This raises the related party issue with respect to these firms. The best available data at this time, however, do not permit complete analysis of this question because the data do not show the proportion of U.S. production of flux-coated LFBR represented by these firms. Thus, the Commission cannot accurately assess whether they constitute such a major proportion of the total industry that their exclusion would severely distort the economic data. See 12-Volt Motorcycle Batteries from Taiwan, Inv. No. 731-TA-238 (Preliminary), USITC Pub. No. 1654 (1985).

22/ Questionnaire responses at 9-10, 13; petitioners' post-conference brief at 6-7.

23/ 19 U.S.C. § 1677(4)(B).

- (3) the position of the related producers vis-a-vis the rest of the domestic industry. 24/

Although these two firms have imported LFBR during the period of the investigation, we find that the circumstances are not appropriate for excluding them from the domestic industry because exclusion of these firms would distort the Commission's injury analysis. Moreover, these firms have not imported LFBR from France, New Zealand, or South Africa recently and because of the relatively low volume of these firms' imports, it is not likely that they are seeking to direct these imports in such a way as to avoid competition with their domestically produced product.

Thus, we determine that for the purposes of these preliminary investigations, the domestic industry consists of U.S. producers of bare LFBR and flux-coated LFBR of CDA 680 and CDA 681 alloys. 25/

#### Condition of the domestic industry

The U.S. market for LFBR appears to be recovering from declines experienced between 1980 and 1982. 26/ Domestic apparent consumption of LFBR more than doubled in the period from 1982-84. 27/ In 1983, there was a significant change in the composition of the domestic industry. J.W. Harris Corp. (Harris) began production of LFBR during the first quarter of 1983. Prior to that time, Harris was an importer of LFBR. 28/ Moreover, in October, 1984, Harris acquired Unibrazo Corp., another importer of LFBR. 29/

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24/ See 12-Volt Motorcycle Batteries from Taiwan, Inv. No. 731-TA-238 (Preliminary), USITC Pub. No. 1654 (1985).

25/ See discussion supra at n.21 regarding U.S. flux-coating firms.

26/ TR at 65.

27/ Report at A-8.

28/ Id. at A-6.

29/ Id.



The entry of this new domestic producer has affected several of the traditional indices of material injury. The domestic industry's production, shipments, and capacity increased in 1983 and 1984 when Harris began production. 30/ Employment, total hours worked, and wages showed similar trends. 31/ Although capacity utilization increased slightly in 1983, capacity utilization declined in 1984, dropping back almost to the level experienced in 1982. 32/

The domestic industry's financial condition, however, remained unhealthy as the producers experienced financial losses throughout the period of investigation. Further, these losses sharply increased in 1983. Although operating losses declined in 1984, they continue at a significant level. 33/

The domestic industry's performance has not kept pace with rapidly increasing apparent consumption, and the overall condition of the domestic industry remains poor. Thus, we find that there is a reasonable indication that the domestic industry is experiencing material injury.

Cumulation 34/ 35/

These investigations involve allegedly unfairly traded imports from three countries. Thus, the Commission must decide whether it is appropriate to

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30/ Id. at A-8-9. The majority of the data concerning the domestic industry is business confidential. Thus, we can only discuss general trends in the industry.

31/ Id. at A-11-12.

32/ Id. at A-9.

33/ Id. at A-11-14, Tables 6-7.

34/ Commissioner Eckes joins only the discussion of the circumstances which warrant non-cumulation of imports from France, as well as the reasons for a negative determination regarding the impact of those imports on a case-by-case basis at pp. 16-19. His affirmative views regarding imports from New Zealand and imports from South Africa are in his additional views at p. 21.

35/ Chairwoman Stern notes that she would have also found in the affirmative had she made a case-by-case determination. The trends in the following discussion apply similarly to imports from New Zealand and South Africa.

cumulate imports from these three countries in assessing the volume and effect of these imports on the domestic industry.

Section 612(a)(2)(A) of the Trade and Tariff Act of 1984 amends title VII of the Tariff Act of 1930 by adding a new subsection pertaining to cumulation. That provision states that:

Cumulation--For the purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with the like products of the domestic industry in the United States market. 36/

The Conference Report accompanying the 1984 Act states that:

The provision requires cumulation of imports from various countries that each account individually for a small percentage of total market penetration but when combined may cause material injury. The conferees do intend, however, that the marketing of imports that are accumulated [sic] be reasonably coincident. Of course, imports of like products from countries that are not subject to investigation would not be included in the cumulation. 37/

Imports must satisfy three requirements before cumulation is warranted.

Imports must (1) compete with both other imports and the domestic like product, (2) be marketed within a reasonably coincidental period, and (3) be subject to investigation. The Commission may exercise its discretion in determining whether imports compete and whether the marketing of imports is reasonably coincident. 38/

In determining whether the imported products compete with each other and with the like product in the U.S. market and whether the marketing of imports is reasonably coincident, we have considered the following factors:

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36/ Pub. L. 98-573, § 612(a)(2)(A), to be codified at 19 U.S.C. § 1677(7)(C)(iv).

37/ H.R. Rep. No. 1156, 98th Cong., 2d Sess. 173 (1984).

38/ See Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, Sweden, and Venezuela, Invs. Nos. 701-TA-225-34, Invs. Nos. 731-TA-213-17, 219, 221-26, and 228-35 (Preliminary), USITC Pub. No. 1642 (1985) at 12-13.

- (1) the degree of fungibility between imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution of imports from different countries and the domestic like product;
- (4) whether the prices of imports and the domestic like product are within a reasonable range; and
- (5) whether the imports are simultaneously present in the market.

This is not intended to be an exclusive list of considerations and no single factor is determinative. 39/

In these investigations, we find that imports from all three countries and the domestic like product are basically fungible. 40/ Moreover, there are common or similar channels of distribution for all of the LFBR, and the prices of the imported product and the like product are within a reasonable range. 41/ Finally, there are sales or offers to sell in the same market, and imports from New Zealand and South Africa are simultaneously present in the market. 42/ Thus, we find that imports of LFBR from New Zealand and South Africa compete with each other and the like product and are reasonably coincident in the U.S. market.

Imports of LFBR from France, however, have not been in the U.S. market for some time. 43/ Trefimetaux, the major French producer, stated that it had

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39/ Id.

40/ Although one flux-coater of bare LFBR contends that domestic producers of bare LFBR have been unable or unwilling to meet that firm's specifications and sales requirements, that firm has purchased bare LFBR from a number of domestic and imported sources. Petitioners' post-conference brief at confidential exhibit 2; Report at A-30.

41/ Report at A-25-27, Tables 15-17.

42/ Id. at A-21.

43/ Commissioner Lodwick has cumulated imports from France with other imports subject to investigation. See Commissioner Lodwick's Views at p. 23.

not accepted an order for LFBR in the United States since March, 1984. 44/ Moreover, official Commerce Department statistics show that the last shipment of LFBR from France occurred in July, 1984. 45/ Thus, we find that French imports of LFBR are not reasonably coincident 46/ with imports of LFBR from New Zealand and South Africa and have not competed with imports subject to investigation or the like product for a significant period of time. Consequently, we have not cumulated imports of LFBR from France with imports of LFBR from New Zealand and South Africa.

Reasonable indication of material injury by reason of imports from New Zealand and South Africa allegedly sold at LTFV

In determining whether there is a reasonable indication that imports of LFBR from New Zealand and South Africa are causing material injury to a domestic industry, we have considered the cumulative volume and effect of imports from these two countries. 47/ 48/ The volume of imports from these two countries is significant and has increased over the period of these investigations. Imports from New Zealand and South Africa increased from 1,316,000 pounds in 1982 to 2,290,000 pounds in 1984. 49/ New Zealand was the

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44/ TR at 152-54.

45/ Report at A-18 n.3. See id. at A-18 for a discussion of importers' inventories.

46/ Chairwoman Stern distinguishes her determination not to cumulate imports from France in this investigation from her views regarding cumulation in Carbon Steel Wire Rod from Poland, Inv. No. 731-TA-159 (Final), USITC Pub. 1574 (1984). In the previous investigation the Polish imports overlapped significantly in their timing and the cumulated impact was sufficiently recent to warrant cumulation. The appropriateness of a cumulative analysis of the impact of imports is decided on a case-by-case basis, considering several factors relating to specific market conditions.

47/ Commissioner Eckes does not join in this discussion. See n.34, supra.

48/ Commissioner Lodwick notes that he finds that allegedly LTFV imports from New Zealand and South Africa individually provide a reasonable indication of material injury.

49/ Report at A-22, Table 13.

primary source of imports of LFBR throughout the investigation and in 1983 and 1984, New Zealand and South Africa were the two largest sources of imports of LFBR. 50/ Moreover, imports of LFBR from these two countries captured an increasing share of the U.S. market throughout the period of these investigations. 51/

With regard to the effect of imports of LFBR from New Zealand and South Africa on prices in the United States, the data are mixed. 52/ There has been a general declining trend in prices throughout the period of these investigations for both the domestic LFBR and imported LFBR. 53/ There was a consistent pattern of underselling by one of the countries under consideration and isolated instances of underselling by imports from the other country. 54/

The Commission confirmed the existence of price competition between the imported LFBR and the domestic product. Moreover, there is some evidence of customers shifting their purchases of LFBR among the various sources. 55/ 56/

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50/ Id. at A-21-22.

51/ Id. at A-23.

52/ We note that the multiple levels of this market and competition between firms at more than one level in the LFBR market has made price comparisons difficult. In any final investigation that may be necessary, we expect to develop additional information on pricing in the LFBR market. Commissioner Rohr notes that several specific problems developed with regard to pricing data which render such data unreliable for this preliminary investigation. For example, prices were obtained for products at time periods and for products for which we have evidence on the record that there were no imports. Similarly, evidence that imports from one country consistently undersold the domestic products appears to have resulted from a comparison of the price of the product at different stages of distribution. He therefore bases his determination on information in the record other than this pricing information.

53/ Report at A-23-27.

54/ Id.

55/ Id. at A-28-31.

56/ Chairwoman Stern did not rely on price comparisons of imported and domestic LFBR based on questionnaire responses. Id. at Tables 15-17. However, she notes that domestic prices did decline throughout the period of investigation, and that official Commerce statistics for the TSUS category which include primarily LFBR reflect lower and declining prices for imports from New Zealand and South Africa.

Although we expect to develop more extensive information on pricing and lost sales, we find that the increasing volume of imports and market penetration coupled with declining prices for imports of LFBR from New Zealand and South Africa and some underselling provide sufficient support for our finding of a reasonable indication of material injury by reason of imports of LFBR from New Zealand and South Africa allegedly sold at LTFV.

No reasonable indication of material injury by reason of allegedly subsidized imports from France or by reason of imports from France allegedly sold at LTFV 57/ 58/

Imports of LFBR from France declined drastically throughout the period of this investigation, dropping from 743,000 pounds in 1982 to 240,000 pounds in 1984. 59/ Moreover, all of the French imports of LFBR in 1984 arrived in the United States by July, 1984, most of it in February. Although French imports of LFBR accounted for a significant portion of U.S. consumption in 1982, French import market penetration dropped dramatically in 1983 and 1984. 60/ There have been no imports of French LFBR in 1985. 61/ Thus, the volume of French imports of LFBR is declining and is not currently significant.

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57/ Commissioner Lodwick does not join the remainder of the opinion.

58/ Commissioner Rohr notes that this issue directly presents the Commission with the issue of whether the trade laws are designed to remedy injury from imports which occurred at some time in the past or whether such injury must be currently occurring. Injury which could occur in the future has always been addressed separately by the Commission in its threat analysis. He believes that the statute requires that injury being caused by imports must be occurring at the time of the Commission's determination, or a time reasonably proximate thereto, for the Commission to make an affirmative determination. What is reasonably proximate will vary with each investigation. Factors such as the nature of the articles in question, the way in which the articles are traditionally sold in the market, the trend and volume of imports, and the size and turnover rate of inventories can affect what is reasonably proximate to the determination.

59/ Report at A-22.

60/ Id. at A-23.

61/ Id. at A-18 n.3.

There were no allegations of sales lost to French imports of LFBR or lost revenues resulting from French imports. 62/ Although there is some indication of underselling, there is contrary evidence that French prices increased and that the French left the U.S. market because of price competition from other imports and the domestic industry. 63/ Moreover, imports of LFBR from a number of countries have unit values substantially below the French product. 64/ Therefore, we have determined that there is no reasonable indication that imports of allegedly subsidized LFBR from France or allegedly LTFV imports of LFBR from France are causing material injury to the domestic industry.

