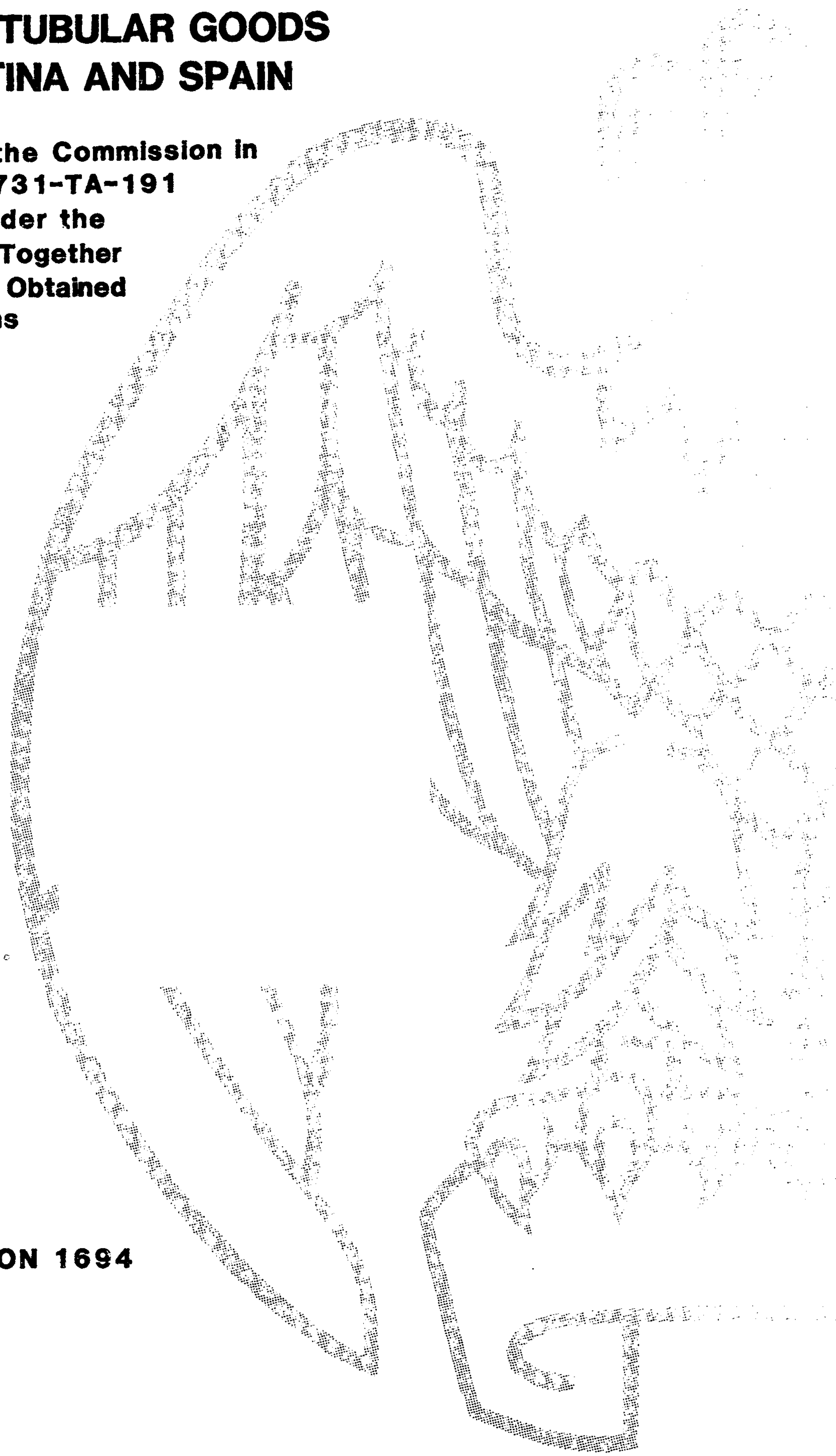
OIL COUNTRY TUBULAR GOODS FROM ARGENTINA AND SPAIN

Determinations of the Commission in Investigations Nos. 731-TA-191 and 195 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations



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UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Paula Stern, Chairwoman
Susan W. Liebeler, Vice Chairman
Alfred E. Eckes
Seeley G. Lodwick
David B. Rohr

Staff Assigned:

Valerie Newkirk, Office of Investigations
Dennis Rapkins, Office of Industries
Gerry Benedick, Office of Economics
Marvin Claywell, Office of Investigations
Bill Perry, Office of the General Counsel

Vera Libeau, Supervisory Investigator

Address all communications to
Kenneth R. Mason, Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 731-TA-191 and 195 (Final)

OIL COUNTRY TUBULAR GOODS FROM ARGENTINA AND SPAIN

Determinations

On the basis of the record 1/ developed in investigation No. 731-TA-191 (Final), the Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), that an industry in the United States is 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 Argentina 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, which have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

On the basis of the record 1/ developed in investigation No. 731-TA-195 (Final), the Commission determines pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), that an industry in the United States is materially injured 2/ by reason of imports from Spain 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, which have been found by the Department of Commerce to be sold at LTFV. Because Commerce made an affirmative final critical circumstances determination, the Commission is required to make an additional finding. Pursuant to section 735(b)(4)(a),

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

the Commission determines, 1/ that there is material injury by reason of massive imports of the LTFV merchandise over a short period of time to the extent that it is necessary to impose the duty retroactively to prevent such injury from recurring.

Background

The Commission instituted these investigations effective January 16, 1985, following a preliminary determination by the Department of Commerce that imports of oil country tubular goods from Argentina and Spain were being sold at LTFV within the meaning of section 731 of the Act (19 U.S.C. § 1673). Notice of the institution of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of February 21, 1985 (50 FR 7239). The hearing was held in Washington, DC, on April 4, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

1/ Vice Chairman Liebeler and Commissioner Lodwick dissenting.

VIEWS OF THE COMMISSION

We determine that the domestic oil country tubular goods (OCTG) industry is materially injured by reason of imports of OCTG from Spain sold at less than fair value (LTFV). 1/ We further determine that there is material injury by reason of imports from Spain determined by the Department of Commerce (Commerce) to be "massive," to an extent that it is necessary to impose the duties retroactively. We also determine that the domestic OCTG industry is not materially injured or threatened with material injury by reason of LTFV imports of OCTG from Argentina. 2/

These determinations were based upon data showing that despite an upturn in U.S. demand for OCTG during the period of investigation, the domestic industry continued to operate at distressed levels and to lose market share. The volume of LTFV imports from Spain increased dramatically between 1982 and 1984, and Spanish market share similarly increased. The presence of low-priced LTFV Spanish OCTG in the market depressed domestic prices, causing material injury to an industry already weakened by several years of poor performance.

Imports from Argentina, on the other hand, remained at very low levels throughout the period, and the market share for those imports did not trend upward overall. There is no basis to conclude that OCTG from Argentina were a cause of the material injury experienced by the domestic industry.

Definition of the domestic industry

The term "industry" is defined in section 771(4)(A) of the Act as "[t]he domestic producers as a whole of a like product, or those producers whose

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1/ Vice Chairman Liebeler disagrees with this determination. See her Additional Views.
2/ Material retardation is not an issue in these investigations and will not be discussed further.

collective output of the like product constitutes a major proportion of the total domestic production of that product." 3/ The term "like product," in turn, is defined in section 771(10) as being "[a] product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." 4/

The imports under investigation are OCTG which are used in drilling oil and gas wells and for conducting oil and gas to the surface. OCTG specifically include oil well casing, tubing, and drill pipe of carbon or alloy steel, whether welded or seamless, produced to either American Petroleum Institute (API) 5/ or non-API (e.g., proprietary or limited service) specifications. The imports under investigation include OCTG in all these categories, either finished or semifinished ("green tubes"). OCTG of these different types are all produced in the United States.

In prior investigations on OCTG, the Commission determined that seamless and welded OCTG were one like product. 6/ The Commission also determined that casing and tubing, whether seamless or welded, were one like product. We further determined that "green tubes" were the same like product as finished OCTG. Finally, the Commission found that drill pipe was a separate like product. 7/ No new arguments or evidence were presented in the current investigations that would change our prior findings.

3/ 19 U.S.C. § 1677(4)(A).

4/ 19 U.S.C. § 1677(10).

5/ The API sets nonbinding standards for characteristics, such as strength, which are used by the oil industry to set standards for pipes to be used in different oil wells.

6/ See Oil Country Tubular Goods from Austria, Romania, and Venezuela, Invs. Nos. 701-TA-240-241 and 731-TA-249-251 (Preliminary), USITC Pub. 1679 (1985); Oil Country Tubular Goods from Brazil, Korea, and Spain, Invs. Nos. 701-TA-215-217 (Final), USITC Pub. 1633 (1985) at 4-6.

7/ Commissioners Eckes and Lodwick do not consider drill pipe a separate like product. See their Additional Views for Invs. Nos. 701-TA-215-217 (Final) at 6.

In the present investigation, the staff asked the domestic producers to break out their data for drill pipe. However, the majority of the industry did not supply separate data for drill pipe production, profit and loss, and employment. 8/ Thus, the available data do not permit the identification of drill pipe production as a separate industry. Therefore, under section 771(4)(D), in this situation the effect of the dumped imports are to be assessed by examination of the narrowest group that includes drill pipe, and for which the necessary information can be provided, that is all OCTG. 9/

Tubular Corporation of America (TCA), a processor of OCTG, argued again in these investigations that "green tubes" should be considered a separate like product. 10/ There is evidence on the record that semifinished "green tubes" can be used in lieu of finished OCTG in the limited-service sector. In fact, in the prior investigations, TCA admitted that imported "green tubes" could be used in shallow wells as limited-service or API low-end, H-40 material. 11/ Therefore, there appears to be an overlap in the characteristics and uses of "green tubes" and finished OCTG.

Furthermore, most domestic producers did not break out their data for "green tubes" as requested. 12/ Thus, under section 771(4)(D), since

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8/ One producer provided data on capacity and production. Four producers provided data on shipments and profit and loss.

9/ 19 U.S.C. § 1677(4)(D).

10/ TCA has appealed the previous Commission decision that "green tubes" are not separate like products. Tubular Corporation of America v. United States, Ct. No. 85-03-00372 (Ct. Int'l Trade, filed March 7, 1985).

11/ Hearing transcript in OCTG from Brazil, Korea, and Spain at 225. TCA now argues that "green tubes" do not meet the specifications of H-40 because TCA claims the walls of "green tubes" are thicker than H-40 material, although the strength characteristics are the same. However, in the limited-service market, only the strength of the tube, not the thickness of the wall, is important.

12/ In the prior investigations and in these, most of the domestic producers said at the hearing and in telephone conversations that they could not break out data for "green tubes." In these investigations, some producers provided us with separate shipment data, but the Commission did not receive any separate data on employment or profit and loss.

available data do not permit the separate identification of "green tube" production, we are to assess the impact of the dumped imports on the narrowest group which includes "green tubes" for which the data can be provided, that is all OCTG.

For the above reasons, we conclude that there is one domestic OCTG industry producing seamless and welded casing, tubing, and drill pipe, including semifinished "green tubes."

Condition of the domestic industry

Under section 733 of the Tariff Act of 1930, as amended, the Commission must determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury. 13/ In making a material injury determination, the Commission considers, among other factors, whether there are declines in production, capacity utilization, shipments, employment, sales, and profitability. 14/

From 1982 to 1983, the industry suffered a precipitous decline. Although there was an upturn in 1984, economic indicators generally continue to show material injury. 15/

Estimated U.S. consumption of OCTG decreased from 4.1 million short tons in 1982 to 1.6 million short tons in 1983, and then increased to 3.7 million short tons in 1984. 16/ Domestic production of OCTG declined 71 percent from

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13/ 19 U.S.C. § 1673(b). The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant." 19 U.S.C. § 1677(7).

14/ 19 U.S.C. § 1677(7)(C)(iii).

15/ The Commission usually examines data for three years in title VII investigations. However, for OCTG the Commission has data from recent investigations that are useful in judging industry performance during the period covered by the current investigations. We are aware that 1982 was a year of poor performance, and that the improvement between 1983 and 1984 did not even reach the poor performance levels of 1982.

16/ Report of the Commission (Report) at A-10.

1.9 million short tons in 1982 to 543,000 short tons in 1983, but then increased to 1.6 million short tons in 1984. 17/ Capacity utilization fell from 36 percent in 1982 to 10 percent in 1983, and then increased to 32 percent in 1984. 18/ During 1982-84, most of the OCTG production facilities in the United States were closed for a portion of the period. 19/

U.S. producers' shipments of OCTG, including exports, followed the same trend as production, declining from 1.8 million short tons in 1982 to 748,000 short tons in 1983, and then increasing to 1.5 million short tons in 1984. 20/ During the period of investigation, employment declined sharply from 13,125 workers in 1982 to 4,036 workers in 1983, and then improved to 7,659 workers in 1984. 21/

Net sales plunged by 78 percent from $2.7 billion in 1982 to $613 million in 1983, and then increased to $1.2 billion in 1984. 22/ However, the upturn in consumption and sales did not result in a profitable performance for the industry. The volume of domestic industry shipments returned in 1984 to a level 17.6 percent below that of 1982, but the dollar sale total for 1984 was 58 percent below 1982 levels. 23/ Operating income plummeted from a positive $530 million, or 19.5 percent of net sales in 1982, to an operating loss of $256 million, or 41.7 percent of net sales in 1983, and then improved to an operating loss of $155 million in 1984, or 13.4 percent of net sales. 24/

Seven of the 17 reporting firms sustained operating losses in 1982, 13 firms sustained operating losses in 1983, and 8 firms sustained such losses in

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17/ Id. at A-20.
18/ Id.
19/ Id.
20/ Id.
21/ Id. at A-21.
22/ Id. at A-22.
23/ Id.
24/ Id.

1984. 25/ Although estimated domestic consumption of OCTG increased 131 percent between 1983 and 1984, the share of the market held by domestic producers dropped 28 percentage points. 26/

Material injury by reason of LTFV imports from Spain 27/

Under section 735(b) of the Tariff Act of 1930, as amended, the Commission is required to determine whether an industry in the United States is materially injured or threatened with material injury by reason of imports of merchandise which Commerce has determined are sold at LTFV. 28/ In reaching its decision as to whether material injury is by reason of the imports under investigation, the Commission must consider, among other factors, the volume of imports, the effects of imports on prices in the United States for the like product, and the impact of such imports on the relevant domestic industry.

During the period of investigation, imports of OCTG from Spain declined from 54,000 short tons in 1982 to 23,000 short tons in 1983, and then increased to 76,000 short tons in 1984. 29/ These imports steadily increased

25/ Id. at A-22.
26/ Id. at A-11.
27/ Vice Chairman Liebeler disagrees with this determination. See her Additional Views.
28/ 19 U.S.C. § 1673(b)(1).
29/ Report at A-30.

as a share of consumption from 1.3 percent in 1982 to 1.6 percent in 1983, and then to 2.0 percent in 1984. 30/ 31/ 32/

With regard to pricing, 12 of the 13 quarterly price comparisons showed substantial margins of underselling by Spain. 33/ This underselling involved both seamless and welded OCTG, with margins of underselling by the imported product averaging approximately 32 percent for the seamless products and 26 percent for the welded products. 34/ A significant proportion of the OCTG imports from Spain were "green tubes" which also competed with domestic products. Thus, the imports of OCTG from Spain had an impact on the full spectrum of products sold in the U.S. OCTG market.

Finally, LTFV imports from Spain increased while domestic capacity utilization was extremely low and the domestic industry was losing market share to imports. Further, imports undersold domestic material by substantial

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30/ Id.

31/ Chairwoman Stern bases her affirmative determination regarding Spain on the cumulative impact of these imports with imports from Brazil, Mexico, Venezuela, Romania, and Austria. On a cumulative basis, the import penetration of these countries over the period of the investigation was 4.8 in 1982, 3.9 in 1983, and 8.6 in 1984. If imports from Korea are also considered (which were preliminarily determined by Commerce to have de minimis LTFV margins, but are still subject to a final finding), cumulative import market share was 10.0 percent in 1982, 8.9 percent in 1983, and 17.9 percent in 1984.

32/ Based on Commission practice under the Tariff Act of 1930, Commissioner Rohr has cumulated imports from Brazil, Mexico, and Spain. The principal market for imports of all three countries is in the oil fields of Texas, Oklahoma, and Louisiana. In 1984, virtually all imports from these countries entered the United States from the Gulf Coast ports of Texas and Louisiana. The OCTG from all three countries are sold through the same channels of distribution, as is domestic OCTG. As the Commission investigation revealed, many distributors of OCTG buy imported pipe from all three of these countries as well as from other countries and domestic producers. The volume of imports from each of these three countries declined sharply between 1982 and 1983, and increased considerably in 1984. The cumulated import penetration ratio rose from 2.6 percent in 1982 to 3.6 percent in 1983 and to 5.3 percent in 1984.

33/ Report at A-35.

34/ Id.

margins while prices remained well below 1982 levels. Prices were so low that the domestic industry was unable to even cover the cost of goods sold.

Critical circumstances 35/ 36/

Commerce has made a final affirmative determination that critical circumstances exist with respect to imports of OCTG from Spain. Therefore, we must make a determination as to whether:

> the material injury is by reason of massive imports . . . to an extent that, in order to prevent such material injury from recurring, it is necessary to impose [antidumping duties] retroactively. 37/

We have determined that material injury by reason of massive imports from Spain exists to an extent that it is necessary to impose antidumping duties retroactively.

In order to justify an affirmative critical circumstances determination, we believe that our role is to investigate whether imports found by the Department to be massive will prolong or exacerbate in some manner the material injury to the domestic industry. The critical circumstances provision does not require a different type or more severe degree of material injury, e.g., bankruptcy, closing of factories.

