

**CERTAIN CIRCULAR, WELDED,
NON-ALLOY STEEL PIPES AND
TUBES FROM BRAZIL, THE
REPUBLIC OF KOREA,
MEXICO, ROMANIA, TAIWAN,
AND VENEZUELA**

Determination of the Commission in
Investigation No. 701-TA-311
(Preliminary) Under the Tariff Act
of 1930, Together With the Information
Obtained in the Investigation

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Determinations of the Commission in
Investigations Nos. 731-TA-532
through 537 (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Note.--Information that would reveal the confidential business information of individual firms may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations No. 701-TA-311 (Preliminary) and
Nos. 731-TA-532 through 537 (Preliminary)

CERTAIN CIRCULAR, WELDED, NON-ALLOY STEEL PIPES AND TUBES FROM
BRAZIL, THE REPUBLIC OF KOREA, MEXICO, ROMANIA, TAIWAN, AND VENEZUELA

Determinations

On the basis of the record¹ developed in the subject investigations, the Commission unanimously 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 materially injured by reason of imports from Brazil of certain circular, welded, non-alloy steel pipes and tubes,² that are alleged to be subsidized by the Government of Brazil. The Commission also determines,³ pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela of certain circular, welded, non-alloy steel pipes and tubes,⁴ that are alleged to be sold in the

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

² For purposes of this investigation, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes, of circular cross section, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheadings 7306.30.10 and 7306.30.50 of the Harmonized Tariff Schedule of the United States.

³ Commissioner Brunsdale dissenting with respect to imports from Romania.

⁴ For purposes of the investigations involving Brazil, the Republic of Korea, Mexico, Romania and Venezuela, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes of circular cross section, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled), not more than 406.4 mm (16 inches) in outside diameter, provided for in subheadings 7306.30.10 and 7306.30.50 of the Harmonized Tariff Schedule of the United States. For the investigation concerning imports from Taiwan, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of less than 1.65 mm (0.065 inch), less than 406.4 mm (16 inches) in outside diameter, regardless of surface finish (black, galvanized, or painted) or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheading 7306.30.10, and welded, non-alloy steel pipes and tubes of circular cross section over 114.3 mm (4.5 inches) but not more than

(continued...)

United States at less than fair value (LTFV).

Background

On September 24, 1991, petitions were filed with the Commission and the Department of Commerce. The petitioners are Allied Tube & Conduit Corp., Harvey, IL; American Tube Co., Phoenix, AZ; Bull Moose Tube Co., Gerald, MO; Century Tube Corp., Pine Bluff, AR; Sawhill Tubular Div., Cyclops Corp., Sharon, PA; Laclede Steel Co., St. Louis, MO; Sharon Tube Co., Sharon, PA; Western Tube & Conduit Corp., Long Beach, CA; and Wheatland Tube Co., Collingswood, NJ. The petitions allege that an industry in the United States is materially injured and is threatened with material injury by reason of subsidized imports of certain circular, welded, non-alloy steel pipes and tubes from Brazil and by reason of LTFV imports of certain circular, welded, non-alloy steel pipes and tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela. Accordingly, effective September 24, 1991, the Commission instituted countervailing duty investigation No. 701-TA-311 (Preliminary) and antidumping investigations Nos. 731-TA-532 through 537 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was posted in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and published in the Federal Register of October 2, 1991 (56 F.R. 49903). The conference was held in Washington, DC, on October 15, 1991, and all persons who requested the opportunity were permitted to appear in person or by counsel.

⁴(...continued)

more than 406.4 mm (16 inches) in outside diameter, with a wall thickness of 1.65 mm (0.065 inch) or more, regardless of surface finish (black, galvanized, or painted) or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheading 7306.30.50 of the Harmonized Tariff Schedule of the United States.

VIEWS OF THE COMMISSION

On the basis of the information obtained in these preliminary investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain circular, welded, non-alloy steel pipes and tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela that are allegedly sold at less than fair value (LTFV) and imports from Brazil that are allegedly subsidized.¹

I. The legal standard for preliminary investigations

Section 733(a) of the Tariff Act of 1930, as added by the Trade Agreements Act of 1979,² requires the Commission to determine whether, based upon the best information available at the time of the preliminary determination, there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or its establishment is materially retarded, by reason of imports of the articles subject to investigation. The definition of "material injury" is the same in both preliminary and final investigations, but in preliminary investigations an affirmative determination is based on a "reasonable indication" of material injury, in contrast to the finding of actual material injury or threat required in a final determination.³

In American Lamb Co. v. United States,⁴ the Federal Circuit addressed

¹ Acting Chairman Brunsdale does not join this determination with respect to the imports from Romania. She finds no reasonable indication of material injury or threat of material injury by reason of imports from Romania. See her views infra.

² 19 U.S.C. §§ 1671b(a), 1673b(a).

³ Compare 19 U.S.C. §§ 1671b(a) and 1673b(a) with 19 U.S.C. §§ 1671d(b)(1) and 1673d(b)(1).

⁴ 785 F.2d 994 (Fed. Cir. 1986).

the Commission's standard for preliminary determinations. The Court stated that the purpose of preliminary investigations is to avoid the cost and disruption to trade caused by unnecessary investigations.⁵ The Court sustained the Commission's practice of making a negative preliminary determination only if "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."⁶

II. Like product and the domestic industry

In order to determine whether there is a reasonable indication of "material injury" or the "threat of material injury," to a domestic industry, we must first define the "domestic industry." Section 771(4)(A) of the Tariff Act of 1930 defines the relevant domestic industry as the "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."⁷ "Like product" is defined as a "product that is like, or in the absence of like, most similar in characteristics and uses with the article subject to investigation."⁸

Our decision regarding the appropriate like product or products in an investigation is essentially a factual determination, and we have applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis. In analyzing like product issues, we generally consider a number of factors relating to characteristics and uses including:

⁵ 785 F.2d at 1002-03 (citing S. Rep. No. 1298, 93d Cong., 2d Sess. 171 (1974)).

⁶ 785 F.2d at 1001-04.

⁷ 19 U.S.C. § 1677(4)(A).

⁸ 19 U.S.C. § 1677(10).

(1) physical appearance, (2) interchangeability, (3) channels of distribution, (4) customer perception, (5) common manufacturing facilities and production employees, and where appropriate, (6) price.⁹ No single factor is necessarily dispositive, and the Commission may consider other factors it deems relevant based upon the facts of a particular investigation. Generally the Commission disregards minor variations between the articles subject to an investigation and requires "clear dividing lines among possible like products."¹⁰

The imported articles subject to these investigations as set forth in Commerce's notice of institution are:

circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized or painted), or end finish (plain-end, bevelled-end, threaded, or threaded and coupled).¹¹

These pipes and tubes are generally known as standard pipe, although they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are used for the low pressure

⁹ Torrington Co. v. United States, 747 F. Supp. 744 at 749 (CIT 1990), aff'd 938 F.2d 1278 (Fed. Cir. 1991); Asociacion Colombiana de Exportadores de Flores v. United States, 12 CIT __, 693 F. Supp. 1165 n.4, 1180 n.7 (1988) (Asocoflores).

¹⁰ Extruded Rubber Thread from Malaysia, Inv. No. 303-TA-22 (Preliminary) and Inv. No. 731-TA-527 (Preliminary), USITC Pub. 2441 (October 1991).

¹¹ See 56 Fed. Reg. 52529. The antidumping petition against Taiwan covers only welded non-alloy steel pipes and tubes of circular cross section, with a wall thickness of less than 1.65 mm (0.065 inch), less than 406.4 mm (16 inches) in outside diameter, regardless of surface finish (black, galvanized, or painted) or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheading 7306.30.10, and welded, non-alloy steel pipes and tubes of circular cross section over 114.3 mm (4.5 inches) but not more than 406.4 mm (16 inches) in outside diameter, with a wall thickness of 1.65 mm (0.065 inch) or more, regardless of surface finish (black, galvanized, or painted) or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheading 7306.30.50 of the Harmonized Tariff Schedule of the United States. An antidumping duty order is already in effect on standard pipe from Taiwan from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inches) in outside diameter with wall thickness of 1.65 mm (0.065 inch) or more. See 49 Fed. Reg. 19369 (May 7, 1984).

conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing.¹²

In our two most recent investigations involving standard pipe and tube, the Commission found the like product to consist of both finished and unfinished standard pipes of not more than 16 inches in diameter, the same like product as that proposed by the petitioners.¹³ Respondents from Brazil, Taiwan, Korea, Venezuela and Romania have raised no objections to petitioners' proposed like product.¹⁴

Industrias Monterrey, S.A. de C.V. ("IMSA"), a Mexican producer of standard pipe, indicated in its postconference brief that it believes that the single product it exports, thin-walled fence tubing for residential use,¹⁵ should be determined to constitute a separate like product.¹⁶ IMSA argues that this product differs from other pipe and tube products subject to investigation, first because its product is not interchangeable with other pipe and tube products due to differences in strength and ASTM specifications¹⁷ that would make the thinner wall pipe dangerous and

¹² See Report at A-5 to A-6.

¹³ See Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan, and Turkey, Inv. Nos. 731-TA-271 through 273 (Final), USITC Pub. 1839 (April 1986); Certain Welded Carbon Steel Pipes and Tubes from Thailand and Venezuela, Inv. Nos. 701-TA-242 and 731-TA-252 and 253 (Preliminary), USITC Pub. 1680 (April 1985).

¹⁴ Taiwanese Respondents, however, have indicated that they may raise like product issues in any final investigations. Tr. at 108 and 115-116.

¹⁵ This type of tubing has a wall thickness of between 0.35 inch and 0.65 inch.

¹⁶ Postconference Brief of IMSA at 6.

¹⁷ ASTM stands for American Society for Testing and Materials, an organization that publishes standards and specifications for steel pipe and tube production that are commonly used in the industry. See Report at A-5.

impermissible for industrial use,¹⁸ and, secondly, because it does not compete with any products from any other respondents, except perhaps the imports from Venezuela and competes at most only with products of four of the petitioning companies, Allied Tube, Century Tube, American Tube and Western Tube.¹⁹

Because the issue arose late in the investigations, the Commission did not gather information on this question and petitioners did not have an opportunity to comment on this argument. Thus, we defer the question of whether to include this type of product within the like product definition for any final investigations.²⁰ For purposes of these preliminary investigations, we find a single like product consisting of all circular, welded, non-alloy steel pipes and tubes of not more than 16 inches in outside diameter. We further determine for purposes of these preliminary investigations that the domestic industry includes all domestic producers of the like product.²¹

III. Condition of the domestic industry²²

In assessing the condition of the industry, the Commission considers,

¹⁸ Postconference Brief at 8-9.

¹⁹ Postconference Brief of IMSA at 9.

²⁰ We note, however, that all standard pipe, including the product exported by IMSA, appears to be manufactured by the same or similar production processes and to be sold through common channels of distribution. Tr. at 15; Report at A-6 and A-16.

²¹ Section 771(4)(A) of the Tariff Act of 1930 defines domestic industry as:

the 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).

²² While Acting Chairman Brunsdale joins in the description of the condition of the industry contained in this section, she does not reach a separate legal conclusion regarding the presence or absence of material injury based on that information. While she does not believe an independent determination of the condition of the domestic industry is either required by the statute or useful, she finds the discussion of the condition of the domestic industry helpful in determining whether any injury resulting from dumped imports is material.

among other factors, domestic consumption, domestic production, capacity, capacity utilization, shipments, inventories, employment, market share, domestic prices, profitability, return on investments, the ability to raise capital, and investment.²³ In addition, the Commission evaluates all of these factors in the "context of the business cycle and conditions of competition that are distinctive of the affected industry."²⁴ The data obtained by the Commission relating to these factors indicate that a substantial downturn in the condition of the industry appears to have begun during the period 1988 to 1990 and became more dramatic in the first half of 1991.

Two issues arose in these investigations that arguably are relevant to our analysis of the condition of the domestic industry. First, petitioners argue that in making its material injury determination, the Commission should place special emphasis on the 1990 to 1991 interim period comparisons.²⁵ Respondents argue that the Commission should not rely on such a short period of time as a basis for finding material injury, and stress the importance of the Commission's standard three-year period of investigation.²⁶ They also argue that the most recent data, viewed alone, provide a distorted picture of the industry because foreign importers have longer lead times for delivery so that U.S. import statistics for a given month reflect the exporters' delayed reactions to market conditions incurred at an earlier time.²⁷

In this case the question of the appropriate weight to be given to interim data versus annual data is mitigated by the fact that we find evidence of injury to the domestic industry throughout the period of investigation.

²³ 19 U.S.C. § 1677(7)(C)(iii).

²⁴ 19 U.S.C. § 1677(7)(C)(iii).

²⁵ Tr. at 10-13; Postconference Brief of Petitioners at 12.

²⁶ Joint Economic and Legal Posthearing Brief of Dr. Seth Kaplan at 2.

²⁷ Postconference Brief on Behalf of Taiwan Exporters at 8.

Nevertheless, we note that the Court of International Trade has stated that the Commission "is not required by statute to use any particular time frame for its analysis" and that the legislative history of the statute indicates that data may be considered on a quarterly basis.²⁸ In the present investigations, the interim data represent a six-month period and are therefore somewhat more reliable than data for a single quarter.²⁹

Secondly, products from 5 of the 6 countries subject to investigation are also subject to Voluntary Restraint Arrangements ("VRAs") negotiated between the United States government and the governments of Brazil, Korea, Mexico, Romania and Venezuela.³⁰ Respondents argue that these VRAs are

²⁸ American Spring Wire v. United States, 8 CIT 20, 590 F.Supp. 1273 at 1279 (1984). See also Kenda Rubber Ind. Co. v. United States, 10 CIT 120, 630 F.Supp. 354 at 359 (1986) ("As the statute does not expressly command the Commission to examine a particular period of time, the Court finds that the Commission has discretion to examine a period that most reasonably allows it to determine whether a domestic industry is injured by LTFV imports.") We also note that the Federal Circuit in the Chaparral case stressed the present tense wording of the statute in the context of cumulation but did not reach the question of the appropriate investigative period in the material injury context. Chaparral Steel Company v. United States, 901 F.2d 1097 (Fed. Cir. 1990) at 1104; see also Freeport Minerals v. United States, 776 F.2d 1029, 1032 (Fed. Cir. 1985) (Quoting language from the House Report on the then proposed Trade Agreements Act: "The Committee intends that . . . the ITC should always use the most up-to-date information available.").

²⁹ Respondents have also argued that in this case we should consider export data in determining the volume and market share of the subject imports rather than relying on importer data, as is the Commission's normal practice. While we may properly consider export data or any other data that are relevant to our determination, it has been our normal practice to look to official import statistics or importer data from the questionnaires, absent some problems with that data. For reasons explained in the Report, we believe that using export data would introduce inaccuracies; and, therefore, we have relied upon official import statistics which provide more complete coverage of the subject imports than our questionnaire data. See Report at A-40 to A-41. We note, however, that if we are able to obtain more complete information in the event of any final investigations, we may determine that it is appropriate to rely upon questionnaire data at that time.

³⁰ Subject imports from Taiwan are not covered by a VRA, but Taiwan has established unilateral restraints on steel exports to the United States. See Report at A-35.

relevant to our injury determination because they tie exports to U.S. consumption and thus they have permitted the domestic industry to remain profitable.³¹ Petitioners argue that the VRAs have no legal significance for the Commission's material injury determination.³² They point out that VRAs limit volume, but have no effect on the prices of imports, and argue that the Commission has never held that a voluntary restraint program or other quota measure precludes a finding of injury or threat.³³

In Sweaters Wholly or in Chief Weight of Manmade Fibers From Hong Kong, the Republic of Korea, and Taiwan,³⁴ we determined that although the allegedly LTFV imports were subject to quota restraints, in that case negotiated under the Multifiber Arrangement (MFA), that fact did not prevent the Commission from finding a reasonable indication that LTFV imports were causing material injury to the domestic industry because the quota limitations were merely a factor or condition of trade that was possibly relevant to the Commission's analysis of material injury and threat. In Certain Steel Wire Rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan, and Thailand,³⁵ we took a similar approach to VRAs in the context of our threat determination.³⁶ In this case we have likewise considered the volume level imposed by the VRAs as a factor or condition of trade in the

³¹ Tr. at 73.

³² Tr. at 33.

³³ Petitioners' Postconference Brief at 7.

³⁴ Inv. Nos. 731-TA-448-450, (Preliminary), USITC Pub. 2234 (November 1989) at 24, n.74

³⁵ Inv. Nos. 701-TA-305 & 306 and 731-TA-476 through 482 (Preliminary), USITC Pub. 2343 (Dec. 1990).

³⁶ Moreover, the Court of International Trade in Avesta AB, 724 F. Supp. 974 at 981 (CIT 1989), discussed the Commission's treatment of VRAs in the context of a section 751 review and stated that "The fact that the United States chose to enter into agreements with several other steel producers does not lessen the danger of dumping by plaintiffs although arguably injury may be lessened."

standard pipe industry.

Turning to the relevant economic indicators, apparent domestic consumption of standard pipe decreased substantially during the interim period after rising slightly between 1988 and 1990. Domestic consumption by quantity declined by 3 percent from 1988 to 1989, but increased approximately 5 percent from 1989 to 1990.³⁷ It then fell by 9 percent in January to June 1991 as compared to the same period in 1990.³⁸

Aggregate domestic capacity increased by 24 percent from 1988 to 1990 and by 3 percent in January to June 1991 as compared to January to June 1990.³⁹ Standard pipe and tube production increased by 2 percent from 1988 to 1989 and by 11 percent between 1989 and 1990.⁴⁰ During January to June 1991, however, production fell by 19 percent as compared to the same period in 1990.⁴¹ Capacity utilization decreased from 76.1 percent in 1988 to 69.8 percent in 1990. During the period January to June 1991, capacity utilization fell to 57.1 percent from 71.0 percent during the corresponding period of 1990, mainly reflecting the decline in production.⁴²

U.S. producers' U.S. shipments also rose between 1988 and 1990, then decreased sharply during interim 1991 as compared to the same period in 1990. Such shipments by quantity increased from 1.0 million short tons in 1988 to 1.1 million short tons in 1989, or by 6 percent.⁴³ In 1990, U.S. shipments increased to approximately 1.2 million short tons, or by 9 percent as compared

³⁷ Report at Table 1, A-14.

³⁸ Report at Table 1, A-14. We note that value data follow similar trends to the data on quantity.

³⁹ Report at Table 3, A-17.

⁴⁰ Report at Table 3, A-17.

⁴¹ Report at Table 3, A-17.

⁴² Report at Table 3, A-17.

⁴³ Report at Table 4, A-18.

to 1989. During January to June 1991, U.S. shipments fell by 17 percent as compared to the same period in 1990.⁴⁴ Unit values of U.S. shipments increased slightly from 1988 to 1989 before falling by 4 percent in 1990. Unit values also declined by 2 percent in January to June 1991 as compared to January to June 1990.⁴⁵

U.S. producers' inventories increased from 1988 to 1990 and fell slightly in interim 1991 as compared to interim 1990, while the ratio of inventories to production fell between 1988 and 1990 and rose in interim 1991 as compared to interim 1990.⁴⁶

The number of production and related workers in the U.S. standard pipe and tube industry rose by approximately 2.4 percent between 1988 and 1990, but declined by approximately 5 percent between interim 1991 and interim 1990.⁴⁷ The number of hours worked by such workers rose by approximately 5 percent between 1988 and 1990, but fell by 3 percent between interim 1991 and interim 1990.⁴⁸ The productivity of production and related workers increased by 6 percent between 1988 and 1990. During January to June 1991, productivity declined by approximately 10 percent.⁴⁹ Total compensation paid to production and related workers increased by approximately 10 percent between 1988 and 1990 and decreased by approximately 7 percent between interim 1990 and interim 1991.⁵⁰

Financial data obtained by the Commission indicate that the condition of the domestic industry deteriorated throughout the period of investigation.

⁴⁴ Report at Table 4, A-18.

⁴⁵ Report at A-17 and Table 4, A-18.

⁴⁶ Report at Table 5, A-19.

⁴⁷ Report at Table 6, A-20.

⁴⁸ Report at Table 6, A-20.

⁴⁹ Report at Table 6, A-20.

⁵⁰ Report at Table 6, A-20.

While net sales increased by 7.9 percent from 1988 to 1989 and by 2 percent in 1990 as compared to 1989, they fell by 18.6 percent from \$329.0 million in interim 1990 to \$267.7 million in interim 1991.⁵¹ Gross profit as a percentage of net sales declined throughout the period of investigation, even during periods of increased U.S. production. It decreased from 17.2 percent in 1988 to 12.2 percent in 1990, and 9.8 percent in interim 1991 as compared to 11.9 percent in interim 1990.⁵²

Operating income fell substantially during the period of investigation, from \$62.2 million in 1988 to \$42.8 million in 1989, and \$33.5 million in 1990. It fell dramatically in interim 1991 to \$7.1 million as compared to \$17.0 million in interim 1990.⁵³ Operating income margins as a percentage of net sales also declined throughout the period of investigation, starting at 10.7 percent in 1988, falling to 6.8 percent in 1989, 5.2 percent in 1991, and 2.6 percent in interim 1991, as compared to 5.2 percent in interim 1990.⁵⁴

Based upon the data available in these investigations, particularly data indicating declining profits, low levels of capacity utilization, and in the most recent interim period, declines in U.S. production and shipments, we find a reasonable indication that the domestic industry is materially injured.

IV. Cumulation

In determining whether there is material injury by reason of the LTFV imports, we are required to cumulatively assess the volume and effect of imports subject to investigation from the two or more countries if such imports are reasonably coincident with one another and compete with one

⁵¹ Report at Table 8, A-22.

⁵² Report at Table 8, A-22.

⁵³ Report at Table 8, A-22.

⁵⁴ Report at Table 8, A-22.

another and with the domestic like product in the United States market,⁵⁵ unless imports from a subject country are negligible and have no discernible adverse impact on the domestic industry.⁵⁶

Two cumulation issues arise in these investigations. First, respondents from Romania, Venezuela, and Taiwan have argued that cumulation of imports from their respective countries is inappropriate because their standard pipe does not compete with either U.S.-produced standard pipe or standard pipe from the other countries subject to investigation. Second, we must determine whether standard pipe from Mexico, Romania, or Venezuela should be exempt from cumulation because imports from those countries are negligible.

A. The competition requirement

In assessing competition, the Commission has generally considered four factors, including:

- (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell imports from different countries and the domestic like product in the same geographical markets;
- (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and
- (4) whether the imports are simultaneously present in the market.⁵⁷

While no single factor is determinative, and the list of factors is not

⁵⁵ 19 U.S.C. § 1677(7)(C)(iv); Chaparral Steel Co. v. United States, 901 F.2d 1097, 1105 (Fed. Cir. 1990).

⁵⁶ 19 U.S.C. § 1677(7)(C)(v).

⁵⁷ See Certain Cast Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff'd, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (CIT 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

exclusive, these factors are intended to provide us with a framework for determining whether the imports compete with each other and with the domestic like product.⁵⁸ Furthermore, only a "reasonable overlap" of competition is required.⁵⁹

Petitioner argues that the factors listed above are present in this investigation and that the competition requirement has been met.⁶⁰ They contend that the imports are marketed in overlapping geographic markets.⁶¹ They also claim that the imports do in fact compete with each other and that this competition is confirmed by the domestic producers' lost sales allegations and import pricing information contained in the importers' questionnaire responses.⁶² Taiwanese, Romanian, and Venezuelan respondents argue that imports from their countries should not be cumulated.⁶³

Respondent Metalexportimport, the sole exporter of standard pipe from Romania, argues that imports from Romania should not be cumulated with the imports from the other countries subject to investigation because (1) all steel pipes are not fungible and Romanian pipe is of lower quality than

⁵⁸ See Wieland Werke. AF v. United States, 718 F. Supp. 50 (CIT 1989); Granges Metallverken AB v. United States, 716 F.Supp. 17 (CIT 1989); Florex v. United States, 705 F.Supp. 582 (CIT 1989).

⁵⁹ See Wieland Werke. AG v. United States, 718 F. Supp. 50-52 (CIT 1989) ("Completely overlapping markets are not required."); Granges Metallverken AB v. United States, 716 F.Supp. 17, 21, 22 (CIT 1989) ("The Commission need not track each sale of individual sub-products and their counterparts to show that all imports compete with all other imports and all domestic like products . . . the Commission need only find evidence of reasonable overlap in competition"); Florex v. United States, 705 F.Supp. 582, 592 (CIT 1989) ("[c]ompletely overlapping markets is [sic] not required.").

⁶⁰ Petitioners' Postconference Brief at 30.

⁶¹ Tr. at 49.

⁶² Petitioners' Postconference Brief at 30.

⁶³ Respondents from Brazil and Korea take no position whether the competition requirement has been met for purposes of our material injury determination, although they argue that it would not be appropriate for us to cumulate imports from those countries should we determine that the domestic industry is threatened with material injury. See Tr. at 121.

domestic pipe;⁶⁴ (2) Romanian pipe is not marketed nationally and therefore in many cases does not compete with domestic pipe and other imported pipe in particular geographic areas;⁶⁵ and (3) lacking U.S. subsidiaries, the Romanian producer offers no significant after-sales service, which makes its pipe less attractive to some purchasers than domestic pipe.

Petitioners argue that Romanian imports of standard pipe should be cumulated with other subject imports because, they argue, over 95 percent of the Romanian imports entered the United States through ports on the Eastern and Gulf coasts, where they compete with standard pipe from Venezuela, Brazil, and Korea.⁶⁶ Secondly, they argue that the imports and domestic like product are fungible and are sold through similar channels of distribution.⁶⁷

⁶⁴ Tr. at 91. Because of its alleged lower quality, respondents contend that Romanian pipe is marketed to distinct segments of the U.S. market that do not demand the highest quality product, and note that the predominant use for Romanian pipe is in the water well industry, an application which does not require a sophisticated type of pipe. In addition, they argue that while virtually all pipe in the U.S. market must meet certain ASTM standards, Romanian pipe is not always certified to meet all of these standards, primarily because the Romanians do not have the special equipment needed for certain types of hydrostatic testing. Tr. at 92.

⁶⁵ Tr. at 92. Romanian pipe generally enters the United States via the Gulf area around Houston and New Orleans, and respondent claims, is sold to a few major customers, most of whom are located in the Gulf region. Postconference Brief on Behalf of Metalexportimport at 4.

⁶⁶ All but a very small percentage of the Mexican imports entered through Laredo, and petitioners contend that the imports through Laredo were offered for sale in the same geographic markets as the Romanian pipe imported through New Orleans and Houston. Appendix E of the Report provides data regarding imports of standard pipe from subject countries by customs districts.

⁶⁷ Petitioners' Postconference Brief at 31. Petitioners argue that the Commission has found the subject standard pipes to be fungible with, and sold through the same channels of distribution as, domestic standard pipes in every prior antidumping and countervailing duty case covering the same standard pipe products covered in these petitions. They cite e.g., Certain Carbon Steel Pipes and Tubes from the People's Republic of China, the Philippines, and Singapore, Inv. Nos. 731-TA-292-296 (Preliminary), USITC Pub. 1796 (December 1985) at 10-11; Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan and Turkey, Inv. Nos. 731-TA-271-271 (Final), USITC Pub. 1839 (April 1986) at 10-12. Petitioners contend that Romanian pipe is of comparable quality to
(continued...)

Venezuelan respondents argue that Venezuelan pipe is not a good substitute for U.S. pipe due to delays in delivery and quality differences.⁶⁸ Petitioners respond that there is no evidence in the record to support this contention and also no evidence in the record to show that the Venezuelan pipe is lower in quality than domestic pipe or other subject imports. Even if Venezuelan pipe deliveries are seriously delayed, petitioners contend that they compete with U.S. production and other imports once they arrive in the U.S. market and therefore must be cumulated.⁶⁹

In all but one of our recent investigations of the standard pipe industry, we have cumulated subject imports from two or more countries.⁷⁰ We have also determined in a number of cases that standard pipe is a fungible commodity and that imported pipe from a number of countries is marketed

⁶⁷ (...continued)

domestic pipe and tube products and to the great majority of pipe from the other subject countries under investigation. They note that only a single importer mentioned quality problems with Romanian pipe in its questionnaire response. In response to the Romanians' claim that most of their pipe is used for applications in the water well industry, petitioners note that this is also one of the applications for which other imports under investigation and the domestic product are used, and therefore indicates an overlap of competition.

⁶⁸ Tr. at 97-98.

⁶⁹ Petitioners' Postconference Brief at 33. Mexican respondents contend that imports from Mexico should not be cumulated because imports from Mexico are negligible. Postconference Brief of IMSA at 14.

⁷⁰ See Certain Welded Carbon Steel Pipes and Tubes from Turkey and Thailand, Inv. No. 731-TA-252 (Final), USITC Pub. 1810 (February 1986); Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan, and Turkey, Inv. Nos. 731-TA-271 (Final), USITC Pub. 1839 (April 1986); Certain Welded Carbon Steel Pipes and Tubes from the Philippines and Singapore, Inv. Nos. 731-TA-293-294 and 296 (Final), USITC Pub. 1907 (July 1987). In one case, however, Certain Welded Carbon Steel Pipes and Tubes from the People's Republic of China, Inv. No. 731-TA-292 (Final), USITC Pub. 1885 (February 1987), the Commission declined to cumulate imports from China with other subject imports due to pervasive quality problems with the Chinese standard pipe.

nationwide and has similar channels of distribution.⁷¹ Information obtained in these investigations indicates that U.S. producers and importers of standard pipe marketed their products through the same channels of distribution and that there is at least some degree of overlap in the geographic markets in which the subject imports and the domestic product are marketed.⁷² While the record in these investigations suggests that quality differences between subject imports or between imports and the domestic like product may exist, particularly with respect to Romanian pipe, there are also contrary indications, and we do not believe that there is sufficient evidence at this time for us to conclude that quality differences are a significant factor in the market.⁷³

B. The negligible import exception⁷⁴

Section 1330 of the Omnibus Trade and Competitiveness Act of 1988 provides that the Commission has discretion to decline to cumulate in any case in which it determines that imports of the merchandise subject to investigation are negligible and have no discernible adverse impact on the

⁷¹ See, e.g., Certain Welded Carbon Steel Pipes and Tubes from India, Taiwan, and Turkey, Inv. No. 731-TA-271 (Final), USITC Pub. 1839 (April 1986); Certain Welded Carbon Steel Pipes and Tubes from Turkey and Thailand, Inv. No. 731-TA-252 (Final), USITC Pub. 1810 (February 1986) (Views of Chairwoman Stern on Causation at 12) ("In these standard pipe investigations, I have found that all standard pipes and tubes are fungible, that the imports enter the same geographic areas, and that they have the same marketing patterns and distribution.") (Views of Commissioner Eckes on Causation in the Investigations of Standard Pipes and Tubes at 19 ("In these investigations, there is no question that imported standard pipes from various sources compete with each other and with the domestic like product in the U.S. market. Standard pipes are fungible. Imported and domestic pipes are marketed nationwide and have similar channels of distribution.")).