No reasonable indication of threat of material injury by reason of allegedly subsidized imports from France or imports allegedly sold at LTFV

In determining whether there is a threat of material injury, the statute lists several factors which the Commission shall consider among other relevant economic factors. These factors include:

- (1) Any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,
- (2) Any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,
- (3) The probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,
- (4) Any substantial increase in inventories of the merchandise in the United States,
- (5) The presence of underutilized capacity for producing the merchandise in the exporting country,

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62/ Id. at A-28-31.

63/ TR at 77; Memorandum to the investigation file from Cynthia Wilson, Commission Investigator.

64/ Report at A-22, Table 13.

- (6) Any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury, and
- (7) The potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigations under section 701 or 731 (of the Tariff Act of 1930) or to final orders under section 706 or 736 (of the Tariff Act of 1930) are also used to produce the merchandise under investigation. 65/

Furthermore, the statute provides that "[A]ny determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition." 66/

In these investigations, Trefimetaux, the major French producer, stated that it had left the U.S. market and had no intention to return to that market. U.S. market penetration by the French LFBR has declined throughout the period of investigation. There have been no reported imports since July, 1984. 67/ Trefimetaux's LFBR facilities are operating at full capacity and the firm has no plans to increase its capacity. 68/ Trefimetaux does not maintain inventories of LFBR. 69/

The French producer has developed a new brazing rod which conforms to the European market requirements which differ from the U.S. specifications. 70/

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65/ 19 U.S.C. § 1677(7)(F).

66/ Id.

68/ Official Commerce import statistics for LFBR.

69/ TR at 76; Trefimetaux post-conference brief at 13-14.

70/ Trefimetaux post-conference brief at 13.



Trefimetaux would have to alter its equipment and product mix to reenter the U.S. market. 71/

Trefimetaux provided information on a three-year projected sales and export plan that commits that firm's capacity for producing LFBR towards the European and other markets. 72/ Exports to European markets have already increased by 300 percent. 73/

There is nothing on the record to indicate that a threat of material injury is real or that actual injury is imminent. Accordingly, we find that there is no reasonable indication that an industry in the United States is threatened with material injury by reason of allegedly subsidized imports of LFBR from France or by reason of imports from France of LFBR which are allegedly sold at LTFV.

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71/ TR at 76; post-conference brief at 14.

72/ Id. There are no articles subject to investigation from which Trefimetaux could engage in product shifting. Thus, that factor is not at issue in these investigations.

73/ Trefimetaux post-conference brief at 15.



## ADDITIONAL VIEWS OF COMMISSIONER ECKES

My determinations in these preliminary investigations have been made on a case-by-case basis, without reaching the further question of whether cumulation would be appropriate with regard to imports from these countries. I do not believe that the statute permits such case-by-case determinations only after the Commission has determined that cumulation is inappropriate. I have concurred with my colleagues regarding the inappropriate circumstances for cumulating imports from France. Further, I have joined the discussion of why imports from France do not provide a reasonable indication of material injury or threat to the domestic industry.

With regard to imports of alleged LTFV imports from New Zealand and South Africa, my determinations are in the affirmative. These affirmative determinations are based on the significant import volumes from each country during the period covered by this investigation, together with data suggesting that these imports have had an adverse effect on domestic sales on the basis of price competition.

Imports from New Zealand increased each year from 1982-84. Import levels in 1982 were 790,000 pounds, 900,000 pounds in 1983, and 1,240,000 pounds in 1984, almost two-thirds greater than 1982 levels. As a share of U.S. consumption, these imports were significant throughout the period, slightly increasing their share from 1982 to 1984. A significant part of these imports are being held in importers' inventories; the level of these inventories has increased throughout the period under consideration.

The available information on pricing and unit values for these imports indicates declines throughout the period. Incomplete data suggest that there were instances of underselling with regard to one product group. Information

developed regarding lost sales indicates that customers purchased this essentially fungible product on the basis of price from various sources, including New Zealand.

Imports from South Africa increased each year from 1982-84. In 1982, import levels were 526,000 pounds, increasing to 871,000 pounds in 1983, and 1,050,000 pounds in 1984, almost double the level in 1982. These imports held a significant and increasing share of U.S. consumption over the period under consideration.

The prices for imports from South Africa declined throughout the period; unit values declined as well. Available data, although incomplete, indicate underselling by these imports in each product group for which data were gathered. Further, additional pricing information indicate purchasing decisions are based on price among sources of this product, including South Africa.

VIEWS OF COMMISSIONER LODWICK

I find a reasonable indication that an industry in the United States is materially injured by reason of imports of low fuming brazing copper wire and rod (LFBR) from France which are allegedly subsidized by the government of France, and also by LFBR imports from France which are allegedly sold at less than fair value (LTFV). I base my determinations on an evaluation of the cumulative effect of allegedly subsidized imports from France and New Zealand for the purposes of investigation number 701-TA-237, and on an evaluation of the cumulative effect of allegedly LTFV imports from France, New Zealand, and South Africa for the purposes of investigation number 731-TA-245.

I concur with the views of the Commission majority with respect to: the definition of the like product and domestic industry, the condition of the domestic industry, and the effects of allegedly unfairly traded imports from New Zealand and South Africa on the domestic industry.

Cumulation

The Trade and Tariff Act of 1984 states:

Cumulation -- For purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States market. 1/

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1/ The Trade and Tariff Act of 1984, Section 612(a)(2)(A).

Imports from France appear to compete against both the domestic product and other imports subject to investigation. In particular, domestic producers have made allegations of lost sales to importers who have secured material from France, <sup>2/</sup> and at least some importers have both imported material from France and purchased other imports subject to investigation. <sup>3/</sup>

The argument has been raised that imports from France should not be cumulated because such imports are not currently in the market. The Conference Report accompanying the 1984 Act notes that:

The conferees do intend, however, that the marketing of imports that are accumulated [sic] be reasonably coincident. <sup>4/</sup>

For the purposes of these preliminary investigations I conclude that imports from France are sufficiently coincident with other imports subject to investigation to warrant cumulation. Imports from France were present in the U.S. market during the vast majority of the period under investigation, and accounted for roughly 10 percent of apparent domestic consumption during the 1982-1984 period. <sup>5/</sup> Official Commerce Department statistics show that imports from France entered the U.S.

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<sup>2/</sup> Rpt. at A-28-29.

<sup>3/</sup> Id. at A-7.

<sup>4/</sup> H.R. Rep. No. 98-1156, 98th Cong., 2nd Sess. 173 (1984).

<sup>5/</sup> Rpt. at A-8, A-23.

market as recently as July, 1984. <sup>6/</sup> Further, the primary importer of LFBR from France did maintain some inventories. <sup>7/</sup> Thus, imports from France could still have been moving through the domestic market channels after July.

In addition, there are indications that the domestic industry continues to experience injury from lost sales to importers who have secured substantial quantities of LFBR from France during the period of investigation. <sup>8/</sup>

Reasonable Indication of Material Injury from Allegedly Unfairly Traded Imports from France

The majority opinion addresses the condition of the domestic industry and the effects of imports from New Zealand and South Africa. Since I concur with the Commission finding of a reasonable indication of material injury from allegedly LTFV imports from New Zealand and South Africa, the basis for my affirmative finding with respect to the cumulative effect of allegedly LTFV imports from France, New Zealand, and South Africa is obvious and no further discussion is warranted.

My affirmative injury determination from a cumulative analysis of allegedly subsidized imports from France and New Zealand is based on the following information, as well as the overall record.

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<sup>6/</sup> Id. at A-18 n.3.

<sup>7/</sup> Rpt. at A-18.

<sup>8/</sup> Id. at A-28-29.

(1) Import volumes from France and New Zealand reached approximately 1.5 million pounds in each of the years 1982, 1983, and 1984. This level of imports is significant relative to domestic shipments and apparent domestic consumption. 9/

(2) Though pricing data is mixed and incomplete, there were sufficient indications of underselling by these imports. Further, this occurred while domestic prices generally declined between the beginning of 1983 and the beginning of 1985. 10/

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9/ Rpt. at A-22.

10/ Id. at A-23-28.



## INFORMATION OBTAINED IN THE INVESTIGATIONS

## Introduction

On February 19, 1985, counsel on behalf of American Brass Co., Rolling Meadows, IL; Century Brass Products, Inc., Waterbury, CT; and Cerro Metal Products, Inc., Bellefonte, PA; filed countervailing duty and antidumping petitions with the U.S. International Trade Commission and the U.S. Department of Commerce. The petitions allege that an industry in the United States is materially injured and is threatened with material injury by reason of imports from France and New Zealand of low-fuming brazing copper wire and rod 1/ upon which bounties or grants are alleged to be paid, and imports from France, New Zealand, and South Africa of low-fuming brazing copper wire and rod which are allegedly sold in the United States at less than fair value (LTFV). 2/ Accordingly, effective February 19, 1985, the Commission instituted investigations Nos. 701-TA-237 and 238 (Preliminary) and Nos. 731-TA-245-247 (Preliminary) under the provisions of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise into the United States. 3/ The statute directs that the Commission make its determinations within 45 days after receipt of the petitions, or in these cases, by April 5, 1985.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of February 27, 1985 (50 F.R. 7971). 4/ The conference was held in Washington, DC, on March 13, 1985. 5/ The briefing and vote was held on March 28, 1985.

## The Product

Description and uses

Low-fuming brazing copper wire and rod is a general-purpose welding material used almost exclusively to bond dissimilar metal components together. It is used in the manufacture of such items as agricultural tools,

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1/ For purposes of these investigations, low-fuming brazing copper wire and rod covers brazing wire and rod, of copper, whether or not flux-coated, provided for in items 612.62, 612.72, and 653.15 of the Tariff Schedules of the United States (TSUS).

2/ At the same time the cited petitions were filed, counsel for the petitioners filed a countervailing duty petition with Commerce concerning imports of low-fuming brazing copper wire and rod from South Africa. Inasmuch as South Africa is not a signatory to the GATT Subsidies Code, the Commission is not required to make an injury determination.

3/ Investigation No. 701-TA-238 (Preliminary) was terminated April 1, 1985, because New Zealand lost its entitlement to injury determination.

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

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

bicycle frames, wheelchairs, and metal furniture. Equipment maintenance and repair is another major area where this product is used. In the brazing process, only the rod, not the metals being joined, is melted by heating with an oxyacetylene brazing apparatus.

Low-fuming brazing material is one of five major types of nonferrous, copper-based alloy brazing materials, the others being silicon bronze, nickel silver, deoxidized copper, and phosphor bronze. The low-fuming type is estimated by industry sources to account for 80 percent of the volume of such brazing materials consumed in the United States. 1/

Basically a copper-zinc alloy, 2/ low-fuming brazing material is produced according to standard chemical compositions designated by the Copper Development Association (CDA). Two grades are sold in the United States, CDA 680 and CDA 681. CDA 680 is distinguished from CDA 681 by the former's nickel content of between 0.20 and 0.80 percent, which ensures a more wear-resistant weld and also enables the brazing material to flow more freely. Otherwise, the two grades have very similar chemistries, as shown below (in percent):

<u>CDA Alloy 680</u>	<u>Element</u>	<u>CDA Alloy 681</u>
56.0-60.0	Copper	56.0-60.0
.05	Lead	.05
.25-1.25	Iron	.25-1.25
.75-1.10	Tin	.75-1.10
42.19-35.64	Zinc	42.39-36.44
.20-.80	Nickel	--
.01	Aluminum	.01
.01-.50	Manganese	.01-.50
.04-.15	Silicon	.04-.15
.50	All other	.50

Low-fuming brazing material may be sold in coiled wire or rod form, but is chiefly sold as a cut-to-length rod. The major sizes are 18-inch and 36-inch lengths, with 1/8-inch, 3/32-inch, and 3/16-inch diameters most common. Because a flux material 3/ must be used in the brazing process to prevent oxidation when the weld is made, approximately 55 to 60 percent of brazing rod is sold with a chemical flux-coating. 4/ Flux may also be applied to the rod during the brazing operation by dipping the rod into flux or by gas-fluxing, where the brazer applies flux through the brazing apparatus.

The growing use of robotics and changes in technology are shrinking the demand for low-fuming brazing wire and rod in some of its traditional markets. 5/ In the early 1980's, the automobile repair business began

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1/ Transcript of the public conference, p. 19.

2/ The family of alloys in which low-fuming material is included is also known as "manganese bronzes."

3/ Flux generally consists of a borax-acid solution formula.

4/ Transcript of the public conference, p. 44.

5/ Transcript of the public conference, p. 110.

requiring steel welding wire in repair work instead of low-fuming welding materials. In the furniture industry, aluminum has become more popular, which has also decreased demand in that market.