The meaning of the phrase "prevent such material injury from recurring" is not clear. The phrase appears to indicate that duties should be imposed to prevent material injury from occurring again in the future. Interpretation of this phrase is particularly unclear in light of the fact that the relief

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35/ Vice Chairman Liebeler did not reach the question of critical circumstances.
36/ Commissioner Lodwick disagrees with this finding. See his Additional Views.
37/ 19 U.S.C. § 1673(b)(4)(A).

imposed in a section 735(b)(1) antidumping investigation, i.e., additional duties, may not eliminate material injury to the domestic industry. It eliminates the unfair trade practice by rendering the subject imports fairly (or the equivalent of fairly) traded. Thus, title VII relief breaks the causal link between any material injury suffered by the domestic industry and unfairly traded imports.

However, under a critical circumstances factual situation, there may be massive unfairly traded imports already in the country which will not be subject to prospective duties. For example, the imports may be held in inventory and their presence will continue to depress prices. Or revenues from the sale of the unfair imports may be used to ameliorate the impact of dumping duties on the prices of products imported subsequent to imposition of duties. Any of these or other factual situations would postpone the effect of relief provided by the antidumping order. The Commission, therefore, must determine if there will continue to be material injury to the domestic industry by reason of the massive unfairly traded imports which entered the country before the duties were imposed. Thus, by finding affirmatively, we are determining that the massive imports will prolong the causal link between the unfairly traded imports and material injury after the dumping order is imposed unless retroactive duties are applied to that surge of imports.

The purposes of the provision are set out in the legislative history. The House Report states that the provision is (1) to provide prompt relief for the domestic industry suffering from large volumes of imports over a short period of time and (2) to deter exporters from circumventing the law. The above interpretation will accomplish both of the stated purposes, i.e., promptness of relief and deterrence of circumvention of the statute. 38/ 39/

In reaching a critical circumstances determination, we examine factors such as importers' inventories, the volume of the massive imports in relation to domestic demand, the margin of underselling (in relation to whether the volume of massive imports may dilute the price impact of dumping duties) and any other factors which bear on the ability of the massive imports to postpone prompt and effective relief to the domestic industry. 40/

With regard to the imports from Spain which Commerce has determined are massive, in June-December 1984, the period just before the petition was filed up to the time of Commerce's preliminary determination, 42,044 short tons entered the United States as compared with 22,921 short tons in June-December 1983. 41/ Thus, the imports in June-December 1984 were almost twice the amount entered during the same period in 1983.

There is also evidence of an increase in inventories of the Spanish product that will have the effect of postponing the effective relief of the order without the imposition of retroactive duties. 42/ These inventories almost doubled in 1984 as compared with their levels in 1983. 43/ More

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

39/ Chairwoman Stern notes that these examples illustrate a situation where Congress' intent "to prevent such material injury from recurring" might reasonably be interpreted to mean "to prevent such material injury from reverberating." Such situations are clearly included within the concept of critical circumstances. However, the concept of critical circumstances is broad enough to also cover other factual situations where the surge in imports exacerbates the material injury which has occurred.

40/ To provide a frame of reference for his analysis of critical circumstances, Commissioner Eckes cites his Additional Views in Carbon Steel Wire Rod from Argentina and Spain, Invs. Nos. 731-TA-157 and 160 (Final), USITC Pub. No. 1598 (1984) at 23.

41/ Report at A-79.

42/ We are unable to discuss this inventory data in great detail because most of it is confidential.

43/ Id. at A-18.

significantly, when the total imports in 1984, 76,305 short tons, are compared with data on domestic shipments of Spanish OCTG and inventories of Spanish imports, a large fraction of the imports are not accounted for. 44/ Although the data are not complete, the import duties and the data on importers' shipments and inventories suggest that in comparison to last year, a significant quantity of Spanish OCTG is available for sale in the U.S. market indicating that the massive imports from Spain will postpone effective relief for the domestic industry without the imposition of retroactive duties.

Prices also weakened during the last half of 1984. We, therefore, expect that these massive imports will continue to depress prices and market share in the future without the imposition of retroactive duties.

No material injury or threat of material injury by reason of LTFV imports from Argentina 45/

In contrast to the case of imports from Spain, imports of OCTG from Argentina remained at very low levels, varying slightly between 17,000 to 20,000 short tons from 1982-84. 46/ 47/ As a share of consumption, imports from Argentina rose from 0.4 percent in 1982 to 1.1 percent in 1983, and then

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44/ Id.
45/ Vice Chairman Liebeler agrees with the determination. Her reasons are set forth in her Additional Views.
46/ Respondents for the major Argentine exporter of OCTG also argued that these imports have been at a stable, low level for the past two decades. Variations in consumption, rather than imports, have been responsible for fluctuations in import penetration levels. Post hearing brief of Dalmine Sidercia S.A.I.C. of Argentina at 1, April 11, 1985.
47/ Report at A-30.

declined to 0.5 percent in 1985. 48/ 49/ 50/ Thus, unlike the case of Spain, there was no rising trend in imports from Argentina.

With regard to underselling, although imports from Argentina consistently undersold the domestic products, those margins of underselling decreased during the period of investigation. 51/ In summary, we find no indication of a causal link between the very low and stable level of imports from Argentina and the material injury to the domestic industry.

We further find there is no threat of material injury by reason of imports of OCTG. There is no rising trend in imports from Argentina. In addition, yearend inventories of Argentine OCTG reported by U.S. importers declined sharply from 1982-84. 52/ 53/

Concerning Argentina's capacity to generate additional exports of OCTG to the United States, one firm, who supplies the majority of Argentina's exports of OCTG, has from 1982-84 been operating at a high rate of capacity utilization. 54/ This firm exports the bulk of its products to countries other than the United States, and there is no indication that it intends to divert shipments to the United States in preference to other markets. 55/

48/ Id.
49/ Id. at A-29, Table 16.
50/ Chairwoman Stern distinguishes her negative finding in this investigation regarding Argentina from her previous determination in Invs. Nos. 731-TA-249-251, USITC Pub. 1679 (1985), where she cumulated imports from Argentina with imports from Austria, Romania, Venezuela, Brazil, Spain, and Mexico. Information developed since the preliminary phase of these investigations show that LTFV imports from Argentina were not a contributing cause of the domestic industry's injury.
51/ Report at A-35.
52/ Id. at A-18.
53/ Id. at A-26.
54/ Id. at A-16.
55/ Id. at A-23.

Based on Commission practice under the Tariff Act of 1930, the Commission has not cumulated imports from Argentina with imports from those countries eligible for cumulation. Although principal markets and channels of distribution are similar, the volume of imports from Argentina remained relatively small and did not exhibit the sharp decline in 1983 and the dramatic increase in 1984 that characterized imports from these other sources. As a result, imports from Argentina held a relatively small share of the market while imports from other sources increased their market share.

ADDITIONAL VIEWS OF COMMISSIONER LODWICK

Material Injury by Reason of LTFV Imports from Spain

I am making an affirmative determination in the current investigation, number 731-TA-195, covering LTFV imports from Spain, in contrast to my negative determination in investigation number 701-TA-217, covering subsidized imports from Spain, on the basis of new information available in the current investigation. Specifically I note that: (1) LTFV imports from Spain continued to increase in both actual volume and market penetration in the most recently available data, and (2) prices have recently weakened for several specifications of domestically produced OCTG, including specifications for which material has been imported from Spain.

No Critical Circumstances

I determine that material injury is not by reason of massive imports found by Commerce to exist, to an extent that, in order to prevent such material injury from recurring, it is necessary to impose the antidumping duty retroactively on those imports. Though import volumes did rise appreciably following the filing of the antidumping petition in June, 1984, the quantity is still small relative to apparent domestic consumption. The best information available indicates an import penetration ratio of only 2.1 percent during the fourth quarter of 1984.[1/][2/] In addition, prices for both domestic and imported

1/ Commerce published its preliminary affirmative determination on January 16, 1985. Retroactive duties would be applied to imports entering up to ninety days prior to that determination.
2/ Apparent consumption for the fourth quarter of 1984 is estimated by comparing the full year figure in the final report to the partial year figure in the prehearing report.

material were generally higher during 1984 than in 1983. Finally, though importer inventories rose in 1984, the stock level at year end 1984 as a percentage of 1984 shipments was lower than prior year figures as well as being lower than the comparable figure for the domestic producers.

Cumulation

Under the law which is applicable to these investigations, I find cumulation to be inappropriate. I base my decision on a market analysis which indicates (1) considerable differences in the specifications of the products sold by Spain and Argentina, (2) differing trends in the rate of importing from these two foreign industries, and (3) differences in the importance to these two industries of sales in the U.S. market.

Additional Views of Vice Chairman Liebeler

I join with my fellow Commissioners in their discussion of domestic industry and injury. In this section I set out my separate views on causation.

As I have stated previously, the decline that the domestic OCTG industry experienced from 1982 to 1983 was the result of a sharp drop in demand for OCTG, and not the result of dumping or subsidization.[1] Domestic consumption of OCTG decreased from 4.1 million short tons in 1982 to 1.6 million short tons in 1983, which is a decline of 61 percent.[2] The consumption of OCTG is strongly correlated with the level of domestic drilling for oil and natural gas. The level of domestic oil and gas drilling is in turn determined by the world prices of oil and natural gas, state and federal regulations, and the available reserves of oil and natural gas.

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[1]See, e.g., Oil Country Tubular Goods from Brazil, Korea, and Spain, Inv. Nos. 701-TA-215-217 (Final), USITC Pub. ---- (1985); Oil Country Tubular Goods from Austria, Romania, and Venezuela, Inv. Nos. 701-TA-240-241, 731-TA-249-251 (Preliminary), USITC Pub. 1679 (1985).

[2]Report, at A-15-16.

There is nothing on the record to establish that imports of OCTG from Argentina and Spain that are or have been sold in the United States at less than fair value (LTFV) are a cause of material injury or threaten to cause material injury to the domestic OCTG industry.[3] Although imports from Spain steadily increased as a share of consumption from 1.3 percent in 1982 to 1.6 percent in 1983, and then to 2 percent in 1984, the absolute level of imports from Spain declined from 54,000 short tons in 1982 to 23,000 short tons in 1983, and then increased to 76,000 short tons in 1984.[4] Thus, imports from Spain tracked domestic consumption, and do not appear to have been a cause of injury. Similarly, imports from Argentina have remained constant at around 20,000 short tons a year from 1982-1984.

There is nothing on the record to indicate that imports of OCTG from Argentina and Spain threaten to

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[3]The cumulation provision of the Trade and Tariff Act of 1984, 19 U.S.C. 1677(7)(C)(iv), does not apply to these investigations because the petitions in these investigations were filed before the effective date of the 1984 Act. Accordingly, because I find no concerted action by Argentina and Spain, either with one another or with any other nations, to export OCTG to the United States, I did not cumulate any imports in these investigations.

[4]Report, at A-15.

cause material injury to the domestic OCTG industry. There are no large aggregations of OCTG from Argentina and Spain being held in inventory,[5] nor are there any indications that Argentina and Spain plan to increase significantly their imports of OCTG to the United States. Finally the small increase in the import penetration ratio of OCTG from Spain over the period of investigation is insufficient to base a finding of threat of material injury.

Therefore, I determine that the domestic OCTG industry is not materially injured or threatened with material injury by reason of LTFV imports of OCTG from Argentina and Spain.

5Report, at A-26.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On June 13, 1984, counsel for Lone Star Steel Co. and CF&I Steel Corp. filed antidumping duty petitions with the U.S. International Trade Commission and the U.S. Department of Commerce. The petitions allege that an industry in the United States is materially injured and is threatened with material injury by reason of imports from Argentina, Brazil, Korea, Mexico, and Spain 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 allegedly 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. 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/

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, or were likely to be, sold in the United States at LTFV within the meaning of section 731 of the Tariff Act of 1930, and that "critical circumstances" exist as to articles from Brazil and Spain but not from Argentina and Mexico. 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.

As a result of Commerce's affirmative preliminary determinations of LTFV sales, the Commission instituted investigations Nos. 731-TA-191, 192, 194, and 195 (Final), effective January 16, 1985, to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports of oil country tubular goods from Argentina, Brazil, Mexico, and Spain. Commerce subsequently extended the dates for its final determinations in the investigations of imports from Brazil, Korea, and Mexico by publishing notices in the Federal Register on February 14, 1985 (50 F.R. 6226), March 7, 1985 (50 F.R. 9307), and April 29, 1985 (50 F.R. 16728). 2/ The date for Commerce's final determinations for Brazil, Korea, and Mexico is May 31, 1985.

On April 4, 1985, the Commission received notice of Commerce's final determinations that oil country tubular goods from Argentina and Spain are being sold at LTFV and that "critical circumstances" exist as to articles from

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1/ 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.

2/ Copies of Commerce's extension notices are presented in app. A.

Spain but not from Argentina. 1/ Commerce found that the weighted-average LTFV margin for Argentina was 61.7 percent. Commerce determined that the weighted-average margins for Spanish producers, Altos Hornos de Vizcaya, S.A., and Tubos Reunidos, S.A., were 83.5 and 70.1 percent, respectively. The weighted-average margin for all other Spanish manufacturers, producers, and exporters was 76.8 percent. 2/ A public hearing was held by the Commission in connection with these investigations on April 4, 1985, in Washington, DC. 3/

Notice of the institution of the investigations was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of February 21, 1985 (50 F.R. 7239). 4/ The briefing and vote on the investigations was held May 13, 1985. The votes on Brazil, Mexico, and Korea, if necessary, are tentatively scheduled for the week of July 15, 1985.

Other Investigations Concerning Oil Country Tubular Goods

On June 12, 1984, in investigation No. TA-201-51, regarding carbon and certain alloy steel products, the Commission determined, 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. 5/ The steel pipes and tubes that were the subject of the section 201 investigation included the oil country tubular goods that are the subject of the instant investigations, as well as other pipes and tubes that are not covered by these investigations.

On June 13, 1984, at the same time the petitions for the instant investigations were filed, counsel for the petitioners filed countervailing duty petitions with Commerce concerning imports of oil country tubular goods from Argentina and Mexico. Since these countries were not signatories to the

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1/ The affirmative critical circumstances determination will result in retroactive dumping duties if the Commission's votes on injury and critical circumstances are affirmative (see section 735(a)(3) of the Tariff Act of 1930). A negative critical circumstances determination and affirmative injury determination by the Commission would mean that any dumping duties imposed as a result of the investigation would be effective on imports entered on or after January 16, 1985.

2/ Copies of Commerce's final determinations are presented in app. A.

3/ A list of the witnesses who appeared at the public hearing is presented in app. B.

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

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

General Agreement on Tariffs and Trade, the Commission was 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 preliminary affirmative determinations that the manufacturers, producers, or exporters of oil country tubular goods in Argentina and Mexico receive benefits that constitute subsidies. The subsidy margins are 0.90 percent ad valorem for products from Argentina and 5.84 percent ad valorem for 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 the petitioners 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 preliminary subsidy determinations in these cases 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 was materially injured by reason of imports of oil country tubular goods from Brazil and Spain 3/ and that an industry in the United States was not materially injured or threatened with material injury, and the establishment of an industry in the United States was not materially retarded, by reason of imports from Korea of oil country tubular goods. 4/

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. On March 12 and March 25, 1985, Lone Star and CF&I requested that they be added as co-petitioners in those investigations. The countervailing duty petitions concern imports of oil country tubular goods from Austria and Venezuela, and the antidumping

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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 Brazil, Korea, and Spain: . . .Determinations of the Commission in Investigations Nos. 701-TA-215 through 217 (Preliminary) . . ., USITC Publication 1555, July 1984.
3/ Vice Chairman Liebeler and Commissioner Lodwick dissenting.
4/ 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, Commissioners Eckes and Rohr dissenting.

petitions concern imports of the subject merchandise from Austria, Romania, and Venezuela. The Commission determined 1/ on April 8, 1985, that there was a reasonable indication that an industry in the United States was materially injured by reason of imports from Austria and Venezuela of oil country tubular goods, 2/ 3/ which are alleged to be subsidized by the governments of Austria and Venezuela. 4/

In addition, the Commission determined 1/ that there was a reasonable indication that an industry in the United States was materially injured by reason of imports from Austria, Romania, and Venezuela of oil country tubular goods, 2/ 3/ which are alleged to be sold in the United States at LTFV. 4/

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 in, 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 as a surface pipe to prevent contamination of the recoverable oil and gas by surface water, gas, sand, or limestone. The 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 that of 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. Argentina exported approximately 905 short tons of drill pipe to the United States in 1984, and Spain did not export drill pipe to the United States during the period.

During 1984, according to data received in response to Commission

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1/ Vice Chairman Liebeler dissenting.
2/ Except drill pipe.
3/ Commissioners Eckes and Lodwick did not exclude drill pipe.
4/ Oil Country Tubular Goods From Austria, Romania, and Venezuela: . . .Determinations of the Commission in Investigations Nos. 701-TA-240 and 241, and 731-TA-249 through 251 (Preliminary) . . ., USITC Publication 1679, April 1985.

questionnaires, casing accounted for 79.9 percent of U.S. producers' shipments (on a tonnage basis) tubing accounted for 18.2 percent, and drill pipe for 0.3 percent. Other tubes (including green tubes 1/) accounted for 1.6 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, 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 products 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 specifications for such articles. However, there are articles for use in specialized applications that 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 goods to their own proprietary specifications, and these products compete with products made to API specifications. Other non-API 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. In 1984 slightly more than half of all casing and tubing and virtually all drill pipe produced in the United States were of seamless construction.

Eleven producers, which accounted for 84 percent of total shipments in 1984, provided information concerning their shipments of API and non-API oil country tubular goods. According to this information, 84 percent of total shipments conformed to API specifications, 7 percent were low-grade, limited-service products, and 6 percent were high-grade products made to proprietary specifications.

