

# **TOP-OF-THE-STOVE STAINLESS STEEL COOKING WARE FROM KOREA AND TAIWAN**

**Determinations of the Commission in  
Investigations Nos. 701-TA-267-268  
(Preliminary) Under the Tariff Act of  
1930, Together With the Information  
Obtained in the Investigations**

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**Determinations of the Commission in  
Investigations Nos. 731-TA-304-305  
(Preliminary) Under the Tariff Act of  
1930, Together With the Information  
Obtained in the Investigations**

# **UNITED STATES INTERNATIONAL TRADE COMMISSION**

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Note.—Information that would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC

Investigations Nos. 701-TA-267 and 268 (Preliminary) and  
731-TA-304 and 305 (Preliminary)

TOP-OF-THE-STOVE STAINLESS STEEL COOKING WARE  
FROM KOREA AND TAIWAN

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, 2/ pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from Korea and Taiwan of cooking ware of stainless steel, not including teakettles, ovenware, and kitchenware, for cooking on stove-top burners, provided for in item 653.94 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Governments of Korea and Taiwan.

The Commission also determines, 2/ pursuant to section 733(a) of the Act (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of such cooking ware of stainless steel from Korea and Taiwan which are alleged to be sold in the United States at less than fair value (LTFV).

Background

On January 21, 1986, petitions were filed with the Commission and the Department of Commerce on behalf of the Fair Trade Committee of the Cookware Manufacturers Association, Walworth, WI, alleging that an industry in the

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

2/ Commissioner Eckes determined that there is a reasonable indication of material injury. Vice Chairman Liebeler determined that there is a reasonable indication of threat of material injury.

United States is materially injured and threatened with further material injury by reason of subsidized and LTFV imports of top-of-the-stove stainless steel cooking ware from Korea and Taiwan. Accordingly, effective January 21, 1986, the Commission instituted preliminary countervailing duty investigations Nos. 701-TA-267 and 268 (Preliminary) and preliminary antidumping investigations Nos. 731-TA-304 and 305 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of February 6, 1986 (51 F.R. 4664). The conference was held in Washington, DC, on February 12, 1986, and all persons who requested the opportunity were permitted to appear in person or by counsel.



## VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of top-of-the-stove stainless steel cooking ware from Korea and Taiwan which are allegedly being sold at less than fair value (LTFV). We also determine that there is a reasonable indication that a domestic industry in the United States is materially injured or threatened with material injury by reason of imports of top-of-the-stove stainless steel cooking ware from Korea and Taiwan which are allegedly being subsidized. 1/ 2/ 3/ 4/

In a preliminary investigation the Commission's "reasonable indication" determination is based upon weighing all of the available information, which includes the factual allegations made by petitioners, contrary arguments presented by respondents, and data obtained through Commission questionnaires and other information-gathering techniques. The Commission will find that there is no reasonable indication of material injury where: (1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) nothing in the record indicates a likelihood that contrary evidence will arise in the event of a final

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1/ Chairwoman Stern and Commissioners Brunsdale, Lodwick, and Rohr determine that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the subject imports.

2/ Commissioner Eckes finds a reasonable indication of material injury by reason of the allegedly unfairly traded imports.

3/ Vice Chairman Liebelier finds a reasonable indication of threat of material injury by reason of the allegedly unfairly traded imports.

4/ Since there is an established domestic industry, "material retardation" was not an issue in these investigations and will not be discussed further.

investigation. <sup>5/</sup> In these investigations the Commission finds that there is a reasonable indication of material injury or threat thereof.

#### Like product and the domestic industry

The statutes under which the Commission conducts title VII investigations require the Commission first to define the domestic industry against which it is to assess the impact of allegedly unfairly traded imports. <sup>6/</sup> The Commission has consistently heeded the caveat in the legislative history that "like product" should not be so narrowly construed as to exclude products with minor variations from the imported article. <sup>7/</sup> The Commission may consider a variety of factors in determining whether the domestic article has the same intrinsic characteristics, physical properties, and user applications as the imported article. These include similarities in raw materials and configurations. No single factor is determinative.

The imported products subject to investigation are non-electric cooking ware of stainless steel used primarily for cooking on stove top burners.

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<sup>5/</sup> That standard was upheld by a recent decision of the Court of Appeals for the Federal Circuit. *American Lamb Co., et al v. United States*, \_\_\_ F.2d \_\_\_, Appeal No. 86-560 (CAFC Feb. 28, 1986).

<sup>6/</sup> Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "[t]he domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 19 U.S.C. § 1677(4)(A). "Like product" is defined in section 771(10) as "[a] product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." 19 U.S.C. § 1677(10).

<sup>7/</sup> The legislative history requires the Commission to define like product in a nonformalistic manner on a case-by-case basis. "The requirement that a product be 'like' the imported article should not be interpreted in such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and the article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by imports under investigation." S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

Teakettles, kitchenware, and ovenware are not included. <sup>8/</sup> There are domestically produced articles of stainless steel cooking ware which are identical to the imported products, as provided for in the Department of Commerce (Commerce) notice. Other domestically produced top-of-the-stove stainless steel cooking ware articles are produced in the same range of sizes and configurations, and have the same uses as the imported product. <sup>9/</sup>

Petitioners urge the Commission to find that domestic top-of-the-stove cooking ware produced for door-to-door sales is unlike the imported product. <sup>10/</sup> Door-to-door stainless steel cooking ware does not have unique characteristics or uses which make it unlike imported stainless steel cooking

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<sup>8/</sup> On Feb. 19, 1986, Commerce initiated the subject investigations. 51 Fed. Reg. 6018 (Feb. 19, 1986). The Commerce notice stated: "The products covered by these investigations are all non-electric cooking ware of stainless steel which may have one or more layers of aluminum, copper or carbon steel for more even heat distribution. These products are provided for in item number 653.94 of the Tariff Schedules of the United States (TSUS). The products covered by these investigations are skillets, fry pans, omelette pans, sauce pans, double boilers, stock pots, sauce pots, dutch ovens, casseroles, and other stainless steel vessels, all for cooking on stove top burners, except tea kettles. Excluded from the scope of the investigations are stainless steel oven ware and stainless steel kitchen ware, which are included under the 653.94 TSUS classification." Certain respondents have urged the Commission to find that no domestically produced articles are "like" imported potato bakers and steamers. The data available in these preliminary investigations do not support that conclusion.

<sup>9/</sup> Vice Chairman Liebel and Commissioner Brunsdale find domestically produced top-of-the-stove cooking ware to be similar to the imported product (i.e., a close substitute from the standpoint of the consumer), but not necessarily identical to that product. Furthermore, while they agree with the majority's finding that stainless steel cooking ware is the like product in these cases, they have some reservations because other types of cooking ware, including aluminum and enamel, would also appear to be similar to the imported product.

<sup>10/</sup> No imported stainless steel cooking ware is sold door-to-door. Although most domestically produced stainless steel cooking ware sold in the United States is sold through retail distribution channels, which include department stores, mass merchandisers, catalogue show rooms, mail-order houses, and houseware distributors, a small amount of such cooking ware is sold door-to-door. Report of the Commission (Report) at A-9.

ware or which make it a "separate like product." <sup>11/</sup> We have concluded that such cooking ware is "like" the imported product.

Accordingly, we find one like product consisting of top-of-the-stove stainless steel cooking ware, excluding teakettles, ovenware, and kitchenware, and including stainless steel cooking ware sold door-to-door. We also find one domestic industry consisting of the domestic producers of top-of-the-stove stainless steel cooking ware. <sup>12/</sup>

#### Condition of the domestic industry <sup>13/</sup>

In assessing the condition of the domestic industry, the Commission

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<sup>11/</sup> All stainless steel cooking ware is produced of the same raw materials which are bonded, clad or brazed with other conductive metals to achieve useful cooking properties. Petitioners' arguments to distinguish door-to-door cooking ware from the imported product based upon its allegedly distinct characteristics are unavailing. Certain imported articles are made of heavy gauges and numerous plys, and have features such as vapor seals, self-storing lids, and 50-year warranties, added features which petitioners assert are unique to cooking ware sold door-to-door. Other features such as large-piece sets are not characteristics intrinsic to door-to-door cooking ware, but are added to enhance marketability and to attempt to offset the higher prices typically charged for such cooking ware. In sum, the perceived and actual differences in quality and price between retail and door-to-door stainless steel cooking ware are differences of degree and not differences of kind.

Having found that imported and domestic door-to-door cooking ware are like in characteristics and uses, data concerning channels of distribution or minor difference in methods of production are not necessary or useful to our like product analysis. See Frozen French Fried Potatoes from Canada, Inv. No. 731-TA-93 (Preliminary), USITC Pub. No. 1239 at 5-6 (June 1982); Bicycles from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-110-111 (Preliminary), USITC Pub. No. 1311 at 3-5 (Nov. 1982); Bicycles from Taiwan, Inv. No. 731-TA-111 (Final), USITC Pub. No. 1417 (Aug. 1983). Cf. Porcelain On Steel Cookware from Mexico, the People's Republic of China, and Taiwan, Invs. Nos. 701-TA-265-266 and 731-TA-297-299 (Preliminary), USITC Pub. No. 1800 at 5 (Jan. 1986).

<sup>12/</sup> Since 1983, there have been nine known U.S. firms that produce top-of-the-stove stainless steel cooking ware. In these preliminary investigations, the domestic industry consists of those nine firms.

<sup>13/</sup> Having weighed all of the factors, Commissioner Eckes finds that there is a reasonable indication of material injury to the domestic industry. Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. See Cellular Mobile Telephones and Subassemblies Thereof From Japan, Inv. No. 731-TA-207 (Final), USITC Pub. No. 1786 at 20-21 (Dec. 1985).

considers, among other factors, domestic consumption, production, capacity, capacity utilization, inventories, employment, wages, sales, and profitability. <sup>14/</sup> In these investigations the Commission considered whole year data from 1983 to 1985. <sup>15/</sup>

Apparent U.S. consumption of top-of-the-stove stainless steel cooking ware increased by 14.7 percent from 1983 to 1985, while domestic production declined by 23.5 percent. <sup>16/</sup> Domestic capacity increased 10.3 percent, from 23.1 million units in 1983 to 25.5 million units in 1985. <sup>17/</sup> Capacity utilization declined from 76.2 percent in 1983 to 52.9 percent in 1985. <sup>18/</sup>

U.S. producers' domestic shipments declined in each year subject to investigation, both in volume and in dollar value. <sup>19/</sup> The volume decline was 7.5 percent over the period; dollar value decline was slightly greater, 8.5 percent. <sup>20/</sup> U.S. producers' inventories, as a share of their total shipments, increased from 17.8 percent in 1983 to 20.4 percent in 1985. <sup>21/</sup>

Domestic employment, as measured by the number of workers, number of hours worked, and the amount of compensation paid, increased from 1983 to 1984, but then declined in 1985. <sup>22/</sup> In 1985 the number of workers declined by 15.4 percent. <sup>23/</sup>

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<sup>14/</sup> 19 U.S.C. § 1677(7)(C).

<sup>15/</sup> Because two domestic producers account for the majority of domestic production, most of the data obtained by the Commission are confidential. Therefore, much of the discussion is necessarily general.

<sup>16/</sup> Report at A-11-12.

<sup>17/</sup> *Id.* at A-12. The increase is attributable in part to the startup of domestic production by New Era in 1983 and WearEver in 1984, and to the installation of modernized equipment by two producers, Farberware and All-Clad, in 1985. *Id.*

<sup>18/</sup> *Id.*

<sup>19/</sup> *Id.* at A-13-14.

<sup>20/</sup> *Id.* Exports by domestic producers also declined in the period by 42.3 percent.

<sup>21/</sup> *Id.* at A-14.

<sup>22/</sup> The 1984 increase is attributable to the startup of top-of-the-stove stainless steel cooking ware production by New Era and WearEver. *Id.*

<sup>23/</sup> *Id.* at A-14-15.

The aggregate financial data indicate that gross profit, operating income, and net income have all declined throughout the period under investigation. <sup>24/</sup> Net sales declined by 15.9 percent from \$205.1 million to \$172.5 million. <sup>25/</sup> Operating income declined from \$35.7 million in 1983 to \$13.5 million in 1985. <sup>26/</sup>

#### Cumulation

The Trade and Tariff Act of 1984 mandates that the impact of imports shall be cumulated if they satisfy certain requirements. <sup>27/</sup> The imports must: (1) be subject to investigation; (2) compete with both other imports and the domestic like product; and (3) be marketed within a reasonably coincidental period. <sup>28/</sup>

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<sup>24/</sup> Id. at A-19. The 1983 data do not include two firms, WearEver and New Era, which did not begin production until 1984.

<sup>25/</sup> Id.

<sup>26/</sup> Id. In 1983 no domestic producers reported operating losses from production of top-of-the-stove cooking ware, in 1984 two producers reported operating losses, and in 1985 one domestic producer reported operating losses.

<sup>27/</sup> 19 U.S.C. § 1677(c)(iv) provides in pertinent part:

[T]he Commission shall cumulatively assess the volume and the effect of the imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States market.

See also H.R. Rep. No. 3398, 98th Cong., 2nd Sess. 29 (1984); H.R. Rep. No. 4784, 98th Cong., 2nd Sess. 37 (1984).

<sup>28/</sup> Among the factors which the Commission has considered to reach a determination on cumulation are:

- the degree of fungibility between imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;
- the existence of common or similar channels of distribution for imports from different countries and the domestic like product;
- whether the imports are simultaneously present in the market.

No single one of these factors is determinative.

In this instance, imports of top-of-the-stove stainless steel cooking ware from Korea and Taiwan are subject to investigation. The domestic like product and the subject imports are simultaneously present in consumer markets nationwide and have the same end-users. The data do not indicate that the imports from the subject countries do not compete with the domestic like product. To the contrary, the limited data available support the opposite conclusion. <sup>29/</sup> Consequently, the Commission determines that the criteria mandating cumulation are met.