#### Manufacturing processes

The first step in the production of low-fuming brazing material is the melting of the raw materials in an electric furnace to produce a molten material with the required chemistry. Brazing rod manufacturers generally buy copper on the spot market from dealers and producers at prices that reflect the price of copper as traded on the London Metal Exchange (LME) and the New York Commodity Exchange (COMEX). This material is then cast into ingots (typically 4 to 14 inches in diameter), which are subsequently cut to length into billets. After cooling, the billets are reheated in a furnace to extrusion temperature and then fed into an extruder where they are reduced in diameter. Next, the extruded material is cold drawn through a die or series of dies to further reduce the material to finished size. Cold drawing also strengthens the material. After drawing, the material is annealed to increase softness (so it can be further worked) and pickled in sulfuric acid. Pickling is followed by a rinse to remove the oxide scale that forms during the drawing process. The drawing, annealing, and pickling operations are repeated until the material reaches its finished size (typically 1/8-inch or 3/32-inch in diameter). The finished rod is then sent either to a straightener, where it is straightened and cut to length (typically 18-inch or 36-inch lengths), or is coiled on a coiler. The cut-to-length material is then chamfered to remove burrs and sharp edges. The rod may then be coated with flux in an extrusion press, after which it is baked and cured.

#### U.S. tariff treatment

Imports of low-fuming brazing copper wire and rod subject to these investigations are classified and reported for tariff and statistical purposes under items 612.6205 (rod), 612.7220 (wire), and 653.1500 (flux-coated wire or rod) of the Tariff Schedules of the United States Annotated (TSUSA). The current column 1 or most-favored-nation (MFN) rates of duty, 1/ final concession rates granted under the Tokyo round of the Multilateral Trade Negotiations (MTN), rates of duty for least developed developing countries (LDDC's) enumerated in general headnote 3(d), and column 2 duty rates are shown in table 1. Imports of the subject products from designated beneficiary countries are eligible for duty-free treatment under the Generalized System of Preferences (GSP) and the Caribbean Basin Initiative (CBI).

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1/ MFN rates are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, these rates do not apply to articles afforded preferential treatment under the GSP or CBI, or under the LDDC rate of duty column. The People's Republic of China, Yugoslavia, Romania, and Hungary are the only Communist countries now afforded MFN treatment.

Table 1.--Low-fuming brazing copper wire and rod: U.S. rates of duty, as of Jan. 1, 1980, Jan. 1, 1985, and Jan. 1, 1987

(Cents per pound; percent ad valorem)						
TSUS item No.	Description	Rate of Duty 1/				
		Col. 1			LDDC	Col. 2
		Jan. 1, 1980	Jan. 1, 1985	Jan. 1, 1987		
	Wrought rods, of copper:					
2/ 612.62	Brass-----	3/ 2.5%	4/ 2.3%	5/ 2.2%	6/ 2.2%	9%.
	Wire, of copper:					
	Other than nickel:					
	silver					
7/ 612.72	Not metal coated	8/ 0.7¢ +	8/ 0.2¢ +	11/ 4%	12/ 4%	
	or plated.	9/ 5.8%	10/ 4.5%			28%.
	Wire rods, etc., of					
	base metal, coated					
	with flux, used					
	for brazing of					
	metal or metallic					
	carbides:					
653.15	Other than lead-	4.4%	1.3%	Free	Free	35%.
	tin solders.					

1/ Rates of duty for TSUS items 612.62 and 612.72 are divided into column 1-a and column 1-b rates of duty. Column 1-a rates apply when the market price of copper is 24 cents or more per pound. Column 1-b rates apply when the market price of copper is under 24 cents per pound.

2/ Includes TSUSA item 612.6205.

3/ Col. 1-a rate. Col. 1-b rate was 0.9¢ on copper content + 0.9¢.

4/ Col. 1-a rate. Col. 1-b rate is 0.8¢ on copper content + 0.8¢.

5/ Col. 1-a rate. Col. 1-b rate will be 0.8¢ on copper content + 0.8¢.

6/ Col. 1-a rate. Col. 1-b rate is 0.8¢ on copper content + 0.8¢.

7/ Includes TSUSA item 612.7220.

8/ On copper content.

9/ Col. 1-a rate. Col. 1-b rate was 0.9¢ on copper content + 5.7%.

10/ Col. 1-a rate. Col. 1-b rate is 0.7¢ on copper content + 4.1%.

11/ Col. 1-a rate. Col. 1-b rate will be 0.6¢ on copper content + 3.5%.

12/ Col. 1-a rate. Col. 1-b rate is 0.6¢ on copper content + 3.5%.

### Nature and Extent of Alleged Subsidies and Alleged LTFV Sales

The petitioners allege that manufacturers, producers, and exporters of low-fuming brazing copper wire and rod from France and New Zealand receive benefits from several government programs which constitute bounties or grants. With regard to France, petitioners allege that the French Government has resorted to extensive use of subsidies in the form of equity infusions, loans, assumption of employment expenses, reduced electricity rates, export credits, and other programs in order to restore to profitability the Pechiney Group. This group includes Pechiney's wholly owned subsidiary, Trefimetaux, which produces the product subject to these investigations. With regard to New Zealand, petitioners allege that the Government of New Zealand has provided and will continue to provide certain domestic and export subsidies that benefit its low-fuming brazing copper wire and rod industry. According to the petition, New Zealand made a commitment in 1981 to bring certain export incentive schemes into conformity with the Subsidies Code, and also obligated itself not to introduce any new export incentive schemes proscribed by the Subsidies Code or to expand the coverage or increase the benefits of existing programs. Petitioners allege that neither of these obligations has been met. The petitioners did not provide an estimate of the magnitude of the alleged subsidies for either France or New Zealand.

The petitioners also allege that imports of low-fuming brazing copper wire and rod from France, New Zealand, and South Africa are being sold in the United States at LTFV. In calculating the LTFV margins, the petition compared net home-market prices 1/ of low-fuming brazing copper wire and rod with net ex-factory average unit values of imports based on Department of Commerce data. Sporadic shipments of the product from France resulted in alleged margins of 36 percent ad valorem in February 1984 and 64 percent in July 1984. For New Zealand, the alleged LTFV margins ranged from 21 percent to 52 percent ad valorem during February-December 1984. The alleged margins for South Africa during the same period varied from 62 percent to 110 percent ad valorem.

### U.S. Producers

For purposes of this report, the U.S. low-fuming brazing copper wire and rod industry is defined as those companies which produce bare wire and rod. These companies cast, extrude, and draw the low-fuming material to its final dimensions. The petitioners have requested that the product scope of these investigations include flux-coated as well as bare rod and wire in order to avoid circumvention of any orders which might result from these investigations. 2/ Two of the four wire and rod producers have flux-coating operations.

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1/ The petitioners used home-market prices associated with sales of 1/8-inch diameter material. This size was chosen because it is believed to be the most common size in the U.S. market (antidumping petition, p. 8).

2/ Antidumping petition, pp. 3-4. Petitioners also requested that both CDA 680 and CDA 681 alloys be included. There appear to be no imports of CDA 680.

In addition to these two companies, there are three other domestic companies which are known to flux coat bare brazing rod. 1/ These companies buy bare rod, primarily from imported sources, and add the flux coating. \* \* \*, Aufhauser Bros. and Thermacote-Welco Co., consider themselves to be domestic manufacturers of flux-coated low-fuming brazing copper rod. 2/

Cerro Metal Products, Inc., a division of the Marmon Group, Inc., produces both CDA 680 and CDA 681 low-fuming brazing copper rod 3/ at its plant in Bellefonte, PA. Cerro is one of two domestic producers with flux-coating capabilities. In addition to low-fuming brazing rod, Cerro produces such brazing alloys as naval bronze, nickel silver, and silicon bronze. However, Cerro's major product groups include brass and bronze rods, wires, and shapes; brass, bronze, and aluminum forgings; and automatic screw machine parts of brass.

Like Cerro, Century Brass Products, Inc., located in Waterbury, CT, has been a producer of a wide range of brass products, including brass strip, wire, rod, and tubes. Century has produced \* \* \*; its \* \* \*. Century has no flux-coating operations, \* \* \*. On March 5, 1985, Century announced the closing of its Metals Division after the United Auto Workers (UAW) refused to grant wage and benefit concessions. Century officials said the company had been hurt by cheap imports and by several strikes by workers in recent years. It is expected that Century's General Products Division will also close soon. 4/

American Brass Co., a division of ARCO Metals Co., produces a full line of brass, copper and alloy rods, wire, and extruded shapes at its Ansonia, CT, plant. Production of low-fuming brazing copper wire and rod \* \* \*. Like Century, American has no flux-coating equipment.

J.W. Harris Corp. began production of CDA 681 low-fuming brazing copper wire and rod at its plant in Cincinnati, OH, during January-March 1983. Prior to that time, J.W. Harris bought wire and rod \* \* \*, and then cut, coated, and packaged the product for sale. In addition to low-fuming brazing material, J.W. Harris produces a full range of brazing and soldering alloys, along with brazing and soldering fluxes. J.W. Harris also serves as a major distributor of welding materials to retail outlets. In October 1984, Harris acquired Unibrazo Corp., which imported and flux coated bare rod prior to its acquisition by Harris.

The following tabulation, compiled from data obtained in response to the Commission's questionnaires, lists the four producers and each firm's capacity

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1/ The postconference brief of Aufhauser Bros. (Exhibit A) indicates that there may be another domestic company which flux coats rod.

2/ Transcript of the public conference, pp. 104 and 123.

3/ \* \* \*.

4/ James Brooke, "For the Brass City, an Era Has Ended," The New York Times, Mar. 6, 1985, p. B-1.

and share of total U.S. production of low-fuming brazing wire and rod in 1984:

<u>Firm</u>	<u>Capacity</u> <u>(1,000 pounds)</u>	<u>Share of U.S.</u> <u>production</u> <u>(percent)</u>
American Brass-----	***	***
Century Brass-----	***	***
Cerro Metal Products-----	***	***
J.W. Harris-----	***	***
Total-----	***	100.0

#### U.S. Importers

The net import file maintained by the U.S. Customs Service identified 15 importers of low-fuming brazing copper wire and rod (under TSUSA item 612.6205 only) from France, New Zealand, and South Africa during October 1982 through December 1984. \* \* \* companies accounted for almost \* \* \* percent of total imports. 1/ \* \* \* are processors which have flux-coating capabilities and which sell the brazing material to welding equipment distributors and retailers. The primary importer, \* \* \*. The second largest importer, \* \* \*.

#### The Domestic Market

##### Channels of distribution

The U.S. distribution system for low-fuming brazing copper wire and rod has five tiers: producers, processors, master distributors, welding supply houses (retailers), and end users. The producers manufacture the wire, the bulk of which is cut into rod lengths by the producers themselves. The rod may be flux coated or left bare, and then it is boxed and shipped. For the petitioning firms, most of the rod is shipped to master distributors. There are approximately 10 large master distributors, including industrial gas firms such as the Linde Division of Union Carbide, which sell gas, brazing rods, and other welding supplies and equipment to retailers. The retailers, in turn, sell to end users. For the newest domestic producer, J.W. Harris, sales to master distributors constitute a very small portion of total rod sales; most of the firm's low-fuming brazing rods are sold directly to retailers. 2/

Most of the imported brazing wire and rod is sold to processors. The processors also buy some domestic wire and rod. The processors cut, flux coat, 3/ and package rod for sale to the master distributors or to retailers.

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1/ \* \* \*.

2/ Transcript of the public conference, p. 30.

3/ All imported wire and rod is bare (wire in coiled form is never coated). The coated product is susceptible to chipping in shipping over long distances. Also, some end users prefer to hand dip the rod in flux, so importing bare rod allows more flexibility in selling the product (Transcript of the public conference, p. 43).

One processor, Aufhauser Bros., also does flux coating for other companies on a private label basis.

#### Apparent U.S. consumption

Apparent U.S. consumption of low-fuming brazing copper wire and rod rose from \* \* \* pounds in 1982 to \* \* \* pounds in 1983 (table 2). Consumption then increased further in 1984, to \* \* \* pounds, or 53.8 percent above the 1982 level.

Table 2.--Low-fuming brazing copper wire and rod: U.S. producers' shipments, imports for consumption, and apparent consumption, 1982-84

Year	:	:	:	:	Ratio to	
	:	Producers'	:	Apparent	consumption of	
	:	shipments	Imports	consumption	Producers' :	Imports
	:				shipments	
	:	1,000 pounds		:	Percent	
	:	:	:	:	:	:
1982-----	:	***	2,691	***	***	***
1983-----	:	***	3,072	***	***	***
1984-----	:	***	4,344	***	***	***
	:	:	:	:	:	:

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

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

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

U.S. production of low-fuming brazing copper wire and rod increased from \* \* \* pounds in 1982 to \* \* \* pounds in 1983 and then to \* \* \* pounds in 1984 (table 3). Rod accounted for the bulk of production; its share of production grew steadily from \* \* \* percent in 1982 to \* \* \* percent in 1984.