According to questionnaire responses, all of the reported imports of oil country tubular goods from Argentina conformed to API specifications. Of the reported imports from Spain, *** percent were green tubes and *** percent were API products. 2/

1/ An unfinished seamless hollow steel product with not more than 0.30 and 1.40 percent content of carbon and manganese, respectively, as defined by Tubular Corp. of America (TCA), an oil country tubular goods processor and importer of "green tubes."

2/ The responses from importers received by the Commission accounted for *** percent of total imports from Argentina and *** percent of total imports from Spain.

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 the American Iron and Steel Institute (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 that 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 is 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 that 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 that are the subject of these investigations are classified under 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 for imports of oil country tubular goods from countries afforded most-favored-nation treatment (MFN) (col. 1 duty rates), 1/ from least developed developing countries (LDDC's) (representing the 1987 rates), and designated Communist countries (col. 2 rates) 2/ are presented in table 1.

These articles are not eligible for duty-free entry under the Generalized System of Preferences (GSP); they are eligible for such treatment if a product of a beneficiary country under the Caribbean Basin Economic Recovery Act (CBERA).

Nature and Extent of Sales at LTFV

On March 25, 1985, Commerce issued its final determinations that oil country tubular goods from Argentina and Spain were being sold at LTFV. Commerce found that the foreign market value based on sales of oil country tubular goods from Argentina to third countries exceeded the U.S. price on 100 percent of the sales compared. Commerce used the best information available to estimate the weighted-average margins for Spain because respondents did not submit adequate responses. Commerce also found that "critical circumstances" exist with respect to imports of oil country tubular goods from Spain. In making this decision Commerce found (1) that the margins calculated were

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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 CBERA, or under the "LDDC" column.

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 1.--Oil country tubular goods: U.S. rates of duty as of Jan. 1, 1981, Jan. 1, 1985, 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.

sufficiently large that the importer knew, or should have known, that the merchandise was being sold in the United States at LTFV, and (2) that there have been massive imports of these products over a relatively short period of time. 1/ Monthly imports of oil country tubular goods from Spain during January 1984–February 1985 are shown in appendix C. Commerce's investigation covered the period January 1 to June 30, 1984.

The final weighted-average margins, as calculated by Commerce, are as follows (in percent ad valorem):

Argentina:	
Dalmine Siderca, S.A.I.C.	61.70
All other manufacturers/ producers/exporters	61.70
Spain:	
Altos Hornos de Vizcaya, S.A.	83.50
Tubos Reunidos, S.A.	70.10
All other manufacturers/ producers/exporters	76.80

In accordance with section 733(d) of the Tariff Act of 1930, on October 18, 1984, Commerce directed the U.S. Customs Service to suspend liquidation of all entries of the subject oil country tubular goods from Argentina and Spain. As of March 25, 1985, liquidation of all entries, or withdrawals from warehouse, for consumption, of the subject merchandise was to continue to be suspended and Customs was directed to collect a cash deposit or bond equal to the calculated weighted-average margins of the entered value of the merchandise.

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 4.3 million short tons in 1982 to 1.4 million short tons in 1983, representing a decrease of 67 percent. Apparent consumption subsequently increased by 170 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	4,260
1983	1,396
1984	3,764

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

1/ Commerce analyzed import levels and import penetration ratios for oil country tubular goods from Spain for the periods immediately preceding and following the filing of the petition.

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 more than 70 percent higher than the level held at the beginning of the year. 1/

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 and distributors' inventories had grown so large that producers' inventories of oil country tubular goods continued to increase in 1982. In 1983, distributors of oil country tubular goods began to draw down their inventories and producers' inventories also decreased. Thus, in 1983, although drilling activity was higher than in 1982, U.S. producers' shipments and imports decreased as distributors supplied more of consumption from inventory. In 1984, it appears that distributors' and producers' inventories had been worked off as both domestic shipments and imports increased considerably (table 2).

Estimated consumption of oil country tubular goods (U.S. producers' beginning inventory, plus imports, plus domestic shipments, less ending inventories) decreased from 4.1 million short tons in 1982 to 1.6 million

Table 2.—Oil country tubular goods: U.S. producers' inventories, imports, domestic shipments, and estimated actual consumption, 1982-84

(In thousands of short tons)

Item	1982	1983	1984
Beginning inventory	260	390	185
Imports from—			
Argentina	17	16	20
Spain	54	23	76
Subtotal	71	39	96
Brazil	56	15	56
Mexico	2	12	68
All other countries	2,387	596	2,015
Total imports	2,517	661	2,235
U.S. producers' domestic shipments	1,743	735	1,529
Ending inventory	390	185	250
Estimated actual consumption	4,130	1,601	3,703

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

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

1/ Information on distributors was obtained in investigations Nos. 701-TA-217 through 217 (Final).

short tons in 1983, or by 61 percent. Estimated consumption then increased by 131 percent to 3.7 million short tons in 1984. The trend in estimated consumption followed the trend in the level of U.S. oil and gas drilling fairly closely.

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

Steel grade	U.S. producers	Argentine	Spanish
J-55	34	0	47
K-55	34	68	32
Subtotal	68	68	79
All other	32	32	21
Total	100	100	100

Shallow wells are those that 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 somewhat during 1981-84, as shown in the following tabulation (in feet):

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

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

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

	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) or to distributors (88 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/

The Processors

Processors may buy unfinished material (some of which is referred to as "green tubes" 2/) from the mill, finish the material on their own equipment, and sell the material either directly to end users or to distributors; or, processors 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.

Tubular Corp. of America (TCA), an oil country tubular good processor and importer of "green tubes," and counsel for the Spanish and Mexican 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. TCA argued that U.S. producers are able to break out production, shipments, and profit and loss data on "green tubes" since they sell "green tubes" to processors. 3/ Petitioners argue that each producer would allocate its costs differently since "green tubes" are just an intermediate product in the production process; therefore, the cost

1/ Information obtained in investigations Nos. 701-TA-215 through 217 (Final).

2/ An unfinished seamless hollow steel product with not more than 0.30 and 1.40 percent content of carbon and manganese, respectively, as defined by TCA.

3/ Transcript of the hearing, p. 124 and posthearing brief of TCA, pp. 5-7.

allocations would not be comparable. 1/ Lone Star also claimed that its cost system does not support product line profitability or product contribution analysis to intermediate products such as "green tubes." TCA agreed that the costs would vary but that the producers can and should provide the data. 2/ In addition to shipments, the Commission asked for employment and wages, and profit-and-loss data on "green tubes." Some firms provided data on shipments of "green tubes," but only Lone Star responded to the request for profit-and-loss information.

The petitioners asserted that "green tubes," when threaded and coupled, can be used as limited service oil country tubular goods without any further processing and that "green tubes" have been sold by U.S. producers to domestic distributors. 3/ The limited service product does not meet API specifications for oil country tubular goods. It is either mill reject material or it is made to special order. TCA stated that "green tubes" can theoretically be used as limited service pipe, line pipe, or structural pipe; 4/ however, according to TCA, purchasers would not be willing to buy high-priced "green tubes" from Spain and substitute them for low-priced noncertified limited service pipes. 5/ Also, theoretically, "green tubes" could be used down-hole in shallow wells but petitioners have provided no documentation of actual use of "green tubes" down-hole. Counsel for the Mexican producer argued that "green tubes" are not sold in the limited service market but only to API-licensed processors as input material for finished oil country tubular goods. 6/

Both TCA and Tubos de Acero de Mexico, S.A. (TAMSA) argued that the "green tubes" that they import or produce do not satisfy the H-40 API wall thickness requirements 7/ as claimed in testimony in the previous final countervail investigations (investigations Nos. 701-TA-215-217 (Final)). 8/

TCA asserts that U.S producers have little interest in selling "green tubes" to processors. 9/ The staff contacted several processors who stated that in the past U.S. producers sold small quantities of "green tubes" but that with the depressed market conditions today, they are more than willing to sell "green tubes" to processors.

The API began to issue licenses to process oil country tubular goods in

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1/ Transcript of the hearing, p. 47.
2/ Transcript of the hearing, pp. 125-127.
3/ Posthearing brief of petitioners in investigations Nos. 701-TA-215-217 (Final), Dec. 6, 1984, pp. 7 and 8 and transcript of the hearing, p. 24.
4/ Transcript of the hearing, pp. 119-122, and posthearing brief of TCA, p. 3, in investigations Nos. 731-TA-191, 195 (Final).
5/ Prehearing brief of TCA in investigations Nos. 701-TA-215-217 (Final), Nov. 26, 1984, pp. 15 and 16.
6/ Posthearing brief of Tubos de Acero de Mexico, S.A. in investigations Nos. 731-TA-191 and 195 (Final), p. 7.
7/ Posthearing brief of TCA, p. 3 and prehearing brief of TAMSA, pp. 16-18.
8/ Transcript of the hearing in investigations Nos. 701-TA-215-217 (Final), p. 227.
9/ Prehearing brief of TCA in investigations Nos. 731-TA-191, 195 (Final), pp. 10 and 11.

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.

The petitioners assert that there is a domestic industry that produces and sells seamless and welded "green tubes" to processors. 1/ The staff contacted several processors who confirmed that they purchase domestic and foreign, seamless and welded "green tubes," which they heat treat to reach J-55 and N-80 specifications. One processor stated that "green tubes" could be used down-hole as long as they met API specifications (J-55 or lower grade) and were threaded and coupled with API-approved coupling. He qualified this statement by saying that "green tubes" would have limited application in shallow wells.

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.

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 U.S. oil country tubular goods producers or by end users. Such operations accounted for the remaining 20 percent of the oil country tubular goods processed in the United States.

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 which handle
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 * * * processing plant, and it has stopped taking orders for

1/ Transcript of the hearing, pp. 22-24.

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 that are known to have produced oil country tubular goods in the United States. The largest producers, with the exception of Maverick Tube Corp., are integrated steel companies, 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	
Maverick Tube Corp.	***
St. Louis, MO	
Union, MO	
U.S. Steel Corp	***
Duquesne, PA	
Fairfield, AL	
Gary, IN	
Lorain, OH	
Subtotal	***
Other firms	***
Total	100

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. Maverick Tube Corp. increased its share of U.S. producers' shipments to *** percent in 1984. Lone Star temporarily shut down its facility in March 1985, and Wheeling-Pittsburgh Steel filed for reorganization under the provisions of the bankruptcy laws on April 15, 1985.

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

The Foreign Industries

Argentina

One Argentine firm, Dalmine Siderca, accounted for *** percent of Argentina's exports of oil country tubular goods to the United States during 1982-84. The firm operates a seamless oil country tubular goods mill which, according to counsel, has been operating at *** percent * * * of its capacity during 1982-83 and at *** percent in 1984. Dalmine's exports to the United States, according to data presented by counsel, * * * from * * * short tons in 1982 to * * * short tons in 1984 (table 3). The U.S. market accounted for approximately *** percent of Dalmine's total exports of oil country tubular goods in 1982 and more than *** percent during 1983-84.

Table 3.—Oil country tubular goods: Dalmine Siderca's exports to principal markets, 1982-84

Country	1982	1983	1984
Exports to—			
United States——1,000 short tons——	***	***	***
* * *——do——	***	***	***
* * *——do——	***	***	***
* * *——do——	***	***	***
* * *——do——	***	***	***
Total——do——	***	***	***
Exports to the United States as a share of total exports percent——	***	***	***

Source: Derived from data submitted by counsel for Dalmine Siderca.

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

Spain

Altos Hornos de Vizcaya, S.A., and its subsidiary Laminaciones de Lesaca, S.A.; Babcock & Wilcox Espanola, S.A.; Tubos Reunidos, S.A.; Transformaciones Metalurgicas Especiales, S.A.; and Tubacex C.E. de Tubos per Extrusion, S.A., are the only known Spanish producers and exporters of oil country tubular goods to the United States. Data on the production, capacity, and exports of the Spanish mills are presented in table 4. The United States is Spain's single largest market for oil country tubular goods.

According to counsel for the Spanish exporters, 50 to 60 percent of Spain's exports of oil country tubular goods are seamless. The remainder is welded. The majority of the exports are unfinished, comprising the so called "green tubes," and plain-ended tubing and casing.

Table 4.—Oil country tubular goods: Spanish production, capacity, and exports, 1982-84

Item	1982	1983	1984
Production——1,000 short tons—:	47	55	102
Capacity——do——:	58	61	135
Capacity utilization——percent—:	81	90	76
Exports to—			
United States——1,000 short tons—:	63	22	73
All other markets——do——:	13	12	24
Total——do——:	76	34	97
Shipments to the United States as a share of total exports——percent—:	83	65	75

Source: Compiled from data submitted by counsel for the Spanish producers.

Drilling rigs abroad

Home-market demand for oil country tubular goods in these countries is dependent upon the level of oil and gas drilling. Information on the level of drilling in Argentina and Spain, as measured by the number of active rigs, is presented in the following tabulation based on data supplied by Hughes Tool Co. as published in the Oil & Gas Journal:

As of Dec.	Argentina	Spain
1982——	70	10
1983——	73	6
1984——	75	12

The two countries operated a total of 87 rigs in December 1984, or about 3 percent of the 2,713 rigs operated in the United States during the same period.

U.S. Importers

There are dozens of firms that 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 three importers of oil country tubular goods from Argentina. These firms accounted for 67 percent of all imports of the products from Argentina in 1984. Questionnaire and telephone responses were received from six importers of the subject products from Spain which accounted for 90 percent of imports of Spanish oil country tubular goods in 1984. The vast majority of U.S. imports of oil country tubular goods from Argentina and Spain enter through Houston, TX; New Orleans, LA; and Dallas-Fort Worth, TX, as shown in table 5.

Table 5.—Oil country tubular goods: Distribution of U.S. imports from Argentina and Spain, by customs districts, 1984

(In percent)

Customs district	Argentina	Spain
Houston, TX	98	71
New Orleans, LA	1	10
Dallas-Fort Worth, TX	0	16
All other	1	3
Total	100	100

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

Yearend inventories reported by U.S. importers that submitted data in response to the Commission's questionnaires, as a share of their U.S. shipments of Argentine oil country tubular goods, were *** percent in 1982, *** percent in 1983, and *** percent in 1984. The ratios of U.S. inventories to U.S. shipments of Spanish oil country tubular goods were *** percent in 1982, *** percent in 1983, and *** percent in 1984 (table 6).

Table 6.—Oil country tubular goods: U.S. importers' end-of-period inventories and shipments of the product imported from Argentina and Spain, 1982-84 1/

Item	1982	1983	1984
Argentina:			
Inventories—short tons	***	***	***
Shipments—do	***	***	***
Ratio of inventories to shipments—percent	***	***	***
Spain:			
Inventories—short tons	***	***	***
Shipments—do	***	***	***
Ratio of inventories to shipments—percent	***	***	***

1/ One importer supplied data on shipments for 1983-84. Another importer supplied data on inventories and shipments for 1984.

Source: Compiled from data submitted in response to questionnaires and telephone inquiries 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. Producers accounting for more than 90 percent of production of oil country tubular goods in 1984 responded to the questionnaire. 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 state that the prices of high-quality welded products are the same as the prices of comparable seamless products and that customers make no distinction between the seamless and welded product. In addition, the industry asserts that 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; whereas welded oil country tubular goods are used in shallow wells. Another indication that seamless and welded oil country tubular goods are two distinct 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.

Based on selling-price data of oil country tubular goods obtained by the Commission in its questionnaires, the full body normalized oil country tubular goods (a high quality welded product) sold at price levels comparable to the seamless oil country tubular goods. Reported selling prices of the seam annealled welded oil country tubular goods, however, were significantly less

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

2/ The arguments regarding 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).

than prices of the seamless or full body normalized oil country tubular goods. The reported price data are shown in appendix C and discussed in the price section of this report.

U.S. producers' capacity and production

U.S. producers' capacity to produce oil country tubular goods remained steady at around 5.1 to 5.2 million short tons during the period 1982 to 1984 (table 7).

Table 7.—Oil country tubular goods: U.S. production, capacity, and capacity utilization, 1982-84

Period	Production	Capacity	Capacity utilization
	1,000 short tons		Percent
1982	1,864	5,145	36
1983	543	5,177	10
1984	1,644	5,087	32

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

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 shipments of oil country tubular goods plummeted and they cut back production drastically.

U.S. production of oil country tubular goods decreased dramatically from 1.9 million short tons in 1982 to 543,000 short tons in 1983, or by 71 percent. Production then increased by 203 percent 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 36 percent in 1982 to 10 percent in 1983; it then increased to 32 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 1982 through 1984.

U.S. producers' shipments

U.S. producers' shipments of oil country tubular goods followed the same trend as production (table 8). Total shipments decreased by 59 percent from 1982 to 1983 and then increased by 105 percent in 1984. Exports accounted for less than 1 percent of total shipments during 1984.

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

(In thousands of short tons)

Period	Domestic shipments	Export shipments	Total
1982	1,743	66	1,809
1983	735	13	748
1984	1,529	8	1,537

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 annual shipments in 1982 (table 9). Inventories increased to 25 percent of shipments in 1983 and then decreased to 16 percent in 1984.

Table 9.—Oil country tubular goods: U.S. producers' inventories and shipments, 1982-84

Period	Inventories	Shipments	Ratio of inventories to shipments
	1,000 short tons		Percent
1982	390	1,809	22
1983	185	748	25
1984	250	1,537	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 13,125 in 1982 to 4,036 in 1983, or by 69 percent, and then increased by 90 percent in 1984 (table 10). 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 11 percent from $19.95 per hour in 1982 to $17.79 per hour in 1984. This decrease can be attributed to wage concessions negotiated between the unions and the employers.

Table 10.—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	13,125	24,233	$13.64	$19.95
1983	4,036	7,058	12.85	19.58
1984	7,659	14,295	13.08	17.79

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

Income-and-loss experience of U.S. producers

Seventeen firms supplied usable income-and-loss data concerning their operations producing oil country tubular goods. These 17 firms accounted for about 93 percent of all U.S. shipments of such goods in 1984.