Reasonable indication of material injury by reason of allegedly unfairly traded imports <sup>30/</sup>

In determining whether there is a reasonable indication of material injury, the Commission is required to consider among other factors:

- (i) the volume of imports of the merchandise which is the subject of the investigation,
- (ii) the effect of imports of that merchandise on prices in the United States for like products, and
- (iii) the impact of imports of such merchandise on domestic producers of like products. <sup>31/</sup>

Aggregate imports of stainless steel cooking ware from Korea and Taiwan increased steadily from 22.7 million units in 1983 to 25.6 million units in 1984, an increase of 12.5 percent. They increased again in 1985 by 3.2 percent, to 26.4 million units. These imports accounted for 68.5 percent, by

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<sup>29/</sup> Respondents argue that imports of top-of-the-stove stainless steel cooking ware are of a quality either distinctly superior or distinctly inferior to the domestically produced product. Respondents contend that 18-0 stainless steel cooking ware imported from Taiwan and Korea does not compete with the domestic product which is typically produced of 18-8 or 18-10 stainless steel. Respondents also contend that certain Korean imports because of superior quality and novel configurations and features do not compete with the domestic like product. The data available in these preliminary investigations, however, do not support the conclusion that products with different nickel content, different numbers of plys of stainless steel, and different configurations do not compete with one another.

<sup>30/</sup> Vice Chairman Liebelier does not join this portion of the opinion.

<sup>31/</sup> 19 U.S.C. § 1677(7).

volume, and 60.2 percent, by value, of such imports from all countries in 1985. <sup>32/</sup>

Apparent domestic consumption of top-of-the-stove stainless steel cooking ware increased by 14.7 percent over the period of investigation. <sup>33/</sup> Taiwan's and Korea's combined market share of the imports increased slightly during the period, whereas the share of the domestic producers' declined steadily. <sup>34/</sup>

Preliminary pricing data collected by the Commission show that reported prices varied widely among the various articles of stainless steel cooking ware surveyed and within each of the four product categories surveyed. According to those data, the imports from Korea and Taiwan are priced consistently, and sometimes dramatically, below the domestic like products. The effect of such underpricing on domestic prices is, however, unclear, and in these preliminary investigations we have not given pricing data undue weight in assessing causation of material injury or threat thereof to the domestic industry. <sup>35/</sup>

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<sup>32/</sup> These imports from Korea and Taiwan accounted for 63.6 percent, by value, and 72.5 percent, by volume, of such imports from all countries in 1983. Report at A-27-28.

<sup>33/</sup> *Id.* at A-11.

<sup>34/</sup> *Id.* at A-29-30.

<sup>35/</sup> Commissioner Brunsdale believes that evidence of underselling is ordinarily not probative on the issue of causation. In discussing "underselling," the Commission usually compares one importer's transaction price with a domestic producer's transaction price. Commissioner Brunsdale does not find this sort of data, by itself, useful.

In these cases, she notes that the relevant products may not be the same (i.e., homogeneous). Hence, prices received by different suppliers are expected to vary and price differences among firms can persist over time. Thus, the observed price differences among firms are not helpful in analyzing causation. See Memorandum from Director, Office of Economics, EC-J-010 (Jan. 7, 1986), at 8-22.

Commissioner Brunsdale concurs with Vice Chairman Liebeler's views on this subject, which are more fully set forth in Certain Table Wine from the Federal Republic of Germany, France, and Italy, Invs. Nos. 701-TA-258-60 and 731-TA-283-85 (Preliminary), USITC Pub. 1771 at 34-36 (1985) (Additional Views of Vice Chairman Liebeler).



We determine that the information currently before us provides a reasonable indication of a link between the allegedly dumped and subsidized unfair imports and material injury to the domestic industry.

Reasonable indication of threat of material injury by reason of allegedly unfairly traded imports <sup>36/</sup>

The statute sets forth a series of factors the Commission is to consider in analyzing the issue of a reasonable indication of threat of material injury. <sup>37/</sup> The information currently available to the Commission does not include data on capacity or capacity utilization for top-of-the-stove cooking ware from Korea and Taiwan. <sup>38/</sup> Market penetration by imports from these countries has also increased throughout the period of investigation. Importer inventories have also increased. The preliminary pricing data support the likelihood that imports priced substantially below the domestic like product

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<sup>36/</sup> Commissioner Eckes does not join this portion of the opinion.

<sup>37/</sup> 19 U.S.C. § 1677(7)(F). These factors include: (1) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports to the United States; (2) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level; (3) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise; (4) any substantial increase in inventories of the merchandise in the United States; (5) the presence of underutilized capacity for producing the merchandise in the exporting country; (6) any other demonstrable adverse trends that indicate the probability that the imports will be the cause of actual injury; and (7) the potential for product-shifting.

<sup>38/</sup> Petitioners alleged and respondents denied that Korea and Taiwan have underutilized capacity. No party, however, provided quantitative data to support its position. In the event of a final investigation, the Commission will attempt to develop data on capacity utilization for the subject countries.

will have a depressing or suppressing effect on domestic prices.<sup>39/</sup> The steady decreases in profitability of the domestic industry during the period of investigation, together with the other factors, point to a reasonable indication of threat of material injury by reason of the subject imports.<sup>40/</sup>

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<sup>39/</sup> Vice Chairman Liebler believes that evidence of underselling is ordinarily not probative on the issue of causation. In discussing "underselling," the Commission usually compares one importer's transaction price with a domestic producer's transaction price. Vice Chairman Liebler does not find this sort of data by itself useful.

In these cases, she notes that the relevant products may not be the same (i.e., homogeneous). Hence, prices received by different suppliers are expected to vary and price differences among firms can persist over time. Thus, the observed price differences among firms are not helpful in analyzing causation. See Memorandum from Director, Office of Economics, EC-J-010 (Jan. 7, 1986), at 8-22.

Vice Chairman Liebler's views are more fully set forth in Certain Table Wine from the Federal Republic of Germany, France, and Italy, Invs. Nos. 701-TA-258-60 and 731-TA-283-85 (Preliminary), USITC Pub. 1771 at 34-36 (1985) (Additional Views of Vice Chairman Liebler).

<sup>40/</sup> Vice Chairman Liebler finds five factors particularly helpful on the issue of causation. Material injury or threat thereof is more likely to be found when the following conditions are present: (1) a large and increasing market share; (2) a high margin of dumping or subsidization; (3) homogeneous products; (4) declining domestic prices; and (5) barriers to entry. See Certain Red Raspberries from Canada, Inv. No. 731-TA-196 (Final), USITC Pub. No. 1680 at 11-19 (1985) (Additional Views of Vice Chairman Liebler).

In these investigations, market share is high but has increased only slightly recently. Petitioners allege high margins of dumping and subsidization. Evidence on whether products are homogeneous is not precise and should be more developed prior to a final decision. Domestic price trends are mixed but data is uncertain because of product homogeneity questions. Using foreign supply elasticity as a surrogate for entry barriers, a modest share of the market is held by several other producing nations.

## INFORMATION OBTAINED IN THE INVESTIGATIONS

## Introduction

On January 21, 1986, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce on behalf of the Fair Trade Committee of the Cookware Manufacturers Association, Walworth, WI, alleging that subsidized and less-than-fair value (LTFV) imports of top-of-the-stove stainless steel cooking ware from the Republic of Korea (Korea) and Taiwan are being sold in the United States and that an industry in the United States is materially injured and threatened with material injury by reason of such imports.

Accordingly, effective January 21, 1986, the Commission instituted countervailing duty investigations Nos. 701-TA-267 and 268 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671(a)) and antidumping investigations Nos. 731-TA-304 and 305 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of such imports.

The statute directs the Commission to make its determination within 45 days of the receipt of a petition, or in this case, by March 7, 1986. Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of February 6, 1986 (51 F.R. 4664). 1/ The Commission held a public conference in Washington, DC, on February 12, 1986, at which all interested parties were allowed to present information for consideration by the Commission. 2/ The briefing and vote was held on March 4, 1986.

## Previous Investigations

On May 4, 1979, a petition was filed with the Commission by General Housewares Corp. for import relief under section 201(a)(1) of the Trade Act of 1974. The petition requested that an investigation be instituted to determine whether cooking ware of steel, enameled or glazed with vitreous glasses, was being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing a like product. On June 20, 1979, the Commission amended the scope of the investigation by adding other types of nonelectric cooking ware, such as aluminum, cast iron, and stainless steel cooking ware.

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1/ A copy of the Commission's institution notice is presented in app. A. A copy of Commerce's notice is presented in app. B.

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

On November 13, 1979, the Commission unanimously determined that imports of porcelain-on-steel cooking ware were a substantial cause of serious injury, or the threat thereof, to the domestic industry. With respect to all the other types of nonelectric cooking ware, the Commission determined that the articles were not being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like the imported products. 1/ In Proclamation 4713, effective January 17, 1980, the President imposed a temporary duty increase on the subject porcelain-on-steel cooking ware, valued not over \$2.25 per pound, not including teakettles, through January 16, 1984.

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

##### Subsidies

Korea.—The petitioner alleges that producers and exporters of top-of-the-stove stainless steel cooking ware from Korea receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

- Short-term export financing,
- Accelerated depreciation,
- Export tax incentives,
- Preferential export credit financing from the Export-Import Bank of Korea,
- Tariff reductions on importation of certain types of plant and equipment,
- Free export zone program,
- Deferred loans to the National Investment Fund, and
- Export guarantees from the Export-Import Bank of Korea.

Taiwan.—The petitioner alleges that producers and exporters of top-of-the-stove stainless steel cooking ware from Taiwan receive the following benefits which constitute subsidies within the meaning of the countervailing duty law:

- Preferential export financing under the Export Financing Program,
- Export loss reserves,
- Tax exemptions for exports,
- Preferential income tax rate ceiling of 25 percent,
- Accelerated depreciation and tax holiday,
- Tax credit for investment in production equipment,
- Import duty exemptions and payment deferral on imported equipment, and
- Preferential long-term loans.

The petitioner did not attempt to quantify the amount of the subsidy by firm.

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1/ Nonelectric Cooking Ware: Report to the President on Investigation No. TA-201-39 . . . ., USITC Publication 1008, November 1979.

### Sales at LTFV

Korea.—The petitioner alleges that imports of top-of-the-stove stainless steel cooking ware from Korea are being sold in the United States at LTFV margins ranging from 20 to 99 percent. These alleged dumping margins were calculated by comparing U.S. prices for several types of top-of-the-stove stainless steel cooking ware with the home-market prices for one producer 1/ and constructed values for seven other producers. 2/ For Woo Sung, the articles included a 7-piece set and a 9-piece set of 18-8 stainless steel aluminum clad cooking ware; LTFV margins were 99 percent and 98 percent, respectively. For the other seven producers the constructed values and U.S. prices were compared for an 18-0 stainless steel plain bottom 7-piece set, with margins ranging from 53 percent to 92 percent. Petitioner's constructed values and U.S. prices for an 18-8 stainless steel plain bottom 7-piece set were compared for two producers, Il Shin and Universal Trading, with margins of 75 percent and 40 percent, respectively. Margins were also calculated for three producers 3/ of a stainless steel aluminum clad 2-quart sauce pan, with margins ranging from 20 percent to 43 percent.

Taiwan.—The petitioner alleges that imports of top-of-the-stove stainless steel cooking ware from Taiwan are being sold in the United States at LTFV margins ranging from 6 to 97 percent. For two producers, Sun New Stainless Steel Industries, Ltd., and Taiwan Stainless Steel Co., Ltd., the articles compared included stock pots, sauce pans, and fry pans, all with aluminum clad bottoms, and sets of stainless steel plain bottom cooking ware. For Sun New the margins ranged from 66 percent to 97 percent, and for Taiwan Stainless Steel Co. the margins ranged from 5.9 percent to 7.6 percent. For one producer, Chef-Bon, the constructed values and U.S. prices of 18-0 stainless steel and 18-8 stainless steel plain bottom 7-piece sets were compared, with margins of 9 percent and 20 percent, respectively. Petitioner also calculated a dumping margin of 39 percent, based on a constructed value, for a stainless steel aluminum clad 2-quart sauce pan produced by Sun New.

### The Product

#### Description and uses

Top-of-the-stove stainless steel cooking ware includes articles used to cook food on top of the stove, such as saucepans, skillets, dutch ovens, double boilers, and stock pots, manufactured principally out of stainless steel. Stainless steel teakettles, overware, and bakeware (such as roasters, cookie sheets, and bread pans) are not included within the scope of these investigations. Counsel for the petitioner argues that the top-of-the-stove stainless steel cooking ware sold in the direct (door-to-door) market is a different "like product" than that sold to the retail market and should not be included within the scope of the investigations. Counsel states that Commission precedent supports the conclusion that retail market and

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1/ Woo Sung Co., Ltd.

2/ Il Shin, Universal Trading, G.I. Corp., Dae Sung, Bum Koo, Gulf Trading, and Sammi Corp.

3/ Universal Trading, Il Shin, and Woo Sung.

door-to-door market cookware are not like products. 1/ Counsel for respondents however, argues that the product sold door-to-door has minimally different features and has the same uses and characteristics as that sold in the retail market. 2/

Stainless steel used in the production of top-of-the-stove cooking ware contains chrome and, in most cases, nickel in varying amounts. The presence of these elements in steel retards rust, adds shine and lustre, and adds to the durability of the metal. Top-of-the-stove stainless steel cooking ware produced domestically is available in several grades of steel. The domestic industry manufactures its top-of-the-stove stainless steel cooking ware from either 200 or 300 series steel, based on American Iron & Steel Institute (AISI) definitions of grades of steel. Of the 200 series steel, the domestic industry uses the 201 grade, which has a chrome content of 16 to 18 percent and a nickel content of 3.5 to 5.5 percent. A disadvantage of the 201 grade is that it is not as easily drawn into the necessary shapes for cooking ware as are other grades; consequently, it is often used in the production of lids and inexpensive lines of cookware. The domestic industry also manufactures top-of-the-stove stainless steel cooking ware from 300 series steel, of which grades 302 and 304 are used. These grades have a chrome content of 18 percent and a nickel content of 8 to 10 percent, making them more ductile and able to be drawn more quickly than the 201 grade steel. In the industry these grades of steel are referred to as 18-8 quality.

