OIL COUNTRY TUBULAR GOODS FROM AUSTRIA, ROMANIA, AND VENEZUELA

Determinations of the Commission in Investigations Nos. 701-TA-240 and 241 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

Determinations of the Commission in Investigation Nos.731-TA-249 through 251 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.—Data which would disclose confidential operations of individual concerns may not be published and therefore have been deleted from this report.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-240 and 241 (Preliminary)
and 731-TA-249 through 251 (Preliminary)

OIL COUNTRY TUBULAR GOODS FROM AUSTRIA, ROMANIA,
AND VENEZUELA

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, 2/ pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured 3/ by reason of imports from Austria and Venezuela of oil country tubular goods, 4/ 5/ provided for in items 610.32, 610.37, 610.39, 610.40, 610.42, 610.43, 610.49, and 610.52 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Governments of Austria and Venezuela.

In addition, on the basis of the record 1/ developed in the subject investigations, the Commission determines, 2/ 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 3/ by reason of imports from Austria, Romania, and Venezuela of oil country tubular goods, 4/ 5/ provided for in items 610.32, 610.37, 610.39, 610.40, 610.42, 610.43, 610.49, and 610.52 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value (LTFV).

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/ Vice Chairman Liebeler dissenting.

3/ Chairwoman Stern finds that there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury by reason of imports of oil country tubular goods from Austria and Venezuela upon which bounties or grants are alleged to be paid, and by reason of imports of oil country tubular goods from Austria, Romania and Venezuela which are alleged to be sold at LTFV.

4/ Except drill pipe.

5/ Commissioners Eckes and Lodwick did not exclude drill pipe.

Background

On February 28, 1985, a petition was filed with the Commission and the Department of Commerce by U.S. Steel Corp., Pittsburgh, PA, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of oil country tubular goods from Austria and Venezuela, and by reason of imports of LTFV imports of oil country tubular goods from Austria, Romania, and Venezuela. Accordingly, effective February 28, 1985, the Commission instituted preliminary countervailing duty investigations Nos. 701-TA-240 and 241 (Preliminary) and preliminary antidumping investigations Nos. 731-TA-249, 250, and 251 (Preliminary).

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 March 11, 1985 (50 FR 9723). The conference was held in Washington, DC, on March 25, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION 1/

We determine that there is a reasonable indication that an industry in the United States is materially injured by allegedly subsidized imports of oil country tubular goods from Austria and Venezuela. 2/

We also determine that there is a reasonable indication that an industry in the United States is materially injured by imports of oil country tubular goods from Austria, Romania, and Venezuela, which are allegedly sold at less than fair value (LTFV). 3/

1/ Although Vice Chairman Liebeler finds in the negative for these investigations, she joins in this opinion through the discussion on the condition of the domestic industry. See her additional views on cumulation and causation for her reasons for reaching the negative determinations.

2/ Commissioner Lodwick and Commissioner Rohr have cumulated allegedly subsidized imports from Austria and Venezuela to reach this decision.

Chairwoman Stern finds, on a cumulative basis, there is a reasonable indication that the domestic OCTG industry is materially injured by allegedly subsidized imports from Austria and Venezuela as well as by subsidized imports from Brazil, Spain, Argentina, and Mexico, upon which preliminary bonds and final orders were not entered until the last quarter of 1984. Chairwoman Stern finds further that on a cumulative basis, there is a reasonable indication that the domestic OCTG industry may be threatened by allegedly subsidized imports from Austria and Venezuela.

Commissioner Eckes reached affirmative determinations in these preliminary investigations without cumulating imports. He notes cumulation would be appropriate if he had not found a reasonable indication that imports from each of the two countries were a separate cause of material injury to the domestic industry.

Vice Chairman Liebeler cumulated allegedly subsidized imports from Austria and Venezuela and found that there is no reasonable indication of material injury or threat of material injury by reason of allegedly subsidized imports from those countries.

3/ Commissioner Lodwick and Commissioner Rohr have cumulated allegedly LTFV imports from Austria, Romania, and Venezuela to reach this decision.

Chairwoman Stern finds, on a cumulative basis, there is a reasonable indication that the domestic OCTG industry is materially injured by allegedly LTFV imports from Austria, Romania, and Venezuela and LTFV imports from Brazil, Spain, Argentina, and Mexico, upon which preliminary bonds were entered in the first quarter of 1985. Chairwoman Stern finds further that, on a cumulative basis, there is a reasonable indication the domestic OCTG industry is threatened with material injury by allegedly LTFV imports from Austria, Romania, and Venezuela.

Footnote continued on next page

Like product/domestic industry

The imported product is oil country tubular goods (OCTG). Included in the scope of this investigation for OCTG are casing, tubing, and drill pipes for use in drilling oil and gas wells and for transporting oil and gas to the surface. 4/

In a recent investigation on these same products, Oil Country Tubular Goods from Brazil, Korea, and Spain, Invs. Nos. 701-TA-215-217 (Final), 5/ the Commission resolved certain questions concerning like products. 6/ No evidence was presented in this preliminary investigation to change the definitions of these products. 7/

We question whether drill pipe produced in the United States is like an imported product subject to investigation, and, thus, whether there is a

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Footnote continued from previous page

Commissioner Eckes reached affirmative determinations in these preliminary investigations without cumulating imports. He notes cumulation would be appropriate if he had not found a reasonable indication that imports from each of the three countries were a separate cause of material injury to the domestic industry.

Vice Chairman Liebeler cumulated imports allegedly sold at LTFV from Austria, Romania, Venezuela, Argentina, Brazil, Mexico, and Spain and found there is no reasonable indication of material injury or threat of material injury by reason of allegedly LTFV imports from those countries.

4/ Casing is used in the drill hole to support the walls of the hole to prevent caving, both during drilling and after the well is completed. Casing must be sufficiently strong to resist both external pressure and pressure within the well. Report of the Commission (Report) at A-5-A-6.

Tubing is used within the casing to conduct the oil or gas from the subsurface strata to the surface, either by natural flow or by pumping. Casing is often substituted for tubing in high-volume wells. Id. at A-6.

Drill pipe is used to transmit power from ground level to below the surface in order to rotate the bit, and it is also used to move mud down to the bit to flush drill cuttings to the surface, where they can be removed. Id.

5/ USITC Pub. 1633 (Jan. 1985).

6/ In the previous investigation, we determined that seamless and welded OCTG were one like product. We further determined that green tubes were the same like product as finished OCTG, and that drill pipe was a separate like product from casing and tubing.

7/ Commissioner Eckes and Commissioner Lodwick did not find that drill pipe was a separate like product in the earlier investigations and thus did not exclude drill pipe in making their determinations.

domestic drill pipe industry producing products like the imported product. Assuming that there is a domestic drill pipe industry, there have been no imports of drill pipe from Romania and Venezuela during the period under investigation, and only minimal imports from Austria in 1982. 8/ We have concluded that there is no material injury by reason of imports of drill pipes from these countries. 9/

With regard to casing, tubing, and green tubes, we find the like product to be domestically produced casing, tubing, and green tubes that will be processed into casing and tubing. Therefore, the domestic industry consists of the producers in the United States of seamless and welded casing and tubing, including green tubes. Since separate data for casing, tubing, and drill pipe were not available for this preliminary investigation, we have based our decision on data concerning the casing, tubing, and drill pipe operations of domestic producers under section 771(4)(D) of the Tariff Act of 1930. 10/

Condition of the domestic industry

In previous investigations the Commission found that the domestic OCTG industry enjoyed a very healthy year in 1981. Its condition declined dramatically during the next two years. 11/ In 1984, there was modest improvement, but the industry is still operating at low levels and is suffering financial losses.

8/ In 1982, *** percent of the imports from Austria were drill pipe.

9/ Commissioner Eckes and Commissioner Lodwick consider drill pipe to be part of the like product in this investigation.

10/ 19 U.S.C. § 1677(4)(D). The inability to carve out drill pipe will have little impact on our analysis as drill pipe represented less than one percent of domestic production in 1983 and 1984. In 1982, drill pipe was 1.5 percent of domestic production.

11/ Oil Country Tubular Goods from Brazil, Korea, and Spain, Invs. Nos. 701-TA-215-217 (Final), USITC Pub. 1633 (Jan. 1985) at 8.

In 1981, several firms in the domestic industry initiated programs to expand their capacity to produce OCTG. However, as sales plummeted in 1982 and 1983, many of these firms either abandoned or delayed their planned expansions. 12/

In conjunction with the plummeting sales of 1982 and 1983, production of OCTG decreased from 1.8 million short tons in 1982 to 0.6 million in 1983. In 1984, however, production increased to 1.6 million short tons. 13/ Capacity increased 3 percent from 1982-84, from 4.8 million short tons to 4.9 million short tons. 14/ Capacity utilization during this period showed a trend similar to production--39 percent in 1982, 12 percent in 1983, and 33 percent in 1984. 15/

Domestic shipments of OCTG followed the same trends as production. In 1982, domestic producers shipped 1.6 million short tons. Shipments declined in 1983 to 733,000 short tons. During 1984, shipments increased to 1.5 million short tons. 16/

During the period of investigation, employment declined dramatically from 11,552 workers in 1982 to 3,302 workers in 1983. Improvement (though not as substantial as for production or shipments) came in 1984, with employment reaching 6,529 workers. As a result of wage concessions from employees, compensation per hour decreased by 10 percent from $19.89 per hour in 1982 to $17.84 per hour in 1984. 17/

Net sales plunged from $2.4 billion in 1982 to $567.5 million in 1983, a drop of 76.7 percent. In 1984, net sales rose to $1.1 billion, an increase of

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12/ Id.
13/ Report at A-18.
14/ Id.
15/ Id.
16/ Id. at A-19.
17/ Id. at A-20.

88.5 percent over 1983, but still 56.1 percent below the 1982 level. The domestic industry reported net operating income in 1982 of $486.2 million, or 19.9 percent of net sales. There were net operating losses in 1983 of $220.9 million, or 38.9 percent of net sales, and net operating losses in 1984 of $130.6 million, or 12.2 percent of net sales in 1984. 18/

Six of the responding firms reported operating losses in 1982, whereas ten did so in 1983 and seven in 1984. In the aggregate, the responding firms experienced negative cash flow of $220.3 million in 1983 and $114.1 million in 1984, compared with a positive cash flow of $537.4 million in 1982. 19/

Reasonable indication of material injury by reason of allegedly subsidized imports and imports allegedly sold at LTFV from Austria, Romania, and Venezuela 20/

For purposes of this preliminary investigation, we have cumulated the import penetration levels in these investigations under the Tariff and Trade Act of 1984 ("the 1984 Act"). 21/ Section 612 of the Act amends section 771(7)(C)(iv) of the Tariff Act of 1930. 22/ The new provision states:

> (iv) Cumulation--For the purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume

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18/ Id. at A-21.
19/ Id.
20/ Vice Chairman Liebeler disagrees with this analysis and provides her views on cumulation and causation in her additional views which follow.
21/ Commissioner Eckes did not find it necessary to cumulate to reach an affirmative determination in these preliminary investigations, although the market penetration ratios for the imports from each separate country under investigation were low. He points out that imports from each country increased in volume and in market share between 1983 and 1984, as the domestic industry's market share dropped sharply. The imports from each country undersold the domestic product consistently and were responsible for lost sales. The domestic OCTG industry has suffered several years of adverse conditions, and Commissioner Eckes believes that it is vulnerable to material injury from the loss of even a small percentage of market share to unfairly traded imports.
22/ 19 U.S.C. § 1677(7)(C)(iv).

> 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.

To cumulate these imports, we found that: (1) they compete with each other and the domestic like product; (2) they are marketed within a reasonably coincidental period; 23/ and (3) they are subject to an investigation. To determine whether the imports compete with each other and the domestic product, we considered factors similar to those we considered when analyzing cumulation prior to the 1984 Act. No single one of the factors we considered is determinative, but they provide a structure for reaching a determination. The factors are:

- 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;
- the presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product;
- the existence of common or similar channels of distribution for imports from different countries and the domestic like product;
- whether the prices of imports and the domestic like product are within a reasonable range;
- whether the imports are simultaneously present in the market.

For the purpose of our preliminary countervailing duty determinations, we have cumulated imports from Austria and Venezuela. 24/ For the purpose of our

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23/ This requirement is expressed in the Conference agreement on the House and Senate versions of the bill. H.R. Rep. No. 1156, 98th Cong., 2d Sess. 173 (1984).

24/ Chairwoman Stern found, on a cumulative basis, a reasonable indication of material injury to a domestic industry by allegedly subsidized imports from Austria and Venezuela and subsidized imports from Brazil, Spain, Argentina, and Mexico, as well as a reasonable indication that a domestic industry was threatened with material injury by cumulated allegedly subsidized imports from Austria and Venezuela.

affirmative preliminary antidumping determinations, we have cumulated imports from Austria, Romania, and Venezuela. 25/

We have found that the imports of OCTG from Austria, Romania, and Venezuela and the domestic OCTG product are fungible products. 26/ Further, the imports and the domestic product are directed to the same end-users and to the same geographical market, the Gulf Coast and the Southwestern United States. Most of the OCTG imports enter through the port of Houston and pass through the same channels of distribution as the domestic product. 27/ The imports from Venezuela, Romania, and Austria were simultaneously present in the market during the entire period of this investigation.

In these preliminary countervailing duty investigations, aggregate market share for the cumulated imports was 1.7 percent in 1982, 0.3 percent in 1983, and 2.3 percent in 1984. 28/ In these preliminary antidumping investigations, aggregate market share for the cumulated imports was 2.2 percent in 1982,

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25/ Chairwoman Stern found, on a cumulative basis, a reasonable indication of material injury to a domestic industry on the basis of allegedly LTFV imports from Austria, Romania, and Venezuela, and LTFV imports from Argentina, Brazil, Mexico, and Spain, as well as a reasonable indication a domestic industry was threatened with material injury by cumulated allegedly LTFV imports from Austria, Romania, and Venezuela.

26/ An importer of the Venezuelan product presented arguments that, because of poorer quality, the Venezuelan product did not compete with the other OCTG available in the marketplace. Based on the record in the preliminary investigation, we have determined that the Venezuelan product does compete with the other OCTG. However, we will consider any new information that may be provided on this issue if it returns as a final.

27/ Report at A-13; see also, Additional Views of Chairwoman Paula Stern, Oil Country Tubular Goods from Brazil, Korea, and Spain, Invs. Nos. 701-TA-215-217 (Final), USITC Pub. 1633 (Jan. 1985) at 14.

28/ Chairwoman Stern notes regarding her finding of a reasonable indication of material injury, that the cumulative market share of allegedly subsidized imports from Austria and Venezuela and subsidized imports from Brazil, Spain, Argentina, and Mexico was 4.7 percent in 1982, 5.0 percent in 1983, and 6.5 percent in 1984. Regarding her finding of a reasonable indication of threat of material injury, cumulative import penetration for allegedly subsidized imports from Austria and Venezuela was 1.7 percent in 1982, 0.3 percent in 1983, and 2.3 percent in 1984.

0.4 percent in 1983, and 3.3 percent in 1984. 29/ 30/ We note that during this same period domestic market share rose from 39.5 percent in 1982 to 52.6 percent in 1983, but it dropped back to 39.8 percent in 1984.

The Commission obtained nine quarterly price comparisons between domestic and imported OCTG from Austria, six comparisons with imports from Venezuela, and seventeen comparisons with imports from Romania. All nine quarterly price comparisons between the domestic and imported Austrian OCTG showed underselling by the imported products. Margins of underselling averaged approximately 27 percent. All six of the quarterly price comparisons between domestic and imported Venezuelan oil country tubular goods showed underselling by the imported products, with margins of underselling averaging approximately 32 percent. Fifteen of the 17 quarterly price comparisons between domestic and imported Romanian oil country tubular goods showed underselling by the imported products, with margins of underselling averaging approximately 31 percent below the domestic producers' prices. 31/

Information on domestic prices indicates that prices for the domestic OCTG products dropped significantly during the later part of 1982 or early 1983. During the remainder of the period under investigation, the prices fluctuated at depressed levels. 32/

29/ Report at A-26.

30/ Chairwoman Stern notes regarding her finding of a reasonable indication of material injury that the cumulative import penetration for allegedly LTFV imports from Austria, Romania, and Venezuela and LTFV imports from Argentina, Brazil, Mexico, and Spain was 5.2 percent in 1982, 5.0 percent in 1983, and 9.3 percent in 1984. If imports from Korea are added, the cumulative import penetration is 8.0 percent in 1982, 8.5 percent in 1983, and 16.7 percent in 1984.

31/ Report at A-29-A-31.

32/ *Id*. at Appendix E.

The Commission's staff has confirmed two instances where domestic producers lost sales to imports from Austria due to price. 33/ There were also two confirmed instances of sales lost to imports from Venezuela, 34/ and six confirmed instances of lost sales to imports from Romania. 35/

For the foregoing reasons, we conclude that there is a reasonable indication that an industry in the United States is materially injured by imports of OCTG from Austria and Venezuela that are allegedly subsidized. We further conclude that there is a reasonable indication that an industry in the United States is materially injured by imports of OCTG from Austria, Romania, and Venezuela that are allegedly sold at less than fair value.

33/ *Id.* at A-33-34.
34/ *Id.* at A-35.
35/ *Id.* at A-34.