The income-and-loss experience of the 17 U.S. producers on their operations producing oil country tubular goods is presented in table 11 for 1982-84. Net sales plunged from $2.7 billion in 1982 to $613 million in 1983, representing a decline of 78 percent. Net sales rose 89 percent to $1.2 billion in 1984. The quantity of net sales, in short tons, declined at a lesser rate than dollar sales between 1982 and 1983, dropping from 1.6 million tons to 790,000 tons, or by 50 percent during this period. The quantity of net sales rose 83 percent to 1.4 million tons in 1984.

In 1982, the 17 reporting producers earned an operating income of $530 million, or 19.5 percent of net sales. In 1983 and 1984, they sustained operating losses of $256 million, or 41.7 percent of net sales, and $155 million, or 13.4 percent of net sales, respectively. Seven of these producers sustained operating losses in 1982, 13 producers sustained such losses in 1983, as did 8 in 1984. The 17 producers reported a positive cash flow of $546 million in 1982 and negative cash flows of $260 million and $134 million in 1983 and 1984, respectively. For additional income-and-loss and financial data see appendix C.

The cost of goods sold fell from $2.1 billion, or 75.8 percent of net sales, in 1982 to $793 million, or 129.5 percent of net sales, in 1983. In 1984, the cost of goods sold rose to $1.2 billion, or 107.3 percent of net sales. On the other hand, the per ton cost of goods sold followed a somewhat different trend during this period, declining annually from $1,313 per ton in 1982 to $855 a ton in 1984, indicating that U.S. producers were able to trim production costs during a period of declining sales.

Table 11.—Income-and-loss experience of 17 U.S. producers on their operations producing oil country tubular goods, accounting years 1982-84

Item	1982	1983	1984 1/
Net sales:			
Value------------1,000 dollars---	2,722,907	612,501	1,154,767
Quantity------------short tons---	1,572,075	789,721	1,449,064
Cost of goods sold------1,000 dollars---	2,064,028	793,234	1,238,943
Gross income or (loss)------------do---	658,879	(180,733)	(84,176)
General, selling, and administrative expenses------------do---	128,636	74,947	70,598
Operating income or (loss)------------do---	530,243	(255,680)	(154,774)
Interest expense 2/------------do---	19,972	15,829	15,192
Other income or (expense)-net 2/------do---	(12,712)	(31,660)	(4,437)
Net income or (loss) before income taxes------------do---	497,559	(303,169)	(174,403)
Depreciation and amortization 3/------do---	48,528	43,598	40,679
Cash flow from operations------------do---	546,087	(259,571)	(133,724)
Ratio to net sales:			
Gross income or (loss)------------percent---	24.2	(29.5)	(7.3)
Operating income or (loss)------------do---	19.5	(41.7)	(13.4)
Net income or (loss) before income taxes------------do---	18.3	(49.5)	(15.1)
Cost of goods sold------------do---	75.8	129.5	107.3
General, selling, and administrative expenses------------do---	4.7	12.2	6.1
Number of firms reporting—			
Operating losses------------	7	13	8
Net losses------------	9	13	9

1/ Two producers did not supply data for 1984 as their plants were closed. They resumed production in 1985.
2/ Eleven firms supplied data relative to their interest expense and other income or expense.
3/ Fourteen firms furnished depreciation and amortization data.

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

Several of the reporting firms incurred unusual or nonrecurring expenses during the 1982-84 reporting period. These expenses, shown below, include the write-off of partially completed mills, the write-down of LIFO based inventories to realizable values, the write-off of accounts receivables, and the write-off of shut down expenses associated with the impairment of a tubing mill.

Year	Amount (1,000 dollars)
1982------------	***
1983------------	***
1984------------	***

Operations on oil well drill pipes.—* * * firms submitted income-and-loss data concerning their operations producing oil well drill pipes (table 12). These producers' net sales of oil well drill pipes plummeted annually from *** to ***, or by *** percent, during 1982-84. The quantity of net sales also declined annually during 1982-84, falling from *** short tons to *** short tons, or by *** percent, during this period. The average per ton selling price fell annually from *** in 1982 to *** in 1984.

Table 12.—Income-and-loss experience of * * * U.S. producers on their operations producing oil well drill pipes, 1982-84 1/

Item	1982	1983	1984
Net sales:			
Value—1,000 dollars	***	***	***
Quantity—short tons	***	***	***
Cost of goods sold—1,000 dollars	***	***	***
Gross income or (loss)—do	***	***	***
General, selling, and administrative expenses—do	***	***	***
Operating income or (loss)—do	***	***	***
Other income or (expense)-net 2/—do	***	***	***
Net income or (loss) before income taxes—do	***	***	***
Depreciation and amortization 3/—do	***	***	***
Cash flow from operations—do	***	***	***
Ratio to net sales:			
Gross income or (loss)—percent	***	***	***
Operating income or (loss)—do	***	***	***
Net income or (loss) before income taxes—do	***	***	***
Cost of goods sold—do	***	***	***
General, selling, and administrative expenses—do	***	***	***
Number of firms reporting:			
Operating losses	***	***	***
Net losses	***	***	***
Average per ton selling price	***	***	***

1/ * * *.
2/ Only one firm supplied "other income or (expense)" data.
3/ Three firms furnished depreciation and amortization data.

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

Operating income plunged from * * *, or *** percent of net sales, in 1982 to * * *, or *** percent of net sales, in 1983. In 1984, the reporting firms sustained an operating loss of * * *.

Capital expenditures.—Nine firms supplied data concerning their investment in productive facilities employed in the production of oil country tubular goods (table 13). In 1982, following a year of record sales, several U.S. producers of oil country tubular goods completed expansion programs that increased their capacity to produce oil country tubular goods. As a result, capital expenditures were * * * in 1982. In 1983, such expenditures plunged to * * *, and in 1984 they declined further to * * *.

Table 13.—Oil country tubular goods: U.S. producers' capital expenditures, 1/ 1982-84

(In thousands of dollars)

Item	1982	1983	1984
Land and land improvements	***	***	***
Buildings and leasehold improvements	***	***	***
Machinery, equipment, and fixtures	***	***	***
Total	***	***	***

1/ Data are for 9 firms.

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

Investment in productive facilities.—Ten firms supplied data concerning their investment in productive facilities employed in the production of oil country tubular goods. As shown in table 14, their aggregate investment in facilities employed in the production of oil country tubular goods, valued at cost, remained rather stable during 1982-84, ranging from a low of $831 million as of the end of 1983 to a high of $837 million as of the end of 1984. The book value of such facilities declined annually from $541 million as of the end of 1982 to $481 million as of the end of 1984.

Table 14.—Oil country tubular goods: U.S. producers' end-of-period valuation of fixed assets, 1/ 1982-84

(In thousands of dollars)

Item	1982	1983	1984
Original cost	834,628	831,436	837,494
Book value	541,086	498,154	481,345

1/ Data are for 10 firms.

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

Research and development expenses.—*** firms supplied data concerning their research and development expenses incurred in the production of oil country tubular goods. Such expenditures * * * from * * * in 1982 to * * * in 1984, as shown in the following tabulation (in thousands of dollars):

	Value
1982	***
1983	***
1984	***

Consideration 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 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 LTFV 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 was based on an analysis in 1984 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 is used to allocate the quantity that is oil country tubular goods and the quantity that 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 15). Imports then increased to 2.2 million short tons in 1984, or by 238 percent. The principal sources of these imports in 1984 were Japan, Italy, West Germany, and The Republic of Korea (Korea), as shown in the following tabulation (in percent):

Source	1984
Japan	29.0
Italy	12.9
West Germany	14.9
Korea	12.3
Spain	3.4
Argentina	0.9
Brazil	2.5
Mexico	3.0
Austria	2.5
Romania	1.7
Venezuela	1.3
All other	15.6
Total	100.0

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

1/ The concordance is presented in app. D.

Table 15.--Oil country tubular goods: U.S. imports, by selected sources, 1982-84

Source	1982	1983	1984
	Quantity (1,000 short tons)		
Argentina	17	16	1/ 20
Spain	54	23	76
Subtotal	71	39	96
Brazil	56	15	56
Mexico	2	12	68
Austria	66	3	56
Romania	19	2/	37
Venezuela	5	2	29
Korea	115	48	275
Japan	1,257	267	648
Italy	302	140	288
West Germany	289	51	333
Other countries	334	83	349
Total	2,517	661	2,235
	Value (million dollars)		
Argentina	15	8	1/ 10
Spain	38	12	30
Subtotal	53	20	40
Brazil	44	6	25
Mexico	2	5	29
Austria	59	2	31
Romania	12	3/	12
Venezuela	5	3/	9
Korea	58	16	105
Japan	1,309	156	376
Italy	262	86	123
West Germany	279	26	157
Other countries	330	52	184
Total	2,411	371	1,092

1/ Data revised to reflect imports from Venezuela of 4,189 short tons ($1,274,993) entered under TSUSA item 610.3925 and incorrectly listed in official statistics as imports from Argentina. Data also include 905 short tons of drill pipe.
2/ Less than 500 short tons.
3/ Less than $500,000.

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

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

As a share of U.S. apparent consumption, U.S. imports from all countries decreased rom 59.1 percent in 1982 to 47.3 percent in 1983 and then increased to 59.4 percent n 1984 (table 16).

able 16.—Oil country tubular goods: U.S. imports for consumption, by specified sources, domestic shipments, and apparent consumption, 1982-84

Period	Imports for consumption			All other imports	All imports	U.S. producers' domestic shipments	Apparent consumption
	Argentina	Spain	Sub-total				
	Quantity (1,000 short tons)						
982	17	54	71	2,446	2,517	1,743	4,260
983	16	23	39	622	661	735	1,396
984	20	76	96	2,139	2,235	1,529	3,764
	Share of consumption (percent)						
982	0.4	1.3	1.7	57.4	59.1	40.9	100.0
983	1.1	1.6	2.8	44.6	47.3	52.7	100.0
984	0.5	2.0	2.6	56.8	59.4	40.6	100.0

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

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

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

Counsel for the Spanish respondents asserts that the VRA's, by reducing imports, will aise prices, as there is no longer any incentive for foreign producers to lower their rices in order to capture a larger share of the U.S. market. They claim prices have lready started to increase. 1/ The Preston Pipe Report, March 15, 1985, shows oil ountry tubular goods prices up in 1984 and January 1985. 2/ The petitioners argue that he VRA's will not raise prices since countries not subject to VRA's would increase their nports, thereby offsetting the reduction in volume negotiated under the VRA's. 3/

1/ Posthearing brief of UNESID, pp. 5-6.
2/ Prehearing brief of TAMSA, p. 13 and app. 5.
3/ Posthearing brief of the petitioners, pp.4-5.

Argentina.—Imports of oil country tubular goods from Argentina decreased from 17,000 short tons in 1982 to 16,000 short tons in 1983, or by 6 percent. Imports then increased to 20,000 short tons in 1984. As a share of U.S. consumption, such imports increased from 0.4 percent in 1982 to 1.1 percent in 1983. This share decreased to 0.5 percent in 1984.

Spain.—Imports from Spain decreased 57 percent from 54,000 short tons, or 1.3 percent of apparent consumption, in 1982 to 23,000 short tons, or 1.6 percent of apparent consumption, in 1983. Such imports increased to 76,000 short tons, or 2.0 percent of apparent consumption, in 1984.

Cumulated imports.—Cumulated imports of oil country tubular goods from Argentina, Brazil, Mexico, and Spain increased 71 percent from 129,000 short tons in 1982 to 220,000 short tons in 1984. The share of apparent consumption represented by such imports increased from 3.0 percent in 1982 to 5.8 percent in 1984. The U.S. producers' share of the market declined slightly from 40.9 percent in 1982 to 40.6 percent in 1984. Market shares for imports from other countries subject to antidumping and countervailing duty investigations are presented in tables 17 and 18, respectively.

Green tubes.—One U.S. importer of "green tubes" from Spain, TCA, and the Spanish and Mexican producers of these products assert that "green tubes" are not oil country tubular goods and, hence, should be excluded from the scope of the Commission's investigations. * * * also imports "green tubes" from Spain. TCA and * * * import "green tubes" from Mexico. Green tubes accounted for *** percent of total oil country tubular goods exported from Spain and *** percent of total oil country tubular goods exported from Mexico in 1984. Imports of "green tubes" by TCA, * * *, and * * * are presented in table 19.

Prices

U.S. producers of oil country tubular goods generally quote their prices on an f.o.b. mill basis, with some publishing 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 goods 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/

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.

Table 17.—Oil country tubular goods: Pending antidumping investigations, outstanding dumping orders, and most recent dumping 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	0.5
Dalmine Siderca	61.7				
All others	61.7				
Brazil	2/	Jan. 16, 1985	1.3	1.1	1.5
Confab	2/ 83.8				
Mannesmann	2/ 00.0				
Persico	2/ 17.8				
All other	2/ 33.1				
Korea	de minimis	3/	2.8	3.5	7.4
Mexico		Jan. 16, 1985	4/	.9	1.8
Tubos de Arcero de Mexico S.A.	2/ 20.8				
All others	2/ 20.8				
Spain		Mar. 29, 1985	1.3	1.6	2.0
Altos Hornos de Vizcaya S.A.	83.5				
Tubos Reunidos S.A.	70.1				
All other firms	76.8				
Austria	5/ 33.5	6/	1.6	.5	4/
Romania	5/ 82.5	6/	4/	4/	1.0
Venezuela	5/ 186.0	6/	.1	.1	.8

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 May 31, 1985.
4/ Less than 0.05 percent.
5/ The margins as alleged by petitioners.
6/ The petitions were filed on Feb. 28, 1985.

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

Table 18.—Oil country tubular goods: Pending countervailing duty investigations, outstanding countervailing orders, and most recent 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 countervailing investigations:					
Austria	2/ 0.7 to 7.2	3/	1.6	0.2	1.5
Venezuela	2/ 6.6 to 133.0	3/	.1	.1	.8
Outstanding countervailing orders:					
Argentina	0.9	Nov. 27, 1984	0.4	1.1	.5
Brazil		Feb. 7, 1985	1.3	1.1	.7
Confab	24.9				
Mannesmann	25.2				
Persico	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/ The margins as alleged by petitioners.
3/ The petitions were filed on Feb. 28, 1985.
4/ Less than 0.05 percent.

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

Table 19.—Imports of "green tubes" by Tubular Corp. of America, Inc., * * * and * * *, by sources, 1983 and 1984

(In short tons)

Source	1983	1984
* * *	***	***
* * *	***	***
Total	***	***

Source: Compiled from information supplied by counsel for UNESID, and data submitted by Tubular Corp. of America, Inc., and * * *, in response to questionnaires of the U.S. International Trade Commission.

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

<u>API oil field casing</u>, 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;

<u>API oil field casing</u>, 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;

<u>API oil field tubing</u>, 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, seamless and welded; and

<u>API oil field drill pipe</u>, 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, one importer of Argentine oil country tubular goods and four importers of Spanish oil country tubular goods reported some price data as requested, but not necessarily for each product, or each period. The fourteen reporting U.S. producers accounted for approximately 82 percent of U.S. producers' total domestic shipments of oil country tubular goods products in 1984. 1/ Reporting importers accounted

1/ One producer reported shipments for January-September 1984.

for approximately *** percent of U.S. imports of all oil country tubular goods products from Argentina and *** percent of all U.S. imports of these products from Spain during 1984. 1/ The weighted-average net selling prices and quantities based on price data reported by U.S. producers and importers are shown by product categories in appendix tables E-1 through E-7. 2/

The domestic delivery costs paid by purchasers for shipping oil country tubular goods to their locations generally are not a major sourcing factor when purchasers choose a supplier. 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, and seamless, has a significant effect on price. In the ERW-annealed method, the seam is strengthened by heating a 4-inch area along the seam. An ERW-normalized tube is completely heated, making the metallurgical qualities more uniform throughout the tube. Seamless oil country tubular goods have the most uniform metallurgical properties. 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 the seamless products were generally comparable in price with the ERW-normalized products (appendix 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 * * * percent during January-March 1982 through October-December 1984. 4/ 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 goods prices were prices of 4-1/2 inch casing and 2-3/8 inch tubing sold to distributors, which declined sharply during January-March 1982 through

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1/ The price data from Spanish importers was obtained in investigations Nos. 731-TA-191 through 195 (Preliminary), and 701-TA-215 through 217 (Final).

2/ 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 the price data for the oil field drill pipe product; these data are shown in table E-4.

4/ 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.

July-September 1983. Domestic prices of the ERW-annealed plain-end 4-1/2 inch casing product decreased by *** percent during this period, and prices of the ERW-annealed threaded and coupled 4-1/2 inch casing product decreased by *** percent (table E-1). During recent periods, however, domestic prices of these product categories increased. Prices of the ERW-annealed plain-end casing increased by approximately *** percent from July-September 1983 through October-December 1984, and prices of the ERW-annealed threaded and coupled casing increased by approximately *** percent. In the 2-3/8 inch tubing category, domestic prices of the ERW-annealed threaded and coupled product generally decreased from January-March 1982 through October-December 1984, falling by *** percent over this period (table E-3).

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 imported oil country tubular goods, however, showed prices generally increasing, ranging from about *** to *** percent for the different oil country tubular goods products (tables E-5 through E-7). The importers' price increases occurred over three to six quarter periods, mostly during 1983 and 1984. U.S. producer price trends that could be developed for the same products and periods showed domestic prices also generally increasing, ranging from *** to *** percent.

Price comparisons.—The reported selling price data resulted in 22 quarterly price comparisons between domestic and imported oil country tubular goods from Argentina and Spain, sold to distributors. Margins of * * * by country and by method of production are discussed in detail below.

