

FERROSILICON FROM BRAZIL AND EGYPT

Determinations of the Commission in
Investigations Nos. 731-TA-641-642
(Preliminary) Under the Tariff Act of
1930, Together With the
Information Obtained in the
Investigations

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FEBRUARY 1993

United States International Trade Commission
Washington, DC 20436

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-641-642 (Preliminary)

FERROSILICON FROM BRAZIL AND EGYPT

Determinations

On the basis of the record¹ developed in the subject investigations, the Commission determines,² pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Brazil and Egypt of ferrosilicon,³ provided for in subheadings 7202.21.10, 7202.21.50, 7202.21.75, 7202.21.90, and 7202.29.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).

Background

On January 12, 1993, a petition was filed with the Commission and the Department of Commerce by AIMCOR, Pittsburgh, PA; Alabama Silicon, Inc., Bessemer, AL; American Alloys, Inc., Pittsburgh, PA; Globe Metallurgical, Inc., Cleveland, OH; Silicon Metaltech, Inc., Seattle, WA; Oil, Chemical & Atomic Workers Union (local 389); United Autoworkers of America Union (locals 523 and 12646); and United Steelworkers of America Union (locals 2528, 3081, and 5171), alleging that an industry in the United States is materially

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 Vice Chairman Watson and Commissioners Brunsdale and Crawford dissent with respect to Egypt.

³ For purposes of these investigations, the subject product is ferrosilicon, a ferroalloy generally containing, by weight, not less than four percent iron, more than 8 percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorus, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element.

injured by reason of LTFV imports of ferrosilicon from Brazil and Egypt. Accordingly, effective January 12, 1993, the Commission instituted antidumping investigations Nos. 731-TA-641-642 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of January 21, 1993 (58 FR 5413). The conference was held in Washington, DC, on February 3, 1993, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

Based on the record in these preliminary investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured¹ by reason of allegedly LTFV imports of ferrosilicon from Brazil and Egypt.²

I. THE LEGAL STANDARD FOR PRELIMINARY DETERMINATIONS

The legal standard in preliminary antidumping investigations requires the Commission to determine whether, based on the best information available at this time, there is a reasonable indication of material injury or threat thereof to a domestic industry by reason of the subject imports.³ In these investigations, the Commission considered whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of material injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."⁴ The U.S. Court of Appeals for the Federal Circuit has held that this interpretation of the standard "accords with clearly discernible legislative intent and is sufficiently reasonable."⁵

II. LIKE PRODUCT AND DOMESTIC INDUSTRY

In these, as in other Title VII investigations, we must first define the "like product" and the "industry". Section 771(4)(A) of the Tariff Act of 1930 (the "Act") defines the relevant industry as "the domestic producers as a

¹ Whether the establishment of an industry in the United States is materially retarded is not an issue in these investigations.

² Vice Chairman Watson and Commissioners Brunsdale and Crawford dissent from this determination with respect to Egypt. See Concurring and Dissenting Views of Vice Chairman Watson, Commissioner Brunsdale and Commissioner Crawford.

³ 19 U.S.C. §§ 1673b(a); American Lamb Co. v. United States, 785 F.2d 994 (Fed. Cir. 1986).

⁴ Id. at 1001-04.

⁵ Id. at 1004.

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 . . ." ⁶ In turn, the statute defines "like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation. . ." ⁷

A. Like Product

The Department of Commerce has defined the imported product subject to these investigations as:

ferrosilicon, a ferroalloy containing, by weight, not less than four percent iron, more than eight percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorous, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element.⁸

Ferrosilicon is used primarily as an alloying agent in the production of iron and steel ⁹ and is sold in different grades. The principal characteristic defining the grades is the percentage of silicon present in the product as measured by contained weight; grades are referred to primarily by silicon percentage. Ferrosilicon grades are further defined by the percentages of minor elements present in the product, some of which are

⁶ 19 U.S.C. § 1677(4)(a).

⁷ 19 U.S.C. § 1677(10). The Commission applies the standard "like" and "most similar in characteristics and uses" on a case-by-case basis. The Commission generally considers a number of factors in analyzing like product issues including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities and production employees; (5) customer or producer perceptions; and, where appropriate, (6) price. No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a given investigation. The Commission looks for clear dividing lines between like products, and has found minor distinctions to be an insufficient basis for finding separate like products. Torrington Company v. United States, 747 F. Supp. 744, 748-749 (Ct. Int'l Trade 1990), aff'd 938 F.2d 1278 (1991).

⁸ 58 F.R. 7529 (February 8, 1993).

⁹ Report at I-6.

considered impurities and others of which are considered enhancements.¹⁰

Low-silicon-content ferrosilicon is defined as ferrosilicon containing by weight more than 8 percent but not more than 55 percent of silicon, and includes ferrosilicon 50 and silvery pig iron. High-silicon-content ferrosilicon contains by weight more than 55 percent but not more than 96 percent of silicon, and includes ferrosilicon 65 and 75. The great majority of ferrosilicon manufactured in the United States and consumed in the iron and steel industries consists of standard grades of ferrosilicon 50 and ferrosilicon 75.¹¹

Generally, ferrosilicon is available in "standard" grades and "specialty" grades. The standard ferrosilicon grades include "regular", "high-purity", "low-aluminum" and "foundry grade" material.¹² Specialty grades include ferrosilicon with specific percentages of supplemental minor elements that add desired properties to the ferrosilicon. By convention, specialty grades also refer to ferrosilicon that is neither ferrosilicon 50 nor ferrosilicon 75, such as ferrosilicon 65.¹³ Ferrosilicon is also sold according to various size characteristics which affect the performance of the product.

The like product issue we address in these preliminary investigations is whether all grades of ferrosilicon should be included within one like product or whether there should be two like products, consisting of low-silicon-content ferrosilicon and high-silicon-content ferrosilicon.¹⁴ We find a

¹⁰ Report at I-6.

¹¹ Report at I-5.

¹² Report at I-6.

¹³ Id.

¹⁴ While no party to these preliminary investigations argued for two like products, one respondent to the concurrent final investigations of subject (continued...)

single like product consisting of all grades of ferrosilicon.

Few differences exist in the physical characteristics and end uses of the various grades of ferrosilicon. Iron and steel producers have the technical capability to use either grade of ferrosilicon in their production process.¹⁵ Although switching between grades is not frequent once a particular grade is selected, some end-users have switched between ferrosilicon 50 and 75 when the price gap¹⁶ between the two grades is wide enough, and of long enough duration, to justify the short-term costs of switching.¹⁷

Channels of distribution also overlap. The largest end use markets are the steel and foundry industries, both of which purchase 50, 75, and other specific grades of ferrosilicon.¹⁸ The same manufacturing facilities can be, and in some circumstances are, used to produce both grade 50 and grade 75 ferrosilicon.¹⁹ Although there is evidence that it is preferable to use different furnaces for the production of ferrosilicon 50 and 75,²⁰ it is possible to produce ferrosilicon 50 in a furnace designed for ferrosilicon 75, and more than one producer does so commercially.²¹ There is also evidence

¹⁴ (...continued)

imports from Kazakhstan, Russia and Ukraine made this argument. See Posthearing Brief of Minerais U.S., Inc. ("Minerais") at 3 in Ferrosilicon from Argentina, Kazakhstan, The People's Republic of China, Ukraine and Venezuela, Invs. Nos. 731-TA-566-570 (Final).

¹⁵ Although some end-users indicated that they would not or could not switch between ferrosilicon grades because of complexities of their production processes, material handling and inventory requirements, some purchasers indicated that switching between the commodity grades of ferrosilicon 50 and 75 was possible. See EC-Q-017 at 35; Report at I-7.

¹⁶ Prices for the various grades of ferrosilicon are based on the silicon content of the product. Report at I-7.

¹⁷ Report at I-7; EC-Q-017 at 34.

¹⁸ Report at I-22.

¹⁹ Report at I-8 and 26.

²⁰ Report at I-8.

²¹ Report at I-26.

that various grades of ferrosilicon are produced using the same employees.²²

Although perceptions of ferrosilicon 50 and 75 differ to some extent based on the different chemical properties of the grades, actual switching between the grades indicates that at least some producers and customers consider the goods to be interchangeable.²³

Thus, there is no clear dividing line between high-silicon-content and low-silicon-content ferrosilicon. Accordingly, we find that the like product consists of all grades of ferrosilicon.²⁴ We further find that the domestic industry includes producers of all grades of ferrosilicon.

III. RELATED PARTIES

The related parties provision of the Act, 19 U.S.C. §1677(4)(B), allows for the exclusion of certain domestic producers from the domestic industry for the purposes of an injury determination. Applying the provision involves two steps.²⁵ First, the Commission must determine whether the domestic producer meets the definition of a related party. Second, if a producer is a related party, the Commission may exclude such producers from the domestic industry in "appropriate circumstances."²⁶

The statute defines related parties as producers who are "related to the

²² Report at I-7; EC-Q-017 at 22 and 23.

²³ Report at I-7; EC-Q-017 at 34.

²⁴ We also note that the Commission generally has not found differing grades of a product to be separate like products. See, e.g., Magnesium from Canada, Invs. Nos. 701-TA-309, 731-TA-528 (Final), USITC Pub. 2550 (July 1992); Potassium Hydroxide from Canada, Italy, and the United Kingdom, Inv. No. 731-TA-542 (Preliminary), USITC Pub. 2482 (February 1992); Silicon Metal from Brazil, Inv. No. 731-TA-471 (Final), USITC Pub. 2404 (July 1991); Silicon Metal from the People's Republic of China, Inv. No. 731-TA-472 (Final), USITC Pub. 2385 (June 1991).

²⁵ See, e.g., Certain Carbon Steel Butt-Weld Pipe Fittings from China and Thailand, Invs. Nos. 731-TA-520 and 521 (Final), USITC Pub. 2528 at 7 (June 1992).

²⁶ Id.

exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise." ²⁷ Exclusion of a related party is within the Commission's discretion based upon the facts presented in each case. ²⁸ The rationale for the related parties provision is the concern that domestic producers who either are related to foreign producers or exporters, or are themselves importers of the subject merchandise, may be in a position that shields them from any injury that might be caused by the imports. ²⁹ Thus, including these parties within the domestic industry would distort the analysis of the condition of the domestic industry. ³⁰ The factors the Commission has examined in its related party analysis include:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reasons the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV

²⁷ 19 U.S.C. § 1677(4)(B).

²⁸ See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1989), aff'd without opinion 904 F.2d 46 (Fed. Cir. 1992); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

²⁹ See S. Rep. No. 249, 96th Cong., 1st Sess. at 83 (1979). The Senate Report states that:

The ITC is given discretion not to include within the domestic industry those domestic producers of the like product which are either related to exporters or importers of the imported product being investigated, or which import that product. Thus, for example, where a U.S. producer is related to a foreign exporter and the foreign exporter directs his exports to the United States so as not to compete with his related U.S. producer, this should be a case where the ITC would not consider the related U.S. producer to be a part of the domestic industry.

This is the only legislative guidance provided by Congress with regard to the Commission's application of the related party provision.

³⁰ See Sandvik AB v. United States, 721 F. Supp. at 1331-32 (related party appeared to benefit from the dumped imports); Certain Carbon Steel Butt-Weld Pipe Fittings from China and Thailand, Invs. Nos. 731-TA- 520-521 (Final), USITC Pub. 2528 (June 1992).

sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and

(3) the position of the related producer vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry.³¹

In addition, the Commission has considered other factors, such as the ratio of import shipments to U.S. production for each producer, the length of time that the producer has been engaged in domestic production, whether each company's books are kept separately from its "relations," and whether the primary interest of the related producers lies in domestic production or in importation.³²

Although no party in these investigations argued that any producer should be excluded from the domestic industry as a related party, the Commission has considered whether *** is a related party, and if so, whether appropriate circumstances exist for excluding it from the domestic industry.³³ There is information on the record that *** has been an importer of record of subject material from Brazil and is thus a related party.³⁴ Information on the record further indicates, however, that such importation was based on a

³¹ See Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1992) (affirming Commission's application of the related party provision).

³² See Rock Salt from Canada, Inv. No. 731-TA-239 (Final), USITC Pub. 1798 (January 1986) at 12.

³³ In the preliminary investigations with respect to Ferrosilicon from Argentina, Kazakhstan, The People's Republic of China, Russia, Ukraine and Venezuela, Invs. Nos. 303-TA-23, 731-TA-565-570 (Preliminary), USITC Pub. 2535 (July 1992), we considered whether Keokuk Ferro-Sil, Inc. or Elkem Metals Co. were related parties in those investigations, and if so, whether appropriate circumstances existed to exclude either firm from the domestic industry. Although the Commission determined that both firms were related parties, we concluded that appropriate circumstances did not exist to exclude either firm from the domestic industry. See USITC Pub. 2535 at 11-12. We received no additional evidence in the course of any of the concurrent investigations that indicates that appropriate circumstances exist to exclude these two related parties from the domestic industry.

³⁴ Report at I-45.

single purchase during the period of investigation and that *** does not have any form of on-going relationship with any Brazilian exporter.

We next examine whether appropriate circumstances exist to exclude *** from the domestic industry. *** was a significant U.S. producer of ferrosilicon during the period of investigation.³⁵ Evidence on the record does not indicate that *** is being shielded from any adverse effects of the subject imports on the domestic industry as a result of its related party status.³⁶ Based on this information, we do not believe that appropriate circumstances exist to exclude *** from the domestic industry.

IV. CONDITION OF THE DOMESTIC INDUSTRY

In determining whether there is a reasonable indication that the domestic industry is materially injured by the allegedly LTFV imports, the statute directs us to consider "all relevant economic factors which have a bearing on the state of the industry in the United States."³⁷ These factors include production, consumption, shipments, inventories, capacity utilization, market share, employment, wages, productivity, financial performance, capital expenditures, and research and development.³⁸ No single factor is determinative, and the Commission considers all relevant factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."³⁹

The demand for ferrosilicon is directly tied to the steel and foundry industries.⁴⁰ Weak demand from the construction, automotive, and appliance

³⁵ Report at Table 13.

³⁶ Report at I-21 and I-33.

³⁷ 19 U.S.C. § 1677(7)(C).

³⁸ Id.

³⁹ Id.

⁴⁰ Report at I-13.

sectors contributed to a decline in output in the steel industry from 1989 to 1991. Technological advances in the composition and production processes of cast iron have also contributed to a decline in cast iron production.⁴¹ Total U.S. consumption of ferrosilicon measured in quantity decreased by 13.0 percent from 1989 to 1991, but increased by 25.7 percent between January 1 - September 30, 1991 to January 1 - September 30, 1992 (the "interim periods").⁴² In terms of value, total U.S. consumption fell by 31.9 percent from January 1989 to 1991, but rose by 11.5 percent from interim 1991 to interim 1992.⁴³

Generally, indicators of the condition of the domestic industry fell during the period of investigation. U.S. production of ferrosilicon decreased by 31.8 percent from 1989 to 1991, and declined by 12.1 percent between the interim periods.⁴⁴ Similarly, U.S. producers' total U.S. ferrosilicon shipments decreased steadily, by 23.8 percent from 1989 to 1991 and by 13.8 percent between the interim periods.⁴⁵ In terms of value, U.S. producers' domestic shipments decreased by 38.5 percent from 1989 to 1991 and by 17.8 percent between the interim periods.⁴⁶

Average U.S. capacity also decreased from 318,332 silicon-content-short tons ("short tons") in 1989 to 300,918 short tons in 1991 and continued to decline to 217,194 short tons through interim 1992.⁴⁷ Average capacity utilization decreased from 85.1 percent in 1989 to 61.4 percent in 1991. Capacity utilization continued to decline in the interim periods from 62.8

⁴¹ See Report at I-13; see also EC-Q-017 at 13.

⁴² Report at I-13.

⁴³ Id.

⁴⁴ Report at I-23.

⁴⁵ Report at I-25, Table 6.

⁴⁶ Id.

⁴⁷ Report at I-24, Table 5.

percent in interim 1991 to 59.5 percent in interim 1992.⁴⁸

The number of hours worked by production and related workers producing ferrosilicon declined by 38.5 percent from 1989 to 1991, and continued to fall, by 20.8 percent, between interim periods. Wages and total compensation paid to production and related workers by U.S. producers also decreased from 1989 to 1991 and between interim periods. Hourly total compensation paid to U.S. producers' production and related workers increased from \$17.22 in 1989 to \$17.98 in 1990 and then decreased to \$17.75 in 1991. Hourly total compensation increased to \$18.37 in interim 1992 compared with \$17.85 in the corresponding period of 1991. Productivity of production and related workers increased by 5.8 percent from 1989 to 1991, and continued to rise, by 16.1 percent, between the interim periods.⁴⁹

Domestic prices also declined during the period of investigation. With respect to ferrosilicon 75, the U.S. producers' average selling price declined by 43.1 percent from the first quarter of 1989 to the first quarter of 1992. Prices of ferrosilicon 75 rose somewhat through September 1992, but remained 37.7 percent below the first quarter of 1989.⁵⁰ Similarly, the U.S. producers' average price of ferrosilicon 50 fell by 29.3 percent from the first quarter of 1989 to the first quarter of 1992. As with ferrosilicon 75, prices of ferrosilicon 50 rose slightly through September, 1992, but remained 24.8 percent below the first quarter of 1989.⁵¹

Overall financial experience of domestic ferrosilicon producers also deteriorated during the period of investigation. For example, 1991 net sales

⁴⁸ Id.

⁴⁹ Report at I-29, Table 10.

⁵⁰ Report at I-58, Table 26.

⁵¹ Id.

value was less than two thirds of the corresponding 1989 figure. Positive 1989 operating and net income became losses and cash flow became negative in the remainder of the period of investigation. Financial results in most of these categories continued to decline between the interim periods. Finally, total capital expenditures decreased from \$13.4 million in 1989 to \$4.7 million in 1991 and increased only slightly from \$3.5 million in interim 1991 to \$3.6 million in interim 1992.⁵² ⁵³

V. CUMULATION

A. In General

In determining whether there is a reasonable indication of material injury by reason of the allegedly LTFV or subsidized imports, the Commission is required to cumulatively assess the volume and effect of imports from two or more countries subject to investigation if such imports are reasonably coincident with one another and "compete with each other and with products of the domestic industry in the United States market."⁵⁴ Cumulation is not required, however, when imports from a subject country are negligible and have no discernible adverse impact on the domestic industry.⁵⁵

In assessing whether imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

- (1) the degree of fungibility between the imports from different countries and the domestic like product, including consideration

⁵² Report at I-34-35.

⁵³ Based on the declines in all indicators of the domestic industry's performance, including substantial declines in production, capacity utilization, employment, net sales, and a shift from net income to substantial net losses, Chairman Newquist and Commissioner Rohr find that there is a reasonable indication that the domestic ferrosilicon industry is experiencing material injury.

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

⁵⁵ 19 U.S.C. § 1677(7)(C)(v).

of specific customer requirements and other quality related questions;

(2) the presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product;

(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.⁵⁶

While no single factor is determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product.⁵⁷ Only a "reasonable overlap" of competition is required.⁵⁸ Further, the Commission generally has cumulated imports even where there were alleged differences in quality between imports and domestic products, although considerations of quality differences are relevant to whether there is "reasonable overlap" of competition.⁵⁹ In addition to ferrosilicon imports from Brazil and Egypt, imports from Argentina, Kazakhstan, the People's Republic of China ("PRC" or "China"), Russia,

⁵⁶ See Cast Iron Pipe Fittings from Brazil, Korea and Taiwan, Invs. Nos. 731-TA-278 through 280 (Final), USITC Pub. 1845 (May 1988), aff'd, Fundicao Tupy S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

⁵⁷ See, e.g. Wieland Werke, AG v. United States, 718 F. Supp. 50, 52 (Ct. Int'l Trade 1989).

⁵⁸ See, e.g., Granges Metallverken AB v. United States, 716 F. Supp. 17 (Ct. Int'l Trade 1989).

⁵⁹ See, e.g., Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, The Netherlands, New Zealand, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Invs. Nos. 701-TA- 319-354 and 731-TA-573-620 (Preliminary), USITC Pub. No. 2549 at 44-46 (August 1992); Silicon Metal from the People's Republic of China, Inv. No. 731-TA-472 (Final), USITC Pub. 2385 at 22-24 (June 1991).

Ukraine, and Venezuela are all subject to investigation and can be cumulated.⁶⁰

Chairman Newquist, and Commissioners Rohr and Nuzum cumulated the volume and effect of imports from all countries subject to investigation.

Commissioners Brunsdale and Crawford cumulated the volume and effect of imports from all countries subject to investigation except Egypt and China, and Vice Chairman Watson cumulated the volume and effect of imports from all countries subject to investigation except Egypt.⁶¹ We address below the various issues raised with respect to cumulating imports subject to investigation.

1. The Competition Requirement.

a. Ferrosilicon from Kazakhstan, Russia and Ukraine.

We find that there is a reasonable overlap in competition between all countries' imports of ferrosilicon 50 and ferrosilicon 75 and the domestic like product and do not find any basis for declining to cumulate any country's imports based on differences between the grades.⁶² Purchasers generally have

⁶⁰ Although imports from Argentina were the subject of a negative preliminary determination by the Commerce Department, 57 F.R. 61874 (December 29, 1992), they remain subject to investigation. See United Engineering & Forging v. United States, 779 F. Supp. 1375, 1392-93 (Ct. Int'l Trade 1991), affirming, Certain Forged Steel Crankshafts from the Federal Republic of Germany and the United Kingdom, Invs. Nos. 731-TA-351 and 353 (Final), USITC Pub. 2014 (September 1987) at 14.

⁶¹ See Concurring and Dissenting Views of Vice Chairman Watson, Commissioner Brunsdale and Commissioner Crawford in Ferrosilicon from Egypt and Brazil, Invs. No. 731-TA-641-642 (Preliminary); see also, Dissenting Views of Commissioners Brunsdale and Crawford in Ferrosilicon from The People's Republic of China, Inv. No. 731-TA-567 (Final).

⁶² Respondent to the final investigations on imports from Kazakhstan, Russia and Ukraine, Minerais U.S., Inc. ("Minerais") has argued that there is no reasonable overlap in competition between ferrosilicon 50 and ferrosilicon 75. Petitioners, on the other hand, argued that virtually complete fungibility exists between the two grades, and that both grades are used primarily as alloying agents in steel and cast iron production. See, Hearing Tr. in Ferrosilicon from Kazakhstan, Russia and Ukraine and Venezuela, Invs. Nos. 303-TA-23 and 731-TA-568-570 (Final) at 133-34 ("Hearing Tr."); Minerais' Posthearing Brief at 6-7, 21; see also, Petitioners' Prehearing Brief at 41.

the technical ability to use either grade, with some producers more readily able than others to use either grade.⁶³ Further, some purchasers report actual, albeit limited, switching between ferrosilicon 50 and ferrosilicon 75.⁶⁴ Finally, although Minerais has argued that it alone imports ferrosilicon 50 into the United States,⁶⁵ there is evidence on the record showing that ferrosilicon 50 has been imported from other countries subject to investigation.

Respondent Minerais has also argued that Kazakh ferrosilicon does not compete with domestic and other imported sources because Kazakh importers are unable to provide SPC⁶⁶ quality standard documentation, which is required by a number of iron and steel producers.⁶⁷ In the preliminary investigation with respect to Kazakh imports, we acknowledged that "a significant portion" of Minerais' sales do not compete with the domestic industry, but concluded that there was sufficient competition to satisfy the "reasonable overlap" standard.⁶⁸ In these investigations, while available data do indicate that the subject imports have generally not been able to supply SPC documentation,⁶⁹ only 23 percent of U.S. producers sales to iron foundries and 14 percent of reported sales to steel producers required SPC documentation during the period

⁶³ Report at I-7. Indeed, one U.S. producer indicated that in the vast majority of cases ferrosilicon 50 and ferrosilicon 75 are substitutable and many end users request prices of both products when buying the standard grade. See, Memorandum EC-Q-004 at 26.

⁶⁴ See EC-Q-017 at 33.

⁶⁵ See Hearing Tr. at 50; Minerais' Prehearing Brief at 21-22 ("All of the imports from Kazakhstan are FeSi 50, while all of the other imports are FeSi 75").

⁶⁶ "SPC" refers to Statistical Production Controls documentation used by the iron foundry and steel industry. Report at I-47, n. 54.

⁶⁷ Minerais' Prehearing Brief at 23, n. 8.

⁶⁸ See USITC Pub. 2535 at 23.

⁶⁹ Report at I-62.

of investigation.⁷⁰ Further, not all imports from other countries subject to investigation are able to supply SPC documentation.⁷¹ While SPC documentation appears to be an increasing requirement,⁷² imports were not thereby foreclosed on this ground for competing for most sales during the period of investigation. We thus do not find a basis for declining to cumulate any country's subject imports on these grounds.⁷³

b. Ferrosilicon from Venezuela.

Respondent CVG-Venezolana de Ferrosilicio, C.A. ("CVG") has also argued that the export practices of Kazakhstan, Russia and the Ukraine⁷⁴ are entirely different from Venezuelan exporters' practices and do not compete with Venezuelan product because they do not have the same long-term commitment to the domestic market.⁷⁵ We find CVG's arguments unpersuasive. The legislative history of the competition requirement of the cumulation provision indicates Congressional concern over "simultaneous unfair imports from different countries." While marketing of imports to be cumulated are to be "reasonably coincident,"⁷⁶ there is no requirement of a long-standing

⁷⁰ Report at I-55, n. 90.

⁷¹ Report at I-62.

⁷² Report at I-55.

⁷³ While Respondent Minerais also argues that it sells a large proportion of its imports from Kazakhstan, Russia and Ukraine to a single customer to which the domestic industry did not "seriously" attempt to market its product, a significant amount of imports from these countries are sold to other customers which do compete with the domestic industry. See Minerais' Posthearing Brief at 10.

⁷⁴ CVG makes these same arguments with respect to imports from the PRC. Our analysis of these issues with respect to the former Soviet Republics applies to the PRC as well.

⁷⁵ CVG contends that the "hit or run" export tactics of these countries reflect a lack of long-standing commitments to market their goods, and are simply short term efforts to "flood the market" to raise hard currency. See CVG's Prehearing Brief at 14-15.

⁷⁶ See H.R. No. 1156, 98th Cong., 2nd Sess. 173 (1984); H.R. Rep. No. 725, 98th Cong., 2d Sess. 37 (1984).

commitment to the U.S. market. We accordingly find that any such differences in marketing practices do not negate an otherwise reasonable overlap in competition.

c. Ferrosilicon from the PRC.