ADDITIONAL VIEWS OF COMMISSIONER LODWICK

These additional views describe the primary elements that (1) distinguish the current preliminary investigations from final investigations numbers 701-TA-215 through 217, and (2) led me to affirmative determinations in the instant investigations in contrast to my negative determinations in 701-TA-215 through 217. 1/

Two important differences in the legal framework are: 1) the current investigations are preliminary while the previous cases were final, and 2) the instant investigations are subject to the provisions of the Trade and Tariff Act of 1984. Preliminary determinations require reasonable indication, whereas final determinations require substantial evidence on the record. With respect to the new trade law, a key change is in the provision for cumulation. Cumulation is now called for if imports compete with both other imports and the domestic like product, are marketed within a reasonably coincidental period, and are subject to investigation. Previously, the Commission had general discretion and was able to look more broadly at factors and conditions of trade including such things as volume trends and pricing strategies.

Turning to the record for the current investigations, the information suggests that for these preliminary determinations imports from Austria, Romania, and Venezuela appear to compete with each other and the domestic like

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1/ See the additional views of Vice Chairman Liebeler and Commissioner Lodwick and the additional views of Commissioner Lodwick in Oil Country Tubular Goods from Brazil, Korea, and Spain, Inv. Nos. 701-TA-215 through 217 USITC Publication 1633, January 1985.

product within a reasonably coincidental period. Therefore, I have cumulatively judged their effect on the domestic industry. 2/

The data in the current investigations differs from the results in the prior investigations in three areas which were critical to my determinations.

(1) The volume of imports increased over the period of investigation. Allegedly subsidized imports from Austria and Venezuela rose roughly 20 percent during 1982-1984 and allegedly dumped imports from Austria, Romania, and Venezuela increased approximately 35 percent over the same period. 3/ In the prior investigations, imports from Brazil were generally flat and imports from Spain fell over the period of investigation.

(2) During 1984 when imports were climbing, prices for domestic material showed variable movements with some rising, some falling, and some remaining generally flat. 4/ In the earlier investigations, domestic prices for products comparable to imports from Korea rose as these imports increased.

(3) Over 80 percent of both allegedly subsidized and allegedly dumped imports in 1984 were seamless material. 5/ Financial data shows that the gross margin of U.S. producers on operations producing seamless oil country

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2/ I cumulated imports from Austria and Venezuela for the subsidy investigations and imports from Austria, Romania, and Venezuela for the dumping investigations.
3/ Rpt. at A-25.
4/ Id at Appendix E Tables E-1 through E-3.
5/ Id at Appendix C Table C-12.

tubular goods (OCTG) continued to decline from 1983 to 1984. 6/ Conversely, in the prior cases Korea shipped only welded OCTG to the U.S., and the financial data showed that gross margins of U.S. producers on operations producing welded OCTG improved significantly while imports from Korea were rising.

6/ Rpt. at Appendix C Table C-10.

Additional Views of Vice Chairman Liebeler

I determine that there is no reasonable indication that an industry in the United States is materially injured, or threatened with material injury, by reason of allegedly subsidized imports of oil country tubular goods (OCTG) from Austria and Venezuela.

I 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 OCTG from Austria, Romania, and Venezuela, which are allegedly sold at less-than-fair-value (LTFV).

Like Product and Domestic Industry

In Investigation Nos. 701-TA-215-217 (Final), Oil Country Tubular Goods from Brazil, Korea, and Spain, the Commission considered several questions relating to the like product and domestic industry. There has been nothing presented in this series of investigations that causes me to take a different position. Thus, I join with the majority in their discussions of like product and the conditions of the domestic industry.

Cumulation of Imports

There are a number of cumulation issues that are potentially raised by this series of investigations, including the following four: (1) cross-cumulation; (2) the cumulation of cases subject to final orders with cases under investigation; (3) the cumulation of cases at various stages of investigation, including how to treat the imports from countries for which Commerce has preliminarily determined there to be no sales at LTFV; and (4) the cumulation of antidumping duty cases from countries that have signed voluntary restraint agreements with the United States. The first two issues were extensively discussed in my views in Investigation Nos. 701-TA-225-234 (Preliminary) and 731-TA-213-235 (Preliminary), Certain Carbon Steel Products from 10 Countries (Carbon Steel). In that case I concluded that it would be inappropriate to cumulate antidumping duty cases with countervailing duty cases and that imports from countries subject to final orders should not be cumulated with imports from countries currently under investigation. In this opinion I will consider the last two issues.

There are a number of candidates for cumulation in this case. These include, but perhaps are not limited to the following countries: Austria, Romania, Venezuela, Brazil, Argentina, Mexico, Spain, and Korea. Austria, Romania, and Venezuela, which are the subjects of the current series of investigations, are all the subjects of antidumping duty investigations, but only Austria and Venezuela are the subjects of countervailing duty investigations. Imports of OCTG from Brazil, Argentina, Mexico, and Spain are all under existing final countervailing duty orders.[1] The imports from these countries are also the subject of a current final Commission antidumping duty investigation.[2] The imports of OCTG from Korea have been the subject of two recent investigations. In January 1985, the Commission determined that an industry in the United States is not materially injured, or threatened with material injury by reason of allegedly subsidized imports of OCTG from Korea.[3] In another investigation, the Commission made an affirmative determination with regard to allegedly LTFV imports of OCTG

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[1]OCTG from Brazil and Spain are covered by Investigation Nos. 701-TA-215, 217 (Final). The allegedly subsidized imports from Argentina and Mexico were not entitled to an injury test.

[2]Investigation Nos. 731-TA-191-192, 194-195, (Final) OCTG from Brazil, Argentina, Mexico, and Spain.

[3]Investigation No. 701-TA-216 (Final).

from Korea.[4] Commerce preliminarily determined that no sales were at LTFV, and Commerce has not yet made its final determination on OCTG from Korea.

In Carbon Steel, I discussed why it is inappropriate to cumulate imports from countries subject to countervailing duty investigations and imports from countries subject to antidumping duty investigations. Past Commission practice, the statutory scheme of Title VII, and the statutory language of Title VII all preclude cross-cumulation. The reason cumulation is inappropriate with imports from countries subject to outstanding antidumping duty or countervailing duty orders is that such imports are, as a result of those orders, fairly traded goods, and thus cannot be cumulated with the allegedly unfairly traded goods in order to determine whether injury is caused by allegedly unfairly traded goods. Applying these two principles leaves the following candidates for cumulation in this series of investigations: for the countervailing duty cases only Austria and Venezuela are candidates for cumulation; the list of candidates for the antidumping duty cases is somewhat longer: Austria, Romania, Venezuela, Brazil, Spain, Argentina, Mexico, and Korea.

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[4] Investigation No. 731-TA-193 (Preliminary).

Cumulation is not automatic once it has been determined that the imports from a country are "subject to investigation". The Act establishes additional criteria before cumulation is mandated. Cumulation is required only "if such imports compete with each other and with the like products of the domestic industry in the United States market."[5] In this series of investigations I have determined that OCTG from all the countries which are candidates for cumulation "compete with each other and the like products of the domestic industry."[6] In this series of investigations I do not, however, reach the issue of what factors must be considered and how they should be weighed in making this determination.

The first issue is whether the instant antidumping duty investigations should be cumulated with themselves and whether the instant countervailing duty cases should be cumulated with themselves. The case for cumulation is strongest among cases brought together in a single series of investigations. Stated

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[5]771(7)(c)(iv) of the Tariff Act of 1930. 19 U.S.C. 1677(7)(c)(iv).

[6]Counsel for a Venezuelan importer has argued that OCTG from Venezuela is of such poor quality that it is primarily used in the limited service market, and thus that it does not compete with domestic and imported OCTG in the principle market for OCTG. This contention, however, is not borne out by the evidence. Thus, I determine that OCTG imported from Venezuela competes with domestic and imported OCTG.

broadly, the purpose of the cumulation statute is to prevent material injury from LTFV (or allegedly subidized imports) from several countries, each of which do not have a large enough share of the domestic market to cause material injury but which, when combined, may have such an effect. Thus, I conclude that the instant three antidumping duty cases should be cumulated and that the instant two countervailing duty cases should be cumulated.

The second issue is whether the instant two antidumping duty cases should be cumulated with any or all of the imports from Brazil, Spain, Argentina, and Mexico, which are the subject of a series of four final antidumping duty investigations before the Commission.[7] The imports from countries which are the subject of current final investigations are appropriately cumulated with imports from countries that are the subject of the instant preliminary investigations. Currently, the imports from both groups of countries are allegedly being sold at LTFV. Thus, it is, in general, appropriate to cumulate the imports from countries which are subject to current final investigations with the imports from countries that are the subject of the instant preliminary investigations.

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[7]These investigations were instituted before the 1984 Act became effective. I reserve the question whether cumulating investigations brought at different times is appropriate when all of the investigations are under the 1984 Act.

In this case, however, there is a further complication. Brazil, Mexico, and Spain have each signed a voluntary restraint agreement (VRA) with the United States. If these agreements were in effect, then the imports from these countries would not be subject to investigation because of the VRA. In that event, they could not be cumulated with the imports from the countries which are the subject of the instant series of investigations. The relevant agreements will take effect only if a number of contingencies, which are beyond the control of the petitioner, U.S. Steel, occur first. Thus, because of the contingent nature of the VRA's, the status of the imports from these countries are not affected by the VRA's, and thus they remain appropriate candidates for cumulation.

A related issue involves the antidumping duty case against Korea. The Commission has already made an affirmative determination with respect to sales of OCTG from Korea allegedly at LTFV. The Department of Commerce has not yet made a final determination with respect to these allegedly LTFV sales. However, Commerce's preliminary determination was that any LTFV margin was _de minimus_. The petitioner, U.S. Steel, has not urged the Commission to cumulate imports from Korea with those from the countries under investigation.

Congress enacted the cumulation statute because it believed that allegedly unfair acts by countries or manufacturers each with a small share of the United States market could, when taken together, have a material impact on the United States market. Fairly traded imports, however, are not cumulated with allegedly unfairly traded imports because any injury caused by these imports is not cognizable under Title VII.[8] In light of the negative preliminary determination by Commerce, the best information we have available is that the imports from Korea are fairly traded. Thus, given the Commission's mandate to make a determination in light of the best information currently available, I conclude that imports of OCTG from Korea should not be cumulated with the imports from Austria, Romania, and Venezuela which are allegedly at LTFV.

Therefore, I conclude that the countervailing duty cases from Austria and Venezuela, which are currently before the Commission, should be cumulated, and that there are no other cases which it is appropriate to cumulate with these two cases. For 1984, the import penetration ratio for the cumulated imports of Austria and Venezuela was 2.3 percent of apparent United States consumption.[9]

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[8] Injury from fairly traded goods is cognizable in "Escape Clause" investigations under Section 201 of the Tariff Act of 1930.

[9] Report, at A-26. The cumulated import penetration ratio for Austria and Venezuela was even lower for the earlier years covered by this investigation.

In addition, I conclude that the antidumping duty cases from Austria, Romania, and Venezuela, which are currently before the Commission, should be cumulated, and that the antidumping duty cases from Brazil, Spain, Argentina, and Mexico, which are before the Commission as final investigations in a seperate series of investigations, are also "subject to investigation" and should be cumulated with the imports from Austria, Romania, and Venezuela. For 1984, the cumulative import penetration ratio of the imports from these seven countries was 9.3 percent of apparent United States consumption.[10]

My presumption is that there is no reasonable indication of material injury, or threat of material injury, by reason of allegedly subsidized imports with a market penetration ratio of 2.5 percent or less

In Carbon Steel, I announced that I would use a presumption after cumulating imports that a market penetration ratio for allegedly unfairly traded imports of less than 2.5 percent could not be the cause of material injury, or of the threat of material injury. In another case released today, Certain Steel

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[10] Id. The cumulated import penetration ratio for these seven countries was even lower for the earlier years covered by this investigation.

Pipe and Tube from Venezuela and Thailand,[11] I have expanded on the justification for this presumption.

The 2.5 percent import penetration ratio presumption is based on economics. Market equilibrium is determined by the intersection of supply and demand. Thus, the price of OCTG and the quantity sold is determined by the intersection of the supply and demand curves for OCTG. In general, a small market penetration ratio for a product implies that the product will have little effect on the equilibrium price of the product. A small market penetration ratio for a product can have a disproportionate effect on price only if both the demand for the product is highly inelastic and the supply of the product is highly inelastic.

The demand for OCTG is likely to be highly inelastic for several reasons. First, OCTG is not directly consumed but is a factor in the production of oil and natural gas and the demand for oil and natural gas are both highly inelastic, especially in the short-run. Second, there are no good substitutes available for OCTG in the production of oil and natural gas. Third, the cost of OCTG as a share of the cost of producing oil

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[11] Investigation Nos. 701-TA-242 (Preliminary) and 731-TA-252-253 (Preliminary).

and natural gas is small. For these three reasons the demand for OCTG is likely to be highly inelastic.

In order for a small import penetration ratio to have a disproportionate effect on price, both the demand for the product and the supply of the product have to be highly inelastic. Although the demand for OCTG is likely to be highly inelastic for the reasons given above, there is no evidence to suggest that supply is highly inelastic. As a result, a small import penetration ratio will not have a disproportionate effect on price. Thus, the 2.5 percent presumption is not rebutted in this case. Therefore, I conclude that there is no reasonable indication of material injury by reason of allegedly subsidized imports of OCTG from Austria and Venezuela.

No reasonable indication of material injury by reason of allegdly LTFV imports of OCTG from Austria, Romania, and Venezuela[12] [13]

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[12]The analysis contained in this section applies equally well to allegedly subsidized imports of OCTG from Austria and Venezuela.

[13]The discussion in this section comes from my views, which were written jointly with Commissioner Lodwick in OCTG from Brazil, Korea, and Spain, Investigation Nos. 701-TA-215-217 (Final). Although that series of investigations was not conducted under the 1984 Act, I am still persuaded by our

(Footnote continued to page 26)

The injury which the domestic OCTG industry has experienced is not a result of allegedly LTFV imports, but of the sharp decline in demand for domestic oil and natural gas. From 1979 through 1981 there was an increase in drilling, and consequently a growth in demand for OCTG, which was substantially a result of the rising price of oil and the decontrol of domestic oil. The industry, apparently expecting this trend to continue, significantly expanded inventories of OCTG in order to satisfy the anticipated growth in demand.

In 1981 the price of oil began to fall, and as a result exploration and drilling activity were severely curtailed. As a result of the large inventories that had been built up in the previous years, the demand for OCTG was satisfied mainly out of inventories and production was brought almost to a halt. The decline in imports reflects this drop in demand. Thus, from 1981 to 1983, apparent consumption declined by 81 percent and imports by 79 percent, with the drop in imports actually exceeding 2.5 million tons. Therefore, the cause of injury to the domestic industry was the decline in demand brought about by the decline in the price of oil, rather than allegedly LTFV imports.

(Footnote continued from page 25)
reasoning about the cause of injury to the domestic OCTG industry.

<u>No reasonable indication of threat of material injury by reason of allegedly subsidized or LTFV imports of OCTG from Austria, Romania, and Venezuela</u>[14]

The standard for an affirmative determination based on threat is that the danger be "real and present". The actual data on which I based my negative threat determination are confidential. Stated more generally, there is nothing in the report to indicate a substantial idle capacity in the countries under investigation which could be used, let alone will be used, to produce allegedly LTFV OCTG for export to the United States.[15] Similarly, there is no evidence that there are unusually large inventories of the allegedly or LTFV OCTG in the United States available for sale.[16]

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[14]The analysis contained in this section applies equally well to the allegedly subsidized imports of OCTG from Austria and Venezuela.

[15]Report, at A-14-15.

[16]Report, at A-16.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On February 28, 1985, United States Steel Corp. filed antidumping and countervailing duty petitions with the U.S. International Trade Commission and the U.S. Department of Commerce. 1/ The petitions allege that an industry in the United States is materially injured and is threatened with material injury by reason of imports from Austria and Venezuela of oil country tubular goods, provided for in items 610.32, 610.37, 610.39, 610.40, 610.42, 610.43, 610.49, and 610.52 of the Tariff Schedules of the United States (TSUS), which are alleged to be subsidized by the governments of those countries, and by reason of imports of oil country tubular goods from Austria, Romania, and Venezuela which are alleged to be sold at less than fair value (LTFV). Accordingly, the Commission instituted preliminary investigations 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. The statute directs that the Commission make its determinations within 45 days after its receipt of the petitions, or in these cases, by April 15, 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 March 11, 1985 (47 FR 9723). 2/ The conference was held in Washington, DC, on March 25, 1985. 3/ The vote was held on April 8, 1985.

Other Investigations Concerning Oil Country Tubular Goods

On June 12, 1984, the Commission determined in investigation No. TA-201-51, on carbon and certain alloy steel products, under section 201 of the Trade Act of 1974, that increased imports of steel pipes and tubes were not a substantial cause of serious injury, or threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. 4/ The steel pipes and tubes which were the subject of the section 201 investigation included the oil country tubular goods which are the subject of the instant investigations, as well as other pipes and tubes which are not the subject of these investigations.

1/ On March 12, 1985, Lone Star Steel Co. (Lone Star) sent a letter to the Commission stating that it would like to be added as a co-petitioner in these investigations. On March 25, 1985, CF&I Steel Corp. (CF&I) requested that it be added as a co-petitioner in these investigations.

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

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

4/ Carbon and Certain Alloy Steel Products: Report to the President on Investigation No. TA-201-51 . . ., USITC Publication 1553, July 1984.