⁷² See Report at A-16, A-44 to A-45, and Appendix E.

⁷³ Report at A-46. See our discussion of the American Lamb standard, supra.

⁷⁴ Acting Chairman Brunsdale does not join this section of the opinion. For her views on this issue, see her views infra.

domestic industry.⁷⁵ In determining whether imports are negligible, we are directed to consider all relevant economic factors including whether:

(I) the volume and market share of the imports are negligible,

(II) sales transactions involving the imports are isolated and sporadic, and

(III) the domestic market for the like product is price sensitive by reason of the nature of the product, so that a small quantity of imports can result in price suppression or depression.

19 U.S.C. § 1677(7)(C)(V).

Both the House Ways and Means Committee Report and the Conference Committee Report stress that the exception is to be applied narrowly and that it is not to be used to subvert the purpose and general application of the mandatory cumulation provision of the statute.⁷⁶ The House Ways and Means Committee Report further emphasizes that whether imports are "negligible" may differ from industry to industry and for that reason the statute does not provide a specific numerical definition of negligibility.⁷⁷

An analysis of our past determinations concerning the negligible import

⁷⁵ 19 U.S.C. § 1677(7)(C)(V).

⁷⁶ See H.R. Rep. No. 40, Part 1, 100th Cong., 1st Sess. 131 (1987); H.R. Rep. No. 576, 100th Cong., 2d Sess. at 621. The Ways and Means Committee Report cautions in particular that the exception is to be applied: only in circumstances where it is clear that imports from that source are so small and so isolated that they could not possibly be having any injurious impact on the U.S. industry. The ITC shall apply this exception with particular care in situations involving fungible products, where a small quantity of low-priced imports can have a very real effect on the market.

Id. at 130.

⁷⁷ Id. at 131. Specifically, the House Ways and Means Committee Report notes that:

For an industry which is already suffering considerable injury and has long been battered by unfair import competition, very small additional quantities of unfair imports may be more than negligible. For another industry, not so deeply injured, small additional quantities of unfair imports may have no discernable effect at all.

exception indicates that we have considered four factors as pertinent to our analysis in addition to the three factors enumerated in the statute.⁷⁸

The first factor, which is statutory in origin, is the percentage of apparent U.S. consumption of the imports from the country whose imports are alleged to be negligible. In two of the five previous investigations in which imports from a given country were found to be negligible, the market share of the imports was zero.⁷⁹ In the other three cases, the market share of the imports was either not made public or was less than one percent.⁸⁰

Nevertheless, consistent with the Congressional intent discussed above, we

⁷⁸ We note that the list discussed below includes those factors found to be relevant in particular investigations. Additional factors may prove to be relevant in the context of a specific investigation.

⁷⁹ See Certain Personal Word Processors from Japan and Singapore, Inv. Nos. 731-TA-483-484 (Preliminary), USITC Pub. 2344 at 19-20 (December 1990) (negligible import exception applied to Singapore, imports from which had ceased with no likelihood of resumption); Certain Sodium Sulfur Chemical Compounds from the Federal Republic of Germany, the People's Republic of China, Turkey, and the United Kingdom, Inv. Nos. 701-TA-303, 731-TA-465-468 (Preliminary), USITC Pub. 2307 at 19-21 (August 1990) (negligible import exemption applied with respect to sodium thiosulfate from Turkey, which was not imported during period of investigation).

⁸⁰ The market share of the imports that were found to be negligible could not be made public in Polyethylene Terephthalate Film, Sheet and Strip from Japan, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-458-460 (Preliminary), USITC Pub. 2292 at 20 (June 1990) (exception invoked with respect to imports from Taiwan), or in Steel Wire Rope From Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan, and Thailand, Inv. Nos. 731-TA-476-482 (Preliminary), USITC Pub. 2343 (December 1990), (exception invoked with respect to imports from Chile). See Coated Groundwood Paper from Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom, Inv. Nos. 731-TA-486-494 (Preliminary), USITC Pub. 2359 at 28, 30-36 (February 1991) (exception invoked with respect to four countries; imports from each country had market share of 0.6 percent or less); Compare Sweaters Wholly or in Chief Weight of Manmade Fibers from Hong Kong, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-448-450 (Final), USITC Pub. 2312 at 37 (September 1990) (exception not applied with respect to Hong Kong imports, which amounted to over \$250 million over the period of investigation and had a market share of at least 6 percent during each year of investigation); Small Business Telephone Systems and Subassemblies Thereof from Japan and Taiwan, Inv. Nos. 731-TA-426 and 428 (Final), USITC Pub. 2237 at 32-33 (November 1989) (imports not negligible as market share was significantly greater than 2.0 percent by quantity).

have never established a numerical benchmark for application of the exception.

The second and third factors we have considered, which are also statutory in origin, are whether the sales of the imports are continuous or sporadic in nature,⁸¹ and whether the market for the product is price sensitive.⁸² We note that in two of the previous investigations, however, we have applied the exception to certain subject imports notwithstanding the price-sensitive nature of the product.⁸³

In addition to the statutory factors discussed above, we have also in particular cases looked at four additional factors: (1) whether the domestic industry is "already suffering considerable injury and has long been battered by import price competition";⁸⁴ (2) whether the market share of the subject imports is rising or falling;⁸⁵ (3) whether any cross-ownership of foreign producers exists;⁸⁶ and (4) the degree of competition between the imported

⁸¹ See Groundwood Paper, USITC Pub. 2359 at 32-35 (noting that Belgian imports, found not to be negligible, "had a steady presence in the market"; by contrast, Austrian and Dutch imports, which were found to be negligible, were distributed only on a spot market basis, unlike the domestic product and other imports); PET Film, USITC Pub. 2292 at 20 (noting isolated and sporadic nature of imports as factor in suggesting negligibility).

⁸² See Groundwood Paper, USITC Pub. 2359 at 28 (noting considerable price sensitivity of domestic market).

⁸³ See Groundwood Paper, USITC Pub. 2359 at 28, 33-36 (negligible import exception invoked with respect to four countries although domestic market determined to be price sensitive); PET Film, USITC Pub. 2292 at 20.

⁸⁴ See Groundwood Paper, USITC Pub. 2359 at 33. This factor derives from the OTCA legislative history quoted above.

⁸⁵ See Groundwood Paper, USITC Pub. 2359 at 31 (discussion of France and United Kingdom); PET Film, USITC Pub. 2292 at 20 n.69.

⁸⁶ Groundwood Paper, USITC Pub. 2359 at 28-29. The Commission stated in the Groundwood Paper investigation that "the relationship of foreign producers to one another and to common importers is a 'relevant economic factor' to consider," together with all other pertinent factors, in determining the issue of negligibility. We note, however, that in Ball Bearings, Mounted or Unmounted, and Parts Thereof, From Argentina, Austria, Brazil, Canada, Hong Kong, Hungary, Mexico, the People's Republic of China, Poland, the Republic of Korea, Spain, Taiwan, Turkey and Yugoslavia, Inv. No. 701-TA-307 and Inv. Nos. 731-TA-498-511 (Preliminary), USITC Pub. 2374 (April 1991) at 26 n. 93, we
(continued...)

product and the domestic product.⁸⁷ For example, in Groundwood Paper we considered the degree of competition between the imported product and the domestic product and although we determined that "all imports from the subject countries compete with one another and with the domestic product," we found the "attenuated" nature of the competition of some of the imports a pertinent factor in determining those imports to be negligible.⁸⁸

Respondents from Romania, Mexico, and Venezuela argue that imports from their respective countries are negligible.⁸⁹ Romanian respondents maintain that Romanian exports to the United States have been sporadic,⁹⁰ that Romanian steel pipe is not fungible with steel pipe produced by either the domestic industry or the other exporting countries, and that Romanian imports compete only to a limited degree with other steel pipe in the less demanding segments of the market, such as the water well industry.⁹¹ They also argue that Romanian imports should be determined to be negligible because the U.S. market for steel pipe is not price sensitive.⁹²

⁸⁶ (...continued)

stated that while we considered the existence of common relationships between exporters in some of the subject countries, we did not consider the existence of cross-ownership relations to provide a justification for cumulation in those investigations.

⁸⁷ Groundwood Paper, USITC Pub. 2359 at 28-29.

⁸⁸ Groundwood Paper, USITC Pub. 2359 at 24, 33-36.

⁸⁹ Tr. at 92; 96. Postconference Brief of IMSA at 14-17.

⁹⁰ They also allege that the lack of MFN status for Romania makes many U.S. importers reluctant to enter into long-term contracts with Metalexportimport. Postconference Brief of Metalexportimport at 15. They argue that in Groundwood Paper, the Commission specifically looked to determine whether there were long-term contracts between U.S. importers and foreign exporters, and claim that Metalexportimport has only short-term agreements with U.S. companies, and that Metalexportimport did not make shipments in each of the quarters subject to investigation.

⁹¹ Postconference Brief of Metalexportimport at 16. They note that petitioners have not cited a single instance in which they have allegedly lost sales to imports from Romania. Id. at 19.

⁹² Postconference Brief of Metalexportimport at 18-19.

Counsel for Venezuela stated at the conference that the strong profitability data of the domestic standard pipe industry creates a presumption that such low levels of imports have had no discernible adverse impact on the industry.⁹³ Venezuelan respondents also argued that customers do not consider Venezuelan pipe to be a good substitute for U.S. pipe because Venezuela has a reputation for being an unreliable supplier with extended and unpredictable delays.^{94 95}

We do not believe that imports from any of the subject countries are negligible. We base this determination on their market shares and absolute volume and for certain countries, the growth in that volume.^{96 97} Standard pipe imports from Mexico totalled over 60,000 short tons each year from 1988 to 1990, and were valued at more than \$30 million for each of these years.⁹⁸ In each of the years 1988 through 1990 subject imports from Mexico accounted for over 3 percent of the quantity of apparent U.S. consumption of standard pipe.⁹⁹

⁹³ Postconference Brief of Conduven at 2.

⁹⁴ Counsel for Venezuela testified that importers had reported to her several instances of delays of over one year in receiving material ordered by their clients. Tr. at 97-98.

⁹⁵ Mexican respondents have put forth no specific arguments with respect to why imports from Mexico are negligible.

⁹⁶ In the 1991 Ball Bearings investigations, the Commission indicated that market shares of under 1.0 percent and particularly market shares of 0.3 percent or less could warrant application of the negligible import exception. See Ball Bearings, Mounted or Unmounted, and Parts Thereof, from Argentina, Austria, Brazil, Canada, Hong Kong, Hungary, Mexico, the People's Republic of China, Poland, the Republic of Korea, Spain, Taiwan, Turkey and Yugoslavia, Inv. No. 701-TA-307 (Preliminary) and Inv. Nos. 731-TA-498-511 (Preliminary), USITC Pub. 2374 (April 1991) at 25.

⁹⁷ Commissioner Newquist notes that in reaching his determination of negligible imports, he also considered the House Ways and Means Committee Report language quoted in footnote 77 noting the relevance of whether the industry "has long been battered by unfair import competition".

⁹⁸ Report at Table 1, A-14.

⁹⁹ See Report at Table 21, A-42 to A-43.

Standard pipe imports from Venezuela ranged from approximately 8,000 short tons to approximately 18,000 short tons and were valued at between approximately \$3.6 million and \$8.7 million between 1988 to 1990. During the years 1988 through 1990, subject imports from Venezuela increased from approximately 0.4 percent to 0.9 percent of apparent U.S. consumption, and increased from approximately 0.8 percent to approximately 1.6 percent of apparent U.S. consumption between interim 1990 and interim 1991.¹⁰⁰

Finally, we do not find imports of standard pipe from Romania to be negligible. Those imports ranged from approximately 11,000 short tons to approximately 16,500 by quantity between 1988 and 1990, and their U.S. market share ranged from 0.6 to 0.9 percent of apparent domestic consumption during that period.¹⁰¹ Moreover, during interim 1990 and interim 1991, imports from Romania increased from approximately 8,200 short tons to approximately 10,600 short tons or from approximately 0.8 percent of apparent U.S. consumption to approximately 1.2 percent.¹⁰²

In addition to finding that import volume from Romania, Venezuela and from Mexico are not negligible, we also find that standard pipe appears to be essentially fungible and that the domestic market is to some degree price sensitive.¹⁰³ Finally, we find that evidence on the record suggests that transactions involving the subject imports have not been isolated and sporadic.¹⁰⁴

¹⁰⁰ Report at Table 21, A-42 to A-43.

¹⁰¹ Report at Table 21, A-42 to A-43.

¹⁰² Report at Table 21, A-42 to A-43.

¹⁰³ See Report at A-44 to A-46.

¹⁰⁴ Tr. at 50.

V. Reasonable indication of material injury by reason of allegedly LTFV and subsidized imports.¹⁰⁵

In making a preliminary determination in an antidumping or countervailing duty investigation, we must determine whether there is a reasonable indication of material injury to a domestic industry "by reason of" the allegedly LTFV or subsidized imports.¹⁰⁶ Material injury is "harm which is not inconsequential, immaterial or unimportant."¹⁰⁷ In making this determination, we are directed by the statute to consider, inter alia, the volume of the imports subject to investigation, the effect of such imports on domestic prices, and the impact of such imports on the domestic industry.¹⁰⁸ Evaluation of these factors involves a consideration of: (1) whether the volume of imports, or increase in volume is significant, (2) whether there has been significant price underselling by the imported products, and (3) whether imports have otherwise depressed prices to a significant degree, or have prevented price increases.¹⁰⁹ In addition, we must evaluate the impact of the imports in light of relevant economic factors bearing on the industry, such as actual and potential changes in profits, productivity, capacity utilization, and investment.¹¹⁰

The Commission may consider alternative causes of injury, but it is not to weigh causes.¹¹¹ The imports need not be the principal or a substantial

¹⁰⁵ Acting Chairman Brunsdale does not join this section of the opinion. For her discussion of these issues, see her views infra.

¹⁰⁶ 19 U.S.C. § 1673b(a).

¹⁰⁷ 19 U.S.C. § 1673b(a).

¹⁰⁸ 19 U.S.C. § 1677(7)(B).

¹⁰⁹ 19 U.S.C. § 1677(7)(C)(i-iii).

¹¹⁰ 19 U.S.C. § 1677(7)(iii).

¹¹¹ E.g., Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1101 (1988). Alternative causes may include the following:
the volume and prices of imports sold at fair value, contraction in demand or changes in patterns of consumption, trade,

(continued...)

cause of material injury.¹¹² Rather, we are to determine whether imports are a cause of material injury.¹¹³

With respect to volume, cumulated imports of standard pipe and tube from the subject countries have increased significantly throughout the period of investigation, both in terms of quantity and value.¹¹⁴ Imports rose by quantity by 11 percent between 1988 and 1990 and by approximately 18 percent between interim 1991 and interim 1990.¹¹⁵ Market share for the cumulated imports by both quantity and value increased throughout the period of investigation and increased most dramatically between January to June 1991 as compared with January to June 1990.¹¹⁶ By quantity, the market share of the subject imports rose from approximately 23.6 percent in 1988 to approximately 25.8 percent in 1990, and climbed from 24.8 percent in interim 1990 to 32.2 percent for the corresponding period of 1991.^{117 118}

¹¹¹ (...continued)

restrictive practices of and competition between the foreign and domestic producers, developments in technology, and the export performance and productivity of the domestic industry.

S. Rep. No. 249, 96th Cong., 1st Sess. 74 (1979). Similar language is contained in the House Report. H.R. Rep. 317, 96th Cong., 1st Sess. 47 (1979).

¹¹² See S. Rep. No. 249, at 74-75.

¹¹³ E.g., Granges Metallverken AB v. United States, 716 F. Supp. 17, 25 (CIT Trade 1989); LMI-La Metalli Industriale S.p.A. v. United States, 712 F. Supp. 959, 971 (CIT 1989); Citrosuco Paulista, 704 F. Supp. at 1101; Hercules, Inc. v. United States, 673 F. Supp. 454, 481 (CIT 1987); Gifford-Hill Cement Co. v. United States, 615 F. Supp. 577, 585-86 (CIT 1985); see also Maine Potato Council v. United States, 613 F. Supp. 1237, 1244 (CIT 1985).

¹¹⁴ See Report at Table 20, A-38 to A-39.

¹¹⁵ See Report at Table 20, A-38 to A-39. By value they increased approximately 8 percent between 1988 and 1990 and by approximately 17 percent between interim 1991 and interim 1990. Report at Table 20, A-38 to A-39.

¹¹⁶ Report at Table 21, A-42 to A-43.

¹¹⁷ Report at Table 21, A-42 to A-43. By value the market share of the cumulated imports increased by approximately 7 percent between 1988 and 1990 and by approximately 30 percent between interim 1990 and interim 1991. Report at Table 21, A-42 to A-43.

Concerning pricing, we note that there is evidence on the record which suggests that the market for standard pipe is somewhat price sensitive.¹¹⁹ There is also substantial evidence of underselling by the subject imports from each country. Information obtained in the course of the investigations indicates that in reported sales for U.S. producers' and importers' largest quarterly sales during January 1988 through June 1991, the imported products undersold the domestic product in 118 of 175 price comparisons for sales to distributors and undersold the domestic product in 20 of 37 price comparisons for sales to end users; moreover, the incidences of underselling increased in each year and period.¹²⁰ U.S. producer prices generally peaked in 1988 or 1989 and then declined thereafter.

We have some evidence of lost sales and lost revenues. This evidence, together with the evidence of underselling and the price sensitivity of the market, suggests that the subject imports captured sales in the domestic market on the basis of price and that domestic suppliers have had to cut their prices in response to competition with cumulated allegedly dumped and subsidized imports in order to retain customers.¹²¹

Accordingly, we find there is a reasonable indication of material injury by reason of allegedly LTFV imports from Brazil, Korea, Mexico, Romania, Taiwan and Venezuela and allegedly subsidized imports from Brazil.

¹¹⁸ (...continued)

¹¹⁸ We note that for the most recent period for which we have data, the 15-month period between October 1989 and December 1990, the volume of imports from the subject countries appear to have been well below their VRA restraint ceilings. We also note, however, that the VRA sub-category "standard pipe and tube" includes pipe and tube products other than those subject to these investigations. Report at A-36.

¹¹⁹ Tr. at 16, 19, 39, 50; Report at A-44 to A-46.

¹²⁰ Report at A-51.

¹²¹ See Tr. at 16, 19. Report at A-53 and A-55 to A-56.

VIEWS OF ACTING CHAIRMAN ANNE E. BRUNSDALE

**Certain Circular, Welded, Non-Alloy Steel
Pipes and Tubes
From Brazil, The Republic of Korea, Mexico,
Romania, Taiwan, and Venezuela**

Invs. Nos. 701-TA-311 and 731-TA-532 through 537 (Preliminary)

I find a reasonable indication that an industry in the United States is materially injured by reason of imports of certain circular, welded, non-alloy steel pipes and tubes from Brazil, the Republic of Korea, Mexico, Taiwan, and Venezuela that are allegedly sold at less than fair value (LTFV) and, in the case of Brazil, are allegedly subsidized. I find no reasonable indication of material injury by reason of imports from Romania that are allegedly sold at LTFV.

The views of my colleagues adequately deal with the issues of like product, the domestic industry, and condition of the industry and I have little to add to that discussion here. I agree that there is a single like product consisting of all circular, welded, non-alloy steel pipes and tubes with an outside diameter not greater than 16 inches and that the domestic industry consists of all domestic producers of these pipes and tubes.¹ I accept as accurate their description of the condition

¹ I would note that the determination of a single like product including thin-walled fence tubing for residential use is generally consistent with my approach of focusing on consumer and producer substitutability. (For a more complete discussion of my approach to like product issues, see Polyethylene Terephthalate Film, Sheet, and Strip from Japan and the Republic of Korea, Invs. Nos. 731-TA-458 and 459 (Final), USITC Pub. 2383 (May 1991) at 31-43 (Dissenting Views of Acting Chairman Anne E.

(continued...)

of the industry. However, I do not believe that an independent legal determination of material injury based on the condition of the industry is either required by the statute or useful in determining whether a domestic industry is materially injured by reason of dumped imports.²

Here I set forth my views on the issues of cumulation and whether "an industry in the United States is materially injured ... by reason of [the dumped] imports"³ -- the central issue in any dumping or countervailing duty investigation.

Cumulation

In making my determination, I must decide whether to cumulate imports from the various countries subject to these investigations. There are two issues involved here. First, do the imports from the various countries compete with each other and with pipe and tube produced domestically? Second, should

¹(...continued)

Brunsdale).) As I understand it, both the thin-walled fence tubing and other tubing of similar diameter are made from purchased steel and on the same equipment. (Staff Report at A-6 and Conference Transcript at 15.) Therefore, there would appear to be considerable substitutability in production, which indicates that all of the pipes and tubes are part of the same like product. Of course, if my understanding is incorrect, I would welcome receiving the relevant information in any final investigations in these matters.

² See Certain Light-Walled Rectangular Pipes and Tubes from Taiwan, Inv. No. 731-TA-410 (Final), USITC Pub. 2169 (March 1989) at 10-15 (Views of Chairman Brunsdale and Vice Chairman Cass). I do, however, find the discussion of the condition of the domestic industry helpful in determining whether any injury resulting from dumped imports is material.

³ 19 U.S.C. 1673d(b)(1).

imports from any of these countries not be cumulated because they are "negligible and have no discernable adverse impact on the domestic industry"?⁴

As to the first issue, imported pipe and tube from any one of the various subject countries may not be perfectly substitutable for the same product from the other countries or that produced domestically.⁵ However, I agree with my colleagues that there is sufficient evidence of competitive overlap among the U.S. products and the various imports to require cumulation for purposes of these preliminary investigations.⁶

Nevertheless, I do not think imports from Romania should be cumulated. I described my standards for applying this exception in my opinion in an earlier preliminary investigation and concluded that countries that had not supplied more than 1.5 percent of U.S. apparent consumption at any time during the period of the Commission's investigation "were strong candidates for application of the negligible-imports standard even if the imports were fully fungible with the domestic like product".⁷ In

⁴ 19 U.S.C. 1677(7)(C)(v).

⁵ Differences may include the geographic areas in which the different products are available, differences in delivery times, and differences in physical quality. (Staff Report at A-44 - A-46)

⁶ See Views of the Commission at 14-18.

⁷ Steel Wire Rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan and Thailand, Invs. Nos. 701-TA-305 and 306 (Preliminary) and Nos. 731-TA-476-482 (Preliminary), USITC Pub. 2343 (December 1990) at 38 (Views of Chairman Anne E. Brunsdale).

the current investigations, imports from Romania accounted for only 0.9 percent of U.S. apparent consumption on a quantity basis and 0.6 percent on a value basis in 1988. The Romanian share fell in 1989 and did not surpass the initial level on a quantity basis until the first six months of 1991. Even then, these imports accounted for only 1.2 percent of consumption on a quantity basis and 0.9 percent on a value basis.⁸

As noted above, there is some evidence that the various imports and the domestic product are not perfect substitutes, though there is clearly competition among all of the them. Furthermore, the differences between the Romanian imports and the domestic product may be greater than those between the other imports and the domestic product.⁹ Given the small share of the U.S. market filled by the Romanian imports and the limits on competition between Romanian imports and pipe and tube produced domestically, I find that imports of standard pipe and tube from Romania are "negligible and have no discernable adverse impact on the domestic industry".

Causation

While the negligible-imports finding disposes of the case as far as Romanian imports are concerned, I must still determine whether there a reasonable indication that the domestic industry is materially injured by reason of the allegedly dumped and

⁸ Staff Report at A-42 - A-43, Table 21.

⁹ Id. at A-44 - A-46.

subsidized imports from the other countries involved in these investigations. It is to that issue that I now turn.

Those who follow ITC practice are likely to be well aware of the differences between my approach to this question and that of my colleagues.¹⁰ I base my affirmative determinations in these preliminary investigations primarily on three points. First, as discussed above, there appears to be at least a moderate degree of substitutability between the domestic and imported products. Second, the market share of the imports from subject countries other than Romania rose from 22.7 percent in terms of quantity and 20.5 percent in terms of value in 1988 to 31.0 percent of quantity and 27.9 percent of value in interim 1991.¹¹ Third, the alleged dumping margins are considerable, ranging between 50 and 122 percent for Brazil, between 2 and 25 percent for Korea, between 29 and 70 percent for Mexico, between 14 and 29 percent for Taiwan, and between 8 and 45 percent for Venezuela.¹² There is no information on the level of the subsidy margins on the Brazilian imports.¹³ When imports and the domestic product are

¹⁰ I refer the reader unfamiliar with my approach to Polyethylene Terephthalate Film, Sheet, and Strip from Japan and the Republic of Korea at 45-66 (Dissenting Views of Acting Chairman Anne E. Brunsdale).

¹¹ Report at A-42 - A-43, Table 21.

¹² Report at A-11 - A-13. While these dumping margins are little more than petitioners' claims, they are the best information currently available concerning the level of the dumping.

¹³ Id. at A-11. The absence of information on the size of the subsidy margins alone would probably be sufficient to require an affirmative determination under the standard of American Lamb.

as substitutable as these appear to be, even moderate dumping margins and market shares show a reasonable indication that a domestic industry is being material injured.

Alleged Privatization Subsidies. In concluding these views, I would like to raise an issue that may prove important in any final investigations involving the effect of the alleged Brazilian subsidies. In the event of such final investigations, I would be most interested in the views of the parties on this issue.

Petitioners suggest that various actions being undertaken by the Government of Brazil as part of its program to privatize its steel industry may constitute countervailable subsidies. In particular, concern is expressed about the assets that were combined for sale under the name USIMINAS, about the ability of foreign holders of overdue Brazilian government debt to purchase shares in the privatized firm by writing off that debt, and about the government's effort to reduce the foreign debt of the firm prior to privatization.¹⁴

Whether these actions constitute a countervailable subsidy is, of course, a question for the Department of Commerce to resolve.¹⁵ If they are found to be countervailable, I will be

¹⁴ Petition at 27-28.

¹⁵ I note that the Department of Commerce has initiated a countervailing duty investigation with respect to only two of these alleged privatization subsidies -- the combination of assets for sale under the name USIMINAS and the government's
(continued...)

very interested in exploring exactly how these actions are injuring the domestic industry.

In general, subsidies injure U.S. domestic producers because they increase the amount of product the subsidized firm finds it profitable to sell in the United States, with the result that the price of both the subsidized export and of the competing domestic product fall. An export subsidy does this by lowering the specific costs incurred in making export sales, which makes it profitable to make more sales in the U.S. market. An operating subsidy lowers the costs of manufacturing the product, which makes it profitable to operate at a higher level of output. Some of the additional output finds its way into export markets. Similarly, a capital subsidy can increase total production by making it profitable to make some investments that would otherwise not be made. Upstream subsidies, such as the subsidization of steel production by the Brazilian government, presumably act like a production or capital subsidy in that they increase the amount of steel produced and lower the cost of producing the downstream product -- i.e., pipes and tubes.

However, at this point, how the alleged subsidies involved in the Brazilian privatization process would increase the quantity of steel produced by the Brazilian firms and therefore how the subsidies would lower the costs of the pipe and tube

¹⁵(...continued)
effort to reduce the foreign debt of the firm prior to privatization. (56 Federal Register 52531)

producers is unclear to me. None of the alleged subsidies seems to involve payments for the operating costs incurred in producing steel after the privatization occurs or payments to reduce the costs of future investments.

Conclusion

Based on the record in these preliminary investigations, I find that the level of imports of certain circular, welded, non-alloy steel pipes and tubes from Romania is negligible and therefore these imports cannot be causing material injury or be threatening future injury.

As to the imports from the other countries subject to these investigations, I find a reasonable indication of material injury. The subject imports constitute a considerable share of U.S. apparent consumption and the alleged margins of dumping and subsidization are not so small as to preclude material injury, particularly given the likelihood that the imports are reasonably good substitutes for the domestic product.

Information Obtained in the Investigations

INTRODUCTION

Institution

On September 24, 1991, petitions were filed with the U.S. International Trade Commission (the Commission) and the U.S. Department of Commerce (Commerce) by counsel on behalf of Allied Tube & Conduit Corp., Harvey, IL; American Tube Co., Phoenix, AZ; Bull Moose Tube Co., Gerald, MO; Century Tube Corp., Pine Bluff, AR; Sawhill Tubular Div., Cyclops Corp., Sharon, PA; Laclede Steel Co., St. Louis, MO; Maruichi American Corp.,¹ Santa Fe Springs, CA; Sharon Tube Co., Sharon, PA; Western Tube & Conduit Corp., Long Beach, CA; and Wheatland Tube Co., Collingswood, NJ. The petitions allege that an industry in the United States is materially injured and is threatened with material injury by reason of imports of certain circular, welded, non-alloy steel pipes and tubes from Brazil that are alleged to be subsidized by the Government of Brazil and by reason of such imports from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela which are allegedly being sold in the United States at less than fair value (LTFV).²

Accordingly, effective September 24, 1991, the Commission instituted countervailing duty investigation No. 701-TA-311 (Preliminary) 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 Brazil of certain circular, welded, non-alloy steel pipes and tubes,³ that are alleged to be subsidized by the Government of Brazil. The Commission also instituted antidumping investigations Nos. 731-TA-532 through 537 (Preliminary) 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 Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela of

¹ On Sept. 30, 1991, counsel for petitioners amended the petitions to remove Maruichi American Corp. as a petitioner.

² A petition alleging that manufacturers, producers, or exporters of certain circular, welded, non-alloy steel pipes and tubes in Venezuela receive bounties or grants within the meaning of section 701 of the Tariff Act of 1930, as amended ("the act"), was filed with Commerce but not the Commission. Venezuela is not a signatory to the General Agreement on Tariffs and Trade (GATT) subsidies code and thus is not "under the Agreement" pursuant to section 701(b) of the act. Furthermore, because imports of circular, welded, non-alloy steel pipes and tubes from Venezuela are subject to an import duty when entering the United States, Venezuela is not accorded an injury investigation by the Commission under section 303 of the act.

³ For purposes of this investigation, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes, of circular cross section, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheadings 7306.30.10 and 7306.30.50 of the Harmonized Tariff Schedule of the United States.

certain circular, welded, non-alloy steel pipes and tubes,⁴ that are alleged to be sold in the United States at LTFV.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was posted in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and was published in the Federal Register of October 2, 1991 (56 F.R. 49903) (appendix A). Commerce published its notices of initiation of countervailing duty and antidumping investigations in the Federal Register of October 21, 1991 (56 F.R. 52528) (appendix B). The conference was held on October 15, 1991; a list of witnesses appearing at the conference is presented in appendix C. The Commission voted on these investigations on November 5, 1991, and transmitted its determinations to Commerce on November 8, 1991.