We considered whether to exclude Chinese imports from the cumulated imports based on Respondent CVG's arguments in the concurrent final investigations that imports from the PRC are of inferior quality due to their high aluminum content, and are therefore unsuitable for the carbon steel and foundry industries.⁷⁷ In our preliminary determination, we found that a reasonable overlap of competition existed with respect to imports from the PRC because, "even if it is true that ferrosilicon from China is suitable only for the production of stainless steel, the production of stainless together with heat-resisting steels accounted for about 47 percent of the consumption of ferrosilicon in 1990."⁷⁸ We have not been presented with any additional information with respect to these investigations that supports a contrary determination. We accordingly find that a reasonable overlap of competition exists between imports from the PRC, other imports, and the domestic like product.

d. Ferrosilicon from Egypt.⁷⁹

Respondents Egyptian Ferroalloy Company ("EFACO"), MG Ores & Alloys ("MG") and ACI Chemical, Inc. ("ACI") ("Egyptian Respondents") argue in these preliminary investigations that the allegedly LTFV imports from Egypt do not

⁷⁷ CVG's Prehearing Brief at 13-14.

⁷⁸ See USITC Pub. 2535 at 22-23 and n. 89.

⁷⁹ Vice Chairman Watson and Commissioners Brunsdale and Crawford do not join in this section of the Views of the Commission. See Concurring and Dissenting Views of Vice Chairman Watson, Commissioner Brunsdale and Commissioner Crawford.

compete with the domestic like product or with other imports because they serve a narrow market niche that those products either do not serve or serve only to a limited extent.⁸⁰ With the exception of what Respondents characterize as a "small parcel" of ferrosilicon 75, the Egyptian Respondents indicate Egyptian imports consisted of "waste (slag), by-product (fines) and off-specification (65%) product."⁸¹

They further argue that these articles were sold through channels of distribution that differ from the normal channels of distribution in which the domestic products are sold. Rather than being sold directly to end-users, Egyptian subject imports were sold to "processors" who then sold the product to the steel and iron foundry industries. Furthermore, while arguing that sales of slag and fines are insignificant, the Egyptian Respondents do concede that the domestic ferrosilicon industry also may sell slag and fines to processors, including either of the processors that purchase Egyptian material.⁸²

With respect to channels of distribution, we note that the fact that additional processing (*i.e.*, screening) was necessary for Egyptian imports due to sizing is not unique to the imports under investigation. Some of the Argentine, Brazilian, Kazakh, Russian, Ukrainian, and Venezuelan product also had to be screened.⁸³ The Petitioners to these investigations also claim that screening is done by U.S. producers, and "bagging" or "briquetting" of fines such as is performed on the Egyptian imports is also done for the U.S. product. We note that the limited amount of ferrosilicon 75 imported by

⁸⁰ Egyptian Respondents' Postconference Brief at 2-9.

⁸¹ Egyptian Respondents' Postconference Brief at 2-3 and n. 6.

⁸² Egyptian Respondents' Postconference Brief at 6.

⁸³ Report at I-50--I-52 and notes thereto, and at E-2, n. 2.

Egyptian Respondents appears to be generally comparable to the domestic like product and to other imports of ferrosilicon 75.⁸⁴ We also note that some domestic producers do sell slag, fines and off-specification material (*i.e.*, ferrosilicon 65)⁸⁵ and that there were imports, albeit limited, of slag from other countries during the period of investigation.⁸⁶

We are mindful of the apparent differences that exist between some of the Egyptian imports and a large percentage of the domestic like product and other imports. We find for the purposes of these preliminary investigations that there is sufficient level of competition among Egyptian imports, the domestic like product, and other subject imports to establish a "reasonable overlap" of competition.⁸⁷ Accordingly, we determine to cumulatively assess the effects of the Egyptian imports with other imports subject to investigation.

2. Negligible Imports Exception.

We must next determine whether the negligible import exception applies to any of the subject imports. In determining whether imports are negligible, the Commission shall 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

⁸⁴ Report at I-51.

⁸⁵ Report at I-18, n. 23.

⁸⁶ See, *e.g.* EC-Q-017 at 40.

⁸⁷ We will further explore the issue of a reasonable overlap of competition with respect to Egyptian products in any final investigation. We invite the parties to submit any additional evidence in the course of any final investigation on subject imports from Egypt that they may deem relevant to the issue of competition.

can result in price suppression or depression.⁸⁸

In addition to the three enumerated statutory factors, the Commission has in the past considered additional factors, for example: whether imports have been increasing;⁸⁹ whether the domestic industry is "already suffering considerable injury and has long been battered by import price competition"; trends in market penetration; the degree of competition between the imported product and the domestic product; and any relationships of foreign producers to one another and to common importers.⁹⁰

a. Ferrosilicon Imports from Russia and Ukraine.

In contrast to information presented in the preliminary investigations on imports from these countries, there is now evidence on the record that

⁸⁸ 19 U.S.C. § 1677(7)(C)(V). Chairman Newquist, Commissioner Rohr and Commissioner Nuzum note that both the House Ways and Means Committee Report and the Conference Committee Report stress that the Commission is to apply the exception sparingly and that it is not to be used to subvert the purpose and general application of the mandatory cumulation provision of the statute. 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. They note further that the House Ways and Means Committee Report emphasizes that whether imports are "negligible" may differ from industry to industry and for that reason the statute does not provide a specific numeric definition of negligibility. H.R. Rep. No. 40, 100th Cong., 1st. Sess. 130 (Part I, 1987) at 131. In addition, they note that the legislative history indicates this exception should be applied 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.; see also H.R. Rep. 576, 100th Cong., 2d Sess. at 621 (April 20, 1988).

⁸⁹ See Coated Groundwood Paper from Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Sweden, and the United Kingdom, Invs. Nos. 731-TA-486 through 494 (Preliminary), USITC Pub. 2359 (February 1991) at 31.

⁹⁰ See, e.g., Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Invs. Nos. 701-TA-319 -- 354 (Preliminary) and Invs. Nos. 731-TA-573-620 (Preliminary), USITC Pub. 2549 (August 1992) at 49 ("the Commission has considered upward trends in imports as a reason not to exercise its discretion to find imports are negligible. The Commission has also examined the degree of competition between the imported product and the domestic product."); Certain Stainless Steel Butt-Weld Pipe Fittings from Korea and Taiwan, Invs. Nos. 731-TA-563 and 564 (Preliminary), USITC Pub. 2534 (July 1992) at 16, n. 61.

there have been imports of ferrosilicon from Russia and Ukraine during the period of investigation. Although imports from Russia and Ukraine, as a share of consumption, each fluctuated at very low levels until 1992, imports from Russia and Ukraine each increased substantially in interim 1992.⁹¹ These levels lead us to conclude that imports from Russia and Ukraine are not negligible.

Respondent Minerais has also raised an issue relevant to considering whether imports are "isolated and sporadic." Minerais suggests that the Commission should examine import market share based on U.S. import shipments in the United States, and not imports⁹² as such, because a substantial portion of Minerais' imports are held in inventory, and may be re-exported.⁹³ As discussed further below with respect to the volume of imports, we find that the statute requires the Commission to consider "imports", and not import shipments,⁹⁴ although the Commission may consider the degree to which imports are held in inventory instead of being immediately sold as a factor in assessing the significance of the imports.⁹⁵ Even measuring import shipments, as opposed to imports, however, we find no negligibility with respect to ferrosilicon from Russia and Ukraine.⁹⁶ ⁹⁷

⁹¹ Report at I-46.

⁹² "Imports" are actual importations into the United States while "import shipments" are shipments of the imports within the United States. 19 U.S.C. § 1677(7)(C)(i) requires the Commission to consider imports rather than import shipments in evaluating the volume of subject imports.

⁹³ See Minerais' Prehearing Brief at 25-27; Minerais' Posthearing Brief, ex. 1 at 15-16.

⁹⁴ 19 U.S.C. 1677(7)(C)(i).

⁹⁵ See Iwatsu Electric Co. v. United States, 758 F. Supp. 1506, 1513-14 (Ct. Int'l Trade 1991) citing USX Corporation v. United States, 655 F. Supp. at 490; Wells Manufacturing Co. v. United States, 677 F. Supp. 1239, 1240 (Ct. Int'l Trade 1987).

⁹⁶ While less dramatic than the increase in imports, import shipments of Russian and Ukrainian product also increased during interim 1992.

b. Ferrosilicon Imports from Argentina.

The Commission reaffirms its preliminary finding that imports from Argentina are not negligible.⁹⁸ Imports from Argentina were made in all periods of the investigation except the first three quarters of 1992.⁹⁹ ¹⁰⁰ Shipments of Argentine product were made in every period, including interim 1992.¹⁰¹ Information on the record demonstrates that the level of imports throughout the period of investigation exceeds the level which the Commission has generally considered to be negligible in the past, and that imports increased from 1990 to 1991.¹⁰²

⁹⁷ (...continued)

⁹⁷ Commissioner Brunsdale finds that given the facts in the current case, the issue of Russian and Ukrainian negligibility should be resolved by examining imports and not shipments of imports. She therefore does not reach the issue of whether the data on import shipments do or do not indicate negligibility.

⁹⁸ See USITC Pub. 2535 at 24.

⁹⁹ Report at I-44.

¹⁰⁰ The Commission generally evaluates negligibility based on the entire period of investigation. See, e.g. Certain Telephone Systems and Subassemblies Thereof from Japan and Taiwan, Invs. Nos. 731-TA-426 and 428 at 32 (November 1989).

¹⁰¹ Report at I-46.

¹⁰² Report at I-44.

c. Ferrosilicon Imports from China. ^{103 104}

We also reaffirm our preliminary finding that imports from China are not negligible.¹⁰⁵ The level of imports from China, although small at the beginning of the period of investigation, has increased substantially during the period of investigation.¹⁰⁶ The data show that imports from China increased from 1989 through 1991 and between interim 1991 and interim 1992. Further, even relatively small amounts of imports may adversely affect an industry under severe stress when the like product is sold in a price sensitive market, as is the case here.^{107 108}

d. Ferrosilicon Imports from Egypt. ¹⁰⁹

We similarly find that Egyptian imports are not negligible. Egyptian import levels are higher than the levels the Commission has in the past considered to be negligible.¹¹⁰ Egyptian Respondents further argue that imports from Egypt should be considered negligible based on importations in only 3 out the 15 quarters, different channels of distribution, lack of fungibility and the fact that the sales were spot transactions as opposed to

¹⁰³ Commissioners Brunsdale and Crawford do not join in this section of the Views of the Commission. See Concurring and Dissenting Views of Commissioner Brunsdale and Commissioner Crawford.

¹⁰⁴ As explained more fully below, Vice Chairman Watson does not believe this a price sensitive market.

¹⁰⁵ See USITC Pub. 235 at 25.

¹⁰⁶ Report at I-46.

¹⁰⁷ See, e.g., H.R. Rep. 40, 100th Cong. 1st Sess. at 131.

¹⁰⁸ In this context we also find the low and declining levels of capacity utilization to be relevant.

¹⁰⁹ Vice Chairman Watson, and Commissioners Brunsdale and Crawford do not join in this section of the Views of the Commission. See Concurring and Dissenting Views of Vice Chairman Watson, Commissioner Brunsdale and Commissioner Crawford.

¹¹⁰ Report at I-46. All imports of Egyptian material subject to investigation entered the U.S. in 1990 or in interim 1992. See also Report at I-40.

long-term contracts.¹¹¹ We find that imports from Egypt are not isolated or sporadic.¹¹² Additionally, as with imports from the PRC, we find even small amounts of imports from Egypt to be significant in light of the price sensitive nature of the ferrosilicon market and the fact that the domestic industry is in severe stress.

We thus find that cumulation of all imports under investigation is appropriate under the statute.

VI. REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF ALLEGEDLY LTFV IMPORTS¹¹³

In its determination of whether there is a reasonable indication that the domestic industry is materially injured by reason of the subject imports, the statute directs the Commission to consider:¹¹⁴

- (I) the volume of imports of the merchandise which is the subject of the investigation;
- (II) the effect of imports of that merchandise on prices in the United States for like products; and
- (III) the impact of imports of such merchandise on domestic producers of like products, but only in the context of production operations in the United States.

In making this determination, the Commission may consider "such other economic factors as are relevant to the determination. . ." ¹¹⁵ However, the

¹¹¹ Egyptian Respondents' Postconference Brief at 11-15.

¹¹² The statute directs us to examine whether sales transactions involving the subject imports are isolated. See 19 U.S.C. 1677(7)(C)(V)(II). Because Egyptian products are sold to processors who in turn resell these products in a form which competes more directly with the domestic like product over a longer period of time than is reflected by the initial importation or sale to the processor, we do not find Egyptian sales to be isolated or sporadic.

¹¹³ Vice Chairman Watson, Commissioners Brunsdale and Crawford do not concur in the discussion as it applies to Egypt. Commissioners Brunsdale and Crawford also do not concur in this discussion as it applies to China.

¹¹⁴ See 19 U.S.C. § 1677(7)(B).

¹¹⁵ 19 U.S.C. § 1677(7)(B)(ii).

Commission is not to weigh causes.¹¹⁶ ¹¹⁷ ¹¹⁸ ¹¹⁹ Finally, the Commission is

¹¹⁶ See, e.g., Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1101 (Ct. Int'l Trade 1988).

¹¹⁷ Chairman Newquist, Commissioner Rohr, and Commissioner Nuzum note that the Commission need not determine that imports are "the principal, a substantial or a significant cause of material injury." S. Rep. No. 249, 96th Cong., 1st Sess. 57 and 74 (1979). Rather, a finding that imports are a cause of material injury is sufficient. See, e.g. Metallverken Nederland, B.V. v. United States, 728 F. Supp. 730, 741 (Ct. Int'l Trade 1989); Citrosuco Paulista S.A. v. United States, 704 F. Supp. 1075, 1101 (Ct. Int'l Trade 1988).

¹¹⁸ Vice Chairman Watson notes that the courts have interpreted the statutory requirement that the Commission consider whether there is material injury "by reason of" the subject imports in a number of different ways. Compare, e.g., United Engineering & Forging v. United States, 779 F. Supp. 1375, 1391 (Ct. Int'l Trade 1989) ("rather it must determine whether unfairly traded imports are contributing to such injury to the domestic industry. Such imports, therefore, need not be the only cause of harm to the domestic industry" (citations omitted)); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741 (Ct. Int'l Trade 1989) (affirming a determination by two Commissioners that "the imports were a cause of material injury"); USX Corporation v. United States, 682 F. Supp. 60, 67 (Ct. Int'l Trade 1988) ("any causation analysis must have at its core, the issue of whether the imports at issue cause, in a non de minimis manner, the material injury to the industry . . .")

Accordingly, Vice Chairman Watson has decided to adhere to the standard provisions, which state that the Commission must satisfy itself that, in light of all the information presented, there is a "sufficient causal link between the less-than-fair-value imports and the requisite injury." S. Rep. No. 249, 96th Cong., 1st Sess. 75 (1979).

¹¹⁹ Commissioner Brunsdale and Commissioner Crawford note that the statute requires that the Commission determine whether a domestic industry is "materially injured by reason of" the allegedly LTFV imports. Many, if not most, domestic industries are subject to injury from more than one economic factor. Of these factors, there may be more than one that independently is causing material injury to the domestic industry. It is assumed in the legislative history that the "ITC will consider information which indicates that harm is caused by factors other than the less-than-fair-value imports." S. Rep. No. 249 at 75. However, the legislative history makes it clear that the Commission is not to weigh or prioritize the factors that are independently causing material injury. Id. at 74; H.R. Rep. No. 317 at 47. The Commission is not to determine if the allegedly LTFV imports are "the principal, a substantial or a significant cause of material injury." S. Rep. No. 249 at 74. Rather, it is to determine whether any injury "by reason of" the allegedly LTFV imports is material. That is, the Commission must determine if the subject imports are causing material injury to the domestic industry. "When determining the effect of imports on the domestic industry, the Commission must consider all relevant factors that can demonstrate if unfairly traded imports are materially injuring the domestic industry." S. Rep. No. 71, 100th Cong., 1st Sess. 116 (1987) (emphasis supplied).

directed to "evaluate all relevant factors . . . within the context of the . . . conditions of competition that are distinctive to the affected industry."¹²⁰

The volume and market share of cumulated imports was significant and increasing throughout the period of investigation. The volume of cumulated imports increased from 1989 to 1991, and also in interim 1991 compared to 1992.¹²¹ Similarly, the U.S. market share of the subject imports measured in quantity, which was significant throughout the period of investigations, rose from 1989 to 1990, declined slightly in 1991, and increased significantly from interim 1991 to interim 1992.¹²² These import volume and market share increases were in contrast to the steadily declining shipments and market share of domestic ferrosilicon producers which continued to decline even when consumption rose in 1992.¹²³ ¹²⁴

Respondent Minerais argued that we should examine market share based on import shipments because a substantial portion of Minerais' imports are held in inventory and may be re-exported and never sold in the United States.¹²⁵ The statute directs the Commission to consider the volume of imports rather than import shipments but also indicates that we are to consider whether the

¹²⁰ 19 U.S.C. § 1677(7) (C).

¹²¹ Report at I-40.

¹²² Report at I-45, Table C-1; EC-Q-017 at 8.

¹²³ Report at I-25, Table C-1.

¹²⁴ Vice Chairman Watson, Commissioner Brunsdale and Commissioner Crawford note that while they did not cumulate imports from Egypt and for Commissioners Brunsdale and Crawford, China, in making their determination, the trends in the imports from the other countries are the same as those discussed in the text.

¹²⁵ Minerais has contended in the course of these proceedings that it intends to re-export a portion of these inventories, and as such, its import shipments would be a more accurate indication of volume and import penetration in the domestic market. We are not persuaded by Minerais' arguments or its reasoning.

volume of imports are "significant."¹²⁶ Further, where the industry customarily maintains large inventories, as appears to be the case here,¹²⁷ the Commission may adjust import penetration figures to account for inventories, particularly when a large initial shipment was used to establish an inventory.¹²⁸ Regardless of whether the Commission considers total imports and market share or import shipments and market share, however, we find the import volume to be significant.¹²⁹

In evaluating the effect of the subject imports on prices, the Commission considers whether there has been significant price underselling of imports and whether the imports suppress or depress prices to a significant degree.¹³⁰ ¹³¹ We find that the subject imports significantly depressed domestic prices.

A number of factors indicate the price depressing effect of the subject

¹²⁶ 19 U.S.C. § 1677(7)(C)(i); Iwatsu Electric Co. v. United States, 758 F. Supp. 1506, 1513-14 (Ct. Int'l Trade 1991).

¹²⁷ See Report at I-28 (while inventories declined, represented 21 to 29 percent of domestic shipments); Tr. at 64 (Mr. Beard) ("[W]e always have inventory on hand for customer demands."), 65 (customers try to maintain zero inventory for themselves), 66 (Mr. Koestner) (greater burden on producers to maintain inventory).

¹²⁸ See Wells Manufacturing co. v. United States, 677 F. Supp. 1239, 1240 (Ct. Int'l Trade 1987).

¹²⁹ Report at I-44.

¹³⁰ 19 U.S.C. § 1677(7)(C)(ii).

¹³¹ Vice Chairman Watson, Commissioner Brunsdale and Commissioner Crawford do not join in the following lengthy discussion of the price depressing effects of the subject imports. Because of the historically unprecedented high level of prices in 1988 and 1989 and the decline in demand that has occurred since that time, they do not believe it is possible to determine from the record whether the price decline is due in part to the subject imports or whether it was solely the result of other economic factors. In 1990, 1991 and interim 1992, prices returned to levels consistent with the previous decade. Commissioners Brunsdale and Crawford do not rely on a showing that competition from the imports caused domestic producers to lose particular sales or forced them to reduce their prices on other sales in reaching their determination.

imports on domestic prices.¹³² First, there was significant underselling, both in terms of absolute price differences and frequency. When considering all countries under investigation, 52 of a total of 75 price comparisons showed underselling by subject imports.¹³³ Second, this underselling occurred in conjunction with increasing market penetration by the cumulated imports at a time of declining market share of the U.S. industry.¹³⁴ Third, the U.S. selling price of the domestic and subject imported ferrosilicon generally fell during the period of investigation,¹³⁵ and import prices declined at somewhat higher rates than domestic prices during this same period.¹³⁶ ¹³⁷ Fourth, domestic producers lost sales to the subject imports due to the lower prices of the imports.¹³⁸

In considering the effect of the subject imports on price, we find it important that the ferrosilicon market is price sensitive. Declines in ferrosilicon prices do not lead to increased consumption of ferrosilicon. Changes in the price of ferrosilicon have very little effect on the quantity of ferrosilicon demanded by the iron and steel industries or on the total cost of iron and steel production because quantities of ferrosilicon used by iron and steel producers are dictated by the nature of the finished product and

¹³² See Iwatsu Electric Co. v. United States, 758 F. Supp. 1506, 1514, 1515 (Ct. Int'l Trade 1991).

¹³³ Report at I-62, E-4.

¹³⁴ See, Iwatsu, 758 F. Supp. at 1514 (evidence of price depression corroborated by both lost sales data (including data on underselling) and other data which indicated that the purchasing decision was price sensitive); see also Metallverken Nederland, 728 F. Supp. 730, 745.

¹³⁵ EC-Q-017 at 10.

¹³⁶ Id.

¹³⁷ See Iwatsu 758 F. Supp. 1506, 1514 (prices of the subject imports well below domestic prices is evidence of price depression).

¹³⁸ See Report at I-75-I-78 providing evidence of lost sales; See also, Report at I-48 (noting that domestic producers and importers reported that they would consider lowering their price for the next bid request if the prior sale had been awarded to a competitor).

production processes used. Further, the cost of ferrosilicon as an input in iron and steel is relatively small compared to the total cost of the finished product. ¹³⁹

We have evaluated arguments that the decline in U.S. ferrosilicon prices during the period of investigation is due to the operation of the business cycle rather than the effects of the subject imports. ¹⁴⁰ While ferrosilicon prices in 1988-89 were at record high levels and that current prices are arguably more similar to prices that existed prior to that historic peak, price depression in the domestic ferrosilicon industry is significant regardless of these historically high price levels. We note in particular that although total unit costs have decreased somewhat during the period of investigation, ¹⁴¹ the cost of goods sold as a share of net sales increased.¹⁴² This indicates that pricing has not been at sufficient levels to allow the industry to recover costs at the same rate as it had early in the period of investigation.

Finally, we find that the significant volume and price effects of the subject imports have had an adverse impact on the domestic producers of like products. First, domestic producers have experienced actual declines in output, sales, market share, profits, return on investments, and capacity utilization during the period of investigation. ¹⁴³ Further, several domestic producers ceased or decreased production during the period of investigation due to poor market conditions in general and the fact that it was less

¹³⁹ Report at I-48, EC-Q-017 at 46. See also, Iwatsu, 758 F. Supp. at 1514.

¹⁴⁰ CVG's Prehearing Brief at 7-8.

¹⁴¹ Report at I-31.

¹⁴² Report at I-32.

¹⁴³ See Section on Conditions of Domestic Industry infra.

expensive to import ferrosilicon than to produce it domestically.¹⁴⁴ There have also been negative effects on the domestic industry's cash flow, inventories, employment, wages, growth, ability to raise capital, research and development and investment.¹⁴⁵ Finally, as previously discussed, we find that the subject imports have contributed to price depression in the domestic industry, through significantly increasing market share and by significant underselling of the domestic like product.

CONCLUSION

For all the reasons set forth above, we determine that there is a reasonable indication that the domestic industry producing all grades of ferrosilicon is materially injured by reason of the allegedly LTFV imports of ferrosilicon from Brazil and Egypt.¹⁴⁶

¹⁴⁴ See Report at I-19--I-21.

¹⁴⁵ Id.

¹⁴⁶ Vice Chairman Watson, and Commissioners Brunsdale and Crawford dissent from this determination with respect to Egypt. See Concurring and dissenting views of Vice Chairman Watson, Commissioner Brunsdale and Commissioner Crawford.

CONCURRING AND DISSENTING VIEWS
OF VICE CHAIRMAN WATSON, COMMISSIONER BRUNSDALE,
AND COMMISSIONER CRAWFORD

Ferrosilicon from Brazil and Egypt
Invs. Nos. 731-TA-641 - 642 (Preliminary)

In these preliminary investigations, we concur in the determination that there is a reasonable indication that an industry in the United States is materially injured by reason of allegedly dumped imports of ferrosilicon from Brazil. We find, however, no such indication with respect to allegedly dumped imports of ferrosilicon from Egypt.

We also concur in the Commission's opinion on the issues of like product, domestic industry and related parties, and the condition of the industry. We further concur in the Commission's opinion on the issue of cumulation except as it applies to Egypt and, in the case of Commissioners Brunsdale and Crawford, China. Finally, we concur in the discussion in the opinion as to why there is a reasonable indication of material injury by reason of allegedly dumped imports from Brazil.

The Legal Standard for Preliminary Determinations

In determining whether there is a reasonable indication of material injury, we have considered whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury ...; and (2) no likelihood exists that contrary

evidence will arise in a final investigation."¹ As our colleagues note, the U.S. Court of Appeals for the Federal Circuit held in American Lamb that this interpretation of the standard "accords with clearly discernible legislative intent and is sufficiently reasonable."²

In addition to approving this standard for preliminary determinations, the Court in American Lamb provided additional guidance as to the amount of evidence needed to provide a reasonable indication of material injury.

We are unable to join the [Court of International Trade] in its view that the statutory phrase "reasonable indication" means the same as a mere "possibility", or that it suggests "only the barest clues or signs needed to justify further inquiry." The statute calls for a reasonable indication of injury, not a reasonable need for further inquiry.³

It is with this guidance in mind that we interpret the record evidence concerning imports from Egypt in these investigations.

Cumulation of Imports from Egypt is Inappropriate

In determining whether there is material injury or a reasonable indication of material injury by reason of subject imports, the Commission is required to assess cumulatively the volume and price effects of imports from two or more countries

¹ American Lamb v. United States, 785 F.2d 994 at 1001.

² Id. at 1004.

³ Id. at 1001.

that are subject to investigation, if such imports "compete with each other and with like products of the domestic industry in the United States market."⁴

In these investigations, there is compelling evidence that imports of ferrosilicon from Egypt do not compete with imports from other subject countries and should not be cumulated with these other imports. Egyptian imports of ferrosilicon consist of byproduct (fines), waste (slag), and off-specification ferrosilicon 65 that is produced as a result of below-standard furnace operations, raw material problems, and power variations.⁵ In contrast to other subject imports and domestic products, Egyptian ferrosilicon products cannot be sold directly to steel companies or iron foundries, the primary customers for other imported ferrosilicon. Instead, these products are sold to two U.S. processors that add significant value to the Egyptian product to transform it into a commercially viable product.⁶

⁴ 19 U.S.C. 1677(7)(C)(iv)(I). Cumulation is also not required where imports "are negligible and have no discernable adverse impact on the domestic industry." 19 U.S.C. 1677(7)(C)(v). The negligible imports exception does not enter into our determination that imports from Egypt should not be cumulated with imports from other countries, and is therefore not discussed further here. However, in the related final investigation involving ferrosilicon from the People's Republic of China, Commissioners Brunsdale and Crawford determined that imports from China were negligible. See their dissenting views in that investigation.

