

OPERATORS FOR JALOUSIE AND AWNING WINDOWS FROM EL SALVADOR

**Determination of the Commission in
Investigation No. 701-TA-272
(Preliminary) Under the Tariff Act of
1930, Together With the Information
Obtained in the Investigation**

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**Determination of the Commission in
Investigation No. 731-TA-319
(Preliminary) Under the Tariff Act of
1930, Together With the Information
Obtained in the Investigation**

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.—Information which would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 701-TA-272 and 731-TA-319 (Preliminary)

OPERATORS FOR JALOUSIE AND AWNING WINDOWS
FROM EL SALVADOR

Determinations

On the basis of the record 1/ developed in investigation No. 701-TA-272 (Preliminary), the Commission determines, 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 threatened with material injury by reason of imports from El Salvador of operators suitable for jalousie and awning windows, provided for in item 647.03 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Government of El Salvador.

The Commission also determines, on the basis of the record 1/ developed in investigation No. 731-TA-319, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from El Salvador of operators suitable for jalousie and awning windows, provided for in item 647.03 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value (LTFV).

Background

On March 19, 1986, petitions were filed with the Commission and the Department of Commerce by Anderson Corp., San Juan, PR, and Caribbean Die

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

Casting Corp., Bayamon, PR, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized and dumped imports of operators for jalousie and awning windows from El Salvador. Accordingly, effective March 19, 1986, the Commission instituted preliminary countervailing duty investigation No. 701-TA-272 (Preliminary) and antidumping investigation No. 731-TA-319 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of March 27, 1986 (51 FR 10581). The conference was held in Washington, DC, on April 11, 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 threatened with material injury by reason of imports of operators for jalousie and awning windows from El Salvador that are allegedly subsidized and that are allegedly sold at less than fair value (LTFV). These affirmative determinations are based on the rapid increase in the imports' market penetration, the unused manufacturing capacity of the producer in El Salvador, and information concerning price undercutting and price depression by reason of the subject imports. ^{1/}

Domestic industry and like product

The term "industry" is defined in section 771(4)(A) of the Tariff Act of 1930 as "the domestic producers as a whole of the like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." ^{2/} The term "like product", in turn, 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" ^{3/}

The imported products covered by these investigations are operators for jalousie and awning windows (window operators). ^{4/} Window operators are mechanical devices that open and close the glass or aluminum panels of

^{1/} Vice Chairman Liebel's and Commissioner Brunsdale's views on the pricing data are set forth at note 28, infra.

^{2/} 19 U.S.C. § 1677(4)(A).

^{3/} 19 U.S.C. § 1677(10).

^{4/} See 51 Fed. Reg. 12,633 (Apr. 14, 1986) (institution notice of countervailing duty investigation); and 51 Fed. Reg. 13,039 (Apr. 17, 1986) (institution notice of antidumping investigation).

jalousie and awning windows. ^{5/} They are made of a high-pressure, die-cast zinc housing and have an attached handle and knob that is fitted to the frame of the window. ^{6/} When the handle is turned, a series of gears move a connecting link, causing the window to open and close. ^{7/} The imported window operators and the domestic window operators are mechanically identical.

There are no significant mechanical differences between jalousie operators and awning operators. ^{8/} Both are made on the same machinery, although awning operators are larger than jalousie operators and therefore require different molds. Moreover, the same employees produce both types of operators. ^{9/}

For the purposes of these preliminary investigations, we determine that window operators for both jalousie and awning windows are one "like product". We also determine that there is one domestic industry comprised of the eleven domestic producers of these window operators. Two of these producers,

^{5/} Jalousie windows consist of a series of glass or aluminum panels that pivot. Awning windows are similar in design, but generally have wider and thicker glass or aluminum panels. Both types of windows are usually encased in metal frames. Jalousie windows cannot be effectively insulated, and so they are used in the tropics and the Southern United States. Awning windows, on the other hand, can be effectively insulated and thus can be used in cooler climates and can also be used quite effectively with air conditioners.

^{6/} Window operators may also have chain wheel controls instead of handles. Such chain wheel controls, however, are a limited production item. Transcript of Staff Conference (Tr.) at 30.

^{7/} Report of the Commission (Report) at A-1.

^{8/} Id. at A-2.

^{9/} Tr. at 75.

Anderson Corp. and Caribbean Die Casting, are located in Puerto Rico, and the other nine are located in Florida and the Midwest. ^{10/}

Condition of the domestic industry

In assessing the condition of the domestic industry in these investigations, the Commission considered, among other factors, consumption, production, capacity utilization, shipments, employment, and financial data of the domestic window operator producers. ^{11/}

The apparent domestic consumption of window operators has risen over the last 3 years. It stood at 3.8 million window operators in 1983, rose slightly in 1984, and then increased to 4.2 million operators in 1985. ^{12/}

Domestic production of window operators fluctuated over the period. It was 4.4 million units in 1983, fell to 4.1 million units in 1984, and returned to 4.4 million units in 1985. Domestic capacity rose only slightly from 13.4 million units in 1983 to 13.5 million units in 1985. Capacity utilization of window operators was nearly the same in 1983 and 1985, though it declined slightly in 1984. ^{13/}

^{10/} Petitioners, Anderson Corp. and Caribbean Die Casting Corp., argue that there is a regional industry consisting of the producers of window operators located in Puerto Rico. Respondents have not contested this argument.

Because we find that there is a reasonable indication that the national industry is threatened with material injury by reason of the imports of window operators from El Salvador, we do not need to reach the question of whether a regional industry exists. However, we will reexamine the regional industry question in any final investigations.

In particular, in any final investigations we will reexamine whether "all or almost all" of the petitioners' production of window operators is being sold in Puerto Rico. At present, nearly all of the petitioners' domestic shipments remain in Puerto Rico. However, petitioners are also exporting a significant part of their production of window operators to third countries. In any final investigations, we will consider whether such export shipments preclude a regional industry finding.

^{11/} See 19 U.S.C. § 1677(7)(C).

^{12/} Report at A-7.

^{13/} Id. at A-8, Table 3.

Domestic producers' shipments decreased from 3.3 million units in 1983 to 3.0 million units in 1984, and edged up slightly in 1985. ^{14/} U.S. producers' inventories rose in 1983, but fell in both 1984 and 1985. ^{15/} The average number of production and related workers producing window operators increased from 162 in 1983 to 165 in 1984 and 1985.

Thus, during 1983-1985 domestic production was stagnant, domestic shipments dropped 10 percent, while apparent consumption was up by 10 percent. Meanwhile, the profitability of the domestic industry declined during the period of investigation. Gross profits dropped in 1984 and partially recovered in 1985. ^{16/} However, operating income declined steadily from \$530,000 in 1983 to \$405,000 in 1984 to \$385,000 in 1985. ^{17/} The ratio of operating income to net sales also declined, from 11.8 percent in 1983 to 9.4 percent in 1984 to 8.5 percent in 1985. ^{18/ 19/}

Reasonable indication of threat of material injury

Section 771(7)(F) of the Tariff Act of 1930 directs the Commission to consider a number of factors in assessing the threat of material

^{14/} Id. at A-9, Table 4. Export shipments by domestic producers rose steadily from 1983 to 1985. Id.

^{15/} Id. at A-10.

^{16/} Id. at A-13.

^{17/} Id.

^{18/} Id.

^{19/} Vice Chairman Liebel and Commissioner Brunsdale note that these performance indicators for the domestic industry, while declining, are still significantly higher than the average performance for producers of durable goods generally. For example, producers of durable goods with assets under \$25 million had operating income ratios of 5.0 percent in 1983, 6.0 percent in 1984, and 4.8 percent in 1985.

injury. 20/ Imports from El Salvador rose in volume during 1983-1985, thereby gaining a substantial and rapidly increasing share of the U.S. window operator market. 21/ 22/ In addition, the sole El Salvadoran producer, Industrias Metalicas, S.A. (IMSA), has significant unused

20/ The factors which are relevant to this investigation include:

- (II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,
- (III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,
- (IV) 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,
- (V) any substantial increase in inventories of the merchandise in the United States,
- (VI) the presence of underutilized capacity for producing the merchandise in the exporting country,
- (VII) any other demonstrable adverse trends that indicate the probability that the importation . . . of the merchandise . . . will be the cause of actual injury

19 U.S.C. § 1677(7)(F)(i). We note that the statute does not limit our consideration to the listed factors but requires that at least those be considered.

21/ Report at A-19-A-21.

22/ Vice Chairman Liebler finds five factors to be particularly helpful on the issue of causation. An affirmative vote is more likely 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 (or, foreign supply elasticity).