Argentina.—Of the nine quarterly price comparisons between the domestic and imported Argentine oil country tubular goods, five showed * * * by the imported products in the seamless casing products, and four showed * * * by the imported seamless tubing product. Margins * * * averaged approximately *** per ton, or about *** percent of the domestic producers' prices and occurred from January-March 1984 through October-December 1984. Trends in the margins of * * * were evident in the 5-1/2 inch casing and 2-3/8 inch tubing categories. The * * * by imported 5-1/2 inch casing *** per ton in January-March 1984 to *** per ton in October-December 1984, *** percent. The margins * * * for 2-3/8 inch tubing * * * steadily from *** per ton in January-March 1984 to *** per ton in October-December 1984, reflecting a * * * from *** to *** percent (tables 20-22).

Spain.—Twelve of the 13 quarterly price comparisons between the domestic and imported Spanish oil country tubular goods showed * * * by the imported products. Seven price comparisons showed * * * in the ERW-annealed casing products, one showed * * * in this product group, and five showed * * * in the seamless tubing product. Margins * * * in the ERW-annealed products averaged approximately *** per ton, or about *** percent of the domestic producers' prices, whereas margins * * * in the seamless product averaged approximately *** per ton, or about *** percent of the domestic producers' prices. The 13 price comparisons occurred from April-June 1983 through July-September 1984. In the seamless tubing category margins * * * fluctuated but * * * from *** per ton in July-September 1983 to *** per ton in July-September 1984, or from *** to *** percent. However, in the 5-1/2 inch ERW-annealed category, margins * * * fluctuated but * * * from *** per ton in April-June 1983 (*** percent) to *** per ton in January-March 1984 (*** percent).

Table 20.—API oilfield **casing—4-1/2 inch outside diameter**: Average margins of underselling or overselling between the domestic and subject imported oil country tubular goods, 1/ by product categories and by various quarters, July 1983–March 1984

Period	ERW—annealed 2/		Seamless 3/	
	Plain end		Threaded and coupled	
	Spain		Argentina	
	Per ton	Percent	Per ton	Percent
1983:				
July-Sept-	***	***	4/	4/
Oct.-Dec—	***	***	4/	4/
1984:				
Jan.-Mar—	***	***	***	***

1/ The average margins of underselling or overselling were based on the differences in the importers' price from the U.S. producers' price. 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 J55 steel.
3/ Grade K55 steel.
4/ Not available.

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

Table 21.—API oilfield casing—5-1/2 inch outside diameter: Average margins of underselling or overselling between the domestic and subject imported oil country tubular goods, 1/ by product categories and by various quarters, April 1983-December 1984

Period	ERW-annealed 2/				Seamless 3/	
	Plain end		Threaded and coupled		Threaded and coupled	
	Spain		Spain		Argentina	
	Per ton	Percent	Per ton	Percent	Per ton	Percent
1983:						
Apr.-June	***	***	***	***	4/	4/
July-Sept	***	***	4/	4/	4	4/
Oct.-Dec	***	***	4/	4/	4/	4/
1984:						
Jan.-Mar	***	***	4/	4/	***	***
Apr.-June	4/	4/	4/	4/	***	***
July-Sept	4/	4/	4/	4/	***	***
Oct.-Dec	4/	4/	4/	4/	***	***

1/ The average margins of underselling or overselling were based on the differences in the importers' price from the U.S. producers' price. 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 J55 steel.

3/ Grade K55 steel.

4/ Not available.

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

Table 22.—API oilfield **tubing—2-3/8 inch outside diameter**: Average margins of underselling or overselling between the domestic and subject imported oil country tubular goods, 1/ by product categories and by various quarters, July 1983-December 1984

Period	Seamless 2/			
	Threaded and coupled			
	Argentina		Spain	
	Per ton	Percent	Per ton	Percent
1983:				
July-Sept	3/	3/	***	***
Oct.-Dec	3/	3/	***	***
1984:				
Jan.-Mar	***	***	***	***
Apr.-June	***	***	***	***
July-Sept	***	***	***	***
Oct.-Dec	***	***	3/	3/

1/ The average margins of underselling or overselling were based on the difference in the importers' price from the U.S. producers' price. Average margins of overselling, which indicate that the U.S. producers' price was less than the price of the imported product, are shown in parentheses.
2/ Includes both J55 and K55 grade steel.
3/ Not available.

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

Transportation costs and qualitative factors

The Commission asked purchasers whether or not transportation costs were a major factor in their sourcing decisions and whether or not there were differences in quality between imported and domestic oil country tubular goods. In the Houston market area, * * * distributors reported estimates of their freight costs, which averaged *** percent of delivered prices. Neither U.S. producers nor importers in the Houston area have a clear transportation cost advantage. Limited responses in the Tulsa and Denver market areas make it difficult to generalize; however, some domestic producers may have a transportation cost advantage because of favorable plant locations. Of the 12 purchasers who responded to the question of qualitative differences, two-thirds believed that the domestic oil country tubular goods were better than those produced in one or more of the foreign countries under investigation. The remainder believed that foreign-sourced oil country tubular goods from one or more countries were equivalent in quality to the domestically produced products. 1/

Exchange rate changes

Table 23 presents indexes of producer prices in the United States, Argentina, and Spain and indexes of the nominal and real exchange rates between the U.S. dollar and the currencies of the subject foreign countries, by quarters, from January-March 1982 (the base period) through July-September 1984 for Argentina and through October-December 1984 for Spain. The Argentine peso has depreciated sharply in nominal terms against the dollar since the base period. However, because the rate of inflation in Argentina was significantly higher than that in the United States, the peso depreciated only moderately in real terms. Since the base period, the Argentine peso has fallen in real terms by only 9 percent against the dollar. The Spanish peseta depreciated less sharply in nominal terms against the dollar, but fell by about 23 percent in real terms.

1/ These respondents include those from investigations Nos. 731-TA-192 (Brazil) and 731-TA-194 (Mexico).

Table 23.—Indexes of producer prices in the United States, Argentina, and Spain and indexes of the nominal and real exchange rates between the U.S. dollar, the Argentine peso, and the Spanish peseta, 1/ by quarters, January 1982–December 1984

(January–March 1982=100)

Period	United States producer price index	Foreign producer price index	Nominal exchange rate index	Real exchange rate index
	Argentina			
1982:				
January–March	100.0	100.0	100.0	100.0
April–June	100.1	124.2	75.1	93.2
July–September	100.5	211.8	27.2	57.3
October–December	100.6	308.7	24.4	74.9
1983:				
January–March	100.7	443.2	17.8	78.5
April–June	101.0	590.2	13.1	76.7
July–September	102.0	900.3	9.6	84.4
October–December	102.5	1,498.2	5.8	84.2
1984:				
January–March	103.6	2,295.9	3.7	81.7
April–June	104.3	3,814.8	2.5	91.1
July–September	104.1	6,376.0	1.5	90.7
October–December	103.9	2/	0.1	2/
	Spain			
1982:				
January–March	100.0	100.0	100.0	100.0
April–June	100.1	102.6	95.5	97.9
July–September	100.5	104.2	90.2	93.5
October–December	100.6	106.5	84.3	89.2
1983:				
January–March	100.7	113.2	77.9	87.6
April–June	101.0	116.4	72.5	83.6
July–September	102.0	119.1	67.2	78.5
October–December	102.5	123.5	65.5	78.9
1984:				
January–March	103.6	128.7	65.6	81.4
April–June	104.3	132.0	66.2	83.8
July–September	104.1	133.7	61.3	78.7
October–December	103.9	135.5	59.4	77.5

1/ Based on exchange rates expressed in dollars per Argentine peso and in dollars per Spanish peseta.
2/ Not available.

Source: International Monetary Fund, International Financial Statistics.

Lost sales

* * * U.S. producers reported * * * instances of alleged lost sales to imports from Argentina and Spain. Each instance was investigated by the Commission staff. * * * of a sale lost to Argentine oil country tubular goods from the preliminary investigation is also included.

The two petitioners, Lone Star and CF&I, did not provide the Commission with information concerning specific instances of lost sales. At the request of the Commission, the petitioners gave the following explanation concerning their inability to supply the lost sales information, as requested.

> It is extremely difficult for Petitioners to provide the Commission with instances of lost sales and lost revenues because of their method of pricing and distribution. Lone Star and LTV Steel publish their own price lists. CF&I Steel prices its products by references to Lone Star's and U.S. Steel's price lists. Thus, Petitioners' actual selling prices, which may reflect a particular percentage discount which is also published, are known to their distributors and all prospective ultimate purchasers. These distributors and ultimate purchasers, fully aware of Petitioners' prevailing prices, are then able to negotiate with foreign producers, including producers in Brazil, Korea, and Spain, in order to obtain an even better price. If and when they are able to negotiate a contract with a foreign producer, it is extremely unlikely that Petitioners will know of its existence, much less know the actual prices of volume involved since they might never have dealt directly with the prospective purchaser. For these reasons, i.e., the use of published prices and discounts and the selling through distributors, Petitioners are unable to provide a significant number of instances of lost sales and revenues.
>
> Petitioners have, however, clearly demonstrated that their sales have fallen and that there has been severe price undercutting by oil country tubular goods producers in Brazil, Korea, and Spain. . . A strong inference exists that this price undercutting leads to lost sales since we have shown that price is the primary customer consideration in buying oil country tubular goods. 1/

Imports from Argentina.—* * * submitted * * * instances of lost sales of oil country tubular goods to competing imports from Argentina. * * * was named as purchasing *** tons of imported Argentine * * * in * * * at a price of * * * per ton, rejecting the competing domestic bid of * * * per ton. * * * for the firm, acknowledged the "spot" purchase. "We found this deal," he said, "and it was acceptable material." From a quality standpoint, * * *

1/ Posthearing brief of the petitioners, exhibit D, pp. 6-7, in investigations Nos. 701-TA-215-217 (Final).

noted that small-size tubular goods from Argentina's smaller mills are good quality but that the larger sizes from older Argentine mills are not up to * * * quality. Imported tubular goods such as the above in amounts up to 100 tons are "less than a string" and can be found consistently in today's market. Such inventory "is where the buys are," says * * *. "Prices have not firmed as expected because demand has fallen faster than supply despite the negotiated voluntary restraint agreements. Rig count last month was 160 rigs below last year's level."

* * * cited * * * in * * * alleged lost sale to imports from Argentina. * * * allegedly bought *** tons of * * *-inch * * * in * * *, rejecting * * *'s bid of *** per ton in favor of a price of *** per ton for the Argentine * * *. * * * confirmed a general pattern of buying the lowest price product. Without specific invoice numbers he could not verify the instance cited. * * * emphasized that "We buy the world market." Sourcing from viable, long-standing distributors, * * * seeks quotes from five or more such firms. These distributors take the risk on quality. * * * pays for "good footage only and the distributor eats any poor quality." Imports currently account for about half of * * *'s purchases of * * * tons a year. * * * knows for certain that he has bought Argentine and Brazilian oil country tubular goods in recent months after rejecting competing domestic products quoted at higher prices. There is not a trend by source country or quantity. "We source the market for each purchase," says * * *, adding that "tubular goods from new (non-traditional) source countries pose no quality problems for * * * because of * * *'s policy of accepting "good footage only."

* * * submitted * * * instances of alleged lost sales to imported oil country tubular goods from Argentina. * * * was named as allegedly purchasing *** tons of Argentine * * * in * * * valued at * * *, about * * * below the rejected domestic quote. * * * denied the allegation. This particular purchase was for Japanese product, although * * * stated that he has bought imported oil country tubular goods from both of the countries subject to these investigations. In the cited instance, the firm's * * * customer had specified West German, Japanese, or domestic * * *. * * *'s annual volume is * * * tons. * * * is critical of the larger domestic mills who won't sell to * * * and other independent distributors, requiring purchases through their exclusive distributors at the same price that the distributor sells to end users. Small pipe mills welcome * * *'s business but do not have the breadth of product needed. Consequently, * * * turns to imported products. He is concerned that if imports are turned off (or sharply curtailed) and the major pipe mills (* * *) won't sell to * * *, the firm will be out of business.

* * * also cited * * * in another alleged lost sale to imported * * * from Argentina. * * * allegedly rejected a domestic quote of * * * for *** tons of * * *-inch, J-55 * * * in favor of Argentine * * * offered at * * *. * * * confirmed the purchase of the Argentine * * *. This was his only order of Argentine oil country tubular goods, but he acknowledged also buying some Brazilian, some Spanish, and a considerable quantity of Venezuelan product. Competition is so keen that he loses sales on a price differential of as little as * * * per foot, or *** a "string." For this reason, * * * bought

the Argentine pipe and looks for the low quote in making his sourcing decisions.

* * * was also named in a lost sale allegation submitted by * * *. This alleged purchase involved *** tons of * * *-inch, J-55 Argentine * * *, bought in * * * at a price of * * *, compared with the rejected domestic quote of * * *. * * * for the firm, could not be reached.

In the preliminary investigation, * * * asserted that * * * rejected its offer of * * * for *** short tons of welded * * * and bought the product from Argentina instead. A spokesman for * * * stated that he has not purchased any imported oil country tubular goods since 1982, and is not familiar with oil country tubular goods imports from either of the two countries that are the subject of these investigations.

Imports from Spain.—* * * cited * * * in one lost sale allegation involving *** tons of Spanish oilfield * * * during * * *. * * * stated that his firm purchased only *** tons of oilfield * * * during this period, from * * *, a U.S. producer, and that Korean, not Spanish, steel was being quoted to him at the time. * * * stated that * * *'s price of *** per ton was somewhat less than the price of the Korean * * *. * * * stated that he purchases the subject foreign oil country tubular goods only when they are priced at least 5 to 10 percent below the domestic material. According to * * *, in 1982, delivered prices of Brazilian, Korean, and Spanish oil country tubular goods were generally less than those of U.S. producers, but in 1983 and 1984, U.S. mini-mill delivered prices of oil country tubular goods were generally equal to or less than prices of the subject imported oil country tubular goods.

* * * said that it lost sales of oil country tubular goods to * * *, because * * * purchased *** short tons from Spain and *** short tons from Argentina at prices substantially below prices of the * * * products. A spokesman for * * * said they buy Japanese, Italian, and German material because of their competitive prices and good quality. He said they haven't bought any Spanish material and he could not think of any specific purchase of material from Argentina. He cited an example of a recent purchase of Japanese 8-5/8-inch * * * for which * * * paid *** per foot. He said the closest domestic price available was *** per foot from a minimill, whereas large integrated producers were charging *** to *** per foot for the same product.

* * * stated that in * * * it was unable to sell *** short tons of welded * * * to * * * for * * * because the company purchased the Spanish product for * * * instead. A spokesman for * * * said that they very seldom purchase foreign oil country tubular goods. He said the company had not to his knowledge purchased foreign goods in 1983 or 1984 but that he often did not know the source of the material. The spokesman said the company buys frequently from * * *. He said imported products would have to be at least 7 percent lower in price than domestic products before purchasing imported oil country tubular goods would be considered. Price, quality, and availability were the factors that he said determine their purchases.

Lost revenue

In the preliminary investigation, *** U.S. producers of oil country tubular goods reported alleged instances of lost revenue as requested. Of the *** specific instances in which they allegedly sold their oil country tubular goods at reduced prices because of competition from imported Spanish materials and those from Argentina, the Commission staff investigated *** allegations of revenue lost because of competition from Spain. The allegations, which covered the period * * * involved approximately *** tons and *** purchasers. 1/

* * * cited * * * in one lost revenue allegation involving *** tons of Spanish oilfield * * * during * * *. * * * stated that his firm purchased the *** tons of * * * from * * * at *** per ton, or approximately *** percent below its initial price quote of *** per ton. According to * * *, * * * reduced its price in this instance in response to a competing price quote of around *** per ton for Spanish * * *.

* * * cited * * * in one lost revenue allegation involving *** tons of Spanish oilfield * * * during * * *. * * * stated that he could not recall the instance cited and did not have the time to comment further.

In the final investigation * * * reported examples of lost revenue resulting from price reductions in facing competition from imports sourced from mills in the subject countries. * * * listed * * * instances of lost revenue in 1984 that involved * * * purchasers, sales of about *** tons, and alleged lost revenue of * * *.

* * * as purchaser of *** tons of J-55 * * * after * * * reduced its quote from * * * to * * * in competing with Argentine * * * offered at * * *. Although unable to recall the exact price figures, * * * acknowledged that the alleged price reduction "very likely occurred." The market has been and is "brought down" by offers of imported tubing and casing from various countries including Argentina. The domestic response is to discount the price to assure a sale, says * * *. Although he "shops the market," * * * stated that he stayed with one vendor, * * *, during this period.

* * * in an instance of alleged lost revenue in the sale of *** tons of * * * in * * *. Competing against the Argentine product priced at * * *, * * * allegedly reduced its price from * * * to * * *. Although unable to recall the exact price figures, * * * confirmed that * * * did get the order and that it is "quite possible" that * * * was quoting against Argentine pipe. * * * noted that he buys domestic oil country tubular goods only from * * *. He also stated that he has, on occasion, bought Argentine products.

* * * in an instance of alleged lost revenue in the sale of *** tons of J-55 * * * in * * *. * * * allegedly reduced its price because of competition with Spanish * * *. * * * could not recall the instance.

1/ The bulk of the lost revenue allegations in investigations Nos. 701-TA-215-217 (Final) involved the imported Korean oil country tubular goods.

APPENDIX A

THE FEDERAL REGISTER NOTICES

[A-351-402]

Oil Country Tubular Goods (OCTG) From Brazil; Postponement of Final Antidumping Determination

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: This notice informs the public that the Department of Commerce (the Department) has received a request from counsel for Persico Pizzamiglio, S.A. and Confab Industrial, S.A., respondents in this investigation, that the final determination be postponed, as provided for in section 735(a)(2)(A) of the Tariff Act of 1930, as amended (the Act) (19 U.S.C. 1673d(a)(2)(A)), and that we have determined to postpone our final determination as to whether sales of OCTG from Brazil have occurred at less than fair value, until not later than May 31, 1985.

EFFECTIVE DATE: February 14, 1985.

FOR FURTHER INFORMATION CONTACT: Paul Tambakis, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 377-0186.