During the public conference, counsel for the respondents argued that some of the imported top-of-the-stove stainless steel cooking ware from Korea and Taiwan is of a different grade of steel than that used by the domestic manufacturers and is therefore a different product. Counsel argued that they believed that most of the stainless steel cooking ware coming from Taiwan was 430 grade steel, which is 18 percent chrome and contains no nickel. It is the respondents' belief that some of the cookware from Korea also falls within this category of steel, although they admitted that imports of 18-8 quality top-of-the-stove stainless steel cooking ware are believed to be increasing. 3/ According to the domestic industry, grade 430 steel is not used domestically because it cannot be used in the U.S. manufacturers' draw press equipment. Korea and Taiwan's facilities for manufacturing top-of-the-stove stainless steel cooking ware have machines that both press and/or spin the metal, allowing them to use the 430 grade of steel.

Stainless steel cooking ware is manufactured by a stamping or drawing process using flat sheets of stainless steel or circles (called blanks) of stainless steel. These are placed on a press, which then forms the sheet

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1/ Porcelain-On-Steel Cooking Ware from Mexico, The People's Republic of China, and Taiwan: Determinations of the Commission in Investigations Nos. 701-TA-265-266 and 731-TA-297-299 (Preliminary) . . . , USITC Pub. No. 1800 (January 1986), p. 7 of postconference brief.

2/ See transcript of the conference, pp. 93-97, p. 123, pp. 129-131, p. 148, and pp. 168-169; and postconference statements of counsel for the Korea Metal Flatware Exporters Association (KMFEA); International Cookware, Inc.; and the Committee of Independent Cookware Importers, for a further discussion of this issue.

3/ Transcript of the conference, p. 106.

metal or blank into the desired shape. Various cookware manufacturers also combine layers of stainless steel with aluminum, carbon steel, or copper. Such a process, called cladding or bonding, bonds or laminates a thin layer or slab of aluminum, copper, or carbon steel to the bottom (generally) of the stainless steel cooking vessel. Some U.S. and imported cookware manufacturers also make cookware with a core of aluminum or carbon steel sandwiched between layers of stainless steel. Cookware produced from these various laminated constructions, depending on the types of construction, are described as two-ply, three-ply, bottom clad, three-ply/bottom clad, and five-ply/bottom clad. The purpose of adding the other layers of metal to the stainless steel is to improve the conductivity of the metal for cooking. Although stainless steel is an excellent cooking vehicle because it is attractive, durable, resistant to tarnish, and does not interact with food, its major disadvantage is that it lacks heat conductivity, which can lead to hot spotting and burning of food while cooking. The addition of these other metals, either through the sandwich, cladding, or bonding process improves the conductivity of stainless steel cooking ware.

#### U.S. tariff treatment

Top-of-the-stove stainless steel cooking ware is currently provided for in TSUS item 653.94, a classification that also includes stainless steel bakeware, kitchenware, and teakettles. The column 1 (most-favored-nation) rate of duty for this item, applicable to imports from Korea, is currently 4 percent ad valorem. <sup>1/</sup> The rate will be reduced to 3.4 percent ad valorem on January 1, 1987, the last in a series of duty reductions granted in the Tokyo Round of the Multilateral Trade Negotiations. Imports from Taiwan enter free of duty under provisions of the Generalized System of Preferences (GSP). <sup>2/</sup> Korea, which previously had GSP eligibility under this tariff item, was graduated from the GSP effective on March 31, 1981, because its level of imports into the United States exceeded the so-called competitive-need limits.

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<sup>1/</sup> The rates of duty in col. 1 are most-favored-nation (MFN) rates and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(d) of the TSUS. The People's Republic of China, Hungary, Romania, and Yugoslavia are the only Communist countries eligible for MFN treatment. However, MFN rates would not apply if preferential tariff treatment is sought and granted to products of developing countries under the Generalized System of Preferences (GSP) or the Caribbean Basin Economic Recovery Act (CBERA), or to products of Israel or of least developed developing countries (LDDC's), as provided under the Special rates of duty column.

<sup>2/</sup> The GSP affords nonreciprocal tariff preferences to developing countries to aid their economic development and to diversify and expand their production and exports. The U.S. GSP, enacted in title V of the Trade Act of 1974 and renewed in the Trade and Tariff Act of 1984, applies to merchandise imported on or after January 1, 1976, and before July 4, 1993. It provides duty-free entry to eligible articles imported directly from designated beneficiary developing countries.

## U.S. Producers

Since 1983, there have been nine known U.S. firms, located in the Midwest and East, which produced top-of-the-stove stainless steel cooking ware. Of these nine firms, six companies produced top-of-the-stove stainless steel cooking ware for the retail market during the period under investigation, and three companies produced only for the door-to-door market and/or for export. Of the six companies that produced top-of-the-stove stainless steel cooking ware for the retail market during 1983-85, Ekco Housewares Co. (Ekco), Franklin Park, IL, is no longer a producer. \* \* \*.

The remaining five companies, Farberware, Bronx, NY; Regal Ware, Inc. (Regal Ware), Kewaskum, WI; Revere Copper and Brass Inc. (Revere), Clinton, IL; WearEver/Proctor Silex (WearEver), Chillicothe, OH; and All-Clad Metalcrafters, Inc. (All-Clad), Canonsburg, PA, are currently producing the articles under investigation for the retail market. WearEver began producing its line of top-of-the-stove stainless steel cooking ware in the fall of 1984, and the other companies have been producing such cookware for a number of years. Of the five companies, WearEver, Regal Ware, and Revere manufacture cookware made of other materials, such as copper and aluminum. All of the companies except All-Clad either produce or import stainless steel bakeware, and cookware with electrical heating implements, and small electrics such as coffee machines, coffee pots and so forth, none of which are included in these investigations. Farberware does not manufacture any other type of cookware other than top-of-the-stove stainless steel cooking ware, although it does produce small kitchen electrics. All-Clad produces top-of-the-stove stainless steel cooking ware that is different from the other companies' cookware. All-Clad's cookware has either copper or aluminum on the exterior and stainless steel on the interior, with layers of aluminum between the exterior and interior layers.

Top-of-the-stove stainless steel cooking ware in 1985 accounted for about \* \* \* percent of Farberware's overall sales, about \* \* \* percent of Regal Ware's overall sales, about \* \* \* percent of Revere's overall sales, about \* \* \* percent of WearEver's overall sales, and \* \* \* percent of All-Clad's overall sales. Most of the stainless steel cooking ware marketed in 1985 was sold as individual open stock items.

The following tabulation, compiled from information reported in response to the Commission's questionnaires, lists the nine companies that produced top-of-the-stove stainless steel cooking ware in 1985, their shipments, and each company's share of total shipments:



<u>Company</u>	<u>Domestic shipments</u> <u>in 1985</u> <u>(1,000 units)</u>	<u>Share of total</u> <u>shipments 1/</u> <u>(percent)</u>
All-Clad-----	***	***
Ekco-----	***	***
Farberware-----	***	***
New Era-----	***	***
Regal Ware-----	***	***
Revere-----	***	***
WearEver-----	***	***
West Bend-----	***	***
Vita Craft-----	***	***
Total shipments-----	***	100

1/ Because of rounding, figures may not add to the totals shown.

Two of the producers have recently announced plant closings because of declining sales of top-of-the-stove stainless steel cooking ware. Regal Ware will close its Flora, MS, plant, which produces a number of lines of top-of-the-stove stainless steel cooking ware, on May 30, 1986. 1/ At one time employment had reached a high of \* \* \* persons at that plant. Today, however, \* \* \* persons are employed there. Revere also announced that it will close two plants, one in Oneonta, AL, during June 1986, and a plant in Rome, NY, during December 1986. 2/ Both of these plants produce only the stainless steel cooking ware under investigation. The closures will leave Revere with one plant in Clinton, IL.

The following tabulation, compiled from information reported in response to the Commission's questionnaires, lists the six companies that produced top-of-the-stove stainless steel cooking ware for the retail market in 1985, their shipments, and each company's share of total shipments:

<u>Company</u>	<u>Domestic shipments</u> <u>in 1985</u> <u>(1,000 units)</u>	<u>Share of total</u> <u>shipments</u> <u>(percent)</u>
All-Clad-----	***	***
Ekco-----	***	***
Farberware-----	***	***
Regal Ware-----	***	***
Revere-----	***	***
WearEver-----	***	***
Total shipments-----	***	100

In addition to the companies that produce top-of-the-stove stainless steel cooking ware for the retail market, there are five companies that produce the article for the door-to-door and/or export market. Of these five

1/ Transcript of the conference, p. 31.

2/ Ibid, p. 43.

firms, two companies, Vita Craft Corp. (Vita Craft), Shawnee, KN, and New Era, Inc. (New Era), Clarksville, TN, produce top-of-the-stove stainless steel cooking ware only for export and for the door-to-door-market. They do not and have never produced such cooking ware for the U.S. retail market. The other three companies that produce this article are Ekco, Regal Ware, and the West Bend Co. (West Bend), West Bend, WI. As discussed earlier, Ekco stopped producing for the U.S. retail market during 1985. Regal Ware is a producer of top-of-the-stove stainless steel cooking ware for both the door-to-door and retail market. West Bend has also been a producer of top-of-the-stove stainless steel cooking ware for the retail market, but exited the market previous to the period covered by this investigation, i.e., 1982. Since then they have limited their production to the door-to-door market.

Door-to-door top-of-the-stove stainless steel cooking ware is somewhat different from that sold in the U.S. retail market. The door-to-door product is manufactured out of several plies of metal, usually with stainless steel on the exterior and interior, and either or both aluminum and carbon steel layers in the middle. Depending upon the manufacturer, the vessels may be three to seven layers thick, and have slab or clad bottoms. Other special features include covers that are stackable, and invert to be used as serving trivets, lids with a knob that whistles and emits steam when the pressure inside the vessel has built up to a certain point, allowing for more precise cooking time (a feature known as nearly waterless cooking), and 50 years to lifetime warranties. The door-to-door cooking ware is sold in sets of 18 to 23 pieces and sells within a range of \$750 to over \$1,000, depending upon the manufacturer and the set configuration.

The following tabulation, compiled from information contained in the Commission's questionnaires, lists the five companies that produced top-of-the-stove stainless steel cooking ware for the door-to-door market in 1985, their shipments, and each company's share of total shipments:

<u>Company</u>	<u>Domestic shipments in 1985 (1,000 units)</u>	<u>Share of total shipments (percent)</u>
Ekco.....	***	***
New Era.....	***	***
Regal Ware.....	***	***
West Bend.....	***	***
Vita Craft.....	***	***
Total shipments.....	***	100

#### U.S. Importers

The net import file maintained by the U.S. Customs Service identified over 100 importers of products from Korea and Taiwan that were entered under TSUS item 653.94. This item is a statistical reporting class that includes stainless steel kitchen ware (collanders, mixing bowls, gadgets, etc.) and oven ware (roasters, casseroles, cookie sheets, etc.) in addition to top-of-the-stove stainless steel cooking ware. The Commission mailed

questionnaires to about 50 firms that were believed to be importers of top-of-the-stove stainless steel cooking ware from Korea and Taiwan. In general, these firms are either large retailers, such as mass merchandisers, or smaller retailers, such as department stores and mail-order houses. Some of the importers are U.S. subsidiaries of foreign cookware producers. Counsel for the Korean Metal Flatware Association (KMFEA) and counsel for International Cookware, Inc., and Cuisine-Ware, Inc., assert that imports from Korea are manufactured for and sold to a large degree on an exclusive basis to U.S. department stores such as Bloomingdales, Abraham's & Strauss, Federated Department Stores, Bambergers, and so forth. Counsel for KMFEA also asserts that the Taiwanese product is sold to discount chains and catalogue houses. 1/ The imported article is not sold in the door-to-door market. 2/

Questionnaire responses were received from 22 importers of top-of-the-stove stainless steel cooking ware from Korea and 8 importers from Taiwan; 7 firms reported imports from both Korea and Taiwan. The largest importers of the product from Korea are \* \* \*, a subsidiary of a Korean stainless steel cookware manufacturer, \* \* \*, and \* \* \*. The two largest importers of the product from Taiwan are \* \* \*, and \* \* \*. No U.S. producers reported imports of top-of-the-stove stainless steel cooking ware from Korea or Taiwan during the period of the investigations. 3/ \* \* \* reported imports of the product from \* \* \* in 1984.

#### The U.S. Market

##### Channels of distribution

Most of the stainless steel top-of-the stove cooking ware sold in the United States by U.S. and foreign producers is available through a number of distribution channels, such as department stores, mass merchandisers, catalogue showrooms, mail-order houses, and housewares distributors.

Department stores are major buyers of stainless steel top-of-the-stove cooking ware, usually purchasing directly from the domestic producers. In the case of imports, department stores have traditionally purchased from a housewares or cookware distributor. Over the last several years, however, a new trend has developed, with department stores beginning to purchase

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1/ KMFEA's postconference brief, p. 20, and International Cookware's postconference brief, pp. 2-4 and p. 12.

2/ According to counsel for the petitioner there are no imports of the direct sale (door-to-door) product from Korea and Taiwan.

3/ \* \* \*.

stainless steel top-of-the-stove cooking ware directly from the countries that manufacture the product. For example, \* \* \* imports two house brand lines called \* \* \* and \* \* \* from Korea.

A second channel of distribution is the catalogue showroom. According to the domestic industry, competition with imports is not as severe in this segment of the market as it is in department stores because of consumer preference for buying known brand names, which is usually a domestic line, rather than an unfamiliar imported article.

A third channel of distribution is that of mass merchandisers, such as K-Mart and Zayre's. Mass merchandisers purchase top-of-the-stove cooking ware both directly from domestic producers and from housewares distributors. Some mass merchandisers have a policy of preferring to offer American-made products and others concentrate almost exclusively on imports. Other mass merchandisers utilize a mixture of both U.S. and imported cookware in order to offer the consumer cookware at a variety of price levels.