Production capacity increased nearly \* \* \* percent during 1982-84, rising from \* \* \* pounds in 1982 to \* \* \* pounds in 1984. The startup of domestic production by J.W. Harris in January 1983 accounts for the higher capacity levels in 1983 and 1984. Capacity utilization rose slightly, from \* \* \* percent in 1982 to \* \* \* percent in 1983, then declined to \* \* \* percent in 1984.



Table 3.--Low-fuming brazing copper wire and rod: U.S. production, capacity, and capacity utilization, 1982-84 1/

Item	1982	1983	1984
Wire:			
Production-----1,000 pounds--:	***	***	***
Capacity-----do-----:	***	***	***
Capacity utilization-----percent--:	***	***	***
Rod: <u>2/</u>			
Production-----1,000 pounds--:	***	***	***
Capacity-----do-----:	***	***	***
Capacity utilization-----percent--:	***	***	***
Total: <u>2/</u>			
Production-----1,000 pounds--:	***	***	***
Capacity-----do-----:	***	***	***
Capacity utilization-----percent--:	***	***	***

1/ Since J.W. Harris did not begin production until 1983, it is included only in data for 1983 and 1984. Also, Harris' data are reported on a fiscal year basis, ending Mar. 31.

2/ These data include rod that was produced and flux coated domestically; they do not include imported material that was flux coated in the United States.

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

#### U.S. producers' shipments

U.S. producers' total shipments of low-fuming brazing copper wire and rod increased steadily, from \* \* \* pounds in 1982 to \* \* \* pounds in 1984, or by \* \* \* percent (table 4). Again, the entry of J.W. Harris into domestic production accounts for the increases in 1983 and 1984. The unit value of these shipments rose from \* \* \* per pound in 1982 to \* \* \* per pound in 1983 and \* \* \* per pound in 1984. Flux-coated rod represented \* \* \* percent of all rod shipments in 1984.

#### U.S. producers' exports

\* \* \*, reported exports of low-fuming brazing rod during 1982-84. Exports increased from \* \* \* pounds in 1982 to \* \* \* pounds in 1984, as shown in the following tabulation:

	Quantity (1,000 pounds)	Value (1,000 dollars)	Unit value (per pound)
1982-----	***	***	***
1983-----	***	***	***
1984-----	***	***	***

Table 4.--Low-fuming brazing copper wire and rod: U.S. producers' shipments, 1982-84 1/

Item	1982	1983	1984
Wire shipments:			
Quantity-----1,000 pounds--:	***	***	***
Value-----1,000 dollars--:	***	***	***
Unit value-----per pound--:	***	***	***
Rod shipments: <u>2/</u>			
Quantity-----1,000 pounds--:	***	***	***
Value-----1,000 dollars--:	***	***	***
Unit value-----per pound--:	***	***	***
Total shipments: <u>2/</u>			
Quantity-----1,000 pounds--:	***	***	***
Value-----1,000 dollars--:	***	***	***
Unit value-----per pound--:	***	***	***

1/ Since J.W. Harris did not begin production until 1983, it is included only in data for 1983 and 1984. Also, Harris' data are reported on a fiscal year basis, ending Mar. 31.

2/ These data include rod that was produced and flux coated domestically; they do not include shipments of imported material that was flux coated in the United States.

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

#### U.S. producers' inventories

End-of-period inventories of low-fuming brazing copper wire and rod, as reported by U.S. producers in response to the Commission's questionnaires, \* \* \* between 1982 and 1983, from \* \* \* pounds to \* \* \* pounds. A slight drop, to \* \* \* pounds, occurred in 1984, as shown in the following tabulation (in thousands of pounds):

#### Inventories

1982-----	***
1983-----	***
1984-----	***

Producers' yearend inventories as a share of domestic shipments were \* \* \* percent in 1982, \* \* \* percent in 1983, and \* \* \* percent in 1984.

Employment and wages

Production and related workers producing low-fuming brazing copper wire and rod for the four producers accounted for \* \* \* percent of their total production and related workers producing all products. As shown in table 5, employment of workers in the production of low-fuming brazing wire and rod \* \* \* during 1982-84, from \* \* \* in 1982 to \* \* \* in 1984. 1/ Much of this increase is attributable to J.W. Harris' entry into the industry. Employment of production workers at \* \* \*. 2/ \* \* \*.

Total hours worked increased from \* \* \* in 1982 to \* \* \* in 1984, again because of J.W. Harris. \* \* \* reported \* \* \* in total hours worked from 1982 to 1984. Wages and total compensation paid to production and related workers producing low-fuming brazing copper wire and rod followed the same trend as hours worked, increasing overall between 1982 and 1984, but \* \* \*. Overall, productivity declined throughout the period of investigation, from \* \* \* pounds per hour in 1982 to \* \* \* pounds per hour in 1983 and \* \* \* pounds per hour in 1984.

Employees at Century and Cerro are represented by the United Auto Workers Union; those at American are represented by the United Steelworkers. There is no union representation for employees of J.W. Harris.

Financial experience of U.S. producers

Four firms, accounting for all known U.S. production of low-fuming brazing copper wire and rod, furnished usable income-and-loss data for their operations in producing brazing copper wire and rod and also on their overall establishment operations. 3/ The four firms' aggregate sales of brazing copper wire and rod averaged only \* \* \* percent of their total establishment sales during 1982-84 and were \* \* \* percent in 1984. As mentioned in earlier sections, 1982 data do not include J.W. Harris, since it began operations in 1983.

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1/ \* \* \*.

2/ In its questionnaire response, \* \* \*.

3/ American Brass, a division of ARCO Metals; Century Brass Products, Inc.; Cerro Metal Products, a division of the Marmon Group, Inc.; and J.W. Harris Co., Inc.

Table 5.--Average number of production and related workers engaged in the manufacture of low-fuming brazing copper wire and rod, hours worked by such workers, wages paid, and total compensation, by firms, 1982-84 1/

Item	: Number : of : workers	: Hours : worked	: Wages : paid	: Total : compensation
		: <u>Thousands:</u>	--- <u>1,000 dollars</u> ---	
Century:				
1982-----	***	***	***	***
1983-----	***	***	***	***
1984-----	***	***	***	***
Cerro:				
1982-----	***	***	***	***
1983-----	***	***	***	***
1984-----	***	***	***	***
J.W. Harris:				
1982-----	***	***	***	***
1983-----	***	***	***	***
1984-----	***	***	***	***
Total:				
1982-----	***	***	***	***
1983-----	***	***	***	***
1984-----	***	***	***	***

1/ Data for 1983 and 1984 are for 3 firms that accounted for \* \* \* percent of U.S. producers' shipments in 1984. However, 1982 data are for only two firms, \* \* \* , since J.W. Harris did not produce this product until 1983.

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

Low-fuming brazing copper wire and rod.--The aggregate financial performance of the four U.S. producers during 1982-84 is presented in table 6. A summary of financial data for each individual company is shown in table 7.

Harris' sales accounted for \* \* \* of aggregate sales in 1983 and \* \* \* of those in 1984, \* \* \*. 1/ To facilitate year-to-year comparisons and trend analysis, financial data for Harris alone and aggregate data for the other three producers are presented in the following tabulation:

\* \* \* \* \*

1/ \* \* \*.

Table 6.--Income-and-loss experience of U.S. firms on their operations producing low-fuming brazing copper wire and rod, 1982-84

Item	1/ 1982	2/ 1983	2/ 1984
Net sales-----1,000 dollars--:	***	***	***
Cost of goods sold-----do--:	***	***	***
Gross profit or (loss)-----do--:	***	***	***
General, selling, and administrative expenses-----1,000 dollars--:	***	***	***
Operating loss-----do--:	***	***	***
Depreciation and amortization-----do--:	***	***	***
Ratio to net sales of--:			
Gross profit or (loss)-----percent--:	***	***	***
Operating loss-----do--:	***	***	***
Cost of goods sold-----do--:	***	***	***
General, selling, and administrative expenses-----percent--:	***	***	***
Number of firms reporting operating losses-----:	***	***	***

1/ Includes 3 firms.

2/ Includes interim data for 9 months ending Dec. 31 for J.W. Harris Co.; data for the other 3 firms are for 12 months ending Dec. 31.

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

\*\*\*, as aggregate sales of all four firms were virtually unchanged at about the \*\*\* level in 1983-84 (table 6). The profitability situation \*\*\* during 1982-84, even at the gross profit level. One firm, \*\*\* reported \*\*\* in 1982, at \*\*\* percent of sales (table 7); \*\*\* All \*\*\* in 1983; \*\*\* companies had small gross profits in 1984, but \*\*\* At the operating income or loss level, \*\*\* reported \*\*\* in 1982 and 1983; in 1984, two firms, \*\*\* respectively. Aggregate \*\*\* worsened from a \*\*\* in 1982 (\*\*\* percent of sales) to \*\*\* in 1983 (\*\*\* percent of sales). Their aggregate \*\*\* in 1984 was equal to \*\*\* percent of sales.

\*\*\* profitability experience was \*\*\*. \*\*\* reported \*\*\* of \*\*\* and \*\*\* or \*\*\* and \*\*\* percent of sales, in 1983 and 1984, respectively. \*\*\* reported \*\*\* or \*\*\* percent of sales, in 1983, but \*\*\* in 1984, reporting \*\*\* or \*\*\* percent of sales. Although the \*\*\* resulted in \*\*\* in 1984, or \*\*\* percent of sales (table 6), the four firms still \*\*\* in 1983 and 1984. However, \*\*\* in 1983-84, as shown in the following tabulation:

\* \* \* \* \*

Table 7.--Income-and-loss experience of U.S. producers on their operations producing low-fuming brazing copper wire and rod, by firms, 1982-84

Item	1982	<u>1/</u> 1983	<u>1/</u> 1984
Net sales:			
American Brass-----1,000 dollars--	***	***	***
Century Brass Products-----do-----	***	***	***
Cerro Metal Products-----do-----	***	***	***
J.W. Harris Co.-----do-----	***	***	***
Total-----do-----	***	***	***
Gross profit or (loss):			
American Brass-----do-----	***	***	***
Century Brass Products-----do-----	***	***	***
Cerro Metal Products-----do-----	***	***	***
J.W. Harris Co.-----do-----	***	***	***
Total-----do-----	***	***	***
Operating income or (loss):			
American Brass-----do-----	***	***	***
Century Brass Products-----do-----	***	***	***
Cerro Metal Products-----do-----	***	***	***
J.W. Harris Co.-----do-----	***	***	***
Total-----do-----	***	***	***
Depreciation and amortization:			
American Brass-----do-----	***	***	***
Century Brass Products-----do-----	***	***	***
Cerro Metal Products-----do-----	***	***	***
J.W. Harris Co.-----do-----	***	***	***
Total-----do-----	***	***	***
Ratio to net sales of--			
Gross profit or (loss):			
American Brass-----percent--	***	***	***
Century Brass Products-----do-----	***	***	***
Cerro Metal Products-----do-----	***	***	***
J.W. Harris Co.-----do-----	***	***	***
Total-----do-----	***	***	***
Operating profit or (loss):			
American Brass-----do-----	***	***	***
Century Brass Products-----do-----	***	***	***
Cerro Metal Products-----do-----	***	***	***
J.W. Harris Co.-----do-----	***	***	***
Total-----do-----	***	***	***

1/ J.W. Harris Co. data are for interim 9 months ending Dec. 31; data for the other 3 firms are for 12 months ending Dec. 31.

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

Overall establishment operations.--The aggregate financial data of the four establishments within which low-fuming brazing copper wire and rod are produced are presented in table 8. Again, the exclusion of Harris in 1982 hinders year-to-year comparisons and trend analysis. Therefore, establishment financial data for Harris alone and aggregate establishment data for the other three firms are shown in the following tabulation:

\*            \*            \*            \*            \*            \*

Table 8.--Income-and-loss experience of U.S. firms on the overall operations of their establishments within which low-fuming brazing copper wire and rod are produced, 1982-84

Item	1982 <u>1/</u>	1983 <u>2/</u>	1984 <u>2/</u>
Net sales-----1,000 dollars--	***	***	***
Cost of goods sold-----do----	***	***	***
Gross profit-----do----	***	***	***
General, selling, and administrative expenses-----1,000 dollars--	***	***	***
Operating loss-----do----	***	***	***
Depreciation and amortization-----do----	***	***	***
Ratio to net sales:			
Gross profit-----percent--	***	***	***
Operating loss-----do----	***	***	***
Cost of goods sold-----do----	***	***	***
General, selling, and administrative expenses-----do----	***	***	***
Number of firms reporting operating losses-----	***	***	***

1/ \* \* \*.

2/ Includes interim data for 9 months ending Dec. 31 for J.W. Harris Co.; data for other 3 firms are for 12 months ending Dec. 31.