Previous Commission Investigations Concerning Circular, Welded, Non-alloy Steel Pipes and Tubes

The Commission has previously conducted 10 antidumping investigations and 6 countervailing-duty investigations concerning certain circular, welded, non-alloy steel pipes and tubes (hereinafter "standard pipes and tubes"). Many of these investigations were terminated before final antidumping and/or countervailing-duty orders were issued, and some orders were revoked after the subject country entered into a voluntary restraint arrangement with the United States. At present, antidumping orders and/or countervailing-duty orders on standard pipes and tubes are in place against Argentina, India, Taiwan,⁵ Thailand, and Turkey.

⁴ For purposes of the investigations involving Brazil, the Republic of Korea, Mexico, Romania, and Venezuela, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes of circular cross section, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheadings 7306.30.10 and 7306.30.50 of the Harmonized Tariff Schedule of the United States. For the investigation concerning imports from Taiwan, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of less than 1.65 mm (0.065 inch), less than 406.4 mm (16 inches) in outside diameter, regardless of surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheading 7306.30.10, and welded, non-alloy steel pipes and tubes of circular cross section over 114.3 mm (4.5 inches), but not more than 406.4 mm (16 inches) in outside diameter, with a wall thickness of 1.65 mm (0.065 inch) or more, regardless of surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled), provided for in subheading 7306.30.50 of the Harmonized Tariff Schedule of the United States. Circular, welded, non-alloy steel pipes and tubes with outside diameters from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inches) and with wall thicknesses of 1.65 mm (0.065 inch) or more, provided for in subheading 7306.30.50 of the HTS, imported from Taiwan are currently assessed antidumping duties and are, therefore, not subject to the investigation concerning Taiwan.

⁵ Pipes and tubes with outside diameters from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inches) and with wall thicknesses of 1.65 mm (0.065 inch) or more.

THE PRODUCTS

Description and Uses

For purposes of these investigations, the terms "pipes," "tubes," and "tubular products" can be used interchangeably. Historically, "pipes" referred to products that were standardized as to size and wall thickness and "tubes" referred to products produced to customer specifications. However, the usage of these terms has evolved with the industry and there are now no easy rules for distinguishing between them in the field.⁶

Steel pipes and tubes can be divided into two general categories according to the method of manufacture--welded or seamless. Each category can be further subdivided by grades of steel; carbon or alloy, including heat-resisting, stainless, and other alloys. In addition, steel pipe and tube can be classified by end use. The American Iron and Steel Institute has defined six such end-use categories: standard pipe, line pipe, structural pipe and tubing, mechanical tubing, pressure tubing, and oil country tubular goods (OCTG).⁷ Pipes and tubes are made in circular, square, or rectangular cross sections.

Several organizations publish standards and specifications for steel pipe and tube production that are commonly used in the industry, including the American Society for Testing and Materials (ASTM), the American Society of Mechanical Engineers, and the American Petroleum Institute (API). Comparable organizations in Japan, Germany, the United Kingdom, and other countries have also developed standard specifications for steel pipes and tubes.

The pipe and tube products from Brazil, Korea, Mexico, Romania, and Venezuela that are the subject of these investigations are circular, welded, non-alloy pipes and tubes not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled). Products from Taiwan that are subject to investigation are the same as those defined above but do not include pipes and tubes with outside diameters from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inches) that have a wall thickness of 1.65 mm (0.065 inch) or more. The excluded products, when imported from Taiwan, are currently subject to a dumping order as the result of a previous investigation.⁸

The products subject to these investigations are known commonly in the industry as "standard" pipes and tubes and are intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. They may also be used for light load-bearing or mechanical applications, such as for fence tubing. Standard pipes

⁶ American Iron and Steel Institute, Steel Products Manual: Carbon Steel Pipe, Structural Tubing, Line Pipe, Oil Country Tubular Goods, Washington, DC, April 1982, p. 20.

⁷ For a full description of these items, see Certain Welded Carbon Steel Pipes and Tubes From the Republic of Korea: Determination of the Commission in Investigation No. 701-TA-168 (Final) ..., USITC Publication 1345, February 1983.

⁸ Certain Welded Carbon Steel Pipes and Tubes From Taiwan, 49 F.R. 9931 (Mar. 16, 1984).

and tubes may carry fluids at elevated temperatures and pressures but must not be subjected to external heat. Standard pipes and tubes intended for low-pressure service in steam, water, and gas lines are customarily inspected and tested hydrostatically, in accordance with ASTM specification A120. Standard pipes intended for coiling, bending, flanging, or other special purposes are subject to tensile, bending, and flattening tests, as well as hydrostatic tests, in accordance with ASTM specification A53 or related ASTM specifications.⁹

Manufacturing Processes

Welded pipes and tubes of the sizes subject to these investigations are manufactured primarily by one of two processes, continuous welding (also known as furnace welding) or electronic resistance welding (ERW). In both methods, coils of skelp or flat steel sheet are trimmed lengthwise and then cut to the exact width needed to form the pipe.

In the continuous weld (CW) or furnace method, the slit sheet is heated to welding temperature (approximately 2,600 °F) in a gas-fired furnace. While hot, it is shaped through a series of rollers into a tubular form and the edges are butted together under pressure to form the weld without the addition of filler metal (figure 1). This method can be used to form pipe up to 4.5 inches in diameter. The advantage of the CW process lies in its ability to produce pipe up to 1,200 feet per minute, compared with the ERW process maximum of approximately 110 feet per minute, thus lowering the cost per foot for high-volume runs. These economies of scale may be lost, however, if the lines are not run continuously.

In the ERW method, the slit steel sheet is formed into tubular shape by passing it through a series of rollers while cold. The edges are then heated by electrical means and welded by heat and pressure without the addition of filler metal (figure 2). The squeezing action causes some of the hot metal to be extruded from the joint to form a bead of welding "flash," which is usually trimmed from both the outside and inside surfaces of the pipe. The ERW method can be used to form pipe up to 24 inches in diameter. The advantages of the ERW method are that a wider range of sizes can be produced and the scale economies do not require the lines to be in operation continuously. Also, for the size ranges that can be produced by both processes, energy costs may be lower with the ERW method because only the weld area needs to be heated rather than the pipe material as a whole. This energy savings may differ substantially by geographic area because of differences in local prices for relatively low-cost gas (used in the CW method) versus relatively high-cost electricity (used in the ERW method).

After forming by either method, the pipe's dimensions may be adjusted. Pipe may be reduced in diameter by rollers or increased in diameter by a hot stretch-reducing operation that reduces the wall width as the product is stretched. The resulting pipe is then cut to length, cooled, straightened, and end- or surface-finished if required. Ends may be left plain, bevelled, threaded, or threaded with a coupling attached. Surfaces may be left "black," coated with oil or lacquer to inhibit corrosion, painted, or "galvanized" with a zinc coating to prevent corrosion.

⁹ American Iron and Steel Institute, op. cit., p. 20.

Figure 1
Steel pipes and tubes: Continuous welding (furnace welding)

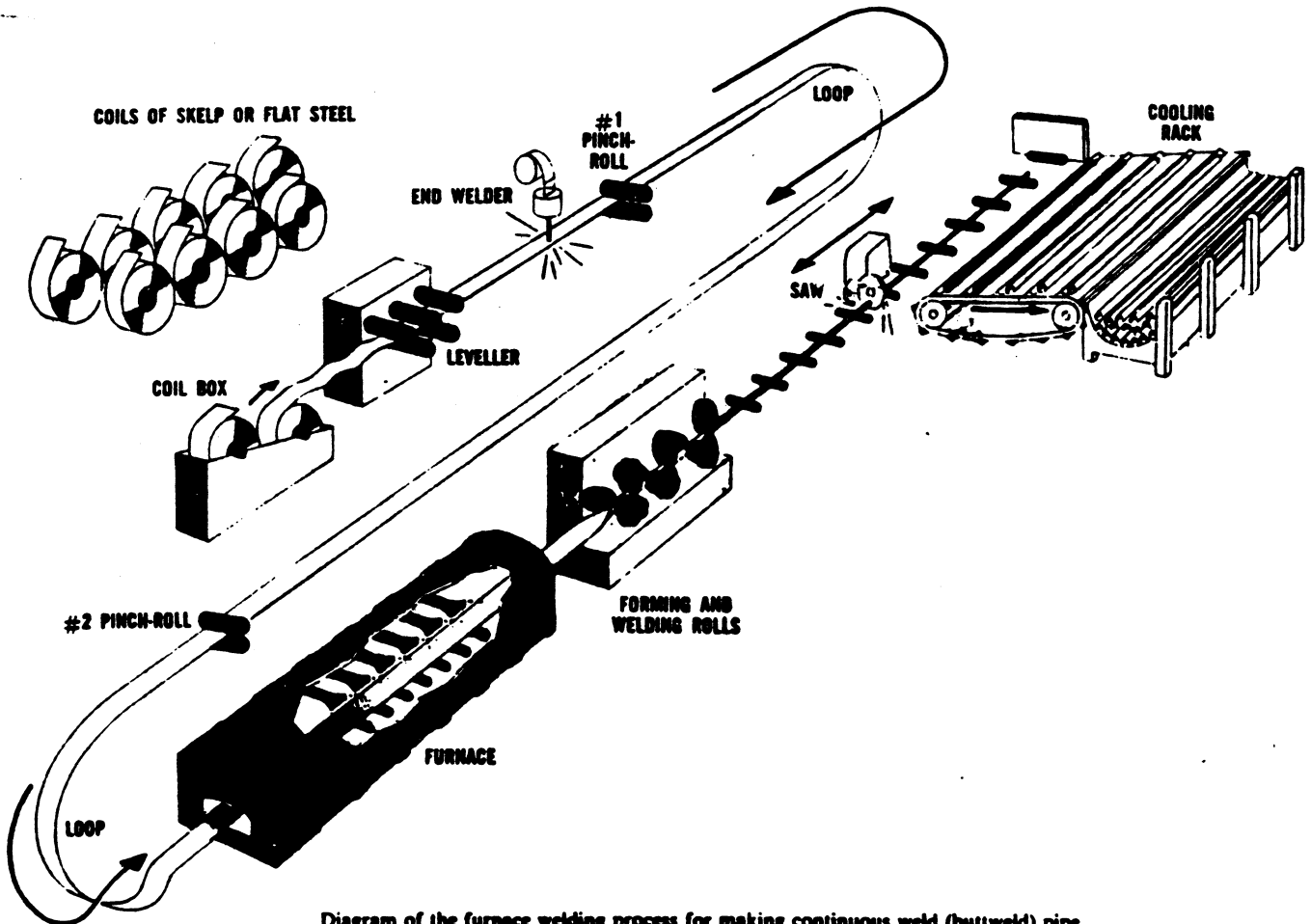
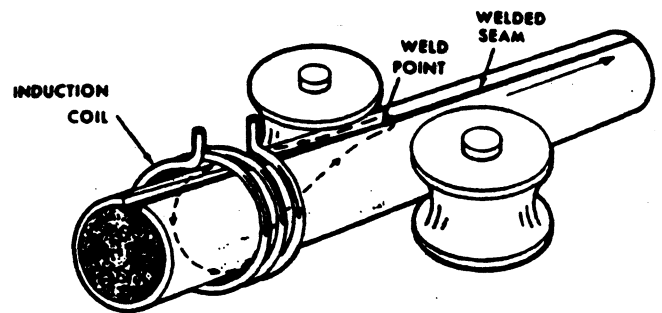
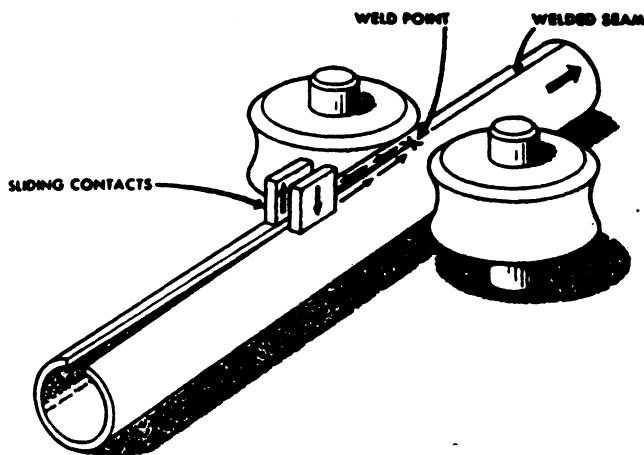
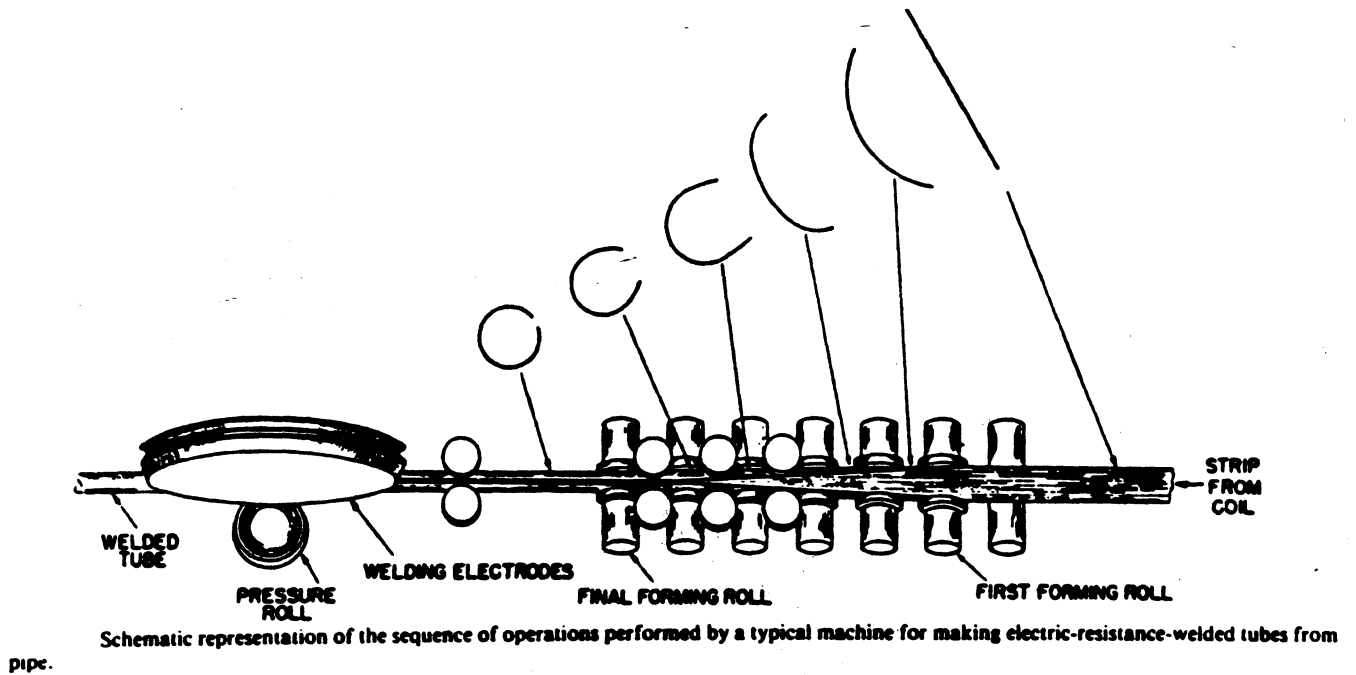


Diagram of the furnace welding process for making continuous weld (buttweld) pipe.

Source: American Iron and Steel Institute, Steel Producers Manual: Carbon Steel Pipe, Structural Tubing, Line Pipe, Oil Country Tubular Goods, April 1982, p. 12.

Figure 2
Steel pipes and tubes: Electric resistance welding (ERW)



Source: American Iron and Steel Institute, Steel Producers Manual: Carbon Steel Pipe, Structural Tubing, Line Pipe, Oil Country Tubular Goods, April 1982, p. 13.

Requirements concerning chemical and mechanical properties for ASTM standard pipes differ for various specifications and grades. Standard pipes are inspected and tested at various stages in the production process to ensure strict conformity to ASTM specifications.

Substitute Products

In addition to the non-alloy welded steel pipes and tubes subject to these investigations, more expensive products, such as stainless or seamless pipes and tubes, can be used for standard pipe and tube applications. Also, substitute materials such as plastics and other advanced materials can be used in certain standard pipe and tube applications.

Other Pipe and Tube Products

Steel pipe and tube products known as "line" pipes are used for the transportation of gas, oil, and water, generally in pipeline or utility distribution systems. Line pipes are produced to meet different specifications than "standard" pipes, and a large percentage of line pipes are made to larger diameters than the pipes and tubes subject to these investigations. Nevertheless, line pipes, OCTG, and conduit can be made on the same equipment and, in some cases where the size requirements are the same, the pipes are produced to meet both line pipe and standard pipe specifications. Such products may be "dual-stenciled" with both ASTM and API specification numbers. For purposes of import classification and duty assessment, line pipe imports enter the United States under separate and distinct tariff item numbers from other kinds of steel pipe and tube.

Petitioners argue that although some line and standard pipe products have the same steel properties, they are sold through different distributors, have different end uses, and are separated in the import statistics by end use.¹⁰ Respondents have not raised general "like-product" issues in the preliminary investigations, but have indicated that they may do so in the event of final investigations on these products.¹¹ In addition, with the exception of certain imports from Romania, respondents did not argue that imported products were of a lower quality than the domestically produced products.

Counsel speaking on behalf of Venezuelan producers argued that imports from Venezuela of the subject products were overstated for the last half of 1990 and the first half of 1991. They stated that because a significant portion of Venezuela's pipe exports to the United States were stenciled as meeting specifications for both standard pipe and line pipe, imported products were misclassified by U.S. Customs as standard pipes, even though they were sold and used in the United States as line pipes.¹² Petitioners, on the other hand, stated that pipe intended to be used as line pipe must be entered under the HTS items for line pipe rather than the separate HTS items for standard pipe. They argued that, absent an investigation and determination by the

¹⁰ Transcript of the Commission's staff conference (hereinafter "transcript"), Oct. 15, 1991, testimony of Roger Schagrin, p. 46.

¹¹ Transcript, testimony of Donald Cameron, p. 115.

¹² Transcript, testimony of Julie Mendoza, p. 96.

Customs Service, dual stenciling in and of itself should not cause the imports in question to be excluded from the standard pipe totals.¹³

Counsel speaking on behalf of Romanian producers argued that imports of standard pipe from Romania are aimed for a distinct segment of the U.S. market. They stated that the Romanian pipes are less sophisticated than products made in the United States, are used primarily for the water-well industry as opposed to the construction industry, and are not tested to meet certain ASTM standards required for many applications in the United States.¹⁴ Petitioners argued that Romanian pipe is comparable to domestically produced pipe and the great majority of pipe from the other countries under investigation and that even if most Romanian pipe is used for water wells, that is an application for which other subject imports and domestic products are used also. In addition, the petitioners stated that not all uses for standard pipe require ASTM A53 certification and that, in any case, the certification testing could be done by the importer if necessary.¹⁵

Counsel representing Industrias Monterrey, S.A. (IMSA) in Mexico argued that the products exported by IMSA to the United States should be considered as separate "like" products because they have thinner walls, enter under a distinct tariff item number, and are used for residential chain link fences rather than for industrial chain link fences.¹⁶ Respondents stated, however, that the IMSA exports may compete with those under investigation from Venezuela and the products of four petitioners. Also, respondents argued that other products entering under the same tariff item as IMSA products (HTS 7306.30.10.00) may be conduit tubes and sprinkler pipes rather than residential fencing and therefore should not be included in a separate "like" product grouping for residential fencing.¹⁷

U.S. Tariff Treatment

Imports of standard pipes and tubes from Brazil, Korea, Mexico, Romania, and Venezuela are classified and reported for tariff and statistical purposes in subheadings 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090 of the Harmonized Tariff Schedule of the United States (HTS).¹⁸ Imports of the subject products from Taiwan are classified and reported as above but do not include certain pipes and tubes under HTS subheadings 7306.30.5025, 7306.30.5032, 7306.30.5040, and 7306.30.5055,¹⁹ which are currently being assessed antidumping duties.

¹³ Schagrin Associates, postconference brief, Oct. 18, 1991, p. 18.

¹⁴ Transcript, testimony of John Gurley, pp. 91-92.

¹⁵ Schagrin Associates, postconference brief, Oct. 18, 1991, p. 32.

¹⁶ Porter, Wright, Morris, & Arthur, postconference brief, Oct. 18, 1991, pp. 6-10.

¹⁷ Ibid., pp. 9-10.

¹⁸ Due to statistical changes in the tariff schedules, the subject imports were also previously reported under HTS statistical reporting numbers 7306.30.5030, 7306.30.5050, 7306.30.5060, 7306.30.5065, 7306.30.5070, 7306.30.5075, and 7306.30.5080 in 1989 and under Tariff Schedules of the United States Annotated (TSUSA) items 610.3231, 610.3234, 610.3241, 610.3242, 610.3243, 610.3254, and 610.4925 in 1988.

¹⁹ Excluded imports from Taiwan were also reported under HTS statistical reporting numbers 7306.30.5030 and 7306.30.5050 in 1989 and under TSUSA items 610.3231, 610.3234, 610.3241, 610.3242, and 610.3243 in 1988.

The column 1-general (most-favored-nation) rate of duty for the subject steel pipes and tubes, applicable to the imports from Brazil, Korea, Mexico, Taiwan, and Venezuela, is 8 percent ad valorem for products having a wall thickness of less than 1.65 mm and 1.9 percent ad valorem for those having a wall thickness of 1.65 mm or more. The column 2 rate of duty for the subject products, applicable to imports from Romania, is 25 percent ad valorem for pipes having a wall thickness of less than 1.65 mm and 5.5 percent ad valorem for the remainder.

In addition to the antidumping duties on products from Taiwan mentioned above, antidumping duties are currently in effect with respect to imports of standard pipes and tubes from India, Thailand, and Turkey. Countervailing duties are currently in effect with respect to imports from Argentina, Thailand, and Turkey.

THE NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged Subsidies

Petitioners have alleged that Brazilian producers and exporters of standard pipes and tubes benefit from a variety of programs that constitute subsidies within the meaning of countervailing duty laws. These programs consist of export subsidies as well as upstream subsidies. The export subsidies consist of a reduction in duties and taxes under the Commission for the Granting of Fiscal Benefits to Special Export Programs (BEFLEX), Fundo de Financiamento a Exportacaco (FINEX) export financing, preferential export financing under the Brazilian Export Financing Program (PROEX), and other export-related programs. Petitioners also listed numerous upstream subsidies that are provided to the Government-owned steel producers in Brazil which supply Brazilian pipe and tube producers with hot-rolled steel coil.²⁰ If the Commission makes an affirmative preliminary injury determination with respect to allegedly subsidized imports from Brazil, Commerce will make its preliminary subsidy determination on or before June 2, 1992.²¹

Alleged Sales at LTFV

If the Commission makes affirmative preliminary injury determinations with respect to alleged LTFV imports from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela, Commerce will make its preliminary determinations of alleged sales at LTFV on or before March 2, 1992.

Brazil

Petitioners have alleged that standard pipes and tubes are being imported from Brazil at LTFV prices. Petitioners estimated dumping margins for Persico Pizzamiglio, S.A. (Persico), which they believe is the largest producer of the subject pipes and tubes in Brazil and the largest exporter of

²⁰ Countervailing-duty petition for imports from Brazil, pp. 11-33.

²¹ Because the petition alleges upstream subsidies, Commerce is permitted 250 days from the date of filing to issue its preliminary determination. See Commerce's notice of initiation in app. B.

these products to the United States. Alleged dumping margins range from 50 percent to 122 percent.²²

The Republic of Korea

Based in part on actual transaction prices in the Republic of Korea (hereinafter "Korea") of the subject pipes and tubes, petitioners have alleged that standard pipes and tubes are being imported from Korea at prices that are LTFV. Petitioners arrived at alleged dumping margins ranging from 1.81 percent to 25.04 percent.²³

Mexico

Petitioners have alleged that standard pipes and tubes are being imported from Mexico at prices that are LTFV. Petitioners estimated dumping margins for Hylsa, S.A. de C.V. (Hylsa) and for Industrias Monterrey, S.A. de C.V. (IMSA) to be 28.89 percent to 97.57 percent and from 76.9 percent to 95.5 percent, respectively.²⁴ However, owing to recalculations by Commerce of the alleged margins based on the correction of a typographical error, the alleged margins range from 28.89 percent to 69.75 percent.

Romania

Petitioners have alleged that standard pipes and tubes are being imported from Romania at prices that are LTFV. Because Romania is a non-market economy, petitioners based foreign market value on constructed value using Mexico and Yugoslavia as a surrogate countries.²⁵ Subsequent to certain adjustments made by Commerce, the alleged margins range from 45 percent to 63 percent.

Taiwan

To support their allegation that certain standard pipes and tubes are being imported from Taiwan at prices that are LTFV, petitioners obtained price quotes for various pipe and tube products sold in Taiwan by Kao Hsing Chang Iron & Steel Corp. (KHC). Depending on the methodology used, petitioners arrived at alleged dumping margins ranging from 13.6 percent to 28.5 percent.²⁶

Venezuela

Petitioners have alleged that standard pipes and tubes are being imported from Venezuela at prices that are LTFV. Petitioners obtained prices for various pipe and tube products sold in Venezuela by CA Conduven and Union Industrial Venezolana SA (UNIVENSA). Petitioners arrived at alleged dumping

²² Antidumping duty petition for imports from Brazil, p. 12.

²³ Antidumping duty petition for imports from Korea, p. 14.

²⁴ Antidumping duty petition for imports from Mexico, pp. 11-12.

²⁵ Antidumping duty petition for imports from Romania, p. 22.

²⁶ Antidumping duty petition for imports from Taiwan, p. 13.

margins ranging from 35 percent to 45 percent for black standard pipe and tube and from 7.9 percent to 9 percent for galvanized standard pipe and tube.²⁷

THE DOMESTIC MARKET

Apparent U.S. Consumption²⁸

Consumption of standard pipes and tubes (on the basis of quantity) declined by 3 percent from 1988 to 1989 (table 1). Consumption then rebounded in 1990 to a level nearly 5 percent above that in 1989. During January-June 1991, consumption of standard pipes and tubes fell to 894,444 short tons from 982,632 short tons during the corresponding period of 1990, or by 9 percent.

U.S. Producers

The Commission sent questionnaires to 35 firms believed to produce the subject pipes and tubes.²⁹ Of these firms, 10 notified the Commission that they do not produce the products, 17 responded with data on their production of pipes and tubes,³⁰ and 8 did not respond to the Commission's questionnaire. A list of these firms, their shares of production in 1990, and plant locations are presented in table 2. ***.

U.S. Importers

The Commission sent questionnaires to approximately 125 firms believed to import the subject pipes and tubes from Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela. Of these, 33 firms notified the Commission that they do not import the products and 50 firms provided some usable data on their imports of the subject pipes and tubes. Imports by these 50 firms accounted for 13 percent of 1990 imports from Brazil; 74 percent of 1990 imports from Korea; 12 percent of 1990 imports from Mexico; 94 percent of 1990 imports from Romania; 87 percent of 1990 imports from Taiwan; 89 percent of 1990 imports from Venezuela; and 61 percent of cumulative imports from the countries subject to investigation.

Of the 50 firms that imported standard pipes and tubes, 3 were U.S. producers. During the period of investigation, *** imported finished standard pipes and tubes from Korea and semifinished standard pipes and tubes from Mexico. In 1989 and 1990, *** imported *** and *** short tons, respectively, of finished product from Korea. During 1988-90, *** imported ***, ***, and

²⁷ Antidumping duty petition for imports from Venezuela, p. 13.

²⁸ The Commission received usable questionnaire responses from 15 U.S. producers of circular pipes and tubes. Staff estimates that these producers account for over 90 percent of U.S. production of these products. Official import statistics from the U.S. Department of Commerce have been used in the calculation of apparent consumption.

²⁹ Petitioners listed 19 U.S. producers of standard pipes and tubes. According to counsel for petitioners, these firms are believed to account for 95 to 98 percent of U.S. production of the subject pipes and tubes (telephone interview with Roger Schagrin, Esq., Schagrin Associates, counsel for petitioners, Oct. 8, 1991).

³⁰ ***.

Table 1

Circular, welded, non-alloy steel pipes and tubes: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1988-90, January-June 1990, and January-June 1991

				January-June--	
Item	1988	1989	1990	1990	1991
	Quantity (short tons)				
Producers' U.S. shipments . . .	1,017,418	1,079,285	1,180,168	593,707	494,826
U.S. imports from--					
Brazil ¹	50,980	30,748	59,184	27,213	17,351
Korea	278,963	295,643	302,675	147,593	196,944
Mexico	60,434	65,294	68,828	36,281	22,331
Romania	16,505	11,033	14,495	8,212	10,574
Taiwan ²	40,551	40,278	42,173	17,101	26,540
Venezuela	8,243	7,990	18,497	7,701	14,066
Subtotal	455,676	450,986	505,852	244,100	287,805
Taiwan ³	6,695	6,728	14,247	6,515	3,130
Other sources	450,283	330,556	258,656	138,309	108,683
Total	912,654	788,271	778,755	388,925	399,618
Apparent consumption . .	1,930,072	1,867,556	1,958,923	982,632	894,444
	Value (1,000 dollars)				
Producers' U.S. shipments . . .	642,809	684,434	715,023	362,284	296,499
U.S. imports from--					
Brazil ¹	23,615	15,866	23,579	11,307	8,376
Korea	151,595	166,677	160,310	79,965	103,663
Mexico	30,199	35,346	36,716	19,328	11,821
Romania	6,863	4,854	6,273	3,562	4,508
Taiwan ²	19,861	17,735	19,632	8,246	12,531
Venezuela	3,584	3,890	8,675	3,678	6,937
Subtotal	235,717	244,368	255,186	126,087	147,836
Taiwan ³	3,278	3,584	6,356	2,943	1,465
Other sources	234,306	188,147	150,791	79,522	66,696
Total	473,301	436,099	412,333	208,553	215,997
Apparent consumption . .	1,116,110	1,120,533	1,127,356	570,837	512,496

¹ Data for 1990 include 3,480 short tons, with a c.i.f. value of \$1,519,662, that the Bureau of the Census has verified to be the subject pipes and tubes but that were incorrectly classified in another HTS subheading. See letter from petitioners dated Oct. 9, 1991.

² Includes only subject circular, welded, non-alloy steel pipes and tubes (welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of less than 1.65 mm (0.065 inches), less than 406.4 mm (16 inches) in outside diameter, and welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of 1.65 mm (0.065 inches) or more, exceeding 114.3 mm (4.5 inches) but not more than 406.4 mm (16 inches) in outside diameter).

³ Includes circular, welded, non-alloy steel pipes and tubes with outside diameters from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inch) and with wall thicknesses of 1.65 mm (0.065 inches) or more from Taiwan. These products, when imported from Taiwan, are currently assessed antidumping duties.