⁵ Report at I-18.

⁶ Conference Transcript at 34-35 (Testimony of Ulrich Krauskopf, Vice President of Metallic Alloys and head of the Ferro Alloy Department, MG Ores and Alloys) and 43 (Testimony of Robin Snyder, ACI Chemicals).

According to testimony at the conference, the Egyptian material "would not be sellable to any of the end users. They would not be able to accept our material as it is."⁷

Egyptian ferrosilicon 65 is not produced to meet certain silicon content ranges, but is merely the combination of various off-spec ferrosilicons to form a mixture that as a whole has a silicon content similar to ferrosilicon 65. In contrast, domestically produced ferrosilicon 65 is produced for a single end user and is made to meet a strict silicon content of 65 percent. The processors of Egyptian ferrosilicon do not purchase ferrosilicon 65 from domestic producers. Because of significant quality differences and the fact the end use for Egyptian ferrosilicon 65 is different from domestically produced ferrosilicon 65, the Egyptian product does not and cannot compete with the domestically produced product.

Slag is produced from tapping the furnaces containing varying degrees of ferrosilicon. Mixed in with the slag are rakeouts which are ferrosilicon that adheres to and remains in the ladles when ferrosilicon is poured from the ladle into the molds. We note that all ferrosilicon producers -- including domestic producers -- create slag, rakeouts, and fines in the production of ferrosilicon 50 and 75.⁸ However, processors

⁷ Conference Transcript at 34 (Testimony of Mr. Krauskopf).

⁸ As noted in the report, slag and rakeouts constitute about [***] percent of the ferrosilicon produced by domestic producers. (Report at I-18, n. 23) According to one U.S. processor, [***].

confirm that the Egyptian product is inferior to that produced by domestic producers and, therefore, requires significantly more processing before it can be used to produce a commercially-viable product.

U.S. processors [***].⁹ According to U.S. processors, [***].

Finally, the fact that the Egyptian imports are of off-spec materials is further supported by the pricing data collected by the Commission. Data on prices of standard grades ferrosilicon 50 and ferrosilicon 75 were sought from importers and from purchasers. However, "U.S. importers did not report any prices of the Egyptian ferrosilicon; most of the imports from Egypt are off-grade material that does not include the ferrosilicon products for which price data were requested".¹⁰

Egyptian Imports Are Not Causing Material Injury

In determining that there is no reasonable indication that an industry in the United States is materially injured by reason of dumped imports of ferrosilicon from Egypt, we have examined, as the statute directs,

(I) the volume of imports of the merchandise which is the subject of the investigation;

(II) the effect of imports of that merchandise on prices in the United States for like products, and

⁹ This additional material consists of [***].

¹⁰ Report at I-53.

(III) the impact of imports of such merchandise on domestic producers of like products....¹¹

The Volume of Subject Imports. There were imports of Egyptian ferrosilicon in only three of the 15 quarters covered by the Commission's period of investigation.¹² These shipments occurred in 1990 and in interim 1992. Further, as the confidential record shows, the level of imports from Egypt was very low both in absolute terms and as a percent of U.S. apparent consumption of ferrosilicon in each period when there were imports.¹³

The Effect on Prices of Domestic Like Products. The small market share of the Egyptian imports and the lack of substitutability between the Egyptian imports and the domestic product strongly support the conclusion that such imports are not causing material injury. As discussed above, the imports from Egypt overwhelmingly consist of waste and off-spec products, and require substantial processing before they can be sold to ferrosilicon consumers. This means not only that there is essentially no substitutability between the imports from Egypt and those from other subject countries, but also that there is

¹¹ 19 U.S.C. 1677(7)(B).

¹² Conference Transcript at 37 (Testimony of Mr. Krauskopf) and 44 (Testimony of Ms. Snyder)

¹³ See Report at I-14 (Table 1), I-15 (Table 2), I-46 (Table 24), and I-46 (Table 25).

virtually no substitutability between the Egyptian product and that produced by the domestic industry. Like the other importers, domestic ferrosilicon producers make and sell ferrosilicon that is ready for use by the iron and steel firms that purchase ferrosilicon. They do not "make" waste that requires additional processing.¹⁴

Because there is essentially no substitution between the domestic product and the product imported from Egypt, it is not possible that a small quantity of such imports could have any measurable effect on the prices domestic producers receive for their ferrosilicon.

The Impact on the Domestic Industry. In addition to price, we are directed to consider a variety of factors that could be affected by dumping. These include such things as output, employment, capacity, and capacity utilization. In this case, the nature of the Egyptian product, *i.e.*, the fact that it is essentially a waste product, ensures that it will have no effect on the domestic industry.

If the subject Egyptian imports compete directly with domestic U.S. products, the competition is with the domestic industry's waste and byproducts. And if this competition exists, it has no effect on the output of the domestic industry. Firms

¹⁴ Indeed, it is not clear that the Egyptian's "make" the products that are imported into the United States. These imports are waste that results from problems with the production process. (Report at I-18)

do not choose to produce waste or off-specification products. Their purpose is to produce the desired product, which in this case is ferrosilicon 50 and 75. A change in the demand for waste and off-spec byproducts, perhaps resulting from dumping, can have no effect on the production decisions made by ferrosilicon producers.

No Material Injury. Imports of Egyptian ferrosilicon have been very small both in absolute terms and relative to U.S. apparent consumption of ferrosilicon. In addition, there is essentially no substitutability between the waste and off-spec products imported from Egypt and the products produced by domestic producers. As a result, there is no discernible impact on the price received by the domestic producers or on the other indicators of the impact of dumping. For all of these reasons, we find no evidence of a reasonable indication of material injury by reason of subject imports from Egypt.¹⁵

No Threat of Future Injury

¹⁵ We note that in the Petition (Petition at 56) and throughout the ITC Conference, Petitioners stated that Egyptian imports consisted of ferrosilicon 50 and ferrosilicon 75 and discussed the competition between the Egyptian imports and domestically-produced ferrosilicon 50 and 75. It was only after being informed at the Conference that Egyptian imports consisted of slags, fines, and off-spec ferrosilicon 65 that Petitioners raised the issue of competition between U.S. processors' domestically-produced slag conditioners and briquettes made with imports and slag conditioners and briquettes made by domestic ferrosilicon producers.

In turning to the threat of future injury, we are mindful of the ten factors to be considered in making threat determinations,¹⁶ and we have considered those which are relevant to the present case. We note, however, that most of the considerations traditionally addressed in threat determinations do not apply to the present case because of the nature of the imports. Since the imported product results from inefficiencies in the production process, there is no reason to believe that any existing underutilized capacity, for example, will cause the Egyptian producers to start producing more of this material for export to the United States.¹⁷ Similarly, because the Egyptian imports do not directly compete with the domestic product, there is no danger 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".¹⁸

We further note that for those factors that could arguably be found to have relevance in this case, i.e., rapidly increasing market share or large inventories in the United States, the record contains no evidence consistent with a threat of injury. As already explained, the Egyptian product entered the U.S. only sporadically during the period of investigation and never

¹⁶ 19 U.S.C. 1677(7)(F)(i).

¹⁷ [***] (Report at I-40, Table 18) Therefore, even in a more normal case, the capacity utilization data would not suggest that "the threat of material injury is real and that actual injury is imminent." (19 U.S.C. 1677(7)(F)(ii))

¹⁸ 19 U.S.C. 1677(7)(F)(i)(IV).

captured more than a very small market share. As to inventories, there were none except at the end of the period of investigation when extremely small levels of such imports were held in the United States.¹⁹

For all of the above reasons, we find that the record in these investigations provides no evidence of a threat of future injury.

Conclusion

We find that the record in these investigations contains clear and convincing evidence of no reasonable indication that an industry in the United States is materially injured or is threatened with material injury by reason of imports of ferrosilicon from Egypt. We further believe that there is no likelihood that contrary evidence would be developed in any final investigations.

¹⁹ Report at I-38, Table 17.

INFORMATION OBTAINED IN THE INVESTIGATIONS

INTRODUCTION

**Institution of Investigations Nos. 303-TA-23 and
731-TA-566-570 (Final)**

Following preliminary determinations by the U.S. Department of Commerce that imports of ferrosilicon¹ are being subsidized by the Government of Venezuela (57 F.R. 38482, August 25, 1992) and that such imports from Kazakhstan, China, Russia, Ukraine, and Venezuela are being, or are likely to be, sold in the United States at less than fair value (LTFV) (57 F.R. 52759, November 5, 1992; 57 F.R. 61876, December 29, 1992), the U.S. International Trade Commission instituted investigation No. 303-TA-23² (Final) (concerning Venezuela) on August 21, 1992, investigation No. 731-TA-567 (Final) (concerning China) on November 5, 1992, and investigations Nos. 731-TA-566 and 568-570 (Final) (concerning Kazakhstan, Russia, Ukraine, and Venezuela, respectively) on December 21, 1992. These investigations were instituted under sections 303 and 735(b) of the Tariff Act of 1930 (19 U.S.C. §§ 1303 and 1673d(b)) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise. Notices of the institution of the Commission's investigations and of a public hearing 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 on September 11, 1992 (57 F.R. 41777), December 2, 1992 (57 F.R. 57076), and December 29, 1992 (57 F.R. 61919). Copies of the Federal Register notices are presented in appendix A. The hearing was held in Washington, DC, on January 22, 1993. A list of participants in the hearing is presented in appendix B.

In its final determination concerning investigation No. 731-TA-567, as published in the Federal Register on January 21, 1993 (58 F.R. 5356), Commerce determined that imports of ferrosilicon from China are being, or are likely to be, sold in the United States at LTFV. Commerce's Federal Register notice is presented in appendix A. The applicable statute directs that the Commission make its final determination within 120 days after an affirmative preliminary determination by Commerce or 45 days after an affirmative final determination by Commerce (whichever is later), or in this case (i.e., concerning China) by

¹ For purposes of these investigations, the subject product is ferrosilicon, a ferroalloy generally containing, by weight, not less than 4 percent iron, more than 8 percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than 3 percent phosphorus, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element. Ferrosilicon is classified in subheadings 7202.21.10, 7202.21.50, 7202.21.75, 7202.21.90, and 7202.29.00 of the Harmonized Tariff Schedule of the United States (HTS).

² Venezuela is not a signatory of the General Agreement on Tariffs and Trade (GATT) subsidies code and thus is not "under the Agreement" pursuant to sec. 701(b) of the act. However, Venezuela has been accorded an injury investigation under sec. 303 of the act for those articles that are free of duty (whether under the GSP or under subheading 7202.29.00).

March 4, 1993. The Commission voted on this investigation on February 23, 1993. Commerce is scheduled to make its final determinations regarding investigations Nos. 731-TA-566 and 568-569 (concerning Kazakhstan, Russia, and Ukraine) by March 2, 1993 and investigations Nos. 303-TA-23 and 731-TA-565 and 570 (concerning Argentina³ and Venezuela) by May 3, 1993.

These investigations result from a petition filed by AIMCOR, Pittsburgh, PA; Alabama Silicon, Inc., Bessemer, AL; American Alloys, Inc., Pittsburgh, PA; Globe Metallurgical, Inc., Cleveland, OH; Silicon Metaltech, Inc., Seattle, WA; Oil, Chemical & Atomic Workers Union (local 389); United Autoworkers of America Union (locals 523 and 12646); and United Steelworkers of America Union (locals 2528, 3081, and 5171) on May 22, 1992. In response to that petition the Commission instituted investigations Nos. 303-TA-23 and 731-TA-565-570 (Preliminary) under sections 303 and 733 of the Tariff Act of 1930 (19 U.S.C. §§ 1303 and 1673b(a)) and, on July 6, 1992, determined that there was a reasonable indication of such material injury.

Institution of Investigations Nos. 731-TA-641-642 (Preliminary)

On January 12, 1993, petitions were filed with the Commission and Commerce by counsel on behalf of the same companies and unions mentioned above, alleging that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of ferrosilicon from Brazil and Egypt that are allegedly being sold in the United States at LTFV. Accordingly, effective January 12, 1993, the Commission instituted investigations Nos. 731-TA-641-642 (Preliminary), under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of the allegedly LTFV imports of ferrosilicon into the United States.

Notice of the institution of these investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of January 21, 1993 (58 F.R. 5413). Commerce published its notice of initiation in the Federal Register of February 8, 1993 (58 F.R. 7529). Copies of the Federal Register notices are presented in appendix A. The conference was held on February 3,

³ In investigation No. 731-TA-565, Commerce preliminarily determined that imports of ferrosilicon from Argentina are not being, and are not likely to be, sold in the United States at LTFV (57 F.R. 61874, December 29, 1992). While the Commission has not instituted a final investigation concerning imports from Argentina because of Commerce's negative preliminary determination, such imports are still "subject to investigation" for purposes of section 1677 (7)(C)(iv)(I) of the act. Accordingly, available information on such products is presented throughout this report. The term "subject countries" in this report refers to the countries in investigations which the Commission has instituted to date.

1993, and the Commission's vote in these investigations was held on February 23, 1993. A list of the participants at the conference is presented in appendix B. The statute directs that the Commission make its determinations in these investigations within 45 days after receipt of the petition, or by February 26, 1993.

A summary of the data collected in all investigations covered by this report is presented in appendix C.

Previous Commission Investigations Concerning Ferrosilicon

On January 24, 1984, the Commission determined, pursuant to the Trade Act of 1974, that market disruption did not exist as a result of imports of ferrosilicon from the USSR.⁴ Although the Commission noted that imports of ferrosilicon from the USSR were increasing rapidly and that domestic ferrosilicon producers were suffering material injury, it determined that the imports were not a significant cause of material injury or threat thereof.

THE PRODUCT

Description and Uses

Ferrosilicon is an alloy of iron and silicon used primarily by steel producers and iron casters, as discussed below. Although the product subject to investigation encompasses ferrosilicon containing from 4 percent to 96 percent silicon, in practice the product is sold within a few set ranges of silicon content. The most common are ferrosilicon 50 and ferrosilicon 75, which in 1991 accounted for 53 percent and 42 percent of total U.S. apparent consumption, respectively. By industry standards, ferrosilicon 50 contains between 47 percent and 51 percent silicon. Similarly, ferrosilicon 75 contains 74 percent to 79 percent silicon. Silvery pig iron, which has a silicon content under 25 percent, accounted for 4 percent of total U.S. apparent consumption during 1991. The remaining 1 percent of apparent consumption of ferrosilicon was accounted for by specialty grades, which include ferrosilicon 65 and proprietary grades.

The Commission's questionnaires requested data on U.S. shipments and imports by two product categories; low-silicon-content and high-silicon-content. These product categories were defined according to HTS classifications, so official statistics of the U.S. Department of Commerce could be used for imports from non-subject sources. The low-silicon-content category, inclusive of ferrosilicon 50 and silvery pig iron, is defined as ferrosilicon containing by weight more than 8 percent but not more than 55 percent of silicon. The high-silicon-content category is ferrosilicon containing by weight more than 55 percent but not more than 96 percent of silicon. It includes ferrosilicon 65 and ferrosilicon 75.

⁴ *Ferrosilicon from the Union of Soviet Socialist Republics: Determination of the Commission in Investigation No. TA-406-10*, USITC Publication 1484, February 1984.

In addition to silicon content, ferrosilicon is sold according to the presence of other elements, some of which are considered impurities and others of which are considered enhancements. Elements that are considered impurities (e.g. phosphorus, sulfur, and aluminum) must be kept under set percentages in order for the ferrosilicon to be useable.⁵ Regular, or commodity, grade ferrosilicon generally has close to the maximum allowable amount of the undesired elements. Ferrosilicon with substantially lower amounts of these elements is referred to as high-purity. One high-purity grade that is common is low-aluminum ferrosilicon, which, for ferrosilicon 50, would contain a maximum of 0.4 percent aluminum, as opposed to a maximum of 1.25 percent for regular grade ferrosilicon 50. Foundry grade ferrosilicon, specified for cast iron applications, has a minimum amount of calcium or other minor elements. Regular, high-purity, and foundry grades of ferrosilicon are considered standard grades, as distinct from specialty grades.

Specialty grades include ferrosilicon with specific percentages of supplemental minor elements (e.g., chromium, copper) that add desired properties to the ferrosilicon. Because specialty grades were often designed by ferrosilicon producers to meet the needs of a particular application, many have trademark protection, and are sold as proprietary grades. By convention, specialty grades also refer to ferrosilicon that is neither ferrosilicon 50 nor ferrosilicon 75, such as ferrosilicon 65.

Another characteristic that is specified in the sale of ferrosilicon is size.⁶ Size is important because it affects the performance of the ferrosilicon. Lumps are generally preferred over fines. Lumps added for deoxidizing purposes to the furnace are generally large, since they are heavy enough to penetrate the layer of slag on top of the molten metal. Smaller lumps are more commonly used for alloying purposes in the ladle, where they are dissolved more quickly. Fines are less desirable than lumps because it is more difficult to recover the silicon content in them. To overcome this, fines are often shaped in a mold and held together by a binding agent to form a briquette.

The principal use of ferrosilicon 50 and ferrosilicon 75 is as an alloying agent in the production of steel and cast iron. When added to molten steel, ferrosilicon can improve the finished product's strength, toughness, corrosion resistance, and magnetic properties. Similarly, when added to molten iron, ferrosilicon makes the cast iron softer, more machineable, and heat- and corrosion-resistant. Besides its role as an alloying agent, ferrosilicon serves other functions. It is used by steelmakers as a

⁵ Many of the more common limits for the content of impurities are set by the American Society for Testing and Materials (ASTM).

⁶ Sizes vary from 8" by 4" to 1/4" by down. "Down," when used as minimum size, means that a high percentage (15 to 20 percent) of the material can pass through a small sieve. For example, in 4" by down ferrosilicon, "down" refers to a minimum dimension of 1/4"; in 1" by down product, "down" may have no minimum size dimension. (Petition, p. 10.)

deoxidizer⁷ and a reducing agent,⁸ and by cast iron producers as an inoculant.⁹ The function that the ferrosilicon actually serves depends on several factors, including its grade, size, and the stage in the process in which it is added to the molten metal.

Within the steel industry, ferrosilicon is most commonly used in the production of stainless and heat-resisting steels. Although these grades make up less than 5 percent of total production of steel, they accounted for about 47 percent of the consumption of ferrosilicon by the steel industry in 1990. Ferrosilicon also provides the desired magnetic properties for the production of electric sheet steels.

Steel and iron producers have the technical capability to use either grade of ferrosilicon in their production process, with some producers more readily able than others to use either grade.¹⁰ The decision to use a specific grade is initially made by comparing costs on a per-unit-of-silicon basis. Once a grade is selected, however, switching is infrequent as it involves costs that are normally greater than the potential savings of using a new, cheaper grade. When a steel or cast iron producer switches ferrosilicon grades, all the steelmaking or ironmaking ingredients are affected and must be adjusted. Although computers help producers make the necessary changes, in practice it may take plant operators several days before they can run the furnace efficiently or produce iron or steel to tight metallurgical specifications. Frequent switching also runs the risk of confusing plant operators, who, by inadvertently adding one grade of ferrosilicon instead of the other, could ruin an entire heat of iron or steel. Furthermore, as ferrosilicon represents a small part of the total cost of steelmaking (see "Prices" section), the potential savings from the switch is generally minor.

However, if the gap in the price for ferrosilicon 50 and ferrosilicon 75 (on a per-unit-of-silicon basis) becomes wide, and the gap appears likely to last for more than a brief period, switching becomes more likely. The threshold point is difficult to define, as it varies from one producer to another. However, the gap in ferrosilicon 50 and ferrosilicon 75 prices has generally been below that threshold in recent years, as ferrosilicon producers and steel industry representatives report few instances of switching.

⁷ When ferrosilicon is added to the molten steel, silicon combines with oxygen, thereby reducing the oxygen content to a minimum. The presence of oxygen can result in the presence of undesired bubbles in the solidified steel.

⁸ When ferrosilicon is added to molten steel, some of the silicon reduces the metal oxides present in the layer of slag floating on the top of the bath. The silicon combines with the oxygen, allowing desired materials, such as chromium, to sink into the bath.

⁹ As an inoculant, ferrosilicon changes the graphite structure of the iron, resulting in a softer and more machineable cast iron product.

¹⁰ In limited applications, ferrosilicon 50 cannot substitute for ferrosilicon 75. For example, in argon oxygen decarburization (AOD) furnaces used for specialty steelmaking, ferrosilicon 50 introduces too many contaminants to be useful. ***, telephone conversation, June 16, 1992.

Outside of the steel and cast iron industries, consumption of ferrosilicon is relatively minor, with such uses accounting for an estimated 16 percent of total apparent consumption.¹¹ Producers of magnesium, nickel, ferrovanadium, and metallic sodium all use small quantities of ferrosilicon.

Applications for silvery pig iron are limited. In most cases, it is used in the production of gray cast iron.¹² Some foundries prefer silvery pig iron to ferrosilicon 50 because silvery pig iron has unique magnetic properties that facilitate handling. Silvery pig iron in a finely ground form is also used for its magnetic properties in the separation of heavy and medium ores (e.g., fluorite, barite) from waste materials.

Production Processes

Ferrosilicon is produced by smelting iron and silicon in a submerged-arc electric furnace,¹³ in which large carbon electrodes extend into the furnace and supply the electrical energy needed to produce high temperatures.¹⁴ The iron comes in the form of iron or steel scrap, whereas the silicon content comes from silica (SiO_2) in the form of quartzite. These are combined in the furnace together with a carbonaceous material (e.g., low-ash coal, petroleum coke, or coal char) and wood chips or other bulking agents, which give the furnace mixture the desired porosity to allow an even flow of the reactant gases. The submerged-arc furnace can either be covered or open. While open furnaces burn off carbon monoxide as a by-product, covered furnaces recover the gas and use it as a source of power for furnace operation. By reducing energy consumption, covered furnaces can lower operating costs. For technical reasons, however, furnaces used in the production of ferrosilicon 75 cannot be covered.¹⁵

As the submerged-arc furnace reaches its operating temperature, the carbon from the coal or coke separates the quartzite's silicon from its oxygen, leaving the silicon to combine with the iron from the scrap to form ferrosilicon, and the oxygen to combine with the carbon to form carbon monoxide as a by-product gas.¹⁶

¹¹ Estimated based on statistics of Clark R. Neuharth, Bureau of Mines, *Ferroalloys: Annual Report 1990*, April 1992, p. 22.

¹² Gray iron is distinguished from other cast iron (ductile, malleable) by the presence of flake graphite. It accounts for approximately 60 percent of cast iron produced in the United States.

¹³ Ferrosilicon can be produced in either blast furnaces or submerged-arc electric furnaces. All the domestic producers use electric furnaces.

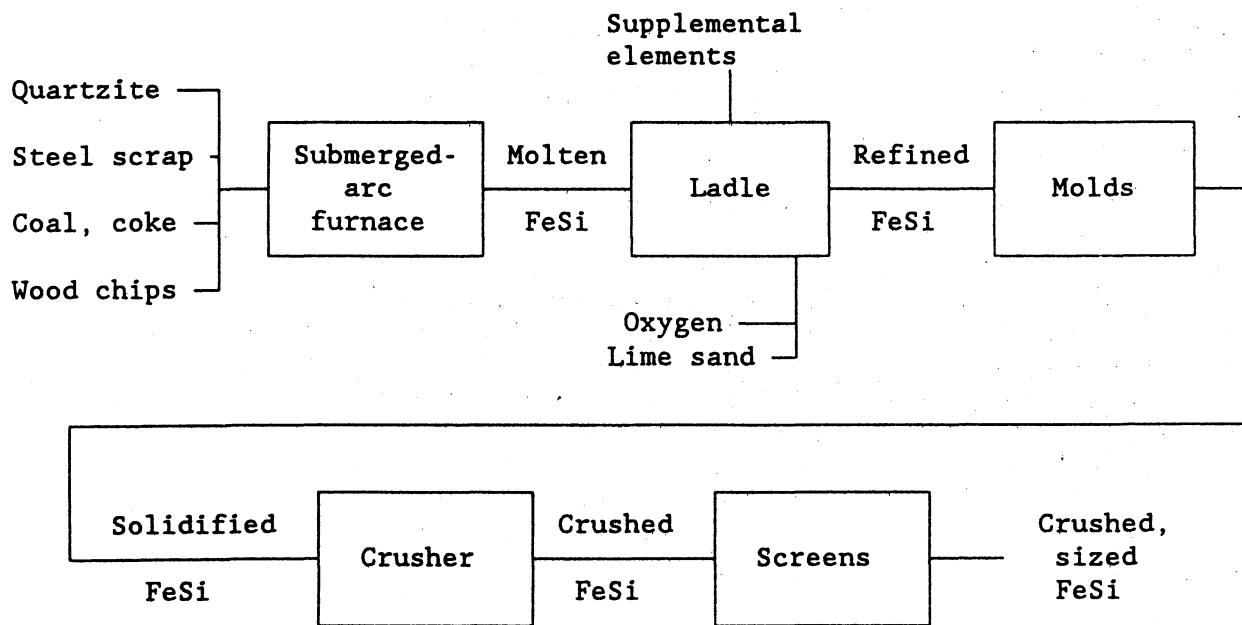
¹⁴ Because of the tremendous quantity of electricity required to run ferrosilicon furnaces (50 million kilowatt hours of energy consumed each month by American Alloys' facility), new air pollution control standards resulting in the higher cost of electricity have increased the cost of producing ferrosilicon in the United States. (Transcript of the Commission's conference in investigations Nos. 303-TA-23 and 731-TA-565-570 (Conference TR), p. 15.)

¹⁵ Conference TR, p. 125.

¹⁶ The basic chemical reaction is as follows: $\text{SiO}_2 + 2\text{C} + \text{Fe} \rightarrow \text{FeSi} + 2\text{CO}$.

As molten ferrosilicon accumulates in the furnace, it is drawn off into ladles (figure 1). While in the ladle, the molten ferrosilicon may undergo further refinement. Because the raw materials frequently contain elements that are considered impurities, oxygen or lime sand may be injected into the mixture, where they combine with the unwanted elements (e.g., aluminum, calcium) to form slag. However, oxygen and lime sand will not combine with other unwanted elements (e.g., manganese, titanium, and chromium), so it is essential that the raw materials be carefully selected. After the ferrosilicon undergoes any necessary refinement in the ladle, it is poured into cast iron molds or onto a bed of ferrosilicon fines, where it is cooled.¹⁷ The solidified product is then crushed into the size required by customers. Both lumps (standard sizes) and fines (small, nonstandard sizes) are produced in the crushing operation. One alternative to the casting and crushing operation is the pouring of the molten ferrosilicon into a high-powered water stream. The force and cooling effect of the water forces the molten material to solidify into uniform chunks.