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

Establishment sales of \* \* \* increased annually from \* \* \* in 1982 to \* \* \* in 1984, representing an increase of \* \* \* percent. However, cost of goods sold almost \* \* \* the sales level in 1982 and 1984, and \* \* \* sales slightly in 1983, resulting in \* \* \* in 1982 and 1984 and \* \* \* in 1983 amounting to \* \* \* percent of sales. \* \* \* reported \* \* \* in each year. In contrast, the sales of \* \* \* were essentially \* \* \* in 1983 and 1984 at \* \* \* and \* \* \*, respectively. \* \* \* was \* \* \* in 1983 and 1984, with margins at both levels higher in 1984--a gross profit margin of \* \* \* percent in 1984 compared with \* \* \* percent in 1983, and a \* \* \* percent operating income margin in 1984 compared with \* \* \* percent in 1983.

\* \* \* in the establishment data in table 8 results in an improvement in the gross profit margins and a reduction in \* \* \* in 1983 and 1984, as shown in the following tabulations:

*	*	*	*	*	*	*
*	*	*	*	*	*	*

Capital expenditures.--Three of the four producers provided usable data on capital expenditures for all products of their establishments (table 9). The \* \* \* capital expenditure in 1983 for machinery, equipment, and fixtures for producing brazing wire and rod was reported by \* \* \*.

Investment in productive facilities.--\* \* \* supplied usable data concerning their investment in facilities employed in the production of low-fuming brazing copper wire and rod. As shown in table 9, their aggregate investment in such facilities, valued at cost, grew from \* \* \* in 1982 to \* \* \* in 1984. Most of the increase is accounted for \* \* \* in 1983. The book value of such facilities increased from \* \* \* in 1982 to \* \* \* in 1983, then declined slightly to \* \* \* in 1984.

Research and development expenses.--\* \* \* incurred research and development expenses related to the production of low-fuming brazing copper wire and rod. It reported expenditures of \* \* \* in 1983 and \* \* \* in 1984.

Capital and investment.--U.S. producers were asked to describe any actual or potential negative effects of imports of low-fuming brazing copper wire and rod from France, New Zealand, and South Africa on their firm's growth, investment, and ability to raise capital. Two companies responded; their comments are quoted below:

Century Brass: \* \* \*.

Cerro Metal Products: \* \* \*.



Table 9.--U.S. producers' <sup>1/</sup> capital expenditures and fixed assets employed in their establishments within which low-fuming brazing copper wire and rod are produced, 1982-84

(In thousands of dollars)				
Item	1982	1983	1984	
Capital expenditures--				
All products of the establishments:				
Land and land improvements-----	***	***	***	***
Building or leasehold improvements-----	***	***	***	***
Machinery, equipment, and fixtures-----	***	***	***	***
Total-----	***	***	***	***
Brazing wire and rod:				
Land and land improvements-----	***	***	***	***
Building or leasehold improvements-----	***	***	***	***
Machinery, equipment, and fixtures-----	***	***	***	***
Total-----	***	***	***	***
Fixed assets employed in the production of--				
All products of the establishments:				
Original cost-----	***	***	***	***
Book value-----	***	***	***	***
Brazing wire and rod:				
Original cost-----	***	***	<sup>2/</sup>	***
Book value-----	***	***		***

<sup>1/</sup> \* \* \*.

<sup>2/</sup> \* \* \*.

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

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

In its examination of the question of a reasonable indication of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase of the allegedly subsidized and/or LTFV imports, the rate of increase of U.S. market penetration by such imports, the quantities of such imports held in inventory in the United States, and the capacity of producers in France, New Zealand, and South Africa to generate exports (including the availability of export markets other than the United States).

Trends in imports and U.S. market penetration are discussed in the section of this report that addresses the causal relationship between the alleged injury and allegedly subsidized and/or LTFV imports. A discussion of U.S. importers' inventories of low-fuming brazing copper wire and rod and the available data on the capacity of the French, New Zealand, and South African producers to generate such exports follows.

U.S. importers' inventories

Two importers, \* \* \*, were not able to provide separate inventory data on imports of low-fuming brazing copper wire and rod from the individual countries under investigation. Of the remaining importers that responded to the Commission's questionnaire, \* \* \* reported inventories from France or South Africa, \* \* \* submitted information on yearend inventories of the product imported from New Zealand. Such inventories were \* \* \* pounds in 1982, \* \* \* pounds in 1983, and \* \* \* pounds in 1984. As a share of imports reported by these firms, inventory levels accounted for \* \* \* percent in 1982, \* \* \* percent in 1983, and \* \* \* percent in 1984.

Foreign producers and their capacity to generate exports

The French industry.--Trefimetaux, a subsidiary of Pechiney, a major world producer of aluminum, advanced metals and materials, ferroalloys, and copper products, is a producer of a wide range of brass mill products and the only known French exporter of low-fuming brazing copper wire and rod. 1/ Low-fuming brazing materials account for only a very small share of Trefimetaux's brass mill production.

Trefimetaux submitted data to the Commission indicating that its domestic shipments of brazing rod declined by \* \* \* percent, from \* \* \* pounds in 1983 to \* \* \* pounds in 1984 (table 10). Exports to the United States declined \* \* \* percent, from \* \* \* pounds in 1983 to \* \* \* pounds in 1984; exports to EC nations increased from \* \* \* pounds in 1983 to over \* \* \* pounds in 1984. 2/ Trefimetaux testified at the conference that it no longer exports to the United States, having suspended such shipments in March 1984 due to an inability to compete in the U.S. market. 3/

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1/ Although it was stated at the conference that Trefimetaux was believed to be the only French producer of low-fuming brazing copper wire and rod (Transcript of the public conference at p. 81), data received by the Commission in response to a State Department telegram revealed that there was another French producer of this material. Counsel for Trefimetaux supplied the Commission staff with information that indicates that Martel, Catale and CIE has an annual capacity of less than \* \* \* pounds, and has not exported any of this material to the United States during 1982-85.

2/ In the postconference brief for Trefimetaux (p. 14), this firm is said to have adopted a plan in late 1983 to increase its penetration of the non-French European markets. Plant equipment and product mix were altered to accommodate the requirements of those markets.

3/ Transcript of the public conference at p. 75. Official import statistics of the Department of Commerce show no imports from France after July 1984.

Table 10.--Low-fuming brazing copper wire and rod: Trefimetaux's production, capacity, capacity utilization, domestic shipments, and exports, 1983 and 1984

Item	1983	1984
Production-----1,000 pounds--:	***	***
Capacity-----do-----:	***	***
Capacity utilization-----percent--:	***	***
Domestic shipments----1,000 pounds--:	***	***
Exports to--:		
United States-----do-----:	***	***
EC-----do-----:	***	***
All other countries-----do-----:	***	***
Total-----do-----:	***	***

Source: Data provided by counsel for Trefimetaux.

The New Zealand industry.--McKechnie Brothers, New Zealand, Ltd., is the sole producer of low-fuming brazing rod in New Zealand. In addition to low-fuming brazing rod, McKechnie produces a large number of aluminum, copper, and brass extruded products. Low-fuming brazing wire and rod are produced in McKechnie's brass products division and account for approximately one percent of all product sales by this division.

Domestic shipments by McKechnie of low-fuming brazing copper wire and rod declined from \* \* \* pounds in 1982 to \* \* \* pounds in 1983 and \* \* \* pounds in 1984 (table 11). Total exports increased from \* \* \* pounds in 1982 to \* \* \* pounds in 1983 before dropping back to \* \* \* pounds in 1984. Exports to the United States increased from \* \* \* pounds in 1982 to \* \* \* pounds in 1983, and then declined to \* \* \* pounds in 1984. A representative for McKechnie (N.Z.) testified at the Commission's conference in these investigations that capacity figures for low-fuming brazing copper wire and rod cannot be segregated from other product lines since all product lines utilize much of the same equipment.

Table 11.--Low-fuming brazing copper wire and rod: New Zealand's domestic shipments and exports, 1982-84

Item	1982	1983	1984
Domestic shipments--1,000 pounds--:	***	***	***
Exports to--:			
United States-----do-----:	***	***	***
All other <u>1</u> /-----do-----:	***	***	***
Total-----do-----:	***	***	***

1/ \* \* \*.

Source: Data provided by counsel for McKechnie Bros. (N.Z.), Ltd.

The South African industry.--McKechnie Brothers (S.A.), Ltd., 1/ a producer of nonferrous metal products, including various copper and alloy products, is the only known producer of low-fuming brazing copper wire and rod in South Africa. Denver Metal Works (Pty), Ltd., ceased the manufacture and marketing of low-fuming brazing rods in January 1982. 2/

South African domestic shipments of low-fuming brazing copper wire and rod increased from \* \* \* pounds in 1982 to \* \* \* pounds in 1983 and to \* \* \* pounds in 1984 (table 12). Total exports increased from \* \* \* pounds in 1982 to \* \* \* pounds in 1983 and to \* \* \* pounds in 1984; exports to the United States increased from \* \* \* pounds in 1982 to \* \* \* pounds in 1983 before decreasing to \* \* \* pounds in 1984. All of McKechnie's sales to the United States are to Aufhauser Bros. 3/

Table 12.--Low-fuming brazing copper wire and rod: South Africa's capacity, capacity utilization, domestic shipments, and exports, 1982-84

Item	1982	1983	1984
Capacity-----1,000 pounds--:	<u>1/</u>	<u>1/</u>	***
Capacity utilization-----percent--:	<u>1/</u>	<u>1/</u>	***
Domestic shipments--1,000 pounds--:	***	***	***
Exports to--			
United States-----do-----:	***	***	***
All other <u>1/</u> -----do-----:	***	***	***
Total-----do-----:	***	***	***

1/ Not available.

Source: Data provided by counsel for McKechnie Bros. (S.A.) Ltd.

#### Consideration of the Causal Relationship Between the Allegedly Subsidized and/or LTFV Imports and the Alleged Injury

##### U.S. imports

Data in this section of the report were obtained from questionnaire responses submitted by importers of low-fuming brazing copper wire and rod, as

1/ McKechnie-South Africa and McKechnie-New Zealand are independent corporations. McKechnie-U.K., which owns a controlling interest in the New Zealand company, holds only an indirect minority interest in McKechnie-S.A. (Postconference brief of McKechnie Bros. (S.A.) Ltd., p. 3).

2/ Denver is a sister company of McKechnie Bros. (S.A.), Ltd. (Postconference brief of McKechnie Bros. (S.A.), Ltd., p. 3).

3/ Postconference brief of McKechnie Bros. (S.A.), Ltd., p. 9.

well as from official statistics of the U.S. Department of Commerce. Questionnaires were sent to 11 firms, \* \* \* of which, according to the U.S. Customs Service's net import file, accounted for nearly \* \* \* percent of all imports of low-fuming brazing copper wire and rod (under TSUSA item 612.6205) from France, New Zealand, and South Africa during October 1982-December 1984. 1/

Imports from all sources.--The quantity of imports of low-fuming brazing copper rod from all sources steadily increased during the period, from 2.7 million pounds in 1982 to 4.3 million pounds in 1984, or by 61 percent (table 13). During the same period, the average unit value declined, from \$1.05 in 1982 to \$0.79 in 1984. New Zealand was the major source of imports during the period of investigation. Although the quantity of imports from France, New Zealand, and South Africa rose 22.9 percent, from 2.1 million pounds in 1982 to 2.5 million pounds in 1983, their share of all imports declined from 76.5 percent in 1982 and 77.8 percent in 1983 to 58.3 percent in 1984. This decline seems to be attributable to the increase in imports in 1984 from countries such as West Germany, Spain, and Brazil, with average unit values of \$0.64, \$0.59, and \$0.71, respectively.

Imports from France.--U.S. imports of low-fuming brazing copper rod from France in 1982 amounted to 743,000 pounds; by 1984, such imports from France had declined to 240,000 pounds. The average unit value of rod from France also decreased over the period, from \$0.93 per pound in 1982 to \$0.86 per pound in 1984. France, which was the second largest supplier of imported rod in 1982 with a 27.6 percent share, was the seventh largest supplier in 1984 with 5.5 percent of total imports.

Imports from New Zealand.--Imports of low-fuming brazing copper rod from New Zealand rose from 790,000 pounds in 1982 to 1.2 million pounds in 1984, an increase of nearly 57 percent. The average unit value of imports of this product from New Zealand fell from \$0.94 per pound in 1982 to \$0.85 per pound in 1984. New Zealand was the primary source of U.S. imports of low-fuming brazing copper rod throughout the period of investigation, accounting for almost 29 percent of total imports in 1984.

Imports from South Africa.--The quantity of imports of low-fuming brazing copper rod from South Africa nearly doubled between 1982 and 1984, rising from 526,000 pounds in 1982 to over 1.0 million pounds in 1984. The average unit value of these imports declined 17 percent, from \$1.02 per pound in 1982 to \$0.85 per pound in 1984. South Africa was the second largest source of U.S. imports of this product in 1983 and 1984, when it accounted for 28.4 percent and 24.2 percent, respectively, of all imports.