Other channels of distribution are mail-order houses and housewares or cookware distributors, which purchase the U.S. or imported cookware and then resell it to both large and small retailers. According to one of the U.S. producers who testified during the public conference, as the margins on cookware become smaller, the U.S. producer is less likely to use distributors, as there is simply not enough margin to split between the domestic producer, a distributor, and a secondary buyer. 1/ This may not be the case for imports, where according to trade papers, margins for retailers can reach as high as 40 percent. Finally, at the end of the channel of distribution, retailers sell to end users, the vast majority of which are households. Very little top-of-the-stove stainless steel cooking ware is sold to the institutional market, as commercial institutions prefer to use aluminum cookware.

The channels of distribution for the door-to-door top-of-the-stove stainless steel cooking ware are totally different from the channels of distribution for the retail market. This cookware is usually sold by the producer to a distributor, who then has sales representatives sell the cookware in designated territories through the door-to-door method (home demonstrations). This is usually accomplished through door-to-door calls and through informal parties where the cookware is demonstrated and sold. Counsel for the petitioner states that the stainless steel cooking ware for door-to-door sales is not sold in the retail market, although it is produced on the same production line and by the same employees as the article sold to the retail market. 2/

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1/ Testimony by Mr. Al Krebel, transcript of the conference, p. 71.

2/ Transcript of the conference, p. 33.

Apparent U.S. consumption

Apparent U.S. consumption of top-of-the-stove stainless steel cooking ware increased from 42.2 million units in 1983 to 47.5 million units in 1984 (table 1). Consumption increased slightly in 1985, to 48.4 million units, or 14.7 percent above the amount of consumption in 1983.

Table 1.—Top-of-the-stove stainless steel cooking ware: U.S. producers' domestic shipments, imports for consumption, and apparent consumption, 1983-85

Year	Producers' shipments	Imports	Apparent consumption	Ratio to consumption of	
				Producers' shipments	Imports
	1,000 units			Percent	
1983	10,866	31,357	42,223	25.7	74.3
1984	10,076	37,412	47,488	21.2	78.8
1985	10,054	38,375	48,429	20.8	79.2

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

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

When possible, data presented in this section of the report are presented separately for the retail market and the direct (door-to-door) market for top-of-the-stove stainless steel cooking ware. Data for the retail market were compiled from information submitted by Revere, Farberware, Regal Ware, WearEver, Ecko, and All-Clad. Data for the door-to-door market, to the extent that Regal and Ecko were able to separate the data by market, were compiled from information submitted by Regal Ware, Ecko, West Bend, New Era, and Vita Craft.

U.S. production, capacity, and capacity utilization

U.S. production of top-of-the-stove stainless steel cooking ware decreased throughout the period from 17.6 million units in 1983 to 13.5 million units in 1985, or by 23.5 percent (table 2). With the exception of \* \* \*,

Table 2.—Top-of-the-stove stainless steel cooking ware: U.S. production, capacity, and capacity utilization, 1983-85

Item	1983	1984	1985
Production:			
Retail sales-----1,000 units-----	***	***	***
Direct sales-----do-----	***	***	***
Total-----do-----	17,610	15,512	13,476
Capacity:			
Retail sales-----do-----	1/	1/	1/
Direct sales-----do-----	1/	1/	1/
Total-----do-----	23,111	24,135	25,485
Capacity utilization:			
Retail sales-----percent-----	***	***	***
Direct sales-----do-----	***	***	***
Total-----do-----	76.2	64.3	52.9

1/ \* \* \* and \* \* \* were unable to breakout their capacity to produce the product for the markets.

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

U.S. producers reported no losses in production due to employment-related problems, sourcing problems, transitions, power shortages, natural disasters, or any other unusual circumstances, nor does the decline in production reflect a reallocation of resources to foreign subsidiaries. The declining trend for aggregate production applies to production for both the retail market and the door-to-door market. Production for the retail market declined by 14.7 percent from \* \* \* units in 1983 to \* \* \* units in 1985. Production for the retail market accounted for \* \* \* percent and \* \* \* percent of total production in 1983 and 1985, respectively. The decline in production for the door-to-door market was greater than the decline in the retail market. It fell from \* \* \* units in 1983 to \* \* \* units in 1985, or by 39.2 percent.

Contrary to the trend in production, annual U.S. capacity to produce top-of-the-stove stainless steel cooking ware increased from 23.1 million units in 1983 to 25.5 million units in 1985. The increase is due in part to the startup of domestic production by New Era late in 1983 and by WearEver in the fall of 1984, the installation of new high-speed grinding and polishing equipment by Farberware, and the installation of an anodizing factory by All-Clad in 1985. In keeping with the trend in production, capacity utilization decreased from 76.2 percent in 1983 to 52.9 percent in 1985. Regal Ware and Ecko could not allocate their capacity data to the retail market and the direct market.

# U.S. producers' domestic shipments and exports

U.S. producers' total domestic shipments of top-of-the-stove stainless steel cooking ware fell from 10.9 million units in 1983 to 10.1 million units in 1985, representing a decline of 7.5 percent (table 3). The decline in value was somewhat greater than the decline in quantity; it fell from \$140.0 million in 1983 to \$128.1 million in 1985, or by 8.5 percent. U.S. shipments to the retail market followed the aggregate trend by declining from \* \* \* units, valued at \* \* \*, in 1983 to \* \* \* units, valued at \* \* \*, in 1985. U.S. shipments of top-of-the-stove stainless steel cooking ware to the door-to-door market decreased from \* \* \* units in 1983 to \* \* \* units in 1984,

Table 3.—Top-of-the-stove stainless steel cooking ware: U.S. producers' domestic shipments and exports, 1983-85

Item	1983	1984	1985
Quantity (1,000 units)			
Domestic shipments:			
Retail sales	***	***	***
Direct sales <sup>1/</sup>	***	***	***
Total	10,866	10,076	10,054
Exports: <sup>2/</sup>			
Retail sales	***	***	***
Direct sales	***	***	***
Total	***	***	***
Value (1,000 dollars)			
Domestic shipments:			
Retail sales	***	***	***
Direct sales <sup>1/</sup>	***	***	***
Total	140,044	139,401	128,139
Exports:			
Retail sales	***	***	***
Direct sales	***	***	***
Total	***	***	***

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

<sup>2/</sup> The majority of the exported product is door-to-door top-of-the-stove stainless steel cooking ware produced by \* \* \*.

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

or by 27 percent. Shipments then increased by 22 percent to \* \* \* units in 1985. \* \* \*. In addition to its shipments to \* \* \*, \* \* \* reported shipments of \* \* \* units for the direct market and \* \* \* units for the retail market in 1985.

Exports, which accounted for \* \* \* percent of total producers' shipments in 1985, decreased by \* \* \* percent during the period, from \* \* \* units in 1983 to \* \* \* units in 1985. The principal markets for exports were \* \* \*, \* \* \*, and \* \* \*.

#### U.S. producers' inventories

End-of-period inventories of top-of-the-stove stainless steel cooking ware, as reported by U.S. producers in response to the Commission's questionnaires, decreased from 2.5 million units in 1983 to 2.4 million units in 1984 and 1985 (table 4).

Table 4.—Top-of-the-stove stainless steel cooking ware: U.S. producers' inventories, 1983-85

Item	1983	1984	1985
Inventories:			
Retail sales—1,000 units—	1,558	***	1,437
Direct sales—do—	941	1,080	985
Total—do—	2,499	***	2,422
Ratio of inventories to total shipments:			
Retail sales—percent—	***	***	***
Direct sales—do—	***	***	***
Total—do—	17.8	***	20.4

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

Producers' end-of-period inventories as a share of total shipments were 17.8 percent in 1983, \* \* \* percent in 1984, and 20.4 percent in 1985.

#### Employment and wages

The average number of production and related workers producing top-of-the-stove stainless steel cooking ware increased from \* \* \* workers in 1983 to 1,872 workers in 1984 (table 5). The increase in 1984 is attributable to the startup of production by New Era and WearEver. Employment decreased in 1985 to 1,583 workers. The hours worked by these workers and the total compensation paid to them followed the same trend as the number of employees, increasing in 1984 and then declining in 1985, as shown in table 5.



Table 5.—Average number of production and related workers producing top-of-the-stove stainless steel cooking ware in U.S. establishments and hours worked by and total compensation and average hourly compensation paid to such workers, 1983-85 <sup>1/</sup>

Item	1983	1984	1985
Average number of production and related workers producing top-of-the-stove stainless steel cooking ware:			
Retail sales	1,560	1,568	1,341
Direct sales	***	304	242
Total	***	1,872	1,583
Hours worked by such production and related workers:			
Retail sales—1,000 hours	3,027	2,921	2,639
Direct sales—do	***	558	435
Total—do	***	3,479	3,074
Total compensation paid to such production and related workers:			
Retail sales—1,000 dollars	32,740	33,278	32,646
Direct sales—do	***	6,884	5,164
Total—do	***	40,162	37,810
Hourly compensation paid to such production and related workers:			
Retail sales	\$10.82	\$11.39	\$12.37
Direct sales	***	12.33	11.87
Total	***	11.54	12.30

<sup>1/</sup> \* \* \* and \* \* \* could not separate the data by market, therefore, the retail data is overstated and the direct sales data is understated.

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

Employment of workers producing for the retail market increased from 1,560 workers in 1983 to 1,568 in 1984 before declining to 1,341 workers in 1985. Employment of workers producing for the direct market followed the same trend as that for the retail market.

The following tabulation shows the union affiliation of production workers in each company:

<u>Company</u>	<u>Union</u>
Regal Ware-----	International Union of Electronic, Electrical, Technical, Salaried, and Machine Workers (IUE).
Ecko-----	United Steel Workers of America.
Farberware-----	International Brotherhood of Teamsters.
Revere-----	International Association of Machinists and Aerospace Workers/Mechanical Educators Society of America.
WearEver-----	Aluminum, Brick and Glassworkers International Union.
All-Clad-----	Metalcrafters Union.
West Bend-----	Allied Industrial Workers.

\*\*\* and \*\*\* reported reductions in their workforces throughout the period. \*\*\*'s reductions represent \*\*\* percent or more of each facility's workforce producing stainless steel cooking ware. The reason for the reductions was stated to be reduced customer orders. \*\*\* also reported numerous layoffs of various duration because of \*\*\*.

\*\*\* and \*\*\* reduced their workforces in 1985. \*\*\* reported that \*\*\* it laid off \*\*\* workers and \*\*\* workers, respectively, due to a drop in sales. \*\*\* reported that in the last quarter of 1985 it reduced its staff by \*\*\* percent because the \*\*\*. There is no union representation for employees at Vita Craft and New Era.

#### Financial experience of U.S. producers

All nine of the known producers of top-of-the-stove stainless steel cooking ware provided usable income-and-loss data for both overall establishment operations and their operations producing stainless steel cooking ware. Out of the nine producers, four firms 1/ sell only to retail outlets, three 2/ sell only door-to-door, and two 3/ sell to both retail outlets and door-to-door.

Overall establishment operations.—Aggregate income-and-loss data on overall establishment operations are presented in table 6. However, 1983 data do not include two firms, WearEver and New Era, which did not begin production of top-of-the-stove stainless steel cooking ware until 1984. In order to show the effect of their exclusion from the 1983 data, the following tabulation presents a comparison of overall establishment sales and operating income data for WearEver, New Era, and the other seven producers:

- 
- 1/ All-Clad, Farberware, Revere, and WearEver.  
2/ New Era, Vita Craft, and West Bend.  
3/ Ekco and Regal Ware.

Item	1983	1984	1985
Net sales:			
WearEver-----1,000 dollars-----	***	***	***
New Era-----do-----	***	***	***
Other 7 producers-----do-----	***	***	***
Total-----do-----	465,809	551,291	497,593
Operating income:			
WearEver-----do-----	***	***	***
New Era-----do-----	***	***	***
Other 7 producers-----do-----	***	***	***
Total-----do-----	63,733	48,719	21,308
Operating income margin:			
WearEver-----percent-----	***	***	***
New Era-----do-----	***	***	***
Other 7 producers-----do-----	***	***	***
Average-----do-----	13.7	8.8	4.3

Overall establishment sales of the nine producers declined from \$551 million in 1984 to \$498 million in 1985, or by 9.7 percent. Operating income dropped from \$48.7 million in 1984 to \$21.3 million in 1985, representing a decrease of 56 percent. The operating margins in 1984 and 1985 were 8.8 and 4.3 percent, respectively. None of the producers incurred operating losses in 1983 or 1985; one reported an operating loss in 1984.

Top-of-the-stove stainless steel cooking ware (retail and door-to-door).—Aggregate income-and-loss data are presented in table 7. Sales and operating income data by individual producer are shown in table 8. Net sales of top-of-the-stove stainless steel cooking ware sold to both retail outlets and door-to-door increased from \$205 million in 1983 to \$216 million in 1984, representing a gain of 5.5 percent, before decreasing by 20.3 percent to \$172 million in 1985.

Operating income decreased from \$35.7 million in 1983 to \$28.1 million in 1984, representing a drop of 21.1 percent before declining again by 52.1 percent to \$13.5 million in 1985. None of the producers reported an operating loss in 1983, two suffered operating losses in 1984, and one reported an operating loss in 1985.

Top-of-the-stove stainless steel cooking ware (retail only).—Aggregate income-and-loss data are presented in table 9. Sales and operating income data by individual producer are shown in table 10. Net sales of top-of-the-stove stainless steel cooking ware sold only to retail outlets increased to \* \* \* in 1984 from \* \* \* in 1983, increasing by 1.4 percent before declining by 9 percent in 1985 to \* \* \*.

Table 6.—Income-and-loss experience of U.S. producers on the overall operations of their establishments within which top-of-the-stove stainless steel cooking ware is produced, accounting years 1983-85.