Figure 1
Ferrosilicon: Simplified production flow chart



¹⁷ In the case of silvery pig iron, ferrosilicon is cast into small blocks of standard size, typically weighing 12.5 pounds. The blocks are referred to as piglets.

Substitute Products

There are few substitute products for ferrosilicon. Those that generally exist either cost more, introduce undesired elements, or both. The usefulness of ferrosilicon lies in the contained silicon. Iron only serves as the carrier. For cast iron and steel applications, iron is the ideal carrier because when the ferrosilicon is added to the bath, the iron blends into the molten metal, which is itself iron-based. When silicon is carried by other materials, the carrier material often is a contaminant. For example, silicon carbide, an alloy of silicon and carbon, is rarely used in the steel industry because carbon is a contaminant for steel. It is, however, used by cast iron producers, for whom the presence of carbon presents less of a problem.

Silicomanganese is an alloy that can substitute simultaneously for ferrosilicon and ferromanganese. Because manganese and silicon are the most common alloying agents in the steel industry, applications that make use of both are common. The decision to use silicomanganese in place of ferrosilicon and ferromanganese is basically made on the basis of cost, i.e., whichever is cheaper on a per-unit silicon and per-unit manganese basis. However, producers generally prefer to work with ferrosilicon and ferromanganese separately, since they alone are sufficient to meet all their silicon and manganese requirements.¹⁸

Silicon metal, which contains 96 percent or more of silicon, is generally not an economical substitute for ferrosilicon 50 or ferrosilicon 75, since the cost per unit of silicon is substantially higher in silicon metal.¹⁹

Other elements and ferroalloys that may also substitute for ferrosilicon include ferrochrome silicon and ferromanganese silicon (as alloys), and aluminum and ferromanganese (as deoxidizers). In practice, these products rarely substitute for ferrosilicon because they are more expensive. In addition, for certain steels, using aluminum for deoxidizing would increase the aluminum content to unacceptable levels.²⁰ With respect to inoculation, research has resulted in the discovery of other elements besides silicon that serve inoculant functions, specifically calcium, aluminum, and strontium. The use of these substitutes is limited, however, by cost considerations and negative side effects. For example, although calcium is a more effective inoculant than silicon, it can cause the formation of slag and waste product, which are undesirable.²¹

¹⁸ ***, telephone conversation, June 15, 1992.

¹⁹ ***, telephone conversation, June 15, 1992. Steel producers would substitute silicon metal for ferrosilicon only if the grade of steel had a specified maximum for iron. This application is limited.

²⁰ *** interview.

²¹ Elkem, *The Inoculation of Gray Cast Irons*, p. 10.

U.S. Tariff Treatment

U.S. imports of ferrosilicon containing by weight more than 55 percent but not more than 80 percent of silicon are classified in subheadings 7202.21.10 and 7202.21.50 of the HTS. The most-favored-nation (MFN) (col. 1-general) rates of duty, applicable to products of Brazil, China, Egypt, Venezuela, Russia, Ukraine, and all other MFN countries, are 1.1 and 1.5 percent ad valorem, respectively. Such imports of ferrosilicon from Egypt and Venezuela may be eligible for duty-free entry under the Generalized System of Preferences (GSP), based on importer request and a showing that shipments qualify. Imports classified under these HTS subheadings from Brazil are not eligible for GSP duty-free entry. The duty applied to imports from Kazakhstan is the column 2 rate of duty of 11.5 percent ad valorem under both subheadings.

The rates of duty for ferrosilicon containing by weight more than 80 percent but not more than 90 percent of silicon (HTS subheading 7202.21.75) are 1.9 percent ad valorem under column 1-general and 9 percent ad valorem under column 2. Similarly, the rates of duty for ferrosilicon containing by weight more than 90 percent of silicon (HTS subheading 7202.21.90) are 5.8 percent ad valorem under column 1-general and 40 percent under column 2. For these two subheadings, imports are not eligible for duty-free entry under the GSP. Thus, Brazil, China, Egypt, Russia, Ukraine, and Venezuela are subject to the column 1-general rates of duty and Kazakhstan is subject to the column 2 rates.

U.S. imports of all other ferrosilicon from countries entitled to the column 1-general duty rate enter unconditionally free of duty under subheading 7202.29.00. The column 2 rate of duty is 4.4 cents per kilogram on silicon content, and is applicable to imports from Kazakhstan.

THE NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

Effective August 25, 1992, Commerce preliminarily determined that Fesilven, presently Venezuela's only ferrosilicon producer, received benefits which constituted bounties or grants within the meaning of section 303 of the Tariff Act of 1930. Commerce found that Fesilven received preferential power rates and export bonds, which resulted in an estimated net subsidy of 4.97 percent ad valorem.

Although Venezuela is not a "country under the agreement" pursuant to section 701(b) of the act, the Commission is conducting a countervailing duty investigation pursuant to section 303 of the act because ferrosilicon from Venezuela can enter the United States free of duty under HTS subheadings 7202.21.10, 7202.21.50, and 7202.29.00. There have been no imports from Venezuela of ferrosilicon under the two HTS subheadings, 7202.21.75 and 7202.21.90, for which imports cannot enter free of duty.

Sales at LTFV**Brazil**

In assessing LTFV margins, the petitioners calculated foreign market value (FMV) based on both constructed value and Brazilian home market prices. The petitioners based the FMV on constructed value because of the limited availability of Brazilian home market price data and the allegations that Brazilian producers are selling below the cost of production in their domestic market. The petitioners calculated LTFV margins of between 13.07 percent and 23.45 percent if FMV is based on home market sales and at margins of between 64.17 percent and 89.52 percent if FMV is based on constructed value. Commerce recalculated margins based on constructed value to be between 24.43 percent and 34.73 percent. Commerce is scheduled to make its preliminary determination by June 21, 1993.

China

On the basis of best information available, Commerce determined that imports of ferrosilicon from China are being, or are likely to be, sold in the United States at LTFV. Accordingly, effective January 21, 1993, Commerce directed the U.S. Customs Service to suspend liquidation of all entries of ferrosilicon from China. Customs requires a cash deposit or the posting of a bond equal to Commerce's determination, which in this case is 137.73 percent.

Egypt

Basing U.S. price (USP) on monthly weighted-average Customs unit values for ferrosilicon classified under HTS subheading 7202.21.5000 and FMV on Egyptian home market prices, the petitioners allege that the Egyptian producer is exporting ferrosilicon to the United States at LTFV margins of between 52.41 percent and 90.50 percent. Commerce is scheduled to make its preliminary determination by June 21, 1993.

Kazakhstan, Russia, and Ukraine

On December 29, 1992, the Commission received notice from Commerce of its affirmative preliminary determination of sales at less than fair value of ferrosilicon from Kazakhstan, Russia, and Ukraine. Because the respondents were unable to produce the information requested in a timely manner, Commerce determined to use best information available in their calculation of the dumping margin. As alleged in the petition, Commerce preliminarily determined margins to be 104.18 percent for all three countries. Commerce also found that critical circumstances exist for such imports. A finding of critical circumstances means that suspension of liquidation will apply to all entries of ferrosilicon from Kazakhstan, Russia, or Ukraine that are entered, or withdrawn from warehouse, for consumption on or after August 30, 1992.

Venezuela

On the basis of comparisons of USP and FMV, Commerce preliminarily determined on December 18, 1992, that imports of ferrosilicon from Venezuela are being, or are likely to be, sold in the United States at LTFV. Basing the USP on packed f.o.b. prices to unrelated customers and FMV on packed f.o.t. (free on truck) prices to unrelated customers in the home market, Commerce preliminarily determined dumping margins (in percent) as follows:

<u>Manufacturer/exporter</u>	<u>Margin</u>
CVG-Fesilven.....	1.49
All others.....	1.49

THE U.S. MARKET**Apparent U.S. Consumption**

The demand for ferrosilicon is directly tied to the steel and foundry industries. Although the United States is the third largest steel producer in the world, weak demand from the construction, automotive, and appliance sectors contributed to a decline in steel output from 1989 to 1991. The steel industry had experienced high growth in 1988, but production decreased in 1989 as the rate of general economic growth slowed.

Technological advances in the composition and production processes of cast irons have contributed to a decline in cast iron production starting in the mid-1970s. Through improved design and metallurgical compositions, it is possible to produce much thinner and lighter castings with the same or even improved levels of performance. Ductile iron has replaced some of the traditional grades of cast iron in applications where a lighter casting is preferred.

Data on apparent consumption of ferrosilicon based on U.S. producers' shipments and U.S. imports are presented in table 1. Total U.S. consumption, by quantity, decreased by 13.0 percent from 1989 to 1991, but increased 25.7 percent between the interim periods. In terms of value, total reported U.S. consumption fell by 31.9 percent from 1989 to 1991, but rose by 11.5 percent from January-September 1991 to January-September 1992. Data on apparent consumption based on U.S. producers' and U.S. importers' shipments are presented in table 2. As indicated, apparent consumption (by quantity) decreased 12.1 percent from 1989 to 1991, but rose 10.8 percent between the interim periods.

Apparent U.S. consumption by product grade is presented in table 3. In terms of quantity, the low-silicon-content grade averaged *** percent of total consumption during 1989-91 and *** percent in January-September 1992. In terms of value, the low-silicon-content grade accounted for an average of *** percent of total U.S. consumption during 1989-91 and *** percent in January-September 1992. Imports from Kazakhstan, Russia, and Ukraine were

Table 1

Ferrosilicon: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption,¹ 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.--	
				1991	1992
Quantity (silicon-content short tons)					
Producers' U.S. shipments . . .	246,632	219,185	188,024	138,897	119,790
U.S. imports from--					
Brazil	13,435	30,063	11,700	5,924	44,118
China	***	***	***	***	***
Egypt	***	***	***	***	***
Kazakhstan	***	***	***	***	***
Russia	***	***	***	***	***
Ukraine	***	***	***	***	***
Venezuela	<u>21,624</u>	<u>26,585</u>	<u>32,979</u>	<u>17,197</u>	<u>11,703</u>
Subtotal	***	***	***	***	***
Argentina	<u>7,718</u>	<u>5,432</u>	<u>7,829</u>	<u>6,487</u>	<u>0</u>
Subtotal	***	***	***	***	***
Other sources	<u>44,642</u>	<u>47,883</u>	<u>43,917</u>	<u>28,639</u>	<u>41,765</u>
Total	***	***	***	***	***
Apparent consumption . . .	***	***	***	***	***
Value (1,000 dollars)					
Producers' U.S. shipments . . .	254,143	192,402	156,341	117,364	96,467
U.S. imports from--					
Brazil	12,055	20,952	7,001	3,904	26,909
China	***	***	***	***	***
Egypt	***	***	***	***	***
Kazakhstan	***	***	***	***	***
Russia	***	***	***	***	***
Ukraine	***	***	***	***	***
Venezuela	<u>20,819</u>	<u>16,811</u>	<u>21,561</u>	<u>11,309</u>	<u>7,330</u>
Subtotal	***	***	***	***	***
Argentina	<u>8,312</u>	<u>3,676</u>	<u>4,857</u>	<u>4,005</u>	<u>0</u>
Subtotal	***	***	***	***	***
Other sources	<u>41,035</u>	<u>39,104</u>	<u>36,088</u>	<u>24,217</u>	<u>32,124</u>
Total	***	***	***	***	***
Apparent consumption . . .	***	***	***	***	***

¹ The data in the table are for 10 producers and 25 importers, accounting for 100 percent of U.S. producers' U.S. shipments and 100 percent of U.S. imports from the subject countries and Argentina. U.S. imports from all other sources were compiled from official statistics of the U.S. Department of Commerce.

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

Ferrosilicon: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption,¹ 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.--	
				1991	1992
Quantity (silicon-content short tons)					
Producers' U.S. shipments . . .	246,632	219,185	188,024	138,897	119,790
Importers' U.S. shipments:					
Brazil	10,076	21,720	21,125	13,757	30,174
China	***	***	***	***	***
Egypt	***	***	***	***	***
Kazakhstan	***	***	***	***	***
Russia	***	***	***	***	***
Ukraine	***	***	***	***	***
Venezuela	17,678	29,187	27,314	17,093	18,594
Subtotal	***	***	***	***	***
Argentina	7,120	4,886	4,675	2,557	2,752
Subtotal	***	***	***	***	***
Other sources	44,642	47,883	43,917	28,639	41,765
Total	***	***	***	***	***
Apparent consumption . . .	***	***	***	***	***
Value (1,000 dollars)					
Producers' U.S. shipments . . .	254,143	192,402	156,341	117,364	96,467
Importers' U.S. shipments:					
Brazil	8,199	16,784	15,739	10,510	19,192
China	***	***	***	***	***
Egypt	***	***	***	***	***
Kazakhstan	***	***	***	***	***
Russia	***	***	***	***	***
Ukraine	***	***	***	***	***
Venezuela	18,827	22,114	19,605	12,409	12,698
Subtotal	***	***	***	***	***
Argentina	6,585	3,893	3,664	2,166	1,873
Subtotal	***	***	***	***	***
Other sources	41,035	39,104	36,088	24,217	32,124
Total	***	***	***	***	***
Apparent consumption . . .	***	***	***	***	***

¹ The data in the table are for 10 producers and 25 importers, accounting for 100 percent of U.S. producers' U.S. shipments and 100 percent of U.S. imports from the subject countries and Argentina. Since shipments for all other sources are not available, imports compiled from official statistics of the U.S. Department of Commerce were used.

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 3
 Ferrosilicon: U.S. shipments of domestic product, U.S. imports, and apparent
 U.S. consumption,¹ by product categories, 1989-91, January-September 1991, and
 January-September 1992

<u>Item</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Jan.-Sept.--</u>				
				<u>1991</u>	<u>1992</u>			
<u>Quantity (silicon-content short tons)</u>								
Low silicon content:								
Producers' U.S. shipments . . .	142,301	132,361	114,573	83,424	73,669			
U.S. imports from--								
Brazil	1,452	1,826	2,165	565	2,395			
China	***	***	***	***	***			
Egypt ²	***	***	***	***	***			
Kazakhstan	***	***	***	***	***			
Russia	***	***	***	***	***			
Ukraine	***	***	***	***	***			
Venezuela	0	676	1,350	1,350	0			
Subtotal	***	***	***	***	***			
Argentina	0	0	0	0	0			
Subtotal	***	***	***	***	***			
Other sources	4,969	7,998	2,059	1,460	2,226			
Total	***	***	***	***	***			
Apparent consumption	***	***	***	***	***			
High silicon content:								
Producers' U.S. shipments . . .	103,804	86,358	72,937	54,964	45,935			
U.S. imports from--								
Brazil	11,982	28,237	9,536	5,359	41,723			
China	***	***	***	***	***			
Egypt ³	***	***	***	***	***			
Kazakhstan ⁴	***	***	***	***	***			
Russia ⁴	***	***	***	***	***			
Ukraine	***	***	***	***	***			
Venezuela	21,624	25,909	31,628	15,846	11,703			
Subtotal	***	***	***	***	***			
Argentina	7,718	5,432	7,829	6,487	0			
Subtotal	***	***	***	***	***			
Other sources	39,673	39,884	41,857	27,179	39,539			
Total	***	***	***	***	***			
Apparent consumption	***	***	***	***	***			

Footnotes appear at end of table.

Table 3--Continued

Ferrosilicon: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption,¹ by product categories, 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.--	
				1991	1992
Value (1,000 dollars)					
Low silicon content:					
Producers' U.S. shipments . .	138,300	113,401	92,644	68,253	57,952
U.S. imports from--					
Brazil	907	1,039	906	251	1,106
China	***	***	***	***	***
Egypt ²	***	***	***	***	***
Kazakhstan	***	***	***	***	***
Russia	***	***	***	***	***
Ukraine	***	***	***	***	***
Venezuela	0	723	801	801	0
Subtotal	***	***	***	***	***
Argentina	0	0	0	0	0
Subtotal	***	***	***	***	***
Other sources	5,002	7,360	2,599	1,851	2,054
Total	***	***	***	***	***
Apparent consumption .	***	***	***	***	***
High silicon content:					
Producers' U.S. shipments . .	115,410	78,647	63,306	48,721	38,369
U.S. imports from--					
Brazil	11,148	19,913	6,095	3,653	25,803
China	***	***	***	***	***
Egypt ³	***	***	***	***	***
Kazakhstan ⁴	***	***	***	***	***
Russia ⁴	***	***	***	***	***
Ukraine	***	***	***	***	***
Venezuela	20,819	16,088	20,760	10,508	7,330
Subtotal	***	***	***	***	***
Argentina	8,312	3,676	4,857	4,005	0
Subtotal	***	***	***	***	***
Other sources	36,033	31,744	33,490	22,366	30,070
Total	***	***	***	***	***
Apparent consumption .	***	***	***	***	***

¹ The data in the table are for 10 producers and 25 importers, accounting for 100 percent of U.S. producers' U.S. shipments and 100 percent of U.S. imports from the subject countries and Argentina. U.S. imports for all other sources were compiled from official statistics of the U.S. Department of Commerce.

² All imports from Egypt reported in the low-silicon-content category were slag.

³ Imports from Egypt in the high-silicon-content category were as follows: ferrosilicon 65 (*** percent), off-spec fines (*** percent), and ferrosilicon 75 (*** percent).

⁴ All of Minerais' imports in the high-silicon-content category from Kazakhstan and Russia were ferrosilicon 65.

predominately ferrosilicon 50, which is a low-silicon-content grade.²² The low-silicon-content category imported from Kazakhstan, Russia, Ukraine, and Venezuela, by quantity, accounted for an average of *** percent of the low-silicon-content market during 1989-91 and *** percent during January-September 1992. In comparison, the U.S. producers accounted for an average of *** percent of the low-silicon-content market during 1989-91 and *** percent during January-September 1992.

The high-silicon-content category accounted for an average of *** percent, in terms of quantity, of U.S. apparent consumption during 1989-91 and *** percent in January-September 1992. In terms of value, the high-silicon-content category accounted for an average of *** percent during 1989-91 and *** percent in January-September 1992. Brazil, China, and Venezuela export predominantly ferrosilicon 75, which is in the high-silicon-content category. In terms of quantity, the Brazilian product accounted for an average of *** percent of the high-silicon-content market during 1989-91 and *** percent during January-September 1992. Venezuela's share in the high-silicon-content market was *** percent during 1989-91 and *** percent during the 1992 interim period. In comparison, China's share in the high-silicon-content market was *** percent during 1989-91 and *** percent during January-September 1992.

Egypt's exports have been primarily off-specification material. In the low-silicon-content market, Egypt exports a by-product which is the direct result of tapping ferrosilicon from the furnaces and cleaning the build-up from the ladles. The slag produced from tapping the furnaces contains varying degrees of ferrosilicon, with the silicon content taking several forms, such as silicon carbide, silicon dioxide, unreduced quartz, and to a lesser degree the desired metallic silicon. Consequently, a large portion of the material does not contain any recoverable silicon and is discarded. Sometimes, the metallic silicon is hidden inside and is only visible after the pieces are crushed.

Mixed in with the slag is what the industry characterizes as "rake outs." Rake outs refer to the ferrosilicon that adheres to and remains in the ladles when ferrosilicon is poured from the ladle into the molds. The build-up is recovered and then sold to distributor/processors.²³

In the high-silicon-content category, Egypt has exported ferrosilicon 75, ferrosilicon 65, and off-spec fines. ***. As reported by Efaco, it does not produce ferrosilicon 65 intentionally, but rather its production is a result of below-standard furnace operations, raw material problems, and power variations. Thus, the ferrosilicon 65 is not produced to meet certain silicon content ranges, but is merely combined with other off-spec ferrosilicon to form a mixture that as a whole has a silicon content most similar to ferrosilicon 65. The remainder of Efaco's exports in the high-silicon-content market are fines ***.

²² ***. (Minerais' postconference brief, exhibit 4, p. 5.)

²³ ***.

U.S. Producers

There are 10 firms known to have produced ferrosilicon during the period of investigation. The Commission sent producer questionnaires to these firms and received complete responses from all 10. The names of the producers, the location of their manufacturing facilities, each firm's share of reported production in 1991, and the position each firm has taken with respect to the petitions are presented in table 4.

Table 4

Ferrosilicon: U.S. producers and their plant locations, shares of reported production in 1991, and position on the petitions

<u>Firm</u>	<u>Plant locations</u>	<u>Share of reported production in 1991</u>	<u>Position on the petition</u>
AIMCOR	Bridgeport, AL	***	Supports
Alabama Silicon, Inc. ¹ . . .	Bessemer, AL	***	Supports
American Alloys, Inc. . . .	New Haven, WV	***	Supports
Elkem Metals Company . . .	Ashtabula, OH Alloy, WV	***	***
Glenbrook Nickel ²	Riddle, OR	***	Opposes
Globe Metallurgical. . . .	Beverly, OH	***	Supports
Keokuk Ferro-Sil, Inc. . . .	Keokuk, IA	***	***
Northwest Alloys, Inc. ³ . . .	Addy, WA	***	***
Silicon Metaltech, Inc. ⁴ . .	Rock Island, WA	***	Supports
SKW Alloys, Inc.	Niagara Falls, NY Calvert City, KY	***	***

¹ Alabama Silicon, Inc. produced ferrosilicon ***.

² Glenbrook Nickel captively produced ferrosilicon until 1990 for its ferronickel operations. It now purchases ferrosilicon from Minerais.

³ Northwest Alloys captively produced ferrosilicon until November 1989 for its use in magnesium production. ***

⁴ Silicon Metaltech produced ferrosilicon for *** before switching the furnace to produce silicon metal.

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

Accounting for *** percent of total U.S. production in 1991, Applied Industrial Materials Corp. (AIMCOR), of Pittsburgh, PA, produces both ferrosilicon 50 and 75 on one furnace at its Bridgeport, AL, facility. The Bridgeport facility is part of a joint venture agreement with Allegheny Ludlum Steel Corp. (Allegheny Ludlum). Under the terms of the arrangement, Allegheny Ludlum is committed to purchase 25 percent of the ferrosilicon output.²⁴ AIMCOR shut down its Kimball, TN, plant in February 1987 because of a downturn

²⁴ Conference TR, p. 31.

in the steel industry.²⁵ The company assessed the possibility of reopening the plant in 1989 but further company analysis showed that the expense of renovating the plant could not be justified in light of current market conditions. Even though the plant remains closed, the maintenance cost is \$100,000 per year.²⁶

Alabama Silicon, Inc. started producing ferrosilicon in April 1990 at its plant in Bessemer, AL. The Alabama Alloy Co. had operated the plant until 1981, when it exited the ferrosilicon business reportedly due to difficult market conditions. ***.²⁷ Alabama Silicon accounted for *** percent of total U.S. production in 1991.

American Alloys, Inc., of Pittsburgh, PA, produces a range of silicon-based products, including ferrosilicon, silicon metal, and magnesium ferrosilicon, at its New Haven, WV, plant. After Foote Mineral Co. announced its decision to close the plant in 1985, a coalition involving Foote employees and other interested parties conducted a leveraged buy out of the plant to form American Alloys. Operations began in early 1988 with three furnaces producing a wide range of ferrosilicon products.²⁸ In September 1991, a fourth furnace was commissioned to produce primarily silicon metal.²⁹ American Alloys accounted for *** percent of total U.S. production of ferrosilicon in 1991.

Elkem Metals Co. (Elkem), of Pittsburgh, PA, is a wholly owned subsidiary of Elkem A/S of Norway. Elkem was *** U.S. producer of ferrosilicon in 1991, accounting for *** percent of total U.S. production in that year. ***. Accounting for *** percent of the total U.S. imports of ferrosilicon in 1991, Elkem imports from ***. ***.

Glenbrook Nickel, of Spokane, WA, produced ferrosilicon from 1952 to 1990 at its plant in Riddle, OR, mainly for its use in the production of ferronickel. According to Eric Norton, Operations Manager, Glenbrook Nickel stopped producing ferrosilicon in early 1990 as a result of increasing employee safety risks and maintenance costs associated with operating an old furnace. In opposition to the petition, Glenbrook Nickel asserts that its furnace shutdown had nothing to do with the allegedly unfairly traded imports. It currently purchases its supply of ferrosilicon 50 from Minerais U.S., Inc.

Accounting for *** percent of total U.S. production in 1991, Globe Metallurgical, Inc. (Globe), of Cleveland, OH, produces ferrosilicon at its Beverly, OH, plant. ***. Globe produces silicon metal and magnesium ferrosilicon in addition to ferrosilicon.

Keokuk Ferro-Sil, Inc. (Keokuk) was formed in December 1987 when a group of former employees purchased Foote Mineral Co.'s Keokuk, IA, ferrosilicon plant. Foote had announced the closure of the plant in September 1987. Accounting for *** percent of total production in 1991, Keokuk produces ferrosilicon 50, silvery pig iron, and pulverized silvery pig iron on two

²⁵ Conference TR, p. 26.

²⁶ Conference TR, p. 31.

²⁷ ***, telephone conversation, June 15, 1992.

²⁸ Conference TR, p. 14.

²⁹ ***, conversation, June 9, 1992.

furnaces. All production is distributed by Minerais U.S., the sole importer of ferrosilicon produced in Kazakhstan, Russia, and Ukraine.³⁰

Northwest Alloys, Inc., a wholly owned subsidiary of Alcoa, produced ferrosilicon at its plant in Addy, WA, until *** for its use in the production of magnesium. Northwest Alloys ceased ferrosilicon production reportedly because it was less expensive to purchase the product than to produce it. ***.³¹

Since 1986, Silicon Metaltech, Inc. concentrated on silicon metal production with the exception of one furnace, ***. The furnace was repaired and placed back on line February 1, 1990, producing silicon metal. Silicon Metaltech's shipments of ferrosilicon were predominantly exports to ***. Since June 1990, the company has been operating under Chapter 11 of the U.S. Bankruptcy Code.

SKW Alloys, Inc. (SKW), of Niagara Falls, NY, is a wholly owned subsidiary of SKW Trostberg AG of Germany. Operating at two plants in Niagara Falls, NY, and Calvert City, KY, SKW is *** U.S. producer of ferrosilicon, accounting for *** percent of total U.S. production in 1991. ***.

U.S. Importers

Questionnaires were sent to 26 firms known to be importing ferrosilicon from the subject countries. All but one firm responded to the Commission's request for information.