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1/ Questionnaire responses indicate that \* \* \*. Counsel for McKechnie Bros. (N.Z.), Ltd. stated at the conference that low-fuming brazing wire from New Zealand enters the United States under TSUSA item 612.6205 (Transcript of the public conference at p. 84).

Table 13.--Low-fuming brazing copper wire and rod: 1/ U.S. imports for consumption, by principal sources, 1982-84

Source	1982	1983	1984
Quantity (1,000 pounds)			
New Zealand-----	790	900	1,240
South Africa-----	526	871	1,050
France-----	743	618	240
Subtotal-----	2,059	2,389	2,531
West Germany-----	118	119	591
Spain-----	0	0	396
Brazil-----	0	60	284
Portugal-----	280	232	276
All other-----	234	271	266
Total-----	2,691	3,072	4,344
Value (1,000 dollars)			
New Zealand-----	747	775	1,057
South Africa-----	537	760	894
France-----	693	543	207
Subtotal-----	1,977	2,078	2,158
West Germany-----	76	83	376
Spain-----	--	--	236
Brazil-----	--	36	202
Portugal-----	551	210	252
All other-----	209	249	224
Total-----	2,814	2,656	3,446
Unit value (per pound)			
New Zealand-----	\$0.94	\$0.86	\$0.85
South Africa-----	1.02	.87	.85
France-----	.93	.88	.86
Subtotal-----	.96	.87	.85
West Germany-----	.65	.70	.64
Spain-----	--	--	.59
Brazil-----	--	.60	.71
Portugal-----	1.97	.90	.91
All other-----	.89	.92	.84
Total-----	1.05	.86	.79

1/ The data reported in this table are for TSUSA item 612.6205 only.

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

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

U.S. market penetration

The market share held by U.S. imports of low-fuming brazing copper wire and rod from France dropped from \* \* \* percent in 1982 to \* \* \* percent in 1983 and \* \* \* percent in 1984 (table 14). Market penetration of such imports from New Zealand declined from \* \* \* percent in 1982 to \* \* \* percent in 1983, then increased to \* \* \* percent in 1984. Imports from South Africa as a share of apparent consumption rose from \* \* \* percent in 1982 to \* \* \* percent in 1983 before declining to \* \* \* percent in 1984. Market penetration by imports of brazing wire and rod from all other countries reached \* \* \* percent in 1984, well above the 1982 level of \* \* \* percent and the 1983 level of \* \* \* percent. The U.S. producers' share of the market increased from \* \* \* percent in 1982 to \* \* \* percent in 1983, then fell to \* \* \* percent in 1984.

Table 14.--Low-fuming brazing copper wire and rod: Ratios of imports and U.S. producers' domestic shipments to consumption, 1982-84

(In percent)						
Item	:	1982	:	1983	:	1984
Imports from--	:		:		:	
France-----	:	***	:	***	:	***
New Zealand-----	:	***	:	***	:	***
South Africa-----	:	***	:	***	:	***
All other imports-----	:	***	:	***	:	***
Total-----	:	***	:	***	:	***
U.S. producers' domestic	:		:		:	
shipments-----	:	***	:	***	:	***
Total-----	:	100.0	:	100.0	:	100.0

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

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

Prices and margins of underselling

Five product specifications of CDA 681 low-fuming brazing copper wire and rod were selected for price study. The selection was intended to include the largest volume items, while maintaining some variety in the types of products. All five items are of alloy CDA 681 since all imports are believed to be of this material. Similarly, four of the five items are uncoated since imports are brought into the country in this form. The following products were selected:

- (1) Uncoated 36-inch rod, 1/8-inch in diameter.
- (2) Uncoated 36-inch rod, 3/32-inch in diameter.
- (3) Flux-coated 36-inch rod, 1/8-inch in diameter.
- (4) Uncoated 18-inch rod, 1/8-inch in diameter.
- (5) Uncoated coiled wire, 1/16-inch in diameter.

The Commission requested U.S. producers and importers to provide quarterly price data from January 1983 through March 1985 for sales to their largest customers. Eight firms, three domestic producers and five importers, provided the requested data. 1/

There has been a downward trend in prices. The average U.S. price for 1/8-inch diameter, 36-inch uncoated rod declined by \* \* \* percent from January-March 1983 to January-March 1985, from \* \* \* per pound to \* \* \* (table 15). The U.S. price for 3/32-inch diameter, 36-inch uncoated rod declined by \* \* \* percent from \* \* \* per pound to \* \* \* (table 16), and that for 1/8-inch diameter, 36-inch flux-coated rod declined \* \* \* percent from \* \* \* to \* \* \* (table 17). Prices for the same products imported from New Zealand declined by \* \* \* percent, \* \* \* percent, and \* \* \* percent, respectively. Prices for imports from France declined by \* \* \* percent, \* \* \* percent, and \* \* \* percent, respectively, and prices of imports from South Africa by \* \* \* percent, \* \* \* percent, and \* \* \* percent.

Imports from France and South Africa were usually sold at prices below the average U.S. price. The price histories of the two foreign countries for 1/8-inch diameter, 36-inch uncoated rod are identical (table 15). Underselling ranged from \* \* \* percent to \* \* \* percent between January 1983 and June 1984. Their price was identical to the U.S. price during the last two quarters of 1984, but was higher by \* \* \* percent in the first quarter of 1985.

French and South African prices are nearly identical for 3/32-inch diameter, 36-inch uncoated rod (table 16). Underselling by both countries occurred throughout 1983 and 1984, ranging from \* \* \* percent to \* \* \* percent. Overselling of \* \* \* percent was reported for both in \* \* \*. For 1/8-inch diameter, 36-inch flux-coated rod, underselling by France and South Africa occurred in eight of nine quarters, ranging from \* \* \* percent to \* \* \* percent for France, and from \* \* \* percent to \* \* \* percent for South Africa (table 17).

Imports from New Zealand often sold at higher prices than the average U.S. price. Overselling was reported in every quarter for 1/8-inch diameter, uncoated 36-inch rod and for 3/32-inch diameter, uncoated 36-inch rod. Overselling margins ranged from \* \* \* percent to \* \* \* percent for the former and from \* \* \* percent to \* \* \* percent for the latter. The results are mixed for 1/8-inch diameter, coated 36-inch rod. Underselling, up to \* \* \* percent, occurred in four quarters and overselling, up to \* \* \* percent, occurred in five quarters.

Price data were also requested for 1/8-inch uncoated rod of 1/8-inch diameter, and uncoated coiled wire of 1/16-inch diameter, both of which are lower volume sellers. The former is produced domestically, \* \* \*, and is also imported, \* \* \*. The imported item was reported to be selling at a higher

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1/ One domestic producer, J.W. Harris, \* \* \*, and \* \* \*. Also, one of the importers, Unibraze, was acquired by Harris in October 1984.



Table 15.--U.S. producers' and importers' delivered prices of CDA 681 low-fuming brazing copper material (1/8-inch diameter, 36-inch rod, uncoated) and margins of underselling or (overselling), by quarters, January 1983-March 1985

Period	U.S. producers' delivered prices			Foreign producers' delivered prices				Margins of underselling or (overselling), as a percent of U.S. price <u>3/</u>		
	Cerro	Harris	U.S. average <u>1/2/</u>	France <u>1/</u>	New Zealand <u>1/</u>	South Africa <u>1/</u>	3 country average <u>1/</u>	France	New Zealand	South Africa
	-----Per pound-----									
1983:										
Jan.-Mar.--	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***
Oct.-Dec.--	***	***	***	***	***	***	***	***	***	***
1984:										
Jan.-Mar.--	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***
Oct.-Dec.--	***	***	***	***	***	***	***	***	***	***
1985:										
Jan.-Mar.--	***	***	***	***	***	***	***	***	***	***

1/ Weighted average.

2/ \* \* \*.

3/ Based on U.S. average prices.

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

Table 16.—U.S. producers' and importers' delivered prices of CDA 681 low-fuming brazing copper material (3/32-inch diameter, 36-inch rod, uncoated) and margins of underselling or (overselling), by quarters, January 1983-March 1985

Period	U.S. producers' delivered prices			Foreign producers' delivered prices			Margins of underselling or (overselling), as a percent of U.S. price 3/			
	Cerro	Harris	U.S. average 1/ 2/	France 1/	New Zealand 1/	South Africa 1/	country average 1/ 3	France	New Zealand	South Africa
-----Per pound-----										
1983:										
Jan.-Mar.--	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***
Oct.-Dec.--	***	***	***	***	***	***	***	***	***	***
1984:										
Jan.-Mar.--	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***
Oct.-Dec.--	***	***	***	***	***	***	***	***	***	***
1985:										
Jan.-Mar.--	-	***	***	***	***	***	***	***	***	***

1/ Weighted average.

2/ \* \* \*

3/ Based on U.S. average prices.

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

Table 17.--U.S. producers' and importers' delivered prices of CDA 681 low-fuming brazing copper material (1/8-inch diameter, 36-inch rod, flux-coated) and margins of underselling or (overselling), by quarters, January 1983-March 1985

Period	U.S. producers' delivered prices		Foreign producers' delivered prices					Margins of underselling or (over-selling), as percent of U.S. price 3/			
	Cerro	Harris	U.S. average 1/ 2/	France 1/	New Zealand 1/	South Africa 1/	country average 1/ 3	France	New Zealand	South Africa	
-----Per pound-----											
1983:											
Jan.-Mar.--	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec.--	***	***	***	***	***	***	***	***	***	***	***
1984:											
Jan.-Mar.--	***	***	***	***	***	***	***	***	***	***	***
Apr.-June--	***	***	***	***	***	***	***	***	***	***	***
July-Sept--	***	***	***	***	***	***	***	***	***	***	***
Oct.-Dec.--	***	***	***	***	***	***	***	***	***	***	***
1985:											
Jan.-Mar.--	***	***	***	***	***	***	***	***	***	***	***

1/ Weighted average.

2/ \*\*\*.

3/ Based on U.S. average prices.

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

price in four of six quarters in which comparable price data were reported. Overselling was as high as \* \* \* percent. No price data were reported for imports of 1/16-inch diameter uncoated coiled wire.

#### Transportation costs

Domestic producers and importers were requested to provide data on the transportation costs paid by themselves and their customers. Transportation costs within the United States were reported to range from 1 to 6 percent of the sales price, but were sometimes higher. Freight costs were almost always reported to have been absorbed by the seller, as prices were gathered on a delivered basis.

#### Exchange rates

The U.S. dollar appreciated substantially over the past 3 years against the currencies of all three countries under study (table 18). The French franc declined by nearly 36 percent from the first quarter of 1982 to the fourth quarter of 1984. The New Zealand dollar declined by nearly 39 percent, and the South African rand declined by over 45 percent in the same period. The depreciation of the latter two currencies was particularly sharp in the last two quarters of 1984, when they declined by 24.7 percent and 29.8 percent, respectively.

A great deal of the depreciation in the nominal exchange rates can be attributed to relative declines in the purchasing power of the three currencies compared with that of the U.S. dollar. When allowance is made for this, the real values of all three currencies against the dollar still declined, but by smaller amounts. The indexed real value of the French franc declined by 16 percent through the third quarter of 1984--the last for which price data are available. The indexed real value of the New Zealand dollar declined by 10 percent through the second quarter of 1984, and that for the South African rand declined by 23 percent through the third quarter of 1984.

#### Lost sales and lost revenue

Three domestic producers made allegations of lost sales and lost revenue because of price suppression or depression. \* \* \*, but made six specific allegations. These were all attributed to imports from South Africa. Just over \* \* \* pounds in sales were reported to have been lost, valued at roughly \* \* \* million. Alleged price reductions ranged from \* \* \* to \* \* \* per pound. \* \* \* cited 19 cases of lost sales and 12 instances of lost revenue. All lost sales were reported to be in the range of \* \* \* pounds. \* \* \* was rarely specific about the country of origin and never mentioned the amount of price reduction or the quantity involved. \* \* \* cited 8 cases <sup>1/</sup> of lost sales to imports during 1982-84, but was not specific as to the amounts

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<sup>1/</sup> Of the eight cases cited by \* \* \*, two involved \* \* \*.