SUPPLEMENTARY INFORMATION: The Department of Commerce published on July 10, 1984, notice in the Federal Register (49 FR 28084-28088) that is was initiating an antidumping investigation to determine whether OCTG from Brazil were being, or were likely to be, sold at less than fair value. On January 16, 1985, we published a preliminary determination of sales at less than fair value with respect to this merchandise (50 FR 2309). The notice stated that if this investigation proceeded normally we would make our final determination by March 25, 1985.

On January 28, 1985, counsel for respondents Persico Pizzamiglio, S.A. and Confab Industrial, S.A., requested that we extend the period for the final determination until May 31, 1985, 135 days after the date of publication of the preliminary determination, in accordance with section 735(a)(2)(A) of the Act. Section 735(a)(2)(A) of the Act provides that the Department may postpone its final determination concerning sales at less than fair value until not later than 135 days after the date on which it published notice of its preliminary determination, if exporters who account for a significant proportion of exports of the merchandise request an extension after an affirmative preliminary determination. Confab and Persico are qualified to make such a request since they account for a significant proportion of exports of the merchandise under investigation. If an exporter properly requests an extension after an affirmative preliminary determination, the Department is required, absent compelling reasons to the contrary, to grant the request.

Accordingly, the Department will issue a final determination in this case not later than May 31, 1985.

Rescheduling of Public Hearing

The Public hearing announced in the January 16, 1985 preliminary determination of sales at less than fair value (50 FR 2309) has been rescheduled from February 7, 1985, to March 29, 1985, at 10:00 a.m., at the U.S. Department of Commerce, Room 3708, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230.

Prehearing briefs in at least 10 copies must be submitted to the Deputy Assistant Secretary by March 21, 1985. Oral presentations will be limited to issues raised in the briefs. All written views should be filed in accordance with 19 CFR 353.46, within 30 days of publication of this notice.

This notice is published pursuant to section 735(d) of the Act.

Dated: February 8, 1985.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-3781 Filed 2-13-85; 8:45 am]

BILLING CODE 3510-DS-M

[illegible] Federal Register / Vol. 50, No. 61 / Friday, March 29, 1985 / Notices

[A-201-003]

Oil Country Tubular Goods (OCTG) From Mexico; Postponement of Final Antidumping Duty Determination

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: This notice informs the public that the Department of Commerce (the Department) has received a request from counsel for Tubos de Acero de Mexico, S.A., the respondent in this investigation, that the final determination be postponed, as provided for in section 735(a)(2)(A) of the Tariff Act of 1930, as amended (the Act) (19 U.S.C. 1673d(a)(2)(A)), and, that we have determined to postpone our final determination as to whether sales of OCTG from Mexico have occurred at less than fair value, until not later than May 31, 1985.

EFFECTIVE DATE: March 29, 1985.

FOR FURTHER INFORMATION CONTACT: John J. Kenkel, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-3965.

SUPPLEMENTARY INFORMATION: The Department of Commerce published on July 30, 1984, a notice in the Federal Register (49 FR 28084–28088) that it was initiating an antidumping duty investigation to determine whether OCTG from Mexico were being, or were likely to be, sold at less than fair value. On January 16, 1985, we published a preliminary determination of sales at less than fair value with respect to this merchandise (50 FR 2313). The notice stated that if this investigation proceeded normally we would make our final determination by March 25, 1985.

On March 21, 1985, counsel for the respondent Tubos de Acero de Mexico, S.A. (TAMSA) requested that we extend the period for the final determination until May 31, 1985, 135 days after the date of publication of the preliminary determination, in accordance with section 735(a)(2)(A) of the Act. Section 735(a)(2)(A) of the Act provides that the Department may postpone its final determination concerning sales at less than fair value until not later than 135 days after the date on which it published notice of its preliminary determination, if exporters who account for a significant proportion of exports of the merchandise request an extension after an affirmative preliminary determination. TAMSA is qualified to make such a request since it accounts for approximately 80 percent of the exports of the merchandise under investigation. If an exporter properly requests an extension after an affirmative preliminary determination, the Department is required, absent compelling reasons to the contrary, to grant the request.

Accordingly, the Department will issue a final determination in this case not later than May 31, 1985.

This notice is published pursuant to section 735(d) of the Act.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

March 25, 1985.

[FR Doc. 85-7601 Filed 3-28-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-580-401]

Oil Country Tubular Goods From Korea; Postponement of Final Antidumping Duty Determination

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: This notice informs the public that the Department of Commerce (the Department) has received a request from the petitioners in this investigation to postpone the final determination, as provided for in section 735(a)(2)(B) of the Tariff Act of 1930, as amended (the Act) (19 U.S.C. 1673(d)(a)(2)(B)). Based on this request, we are postponing our final determination as to whether sales of oil country tubular goods (OCTG) from Korea have occurred at less than fair value until not later than May 31, 1985.

EFFECTIVE DATE: April 29, 1985.

FOR FURTHER INFORMATION CONTACT: Paul Thran, Office of Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-3963.

SUPPLEMENTARY INFORMATION: On July 10, 1984, we announced the initiation of an antidumping duty investigation to determine whether OCTG from the Republic of Korea, are being, or are likely to be, sold in the United States at less than fair value (49 FR 28084). We issued our preliminary negative determination on January 16, 1985 (50 FR 2312). That notice stated that we would issue a final determination by March 25, 1985. On February 7, 1985, counsel for petitioners, Lone Star Steel Company, CF&I Steel Corporation, and LTV Steel Company, requested that the Department extend the period for the final determination for 30 days, in accordance with section 735(a)(2)(B) of the Act. On Marcy 7, 1985, we extended the period for the final determination until April 24, 1985 (50 FR 9307).

On April 22, 1985, counsel for petitioners requested that the Department again extend the period for the final determination, until not later than 135 days after the date of publication of the preliminary determination. If a petitioner requests an extention after a negative preliminary determination, the Department is required, absent compelling reasons to the contrary to grant the request. Accordingly, we grant the request and postpone our final determination until not later than May 31, 1985.

This notice is published pursuant to section 735(d) of the Act. The United States International Trade Commission is being advised of this postponement, in accordance with section 735(d) of the Act.

Scope of Investigation

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, manufactured to either American Petroleum Institute (API) or non-API (e.g., proprietary), specifications 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.

Comments

In order to have any comments considered for our final determination, parties must submit them by April 30, 1985. All written views should be filed at the U.S. Department of Commerce, Room B099, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, in at least 10 copies.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

April 24, 1985.

[FR Doc. 85-10310 Filed 4-26-85; 8:45 am]

BILLING CODE 3510-DS-M

DEPARTMENT OF COMMERCE

International Trade Administration

[A-357-402]

Oil Country Tubular Goods From Argentina: Final Determination of Sales at Less Than Fair Value

We have determined that oil country tubular goods (OCTG) from Argentina are being sold in the United States at less than fair value. The United States International Trade Commission (ITC) will determine within 45 days of publication of this notice whether these imports are materially injuring, or are threatening materially injury to, a United States industry.

EFFECTIVE DATE: March 29, 1985.

FOR FURTHER INFORMATION CONTACT: John J. Kenkel, Office of Investigations, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230 Telephone: (202)377-3965.

SUPPLEMENTARY INFORMATION:

Final Determination

Based on our investigation and in accordance with section 735(a) of the Act, we have reached a final determination that OCTG from Argentina is being sold in the United States at less than fair value within the meaning of section 731 of the Act. We made fair value comparisons on all of the OCTG from Argentina sold in the United States during the investigative period. We found margins on 100 percent of sales compared. The margins ranged from 3.94 percent to 130.70 percent. The overall weighted-average margin on these sales was 61.70 percent.

Case History

On June 13, 1984, we received a petition from Lone Star Steel Company and CF&I Steel Corporation on behalf of the domestic OCTG industry. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitioners alleged that imports of OCTG from Argentina are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that these imports are materially injuring, or are threatening material injury to, a United States industry. The petition also alleged sales of the subject merchandise were being made at less than the cost of production. After reviewing the petition, we determined that it contained sufficient grounds upon which to initiate an antidumping investigation. The petitioners, however, did not provide enough information to justify a cost investigation. We notified the ITC of our action and initiated an investigation on July 2, 1984 (49 FR 28067). On August 8, 1984, the ITC determined that there is reasonable indication that imports of OCTG from Argentina are materially injuring a U.S. industry.

On July 18, 1984, we presented an antidumping questionnaire to counsel for Dalmine Siderca S.A.I.C. (Dalsid). An extension of time to respond was granted, and on September 17, 1984, we received Dalsid's response to the questionnaire. The petitioners again alleged that sales were being made below cost and submitted additional support for this claim. We agreed and initiated a cost of production investigation.

On July 26, 1984, LTC Steel Company became an additional petitioner. On October 26, 1984, all of the petitioners requested that the Department extend the preliminary determination until not later than January 9, 1985. The Department granted that request on October 31, 1984 (49 FR 44318).

Verification was conducted in Argentina, at the plant and corporate offices of Dalsid, on October 30 through November 2, 1984.

On January 9, 1985, we preliminarily determined that OCTG from Argentina were being, or were likely to be, sold in the United States at less than fair value, and that critical circumstances did not exist (50 FR 2307).

Our notice of preliminary determination provided interested parties an opportunity to submit views orally and in writing. Further verification was conducted at the Department on February 15, 1985.

On February 22, 1985, we held a public hearing.

Scope of Investigation

The merchandise covered by this investigation is OCTG. The term OCTG covers hollow steel products 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 OCTG that are finished and unfinished.

This investigation covers the period from January 1 to June 30, 1984. Dalsid is the only known Argentine producer who exports the subject merchandise to the United States. We examined all United States sales made during the period of investigation.

Fair Value Comparison

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

United States Price

As provided in section 772 of the Act, we used purchase price of OCTG to represent the United States price for sales by the Argentine producer because the merchandise was sold prior to the date of importation to unrelated United States purchasers.

We calculated the purchase price for Dalsid based on the C&F or FOB price to the unrelated United States purchasers. We made deductions, where appropriate, for port charges, inland freight, and ocean freight costs incurred in delivering the product.

Foreign Market Value

The petitioners alleged that sales to third countries were at prices below the cost of producing OCTG.

There was not a viable home market. Therefore, we based foreign market value on sales to third countries. We chose sales to Peru and Canada, since merchandise sold to these countries was most similar to that sold in the United States.

We examined production costs, including materials, labor and general expenses. We found that all sales to Peru and Canada of the merchandise under investigation were made at prices below the cost of production over an extended period in substantial quantities, and at prices that did not permit recovery of all costs within a reasonable period in the normal course of trade. We disregarded these sales in our analysis, in accordance with section 773(b) of the Act. Since there were no sales at or above the cost of production, we used constructed value to determine foreign market value in accordance with section 773 of the Act.

During the period of investigation, Argentina had hyperinflation. In determining the cost of production (COP) and the constructed value of the product under investigation, the Department used its methodology for determining these amounts in a hyperinflationary economy. To account for the effects of this hyperinflation, the Department uses sales prices as of the date of sale and the "current cost" of producing the merchandise as the basis for the COP and constructed value calculations. "Current costs" represent those amounts which are required to produce the merchandise in the month of the sale.

Accordingly, for material and fabrication expenses, we used the costs incurred for these inputs in the month of sale. Other costs which may reflect historically based cost, such as depreciation and general/administrative and selling expenses for the sales market being used for the determination, are indexed for inflation to reflect the costs for the sale month. Actual financial expenses which are already indexed for inflation by the lender are not adjusted. The actual amount for general expenses, since it was greater than the statutory minimum of 10 percent of cost, was used.

Other exchange and inflationary gains and losses on assets and liabilities associated with the production of the merchandise under investigation, which have not been taken into consideration by matching the sales price of OCTG with the current costs of the inputs (as described above), are incuded as a gain or loss in the cost of production. Examples of such gains and losses are those accruing from short-term debt and investments associated with the production process.

By establishing the sales date as the reference point and matching the sales price with current costs as of the date of sale, nominal exchange gains and losses arising subsequent to this date are not relevant because of the Department's methodology. For example, while exchange gains and losses may arise between the date of sale and the collection of sales revenues or between the date of input purchases and the date of payment, the purchasing power of the increased number of pesos received and paid have remained approximately the same. Therefore, these nominal gains and loses are not included as a gain or loss in the cost of production.

Since the profit on the third country sales of the same general class or kind of merchandise under consideration was less than eight percent of the sum of costs and general expenses, we used the statutory minimum eight percent for profit prescribed in section 773(e)(1)(B) of the Act. We added U.S. packing to the foreign market value in accordance with § 353.15 of our Regulations.

In calculating foreign market value, we made currency conversions from Argentine pesos to United States dollars in accordance with § 353.56(a)(1) of our regulations using the certified daily exchange rates.

Verification

In accordance with section 776(a) of the Act, we verified all the information used in making this determination. We were granted access to the books and records of Dalsid. We used standard verification procedures, including examination of accounting records, financial statements and selected documents containing relevant information.

Critical Circumstances

Petitioner alleged that imports of OCTG from Argentina give rise to "critical circumstances." Under section 733(e)(1) of the Act, critical circumstances exist when the

Department finds that (1) there have been massive imports of the merchandise under investigation over a relatively short period, and (2)(a) there is a history of dumping in the United States or elsewhere of the Class or kind of merchandise under investigation or (b) the person by whom, or for whose account, the merchandise was imported knew that the exporter was selling the merchandise under investigation at less than fair value.

In determining whether there have been massive imports over a relatively short period, we considered the following factors: recent import penetration levels, changes in import penetration since the date of the ITC's preliminary affirmative determination of injury, whether imports have surged recently, whether recent imports are significantly above the average calculated over several years, and whether the patterns of imports over the last several years may be explained by seasonal swings. Based upon our analysis of the information we determine that imports of the products covered by this investigation do not appear massive over a relatively short period.

We therefore did not need to consider whether there is a history of dumping of OCTG from Argentina or whether the person by whom or for whose account these products were imported knew that the exporters were selling these products at less than fair value.

Therefore, we determine that "critical circumstances" do not exist with respect to OCTG from Argentina.

Petitioners' Comments

Comment 1: The Department should not allow Dalsid to significantly understate its cost of production by including foreign exchange gains in its general, selling and administrative expenses.

DOC Position: The Department's preliminary findings did not take into account the "financial effects" of the company's operations, which include foreign exchange gains and losses, because additional clarifying information was needed in order to make such a decision.

To determine if exchange gains and losses should be included in the cost of production, the Department reviews the nature of each item. Gains and losses such as those related to products not under investigation, markets not under investigation, and other gains and losses which are accounted for by the Department's methodology for hyperinflationary economy countries were not included in the Department's cost calculation. Gains and losses such as those arising from short-term foreign debt and investments held for operations were included.

Comment 2: The Department should not allow Dalsid to offset credit expenses on sales with exchange rate gains.

DOC Position: The Department agrees. In computing the credit costs for each sale, we used only the net direct costs to Dalsid. This calculation of credit costs does not include exchange rate changes because we use the price on the date of sale. We recognize that although a producer may realize more pesos from dollar-denominated sales on the date of collection than would be realized on the date of sale, the purchasing power in Argentina will have remained approximately the same.

Comment 3: The Department should "present value" Dalsid's cost of credit—the cost of foregoing payment on the date of sale—because of the long payment terms given its customers.

DOC Position: All credit costs under consideration relate to dollar-denominated sales. Argentine law requires that all firms, Dalsid included, discount dollar receivables within 180 days of the date of sale. The present value of the cost of foregoing payment on the sale date—and the value used by the Department in this determination—is the difference between the face value and the discounted value of the receivable, plus the credit cost incurred between the sale date and the date of discount.

Comment 4: The Department erroneously found in the preliminary determination that critical circumstances do not exist.

DOC Position: See the section on critical circumstances, *supra*.

Comment 5: There is no indication in the Department's verification report that the relationship between Dalsid and its commissioned selling agent is one which meets the Department's related party criteria.

DOC Position: The verification team analyzed Dalsid's stock ledgers for all alleged related companies, including its selling agent. The team found that Dalsid and its selling agent are related. Therefore, we did not make any adjustment for commissions paid to Dalsid's selling agent.

Comment 6: The petitioners believe that certain costs, such as material usage rates, labor costs and energy costs are too low as reported to the Department.

DOC Position: The Department used verified information for the cost of materials, labor and energy.

Comment 7: The Department may be able to find a better third-country choice than Peru, such as Colombia or Canada.

DOC Position: The Regulations provide that in determining the appropriate third country for foreign market value purposes, the Department should give first preference to that country with purchases of merchandise that have the greatest degree of similarity to the product exported to the United States (19 CFR 353.5). We found that no single country purchased all of the types of OCTG which were sold to the United States in quantities that would provide an adequate sample. We did find that two countries purchased merchandise which is most similar to that sold to the United States: Peru and Canada. Consequently, we used both Peru and Canada as our choice for third-country sales.

Comment 8: The petitioners claim that the facts reported in the Department's verification report in the countervailing duty investigation of OCTG from Argentina concerning the reembolso and its relationship to costs demonstrate that sales of this product are being made at less than cost.

DOC Position: The Department conducted an independent antidumping investigation and verified the cost of production for Dalsid during the specific period of this investigation. Its findings are based on that verified information.

Respondent's Comments

Comment 1: Dalsid claims that the Department was inconsistent in the adjustments it made to the U.S. and foreign market values, by not taking appropriate account of indirect taxes, brokerage and inland freight.

DOC Position: We agree. The Department has accounted for these items in this determination.

Comment 2: The Department failed to take into account any of the financial income and expenses reported in SG & A.

DOC Position: See our response to petitioners' comment 1.

Comment 3: The Department did not correctly offset interest received on receivables by interest paid. The Department also should use the methodology submitted by Dalsid.

DOC Position: While the Department did offset interest received with interest paid in the preliminary determination, it has now revised its approach based on additional clarification of the nature of Dalsid's complicated credit terms. The Department has now based its credit-cost methodology on the actual dollar income/cost differential in both markets. Dalsid did not include in its credit cost an imputed credit expense for the time period before it discounted its receivables with the bank. We have included this expense in its cost of credit.