*** of the subject material was Minerais U.S., Inc., the sole importer of ferrosilicon from Kazakhstan, Russia, and Ukraine. Minerais U.S. imports via its parent company, SA des Minerais of Luxembourg, which has set up a joint venture with the Kazakh producer, Ermok, to help it improve the quality of its products. Minerais U.S. purchases a portion of SA des Minerais' imports from Kazakhstan, Russia, and Ukraine for importation to the United States.³² ³³ ***.

Twenty-four importers have reported imports from Brazil, China, and/or Venezuela, of which *** are the largest. Currently, *** is not importing ferrosilicon because Fesilven cancelled its contract with the company in 1991.³⁴

Three U.S. producers imported ferrosilicon during the period of investigation. ***.

³⁰ ***. (Minerais' postconference brief, exhibit 4, p. 7)

³¹ ***, telephone conversation, June 15, 1992.

³² ***, telephone conversation, June 18, 1992.

³³ ***.

³⁴ ***, telephone conversation, June 18, 1992.

Channels of Distribution

In the U.S. market, sales of ferrosilicon by U.S. producers and importers are primarily made to end users. Accounting for 96 percent of total U.S. ferrosilicon sales during 1991, the largest end use markets are the steel and foundry industries. The following tabulation presents a summary of the channels of distribution used by U.S. producers and importers of ferrosilicon in 1991 (in percent):

	<u>End users</u>	<u>Distributors</u>
Share of U.S. producers' shipments made to.....	82	18
Importers:		
Share of Argentine product shipped to.....	***	***
Share of Brazilian product shipped to.....	76	24
Share of Chinese product shipped to.....	***	***
Share of Egyptian product shipped to ¹	***	***
Share of Kazakh product shipped to.....	***	*** ²
Share of Russian product shipped to.....	***	***
Share of Ukrainian product shipped to.....	***	*** ²
Share of Venezuelan product shipped to.....	<u>83</u>	<u>17</u>
Share of the imported product shipped to.....	80	20

¹ No shipments were reported for 1991. All shipments in 1992 were made to distributor/processors.

² Shipments to distributors of *** ferrosilicon were primarily to ***.

The following tabulation presents data on the shares of total 1991 shipments to end users that went to steel producers, iron foundries, and other users (in percent):

	<u>Steel producers</u>	<u>Iron foundries</u>	<u>Other¹</u>
Share of U.S. producers' shipments made to....	51	49	(2)
Importers:			
Share of Argentine product shipped to ³	***	***	***
Share of Brazilian product shipped to.....	99	1	0
Share of Chinese product shipped to.....	***	***	***
Share of Egyptian product shipped to ⁴	***	***	***
Share of Kazakh product shipped to.....	***	***	***
Share of Russian product shipped to.....	***	***	***
Share of Ukrainian product shipped to.....	***	***	***
Share of Venezuelan product shipped to.....	<u>99</u>	<u>1</u>	<u>0</u>
Share of the imported product shipped to.....	75	7	18

¹ This category includes shipments to ferronickel and magnesium producers.

² Less than 0.5 percent.

³ ***.

⁴ No shipments of Egyptian ferrosilicon were sold directly to end users.

*** percent of Minerais' shipments to distributors were sales to U.S. ferrosilicon producers during 1991. U.S. ferrosilicon producers purchase various grades of ferrosilicon in order to provide their customers with a reliable source of supply of both grades of ferrosilicon. ***.

* * * * *

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

The information provided in this section of the report is based on responses to Commission questionnaires. Ten firms, accounting for 100 percent of U.S. production of ferrosilicon during the period of investigation, provided complete responses to the Commission's request for data.

U.S. Producers' Capacity, Production, and Capacity Utilization

As indicated in table 5, the U.S. producers' average-of-period capacity to produce ferrosilicon decreased 5.5 percent from 1989 to 1991, and continued to decline, by 7.2 percent, between the interim periods. The exits of Alabama Silicon, Glenbrook Nickel, Northwest Alloys, and Silicon Metaltech contributed to the decline in capacity. In addition to these exits, *** reduced its capacity to produce ferrosilicon from *** silicon-content short tons in 1990 to *** silicon-content short tons in 1991 when it switched *** to produce silicon metal.

U.S. production decreased by 31.8 percent from 1989 to 1991, and continued to decline, by 12.1 percent, between the interim periods. Accounting for the fall in production from 1989 to 1991, four firms reported the suspension of their ferrosilicon production and five firms reported temporary or permanent shutdowns of furnaces producing ferrosilicon. *** was the only firm not to report any disruption of its production of ferrosilicon during the period for which data were collected. Of the four firms which ceased production of ferrosilicon, Glenbrook Nickel and Northwest Alloys were captive producers, manufacturing ferrosilicon solely for use in their production of ferronickel and magnesium, respectively. Both companies currently purchase *** material because it is more economical to purchase the subject product than to produce it.

Silicon Metaltech and Alabama Silicon exited the ferrosilicon industry in 1989 and 1991, respectively. Predominantly a silicon metal producer, Silicon Metaltech manufactured ferrosilicon for ***. The furnace which was used to produce ferrosilicon was refurbished to now produce silicon metal. Alabama Silicon had produced ferrosilicon for *** before shutting down operations at the end of 1991.

Average-of-period capacity utilization decreased from 85.1 percent in 1989 to 61.4 percent in 1991, and continued to decline in the interim periods from 62.8 percent in January-September 1991 to 59.5 percent in January-September 1992.

Table 5

Ferrosilicon: U.S. capacity, production, and capacity utilization,¹ 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	<u>Jan.-Sept. --</u>	
				1991	1992
End-of-period capacity (silicon-content short tons)	321,452	299,401	294,718	227,131	217,194
Average-of-period capacity (silicon-content short tons)	318,332	297,226	300,918	234,031	217,194
Production (silicon-content short tons)	270,923	227,093	184,818	147,088	129,298
End-of-period capacity utilization (percent)	84.3	75.8	62.7	64.8	59.5
Average-of-period capacity utilization (percent)	85.1	76.4	61.4	62.8	59.5

¹ The data in the table are for 10 producers accounting for 100 percent of U.S. production of ferrosilicon in 1991.

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. Shipments

The U.S. producers' total U.S. shipments of ferrosilicon decreased steadily by a total of 23.8 percent from 1989 to 1991 (table 6). For the interim periods, shipments decreased by 13.8 percent from January-September 1991 to January-September 1992. In terms of value, U.S. producers' domestic shipments decreased by 38.5 percent from 1989 to 1991 and by 17.8 percent between the interim periods.

Export Shipments

As indicated in table 7, the quantity and value of U.S. producers' exports decreased from 1989 to 1991, but remained fairly constant between the interim periods. The exports account for only a small share of U.S. producers' total shipments. U.S. producers' export markets include Australia, Canada, Mexico, Japan, and Europe.

Table 6

Ferrosilicon: Shipments by U.S. producers,¹ by types, 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.--	
				1991	1992
Quantity (silicon-content short tons)					
Company transfers	19,243	5,947	527	522	190
Domestic shipments	227,389	213,238	187,497	138,375	119,600
Subtotal	246,632	219,185	188,024	138,897	119,790
Exports	10,939	8,568	7,402	5,304	5,311
Total	257,571	227,753	195,426	144,201	125,101
Value (1,000 dollars)					
Company transfers	21,671	5,321	401	395	146
Domestic shipments	232,472	187,081	155,940	116,969	96,321
Subtotal	254,143	192,402	156,341	117,364	96,467
Exports	16,319	11,679	10,252	6,883	6,971
Total	270,462	204,081	166,593	124,247	103,438

¹ The data in the table are for 10 producers accounting for 100 percent of U.S. production of ferrosilicon in 1991.

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

Table 7

Ferrosilicon: U.S. producers' export shipments,¹ 1989-91, January-September 1991, and January-September 1992

Item	1989	1990	1991	Jan.-Sept.--	
				1991	1992
Quantity (silicon-content short tons)					
.	10,939	8,568	7,402	5,304	5,311
Value (1,000 dollars)	16,319	11,679	10,252	6,883	6,971
As a share of total					
shipments (quantity)	4.2	3.8	3.8	3.7	4.2
As a share of total					
shipments (value)	6.0	5.7	6.2	5.5	6.7

¹ The data in the table are for 10 producers accounting for 100 percent of U.S. production of ferrosilicon in 1991.

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

Total Shipments

As indicated in table 6, total U.S. producers' shipments of domestically produced ferrosilicon decreased steadily, by a total of 24.1 percent, from 1989-91, and continued to fall, by 13.2 percent, between the interim periods. The value of such shipments decreased by 38.4 percent from 1989 to 1991, and continued to decline, by 16.7 percent, between the interim periods. The quantity of company transfers decreased sharply by 97.3 percent during 1989-91, and continued to decline by 63.6 percent between the interim periods. Contributing to the sharp decline in company transfers was the 1989 and 1990 exit of two firms, Glenbrook Nickel and Northwest Alloys, which produced ferrosilicon solely for internal use.³⁵ Both companies found it to be less expensive to purchase the subject product than to produce it.

U.S. Producers' Purchases

U.S. producers' purchases of ferrosilicon are presented in table 8. *** purchased ferrosilicon *** from Minerais during the period for which data were collected in order to ensure their supplies of various product grades. *** purchased ferrosilicon *** during the period for which data were collected. Because AIMCOR produces both ferrosilicon 50 and 75 on the same furnace, it prolongs the production runs of one grade versus another according to changes in demand for ferrosilicon 50 and ferrosilicon 75. The purchases enable AIMCOR to provide its customers a reliable source of supply for both grades of ferrosilicon.³⁶ Primarily a ferrosilicon 50 producer, *** purchased some ferrosilicon 75 from Brazil. In addition to the *** referenced companies, *** has purchased ferrosilicon from other domestic producers.

In addition to purchases, U.S. producers and traders (importers or distributors) swap ferrosilicon. Swaps are exchanges of ownership titles of the subject ferrosilicon products among U.S. producers and traders. U.S. producer and importer questionnaires requested information regarding swaps. The four U.S. producers and three importers that responded to this request identified three major types of swaps in their questionnaire responses-- product swaps, location swaps, and time swaps. The ferrosilicon products involved in any of the three types of swaps can have the same or different silicon contents. Product swaps involve an exchange of one firm's ferrosilicon for another firm's ferrosilicon both at the same location. Location swaps involve an exchange of one firm's ferrosilicon in location A with another firm's ferrosilicon in location B. Time swaps involve an exchange of one firm's ferrosilicon available in the present period with another firm's ferrosilicon available in a specified future period. Time swaps can involve the same or different locations.

Swaps allow the U.S. ferrosilicon market to operate more efficiently by minimizing freight costs and reducing supply costs associated with inventory shortfalls and production inflexibilities. The responding U.S. producers and

³⁵ Currently, Glenbrook Nickel purchases Kazakh-produced ferrosilicon and Northwest Alloys purchases ***.

³⁶ Conference TR, p. 79.

Table 8

Ferrosilicon: U.S. producers' domestic and import purchases,¹ 1989-91, January-September 1991, and January-September 1992

<u>Item</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Jan.-Sept.--</u>	
				<u>1991</u>	<u>1992</u>
<u>Quantity (silicon-content short tons)</u>					
Purchases from domestic sources	6,037	2,499	2,569	1,083	5,221
Import purchases from:					
Brazil	***	***	***	***	***
Kazakhstan	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	7,137	5,811	9,447	6,121	14,920
Other sources	878	2,893	3,380	1,975	2,803
Total	8,015	8,704	12,827	8,096	17,723
<u>Value (1,000 dollars)</u>					
Purchases from domestic sources	6,195	1,915	2,159	803	4,090
Import purchases from:					
Brazil	***	***	***	***	***
Kazakhstan	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	7,583	4,141	7,289	4,592	11,471
Other sources	1,035	10	1,702	1,176	1,864
Total	8,618	4,151	8,991	5,768	13,335

¹ The data in the table are for 10 producers accounting for 100 percent of U.S. production of ferrosilicon in 1991.

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

importers indicated that the volume of ferrosilicon swaps in the U.S. market was limited and had a negligible effect on U.S. prices. The volume of swaps reported for 1991 by the responding firms amounted to 8 percent of total domestic ferrosilicon and 9 percent of total subject foreign ferrosilicon shipped in the United States during this period.

U.S. Producers' Inventories

The U.S. producers' end-of-period inventories of ferrosilicon are presented in table 9. These inventories decreased 21.4 percent from 1989 to 1991, and continued to fall, by 16.9 percent, from January-September 1991 to January-September 1992. The ratio of U.S. producers' inventories to their U.S. shipments remained fairly constant during 1989-91, but fell from 29.0 percent in January-September 1991 to 27.8 percent in January-September 1992.

warehouses.⁶⁰ The domestic and subject imported ferrosilicon were generally available throughout the United States, with sales of the domestic and imported products concentrated in the major U.S. consuming areas located in the midwest, mid-Atlantic, southeast, and southwest.

Ferrosilicon is most frequently purchased in bulk⁶¹ and otherwise packaged in drums, pallet boxes, supersacks,⁶² drop-box containers,⁶³ or 50-pound bags; the prices reported for each type of container varied from firm to firm. For example, the price of a one-ton supersack ranged from \$15.00 to \$50.00. Most producers and importers reported that costs of the containers are sometimes included in their ferrosilicon prices. *** stated that during the last few years there has been an oversupply of ferrosilicon resulting in increased competition and causing some producers to include packaging in their prices to retain customers.⁶⁴

Product comparisons

During the current final and preliminary ferrosilicon investigations, U.S. producer and importer questionnaires requested that the responding firms discuss any differences between the domestic and subject imported ferrosilicon that would explain differences in prices. Purchaser questionnaires sent out in connection with the final ferrosilicon investigations also requested this information.

Eight U.S. ferrosilicon producers, 13 importers, and 13 purchasers responded to the question regarding quality of the domestic and subject imported products. The responding firms commented that the domestic and imported commodity grades ferrosilicon 75 and ferrosilicon 50 from Brazil, China, Egypt, Kazakhstan, Russia, Ukraine, and Venezuela were generally comparable, although they noted some differences in quality and reliability of supply compared to the domestic products.⁶⁵ In addition, four of the importers

⁶⁰ U.S. importers reported shipping the subject foreign ferrosilicon to U.S. customers during 1991 from the following warehouse locations: ***.

⁶¹ Based on U.S. producer and importer questionnaire responses, bulk shipments accounted for about 78 percent of total U.S. shipments of the domestic ferrosilicon in 1991 and 86 percent of U.S. shipments of all the subject imported ferrosilicon during this period.

⁶² Supersacks are large bags, often lined with plastic, that hold about 2,000 pounds of material; supersacks are occasionally sent back for refill.

⁶³ Drop-box containers are square boxes with hinged bottoms that hold approximately 16,000 pounds of material; drop-box containers are reused.

⁶⁴ Telephone conversation, June 8, 1992.

⁶⁵ Twenty-three steel producers and 5 iron foundries also commented on whether they would pay a premium for the domestic ferrosilicon vis-a-vis the imported ferrosilicon subject to the final investigations. Twenty of the responding steel producers and 4 of the responding iron foundries indicated that they would not pay a premium for the domestic ferrosilicon. Three other U.S. steel producers *** and 1 other iron foundry *** indicated that they are willing to pay a premium for the domestic ferrosilicon vis-a-vis the subject

(continued...)

identified certain U.S. ferrosilicon market segments that they assert cannot be served by the subject imports. Comments of the responding producers, importers, and purchasers are discussed below by the subject foreign countries.⁶⁵

Brazil.--Six U.S. ferrosilicon producers and 9 importers commented on the imported Brazilian ferrosilicon.⁶⁷ The U.S. producers indicated that there was no discernible difference in quality between the domestic and imported Brazilian commodity-grade ferrosilicon. One of the U.S. producers, ***, noted, however, that U.S. producers may have a slight advantage over suppliers of the Brazilian product by offering a more reliable supply and a wider range of products, although the firm did not see a significant price premium resulting from these advantages. Another U.S. producer *** felt U.S. producers had some advantage over suppliers of the Brazilian ferrosilicon by offering special packaging and supplying small quantities.

The reporting importers felt that the Brazilian ferrosilicon was generally comparable to the U.S. product in quality. Three of the importers *** cited low levels of aluminum, carbon, chrome, and magnesium in the Brazilian ferrosilicon that they felt made the chemistry of the Brazilian product attractive to steel producers and iron foundries.⁶⁸ Three other importers *** cited spotty availability, a long supply line, and excessive fines associated with the Brazilian product, making it somewhat less desirable than the domestic product. *** also indicated that they had to screen the imported product in the United States to sell specific sizes and to remove excessive fines that resulted from extensive handling of the product.⁶⁹

China.--Two U.S ferrosilicon producers *** and one importer *** commented on the imported Chinese ferrosilicon.⁷⁰ *** indicated that the quality of sizing and chemistry of the commodity-grade Chinese product was inferior to that of the U.S. product and the supply of the imported product was less

⁶⁵ (...continued)

imported products. All four latter firms explained that they would pay such a premium to support availability of domestic production, but only *** reported a specific premium amount, of *** percent.

⁶⁶ Product comparison information for Argentina is briefly discussed in appendix E.

⁶⁷ Importers reported importing primarily ferrosilicon 75 from Brazil, but also reported importing some ferrosilicon 50.

⁶⁸ *** indicated that the Brazilian ferrosilicon producers use high quality quartzite and use charcoal instead of coal/coke to make a low-impurity ferrosilicon.

⁶⁹ Based on their questionnaire responses, *** together screened in the United States about *** percent of total U.S. shipments of the imported Brazilian ferrosilicon between January 1989 and September 1992. The screening costs added an average of about *** per pound of silicon content to the U.S. selling price of the imported ferrosilicon. The *** reported share of import shipments that were screened and the *** additional cost of screening in the United States suggests that U.S. screening costs had *** impact on U.S. selling prices of the ferrosilicon imported from Brazil.

⁷⁰ U.S. importers reported importing only ferrosilicon 75 from China.

reliable than supply of the domestic product. *** indicated that there was not much difference in quality between the domestic and imported Chinese ferrosilicon, although *** felt that supply of the imported product was less reliable than that of the domestic product. Purchasers did not comment on the quality of the Chinese ferrosilicon.

Egypt.--Six U.S. ferrosilicon producers and 3 importers commented on the quality of the imported Egyptian ferrosilicon. All of the U.S. producers stated that there were no discernible differences between the quality of the domestic and imported Egyptian commodity-grade products. One of the importers *** indicated that the Egyptian ferrosilicon 65 comes in unsized lumps (up to 16 inches) and the crushing to size in the United States results in about *** percent of the material being reduced to fines. In addition, *** claims that the Egyptian ferrosilicon 65 requires a price discount because of a high (0.2 percent) carbon level. A second responding importer *** asserted that most of the Egyptian imports are off-grade and by-product ferrosilicon, which are not offered by U.S. ferrosilicon producers. The third responding importer *** indicated that it imported Egyptian ferrosilicon that was slag and off-specification ferrosilicon 65, which the importer sold to U.S. processors.

One U.S. purchaser of the imported Egyptian ferrosilicon *** commented on the quality of the imported material. According to ***, the Egyptian ferrosilicon consists mostly of slag, fines, and ferrosilicon of varying off-grade silicon contents; the latter product comes in large unsized lumps and has a high proportion (**% percent) of fines.⁷¹

Kazakhstan, Russia, and Ukraine.--Three U.S. ferrosilicon producers *** commented on the imported commodity-grade Kazakh, Russian, and Ukrainian ferrosilicon.⁷² *** indicated that ferrosilicon from the three countries was not sized as well as that produced in the United States. *** felt that ferrosilicon from these countries was similar in chemistry to the U.S.-produced product, but that the imported material was not available in the 8" x 4" size required by some foundries. *** indicated that no differences existed in quality between the domestic and imported products.

*** imports were sold as commodity products, but sizing was limited to nominal 3" x 1/2" and the chemical guarantee was limited to the following elements: Silicon, aluminum, phosphorous, sulfur, and carbon. No other trace or residual elements are controlled or tested. ***. *** commented further that ferrosilicon imported from these three countries cannot be sold to those foundries and steel producers that require large sizes, special chemistry, or SPC documentation.⁷³

⁷¹ Telephone conversation with ***.

⁷² Minerais accounted for all U.S. imports of ferrosilicon from Kazakhstan, Russia, and Ukraine and reported importing mostly ferrosilicon 50 from these countries; Minerais also imported a limited amount of ferrosilicon 65 from Kazakhstan and Russia.

⁷³ The importer cited three U.S. ferrosilicon end users that refused to buy the imported products because they did not meet the buyers' requirements for chemistry, sizing, or SPC documentation. ***.

*** were the only two purchasers commenting on the quality of the Kazakh ferrosilicon. Both firms indicated that the Kazakh commodity grade ferrosilicon 50 was comparable in quality to the U.S.-produced product and was generally priced lower than the domestic product. ***.

*** was the only purchaser commenting on the quality of the Russian and Ukrainian ferrosilicon, noting that the imported commodity grade ferrosilicon 50 products were comparable in quality to the U.S.-produced product and generally priced lower than the domestic product.

Venezuela.--One U.S. ferrosilicon producer *** and five importers *** commented on the imported Venezuelan ferrosilicon.⁷⁴ *** indicated that no difference in quality existed between the domestic and imported commodity-grade products. *** felt the domestic and imported products were comparable in quality, but *** noted that it had to screen the imported product in the United States to sell specific sizes and *** commented that the imported product had more fines than the domestic product.⁷⁵ *** cited a longer supply pipeline and a more limited product range associated with the Venezuelan ferrosilicon compared to that of the domestic ferrosilicon.

Three U.S. importers *** also reported in their questionnaire responses that ferrosilicon imported from Venezuela is not considered by end users that require specialized ferrosilicon such as high-purity or low-aluminum grades and foundry-grade inoculants.

Eleven purchasers, all steel producers, commented on the quality of the Venezuelan ferrosilicon. All of the responding purchasers indicated that the quality of the Venezuelan commodity grade ferrosilicon 75 was comparable to that of the U.S.-produced product. Seven firms indicated that the imported product was generally priced below the domestic product and 4 firms indicated that it was priced about the same as the domestic product. One of the 11 responding purchasers *** indicated that it stopped buying ferrosilicon from Venezuela in early 1991 because the foreign producer could not supply the SPC documentation that *** then required.

⁷⁴ U.S. importers reported importing primarily ferrosilicon 75 and some ferrosilicon 50 from Venezuela.

⁷⁵ *** reported in its questionnaire response that it screened in the United States about *** percent of total U.S. shipments of the imported Venezuelan ferrosilicon between January 1989 and September 1992. The screening costs added *** per pound of silicon content to the U.S. selling price of the imported ferrosilicon. The *** reported share of import shipments that were screened and the *** additional cost of screening in the United States suggests that U.S. screening costs had *** impact on U.S. selling prices of the ferrosilicon imported from Venezuela.

Questionnaire Price Data

The Commission requested U.S. quarterly pricing data for bulk shipments of two ferrosilicon products that were crushed in sizes ranging from 2" x 1/4" up to and including 8" x 4".⁷⁶ The specified products are described below.

PRODUCT 1: Regular (commodity) grade 75-percent ferrosilicon.-- Ferrosilicon containing by weight 74.0 to 79.0 percent silicon; 0.10 percent or less carbon; 0.025 percent or less sulfur; 0.035 percent or less phosphorous; 1.50 percent or less aluminum; and 0.40 percent or less manganese.

PRODUCT 2: Regular (commodity) grade 50-percent ferrosilicon.-- Ferrosilicon containing by weight 47.0 to 51.0 percent silicon; 0.10 percent or less carbon; 0.025 percent or less sulfur; 0.040 percent or less phosphorous; 1.25 percent or less aluminum; and 0.75 percent or less manganese.

U.S. producers and importers

During the current final and preliminary ferrosilicon investigations, the Commission requested U.S. producers and importers to provide U.S. quarterly selling price data for products 1 and 2 shipped to steel producers and product 2 shipped to iron foundries, on a quarterly/semianual requirement sales basis, between January 1989 and September 1992.⁷⁷ The price data were requested on net weighted-average U.S. f.o.b. and delivered bases for the firms' total quarterly shipments to each of the specified types of end users. Seven domestic producers and nine importers provided the Commission with useable selling price data for at least one of the products and part of the period requested for the domestic ferrosilicon and that imported from all of the subject countries except Egypt.⁷⁸ U.S. importers did not report any prices of the Egyptian ferrosilicon; most of the imports from Egypt are off-grade material that does not include the ferrosilicon products for which price data were requested.⁷⁹

⁷⁶ Petitioners, importers, and end users indicated to the Commission during the preparation of questionnaires for the final ferrosilicon investigations that the specified products crushed into the specified size range and shipped in bulk constitute a significant portion of the U.S. ferrosilicon market and capture the majority of competition between the domestic and subject imported ferrosilicon (field trip discussions with representatives of ***.)

⁷⁷ Iron foundries tend to pay a higher price for ferrosilicon of the same silicon content and grade as that used by steel producers because foundries typically use smaller volumes of ferrosilicon than steel producing firms. Therefore, separate price series were requested for sales of the commodity grade ferrosilicon 50 to steel producers and iron foundries.

⁷⁸ Minerals accounted for all the reported pricing data for the ferrosilicon imported from Kazakhstan, Russia, and Ukraine.

⁷⁹ Most of the imported Egyptian ferrosilicon is further processed in the United States before it is sold to end users.

The seven responding U.S. producers provided price information for products accounting for 35 percent of the total quantity of domestic shipments of U.S.-produced ferrosilicon between January 1989 and September 1992.⁸⁰ The responding U.S. importers provided price information for products accounting for *** percent of the total quantity of reported U.S. shipments of imports of ferrosilicon from Brazil,⁸¹ *** percent from China,⁸² *** percent from Kazakhstan,⁸³ *** percent from Russia,⁸⁴ *** percent from Ukraine,⁸⁵ and *** percent from Venezuela⁸⁶ during this period.

As indicated above, U.S. sales patterns of importers differed markedly for the individual subject countries. Selling price data for imports from Brazil, China, and Venezuela were comprised entirely of the subject imported product 1 shipped to steel producers,⁸⁷ which accounted for *** percent of the total quantity of all the subject imported ferrosilicon for which importers reported price data. On the other hand, selling price data for imports from Kazakhstan, Russia, and Ukraine were comprised entirely of product 2. About *** percent of the total reported price data for all the subject countries involved sales of product 2 to steel companies,⁸⁸ and about *** percent involved sales of product 2 to iron foundries.⁸⁹

⁸⁰ The U.S. producers reported price data for shipments of product 1 (commodity grade ferrosilicon 75) to steel producers and product 2 (commodity grade ferrosilicon 50) to steel producers and to iron foundries. Sales of the domestic product 1 to steel producers accounted for 16 percent of the total quantity of ferrosilicon for which U.S. producers reported price data, while sales of product 2 to steel producers accounted for 51 percent and sales of product 2 to iron foundries accounted for 33 percent.