See Certain Red Raspberries from Canada, Inv. No. 731-TA-196 (Final), USITC Pub. 1680 at 11-19 (1985). As to (1), the ratio of imports to consumption has risen substantially in the past three years, although it started from an extremely low base. As to (2), petitioners allege that subsidy programs confer a benefit of more than 92 percent to respondent. Further, petitioners estimate an average dumping margin of about 108 percent. Both are in a very high range. As to (3), there is little data concerning homogeneity. As to (4), pricing patterns were mixed. As to (5), only Taiwan has sent the subject product to the American market during the last three years, and is only a very small market participant presently. The lack of information on some of these factors will hopefully be remedied by further investigation, enabling a more precise causation analysis at the final stage of the proceeding.

capacity. ^{23/} ^{24/} Moreover, it ships the vast majority of its production to the United States and has directed recent increases in production to this market. ^{25/} Thus, it is likely that further production increases would also be exported to the United States.

The importers' inventories decreased from 1983 to 1985. At least one importer stated that it had no inventories because it placed its production orders only against sales. ^{26/}

Window operator imports from El Salvador consistently undersold domestically produced window operators during the January 1984-March 1986 period. ^{27/} ^{28/} This underselling appears to have caused price depression in Puerto Rico. ^{29/} ^{30/}

^{23/} Report at A-18. Political events in El Salvador had forced IMSA to stop its production in 1980. Tr. at 47. However, IMSA subsequently began producing window operators again. Id. Since 1983, IMSA has steadily and rapidly increased its production of window operators. Report at A-17.

^{24/} Since IMSA is the only producer in El Salvador, the information concerning its operations is confidential and can only be discussed in general terms.

^{25/} Report at A-17.

^{26/} Tr. at 64.

^{27/} Report at A-23.

^{28/} Vice Chairman Liebel and Commissioner Brunsdale do not find the alleged evidence of underselling probative of the issues of price undercutting and causation. There is evidence in the record that the operators produced in El Salvador, in Puerto Rico, and in the rest of the United States may vary in terms of quality, and this may explain much of the price variation. Further, there may also be volume-related differences in price that need to be accounted for in any final investigation. Finally, the differences in prices between the Puerto Rican market and the mainland United States market presumably would be accounted for by these factors or else one would expect to have seen a significant shift in Salvadoran imports away from Puerto Rico, where they are currently concentrated, towards the rest of the United States.

^{29/} Report at A-23. Respondents presented testimony from a major Puerto Rican purchaser which implied that he purchased large amounts of the petitioners' window operators only after petitioners lowered their prices below that of the imports from El Salvador. Tr. at 62-63, and Respondents' postconference brief at 11.

^{30/} Commissioner Brunsdale takes note of respondents' allegations of "monopolistic pricing" by the two Puerto Rico producers. Should a final investigation occur, she would ask the parties to brief whether the declines in excess profits could be injurious. In addition, she would seek to obtain price data from U.S. producers for the period prior to the entry of imports from El Salvador in order to better assess the impact of those imports on prices.

Conclusion

Based on the foregoing, the Commission determines that there is a reasonable indication of a real and imminent threat of material injury to the domestic industry in the United States by reason of imports of window operators from El Salvador that are allegedly being sold at LTFV and that are allegedly being subsidized.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On March 19, 1986, the U.S. International Trade Commission and the U.S. Department of Commerce received petitions filed by counsel on behalf of the Anderson Corp., San Juan, PR, and the Caribbean Die Casting Corp., Bayamon, PR, alleging that imports from El Salvador of operators suitable for use with jalousie and awning windows are being subsidized by the Salvadoran Government (countervailing duty petition) and/or sold in the United States at less than fair value (LTFV) (antidumping petition) and that an industry in the United States is materially injured or threatened with material injury by reason of imports of such merchandise. Accordingly, effective March 19, 1986, the Commission instituted countervailing duty investigation No. 701-TA-272 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)) and antidumping investigation No. 731-TA-319 (Preliminary) under section 733 of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)). In the countervailing duty investigation, the Commission must 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 is materially retarded, by reason of the imports upon which bounties or grants are alleged to be paid. In the antidumping investigation, the Commission must make a like determination but must determine if the injury is by reason of the imports that are alleged to be sold in the United States at LTFV.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of March 27, 1986 (51 FR 10581). 1/ The conference was held in Washington, DC, on April 11, 1986. 2/ The Commission voted on these cases at its meeting on April 29, 1986.

The Products

Description and uses

The products from El Salvador that are the subject of these investigations are operators suitable for jalousie and awning windows (hereafter referred to as window operators). These mechanical devices are designed to open or close the glass or aluminum panes of jalousie and awning windows. They are composed of a high-pressure, die-cast zinc housing with an attached handle and knob. The handles come in several variations, but the most common are the crank handle, T-handle (butterfly), and chain-wheel control. The housing is connected to the frame of the jalousie or awning window with sheet metal screws. The opening and closing of the window is controlled by the handle, which is fastened to a steel worm gear protruding from the housing unit. As the handle is turned, the worm gear engages a steel sector gear that, in turn, activates a connecting link in such a manner as to open or close the windows.

1/ A copy of the Commission's notice and copies of Commerce's notices instituting the investigations are presented in app. A.

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

Jalousie windows are usually encased in metal frames. They consist of a series of glass or aluminum panels that pivot inward or outward simultaneously when the handle of the operator is turned. Because this type of window allows maximum ventilation and is difficult to insulate, it is generally used in breezeways, on porches, and in areas of the home not normally heated. ^{1/} Jalousie windows are very popular in the tropics and in the Southern United States.

Awning windows have either single or multiple glass panes that open or close similar to the jalousie window. Awning windows are generally encased in metal or wood frames. In contrast to jalousie windows, awning windows can be effectively insulated and therefore are suitable for colder climates.

Although there are no significant mechanical differences between these operators, operators for awning windows are larger so as to effectively manipulate the wider window panes.

Both imported and U.S.-produced operators are composed of a high-pressure, die-cast zinc housing and an inside mechanism of stamped and screw machine parts. Both U.S.-produced and imported window operators can be modified somewhat to meet a customer's specifications. Color, type of handle, and the length of the connecting link are common modifications that can be accommodated by U.S. or foreign producers. Some of the more commonly used window operators are shown in figure 1.

Manufacturing process

Techniques for manufacturing window operators are fundamentally the same as those used in manufacturing hundreds of different high-pressure, die-cast products. The manufacturing process for window operators begins with the casting of the housing and handle. Two-inch ingots or bars are melted in gas or electric furnaces at temperatures ranging from 500 to 800 degrees Fahrenheit. The molten zinc is injected through a sprue hole into a closed die cavity hot-chamber machine, where pressures of up to 3,000 pounds per square inch are attained. The molten zinc is allowed to remain in the die cavity until it solidifies enough to hold its shape. After it hardens, a rack and pinion mechanism pushes the casting (i.e., housing or crank handle) from the die cavity and the machine is ready for another casting cycle. The cast parts are then trimmed internally and externally and tumbled to take off rough edges.

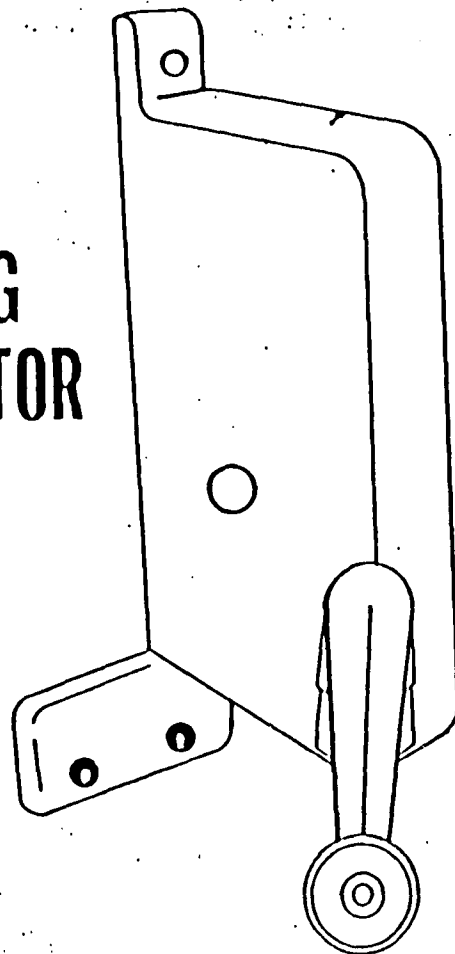
The worm gear is the only part of a window operator that is a screw machine part. It is manufactured on a lathe using hot- or cold-rolled steel, trimmed and tumbled, plated with zinc for corrosion resistance, and then staked into the housing unit of the operator. The sector gear is made from hot- or cold-rolled steel manufactured on pressing or stamping machines. It is trimmed and tumbled, heat treated for strength and durability, plated with zinc, and held in the housing of the operator by knurls. The connecting link is also made of stamped or pressed steel. It is trimmed and tumbled, plated with zinc, and attached to the sector gear by a "C" clamp, a rivet, or a punching process that widens the protruding edge of the connecting link.