On June 13, 1984, counsel for Lone Star Steel Co. and CF&I Steel Corp. filed countervailing duty petitions with Commerce concerning imports of oil country tubular goods from Argentina and Mexico. Since these countries are not signatories to the General Agreement on Tariffs and Trade, the Commission is not required to make injury determinations concerning imports from these countries which are alleged to be subsidized. On September 12, 1984, Commerce published in the Federal Register its final affirmative determinations that the manufacturers, producers, or exporters of oil country tubular goods in Argentina and Mexico receive benefits which constitute subsidies. The subsidy margins are 0.90 percent ad valorem for the products from Argentina and 5.84 percent ad valorem for the products from Mexico. As a result of these subsidy determinations, Customs began collecting additional duties on imports of oil country tubular goods from these countries entered on or after September 12, 1984.

Also on June 13, 1984, counsel for Lone Star and CF&I filed countervailing duty petitions with the Commission and Commerce concerning imports of oil country tubular goods from Brazil, Korea, and Spain. On July 23, 1984, the Commission unanimously determined that there was a reasonable indication that an industry in the United States was materially injured by reason of such imports. 1/ 2/

Commerce published its final subsidy determinations on November 27, 28, and 30, 1984, respectively. The subsidy margins for Brazil and Spain ranged from 11.35 to 25.24 percent ad valorem and 11.29 to 24.74 percent ad valorem, respectively. For Korea the net subsidy was 0.53 percent ad valorem. On January 2, 1985, the Commission determined that an industry in the United States is materially injured by reason of imports from Brazil and Spain of oil country tubular goods 3/ and that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from Korea of oil country tubular goods. 4/ 5/

Also on June 13, 1984, counsel for Lone Star and CF&I filed antidumping petitions with the Commission and Commerce concerning imports of oil country tubular goods from Argentina, Brazil, Korea, Mexico, and Spain. On July 23, 1984, the Commission unanimously determined that there was a reasonable indication that an industry in the United States was materially injured by reason of such imports. On January 16, 1985, Commerce published in the Federal Register its preliminary affirmative determinations that imports of oil country tubular goods from Argentina, Brazil, Mexico, and Spain were being

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1/ Chairwoman Stern found that there was a reasonable indication that an industry in the United States was materially injured or was threatened with material injury by reason of such imports.

2/ Oil Country Tubular Goods from Argentina, Brazil, Korea, Mexico, and Spain: . . .Determinations of the Commission in Investigations Nos. 731-TA-191 through 195 (Preliminary) . . ., USITC Publication 1555, July 1984.

3/ Vice Chairman Liebeler and Commissioner Lodwick dissenting.

4/ Commissioners Eckes and Rohr dissenting.

5/ Oil Country Tubular Goods from Brazil, Korea, and Spain: . . .Determinations of the Commission in Investigations Nos. 701-TA-215 through 217 (Final) . . ., USITC Publication 1633, January 1985.

sold in the United States at LTFV within the meaning of section 731 of the Tariff Act of 1930. These investigations are presently pending before the Commission. The Commission is scheduled to vote on the investigations involving imports from Argentina and Spain during the week of May 5, 1985. Commerce preliminarily determined that imports from Korea are not being, and are not likely to be, sold in the United States at less than fair value and subsequently extended the dates for its final determinations in the investigations of imports from Brazil and Mexico. The Commission's votes on Brazil, Mexico, and, if necessary, Korea will be scheduled at a later date. 1/

Description and Uses

The term "oil country tubular goods" refers to casing, tubing, and drill pipe for use in drilling oil and gas wells and for transporting oil and gas to the surface.

Casing is used in the drill hole to provide a firm foundation for the drill string by supporting the walls of the hole to prevent caving, both during drilling and after the well is completed. After the casing is set, concrete is pumped between the outside of the casing and the wall of the hole to provide a secure anchor. Casing also serves to prevent contamination of the recoverable oil and gas from surface water, gas, sand, or limestone. Casing must be sufficiently strong to resist both external pressure and pressure within the well. Because the amount of open hole that can be drilled at any one time is limited, a string of concentric layers of casing is used for larger wells.

Tubing is used within the casing to conduct the oil or gas from the subsurface strata to the surface either through natural flow or through pumping. Casing is often substituted for tubing in high-volume wells. Tubing must be strong enough to support its own weight, that of the oil or gas, and any pumping equipment suspended on the drill string.

Drill pipe is used to transmit power from ground level to below the surface in order to rotate the bit, and it is also used to conduct drilling fluid (mud) down to the bit to flush drill cuttings to the surface, where they can be removed. Drill pipe must have sufficient tensile strength to support its own weight and that of drill collars and the drill bit.

During 1984, according to data received in response to Commission questionnaires, 2/ casing accounted for 79.1 percent of U.S. producers' shipments, on a tonnage basis, tubing accounted for 19.2 percent and drill pipe 0.3 percent. Other tubes (including green tubes) accounted for 1.5 percent of U.S. producers' shipments.

Oil country tubular goods are generally produced according to standards and specifications established by the American Petroleum Institute (API). The API is a trade organization involved in writing basic minimum design standards for materials used in the oil and gas industries to ensure safety, reliability,

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1/ A list of other title VII investigations concerning oil country tubular goods is presented in table 1.
2/ Questionnaires in investigations Nos. 701-TA-215-217 (Final).

Table 1.--Oil country tubular goods: Other pending title VII investigations and outstanding dumping/countervailing orders, most recent dumping/subsidy margins, by countries, 1982-84

Product/ investigation/ order/country	Weighted-average margin	Date of bond or order 1/	Ratio of imports to apparent U.S. consumption		
			1982	1983	1984
Pending antidumping investigations:					
Argentina----------		Mar. 29,1985	0.4	1.1	.7
Dalmine Siderca-----	61.7				
All others--	61.7				
Brazil------------	2/	January 16 1985	1.3	1.1	1.5
Confab--------	2/ 83.8				
Mannesman-----	2/ 00.0				
Persicco------	2/ 17.8				
All other-----	2/ 33.1				
Korea-------------	de minimus	3/	2.8	3.5	7.4
Mexico------------		January 16, 1985	4/	.9	1.8
Tubos de Arcaro de Mexico S.A.--	2/ 20.8				
All others------	2/ 20.8				
Spain-------------		Mar. 29, 1985	1.3	1.6	2.0
Altoshornos de Vizcaya S.A.-	83.5				
Tubos Reunidos S.A.-----------	70.1				
All other firms-	76.8				
Outstanding countervailing order:					
Argentina---------	0.9	Nov. 27, 1984	0.4	1.1	.7
Brazil------------		Feb. 7, 1985	1.3	1.1	.7
Confab--------	24.9				
Mannesman-----	25.2				
Persicco------	11.4				
All other-----	22.4				
Mexico------------	5.8	Nov. 30, 1984	4/	.9	1.8
Spain-------------		Feb. 7, 1985	1.3	1.6	2.0
AHV-----------	17.6				
TR------------	16.2				
Tubacex-------	17.7				
B&W-----------	22.5				
TRAMESA-------	22.5				
All other-----	17.2				

1/ Date posting of bond required or date order issued.
2/ This is the preliminary determination by Commerce
3/ This was a preliminary negative by Commerce. The final determination is expected to be reached on April 24, 1985.
4/ Less than 0.05 percent.

Source: Compiled from data contained in various reports of the U.S. International Trade Commission.

and interchangeability of parts. The API has been instrumental in standardizing dimensions and properties in oil country tubular goods specifications for casing, tubing, and drill pipe (API STD 5A), high-strength casing, tubing, and drill pipe (API STD 5AX), and casing and tubing with restricted yield strengths (API STD 5AC). These standards, which are sometimes used by the Government as Federal standards, were adopted by API after careful research and industry consensus. They offer oil country tubular goods purchasers a guide for selecting equipment with proper outside diameters, wall thicknesses, and steel grades to perform under nearly every combination of stresses. The vast majority of oil country tubular goods in use today meets API ratings for such items. However, there are items for use in specialized applications which do not carry an API rating only because these oil country tubular goods have not been sufficiently used or tested for API to write standards for this equipment. Firms also produce products to their own proprietary specifications, and these products compete with products made to API specifications. Other nonAPI and nonproprietary material may be used in shallow wells and under drilling conditions where high-strength and high-quality pipe are not required. Oil country tubular goods are inspected and tested at various stages in the production process to ensure strict conformity to API or proprietary specifications. Oil country tubular goods are of either seamless or welded construction and can be produced from various grades of steel. Most oil country tubular goods are of carbon steel. Almost one-half of all casing and tubing and virtually all drill pipe produced in the United States are of seamless construction.

Ten producers, which accounted for 74 percent of total shipments in 1983, provided information concerning their shipments of API and nonAPI oil country tubular goods in investigations Nos. 701-TA-215-217 (Final). According to this information, 80 percent of total shipments conformed to API specifications, 12 percent were low-grade, limited-service products, and 8 percent were high-grade products made to proprietary specifications. Less than 0.5 percent of the shipments in 1983 were green tubes.

Seamless oil country tubular goods are produced by forming a central cavity in solid steel stock. The central cavity may be formed either through the rotary piercing and rolling process or through extrusion. Most seamless oil country tubular goods are produced through the rotary piercing method, the more traditional method for producing such material. Rotary piercing is described by AISI in its publication, Steel Products Manual: Steel Specialty Tubular Products, as follows:

> Rotary Piercing and Rolling operations produce the great bulk of seamless steel tubular products. A conditioned steel round of proper grade, diameter and weight is heated to a suitable forging temperature and rotary pierced in one of several available types of mills which work the steel and cause it to flow helically over and around a so-called piercer-point yielding a seamless hollow billet. This billet is then roller elongated either in a succession of plug mills or in one of several mandrel mills. Finally the elongated steel is sized by further rolling without internal support in one or more of the sizing mills. . . the tension mill stretches the material between stands and

> actually makes wall reduction possible; the rotary sizing mill frequently is used in conjunction with one of the other mills to make final precision sizing of the outside diameter.

The extrusion process is described in the same AISI publication as follows:

> Extrusion process also starts with a conditioned steel round of desired grade, diameter and weight. This billet may be cold drilled and hot expanded, or hot punched-pierced either separately or in the extrusion process. The drilled or punched billets are hot extruded by axially forcing the material through a die and over a mandrel.

Welded oil country tubular goods are formed by passing flat-rolled products through a series of forming rollers which form the products into cylindrical shapes to be seam welded. The most commonly used process for welding oil country tubular goods is electric resistance welding (ERW) in which the cylinder edges are heated to a very high temperature with an electric resistance welder and are forced together under pressure exerted by rolls. After welding, the tube is then treated to make the molecular structure of the weld identical to that of the rest of the tube. Although most of the welded oil country tubular goods are electric resistance welded, some large-diameter (over 24 inches) material which is used in offshore drilling is submerged arc welded. Under this process the cylinder edges are connected using molten metal from a welding rod. Regardless of welding process, the wall thicknesses of all welded oil country tubular goods are uniform, whereas the wall thicknesses of seamless oil country tubular goods are less uniform.

Seamless and welded oil country tubular goods are used interchangeably in several applications. API specifications for most grades of casing and tubing specify that either seamless or welded pipe is acceptable. Exceptions include drill pipe and extremely thick casings, which API specifies must be seamless. According to responses to Commission questionnaires in investigations Nos. 701-TA-215-217 (Final) completed by 16 purchasers of oil country tubular goods, on the average 48 percent of the product they purchase must be of seamless construction. The remainder may be of either welded or seamless construction. These purchasers accounted for approximately 25 percent of apparent U.S. consumption of oil country tubular goods during January-September 1984.

The ends of almost all oil country tubing are processed through an operation known as upset ending. Upset ending is a forging process under which the end of the tubing is flared and thickened by heating and forcing it through a die and over a mandrel. This process adds tensile strength to the tubing walls, thereby compensating for the tensile strength which is lost when the material is threaded. Other finishing operations for oil country tubular goods may include quenching and tempering (heat treating) to raise minimum yield strength and hardness (typically for high-strength casing), threading, and application of a rust-preventative coating.

U.S. Tariff Treatment

The imported oil country tubular goods which are the subject of these investigations are classified in items 610.32, 610.37, 610.39, 610.40, 610.42, 610.43, 610.49, and 610.52 of the TSUS. The rates of duty on imports of oil country tubular goods from countries designated as most-favored-nations (MFN's) (col. 1) 1/ and designated Communist countries (col. 2) 2/ are presented in table 2. All imports from the countries under investigation are entitled to column 1 rates of duty. These articles are eligible for duty-free entry from beneficiary countries under the Caribbean Basin Initiative, but not under the Generalized System of Preferences.

Nature and Extent of Alleged Subsidies and Alleged LTFV Sales

Alleged subsidies

Austria.--The petitioner alleges that manufacturers, producers, or exporters of oil country tubular goods in Austria receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

Government Equity Infusions--3.6 percent,
Government grants to the Austrian Steel Industry--5.0 percent,
Loan guarantees and interest subsidies--7.2 percent,
Government subsidies to Voest-Alpine through Osterreichisete-Industriewervalfungs-AG,
Preferential export financing--0.7 percent,
Special tax incentives for exports,
Labor subsidies,
Local incentives.

Venezuela.--The petitioner alleges that manufacturers, producers, or exporters of oil country tubular goods in Venezuela receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

Government Equity Infusions--47.9 percent,
Preferential Government Credit,
Import duty reductions,

1/ Col. 1 rates of duty are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates do not apply to products of developing countries where such articles are eligible for preferential tariff treatment provided under the Generalized System of Preferences (GSP) or the Caribbean Basin Initiative (CBI), or under the "LDDC" rate of duty column. Currently, the People's Republic of China, Hungary, Romania, and Yugoslavia are eligible for MFN rates.

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

Table 2.—Oil country tubular goods: U.S. rates of duty as of Jan. 1, 1981, Jan. 1, 1984, and Jan. 1, 1987

(Cents per pound; percent ad valorem)

TSUS item No.	Oil country tubular goods covered	Rate of duty: Col. 1: Jan. 1, 1981	Rate of duty: Col. 1: Jan. 1, 1985	Rate of duty: Col. 1: Jan. 1, 1987	Rate of duty: Col. 2
	Pipes and tubes and blanks therefor of iron (except cast iron) or steel:				
	Welded, jointed or seamed, with walls not thinner than 0.065 inch and of circular cross section:				
610.32	0.375 inch or more in outside diameter, other than alloy steel	0.3¢	1.9%	1.9%	5.5%
610.37	0.375 inch or more in outside diameter, of alloy iron or steel	4.9% 1/	4.9% 1/	4.9% 1/	10% 1/
	Other:				
	Steel pipe conforming to A.P.I. specifications for oil well casing whether welded or seamless having a wall thickness not less than 0.156 inch:				
	Not threaded and not otherwise advanced:				
610.39	Other than alloy steel	0.1¢	0.5%	0.5%	1%
610.40	Alloy steel	0.1¢ +4% 1/	3.6% 1/	3.3% 1/	8.5% 1/
	Threaded or otherwise advanced:				
610.42	Other than alloy steel	7.5%	6.5%	6%	20%
610.43	Alloy steel	11% 1/	7.8% 1/	6.2% 1/	28% 1/
	Other:				
	Not suitable for use in the manufacture of ball or roller bearings:				
610.49	Other than alloy iron or steel, except hollow bars	10.5%	8.8%	8%	25%
610.52	Alloy iron or steel, except hollow bars	13% 1/	9.3% 1/	7.5% 1/	35% 1/

1/ Additional duties are assessed on imports under this item depending on the content of chromium, molybdenum, tungsten, and vanadium, as provided for in headnote 4, schedule 6, part 2, subpart B of the TSUS.

Source: Tariff Schedules of the United States.

Tax incentives,
Regional incentives,
Input subsidies,
Export subsidies,
  Multiple exchange rates—133.0 percent,
  Export bonds:
    Sidor—6.6 percent,
    Conduven—7.2 percent
  Preferential export financing—11.25 percent, and
  Discounts for inputs used to produce exports.

Alleged sales at LTFV

Austria—Petitioners allege that the quantity of oil country tubular goods sold in the Austrian domestic market is so small in relation to the quantity sold for exportation to third-countries as to be an inadequate basis for determining foreign market value. In addition, they allege that the sales of Austrian oil country tubular goods to third-country markets have been at below cost, over an extended period of time and in substantial quantities, and that recovery of all costs cannot be made within a reasonable period of time. Therefore, constructed value is alleged to be the appropriate basis for determining foreign-market value. Using a comparison of foreign-market value based on constructed value and export prices, petitioners allege a weighted-average margin in 1984 of 33.5 percent.

Romania—The petition alleges that Romania ia a state-controlled economy within the meaning of the antidumping statute and therefore domestic sales of oil country tubular goods are inappropriate for determining foreign-market value. Petitioners further suggest that Spain should be selected as the surrogate country for the purposes of determining foreign-market value. Therefore, using Spain as a surrogate, the petitioners allege dumping margins for the Romanian oil country tubular goods industry as a whole of 82.5 percent for the period November 1983 through October 1984.

Venezuela—The petition bases its analysis of sales at less than fair value on the two dominant, if not only, producers of oil country tubular goods in Venezuela, Conduven and Sidor. Based on an analysis of these two companies the alleged margin of dumping for the Venezuelan oil country tubular goods industry as a whole was 186.0 percent during the first 10 months of 1984.

U.S. Market

The United States accounts for an estimated 65 percent of worldwide consumption of oil country tubular goods. Apparent U.S. consumption dropped from 4.2 million short tons in 1982 to 1.4 million short tons in 1983, representing a decrease of 67 percent. Apparent consumption subsequently increased by 167 percent in 1984 compared with the level of consumption in 1983. Apparent U.S consumption is presented in the following tabulation (in thousands of short tons):

	Apparent consumption
1982	4,162
1983	1,394
1984	3,721

Throughout 1981, market analysts were projecting higher and higher levels of oil and gas well drilling, thus distributors of oil country tubular goods bought all the product they could in order to be able to supply the anticipated demand. A large portion of U.S. producers' shipments and imports of oil country tubular goods were not actually used in oil and gas well drilling in 1981. Instead, these shipments and imports were held in inventory by the distributors. By yearend 1981, the level of inventories held by distributors was 70 percent higher than the level held at the beginning of the year.