Comment 4: The Department should use the third country with the largest sales volume.

DOC Position: See our response to petitioners' comment 7.

Comment 5: The Department should account for the income tax effect on the reembolso and turnover tax.

DOC Position: We did not account for these taxes in our final determination since we compared United States price to the constructed value, which did not include these amounts.

Comment 6: The respondent argues that the Department's findings in the countervailing duty investigation concerning the reembolso program related to different time periods and issues.

DOC Position: See our response to petitioners' comment 8.

Comment 7: The respondent contends that even under petitioners' reasoning, exchange rate gains and losses must be included in the cost of production.

DOC Position: See our response to petitioners' comment 1.

Continuation of Suspension of Liquidation

Liquidation will continue to be suspended on all entries of OCTG from Argentina that are entered into the United States, or withdrawn from warehouse, for consumption. The United States Customs Service will continue to require the posting of a cash deposit, bond, or other security in amounts based on the following weighted-average margin. The security amounts established in our preliminary determination of January 8, 1985, will no longer be in effect. The margin is as follows:

Company	Weighted-average margin (percent)
Dalmine Siderca	61.70
All other manufacturers/producers/exporters	61.70

Article VI.5 of the General Agreement on Tariffs and Trade provides that "(n)o product . . . shall be subject to both antidumping and countervailing duties to compensate for the same situation of dumping or export subsidization." This provision is implemented by section 772(d)(1)(D) of the Act. Since the dumping duties cannot be assessed on the portion of the margin attributable to export subsidies, there is no reason to require a cash deposit or bond for that amount. Accordingly, the level of export subsidies as determined in the final affirmative countervailing duty determination on OCTG from Argentina will be subtracted from the dumping margin for deposit or bonding purposes.

ITC Notification

We are notifying the ITC and making available to it all nonprivileged and nonconfidential information relating to this determination. We will allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration. If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. If the ITC determines that such injury does exist, we will issue an antidumping duty order directing Customs officers to assess an antidumping duty on OCTG from Argentina entered, or withdrawn from warehouse, for consumption equal to the amount by which the foreign market value exceeds the United States price.

This determination is being published pursuant to section 735(d) of the Act (19 U.S.C. 1673(d)).

William T. Archey,

Acting Assistant Secretary for Trade Administration.

March 25, 1985.

[FR Doc. 85-7600 Filed 3-28-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-469-405]

Oil Country Tubular Goods From Spain; Final Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice of Final Determination of Sales at Less Than Fair Value.

SUMMARY: We have determined that oil country tubular goods (OCTG) from Spain are being, or are likely to be, sold in the United States at less than fair value, and that "critical circumstances" exist with respect to imports of the merchandise under investigation. We have notified the U.S. International Trade Commission (ITC) of our determinations, and the ITC will determine, within 45 days of publication of this notice, whether a U.S. industry is materially injured, or is threatened with material injury, by imports of this merchandise. We have directed the U.S. Customs Service to continue to suspend liquidation of all entries of the subject merchandise as described in the "Suspension of Liquidation" section of this notice.

EFFECTIVE DATE: March 29, 1985.

FOR FURTHER INFORMATION CONTACT: Raymond Busen, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; Telephone: (202) 377-2830.

SUPPLEMENTARY INFORMATION:

Final Determination

We have determined that OCTG from Spain are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (19 U.S.C. 1673d) (the Act). The estimated margins for the two respondents were based on the best information available, as explained below in the sections of this notice which describe our fair value comparisons and calculations. The weighted-average margins for individual companies investigated are listed in the "Suspension of Liquidation" section of this notice. We also found that critical circumstances exist with respect to imports of OCTG from Spain.

Case History

On June 13, 1984, we received a petition from Lone Star Steel Company and CF&I Steel Corporation on behalf of the domestic producers of OCTG. LTV Steel Company later filed as co-petitioner. In compliance with the filing requirements of 353.36 of our regulations (19 CFR 353.36), the petition alleged that imports of OCTG from Spain are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that these imports are causing material injury, or are threatening material injury, to a United States industry.

After reviewing the petition, we determined that it contained sufficient grounds upon which to initiate an antidumping duty investigation. We notified the ITC of our action and initiated such an investigation on July 2, 1984 (49 FR 28084). On August 8, 1984, the ITC determined that there is a reasonable indication that imports of OCTG are materially injuring a U.S. industry.

On July 27, 1984, we presented questionnaires to Altos Hornos de Vizcaya, S.A. (AHV) and Tubos Reunidos, S.A. (TR), in Spain. On September 8, 1984, petitioners alleged that critical circumstances exist, as defined in section 733(e) of the Act.

Based on a request from petitioners, on October 31, 1984, we postponed our preliminary determination to not later than January 9, 1985 (49 FR 44318).

On September 28, 1984, we received incomplete questionnaire responses from AHV and TR and petitioners requested that the Department investigate whether respondents' home market and/or third country sales were at prices below respondents' cost of production.

On October 11, 1984, we advised AHV and TR that their responses were deficient and that they must submit corrected data by October 23, 1984, or we might rely on the best information available for our preliminary determination.

On October 24, 1984, we advised TR to submit, in addition to price information, cost of production information not later than November 5, 1984. (AHV had submitted cost of production information in its original September 28, 1984, response, which we found to be deficient.)

We did not receive a written supplemental response from TR or AHV until November 13, 1984. On November 21, 1984, we received TR's cost response.

On December 20, 1984, we advised TR and AHV that their supplemental cost responses were deficient and that the deficiencies had to be corrected by December 31, 1984, and we reiterated that failure to file a timely, proper, and complete response could require us to use the best information available in the final determination.

On January 9, 1985, we advised AHV and TR that we did not intend to verify their responses because they were deficient and that we might proceed to the final determination using the best information available. We did not receive any further responses from TR or AHV.

On January 9, 1985, we preliminarily determined that OCTG from Spain are being, or are likely to be, sold in the United States at less than fair value, and that critical circumstances exist with respect to imports of the merchandise under investigation (50 FR 2315).

In accordance with § 353.47 of our regulations, we afforded interested parties an opportunity to comment on our preliminary determination.

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, manufactured to either American Petroleum Institute (API) or non-API (e.g., proprietary), specifications 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.

Because AHV and TR accounted for substantially all the exports of this merchandise to the United States, we limited our investigation to these firms. We investigated all sales of OCTG by the two firms during the period January 1 through June 30, 1984.

Fair Value Comparisons

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price, based on the best information available, with the foreign market value, also based on the best information available. We used the best information available as required by section 776(b) of the Act because respondents did not submit adequate responses in a timely manner and in an acceptable form.

United States Price

As provided in section 772 of the Act, we based the purchase price of OCTG on average ex-factory prices as provided in the petition, which was the best information available.

Foreign Market Value

Since respondents did not submit adequate cost responses in a timely manner and in an acceptable form, we used the best information available as provided by section 776(b) of the Act. The best information available for calculating foreign market value was cost of manufacturing data compiled by Commerce Department industry experts, which we converted to constructed value according to section 773(e) of the act. This data included the statutory minimum of 10 percent for general expenses. We calculated profit on the basis of the statutory minimum of 8 percent of the cost of materials, fabrication and general expenses.

Final Affirmative

Determination of Critical Circumstances

Petitioners alleged that imports of OCTG from Spain present "critical circumstances". Under section 735(a)(3) of the Act, critical circumstances exist if: (1) There is a history of dumping in the United States or elsewhere of the class or kind of the merchandise which is the subject of the investigation; or the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value; and (2) there have been massive imports of the class or kind of merchandise that is the subject of the investigation over a relatively short period.

In determining whether there is a history of dumping of OCTG from Spain in the United States or elsewhere, we reviewed past antidumping findings of the Department of the Treasury as well as past Department of Commerce antidumping duty orders. We also reviewed the antidumping actions of other countries, and found no past antidumping determinations on OCTG from Spain.

We then considered whether the person by whom, or for whose account, this product was imported knew or should have known that the exporter was selling this product at less than its fair value. It is the Department's position that this test is met where margins calculated are sufficiently large that the importer knew, or should have known, that the merchandise was being sold in the United States at less than fair value. We determine that this test is met for the merchandise from all producers.

We generally consider the following concerning massive imports: (1) Recent trends in import penetration levels, (2) whether imports have surged recently, (3) whether the recent imports are significantly above the average calculated over the last three years and (4) whether the pattern of imports over that three year period may be explained by seasonal swings.

In considering this question, we analyzed recent trade statistics on import levels and import penetration ratios for OCTG from Spain for the periods immediately preceding and subsequent to the filing of the petition. Based on our analysis of recent trade data, we find that imports of OCTG from Spain during the period subsequent to receipt of the petition have been massive when compared to recent import levels and import penetration ratios.

Therefore, we determine that critical circumstances exist with respect to all imports of OCTG from Spain.

Verification

We did not verify respondents' information because they did not submit adequate responses in a timely manner and in an acceptable form.

Petitioners' Comments

Petitioners state that the 1983 average cost of production computed by the Department results in a significant understatement of the dumping margins. Petitioners state that since the period of investigation is the first six months of 1984, sales in that period should be compared with costs during the same period. This would take into account the rate of inflation and increase the margins by the inflation factor.

DOC Position: We used average 1983 production costs because they were the best information available. While it is true that costs have increased in Spain due to inflation, the inflation factor may well be offset by the strength of the United States dollar against the Spanish peseta. Since we suspect that some raw materials such as iron ore, scrap, and coke may have been denominated

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originally in U.S. dollars, we cannot determine the values of these inputs or the effect of currency fluctuations on these values or the net effect of both inflation and devaluation. Therefore, we have not made an adjustment to reflect the inflation factor.

Respondents' Comments

Comment 1: Respondents state that the Department should calculate the fair value margins on the basis of information submitted by the respondents because respondents' information is more than adequate and is superior to the use of "best information available."

DOC Position: As noted in the "Case History" section of this notice, respondents were notified that their failure to provide adequate cost responses could result in our using the best information available. Since respondents did not correct their deficient responses, we did not verify them. Therefore, in accordance with section 776(b) of the Act, we used petitioners' and the Department's information because we considered it to be the best information available for the purposes of calculating margins for both the preliminary and final determinations.

Comment 2: Respondents state that the Department did not use the best information available in its preliminary determination because it failed to consider TR's 1983 financial reports which were verified in the Department's countervailing duty investigation involving this same product. Respondents state that the use of that information would demonstrate that TR's margins of selling below constructed value were significantly lower than that calculated for the preliminary determination.

DOC Position: We based our determination on information supplied for the record in this investigation, not on information filed in a separate investigation. Furthermore, the 1983 financial reports do not contain specific cost of production information.

Comment 3: Respondents state that the Department's methodology in determining sales at less than fair value was erroneous in that it failed to comply with section 772(d)(1)(D) of the Act which requires that in arriving at United States price, the purchase price must be increased by the amount of any countervailing duties imposed on the merchandise to offset an export subsidy as determined in the Department's final countervailing duty determination on the same product.

DOC Position: There was no countervailing duty order on OCTG from Spain during the January–June 1984 period of investigation. Therefore, no countervailing duties were paid during that period and the purchase price was not affected by the cash deposit or bond requirements imposed under the Department's countervailing duty order (50 FR 5287). Nevertheless, for deposit or bonding purposes, the antidumping duty rate has been reduced by the amount of countervailing duties on export subsidies as determined in the countervailing duty order.

Comment 4: Respondents state that the record in this investigation raises substantial issues of due process in that the Department failed to provide reasonable periods of time to supply requested information and refused to postpone the period for its final determination.

DOC Position: As explained in the "Case History" section of this notice, we believe that respondents were provided a reasonable amount of time in which to respond to our questionnaires. In regard to respondents' January 8, 1985, request for postponement, respondents were notified on January 9 that we did not intend to verify their deficient responses and that we might proceed to the final determination using the best information available. We did not receive any further responses from TR or AHV. On February 19, 1985, we notified respondents that, since they had not amended their responses and we would not verify deficient responses, there was no reason to postpone the final determination.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the United States Customs Service to continue to suspend liquidation of all entries of OCTG from Spain which are entered or withdrawn from warehouse, for consumption, on or after October 18, 1984. The Customs Service shall require a cash deposit or bond in an amount equal to the estimated weighted-average amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price.

This suspension of liquidation will remain in effect until further notice. The weighted-average margins are as follows:

Manufacturers	Weighted-average margin (percent)
AHV	83.5
TR	70.1
All other manufacturers/producers/exporters	76.8

Article VI.5 of the General Agreement on Tariffs and Trade provides that "[n]o product . . . shall be subject to both antidumping and countervailing duties to compensate for the same situation of dumping or export subsidization". This provision is implemented by section 772(d)(1)(D) of the Act. Since dumping duties cannot be assessed on the portion of the margin attributable to export subsidies, the level of export subsidies, as determined in the countervailing duty order on OCTG from Spain (50 FR 5287), will be subtracted from the dumping margin for deposit or bonding purposes.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonconfidential information relating to this investigation. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the consent of the Deputy Assistant Secretarty for Import Administration. The ITC will determine whether these imports are materially injuring, or threatening to materially injure, a U.S. industry within 45 days of the publication of this notice.

If the ITC determines that material injury does not exist, this proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. If, however, the ITC determines that such injury does exist, we will issue an antidumping duty order, directing Customs officers to assess an antidumping duty on OCTG from Spain entered, or withdrawn from warehouse, for consumption, on or after the date of suspension of liquidation, equal to the amount by which the foreign market value of the merchandise exceeds the U.S. price.

This determination is being published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)).

William T. Archey,

Acting Assistant Secretary for Trade Administration.

March 25, 1985.

[FR Doc. 85-7602 Filed 3-28-85; 8:45 am]

BILLING CODE 3510-DS-M

[Investigations Nos. 731-TA-191, 192, 194, and 195 (Final)]

Oil Country Tubular Goods From Argentina, Brazil, Mexico, and Spain

AGENCY: United States International Trade Commission.

ACTION: Institution of final antidumping investigations and scheduling of a hearing to be held in connection with the investigations.

SUMMARY: The Commission hereby gives notice of the institution of final antidumping investigations Nos. 731-TA-191, 192, 194, and 195 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Argentina, Brazil, Mexico, and Spain, 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 have been found by the Department of Commerce, in preliminary determinations, to be sold in the United States at less than fair value (LTFV). Unless the investigations are extended, Commerce will make its final LTFV determinations on or before March 25, 1985, and the Commission will make its final determinations by May 13, 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, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and C (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201, as amended by 49 FR 32569, Aug. 15, 1984).

EFFECTIVE DATE: January 16, 1985.

FOR FURTHER INFORMATION CONTACT: Valerie Newkirk (202-523-0339), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted as a result of affirmative preliminary determinations by the Department of Commerce that imports of oil country tubular goods from Argentina, Brazil, Mexico, and Spain are being sold in the United States at less than fair value within the meaning of section 731 of the act (19 U.S.C. 1673). The investigations were requested in petitions filed on June 13, 1984, by Lone Star Steel Company and CF & I Steel Corporation. In response to those petitions the Commission conducted preliminary antidumping investigations, and, on the basis of information developed during the course of those investigations, determined that there was a reasonable indication that an industry in the United States was materially injured by reason of imports of the subject merchandise (49 FR 31782, August 8, 1984).

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 of Practice and Procedure (19 CFR 201.11), not later than twenty-one (21) days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the 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.

Staff Report

A public version of the prehearing staff report in these investigations will be placed in the public record on March 22, 1985, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing

The Commission will hold a hearing in connection with these investigations beginning at 10:00 a.m. on April 4, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on March 22, 1985. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 9:30 a.m. on March 27, 1985, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is April 1, 1985.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. Any written materials submitted at the hearing must be filed in accordance with the procedures described below and any confidential materials must be submitted at least three (3) working days prior to the

[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.

hearing (§ 201.6(b)(2) of the Commission's rules (19 CFR 201.6(b)(2), as amended by 49 FR 32569, August 15, 1984)).

Written Submissions

All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 of the Commission's rules (19 CFR 207.22). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on April 11, 1985. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before April 11, 1985.

A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with section 201.8 of the Commission's rules (19 CFR 201.8, as amended by 49 FR 32569, August 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 section 201.6 of the Commission's rules (19 CFR 201.6, as amended by 49 FR 32569, August 15, 1984).

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

By order of the Commission.

Issued: February 15, 1985.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-4288 Filed 2-20-85; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

LIST OF WITNESSES

TENTATIVE CALENDAR OF PUBLIC HEARING

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

Subject : Oil Country Tubular Goods from Argentina, Brazil, Mexico, and Spain

Inv. Nos. : 731-TA-191, 192, 194 and 195 (Final)

Date and time: April 4, 1985 - 10:00 a.m.

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

In support of the imposition of antidumping duties:

Akin, Gump, Strauss, Hauer & Feld--Counsel
Washington, D.C.
on behalf of

Lone Star Steel Company and CF&I Steel Corporation

James E. Chenault, President, Lone Star Steel Company

James E. Knox, Vice President and General Counsel, Long Star Steel Company

James Chenoweth, Manager, International Trade Affairs, Long Star Steel Company

Jon Lloyd, President, Maverick Tube Corporation

Roger B. Schagrin, Esq., Maverick Tube Corporation

Richard R. Rivers)
Warren E. Connelly)--OF COUNSEL
Valerie A. Slater)

- more -

In opposition to the imposition of antidumping duties:

Arent, Fox, Kintner, Plotkin & Kahn--Counsel
Washington, D.C.
on behalf of

Tubular Corporation of America, Inc.

Leslie Raney, Esq.

Lewis E. Leibowitz--OF COUNSEL

Mudge, Rose, Guthrie, Alexander & Ferdon--Counsel
Washington, D.C.
on behalf of

Dalmine Siderica of Argentina

David Houlihan)
David Palmeter)--OF COUNSEL
Jeffrey S. Neeley)
Laura Boughman)

Wald, Harkrader & Ross--Counsel
Washington, D.C.
on behalf of

Confab Industrial S.A. and Persico Pizzamiglio S.A.