⁸¹ Six U.S. importers reported price data for the Brazilian product 1 shipped to steel producers.

⁸² Two U.S. importers reported price data for the Chinese product 1 shipped to steel producers.

⁸³ *** reported price data for the Kazakh product 2 shipped mostly to steel producers and some to iron foundries. Sales of the Kazakh product 2 to steel producers accounted for *** percent of the total quantity of Kazakh ferrosilicon for which the importer reported price data, while sales of product 2 to iron foundries accounted for *** percent.

⁸⁴ *** reported price data for the Russian product 2 shipped to steel producers.

⁸⁵ *** reported price data for the Ukrainian product 2 shipped mostly to steel producers and some to iron foundries. Sales of the Ukrainian product 2 to steel producers accounted for about *** percent of the total quantity of Ukrainian ferrosilicon for which the importer reported price data, while sales of product 2 to iron foundries accounted for ***.

⁸⁶ Five U.S. importers reported price data for the Venezuelan product 1 shipped to steel producers.

⁸⁷ As indicated above, this sales category accounted for 16 percent of U.S. producers' selling price data.

⁸⁸ As indicated above, this sales category accounted for 51 percent of U.S. producers' selling price data.

⁸⁹ As indicated above, this sales category accounted for 33 percent of U.S. producers' selling price data.

U.S. producers reported that SPC documentation was required on 23.3 percent of their sales of the commodity-grade ferrosilicon for which they reported price data during January-September 1992, up from 12.5 percent in 1989.⁹⁰ U.S. importers reported that all of their U.S. sales of the subject imported ferrosilicon were to U.S. purchasers that did not require them to supply SPC documentation.

Purchasers

The Commission also requested both end users and distributors to provide total quarterly delivered purchase prices and quantities for the specified ferrosilicon products shipped, on a quarterly/semiannual requirements sales basis, to their U.S. locations between January 1991 and September 1992. The quarterly price data were requested on a net weighted-average U.S. delivered basis for total quarterly shipments of the specified products.

The 80 firms that were sent purchaser questionnaires were large ferrosilicon buyers as reported by U.S. producers and importers of ferrosilicon. Twenty-one steel producers provided the requested purchase price data; prices reported involved U.S.-produced products 1 and 2, and primarily product 1 and a limited quantity of product 2 imported from Venezuela.⁹¹ One of these responding purchasers also reported price data for combined imports of the ferrosilicon product 2 from Kazakhstan, Russia, and Ukraine. The responding steel producers provided price data for ferrosilicon products that accounted for about 17 percent of the total quantity of domestic shipments of U.S.-produced ferrosilicon between January 1991 and September 1992, 3 percent of total combined imports from Kazakhstan, Russia, and Ukraine, and 30 percent of total imports from Venezuela.

⁹⁰ Between January 1989 and September 1992, about 23 percent of the U.S. producers' sales to iron foundries required SPC documentation, while about 14 percent of the reported sales to steel producers required SPC documentation.

⁹¹ In addition, 3 iron foundries, 1 nickel producer, 1 aluminum producer, and 1 distributor reported the requested price data but not necessarily for every product or period. No price comparisons could be developed from the price data reported by firms in these latter four categories of ferrosilicon buyers. Three iron foundries reported prices only for the domestic product 2; no purchases of the subject imported ferrosilicon (including that from Argentina) were reported. The sole reporting nickel producer reported prices only for product 2 imported from Kazakhstan, and the sole reporting aluminum producer reported prices only for the domestic product 2. The sole reporting distributor reported prices of the domestic products 1 and 2.

Price trends⁹²

Price trends were based on net weighted-average quarterly U.S. f.o.b. selling prices of ferrosilicon reported by U.S. producers and importers in their questionnaire responses. Price trends of the domestic products are shown for all three sales categories and price trends of the subject imported products are shown for only products 1 and 2 sold to steel producers; too few sales of the imported product 2 sold to iron foundries were reported to develop meaningful price trends.

Quarterly prices of the domestic and subject imported products generally fell between January 1989 and September 1992. Long-run price trends suggest that ferrosilicon prices were close to an historic high in 1989. In 1988 the average U.S. price of imported ferrosilicon 75 as reported by *Metals Week*⁹³ reached its highest level for the 1980's and, although this price decreased by 14 percent in 1989, the price in 1989 was still substantially higher than the prices reported for the 6 years prior to 1988.⁹⁴ The *Metals Week* price for imported ferrosilicon 75 fell an additional 19 percent in 1990 and 8 percent in 1991; the period-average price of ferrosilicon 75 during January-September 1992 (the latest period for which data were available) was 8 percent below the price for the comparable period in 1991.⁹⁵

United States.--Net weighted-average quarterly U.S. f.o.b. prices and shipment quantities of the specified U.S.-produced ferrosilicon products are

⁹² Price trends of ferrosilicon from Argentina are shown and briefly discussed in appendix E. Prices of the ferrosilicon from Argentina followed trends similar to those of prices of ferrosilicon imported from Brazil, China, Kazakhstan, Russia, Ukraine, and Venezuela.

⁹³ *Metals Week* publishes weekly the U.S. f.o.b. selling price ranges of imported commodity grades ferrosilicon 75 and ferrosilicon 50 based on a combination of quarterly-requirement sales and spot sales to end users, primarily steel producers. The firm determines the price ranges based on ***. Mr. Patrick Ryan, the editor and reporter of ferrosilicon pricing for *Metals Week*, indicated that his firm does not publish a current price of U.S.-produced ferrosilicon, because ***. But Mr. Ryan noted that the information he obtains from end users and traders regarding U.S. producers' prices indicates that prices of domestic ferrosilicon are within the ranges of prices reported for imported products. (Telephone conversation with Patrick Ryan on December 9, 1992.)

Some U.S. producers indicated in their questionnaire responses that the *Metals Week* prices of only imported ferrosilicon tend to report the lower end of the price spectrum for the U.S. ferrosilicon market, thereby suppressing market prices as buyers and sellers use the *Metals Week* prices in their price negotiations.

⁹⁴ Average annual prices of imported ferrosilicon 75 calculated from the midpoints of the weekly *Metals Week* price ranges fluctuated but rose from \$0.3802 per pound of silicon content in 1982 to a peak of \$0.5675 per pound during 1988. In 1989, ferrosilicon prices averaged \$0.4907 per pound, the second highest level since 1982.

⁹⁵ *Metals Week* prices of imported ferrosilicon 50 during 1982-92 followed a similar trend as that for the imported ferrosilicon 75 during this period.

shown in table 26. The U.S. producers' average selling price for product 1 (commodity grade ferrosilicon 75) sold to steel producers fell from \$0.5927 per pound of silicon content in January-March 1989 to a period low of \$0.3375 per pound in January-March 1992, or by 43.1 percent. Prices of product 1 then rose somewhat to end the period at \$0.3693 per pound, or 37.7 percent below the initial-period value.

The U.S. producer's average price of product 2 (commodity grade ferrosilicon 50) fell similarly on sales to steel producers and on sales to iron foundries; most of the direct competition with the subject imported ferrosilicon is on sales to steel producers. Prices of product 2 sold to steel producers fell from \$0.4832 per pound in January-March 1989 to a period low of \$0.3415 per pound in January-March 1992, or by 29.3 percent. Prices of product 2 to steel producers then rose somewhat to end the period at \$0.3635 per pound, or 24.8 percent below the initial-period value. The U.S. producers' average price of product 2 sold to iron foundries generally fell throughout the period, from \$0.5197 per pound in January-March 1989 to \$0.3781 per pound in July-September 1992, or by 27.2 percent.

Brazil.--Net weighted-average quarterly U.S. f.o.b. prices and shipment quantities of the specified Brazilian ferrosilicon product 1 sold to steel producers are shown in table 27. The quarterly average selling price of the imported product 1 sold to steel producers fell from *** per pound in January-March 1989 to a period low of \$0.3351 per pound in January-March 1992, or by *** percent. Prices of the imported product then rose somewhat to end the period at \$0.3712 per pound in July-September 1992, or *** percent below the initial-period price level. In comparison, quarterly net f.o.b. prices of the domestic product 1 sold to steel producers fell by *** percent between January 1989 and September 1992.

China.--Net weighted-average quarterly U.S. f.o.b. prices and shipment quantities of the specified Chinese ferrosilicon product 1 sold to steel producers are shown for the few periods reported in table 28. The quarterly average selling price of the imported product 1 fell from *** per pound in July-September 1991 to a period low of *** pound in April-June 1992, or by *** percent, and then rose somewhat to end at *** per pound in July-September 1992, or *** percent below the July-September 1991 value. In comparison, quarterly net f.o.b. prices of the domestic product 1 sold to steel producers fell by 3.4 percent during July 1991-September 1992.

Kazakhstan.--Net weighted-average quarterly U.S. f.o.b. prices and shipment quantities of the specified Kazakh ferrosilicon product 2 sold to steel producers are shown in table 29.⁹⁶ ***.

⁹⁶ Also shown in table 29 are prices of the Kazakh product 2 sold to iron foundries during July-December 1989. Meaningful price trends could not be developed for the imported Kazakh product 2 sold to iron foundries from only two quarters of price data.

Table 26

Net weighted-average U.S. f.o.b. selling prices and quantities of U.S.-produced ferrosilicon, by products, by types of customers, and by quarters, January 1989-September 1992¹

<u>Period</u>	<u>Product 1</u> <u>Sales to steel producers</u>			<u>No. of firms reporting</u>
	<u>Price</u>	<u>Quantity</u>	<u>Per pound</u>	
			<u>silicon</u>	<u>pounds</u>
			<u>content</u>	<u>silicon</u>
				<u>content</u>
1989:				
January-March.....	\$0.5927	5,446	1,000	4
April-June.....	.5763	5,372	1,000	4
July-September.....	.4807	6,688	1,000	4
October-December....	.3899	8,947	1,000	4
1990:				
January-March.....	.3931	4,541	1,000	5
April-June.....	.3979	5,096	1,000	5
July-September.....	.4158	5,763	1,000	3
October-December....	.4051	4,608	1,000	3
1991:				
January-March.....	.3690	9,556	1,000	4
April-June.....	.3788	5,739	1,000	4
July-September.....	.3822	3,324	1,000	4
October-December....	.3583	4,057	1,000	4
1992:				
January-March.....	.3375	4,030	1,000	3
April-June.....	.3479	5,178	1,000	3
July-September.....	.3693	4,083	1,000	3

See footnote at the end of the table.

able 26--Continued

et weighted-average U.S. f.o.b. selling prices and quantities of U.S.-produced ferrosilicon, by products, by types of customers, and by quarters, January 1989-September 1992¹

<u>Product 2</u>						
eriod	<u>Sales to steel producers</u>			<u>Sales to iron foundries</u>		
	Price	Quantity	No. of firms reporting	Price	Quantity	No. of firms reporting
	Per pound	1,000		Per pound	1,000	
989:						
Jan.-Mar.....	\$0.4832	24,416	6	\$0.5197	16,115	5
Apr.-June.....	.4906	24,773	5	.5205	14,208	5
July-Sept.....	.4596	19,425	7	.4881	10,906	6
Oct.-Dec.....	.4043	18,597	7	.4296	11,874	7
990:						
Jan.-Mar.....	.3977	19,830	7	.4062	13,858	7
Apr.-June.....	.4020	21,318	7	.4067	12,716	7
July-Sept.....	.4074	19,599	6	.4135	10,750	6
Oct.-Dec.....	.4056	19,448	6	.4083	9,818	6
991:						
Jan.-Mar.....	.3715	18,132	5	.4006	10,288	5
Apr.-June.....	.3789	15,773	5	.4007	10,186	5
July-Sept.....	.3832	16,363	5	.4050	11,169	5
Oct.-Dec.....	.3655	17,130	5	.3998	9,606	5
1992:						
Jan.-Mar.....	.3415	14,410	5	.3867	10,315	5
Apr.-June.....	.3438	13,262	5	.3808	10,680	5
July-Sept.....	.3635	11,639	5	.3781	14,589	5

¹ The prices shown were based on total quarterly/semiannual requirement sales and are the averages of the net U.S. f.o.b. quarterly selling prices of the reporting U.S. producers weighted by each producer's quarterly sales of the specified domestic products to each type of customer shown. Quantities shown are the sum of the reporting producers' total quarterly sales volumes of the specified domestic products to each type of customer shown.

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

Table 27

Net weighted-average U.S. f.o.b. selling prices and quantities of ferrosilicon imported from Brazil, by products, by types of customers, and by quarters, January 1989-September 1992¹

<u>Period</u>	<u>Product 1</u>		<u>No. of firms reporting</u>
	<u>Sales to steel producers</u>	<u>Price</u>	
	<u>Per pound</u>	<u>Quantity</u>	
	<u>silicon content</u>	<u>1,000 pounds</u>	<u>silicon content</u>
1989:			
January-March.....	***	***	***
April-June.....	***	***	***
July-September.....	***	***	***
October-December....	***	***	***
1990:			
January-March.....	\$0.3402	989	3
April-June.....	.3996	3,196	3
July-September.....	.3733	4,640	4
October-December....	.4013	1,872	3
1991:			
January-March.....	.3939	3,195	3
April-June.....	.3995	1,194	3
July-September.....	.3689	3,364	3
October-December....	***	***	***
1992:			
January-March.....	.3351	8,507	3
April-June.....	.3449	11,031	3
July-September.....	.3712	16,854	4

¹ The prices shown were based on total quarterly/semiannual requirement sales and are the averages of the net U.S. f.o.b. quarterly selling prices of the reporting U.S. importers weighted by each firm's quarterly sales of the specified Brazilian product to the type of customer shown above. Quantities shown are the sum of the reporting importers' total quarterly sales volumes of the specified Brazilian product to the type of customer shown above.

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

Table 28

Net weighted-average U.S. f.o.b. selling prices and quantities of ferrosilicon imported from China, by products, by types of customers, and by quarters, July 1991-September 1992

* * * * *

Table 29

Net weighted-average U.S. f.o.b. selling prices and quantities of ferrosilicon imported from Kazakhstan, by products, by types of customers, and by quarters, January 1989-September 1992

* * * * *

Russia.--Net weighted-average quarterly U.S. f.o.b. prices and shipment quantities of the specified Russian ferrosilicon product 2 sold to steel producers are shown for the few periods reported in table 30. ***.

Table 30

Net weighted-average U.S. f.o.b. selling prices and quantities of ferrosilicon imported from Russia, by products, by types of customers, and by quarters, January 1990-June 1991

* * * * *

Ukraine.--Net weighted-average quarterly U.S. f.o.b. prices and shipment quantities of the specified Ukrainian ferrosilicon product 2 sold to steel producers are shown for the few periods reported in table 31.⁹⁷ ***.

Table 31

Net weighted-average U.S. f.o.b. selling prices and quantities of ferrosilicon imported from Ukraine, by products, by types of customers, and by quarters, July 1989-September 1992

* * * * *

⁹⁷ Also shown in table 31 are prices of the Ukraine product 2 sold to iron foundries during October-December 1989. Price trends could not be developed for the imported Ukraine product 2 sold to iron foundries from a single quarter of price data.

Venezuela.--Net weighted-average quarterly U.S. f.o.b. prices and shipment quantities of the specified Venezuelan ferrosilicon product 1 sold to steel producers are shown in table 32. The quarterly average selling price of the imported product 1 sold to steel producers fell from *** per pound in January-March 1989 to a period low of \$0.3258 per pound in January-March 1992, or by *** percent. Prices of the imported product then rose somewhat to end the period at \$0.3733 per pound in July-September 1992, or *** percent below the initial-period price level. In comparison, quarterly net f.o.b. prices of the domestic product 1 sold to steel producers fell by 37.7 percent during January 1989-September 1992.

Price comparisons

The majority of the quarterly price comparisons between U.S.-produced ferrosilicon and the products imported from the subject countries were developed from net U.S. delivered selling prices reported in the producer and importer questionnaires. These data were supplemented by price comparisons based on U.S. delivered purchase prices reported by U.S. steel producers in their questionnaire responses. The purchaser price data allowed price comparisons of the domestic and imported ferrosilicon that excluded ferrosilicon shipments requiring SPC documentation; purchasers reported that only the domestic ferrosilicon products could meet this requirement. Selling price data reported by U.S. ferrosilicon producers included sales requiring SPC documentation, which could not be broken out from sales not requiring this documentation.

Based on the delivered selling price data reported by U.S. producers and importers, a total of 64 quarterly price comparisons were possible. Forty-five of the total 64 price comparisons showed underselling by the foreign products, with margins of underselling averaging about 4.7 percent. Nineteen price comparisons showed that prices of the imported products were higher than prices of the domestic products, averaging 6.1 percent above prices of the domestic products.⁹⁸

Based on the delivered purchase price data reported by U.S. steel producers, a total of 8 quarterly price comparisons were possible involving Venezuela, and 3 quarterly price comparisons were possible involving combined sales of ferrosilicon from Kazakhstan, Russia, and Ukraine. Six of the total 11 delivered purchase price comparisons showed underselling by the foreign

⁹⁸ Price comparisons involving ferrosilicon from Argentina that were based on questionnaire responses of U.S. ferrosilicon producers and importers are shown and briefly discussed in appendix E. These latter price comparisons are not reflected in the above summary figures.

Table 32

Net weighted-average U.S. f.o.b. selling prices and quantities of ferrosilicon imported from Venezuela, by products, by types of customers, and by quarters, January 1989-September 1992¹

<u>Period</u>	<u>Product 1</u>		
	<u>Sales to steel producers</u>		<u>No. of firms reporting</u>
	<u>Price</u>	<u>Quantity</u>	
	<u>Per pound</u>	<u>1,000</u>	
	<u>silicon</u>	<u>pounds</u>	
	<u>content</u>	<u>silicon</u>	
		<u>content</u>	
1989:			
January-March.....	***	***	***
April-June.....	\$0.6004	3,609	3
July-September.....	.5375	2,888	3
October-December....	***	***	***
1990:			
January-March.....	.3758	6,715	4
April-June.....	.3805	3,396	4
July-September.....	.4208	3,543	3
October-December....	.4067	2,683	3
1991:			
January-March.....	.3853	1,116	3
April-June.....	***	***	***
July-September.....	***	***	***
October-December....	.3621	5,424	5
1992:			
January-March.....	.3258	7,168	4
April-June.....	.3446	5,914	3
July-September.....	.3733	9,895	3

¹ All prices shown were based on total quarterly/semiannual requirements sales and are the averages of the net U.S. f.o.b. quarterly selling prices of the reporting U.S. importers weighted by each firm's quarterly sales of the specified Venezuelan product to the type of customer shown above. Quantities shown are the sum of the reporting importers' total quarterly sales volumes of the specified Venezuelan product to the type of customer shown above.

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

products, with margins of underselling averaging 6.8 percent. Five delivered purchase price comparisons showed that prices of the imported products were higher than prices of the domestic products, averaging 1.8 percent above prices of the domestic products.⁹⁹

The quarterly weighted-average net U.S. delivered prices of the domestic and subject imported products and the margins of underselling are discussed below by the individual subject foreign countries.

Brazil.--Based on U.S. producer and importer questionnaire data, a total of 15 quarterly delivered price comparisons were possible between the domestic and imported Brazilian ferrosilicon between January 1991 and September 1992 (table 33). All 15 price comparisons involved product 1 sold to steel producers. Nine of the 15 price comparisons showed that the imported product was priced less than the domestic product, with margins of underselling averaging 9.0 percent. Six other price comparisons showed that prices of the imported product were higher than prices of the domestic product, averaging 5.9 percent above prices of the domestic product.

China.--Based on U.S. producer and importer questionnaire data, a total of four quarterly delivered price comparisons were possible between the domestic and imported Chinese ferrosilicon between July 1991 and September 1992 (table 34). All four price comparisons, which involved product 1 sold to steel producers, showed that the imported product was priced less than the domestic product, with margins of underselling averaging 4.1 percent.

Kazakhstan.--Based on U.S. producer and importer questionnaire data, a total of 17 quarterly delivered price comparisons were possible between the domestic and imported Kazakh ferrosilicon between January 1989 and September 1992 (table 35).¹⁰⁰ Fifteen price comparisons involved product 2 sold to steel companies and 2 price comparisons involved product 2 sold to iron foundries. Eleven of the 15 price comparisons involving product 2 sold to steel producers and both price comparisons involving product 2 sold to iron foundries showed that the imported products were priced less than the domestic products, with margins of underselling averaging 3.2 percent. Four price comparisons involving product 2 sold to steel producers showed that prices of the imported product were higher than prices of the domestic product, averaging 7.4 percent above prices of the domestic product.

⁹⁹ Price comparisons involving ferrosilicon from Argentina that were based on questionnaire responses of U.S. purchasers are briefly discussed in appendix E.

¹⁰⁰ Based on purchaser questionnaire responses, the three delivered purchase price comparisons involving combined imports of product 2 from Kazakhstan, Russia, and Ukraine and purchased by steel producers, showed that the imported products were priced less than the domestic ferrosilicon, with margins of underselling averaging 7.2 percent. These latter price comparisons are not shown in a table.

Table 33

Net U.S. delivered selling prices of the U.S.-produced and imported Brazilian ferrosilicon, by products and by types of customers, and margins of under/(over)selling,¹ by quarters, January 1989-September 1992²

<u>Period</u>	<u>Product 1</u>				
	<u>Sales to steel producers</u>				
	<u>U.S.</u>	<u>producer price</u>	<u>Brazilian price</u>	<u>Margins of under/(over)selling</u>	
<u>-----Per pound silicon content-----</u>					<u>Percent</u>
1989:					
Jan.-Mar.....	\$ 0.6172		***	***	***
Apr.-June.....	.5957		***	***	***
July-Sept.....	.4995		***	***	***
Oct.-Dec.....	.4114		***	***	***
1990:					
Jan.-Mar.....	.4120	\$ 0.3451		\$ 0.0669	16.2
Apr.-June.....	.4176	.4074		.0102	2.4
July-Sept.....	.4350	.3784		.0566	13.0
Oct.-Dec.....	.4279	.4130		.0149	3.5
1991:					
Jan.-Mar.....	.3903	.4053		(.0150)	(3.8)
Apr.-June.....	.3997	.4094		(.0097)	(2.4)
July-Sept.....	.3967	.3724		.0243	6.1
Oct.-Dec.....	.3800	***		***	***
1992:					
Jan.-Mar.....	.3580	.3400		.0180	5.0
Apr.-June.....	.3673	.3509		.0164	4.5
July-Sept.....	.3874	.3783		.0091	2.3

¹ The percentage price differences between the U.S. and imported Brazilian ferrosilicon were calculated as differences from the U.S. producers' price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product during that quarter.

² The prices shown were based on total quarterly/semiannual requirements sales and are the averages of the domestic and imported net U.S. delivered quarterly selling prices of the reporting U.S. producers and importers weighted by each firm's quarterly sales of the specified domestic and Brazilian products to the type of customer shown above.

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

Table 34

Net U.S. delivered selling prices of the U.S.-produced and imported Chinese ferrosilicon, by products and by types of customers, and margins of under/(over)selling,¹ by quarters, July 1991-September 1992²

<u>Period</u>	<u>Product 1</u>			
	<u>Sales to steel producers</u>			
	<u>U.S.</u> <u>producer</u> <u>price</u>	<u>Chinese</u> <u>price</u>	<u>Margins of</u> <u>under/(over)selling</u>	
<u>-----Per pound silicon content-----</u>				<u>Percent</u>
1991:				
July-Sept.....	\$0.3967	***	***	***
Oct.-Dec.....	.3800	***	***	***
1992:				
Apr.-June.....	.3673	***	***	***
July-Sept.....	.3874	***	***	***

¹ The percentage price differences between the U.S. and imported Chinese ferrosilicon were calculated as differences from the U.S. producers' price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product during that quarter.

² The prices shown were based on total quarterly/semiannual requirements sales and are the averages of the domestic and imported net U.S. delivered quarterly selling prices of the reporting U.S. producers and importers weighted by each firm's quarterly sales of the specified domestic and Chinese products to the type of customer shown above.

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

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et U.S. delivered selling prices of the U.S.-produced and imported Kazakh ferrosilicon, by products and by types of customers, and margins of under/(over)selling,¹ by quarters, January 1989-September 1992²

Period	Product 2				Sales to iron foundries			
	Sales to steel producers			Margins of under/(over) selling	Sales to iron foundries			Margins of under/(over) selling
	U.S. producer price	Kazakh producer price	Per pound ----silicon content-----	Percent	U.S. producer price	Kazakh producer price	Per pound ----silicon content-----	Percent
989:								
Jan.-Mar...	\$0.5039	***	***	***	-	-	-	-
Apr.-June..	.5114	***	***	***	-	-	-	-
July-Sept..	.4837	***	***	***	\$0.5004	***	***	***
Oct.-Dec...	.4279	***	***	***	.4438	***	***	***
1990:								
Jan.-Mar...	.4194	***	***	***	-	-	-	-
Apr.-June..	.4234	***	***	***	-	-	-	-
July-Sept..	.4292	***	***	***	-	-	-	-
Oct.-Dec...	.4240	***	***	***	-	-	-	-
1991:8								
Jan.-Mar...	.3939	***	***	***	-	-	-	-
Apr.-June..	.3994	***	***	***	-	-	-	-
July-Sept..	.4023	***	***	***	-	-	-	-
Oct.-Dec...	.3841	***	***	***	-	-	-	-
Jan.-Mar...	.3609	***	***	***	-	-	-	-
Apr.-June..	.3627	***	***	***	-	-	-	-
July-Sept..	.3823	***	***	***	-	-	-	-

¹ The percentage price differences between the U.S. and imported Kazakh ferrosilicon were calculated as differences from the U.S. producers' price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product during that quarter.

² The prices shown were based on total quarterly/semiannual requirement sales and are the averages of the domestic and imported net U.S. delivered quarterly selling prices of U.S. producers and *** weighted by each firm's total quarterly sales of the specified domestic and Kazakh products to each type of customer shown.

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

Russia.--Based on U.S. producer and importer questionnaire data, a total of four quarterly delivered price comparisons were possible between the domestic and imported Russian ferrosilicon between January 1990 and June 1991 (table 36). All four price comparisons, which involved product 2 sold to steel producers, showed that the imported product was priced less than the domestic product, with margins of underselling averaging 4.3 percent.