By late 1981, however, it became apparent that demand for oil and gas was not going to increase as anticipated and, as a consequence, exploration for oil and gas dropped sharply. The level of drilling dropped to such an extent that inventories of oil country tubular goods continued to increase in 1982. In 1983, distributors of oil country tubular goods began to draw down this large inventory overhang and inventories decreased. Thus, in 1983, although drilling activity was higher than in 1982, U.S. producers' shipments and imports decreased as distributors supplied more than 50 percent of consumption from inventory. In 1984, it appears that this inventory has been worked off as both domestic shipments and imports have increased considerably.

The majority of U.S.-produced and imported oil country tubular goods is either of the J-55 or K-55 grades of steel. These two grades are used in shallow wells and in the shallower portion of deep wells. The distribution of U.S.-produced and Austrian, Romanian, and Venezuelan oil well casing during 1984, by grades, is presented in the following tabulation (in percent):

Steel grade	U.S. producers	Austrian	Romanian	Venezuelan
J-55	34	12	3	3
K-55	34	46	97	78
Subtotal	68	58	100	80
All other	32	42	0	20
Total	100	100	100	100

Shallow wells are those which are 5,000 feet or less in depth. 1/ Information on the depth of oil and gas wells is collected by the Oil and Gas Journal. 2/ This information shows that the average depth of the wells drilled in the United States varied little during 1981-84, as shown in the following tabulation (in feet):

	Average well depth
1981	4,547
1982	4,557
1983	4,211
1984	4,268

U.S. oil drillings and, hence, U.S. consumption of oil country tubular goods, are concentrated in Texas, Oklahoma, and Louisiana. According to Hughes Tool Co., a producer of oil drilling equipment and supplies which gathers information on the number of oil drilling rigs worldwide, these three States accounted for 60 percent of the total active rigs in the United States in December 1984, as shown in the following tabulation (in percent):

	Share of active rigs nationwide
Texas	35
Oklahoma	13
Louisiana	12
Subtotal	60
Kansas	5
Wyoming	5
California	4
New Mexico	3
All other	23
Total	100

Oil country tubular goods are sold by domestic mills either directly to the end users in the oil drilling industry (12 percent of total sales in 1984) or to distributors (87 percent of total sales), which in turn sell the pipes to the end users. Distributors are middlemen that buy large quantities of oil country tubular goods, typically at discount prices, warehouse the product, and sell smaller quantities to end users. The distributor typically buys either unfinished or finished oil country tubular goods from the mill and finishes the product, if necessary, before selling it. The finishing operations performed by distributors include threading, upsetting, testing, and cutting the material to length.

1/ Posthearing brief of the petitioners in investigations Nos. 701-TA-215-217 (Final), exhibit E, LTV Steel's Tubular Division Response, p. 4.
2/ Oil and Gas Journal, Nov. 12, 1984.

The Processors

Another type of middleman, the processor, has emerged in recent years. The processor may buy unfinished material (some of which is referred to as "green tubes") from the mill, finish the material on its own equipment, and sell the material either directly to end users or to distributors; or, the processor may perform operations on material owned by the mill or by the end user. The operations performed by processors include heat treating, quenching and tempering, as well as upsetting, threading, coupling, testing, and cutting to length.

In investigation No. 701-TA-217 (Final), the Tubular Corp. of America (TCA), an oil country tubular good processor, and counsel for the Spanish producers argued that "green tubes" are a separate like product and, thus, should not be included within the scope of the investigation. The petitioners, however, argued that "green tubes" are merely unfinished oil country tubular goods that require only a minimum of additional processing before they can be used in oilfield applications. Both TCA and the petitioners agreed that the U.S. oil country tubular goods producers would be unable to provide the Commission with meaningful profit-and-loss data concerning their "green tube" operations. 1/

The API began to issue licenses to process oil country tubular goods in early 1983. There are now 12 U.S. firms that have been granted such licenses. Nine firms process both welded and seamless oil country tubular goods; two firms, Tooltech, Inc., and TCA, process only the seamless product; one firm, Fort Worth Pipe Co., processes only welded pipe.

Several of the processors have been involved in servicing the oil drilling industry for a number of years. For example, 8 of the processors are distributors of oil country tubular goods and 11 are independent testers of the tubes. In addition, several have previously been operating as API-licensed end finishers of oil country tubular goods engaged in upsetting, threading, and coupling operations.

During January-September 1984, these firms processed about 172,000 short tons of oil country tubular goods, or about 6 percent of apparent U.S. consumption. TCA accounted for about *** percent of the tonnage processed.

These 12 companies processed the bulk of this tonnage, about 80 percent, for resale to other distributors or end users. The processors also perform operations on material owned by the U.S. oil country tubular goods producers or by the end users. Such operations accounted for the remaining 20 percent of the oil country tubular goods processed in the United States.

1/ Telephone notes from investigations 701-TA-215 through 217, on a conversation between Abigail Eltzroth, investigator, and Stephen Gibson, counsel for TCA.

These firms buy about 20 percent of their unprocessed oil country tubular goods from U.S. producers. They import the remainder from France, Italy, Japan, Mexico, Spain, the United Kingdom, West Germany, and Venezuela.

The processors handle all grades of oil country tubular goods. The most popular steel grades are as follows:

Grade	Number of firms
J-55	11
K-55	9
N-80	8
P-110	7
L-80	5
S-95	4
C-95	4
X	2

TCA processes only the higher grade N-80 and P-110 pipes. The firm says that it is not economically feasible for it to process the low-grade J-55 pipes in its $50 million processing plant, and it has stopped taking orders for this grade. 1/ As a consequence, TCA does not buy unprocessed oil country tubular goods to make into J-55 product.

The U.S. Industry

There are 22 firms which are known to produce oil country tubular goods in the United States. The largest producers, which are integrated steel companies, are Lone Star Steel Co., LTV Steel Corp., and U.S. Steel Corp., as shown in the following tabulation (in percent):

Firm and plant locations	Share of U.S. producers' shipments, 1984
Lone Star Steel Co	***
Fort Collins, CO	
Lone Star, TX	
LTV Steel Corp.	***
Aliquipa, PA	
Indiana Harbor, IN	
Youngstown, OH	
Chicago, IL	
U.S. Steel Corp	***
Duquesne, PA	
Fairfield, AL	
Gary, IN	
Lorain, OH	
Subtotal	***
Other firms	***
Total	100

1/ Transcript of the hearing in investigations Nos. 701-TA-215-217 (Final), p. 235.

National Pipe & Tube Co., Bethlehem Steel Corp., and Quanex Corp., ceased producing oil country tubular goods in December 1982, March 1983, and October 1984, respectively. These firms together accounted for *** percent of U.S. producers' shipments in 1981. Two other firms, Maverick Tube Corp. and Central Steel Tube Co., which accounted for *** percent of U.S. producers' shipments in 1981, have filed for reorganization under the provisions of the bankruptcy laws. In addition, Lone Star temporarily shut down its facility in March 1985.

The Foreign Industries

Austria

According to counsel for the Austrian producer Voest Alpine AG, this company was the sole exporter of the products under investigation. Voest Alpine AG's capacity for producing these products * * * from *** tons in 1983 to *** tons in 1984; while production * * * from *** tons in 1982 to *** tons in 1984 (table 3). Voest-Alpine AG's capacity utilization rate * * * from *** percent in 1982 to *** percent in 1984. Domestic shipments * * * annually from *** in 1982 to *** tons in 1984. Total exports * * * from *** tons in 1982 to *** tons in 1984, while exports to the United States * * * from *** tons in 1982 to *** tons in 1983, then * * * to *** tons in 1984. Voest-Alpine AG, is completing a new OCTG mill in Kreiglach, Austria; 1/ however, there is no detailed information on this mill at the present time.

Table 3.--Oil country tubular goods: Voest-Alpine AG's capacity, production, capacity utilization, domestic shipments, and export sales, 1982-84

Item	1982	1983	1984
Capacity--------short tons--:	***	***	***
Production--------do----:	***	***	***
Capactiy utilization--------percent--:	***	***	***
Domestic shipments:--------short tons--:	***	***	***
Exports to:			
United States--------do----:	***	***	***
All other markets--------do----:	***	***	***
Total--------do----:	***	***	***

Source: Compiled from data submitted by counsel for Voest-Alpine AG.

1/ Testimony at the public conference. See page 25. of the transcript.

Romania

According to industry sources there are at least two major producers of oil country tubular goods in Romania, Uzina de Tevi Republica (UTR) 1/ and Uzina de Tevi Roman. UTR has three spiral-weld mills with an annual capacity of about 300,000 tons, and a seamless tube mill with an annual capacity of about 40,000 tons. UTR produces seamless pipes and tubes 6 to 168.3 mm in outside diameter to many specifications, including API. It also produces casings with couplings, internal upset drill pipe and special tool joints, and tubings with couplings non-upset and external upset at the ends. Uzina de Tevi Roman has an annual tubemaking capacity of 400,000 tons.

Venezuela

According to counsel for Venezuelan producers C.V.G. Siderurgical del Orinoco, C.A. (SIDOR), and Conduven, C.A., these firms were the sole exporters of oil country tubular goods to the United States during 1984. Conduven's production of the subject products * * * from *** tons in 1982 to *** tons in 1983, then * * * to *** tons in 1984, while SIDOR's production of these products * * * from *** tons in 1982 to *** tons in 1984 (table 4). During 1982-84, Conduven shipped all of its production of the subject products to the U.S. market; SIDOR's shipments to the Venezuelan market decreased annually from *** tons in 1982 to *** tons in 1984, while exports to the U.S. market * * * from *** tons in 1982 to *** tons in 1984. Data on capacity were not available.

Table 4.--Oil country tubular goods: Conduven's and SIDOR's production, domestic shipments, and export shipments, 1982-84

(In short tons)

Item	1982	1983	1984
Production:			
Conduven	***	***	***
SIDOR	***	***	***
Domestic shipments:			
Conduven	***	***	***
SIDOR	***	***	***
Exports to the United States:			
Conduven	***	***	***
SIDOR	***	***	***

Source: Compiled from data submitted by counsel for Conduven and SIDOR.

1/ Iron and Steel Works of the World, published by Metal Bulletin Books, Ltd., Surrey, England, 1983, p. 407.

U.S. Importers

There are dozens of firms which import oil country tubular goods into the United States. In general, two types of concerns— independent trading companies and U.S. subsidiaries of foreign producers—import the product. Importers frequently act as distributors, warehousing the product and filling orders from inventory.

Questionnaire responses were received from one importer of the subject products from Austria. This importer, Voest-Alpine International Corp., is a 100 percent owned subsidiary of the Austrian producer Voest-Alpine AG. This firm accounted for all imports of the products from Austria. Questionnaire responses were received from four importers of oil country tubular goods from Venezuela; again, these firms accounted for virtually all imports of the subject products from Venezuela. Four firms reported importing oil country tubular goods from Romania. These firms were large independent trading companies that reported importing from other countries as well. They accounted for approximately *** percent of imports of the subject products from Romania in 1984.

Information concerning inventories held by importers of oil country tubular goods from Austria, Romania, and Venezuela is presented in table 5.

Table 5.- Oil country tubular goods: Importers' end-of-period inventories and shipments of the product imported from Austria, Romania, and Venezuela, 1982-84

Item	1982	1983	1984
Austria:			
Inventories------------short tons---:	***	***	***
Shipments------------do------:	***	***	***
Ratio of inventories to shipments------------percent---:	***	***	***
Romania:			
Inventories------------short tons---:	***	***	***
Shipments------------do------:	***	***	***
Ratio of inventories to shipments------------percent---:	***	***	***
Venezuela:			
Inventories------------short tons---:	***	***	***
Shipments------------do------:	***	***	***
Ratio of inventories to shipments------------percent---:	***	***	***

1/ Based on annualized shipments.

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

Consideration of Material Injury

The information presented in this section of the report was obtained from responses to questionnaires of the U.S. International Trade Commission in the current investigations. Producers accounting for more than 90 percent of production of oil country tubular goods in 1984 responded to the questionnaires. Some firms were unable to complete all sections of the questionnaire.

Data in this section are for all oil country tubular goods, including drill pipe, which accounted for less than 3 percent of U.S. producers' shipments during 1984. Should drill pipe be excluded from these data, the trends in capacity, production, shipments, inventories, employment, and profitability would be the same.

The domestic industry asserts that seamless and welded oil country tubular goods are one like product. They state that in 98 percent of the applications, API specifications state that either the seamless or welded product is acceptable. They also state that the prices of high-quality welded products are the same as the prices of comparable seamless products and that certain customers make no distinction between the seamless and welded product. In addition, the industry asserts that the U.S. producers of seamless oil country tubular goods make significant sales of low-grade oil country tubular goods which "compete in the same market in which low grade welded [imported product] is sold." 1/

Counsel for the foreign producers in prior investigations on oil country tubular goods have argued that the Commission has always found that seamless and welded pipes and tubes were distinct like products. 2/ The welded product, they state, is potentially weaker than the seamless product. In addition, seamless and welded oil country tubular goods are produced and finished by different processes. As a consequence, according to counsel for the foreign producers, the seamless product is used in certain special applications, such as drill pipe, offshore drilling, and deep wells; welded oil country tubular goods are used in shallow wells. Another indication that seamless and welded oil country tubular goods are two like products, according to counsel, is the difference in prices: the prices of seamless oil country tubular goods are higher than the prices of welded oil country tubular goods.

Information concerning welded and seamless oil country tubular goods is separately presented in appendix C.

1/ Posthearing brief of the petitioners in investigations Nos. 701-TA-215-217 (Final), pp. 2-4.

2/ The arguments on the distinction between seamless and welded oil country tubular goods can be found in the posthearing brief of the Korea Iron & Steel Association, p. 4, the posthearing brief of Confab and Persico, p. 2, and the posthearing brief of Mannesmann, pp. 1-7, in investigations Nos. 701-TA-215-217 (Final).

U.S. producers' capacity and production

U.S. producers' capacity to produce oil country tubular goods increased from 4.8 million short tons in 1982 to 4.9 million short tons in 1984, or by 3 percent (table 6).

In 1981, several firms initiated programs to expand their capacity to produce oil country tubular goods. Many firms either abandoned or delayed their planned expansions in 1982 and 1983, when their sales of oil country tubular goods plummeted.

U.S. production of oil country tubular goods decreased dramatically from 1.8 million short tons in 1982 to 562,000 short tons in 1983, or by 69 percent. Production then increased substantially in 1984 compared with the level of production in 1983.

With the decrease in production, utilization of productive capacity devoted to the production of oil country tubular goods fell from 39 percent in 1982 to 12 percent in 1983; it then increased to 31 percent in 1984. Most U.S. producers reported that their U.S. oil country tubular goods production facilities were closed for a portion of the period.

Table 6.—Oil country tubular goods: U.S. production, capacity, and capacity utilization, 1982-84

Year	Production	Capacity	Capacity utilization
	1,000 short tons		Percent
1982	1,840	4,764	39
1983	562	4,766	12
1984	1,601	4,924	33

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

U.S. producers' shipments

U.S. producers' shipments of oil country tubular goods followed the same trend as production (table 7). Total shipments decreased by 56 percent from 1982 to 1983 and then increased by 102 percent in 1984. Exports accounted for less than 1 percent of total shipments during 1984.

Table 7.--Oil country tubular goods: U.S. producers' shipments, 1982-84

(In thousands of short tons)

Year	Domestic shipments	Export shipments	Total
1982	1,645	66	1,711
1983	733	13	745
1984	1,482	9	1,490

Source: Compiled 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.

U.S. producers' inventories

U.S. producers' yearend inventories of oil country tubular goods were equivalent to 22 percent of total shipments in 1982 (table 8). Inventories then increased slightly to 23 percent of shipments in 1983, before dropping to 16 percent in 1984.

Table 8.--Oil country tubular goods: U.S. producers' inventories and shipments, 1982-84

Year	Inventories	Shipments	Ratio of inventories to shipments
	1,000 short tons		Percent
1982	372	1,711	22
1983	173	745	23
1984	236	1,490	16

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

Employment

The number of workers engaged in the production of oil country tubular goods decreased from 11,552 in 1982 to 3,302 in 1983, or by 71 percent, then increased by 98 percent in 1984 (table 9). The producers reported that all of the decrease in employment in 1983 can be attributed to lack of orders. Most of these workers belong to the United Steelworkers of America. Their total compensation decreased by 2 percent from $19.89 per hour in 1982 to $19.44 per hour in 1983, then decreased by another 8 percent in 1984.

Table 9.--Average number of production and related workers engaged in the manufacture of oil country tubular goods, hours worked by such workers, wages paid, and total compensation, 1982-84

Period	Number of workers	Hours worked	Wages paid	Total compensation
		Thousands	--Per hour--	
1982	11,552	21,568	$13.70	$19.89
1983	3,302	6,251	13.13	19.44
1984	6,529	12,687	13.23	17.84

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

Financial experience of U.S. producers

Operations on oil country tubular goods.--Usable income-and-loss data were received from firms accounting for approximately 93 percent of reported shipments of oil country tubular goods in 1984. These data are presented in table 10. The responding producers' net sales of such merchandise plunged from $2.4 billion in 1982 to $567.5 million in 1983, representing a drop of 76.7 percent. In 1984, such sales rose to $1.1 billion, an increase of 88.5 percent over net sales in 1983, but still 56.1 percent below net sales in 1982.