Royal Daniel, III--OF COUNSEL

George V. Egge, Jr., P.C.
Washington, D.C.
on behalf of

The Union de Empresas Siderurgicas (UNESID), the Spanish Steel Producers' Association, and on behalf of its individual member companies exporting these products to the United States

George V. Egge, Jr.--OF COUNSEL

- more -

Paul, Hastings, Janofsky & Walker--Counsel
Washington, D.C.
on behalf of

Tubos de Acero de Mexico, S.A. ("TAMSA")

Hamilton Loeb--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	958	2,800	34
1983	445	2,896	15
1984	909	2,500	36

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	906	2,346	39
1983	98	2,281	4
1984	734	2,587	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	810	7	817
1983	534	8	542
1984	828	6	834

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	785	59	844
1983	133	5	138
1984	538	2	540

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' end-of-period inventories and shipments, 1982-84

Period	End-of-period inventories	Shipments 1/	Ratio of inventories to shipments
	1,000 short tons		Percent
1982	253	829	31
1983	109	572	19
1984	109	828	13

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' end-of-period inventories and shipments, 1982-84

Period	End-of-period inventories	Shipments 1/	Ratio of inventories to shipments
	1,000 short tons		Percent
1982	137	908	15
1983	75	162	46
1984	141	643	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	5,274	9,493	$12.33	$15.74
1983	2,501	4,408	13.51	17.94
1984	3,493	6,427	12.92	18.83

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	7,616	14,740	$13.76	$20.96
1983	1,375	2,650	12.84	21.17
1984	3,984	7,868	14.21	21.34

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

Table C-9.—Income-and-loss experience of 15 U.S. producers on their operations producing welded oil country tubular goods, accounting years 1982-84

Item	1982	1983	1984 1/
Net sales:			
Value—1,000 dollars—	1,056,722	418,299	636,751
Quantity—short tons—	951,125	608,690	954,821
Cost of goods sold—1,000 dollars—	838,794	549,275	599,462
Gross income or (loss)—do—	217,928	(130,976)	37,289)
General, selling, and administrative expenses—do—	53,943	46,857	46,853
Operating income or (loss)—do—	163,985	(177,833)	(9,564)
Interest expense 2/—do—	19,974	15,829	15,192
Other income or (expense)-net 2/—do—	(12,987)	(31,856)	(4,503)
Net income or (loss) before income taxes—do—	131,024	(225,518)	(29,259)
Depreciation and amortization 3/—do—	33,715	35,810	30,925
Cash flow from operations—do—	164,739	(189,708)	1,666
Ratio to net sales:			
Gross income or (loss)—percent—	20.6	(31.3)	5.9
Operating income or (loss)—do—	15.5	(42.5)	(1.5)
Net income or (loss) before income taxes—do—	12.4	(53.9)	(4.6)
Cost of goods sold—do—	79.4	131.3	94.1
General, selling, and administrative expenses—do—	5.1	11.2	7.4
Number of firms reporting—			
Operating losses—	8	12	7
Net losses—	10	12	8

1/ Two producers did not supply data for 1984 as their plants were closed. They resumed production in 1985.

2/ Nine firms supplied data relative to interest expense and other income or (expense).

3/ Thirteen firms furnished depreciation and amortization data.

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

Table C-10.—Income-and-loss experience of 15 U.S. producers on their operations producing seamless oil country tubular goods, accounting years 1982-84

Item	1982	1983	1984 1/
Net sales:			
Value—1,000 dollars	1,666,185	194,202	518,016
Quantity—short tons	950,949	181,030	617,243
Cost of goods sold—1,000 dollars	1,225,234	243,959	639,481
Gross income or (loss)—do	440,951	(49,757)	(121,465)
General, selling, and administrative expenses—do	74,693	28,090	23,745
Operating income or (loss)—do	366,258	(77,847)	(145,210)
Interest expense 2/—do	0	0	0
Other income or (expense)-net 2/—do	275	196	66
Net income or (loss) before income taxes—do	366,533	(77,651)	(145,144)
Depreciation and amortization 3/—do	14,703	7,979	6,200
Cash flow from operations—do	381,236	(69,672)	(138,944)
Ratio to net sales:			
Gross income or (loss)—percent	26.5	(25.6)	(23.4)
Operating income or (loss)—do	22.0	(40.1)	(28.0)
Net income or (loss) before income taxes—do	22.0	(40.0)	(28.0)
Cost of goods sold—do	73.5	125.6	123.4
General, selling, and administrative expenses—do	4.5	14.5	4.6
Number of firms reporting—			
Operating losses	2	5	4
Net losses	2	5	4

1/ One producer did not supply data for 1984 as its seamless tubular goods operation was shut down. It resumed production in 1985.
2/ * * *.
3/ Four firms furnished depreciation and amortization data.

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. producers' end-of-period valuation of fixed assets, 1/ 1982-84

(In thousands of dollars)

Item	1982	1983	1984
Original cost	***	***	***
Book value	***	***	***

1/ Data are for 8 firms.

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

Table C-12.—Seamless oil country tubular goods: U.S. producers' end-of-period valuation of fixed assets, 1/ 1982-84

(In thousands of dollars)

Item	1982	1983	1984
Original cost	***	***	***
Book value	***	***	***

1/ Data are for 3 firms.

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

Table C-13.—Welded oil country tubular goods: U.S. producers' capital expenditures, 1/ 1982-84

(In thousands of dollars)

Item	1982	1983	1984
Land and land improvements	***	***	***
Buildings and leasehold improvements	***	***	***
Machinery, equipment, and fixtures	***	***	***
Total	***	***	***

1/ Data are for 7 firms.

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

Table C-14.—Seamless oil country tubular goods: U.S. producers' capital expenditures, 1/ 1982-84

(In thousands of dollars)

Item	1982	1983	1984
Land and land improvements	***	***	***
Buildings and leasehold improvements	***	***	***
Machinery, equipment, and fixtures	***	***	***
Total	***	***	***

1/ Data are for 3 firms.

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

Table C-15.—Welded oil country tubular goods: U.S. imports, by principal sources, 1983-84

Item	1983	1984
	Quantity (short tons)	
Argentina	23	115
Spain	9,754	33,236
Subtotal	9,777	33,351
Korea	47,614	275,046
Japan	92,008	248,612
Italy	25,145	141,629
West Germany	12,855	102,327
Brazil	10,000	37,588
Mexico	2,454	15,833
Other countries	20,917	246,516
Total	220,770	1,100,902
	Value (1,000 dollars)	
Argentina	15	43
Spain	2,972	11,564
Subtotal	2,987	11,607
Korea	15,762	104,556
Japan	37,290	111,905
Italy	8,951	54,490
West Germany	5,447	42,968
Brazil	3,287	12,790
Mexico	1,444	6,304
Other countries	9,740	100,824
Total	84,908	445,443

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

Table C-16.—Seamless oil country tubular goods: U.S. imports, by principal sources, 1983-84

Item	1983	1984
	Quantity (short tons)	
Argentina	15,775	1/ 20,192
Spain	13,266	43,068
Subtotal	29,041	63,260
Korea	0	233
Japan	174,937	399,176
Italy	114,993	146,752
West Germany	38,286	230,278
Brazil	5,136	18,391
Mexico	9,387	5,822
Other countries	68,540	224,039
Total	440,320	1,087,951
	Value (1,000 dollars)	
Argentina	7,965	10,393
Spain	8,558	18,331
Subtotal	16,523	28,724
Korea	0	132
Japan	118,951	264,514
Italy	77,011	68,311
West Germany	20,789	113,999
Brazil	2,996	12,566
Mexico	3,619	23,192
Other countries	46,141	135,274
Total	286,030	646,713

1/ Data revised to reflect imports from Venezuela of 4,189 short tons ($1,274,993) entered under TSUSA item 610.3925 and incorrectly listed in official statistics as imports from Argentina.

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

Table C-17.—Welded oil country tubular goods: U.S. imports for consumption, domestic shipments, and apparent consumption, by specified sources, 1983-84

Period	Argentina	Spain	Sub-total	All other	All imports	U.S. producers' domestic shipments	Apparent consumption
	Quantity (1,000 tons)						
983	1/	10	10	211	221	534	755
984	1/	33	33	1,069	1,101	828	1,929
	Share of consumption (percent)						
983	2/	1.3	1.3	27.9	29.3	70.7	100.0
984	2/	1.7	1.7	55.4	57.1	42.9	100.0

1/ Less than 500 short tons.
2/ Less than 0.05 percent.

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

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

Table C-18.—Seamless oil country tubular goods: U.S. imports for consumption, domestic shipments, and apparent consumption, by specified sources, 1983-84

Period	Argentina	Spain	Sub-total	All other	All imports	U.S. producers' domestic shipments	Apparent consumption
	Quantity (1,000 short tons)						
1983	16	13	29	411	440	133	57
1984	1/ 20	43	63	1,071	1,134	538	1,67
	Share of consumption (percent) 1/						
1983	2.8	2.3	5.1	71.7	76.8	23.2	100.
1984	1.2	2.6	3.8	64.1	67.8	32.2	100.

1/ Data revised to reflect imports from Venezuela of 4,189 short tons ($1,274,993) entered under TSUSA item 610.3925 and incorrectly listed in official statistics as imports from Argentina.

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.

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

Table C-19.—Monthly imports of oil country tubular goods from Spain, January 1984–February 1985

Period	Quantity
	Short tons
1984:	
January	1,850
February	3,622
March	4,423
April	5,383
May	6,168
June	3,058
July	9,057
August	12,743
September	12,995
October	5,764
November	7,004
December	4,238
1985:	
January	8,295
February	2,001

Source: 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
		610.3246(25%)	610.3247(25%)	610.3247(25%)	610.3490
and Tubing		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 THE ARGENTINE AND SPANISH
OIL COUNTRY TUBULAR GOODS

Table E-1.--Domestic API oilfield **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/

Period	ERW-annealed 2/				ERW-normalized 3/				Seamless 3/	
	Plain end		Threaded and coupled		Plain end		Threaded and coupled		Threaded and coupled	
	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity
	Per ton	Tons	Per ton	Tons	Per ton	Tons	Per ton	Tons	Per ton	Tons
1982:										
Jan.-Mar.	***	***	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	4/	4/	***	***	***	***
Oct.-Dec.	***	***	***	***	4/	4/	4/	4/	***	***
1983:										
Jan.-Mar.	***	***	***	***	4/	4/	***	***	***	***
Apr.-June	***	***	***	***	4/	4/	***	***	***	***
July-Sept	***	***	***	***	4/	4/	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***	***	***
1984:										
Jan.-Mar.	***	***	***	***	4/	4/	***	***	***	***
Apr.-June	***	***	***	***	4/	4/	***	***	***	***
July-Sept	***	***	***	***	4/	4/	***	***	***	***
Oct.-Dec.	***	***	***	***	4/	4/	***	***	***	***

1/ The price data were developed from net f.o.b. mill selling price data reported by U.S. producers of oil country tubular goods for their total sales of the oil country tubular goods products to distributors during the quarters requested, January 1982-December 1984.

2/ Grade J55 steel.

3/ Grade K55 steel.

4/ No data reported.

Note: U.S. producers reported selling *** tons of seamless, plain end 4-1/2 inch casing at approximately *** per ton during October-December 1984.

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

Table E-2.--Domestic API oilfield **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 1982-December 1984 1/

Period	ERW-annealed 2/				ERW-normalized 3/		Seamless 3/	
	Plain end		Threaded and coupled		Threaded and coupled		Threaded and coupled	
	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity
	Per ton	Tons	Per ton	Tons	Per ton	Tons	Per ton	Tons
1982:								
Jan.-Mar	4/	4/	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***
1983:								
Jan.-Mar	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***
1984:								
Jan.-Mar	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept	***	***	***	***	***	***	***	***
Oct.-Dec	***	***	***	***	***	***	***	***

1/ The price data were developed from net f.o.b. mill selling price data reported by U.S. producers of oil country tubular goods for their total sales of the oil country tubular goods products to distributors during the quarters requested, January 1982-December 1984.

2/ Grade J55 steel.

3/ Grade K55 steel.

4/ No data reported.

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

Table E-3.—Domestic API oilfield **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/

Period	ERW-annealed 2/				ERW-normalized 2/		Seamless 3/	
	Plain end		Threaded and coupled		Threaded and coupled		Threaded and coupled	
	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity
	Per ton	Tons	Per ton	Tons	Per ton	Tons	Per ton	Tons
1982:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-June	4/	4/	***	***	***	***	***	***
July-Sept	4/	4/	***	***	***	***	***	***
Oct.-Dec.	4/	4/	***	***	***	***	***	***
1983:								
Jan.-Mar.	4/	4/	***	***	***	***	***	***
Apr.-June	4/	4/	***	***	***	***	***	***
July-Sept	4/	4/	***	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***	***	***	***
1984:								
Jan.-Mar.	***	***	***	***	***	***	***	***
Apr.-June	***	***	***	***	***	***	***	***
July-Sept	4/	4/	***	***	***	***	***	***
Oct.-Dec.	4/	4/	***	***	***	***	***	***

1/ The price data were developed from net f.o.b. mill selling price data reported by U.S. producers of oil country tubular goods for their total sales of the oil country tubular goods products to distributors during the quarters requested, January 1982–December 1984.

2/ Grade J55 steel.

3/ Includes both J55 and K55 grade steel.

4/ No data reported.

Note: U.S. producers reported selling *** tons of seamless, plain end 2-3/8 inch tubing at approximately *** per ton during January-March 1982.

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

Table E-4.—Domestic API oilfield **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/

Period	Seamless 2/	
	Plain end	
	Price	Quantity
	Per ton	Tons
1982:		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
1983:		
July-September	***	***
October-December	***	***
1984:		
January-March	***	***

1/ The price data were developed from net f.o.b. mill selling price data reported by U.S. producers of oil country tubular goods for their total sales of the oil country tubular goods products to distributors during the quarters requested, January 1982-December 1984.
2/ Grade E steel.

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

Table E-5.--Imported API oilfield **casing--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, July 1983-March 1984 1/

Period	ERW-annealed 2/		Seamless 4/	
	Plain end		Threaded and Coupled	
	Spain		Argentina	
	Per ton	Tons	Per ton	Tons
1983:				
July-Sept	***	***	4/	4/
Oct.-Dec	***	***	4/	4/
1984:				
Jan.-Mar	***	***	***	***

1/ The price data were developed from net f.o.b., U.S. point-of-shipment, selling price data reported by U.S. importers of the subject foreign oil country tubular goods for their total sales of the oil country tubular goods products to distributors during the quarters requested. For Argentina, price data were requested from January-March 1982 through January-March 1984 during the preliminary oil country tubular goods antidumping investigations; whereas for Spain the price data were requested from January-March 1982 through July-September 1984 during the final oil country tubular goods countervailing duty investigations.

2/ Grade J55 steel.

3/ Grade K55 steel.

4/ No data reported.

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

Table E-6.—Imported API oilfield **casing—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, April 1983-December 1984 1/

Period	ERW-annealed 2/		Seamless 3/	
	Plain end		Threaded and Coupled	
	Spain		Argentina	
	Per ton	Tons	Per ton	Tons
1983:				
Apr.-June	***	***	4/	4/
July-Sept	***	***	4/	4/
Oct.-Dec	***	***	4/	4/
1984:				
Jan.-Mar	***	***	***	***
Apr.-June	4/	4/	***	***
July-Sept	4/	4/	***	***
Oct.-Dec	4/	4/	***	***

1/ The price data were developed from net f.o.b., U.S. point-of-shipment, selling price data reported by U.S. importers of the subject foreign oil country tubular goods for their total sales of the oil country tubular goods products to distributors during the quarters requested. For Argentina, price data were requested from January-March 1982 through January-March 1984 during the preliminary oil country tubular goods antidumping investigations; whereas for Spain the price data were requested from January-March 1982 through July-September 1984 during the final oil country tubular goods countervailing duty investigations.

2/ Grade J55 steel.

3/ Grade K55 steel.

4/ No data reported.

Note: U.S. importers reported selling *** tons of ERW-annealed, threaded and coupled 5-1/2 inch casing from Spain at approximately *** per ton during April-June 1983.

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

Table E-7.--Imported API oilfield **tubing--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, July 1982-December 1984 1/

Period	Seamless 2/					
	Plain end		Threaded and coupled			
	Spain		Spain		Argentina	
	Price	Quantity	Price	Quantity	Price	Quantity
	Per ton	Tons	Per ton	Tons	Per ton	Tons
1982:						
July-Sept	***	***	3/	3/	3/	3/
Oct.-Dec	***	***	3/	3/	3/	3/
1983:						
Jan.-March	***	***	3/	3/	3/	3/
Apr.-June	***	***	3/	3/	3/	3/
July-Sept	***	***	***	***	3/	3/
Oct.-Dec	***	***	***	***	3/	3/
1984:						
Jan.-Mar	3/	3/	***	***	***	***
Apr.-June	3/	3/	***	***	***	***
July-Sept	3/	3/	***	***	***	***
Oct.-Dec	3/	3/	3/	3/	***	***

1/ The price data were developed from net f.o.b., U.S. point-of-shipment, selling price data reported by U.S. importers of the subject foreign oil country tubular goods for their total sales of the oil country tubular goods products to distributors during the quarters requested. For Argentina, price data were requested from January-March 1982 through January-March 1984 during the preliminary oil country tubular goods antidumping investigations; whereas for Spain the price data were requested from January-March 1982 through July-September 1984 during the final oil country tubular goods countervailing duty investigations.

2/ Grade J55 steel.

3/ No data reported.

Note: U.S. importers reported selling *** tons of seamless plain end 2-3/8 inch tubing from Argentina at approximately *** per ton during January-March 1984.

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