^{1/} Jalousie windows are also used in mobile homes, campers, and recreational vehicles.

Figure 1.--An illustration of operators used on jalousie and awning windows.

AWNING OPERATOR

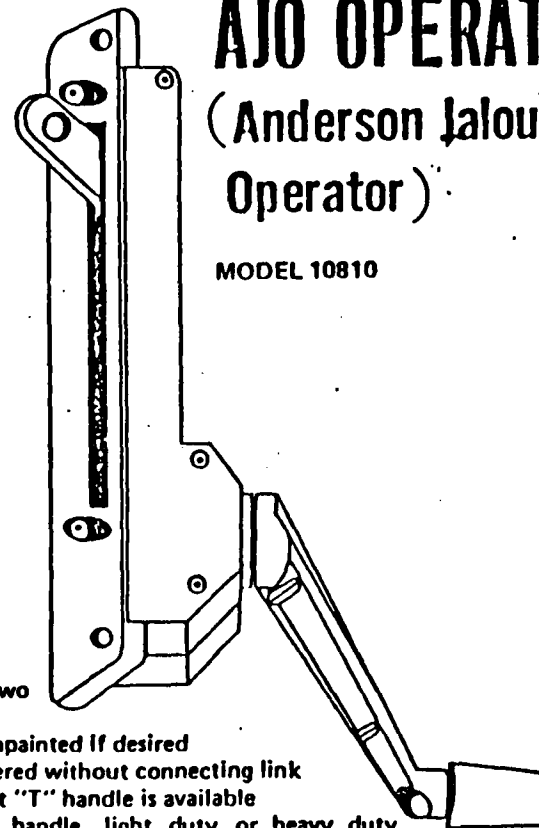
MODEL 2066



SPECIFICATIONS				
FINISH	METAL ALLOY	SECTOR AND WORM	MOUNTING HOLES	MOUNTING FLANGE WIDTH
Baked Bronze Aluminum or White	ZAMAK NO. 3	HARDENED STEEL PLATED	IN ACCORDANCE TO YOUR NEEDS	7/8"

AJO OPERATOR (Anderson Jalousie Operator)

MODEL 10810



Mounting two
holes only
Supplied unpainted if desired
Can be ordered without connecting link
Integral cast "T" handle is available
Removable handle, light duty or heavy duty
chain pulls provided as accessories
Supplied right or left

SPECIFICATIONS					
FINISH	METAL ALLOY	MOUNTING HOLES	MOUNTING FLANGE WIDTH	TURN RATIO	TRAVEL BAR LINK BOSS MOUNT
Baked Bronze Aluminum or White	ZAMAK NO. 3	4.750	5/8	7 1/2 TO 1	WALDES STEEL CAD. PLATED NO. 8133-28 E RING OR SCREW

Source: Sales brochure of the Anderson Corporation,

After manufacture, all parts of the window operator are washed and dried. The housing and crank handle are electrostatically painted and then baked. The handle is then attached to the worm gear by a set screw or by crimping. The complete unit is then packaged and put in cartons containing 30 to 50 operators.

U.S. tariff treatment

Operators for jalousie and awning windows are classified in item 647.0365 of the Tariff Schedules of the United States Annotated (TSUSA), which is a basket category for hinges, fittings, mountings, and other similar hardware products suitable for doors, windows, and blinds.

The column 1 (most-favored-nation) rate of duty for item 647.03 is 6.2 percent ad valorem; the column 2 rate of duty is 45 percent ad valorem. 1/ The current rate of 6.2 percent is scheduled to be reduced to 5.7 percent in 1987, as a result of the Tokyo Round of Multilateral Trade Negotiations. Imports from El Salvador and from other beneficiaries of the Generalized System of Preferences and the Caribbean Basin Economic Recovery Act enter the United States free of duty. Imports from Israel enter free of duty under the United States-Israel Free Trade Area Implementation Act of 1985.

Channels of distribution

U.S.-produced window operators are generally sold directly to original equipment manufacturers (window manufacturers) through much of the United States. 2/ ***. In addition, U.S. producers distribute to the replacement market through a variety of homecenters and hardware chains. Imported window operators are sold primarily to window manufacturers ***.

Nature and Extent of Alleged Subsidies and Sales at LTFV

The petitioner alleges that the sole producer and exporter of window operators in El Salvador, Industrias Metalicas, S.A. (IMSA), benefits from the following programs:

- Exemption from taxes on imported capital equipment used for export production
- Duty exemptions on imported inputs not physically incorporated into exported products
- Income tax exemption
- Asset tax exemption
- Exemptions to exporter on the fiscal stamp tax and the city tax on assets
- Preexport and export credit guarantees
- Preferential exchange rate treatment for exporters

1/ Applicable to countries enumerated in general headnote 3(d) of the TSUS.

2/ The two petitioners sell primarily to Puerto Rico.

Petitioner believes that these programs constitute subsidies within the meaning of the countervailing duty law and that these programs confer a benefit to IMSA exceeding 92 percent.

Petitioner also believes that IMSA is dumping window operators in the U.S. market. On the basis of a comparison of United States price and foreign market value, petitioner alleges sales below fair value for both jalousie and awning operators. The average dumping margin estimated by the petitioner is 107.8 percent.

U.S. Producers

Approximately 11 companies produced operators for jalousie and/or awning windows in 1985. These companies are scattered throughout the country, with concentrations in the Midwest, Florida, and Puerto Rico. They also produce a variety of operator accessories and other metal products. Most window operator manufacturers produce for sale to window manufacturers. ***.

All of the producers are capable of manufacturing both types of window operators which are the subject of these investigations, but those located in the continental United States are largely manufacturers of operators for awning windows, whereas the two firms located in Puerto Rico mostly produce operators for jalousie windows. As discussed earlier, jalousie operators are used more extensively in warmer climates, hence, the concentration of production of such operators in Puerto Rico.

Table 1 lists the principal U.S. manufacturers of window operators and their relative shares of the U.S. market.

U.S. Importers

There are several companies known to be importing operators for jalousie and awning windows into the continental United States and Puerto Rico. These include Caribbean Technical Sales, ***. ***. 1/ The preponderance of these imports are operators for jalousie windows sold to window manufacturers in Puerto Rico. *** import window operators primarily from Taiwan for distribution in Florida and other States in the Southern United States. 2/

Apparent U.S. Consumption

Demand for window operators is influenced by trends in the construction industry, and particularly trends in residential construction. 3/ During the period examined in these preliminary investigations, commercial and

1/ At the conference, Eduardo Poma, vice president of IMSA, testified that IMSA sells directly to other companies in the United States. However Caribbean Technical Sales accounted for ***.

2/ *** did not respond to the Commission's questionnaire but indicated over the phone that they had imported window operators from Taiwan.

3/ ***.

Table 1.—Window operators: Principal U.S. manufacturers, their locations, and share of reported U.S. production ^{1/} of operators for jalousie and awning windows in 1985

Manufacturer	Location	Share of:	Share of	Share of
		U.S. jalousie operator production	U.S. awning operator production	U.S. window operator production
		Percent		
Petitioners:				
Anderson Corp	San Juan, PR	***	***	***
Caribbean Die Casting	Bayamón, PR	***	***	***
All others:				
Amerock Corp.	Rockford, IL	***	***	***
Deco Products Corp	Decorah, IA	***	***	***
Industrial Hardware Co	Miami, FL	***	***	***
International Hardware Co	Oak Park, MI	***	***	***
Rolscreen Co	Pella, IA	***	***	***
Southern Die Casting	Miami, FL	***	***	***
Truth Inc	Owatonna, MN	***	***	***
Window Components	Miami, FL	***	***	***
Wright Products	St. Paul, MN	***	***	***

^{1/} Figures may not add to 100 due to rounding.

^{2/} Did not respond to the Commission's questionnaire.

^{3/} All awning operators produced by this firm are for captive consumption.

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

residential construction have increased substantially. ^{1/} U.S. consumption of window operators increased just slightly in 1984 compared with 1983, but rose by 9.3 percent in 1985 (table 2).

U.S. producers have supplied a decreasing share of apparent U.S. consumption of window operators. In 1983, domestic producers supplied all U.S. consumption of window operators. Their share fell in 1984 and 1985 as imports once again entered the market. ^{2/} Imports of window operators were primarily for jalousie windows, and accounted for 9.5 percent of the U.S. market in 1984 and 13.8 percent in 1985.

^{1/} According to the U.S. Department of Commerce's Survey of Current Business, new building construction increased by 27 percent during 1983-85.

^{2/} At the conference, the vice president of IMSA testified that his firm had supplied window operators to the U.S. market prior to 1983.