Item	1983 1/2/	1984	1985
Net sales-----1,000 dollars---	465,809	551,291	497,593
Cost of goods sold-----do-----	309,125	392,943	361,618
Gross profit-----do-----	156,684	158,348	135,975
General, selling, and administrative expenses 1,000 dollars---	92,951	109,629	114,667
Operating income-----do-----	63,733	48,719	21,308
Interest expense-----do-----	1,170	7,084	8,595
Other income or (expense), net-----do-----	(1,305)	2,583	3/ (5,726)
Net income before income taxes-----do-----	61,258	44,218	6,987
Depreciation and amortization expense included above-----1,000 dollars---	7,831	9,529	9,978
Ratio to net sales of---			
Cost of goods sold-----percent---	66.4	71.3	72.7
Gross profit-----do-----	33.6	28.7	27.3
General, selling, and administrative expense percent---	20.0	19.9	23.0
Operating income-----do-----	13.7	8.8	4.3
Net income before income taxes-----do-----	13.2	8.0	1.4
Number of firms reporting-----	7	9	9
Number of firms reporting operating losses-----	0	1	0

1/ WearEver began production of stainless steel cooking ware during July-December 1984.

2/ New Era commenced operations in 1984.

3/ Included in 1985 data is \* \* \*.

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

Table 7.—Income-and-loss experience of U.S. producers on their operations producing top-of-the-stove stainless steel cooking ware (retail and door-to-door), accounting years 1983-85.

Item	1983 <u>1/2/</u>	1984	1985
Net sales—————1,000 dollars—:	205,061	216,313	172,474
Cost of goods sold—————do—:	133,687	148,907	123,196
Gross profit—————do—:	71,374	67,406	49,278
General, selling, and administrative expenses 1,000 dollars—:	35,684	39,260	35,801
Operating income—————do—:	35,690	28,146	13,477
Interest expense—————do—:	658	1,272	2,082
Other income or (expense), net—————do—:	(480)	71	3/ (4,584)
Net income before income taxes—————do—:	34,552	26,945	6,811
Depreciation and amortization expense included above—————do—:	3,273	3,946	3,718
Ratio to net sales:			
Cost of goods sold—————percent—:	65.2	68.8	71.4
Gross profit—————do—:	34.8	31.2	28.6
General, selling, and administrative expense—————do—:	17.4	18.1	20.8
Operating income—————do—:	17.4	13.0	7.8
Net income or (loss) before income taxes—————do—:	16.8	12.5	3.9
Number of firms reporting—————:	7	9	9
Number of firms reporting operating losses—————:	0	2	1

1/ WearEver began production of stainless steel cooking ware during July-December 1984.

2/ New Era commenced operations in 1984.

3/ Included in 1985 data is approximately \* \* \*.

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

Table 8.—Income and loss experience of U.S. producers on their operations producing top-of-the-stove stainless steel cooking ware (retail and door-to-door), by firms, accounting years, 1983-85

Item	1983	1984	1985
Net sales:			
All-Clad—1,000 dollars—	***	***	***
Farberware—do—	***	***	***
Ekco—do—	***	***	***
Regal Ware—do—	***	***	***
Revere—do—	***	***	***
WearEver—do—	<u>1/</u>	***	***
West Bend—do—	***	***	***
New Era—do—	<u>2/</u>	***	***
Vita Craft—do—	***	***	***
Total—do—	205,061	216,313	172,474
Operating income or (loss):			
All-Clad—do—	***	***	***
Farberware—do—	***	***	***
Ekco—do—	***	***	***
Regal Ware—do—	***	***	***
Revere—do—	***	***	***
WearEver—do—	<u>1/</u>	***	***
West Bend—do—	***	***	***
New Era—do—	<u>2/</u>	***	***
Vita Craft—do—	***	***	***
Total—do—	35,690	28,146	13,477
Ratio of operating income or (loss) to net sales:			
All-Clad—percent—	***	***	***
Farberware—do—	***	***	***
Ekco—do—	***	***	***
Regal Ware—do—	***	***	***
Revere—do—	***	***	***
WearEver—do—	<u>1/</u>	***	***
West Bend—do—	***	***	***
New Era—do—	<u>2/</u>	***	***
Vita Craft—do—	***	***	***
Total—do—	17.4	13.0	7.8

1/ WearEver began production of stainless steel cooking ware during July-December 1984.

2/ New Era commenced operations in 1984.

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

Table 9.—Income and loss experience of U.S. producers on their operations producing top-of-the-stove stainless steel cooking ware (retail only), accounting years 1983-85.

Item	1983 <sup>1/</sup>	1984	1985
Net sales—1,000 dollars—	***	***	***
Cost of goods sold—do—	***	***	***
Gross profit—do—	***	***	***
General, selling, and administrative expenses			
1,000 dollars—	***	***	***
Operating income—do—	***	***	***
Interest expense—do—	***	***	***
Other income or (expense), net—1,000 dollars—	***	***	<sup>2/</sup> ***
Net income or (loss) before income taxes—1,000 dollars—	***	***	***
Depreciation and amortization expense included above			
1,000 dollars—	***	***	***
Ratio to net sales of—			
Cost of goods sold—percent—	***	***	***
Gross profit—do—	***	***	***
General, selling, and administrative expense—percent—	***	***	***
Operating income—do—	***	***	***
Net income or (loss) before income taxes—percent—	***	***	***
Number of firms reporting	5	6	6
Number of firms reporting operating losses	1	3	2

<sup>1/</sup> WearEver began production of stainless steel cooking ware during July-December 1984.

<sup>2/</sup> Included in 1985 data is approximately \* \* \*.

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

Table 10.—Income and loss experience of U.S. producers on their operations producing top-of-the-stove stainless steel cooking ware (retail only), by firms, accounting years, 1983-85

Item	1983	1984	1985
Net sales:			
All-Clad—1,000 dollars—	***	***	***
Farberware—do—	***	***	***
Ekco—do—	***	***	***
Regal Ware—do—	***	***	***
Revere—do—	***	***	***
WearEver—do—	1/	***	***
Total—do—	***	***	***
Operating income or (loss):			
All-Clad—do—	***	***	***
Farberware—do—	***	***	***
Ekco—do—	***	***	***
Regal Ware—do—	***	***	***
Revere—do—	***	***	***
WearEver—do—	1/	***	***
Total—do—	***	***	***
Ratio of operating income or (loss) to net sales:			
All-Clad—percent—	***	***	***
Farberware—do—	***	***	***
Ekco—do—	***	***	***
Regal Ware—do—	***	***	***
Revere—do—	***	***	***
WearEver—do—	1/	***	***
Total—do—	***	***	***

1/ WearEver began production of stainless steel cooking ware during July-December 1984.

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



Operating income declined from \* \* \* in 1983 to \* \* \* in 1984, representing a drop of 25 percent before decreasing again by 41.8 percent to \* \* \* in 1985. Operating margins during 1983-85 were \* \* \* percent, \* \* \* percent, and \* \* \* percent, respectively. One producer reported an operating loss in 1983, three incurred operating losses in 1984, and two suffered operating losses in 1985.

Top-of-the-stove stainless steel cooking ware (door-to-door only).—Aggregate income and loss data are presented in table 11. Sales and operating income data by individual producers are shown in table 12.

Table 11.—Income and loss experience of U.S. producers on their operations producing top-of-the-stove cooking ware (door-to-door only), accounting years 1983-85.

Item	1983 <sup>1/</sup>	1984	1985
Net sales—1,000 dollars—	***	***	***
Cost of goods sold—do—	***	***	***
Gross profit—do—	***	***	***
General, selling, and administrative expenses 1,000 dollars—	***	***	***
Operating income—do—	***	***	***
Interest expense—do—	***	***	***
Other income or (expense), net—do—	***	***	***
Net income before income taxes—do—	***	***	***
Depreciation and amortization expense included above—1,000 dollars—	***	***	***
Ratio to net sales:			
Cost of goods sold—percent—	***	***	***
Gross profit—do—	***	***	***
General, selling, and administrative expense percent—	***	***	***
Operating income—do—	***	***	***
Net income before income taxes—do—	***	***	***
Number of firms reporting	4	5	5
Number of firms reporting operating losses	0	0	0

<sup>1/</sup> New Era commenced operations in 1984.

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

Net sales of top-of-the-stove stainless steel cooking ware sold door-to-door only increased from \* \* \* in 1983 to \* \* \* in 1984, representing a gain of 9.9 percent, before declining by 31.5 percent to \* \* \* in 1985.

Operating income declined from \* \* \* in 1983 to \* \* \* in 1984, or by 19 percent, then plunged by 57.3 percent to \* \* \* in 1985. Operating margins during 1983-85 were \* \* \* percent, \* \* \* percent, and \* \* \* percent, respectively. None of the producers reported an operating loss for 1983-85. A-23

Table 12.—Income and loss experience of U.S. producers on their operations producing top-of-the-stove stainless steel cooking ware (door-to-door only), by firms, accounting years 1983-85

Item	1983	1984	1985
Net sales:			
Ekco—1,000 dollars—	***	***	***
Regal Ware—do—	***	***	***
West Bend—do—	***	***	***
New Era—do—	<u>1/</u>	***	***
Vita Craft—do—	***	***	***
Total—do—	***	***	***
Operating income or (loss):			
Ekco—do—	***	***	***
Regal Ware—do—	***	***	***
West Bend—do—	***	***	***
New Era—do—	<u>1/</u>	***	***
Vita Craft—do—	***	***	***
Total—do—	***	***	***
Ratio of operating income or (loss) to net sales:			
Ekco—percent—	***	***	***
Regal Ware—do—	***	***	***
West Bend—do—	***	***	***
New Era—do—	<u>1/</u>	***	***
Vita Craft—do—	***	***	***
Average—do—	***	***	***

1/ New Era commenced operations in 1984.

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

Value of property, plant, and equipment.—The data provided by U.S. producers on their investment in productive facilities in which top-of-the-stove stainless steel cooking ware is produced are shown in table 13.

Table 13.—U.S. producers' investment in property, plant, and equipment in establishments within which top-of-the-stove stainless steel cooking ware is produced, 1/ accounting years 1983–85

Item	1983 <u>2/</u>	1984	1985
All products of establishment:			
Original cost—————1,000 dollars—	115,169	140,281	147,921
Book value—————do————	53,904	74,334	81,286
Number of firms reporting	7	9	9
Top-of-the-stove stainless steel cooking ware:			
Original cost—————1,000 dollars—	42,164	47,943	48,547
Book value—————do————	15,889	21,412	21,034
Number of firms reporting	6	8	8

1/ Data relating to their operations producing top-of-the-stove stainless steel cooking ware only.

2/ WearEver began production of stainless steel cooking ware during July–December 1984. New Era commenced operations in 1984.

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

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

##### U.S. imports

All sources.—The data contained in this section of the report were compiled from official statistics of the U.S. Department of Commerce and adjusted by the Commission, since TSUS item 653.94 is a "basket" category that includes kitchenware and ovenware, which are not subject to the scope of these investigations. Table 14 contains the official import data of the U.S. Department of Commerce compiled for TSUS item 653.94. The Commission was unable to identify and separate imports of the articles subject to the investigations and, therefore, relied on the percentages presented in the

Table 14.—Stainless steel cooking ware, kitchenware, and ovenware: 1/  
U.S. imports for consumption, by principal sources, 1983–85

Source	1983	1984	1985
Quantity (1,000 units)			
Korea	30,211	34,927	33,465
Taiwan	7,697	7,725	10,536
Subtotal	37,908	42,652	44,001
Japan	5,234	7,764	8,018
Hong Kong	5,116	6,928	6,679
Italy	731	1,113	1,379
France	288	685	812
West Germany	739	744	373
All other	2,237	2,466	2,696
Total	52,253	62,352	63,958
Value (1,000 dollars)			
Korea	38,860	51,353	50,390
Taiwan	8,818	10,339	12,261
Subtotal	47,678	61,692	62,651
Japan	9,480	12,518	11,065
Hong Kong	3,758	9,270	6,401
Italy	3,186	4,687	5,139
France	2,912	3,684	4,570
West Germany	2,771	1,962	1,605
All other	5,201	11,230	12,699
Total	74,986	105,043	104,130

1/ The data reported in this table are for TSUS item 653.94, which includes imports of kitchenware and ovenware that are not subject to these investigations.

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

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

petition 1/ to determine the quantity and value of imports of top-of-the-stove stainless steel cooking ware. 2/ Table 15 contains the official import statistics as adjusted by the Commission.

Total U.S. imports of top-of-the-stove stainless steel cooking ware from all countries increased from 31.4 million units, valued at \$60.0 million, in 1983 to 37.4 million units, valued at \$84.0 million, in 1984, representing an increase of 19.3 percent. Imports continued to increase to 38.4 million units, valued at \$83.3 million, in 1985, or by 2.6 percent.

Korea.—Imports of top-of-the-stove stainless steel cooking ware from Korea increased from 18.1 million units, valued at \$31.1 million, in 1983 to 21.0 million units, valued at \$41.1 million, in 1984, or by 15.6 percent. Imports then declined slightly to 20.1 million units, valued at \$40.3 million, in 1985. Counsel for KMFEA and counsel for International Cookware, Inc., argues that imports from Korea have succeeded in the U.S. market because of innovative styling, improved quality, and imaginative packaging, whereas, U.S. producers have relied on traditional styling for customer recognition. 3/ Counsel for petitioner disputed this claim at the conference and in its postconference brief, stating that all of its member companies have introduced new product lines similar to those introduced by respondents. 4/

Taiwan.—Imports of top-of-the-stove stainless steel cooking ware from Taiwan were steady at 4.6 million units in 1983 and 1984 before increasing to 6.3 million units, valued at \$9.8 million, in 1985, representing an increase of 36.9 percent.

Cumulative imports from Korea and Taiwan.—The Trade and Tariff Act of 1984, section 612(a)(2)(A), amends title VII of the Tariff Act of 1930 by adding the following subsection:

Cumulation—for purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the U.S. market.