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

Table 2

Circular, welded, non-alloy steel pipes and tubes: U.S. producers, their shares of production, and plant locations, by firms, 1990

<u>Firm</u>	<u>Share of reported 1990 production Percent</u>	<u>Plant locations</u>
Petitioning firms:		
Allied Tube & Conduit Corp...	***	Harvey, IL Philadelphia, PA Liberty, TX ¹
American Tube Co.....	***	Phoenix, AZ Kokomo, IN
Bull Moose Tube Co.....	***	Gerald, MO Trenton, GA
Century Tube Corp.....	***	Pine Bluff, AR
Cyclops Corp., Sawhill Tubular Div.....	***	Sharon, PA Warren, OH ²
Laclede Steel Co.....	***	Alton, IL Benwood, WV
Sharon Tube Co.....	***	Sharon, PA
Western Tube & Conduit Corp..	***	Long Beach, CA
Wheatland Tube Co.....	***	Wheatland, PA
Non-petitioning firms:		
American Cast Iron Pipe Co...	(³)	Birmingham, AL
Berger Industries, Inc.....	(⁴)	Maspeth, NY
CSI Tubular Products ⁵	***	Fontana, CA
Camp Hill.....	(³)	McKeesport, PA
Geneva Steel.....	***	Vineyard, UT
LTV Tubular Products Co.....	***	Youngstown, OH Counce, TN Cleveland, OH Elyria, OH Ferndale, MI
Maruichi American Corp.....	***	Santa Fe Springs, CA
Newport Steel Corp.....	***	Newport, KY
USX Corp.....	***	Fairless Hills, PA ⁶
USS-Kobe.....	(⁴)	Lorain, OH

¹ ***.

² ***.

³ Company responded to the Commission's producers' questionnaire; however, data provided included significant, and unknown, amounts of non-subject pipes and tubes. The company's data, therefore, were not used.

⁴ Company did not respond to the Commission's producers' questionnaire.

⁵ ***.

⁶ ***.

Note.--Because of rounding, percentages do not add to 100.

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

*** short tons of semifinished product, respectively, from Mexico. *** imported nearly *** percent of total U.S. imports of standard pipes and tubes from Mexico in 1989. *** imported standard pipes and tubes from Korea during the period of investigation.³¹ During 1988-90, *** imported ***, ***, and *** short tons of standard pipes and tubes, respectively, from Korea. *** imported standard pipes and tubes from *** in Japan and from a company *** in Korea. *** imported *** and *** short tons of standard pipes and tubes from Korea in 1989 and 1990, respectively. ***'s imports from Japan declined from *** short tons in 1988 to *** short tons in 1990.

Channels of Distribution

The following tabulation presents a summary of the channels of distribution used by U.S. producers and importers of standard pipes and tubes in 1990 (in percent):

	<u>Distributors</u>	<u>End users</u>
Share of U.S. producers' shipments made to..	94	6
Importers:		
Share of Brazilian product shipped to.....	100	0
Share of Korean product shipped to.....	***	***
Share of Mexican product shipped to.....	***	***
Share of Romanian product shipped to.....	***	***
Share of Venezuelan product shipped to....	<u>100</u>	<u>0</u>
Average.....	98	2

CONSIDERATION OF ALLEGED MATERIAL INJURY TO AN INDUSTRY IN THE UNITED STATES³²

U.S. Capacity, Production, and Capacity Utilization

U.S. capacity to produce standard pipes and tubes increased by 24 percent from 1988 to 1990 (table 3). During January-June 1991, capacity increased to a level 3 percent above that attained during the corresponding period of 1990. Production of standard pipes and tubes increased by 2 percent from 1988 to 1989. In 1990, production increased to nearly 1.2 million short tons, or by 11 percent from the 1989 level. During January-June 1991, production fell by 19 percent from the level during the corresponding period of 1990. Capacity utilization decreased from 76.1 percent in 1988 to 69.8 percent in 1990. During January-June 1991, capacity utilization fell to 57.1 percent from 71.0 percent during the corresponding period of 1990.

³¹ ***.

³² Data from 5 U.S. producers included production of non-subject pipes and tubes. With the help of company officials, staff was able to subtract actual or estimated amounts of non-subject production and shipments from the data of 3 of these firms. The adjusted production and shipment data of these firms were used in this section of the report. Staff estimates that U.S. producers accounting for 90 percent of 1990 U.S. production of standard pipes and tubes provided usable production and shipment data.

Table 3

Circular, welded, non-alloy steel pipes and tubes: U.S. capacity, production, and capacity utilization,¹ 1988-90,² January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
End-of-period capacity (short tons)	1,319,307	1,401,301	1,633,115	810,466	833,759
Production (short tons)	1,056,282	1,076,791	1,195,862	604,487	491,668
End-of-period capacity utilization (percent)	76.1	73.5	69.8	71.0	57.1

¹ Producers accounting for approximately 95 percent of total reported production in 1990 provided the Commission with data on capacity. All U.S. producers responding to the Commission's questionnaire provided production data.

² A number of U.S. producers reported increases in capacity to produce the subject products. ***.

Note.--Capacity utilization is calculated using data of firms providing both capacity and production information.

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

U.S. Producers' Shipments

U.S. producers' U.S. shipments³³ of standard pipes and tubes increased from 1.0 million short tons in 1988 to 1.1 million short tons in 1989, or by 6 percent (table 4). In 1990, U.S. shipments increased to nearly 1.2 million short tons, or by 9 percent above the level attained in 1989. During January-June 1991, U.S. shipments fell to 494,826 short tons from 593,707 short tons during the corresponding period of 1990, or by 17 percent.

The value of U.S. producers' U.S. shipments increased by 6 percent from 1988 to 1989 and by an additional 4 percent in 1990. U.S. shipment values declined by 18 percent during January-June 1991 when compared with the corresponding period of 1990.

Unit values of U.S. shipments increased slightly from 1988 to 1989 before falling by 4 percent in 1990. During January-June 1991, unit values declined by 2 percent compared with the corresponding period of 1990.

³³ U.S. shipments equal company transfers plus domestic shipments.

Table 4

Circular, welded, non-alloy steel pipes and tubes: Shipments by U.S. producers, by types, 1988-90, January-June 1990, and January-June 1991¹

Item	1988	1989	1990	January-June-- 1990	1991
Quantity (short tons)					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	1,017,418	1,079,285	1,180,168	593,707	494,826
Exports	***	***	***	***	***
Total	***	***	***	***	***
Value (1,000 dollars)					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Subtotal	642,809	684,434	715,023	362,284	296,499
Exports	***	***	***	***	***
Total	***	***	***	***	***
Unit value (per short ton)					
Company transfers	***	***	***	***	***
Domestic shipments	***	***	***	***	***
Average	\$631.80	\$634.16	\$605.87	\$610.21	\$599.20
Exports	***	***	***	***	***
Average	***	***	***	***	***

¹ All U.S. producers responding to the Commission's questionnaire provided the Commission with quantity and value data on shipments.

Note.--Unit values are calculated using data of firms supplying both quantity and value information.

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

The following tabulation presents shipment data of the American Iron and Steel Institute (AISI) on standard pipes and tubes (in short tons):

1988	1989	1990	January-June-- 1990	1991
855,093	835,266	825,226	438,562	347,900

These data show a different trend during 1988-90 from that revealed in the Commission's data;³⁴ AISI shipments of standard pipes and tubes fell by 2 percent from 1988 to 1989 and by an additional 1 percent in 1990 from 1989 levels. During January-June 1991, AISI shipments of standard pipes and tubes more closely follow the Commission's data, falling by nearly 21 percent from the corresponding period of 1990.

U.S. Producers' Inventories

Data on U.S. producers' inventories of standard pipes and tubes are presented in table 5.

Table 5

Circular, welded, non-alloy steel pipes and tubes: End-of-period inventories of U.S. producers, 1988-90, January-June 1990, and January-June 1991¹

Item	1988	1989	1990	January-June--	
				1990	1991
Inventories (short tons) . . .	133,097	132,833	141,806	141,255	133,964
Ratio of inventories to production (percent)	13.2	12.9	12.4	12.2 ²	14.0 ²

¹ U.S. producers accounting for approximately 95 percent of reported production in 1990 provided inventory data.

² Based on annualized shipment data.

Note.--Ratios are calculated using data of firms supplying both inventory and production information.

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

U.S. Employment, Wages, Compensation, and Productivity

The number of production and related workers producing standard pipes and tubes and hours worked by such workers fell by 2 percent from 1988 to 1989 (table 6). The number of workers and hours worked then increased by 4 percent and 7 percent, respectively, in 1990 from their 1989 levels. During January-June 1991, the number of workers fell by 5 percent and the number of hours worked fell by 3 percent from their levels during the corresponding period of 1990. Productivity of production and related workers increased from 0.265 short tons per hour in 1988 to 0.282 short tons per hour in 1990, or by 6 percent. During January-June 1991, productivity declined to its lowest level during the period of investigation (0.251 short tons per hour). Unit labor costs declined irregularly from \$72.11 per short ton in 1988 to \$71.39 per short ton in 1990, or by 1 percent. During January-June 1991, unit labor costs jumped to \$76.56 per short ton, up by nearly 7 percent from the corresponding period of 1990.

³⁴ Staff believes that the difference is accounted for by a difference in the firms reporting to AISI and the Commission.

Table 6

Average number of production and related workers producing circular, welded, non-alloy steel pipes and tubes, hours worked,¹ wages and total compensation paid to such employees, and hourly wages, productivity, and unit labor costs,² 1988-90, January-June 1990, and January-June 1991³

Item	1988	1989	1990	January-June--	
				1990	1991
Production and related workers (PRWs)	1,677	1,646	1,718	1,537	1,458
Hours worked by PRWs (1,000 hours)	3,546	3,477	3,720	1,677	1,627
Wages paid to PRWs (1,000 dollars)	48,814	48,414	53,565	22,818	21,158
Total compensation paid to PRWs (1,000 dollars)	67,853	70,717	74,862	33,692	31,305
Hourly wages paid to PRWs . . .	\$13.77	\$13.92	\$14.40	\$13.61	\$13.00
Hourly total compensation paid to PRWs	\$19.14	\$20.34	\$20.12	\$20.09	\$19.24
Productivity (short tons per hour)	0.265	0.276	0.282	0.280	0.251
Unit labor costs (per short ton)	\$72.11	\$73.76	\$71.39	\$71.75	\$76.56

¹ Consists of hours worked plus hours of paid leave time.

² On the basis of total compensation paid.

³ Firms providing employment data accounted for 87.7 percent of reported production in 1990. Interim data are only for firms accounting for 76.8 percent of reported production in 1990.

Note.--Ratios are calculated using data of firms supplying both numerator and denominator information.

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

In its producers' questionnaire, the Commission requested U.S. producers to provide detailed information concerning reductions in the number of production and related workers producing standard pipes and tubes from January 1988 through June 1991, if such reductions involved at least 5 percent of the workforce, or 50 workers. The reported reductions, which totaled 901 workers during the period of investigation, are shown in table 7.³⁵

The workforces at all but four of U.S. producers (Maruichi American, Century Tube, CSI Tubular, and American Cast Iron Pipe) are represented by the United Steel Workers of America.

Table 7

Circular, welded, non-alloy steel pipes and tubes: Reductions in the number of production and related workers, by dates, January 1, 1988 through June 30, 1991

Name of firm	Date	Number of workers	Duration	Reason
	*	*	*	*

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

Financial Experience of U.S. Producers

Ten producers, accounting for 87.7 percent of U.S. production of standard pipes and tubes in 1990, furnished income-and-loss data.³⁶

Overall Establishment Operations

Most producers' establishments manufacture several kinds of pipes and tubes as well as other steel products. As a percent of total establishment net sales, standard pipes and tubes accounted for 34.1 percent, 37.0 percent, 39.0 percent, 38.2 percent, and 36.0 percent in 1988, 1989, 1990, interim 1990, and interim 1991, respectively.

Operations on Certain Circular, Welded, Non-alloy Steel Pipes and Tubes

The income-and-loss experience of U.S. producers on their operations producing standard pipes and tubes is presented in table 8. Net sales increased by 7.9 percent from \$582.3 million in 1988 to \$628.6 million in 1989. In 1990, sales were \$641.3 million, an increase of 2.0 percent over 1989 sales. Operating income was \$62.2 million in 1988, \$42.8 million in 1989, and \$33.5 million in 1990. Operating income margins, as a ratio to net sales, were 10.7 percent in 1988, 6.8 percent in 1989, and 5.2 percent in 1990. Operating losses were incurred by one company in 1988, two companies in 1989, and four companies in 1990.

Net sales in interim 1991 were \$267.7 million, representing a decrease of 18.6 percent from interim 1990 sales of \$329.0 million. Operating income was \$17.0 million in interim 1990 and \$7.1 million in interim 1991. Operating income margins were 5.2 percent in interim 1990 and 2.6 percent in interim 1991. Four companies incurred operating losses in interim 1990 and three companies in interim 1991.

³⁶ These producers are ***.

Table 8

Income-and-loss experience of U.S. producers on their operations producing circular, welded, non-alloy steel pipes and tubes, fiscal years 1988-90, January-June 1990, and January-June 1991¹

Item	1988	1989	1990	January-June--	
				1990	1991
Value (1,000 dollars)					
Net sales.....	582,287	628,572	641,260	328,995	267,709
Cost of goods sold.....	482,384	545,206	563,321	289,878	241,527
Gross profit.....	99,903	83,366	77,939	39,117	26,182
Selling, general, and administrative expenses....	37,702	40,589	44,487	22,145	19,103
Operating income.....	62,201	42,777	33,452	16,972	7,079
Interest expense.....	8,288	7,314	7,675	3,756	4,449
Other income or (expense), net.....	(132)	380	1,085	609	618
Net income before income taxes.....	53,781	35,843	26,862	13,825	3,248
Depreciation and amortiza- tion.....	4,649	6,449	6,085	3,523	3,844
Cash flow ²	58,430	42,292	32,947	17,348	7,092
Ratio to net sales (percent)					
Cost of goods sold.....	82.8	86.7	87.8	88.1	90.2
Gross profit.....	17.2	13.3	12.2	11.9	9.8
Selling, general, and administrative expenses....	6.5	6.5	6.9	6.7	7.1
Operating income.....	10.7	6.8	5.2	5.2	2.6
Net income before income taxes.....	9.2	5.7	4.2	4.2	1.2
Number of firms reporting					
Operating losses.....	1	2	4	4	3
Net losses.....	1	2	4	4	3
Data.....	10	10	10	10	10

¹ Fiscal years for all producers end on December 31, except *** which ends on June 30, and *** which ends on September 30. Both *** and *** provided financial data on a calendar-year basis.

² Cash flow is defined as net income or loss plus depreciation and amortization.

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

Selected income-and-loss data for each reporting firm are shown in table 9. ***.³⁷ As a result, costs increased and thus, the profitability decline subsequent to 1988 was partially attributable to this factor. ***.

Some of the companies are integrated producers and thus internally manufacture some or all of their raw material requirements for standard pipes and tubes. For purposes of determining profitability, these internal transfers should be valued at the lower of cost or market. In the preliminary investigations, some of these producers used a market price for internal transfers. If final investigations occur, these companies would have to revalue their internal transfers from market to cost.

Table 9

Income-and-loss experience of U.S. producers on their operations producing certain circular, welded, non-alloy steel pipes and tubes, by firms, fiscal years 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	*	*	*	*	*

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

Investment in Productive Facilities

U.S. producers' investment in property, plant, and equipment and return on investment are shown in table 10.

Capital Expenditures

Capital expenditures by U.S. producers are shown in table 11.

Research and Development

Research and development expenses for standard pipes and tubes are shown in the tabulation below (in 1,000 dollars):

1988	1989	1990	January--June	
			1990	1991
770	707	555	242	239

³⁷ Telephone conversation with ***, Oct. 21, 1991.

Table 10

Circular, welded, non-alloy steel pipes and tubes: Value of assets and return on assets of U.S. producers, fiscal years 1988-90, January-June 1990, and January-June 1991

Item	As of the end of fiscal year--			As of June 30--	
	1988	1989	1990	1990	1991
Value (1,000 dollars)					
Fixed assets:					
Original cost.....	95,158	117,930	119,565	122,889	128,817
Book value.....	47,836	58,659	58,345	62,409	62,391
Total assets ^{1 2}	235,414	269,353	263,571	271,194	270,447
Return on total assets (percent) ³					
Operating return ⁴	21.2	14.2	12.2	(⁶)	(⁶)
Net return ⁵	18.4	12.3	10.6	(⁶)	(⁶)

¹ Defined as the book value of fixed assets plus current and noncurrent assets.

² Total establishment assets are apportioned, by firm, to product groups on the basis of the ratios of the respective book values of fixed assets.

³ Computed using data from only those firms supplying both asset and income-and-loss information, and as such, may not be derivable from data presented. Excludes data for ***.

⁴ Defined as operating income or loss divided by asset value.

⁵ Defined as net income or loss divided by asset value.

⁶ Not applicable for partial periods.

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

Table 11

Circular, welded, non-alloy steel pipes and tubes: Capital expenditures by U.S. producers, fiscal years 1988-90, January-June 1990, and January-June 1991

Item	(1,000 dollars)				
	1988	1989	1990	January-June--	1991
Land and land improve-					
ments.....	46	50	62	91	81
Building and leasehold					
improvements.....	854	685	2,356	951	219
Machinery, equipment, and					
fixtures.....	12,919	13,486	5,898	5,478	3,550
Total.....	13,819	14,221	8,316	6,520	3,850

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

Capital and Investment

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of the subject pipes and tubes from Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela on their firms' growth, investment, ability to raise capital, or existing development and production efforts (including efforts to develop a derivative or improved version of pipes and tubes). The producers' responses are presented in appendix D.

CONSIDERATION OF THE QUESTION OF THREAT OF MATERIAL INJURY

Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. § 1677(7)(F)(i)) provides that--

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of any merchandise, the Commission shall consider, among other relevant factors³⁸--

(I) If a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),

(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,

³⁸ Section 771(7)(F)(ii) of the act (19 U.S.C. § 1677(7)(F)(ii)) provides that "Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition."

(VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury,

(VIII) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 701 or 731 or to final orders under section 736, are also used to produce the merchandise under investigation,

(IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and

(X) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product.³⁹

Agricultural products (item (IX)) are not an issue in these investigations; information on subsidies (item (I)) is presented in the section of the report entitled "Alleged Subsidies;" information on the volume, U.S. market penetration, and pricing of imports of the subject merchandise (items (III) and (IV) above) is presented in the section of the report entitled "Consideration of the Causal Relationship Between Imports of the Subject Merchandise and the Alleged Material Injury;" and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts (item (X)) is presented in the section entitled "Consideration of Alleged Material Injury to an Industry in the United States." Presented below is available information on U.S. inventories of the subject products (item (V)); foreign producers' operations, including the potential for "product-shifting" (items (II), (VI), and (VIII) above); any other threat indicators, if applicable (item (VII) above); and any dumping in third-country markets.

³⁹ Section 771(7)(F)(iii) of the act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

Inventories of U.S. Importers

End-of-period inventories of U.S. importers of standard pipes and tubes are presented in table 12.

Table 12

Circular, welded, non-alloy steel pipes and tubes: End-of-period inventories of U.S. importers, by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
Quantity (short tons)					
Brazil	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Romania	***	***	***	***	***
Taiwan ¹	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	25,124	17,491	21,125	15,128	22,765
Other sources ²	34,957	***	***	1,736	927
Total	60,081	***	***	16,864	23,692
Ratio to imports (percent)					
Brazil	***	***	***	***	***
Korea	***	***	***	***	***
Mexico	***	***	***	***	***
Romania	***	***	***	***	***
Taiwan ¹	***	***	***	***	***
Venezuela	***	***	***	***	***
Average	9.1	6.5	6.9	5.3	6.2
Other sources ²	21.3	***	***	7.0	2.7
Average	13.7	***	***	5.4	5.9

¹ Consists of only subject circular, welded, non-alloy steel pipes and tubes (welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of less than 1.65 mm (0.065 inch), less than 406.4 mm (16 inches) in outside diameter, and welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of 1.65 mm (0.065 inch) or more, exceeding 114.3 mm (4.5 inches) but not more than 406.4 mm (16 inches) in outside diameter).

² Consists of circular, welded, non-alloy steel pipes and tubes with outside diameters from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inches) that have wall thicknesses of 1.65 mm (0.065 inch) or more from Taiwan. These products, when imported from Taiwan, are currently assessed antidumping duties.

Note.--Ratios are calculated using data of firms supplying both inventory and import information. Data on the ratios of inventories to imports for January-June are based on annualized import data.

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

**Ability of Foreign Producers to Generate Exports
and the Availability of Export Markets
Other Than the United States**

The Commission requested certain information from counsel for producers in Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela.⁴⁰ The data supplied by counsel for the foreign producers are presented in tables 13-19 and are discussed below.

The Industry in Brazil

Apolo Produtos de Aço SA, Confab Industrial SA, Fornasa SA, Mannesmann SA, and Persico Pizzamiglio SA were named in the petition as Brazilian producers and exporters of standard pipes and tubes. According to counsel for the Brazilian producers, ***.⁴¹ Data on the industry in Brazil are presented in table 13.

Capacity in Brazil was constant during 1988-90 and is projected to remain constant during 1991-92. Production fell by 12.4 percent from 1988 to 1989 and dropped by 18.3 percent from 1989 to 1990. Production during January-June 1991 was 7.6 percent below that during the corresponding period of 1990. Capacity utilization fell from 82.1 percent in 1988 to 58.7 percent in 1990 and 50.7 percent during January-June 1991.

Home-market shipments decreased slightly (0.8 percent) from 1988 to 1989 and decreased further (32.9 percent) from 1989 to 1990. Home-market shipments during January-June 1991 increased by 7.1 percent over shipments during January-June 1990. Exports to the United States *** percent from 1988 to 1989 before *** percent from 1989 to 1990. Exports to the United States during January-June 1991 *** such exports during January-June 1990. Brazil's exports to other countries *** during 1988-90 and during interim 1991 compared with interim 1990. End-of-period inventories in Brazil increased from 1988 to 1989 and then dropped from 1989 to 1990. Inventories at the end of June 1991 were about half those at the end of June 1990.

⁴⁰ The Commission also requested additional information from the U.S. embassies in Brasilia, Seoul, Mexico City, Bucharest, and Caracas, and the American Institute in Taiwan (AIT). The data, however, supplied by counsel for the foreign producers appears to be more accurate in terms of being limited to strictly subject pipes and tubes. The data supplied by the U.S. embassies and the AIT, therefore, are not presented here.

⁴¹ According to counsel for the Brazilian producers, Apolo, Fornasa, and Persico account for approximately *** percent of Brazilian capacity to produce standard pipes and tubes and *** percent of the total Brazilian exports to the United States. Counsel reported that *** (telephone interview with ***, Oct. 25, 1991).

Table 13

Circular, welded, non-alloy steel pipes and tubes: Brazilian capacity, production, capacity utilization, shipments, and end-of-period inventories, 1988-90, January-June 1990, January-June 1991, and projected 1991 and 1992¹

Item	(In short tons, except as noted)						
	1988	1989	1990	January-June-- 1990	January-June-- 1991	Projected-- 1991	Projected-- 1992
Capacity	253,405	253,405	253,405	126,702	126,702	253,405	253,405
Production	207,928	182,090	148,626	69,541	64,245	172,497	226,867
Capacity utilization (percent)	82.1	71.9	58.7	54.9	50.7	68.1	89.5
Shipments:							
Home market	86,536	85,857	57,593	25,092	26,867	73,427	98,528
Exports to the United States	***	***	*** ²	***	***	***	***
Exports to third countries	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
End-of-period inventories	6,801	8,208	6,438	7,830	3,900	5,948	6,113
Exports to the United States as a share of--							
Production (percent)	21.2	15.4	32.9	32.4	33.4	23.0	17.2
Total exports (percent)	42.3	35.8	57.8	54.3	60.7	39.5	30.4

¹ Capacity, production, and inventory data include non-subject pipe that *** was unable to break out. According to counsel for the Brazilian producers, Apolo, Fornasa, and Persico account for approximately *** percent of Brazilian capacity to produce standard pipes and tubes and *** percent of the total Brazilian exports to the United States.

² Includes *** short tons which were later returned to Brazil.

Source: Compiled from data supplied by counsel for Apolo Produtos de Aço, SA; Confab Industrial, SA; Fornasa, SA; Mannesmann, SA; and Persico Pizzamiglio, SA.

The Industry in the Republic of Korea

Counsel for Hyundai Pipe Co., Ltd.; Pusan Steel Pipe Corp.; Union Steel Mfg. Co. Ltd.; Korea Steel Pipe Co., Ltd.; and Dongbu Steel Co., Ltd., provided data in response to the Commission's request for information. According to counsel, these producers account for approximately *** percent of total Korean production of standard pipes and tubes. Data for these firms are presented in table 14.

Of the countries subject to these investigations, Korea has the largest capacity. Capacity in Korea increased by 5.2 percent from 1988 to 1989 and by 7.1 percent from 1989 to 1990. Capacity during January-June 1991 was 4.1 percent larger than capacity during January-June 1990. Capacity in Korea was not projected to increase significantly from 1991 to 1992. Production in Korea increased by 7.3 percent from 1988 to 1989 and by 7.9 percent from 1989 to 1990. Production increased by 5.0 percent during January-June 1991 compared with production during January-June 1990. Capacity utilization increased from 80.4 percent in 1988 to 82.1 percent in 1989, 82.7 percent in 1990, and 83.7 percent during January-June 1991.

Home-market shipments increased by 20.7 percent from 1988 to 1989 and by 23.5 percent from 1989 to 1990. Home-market shipments increased by 10.2 percent during January-June 1991 compared with such shipments during January-June 1990. Exports to the United States dropped by 12.1 percent from 1988 to 1989 and then increased by 4.5 percent from 1989 to 1990. Exports to the United States during January-June 1991 were virtually the same as exports during January-June 1990. Exports to other countries declined by 3.8 percent from 1988 to 1989 and dropped by 16.8 percent from 1989 to 1990. Exports to other countries during January-June 1991 were 6.5 percent below the level of such exports during January-June 1990.

End-of-period inventories in Korea increased by 50.1 percent from 1988 to 1989 before declining by 9.0 percent from 1989 to 1990. Inventories at the end of January-June 1991 were 12.6 percent below inventories at the end of January-June 1990.

Table 14

Circular, welded, non-alloy steel pipes and tubes: Korean capacity, production, capacity utilization, shipments, and end-of-period inventories, 1988-90, January-June 1990, January-June 1991, and projected 1991 and 1992¹

(In short tons, except as noted)							
Item	1988	1989	1990	January-June--		Projected--	
				1990	1991	1991	1992
Capacity	1,207,600	1,270,000	1,359,600	654,500	681,400	1,348,300	1,359,300
Production	971,077	1,042,047	1,123,865	543,441	570,352	1,125,790	1,141,130
Capacity utilization (percent)	80.4	82.1	82.7	83.0	83.7	83.5	83.9
Shipments:							
Home market	454,110	548,205	677,245	331,293	365,233	737,000	754,000
Exports to the United States	272,244	239,192	249,926	114,978	114,961	185,000	169,000
Exports to third countries	249,313	239,966	199,610	99,926	93,398	209,500	221,000
Total exports	521,557	479,158	449,536	214,904	208,359	393,500	390,000
Total shipments	975,667	1,027,363	1,126,781	546,197	573,592	1,130,500	1,144,000
End-of-period inventories	36,502	54,786	49,870	39,430	34,460	41,290	45,220
Exports to the United States as a share of--							
Production (percent)	28.0	23.0	22.2	21.2	20.2	16.4	14.8
Total exports (percent)	52.2	49.9	55.6	53.5	55.2	47.0	43.3

¹ ***. According to counsel, Hyundai Pipe Co., Ltd.; Pusan Steel Pipe Corp.; Union Steel Mfg. Co., Ltd.; Korea Steel Pipe Co., Ltd.; and Dongbu Steel Co., Ltd. account for approximately *** percent of total Korean production of standard pipes and tubes.

Source: Compiled from data supplied by counsel for Hyundai Pipe Co., Ltd.; Pusan Steel Pipe Corp.; Union Steel Manufacturing Co., Ltd.; Korea Steel Pipe Co., Ltd.; and Dongbu Steel Co., Ltd.

The Industry in Mexico

Counsel for Altos Hornos de Mexico S.A. de C.V. (AHMSA);⁴² Hylsa, S.A. de C.V.; and Industrias Monterrey, S.A. de C.V. (IMSA) provided data in response to the Commission's request (table 15).⁴³ *** is, by far, the largest of the firms.

Capacity in Mexico *** from 1988 to 1989 and *** by *** percent from 1989 to 1990. Capacity during January-June 1991 *** capacity during January-June 1990. Production *** by *** percent in 1989, *** by *** percent in 1990, and was *** during January-June 1991 than in the year-earlier period.

Home-market shipments *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. Home-market shipments *** during January-June 1991 when compared with such shipments during the corresponding period of 1990. Exports to the United States *** percent from 1988 to 1989 and *** percent from 1989 to 1990. Exports to the United States *** during January-June 1991 compared with such exports during January-June 1990. Exports to other countries were *** during January 1988-June 1991.

End-of-period inventories in Mexico *** percent from 1988 to 1989 then *** percent from 1989 to 1990. End-of-period inventories during January-June 1991 were *** than end-of period inventories during January-June 1990.

⁴² ***.

⁴³ According to counsel, these three firms account for an estimated *** percent of production of standard pipes and tubes in Mexico. The U.S. Embassy in Mexico provided the Commission with certain data on the industry in Mexico. These data show that production of standard pipes and tubes increased by 18 percent during 1988-90 and that capacity utilization increased from 87.3 percent in 1988 to 96.3 percent in 1990.

Table 15

Circular, welded, non-alloy steel pipes and tubes: Mexican capacity, production, capacity utilization, shipments, and end-of-period inventories, 1988-90, January-June 1990, January-June 1991, and projected 1991 and 1992¹

(In short tons, except as noted)							
Item	1988	1989	1990	January-June--		Projected--	
				1990	1991	1991	1992

* * * * *

¹ According to counsel, Altos Hornos de Mexico, S.A. de C.V. (AHMSA); Hylsa, S.A. de C.V.; and Industrias Monterrey, S.A. de C.V. (IMSA) account for an estimated *** percent of production of standard pipes and tubes in Mexico. IMSA only reported partial data for the latter years of these investigations.

² Calculated from firms providing data on both production and capacity.

Source: Compiled from data supplied by counsel for Altos Hornos de Mexico, S.A. de C.V. (AHMSA); by counsel for Hylsa, S.A. de C.V.; and by counsel for Industrias Monterrey, S.A. (IMSA).

The Industry in Romania

Counsel for Metalexportimport, the Romanian exporter, provided the Commission with data on the production of standard pipes and tubes by Tepro SA, ***. Data for Tepro are presented in table 16.