Table 2.—Window operators: U.S. producers' domestic shipments, 1/ importers' domestic shipments, 2/ and apparent U.S. consumption, 1983-85

Item and year	U.S. producers' domestic shipments <u>1/</u>	Importers' domestic shipments	Apparent consumption	Ratio of imports to—	
				Producers' shipments	Consumption
		Units		Percent	
Jalousie operators:					
1983	***	***	***	***	***
1984	***	***	1,932,538	***	***
1985	***	***	2,139,030	***	***
Awning operators:					
1983	***	***	***	***	***
1984	***	***	1,877,179	***	***
1985	***	***	2,023,560	***	***
Total:					
1983	***	***	3,769,942	***	***
1984	***	***	3,809,717	***	***
1985	***	***	4,162,590	***	***

1/ Includes intracompany and intercompany transfers.

2/ U.S. producers' and importers' shipments are understated to the extent that all U.S. producers and importers did not respond to the Commission's questionnaire.

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

Consideration of Material Injury to an Industry in the United States 1/

The information in this section of the report was compiled from data submitted in response to the Commission's questionnaires. It is therefore understated to the extent that some U.S. firms that produce the subject products did not respond to the questionnaires. Nevertheless, all of the known major producers of window operators have responded, and respondents are estimated to account for approximately 80 percent of total U.S. window operator production. Separate data are presented for jalousie operators, awning operators, and for these two operators combined (window operators).

U.S. production, capacity, and capacity utilization

Total U.S. production of window operators increased irregularly during 1983-85, as shown in table 3. Window operator production decreased from 4.4 million units in 1983 to 4.1 million in 1984, or by 7 percent. Production then increased by 7 percent in 1985, although to a level slightly lower than that attained in 1983. Increased production of awning operators was responsible for the rise in 1985.

1/ Separate data on the regional industry alleged by petitioners are presented later in this report.

Table 3.—Window operators: U.S. production, 1/ practical capacity, 2/ and capacity utilization, 1983-85

Item	1983	1984	1985
Jalousie operators:			
Production-----1,000 units-----	***	***	***
Awning operators:			
Production-----1,000 units-----	***	***	***
Total:			
Production-----1,000 units-----	4,423	4,123	4,404
Capacity-----do-----	13,407	13,421	13,548
Capacity utilization--percent--	33.0	30.7	32.5

1/ Production and capacity figures are understated to the extent that all producers did not respond to the Commission's questionnaire.

2/ Practical capacity was defined as the greatest level of output a plant can achieve within the framework of a realistic work pattern. Producers were asked to consider, among other factors, a normal product mix and an expansion of operations that could be reasonably attained in their industry and locality in setting capacity in terms of the number of shifts and hours of plant operation.

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

Since operators for bothalousie and awning windows are produced on the same machinery, using the same labor, capacity was reported for window operator production only. Such capacity changed only slightly during 1983-85, rising from 13.4 million units in 1983 to 13.5 million units in 1985. Utilization of window operator capacity declined irregularly during 1983-85.

U.S. producers' domestic shipments

U.S. producers' domestic shipments of window operators are presented in table 4. U.S. producers' shipments decreased from 3.3 million units in 1983 to 3.0 million units in 1984, or by 11 percent. Such shipments increased slightly in 1985. Domestic shipments of awning operators increased steadily during 1983-85, whereas,alousie operator shipments declined from *** units in 1983 to *** in 1984, or by 20 percent, and remained at that level in 1985.

Table 4.—Window operators: U.S. producers' 1/ domestic shipments, 2/ 1983-85

Item	1983	1984	1985
Jalousie operators:			
Quantity-----1,000 units---	***	***	***
Value-----1,000 dollars---	***	***	***
Unit value-----	***	***	***
Awning operators:			
Quantity-----1,000 units---	***	***	***
Value-----1,000 dollars---	***	***	***
Unit value-----	***	***	***
Total:			
Quantity-----1,000 units---	3,320	2,956	3,032
Value-----1,000 dollars---	6,837	6,959	7,661
Unit value-----	\$2.06	\$2.35	\$2.53

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaire.

2/ Does not include intracompany and intercompany transfers.

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

U.S. producers' exports

U.S. producers' exports of window operators increased throughout the period examined (table 5). Exports of window operators increased by 38 percent in 1984 and by 9 percent in 1985. Jalousie operator exports increased sharply in 1984, whereas, awning operator exports declined. The following year jalousie operator exports leveled off and operators for awning windows increased by 30 percent.

Exports accounted for a growing share of U.S. producers' total shipments throughout the period examined. Exports represented 13 percent of U.S. producers' shipments in 1983, 18 percent in 1984, and 19 percent in 1985.

Principal export markets for U.S.-produced window operators include Central America, Canada, and several Caribbean countries.

Table 5.—Window operators: U.S. producers' export shipments, 1/ 1983-85

Item	1983	1984	1985
Jalousie operators:			
Quantity—1,000 units—	***	***	***
Value—1,000 dollars—	***	***	***
Unit value	***	***	***
Awning operators:			
Quantity—1,000 units—	***	***	***
Value—1,000 dollars—	***	***	***
Unit value	***	***	***
Total:			
Quantity—1,000 units—	544	752	818
Value—1,000 dollars—	1,523	1,681	2,079
Unit value	\$2.80	\$2.24	\$2.54

1/ Understated to the extent that all U.S. producers did not respond to the Commission's questionnaire.

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

U.S. producers' inventories

U.S. producers' inventories of window operators rose in 1983 but fell the following two years. As a share of total U.S. producers' shipments, yearend inventories declined from *** percent in 1983 to *** percent in 1985, as shown in the following tabulation:

	Inventories (units)	Ratio of inventories to total shipments 1/ (percent)
Jalousie operators:		
As of Dec. 31—		
1982	***	***
1983	***	***
1984	***	***
1985	***	***
Awning operators:		
As of Dec. 31—		
1982	***	***
1983	***	***
1984	***	***
1985	***	***
Total:		
As of Dec. 31—		
1982	181,661	2/
1983	289,813	***
1984	213,609	***
1985	212,445	***

1/ Includes U.S. producers' intracompany, domestic, and export shipments.

2/ Not available.

U.S. employment, wages, and productivity

Data on U.S. employment in establishments producing window operators, as reported in responses to the Commission's questionnaires, are provided in table 6. As stated earlier, these reporting firms produce many other products along with the window operators. The ratio of all production and related workers to total employees averaged 55 percent during 1983-85. Production and related employees producing window operators accounted for approximately 7 percent of total production and related workers in those establishments during that same period.

The average number of production and related workers producing window operators increased from 162 workers to 165 workers from 1983 to 1984, and remained at 165 workers in 1985. Hours worked fluctuated downward during the period examined.

Labor productivity, hourly compensation, and unit labor costs associated with the production of window operators are presented in table 7.

Only about 10 percent of the reported production workers are covered by collective bargaining agreements. ***.

Table 6.—Average number of employees, total and production and related workers, in U.S. establishments producing window operators, and hours worked 1/ by the latter, 1983-85

Item	1983	1984	1985
Average employment:			
All employees:			
Number	4,511	4,536	4,458
Percentage change	<u>2/</u>	0.6	-1.7
Production and related workers producing—			
All products:			
Number	2,474	2,482	2,423
Percentage change	<u>2/</u>	0.3	-2.4
Window operators:			
Number	162	165	165
Percentage change	<u>2/</u>	1.9	0.0
Hours worked by production and related workers producing window operators			
1,000 hours—	212	197	202

1/ Includes hours worked plus hours of paid leave time.

2/ Not available.

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

Table 7.—Labor productivity, hourly compensation, and unit labor costs in the production of window operators, 1983-85 1/

Item	1983	1984	1985
Labor productivity			
units per hour—	17.63	16.89	17.83
Hourly compensation <u>2/</u>			
per hour—	\$4.44	\$4.62	\$4.73
Unit labor costs—per unit—	\$0.27	\$0.30	\$0.29

1/ These measures were calculated from questionnaire responses adjusted to exclude those firms that did not report data for every factor required for the computation.

2/ Based on wages paid excluding fringe benefits.

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

Financial experience of U.S. producers

*** firms, 1/ which accounted for approximately 66 percent of reported U.S. production of window operators in 1985, furnished usable income-and-loss data on their operations producing window operators and on their overall establishment operations. The data for the two firms located in Puerto Rico 2/ are combined and presented separately as the "regional producers." ***.

Operations producing window operators.—Income-and-loss data for the *** producers are presented, in aggregate, in table 8 and by region in table 9. Since only the regional producers provided the requested financial data in an acceptable manner, the following discussion will be confined to their experience during 1983-85.

Aggregate net sales of the regional producers were essentially flat at *** during all three years examined. Both gross profit and operating income declined steadily during 1983-85, as did their profit margins. Operating income fell from *** in 1983 to *** in 1985, a decrease of *** percent. The operating income margins during 1983-85 were *** percent, *** percent, and *** percent, respectively. ***. The operating income margins for each firm are shown in the following tabulation (in percent):

<u>Firm</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Anderson—	***	***	***
Caribbean—	***	***	***
Combined—	***	***	***

1/ ***.