Table 36

Net U.S. delivered selling prices of the U.S.-produced and imported Russian ferrosilicon, by products and by types of customers, and margins of under/(over)selling,¹ by quarters, January 1990-June 1991²

<u>Period</u>	<u>Product 2</u>			
	<u>Sales to steel producers</u>			
	<u>U.S. producer price</u>	<u>Russian price</u>	<u>Margins of under/(over)selling</u>	<u>Percent</u>
<u>-----Per pound silicon content-----</u>				
1990:				
Jan.-Mar.....	\$0.4194	***	***	***
Apr.-June.....	.4234	***	***	***
1991:				
Jan.-Mar.....	.3939	***	***	***
Apr.-June.....	.3994	***	***	***

¹ The percentage price differences between the U.S. and imported Russian ferrosilicon were calculated as differences from the U.S. producers' price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product during that quarter.

² The prices shown were based on total quarterly/semiannual requirement sales and are the averages of the domestic and imported net U.S. delivered quarterly selling prices of the reporting U.S. producers and *** weighted by each firm's total quarterly sales of the specified domestic and Russian products to the type of customer shown above.

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

Ukraine.--Based on U.S. producer and importer questionnaire data, a total of 9 quarterly delivered price comparisons were possible between the domestic and imported Ukrainian ferrosilicon between July 1989 and September 1992 (table 37). Eight price comparisons involved product 2 sold to steel companies and 1 price comparison involved product 2 sold to iron foundries. Six of the 8 price comparisons involving product 2 sold to steel producers and the single price comparison involving product 2 sold to iron foundries showed that the imported products were priced less than the domestic products, with margins of underselling averaging 2.4 percent. Two price comparisons involving product 2 sold to steel producers showed that prices of the imported

Table 37

Net U.S. delivered selling prices of the U.S.-produced and imported Ukrainian ferrosilicon, by products and by types of customers, and margins of under/(over)selling,¹ by quarters, July 1989-September 1992²

Period	<u>Product 2</u>				<u>Sales to iron foundries</u>			
	<u>Sales to steel producers</u>			<u>Margins of under/(over) selling</u>	<u>Sales to iron foundries</u>			<u>Margins of under/(over) selling</u>
	<u>U.S. producer price</u>	<u>Ukraine price</u>	<u>Margins of under/(over) selling</u>		<u>U.S. producer price</u>	<u>Ukraine price</u>	<u>Margins of under/(over) selling</u>	
	<u>Per pound</u>		<u>Percent</u>		<u>Per pound</u>		<u>Percent</u>	
	<u>-----silicon content-----</u>				<u>-----silicon content-----</u>			
1989:								
	July-Sept..	\$0.4837	***	***	***	-	-	-
	Oct.-Dec...	.4279	***	***	***	\$0.4438	***	***
1990:								
	Jan.-Mar...	.4194	***	***	***	-	-	-
	Apr.-June..	.4234	***	***	***	-	-	-
1991:								
	Oct.-Dec...	.3841	***	***	***	-	-	-
1992:								
	Jan.-Mar...	.3609	***	***	***	-	-	-
	Apr.-June..	.3627	***	***	***	-	-	-
	July-Sept..	.3823	***	***	***	-	-	-

¹ The percentage price differences between the U.S. and imported Ukrainian ferrosilicon were calculated as differences from the U.S. producers' price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product during that quarter.

² The prices shown were based on total quarterly/semiannual requirement sales and are the averages of the domestic and imported net U.S. delivered quarterly selling prices of U.S. producers and *** weighted by each firm's total quarterly sales of the specified domestic and Ukrainian products to each type of customer shown.

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

product were higher than prices of the domestic product, averaging 7.5 percent above prices of the domestic product.

Venezuela.--Based on U.S. producer and importer questionnaire data, a total of 15 quarterly delivered price comparisons were possible between the domestic and imported Venezuelan ferrosilicon between January 1989 and September 1992 (table 38). All 15 price comparisons involved product 1 sold to steel producers. Eight of the 15 price comparisons showed that the imported product was priced less than the domestic product, with margins of underselling averaging 4.7 percent. Seven price comparisons showed that prices of the imported product were higher than prices of the domestic product, averaging 5.1 percent above prices of the domestic product.

Table 38

Net U.S. delivered selling prices of the U.S.-produced and imported Venezuelan ferrosilicon, by products and by types of customers, and margins of under/(over)selling,¹ by quarters, January 1989-September 1992²

Period	<u>Product 1</u>			
	<u>Sales to steel producers</u>			
	U.S.	Venezuelan	Margins of	
	producer price	price	under/(over)selling	
<u>-----Per pound silicon content-----</u>				<u>Percent</u>
1989:				
Jan.-Mar.....	\$0.6172	***	***	***
Apr.-June.....	.5957	\$0.6102	(\$0.0145)	(2.4)
July-Sept.....	.4995	.5466	(.0471)	(9.4)
Oct.-Dec.....	.4114	***	***	***
1990:				
Jan.-Mar.....	.4120	.3756	.0364	8.8
Apr.-June.....	.4176	.3956	.0220	5.3
July-Sept.....	.4350	.4369	(.0019)	(.4)
Oct.-Dec.....	.4279	.4128	.0151	3.5
1991:				
Jan.-Mar.....	.3903	.3786	.0117	3.0
Apr.-June.....	.3997	***	***	***
July-Sept.....	.3967	***	***	***
Oct.-Dec.....	.3800	.3676	.0124	3.3
1992:				
Jan.-Mar.....	.3580	.3299	.0281	7.8
Apr.-June.....	.3673	.3547	.0126	3.4
July-Sept.....	.3874	.3779	.0095	2.5

¹ The percentage price differences between the U.S. and imported Venezuelan ferrosilicon were calculated as differences from the U.S. producers' price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product during that quarter.

² The prices shown were based on total quarterly/semiannual requirement sales and are the averages of the domestic and imported net U.S. delivered quarterly selling prices of the reporting U.S. producers and importers, weighted by each firm's total quarterly sales of the specified domestic and Venezuelan products to the type of customer shown above.

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

Based on purchaser questionnaire data reported by U.S. steel producers, a total of 8 quarterly delivered price comparisons were possible between the domestic and imported Venezuelan ferrosilicon between January 1991 and September 1992 (table 39). Seven of the 8 price comparisons involved product 1 and 1 price comparison involved product 2. Three of the 7 price comparisons involving product 1 showed that the imported product was priced less than the domestic product, with margins of underselling averaging 6.3 percent. Four price comparisons involving product 1 and the sole price comparison involving product 2 showed that prices of the imported product were higher than prices of the domestic product, averaging 1.9 percent above prices of the domestic product.

Exchange Rates

Quarterly data reported by the International Monetary Fund for three of the seven subject countries indicate that the values of the reported currencies generally depreciated in real terms relative to the U.S. dollar between January 1989 and September 1992, or through the most recent period for which data were available. Exchange-rate changes for the three countries are shown in table 40 and discussed below.¹⁰¹ ¹⁰²

Brazil

The nominal value of the Brazilian cruzeiro depreciated by almost 100 percent against the U.S. dollar between January 1989 and September 1992, but due to inflation of 564,291 percent in Brazil during this period, the real value of the cruzeiro actually appreciated by 8.4 percent.

Egypt

The nominal value of the Egyptian pound depreciated by 78.9 percent against the U.S. dollar between January 1989 and June 1992, but due to inflation of 68.9 percent in Egypt during this period, the real value of the Egyptian pound fell by 66.3 percent. Producer price index data for Egypt were available through April-June 1992.

¹⁰¹ International Financial Statistics, January 1993.

¹⁰² Useable market exchange-rate data for China, Kazakhstan, Russia, and Ukraine are not available. The Government of China limits convertibility of its currency with other currencies. Beginning in January 1991, the former USSR Government reduced the ruble's more than 2,000 officially administered exchange rates to 3 administered rates and allowed for a separate market rate to be determined at currency auctions in the USSR. Instability in the country, leading to the dissolution of the country into independent states on January 1, 1992, however, retarded full development of the currency auction market in the now independent states, including Kazakhstan, Russia, and Ukraine.

Table 39

Net U.S. delivered purchase prices of the U.S.-produced and imported Venezuelan ferrosilicon purchased by U.S. steel producers, by products, and margins of under/(over) selling,¹ by quarters, January 1991-September 1992²

<u>Product and period</u>	<u>United States³</u>		<u>Venezuela⁴</u>		<u>Margins of under/(over) selling</u>	
	<u>Quantity</u>	<u>Price</u>	<u>Quantity</u>	<u>Price</u>	<u>Per pound silicon content</u>	<u>Percent</u>
	<u>1,000 pounds silicon content</u>		<u>1,000 pounds silicon content</u>			
<u>Product 1:</u>						
1991:						
Jan.-Mar... 5,264	\$0.3734	283	\$0.3893	(\$.0159)	(4.3)	
Apr. June... 4,627	.3772	1,485	.3919	(.0147)	(3.9)	
July-Sept... 4,757	.3820	5,951	.3824	(.0005)	(.1)	
Oct.-Dec... 3,812	.3672	4,726	.3386	.0285	7.8	
1992:						
Jan.-Mar... 7,183	.3373	4,368	.3095	.0278	8.3	
Apr. June... 5,307	.3506	6,036	.3515	(.0009)	(.3)	
July-Sept... 2,437	.3873	3,080	.3760	.0113	2.9	
<u>Product 2:</u>						
1991:						
July-Sept.. 5,755	.3875	486	.3903	(.0028)	(.7)	

¹ The percentage price differences between the U.S. and imported Venezuelan ferrosilicon were calculated as differences from the price of the domestic product. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product during that quarter.

² The prices shown were based on total quarterly/semiannual requirement purchases and are the averages of the domestic and imported net U.S. delivered quarterly purchase prices reported by purchasing U.S. steel firms, weighted by each firm's total quarterly purchases of the specified domestic and Venezuelan ferrosilicon products. The delivered purchase price data do not include shipments of ferrosilicon that required SPC documentation.

³ Fourteen U.S. steel producers reported the requested purchase price data for the domestic ferrosilicon products but not necessarily for every period requested.

⁴ Nine U.S. steel producers reported the requested purchase price data for the imported Venezuelan ferrosilicon products but not necessarily for every period requested.

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

Venezuela

The nominal value of the Venezuelan bolivar depreciated by 68.1 percent against the U.S. dollar between January 1989 and September 1992, but due to inflation of 179.3 percent in Venezuela during this period, the real value of the bolivar fell by only 16.2 percent.

Table 40

Exchange rates:¹ Indexes of the nominal and real exchange rates between the U.S. dollar and the currencies of three specified countries, and indexes of producer prices in the foreign countries and the United States,² by quarters, January 1989-September 1992

Period	<u>Brazil</u>			<u>Egypt</u>			U.S. producer price index
	Nominal exchange rate index	Producer price index	Real exchange rate index ³	Nominal exchange rate index	Producer price index	Real exchange rate index ³	
1989:							
Jan-Mar....	100.00	100.0	100.0	100.0	100.0	100.0	100.0
Apr-June...	84.30	130.4	108.1	100.0	108.3	106.4	101.8
July-Sept..	38.00	304.3	114.2	63.6	107.9	67.7	101.4
Oct-Dec....	14.50	882.6	126.1	63.6	121.2	75.8	101.8
1990:							
Jan-Mar....	3.80	4,213.0	156.9	63.6	120.4	74.2	103.3
Apr-June...	1.90	8,160.9	146.5	63.6	124.8	77.1	103.1
July-Sept..	1.40	10,978.3	142.4	35.0	129.7	43.3	104.9
Oct-Dec....	.80	16,421.7	118.6	35.0	135.9	44.0	108.1
1991:							
Jan-Mar....	.50	26,721.7	113.9	22.3	139.4	29.4	105.9
Apr-June...	.40	34,643.5	116.8	21.4	146.1	29.9	104.8
July-Sept..	.30	48,678.3	119.9	21.3	153.6	31.2	104.7
Oct-Dec....	.10	89,243.5	108.5	21.0	163.2	32.7	104.8
1992:							
Jan-Mar....	.10	172,578.3	107.0	21.1	167.2	33.7	104.6
Apr-June...	.04	298,673.9	103.1	21.1	168.9	33.7	105.7
July-Sept..	.02	564,391.0	108.4	22.0	(4)	(4)	106.1
Venezuela							
	Nominal exchange rate index	Producer price index	Real exchange rate index ³				U.S. producer price index
1989:							
Jan-Mar....	100.0	100.0	100.0				100.0
Apr-June...	57.3	145.4	81.9				101.8
July-Sept..	57.3	158.5	89.6				101.4
Oct-Dec....	51.4	160.9	81.2				101.8
1990:							
Jan-Mar....	50.0	167.2	80.9				103.3
Apr-June...	47.2	174.0	79.7				103.1
July-Sept..	44.0	185.6	77.9				104.9
Oct-Dec....	43.3	191.8	76.8				108.1
1991:							
Jan-Mar....	40.7	202.4	77.7				105.9
Apr-June...	39.2	212.6	79.5				104.8
July-Sept..	36.6	225.2	78.8				104.7
Oct-Dec....	35.7	238.3	81.2				104.8
1992:							
Jan-Mar....	33.8	246.4	79.7				104.6
Apr-June...	33.0	262.4	82.0				105.7
July-Sept..	31.9	279.3	83.8				106.1

See notes at end of table.

Table 40--Continued

¹ Based on exchange rates expressed in U.S. dollars per unit of foreign currency.

² The producer price indexes are aggregate measures of inflation at the wholesale level in the United States and the above foreign countries. Quarterly producer prices in the United States fluctuated but rose, by 6.1 percent, between January 1989 and September 1992. During this period, producer prices in Brazil rose by 564,291 percent and producer prices in Venezuela increased by 179.3 percent. Producer prices in Egypt rose by 68.9 percent between January 1989 and June 1992, the latest period such data were available.

³ The real values of the foreign currencies are the nominal values adjusted for the difference between inflation rates as measured by the producer price indexes in the individual foreign countries and the United States.

⁴ Not available.

Note...January-March 1989=100.0

Source: International Monetary Fund, *International Financial Statistics*, January 1993.

Lost Revenues

During the current preliminary ferrosilicon investigations, *** reported lost revenue allegations involving competition from ferrosilicon imported from Brazil, which totaled *** of lost revenues for *** million pounds of silicon content in the ferrosilicon.¹⁰³

During the current final ferrosilicon investigations, one U.S. producer *** reported lost revenue allegations involving competition from ferrosilicon imported from Venezuela.¹⁰⁴ The reported allegations involving Venezuela totaled *** of lost revenues for *** million pounds of silicon content in the ferrosilicon.¹⁰⁵

¹⁰³ During the current preliminary ferrosilicon investigations, four other U.S. producers of ferrosilicon *** indicated in their questionnaire responses that they were forced to lower their prices because of competition with lower priced subject imported products, but were unable to provide any details or country(ies) of origin. On the other hand, four U.S. producers *** indicated that they were not forced to lower their prices because of any low-priced ferrosilicon imported from the subject countries. No specific lost revenue allegations were received that involved ferrosilicon imported from Egypt.

¹⁰⁴ During the current final ferrosilicon investigations, *** also reported lost revenue allegations involving competition from ferrosilicon imported from Argentina. A discussion of telephone conversations with the cited purchasers is presented in appendix E.

¹⁰⁵ During the current final ferrosilicon investigations, four other U.S. producers of ferrosilicon *** indicated in their questionnaire responses that they were forced to lower their prices because of competition with lower

(continued...)

The Commission was able to contact 2 of the 3 purchasers cited in lost revenue allegations involving Brazil and Venezuela; conversations are discussed below by country of origin.

Brazil

*** alleged that it sold about *** million pounds (silicon content) of commodity grade *** to *** during ***. *** reportedly offered its U.S.-produced ferrosilicon initially at *** per pound of silicon content but asserted that to make the sale it had to lower its price to *** per pound of silicon content to match the price of Brazilian ferrosilicon offered to ***.

* * * * *

Venezuela

*** alleged that it sold about *** million pounds (silicon content) of commodity grade *** to *** for *** delivery. *** reportedly offered its U.S.-produced ferrosilicon initially at *** per pound of silicon content but asserted that to make the sale it had to lower its price to *** per pound of silicon content because of competition with Venezuelan ferrosilicon offered to ***. *** did not know the competing price.

* * * * *

Lost Sales

During the current preliminary ferrosilicon investigations, *** reported lost sales allegations involving competition from ferrosilicon imported from Brazil which totaled *** or *** million pounds of silicon content in the ferrosilicon.¹⁰⁵

¹⁰⁵ (...continued)

priced subject imported products, but were unable to provide any details or country(ies) of origin. On the other hand, three U.S. producers *** indicated that they were not forced to lower their prices because of any low-priced ferrosilicon imported from the subject countries. No specific lost revenue allegations were received that involved ferrosilicon imported from China, Kazakhstan, Russia, or Ukraine.

¹⁰⁶ During the current preliminary ferrosilicon investigations, three other U.S. producers of ferrosilicon *** indicated in their questionnaire responses that they lost sales to the subject imported products, but were unable to provide any details or country(ies) of origin. On the other hand, four U.S. producers *** indicated that they had not lost sales to the subject imported products. No specific lost sales allegations were received that involved ferrosilicon imported from Egypt.

During the current final ferrosilicon investigations, three U.S. producers *** reported lost sales allegations involving ferrosilicon imported from Russia and Venezuela.¹⁰⁷ These reported lost sales allegations involving Russian and Venezuelan products totaled \$6,819,750 or 17,000,000 pounds of silicon content in the ferrosilicon.¹⁰⁸

The Commission was able to contact 7 of the 10 purchasers cited in lost sales allegations involving Brazil, Russia, and Venezuela; and it also was able to contact 3 of the 5 purchasers cited in lost sales allegations where the reporting U.S. producer did not know the country of origin of the competing material.

Brazil

*** alleged that it offered to sell *** pounds (silicon content) of commodity grade ferrosilicon 75 to *** during ***. *** reportedly offered its U.S.-produced ferrosilicon at *** per pound of silicon content but asserted that it lost the sale to imported Brazilian material priced at *** per pound of silicon content.

* * * * *

*** alleged that it offered to sell *** pounds (silicon content) of commodity grade ferrosilicon 75 to *** during ***. *** reportedly offered its U.S.-produced ferrosilicon at *** per pound of silicon content but asserted that it lost the sale to imported Brazilian material priced at *** per pound of silicon content. ***.

Russia

*** alleged that a sale of ferrosilicon 50 to *** involving *** pounds of silicon content was lost to a supplier of Russian-produced ferrosilicon on ***. *** reported that it offered the domestic ferrosilicon for *** but was rejected by ***, but *** did not know the accepted price.

* * * * *

¹⁰⁷ In addition, *** also reported lost sales allegations where it did not know the country of origin of the competing ferrosilicon. The latter allegations totaled *** million or *** million pounds of silicon content in the ferrosilicon.

¹⁰⁸ During the current final ferrosilicon investigations, two other U.S. producers of ferrosilicon *** indicated in their questionnaire responses that they had lost sales to the subject imported products, but were unable to provide any details or country(ies) of origin. Three U.S. producers *** indicated in their questionnaire responses that they had not lost sales to the subject imported products. No specific lost sales allegations were received that involved ferrosilicon imported from China, Kazakhstan, or Ukraine.

*** also alleged that a sale of ferrosilicon 50 to *** involving *** pounds of silicon content was lost to a supplier of Russian-produced ferrosilicon on ***. *** reported that it offered the domestic ferrosilicon for *** but was rejected by *** and the accepted quote for the Russian product was ***. *** stated that ***.

*** also alleged that a sale of ferrosilicon 50 to *** involving *** pounds of silicon content was lost to a supplier of Russian-produced ferrosilicon in ***. *** reported that it offered the domestic ferrosilicon for *** but was rejected by *** but *** did not know the accepted price. ***.

*** alleged 2 lost sales of ferrosilicon 50 to *** involving the Russian imports. These sales involved the submission of price quotes in response to requests from *** that specified both the quantity and grade of ferrosilicon required. *** alleged that on *** it offered to provide *** pounds (silicon content) of ferrosilicon for *** but the sale was awarded to a supplier of Russian ferrosilicon which bid ***. *** alleged that in *** it offered to provide *** pounds (silicon content) of ferrosilicon for *** but the sale was awarded to a supplier of ferrosilicon that was "possibly Russian" which bid ***.

* * * * *

*** alleged that it offered to sell *** pounds (silicon content) of commodity grade ferrosilicon 50 to *** during ***. *** reportedly offered its U.S.-produced ferrosilicon at *** per pound of silicon content but asserted that it lost the sale to Russian material priced at *** per pound of silicon content.

* * * * *

Venezuela

*** alleged a lost sale of ferrosilicon 50 to *** because of imports from Venezuela. *** reported that it submitted a price of *** in *** to provide *** pounds of silicon content and that the sale was awarded to a supplier of ferrosilicon that was "possibly Venezuelan" which bid ***.

* * * * *

Unknown Country Of Origin

*** alleged that it offered to sell *** million pounds (silicon content) of commodity grade ferrosilicon 75 to *** during ***. *** reportedly offered its U.S.-produced ferrosilicon at *** per pound of silicon content but asserted that it lost the sale to unspecified off-shore material priced at *** per pound of silicon content. ***.

*** alleged that it offered to sell *** pounds (silicon content) of commodity grade ferrosilicon 75 to *** during ***. *** reportedly offered its U.S.-produced ferrosilicon at *** per pound of silicon content but asserted that it lost the sale to unspecified off-shore material priced at *** per pound of silicon content.

* * * * *

*** alleged that it offered to sell *** million pounds (silicon content) of commodity grade ferrosilicon 75 to *** during *** and again in ***. *** reportedly offered its U.S.-produced ferrosilicon at *** per pound of silicon content in *** and at *** per pound of silicon content in ***, but asserted that it lost the sales to unspecified off-shore material priced at *** per pound of silicon content in *** and priced at *** per pound of silicon content in ***.

* * * * *

APPENDIX A

**FEDERAL REGISTER NOTICES OF THE U.S. INTERNATIONAL TRADE
COMMISSION AND THE U.S. DEPARTMENT OF COMMERCE**

magnesium, and not more than 10 percent calcium or any other element.

Ferrosilicon is a ferroalloy produced by combining silicon and iron through smelting in a submerged-arc furnace. Ferrosilicon is used primarily as an alloying agent in the production of steel and cast iron. It is also used in the steel industry as a deoxidizer and reducing agent, and by cast iron producers as an inoculant.

Ferrosilicon is differentiated by size and by grade. The sizes express the maximum and minimum dimensions of the lumps of ferrosilicon found in a given shipment. Ferrosilicon grades are defined by the percentages of weight of contained silicon and other minor elements. Ferrosilicon is most commonly sold to iron and steel industries in standard grades of 75 percent and 50 percent ferrosilicon.

Calcium silicon, ferrocalcium silicon, and magnesium ferrosilicon are specifically excluded from the scope of this investigation. Calcium silicon is an alloy containing, by weight, not more than five percent iron, 60 to 65 percent silicon and 28 to 32 percent calcium. Ferrocalcium silicon is a ferroalloy containing, by weight, not less than four percent iron, 60 to 65 percent silicon, and more than 10 percent calcium. Magnesium ferrosilicon is a ferroalloy containing, by weight, not less than four percent iron, not more than 55 percent silicon, and not less than 2.75 percent magnesium.

Ferrosilicon is classifiable under the following subheadings of the Harmonized Tariff Schedule of the United States ("HTSUS"): 7202.21.1000, 7202.21.5000, 7202.21.7500, 7202.21.9000, 7202.29.0010, and 7202.29.0050. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description on the scope of this investigation is dispositive.

Injury Test

On August 31, 1990, Venezuela became a contracting party of the General Agreement on Tariffs and Trade ("GATT"). Since qualification as "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). However, because Venezuela is a GATT contracting party, and merchandise within the scope of the petition which is imported under HTSUS subheadings 7202.21.1000, 7202.21.5000, 7202.29.0010, and 72.29.0050 is nondutiable, the

[C-307-808]

Preliminary Affirmative Countervailing Duty Determination: Ferrosilicon From Venezuela

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

EFFECTIVE DATE: August 25, 1992.

FOR FURTHER INFORMATION CONTACT: Paulo F. Mendes, Office of Countervailing Investigations, U.S. Department of Commerce, Room B099, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-5050.

Preliminary Determination

The Department preliminarily determines that benefits which constitute bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended ("the Act"), are being provided to manufacturers, producers, or exporters in Venezuela of the subject merchandise.

Case History

Since the publication of the notice of initiation in the Federal Register (57 FR 27024, June 17, 1992), the following events have occurred. On June 19, 1992, we presented a questionnaire to the Government of Venezuela ("GOV"). On August 27, 1992, we received responses from the GOV and CVG-Venezolana de Ferrosilicio C.A. ("FESILVEN"), the only producer and exporter of ferrosilicon in Venezuela. On August 31, 1992, we issued deficiency questionnaires; responses to these questionnaires were received on August 7 and August 14, 1992.

Scope of Investigation

The product covered by this investigation is ferrosilicon, a ferroalloy generally containing, by weight, not less than four percent iron, more than eight percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorous, less than 2.75 percent

petitioner is nonetheless required to allege that, and the International Trade Commission ("ITC") is required to determine whether, pursuant to section 303(a)(2), imports of this nondutiable merchandise from Venezuela materially injure, or threaten material injury to, a U.S. industry. The remaining HTSUS items, as described in the "Scope of Investigation" section of this notice, are dutiable. Therefore, for these items, the ITC is not required to determine whether, pursuant to section 303(a)(2), imports from Venezuela of these products materially injure, or threaten material injury to, a U.S. industry.

Analysis of Programs

Consistent with our practice in preliminary determinations, when a response to an allegation denies the existence of a program, receipt of benefits under a program, or eligibility of a company or industry under a program, and the Department has no persuasive evidence showing that the response is incorrect, we accept the response for purposes of the preliminary determination. All such responses, however, are subject to verification. If the responses cannot be supported at verification, and a program is otherwise counteravailable, the program will be considered a counteravailable study in the final determination.

For purposes of this preliminary determination, the period for which we are measuring bounties or grants (the period of investigation—"POI") is calendar year 1991, which corresponds to the fiscal year of FESILVEN.

Program Preliminarily Determined To Be Counteravailable

We preliminarily determine that bounties or grants are being provided to manufacturers, producers or exporters in Venezuela of ferrosilicon under the following programs:

1. *Preferential power rates.* The petitioners alleged that C.V.G. Electrificación del Caroni C.A. ("EDELCA"), a government-owned hydroelectric power company, charges preferential electricity rates to FESILVEN. According to the questionnaire responses the electricity rates EDELCA charges large industrial consumers of electricity are the result of non-discriminatory, arms-length negotiations between EDELCA and its customers. During such negotiations, the consumption pattern of each customer is considered by EDELCA in determining each customer's electricity rate.