The responding producers reported aggregate operating losses of $220.9 million, or 38.9 percent of net sales, in 1983 and $130.6 million, or 12.2 percent of net sales, in 1984. These operating losses contrast with an operating income of $486.2 million, equivalent to 19.9 percent of net sales, in 1982.

Six of the responding firms reported operating losses in 1982, whereas 10 did so in 1983 and 7 did so in 1984. In the aggregate, the responding firms experienced negative cash flows of $220.3 million in 1983 and $114.1 million in 1984, compared with a positive cash flow of $537.4 million in 1982.

Operations on oil well drill pipes.-- Income-and-loss data were received from *** firms on their operation on oil well drill pipes in 1984. These data are presented in table 11. The *** responding producers' net sales of oil well drill pipes * * * by *** percent from $*** million in 1982 to $*** million in 1984. *** of the *** responding firms did not produce any oil well drill pipe during 1984. In 1984, *** firms sustained aggregate operating losses of $*** equivalent to *** percent of net sales, whereas * * * broke even. The *** responding firms reported aggregate operating income of $*** million, or *** percent of net sales, in 1982 and $*** million, or *** percent of net sales, in 1983.

Table 10.--Income-and-loss experience of reporting U.S. producers on their operations producing oil country tubular goods, accounting years 1982-84 1/

Item	1982	1983	1984
Net sales----1,000 dollars--	2,439,906	567,479	1,069,904
Cost of goods sold----do----	1,811,227	720,630	1,133,903
Gross profit or (loss)----do----	628,679	(153,151)	(63,999)
General, selling, and administrative expenses----do----	142,451	67,700	66,587
Operating income or (loss)----do----	486,228	(220,851)	(130,586)
Other income or (expense) 2/----do----	(4,632)	(47,084)	(19,239)
Net income or (loss) before income taxes----do----	481,596	(267,935)	(149,825)
Depreciation and amortization 3/----do----	55,776	47,590	35,751
Cash flow or (deficit) from operations----do----	537,372	(220,345)	(114,074)
Ratio to net sales of--			
Gross profit or (loss)----percent--	25.8	(27.0)	(6.0)
Operating income or (loss)----do----	19.9	(38.9)	(12.2)
Net income or (loss) before income taxes----do----	19.7	(47.2)	(14.0)
Cost of goods sold----do----	74.2	127.0	106.0
General, selling, and administrative expenses----do----	5.8	11.9	6.2
Number of firms reporting--			
Operating losses----	6	10	7
Net losses----	7	10	8

1/ * * * permanently ceased production of oil country tubular goods in * * *. This company * * *. * * * permanently shut down its * * * plant in * * *. * * *. * * * has temporarily suspended production of oil country tubular goods since * * *. * * * wrote off its partially completed tube mills in * * *. * * * permanently shutdown its pipe mills in * * *. * * * closed * * * its seamless mills in * * * due to a lack of orders; * * *'s mill was written off. * * * has shut down its plant operations since * * *.

2/ Only 8 of the reporting producers supplied "other income or expense" data.

3/ * * *, which accounted for *** percent of reported 1984 net sales, did not provide the Commission with data on depreciation and amortization expenses for 1982-84, while * * * did not provide such data for 1984. Hence, cash flow from operations is understated and deficit is overstated.

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

Table 11.--Income-and-loss experience of *** U.S. producers on their operations producing oil well drill pipes, 1982-84 1/ 2/

Item	1982	1983	1984
Net sales----------1,000 dollars---	***	***	***
Cost of goods sold----------do----	***	***	***
Gross profit or (loss)----------do----	***	***	***
General, selling, and administrative expenses----------do----	***	***	***
Operating income or (loss)----------do----	***	***	***
Depreciation and amortization 3/----do----	***	***	***
Cash flow or deficit from operations--do----	***	***	***
Ratio to net sales of--			
Gross profit or (loss)----------percent---	***	***	***
Operating income or (loss)----------do----	***	***	***
Cost of goods sold----------do----	***	***	***
General, selling, and administrative expenses----------do----	***	***	***
Number of firms reporting operating losses----------	***	***	***

1/ The *** producers are * * *.

2/ * * * permanently shut down its pipe mills during * * * and * * * did not produce any oil well drill pipes in * * *.

3/ * * * did not provide the Commission with data on depreciation and amortization expenses; therefore, cash flow from operations is understated and deficit is overstated.

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

Capital expenditures and research and development expenses--Eight of the U.S. producers providing financial information supplied data relative to their capital expenditures for buildings, machinery, and equipment used in the production of oil country tubular goods, and four U.S. producers supplied data relative to their research and development expenditures, as shown in the following tabulation (in thousands of dollars):

	Capital expenditures	Research and development expenses
1982----------	38,335	***
1983----------	9,906	***
1984----------	17,855	***

In 1982, U.S. producers incurred $*** million in capital expenditures for their committed expansion programs, but many of them abandoned or suspended the improvement or expansion of their facilities in 1983 and 1984. One producer, * * *, reported the majority of capital expenditures in 1983 and 1984 for * * *. Research and development expenses * * * from $*** million in 1982 to $*** million in 1984.

U.S. producers' statements on the impact of imports from Austria, Romania, and Venezuela on their growth, investment, and ability to raise capital.—The Commission requested U.S. producers to describe and explain the actual and potential negative effects, if any, of imports from Austria, Romania, and Venezuela of oil country tubular goods on their firms' growth, investment, and ability to raise capital. Their responses are as follows:

Babcock & Wilcox.—* * *.

Fort Worth Pipe Co.—* * *.

Quanex-Bellville Tube.—* * *.

Central Steel Co.—* * *.

The Question of Threat of Material Injury

In its examination of the question of 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 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 the foreign producers 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 the subject imports. Available information regarding the capacity of the foreign producers to generate exports and importers' inventories are presented in the sections on the foreign industries and the U.S. importers.

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

Imports

Imports of the oil country tubular goods under investigation (including both those meeting and those not meeting API specifications) as well as tubular goods not under investigation, frequently entered the United States under the same tariff item numbers during 1982-84. The Department of Commerce has compiled a concordance of the TSUSA items for several broad categories of steel pipes and tubes. This concordance is based on an analysis of information contained in Special Steel Summary Invoices (SSSI's), special customs documents completed for all imports of steel products. One of the pipe and tube categories in the concordance is oil country tubular goods. For each TSUSA item, the concordance specifies the quantity which is oil country tubular goods and the quantity which is other types of steel pipes and tubes. The import data presented here are compiled from official statistics of the U.S. Department of Commerce utilizing this concordance. 1/

U.S. imports of oil country tubular goods from all countries decreased from 2.5 million short tons in 1982 to 661,000 short tons in 1983, or by 74 percent (table 12). Imports then increased by 239 percent from 1983 levels to 2.2 million short tons in 1984.

As a share of U.S. apparent consumption, U.S. imports from all countries decreased from 60.5 percent in 1982 to 47.4 percent in 1983, and then increased to 60.2 percent in 1984 (table 13).

On January 11, 1985, the Office of the United States Trade Representative announced an agreement with the European Community (EC) on imports of steel pipes and tubes. The agreement, effective from January 1, 1985, through December 31, 1986, will reduce the EC's share of the U.S. pipe and tube market from the 14.6 percent share held during January-October 1984 to 7.6 percent in 1985 and 1986. Since the announcement of the agreement with the EC, voluntary restraint agreements (VRA's) have been signed with Finland, Australia, South Africa, Spain, Brazil, and Mexico. The respective shares of the U.S. market negotiated for these countries have not yet been published.

Austria.--Imports of oil country tubular goods from Austria decreased from 66,000 short tons in 1982 to 3,000 short tons in 1983, or by 95 percent. Imports then increased to 56,000 short tons in 1984. As a share of U.S. consumption, such imports decreased from 1.6 percent in 1982 to 0.2 percent in 1983, then increased to 1.5 percent in 1984.

Romania.--Imports from Romania dropped from 19,000 short tons in 1982 to less than 1,000 short tons in 1983, then increased to 37,000 tons in 1984. As a share of apparent consumption, such imports decreased from 0.5 percent in 1982 to less than 0.05 percent in 1983, and then increased to 1.0 percent in 1984.

Venezuela.--Imports from Venezuela decreased from 5,000 short tons in 1982 to 2,000 short tons in 1983 and then increased to 29,000 short tons in 1984. Imports from Venezuela accounted for 0.1 percent of U.S. consumption in 1982 and 1983 before rising to 0.8 percent in 1984.

1/ The concordance is presented in app. D.

Table 12.—Oil country tubular goods: U.S. imports, by selected sources, 1982-84

Item	1982	1983	1984
	Quantity (1,000 short tons)		
Austria	66	3	56
Romania	19	1/	37
Venezuela	5	2	29
Subtotal	90	5	122
Argentina	17	16	25
Brazil	56	15	56
Korea	115	49	275
Mexico	2	12	68
Spain	54	23	76
Other countries	2,183	541	1,617
Total	2,517	661	2,239
	Value (1,000 dollars)		
Austria	59	2	31
Romania	12	2/	12
Venezuela	3	2/	9
Subtotal	74	2	52
Argentina	15	8	12
Brazil	44	6	25
Korea	58	16	105
Mexico	2	5	29
Spain	38	12	30
Other countries	2,180	322	840
Total	2,411	371	1,093

1/ Less than 500 short tons.
2/ Less than $500 dollars.

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

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

Table 13.—Oil country tubular goods: Market penetration of U.S. imports, by selected sources, 1982-84

(In percent)

Item	1982	1983	1984
Austria	1.6	0.2	1.5
Romania	.5	1/	1.0
Venezuela	.1	.1	.8
Subtotal	2.2	.4	3.3
Argentina	.4	1.1	.7
Brazil	1.3	1.1	1.5
Korea	2.8	3.5	7.4
Mexico	1/	.9	1.8
Spain	1.3	1.6	2.0
Other countries	52.5	38.8	43.5
Total	60.5	47.4	60.2

1/ Less than 0.05 percent.

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

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

Cumulated imports.—Cumulated imports of oil country tubular goods from Austria, Romania, and Venezuela dropped from 90,000 short tons in 1982 to 5,000 short tons in 1983, then increased to 122,000 short tons in 1984. The share of apparent consumption represented by such imports declined from 2.2 percent in 1981 to 0.4 percent in 1983, before increasing to 3.3 percent in 1984.

Prices

U.S. producers of oil country tubular goods generally quote their prices on an f.o.b. mill basis and some published price lists. U.S. producers often equalize freight with the domestic mill nearest to the specific customer. 1/ Importers generally quote prices on an f.o.b. port-of-entry or U.S. warehouse basis. The price of a given oil country tubular good product depends on several factors, including wall thickness, outside diameter, method of production, 2/ grade of steel, and the extent and type of end finishing. 3/

The producers and importers were requested to provide their selling prices for the following four representative categories of oil country tubular goods:

API oil field casing, 4-1/2 inch outside diameter by 10.23 pounds per foot for P/E and 10.5 pounds per foot for T&C, seamless and welded;

API oil field casing, 5-1/2 inch outside diameter by 13.7 pounds per foot for P/E and 14 pounds per foot for T&C, seamless and welded;

API oil field tubing, 2-3/8 inch outside diameter by 4.43 pounds per foot for P/E and 4.7 pounds for T&C, external upset end, both seamless and welded; and

API oil field drill pipe, 4-1/2 inch outside diameter by 16.6 pounds per foot, internal-external upset, grade E seamless, P/E.

Fourteen U.S. producers of oil country tubular goods, 4/ one importer of Austrian oil country tubular goods, two importers of Romanian oil country tubular goods, and three importers of Venezuelan oil country tubular goods reported some price data as requested, but not necessarily for each product, or each period. The 14 reporting U.S. producers accounted for approximately 82 percent of U.S. producers' total domestic shipments of oil country tubular goods in January-September 1984. During 1984 the reporting importers

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1/ In the practice of freight equalization, a U.S. producer supplying a customer located closer to a competing producer will absorb any differences in freight. The more distant producer charges the customer's account for freight costs as if the product were shipped from the closer producer.

2/ The major methods of production are welded and seamless. Within the welded category there are two major types of welding processes--ERW-seam annealed (ERW-annealed) and ERW-full body normalized (ERW-normalized).

3/ Oil country tubular goods are sold with either unfinished ends (plain ends-P/E) or finished ends (threaded and coupled-T&C). Finished ends, which can be either upset or non-upset, are threaded with any of a variety of thread configurations (different thread shapes and lengths) and then coupled.

4/ One of these U.S. producers reported prices in investigations Nos. 701-TA-215 through 217 (Final), but did not return a questionnaire during the current investigations.

accounted for almost all U.S. imports of oil country tubular goods from Austria and Venezuela and about 51 percent of such imports from Romania. The weighted-average net selling prices and quantities are shown by product categories in appendix tables E-1 through E-7. 1/

Domestic delivery costs paid by purchasers for shipping oil country tubular goods to their locations typically range from 2 to 7 percent of the delivered price, and are generally not a major sourcing factor when purchasers choose a supplier. 2/ Accordingly, U.S. producers' and importers' net f.o.b. selling prices are used for comparing levels of domestic producers' and importers' prices from the purchasers' viewpoint, as well as for comparing trends of these prices.

The method of production--ERW-annealed, ERW-normalized, or seamless-- has a significant effect on price. Pricing data for oil country tubular goods reported by these production methods show that ERW-annealed products were the lowest in price, ERW-normalized products were significantly higher in price, and seamless products were generally somewhat higher in price than the ERW-normalized products (app. tables E-1 through E-7).

Price trends.--Based on the f.o.b. selling prices reported by U.S. producers, quarterly prices of the domestic oil country tubular goods sold to distributors fluctuated, but decreased across all reported product categories by 12 to 42 percent during January-March 1982 to October-December 1984. 3/ Upturns in prices of some of the product categories, however, began during the last half of 1983 or early 1984 and generally continued through October-December 1984 (tables E-1 through E-4).

Representative of trends in domestic producers' oil country tubular good prices were prices of 4-1/2 inch casing and 2-3/8 inch tubing sold to distributors, which declined sharply from January-March 1982 through October-December 1984. Domestic prices of the ERW-annealed plain end casing product decreased by 26 percent during this period, while prices of the ERW-annealed threaded and coupled casing product decreased by 36 percent (table E-1). During recent periods, however, domestic prices of these products increased. Prices of the ERW-annealed plain end casing increased by approximately 13 percent from July-September 1983 through October-December 1984; and prices of the ERW-annealed threaded and coupled casing increased by approximately 8 percent. In the 2-3/8 inch tubing category, domestic prices of the ERW-annealed threaded and coupled product decreased by 42 percent from January-March 1982 to October-December 1984 (table E-3). Domestic prices of this tubing product generally declined throughout the period.

1/ Tables E-1 through E-4 show the reported domestic oil country tubular goods price data and tables E-5 through E-7 show the reported imported oil country tubular goods price data. Only U.S. producers reported price data for oil field drill pipe; these data are shown in table E-4.

2/ Based on Commission staff telephone conversations in November and December 1984, when producers and purchasers of oil country tubular goods stated that transportation costs were generally not a major consideration in selling or buying oil country tubular goods.

3/ In comparison, the quarterly index of U.S. producers' selling prices of all finished steel mill products, reported by the Bureau of Labor Statistics, increased by approximately 5 percent from January-March 1982 through October-December 1984.

Because of limited price data reported by U.S. importers of oil country tubular goods, complete price trends could not be developed. Partial-period price trends of oil country tubular goods from Austria and Venezuela showed prices generally increasing, ranging from about 2 to 23 percent for different oil country tubular goods products (tables E-5 and E-6). These price increases occurred over two to four quarters during 1984. U.S. producers' price trends that could be developed for the same products and periods showed generally rising domestic prices, ranging from 6 to 23 percent. Prices of the imported Romanian 4-1/2 inch casing (seamless, threaded, and coupled) decreased by 33 percent from January-March 1982 through October-December 1984, despite an increase of approximately 8 percent from July-September 1983 through October-December 1984. U.S. producers' prices of this product in the same periods declined by approximately 12 percent and 3 percent, respectively.

Price comparisons.—The reported selling price data resulted in 9 quarterly price comparisons between domestic and imported oil country tubular goods from Austria, 17 comparisons with the imports from Romania, and 6 comparisons with the imports from Venezuela (table 14). These 32 price comparisons, discussed in detail below, involved only seamless oil country tubular goods.

Austria—All nine quarterly price comparisons between the domestic and imported Austrian seamless casing and tubing showed underselling by the imported products. Margins of underselling averaged approximately 27 percent, or about $247 per ton below the domestic producers' prices, and occurred from January-March 1984 through October-December 1984.

Romania—Fifteen of the 17 quarterly price comparisons between domestic and imported Romanian oil country tubular goods showed underselling by the imported products, with margins of underselling averaging approximately 31 percent, or about $269 per ton below the domestic producers' prices. Underselling by the imported products occurred from January-March 1982 through October-December 1984. Two price comparisons showed that domestic producers undersold the imported Romanian oil country tubular goods. The 17 price comparisons all involved seamless 4-1/2 and 5-1/2-inch casing products.

Venezuela—All six of the quarterly price comparisons between domestic and imported Venezuelan oil country tubular goods showed underselling by the imported products, with margins of underselling averaging approximately 32 percent, or about $247 per ton below the domestic producers' prices. This underselling, which involved the seamless 4-1/2 and 5-1/2-inch casing products, occurred from January-March 1984 through October-December 1984.