Table 18.--Exchange rates: Indexes of the nominal and real exchange rates between the U.S. dollar and the French franc, New Zealand dollar, and South African rand, by quarters, 1982-84

Period	France (\$/franc) <u>1/</u>		New Zealand (\$/Nz\$) <u>1/</u>		South Africa (\$/rand) <u>1/</u>	
	Nominal	Real <u>2/</u>	Nominal	Real <u>2/</u>	Nominal	Real <u>2/</u>
1982:						
Jan.-Mar.--:	100.00	100.00	100.00	100.00	100.00	100.00
Apr.-June--:	95.44	97.82	95.85	94.30	92.50	95.56
Jul.-Sept--:	86.39	89.81	92.13	98.73	86.59	91.63
Oct.-Dec.--:	84.77	88.96	90.18	97.53	88.29	96.61
1983:						
Jan.-Mar.--:	87.05	93.51	88.71	96.19	91.85	102.56
Apr.-June--:	80.28	89.41	82.82	90.73	91.43	104.23
Jul.-Sept--:	75.30	86.19	82.13	89.78	89.87	103.53
Oct.-Dec.--:	73.38	88.55	82.75	90.56	84.77	98.97
1984:						
Jan.-Mar.--:	72.18	87.16	82.77	90.25	80.70	94.34
Apr.-June--:	71.94	88.75	81.43	89.86	78.03	92.95
Jul.-Sept--:	66.91	84.41	64.98	<u>3/</u>	63.32	77.28
Oct.-Dec.--:	64.03	<u>3/</u>	61.34	<u>3/</u>	54.75	<u>3/</u>

1/ Indexed, January-March 1982=100.

2/ Based on relative changes in ratio of wholesale or producer price index.

3/ Data not available.

Source: International Monetary Fund, International Financial Statistics, February 1985.

involved. The staff contacted purchasers by phone to investigate 18 allegations of lost sales and 10 allegations of lost revenue. Most of the firms that were contacted did not know if the low-fuming brazing material they purchased had been imported.

\* \* \* \* \*

Lost sales allegations by \* \* \*.--The staff contacted a number of representatives of firms cited as lost sales by \* \* \*. The information so obtained is discussed below.

\* \* \* of \* \* \* stated that his company purchases all of its brazing rod from \* \* \*. \* \* \* considers \* \* \* to be a domestic producer. \* \* \* said that \* \* \* had previously bought its brazing rod from another domestic producer,

1/ For the three products discussed in the price section, \* \* \* prices in January-March 1985 were lower for uncoated rod and higher for coated rod.

but that it had switched to \* \* \* more than a year ago because of superior quality.

\* \* \* of \* \* \* said that his company has bought all of its copper brazing rod from \* \* \* for several years.

The purchasing agent for \* \* \* said that her company has bought all of its copper brazing rod from \* \* \* for over a year. However, she said that the price of this rod has declined in the past year, and the quantities purchased by \* \* \* have decreased because of a reduction in demand.

\* \* \* of \* \* \* says that his company buys from \* \* \* and \* \* \*, and has made no change in the mix of orders between the two suppliers recently.

\* \* \* of \* \* \* said that his company has been buying from \* \* \* for a long time because of its good quality and low price. He says he never bought from \* \* \*, although he has reviewed \* \* \* product and bid price.

A spokesman for \* \* \* said that his company buys about half of its supply from \* \* \* and half from \* \* \* and has made no major change recently.

\* \* \* of \* \* \* said that his company is \* \* \* and is supplied primarily by \* \* \*. He has bought some low-fuming brazing rod from \* \* \*, but has not made a major change in suppliers recently.

\* \* \* of \* \* \* said that his company buys about 75 percent of its supply from \* \* \* and has made no major change in suppliers recently.

\* \* \* of \* \* \* said that his company's largest supplier is \* \* \*, but it also buys from several other suppliers including \* \* \*. He does not recall a major change in suppliers recently.

\* \* \* of \* \* \* said his company buys from \* \* \*, \* \* \*, and \* \* \*, and has recently increased its purchases from the latter two. \* \* \* of \* \* \*, said his company buys from \* \* \* because of its high quality and low price, and has never bought from \* \* \*.

\* \* \* of \* \* \* said his company buys almost exclusively from \* \* \*. It has bought from \* \* \*, but only in small amounts and not recently.

\* \* \* of \* \* \* said that he purchased a large quantity of low-fuming brazing rod (\* \* \*) from \* \* \* during 1981 and 1982. Since then, \* \* \* has bought several products from \* \* \* in small quantities. \* \* \* explained that the large purchase was only because of a temporary low-price offer; he switched to other sources when the prices were raised.

\* \* \* of \* \* \* said that his company does not now, nor has it in the recent past, bought or sold low-fuming brazing material.

Lost revenue allegations of \* \* \*.--The staff contacted several representatives of firms cited by \* \* \* as cases of lost revenue. The purchasing agent for \* \* \* of \* \* \* said that his company buys all of its low-fuming brazing material from \* \* \*. It does not look for competing quotes from any import source. \* \* \* of \* \* \* also said that it buys all of its copper brazing rod from \* \* \*. It does not seek competing quotes from other suppliers. \* \* \* of \* \* \* said that \* \* \* had offered competitively low prices but that these had never been requested.

\* \* \* of \* \* \* said that \* \* \* has recently lowered its prices, but he was not sure why. \* \* \* of \* \* \* said price competition has been strong recently and that \* \* \* had lowered its prices. Neither \* \* \* of \* \* \* nor \* \* \* of \* \* \* could confirm \* \* \*'s claim.





APPENDIX A

FEDERAL REGISTER NOTICES

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(Investigations Nos. 701-TA-237 and 238 (Preliminary) and Investigations Nos. 731-TA-245-247 (Preliminary))

**Low-Turning Brazing Copper Wire and Rod From France, New Zealand, and South Africa**

**AGENCY:** International Trade Commission.

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

**SUMMARY:** The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-237 and 238 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from France and New Zealand of brazing wire and rod, of copper, whether or not flux-coated, provided for in Items 812.82, 812.72, and 863.15 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Governments of France and New Zealand. As provided in section 703(a), the Commission must complete preliminary countervailing duty investigations in 45 days, or in this case by April 8, 1985.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-245-247 (Preliminary) 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 France, New Zealand, and South Africa of brazing wire and rod, of copper, whether or not flux-coated, provided for in Items 812.82, 812.72, and

853.15 of the Tariff Schedule of the United States, which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in the case by April 5, 1985.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's rules of practice and procedure, part 207, subparts A and B (19 CFR part 207), and part 201, subparts A through E (19 CFR part 201, as amended by 49 FR 32569, Aug. 15, 1984).

**EFFECTIVE DATE:** February 18, 1985.

**FOR FURTHER INFORMATION CONTACT:** Cynthia Wilson (202-523-0291), Office of Investigations, U.S. International Trade Commission, 701 E. Street NW., Washington, DC 20436.

**SUPPLEMENTARY INFORMATION:**

**Background**

These investigations are being instituted in response to petitions filed on February 19, 1985, by counsel on behalf of American Brass of Rolling Meadows, IL, Century Brass of Waterbury, CT, and Cerro Metal Products of Bellefonte, PA.

**Participation in the Investigations**

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR § 201.11), not later than March 6, 1985. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

**Service List**

Pursuant to § 201.11(d) of the Commission's rules (19 CFR § 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance in accordance with § 201.16(c) of the rules (19 CFR § 201.16(c)), as amended by 49 FR 32569, Aug. 15, 1984; each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The

Secretary will not accept a document for filing without a certificate of service.

**Conference**

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on March 13, 1985 at the U.S. International Trade Commission Building, 701 E. Street NW., Washington, DC. Parties wishing to participate in the conference should contact Cynthia Wilson (202-523-0291) not later than March 11, 1985, to arrange for their appearance. Parties in support of the imposition of antidumping and/or countervailing duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

**Written Submissions**

Any person may submit to the Commission on or before March 13, 1985, a written statement of information pertinent to the subject of the investigations as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with section 201.8 of the rules (19 CFR 201.8, as amended by 49 FR 32569, Aug. 15, 1984). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information - Confidential" submissions and requests for confidential treatment must conform with the requirements of § 207.6 of the Commission's rules (19 CFR § 207.6, as amended by 49 FR 32569, Aug. 15, 1984).

**Authority:** These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR § 207.12).

Issued February 22, 1985

By order of the Commission

Kenneth R. Mason,

Secretary

[FR Doc. 85-4807 Filed 2-26-85, 8:45 am]

SELLING CODE 7000-00-0

Cerro Metal Products on behalf of the United States low-fuming brazing rod and wire industry. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from France 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 (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

The petitioners based the United States prices on average unit values of imports from France, as calculated from data reported by the Department of Commerce. From these unit values, petitioners deducted the cost of packing and handling.

The petitioners based foreign market value on sales prices of 1/8 inch diameter low-fuming brazing copper rod in the home market. Petitioners deducted from these prices a 30 percent mark-up to allow for the different levels of trade; a five percent rebate provided to large purchasers; estimated credit cost; and estimated insurance cost. Petitioners have also adjusted home market values downward to reflect dropping metal values where applicable.

By comparing the values calculated by the foregoing methods, the petitioners alleged dumping margins between 36 and 64 percent.

#### Initiation of Investigation

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 duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on low-fuming brazing copper rod and wire and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether low-fuming brazing copper rod and wire from France is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally we will make our preliminary determination by July 29, 1985.

#### Scope of Investigation

The products covered by this investigation are low-fuming brazing copper rod and wire, principally of copper and zinc alloy ("brass"), of varied dimension in terms of diameter, whether cut-to-length or coiled, whether

bare of flux-coated, currently classified in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 612.6205, 612.7220 and 653.1500. The chemical composition of the products under investigation is defined by Copper Development Association (CDA) standards 680 and 681.

#### Notification of 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 this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by April 5, 1985, whether there is a reasonable indication that imports of low-fuming brazing copper rod and wire from France are causing material injury, or threaten material injury, to a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

March 11, 1985.

C. Christopher Parlin,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-6224 Filed 3-14-85; 8:45 am]

BILLING CODE 3510-06-01

[A-427-802]

#### Initiation of Antidumping Duty Investigation; Low-Fuming Brazing Copper Rod and Wire from France

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 an antidumping duty investigation to determine whether low-fuming brazing copper rod and wire from France is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 5, 1985, and we will make ours on or before July 29, 1985.

**EFFECTIVE DATE:** March 15, 1985.

**FOR FURTHER INFORMATION CONTACT:** David D. Johnston, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 377-2239.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On February 19, 1985, we received a petition in proper form filed by American Brass, Century Brass, and

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[A-614-502]

Initiation of Antidumping Duty  
Investigation; Low-Fuming Brazing  
Copper Rod and Wire from New  
Zealand

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 an antidumping duty investigation to determine whether low-fuming brazing copper rod and wire from New Zealand is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 8, 1985, and we will make ours on or before July 29, 1985.

**EFFECTIVE DATE:** March 15, 1985.

**FOR FURTHER INFORMATION CONTACT:** David D. Johnston, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-2239.

**SUPPLEMENTARY INFORMATION:****The Petition**

On February 19, 1985, we received a petition in proper form filed by American Brass, Century Brass, and Cerro Metal Products on behalf of the United States low-fuming brazing rod and wire industry. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from New Zealand 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 (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

The petitioners based the United States prices on average unit values of imports from New Zealand, as calculated from data reported by the Department of Commerce. From these unit values, petitioners deducted the cost of packing and handling.

The petitioners based foreign market value on sales prices of 1/4 inch diameter low-fuming brazing copper rod in the home market. Petitioners deducted from these prices a 30 percent mark-up to allow for the different levels of trade; estimated cost of flux coating to allow for difference in merchandise; estimated credit cost; and estimated insurance cost. Petitioners factored in the effect of the depreciation of the New Zealand

Dollar vis-a-vis the U.S. Dollar. Petitioners have also adjusted home market values downward to reflect dropping metal values where applicable.

By comparing the values calculated by the foregoing methods, the petitioners alleged dumping margins between 21 and 52 percent.

**Initiation of Investigation**

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 duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on low-fuming brazing copper rod and wire and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether low-fuming brazing copper rod and wire from New Zealand is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally we will make our preliminary determination by July 29, 1985.

**Scope of Investigation**

The products covered by this investigation are low-fuming brazing copper rod and wire, principally of copper and zinc alloy ("brass"), of varied dimension in terms of diameter, whether cut-to-length or coiled, whether bare or flux-coated, currently classified in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 612.6205, 612.7220 and 653.1500. The chemical composition of the products under investigation is defined by Copper Development Association (CDA) standards 680 and 681.

**Notification of 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 this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by April 8, 1985, whether there is a reasonable indication that imports of low-fuming

brazing copper rod and wire from South Africa are causing material injury, or threaten material injury, to a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

C. Christopher Parlin,

*Acting Deputy Assistant Secretary for Import Administration.*

March 11, 1985.

[FR Doc. 85-6225 Filed 3-14-85; 8:45 am]

BILLING CODE 3570-05-M

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[A-791-602]

**Initiation of Antidumping Duty  
Investigation; Low-Fuming Brazing  
Copper Rod and Wire From South  
Africa**

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

**ACTION:** Notice.

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**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether low-fuming brazing copper rod and wire from South Africa is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before April 5, 1985, and we will make ours on or before July 29, 1985.