2/ ***.

3/ ***.

Table 8.—Income and loss experience of U.S. producers on their operations producing window operators, accounting years 1983-85

Item	1983	1984	1985
Net sales—1,000 dollars—	4,506	4,324	4,535
Cost of goods sold—do—	3,350	3,331	3,498
Gross profit—do—	1,156	993	1,037
General, selling, and administrative expenses—do—	626	588	652
Operating income—do—	530	405	385
Depreciation and amortization expenses—do—	150	151	116
Ratio to net sales:			
Cost of goods sold—percent—	74.3	77.0	77.1
Gross profit—do—	25.7	23.0	22.9
General, selling, and administrative expenses—do—	13.9	13.6	14.4
Operating income—do—	11.8	9.4	8.5
Number of firms reporting operating losses—	***	***	***
Number of firms reporting—	***	***	***

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

Table 9.—Income and loss experience of regional producers and other producers on their operations producing window operators, accounting years 1983-85

Item	1983	1984	1985
Net sales:			
Regional producers <u>1/</u>			
1,000 dollars—	***	***	***
Other producers <u>2/</u> —do—	***	***	***
Total—do—	4,506	4,324	4,535
Gross profit:			
Regional producers—do—	***	***	***
Other producers—do—	***	***	***
Total—do—	1,156	993	1,037
Operating income:			
Regional producers—do—	***	***	***
Other producers—do—	***	***	***
Total—do—	530	405	385
Ratio to net sales:			
Gross profit:			
Regional producers			
percent—	***	***	***
Other producers—do—	***	***	***
Total—do—	25.7	23.0	22.9
Operating income:			
Regional producers—do—	***	***	***
Other producers—do—	***	***	***
Total—do—	11.8	9.4	8.5

1/ Includes the 2 producers located in Puerto Rico.

2/ ***.

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

In addition to the income-and-loss data requested in the questionnaire, Anderson and Caribbean, the petitioners, furnished income-and-loss data on their sales to the original equipment manufacturer (OEM) market. They allege that injury by reason of imports from El Salvador has been most apparent in this market, and, consequently, wanted to bring this to the Commission's attention. However, the methods used to allocate expenses in selling to this market were not provided. A summary of their submissions is presented in the following tabulation:

Net sales-----1,000 dollars-----:	***	***	***
Gross profit-----do-----:	***	***	***
Operating income or (loss) do-----:	***	***	***
Ratio to net sales:			
Gross profit-----percent-----:	***	***	***
Operating income or (loss) do-----:	***	***	***

***. The operating income or (loss) margins for each of the two producers for sales to the OEM market are shown in the following tabulation:

<u>Firm</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Anderson-----	***	***	***
Caribbean-----	***	***	***
Combined-----	***	***	***

Overall establishment operations.—The producers' income-and-loss data on the overall operations of their establishments within which window operators are produced are presented in table 10. ***.

Table 10.—Income-and-loss experience of U.S. producers on the overall operations of their establishments within which window operators are produced, accounting years 1983-85

* * * * *

Capital expenditures.—*** are shown in the following tabulation:.

<u>Capital expenditures</u>	
1983-----	***
1984-----	***
1985-----	***

Investment in productive facilities.—The regional producers' investment in productive facilities employed in the manufacture of all products of their establishments is shown in the following tabulation (in thousands of dollars):

	<u>Value of property, plant, and equipment</u>	
	<u>Original</u>	<u>Book</u>
	<u>value</u>	<u>value</u>
1983_____	***	***
1984_____	***	***
1985_____	***	***

Capital and investment.—U.S. producers were asked to describe any actual or potential negative effects of imports of window operators from El Salvador on their firms' growth, investment, and ability to raise capital. Excerpts from their replies follow:

The Anderson Corp.:

* * * * *

Caribbean Die Casting Corp.:

* * * * *

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

Consideration factors

In its examination of the question of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase in allegedly subsidized and/or LTFV imports, the rate of increase in U.S. market penetration by such imports, the amount of imports held in inventory in the United States, the capacity of producers in the countries subject to the investigation to generate exports (including the availability of export markets other than the United States), and the price-depressing or -suppressing effect of the subject imports on domestic prices. A discussion of prices and the rates of increase in imports of window operators and of their U.S. market penetration is presented in the section of the report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and the Allegedly Subsidized and LTFV Imports."

Capacity of foreign producers to generate exports and the availability of export markets other than the United States

As mentioned earlier, Industrias Metalicas, S.A. (IMSA) is the only producer of window operators in El Salvador. This family-owned business was founded in 1966 as a producer of various metal products for Central America. In addition to window operators, their 187 employees produce truck bodies, door locks, and cast aluminum furniture. Window operators reportedly account for less than 50 percent of IMSA's gross sales. 1/

In response to a request by the Commission's staff, counsel for IMSA provided selected data on its operations in 1983, 1984, and 1985. Those data appear in table 11. As with the U.S. producers, the same equipment and labor are used to produce both jalousie and awning window operators and, consequently, IMSA was able to provide capacity data for window operators only. Although IMSA shows no production of awning operators until 1985, they had produced them prior to 1983. Due to some labor and political problems awning operator production was suspended during 1983-84. 2/

IMSA's sales of window operators within El Salvador increased moderately during 1983-85, but fell as a share of total shipments, as exports more than doubled. In addition to the United States, exports were made to ***, and to other Central American countries. Starting in 1984, however, the United States represented its largest export market (as well as its largest overall market). IMSA shipped *** percent of its total exports to the United States in 1983, *** percent in 1984, and *** percent in 1985.

U.S. importers' inventories

The Commission requested importers of window operators from El Salvador to provide information concerning their imports and inventories. No inventories of awning window operators were reported. Inventories of jalousie operators imported from El Salvador and Taiwan were reported beginning in 1983. Those inventories of imported window operators produced in El Salvador and the ratio of those inventories to total imports of window operators from El Salvador are reported in the following tabulation:

	<u>End-of-period inventories (units)</u>	<u>Ratio of inventories to reported imports (percent)</u>
As of Dec. 31—		
1982—	***	***
1983—	***	***
1984—	***	***
1985—	***	***

1/ Transcript of the Commission's public conference on Apr. 11, 1986.

2/ See transcript of public conference, p. 47.

Table 11.—Window operators: Selected data on IMSA's operations in El Salvador, 1983-85

Item	1983	1984	1985
Jalousie operators:			
Production—units—	***	***	***
Shipments:			
Within El Salvador—do—	***	***	***
To the United States—do—	***	***	***
To other countries—do—	***	***	***
Total shipments—do—	***	***	***
Awning operators:			
Production—do—	***	***	***
Shipments:			
Within El Salvador—do—	***	***	***
To the United States—do—	***	***	***
To other countries—do—	***	***	***
Total shipments—do—	***	***	***
Total:			
Production—do—	***	***	***
Capacity—do—	***	***	***
Capacity utilization			
percent—	***	***	***
Shipments:			
Within El Salvador—units—	***	***	***
To the United States—do—	***	***	***
To other countries—do—	***	***	***
Total shipments—do—	***	***	***

Source: Compiled from data submitted by counsel for IMSA.

Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and Allegedly Subsidized and LTFV Imports

U.S. imports

Imports of window operators are not classified separately in official statistics maintained by the U.S. Department of Commerce. Consequently, the staff has attempted to collect data from all known importers of the products subject to these investigations. Since several firms did not respond or were identified too late to be sent a questionnaire, total imports are understated. ***. ^{1/} The data that follow represent the responses of *** importers.

^{1/} ***.

Aggregate imports of window operators increased sharply during 1983-85. Such imports increased from *** operators in 1983 to *** operators in 1984. Window operator imports increased by 71 percent in 1985 (table 12). In 1983 only Taiwan supplied U.S. importers with window operators. But in 1984 and 1985, El Salvador supplied over 95 percent of all U.S. imports. Operators for jalousie windows accounted for nearly all window operator imports from El Salvador. Importers did not report any imports of awning operators from Taiwan. During the period examined, imports of awning operators from El Salvador were first reported in 1985.

Table 12.—Window operators: U.S. imports for consumption, by principal sources, 1983-85

Item	1983	1984	1985
Quantity (units)			
Jalousie operators:			
El Salvador	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Awning operators:			
El Salvador	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Total:			
El Salvador	***	***	***
Taiwan	***	***	***
Total	***	***	***
Value (dollars)			
Jalousie operators:			
El Salvador	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Awning operators:			
El Salvador	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Total:			
El Salvador	***	***	***
Taiwan	***	***	***
Total	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. These imports are classified in item 647.03 of the TSUS.

Most all of the imports from El Salvador enter the United States through the U.S. customs district of San Juan, PR. ***, 1/ Importers' shipments of window operators within the United States are presented in table 13.