Table 14.--Average margins of underselling or (overselling) between the domestic and subject imported seamless, threaded and coupled oil country tubular goods, 1/ by product categories and by various quarters, January 1982-December 1984

Period	4-1/2 inch casing 2/					
	Austria		Romania 3/		Venezuela	
	Price per ton	Percent	Price per ton	Percent	Price per ton	Percent
1982:						
Jan.-Mar	4/	4/	$223	21	4/	4/
Apr.-June	4/	4/	(3)	5/	4/	4/
July-Sept	4/	4/	1	5/	4/	4/
Oct.-Dec	4/	4/	193	19	4/	4/
1983:						
Jan.-Mar	4/	4/	350	34	4/	4/
July-Sept	4/	4/	449	46	4/	4/
Oct.-Dec	4/	4/	388	42	4/	4/
1984:						
Jan.-Mar	$***	***	411	44	4/	4/
Apr.-June	***	***	205	27	$201	27
July-Sept	***	***	310	35	281	32
Oct.-Dec	***	***	183	25	223	30

Period	5-1/2 inch casing 2/					
	Austria		Romania		Venezuela	
	price per ton	Percent	price per ton	Percent	price per ton	Percent
1982:						
Oct.-Dec	4/	4/	$(214)	(26)	4/	4/
1983:						
July-Sept	4/	4/	342	43	4/	4/
Oct.-Dec	4/	4/	264	34	4/	4/
1984:						
Jan.-Mar	4/	4/	223	30	$***	***
Apr.-June	$***	***	4/	4/	***	***
July-Sept	***	***	***	***	***	***
Oct.-Dec	***	***	4/	4/	4/	4/

See footnotes at the end of the table.

Table 14.--Average margins of underselling or (overselling) between the domestic and subject imported seamless, threaded and coupled oil country tubular goods, 1/ by product categories and by various quarters, January 1982-December 1984--Continued

Period	2-3/8 inch tubing 6/					
	Austria		Romania		Venezuela	
	Price per ton	Percent	Price per ton	Percent	Price per ton	Percent
1984:						
Apr.-June	$***	***	4/	4/	4/	4/
July-Sept	***	***	4/	4/	4/	4/

1/ The average margins of underselling or overselling were based on the differences in the importers' price and the U.S. producers' prices. Any average margins of overselling, which indicate that the U.S. producers' price is less than the price of the imported product, are shown in parentheses ( ).

2/ Grade K-55 steel.

3/ A single quarterly price comparison between the domestic and imported Romanian seamless 4-1/2 inch plain end casing product was possible during October-December 1984; this comparison showed underselling by the imported product of approximately *** percent, or about $*** per ton below the U.S. producers' average price.

4/ Not available.

5/ Less than 0.5 percent.

6/ Grades K-55 and J-55 steel.

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

Exchange-rate changes.

Table 15 presents indexes of producer prices in the United States, Austria, and Venezuela, and indexes of the nominal and real exchange rates between the U.S. dollar and the currencies of these foreign countries, by quarters, from January-March 1982 (the base period) through July-September 1984. The Austrian schilling depreciated similarly in nominal and real terms against the dollar since the base period, falling by approximately 20 percent. The Venezuelan bolivar depreciated sharply in nominal terms against the dollar since the base period, by approximately 43 percent, but due to the significantly higher rate of inflation in Venezuela than in the United States, the bolivar depreciated less in real terms, by approximately 27 percent.

Published IMF figures on the U.S. dollar/Romanian lei exchange rate show that the lei depreciated in nominal terms against the dollar by approximately 34 percent since January-March 1982 (the base period). Indexes of real exchange rates between the dollar and the lei, however, could not be calculated because published figures were not available on producer prices in

Table 15.--Indexes of producer prices in the United States, Austria, and Venezuela, and indexes of the nominal and real exchange rates between the U.S. dollar, the Austrian schilling, and the Venezuelan bolivar, 1/ by quarters, January 1982-September 1984

(January-March 1982=100)

Period	United States producer price index	Foreign producer price index	Nominal exchange rate index	Real exchange rate index
	Austria			
1982:				
January-March	100.0	100.0	100.0	100.0
April-June	100.1	101.9	98.3	100.1
July-September	100.5	98.7	94.3	92.6
October-December	100.6	97.9	93.6	91.1
1983:				
January-March	100.7	100.4	97.3	96.9
April-June	101.0	100.1	94.1	93.3
July-September	102.0	99.6	88.6	86.5
October-December	102.5	101.0	87.3	86.0
1984:				
January-March	103.6	104.0	86.4	86.8
April-June	104.3	104.8	86.5	86.9
July-September	104.1	103.2	80.3	79.6
	Venezuela			
1982:				
January-March	100.0	100.0	100.0	100.0
April-June	100.1	101.3	100.0	101.2
July-September	100.5	104.7	100.0	104.2
October-December	100.6	102.7	100.0	102.1
1983:				
January-March	100.7	104.5	100.0	103.7
April-June	101.0	106.9	99.9	105.8
July-September	102.0	110.8	99.8	108.5
October-December	102.5	112.9	99.8	109.9
1984:				
January-March	103.6	116.9	77.1	86.9
April-June	104.3	122.3	57.2	67.1
July-September	104.1	131.9	57.2	72.6

1/ Based on exchange rates expressed in dollars per schilling and in dollars per bolivar.

Source: International Monetary Fund, International Financial Statistics.

Romania. The index of nominal exchange rates between the dollar and the lei are shown in the following tabulation (January-March 1982=100):

1982:	
January-March	100.0
April-June	100.0
July-September	100.0
October-December	100.0
1983:	
January-March	90.9
April-June	90.9
July-September	84.4
October-December	83.6
1984:	
January-March	69.6
April-June	69.4
July-September	66.4

Lost sales

* * * provided the Commission with specific information on alleged lost sales of oil country tubular goods to imports from Austria, Romania, and Venezuela. In total, these alleged lost sales amounted to more than *** tons. Other respondent producers emphasized the difficulties of tracing lost sales to imports from a specific country. * * * noted "a decision to buy foreign means that we never see the inquiry and have no chance to compete." * * * stated that its sales are not direct to end users but "through a distributor who does not normally furnish us the detailed information as to which foreign mill secured the business and at what price." * * * emphasized the large volume of imports and noted that because "much of the imported material arrives in blank form that gets sold in this country, the country of origin gets lost." Five domestic producers stated that although they were unable to provide documentation on specific cases of lost sales to imports from the subject countries, they were compelled to reduce prices "drastically" in attempts to compete. Two of these producers, * * * and * * *, provided details of the pattern of discounts required to meet foreign competition. * * * noted that "even these price reductions were not sufficient to keep * * * from losing sales to imports from Austria, Romania, and Venezuela" as evidenced by the "relative level of sales of * * * and imports from these countries during the period in question."

Imports from Austria.--* * * cited three specific instances of lost sales of oil country tubular goods to imports from Austria. * * *, a * * *, distributor, was named as allegedly purchasing *** tons of seamless casing imported from Austria. This alleged lost sale occurred during the * * * and the * * *. Domestic quotes averaging $*** per ton were rejected in favor of an alleged offer price of $*** per ton for the imported Austrian casing. * * *, purchasing manager for * * *, confirmed purchasing Austrian casing. The import prices for the * * * ranged from 35 to 40 percent below * * *'s list price. * * * noted that the Austrian product has been accepted as about equal in quality to casing produced in the older U.S. mills. Price is the critical determinant in his sourcing decision.

* * *, also a * * * distributor, was cited as allegedly purchasing *** tons of Austrian * * * (* * *) during * * *. * * * confirmed that he had bought the imported product at prices 15 to 20 percent lower than the discounted prices quoted by * * *'s. * * * stated that the offer prices of * * * were about 25 percent below * * * published prices. The imported casing was purchased directly through Voest Alpine's * * * office. * * * sales volume last year totaled about *** tons of casing for its *** stocking locations, including *** yards located outside the United States. Although * * * was a $*** billion company in sales in * * *, * * * characterizes the market today as unpredictable--"the worst market in *** years." * * * had not purchased imported oil country tubular goods until 1983. Prices were so low then that * * * took a * * *. The need to be price competitive forced * * * to turn to imported casing from various source countries, including West Germany and Austria.

The third lost sale allegation involved * * *, a * * * distributor, as the purchaser of *** tons of Austrian * * * in the second quarter of 1984. A domestic quote of $*** per ton was allegedly rejected in favor of an importer's quote of $*** per ton for Austrian * * *. * * *, assistant purchasing manager, acknowledged that * * * has purchased Austrian * * * during the named period from Voest Alpine's * * * office. He believed the alleged tonnage was too high. As for price, the alleged figures generally reflected the market at that time but * * * could not provide specific price comparisons without considerable effort and time. He emphasized that the current market is "disrupted by all kinds of low prices and heavy competition" among import sources and domestic producers.

Imports from Romania.--* * *, a distributor located in * * *, was identified in an alleged lost sale of * * * to imports from Romania. * * * allegedly purchased * * *. The rejected domestic quotes allegedly ranged from $*** to $*** per ton compared to offers of $*** to $*** per ton for the Romanian product. In total, the alleged purchases amounted to *** tons * * * beginning in * * *. * * *, executive of * * *, affirmed buying the Romanian * * * and confirmed the sharply lower prices of the imported * * *. Price is the major consideration in his purchase decision. The Romanian product is prime * * * and highly acceptable to end-users in the * * * area.

* * *, a distributor in * * *, was cited as the purchaser of *** ton lots of Romanian * * * in * * * at prices that ranged from $*** per ton (* * *) to $*** per ton (* * *) compared to domestic prices of $*** to $*** per ton. * * *, purchasing manager, confirmed the competing prices and the alleged sizes and tonnage. However, he did not make the alleged purchase. The inquiry for prices was based on a particular end-user's requirement. * * * did not win the contract. A competitor offering part Romanian * * * and some Venezuelan * * * quoted prices lower than * * * had offered on the Romanian * * *. This competitor, according to * * *, worked on a 3-1/2 percent margin compared to * * * 6 percent in order to win the contract. * * * stated that *** percent of the sales in the * * * market for oil country tubular goods would go to domestic producers if the import prices weren't 40 to 60 percent lower than domestic prices.

* * *, a * * * distributor, was named as purchaser in *** lost sales for * * * that occurred from * * * to * * *, and in *** lost sales for *** in * * *. The alleged lost sales in 1984 totaled *** tons at import prices that ranged from $*** to $*** per ton compared to competing domestic prices of $*** to $*** per ton. * * *, purchasing manager, confirmed purchasing the alleged quantities and that the prices were quite accurate. For shallow wells, * * * noted, the market is "very price sensitive." He did say that Romanian pipe has had a mixed reception among end-users, but added that in competition with seam annealed casing the Romanian seamless has the added quality advantage in shallow wells at no extra cost. * * * also confirmed buying *** tons of Romanian * * * in * * * at the alleged prices of $*** and $*** per ton compared to $*** and $*** per ton for the competing domestic casing.

Imports from Venezuela.—* * * was also named in two alleged lost sales of * * * to imports from * * *, the first (* * *) in * * * and the second (* * *) in * * *. Competing domestic prices allegedly were $*** and $*** per ton compared to accepted offer prices, respectively, of $*** and $*** per ton for the Venezuelan * * *. * * * affirmed the facts as alleged and stated that the importer of the * * * product was * * * out of * * *.

A second purchaser of * * * named by * * * was * * *, * * *. * * * has *** stocking yards, two of which have threading and coupling operations. Between * * *, * * * allegedly purchased *** lots of * * * at alleged prices that, depending on specifications, ranged from $*** to $*** per ton, compared to $*** to $*** per ton for the rejected domestic * * *. Each of these *** lots amounted to *** to *** tons. During * * *, * * * was alleged to have purchased three-*** to-*** ton lots of Venezuelan * * * of varying wall thickness, priced at $*** per ton compared to rejected domestic prices that ranged from $*** to $*** per ton. * * *, purchasing manager, confirmed the alleged quantities and stated that the import prices were fairly close to the actual prices paid. The Venezuelan * * * was purchased from * * *, * * *. * * *'s main domestic suppliers are * * *, * * *, and * * *, but the firm needs some imported * * * in order to be competitive. * * * emphasized that the imported pipe vendors (except for Canadian oil country tubular goods) sell at whatever the traffic will bear. There is no consistency to their pricing. * * * may buy at $*** per ton and learn that a competitor bought at $*** per ton. * * *'s purchases total about *** tons per month. * * * deplores the current unpredictability of the market with respect to price. He has been forced to go more to imports because of this.

Lost revenue

Imports from Austria.—* * * provided two alleged instances of lost revenue in competition with imported * * * from Austria. The * * * was the purchaser involved. Both instances occurred in * * * and amounted to *** tons of * * * and *** tons of * * *, respectively. In the first instance, the rejected domestic quote was allegedly $*** per ton and the accepted quote was $*** per ton in competition with an import quote of $*** per ton. In the second instance, the rejected domestic quote was $*** per ton and the accepted quote was allegedly $*** per ton compared to an import price of $*** per ton for Austrian * * *. * * * confirmed the alleged figures as accurate. He noted that perhaps 8 or 10 domestic oil companies are requesting domestic casing. This policy goes back to periods of shortage and is insurance against curtailed offshore supply. However, * * * adds, "nothing we do except price, service, etc., is worth anything in today's market." Lost revenue is another matter, says * * *. Given the discounts in today's competitive market, the list prices alleged by * * * do not reflect actual lost revenue. No producer could expect to get list or book price.

Imports from Romania.—Another allegation of lost revenue cited * * *, a distributor located in * * *, as purchasing *** tons of * * * in ***, after * * * reduced its price from $*** per ton to $*** per ton. * * * confirmed the purchase at the alleged price, but viewed the rejected prices as unrealistic book prices. The purchase was for * * * requirements. * * * buys for its international as well as domestic operations. The firm has *** stocking locations, * * *. * * * shops the market, but is a strong supporter of the domestic industry. In * * * only *** percent of purchases were from offshore sources. In * * * the share of imported oil country tubular goods went up to *** percent. Currently, * * * is looking at a spread sheet of *** tons for an "offshore buy." There is severe allocation of foreign seamless from traditional sources. Japan, for example, is not quoting for third quarter delivery. Although there is a glut of casing on the Gulf Coast now, he expects this should dry up by the end of the third quarter and prices should firm for the fourth quarter.

APPENDIX A

THE FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-240 and 241 (Preliminary) and 731-TA-249 Through 251 (Preliminary)]

Oil Country Tubular Goods From Austria, Romania, and Venezuela; Import Investigations

AGENCY: International Trade Commission.

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-240 and 241 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)) and of preliminary antidumping investigations Nos. 731-TA-249, 250 and 251 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 Austria and Venezuela of oil country tubular goods,[1] provided for in items 610.32, 610.37, 610.39, 610.40, 610.42, 610.43, 610.49 and 610.52 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Governments of Austria and Venezuela, and of these goods from Austria, Romania, and Venezuela which are alleged to be sold in the United States at less than fair value. As provided in sections 703(a) and 733(a), the Commission must complete preliminary countervailing duty and antidumping investigations in 45 days, or in this case by April 15, 1985 (see sections 735(a) and 735(b) of the act (19 U.S.C. 1673d(a) and 1673d(b))).

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 28, 1985.

FOR FURTHER INFORMATION CONTACT: Judith Zeck (202-523-0300), 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 28, 1985, by the U.S. Steel Corp. of Pittsburgh, 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 seven (7) days after publication of this notice in the **Federal Register**. 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 Commission's Director of Operations has scheduled a conference in connection with these investigations

[1] For purposes of these investigations, "oil country tubular goods" includes drill pipe, casing and tubing for drilling oil or gas wells, of carbon or alloy steel, whether such articles are welded or seamless, whether finished or unfinished, and whether or not meeting American Petroleum Institute (API) specifications.

for 9:30 a.m. on March 25, 1985 at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Judith Zeck (202-523-0300) not later than March 21, 1985 to arrange for their appearance. Parties in support of the imposition of countervailing and antidumping 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 27, 1985 a written statement of information pertinent to the subject of the investigations, as proivdes in § 207.15 of the Commisson'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 § 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 § 201.6 of the Commission's rules (19 CFR 201.6, 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: March 5, 1985.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-5653 Filed 3-8-85; 8:45 am]

BILLING CODE 7020-02-M

[A-580-502]

Oil Country Tubular Goods From Austria; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of 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 oil country tubular goods from Austria are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of 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 15, 1985, and we will make ours on or before August 7, 1985.

EFFECTIVE DATE: March 27, 1985.

FOR FURTHER INFORMATION CONTACT: Ken Stanhagen, 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) 377-1777.

SUPPLEMENTARY INFORMATION:

The Petition

On February 28, 1985, we received a petition in proper form filed by the United States Steel Corporation. 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 Austria 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.

On March 5, 1985, counsel for Lone Star Steel Company requested co-petitioner status. We note that U.S. Steel has agreed to allow Lone Star Steel Company to be added as co-petitioner.

The petitioner based the United States price on average values, f.a.s. foreign port, for January to October 1984, derived from Bureau of Census statistics.

The petitioner based foreign market value on constructed value, derived from Voest-Alpine's cost of producing basic steel products, adjusted for the difference in production costs for basic steel products and oil country tubular goods.

The petition alleged sales at less than cost of production relative to third country sales only, as it avers there are insufficient sales in the home market for comparisons. The petition does contain some information that sales to at least one third country may be at less than cost of production. If, during the course of the investigation, we determine that there is not a viable home market, we will commence a cost of production investigation relative to third country sales.

Based on the comparison of values calculated by the foregoing methods, the petitioner arrived at a weighted-average dumping margin of 33.5 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 oil country tubular goods from Austria 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 oil country tubular goods from Austria are being, or are 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 August 7, 1985.