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1/ The petition states that 60 percent of the quantity and 80 percent of the value of imports listed under TSUS 653.94 are imports of top-of-the-stove stainless steel cooking ware, pp. 10 and 29. No parties, either at the conference or in postconference briefs, disputed the percentages presented in the petition as those attributable to imports of top-of-the-stove stainless steel cooking ware, petitioner's postconference brief, pp. 21-22.

2/ A U.S. Customs import specialist in New York estimated that 60 percent or more of the volume of imports classified as TSUS item 653.94 are imports of top-of-the-stove stainless steel cooking ware. The import specialist was not aware of any changes in the product mix entering under this TSUS item during 1983-85.

3/ Postconference brief, pp. 5-7, transcript, pp. 115-116, and comments submitted by \* \* \*.

4/ Postconference brief, p. 29.

Table 15.—Top-of-the-stove stainless steel cooking ware: 1/ U.S. imports for consumption, by principal sources, 1983-85

Source	1983	1984	1985
Quantity (1,000 units)			
Korea	18,127	20,956	20,079
Taiwan	4,618	4,635	6,322
Subtotal	22,745	25,591	26,401
Japan	3,140	4,658	4,811
Hong Kong	3,070	4,157	4,007
Italy	439	668	827
France	173	411	487
West Germany	443	446	224
All other	1,347	1,481	1,618
Total	31,357	37,412	38,375
Value (1,000 dollars)			
Korea	31,088	41,082	40,312
Taiwan	7,054	8,271	9,809
Subtotal	38,142	49,353	50,121
Japan	7,584	10,014	8,852
Hong Kong	3,006	7,416	5,121
Italy	2,549	3,750	4,111
France	2,330	2,947	3,656
West Germany	2,217	1,570	1,284
All other	4,162	8,986	10,159
Total	59,990	84,036	83,304

1/ The data reported in this table are for TSUS item 653.94 as adjusted by the Commission.

Source: Compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

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

Cumulation is warranted in these investigations if it can be demonstrated that imports of Korean and Taiwanese top-of-the-stove stainless steel cooking ware compete with one another and with the domestic like product in the same market and at reasonable coincidental periods of time.

Should the Commission cumulate, the combined imports from Korea and Taiwan increased by 12.5 percent between 1983 and 1984, or from 22.7 million units to 25.6 million units. Combined imports increased again in 1985 to 26.4 million units, or by 3.2 percent. Imports of top-of-the-stove stainless steel cooking ware from Korea and Taiwan accounted for 63.6 percent, by value, and 72.5 percent, by volume, of imports from all countries in 1983; these shares decreased to 60.2 percent and 68.8 percent, respectively, in 1985.

Imports by Customs districts.—In 1985, the Customs districts of New York and Los Angeles accounted for 60 percent and 58 percent of the total imports of stainless steel cooking ware, kitchenware, and ovenware from Korea and Taiwan, respectively, as shown in the following tabulation: 1/

<u>District</u>	<u>Share of total imports <u>2/</u> (percent)</u>
Korea:	
New York, NY.....	33
Los Angeles, CA.....	27
Seattle, WA.....	10
Chicago, IL.....	9
All other.....	<u>21</u>
Total.....	100
Taiwan:	
New York, NY.....	36
Los Angeles, CA.....	22
San Francisco, CA.....	8
Seattle, WA.....	5
All other.....	<u>29</u>
Total.....	100

#### U.S. importers' inventories

Of the firms responding to the Commission's questionnaire, only 11 provided data on their inventories of imports of top-of-the-stove stainless steel cooking ware from Korea and Taiwan. Inventories of imports of the product from Korea increased dramatically during the period, from \* \* \* units in 1983 to \* \* \* units in 1985, or by 195 percent. Four importers reported inventories of imports of the product from Taiwan. Such inventories increased from \* \* \* units in 1983 to \* \* \* units in 1985. 3/

#### U.S. market penetration

The market share held by U.S. imports of top-of-the-stove stainless steel cooking ware from Korea increased from 42.9 percent in 1983 to 44.1 percent in 1984 and then declined to 41.5 percent in 1985 (table 16). The market share held by imports from Taiwan declined from 10.9 percent in 1983 to 9.8 percent in 1984 and then increased to 13.1 percent in 1985. The market share held by combined imports from Korea and Taiwan increased throughout the period, from 53.8 percent in 1983 to 54.6 percent in 1985. Market penetration by imports from all other countries also increased, from 20.4 percent in 1983 to 24.9

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1/ Imports under TSUS item 653.94, which include imports of kitchenware and ovenware.

2/ Customs value basis.

3/ Data were reported by one importer in 1983, two importers in 1984, and four importers in 1985.

Table 16.—Top-of-the-stove stainless steel cooking ware: Ratios of imports and U.S. producers' domestic shipments to consumption, 1983-85

(In percent)			
Item	1983	1984	1985
Imports from—			
Korea	42.9	44.1	41.5
Taiwan	10.9	9.8	13.1
All other imports	20.4	24.9	24.7
Total	74.3	78.8	79.2
U.S. producers' domestic shipments	25.7	21.2	20.8
Total	100.0	100.0	100.0

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

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

percent in 1984, and then dropped slightly to 24.7 percent in 1985. The U.S. producers' share of the market decreased from 25.7 percent in 1983 to 20.8 percent in 1985.

### Prices

Domestic producers and importers of stainless steel cooking ware market their products to retailers and other distributors through company sales representatives and at trade shows. Retail sales account for a majority of all stainless steel cooking ware sales, with direct, or door-to-door sales, representing only a small part of the market. Major retail outlets include department stores, catalogue showrooms, discount stores, and supermarkets. One importer reported sales of cooking ware for supermarket promotion, or continuity programs, and another stated that he had participated in these programs in the past. These programs seek to draw customers by offering a different cooking ware item each week until a customer collects a complete set of cooking ware.

Prices are typically based on a list price although the actual transaction price can vary if discounts and allowances are applied to the final sale. Domestic producers reported offering discount policies. No importers reported discount policies. Among domestic producers, such discounts included a standard \* \* \*-percent discount, \* \* \*-percent freight allowance offered by \* \* \*, and a \* \* \*-percent discount for promotion and \* \* \*-percent/30 days offered by \* \* \*. \* \* \* offered three discount policies, with retailers receiving \* \* \* percent, catalogue showrooms receiving \* \* \* percent off list, and distributors and salesmen receiving \* \* \* percent on open stock and \* \* \* percent on sets. \* \* \*, which produces



stainless steel cooking ware for the direct sale and export markets, reported basing the discount on the total volume of purchases during the previous year. 1/ \* \* \* does not discount any sales.

Except for \* \* \* and \* \* \*, all domestic producers reported paying all shipping costs for stainless steel cooking ware purchases. Shipping costs ranged from 3 percent to 6 percent of the f.o.b. price. \* \* \* reported that it prepays freight on all orders over \* \* \*. The pattern among importers varied, with five importers indicating that they pay all shipping costs and five others reporting that the customers cover shipping costs. Importers' transportation costs ranged from 1 percent to 19 percent of the f.o.b. price.

U.S. producers and importers of stainless steel cooking ware were asked to submit quantity sold and f.o.b. point-of-shipment selling price in dollars per unit for their largest sale to a retailer in each quarter during 1983-85. Specific items for which prices were requested included:

Product 1: 2-quart saucepan, with lid.

Product 2: Least expensive 7-piece set with lids, including 1-2 quart saucepan, 2-3 quart saucepan, 4-5 quart covered dutch oven, and 8-10 inch skillet.

Product 3: 10-inch skillet.

Product 4: 8-quart stock pot, with lid.

Producers and importers were also asked to specify the gauges of the stainless steel used in the vessels, and the material composition of both the vessel and the handles.

Price variability.—The staff received usable questionnaire responses from 6 domestic producers and 12 importers. Data on imports of stainless steel cooking ware from Taiwan were limited to four questionnaire responses. Price comparisons were difficult to establish because of extreme differences in reported prices. For example, prices of 7-piece sets ranged from as little as \* \* \* for a complete set imported from Korea to as much as \* \* \* for a set produced in the United States. Therefore, meaningful weighted-average prices could not be developed for either U.S.-produced or imported stainless steel cooking ware. Prices reported in the remainder of this section represent actual f.o.b. point-of-shipment prices.

In general, price trends indicate that during 1983-85, prices of stainless steel cooking ware fluctuated widely, with prices of some products showing slight overall increases during the time period and others showing decreases. With the exception of two importers of Korean-produced stainless steel cooking ware, the imported items were priced lower to retailers than the U.S.-produced cooking ware.

Domestic producers.—U.S. producers that provided price information include Farberware, WearEver, Regal Ware, Revere, and Ekco. 2/ Several of

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1/ \* \* \*.

2/ \* \* \* also provided price information for stainless steel cooking ware \* \* \*. Their pricing is described separately.

these companies could not provide f.o.b. prices for the largest sale per quarter and had to provide prices using different methods. \* \* \* 's prices are based on the quarterly average gross selling price less a standard \* \* \* -percent discount and freight allowance. 1/ \* \* \* has estimated that one customer consistently is the largest purchaser, accounting for \* \* \* percent of \* \* \* 's total sales per quarter of all stainless steel cooking ware items. \* \* \* 's f.o.b. prices represent the prices paid by this large customer less an average freight cost, as freight costs are paid by \* \* \* on all purchases by this customer. 2/ \* \* \* 's reported f.o.b. price reflects a \* \* \* -percent discount for promotion and \* \* \* -percent/30 days. 3/

2-quart saucepan.—U.S. producers' prices for a 2-quart saucepan ranged from \* \* \* per unit to \* \* \* per unit (table 17). \* \* \* 's prices for this product increased from an initial low of \* \* \* per unit during January–March 1983 to reach a 3-year high of \* \* \* per unit during April–June 1984. Prices then decreased to a low of \* \* \* per unit in July–September 1985, before recovering slightly to \* \* \* per unit in the final quarter of 1985. \* \* \* 's prices also fluctuated during the period under investigation with no discernible trends, moving between an initial level of \* \* \* per unit in January–March 1983 and \* \* \* in October–December 1985. \* \* \* 's statistics show that prices increased throughout 1983–85, from \* \* \* per unit in January–June 1983 to \* \* \* per unit during July 1983–December 1984 and \* \* \* during 1985. Both \* \* \* and \* \* \* reported stable prices, with \* \* \* 's prices per saucepan remaining at \* \* \* throughout 1983–85, and \* \* \* 's price remaining constant at \* \* \* per unit throughout 1985.

7-piece set.—Prices for U.S.-produced stainless steel 7-piece sets ranged from \* \* \* per set to \* \* \* per set, 4/ although three out of the five domestic producers reported prices in the \* \* \* to \* \* \* range per set (table 18). Prices for \* \* \* 's 7-piece set with \* \* \* increased during 1983–84 from an initial price of \* \* \* per set in January–March 1983 to \* \* \* in April–June 1984, before falling by 12 percent to \* \* \* per set in April–June 1985. A slight recovery occurred during the final two quarters of 1985, with a price per set of \* \* \*. \* \* \* reported prices for its 7-piece sets with \* \* \* as remaining constant at \* \* \* per set during 1983, increasing to \* \* \* in 1984 with the exception of July–September 1984, when \* \* \* reported a price of \* \* \* per set, then rising again to \* \* \* in July–September 1985, after declining to \* \* \* in April–June 1985. As with saucepans, prices for \* \* \* 's 7-piece sets showed considerable movement during 1983–85. The lowest price per set, \* \* \*, occurred in January–March 1983, with prices increasing to \* \* \* by October–December 1984. During 1985, they fell to \* \* \* by October–December, representing a drop of 12 percent. \* \* \* reported a price of \* \* \* per set for the entire period of the investigation. \* \* \* reported a price of \* \* \* per set for 1985.

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1/ Based on a telephone conversation with \* \* \*.

2/ Based on a telephone conversation with a representative of \* \* \*, and response to the questionnaire of the U.S. International Trade Commission.

3/ Based on a telephone conversation with \* \* \*.

4/ Although \* \* \* reported a price per set for October–December 1985 of \* \* \*, this set was of different material composition than other sets for which pricing was submitted.

Table 17.—Top-of-the-stove stainless steel 2-quart saucepan: U.S. producers' prices, 1/ by quarters, January 1983–December 1985

(Per unit)					
Period	Farberware <u>2/</u>	WearEver	Regal Ware	Revere <u>3/</u>	Ekco <u>4/</u>
1983:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***
1984:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***
1985:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***

1/ Prices are f.o.b. point of shipment based on each producer's largest quarterly sale to a retailer, except as noted.

2/ Farberware's prices reflect \* \* \*.

3/ Revere's prices represent \* \* \*.

4/ Ekco's prices reflect \* \* \*.

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

Table 18.—Top-of-the-stove stainless steel 7-piece set: U.S. producers' prices, 1/ by quarters, January 1983–December 1985

(Per unit)					
Period	Farberware <u>2/</u>	WearEver	Regal Ware	Revere <u>3/</u>	Ekco <u>4/</u>
1983:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***
1984:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***
1985:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	<u>5/</u> ***	***	***

1/ Prices are f.o.b. point of shipment based on each producer's largest quarterly sale to a retailer, except as noted.

2/ Farberware's prices reflect \* \* \*.

3/ Revere's prices represent \* \* \*.

4/ Ekco's prices reflect \* \* \*.

5/ Price represents \* \* \*.

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

10-inch skillet.—\* \* \* and \* \* \* both experienced an overall upward price trend for 10-inch skillets, with price fluctuations occurring throughout 1983-85 (table 19). \* \* \*'s prices moved upward from January-March 1983 through April-June 1984, with an initial price per unit of \* \* \* rising to \* \* \*, then experienced a quarterly up-and-down trend ending in 1985 with a price of \* \* \* per unit. Prices for \* \* \*'s skillets increased irregularly by 9 percent during the 3-year period. Prices were at a low of \* \* \* per unit in October-December 1983 before rising to a high of \* \* \* per unit in July-September 1984, representing an increase of 64 percent. Prices then declined to \* \* \* per unit in October-December 1985. \* \* \* reported that prices fell from \* \* \* in January-March 1983 to \* \* \* during July-December 1983. Their prices then remained relatively stable during 1984, before increasing slightly in 1985 with a per unit price of \* \* \* per unit during January-June and October-December 1985. Prices reported for the third quarter of 1984 and 1985 represent a higher quality 10-inch skillet. \* \* \* reported the lowest price for domestically produced 10-inch skillets with a 3-year price of \* \* \* per unit per quarter. \* \* \*'s skillets were priced at \* \* \* per unit during 1985.