Table 13.—Window operators: U.S. importers' shipments in the United States, 1983-85

Item	1983	1984	1985
Jalousie operators:			
From El Salvador—units—	***	***	***
From Taiwan—do—	***	***	***
Total—do—	***	***	***
Awning operators:			
From El Salvador—do—	***	***	***
From Taiwan—do—	***	***	***
Total—do—	***	***	***
Total:			
From El Salvador—do—	***	***	***
From Taiwan—do—	***	***	***
Total—do—	***	***	***

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

U.S. market penetration

Total shipments of imported window operators accounted for an increasing share of the U.S. market during the period examined (table 14). In 1983, no shipments of imported window operators were reported. Imports supplied *** percent of U.S. window operator consumption in 1984, and *** percent in 1985. Jalousie operators from El Salvador accounted for almost all of the imports.

1/ ***.

Table 14.—Window operators: Ratios of shipments of imports from El Salvador and from all countries to apparent U.S. consumption, 1983-85

(In percent)			
Item	1983	1984	1985
Ratios of importers' shipments of imports from El Salvador to apparent U.S. consumption:			
Jalousie operators—	***	***	***
Awning operators—	***	***	***
Total window operators—	***	***	***
Ratios of importers' shipments of imports from all countries to apparent U.S. consumption:			
Jalousie operators—	***	***	***
Awning operator—	***	***	***
Total window operators—	***	***	***

Source: Tables 2 and 13.

Prices

U.S. producers and importers of window operators were asked in questionnaires to provide selling price data for jalousie and awning window operators, by quarters, from January-March 1984 through January-March 1986. Prices were collected on both a delivered and f.o.b. warehouse/point-of-shipment basis. Separate prices for jalousie and awning window operators were requested because awning operators are heavier in construction and sell at significantly higher prices than jalousie operators. Separate prices were also requested for sales to OEM's and to the replacement market. Importers provided consistent price series for sales to the OEM market only.

Producers and importers were requested to provide descriptions of all forms of discounts they provide to purchasers of jalousie and awning window operators. All the principal producers provide "net period with cash discounting" schemes similar in construction to the common "2 percent/10, net 30" program that many industries offer. That particular discounting method means that payment of the full amount is due in 30 days, but a purchaser can receive 2 percent off the sale price if payment is made within 10 days. The discounts provided by producers ranged from 1 to 10 percent, with some producers providing more than one discount rate. ***.

Transportation costs are usually paid by the purchaser. When transportation costs were provided by the seller, they averaged approximately 2 percent of the delivered costs. ***. 1/ ***.

1/ ***.

The Commission received *** usable producers' questionnaires and *** usable importers' questionnaires. Importers provided little pricing data for awning operators, and all importer prices were for sales in the Puerto Rican market.

Producers' weighted-average prices were computed separately for sales made in Puerto Rico (the "region" specified in the petition) and for sales made throughout the United States (including the 50 States, the District of Columbia, and Puerto Rico). Tables 15 and 16 show that producers' weighted-average prices in Puerto Rico were significantly less than their prices in the country as a whole.

Trends in prices.—U.S. producers' weighted-average prices for jalousie operators sold to OEM's (table 15) ranged from a low of *** per unit in April-June 1985 to a high of *** in January-March 1985 in the United States as a whole, and from a low of *** in April-June 1985 to a high of *** in April-June 1984 in Puerto Rico. Prices in the country as a whole increased by 14 percent from January-March 1984 through January-March 1985, fell by 13 percent in April-June 1985, and then increased by 11 percent through January-March 1986. Producers' prices in Puerto Rico declined by *** percent from January-March 1984 through April-June 1985, and then increased by *** percent through January-March 1986. For imports of jalousie operators from El Salvador that were sold to OEM's in Puerto Rico, prices were constant throughout the period examined at *** per unit.

U.S. producers' weighted-average prices for jalousie operators sold to the replacement market (table 16) ranged from a low of *** per unit in January-March 1986 to a high of *** in April-June 1985 in the country as a whole, and from a low of *** in July-September 1985 to a high of *** in October-December 1985 in Puerto Rico. Prices in both the country as a whole and in Puerto Rico were about the same in January-March 1986 as they were in January-March 1984, although more fluctuations were reported for sales in the country as a whole. Two prices for imports of jalousie operators from El Salvador sold in the Puerto Rican replacement market were reported: *** in January-March 1985 and *** in April-June 1985.

U.S. producers' weighted-average prices for awning operators sold to the OEM market (table 16) ranged from a low of *** in April-June 1985 to a high of *** in January-March 1985 in the country as a whole, and from a low of *** in January-March, April-June, and October-December 1985 to a high of *** in January-March 1984 in Puerto Rico. Prices in the country as a whole were reasonably stable during the period of investigation, although there were fluctuations from quarter to quarter. Prices in Puerto Rico declined by 14 percent from January-March 1984 through April-June 1985, and then rose by 6 percent through January-March 1986. A single price for imports from El Salvador of awning operators sold to OEM's in Puerto Rico was reported: *** in April-June 1985.

U.S. producers' weighted-average prices for awning operators sold to the replacement market (table 16) ranged from a low of *** in October-December 1984 to a high of *** in January-March 1984 in the country as a whole, and from a low of *** in October-December 1984 to a high of *** in January-March 1984 in Puerto Rico. Prices in the country as a whole were generally stable,

Table 15.—Jalousie window operators sold to OEM's: U.S. producers' weighted-average delivered selling prices in Puerto Rico and in the United States as a whole (i.e., including Puerto Rico), and weighted-average delivered selling prices of imports from El Salvador in Puerto Rico, by quarters, January 1984–March 1986

(Per unit)					
Period of shipment	Imports	U.S. producers' sales		Imports' margin of under-selling <u>1/</u>	
	from El Salvador sold in Puerto Rico	in— Puerto Rico United States as a whole			
				<u>Percent</u>	
1984:					
January-March	***	***	***	12.5	
April-June	***	***	***	13.3	
July-September	***	***	***	12.5	
October-December	***	***	***	12.5	
1985:					
January-March	***	***	***	5.8	
April-June	***	***	***	3.0	
July-September	***	***	***	7.5	
October-December	***	***	***	10.1	
1986:					
January-March	***	***	***	10.1	

^{1/} Comparisons made with U.S. producers' sales in Puerto Rico only.

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

Table 16.—U.S. producers' weighted-average delivered selling prices of jalousie window operators sold to the replacement market in Puerto Rico and in the United States as a whole (i.e., including Puerto Rico), and U.S. producer's weighted-average delivered selling prices of awning window operators sold to the replacement and OEM markets in Puerto Rico and in the United States as a whole, by quarters, January 1984–March 1986

(Per unit)							
Period of shipment	Jalousie operators sold in the replacement market		Awning operators sold in the—				
			Replacement market		OEM market		
	Puerto Rico	United States as a whole	Puerto Rico	United States as a whole	Puerto Rico	United States as a whole	
1984:							
Jan.–Mar	***	***	***	***	***	***	***
Apr.–June	***	***	***	***	***	***	***
July–Sept	***	***	***	***	***	***	***
Oct.–Dec	***	***	***	***	***	***	***
1985:							
Jan.–Mar	***	***	***	***	***	***	***
Apr.–June	***	***	***	***	***	***	***
July–Sept	***	***	***	***	***	***	***
Oct.–Dec	***	***	***	***	***	***	***
1986:							
Jan.–Mar	***	***	***	***	***	***	***

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

while prices in Puerto Rico declined by 20 percent from January-March 1984 through January-March 1986. No prices were reported for imports from El Salvador of awning operators sold in the replacement market.

Margins of underselling.—As mentioned, the only complete price series for imports of window operators from El Salvador is for sales of jalousie operators to OEM's in Puerto Rico. Margins of underselling for that product in that market ranged from a high of 13.3 percent in April-June 1984 to a low of 3.0 percent in April-June 1985. The imports undersold domestic products in each period examined.

The two reported prices for imports from El Salvador of jalousie operators sold in the Puerto Rico replacement market show underselling of 41.0 percent in January-March 1985 and 40.7 percent in April-June 1985.

The single reported price for imports from El Salvador of awning operators sold in the Puerto Rico OEM market shows underselling of 11.7 percent in April-June 1985.

Exchange rates

Quarterly data reported by the International Monetary Fund indicate that during the period January 1983 through December 1985 the Salvadoran colon maintained its nominal value relative to the U.S. dollar, since it has been pegged to the dollar at a ratio of 2.5 to one (table 17). ^{1/} In real terms, however, the Salvadoran currency appreciated by 32.8 percent relative to the dollar.

Lost sales and revenues

U.S. producers were asked to furnish the Commission with customer names, quantities, and dates relating to any sales or revenues that have been lost to imports of jalousie or awning operators from El Salvador since January 1984. No lost sales allegations were submitted. Two producers provided quantifiable allegations of lost revenues involving jalousie operators and one provided quantifiable allegations of lost revenues involving awning operators. The number of quantifiable lost revenue allegations involving jalousie operators totaled *** operators valued at ***. The number of quantifiable lost revenue allegations involving awning operators totaled *** operators valued at ***. *** accounted for *** lost revenue allegations involving jalousie operators. *** firms, ***, accounted for all the lost revenue allegations involving awning operators.