**EFFECTIVE DATE:** March 15, 1985.

**FOR FURTHER INFORMATION CONTACT:**  
David D. Johnston, Office of  
Investigations, Import Administration,  
International Trade Administration, U.S.  
Department of Commerce, 14th Street  
and Constitution Avenue, N.W.,  
Washington, D.C. 20230; telephone: (202)  
377-2239.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On February 19, 1985, we received a petition in proper form filed by American Brass, Century Brass, and Cerro Metal Products on behalf of the United States low-fuming brazing rod and wire industry. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of the subject merchandise from South Africa 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 (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry.

The petitioners based the United States prices on average unit values of imports from South Africa, as calculated from data reported by the Department of Commerce. From these unit values, petitioners deducted the cost of packing and handling.

The petitioners based foreign market value on sales prices of 1/8 inch diameter low-fuming brazing copper rod in the home market. Petitioners deducted from these prices a 30 percent mark-up to allow for the different levels of trade; estimated packing cost; estimated credit cost; and estimated insurance cost. Petitioners factored in the effect of the depreciation of the Rand vis-a-vis the U.S. dollar. Petitioners have also adjusted home market values downward to reflect dropping metal values where applicable.

By comparing the values calculated by the foregoing methods, the petitioners alleged dumping margins between 62 and 110 percent.

**Initiation of Investigation**

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 duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on low-fuming brazing copper rod and wire and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating

an antidumping duty investigation to determine whether low-fuming brazing copper rod and wire from South Africa is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally we will make our preliminary determination by July 29, 1985.

**Scope of Investigation**

The products covered by this investigation are low-fuming brazing copper rod and wire, principally of copper and zinc alloy ("brass"), of varied dimension in terms of diameter, whether cut-to-length or coiled, whether bare or flux-coated, currently classified in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 612.6205, 612.7220 and 653.1500. The chemical composition of the products under investigation is defined by Copper Development Association (CDA) standards 680 and 681.

**Notification of 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 this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by April 5, 1985, whether there is a reasonable indication that imports of low-fuming brazing copper rod and wire from South Africa are causing material injury, or threaten material injury, to a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

C. Christopher Parlin,

*Acting Deputy Assistant Secretary for Import Administration*

March 11, 1985.

[FR Doc. 85-6223 Filed 3-14-85; 8:45 am]

BILLING CODE 3510-05-M



## (C-427-501)

**Initiation of a Countervailing Duty Investigation; Low Fuming Brazing Copper Rod and Wire From France**

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

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in France of low-fuming brazing copper rod and wire, as described in the "Scope of the Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from France materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before April 5, 1985. If the investigation proceeds normally, we will make our preliminary determination on or before May 15, 1985.

**EFFECTIVE DATE:** March 19, 1985.

**FOR FURTHER INFORMATION CONTACT:** Ken Haldenstein or Laura Winfrey, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-4136 or 377-0160.

**SUPPLEMENTARY INFORMATION:****Petition**

On February 19, 1985, we received a petition in proper form from American Brass, Century Brass and Cerro Metal Products, filed on behalf of the U.S. low-fuming brazing copper rod and wire industry. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in France of low-fuming brazing copper rod and wire receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since France is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to these investigations, and the ITC is required to determine whether imports of the subject merchandise from France materially injure, or threaten material injury, to a U.S. industry.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on low-fuming brazing copper rod and wire from France, and we have found that the petition meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether the manufacturers, producers, or exporters in France of low-fuming brazing copper rod and wire, as described in the "Scope of the Investigation" section of this notice, receive subsidies.

**Scope of the Investigation**

The products covered by this investigation are low-fuming brazing copper rod and wire, principally of copper and zinc alloy ("brass"), of varied dimension in terms of diameter, whether cut-to-length or coiled, whether bar or flux-coated, currently classified in the Tariff Schedules of the United States, Annotated (TSUSA), under items 612.6205, 612.7220 and 653.1500. The chemical composition of the products under investigation is defined by Copper Development Association (CDA) standards 680 and 681.

**Allegations of Subsidies**

The petition alleges that manufacturers, producers, or exporters in France of low-fuming brazing copper rod and wire receive benefits under the following programs which constitute subsidies:

- Government Loans and Equity Infusions.
  - National Employment Fund.
  - Subsidized Electricity Rates.
  - Investment Loan Schemes.
  - Loans and Loan Guarantees.
  - Regional Development Incentives.
  - Export Credit Insurance.
  - Export Credits from the French Bank for Foreign Commerce.
- We have determined not to initiate on the following allegations:
- Research and Development Incentives.
  - Assistance for Plant Operating Expenses.
  - Cancellation of Debt.

**Notification of ITC**

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

**Dated:** March 11, 1985.

**C. Christopher Parlin,**

*Acting Deputy Assistant Secretary for Import Administration.*

[FR Doc. 85-6465 Filed 3-18-85, 8:45 am]

BILLING CODE 3510-05-01

## (C-614-501)

**Initiation of Countervailing Duty Investigation; Low-Fuming Brazing Copper Rod and Wire From New Zealand**

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

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in New Zealand of low-fuming brazing copper rod and wire, as described in the "Scope of the Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from New Zealand materially injure, or threaten material injury to, a U.S. industry. If the investigation proceeds normally, the ITC will make its preliminary determination on or before April 5, 1985, and we will make our preliminary determination on or before May 15, 1985.

**EFFECTIVE DATE:** March 19, 1985.

**FOR FURTHER INFORMATION CONTACT:** Jack Davies, Roy Malmrose, or Vincent Kane, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1784, 337-8320, or 377-5414.

**SUPPLEMENTARY INFORMATION:****Petition**

On February 19, 1985, we received a petition in proper form from American Brass, Century Brass and Cerro Metal Products, filed on behalf of the U.S. low-fuming brazing rod and wire industry. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in New Zealand of low-fuming brazing copper rod and wire receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since New Zealand is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation, and the ITC is required to determine whether imports of the subject merchandise from New Zealand materially injure, or threaten material injury to, a U.S. industry.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on low-fuming brazing copper rod and wire from New Zealand, and we have found that the petition meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether the manufacturers, producers, or exporters in New Zealand of low-fuming brazing copper rod and wire, as described in the "Scope of the Investigation" section of this notice, receive subsidies.

**Scope of the Investigation**

The products covered by this investigation are low-fuming brazing copper rod and wire, principally of copper and zinc alloy ("brass"), of varied dimension in terms of diameter, whether cut-to-length or coiled, whether bare or flux-coated, currently classified in the *Tariff Schedules of the United States, Annotated* (TSUSA), under items 612.6205, 612.7220 and 653.1500. The chemical composition of the products under investigation is defined by Copper Development Association (CDA) standards 680 and 681.

**Allegations of Subsidies**

The petition alleges that manufacturers, producers, or exporters in New Zealand of low-fuming brazing copper rod and wire receive benefits

under the following programs which constitute subsidies:

- Export Performance Taxation Incentive (EPTI).
- Export Market Development Taxation Incentive (EMDTI).
- Export Programme Suspensory Loan Scheme (EPSLS).
- Export Programme Grant Scheme (EPGS).
- Industrial Development Plan Investment Allowance (IDPIA).
- Extraordinary Depreciation Allowance.
- Export Suspensory Loans (ESL).
- Regional Development Investment Incentives.
- Industry Study Investment Allowance.
- Flexible Incentives under the Investment Unit of the Department of Trade and Industry.
- Exemption from Import Duties and Sales Taxes.
- Export Production Assistance Scheme.
- Export Guarantees and Credits.
- Export Promotion.
- Research and Development Incentives.

We will not initiate an investigation on the following allegation:

**Labor Subsidies**

Petitioners have not made a proper allegation that labor programs confer either an export subsidy or a countervailable domestic subsidy. Furthermore, supporting documentation to the petition provides no evidence that a countervailable subsidy exists, except as regards regional employment incentives covered above.

**Notification of ITC**

Section 702(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 this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information in our files. We will also allow the ITC access to all privileged and confidential information in our file provided it confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

Dated: March 11, 1985.

C. Christopher Parlin,  
Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-6484 Filed 3-18-85, 8:45 am]

BILLING CODE 3510-05-M

**[C-791-501]****Initiation of Countervailing Duty Investigation; Low-Fuming Brazing Copper Rod and Wire From South Africa**

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

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, exporters in South Africa of low-fuming brazing copper rod and wire products, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If the investigation proceeds normally, we will make our preliminary determination on or before May 15, 1985.

**EFFECTIVE DATE:** March 19, 1985.

**FOR FURTHER INFORMATION CONTACT:** Steven Morrison, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-3003.

**SUPPLEMENTARY INFORMATION:****Petition**

On February 19, 1985, we received a petition in proper form from American Brass, and Cerro Metal Products, filed on behalf of the U.S. low-fuming brazing copper rod and wire industry. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (29 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in South Africa of low-fuming brazing copper rod and wire products receive, directly or indirectly, bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the Act).

Since South Africa is not a "country under the Agreement" within the meaning of section 701(b) of the Act and the merchandise being investigated is dutiable, sections 303 (a)(1) and (b)(1) of the Act apply to this investigation. Accordingly, petitioners are not required to allege that, and the U.S. International Trade Commission is not required to determine whether, imports of the subject merchandise from South Africa materially injure, or threaten material injury to a U.S. industry.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on low-fuming brazing copper rod and wire from South Africa, and we have found that the petition meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether the manufacturers, producers, or exporters in South Africa of low-fuming brazing copper rod and wire, as described in the "Scope of Investigation" section of this notice, receive bounties or grants.

**Scope of Investigation**

The products covered by the investigation are low-fuming brazing copper rod and wire, principally of copper and zinc alloy ("brass"), of varied dimensions in terms of diameter, whether cut-to-length or coiled, whether bare or flux-coated, currently classified in Tariff Schedules of the United States, Annotated (TSUSA), under items 612.6205, 612.7220 and 653.1500. The chemical composition of the products under investigation is defined by Copper Development Association (CDA) standards 680 and 681.

**Allegations of Bounties or Grants**

The petition alleges that manufacturers, producers, or exporters in South Africa of low-fuming brazing copper rod and wire receive benefits under the following programs which constitute bounties or grants.

We will initiate a countervailing duty investigation on the following programs:

- Export Incentive Scheme—Categories A through D.
- Beneficiation Allowances.
- Investment Allowances.
- Railroad Rate Subsidies (both on the shipment of exports and the internal shipment of raw materials).
- Industrial Development Corporation (IDC) loans.

Dated: March 11, 1985.

C. Christopher Partin,

*Acting Deputy Assistant Secretary for Import Administration.*

[FR Doc. 85-6483 Filed 3-18-85; 8:45 am]

BILLING CODE 3510-06-M



APPENDIX B

LIST OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-237 and 238 (Preliminary)  
and Nos. 731-TA-245-247 (Preliminary)

LOW-FUMING BRAZING COPPER WIRE AND ROD FROM FRANCE, NEW ZEALAND,  
AND SOUTH AFRICA

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the subject investigations on March 13, 1985, in the hearing room of the USITC Building, 701 E Street, NW., Washington, D.C.

In support of the imposition of antidumping and/or countervailing duties

Collier, Shannon, Rill and Scott--Counsel  
Washington, D.C.  
on behalf of

Cerro Metal Products, Century Brass, and American Brass

Robert Cucuel, VP of Marketing and Sales of Mill Products, Cerro  
Nicholas Giordano, Economist, Georgetown Economic Services  
Robert J. Wardell, President, Copper and Brass Fabricators Council

David A. Hartquist     )  
Jeffrey S. Beckington)--OF COUNSEL

In opposition to the imposition of antidumping and/or countervailing duties

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

Trefimetaux (France)

Bertrand Durrande, Commercial Director of Brass Rods and Wires Div.  
Edouard de Vienne, attorney, Pechiney

Will E. Leonard)  
Ruth Lippincott)--OF COUNSEL  
Alan S. Hays     )

Bronz and Farrell--Counsel  
Washington, D.C.  
on behalf of

McKechnie Bros. (N.Z.) Ltd. (New Zealand)

B. R. Upson, Finance Director, McKechnie Bros. (N.Z.)  
William Roland, President, Thermacote-Welco  
Ed Martin, Consulting Economist

Edward J. Farrell--OF COUNSEL

Williams and Connolly--Counsel  
Washington, D.C.  
on behalf of

McKechnie Bros. (S.A.) Ltd. (South Africa)

Bruce R. Genderson)  
David D. Aufhauser )--OF COUNSEL

Thorp, Reed and Armstrong--Counsel  
Washington, D.C.  
on behalf of

Aufhauser Brothers Corp.

Keith Aufhauser, President

Roger M. Golden)  
Preston Scott )--OF COUNSEL