8-quart stock pot.—With the exception of \* \* \* and \* \* \*, whose prices for 8-quart stock pots remained steady at \* \* \* and \* \* \*, respectively, all U.S. producers reported overall price increases during 1983-85 for this item (table 20). \* \* \*'s prices fluctuated upward from an initial price of \* \* \* per unit in January-March 1983 to a high of \* \* \* in April-June 1984, before a downward trend occurred in July-September 1984 through July-September 1985 with prices dropping to \* \* \*, then recovering slightly to \* \* \* in October-December 1985. \* \* \*'s prices for 10-inch skillets showed annual downward trends in both 1983 and 1984, decreasing in 1983 from \* \* \* to \* \* \* per unit and in 1984 from \* \* \* to \* \* \* per unit. Prices in 1985 fluctuated between \* \* \* during January-March and \* \* \* in October-December. \* \* \*'s responses indicated a consistent upward trend in prices during the period under investigation, from \* \* \* in January-June 1983 to \* \* \* in January-June 1985, representing an increase of 58 percent. Prices then decreased slightly during July-December 1985, to \* \* \* per unit.

Imports.—Questionnaire responses for imports of top-of-the-stove stainless steel cooking ware from Korea and Taiwan indicate that, with the exception of select quarterly data provided by \* \* \* and \* \* \*, imports were consistently priced lower than U.S.-produced cooking ware. As with the stainless steel cooking ware produced in the United States, prices of imported cooking ware varied greatly, with prices for Korean-produced 7-piece sets ranging from \* \* \* per set to \* \* \* per set. Data for Taiwanese-produced stainless steel cooking ware were limited to four questionnaire responses, which provided information only for 8-quart stock pots.

2-quart saucepan.—Three importers of Korean-produced 2-quart saucepans provided quarterly prices for the period under investigation and several other importers provided occasional price data (table 21). \* \* \* and \* \* \* prices to retailers were consistently the higher priced imports. \* \* \*, which began importing from Korea in \* \* \*, provided prices for several different lines of stainless steel cooking ware, with prices ranging from \* \* \* per unit to \* \* \* per unit; prices for identical styles varied only slightly during this time period. \* \* \*'s prices also showed slight fluctuations, with prices ranging from \* \* \* per unit to \* \* \* per unit. Other importers reported prices ranging from \* \* \* to \* \* \* per unit.

Table 19.—Top-of-the-stove stainless steel 10-inch skillet: U.S. producers' prices, 1/ by quarters, January 1983–December 1985

(Per unit)					
Period	Farberware <u>2/</u>	WearEver	Regal Ware	Revere <u>3/</u>	Ekco <u>4/</u>
1983:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***
1984:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***
1985:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***

1/ Prices are f.o.b. point of shipment based on each producer's largest quarterly sale to a retailer, except as noted.

2/ Farberware's prices reflect \* \* \*.

3/ Revere's prices represent \* \* \*.

4/ Ekco's prices reflect \* \* \*.

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

Table 20.—Top-of-the-stove stainless steel 8-quart stock pot: U.S. producers' prices, 1/ by quarters, January 1983–December 1985

(Per unit)					
Period	Farberware <u>2/</u>	WearEver	Regal Ware	Revere <u>3/</u>	Ekco <u>4/</u>
1983:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***
1984:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***
1985:					
January–March	***	***	***	***	***
April–June	***	***	***	***	***
July–September	***	***	***	***	***
October–December	***	***	***	***	***

1/ Prices are f.o.b. point of shipment based on each producer's largest quarterly sale to a retailer, except as noted.

2/ Farberware's prices reflect \* \* \*.

3/ Revere's prices represent \* \* \*.

4/ Ekco's prices reflect \* \* \*.

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

Table 21.—Top-of-the-stove stainless steel 2-quart saucepan: Importers' prices of the product from Korea, by quarters, January 1983–December 1985

\* \* \* \* \*

7-piece set.—Twelve importers responded with prices for 7-piece sets produced in Korea (table 22). \* \* \* included prices for two lines of sets with prices ranging from \* \* \* per set to \* \* \* per set. One importer reported a price of \* \* \* 1/ per set, and six importers reported prices in the \* \* \* range. \* \* \* prices were lower than all other importers, with prices at \* \* \* per set in 1985.

Table 22.—Top-of-the-stove stainless steel 7-piece set: Importers' prices of the product from Korea, by quarters, January 1983–December 1985

\* \* \* \* \*

10-inch skillet.—Four importers responded with prices for a 10-inch skillet (table 23). \* \* \*'s prices for 1984 and 1985 ranged from \* \* \* to \* \* \* per unit. \* \* \* reported a price of \* \* \* per unit in July–September 1985. \* \* \* reported annual prices, with a price of \* \* \* per unit in 1983, \* \* \* per unit in 1984, and \* \* \* per unit in 1985. \* \* \*'s prices remained at \* \* \* per unit during 1983–85.

Table 23.—Top-of-the-stove stainless steel 10-inch skillet: Importers' prices of the product from Korea, by quarters, 1983–85

\* \* \* \* \*

8-quart stock pot.—Five importers of Korean-produced cooking ware and three importers of Taiwanese-produced cooking ware reported prices for 8-quart stock pots (table 24). \* \* \*'s prices increased from 1984 to 1985,

Table 24.—Top-of-the-stove stainless steel 8-quart stock pot: Importers' prices of the product from Korea and Taiwan, by quarters, January 1983–December 1985

\* \* \* \* \*

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1/ Another importer, \* \* \*, not noted in table 23, reported a sale in October–December 1985 at \* \* \* per set.



with per-unit prices from \* \* \* to \* \* \* during 1984 and \* \* \* to \* \* \* in 1985. \* \* \*'s prices also showed an overall increase during 1983-85, with a low price of \* \* \* in 1983 rising to a high of \* \* \* per unit in July-December 1985. \* \* \*'s prices ranged from \* \* \* per unit to \* \* \* per unit and \* \* \* data indicate a price of \* \* \* in April-June 1985 and \* \* \* in July-December 1985. \* \* \* sold stock pots for \* \* \* in October-December 1984 through October-December 1985.

Prices for 8-quart stock pots imported from Taiwan were reported by four importers. \* \* \* reported annual prices of \* \* \* in 1983, \* \* \* in 1984, and \* \* \* in 1985. \* \* \* indicated that they sold 8-quart stock pots from October-December 1984 through October-December 1985 at a price of \* \* \* per unit. \* \* \* reported a price of \* \* \* per unit for July-December 1985. \* \* \* reported a price of \* \* \* per unit in October-December 1985.

Reported prices for other products.—\* \* \* submitted prices for \* \* \*. Prices for a 2-quart saucepan increased during 1983-85 from \* \* \* per unit in 1983 to \* \* \* per unit in April-December 1984 through yearend 1985. Prices to retailer's for 10-inch skillets also showed an increase, with a price of \* \* \* per unit in 1983 rising to \* \* \* per unit in 1984 and 1985. As with saucepans and skillets, \* \* \*'s prices for an 8-quart stock pot rose throughout the period, with the initial price of \* \* \* per unit increasing to \* \* \* per unit in January-March 1984, then rising again to \* \* \* for the remainder of 1984 and 1985. Cooking ware with \* \* \* was priced between 15 and 33 percent less than that with \* \* \*.

\* \* \* discounts all purchases in the form of advances or promotional discounts by volume. If a retailer purchases less than \* \* \* per year, they receive a \* \* \*-percent discount; purchases of \* \* \* to \* \* \* per year receive a \* \* \*-percent discount; and purchases which total more than \* \* \* per year are discounted \* \* \* percent.

Purchaser comments.—Commission staff conducted a telephone survey of several high-volume purchasers of top-of-the-stove stainless steel cooking ware. Responses of these purchasers indicate that stainless steel cooking ware is one of the most popular types of cooking ware because of its durability, easy cleaning, and appearance. All purchasers contacted buy both U.S. and imported stainless steel cooking ware, and all but one purchase Korean or Taiwanese products.

Retail buyers stated that although the quality of the imported top-of-the-stove cooking ware has improved over the past few years, prices of imports remain below those of U.S.-produced cooking ware in most instances. Several retailers commented that in order to offer their customers various price points from which to select stainless steel cooking ware they have had to turn to imports to offer low and moderately priced cooking ware. Lower priced stainless steel cooking ware is also popular with retail and supermarket promotions. Several purchasers also said that in addition to price and quality factors, delivery terms and styling of the cooking ware are important factors in their purchase decisions.

### Exchange rates

Quarterly data reported by the International Monetary Fund indicate that during the period January 1983 through September 1985 the nominal value of the Korean won and the New Taiwan dollar depreciated relative to the U.S. dollar by 14.6 percent and 0.6 percent, respectively (table 25). <sup>1/</sup> The levels of

Table 25.—Exchange rates: <sup>1/</sup> Nominal-exchange-rate equivalents of the Korean won and the New Taiwan dollar in U.S. dollars, real-exchange-rate equivalents, and producer price indicators in the United States, Korea, and Taiwan, <sup>2/</sup> indexed by quarters, January 1983–September 1985

Period	U.S.		Korea		Taiwan		
	Pro-	Pro-	Nominal-	Real	Pro-	Nominal-	Real-
	ducer	ducer	exchange-	exchange-	ducer	exchange-	exchange-
	Price	Price	rate	rate	Price	rate	rate
	Index	Index	index	index <sup>3/</sup>	Index	index	index <sup>3/</sup>
			US\$ per Won			US\$ per NT\$	
1983:							
Jan.–Mar.	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.–June	100.3	99.2	98.0	95.9	100.7	99.7	100.1
July–Sept.	101.2	98.9	95.9	93.8	101.0	99.4	99.2
Oct.–Dec.	101.8	98.9	94.8	92.2	101.1	99.3	98.6
1984:							
Jan.–Mar.	102.9	99.2	94.8	91.4	101.4	99.4	98.0
Apr.–June	103.5	99.6	94.5	90.8	102.1	100.4	98.9
July–Sept.	103.3	100.4	93.0	90.5	101.4	101.9	99.9
Oct.–Dec.	103.1	100.5	92.0	89.7	100.8	101.4	99.2
1985:							
Jan.–Mar.	102.9	100.5	89.8	87.8	99.9	101.6	98.6
Apr.–June	103.0	100.6	86.9	85.0	99.1	100.3	96.5
July–Sept.	102.2	100.8	85.4	84.2	4/98.2	99.4	95.5

<sup>1/</sup> Exchange rates expressed in U.S. dollars per unit of foreign currency.

<sup>2/</sup> Producer price indicators—intended to measure final product prices—are based on average quarterly indexes presented in line 63 of the International Financial Statistics.

<sup>3/</sup> The real value of a currency is the nominal value adjusted for the difference between inflation rates as measured here by the Producer Price Index in the United States and the respective foreign country. Producer prices in the United States increased 2.2 percent during January 1983 through September 1985, compared with a 0.8-percent increase in Korea and a 1.8-percent decrease in Taiwan during the same period.

<sup>4/</sup> Preliminary.

Source: Central Bank of China, Financial Statistics, October 1985; International Monetary Fund, International Financial Statistics, January 1986.

Note.—January–March 1983=100.0.

<sup>1/</sup> International Financial Statistics, January 1986, except as stated.

inflation in Taiwan were slightly lower than those in the United States during the 11-quarter period, whereas inflation levels in Korea were approximately the same as those in the United States. Therefore, changes in the real value of the New Taiwan dollar and the Korean won were not significantly different from changes in the nominal values.

#### Lost sales/revenues

Domestic producers were requested to submit allegations of revenues and sales lost to imports of top-of-the-stove stainless steel cooking ware from Korea and Taiwan. Only one domestic producer, \* \* \*, submitted an allegation, although other producers stated that they have lost revenues and sales but were not able to quantify these losses.

\* \* \* reported a lost sale of \* \* \* in \* \* \* to imports of Korean-produced 7-piece stainless steel sets purchased by \* \* \*. A spokesman for \* \* \*, stated that \* \* \*.



APPENDIX A

THE COMMISSION'S FEDERAL REGISTER NOTICE



[Investigations Nos. 701-TA-267 and 268 (Preliminary) and Investigations Nos. 731-TA-304 and 305 (Preliminary)]

**Top-of-the-Stove Stainless Steel Cooking Ware From Korea and Taiwan; Antidumping Investigation**

**AGENCY:** United States International Trade Commission.

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

**SUMMARY:** The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-267 and 268 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Korea and Taiwan of cooking ware of stainless steel, including skillets, fry pans, omelette pans, sauce pans, double boilers, stock pots, sauce pots, dutch ovens, casseroles, and similar stainless steel vessels (but not including teakettles), all the foregoing for cooking on stove-top burners,<sup>1</sup> provided for in item 653.94 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Governments of Korea and Taiwan. As provided in section 703(a), the Commission must complete preliminary countervailing duty investigations in 45 days, or in this case by March 7, 1986.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-304 and 305 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of

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<sup>1</sup> The products are made of stainless steel and may have either plain bottoms or contain one or more layers of aluminum, copper, or carbon steel for more even heat distribution.

imports from Korea and Taiwan of top-of-the-stove stainless steel cooking ware, including skillets, fry pans, omelette pans, sauce pans, double boilers, stock pots, sauce pots, dutch ovens, casseroles, and other stainless steel vessels used primarily for cooking on stove top burners, except teakettles,<sup>1</sup> provided for in item 653.94 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in this case by March 7, 1986.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's rules of practice and procedure, part 207, subparts A and B (19 CFR part 207), and part 201, subparts A through E (19 CFR part 201).