Capacity *** from 1988 to 1989 and then *** percent from 1989 to 1990. Reported capacity during January-June 1991 was *** than reported capacity during January-June 1990. Production *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. Production during January-June 1991 *** percent when compared with production during January-June 1990. Capacity utilization *** during January 1988-June 1991.

Home-market shipments *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. Home-market shipments during January-June 1991 *** percent when compared with home-market shipments during January-June 1990. Exports to the United States *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. Exports to the United States during January-June 1991 *** percent when compared with exports to the United States during January-June 1990. Exports to other countries *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. Exports to other countries during January-June 1991 *** percent compared with exports to other countries during January-June 1990.

End-of-period inventories in Romania *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. End-of-period inventories during January-June 1991 *** percent compared with end-of-period inventories during January-June 1990.

Table 16

Circular, welded, non-alloy steel pipes and tubes: Romanian capacity, production, capacity utilization, shipments, and end-of-period inventories, 1988-90, January-June 1990, January-June 1991, and projected 1991 and 1992¹

Item	(In short tons, except as noted)						
	1988	1989	1990	January-June--		Projected--	
				1990	1991	1991	1992
	*	*	*	*	*	*	*

¹ Data for Teopro SA, ***.

Source: Compiled from data supplied by counsel for Metalexportimport.

The Industry in Taiwan

Kao Hsing Chang Iron & Steel Corp.; Yieh Hsing Enterprise Co., Ltd.; Far East Machinery Co.; and Vulcan Industrial Corp. were named in the petition as producers of standard pipes and tubes in Taiwan. Counsel for two of these firms, *** and ***, responded to the Commission's request for information.⁴⁴ The data are presented in table 17.

Capacity for the two firms *** from 1988 to 1989, but *** percent from 1989 to 1990. Capacity during January-June 1991 *** compared with capacity during January-June 1990. Production *** percent from 1988 to 1989 and then *** percent from 1989 to 1990. Production *** percent during January-June 1991 when compared with production during January-June 1990. Capacity utilization varied during January 1988-June 1991 from a low of *** percent in 1989 to a high of *** percent in 1988.

Home-market shipments *** percent from 1988 to 1989 and then *** percent from 1989 to 1990. Home-market shipments *** percent during January-June 1991 when compared with such shipments during January-June 1990. Exports to the United States *** percent from 1988 to 1989 and then *** percent from 1989 to 1990. Exports to the United States *** percent during January-June 1991 when compared with exports to the United States during the corresponding period of 1990. Exports to other countries *** percent from 1988 to 1989 and then *** percent from 1989 to 1990. Exports to other countries during January-June 1991 *** percent when compared with such exports during January-June 1990.

End-of-period inventories in Taiwan *** percent from 1988 to 1989 and then *** percent from 1989 to 1990. End-of-period inventories *** percent during January-June 1991 when compared with end-of-period inventories during January-June 1990.

⁴⁴ According to counsel for these firms, *** account for over *** percent of exports to the United States of standard pipes and tubes. No figure was available for their share of total production of standard pipes and tubes in Taiwan.

Table 17

Circular, welded, non-alloy steel pipes and tubes: Taiwanese capacity, production, capacity utilization, shipments, and end-of-period inventories, 1988-90, January-June 1990, January-June 1991, and projected 1991 and 1992¹

(In short tons, except as noted)							
Item	1988	1989	1990	January-June--		Projected--	
				1990	1991	1991	1992

* * * * *

¹ According to counsel, *** and *** account for over *** percent of exports to the United States of standard pipes and tubes. No figure was available for their share of total production of standard pipes and tubes in Taiwan.

Source: Compiled from data supplied by counsel for producers in Taiwan.

The Industry in Venezuela

CA Conduven, Union Industrial Venezolana SA (UNIVENSA), and Grupo Siderpro C.A. (Sideroca/Proacero) were listed in the petition as producers and exporters of the subject merchandise.⁴⁵ Data for Conduven and UNIVENSA are presented in table 18.⁴⁶

Capacity *** percent from 1988 to 1989 before *** percent from 1989 to 1990. Capacity *** percent during January-June 1991 when compared with capacity during January-June 1990. Production *** percent from 1988 to 1989, but then *** percent from 1989 to 1990. Production during January-June 1991 *** percent when compared with production during January-June 1990. Capacity utilization varied widely during January 1988-June 1991, ranging from *** to percent.

Home-market shipments *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. Home-market shipments *** percent during January-June 1991 when compared with home market shipments during January-June 1990. Exports to the United States *** percent from 1988 to 1989 and then *** percent from 1989 to 1990. Exports to the United States *** percent during January-June 1991 when compared with exports to the United States during January-June 1990. Exports to other countries *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. Exports to other countries *** percent during January-June 1991 when compared with exports to other countries during January-June 1990.

End-of-period inventories in Venezuela *** percent from 1988 to 1989 and by *** percent from 1989 to 1990. End-of-period inventories during January-June 1991 *** percent when compared with end-of-period inventories during January-June 1990.

⁴⁵ In a letter dated Oct. 16, 1991, Grupo Siderpro C.A. stated that it did not export the subject pipes and tubes to the United States during the period of investigation.

⁴⁶ Conduven and UNIVENSA account for approximately *** percent of production of standard pipes and tubes in Venezuela.

Table 18

Circular, welded, non-alloy steel pipes and tubes: Venezuelan capacity, production, capacity utilization, shipments, and end-of-period inventories, 1988-90, January-June 1990, January-June 1991, and projected 1991 and 1992¹

(In short tons, except as noted)							
Item	1988	1989	1990	January-June--		Projected--	
				1990	1991	1991	1992
	*	*	*	*	*	*	*

¹ Conduven and UNIVENSA account for approximately *** percent of production of standard pipes and tubes in Venezuela.

² Counsel for Conduven stated that "***." (Postconference brief of Morrison & Foerster on behalf of Conduven, p. 13).

Source: Compiled from data supplied by counsel for C.A. Conduven and Union Industrial Venezolana SA.

Aggregate Data

Aggregate data on the industries in Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela are presented in table 19. Cumulative capacity to produce standard pipes and tubes in the countries subject to investigation increased from 2.2 million short tons in 1988 to 2.3 million short tons in 1989, or by 3.6 percent. Such capacity declined slightly in 1990 (by less than 1 percent below 1989 levels). During January-June 1991, capacity to produce the subject products increased by 2.5 percent when compared with the corresponding period of 1990. Capacity utilization declined from 83.0 percent in 1988 to 77.8 percent in 1989. In 1990, capacity utilization increased to 80.8 percent. Capacity utilization declined from 82.5 percent during January-June 1990 to 76.3 percent during the corresponding period of 1991.

Table 19

Circular, welded, non-alloy steel pipes and tubes: Aggregate capacity, production, capacity utilization, shipments, and end-of-period inventories in Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela, 1988-90, January-June 1990, January-June 1991, and projected 1991 and 1992

(In short tons, except as noted)							
Item	1988	1989	1990	January-June--		Projected--	
				1990	1991	1991	1992
Capacity	2,242,556	2,300,548	2,287,433	1,109,073	1,137,127	2,247,201	2,234,274
Production	1,904,277	1,803,453	1,851,588	914,744	868,472	1,757,831	1,915,091
Capacity utilization ¹ (percent)	83.0	77.8	80.8	82.5	76.3	78.2	85.6
Shipments:							
Home market	988,011	1,017,449	1,101,626	556,945	553,135	1,126,912	1,283,073
Exports to the United States	414,823	346,988	408,251	188,753	189,903	302,906	263,781
Exports to third countries	486,536	419,600	345,506	172,767	130,572	330,694	374,328
Total exports	901,359	766,588	753,757	361,520	320,475	633,600	638,109
Total shipments	1,889,370	1,784,037	1,855,383	918,465	873,610	1,760,512	1,921,182
End-of-period inventories	89,411	96,054	81,979	77,763	60,435	74,100	74,811
Exports to the United States as a share of--							
Production (percent)	21.8	19.2	22.0	20.6	21.9	17.2	13.8
Total exports (percent)	46.0	45.3	54.2	52.2	59.3	47.8	41.3

¹ Calculated from firms providing data on both production and capacity.

Source: Compiled from data supplied by counsel for the foreign producers.

Dumping in Third Countries

Canada has antidumping orders on imports of circular pipes and tubes from Korea, Romania, Taiwan, and Venezuela, as well as other countries not subject to the Commission's investigations. In addition, the Brazilian industry has entered into a price undertaking with the Canadian Revenue Service in order to settle an antidumping action brought by the Canadian industry.⁴⁷

The European Community (EC) has imposed antidumping duties of 22.1 percent on imports of certain welded steel pipe and tube products, including standard pipes and tubes, from Venezuela.⁴⁸ In 1990, the EC accepted price undertakings on imports of certain welded steel pipe and tube products, including standard pipes and tubes, from Metalexportimport of Romania. The price undertakings were in lieu of 22 percent provisional duties on such imports.⁴⁹

Operation of Voluntary Restraint Arrangements With Respect to Countries Subject to Investigation

Products from five of the six countries subject to the Commission's investigations are also subject to voluntary restraint arrangements (VRAs). Petitioners argued that the existence of a VRA program does not, in and of itself, preclude the finding of injury or threat of injury. Also, they stated that the restraint ceilings were not filled in each period and that adjustments are allowed to the VRA restraint ceilings.⁵⁰

The original VRAs, including those with Brazil, Korea, Mexico, Romania, and Venezuela,⁵¹ were restraint agreements covering steel exports to the United States from October 1, 1984, through September 30, 1989. As part of the program to bring the VRAs into effect, U.S. producers withdrew pending unfair trade petitions and the U.S. Government suspended antidumping and countervailing duties on covered products.

In July 1989, as part of the Steel Trade Liberalization Program, the President announced that VRAs would be extended for 2-1/2 years, terminating on March 31, 1992, but would be progressively more liberal for those countries

⁴⁷ Petition, vol. II, pp. 34-36. In its Oct. 22, 1991, comments on foreign producers' questionnaire responses (p. 9), counsel for petitioners stated that Brazil was recently found by Canada to have violated a price undertaking. As a result of the violation, according to counsel for petitioners, the Government of Canada has assigned preliminary dumping margins of 23.2 percent to 39.5 percent on imports of standard pipe from Brazil.

⁴⁸ A Venezuelan producer named in the petition, Conduven, and its related trading company, have entered into price guarantees in lieu of antidumping duties (petition, vol. II, p. 36).

⁴⁹ Ibid.

⁵⁰ Schagrin, postconference brief, Oct. 18, 1991, pp. 7-8.

⁵¹ There is no VRA with Taiwan. However, through letters dated Nov. 16, 1989, and Dec. 7, 1990, from the Coordination Council for North American Affairs (CCNAA) to the American Institute in Taiwan, the CCNAA established unilateral restraints on steel exports to the United States. These self-restraints do not include specific limits on standard pipe and tube.

signing Bilateral Consensus Agreements (BCAs), which included Brazil, Korea, and Mexico. Under the consensus agreements, countries agreed to prohibit most steel subsidies, to work to reduce and eliminate tariffs and other market-access barriers in the steel area, and to work in the Uruguay Round of trade negotiations to incorporate these commitments into a more global agreement.⁵²

Under the VRAs, governments agreed to limit their steel exports to the U.S. market over specified time periods. Foreign governments issue export certificates to their industries which must be presented to U.S. Customs officials upon entering the products into the United States. Some of the VRAs, such as that with Romania, set fixed tonnage limits. Others, such as the VRAs with Korea, Mexico, Brazil, and Venezuela, limit exports to a certain share of U.S. domestic consumption, based on consumption forecasts. Since final consumption can only be determined following the termination of a period, adjustments for overshipping or undershipping may be carried forward to a subsequent period. The VRAs also provide for flexibility, wherein a limited amount of tonnage can be shifted between categories or carried forward to a subsequent period, upon consultation with the United States.

In addition to the above, it may be difficult to draw a conclusion as to how "binding" the VRAs have been on the specific subject products because the VRA subcategory "standard pipe and tube" includes seamless pipes, pipes and tubes larger than 16 inches in diameter, and other pipe and tube products not subject to these investigations. Nevertheless, the standard pipe and tube restraint limits and exports for the relevant periods are shown in the following tabulation, based on export certificate data and final consultations with respective governments for each period conducted by the Office of Agreements Compliance, U.S. Department of Commerce (in metric tons):

<u>Source</u>	<u>Standard pipe and tube VRA restraint period</u>					
	<u>1988</u>		<u>Jan.-Sept. 1989</u>		<u>Oct. 1989-Dec. 1990</u>	
	<u>12 months</u>		<u>9 months</u>		<u>15 months</u>	
	<u>Exports</u>	<u>Adjusted</u>	<u>Exports</u>	<u>Adjusted</u>	<u>Exports</u>	<u>Adjusted</u>
	<u>to U.S.</u>	<u>ceiling</u>	<u>to U.S.</u>	<u>ceiling</u>	<u>to U.S.</u>	<u>ceiling</u>
Korea.....	289,993	338,186	191,541	280,842	346,063	426,855
Mexico.....	40,249	40,043	41,918	59,549	72,382	100,493
Brazil.....	54,200	54,200	32,891	40,268	(¹)	(¹)
Venezuela..	3,545	3,098	2,808	2,808	(¹)	(¹)
Romania ² ..	11,501	11,620	11,997	11,997	13,106	27,500

¹ Not finalized.

² Includes all pipe and tube products except oil country tubular goods.

Based on the above data, the extent to which subject countries have filled their VRA sub-category restraint limits on standard pipe and tube is shown in the following tabulation (in percent):

⁵² In the fall of 1990, these BCA commitments became the basis for the Multilateral Steel Agreement (MSA) negotiations, which are ongoing and currently include participants accounting for over 80 percent of the world's steel exports.

<u>Source</u>	<u>Standard Pipe and Tube: VRA Restraint Period</u>		
	<u>1988</u> <u>12 months</u>	<u>Jan.-Sept. 1989</u> <u>9 months</u>	<u>Oct. 1989-Dec. 1990</u> <u>15 months</u>
Korea.....	85.75	68.20	81.07
Mexico....	100.52	70.39	72.03
Brazil....	100.00	81.68	(¹)
Venezuela.	114.43	100.00	(¹)
Romania ² ..	98.98	100.00	47.66

¹ Not finalized.

² Includes all pipe and tube products except oil country tubular goods.

CONSIDERATION OF THE CAUSAL RELATIONSHIP BETWEEN IMPORTS OF THE SUBJECT MERCHANDISE AND THE ALLEGED MATERIAL INJURY

U.S. Imports

U.S. imports of circular, welded, non-alloy steel pipes and tubes are presented in table 20. Imports by Customs districts are presented in appendix E.

Brazil

In 1989, imports from Brazil fell to 30,748 short tons from 50,980 short tons in 1988, or by 40 percent. Imports from Brazil increased to over 59,000 short tons in 1990, or by 92 percent from 1989 levels. During January-June 1991, imports from Brazil registered a 36-percent decline from the year-earlier period.

Korea

Korea was by far the largest source of U.S. imports of the subject products. Imports from Korea increased from 278,963 short tons in 1988 to 302,675 short tons in 1990, or by over 8 percent. During January-June 1991, imports from Korea increased by 33 percent from the corresponding period of 1990.

Mexico

During 1988-90, imports from Mexico increased from 60,434 short tons to nearly 69,000 short tons, or by approximately 14 percent. Such imports declined by 38 percent during January-June 1991 when compared with the year-earlier period.

Romania

Imports from Romania fell to approximately 11,000 short tons in 1989 from over 16,500 short tons in 1988, or by 33 percent. In 1990, imports from Romania increased to nearly 14,500 short tons, or by approximately 31 percent above the level attained in 1989. Such imports increased by 29 percent during January-June 1991 when compared with the year-earlier period.

Table 20

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by sources, 1988-90, January-June 1990, and January-June 1991

Source	1988	1989	1990	January-June-- 1990	1991
Quantity (short tons)					
Brazil ¹	50,980	30,748	59,184	27,213	17,351
Korea	278,963	295,643	302,675	147,593	196,944
Mexico	60,434	65,294	68,828	36,281	22,331
Romania	16,505	11,033	14,495	8,212	10,574
Taiwan ²	40,551	40,278	42,173	17,101	26,540
Venezuela	8,243	7,990	18,497	7,701	14,066
Subtotal	455,676	450,986	505,852	244,100	287,805
Taiwan ³	6,695	6,728	14,247	6,515	3,130
Other sources	450,283	330,556	258,656	138,309	108,683
Total	912,654	788,271	778,755	388,925	399,618
Value (1,000 dollars)⁴					
Brazil ¹	23,615	15,866	23,579	11,307	8,376
Korea	151,595	166,677	160,310	79,965	103,663
Mexico	30,199	35,346	36,716	19,328	11,821
Romania	6,863	4,854	6,273	3,562	4,508
Taiwan ²	19,861	17,735	19,632	8,246	12,531
Venezuela	3,584	3,890	8,675	3,678	6,937
Subtotal	235,717	244,368	255,186	126,087	147,836
Taiwan ³	3,278	3,584	6,356	2,943	1,465
Other sources	234,306	188,147	150,791	79,522	66,696
Total	473,301	436,099	412,333	208,553	215,997

See footnotes at end of table.

Table 20--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by sources, 1988-90, January-June 1990, and January-June 1991

				January-June--	
Source	1988	1989	1990	1990	1991
	Unit value (per short ton)				
Brazil ¹	\$463.21	\$516.00	\$398.40	\$415.51	\$482.73
Korea	543.42	563.78	529.65	541.79	526.36
Mexico	499.69	541.33	533.44	532.73	529.37
Romania	415.85	439.92	432.81	433.78	426.30
Taiwan ²	489.78	440.31	465.50	482.22	472.17
Venezuela	434.83	486.86	469.02	477.65	493.17
Average	517.29	541.85	504.47	516.54	513.67
Taiwan ³	489.70	532.67	446.15	451.78	468.17
Other sources	520.35	569.18	582.98	574.96	613.68
Average, all sources	518.60	553.23	529.48	536.23	540.51

¹ Data for 1990 include 3,480 short tons, with a c.i.f. value of \$1,519,662, that the Bureau of the Census has verified to be the subject pipes and tubes but that were incorrectly classified in another HTS subheading. See letter from petitioners dated Oct. 9, 1991.

² Consists of only subject circular, welded, non-alloy steel pipes and tubes (welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of less than 1.65 mm (0.065 inch), less than 406.4 mm (16 inches) in outside diameter, and welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of 1.65 mm (0.065 inch) or more, exceeding 114.3 mm (4.5 inches) but not more than 406.4 mm (16 inches) in outside diameter).

³ Consists of circular, welded, non-alloy steel pipes and tubes with outside diameters from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inches) that have wall thicknesses of 1.65 mm (0.065 inch) or more from Taiwan. These products, when imported from Taiwan, are currently assessed antidumping duties.

⁴ Landed, duty-paid value at U.S. port of entry (except as noted).

Note.--Because of rounding, figures may not add to the totals shown; unit values are calculated from unrounded figures.

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

Taiwan

Imports from Taiwan increased irregularly from 40,551 short tons in 1988 to 42,173 short tons in 1990, or by 4 percent. Imports from Taiwan increased by 55 percent during January-June 1991 compared with the corresponding period of 1990.

Venezuela

The quantity of imports from Venezuela declined by 3 percent from 1988 to 1989 before surging by 132 percent to 18,497 short tons in 1990. Imports from Venezuela continued to increase during January-June 1991, registering an 83-percent increase from the year-earlier period.

Total Subject Imports

Cumulative imports from Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela increased irregularly from 455,676 short tons in 1988 to 505,852 short tons in 1990, or by 11 percent. During January-June 1991, cumulative imports increased by 18 percent from the corresponding period of 1990.

In a letter dated October 9, 1991, counsel for petitioners supplied a letter from the Bureau of the Census of the U.S. Department of Commerce verifying that in 1990, several import shipments of standard pipes and tubes from Brazil were misclassified. The corrected quantity and c.i.f. values of these imports are included in the import data in table 20. Petitioners also listed numerous import shipments of standard pipes and tubes from various sources that were allegedly misclassified in other HTS subheadings during late 1990 and early 1991. The misclassification of these products has not been confirmed by Census and the data on the alleged misclassified shipments have not been included in the import data in table 20. The following tabulation presents data on the alleged misclassified shipments (in short tons and \$1,000 (c.i.f. value)):

<u>Source</u>	<u>October-December 1990</u>	<u>January-June 1991</u>
<u>--Quantity--</u>		
Brazil.....	4,670	9,450
Mexico.....	274	336
Venezuela.....	<u>42</u>	<u>141</u>
Subtotal.....	4,986	9,927
Other sources.....	<u>153</u>	<u>471</u>
Total.....	5,139	10,398
<u>--Value--</u>		
Brazil.....	2,120	4,504
Mexico.....	262	315
Venezuela.....	<u>32</u>	<u>117</u>
Subtotal.....	2,414	4,936
Other sources.....	<u>167</u>	<u>385</u>
Total.....	2,581	5,321

Respondents on behalf of Korean producers argued that the Commission should use export data rather than import data, stating that export data supplied by the Korean Iron and Steel Institute showed a decline in trade for the first half of 1991 compared with the same period of the previous year. Staff, however, believe that using export data would introduce inaccuracies. There is a considerable time lag in reporting; data collected by Customs by

date of export for the first half of 1991 are substantially incomplete for April, May, and June, and trade would be understated. In addition, the VRA subcategory "standard pipes and tubes," for which the exports were collected for reference purposes by Commerce, includes seamless pipes, pipes larger than 16 inches in diameter, and other products not subject to these investigations. The VRA program itself is monitored through export certificate data⁵³ supplied by the individual VRA countries to Commerce (rather than U.S. Customs data) and is subject to consultations between governments for each restraint period.

Market Penetration of Allegedly Subsidized and LTFV Imports

U.S. producers' shipments of standard pipes and tubes, imports, apparent consumption, and market penetration by imports are presented in table 21.

In 1990, market penetration (based on quantity) by imports from all countries subject to investigation except Romania was higher than in 1988. During January-June 1991, market penetration (based on quantity) of imports from all subject countries except Brazil and Mexico rose from the levels attained during the corresponding period of 1990. Cumulative market penetration by imports from countries subject to the investigations increased during every period of the investigation, from 23.6 percent in 1988 to 32.2 percent during January-June 1991.

U.S. producers' share of apparent consumption grew from 52.7 percent in 1988 to 60.2 percent in 1990. During January-June 1991, U.S. producers' share of apparent consumption fell to 55.3 percent from 60.4 percent during the corresponding period of 1990.

⁵³ These export certificate data are used in presenting the status of country restraint limits and are provided in the tabulations in the section of the report entitled "Operation of Voluntary Restraint Arrangements With Respect to Countries Subject to Investigation."

Table 21

Circular, welded, non-alloy steel pipes and tubes: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1988-90, January-June 1990, and January-June 1991

	January-June--				
Item	1988	1989	1990	1990	1991
Quantity (short tons)					
Producers' U.S. shipments . . .	1,017,418	1,079,285	1,180,168	593,707	494,826
U.S. imports from--					
Brazil ¹	50,980	30,748	59,184	27,213	17,351
Korea	278,963	295,643	302,675	147,593	196,944
Mexico	60,434	65,294	68,828	36,281	22,331
Romania	16,505	11,033	14,495	8,212	10,574
Taiwan ²	40,551	40,278	42,173	17,101	26,540
Venezuela	8,243	7,990	18,497	7,701	14,066
Subtotal	455,676	450,986	505,852	244,100	287,805
Taiwan ³	6,695	6,728	14,247	6,515	3,130
Other sources	450,283	330,556	258,656	138,309	108,683
Total	912,654	788,271	778,755	388,925	399,618
Apparent consumption . . .	1,930,072	1,867,556	1,958,923	982,632	894,444
Value (1,000 dollars)					
Producers' U.S. shipments . . .	642,809	684,434	715,023	362,284	296,499
U.S. imports from--					
Brazil ¹	23,615	15,866	23,579	11,307	8,376
Korea	151,595	166,677	160,310	79,965	103,663
Mexico	30,199	35,346	36,716	19,328	11,821
Romania	6,863	4,854	6,273	3,562	4,508
Taiwan ²	19,861	17,735	19,632	8,246	12,531
Venezuela	3,584	3,890	8,675	3,678	6,937
Subtotal	235,717	244,368	255,186	126,087	147,836
Taiwan ³	3,278	3,584	6,356	2,943	1,465
Other sources	234,306	188,147	150,791	79,522	66,696
Total	473,301	436,099	412,333	208,553	215,997
Apparent consumption . . .	1,116,110	1,120,533	1,127,356	570,837	512,496
Share of the quantity of U.S. consumption ⁴ (percent)					
Producers' U.S. shipments . . .	52.7	57.8	60.2	60.4	55.3
U.S. imports from--					
Brazil ¹	2.6	1.6	3.0	2.8	1.9
Korea	14.5	15.8	15.5	15.0	22.0
Mexico	3.1	3.5	3.5	3.7	2.5
Romania . . . . .	.9	.6	.7	.8	1.2
Taiwan ²	2.1	2.2	2.2	1.7	3.0
Venezuela . . . . .	.4	.4	.9	.8	1.6
Subtotal	23.6	24.1	25.8	24.8	32.2
Taiwan ³ . . . . .	.3	.4	.7	.7	.3
Other sources	23.3	17.7	13.2	14.1	12.2
Total	47.3	42.2	39.8	39.6	44.7

See footnotes at end of table.

Table 21--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
				Share of the value of U.S. consumption (percent)	
Producers' U.S. shipments . . .	57.6	61.1	63.4	63.5	57.9
U.S. imports from--					
Brazil ¹	2.1	1.4	2.1	2.0	1.6
Korea	13.6	14.9	14.2	14.0	20.2
Mexico	2.7	3.2	3.3	3.4	2.3
Romania . . . . .	.6	.4	.6	.6	.9
Taiwan ²	1.8	1.6	1.7	1.4	2.4
Venezuela . . . . .	.3	.3	.8	.6	1.4
Subtotal	21.1	21.8	22.6	22.1	28.8
Taiwan ³ . . . . .	.3	.3	.6	.5	.3
Other sources	21.0	16.8	13.4	13.9	13.0
Total	42.4	38.9	36.6	36.5	42.1

¹ Data for 1990 include 3,480 short tons, with a c.i.f. value of \$1,519,662, that the Bureau of the Census has verified to be the subject pipes and tubes but that were incorrectly classified in another HTS subheading. See letter from petitioners dated Oct. 9, 1991.

² Consists of only subject circular, welded, non-alloy steel pipes and tubes (welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of less than 1.65 mm (0.065 inch), less than 406.4 mm (16 inches) in outside diameter, and welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of 1.65 mm (0.065 inch) or more, exceeding 114.3 mm (4.5 inches) but not more than 406.4 mm (16 inches) in outside diameter).

³ Consists of circular, welded, non-alloy steel pipes and tubes with outside diameters from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inches) that have wall thicknesses of 1.65 mm (0.065 inch) or more from Taiwan. These products, when imported from Taiwan, are currently assessed antidumping duties.

⁴ As noted above, petitioners allege that numerous import shipments of standard pipes and tubes from Brazil, Mexico, Venezuela, and other sources were misclassified in other HTS subheadings during late 1990 and early 1991. If these shipments are included in apparent consumption, market penetration of imports (quantity basis) from Mexico and Venezuela would not materially change; market penetration by imports from Brazil would increase to 3.3 percent in 1990 and to 3.0 percent during January-June 1991. Market penetration by imports from the six countries subject to the investigations would increase to 26.0 percent in 1990 (January-June 1990 would not change), and to 32.9 percent during January-June 1991.

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

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

Prices

Market Characteristics

Approximately half of the 15 responding domestic producers sell standard pipe and tube on a delivered basis and half sell on an f.o.b. mill basis. Most domestic producers practice some form of freight equalization for sales made on an f.o.b. basis. Under this policy, producers pay freight charges to a certain location in the United States and purchasers pay the freight from this specified location to their facilities. This point-of-freight equalization usually approximates the distance from the customer's location to the nearest competing producer's production facility or importer's port of entry.

Importers most often quote prices for standard pipe and tube on an f.o.b. port of entry basis, with inland freight paid by the purchaser. However, 12 of 50 responding importers reported that they sell on a delivered basis if requested by a customer or if necessary to meet competitive situations. None of the responding importers reported freight equalization programs for their sales of standard pipe and tube to customers in the United States.

Domestic producers sell a majority of standard pipe and tube to four different types of distributors, each of which usually handles only one of the following categories of products: fire protection equipment, electrical equipment, fencing, and mechanical equipment. Most U.S. producers also sell some standard pipe and tube to end users such as building contractors and original equipment manufacturers, but sales volumes to these customers are generally smaller than to distributors, usually in the range from 5 to 15 percent of total sales.⁵⁴ The majority of sales of imported standard pipe and tube are also made to distributors. Only 6 of 50 importers reported sales to end users during 1990, with percentages ranging from 1 percent to 80 percent of their total sales volume.

Price lists are reportedly distributed to customers by 8 of 15 domestic producers. All except one of these producers discounted from list price in varying degrees during the investigation period depending on the competition at any particular time. Price lists usually serve as a starting point from which to negotiate an actual selling price. One producer, ***, reported that discounts in the Midwest are smaller and more uniform than discounts on both the East and West Coasts due to less competition from imports.⁵⁵ U.S. producers that do not use price lists for their sales usually negotiate prices for each sale based upon prevailing market prices. One domestic industry representative stated that sales to U.S. customers are made on a regular basis and if any domestic mill's prices are not competitive with prices from other suppliers, the customer will inform the mill of this and a competitive price will be negotiated.⁵⁶

⁵⁴ Three U.S. producers did, however, report sales to end users ranging from 53 to 80 percent of their total sales.

⁵⁵ ***, which also imports carbon steel pipe and tube from Korea and Mexico, gave an identical response regarding discounts in its importers questionnaire.

⁵⁶ Transcript, p. 60.

Very few of the responding importers distribute price lists to their customers and instead quote prices based on market conditions. The few importers that do distribute price lists reported that discounts from list are frequently made in order to remain competitive with domestic producers and other importers.

Most domestic producers sell standard pipe and tube to a national market. U.S. producers often locate mills and/or warehouses in various geographic regions of the United States to ensure prompt shipment of the product to customers. One domestic industry representative indicated that his company has located its three manufacturing facilities and its warehouses in geographic areas that it considers its major markets.⁵⁷ Another industry representative with a single manufacturing facility reported that pipe and tube are shipped by barge from the mill to a warehouse in Houston, TX, to serve customers located in the western and southwestern United States.⁵⁸ Three U.S. producers reported sales of standard pipe and tube limited to certain geographic regions of the country such as the West Coast, the Southwest, and the Midwest. One of these producers, ***, which serves a market composed of *** states, does not maintain warehouses and instead ships directly to its customers in these states. According to ***, shipment is usually made to any customer within 48 hours of the order.