Scope of Investigation

The merchandise covered by this investigation is oil country tubular goods. The term oil country tubular goods hollow steel products of circular cross section intended for use in the drilling of oil or gas. It includes oil well casing, tubing and drill pipe of carbon or alloy steel, whether welded or seamless, to either American Petroleum Institute (API) or non-API specification (such as proprietary), as currently provided for in the Tariff Schedules of the United States Annotated (TSUSA) items 610.3216, 610.3219, 610.3233, 610.3242, 610.3243, 610.3249, 610.3252, 610.3254, 610.3256, 610.3258, 610.3262, 610.3264, 610.3721, 610.3722, 610.3751, 610.3925, 610.3935, 610.4025, 610.4035, 610.4225, 610.4235, 610.4325, 610.4335, 610.4942, 610.4944, 610.4946, 610.4954, 610.4955, 610.4956, 610.4957, 610.4966, 610.4967, 610.4968, 610.4969, 610.4970, 610.5221, 610.5222, 610.5226, 610.5234, 610.5240, 610.5242, 610.5243, 610.5244. This investigation includes oil country tubular goods that are finished and unfinished.

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 15, 1985, whether there is a reasonable indication that imports of oil country tubular goods from Austria 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.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration

March 20, 1985.

[FR Doc. 85-7273 Filed 3-26-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-485-402]

Oil Country Tubular Goods From Romania; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of 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 oil country tubular goods from Romania are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products 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 15, 1985, and we will make ours on or before August 7, 1985.

EFFECTIVE DATE: March 27, 1985.

FOR FURTHER INFORMATION CONTACT: Paul Thran, 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) 377-3963.

SUPPLEMENTARY INFORMATION:

The Petition

On February 28, 1985, we received a petition in proper form filed by United States Steel Corporation. 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 Romania 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.

On March 5, 1985, counsel for Lone Star Steel Company requested co-petitioner status. The United States Steel Corporation has agreed to amend the petition to include the Lone Star Steel Company as a co-petitioner.

The petitioner based the United States prices on average f.a.s. port of exit prices, as derived from U.S. Bureau of Census statistics.

The petitioner alleged that Romania is a state-controlled economy country and chose Spain as the appropriate surrogate for the purpose of determining foreign market value.

As there are no sales of oil country tubular goods (OCTG) in Spain, petitioner estimated foreign market value by adjusting average import prices for Spanish OCTG sold to the United States. The adjustment was based on the margins found in the Department's preliminary antidumping duty determination on this product. As these represented 1983 prices, petitioner also used an escalation factor based on the historical experience of the surrogate to reach 1984 prices.

By comparing the values calculated by the foregoing methods, the petitioner alleged a dumping margin of 82.5 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 oil country tubular goods 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 oil country tubular goods from Romania are being, or are 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 August 7, 1985.

In the course of our investigation, we will determine whether the economy of Romania is state-controlled to an extent that sales of such or similar merchandise in the home or third country market do not permit determination of foreign market value. If Romania is determined to be a state-controlled economy, we will then choose a surrogate for purposes of determining foreign market value.

Scope of Investigation

The products under investigation are oil country tubular goods (OCTG). OCTG are extension hollow steel products of circular cross section intended for use in the drilling of oil or gas. OCTG includes oil well casing, tubing and drill pipe of carbon or alloy steel, whether welded or seamless, to either American Petroleum Institute (API) or non-API specifications (such as proprietary), as currently provided for in the *Tariff Schedules of the United States Annotated* (TSUSA) items 610.3216, 610.3219, 610.3233, 610.3242, 610.3243, 610.3249, 610.3252, 610.3254, 610.3256, 610.3258, 610.3262, 610.3264, 610.3721, 610.3722, 610.3751, 610.3925, 610.3935, 610.4025, 610.4035, 610.4225, 610.4235, 610.4325, 610.4335, 610.4942, 610.4944, 610.4946, 610.4954, 610.4955, 610.4956, 610.4957, 610.4966, 610.4967, 610.4968, 610.4969, 610.4970, 610.5221, 610.5222, 610.5226, 610.5234, 610.5240, 610.5242, 610.5243, and 610.5244. This investigation includes OCTG that are finished and unfinished.

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 protection order without the consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by April 15, 1985, whether there is a reasonable indication that imports of oil country tubular goods from Romania are causing material injury, or threaten material injury, to a United States industry. If its determation is negative this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

March 20, 1985

[FR Doc. 85-7274 Filed 3-26-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-307-503]

Oil Country Tubular Goods From Venezuela; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of 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 oil country tubular goods from Venezuela are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of 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 15, 1985, and we will make ours on or before August 7, 1985.

EFFECTIVE DATE: March 27, 1985.

FOR FURTHER INFORMATION CONTACT: Ken Stanhagen, 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) 377-1777.

SUPPLEMENTARY INFORMATION:

The Petition

On February 28, 1985, we received a petition in proper form filed by the United States Steel Corporation. 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 Venezuela 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.

On March 5, 1985, counsel for Lone Star Steel Company requested co-petitioner status. We note that U.S. Steel has agreed to allow Lone Star Steel Company to be added as co-petitioner.

The petitioner based the United States price on average values f.a.s. foreign port, for January to October 1984 derived from Bureau of Census statistics.

The petitioner based foreign market value for Conduven on the published list prices of Conduven, one of the two known producers of oil country tubular goods in Venezuela, for the home market in 1984.

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 oil country tubular goods from Venezuela 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 oil country tubular goods from Venezuela are being, or are 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 August 7, 1985.

Scope of Investigation

The merchandise covered by this investigation is oil country tubular goods. The term oil country tubular goods covers hollow steel products of circular cross section intended for use in the drilling of oil or gas. It includes oil well casing, tubing and drill pipe of carbon or alloy steel, whether welded or seamless, to either American Petroleum Institute (API) or non-API specification (such as proprietary), as currently provided for in the Tariff Schedules of the United States Annotated (TSUSA) items 610.3216, 610.3219, 610.3233, 610.3242, 610.3243, 610.3249, 610.3252, 610.3254, 610.3256, 610.3258, 610.3262, 610.3264, 610.3721, 610.3722, 610.3751, 610.3925, 610.3935, 610.4025, 610.4035, 610.4225, 610.4235, 610.4325, 610.4335, 610.4942, 610.4944, 610.4946, 610.4954, 610.4955, 610.4958, 610.4957, 610.4966, 610.4967, 610.4968, 610.4969, 610.4970, 610.5221, 610.5222, 610.5226, 610.5234, 610.5240, 610.5242, 610.5243, 610.5244. This investigation includes oil country tubular goods that are finished and unfinished.

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 15, 1985, whether there is a reasonable indication that imports of oil country tubular goods from Venezuela 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.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration

March 20, 1985.

[FR Doc. 85-7272 Filed 3-26-85; 8:45 am]

BILLING CODE 3510-DS-M

[C-433-502]

Initiation of Countervailing Duty Investigation; Oil Country Tubular Goods From Austria

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 Austria of oil country tubular goods, 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 Austria materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before April 15, 1985. If our investigation proceeds normally, we will make our preliminary determination on or before May 24, 1985.

EFFECTIVE DATE: March 27, 1985.

FOR FURTHER INFORMATION CONTACT: Mary Martin or Betsy Killian, 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) 377-3464 or 377-1673.

SUPPLEMENTARY INFORMATION:

Petition

On February 28, 1985, we received a petition in proper form from the United States Steel Corporation of Pittsburgh, Pennsylvania, filed on behalf of the U.S. industry producing oil country tubular goods. 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 Austria of oil country tubular goods receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act).

Since Austria 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 Austria materially injure, or threaten material injury to, a U.S. industry. On March 5, 1985, we received a letter from counsel on behalf of Lone Star Steel Company requesting that the company be added as a co-petitioner to the oil company tubular goods from Austria proceedings filed by the United States Steel Corporation. The United States Steel Corporation has agreed to include the Lone Star Steel Company as a co-petitioner in this proceeding. By amendment dated March 7, 1985, counsel for Lone Star amended the petition.

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 oil country tubular goods from Austria, 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 Austria of oil country tubular goods, 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 *"oil country tubular goods"* (OCTG), which are hollow steel products of circular cross-section intended for use in the drilling of oil or gas. These products include oil well casing, tubing, and drill pipe of carbon or alloy steel, whether welded or seamless, manufactured to either American Petroleum Institute (API) or proprietary specifications. This investigation covers both finished and unfinished oil country tubular goods.

The provisions of the *Tariff Schedules of the United States, Annotated (TSUSA)* covering all steel pipe and tube, including oil country tubular goods, were changed as of April 1, 1984. As a result of the changes mentioned above, oil country tubular goods now comprise TSUSA item numbers 610.3216, 610.3219, 610.3233, 610.3242, 610.3243, 610.3249, 610.3252, 610.3254, 610.3256, 610.3258, 610.3262, 610.3264, 610.3721, 610.3722, 610.3751, 610.3925, 610.3935, 610.4025, 610.4035, 610.4225, 610.4235, 610.4325, 610.4335, 610.4942, 610.4944, 610.4946, 610.4954, 610.4955, 610.4956, 610.4957, 610.4966, 610.4967, 610.4968, 610.4969, 610.4970, 610.5221, 610.5222, 610.5226, 610.5234, 610.5240, 610.5242, 610.5243, and 610.5244.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Austria of oil country tubular goods receive benefits under the following programs which constitute subsidies:

- Government Equity Infusions;
- Government Grants to the Austrian Steel Industry;
- Loan Guarantees and Interest Subsidies;
- Preferential Export Financing;

—Kontrollbank Export Credits;
—Osterreichische Investitionskredit TOP-1 and TOP-2 Loans;
—Export-Oriented Research and Development Loans.

- Special Tax Incentives for Exports;
- Labor Subsidies;

—Government-Funded Labor Training;
—Special Assistance Act;

- Local Incentives;

—Reduced Tax Liability;
—Various Cash Grant Programs;
—Preferred Loans;
—Labor Subsidies; and
—Local Tax Incentives.

We are not initiating on the following allegations because any benefits received by VOEST-Alpine would be captured by the programs on government equity infusions and interest subsidies through Osterreichische Industrieverwaltungs AG (OIAG)

- Government Subsidies to VOEST-Alpine through its Holding Company OIAG.

—Waiver of Dividends;
—Diversion of Oil Profits to VOEST-Alpine; and
—Loan Guarantees.

Notification of ITC

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission (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 files, provided it confirms in writing 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.

March 20, 1985.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-7278 Filed 3-26-85; 8:45 am]

BILLING CODE 3510-DS-M

[C-307-504]

Initiation of Countervailing Duty Investigation—Oil Country Tubular Goods From Venezuela

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 Venezuela of certain oil country tubular goods, 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 Venezuela materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before April 15, 1985. If our investigation proceeds normally, we will make our preliminary determination on or before May 24, 1985.

EFFECTIVE DATE: March 27, 1985.

FOR FURTHER INFORMATION CONTACT: Terry Link or Barbara Tillman, 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) 377-0189 or 377-1785.

SUPPLEMENTARY INFORMATION:

Petition

On February 28, 1985, we received a petition in proper form from the United States Steel Corporation of Pittsburgh, Pennsylvania, filed on behalf of the U.S. industry producing certain oil country tubular goods. 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 Venezuela of certain oil country tubular goods receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since Venezuela 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 Venezuela materially injure, or threaten material injury to, a U.S. industry. On March 5, 1985, we received a letter from counsel on behalf of Lone Star Steel Company requesting that the company be added as a co-petitioner to the oil country tubular goods from Venezuela proceedings, filed by U.S. Steel. U.S. Steel has agreed to include Lone Star Steel as a co-petitioner in this proceeding. By amendment dated March 7, 1985, counsel for Lone Star Steel amended the petition.

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 certain oil country tubular goods from Venezuela, and we have found that the petition meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Venezuela of certain oil country tubular goods, as described in the "Scope of the Investigation" section of this notice, receive subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before May 24, 1985.

Scope of the Investigation

The products covered by this investigation are "oil country tubular goods", which are hollow steel products of circular cross-section intended for use in the drilling of oil or gas. These products include oil well casing, tubing, and drill pipe or carbon or alloy steel, whether welding or seamless, manufactured to either American Petroleum Institute (API) or non-API (such as proprietary) specifications as currently provided for in the *Tariff Schedules of the United States, Annotated (TSUSA)* under item numbers 610.3216, 610.3219, 610.3233, 610.3249, 610.3252, 610.3256, 610.3258, 610.3721, 610.3722, 610.3925, 610.3935, 610.4025, 610.4035, 610.4225, 610.4235, 610.4325, 610.4335, 610.4942, 610.4944, 610.4946, 610.4954, 610.4955, 610.4956, 610.4957, 610.4966, 610.4967, 610.4968, 610.4969, 610.4970, 610.5221, 610.5222, 610.5226, 610.5240, 610.5242, 610.5243, and 610.5244. This investigation includes oil country tubular goods that are in both finished and unfinished condition.

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in Venezuela of certain oil country tubular goods receive benefits under the following programs which constitute subsidies. We are initiating an investigation on the following allegations:

- Preferential Government Credit;
  - —Preferential Government Loans;
  - —Government Loan Guarantees;
  - —Assumption of Hard Currency Debt of Sidor—CVG Siderurgica del Orinoco CA (SIDOR);
- Government Equity Infusions;
- Import Duty Reductions;
- Preferential Tax Incentives;
- Regional Incentives;
- Export Subsidies;
  - —Preferential Exchange Rates;
  - —Export Certificates for Credit Against Income Taxes;
  - —Preferential Export Financing; and
  - —Preferential Pricing of Inputs Used to Produce Exports.

We are not initiating on the following allegations:

Upstream Subsidy. The March 7, 1985 amendment to the petition alleges that producers, manufacturers, and exporters of oil country tubular goods receive "upstream subsidies" through the purchase of subsidized inputs.

While petitioners allege that Venezuelan steel manufacturers receive domestic subsidies, they provide no information that these subsidies have a significant effect on the cost of manufacturing oil country tubular goods. Petitioners do not identify those inputs in the manufacture of oil country tubular goods that are benefiting from subsidies. Further, petitioners do not allege that upstream subsidies on inputs bestow a competitive benefit on oil country tubular goods.

Because the petition failed to quantify the amount of subsidy bestowed on steel input products and to specify how much of that subsidy is passed through to oil country tubular goods producers, there is no basis on which to evaluate the competitive benefit allegedly bestowed on oil country tubular goods or the effect of such benefit on the cost of producing oil country tubular goods. Therefore, we find the petition does not provide "reasonable grounds," within the meaning of section 701(g) of the Act, to believe or suspect that upstream subsidies are being bestowed on oil country tubular goods, and are not initiating with respect to this allegation. We will promptly reconsider this question on the basis of any additional information provided during this investigation.

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

Preliminary Determination by ITC

The ITC will determine by April 15, 1985, whether there is a reasonable indication that imports of oil country tubular goods from Venezuela are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

March 20, 1985.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-7277 Filed 3-26-85; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

WITNESSES AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-240 and 241 and
731-TA-249, 250 and 251 (Preliminary)

OIL COUNTRY TUBULAR GOODS FROM AUSTRIA ROMANIA AND VENEZUELA

Those listed below appeared at the United States International Trade Commission conference in connection with the subject investigations on March 25, 1985, in the Hearing Room of the USITC Building, 701 E Street, N.W., Washington, DC

In support of the imposition of countervailing and antidumping duties

United States Steel Corp.
Pittsburgh, Pa.

John J. Mangan, General Attorney, International Trade
Craig D. Mallick, Attorney
Peter J. Koenig, Attorney
John J. Connelly, General Manager-Tubular Products
Paul Fidel, Manager-International Trade and Legal Services

Akin, Gump, Strauss, Haver & Feld--Counsel
Washington, DC
on behalf of

James Chenowith, Manager of International Trade Affairs, Lone Star Steel Co.

Warren E. Connelly)
Valerie A. Slater)--OF COUNSEL

Roger B. Shagrin, P.C.
Washington, DC
on behalf of

Copperweld Tubing Group
Maverick Tube Corp.
Quanex Oil Country Group
Sawhill Tubular Division
Tex-tube Division

Jon Lloyd, Pesident, Maverick Tube

Roger B. Shangrin--OF COUNSEL

In opposition to the imposition of countervailing and antidumping duties

Arent, Fox, Kintner, Plotkin & Kahn--Counsel
Washington, DC
on behalf of

Voest-Alpine AG

Lewis E. Leibowitz)
Margaret Ellen Roggensack)--OF COUNSEL

Mudge, Rose, Guthrie, Alexander and Ferdon
Washington, DC
on behalf of

C.V.G. Siderurgical del Orinoco, C.A. (Sidor)
Conduven, C.A.

Laura Baughman, Economist, International Business and Economic Research

N. David Palmeter)--OF COUNSEL

Sandler & Travis, P.A.
New York, N.Y.
on behalf

O'Brien Incorporated

James O'Brien, President, O'Brien Inc. and O'Brien Tubular Products

Beth Ring)--OF COUNSEL

APPENDIX C

STATISTICAL TABLES

Table C-1.—Welded oil country tubular goods: U.S. production, capacity, and capacity utilization, 1982-84

Period	Production	Capacity	Capacity utilization
	1,000 short tons		Percent
1982	940	2,581	37
1983	442	2,647	17
1984	893	2,398	37

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

Table C-2.—Seamless oil country tubular goods: U.S. production, capacity, and capacity utilization, 1982-84

Period	Production	Capacity	Capacity utilization
	1,000 short tons		Percent
1982	895	2,184	41
1983	120	2,119	6
1984	707	2,526	28

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

Table C-3.—Welded oil country tubular goods: U.S. producers' shipments, 1982-84

(In thousands of short tons)

Period	Domestic shipments	Export shipments	Total
1982	811	7	818
1983	558	8	566
1984	866	6	872

Source: Compiled 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.