**EFFECTIVE DATE:** January 21, 1986.

**FOR FURTHER INFORMATION CONTACT:** Valerie Newkirk (202-523-0165), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002. Information may also be obtained via electronic mail by accessing the Office of Investigations' remote bulletin board system for personal computers at 202-523-0103.

**SUPPLEMENTARY INFORMATION:**

**Background.**—These investigations are being instituted in response to a petition filed on January 21, 1986, by counsel on behalf of the Fair Trade Committee of the Cookware Manufacturers Association, Walworth, Wisconsin.

**Participation in the investigations.**—Persons wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

**Service list.**—Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and

207.3 of the rules (19 CFR 201.16(c) and 207.3), each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

**Conference.**—The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on February 12, 1986, at the U.S. International Trade Commission Building, 701 E. Street NW., Washington, DC. Parties wishing to participate in the conference should contact Valerie Newkirk (202-523-0165) not later than February 10, 1986, to arrange for their appearance. Parties in support of the imposition of countervailing and/or antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

**Written submissions.**—Any person may submit to the Commission on or before February 14, 1986, a written statement of information pertinent to the subject of the investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6).

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

By order of the Commission.

Issued: January 29, 1986

Kenneth R. Mason,

Secretary.

[FR Doc. 86-2563 Filed 2-5-86; 8:45 am]

BILLING CODE 7030-00-00



APPENDIX B

COMMERCE'S FEDERAL REGISTER NOTICE



preliminary determination on or before March 7, 1986, and we will make ours on or before June 30, 1986.

**EFFECTIVE DATE:** February 19, 1986.

**FOR FURTHER INFORMATION CONTACT:** Barbara Tillman or Mary Martin, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-2438 or 377-2830.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On January 21, 1986, we received a petition filed on behalf of the Fair Trade Committee of the Cookware Manufacturers Association with respect to certain stainless steel cooking ware from Korea. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of this merchandise are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to, a United States industry.

**Initiation of Investigation**

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain stainless steel cooking ware and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether certain stainless steel cooking ware from Korea are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally we will make our preliminary determination on or before June 30, 1986.

**Scope of Investigation**

The products covered by this investigation are all non-electric cooking ware of stainless steel which may have one or more layers of aluminum, copper or carbon steel for more even heat distribution. These products are provided for in item number 653.94 of the *Tariff Schedules of the United States (TSUS)*. The products covered by this

investigation are skillets, fry pans, omelette pans, sauce pans, double boilers, stock pots, sauce pots, dutch ovens, casseroles, and other stainless steel vessels, all for cooking on stove top burners, except tea kettles. Excluded from the scope of investigation are stainless steel oven ware and stainless steel kitchen ware, which are included under the 653.94 *TSUS* classification.

**United States Price and Foreign Market Value**

Petitioner based United States price on price quotations by Korean exporters for sales to unrelated purchasers. Petitioner based foreign market value on both constructed value and, in the case of one company with significant home market sales, on actual home market prices. Based on the comparison of actual home market prices and United States price, petitioner alleges dumping margins ranging from 49 percent to 50 percent. Based on the comparison of the constructed value and United States price, petitioner alleges dumping margins ranging from 16 percent to 45 percent.

**Notification of ITC**

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by March 7, 1986, whether there is a reasonable indication that imports of certain stainless steel cooking ware from Korea materially injure, or threaten material injury to, a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

February 10, 1986.

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[FR Doc. 86-3516 Filed 2-18-86; 8:45 am]

BILLING CODE 3510-06-M

[A-580-601]

**Initiation of Antidumping Duty Investigation; Certain Stainless Steel Cooking Ware From Korea**

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

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain stainless steel cooking ware from Korea are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its

[A-583-603]

**Initiation of Antidumping Duty Investigation; Certain Stainless Steel Cooking Ware From Taiwan**

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

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain stainless steel cooking ware from Taiwan are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before March 7, 1986, and we will make ours on or before June 30, 1986.

**EFFECTIVE DATE:** February 19, 1986.

**FOR FURTHER INFORMATION CONTACT:** Barbara Tillman or Mary Martin, Office of Investigation, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-2438 or (202) 377-2830.

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

On January 21, 1986, we received a petition filed on behalf of the Fair Trade Committee of the Cookware Manufacturers Association with respect to certain stainless steel cooking ware from Taiwan. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleged that imports of this merchandise are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to, a United States industry producing a like product.

**Initiation of Investigation**

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner

supporting the allegations. We have examined the petition on certain stainless cooking ware and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether certain stainless cooking ware from Taiwan are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally we will make our preliminary determination on or before June 30, 1986.

**Scope of Investigation**

The products covered by the investigation are all non-electric cooking ware of stainless steel which may have one or more layers of aluminum, copper or carbon steel for more even heat distribution. These products are provided for in item number 653.94 of the *Tariff Schedules of the United States (TSUS)*. The products covered by this investigation are skillets, fry pans, omelette pans, sauce pans, double boilers, stock pots, sauce pots, dutch ovens, casseroles and other stainless steel vessels, all for cooking on stove top burners, except tea kettles. Excluded from the scope of investigation are stainless steel oven ware and stainless steel kitchen ware, which are included under the 653.94 *TSUS* classification.

**United States Price and Foreign Market Value**

Petitioner based United States price on price quotations by Taiwanese exporters for sales to unrelated purchasers. Petitioner based foreign market value on both constructed value and, in the case of two companies with significant home market sales, on actual home market prices. Based on comparison of actual home market prices and United States price, petitioner alleges dumping margins ranging from six percent to 49 percent. Based on the comparison of the constructed value and United States price, petitioner alleges dumping margins ranging from eight percent to 27 percent.

**Notification of ITC**

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without

the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by March 7, 1986, whether there is a reasonable indication that imports of certain stainless steel cooking ware from Taiwan materially injure, or threaten material injury to, a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

Gilbert B. Kaplan,

*Deputy Assistant Secretary for Import Administration.*

February 10, 1986.

[FR Doc. 86-3517 Filed 2-18-86; 6:45 am]

BILLING CODE 3510-06-01

[C-580-602]

**Initiation of Countervailing Duty Investigation; Certain Stainless Steel Cooking Ware From Korea**

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

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Korea of certain stainless steel cooking ware, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Korea materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before March 7, 1986, and we will make ours on or before April 16, 1986.

**EFFECTIVE DATE:** February 19, 1986.

**FOR FURTHER INFORMATION CONTACT:** Barbara Tillman or Mary Martin, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-2438 or 377-2830.

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

On January 21, 1986, we received a petition filed on behalf of the Fair Trade Committee of the Cookware Manufacturers Association with respect to certain stainless steel cooking ware from Korea. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleged that manufacturers, producers, or exporters in Korea of certain stainless steel cooking ware receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to, a United States industry producing a like product.

Since Korea is entitled to an injury determination under section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from Korea materially injure, or threaten material injury to, a U.S. industry.

**Initiation of Investigation**

Under section 702(c) of the act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain stainless steel cooking ware and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Korea of certain stainless steel cooking ware, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies. If our investigation proceeds normally we will make our preliminary determination on or before April 16, 1986.

**Scope of Investigation**

The products covered by this investigation are all non-electric cooking ware of stainless steel which may have one or more layers of aluminum, copper or carbon steel for more even heat distribution. These products are provided for in item number 653.94 of the *Tariff Schedules of the United States (TSUS)*. The products covered by this investigation are skillets, fry pans, omelette pans, sauce pans, double boilers, stock pots, sauce pots, dutch ovens, casseroles, and other stainless steel vessels, all for cooking on stove top burners, except tea kettles. Excluded

from the scope of investigation are stainless steel oven ware and stainless steel kitchen ware, which are included under the 653.94 *TSUS* classification.

**Allegation of Subsidies**

The petition lists a number of practices by the government of the Republic of Korea which allegedly confer subsidies on manufacturers, producers, or exporters in Korea of certain stainless steel cooking ware. We are initiating an investigation on the following programs:

- Short-Term Export Financing,
- Accelerated Depreciation Under Article 25 of the "Act Concerning the Regulation of Tax Reduction and Exemption",
- Tax Incentives for Exporters,
- Export Credit Financing,
- Tariff Reductions on Plant and Equipment,
- Free Export Zone Program,
- Deferred Loans through the National Investment Fund,
- Export Guarantees.

**Notification of ITC**

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by March 7, 1986, whether there is a reasonable indication that imports of certain stainless steel cooking ware from Korea materially injure, or threaten material injury to, a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

February 10, 1986.

[FR Doc. 86-3518 Filed 2-18-86; 8:45 am]

BILLING CODE 3510-06-M

[C-583-604]

**Initiation of Countervailing Duty Investigation; Certain Stainless Steel Cooking Ware From Taiwan**

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

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Taiwan of certain stainless steel cooking ware, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before March 7, 1986, and we will make ours on or before April 16, 1986.

**EFFECTIVE DATE:** February 19, 1986.

**FOR FURTHER INFORMATION CONTACT:** Barbara Tillman or Mary Martin, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-2438 or (202) 377-2830.

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

On January 21, 1986, we received a petition filed on behalf of the Fair Trade Committee of the Cookware Manufacturers Association with respect to certain stainless steel cooking ware from Taiwan. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleged that manufacturers, producers, or exporters in Taiwan of certain stainless steel cooking ware receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to, a United States industry producing a like product.

Since Taiwan is entitled to an injury determination under section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from Taiwan materially

injure, or threaten material injury to, a U.S. industry.

#### Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on certain stainless steel cooking ware and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Taiwan of certain stainless steel cooking ware, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies. If our investigation proceeds normally we will make our preliminary determination on or before April 18, 1986.

#### Scope of Investigation

The products covered by this investigation are all non-electric cooking ware of stainless steel which may have one or more layers of aluminum, copper or carbon steel for more even heat distribution. These products are provided for in item number 853.94 of the *Tariff Schedules of the United States (TSUS)*. The products covered by this investigation are skillets, fry pans, omelette pans, sauce pans, double boilers, stock pots, sauce pots, dutch ovens, casseroles and other stainless steel vessels, all for cooking on stove top burners, except tea kettles. Excluded from the scope of investigation are stainless steel oven ware and stainless steel kitchen ware, which are included under the 853.94 TSUS classification.

#### Allegation of Subsidies

The petition lists a number of practices by the authorities in Taiwan which allegedly confer subsidies on manufacturers, producers, or exporters in Taiwan of certain stainless steel cooking ware. We are initiating an investigation on the following programs:

- Preferential Export Financing,
- Export Loss Reserves,
- Preferential Income Tax Rate Ceiling—22 percent,
- Accelerated Depreciation and Tax Holidays,
- Duty Exemptions and Deferrals on Imported Equipment,
- Preferential Long-Term Loans.

We are not initiating an investigation on the following programs:

- Business Tax Exemptions and Stamp Tax Reductions for Export Sales (Tax Exemptions for Export Sales),
- Preferential Income Tax Rate Ceiling—25 percent,
- Tax Credit for Investment in Production Equipment.

These programs were determined not to confer subsidies in *Final Negative Countervailing Duty Determination: Welded Carbon Steel Line Pipe from Taiwan* (50 FR 53363). Under the Act, the non-excessive remission of indirect taxes is not considered a subsidy. The amount of the business tax exemption or stamp tax reduction does not exceed the amount of tax due. Therefore, this program does not confer countervailable benefits within the meaning of the countervailing duty law. The benefits conferred by Tax Credit for Investment in Production Equipment, and Preferential Income Tax Rate Ceiling of 25 percent, are not limited to an industry or enterprise or group of industries or enterprises. Therefore, these programs do not confer countervailable benefits within the meaning of the countervailing duty law.

#### Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by March 7, 1986, whether there is a reasonable indication that imports of certain stainless steel cooking ware from Taiwan materially injure, or threaten material injury to, a United States industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

February 10, 1986.

[FR Doc. 86-3519 Filed 2-18-86; 8:45 am]

BILLING CODE 2510-08-M

APPENDIX C  
LIST OF WITNESSES





CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-267 and 268 and  
731-TA-304 and 305 (Preliminary)

TOP-OF-THE-STOVE STAINLESS STEEL COOKING WARE  
FROM KOREA AND TAIWAN

Those listed below appeared at the United States International Trade Commission conference in connection with the subject investigations held on February 12, 1986, in the Hearing Room of the USITC Building, 701 E Street, N.W., Washington, D.C.

In support of the imposition of countervailing and antidumping duties

Kilpatrick & Cody—Counsel  
Washington, DC  
on behalf of

Fair Trade Committee of the Cookware Manufacturers Association

Al Krebel, President, Farberware

Philip J. Ketter, Director of Marketing Services, Regal Ware Inc.

Joseph W. Dorn        )  
Martin M. McNerney    )—OF COUNSEL

In opposition of the imposition of countervailing and antidumping duties

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

Korea Metal Flatware Exporters Association (KMFEA)

N. David Palmeter        )  
Andrew James Samet       )—OF COUNSEL  
Christopher Zimbo         )

Gage & Tucker  
Washington, DC  
on behalf of

Davidcraft Corp.

Morton Pomerantz—OF COUNSEL

Dow, Lohnes & Albertson  
Washington, DC  
on behalf of

International Cookware Co.

Gordon Thomas, President, International Cookware Co.

William Silverman     )  
Margaret B. Dardess    )—OF COUNSEL

Kaplan Russin & Vecchi  
Washington, DC  
on behalf of

Golden Lion Metal Ind. Co., Ltd.  
Song Far Industry Co., Ltd.  
First Stainless Steel Mfg. Co., Ltd.  
Taiwan Stainless Steel Co., Ltd.  
Crown Mfg. Corp.  
Chef-Bon Metal Mfg. Co., Ltd.  
Lucky Industrial Co., Ltd.

Kathleen F. Patterson—OF COUNSEL

Weil, Gotshal, and Manges  
Washington, DC  
on behalf of

Committee of Independant Cookware Importers  
Alco Industries, Inc.  
Himark Enterprises, Inc.  
National Silver Industries, Inc.  
Trend Products Co.

Thomas A. Ehrgood, Jr.—OF COUNSEL