Far fewer importers reported selling standard pipe and tube to a national market. Rather, most importers reported selling to distributors and end users located within certain geographic regions of the country such as the Gulf of Mexico, or the East or West Coasts.

U.S. producers reported lead times between spot order and delivery to the customer ranging from 1 to 5 days when standard pipe and tube is shipped from existing inventories and 1 to 9 weeks when the product is not maintained in inventories and must be specially produced. In the majority of instances, domestic standard pipe and tube is shipped to the customer from existing inventories.

The majority of importers reported that they do not maintain inventories of standard pipe and tube in the United States and instead order from foreign suppliers on behalf of their customers. A number of importers did report some inventories at the beginning of each year for standard pipe and tube from various subject countries. However, in most cases, these beginning inventories were relatively small in comparison to total annual shipments. Lead times between order from the foreign supplier and delivery to the U.S. port or the importer's warehouse varied somewhat among the subject countries. Reported average lead times and the countries of origin are as follows: 3 to 6 months from Brazil, 1 to 5 months from Korea, 1 to 3 months from Mexico, 3 to 6 months from Romania, 3 to 5 months from Taiwan, and 2 to 7 months from Venezuela. According to ***, distributors to whom the imported product is sold usually estimate inventory needs, and place orders with importers several months in advance of when the product is expected to be delivered. *** also stated that a number of distributors that regularly purchase a majority of their standard pipe from foreign suppliers also order a small percentage of their total needs from domestic mills to ensure prompt delivery when necessary. *** stated that on occasion customers that usually purchase imported standard pipe and tube approach *** with orders for certain products

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⁵⁸ ***.

when they are needed quickly and cannot be filled by importers. However, these purchasers also fill their needs with imported standard pipe and tube if it is available.⁵⁹

All responding U.S. producers reported that quality differences between domestic and imported standard pipe and tube do not significantly affect sales of the domestic product. A number of producers indicated that the domestic product is superior to the imported product in terms of sales service as well as quality factors such as malleability, ease in threading, and consistency of welds. However, these producers stated that these factors are not considered to be an advantage in the U.S. market for the domestic product. One domestic producer, ***, that also imported standard pipe and tube over the investigation period reported that as long as the standard pipe and tube is ASTM certified, purchasers do not carefully consider quality differences and instead base their purchase decisions solely on the price of the product.

Thirty-eight of 50 responding importers reported that quality differences between domestic and imported standard pipe and tube are not a significant factor affecting sales of the imported product. Thirteen importers indicated that quality differences do exist between domestic and imported standard pipe and tube and have an effect on sales of the product.⁶⁰ Responses regarding quality differences were varied for standard pipe and tube from the different subject countries. *** and ***, both of which import from Korea and Taiwan and are ***, responded that galvanized standard pipe and tube from these countries is available on the West Coast with a varnish coating that prevents rust during shipping and storage. ***, which imported standard pipe and tube from Brazil, Korea, Mexico, and Taiwan over the investigation period, also reported that all imported standard pipe and tube is lacquered with a clear acrylic which prevents rust during storage, and that overall quality standards in the subject countries are higher than in the United States because purchasers inspect the product with more scrutiny than they do the domestic standard pipe and tube. ***, along with 5 other importers, indicated that standard pipe and tube from Korea is superior in quality to the domestic product. Several indicated that hot-dipped galvanized standard pipe and tube from Korea is better in quality and more readily available than the domestic product. Other quality advantages reported for Korean standard pipe and tube include greater malleability and smoother surface conditions. Two importers also reported that the quality of standard pipe and tube from Taiwan is superior to the domestic product. Two importers reported that stretched-reduced pipe from Mexico is preferred for its ease of threading, better tolerances, and more exact roundness. *** reported that standard pipe and tube imported from Romania is inferior in quality to the domestic product. Inferior quality characteristics cited include a lacquer protective coating which deteriorates very quickly and poor bevelling which, in many cases, must be reworked by distributors before resale to end users. In addition, *** reported that Romanian standard pipe and tube is usually not hydrostatically tested and is not acceptable for use in many applications in the United States.⁶¹

⁵⁹ Transcript, p. 64.

⁶⁰ One importer, ***, did not address quality comparisons in its questionnaire response.

⁶¹ Similar arguments were made by counsel for Romanian producers. Transcript, pp. 91, 92.

Questionnaire Price Data

The Commission requested U.S. producers and importers to provide quarterly pricing data for sales to distributors and end users of the following four types of standard pipe and tube during the period January 1988-June 1991:

- Product 1: Circular, welded, non-alloy steel pipe, meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 1 inch in nominal inside diameter.
- Product 2: Circular, welded, non-alloy steel pipe, meeting ASTM-A-53 or equivalent, schedule 40, galvanized, plain-end, 2 inches in nominal inside diameter.
- Product 3: Circular, welded, non-alloy steel pipe, meeting ASTM-A-53 or equivalent, schedule 40, black, plain-end, 4 inches in nominal inside diameter.
- Product 4: Circular, welded, non-alloy steel pipe, meeting ASTM-A-53 or equivalent, schedule 40, grade B, black, plain-end, 6 inches in nominal inside diameter.

Specific pricing data requested for each product include the quantity and net f.o.b. price per hundred feet for each firm's largest single sale of each product in each quarter, as well as the total quantity shipped and the total net f.o.b. value shipped for each product in each quarter. Producers and importers were requested to report separately for sales to distributors and sales to end users. Importers were also requested to report separately for each product imported from each relevant subject country (Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela). Nine U.S. producers and 45 importers provided pricing data for sales of standard pipe and tube in the U.S. market, although not necessarily for all products, countries, or quarters over the investigation period (tables 22-29).⁶²

Price trends for U.S.-produced standard pipe and tube

Weighted-average net f.o.b. prices for U.S.-produced products 1-3 sold to distributors were variable, but all increased in the range from 9.9 percent to 13.2 percent during the period for which data were collected. Product 4 declined in price by 5.7 percent during the period. Prices for each of the four products generally peaked during 1988 or 1989 and then declined irregularly thereafter.

⁶² Several members of the petitioning group did not provide the pricing information in the manner in which it was requested. *** did not provide prices net of discounts and selling allowances. *** and *** provided only quarterly total quantities and total values sold and did not identify prices and quantities for their largest single sales in each quarter.

Table 22

Weighted-average net f.o.b. prices for sales to distributors of Product 1 reported by U.S. producers and importers, and margins of underselling (overselling), by quarters, January 1988-June 1991

* * * * *

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

Table 23

Weighted-average net f.o.b. prices for sales to distributors of Product 2 reported by U.S. producers and importers, and margins of underselling (overselling), by quarters, January 1988-June 1991

* * * * *

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

Table 24

Weighted-average net f.o.b. prices for sales to distributors of Product 3 reported by U.S. producers and importers, and margins of underselling (overselling), by quarters, January 1988-June 1991

* * * * *

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

Table 25

Weighted-average net f.o.b. prices for sales to distributors of Product 4 reported by U.S. producers and importers, and margins of underselling (overselling), by quarters, January 1988-June 1991

* * * * *

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

Table 26

Weighted-average net f.o.b. prices for sales to end users of Product 1 reported by U.S. producers and importers, and margins of underselling (overselling), by quarters, January 1988-June 1991

* * * * * * *

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

Table 27

Weighted-average net f.o.b. prices for sales to end users of Product 2 reported by U.S. producers and importers, and margins of underselling (overselling), by quarters, January 1988-June 1991

* * * * * * *

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

Table 28

Weighted-average net f.o.b. prices for sales to end users of Product 3 reported by U.S. producers and importers, and margins of underselling (overselling), by quarters, January 1988-June 1991

* * * * * * *

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

Table 29

Weighted-average net f.o.b. prices for sales to end users of Product 4 reported by U.S. producers, by quarters, January 1988-June 1991

* * * * * * *

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

Prices for sales of U.S.-produced products 1-4 to end users fluctuated during the period for which data were collected. Total quantities for sales to end users were also considerably smaller than for sales to distributors. Over the period, product 1 ***, product 2 ***, product 3 ***, and product 4 ***. As with sales to distributors, prices to end users generally ***.

Price trends for imported standard pipe and tube

The majority of prices for sales of the imported products were reported for sales to distributors. Product 2 from Brazil and products 1-3 from Korea are the only imported products sold to end users for which price trend analyses are possible. Price trends for each product from each country are discussed only in cases where three or more quarterly observations exist.

Brazil.--Of the four products for which prices were reported for Brazil, *** in price during the period for which data were collected. Prices for *** imported from Brazil and sold to U.S. distributors *** by percent between the first quarter of 1988 and the second quarter of 1991. However, a *** between the first and second quarters of 1988, when prices *** percent. From the second quarter of 1988 through the second quarter of 1991, prices *** percent. Prices for products 2, 3 and 4 *** over the investigation period. Product 2 *** percent between the second quarter of 1988 and the second quarter of 1991, and product 3 *** percent between the third quarter of 1988 and the second quarter of 1991. Product 4, with 5 quarterly observations over the investigation period, showed *** percent between the first quarter of 1989 and the second quarter of 1991. ***.

Brazilian product 2 sold to U.S. end users *** percent in *** quarterly observations between *** and ***.

Korea.--As with prices for the domestic products, prices for Korean products 1-4 sold to distributors all peaked during 1988 or 1989 and then declined thereafter. Over the investigation period, products 1 and 4 sold to distributors declined in price by 2.6 and 3.5 percent respectively, while products 2 and 3 increased in price by 4.4 and 0.7 percent respectively.

Prices for product 1 sold to distributors increased steadily by 9.4 percent between the first quarter of 1988 and the third quarter of 1989, and then declined irregularly thereafter for an overall decline of 2.6 percent over the investigation period. However, prices for Korean product 1 increased in each of the final three quarters of the investigation period. Product 2 prices increased to a maximum in the fourth quarter of 1989, declined during the first two quarters of 1990, but then increased overall during the remaining four quarters of the investigation period. Product 3 prices increased by 12.5 percent between the first and third quarters of 1988 and then declined irregularly from the fourth quarter of 1988 through the second quarter of 1991. Prices for product 4 fluctuated but increased by 10.0 percent between the first and fourth quarters of 1988. Prices then declined somewhat erratically through the end of the second quarter of 1991.

Prices for sales of Korean ***. Prices for products *** during the first quarter of 1989, while *** in the third quarter of 1989. Prices for each product *** through the end of the investigation period.

Mexico⁶³.--Prices for sales to distributors of products *** over the investigation period. ***. Product 1 prices *** between the first and fourth quarters of 1988 and then *** through the end of the investigation period. Prices for product 2 *** during the fourth quarter of 1988, and *** through the second quarter of 1991. Product 3 prices *** from the beginning of the investigation period through the second quarter of 1991.

Romania.--Romanian products *** sold to distributors in the United States *** during the investigation period. Prices for each product *** during the first or second quarter of 1989 and *** somewhat irregularly through the end of the investigation period. *** between January 1988 and June 1991.

Taiwan.--Product 4 is the only product imported from Taiwan for which pricing was requested; products 1-3 from Taiwan are currently assessed antidumping duties. Prices for sales of product 4 to distributors in the United States were variable, increasing by 14.0 percent over the investigation period. Prices increased by 49.0 percent between the first quarter of 1988 and the first quarter of 1990, and then declined fairly steadily through the second quarter of 1991.

Venezuela.--Prices for each of the 4 products imported from Venezuela and sold to distributors in the United States *** during the limited number of quarters for which data were available. Prices for product 1 *** in four quarters between October 1988 and March 1991. Product 2 prices *** in five quarters between April 1989 and June 1991. Products 3 and 4 *** in a limited number of quarters between 1989 and 1991.

Price comparisons for sales to distributors and end users

The reported sales information for U.S. producers' and importers' largest quarterly sales during January 1988-June 1991 resulted in a total of 212 direct price comparisons for the 4 products from the 6 countries subject to these investigations. This total is composed of price comparisons for sales to distributors and sales to end users. The imported products were priced below the domestic product in 118 of 175 price comparisons for sales to distributors, and in 20 of 37 price comparisons for sales to end users. A discussion of each relevant subject country follows.

⁶³ The majority of U.S. sales of Mexican products 1-3 during the investigation period were reported by a single importer.

Brazil.--A total of 33 quarterly price comparisons between U.S.-produced and Brazilian standard pipe and tube products 1-4 sold to distributors were possible. In *** of these 33 comparisons, ***. In the remaining *** quarters, prices for standard pipe and tube from Brazil ***.

An additional *** quarterly price comparisons were possible between U.S.-produced and Brazilian products 1-3 sold to end users. ***, the Brazilian product was priced ***. During the fourth quarter of 1988, Brazilian product 1 was priced *** than the domestic product.

Korea.--Korean standard pipe and tube sold to U.S. distributors was priced below the domestic product in 25 of a possible 55 quarterly price comparisons. Margins by which Korean standard pipe and tube was priced below the domestic products ranged from 0.3 to 19.5 percent. In 30 quarterly comparisons, Korean standard pipe and tube was higher in price than domestic standard pipe and tube by margins that ranged from 0.6 to 15.3 percent.

Price comparisons were also possible between domestic and Korean products 1-3 sold to end users in a total of 27 quarters over the investigation period. In *** of these 27 comparisons, *** Korean standard pipe and tube was priced *** standard pipe and tube, ***. In the ***, the Korean product was priced ***.

Mexico.--Over the investigation period, Mexican standard pipe and tube sold to distributors was priced *** the domestic product in *** of 35 quarterly spot price comparisons, ***. In the remaining *** quarters, standard pipe and tube from Mexico was priced ***.

*** quarterly price comparisons were also possible between domestic and Mexican standard pipe and tube sold to end users. In *** of these *** quarterly price comparisons, the Mexican product was priced ***. In the ***, Mexican standard pipe and tube was priced ***.

Romania.--Price comparisons between U.S.-produced and Romanian standard pipe and tube sold to distributors were possible in a total of ***. In ***, the Romanian product was priced below the domestic product. Margins of ***. In the *** quarters, Romanian standard pipe and tube was priced ***.

Taiwan.--Because of an existing antidumping order, Product 4 is the only product from Taiwan for which pricing data were requested. In 12 of 13 possible quarterly price comparisons for sales of this product to distributors, Taiwan standard pipe and tube was priced below the domestic product, with margins ranging from 1.9 to 26.9 percent. In one quarter, product 4 from Taiwan was priced 10.6 percent above the domestic product.

Venezuela.--In *** of the *** possible price comparisons for sales to distributors of domestic and Venezuelan standard pipe and tube, the product from Venezuela was priced ***. ***.

Exchange Rates

Quarterly data reported by the International Monetary Fund indicate that the currencies of five of the six countries subject to this investigation fluctuated widely in relation to the U.S. dollar over the period from January-March 1988 through April-June 1991 (table 30).^{64 65} The nominal value of the Brazilian, Mexican, and Venezuelan currencies depreciated by 99.97 percent, 25.0 percent, and 73.6 percent, while the respective values of the Korean and Taiwan currencies appreciated by 6.4 percent and 4.9 percent. When adjusted for movements in producer price indexes in the United States and the specified countries, the real values of the Taiwan and Venezuelan currencies depreciated by 4.0 percent and 24.9 percent, and the Brazilian, Korean, and Mexican currencies appreciated by 22.3 percent, 6.9 percent, and 24.7 percent, respectively.

Lost Sales and Lost Revenues

The large majority of U.S. producers indicated that during the investigation period they have lost sales and/or revenues to producers of standard pipe and tube from one or more of the subject foreign countries. However, only three producers were able to provide the Commission with specific allegations of lost sales and lost revenues. The three producers alleged six instances of lost sales totalling more than \$1.61 million, and one of the producers alleged one instance of lost revenues totalling \$34,074. Staff was able to contact all four of the purchasers named in the six lost sales allegations, and the one purchaser named in the lost revenue allegation.

*** alleged three lost sales totalling \$1,488,200, and one instance of lost revenues totalling \$34,074, all involving one customer, ***. All of the allegations involved a variety of sizes of standard pipe and tube, and all reportedly occurred during 1990. The three lost sales involved Brazil, Korea, and Venezuela, and the one lost revenue involved pipe and tube imported from Korea. *** stated that his company had purchased imported standard pipe and tube in accordance with the allegations and that he actually provided *** with this lost sales and lost revenue information when it was requested by ***.

*** stated that standard pipes and tubes from Brazil, Romania, and Venezuela are *** among all of the subject countries. However, he stated that the cheapest standard pipe and tube currently available in the U.S. market is produced by ***. In particular, *** was named as the least expensive supplier in the U.S. market. *** stated that an overall production slowdown in the

⁶⁴ International Financial Statistics, September 1991.

⁶⁵ Data for Romania do not reflect the market value of the lei. Therefore, an accurate summary of quarterly movements in the Romanian exchange rate cannot be presented.

Table 30

Exchange rates:¹ Indexes of nominal and real exchange rates of selected currencies, and indexes of producer prices in specified countries,² by quarters, January 1988-June 1991

Period	Brazil				Korea			Mexico		
	U.S. producer price index	Pro-ducer price index	Nominal exchange rate index	Real exchange rate index ³	Pro-ducer price index	Nominal exchange rate index	Real exchange rate index ³	Pro-ducer price index	Nominal exchange rate index	Real exchange rate index ³
1988:										
Jan.-Mar....	100.0	100.0	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June...	101.6	172.5	60.63	103.0	100.1	104.9	103.3	107.9	98.6	104.7
July-Sept...	103.1	318.1	34.05	105.1	100.9	106.7	104.5	111.9	98.6	107.1
Oct.-Dec....	103.5	651.1	17.13	107.7	100.9	110.9	108.0	114.0	98.6	108.6
1989:										
Jan.-Mar....	105.8	1,217.8	9.49	109.3	101.3	113.9	109.0	120.3	96.8	110.0
Apr.-June...	107.7	1,572.1	7.99	116.6	102.1	115.7	109.7	124.2	93.1	107.4
July-Sept...	107.3	3,697.5	3.60	124.1	102.0	115.4	109.7	127.1	89.7	106.3
Oct.-Dec....	107.7	10,698.8	1.38	137.0	102.5	114.6	109.1	131.9	86.5	106.0
1990:										
Jan.-Mar....	109.3	51,161.6	0.36	170.6	103.1	111.7	105.4	141.8	83.6	108.5
Apr.-June...	109.1	99,102.4	0.18	159.3	105.3	108.6	104.9	151.1	80.9	112.2
July-Sept...	111.0	133,315.7	0.13	154.8	106.8	107.8	103.7	159.9	78.7	113.4
Oct.-Dec....	114.4	199,419.2	0.07	128.9	109.6	107.9	103.4	168.3	76.9	113.2
1991:										
Jan.-Mar....	112.0	324,498.4	0.04	123.8	111.2	106.9	106.1	177.8	75.9	120.4
Apr.-June...	110.9	405,121.4 ⁴	0.03	122.3 ⁴	111.5	106.4	106.9	184.6	75.0	124.7
Period	Taiwan				Venezuela					
	U.S. producer price index	Producer price index	Nominal exchange rate index	Real exchange rate index ³	Producer price index	Nominal exchange rate index	Real exchange rate index ³			
1988:										
Jan.-Mar....	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
Apr.-June...	101.6	101.3	99.9	99.6	102.8	100.0	101.2			
July-Sept...	103.1	102.7	99.6	99.2	108.2	100.0	105.0			
Oct.-Dec....	103.5	102.6	100.9	99.9	114.2	100.0	110.3			
1989:										
Jan.-Mar....	105.8	102.8	103.5	100.5	148.7	67.3	94.5			
Apr.-June...	107.7	102.4	108.9	103.6	216.2	38.6	77.4			
July-Sept...	107.3	100.5	111.2	104.2	235.6	38.6	84.7			
Oct.-Dec....	107.7	99.6	110.2	101.9	239.2	34.5	76.8			
1990:										
Jan.-Mar....	109.3	98.8	109.3	98.8	248.6	33.6	76.5			
Apr.-June...	109.1	99.6	106.3	97.1	258.7	31.8	75.3			
July-Sept...	111.0	101.5	105.0	96.0	276.0	29.6	73.6			
Oct.-Dec....	114.4	102.6	105.1	94.2	285.1	29.1	72.5			
1991:										
Jan.-Mar....	112.0	102.0	105.2	95.8	300.9	27.3	73.4			
Apr.-June...	110.9	101.5	104.9	96.0	316.1	26.4	75.1			

¹ Exchange rates expressed in U.S. dollars per unit of foreign currency.

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

³ The real exchange rate is derived from the nominal rate adjusted for relative movements in producer prices in the United States and the specified countries.

⁴ Derived from Brazilian price data reported for April-May only.

Note.--January-March 1988 = 100. The real exchange rates, calculated from precise figures, cannot in all instances be derived accurately from previously rounded nominal exchange rate and price indexes.

Source: International Monetary Fund, International Financial Statistics, September 1991.

U.S. automobile industry has caused an oversupply of flat-rolled steel in the U.S. market. This product is the primary input to the production of standard pipe and tube, and the domestic pipe and tube mills are able to pass their reduced material costs on to their customers. *** noted that due to these very low prices and current favorable exchange rate conditions, his company has actually been *** standard pipe and tube to ***. *** would prefer to purchase domestic standard pipe because of the shorter lead times from U.S. mills, more consistent quality, the availability of all sizes of standard pipe and tube from domestic mills, and a general interest in supporting U.S. industries. However, *** believes that price is more important than any of these factors, and is the primary factor considered by *** or any of its customers when purchase decisions are made.

*** provided documentation for one lost sale in *** valued at \$*** on an order for *** for a variety of different sizes of galvanized standard pipe from ***. The sale was allegedly lost to a distributor that imported the competing product from Korea. *** purchases Korean galvanized standard pipe and stated that ***. *** is both an end user and a wholesaler of galvanized standard pipe. *** stated that price is the primary factor considered when an end user purchases standard pipe, although quality and lead times between order and delivery are also important. According to ***, the product from Korea is *** in price and comparable in quality to the domestic product, but lead times in the range of 3-5 months from Korea are considerably longer than lead times for the domestic product, which are in the range of 2-3 weeks. *** stated that prices in the U.S. market have remained constant or have fallen during the past 6 months, primarily because of very poor sales, and that an attempted price increase for domestic or foreign standard pipe would never hold.

*** alleged two lost sales to two different customers over the investigation period. Specific dates and total quantities for these allegations were not provided. However, in each case, the product in question was 1- and 2-inch ASTM A-53 pipe. The truckload price for the domestic product was \$*** and the sale was reportedly lost to a comparable Korean product sold for \$*** per truckload. ***, one of the customers to whom a sale was allegedly lost, did not specifically confirm the allegation. However, *** stated that the relative prices for the two products sounded ***. He indicated that Korean standard pipe is usually priced from *** domestic pipe, but this *** since the end of 1990 because the domestic prices have *** and imported prices have ***. *** stated that the primary source of differentiation between domestic and imported standard pipe is in price since all products are subject to ASTM testing requirements, which minimizes any possibility for quality differences. *** did note, however, that until very recently, Korean pipe contained a lacquer coating that domestic pipe did not. For this reason Korean pipe did not rust during storage and was preferred by a number of customers. Now, however, most domestic pipe also contains a lacquer coating similar to that of the Korean product. Lead times are another source of product differentiation cited by ***. The Korean product can take up to 6 months to deliver, while the domestic product can usually be delivered within 3 weeks after it is ordered. *** currently has ***, partially because of *** and partially because orders from Korea that were due in the fourth quarter of 1990 did not ***.

*** alleged a similar lost sale to ***. *** did not directly confirm any of the alleged information, but stated that his company would never purchase ***. Rather, these products would more commonly be shipped as part of a larger order. *** primarily purchases standard pipe from ***, though it has purchased *** pipe as well. The primary factors considered when purchases are made are reportedly price, quality, and terms of sale. *** stated that quality and terms of sale are very similar for Korean, Taiwan, and domestic standard pipe, but prices for Korean and Taiwan products are *** prices for domestic products. In the vast majority of cases, customers placing orders with *** request the least expensive product and do not differentiate between foreign and domestic pipe. Delivery times for standard pipe from Korea and Taiwan are considerably longer than for the domestic product, but *** stated that he can usually estimate his company's needs well in advance of when delivery is expected, and can purchase imported pipe from another distributor to quickly fill a customer's order if necessary.

APPENDIX A

THE COMMISSION'S FEDERAL REGISTER NOTICE

**INTERNATIONAL TRADE
COMMISSION**

(Investigations No. 701-TA-311
(Preliminary) and Nos. 731-TA-532 through
537 (Preliminary))

**Certain Circular, Welded, Non-Alloy
Steel Pipes and Tubes From Brazil, the
Republic of Korea, Mexico, Romania,
Taiwan, and Venezuela**

AGENCY: United States International
Trade Commission.

ACTION: Institution and scheduling of
preliminary countervailing duty and
antidumping investigations.

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigation No. 701-TA-311 (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 Brazil of certain circular, welded, non-alloy steel pipes and tubes,¹ that are alleged to be subsidized by the Government of Brazil.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-532 through 537 (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

¹ For purposes of this investigation, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes of circular cross section, regardless of wall thickness not more than 406.4 mm (16 inches) in outside diameter, provided for in subheadings 7306.30.10 and 7306.30.50 of the Harmonized Tariff Schedule of the United States.

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 Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela of certain circular, welded, non-alloy steel pipes and tubes,² that are alleged to be sold in the United States at less than fair value.

The Commission must complete preliminary countervailing duty and antidumping investigations in 45 days, or in this case by November 8, 1991.

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

EFFECTIVE DATE: September 24, 1991.

FOR FURTHER INFORMATION CONTACT: Brian Walters (202-205-3198), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to a petition filed on September 24, 1991, by counsel on behalf of Allied Tube & Conduit Corp., Harvey, IL; American Tube Co., Phoenix, AZ; Bull Moose Tube Co., Gerald, MO; Century Tube Corp., Pine Bluff, AR; Sawhill Tubular Div., Cyclops Corp., Sharon, PA; Laclede Steel Co., St. Louis, MO; Maruichi American Corp., Santa Fe

Springs, CA; Sharon Tube Co. Sharon, PA; Western Tube & Conduit Corp., Long Beach, CA; and Wheatland Tube Co., Collingswood, NJ.

Participation in These Investigations and Public Service List

Persons (other than petitioners) 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 and 207.10 of the Commission's rules, not later than seven (7) days after publication of this notice in the *Federal Register*. The Secretary will prepare a public 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.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these preliminary investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made not later than seven (7) days after the publication of this notice in the *Federal Register*. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference

The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on October 15, 1991, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Brian Walters (202-205-3198) not later than October 11, to arrange for their appearance. Parties in support of the imposition of countervailing duties 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. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

Written submissions

As provided in §§ 201.8 and 205.15 of the Commission's rules, any person may submit to the Commission on or before

October 18, 1991, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties may file written testimony in connection with their presentation at the conference no later than three (3) days before the conference. If briefs or written testimony contain BPI, they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

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.

Issued: September 28, 1991.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 91-23682 Filed 10-1-91; 8:45 am]
BILLING CODE 7030-02-M

² For purposes of the investigations involving Brazil, the Republic of Korea, Mexico, Romania and Venezuela, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes of circular cross section, regardless of wall thickness, not more than 406.4 mm (16 inches) in outside diameter, provided for in subheadings 7306.30.10 and 7306.30.50 of the Harmonized Tariff Schedule of the United States. For the investigation concerning imports from Taiwan, "certain circular, welded, non-alloy steel pipes and tubes" are welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of less than 1.65 mm (0.065 inches), not more than 406.4 mm (16 inches) in outside diameter, provided for in subheading 7306.30.10, and welded, non-alloy steel pipes and tubes of circular cross section, with a wall thickness of 1.65 mm (0.065 inches) or more, exceeding 114.3 mm (4.5 inches) but not more than 406.4 mm (16 inches) in outside diameter, provided for in subheading 7306.30.50 of the Harmonized Tariff Schedule of the United States.

APPENDIX B

COMMERCE'S FEDERAL REGISTER NOTICES

[A-351-809, A-580-809, A-201-805, A-485-802, A-583-814, A-307-805]

Initiation of Antidumping Duty Investigations: Circular Welded Non-Alloy Steel Pipe From Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela

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

ACTION: Notice.

EFFECTIVE DATE: October 21, 1991.

FOR FURTHER INFORMATION CONTACT: Michelle Frederick or Michael Pass, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-0656 or (202) 377-0629, respectively.

Initiation of Investigations

The Petitions

On September 24, 1991, we received petitions filed in proper form by Allied Tube & Conduit Corporation, American Tube Company, Bull Moose Tube Company, Century Tube Corporation, Laclede Steel Company, Sawhill Tubular Division (Cyclops Corporation), Sharon Tube Company, Western Tube & Conduit Corporation, and Wheatland Tube Company (collectively "the petitioners"). In accordance with 19 CFR 353.12, the petitioners allege that circular welded non-alloy steel pipe ("standard pipe") from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela, is being, or is likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended ("the Act"), and that these imports are materially injuring, or threaten material injury to, a U.S. industry.

The petitioners have stated that they have standing to file the petitions because they are interested parties, as defined under section 771(9)(E) of the Act, and because they have filed the petitions on behalf of a U.S. industry producing a product that is subject to these investigations. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, it should file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for

exclusion within 30 days of the date of the publication of this notice. The procedures and requirements are contained in 19 CFR 353.14.

United States Price and Foreign Market Value

A. Brazil

The petitioners' estimate of United States price is based on the average customs value of imported standard pipe during the second quarter of 1991.

The petitioners' estimate of foreign market value (FMV) is based on actual home market price quotations obtained from Brazilian producers of standard pipe. Prices were based on FOB mill. No adjustments were made.

Based on the comparisons of the prices presented by the petitioners, the alleged dumping margins for standard pipe from Brazil range from 50 percent to 122 percent.

B. Republic of Korea

The petitioners' estimate of United States price is based on two methods: (1) Export price quotes obtained from two Korean producers of standard pipe, and (2) the customs value of standard pipe imported into the United States from Korea during the second quarter of 1991.

The petitioners' estimate of FMV is based on actual transaction prices for welded standard pipe in Korea as reported in the Korean publication "Comprehensive Commodity Price Information (June 1991)." This publication lists the average FOB transaction price for standard pipe during May 1991.

Based on the comparisons of the prices presented by the petitioners, the alleged dumping margins for standard pipe from Korea range from 1.81 percent to 25.04 percent.

C. Mexico

The petitioners' estimate of United States price is based on two methods: (1) the average customs value of imported standard pipe during the second quarter of 1991, and (2) a Mexican standard pipe producer's third quarter 1991 export price quotes.

Petitioner's estimate of FMV is based on actual home market price quotations obtained from two Mexican producers of standard pipe. The petitioners made an adjustment to one company's prices for quantity discounts. We recalculated the alleged dumping margins based on the correction of a typographical error found in the calculation of the petitioners' FMV.