*** alleged lost revenues on sales of *** jalousie operators to ***. In one instance it alleged that it had offered an initial quote of *** per unit on *** units, but had to lower its price to *** in order to make the sale; in the other instance the firm alleged that it had offered an initial quote of *** on *** units, but had to lower the price to *** per unit in order to make the sale.

^{1/} International Financial Statistics, March 1986.

Table 17.—U.S.—Salvadoran exchange rates: 1/ Nominal-exchange-rate equivalents of the Salvadoran colon in U.S. dollars, real-exchange-rate equivalents, and producer price indicators in the United States and El Salvador, 2/ indexed by quarters, January 1983–December 1985

(January–March 1983=100.0)					
Period	U.S. Producer Price Index	Salvadoran Producer Price Index	Nominal- exchange- rate index	Real- exchange- rate index	3/
1983:					
January–March	100.0	100.0	100.0		100.0
April–June	100.3	103.1	100.0		102.8
July–September	101.3	108.3	100.0		107.0
October–December	101.8	107.5	100.0		105.6
1984:					
January–March	102.9	106.7	100.0		103.7
April–June	103.6	110.9	100.0		107.1
July–September	103.3	111.5	100.0		107.9
October–December	103.0	114.5	100.0		111.8
1985:					
January–March	102.9	117.0	100.0		113.8
April–June	103.0	122.1	100.0		118.6
July–September	102.2	128.9	100.0		126.1
October–December	102.9	136.6	100.0		132.8

1/ Exchange rates expressed in U.S. dollars per Salvadoran colon.

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

3/ The real value of a currency is the nominal value adjusted for the difference between inflation rates as measured here by the producer price indexes in the United States and El Salvador. Producer prices in the United States increased 2.9 percent between January 1983 and December 1985 compared with an increase of 36.6 percent in El Salvador during the same period.

Source: International Monetary Fund, International Financial Statistics, March 1986.

*** alleged lost revenues on sales of *** jalousie operators to ***. *** specified that it had offered an initial quote of *** per unit, but had to lower the price to *** in order to make the sale.

At the conference on April 11, 1986, Mr. Reyes, of Lausell Aluminum, Inc., testified that after both Caribbean Die Casting Corp. and Anderson Corp. increased the prices of their jalousie operators by a total of 20 percent during 1983, he began to search for a competitor with a lower price. 1/ Mr. Reyes said that he had long-term contracts to provide jalousie windows at a fixed price, and that he therefore could not afford to absorb the U.S. producers' price increases for their jalousie operators. Accordingly, Lausell

1/ Transcript of the conference, pp. 60–62.

began to purchase sizable quantities of jalousie operators from El Salvador, and continues to do so. Mr. Reyes said that El Salvador's jalousie operators were offered at a price similar to that of the domestic producers prior to their price increases. He also testified that he continues to purchase jalousie operators from one of the petitioners (Anderson) at a price equivalent to that charged prior to the 1983 price increases. 1/

The Question of Injury to a Regional Industry

The petitioner in these investigations alleges injury to both the national industry producing window operators and to a regional industry in Puerto Rico. The petitioners, Anderson Corp. and Caribbean Die Casting Corp., are the only producers of window operators located in Puerto Rico. Table 18 presents data on the window-operator operations of both firms for each of the various indices of injury for which information was developed.

1/ Transcript of the conference, pp. 62-63.

Table 18.—Window operators: Selected trade data for the two producers located in Puerto Rico, 1983-85

Item	1983	1984	1985
Total			
Production—1,000 units—	***	***	***
Capacity—1,000 units—	***	***	***
Capacity utilization—percent—	***	***	***
Shipments within Puerto Rico			
1,000 units—	***	***	***
Other U.S. shipments—do—	***	***	***
Exports—do—	***	***	***
Total shipments—1,000 units—	***	***	***
End-of-period inventories—do—	***	***	***
Production workers—number—	***	***	***
Net sales—1,000 dollars—	***	***	***
Operating income—do—	***	***	***
Ratio of operating income to			
net sales—percent—	***	***	***
Capital expenditures—	\$***	\$***	\$***
Anderson Corp.			
Production—1,000 units—	***	***	***
Capacity—1,000 units—	***	***	***
Capacity utilization—percent—	***	***	***
Shipments within Puerto Rico			
1,000 units—	***	***	***
Other U.S. shipments—do—	***	***	***
Exports—do—	***	***	***
Total shipments—1,000 units—	***	***	***
End-of-period inventories—do—	***	***	***
Production workers—number—	***	***	***
Net sales—1,000 dollars—	***	***	***
Operating income—do—	***	***	***
Ratio of operating income to			
net sales—percent—	***	***	***
Capital expenditures—	\$***	\$***	\$***
Caribbean Die Casting Corp.			
Production—1,000 units—	***	***	***
Capacity—1,000 units—	***	***	***
Capacity utilization—percent—	***	***	***
Shipments within Puerto Rico			
1,000 units—	***	***	***
Other U.S. shipments—do—	***	***	***
Exports—do—	***	***	***
Total shipments—1,000 units—	***	***	***
End-of-period inventories—do—	***	***	***
Production workers—number—	***	***	***
Net sales—1,000 dollars—	***	***	***
Operating income—do—	***	***	***
Ratio of operating income to			
net sales—percent—	***	***	***
Capital expenditures—	\$***	\$***	\$***

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

Apparent consumption of window operators in Puerto Rico is presented in table 19. New construction of residential and commercial buildings has increased demand for window operators in Puerto Rico.

Table 19.—Window operators: Domestic shipments, importers' shipments, and apparent consumption in Puerto Rico, 1983-85

Item	1983	1984	1985
Jalousie operators:			
Domestic shipments—1,000 units—	***	***	***
Importers' shipments—do—	***	***	***
Apparent consumption—do—	***	***	***
Awning operators:			
Domestic shipments—do—	***	***	***
Importers' shipments—do—	***	***	***
Apparent consumption—do—	***	***	***
Total:			
Domestic shipments—do—	***	***	***
Importers' shipments—do—	***	***	***
Apparent consumption—do—	***	***	***

1/ ***.

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

In examining the issue of a regional industry, the statute directs the Commission to consider the extent to which producers within that market sell all or almost all of their production of the like product in that market, and the extent to which demand in the regional market is supplied by producers of the product located elsewhere in the United States.

The two producers located in Puerto Rico sold over *** percent of their U.S. shipments (excluding exports) to the Puerto Rican market during 1983-85 (table 20). Shipments to Puerto Rico by these two producers represented *** percent of their total production in 1983 and fell to *** percent in 1984 and 1985.

Only one U.S. producer located outside of Puerto Rico reported any shipments there. This occurred in 1983 and totaled *** operators, or less than one percent of apparent consumption of window operators that year.

Table 20.—Window operators: Shipments made to Puerto Rico by the two area producers as a share of their U.S. shipments 1/ and production, 1983-85

(In percent)			
Item	1983	1984	1985
Shipments to Puerto Rico by area producers as a share of their—			
U.S. shipments—	***	***	***
Production—	***	***	***

1/ Does not include exports.

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

U.S. imports of window operators from El Salvador are concentrated in Puerto Rico. They represented *** percent of all such imports from El Salvador in 1984 and *** percent in 1985 (table 21).

Table 21.—Window operators: U.S. imports from El Salvador, Puerto Rican imports from El Salvador, and the ratio of Puerto Rican imports to U.S. imports, 1983-85

Item	1983	1984	1985
U.S. imports—1,000 units—	***	***	***
Puerto Rican imports—do—	***	***	***
Ratio of Puerto Rican imports from El Salvador to total U.S. imports from El Salvador percent—	***	***	***

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

Importers' shipments of window operators produced in El Salvador accounted for an increasing share of apparent consumption in Puerto Rico (table 22). Such shipments supplied *** percent of window operator consumption in 1984 and *** percent in 1985.

Table 22.—Window operators imported from El Salvador: Importers' shipments to Puerto Rico and their share of apparent consumption in Puerto Rico, 1983-85

Item	1983	1984	1985
Jalousie operators:			
Importers' shipments—1,000 units—	***	***	***
Ratio of importers' shipments to apparent consumption—percent—	***	***	***
Awning operators:			
Importers' shipments—1,000 units—	***	***	***
Ratio of importers' shipments to apparent consumption—percent—	***	***	***
Total operators:			
Importers' shipments—1,000 units—	***	***	***
Ratio of importers' shipments to apparent consumption—percent—	***	***	***

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

APPENDIX A

COMMISSION'S AND COMMERCE'S FEDERAL REGISTER NOTICES

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 El Salvador of operators suitable for use with jalousie and awning windows, provided for in item 647.03 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Government of El Salvador.