Table C-4.—Seamless oil country tubular goods: U.S. producers' shipments, 1982-84

(In thousands of short tons)

Period	Domestic shipments	Export shipments	Total
1982	834	59	893
1983	175	5	180
1984	616	3	619

Source: Compiled 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.

Table C-5.--Welded oil country tubular goods: U.S. producers' inventories and shipments, 1982-84

Period	Inventories	Shipments 1/	Ratio of inventories to shipments
	1,000 short tons		Percent
1982	244	818	30
1983	104	566	18
1984	102	872	12

1/ Shipments of firms which reported data on inventories.

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

Table C-6.--Seamless oil country tubular goods: U.S. producers' inventories and shipments, 1982-84

Period	Inventories	Shipments 1/	Ratio of inventories to shipments
	1,000 short tons		Percent
1982	128	893	14
1983	68	180	38
1984	134	619	22

1/ Shipments of firms which reported data on inventories.

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

Table C-7.—Average number of production and related workers engaged in the manufacture of welded oil country tubular goods, hours worked by such workers, wages paid, and total compensation, 1982-84

Period	Number of workers	Hours worked	Wages paid	Total compensation
		Thousands	Per hour	
1982	5,198	9,369	$13.50	$17.70
1983	2,444	4,428	12.95	18.48
1984	3,551	6,513	11.75	15.33

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

Table C-8.—Average number of production and related workers engaged in the manufacture of seamless oil country tubular goods, hours worked by such workers, wages paid, and total compensation, 1982-84

Period	Number of workers	Hours worked	Wages paid	Total compensation
		Thousands	Per hour	
1982	6,354	12,199	$13.84	$21.57
1983	858	1,823	13.58	21.79
1984	2,978	6,174	14.78	20.48

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

Table C-9.--Income-and-loss experience of 13 U.S. producers on their operations producing welded oil country tubular goods, accounting years 1982-84

Item	1982	1983	1984
Net sales--------1,000 dollars--	1,014,191	403,595	636,751
Cost of goods sold--------do----	793,884	527,971	599,462
Gross income or (loss)--------do----	220,307	(124,376)	37,289
General, selling, and administrative expenses--------do----	79,043	45,833	47,153
Operating income or (loss)--------do----	141,264	(170,209)	(9,864)
Other income or (expense) 2/--------do----	(4,907)	(47,280)	(19,395)
Net income or (loss) before income taxes--------do----	136,357	(217,489)	(29,259)
Depreciation and amortization 3/---- do----	34,575	38,143	30,925
Cash flow or deficit from operations--do----	170,932	(179,346)	1,666
Ratio to total net sales of:			
Gross profit or (loss)-------- percent--	21.7	(30.8)	5.9
Operating income or (loss)--------do----	13.9	(42.2)	(1.5)
Net income or (loss) before income taxes--------do----	13.4	(53.9)	(4.6)
Cost of goods sold--------do----	78.3	130.8	94.1
General, selling, and administrative expenses--------do----	7.8	11.4	7.4
Number of firms reporting--			
Operating losses--------	7	10	7
Net losses--------	8	10	8

1/ Only 8 of the reporting producers supplied "other income or expense" data.

2/ * * *, which accounted for *** percent of reported 1984 net sales did not provide the Commission with data on depreciation and amortization expense hence cash flow from operations is understated and deficit is overstated.

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

Table C-10.—Income-and-loss experience of U.S. producers on their operations producing seamless oil country tubular goods, accounting years 1982-84 1/

Item	1982	1983	1984
Net sales—1,000 dollars	1,425,715	163,884	433,153
Cost of goods sold—do	1,017,343	192,659	534,441
Gross income or (loss)—do	408,372	28,775	(101,288)
General, selling, and administrative expenses—do	63,408	21,867	19,434
Operating income or (loss)—do	344,964	(50,642)	(120,722)
Other income or (expense) 2/—do	275	196	66
Net income or (loss) before income taxes—do	345,239	(50,446)	(120,656)
Depreciation and amortization 3/—do	21,201	9,447	4,826
Cash flow or deficit from operations—do	366,440	(40,999)	(115,830)
Ratio to total net sales of:			
Gross profit or (loss)—percent	28.6	(17.6)	(23.4)
Operating income or (loss)—do	24.2	(30.9)	(27.9)
Net income or (loss) before income taxes—do	24.2	(30.8)	(27.9)
Cost of goods sold—do	71.4	117.6	123.4
General, selling, and administrative expenses—do	4.4	13.3	4.5
Number of firms reporting			
Operating losses	1	3	3
Net losses	1	3	3

1/ The * * * producers are * * *.

2/ Only one of the reporting producers supplied "other income or expense" data.

3/ * * *, which accounted for *** percent of reported 1984 net sales did not provide the Commission with data on depreciation and amortization expense hence cash flow from operations is understated and deficit is overstated.

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

Table C-11.—Welded oil country tubular goods: U.S. imports, by principal sources, 1983 and 1984

Source	1983	1984
	Quantity (short tons)	
Austria	—	1,075
Romania	56	2,134
Venezuela	1,716	13,532
Subtotal	1,772	16,741
Argentina	23	115
Brazil	10,000	37,588
Mexico	2,454	15,833
Spain	9,754	33,236
Other countries	196,767	1,014,130
Total	220,770	1,100,902
	Value (1,000 dollars)	
Austria	0	383
Romania	13	775
Venezuela	440	4,517
Subtotal	453	5,675
Argentina	15	43
Brazil	3,287	12,790
Mexico	1,444	6,304
Spain	2,972	11,564
Other countries	76,737	409,067
Total	84,908	445,443

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

Table C-12.—Seamless oil country tubular goods: U.S. imports, by principal sources, 1983 and 1984

Item	1983	1984
	Quantity (short tons)	
Austria	3,236	54,750
Romania	682	34,821
Venezuela	75	15,679
Subtotal	3,993	105,250
Argentina	15,775	24,381
Brazil	5,136	18,391
Mexico	9,387	51,822
Spain	13,266	43,068
Other countries	392,763	789,978
Total	440,320	1,138,140
	Value (1,000 dollars)	
Austria	2,405	30,658
Romania	409	10,967
Venezuela	18	4,934
Subtotal	2,832	46,568
Argentina	7,965	11,668
Brazil	2,996	12,566
Mexico	3,619	23,192
Spain	8,558	18,331
Other countries	76,737	489,095
Total	260,060	647,988

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

Table C-13.—Welded oil country tubular goods: U.S. imports' share of apparent consumption, by specified sources, 1983 and 1984
(In percent)

Item	1983	1984
Austria	—	.05
Romania	1/	.11
Venezuela	0.22	.69
Subtotal	.20	.85
Argentina	1/	1/
Brazil	1.28	1.91
Mexico	.32	.80
Spain	1.25	1.69
Other countries	25.27	51.56
Total	28.35	55.97

1/ Less than 0.05 percent.

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

Table C-14.—Seamless oil country tubular goods: U.S. imports share of domestic consumption, by specified sources, 1983 and 1984
(In percent)

Item	1983	1984
Austria	0.52	3.12
Romania	.11	1.99
Venezuela	.01	.89
Subtotal	.65	6.00
Argentina	2.56	1.39
Brazil	.83	.71
Mexico	1.53	2.95
Spain	2.16	2.46
Other countries	63.83	45.03
Total	71.56	64.88

1/ Less than 0.05 percent.

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

APPENDIX D

COMMERCE'S CONCORDANCE BETWEEN SHIPMENTS, IMPORTS, AND EXPORTS FOR CATEGORIES OF STEEL PIPE AND TUBING

CONCORDANCE 1

CONCORDANCE BETWEEN SHIPMENTS, IMPORTS AND EXPORTS CATEGORIES OF STEEL PIPE & TUBING

	Products	1965-Date Shipments (AIS-10)	1978-1981 Imports (TSUSAs)	1982-Date Imports (TSUSAs)	1983-Date Imports (TSUSAs)	1978-Date Exports (Sch. B)
1.	Standard Pipe	Cat. 18	610.3216(89%)	610.3231	610.3231	610.3010
			610.3218(66%)	610.3232	610.3232	610.3070
			610.3226(92%)	610.3241(90%)	610.3241(90%)	610.3910
			610.3228(52%)	610.3244(85%)	610.3244(85%)	610.3970
			610.3246(55%)	610.3247(55%)	610.3247(55%)	610.4620
			610.3248(55%)	610.3251(5%)	610.3251(5%)	610.4660
			610.3255(55%)	610.3751(5%)	610.3751(5%)	
			610.3265(1%)	610.4948(15%)	610.4948(15%)	
			610.3725(5%)	610.4951	610.4951	
			610.3755(5%)	610.4961(40%)	610.4961(40%)	
			610.3775(1%)	610.4965(35%)	610.4965(35%)	
			610.4925(24%)	610.4970(30%)	610.4970(30%)	
			610.4930(20%)			
2.	Structural Pipe	Cat. 22	610.3218(3%)	610.3227(20%)	610.3227(20%)	610.3060
			610.3228(2%)	610.3241(10%)	610.3241(10%)	610.3060
	and Tubing		610.3246(25%)	610.3247(25%)	610.3247(25%)	610.3490
			610.3248(25%)	610.3251(15%)	610.3251(15%)	610.3960
			610.3255(25%)	610.3945	610.3945	610.4570
			610.3265(2%)	610.3955	610.3955	
			610.3945	610.4045	610.4045	
			610.3955	610.4055	610.4055	
			610.4045	610.4245(0%)	610.4245(100%)**	
			610.4055	610.4255	610.4255	
			610.4255	610.4345(0%)	610.4345(100%)**	
			610.4355	610.4355	610.4355	
			610.4930(5%)	610.4961(15%)	610.4961(15%)	
			610.4934(100%)	610.4952	610.4952	
			610.4938(95%)	610.4975(95%)	610.4975(95%)	

**Percent Change from 1982

	Products	1965-Date Shipments (AIS-10)	1978-1981 Imports (TSUSAs)	1982-Date Imports (TSUSAs)	1983-Date Imports (TSUSAs)	1978-Date Exports (Sch. B)
3.	Line Pipe	Cat. 20	610.3216(6%) 610.3218(9%) 610.3228(21%) 610.3235 610.3246(10%) 610.3248(10%) 610.3250 610.3255(10%) 610.3265(97%) 610.3725(55%) 610.3735(6%) 610.3755(74%) 610.3775(96%) 610.4925(18%) 610.4930(25%) 610.5275(1%)	610.3208 610.3209 610.3211 610.3247(10%) 610.3251(80%) 610.3711 610.3712 610.3713 610.3751(75%) 610.4931 610.4933 610.4936 610.4961(10%) 610.4965(20%) 610.5211 610.5214 610.5216	610.3208 610.3209 610.3211 610.3247(10%) 610.3251(80%) 610.3711 610.3712 610.3713 610.3751(75%) 610.4931 610.4933 610.4936 610.4961(10%) 610.4965(20%) 610.5211 610.5214 610.5216	610.3020 610.3460 610.3920
4.	Oil Country Tubular Goods	Cat. 19	610.3216(5%) 610.3218(14%) 610.3226(8%) 610.3228(18%) 610.3246(10%) 610.3248(9%) 610.3255(10%) 610.3725(40%) 610.3735(88%) 610.3755(5%) 610.3775(1%) 610.3920 610.3925 610.3935 610.4020 610.4025 610.4035 610.4220 610.4225 610.4235 610.4245 610.4320 610.4325 610.4335 610.4345 610.4925(57%) 610.4930(37%) 610.5270(75%) 610.5275(76%)	610.3216 610.3219 610.3247(10%) 610.3721 610.3722 610.3751(5%) 610.3920 610.4020 610.4220 610.4245(100%) 610.4320 610.4345(100%) 610.4942 610.4944 610.4946 610.4960(95%) 610.4965(45%) 610.4970(65%) 610.5221 610.5222 610.5226 610.5234(20%) 610.5241(85%) 610.5246(65%) 610.5247(30%)	610.3216 610.3219 610.3247(10%) 610.3721 610.3722 610.3751(5%) 610.3925* 610.3935* 610.4025* 610.4035* 610.4225* 610.4235* 610.4245(0%)** 610.4325* 610.4335* 610.4345(0%)** 610.4942 610.4944 610.4946 610.4960(95%) 610.4965(45%) 610.4970(65%) 610.5221 610.5222 610.5226 610.5234(20%) 610.5241(85%) 610.5246(65%) 610.5247(30%)	610.3030 610.3035 610.3470 610.3930 610.3935 610.3935 610.3940 610.4542 610.4545 610.4548

*1983 TSUSAs
**Percent change from 1982

	Products	1965-Date Shipments (AIS-10)	1978-1981 Imports (TSUSAs)	1982-Date Imports (TSUSAs)	1983-Date Imports (TSUSAs)	1978-Date Exports (Sch. B)
5.	Mechanical Tubing	Cat. 21A	610.3218(8%) 610.3228(7%) 610.3248(1%) 610.3735(4%) 610.4500 610.4600 610.4930(11%) 610.4938(5%) 610.5275(10%) 610.5285(10%)	610.3221 610.3227(80%) 610.3244(15%) 610.3728 610.3732 610.4500 610.4600 610.4948(85%) 610.4961(30%) 610.4965(10%) 610.4975(5%) 610.5229(25%) 610.5246(15%) 610.5247(60%)	610.3221 610.3227(80%) 610.3244(15%) 610.3728 610.3732 610.4500 610.4600 610.4948(85%) 619.4961(30%) 610.4965(10%) 610.4975(5%) 610.5229(25%) 610.5246(15%) 610.5247(60%)	610.3050 610.3485 610.3950 610.4560
6.	Pressure Tubing	Cat. 21B	610.3000 610.3100 610.3205 610.3500 610.3600 610.3735(2%) 610.3755(16%) 610.3775(2%) 610.4920 610.4925(1%) 610.4930(2%) 610.5270(25%) 610.5275(13%) 610.5285(90%)	610.3000 610.3100 610.3205 610.3500 610.3600 610.3704 610.3751(15%) 610.4920 610.4960(5%) 610.4961(5%) 610.4970(5%) 610.5209 610.5229(25%) 610.5241(15%) 610.5246(20%) 610.5247(10%)	610.3000 610.3100 610.3205 610.3500 610.3600 610.3704 610.3751(15%) 610.4920 610.4960(5%) 610.4961(5%) 610.4970(5%) 610.5206* 610.5208* 610.5229(25%) 610.5241(15%) 610.5246(20%) 610.5247(10%)	610.3040 610.3480 610.3945 610.4550
7.	Stainless Pipe and Tubing	Cat. 21D	610.3705 610.3715 610.3745 610.3765 610.5210 610.5215 610.5225 610.5235	610.3701 610.3727 610.3731 610.3741 610.3742 610.5205 610.5229(50%) 610.5230 610.5231 610.5234(80%) 610.5236	610.3701 610.3727 610.3731 610.3741 610.3742 610.5205 610.5229(50%) 610.5230 610.5231 610.5234(80%) 610.5236	610.3420 610.3430 610.4505 610.4510 610.4520 610.4640
8.	Other Pipe & Tubing		610.4800 610.5130 610.5160	610.4800 610.5130 610.5160	610.4800 610.5130 610.5160	

*1983 TSUSAs

APPENDIX E

WEIGHTED-AVERAGE NET F.O.B. SELLING PRICES AND QUANTITIES REPORTED BY U.S. PRODUCERS OF OIL COUNTRY TUBULAR GOODS AND BY IMPORTERS OF AUSTRIAN, ROMANIAN,AND VENEZUELAN OIL COUNTRY TUBULAR GOODS

Table E-1.--Domestic API oil field casing--4-1/2 inch outside diameter: Weighted-average net selling prices and quantities of U.S.-produced oil country tubular goods sold to distributors, by product specifications and by quarters, January 1982-December 1984 1/

* * * * * * *

Table E-2.--Domestic API oil field casing--5-1/2 inch outside diameter: Weighted-average net selling prices and quantities of U.S.-produced oil country tubular goods sold to distributors, by product specifications and by quarters, January-March 1982 October-December 1984 1/

* * * * * * *

Table E-3.--Domestic API oil field tubing--2-3/8 inch outside diameter: Weighted-average net selling prices and quantities of U.S.-produced oil country tubular goods sold to distributors by product specifications and by quarters, January 1982-December 1984 1/

* * * * * * *

Table E-4.--Domestic API oil field drill pipe--4-1/2 inch outside diameter: Weighted-average net selling prices and quantities of U.S.-produced oil country tubular goods sold to distributors, by quarters, January 1982-March 1984 1/

* * * * * * *

Table E-5.--Imported API oil field casing--seamless 4-1/2 inch outside diameter: Weighted-average net selling prices and quantities of the subject imported oil country tubular goods sold to distributors, by product specifications and by quarters, January 1982-December 1984 1/

* * * * * * *

Table E-6.--Imported API oil field casing--seamless 5-1/2 inch outside diameter: Weighted-average net selling prices and quantities of the subject imported oil country tubular goods sold to distributors, by product specifications, and by quarters, October-December 1982 October-December 1984 1/

* * * * * * *

Table E-7.--Austrian API oil field tubing--seamless 2-3/8 inch outside diameter: Weighted-average net selling prices and quantities of the subject imported oil country tubular goods sold to distributors, by product specifications, and by quarters, April 1984-September 1984 1/

* * * * * * *