Based on the comparisons of the prices presented by the petitioners, the

alleged dumping margins for standard pipe from Mexico range from 28.89 percent to 69.75 percent.

D. Romania

The petitioners, alleging that Romania is a non-market economy country (NME) within the meaning of section 773(c) of the Act, base the FMV on two methodologies: (1) valuation of factors of production for standard pipe in Mexico, and (2) valuation of factors of production for standard pipe in Yugoslavia. The petitioners believe that Mexico is the most appropriate surrogate for Romania since it is a significant producer of standard pipe and a country at a stage of economic development most comparable to that of Romania. We made adjustments to the valuation of factors of production for standard pipe in Mexico for a 10 percent import tariff refunded upon exportation of the subject merchandise.

For U.S. price, the petitioners used the average customs value of standard pipe imports from Romania for the second quarter of 1991 for two representative products.

Based on the comparisons of the prices presented by the petitioners, the alleged dumping margins for standard pipe from Romania range from 45 percent to 63 percent.

E. Taiwan

The petitioners' estimate of United States price is based on the following two methods (1) the re-sale price in the United States as quoted by service centers and importers, and (2) the average customs value for standard pipe over 114.3mm in outside diameter and over 1.65mm in wall thickness for the second quarter of 1991. The prices in method (1) were adjusted by the petitioners for freight, distributor mark-ups, import duties, port fees, and brokerage and handling fees to arrive at an ex-factory price. The petitioners made an adjustment to U.S. price in method (2) for the Taiwanese value-added tax in accordance with 19 CFR 353.41(d)(iii).

The petitioners' estimate of FMV is based on price quotations for various sizes and finishes of black standard pipe obtained from one producer of subject merchandise.

Based on a comparison of the prices presented by the petitioners, the alleged dumping margins range from 17.1 percent to 28.9 percent. A comparison of home market prices to ex-factory export prices results in alleged dumping margins ranging from 13.6 percent to 28.5 percent.

F. Venezuela

The petitioners' estimate of United States price is based on the average customs value of imported standard pipe during the second quarter of 1991.

The petitioners' estimate of FMV is based on actual home market price quotations from Venezuelan producers of standard pipe and from retail sellers of standard pipe in Venezuela. The petitioners adjusted, where appropriate, for quantity discounts, cash discounts, and distributor and retailer mark-ups.

Based on the comparisons of the prices presented by the petitioners, the alleged dumping margins for standard pipe from Venezuela range from 7.9 percent to 45 percent.

Initiation of Investigations

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

Pursuant to section 771(18) of the Act, and based on prior investigations, Romania is an NME. Parties will have the opportunity to comment on this issue and whether FMV should be based on prices or costs in the NME in the course of this investigation. The Department further presumes, based on the extent of central control in an NME, that a single antidumping duty margin is appropriate for all exporters. Only if NME exporters can demonstrate an absence of central government control with respect to the pricing of exports, both in law and in fact, will they be entitled to separate, company specific margins. (See, Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China (56 FR 20588, May 6, 1991) for a discussion of the information the Department considers in this regard).

In accordance with section 773(c) of the Act, FMV in NME cases is based on NME producers' factors of production (valued in a market economy country). Absent evidence that the Romanian government has selected which factories produce for the United States, for purposes of the investigation we intend to base FMV only on those factories in Romania which produce the subject merchandise for export to the United States.

We have examined the petitions on standard pipe from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela and have found that the petitions meet the requirements of

section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating antidumping duty investigations to determine whether imports of standard pipe from the above-referenced countries are being, or are likely to be, sold in the United States at less than fair value. If our investigations proceed normally, we will make our preliminary determinations by March 2, 1992.

Scope of Investigations

A. Brazil, Republic of Korea, Mexico, Romania, and Venezuela

The merchandise subject to these investigations is circular welded non-alloy steel pipes and tubes, of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing.

Imports of these products are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 7306.30.10 and 7306.30.50. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of these investigations is dispositive.

B. Taiwan

The merchandise subject to this investigation is (1) circular welded non-alloy steel pipes and tubes, of circular cross-section over 114.3mm (4.5 inches), but not over 406.4mm (16 inches), in outside diameter, with a wall thickness of 1.65mm (0.065 inches) or more, regardless of surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled), and (2) circular welded non-alloy steel pipes and tubes, of circular cross-section less than 406.4mm (16 inches), with a wall thickness less than 1.65mm (0.065 inches), regardless of surface finish (black, galvanized, or painted, or end finish (plain end, bevelled end,

threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing.

Imports of these products are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 7306.30.10 and 7306.30.50. Although the HTS subheadings re provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Preliminary Determinations by ITC

The ITC will determine by November 8, 1991, whether there is a reasonable indication that imports of standard pipe from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela are materially injuring, or threaten material injury to, a U.S. industry. If its determinations are negative, the investigations will be terminated. Otherwise, the Department will make its preliminary determinations on or before March 2, 1992.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: October 15, 1991.

Eric I. Garfinkel,

Assistant Secretary for Import Administration.

[FR Doc. 91-23307 Filed 10-18-91; 8:45 am]

BILLING CODE 3510-06-01

[C-351-810]

Notice of Initiation of Countervailing Duty Investigation: Circular Welded Non-Alloy Steel Pipe From Brazil

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

EFFECTIVE DATE: October 21, 1991.

FOR FURTHER INFORMATION CONTACT: Elizabeth A. Graham or Lawrence P. Sullivan, Office of Countervailing Investigations, Import Administration, U.S. Department of Commerce, Room B099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-4105 or 377-0114, respectively.

INITIATION:

The Petition

On September 24, 1991, we received a petition in proper form filed by Allied Tube & Conduit Corporation, American Tube Company, Bull Moose Tube Company, Century Tube Corporation, Sawhill Tubular Division, Laclede Steel Company, Sharon Tube Company, Western Tube & Conduit Corporation, and Wheatland Tube Company on behalf of the United States industry producing circular welded non-alloy steel pipe ("standard pipe"). We received supplemental submissions from petitioners on October 11 and October 15, 1991. In accordance with section 355.12 of the Department's regulations (19 CFR 355.12 (1991)), the petitioners allege that producers or exporters of standard pipe in Brazil receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act), and that these imports are materially injuring, or threaten material injury to, the U.S. industry producing a like product.

Since Brazil 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 Brazil materially injure, or threaten material injury to, the U.S. industry.

The petitioners have stated that they have standing to file the petition because they are interested parties, as defined in 19 CFR 355.2(i), and because they have filed the petition on behalf of the U.S. industry producing standard pipe. If any interested party, as described in 19 CFR 355.2(i) (3), (4), (5), or (6), wishes to register support for, or opposition to, this investigation, please file written notification with the Assistant Secretary for Import Administration, room B099, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

Allegation of Subsidies

Petitioners list several practices by the Government of Brazil (GOB) which allegedly confer subsidies on producers or exporters of standard pipe in Brazil. Section 702(b) of the Act requires the Department to initiate a countervailing duty proceeding whenever an interested party files a petition, on behalf of an industry, that (1) alleges the elements necessary for the imposition of a duty under section 701(a), and (2) is accompanied by information reasonably available to the petitioner supporting the allegations. We are initiating an investigation of the following programs:

A. *DEFIEX*

B. *FINEX* Export Financing C. *PROEX*

We are not initiating on the programs listed below because the requirements of section 701(a) of the Act were not fulfilled in the petition.

A. *IPI Reduction/Elimination for Exports*

Petitioners allege that the GOB has sought to decrease the IPI, an industrial production tax, for exporters. Petitioners provide a source which states that the 1988 Brazilian constitution provides that exporters pay a reduced IPI rate or are completely exempted. Petitioners do not allege that the reduction/exemption of this indirect tax is excessive, and therefore we are not initiating an investigation with respect to this program.

B. *ICMS Reduction/Exemption for Exports*

Petitioners allege that state governments have lowered the ICMS, a value-added tax, imposed on certain exports. Petitioners state that the federal government is pressuring the state governments, which administer and collect the tax, to lower the ICMS for exporters. The state government of Sao Paulo has waived the ICMS on some exports (e.g., fruit and flowers). According to a source supplied by petitioners, the 1988 Brazilian constitution contains a clause which provides that exporters pay a reduced ICMS rate or are completely exempted. Petitioners did not allege or provide evidence that standard pipe producers or exporters were also eligible for exemption and, if so, that any reduction/exemption of this indirect tax was excessive. Therefore, we are not initiating an investigation with respect to this program.

Allegation of Upstream Subsidies

Petitioners allege that subsidies are being provided to firms which supply hot-rolled steel coil for use as an input in the production of standard pipe. In order to initiate on an upstream subsidy allegation, the Department's regulations require that petitioner submit "factual information reasonably available" regarding the following: (1) Domestic subsidies that the government provides to the upstream supplier; (2) The competitive benefit the subsidies bestow upon the subject merchandise; and (3) The significant effect the subsidies have on the cost of producing the subject merchandise. 19 CFR 355.12(b)(8).

In this case, petitioners have alleged that three producers of hot-rolled steel coil in Brazil (Usinas Siderurgicas de

Minas Gerais S.A. ("USIMINAS"), Cia. Siderurgica Nacional ("CSN"), and Cia. Siderurgica Paulista ("COSIPA") supply this input to standard pipe producers in Brazil and that these three suppliers are the source of upstream subsidies for standard pipe producers. Petitioners have met the three criteria set forth above as described below.

(1) Domestic Subsidies

In order to satisfy the first criterion, petitioners have alleged that hot-rolled steel coil producers benefit from several programs which confer countervailable benefits. We have analyzed these programs in accordance with section 702(b) of the Act. We found seven of the programs alleged by the petitioners to meet the requirements under section 702(b) of the Act. Two programs alleged by petitioners did not meet those requirements. We have listed below the programs upon which we are initiating and described the two programs upon which we are not initiating.

(2) Competitive Benefit

For purposes of initiation, in determining whether a petitioner has provided sufficient evidence of competitive benefit, the Department will determine whether a petitioner has provided a reasonable basis to believe or suspect that: (1) the supplier of the input product controls the producer of the merchandise, the producer controls the supplier, or the supplier and the producer are both controlled by a third party (the Department does not consider common government ownership to constitute control); (2) the price for the input product is lower than the price which the producer otherwise would pay for the input in obtaining it from an unsubsidized seller in an arm's length transaction; or (3) the government sets the price of the input product so as to guarantee that the benefit provided with respect to the input product is passed through to producers of the subject merchandise. See e.g., Final Affirmative Countervailing Duty Determination; Certain Agricultural Tillage Tools From Brazil (50 FR 34525 (August 26, 1985)); Final Affirmative Countervailing Duty Determination; Steel Wheels from Brazil (54 FR 15523 (April 18, 1989)); see also § 355.45(b) of the Department's proposed substantive countervailing duty regulations (54 FR 23366, 23383 (May 31, 1989)).

Petitioners state that all Brazilian standard pipe producers are privately owned and no evidence is provided that suggests that standard pipe producers are owned by producers of the input product. Rather, petitioners provide evidence which alleges competitive

benefit through both the "benchmark" and "government price control" thresholds listed above.

Petitioners state that all flat-rolled steel in Brazil is produced by subsidized steel companies. Therefore, no unsubsidized domestic benchmark price for hot-rolled steel coil is available. In lieu of a domestic benchmark, petitioners have provided published trade reports which indicate that the Brazilian domestic price for hot-rolled steel coil is as much as 30 percent less than the world price. Petitioners were unable to obtain price lists for 1990. Referring to GOB price controls, petitioners note that in the USIMINAS prospectus, the GOB stated its intention to liberalize steel prices so as to allow the price of Brazilian flat-rolled steel to become compatible with international prices, a statement which supports the claim that Brazilian domestic prices are lower than world prices and thereby confer a competitive benefit. The GOB imposed formal price controls, which were administered by the Conselho Interministerial de Precos, until 1989. After that time, according to petitioners, the Brazilian government used informal administrative and regulatory mechanisms to control the price of steel. The Brazilian government reinstituted formal price controls in 1991.

(3) Significant Effect

The Department considers that subsidies to the upstream supplier may have a significant effect if the *ad valorem* subsidy rate on the input product multiplied by the proportion of the total production costs of the merchandise accounted for by the input product is equal to, or greater than, one percent. See e.g. Final Affirmative Countervailing Duty Determination; Certain Agricultural Tillage Tools From Brazil (50 FR 34525 (August 26, 1985)); Final Affirmative Countervailing Duty Determination; Steel Wheels From Brazil (54 FR 15523 (April 18, 1989)); see also section 355.45(b) of the Department's proposed substantive countervailing duty regulations (54 FR 23366, 23383 (May 31, 1989)).

In this instance, petitioners have provided calculations with respect to the benefits received by USIMINAS, CSN and COSIPA from equity infusions alleged to be inconsistent with commercial considerations. The alleged benefits range from 7.92 to 46.67 percent. Petitioners additionally allege that the input accounts for 75 percent of the cost of producing standard pipe. Therefore, because the resultant benefit exceeds one percent, petitioners have provided information sufficient to support a claim of significant effect.

We are initiating this upstream investigation only with respect to the following programs for which petitioners provided a proper subsidy allegation.

A. Government Equity Infusions

B. Government Provision of Operating Capital

C. Benefits Conferred Under the SIDERBRAS Restructuring Program

D. Fiscal Benefits by Virtue of a Project Approved by CDI

E. IPI Incentives

F. Long-Term Loan Guarantees

G. Government Privatization Assistance

(1) Transfer of Ownership of USIMINAS MECANICA to USIMINAS

(2) Debt Buy-Back

We are not initiating an upstream subsidy investigation with respect to the following programs which petitioner alleges constitute countervailable domestic subsidies: (1) Preferential Provision of Electricity and Loans by Eletrobras, and (2) Government Privatization Assistance. Conversion of Debt Instruments to Stock in USIMINAS. The elements which must be alleged for a domestic subsidy program for purposes of initiation are: (1) specificity (*i.e.*, the program is limited to a specific enterprise or industry or group of enterprises or industries) and (2) provision of a benefit (*i.e.*, a subsidy is paid or bestowed directly or indirectly on the manufacturer, producer, or exporter of any class or kind of merchandise). We are not initiating on these programs because the requirements of section 702(b) of the Act were not fulfilled in the petition.

A. Preferential Provision of Electricity and Loans by Eletrobras

Petitioners allege that Eletrobras, the Brazilian state-owned utility company, provides electricity to USIMINAS, CSN and COSIPA without remuneration. Petitioners further allege that a portion of the unpaid amounts have been converted into long-term loans and equity in the companies. Petitioners provide selected pages from each company's financial statements which appear to list these loans and notes that Eletrobras is converting some of the debt into shares of CSN. Petitioners allege that insofar as these loans are not being repaid or that the terms are preferential, these loans constitute a countervailable subsidy. In addition, petitioners allege that insofar as CSN is unequityworthy, the conversion of debt into shares of that company also constitutes a countervailable subsidy.

The Department has carefully analyzed this allegation and has concluded that the loans referred to by petitioners are loans from the three steel companies to Eletrobras. In the verification report from the countervailing duty investigation of Silicon Metal From Brazil (56 FR 26988, June 12, 1991), the Department noted that all electricity consumers are obligated to extend loans to Eletrobras and that, after a number of years, these loans typically are converted into shares of Eletrobras. The documents supplied to the Department in this petition appear to support the same conclusion in this case. Thus, it appears that the facts are the reverse of those alleged by petitioners. Absent further information from petitioners concerning this program which satisfies the standards for initiation of an investigation, we are not initiating an investigation with respect to the use of this program by upstream suppliers.

B. Government Privatization Assistance **Conversion of Debt Instruments to Stock in USIMINAS**

Petitioners allege that the GOB has announced that it will permit foreign entities to use overdue promissory notes issued by the GOB and dishonored SIDERBRAS debentures to buy USIMINAS stock. Since petitioners have not delineated how this action confers a benefit to USIMINAS or SIDERBRAS, we are not initiating an investigation with respect to potential benefits provided to upstream suppliers under this program.

Initiation of Investigation

Under 19 CFR 355.13(a), the Department must determine, within 20 days after a petition is filed, whether the petition properly alleges the bases on which a countervailing duty may be imposed under section 701 of the Act, and whether the petition contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on standard pipe from Brazil and find that it meets the requirements of 19 CFR 355.13(a). Therefore, we are initiating a countervailing duty investigation to determine whether Brazilian producers or exporters of standard pipe receive subsidies.

Scope of Investigation

The merchandise subject to this investigation is circular welded non-alloy steel pipe and tubes, of circular cross section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish

(plain end, bevelled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing. Imports of these products are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 7306.30.10 and 7306.30.50. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

Preliminary Determination by ITC

The ITC will determine by November 8, 1991, whether there is a reasonable indication that imports of standard pipe from Brazil are materially injuring, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will be terminated. If affirmative, the Department will make its preliminary determination on or before June 2, 1992, in accordance with 19 CFR 355.15(d)(2) of the Department's regulations, unless the investigation is terminated pursuant to 19 CFR 355.17 or the preliminary determination is extended pursuant to 19 CFR 355.15 (b) or (c).

This determination is published pursuant to section 702(c) of the Act (19 U.S.C. 1671a(b)).

Dated: October 15, 1991.

Eric I. Garfinkel,
Assistant Secretary for Import Administration.

[FR Doc. 91-25309 Filed 10-18-91; 8:45 am]

BILLING CODE 3510-06-01

[C-307-306]

Notice of Initiation of Countervailing Duty Investigation: Certain Welded Non-Alloy Steel Pipe from Venezuela

AGENCY: Import Administration, International Trade Administration, Commerce.

EFFECTIVE DATE: October 21, 1991.

FOR FURTHER INFORMATION CONTACT: Elizabeth A. Graham or Lawrence P. Sullivan, Office of Countervailing Investigations, Import Administration, U.S. Department of Commerce, room B099, 14th Street and Constitution

Avenue, NW., Washington, DC 20230; telephone (202) 377-4105 or 377-0114.

INITIATION:

The Petition

On September 24, 1991, we received a petition in proper form filed by the Allied Tube & Conduit Corporation, American Tube Company, Bull Moose Tube Company, Century Tube Corporation, Sawhill Tubular Division, Laclede Steel Company, Sharon Tube Company, Western Tube & Conduit Corporation, and Wheatland Tube Company on behalf of the United States industry producing circular welded non-alloy steel pipe ("standard pipe"). We received supplemental submissions from petitioners on October 11 and October 15, 1991. In accordance with 19 CFR 355.12, the petitioners allege that manufacturers, producers or exporters of standard pipe in Venezuela receive bounties or grants within the meaning of section 701 of the Tariff Act of 1930, as amended ("the Act"). In past countervailing duty investigations, Venezuela was considered to be a "country under the Agreement" within the meaning of section 701(b)(3) of the Act. As such, Title VII of the Act applied in those investigations, and the U.S. International Trade Commission (ITC) was required to determine whether imports of the subject merchandise from Venezuela are materially injuring, or threatened material injury to, a U.S. industry before countervailing duties could be imposed.

On August 31, 1990, Venezuela became a contracting party to the General Agreement on Tariffs and Trade ("GATT"). Since qualification as a "country under the Agreement" under section 701(b)(3) requires that the GATT not apply between the United States and the country from which the subject merchandise is imported, Venezuela is no longer eligible for treatment as a "country under the Agreement" within the meaning of section 701(b)(3). Therefore, the ITC is not required to determine whether, pursuant to section 303(a)(2), imports of such merchandise from Venezuela materially injure, or threaten material injury to, a U.S. industry.

The petitioners have stated that they have standing to file the petition because they are interested parties, as defined in 19 CFR 355.2(i), and because they have filed the petition on behalf of the U.S. industry producing steel pipe. If any interested party, as described in 19 CFR 355.2(i) (3), (4), (5), or (6), wishes to register support for, or opposition to, this investigation, please file written notification with the Assistant Secretary

for Import Administration, room B099, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Allegations of Bounties or Grants

Petitioners list a number of practices by the Government of Venezuela which allegedly confer bounties or grants on manufacturers, producers or exporters of steel pipe. We are initiating an investigation of the following programs.

- A. Export Bond Program*
- B. Short-term FINEXPO Financing*
- C. Preferential FINEXPO Financing*
- D. Excessive Tariff Drawback*
- E. Preferential Finance Company of Venezuela Loans*
- F. Provision of Preferential Pricing on Raw Materials for Export*

We are not initiating an investigation on the provision of preferential loans and equity infusions to Siderpro. Section 702(b) of the Act requires the Department to initiate a countervailing duty proceeding whenever an interested party files a petition, on behalf of an industry, that (1) alleges the elements necessary for the imposition of a duty under section 701(a), and (2) is accompanied by information reasonably available to the petitioners supporting their allegations. The program listed above was alleged to confer domestic subsidies. The elements which must be alleged for a domestic subsidy program are: (1) specificity, (*i.e.*, the program is limited to a specific enterprise or industry or group of enterprises or industries) and (2) provision of a benefit (*i.e.*, a subsidy is paid or bestowed directly or indirectly on the manufacturer, producer, or exporter of any class or kind of merchandise). We are not initiating on this program, as petitioners have not provided adequate documentation to support their allegation that Siderpro received loans or equity infusions on terms inconsistent with commercial considerations.

Allegation of Upstream Subsidies

Petitioners allege that subsidies are being provided to firms which supply hot-rolled steel coil for use in the production of standard pipe. In order for the Department to initiate an upstream subsidy investigation, the Department's regulations require that petitioner submit "factual information reasonably available" as follows: (1) A countervailable subsidy must be given to the upstream supplier, (2) A competitive benefit must exist, and (3) The subsidies must have a significant effect on the cost of producing the

subject merchandise. 19 CFR 355.12(b)(8).

In this case, petitioners have alleged that SIDOR, the only producer of hot-rolled steel coil in Venezuela, supplies this input to standard pipe producers in Venezuela and that SIDOR benefits from subsidies, the benefits of which are passed on to standard pipe producers. Petitioners have met the criteria set forth above as described below.

(1) Domestic Bounties or Grants

In order to satisfy the first criterion, petitioners have alleged that hot-rolled steel coil producers benefit from nine programs which confer countervailable benefits. We have analyzed these programs according to the criteria outlined in 702(b). We found all nine of the programs alleged by petitioners to meet the requirements under section 702(b) of the Act.

(2) Competitive Benefit

For purposes of initiation, in determining whether a petitioner has provided sufficient evidence of a competitive benefit, the Department will determine whether petitioner has provided a reasonable basis to believe or suspect that: (1) The supplier of the input product controls the producer of the merchandise, the producer controls the supplier, or the supplier and the producer are both controlled by a third party (the Department does not consider common government ownership to constitute control); (2) The price for the input product is lower than the price which the producer otherwise would pay for the input in obtaining it from an unsubsidized seller in an arm's length transaction; or (3) The government sets the price of the input product so as to guarantee that the benefit provided with respect to the input product is passed through to producers of the subject merchandise. See *e.g.*, Final Affirmative Countervailing Duty Determination: Certain Agricultural Tillage Tools From Brazil (50 FR 34525 (August 28, 1985)); Final Affirmative Countervailing Duty Determination: Steel Wheels from Brazil (54 FR 15523 (April 18, 1989)); see also § 355.45(b) of the Department's proposed substantive countervailing duty regulations (54 FR 23366, 23383 (May 31, 1989)).

Petitioners compared the price of Venezuelan hot-rolled steel coil in 1991 to the CIF value per short ton of United States imports of hot-rolled coil from Korea in 1991. For purposes of analysis, petitioners adjusted the base price of Venezuelan hot-rolled coil for extras and discounts that apply. On this basis, the Venezuelan price of hot-rolled coil is lower than the Korean benchmark.

(3) Significant Effect

The Department considers that subsidies to the upstream supplier may have a significant effect if the *ad valorem* subsidy rate on the input product multiplied by the proportion of the total production costs of the merchandise accounted for by the input product is equal to, or greater than, one percent. See, *e.g.*, Final Affirmative Countervailing Duty Determination: Certain Agricultural Tillage Tools From Brazil (50 FR 34525 (August 28, 1985)); Final Affirmative Countervailing Duty Determination: Steel Wheels from Brazil (54 FR 15523 (April 18, 1989)); see also section 355.45(b) of the Department's proposed substantive countervailing duty regulations (54 FR 23366, 23383 (May 31, 1989)).

In this instance, petitioners have provided calculations with respect to the benefits received by SIDOR from equity infusions, a GOV cash transfer for inflation and the GOV's assumption of SIDOR debt alleged to be inconsistent with commercial considerations. The alleged benefits equal 18.66 percent. Petitioners additionally allege that the input accounts for 75 percent of the cost of producing standard pipe. Therefore, petitioners have provided information sufficient to support a claim of significant effect.

We are initiating this upstream investigation with respect to the following programs for which petitioners provided a proper bounty or grant allegation.

- A. Government Equity Infusions*
- B. Preferential Government Credit*
- C. Payments to Cover Debt Service Costs*
- D. Preferential Tax Incentives Decree 147*
- E. Preferential Loan Guarantees*
- F. Sales Tax Exemptions*
- G. Preferential Energy Rates*
- H. Assumption of Debt by the GOV*
- I. Preferential FIVCA Loans*

Initiation of Investigation

Under 19 CFR 355.13(a), the Department must determine, within 20 days after a petition is filed, whether the petition properly alleges the basis on which a countervailing duty may be imposed under section 303 of the Act, and whether the petition contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on steel pipe from Venezuela and find that it meets the requirements of 19 CFR 355.13(a).

Therefore, we are initiating a countervailing duty investigation to determine whether Venezuelan producers or exporters of standard pipe receive bounties or grants. In accordance with 19 CFR 355.15(d)(2) of the Department's regulations, the Department will make its preliminary determination on or before June 2, 1992, unless the investigation is terminated pursuant to 19 CFR 355.17 (a) or (b) or the preliminary determination is extended pursuant to 19 CFR 355.15 (b) or (c).

Scope of Investigation

The merchandise subject to this investigation is circular welded non-alloy steel pipe and tubes, of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled). These pipes and tubes are generally known as standard pipe, though they may also be called structural or mechanical tubing in certain applications. Standard pipes and tubes are intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may also be used for light load-bearing and mechanical applications, such as for fence tubing. Imports of these products are currently classifiable under the following Harmonized Tariff Schedule (HTS) subheadings: 7306.30.10 and 7306.30.50. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

This determination is published pursuant to section 702(c) of the Act (19 U.S.C. 1671a(b)).

Dated: October 15, 1991.

Eric I. Garfinkel,

*Assistant Secretary for Import
Administration.*

[FR Doc. 91-25308 Filed 10-18-91; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX C

CALENDAR OF THE PUBLIC CONFERENCE

United States International Trade Commission



Calendar of the Public Conference

**Certain Circular, Welded,
Non-alloy Steel Pipes and Tubes
From Brazil, the Republic of Korea, Mexico,
Romania, Taiwan, and Venezuela**

*Investigations No. 701-TA-311 (Preliminary)
and Nos. 731-TA-532 through 537 (Preliminary)*

DATE AND TIME

October 15, 1991 - 9:30 a.m.

LOCATION

Sessions were held in connection with the investigations in the Main Hearing Room 101 of the United States International Trade Commission, 500 E Street, S.W., Washington, D.C.

WITNESS LIST

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

In Support of Imposition of Countervailing Duties and Antidumping Duties:

Schagrin Associates--Counsel
Washington, DC
On behalf of

Allied Tube & Conduit Corp., Harvey, IL.
American Tube Co., Phoenix, AZ.
Bull Moose Tube Co., Gerald, MO.
Century Tube Corp., Pine Bluff, AR.
Sawhill Tubular Div., Cyclops Corp., Sharon, PA.
Laclede Steel Co., St. Louis, MO.
Sharon Tube Co., Sharon, PA.
Western Tube & Conduit Corp., Long Beach, CA.
Wheatland Tube Co., Collingswood, NJ.

C. Mack Hamblen, Senior Vice President of Marketing & Sales,
Sawhill Tubular Div., Cyclops Corp.

David A. Shotts, President,
Allied Tube & Conduit Corp.

James A. Feeney, Senior Vice President of Operations,
Wheatland Tube Co.

Roger Schagrin--OF COUNSEL

In Opposition to the Imposition of Countervailing Duties or Antidumping Duties:

Cooter & Gell
Washington, DC
On behalf of

Metalexportimport, Romania

John Gurley--OF COUNSEL

Morrison & Foerster--Counsel
Washington, DC
On behalf of

C.A. Conduven, Caracas, Venezuela

Julie C. Mendoza--OF COUNSEL

O'Melveny & Myers
Washington, DC
On behalf of

Apolo Produtos de Aco S.A.
Confab Industrial S.A.
Fornasa S.A.
Mannesmann S.A.
Persico Pizzamiglio, S.A., Sao Paulo, Brazil

F. Amanda DeBusk--OF COUNSEL

Shearman & Sterling
Washington, DC
On behalf of

HYLSA, S.A. de C.V., Monterrey, Mexico

Thomas Wilner--OF COUNSEL

Grunfeld, Desiderio, Lebowitz & Silverman
Washington, DC
On behalf of

Kao Hsing Chang Iron and Steel Corp., Koahsiung, Taiwan
Yieh Hsing Enterprise Co., Ltd., Kaohsiung, Taiwan

David L. Simon--OF COUNSEL

In Opposition to the Imposition of Countervailing Duties or Antidumping Duties:--Continued

Morrison & Foerster--Counsel
Washington, DC
On behalf of

Korean Iron & Steel Association
Hyundai Pipe Co., Ltd., Seoul, Korea
Pusan Steel Pipe Corp., Seoul, Korea
Union Steel Manufacturing Co., Ltd., Seoul, Korea
Korea Steel Pipe Co., Ltd., Seoul, Korea
Dongbu Steel Co. Ltd., Seoul, Korea

Seth Kaplan, Trade Resources Co.