The Commission also gives notice of the institution of preliminary antidumping investigation No. 731-TA-319 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from El Salvador of operators suitable for use with jalousie and awning windows, provided for in item 647.03 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 sections 703(a) and 733(a), the Commission must complete preliminary countervailing duty and antidumping investigations in 45 days, or in this case by May 5, 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: March 19, 1986.

FOR FURTHER INFORMATION CONTACT: Lawrence Rausch (202-523-0300), Office of Investigation, 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 contracting the Commission's TDD terminal on 202-724-0002.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in responses to a petition filed on March 19, 1986 by counsel on behalf of the Anderson Corporation, San Juan, Puerto Rico, and the Caribbean Die Casting Corporation, Bayamon, Puerto Rico.

(Investigations Nos. 701-TA-272 and 731-TA-319 (Preliminary))

Operators for Jalousie and Awning Windows From El Salvador

AGENCY: International Trade Commission.

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigation No. 701-TA-272 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine

Participation in the Investigation

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

Service list

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each document filed by a party to these 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 April 11, 1986 at the U.S. International Trade Commission Building, 701 E Street NW, Washington, DC. Parties wishing to participate in the conference should contact Lawrence Rausch (202-523-0300) not later than April 8, 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 April 15, 1986 a written statement of information pertinent to the subject of these 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: March 21, 1986.

Kenneth R. Mason,

Secretary.

[FR Doc. 86-6069 Filed 3-28-86; 8:45 am]

BILLING CODE 7020-03-0

Notices

Federal Register

Vol. 51, No. 71

Monday, April 14, 1986

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in El Salvador of operators for jalousie and awning windows, 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 these products materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, we will make our preliminary determination on or before June 12, 1986.

EFFECTIVE DATE: April 14, 1986.

FOR FURTHER INFORMATION CONTACT: Steve Morrison or Barbara Tillman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: 202/377-1248 (Morrison), 202/377-2438 (Tillman).

SUPPLEMENTARY INFORMATION:

Petition

On March 19, 1986, we received a petition in proper form from The Anderson Corporation and the Caribbean Die Casting Corporation, manufacturers of operators for jalousie and awning windows in Puerto Rico. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in El Salvador of operators for jalousie and awning windows receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). Since El Salvador is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation, and the ITC is required to determine whether imports of the subject merchandise from El Salvador 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 initiation of a countervailing duty investigation, and, further, whether it contains information reasonably available to the petitioner supporting the allegations. We examined the petition on operators for jalousie and awning windows from El Salvador, and we have found that it meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in El Salvador of operators for jalousie and awning windows, as described in the "Scope of Investigation" section of this notice, receive subsidies.

Scope of Investigation

The products covered by this investigation are operators for jalousie and awning windows as provided for in item 647.0365 of the *Tariff Schedules of the United States Annotated* (TSUSA).

Allegations of Subsidies

The petition alleges that manufacturers, producers, or exporters in El Salvador of operators for jalousie and awning windows receive benefits under the following programs which constitute subsidies:

- Exemptions from Taxes on Imported Capital Equipment Used for Export Production;
- Duty Exemptions on Imported Inputs Not Physically Incorporated into Exported Products;
- Income Tax Exemption;
- Asset Tax Exemption;
- Exemptions to Exporters on the Fiscal Stamp Tax and the City Tax on Assets;
- Pre-Export and Export Credit Guarantees;
- Export Credit Insurance;
- Pre-Export and Export Loans; and
- Preferential Exchange Rate Treatment for Exporters.

Further, we will not initiate a countervailing duty investigation on the following allegation:

Duty Exemptions on Imported Inputs Physically Incorporated into Exported Products

Petitioners allege that Article 8 of the El Salvadoran Export Promotion Law provides for the free importation of raw materials, intermediate and semi-finished products, containers, packaging samples, patterns, and lubricants

IC-211-6021

Initiation of Countervailing Duty Investigation; Operators for Jalousie and Awning Windows From El Salvador

AGENCY: Import Administration, International Trade Administration, Commerce.

necessary for production for export, for an extendable period of 10 years.

Duty exemptions on imported items, such as raw materials, which are physically incorporated into exported products are not countervailable under Annex I to the Commerce Regulations (19 CFR Part 355, Annex I). Therefore, we will limit our investigation to duty exemptions on imports, such as samples, patterns, and lubricants, which are not physically incorporated into exported products.

Allegation of Critical Circumstances

Petitioners allege that "critical circumstances" exist within the meaning of section 703(e) of the Act with respect to imports of operators for jalousie and awning windows from El Salvador. They claim that the products concerned benefit from export subsidies that are inconsistent with the GATT Subsidies Code, and that imports have been massive over a relatively short period. We will determine whether critical circumstances exist with respect to these imports in our preliminary and final determinations.

Notification of ITC

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

Preliminary Determination by ITC

The ITC will determine by May 5, 1986, whether there is a reasonable indication that imports of operators for jalousie and awning windows from El Salvador materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

April 8, 1986.

[FR Doc. 86-8279 Filed 4-11-86; 8:45 am]

BILLING CODE 3510-DS-M

DEPARTMENT OF COMMERCE

International Trade Administration
[A-211-601]

Operators for Jalousie and Awning Windows From El Salvador; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether operators for jalousie and awning windows from El Salvador are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are causing material injury, or threaten material injury, to a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before May 5, 1986, and we will make ours on or before August 28, 1986.

EFFECTIVE DATE: April 17, 1986.

FOR FURTHER INFORMATION CONTACT: Charles E. Wilson, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, D.C. 20230, telephone: (202) 377-5288.

SUPPLEMENTARY INFORMATION:

The Petition

On March 18, 1986, we received a petition in proper form filed by the Anderson Corporation and the Caribbean Die Casting Corporation of Puerto Rico in compliance with the filing

requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36). The petition alleged that imports of the subject merchandise from El Salvador are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 or the Tariff Act of 1930, as amended (the Act), and that these imports are causing material injury, or threaten material injury, to a United States industry. Critical circumstances have also been alleged under section 733(e) of the Act.

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, further, whether it contains information reasonably available to the petitioner supporting the allegations.

We examined the petition on operators for jalousie and awning windows from El Salvador 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 operators for jalousie and awning windows are being, or are likely to be, sold in the United States at less than fair value.

Scope of Investigation

The products covered by this investigation are operators for jalousie and awning windows, as provided for under item 647.0365 of the *Tariff Schedules of the United States, Annotated* (TSUSA).

United States Price and Foreign Market Value

Petitioners submitted price information on sales of jalousie operators and awning operators to the United States from sales contracts of the foreign manufacturer. Petitioners adjusted the CIF price to the U.S. purchaser for ocean freight, packaging, insurance and importer's profit.

Petitioners used FOB sales prices to Guatemala as foreign market value for jalousie operators, since they were unable to obtain data concerning sales in El Salvador. They were unable to obtain home market or third country data for awning operators. Consequently, petitioners calculated a constructed foreign market value. As petitioners were unable to obtain Salvadoran cost data for awning operators, they used Puerto Rican costs, stating that most costs in Puerto Rico were the same as those in El Salvador, adjusting for labor costs in El Salvador.

Based on the comparison of United States price and foreign market value, petitioners allege sales below fair value for both jalousie operators and awning operators. The average dumping margin for jalousie operators is 107.8 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 in our files. We will furnish privileged and confidential information to the ITC upon request, provided it confirms that it will not disclose such information either publicly or under administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by May 5, 1986, whether there is a reasonable indication that imports of operators for jalousie and awning windows from El Salvador are causing material injury, or threaten material injury, to a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Dated: April 8, 1986.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-8547 Filed 4-16-86; 8:45 am]

BILLING CODE 2510-06-M

APPENDIX B

LIST OF WITNESSES APPEARING AT THE CONFERENCE

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos.—701 TA-272 and 731-TA-319 (Preliminary)

OPERATORS FOR JALOUSIE AND AWNING WINDOWS
FROM EL SALVADOR

In support of the petition

Gage & Tucker—Counsel
Washington, DC
on behalf of

Anderson Corporation and Caribbean Die Casting Corporation

Angel E. Zorrilla Jr., President, Anderson Corporation

Jose A. Garcia, Treasurer, Caribbean Die Casting Corp.

Morton Pomeranz)—OF COUNSEL

In opposition to the petition

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

the Government of El Salvador, Industrias Metalicas, S.A. of
San Salvador, and Caribbean Technical Sales, Inc., of Puerto
Rico

Eduardo Poma, Vice President, Industrias Metalicas, S.A.

Peter Mariaca, President, Caribbean Technical Sales, Inc.

Nestor Reyes, President, Lausell Aluminum Jalousie, Inc.

Beth C. Ring)—OF COUNSEL

**UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436**

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