Donald B. Cameron--OF COUNSEL

APPENDIX D

COMMENTS RECEIVED FROM U.S. PRODUCERS ON THE IMPACT
OF IMPORTS OF CERTAIN CIRCULAR, WELDED, NON-ALLOY
STEEL PIPES AND TUBES FROM BRAZIL, KOREA,
MEXICO, ROMANIA, TAIWAN, AND VENEZUELA
ON THEIR GROWTH, INVESTMENT, ABILITY TO RAISE
CAPITAL, OR EXISTING DEVELOPMENT AND PRODUCTION EFFORTS

The Commission requested U.S. producers to describe and explain the actual and potential negative effects, if any, of imports of certain circular, welded, non-alloy steel pipes and tubes from Brazil, Korea, Mexico, Romania, Taiwan, and Venezuela on their growth, investment, ability to raise capital, or existing development and production efforts (including efforts to develop a derivative or improved version of certain circular, welded, non-alloy steel pipes and tubes). Their responses are shown below:

Actual negative effects

* * * * *

Anticipated negative effects

* * * * *

Influence of imports on capital investment

* * * * *

APPENDIX E
IMPORTS BY CUSTOMS DISTRICTS

Table E-1

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Quantity (short tons)				
Portland, ME:					
Other sources	75	93	44	12	40
Total	75	93	44	12	40
St. Albans, VT:					
Other sources	9,159	16,751	13,304	6,404	4,299
Total	9,159	16,751	13,304	6,404	4,299
Boston, MA:					
Brazil	9,371	8,733	4,830	4,830	1,378
Korea	6,025	1,884	0	0	0
Romania	3,465	0	0	0	0
Taiwan (subject) ¹	1,836	0	0	0	0
Subtotal	20,697	10,617	4,830	4,830	1,378
Taiwan (non-subject) ²	178	0	0	0	0
Other sources	9,817	4,691	5,746	3,393	267
Total	30,691	15,308	10,576	8,223	1,645
Providence, RI:					
Brazil	5,665	0	0	0	0
Other sources	305	601	418	418	0
Total	5,970	601	418	418	0
Ogdensburg, NY:					
Other sources	11,974	12,011	10,271	5,406	4,977
Total	11,974	12,011	10,271	5,406	4,977
Buffalo, NY:					
Other sources	2,985	30,095	25,756	15,111	17,854
Total	2,985	30,095	25,756	15,111	17,854
New York, NY:					
Brazil	5,812	0	0	0	0
Korea	148	218	0	0	20
Taiwan (subject) ¹	0	401	0	0	0
Subtotal	5,960	619	0	0	20
Other sources	3,397	286	1,069	803	3
Total	9,357	906	1,069	803	24
Philadelphia, PA:					
Brazil	8,207	3,585	19,666	5,752	5,377
Korea	18,869	19,546	24,816	13,589	11,921
Romania	1,877	0	1,388	1,388	3,579
Taiwan (subject) ¹	3,886	1,124	2,315	1,069	443
Venezuela	680	974	2,215	1,139	3,895
Subtotal	33,519	25,228	50,401	22,937	25,215
Taiwan (non-subject) ²	254	142	632	338	112
Other sources	63,773	24,417	8,718	4,875	4,602
Total	97,546	49,787	59,750	28,150	29,928

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Quantity (short tons)				
Baltimore, MD:					
Korea	0	0	396	161	0
Venezuela	518	0	0	0	0
Subtotal	518	0	396	161	0
Other sources	3,634	1,560	2,413	945	498
Total	4,152	1,560	2,808	1,106	498
Norfolk, VA:					
Taiwan (subject) ¹	1,659	1,233	118	0	601
Taiwan (non-subject) ²	188	0	160	0	0
Other sources	1,502	990	65	65	0
Total	3,349	2,223	344	65	602
Wilmington, NC:					
Brazil	262	0	0	0	0
Korea	11,613	10,014	4,221	2,722	1,916
Taiwan (subject) ¹	3,932	4,064	909	299	0
Subtotal	15,806	14,078	5,129	3,021	1,916
Taiwan (non-subject) ²	320	153	547	0	0
Other sources	3,656	710	22	22	0
Total	19,782	14,940	5,698	3,043	1,916
Charleston, SC:					
Korea	0	768	48	48	0
Taiwan (subject) ¹	1,271	252	113	97	88
Subtotal	1,271	1,020	161	145	88
Taiwan (non-subject) ²	188	494	0	0	0
Other sources	10,968	5,520	1,991	601	19
Total	12,426	7,034	2,153	746	107
Savannah, GA:					
Brazil	0	584	6,396	3,533	620
Korea	12,427	9,000	10,119	3,976	4,859
Romania	0	0	1,816	1,816	1,617
Taiwan (subject) ¹	706	1,345	1,511	469	88
Venezuela	0	0	979	0	0
Subtotal	13,133	10,929	20,820	9,793	7,184
Taiwan (non-subject) ²	327	521	497	220	225
Other sources	13,277	11,042	13,385	6,183	4,186
Total	26,736	22,492	34,702	16,196	11,596
Tampa, FL:					
Brazil	4,070	3,134	7,010	3,537	4,097
Korea	17,530	7,615	22,939	8,947	12,261
Romania	1,332	0	1,443	1,443	0
Taiwan (subject) ¹	828	1,156	926	926	0
Venezuela	1,315	256	3,354	2,528	3,015
Subtotal	25,075	12,161	35,672	17,381	19,374
Taiwan (non-subject) ²	176	204	144	144	0
Other sources	25,252	6,396	6,413	3,581	4,253
Total	50,503	18,760	42,228	21,105	23,627

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

	January-June--				
Item	1988	1989	1990	1990	1991
	Quantity (short tons)				
Mobile, AL:					
Korea	0	764	0	0	0
Other sources	135	49	492	0	22
Total	135	814	492	0	22
New Orleans, LA:					
Brazil	5,187	4,948	7,392	3,464	3,074
Korea	18,788	23,382	16,396	5,899	11,083
Romania	2,207	894	3,791	805	1,405
Taiwan (subject) ¹	1,196	968	865	500	44
Venezuela	4,340	3,194	2,492	1,364	2,035
Subtotal	31,718	33,386	30,936	12,031	17,642
Taiwan (non-subject) ²	1,051	143	590	410	0
Other sources	31,514	15,774	16,241	7,337	5,430
Total	64,283	49,303	47,767	19,778	23,072
Port Arthur, TX:					
Other sources	0	720	0	0	0
Total	0	720	0	0	0
Laredo, TX:					
Mexico	60,154	64,388	68,465	35,952	21,958
Total	60,154	64,388	68,465	35,952	21,958
El Paso, TX:					
Mexico	0	48	13	0	0
Total	0	48	13	0	0
San Diego, TX:					
Mexico	186	374	204	183	373
Total	186	374	204	183	373
Los Angeles, CA:					
Korea	98,809	126,647	117,770	61,437	87,556
Taiwan (subject) ¹	11,656	13,367	23,111	9,133	18,409
Venezuela	0	746	0	0	0
Subtotal	110,465	140,760	140,881	70,570	105,965
Taiwan (non-subject) ²	1,964	2,844	5,935	2,711	1,419
Other sources	103,932	49,497	19,675	11,627	4,694
Total	216,361	193,101	166,492	84,908	112,077
San Francisco, CA:					
Brazil	332	0	0	0	0
Korea	32,733	28,514	26,218	15,340	9,961
Taiwan (subject) ¹	2,835	3,413	5,247	2,384	3,129
Subtotal	35,900	31,926	31,465	17,724	13,090
Taiwan (non-subject) ²	249	391	3,797	2,617	356
Other sources	26,693	12,716	6,979	5,094	3,249
Total	62,843	45,033	42,242	25,434	16,694

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Quantity (short tons)				
Portland, OR:					
Korea	25,533	28,379	23,996	12,040	19,266
Taiwan (subject) ¹	543	602	5,689	1,614	1,963
Subtotal	26,076	28,980	29,685	13,654	21,230
Taiwan (non-subject) ²	0	97	626	11	625
Other sources	5,387	4,166	3,549	1,430	477
Total	31,463	33,244	33,859	15,094	22,332
Seattle, WA:					
Korea	12,882	17,128	24,661	13,287	14,001
Taiwan (subject) ¹	4,717	8,407	583	257	1,775
Venezuela	0	0	1,453	1,352	0
Subtotal	17,599	25,535	26,698	14,896	15,776
Taiwan (non-subject) ²	247	828	923	0	79
Other sources	15,265	6,890	6,110	4,260	1,941
Total	33,112	33,254	33,730	19,156	17,795
Anchorage, AK:					
Other sources	10	201	44	35	0
Total	10	201	44	35	0
Honolulu, HI:					
Korea	1,806	2,283	1,876	833	957
Taiwan (non-subject) ²	81	0	0	0	0
Other sources	10	3	0	0	0
Total	1,897	2,286	1,876	833	957
Great Falls, MT:					
Other sources	691	60	3,274	1,216	2,059
Total	691	60	3,274	1,216	2,059
Pembina, ND:					
Other sources	686	203	200	89	165
Total	686	203	200	89	165
Minneapolis, MN:					
Korea	347	0	0	0	0
Other sources	13	23	0	0	0
Total	360	23	0	0	0
Duluth, MN:					
Other sources	0	635	884	884	0
Total	0	635	884	884	0
Detroit, MI:					
Mexico	0	1	0	0	0
Other sources	9,781	69,891	69,937	37,948	29,633
Total	9,781	69,891	69,937	37,948	29,633

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
				Quantity (short tons)	
Chicago, IL:					
Brazil	0	212	0	0	0
Korea	77	169	76	33	162
Subtotal	77	381	76	33	162
Other sources	9,552	2,297	659	622	73
Total	9,629	2,679	735	655	235
Cleveland, OH:					
Other sources	3,017	65	0	0	15
Total	3,017	65	0	0	15
St. Louis, MO:					
Other sources	1,194	0	0	0	0
Total	1,194	0	0	0	0
San Juan, PR:					
Brazil	0	0	436	0	335
Korea	3,564	7,848	3,218	1,656	1,741
Mexico	0	485	146	146	0
Taiwan (subject) ¹	1,102	0	0	0	0
Venezuela	277	0	889	216	69
Subtotal	4,942	8,333	4,688	2,018	2,146
Taiwan (non-subject) ²	0	62	0	0	0
Other sources	6,463	1,732	775	248	40
Total	11,405	10,127	5,463	2,266	2,186
Miami, FL:					
Venezuela	0	0	936	0	729
Other sources	6,664	3,706	1,231	1,231	0
Total	6,664	3,706	2,167	1,231	729
Houston-Galveston, TX:					
Brazil	12,075	9,552	13,455	6,097	2,469
Korea	17,813	11,484	25,926	7,626	21,241
Mexico	95	0	0	0	0
Romania	7,624	10,139	6,056	2,760	3,973
Taiwan (subject) ¹	4,385	3,947	785	353	0
Venezuela	1,112	2,820	6,177	1,102	4,322
Subtotal	43,103	37,942	52,400	17,939	32,004
Taiwan (non-subject) ²	1,472	849	397	66	314
Other sources	69,502	46,762	38,994	18,470	19,886
Total	114,078	85,553	91,791	36,474	52,204
All Customs districts:					
Brazil	50,980	30,748	59,184	27,213	17,351
Korea	278,963	295,643	302,675	147,593	196,944
Mexico	60,434	65,294	68,828	36,281	22,331
Romania	16,505	11,033	14,495	8,212	10,574
Taiwan (subject) ¹	40,551	40,278	42,173	17,101	26,540
Venezuela	8,243	7,990	18,497	7,701	14,066
Subtotal	455,676	450,986	505,852	244,100	287,805
Taiwan (non-subject) ²	6,695	6,728	14,247	6,515	3,130
Other sources	450,283	330,556	258,656	138,309	108,683
Total	912,654	788,271	778,755	388,925	399,618

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Value (1,000 dollars)				
Portland, ME:					
Other sources	92	101	79	21	41
Total	92	101	79	21	41
St. Albans, VT:					
Other sources	4,967	9,146	7,376	3,525	2,451
Total	4,967	9,146	7,376	3,525	2,451
Boston, MA:					
Brazil	4,305	4,585	1,213	1,213	646
Korea	3,333	1,102	0	0	0
Romania	1,325	0	0	0	0
Taiwan (subject) ¹	898	0	0	0	0
Subtotal	9,861	5,686	1,213	1,213	646
Taiwan (non-subject) ²	87	0	0	0	0
Other sources	4,943	2,580	2,787	1,735	112
Total	14,891	8,266	4,000	2,947	759
Providence, RI:					
Brazil	2,323	0	0	0	0
Other sources	244	278	218	218	0
Total	2,568	278	218	218	0
Ogdensburg, NY:					
Other sources	6,869	6,927	5,857	3,104	2,808
Total	6,869	6,927	5,857	3,104	2,808
Buffalo, NY:					
Other sources	2,100	16,427	14,962	8,800	9,952
Total	2,100	16,427	14,962	8,800	9,952
New York, NY:					
Brazil	2,649	0	0	0	0
Korea	83	96	0	0	26
Taiwan (subject) ¹	0	203	0	0	0
Subtotal	2,732	299	0	0	26
Other sources	1,835	313	366	234	14
Total	4,567	612	366	234	40
Philadelphia, PA:					
Brazil	4,122	1,790	6,454	2,537	2,540
Korea	10,792	11,401	14,200	7,890	6,492
Romania	825	0	604	604	1,503
Taiwan (subject) ¹	1,999	573	1,115	548	209
Venezuela	354	529	1,051	565	1,886
Subtotal	18,093	14,292	23,424	12,144	12,630
Taiwan (non-subject) ²	223	71	294	159	56
Other sources	31,292	12,739	5,826	2,694	2,897
Total	49,608	27,102	29,544	14,996	15,583

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Value (1,000 dollars)				
Baltimore, MD:					
Korea	0	0	214	96	0
Venezuela	238	0	0	0	0
Subtotal	238	0	214	96	0
Other sources	2,782	1,450	1,404	462	270
Total	3,020	1,450	1,618	557	270
Norfolk, VA:					
Taiwan (subject) ¹	830	631	53	0	293
Taiwan (non-subject) ²	74	0	74	0	0
Other sources	1,080	681	48	44	4
Total	1,984	1,311	174	44	297
Wilmington, NC:					
Brazil	137	0	0	0	0
Korea	6,564	6,115	2,285	1,485	1,050
Taiwan (subject) ¹	1,928	2,087	419	147	0
Subtotal	8,628	8,202	2,704	1,631	1,050
Taiwan (non-subject) ²	135	77	250	0	0
Other sources	1,693	351	13	13	0
Total	10,457	8,630	2,967	1,645	1,050
Charleston, SC:					
Korea	0	453	31	31	0
Taiwan (subject) ¹	590	125	55	47	41
Subtotal	590	578	86	79	41
Taiwan (non-subject) ²	102	260	0	0	0
Other sources	5,417	3,139	1,253	448	29
Total	6,109	3,977	1,339	527	70
Savannah, GA:					
Brazil	0	267	2,860	1,546	298
Korea	6,987	4,890	5,623	2,448	2,544
Romania	0	0	786	786	696
Taiwan (subject) ¹	342	683	810	228	42
Venezuela	0	0	543	0	0
Subtotal	7,329	5,839	10,623	5,008	3,581
Taiwan (non-subject) ²	152	261	235	107	105
Other sources	8,085	6,304	7,263	3,361	2,320
Total	15,565	12,404	18,120	8,476	6,006
Tampa, FL:					
Brazil	1,907	1,415	3,285	1,639	1,912
Korea	9,907	4,176	12,255	4,903	6,542
Romania	541	0	622	622	0
Taiwan (subject) ¹	400	591	464	464	0
Venezuela	665	127	1,608	1,221	1,423
Subtotal	13,420	6,309	18,233	8,848	9,877
Taiwan (non-subject) ²	97	103	69	69	0
Other sources	12,828	3,194	3,149	1,884	2,031
Total	26,344	9,606	21,450	10,801	11,907

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Value (1,000 dollars)				
Mobile, AL:					
Korea	0	279	0	0	0
Other sources	82	31	625	0	10
Total	82	310	625	0	10
New Orleans, LA:					
Brazil	2,408	2,378	3,403	1,604	1,460
Korea	10,573	13,340	8,584	3,202	5,849
Romania	890	362	1,606	321	597
Taiwan (subject) ¹	615	530	410	241	21
Venezuela	1,731	1,444	1,002	541	827
Subtotal	16,218	18,054	15,005	5,910	8,755
Taiwan (non-subject) ²	464	69	272	188	0
Other sources	15,181	8,847	8,662	3,933	3,479
Total	31,864	26,969	23,939	10,031	12,234
Port Arthur, TX:					
Other sources	0	457	0	0	0
Total	0	457	0	0	0
Laredo, TX:					
Mexico	30,054	34,789	36,484	19,116	11,584
Total	30,054	34,789	36,484	19,116	11,584
El Paso, TX:					
Mexico	0	26	8	0	0
Total	0	26	8	0	0
San Diego, TX:					
Mexico	112	267	138	126	238
Total	112	267	138	126	238
Los Angeles, CA:					
Korea	52,513	70,367	60,587	32,443	44,769
Taiwan (subject) ¹	5,522	6,801	10,659	4,403	8,719
Venezuela	0	478	0	0	0
Subtotal	58,035	77,645	71,246	36,845	53,488
Taiwan (non-subject) ²	882	1,589	2,647	1,238	650
Other sources	51,101	27,395	10,704	6,396	2,729
Total	110,017	106,629	84,597	44,479	56,867
San Francisco, CA:					
Brazil	131	0	0	0	0
Korea	17,835	16,375	14,258	8,531	5,365
Taiwan (subject) ¹	1,376	1,713	2,369	1,097	1,471
Subtotal	19,342	18,089	16,627	9,627	6,836
Taiwan (non-subject) ²	127	193	1,648	1,147	168
Other sources	12,291	6,927	3,553	2,603	1,640
Total	31,761	25,208	21,829	13,377	8,644

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

				January-June--	
Item	1988	1989	1990	1990	1991
	Value (1,000 dollars)				
Portland, OR:					
Korea	12,608	15,505	12,461	6,627	9,877
Taiwan (subject) ¹	286	354	2,634	775	918
Subtotal	12,894	15,859	15,094	7,402	10,795
Taiwan (non-subject) ²	0	48	282	5	279
Other sources	2,863	2,570	1,811	797	247
Total	15,757	18,477	17,188	8,204	11,321
Seattle, WA:					
Korea	6,895	9,149	12,160	6,556	7,214
Taiwan (subject) ¹	2,286	2,948	274	126	817
Venezuela	0	0	655	608	0
Subtotal	9,181	12,097	13,088	7,290	8,031
Taiwan (non-subject) ²	133	423	406	0	35
Other sources	7,887	3,623	3,310	2,264	1,996
Total	17,201	16,143	16,805	9,554	10,063
Anchorage, AK:					
Other sources	3	132	81	57	0
Total	3	132	81	57	0
Honolulu, HI:					
Korea	1,106	1,451	1,201	539	646
Taiwan (non-subject) ²	54	0	0	0	0
Other sources	19	6	0	0	0
Total	1,179	1,457	1,201	539	646
Great Falls, MT:					
Other sources	199	39	2,046	514	1,596
Total	199	39	2,046	514	1,596
Pembina, ND:					
Other sources	381	166	181	74	120
Total	381	166	181	74	120
Minneapolis, MN:					
Korea	205	0	0	0	0
Other sources	50	68	0	0	0
Total	255	68	0	0	0
Duluth, MN:					
Other sources	0	241	268	268	0
Total	0	241	268	268	0
Detroit, MI:					
Mexico	0	3	0	0	0
Other sources	8,037	44,122	45,510	24,393	21,113
Total	8,037	44,125	45,510	24,393	21,113

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Value (1,000 dollars)				
Chicago, IL:					
Brazil	0	113	0	0	0
Korea	44	129	98	42	83
Subtotal	44	242	98	42	83
Other sources	5,626	1,427	572	429	139
Total	5,670	1,668	669	471	222
Cleveland, OH:					
Other sources	1,536	46	0	0	44
Total	1,536	46	0	0	44
St. Louis, MO:					
Other sources	426	0	0	0	0
Total	426	0	0	0	0
San Juan, PR:					
Brazil	0	0	219	0	133
Korea	2,272	5,243	1,919	965	1,130
Mexico	0	262	86	86	0
Taiwan (subject) ¹	703	0	0	0	0
Venezuela	105	0	654	232	44
Subtotal	3,080	5,506	2,878	1,283	1,308
Taiwan (non-subject) ²	0	35	0	0	0
Other sources	3,447	1,105	928	573	49
Total	6,527	6,646	3,806	1,855	1,357
Miami, FL:					
Venezuela	0	0	461	0	378
Other sources	3,447	1,687	666	666	0
Total	3,447	1,687	1,127	666	378
Houston-Galveston, TX:					
Brazil	5,633	5,319	6,145	2,769	1,387
Korea	9,878	6,607	14,434	4,208	12,075
Mexico	33	0	0	0	0
Romania	3,282	4,492	2,655	1,229	1,711
Taiwan (subject) ¹	2,085	496	371	172	0
Venezuela	491	1,312	2,702	511	2,378
Subtotal	21,401	18,226	26,307	8,888	17,550
Taiwan (non-subject) ²	748	455	180	32	173
Other sources	37,501	25,628	21,274	10,013	10,605
Total	59,650	44,309	47,762	18,934	28,329
All Customs districts:					
Brazil	23,615	15,866	23,579	11,307	8,376
Korea	151,595	166,677	160,310	79,965	103,663
Mexico	30,199	35,346	36,716	19,328	11,821
Romania	6,863	4,854	6,273	3,562	4,508
Taiwan (subject) ¹	19,861	17,735	19,632	8,246	12,531
Venezuela	3,584	3,890	8,675	3,678	6,937
Subtotal	235,717	244,368	255,186	126,087	147,836
Taiwan (non-subject) ²	3,278	3,584	6,356	2,943	1,465
Other sources	234,306	188,147	150,791	79,522	66,696
Total	473,301	436,099	412,333	208,553	215,997

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Unit value (per short ton)				
Portland, ME:					
Other sources	\$1.224	\$1.085	\$1.811	\$1.744	\$1.023
Average	1,224	1,085	1,811	1,744	1,023
St. Albans, VT:					
Other sources	542	546	554	550	570
Average	542	546	554	550	570
Boston, MA:					
Brazil	459	525	251	251	469
Korea	553	585	(3)	(3)	(3)
Romania	382	(3)	(3)	(3)	(3)
Taiwan (subject) ¹	489	(3)	(3)	(3)	(3)
Average	476	536	251	251	469
Taiwan (non-subject) ²	493	(3)	(3)	(3)	(3)
Other sources	503	550	485	511	421
Average	485	540	378	358	461
Providence, RI:					
Brazil	410	(3)	(3)	(3)	(3)
Other sources	800	463	521	521	(3)
Average	430	463	521	521	(3)
Ogdensburg, NY:					
Other sources	574	577	570	574	564
Average	574	577	570	574	564
Buffalo, NY:					
Other sources	704	546	581	582	557
Average	704	546	581	582	557
New York, NY:					
Brazil	456	(3)	(3)	(3)	(3)
Korea	559	439	(3)	(3)	1,269
Taiwan (subject) ¹	(3)	507	(3)	(3)	(3)
Average	458	483	(3)	(3)	1,269
Other sources	540	1,094	342	292	4,454
Average	488	676	342	292	1,709
Philadelphia, PA:					
Brazil	502	499	328	441	472
Korea	572	583	572	581	545
Romania	440	(3)	435	435	420
Taiwan (subject) ¹	515	510	482	513	472
Venezuela	521	543	474	496	484
Average	540	567	465	529	501
Taiwan (non-subject) ²	878	498	465	470	497
Other sources	491	522	668	553	630
Average	509	544	494	533	521

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Unit value (per short ton)				
Baltimore, MD:					
Korea	(3)	(3)	541	595	(3)
Venezuela	459	(3)	(3)	(3)	(3)
Average	459	(3)	541	595	(3)
Other sources	766	930	582	489	542
Average	727	930	576	504	542
Norfolk, VA:					
Taiwan (subject) ¹	501	511	444	(3)	488
Taiwan (non-subject) ²	394	(3)	461	(3)	(3)
Other sources	719	687	732	675	19,782
Average	592	590	507	675	494
Wilmington, NC:					
Brazil	522	(3)	(3)	(3)	(3)
Korea	565	611	541	546	548
Taiwan (subject) ¹	490	514	461	490	(3)
Average	546	583	527	540	548
Taiwan (non-subject) ²	424	505	457	(3)	(3)
Other sources	463	495	606	606	(3)
Average	529	578	521	540	548
Charleston, SC:					
Korea	(3)	590	658	658	(3)
Taiwan (subject) ¹	464	496	483	486	474
Average	464	567	535	543	474
Taiwan (non-subject) ²	544	527	(3)	(3)	(3)
Other sources	494	569	629	745	1,479
Average	492	565	622	706	656
Savannah, GA:					
Brazil	(3)	456	447	438	481
Korea	562	543	556	616	524
Romania	(3)	(3)	433	433	431
Taiwan (subject) ¹	485	508	536	486	479
Venezuela	(3)	(3)	555	(3)	(3)
Average	558	534	510	511	498
Taiwan (non-subject) ²	464	500	473	484	467
Other sources	609	571	543	544	554
Average	582	551	522	523	518
Tampa, FL:					
Brazil	469	451	469	463	467
Korea	565	548	534	548	534
Romania	406	(3)	431	431	(3)
Taiwan (subject) ¹	484	512	501	501	(3)
Venezuela	505	495	479	483	472
Average	535	519	511	509	510
Taiwan (non-subject) ²	549	506	478	478	(3)
Other sources	508	499	491	526	477
Average	522	512	508	512	504

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
	Unit value (per short ton)				
Mobile, AL:					
Korea	(3)	366	(3)	(3)	(3)
Other sources	607	622	1,270	(3)	450
Average	607	381	1,270	(3)	450
New Orleans, LA:					
Brazil	464	481	460	463	475
Korea	563	571	524	543	528
Romania	403	405	424	399	425
Taiwan (subject) ¹	514	547	474	483	475
Venezuela	399	452	402	397	406
Average	511	541	485	491	496
Taiwan (non-subject) ²	442	483	461	459	(3)
Other sources	482	561	533	536	641
Average	496	547	501	507	530
Port Arthur, TX:					
Other sources	(3)	635	(3)	(3)	(3)
Average	(3)	635	(3)	(3)	(3)
Laredo, TX:					
Mexico	500	540	533	532	528
Average	500	540	533	532	528
El Paso, TX:					
Mexico	(3)	537	643	(3)	(3)
Average	(3)	537	643	(3)	(3)
San Diego, TX:					
Mexico	602	714	677	688	637
Average	602	714	677	688	637
Los Angeles, CA:					
Korea	531	556	514	528	511
Taiwan (subject) ¹	474	509	461	482	474
Venezuela	(3)	640	(3)	(3)	(3)
Average	525	552	506	522	505
Taiwan (non-subject) ²	449	559	446	457	458
Other sources	492	553	544	550	581
Average	508	552	508	524	507
San Francisco, CA:					
Brazil	395	(3)	(3)	(3)	(3)
Korea	545	574	544	556	539
Taiwan (subject) ¹	485	502	451	460	470
Average	539	567	528	543	522
Taiwan (non-subject) ²	511	493	434	438	472
Other sources	460	545	509	511	505
Average	505	560	517	526	518

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
Unit value (per short ton)					
Portland, OR:					
Korea	494	546	519	550	513
Taiwan (subject) ¹	526	588	463	480	467
Average	494	547	508	542	508
Taiwan (non-subject) ²	(3)	495	451	464	446
Other sources	532	617	510	558	518
Average	501	556	508	544	507
Seattle, WA:					
Korea	535	534	493	493	515
Taiwan (subject) ¹	485	351	469	491	460
Venezuela	(3)	(3)	450	450	(3)
Average	522	474	490	489	509
Taiwan (non-subject) ²	536	511	440	(3)	445
Other sources	517	526	542	531	1,029
Average	519	485	498	499	565
Anchorage, AK:					
Other sources	300	655	1,861	1,628	(3)
Average	300	655	1,861	1,628	(3)
Honolulu, HI:					
Korea	612	635	640	647	675
Taiwan (non-subject) ²	667	(3)	(3)	(3)	(3)
Other sources	1,872	2,031	(3)	(3)	(3)
Average	622	637	640	647	675
Great Falls, MT:					
Other sources	288	649	625	423	775
Average	288	649	625	423	775
Pembina, ND:					
Other sources	556	820	906	829	726
Average	556	820	906	829	726
Minneapolis, MN:					
Korea	590	(3)	(3)	(3)	(3)
Other sources	3,962	2,936	(3)	(3)	(3)
Average	709	2,936	(3)	(3)	(3)
Duluth, MN:					
Other sources	(3)	379	303	303	(3)
Average	(3)	379	303	303	(3)
Detroit, MI:					
Mexico	(3)	4,887	(3)	(3)	(3)
Other sources	822	631	651	643	712
Average	822	631	651	643	712
Chicago, IL:					
Brazil	(3)	532	(3)	(3)	(3)
Korea	572	760	1,279	1,270	511
Average	572	633	1,279	1,270	511
Other sources	589	621	868	689	1,907
Average	589	623	911	719	945
Cleveland, OH:					
Other sources	509	712	(3)	(3)	2,833
Average	509	712	(3)	(3)	2,833

See footnotes at end of table.

Table E-1--Continued

Circular, welded, non-alloy steel pipes and tubes: U.S. imports, by Customs districts and by sources, 1988-90, January-June 1990, and January-June 1991

Item	1988	1989	1990	January-June--	
				1990	1991
Unit value (per short ton)					
St. Louis, MO:					
Other sources	357	(3)	(3)	(3)	(3)
Average	357	(3)	(3)	(3)	(3)
San Juan, PR:					
Brazil	(3)	(3)	503	(3)	396
Korea	638	668	596	583	649
Mexico	(3)	541	588	588	(3)
Taiwan (subject) ¹	638	(3)	(3)	(3)	(3)
Venezuela	379	(3)	735	1,074	638
Average	623	661	614	636	609
Taiwan (non-subject) ²	(3)	568	(3)	(3)	(3)
Other sources	533	638	1,198	2,306	1,223
Average	572	656	697	819	621
Miami, FL:					
Venezuela	(3)	(3)	493	(3)	519
Other sources	517	455	541	541	(3)
Average	517	455	520	541	519
Houston-Galveston, TX:					
Brazil	466	557	457	454	562
Korea	555	575	557	552	568
Mexico	347	(3)	(3)	(3)	(3)
Romania	430	443	438	445	431
Taiwan (subject) ¹	476	126	472	487	(3)
Venezuela	441	465	437	464	550
Average	497	480	502	495	548
Taiwan (non-subject) ²	508	536	453	491	550
Other sources	540	548	546	542	533
Average	523	518	520	519	543
All Customs districts:					
Brazil	463	516	398	416	483
Korea	543	564	530	542	526
Mexico	500	541	533	533	529
Romania	416	440	433	434	426
Taiwan (subject) ¹	490	440	466	482	472
Venezuela	435	487	469	478	493
Average	517	542	504	517	514
Taiwan (non-subject) ²	490	533	446	452	468
Other sources	520	569	583	575	614
Average	519	553	529	536	541

¹ Subject imports from Taiwan exclude circular, welded, non-alloy steel pipes and tubes with outside diameters from 9.525 mm (0.375 inch) through 114.3 mm (4.5 inches) that have wall thicknesses of 1.65 mm (0.065 inch) or more, provided for in subheading 7306.30.50 of the HTS.

² Includes imports from Taiwan excluded from subject imports.

³ Not applicable.

Note.--Because of rounding, figures may not add to the totals shown; unit values are calculated from unrounded figures.

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