When analyzing whether the provision by a government of a good or service pursuant to a domestic program confers a counteravailable benefit, we

examine whether the good or service is being provided to a specific enterprise or industry or group of enterprises or industries and whether the price paid by the producers under investigation for that good or service is less than the benchmark price. See e.g., Final Affirmative Countervailing Duty Determination: Certain Softwood Lumber Products from Canada, 57 FR 22570, 22586 (May 28, 1992). Although we do not have complete information as to EDELCA's rates, the response provides information on rates charged to other industrial groups which are large consumers of electricity. It appears from the information provided that FESILVEN paid a lower rate than another industrial group which consumed a larger quantity of electricity than FESILVEN during the POI. Therefore, we preliminarily determine that FESILVEN received electricity at a preferential rate. For purposes of this preliminary determination, the benchmark we are using is the rate charged by EDELCA to the other large industrial consumer of electricity referred to above.

To calculate the benefit, we first multiplied FESILVEN's total electricity consumption during the POI by the average electricity rate EDELCA charged the other industrial group during the POI. Next, we subtracted from the resultant figure FESILVEN's actual electricity cost for the POI. Finally, the difference was divided by FESILVEN's total sales. On this basis, we calculated estimated net bounties or grants of 4.97 percent *ad valorem*.

Respondents have argued that under FESILVEN's current electricity contract, the company began paying a markedly higher price for electricity after the POI. According to respondents, the increase resulted from an EDELCA initiative, begun in 1990, to raise power rates paid by large volume customers gradually so that by 1995 those rates will equal the long term marginal costs of EDELCA's hydroelectric generation activities. At this time, the Department does not have sufficient information to analyze whether a program-wide change has occurred. We will continue to seek further information on this issue for purposes of our final determination.

2. *Export bond program.* Although this program was not alleged in the petition, FESILVEN's financial statements and questionnaire responses indicate that FESILVEN benefited from this program during the POI. Based on previous investigations (see, e.g., Final Affirmative Countervailing Duty Determination: Certain Electrical Conductor Aluminum Redraw Rod from Venezuela, 53 FR 24753 (June 30, 1988)), we know that this program was

designed to provide partial compensation for the requirement that exporters convert foreign currency export earnings to bolivars at an official rate significantly lower than the free market rate. The value of the export bond is based on a percentage of the FOB value of the product exported.

Because this program is limited to exporters, we preliminarily determine that it is counteravailable. To calculate the benefit for the POI, we divided the bolivar amount of bonds shown on FESILVEN's 1991 financial statements by the company's total export sales. On this basis, we calculated estimated net bounties or grants of 1.69 percent *ad valorem*.

The export bond program was terminated as of June 15, 1991. Therefore, consistent with our policy of taking into account program-wide changes that occur before the preliminary determination, the cash deposit rate for this program is zero. See section 355.50 of the Department's proposed regulations, 54 FR 23366 (May 31, 1989).

B. Program Preliminarily Determined Not To Be Counteravailable

1. *GOV grants.* The petitioners alleged that in December 1987, FESILVEN was authorized by the GOV to receive funds in the form of a government grant and loans from foreign sources to implement a major expansion plan. According to the questionnaire responses, FESILVEN financed its expansion plan by "long-term loans negotiated on ordinary commercial terms with two foreign banks, a loan from an unrelated foreign customer" and capital contributions it received from its shareholders, composed of both private and public investors.

Rather than a government grant, it appears that FESILVEN received equity infusions in 1989 and 1991. Because the petitioners alleged that FESILVEN had received an equity infusion from the government in 1989 in their petition, the Department examined in this proceeding FESILVEN's equityworthiness for 1989. Based on information in the petition, we concluded that there was no reasonable basis to believe or suspect that FESILVEN was unequityworthy in 1989. For 1991, petitioners have made no unequityworthy allegation. The Department's policy is not to investigate an equity infusion in a firm absent a specific allegation by the petitioner. See section 355.44(e)(3) of the Department's proposed regulations (54 FR 23366; May 31, 1989). Accordingly, we preliminarily determine this program to be not counteravailable.

C. Program For Which Additional Information Is Needed

1. GOV's assumption of debt. The petitioners allege that under Decree 1261, the GOV assumed a portion of FESILVEN's foreign currency debt in 1986, and the remaining portion in 1990. Furthermore, the petitioners alleged that the GOV only assumed the debt of 15 government-owned companies.

According to the questionnaire response's, the GOV "assumed all of the foreign currency debts of all government-owned companies . . ." Furthermore, the GOV specifically stated that its actions regarding FESILVEN's foreign currency debt were only intended to suspend the company's payment of interest and principal while the GOV attempted to renegotiate the terms of the debt. In addition, FESILVEN stated that it will shortly "recommence payment of principal and interest on those debts."

While the beneficiaries of this program may be limited to a specific enterprise or industry or group of enterprises or industries, it does not appear that their debt was assumed. Instead, it appears that the terms of the debt have been renegotiated. At this time, we have insufficient information on the record to determine whether the terms under which FESILVEN will repay its foreign debt will be consistent with commercial considerations. Therefore, we intend to seek additional information on this issue.

D. Programs Preliminarily Determined Not To Be Used

1. Sales tax exemption.

2. Preferential Short-Term

Financing—FINEXPO verification. In accordance with section 776(b) of the Act, we will verify the information used in making our final determination.

Suspension of Liquidation

In accordance with 703(d) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all entries of ferrosilicon from Venezuela, which are entered or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the Federal Register and to require a cash deposit or bond for such entries of the merchandise in the amount of 4.97 percent *ad valorem*. This suspension will remain in effect until further notice.

ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary

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

If our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

Public Comment

In accordance with 19 CFR 355.38 of the Department's regulations, we will hold a public hearing, if requested, on October 14, 1992, at 9:30 a.m. in room 3708, to afford interested parties an opportunity to comment on this preliminary determination. Interested parties who wish to request or participate in a hearing must submit a request within ten days of the publication of this notice in the Federal Register to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-099, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reason for attending; and (4) a list of the issues to be discussed. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

In accordance with 19 CFR 355.38 (c) and (d), ten copies of the business proprietary version and five copies of the nonproprietary version of the case briefs must be submitted to the Assistant Secretary no later than October 2, 1992. Ten copies of the business proprietary version and five copies of the nonproprietary version of rebuttal briefs must be submitted to the Assistant Secretary no later than October 9, 1992. An interested party may make an affirmative presentation only on arguments included in that party's case or rebuttal brief. If no hearing is requested, interested parties still may comment on these preliminary results in the form of case and rebuttal briefs. Written argument should be submitted in accordance with § 355.38 of the Department's regulations and will be considered if received within the time limits specified in this notice.

This determination is published pursuant to section 703(f) of the Act (19 U.S.C. 1671b(f)).

Dated: August 17, 1992.

Alan M. Dunn,

Assistant Secretary for Import Administration.

[F.R. Doc. 92-20229 Filed 2-24-92; 8:45 am]

BILLING CODE 3510-DS-M

material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Venezuela of ferrosilicon,¹ provided for in subheadings 7202.21.10, 7202.21.50, and 7202.29.00 of the Harmonized Tariff Schedule of the United States (HTS), that are alleged to be subsidized by the Government of Venezuela.

Pursuant to a request from petitioner under section 705(a)(1) of the Act (19 U.S.C. 1677d(a)(1)), Commerce has extended the date for its final determination to coincide with that to be made in the ongoing antidumping investigation on ferrosilicon from Venezuela. Accordingly, the Commission will not establish a schedule for the conduct of the countervailing duty investigation until Commerce makes a preliminary determination in the antidumping investigation (currently scheduled for October 29, 1992).

For further information concerning the conduct of this investigation, hearing procedures, 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 C (19 CFR part 207).

EFFECTIVE DATE: August 21, 1992.

FOR FURTHER INFORMATION CONTACT: Vera Libeau (202-205-3176), 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

This investigation is being instituted as a result of an affirmative preliminary determination by the Department of Commerce that certain benefits which constitute subsidies within the meaning of section 303 of the Act (19 U.S.C. 1303) are being provided to manufacturers.

INTERNATIONAL TRADE COMMISSION

[Investigation No. 303-TA-23 (Final)]

Ferrosilicon From Venezuela

AGENCY: United States International Trade Commission.

ACTION: Institution of a Final countervailing duty investigation.

SUMMARY: The Commission hereby gives notice of the institution of a final countervailing duty investigation [No. 303-TA-23 (final)] under section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) (the Act) to determine whether an industry in the United States is materially injured, or is threatened with

¹ The product covered by this investigation is ferrosilicon, a ferreous alloy containing, by weight, not less than 4 percent iron, more than 8 percent but not more than 50 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than 3 percent phosphorous, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element. Calcium silicon, ferrocalcium silicon, and magnesium ferrosilicon are specifically excluded from the scope of this investigation.

producers, or exporters in Venezuela of ferrosilicon. The investigation was requested in a petition filed on May 22, 1992, by AIMCOR, Pittsburgh, PA; Alabama Silicon, Inc., Bessemer, AL; American Alloys, Inc., Pittsburgh, PA; Globe Metallurgical, Inc., Cleveland, OH; Silicon Metaltech, Inc., Seattle, WA; Oil, Chemical & Atomic Workers Union (local 389); United Autoworkers of America Union (locals 523 and 12848); and United Steelworkers of America Union (locals 2528, 3081, and 5171).

Participation in the Investigation and Public Service List

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules, not later than twenty-one (21) 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 this investigation 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 section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this final investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than twenty-one (21) 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.

Authority: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules.

By order of the Commission.

Issued: September 4, 1992.

Paul R. Bardos,
Acting Secretary

[PR Doc. 82-21881 Filed 9-10-92; 8:45 am]

BILLING CODE 7620-02-01

Background

This investigation is being instituted as a result of an affirmative preliminary determination by the Department of Commerce that imports of ferrosilicon from the People's Republic of China are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. 1673b). The investigation was requested in a petition filed on May 22, 1992, by AIMCOR, Pittsburgh, PA; Alabama Silicon, Inc., Bessemer, AL; American Alloys, Pittsburgh, PA; Globe Metallurgical, Inc., Cleveland, OH; Silicon Metaltech, Inc., Seattle, WA; United Autoworkers of America (locals 523 and 12646); United Steelworkers of America (locals 2528, 3081, and 5171); and Oil, Chemical & Atomic workers (local 389).

Participation in the Investigation and Public Service List

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules, not later than twenty-one (21) 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 this investigation 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 this final investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than twenty-one (21) 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.

Staff Report

The prehearing staff report in this investigation will be placed in the nonpublic record on January 8, 1993, and a public version will be issued thereafter, pursuant to § 207.21 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with this investigation beginning at 9:30 a.m. on January 22, 1993, at the U.S. International Trade

[Investigation No. 731-TA-567 (Final)]**Ferrosilicon From the People's Republic of China**

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of a final antidumping investigation.

SUMMARY: The Commission hereby gives notice of the institution of final antidumping investigation No. 731-TA-567 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the Act) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the People's Republic of China of ferrosilicon, provided for in subheadings 7202.21.10, 7202.21.50, 7202.21.75, 7202.21.90, and 7202.29.00 of the Harmonized Tariff Schedule of the United States.

For further information concerning the conduct of this investigation, hearing procedures, 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 C (19 CFR part 207).

EFFECTIVE DATE: November 5, 1992.

FOR FURTHER INFORMATION CONTACT: Brad Hudgens (202-205-3189), 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:

Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before January 15, 1993. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on January 21, 1993, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ 201.6(b)(2), 201.13(f), and 207.23(b) of the Commission's rules.

Written Submissions

Each party is encouraged to submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.22 of the Commission's rules; the deadline for filing is January 15, 1993. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.23(b) of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.24 of the Commission's rules. The deadline for filing posthearing briefs is February 1, 1993; witness testimony must be filed no later than three (3) days before the hearing. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before February 1, 1993. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also 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 investigation must be served on all other parties to the investigation (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: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules.

Issued: November 23, 1992.

By order of the Commission.

Paul R. Bardo,

Acting Secretary.

[FR Doc. 92-29227 Filed 12-1-92; 8:45 am]

BILLING CODE 7020-02-W

Preliminary Determinations of Sales at Less than Fair Value: Ferrosilicon From Kazakhstan, the Russian Federation, and Ukraine**EFFECTIVE DATE:** December 29, 1992.**FOR FURTHER INFORMATION CONTACT:**

Kimberly Hartin, Office of

Antidumping Investigations, Import

Administration, U.S. Department of

Commerce, 14th Street and Constitution

Avenue, NW, Washington, DC 20230;

telephone (202) 482-0371.

Preliminarily Determination: We

preliminarily determine that ferrosilicon from Kazakhstan, the Russian

Federation, and Ukraine is being, or is

likely to be, sold in the United States at

less than fair value, as provided in

section 733 of the Tariff Act of 1930 (the

Act), as amended. The estimated

margins are shown in the "Suspension

of Liquidation" section of this notice.

Case History**Since the notice of initiation on June 11, 1992 (57 FR 27021, June 17, 1992), the following events have occurred.****On June 23, 1992, we issued an Antidumping Survey to the Government****of Kazakhstan via the U.S. Embassy in****Aksu Aks, Kazakhstan, and the Embassies of the Russian Federation****and Ukraine, in order to identify the appropriate exporters of ferrosilicon in****these three countries.****On July 1, 1992, we received a letter from the Embassy of the Russian Federation returning the Antidumping Survey. The letter indicated that the Embassy of the Russian Federation****would be unable to respond and that the most appropriate and effective channel of communication would be through the U.S. Embassy in Moscow. As such, on July 6, 1992, we forwarded the Antidumping Survey to the American Embassy in Moscow and requested that it be forwarded to the appropriate representatives of the Government of the Russian Federation.****We received a response to our Antidumping Survey, dated July 22, 1992, from the Embassy of Ukraine. The letter contained a translation of a letter sent to the Embassy of Ukraine by the Ministry of Foreign Economic Relations and Trade of Ukraine (MoFERT) Ukraine. The letter provided volume data, a statement that the United States has not been a purchaser of, nor an export destination for, ferrosilicon exported from Ukraine, and a statement that Ukraine is not aware of further use****or terms and prices, in cases of the resale, of Ukrainian origin ferrosilicon. The letter also stated that no shipments of ferrosilicon took place in 1992.****On July 6, 1992, the International Trade Commission (ITC) issued an affirmative preliminary determination.****On July 8, 1992, we received a letter of appearance for Minerals U.S. Inc. and Societe Alsacienne des Minerais (Minerals) in the investigation involving Kazakhstan. Minerals later stated that as an independent reseller of ferrosilicon from Kazakhstan, the Russian Federation, and Ukraine, it is the exporter whose U.S. sales are relevant to these investigations.****On July 8, 1992, we also received a cable from the American Embassy in Alma Ata stating that the Antidumping Survey was delivered to the Government of Kazakhstan.****On July 22, we received a cable from the American Embassy in Moscow proposing that the deadline for response to the Antidumping Survey be extended to take advantage of trade law seminars conducted by Department of Commerce personnel in Russia, scheduled for August 1992.****On July 27, 1992, we issued a questionnaire to Minerals in the investigation involving Kazakhstan. On August 24, 1992, and September 8, 1992, we received responses to sections A, and B and C, respectively, to the Department's questionnaire. We issued deficiency letters on September 4 and September 22, 1992. We received the section A deficiency response on September 23 and the section B and C deficiency response on October 6, 1992. Minerals submitted a corrected section B and C deficiency response on October 7, 1992.****On July 29, August 5, and August 8, 1992, Department officials participating in the trade law seminars hand delivered Sections A, C, and D of the Department's questionnaire to appropriate representatives of the Governments of the Russian Federation, Kazakhstan, and Ukraine, respectively.****On August 18, 1992, we received a fax from Promsyroimport, the primary exporter of the subject merchandise during the period of investigation from Kazakhstan, the Russian Federation, and Ukraine. The fax stated that Promsyroimport sells its products to Minerals and, as such, that Minerals should respond to all matters in these investigations. Promsyroimport also****submitted volume and value data and sample contracts.****On September 4, 1992, we received a request from Promsyroimport to extend the response deadline for the questionnaire in the investigation involving the Russian Federation. On September 8, 1992, we informed Promsyroimport that the extension was granted and that the Russian****questionnaire response was due on September 25, 1992. On September 17, 1992, we also extended until September 25, 1992, the deadline for the****questionnaire responses in the Kazakh and Ukraine investigations. After numerous unsuccessful attempts at faxing the extension letter to the Government of Kazakhstan, we mailed the extension letter to the Government of Kazakhstan on September 18, 1992.****On September 25, 1992, Minerals submitted a letter of appearance in the investigation involving the Russian Federation. The letter indicated that because information was the same, Minerals' responses to section B of the Kazakhstan questionnaire was sufficient for the Russian investigation as well.****On September 25, 1992, Shearman and Sterling, counsel for Minerals, submitted a response to section A of the questionnaire and stated that this information was being submitted at the request of Ermak Petrovich Works (Ermak), a Kazakh producer of ferrosilicon, the Government of Kazakhstan, and Promsyroimport in the investigation involving Kazakhstan. This response lacked the certifications required by 19 CFR 353.31(f). Shearman and Sterling later informed us that they only represent Minerals, not the parties named in the questionnaire responses.****On October 1, 1992, we prepared letters informing the Governments of Kazakhstan and the Russian Federation that the questionnaire responses submitted were incomplete. We stated that complete, consolidated responses, including sections A, C, and D, were due by October 8, 1992, a then twice-extended deadline. As we were unable to fax the letters to either party, they were sent via the American Embassies in Alma Ata and Moscow.****On October 5, 1992, petitioners alleged that Minerals' third country sales of ferrosilicon from Kazakhstan, the Russian Federation, and Ukraine**

were being sold at below the cost of production (COP). On October 28, 1992, we initiated a COP investigation of Minerais' sales of ferrosilicon to Japan. For details of analysis and parties' submissions, see analysis and recommendation memorandum dated October 28, 1992. (See also "COP" section of this notice.) On October 29, 1992, we served copies of the COP questionnaire on the Governments of Kazakhstan, via the American Embassy in Alma Ata, the Russian Federation, and Ukraine. We also requested that Minerais submit its profit and selling, general, and administrative costs for ferrosilicon purchased from each country.

On October 30, 1992, Minerais requested that we reconsider and rescind the COP investigation with regard to Kazakhstan. On November 6, 1992, Minerais again requested that we rescind the COP investigations with regard to Kazakhstan, the Russian Federation, and Ukraine. On November 16, 1992, petitioners submitted opposition to Minerais' November 6, 1992, submission. On November 18, 1992, Minerais submitted opposition to petitioners' November 16, 1992, comments.

On October 8, 1992, Minerais submitted a letter informing us that the Governments of Kazakhstan, the Russian Federation, and Ukraine would not respond to the Department's (original) questionnaire.

On October 8, 1992, Promsyrioimport informed us that the section A questionnaire response it submitted was complete. Promsyrioimport stated that because it has never sold to the United States, it is unable to submit a response to section C, and because Promsyrioimport is the trading organization, it is not aware of the information needed to respond to the request for factors of production information.

On October 16, 1992, we published a notice of postponement of the preliminary determinations in these investigations in the Federal Register (57 FR 47449) until not later than December 18, 1992.

On December 7, 1992, we received notification from the American Embassy in Alma Ata that they had just received the COP questionnaire (issued on October 29, 1992) and, therefore, had not yet passed it on to the Government of Kazakhstan.

On December 7, 1992, we received a letter from Promsyrioimport stating that, because it is a state trading export/import organization, its "response to section D is not appropriate".

Scope of Investigations

The product covered by these investigations is ferrosilicon, a ferroalloy generally containing, by weight, not less than four percent iron, more than eight percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorous, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element.

Ferrosilicon is a ferroalloy produced by combining silicon and iron through smelting in a submerged-arc furnace. Ferrosilicon is used primarily as an alloying agent in the production of steel and cast iron. It is also used in the steel industry as a deoxidizer and a reducing agent, and by cast iron producers as an inoculant.

Ferrosilicon is differentiated by size and by grade. The sizes express the maximum and minimum dimensions of the lumps of ferrosilicon found in a given shipment. Ferrosilicon grades are defined by the percentages by weight of contained silicon and other minor elements. Ferrosilicon is most commonly sold to the iron and steel industries in standard grades of 75 percent and 50 percent ferrosilicon.

Calcium silicon, ferrocalcium silicon, and magnesium ferrosilicon are specifically excluded from the scope of these investigations. Calcium silicon is an alloy containing, by weight, not more than five percent iron, 60 to 65 percent silicon and 28 to 32 percent calcium. Ferrocalcium silicon is a ferroalloy containing, by weight, not less than four percent iron, 60 to 65 percent silicon, and more than 10 percent calcium. Magnesium ferrosilicon is a ferroalloy containing, by weight, not less than four percent iron, not more than 55 percent silicon, and not less than 2.75 percent magnesium.

Ferrosilicon is classifiable under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 7202.21.1000, 7202.21.5000, 7202.21.7500, 7202.21.9000, 7202.29.0010, and 7202.29.0050. The HTSUS subheadings are provided for convenience and customs purposes. Our written description of the scope of these investigations is dispositive.

Class or Kind Allegation

On October 2, 1992, Minerais requested that the Department identify two separate classes or kinds of merchandise: (1) Ferrosilicon with a silicon content of 55 percent silicon or less and (2) ferrosilicon containing more

than 55 percent silicon. Minerais alleged that if two classes or kinds of merchandise were identified, petitioner would not have standing with respect to low silicon content ferrosilicon. On December 10, 1992, we received comments from petitioners in opposition to Minerais' request. Given that petitioners' comments were submitted only eight days before the deadline for the preliminary determinations, we have had insufficient time in which to consider this issue. We will, however, address this issue in the final determinations.

Period of Investigation

The period of investigation (POI) is December 1, 1991, through May 31, 1992.

Best Information Available

We have determined, in accordance with section 776(c) of the Act, that the use of best information available (BIA) is appropriate for sales of the subject merchandise in these investigations. In deciding to use BIA, section 776(c) provides that the Department may take into account whether the respondent was able to produce information requested in a timely manner and in the form required. In these cases, as noted in the "Case History" section of this notice, exporters of ferrosilicon from Kazakhstan, the Russian Federation, and Ukraine did not adequately respond to the Department's requests for information.

Kazakhstan

As detailed in the "Case History" section of this notice, the Department made numerous attempts to obtain adequate questionnaire responses from the Government of Kazakhstan. However, the information which has been provided is inadequate. We have granted every possible extension of time to give the Government of Kazakhstan sufficient time to prepare the information requested. The section A questionnaire response we received is inadequate on its face in that it was not certified by Ermak (the producer), Promsyrioimport (the trading company) or the government of Kazakhstan. The response was sent to the Department by Shearman and Sterling, counsel for Minerais, apparently at Minerais' request.

Consequently, because the Government of Kazakhstan did not produce the information requested, we based our preliminary determination in this investigation on BIA. As BIA, we used the highest margin listed in the notice of initiation for this investigation which was based on the petition.

The Russian Federation

As detailed in the "Case History" section of this notice, the Department made numerous attempts to obtain adequate questionnaire responses from the Government of the Russian Federation. However, we did not receive adequate information. We have granted every possible extension of time to give the Government of the Russian Federation sufficient time to produce the information requested. We solicited factors of production information both as part of the original questionnaire (section D) and in the COP questionnaire. We did not receive factors of production information from any party in the Russian Federation. The section A questionnaire response we received from Promsyrioimport does not represent a complete questionnaire response. We did not receive responses to sections C, D, or to the COP questionnaire. Moreover, in addition to the request as part of the original questionnaire, we made a specific request that the Government of the Russian Federation indicate whether the section A response submitted by Promsyrioimport represented a consolidated response. The Government of the Russian Federation did not respond to this request.

Consequently, because the Government of the Russian Federation did not produce the information requested, we based our preliminary determination in this investigation on BIA. As BIA, we used the highest margin listed in the notice of initiation for this investigation, which was based on the petition.

Ukraine

As detailed in the "Case History" section of this notice, the Department made numerous attempts to obtain adequate questionnaire responses from the Government of Ukraine but were unable to obtain more than a response to the Antidumping Survey. The information which has been provided is inadequate. We have granted every possible extension of time to give the Government of Ukraine sufficient time to produce the information requested. We solicited factors of production information both as part of the original questionnaire (section D) and in the COP questionnaire. We did not receive factors of production information from any party in Ukraine. Nor did we receive a response to any section of the original questionnaire.

Consequently, because the Government of Ukraine did not produce the information requested, we based our preliminary determination in this

investigation on BIA. As BIA, we used the highest margin listed in the notice of initiation for this investigation, which was based on the petition.

Minerais

As noted in the "Case History" section of this notice, Minerais submitted timely questionnaire responses in the Kazakh investigation. Minerais entered the same responses onto the record of the Russian investigation at a later date. Minerais purchases ferrosilicon from Promsyrioimport, the primary exporter of the subject merchandise from Kazakhstan and the Russian Federation to the United States during the period of investigation, then exports the merchandise to its U.S. affiliate. Minerais claimed that because it acted as an independent reseller in an intermediate country, foreign market value (FMV) should be based on Minerais' sales in third-country markets, not on a factor of production analysis. Minerais claims that it should be treated as the respondent in the Kazakh and Russian investigations and that the failure of the governments of these countries to respond to requests for information should not affect the analysis of Minerais' sales.

In order for Minerais to be treated as an intermediate country reseller pursuant to section 773(f) of the Act, the five criteria listed in section 773(f) must be satisfied. In this case two of the five criteria have not been satisfied.

(1) Regarding section 773(f)(2) which states the "producer of the merchandise does not know (at the time of the sale to such reseller) the country to which such reseller intends to export the merchandise", we did not receive a complete response from the governments with which to determine this point. The Government of Kazakhstan did not provide factual certification or verifiable information that the government does not know to where the merchandise is being exported. The Government of the Russian Federation never certified Promsyrioimport's submissions as being on behalf of the Government of the Russian Federation as requested by the Department.

(2) Regarding section 773(f)(4) which states "the merchandise enters the commerce of such country but is not substantially transformed in such country", we have determined that the merchandise does not "enter the commerce" of the intermediate country, Finland. Minerais has stated that the merchandise enters a bonded warehouse in Finland. The Department has determined that entrance into a bonded

warehouse is not entering the commerce of a country. The fact that some of this merchandise is subsequently resold in Finland does not demonstrate that the merchandise which is exported to the United States enters the commerce of Finland.

Cost of Production Investigations

We preliminarily determine that the COP investigations and comments thereon have become moot and need not be further addressed in these investigations. In a nonmarket economy situation involving sales from a country which qualifies as an intermediate country reseller, a COP allegation can be made against the sales which are the basis for FMV, in this case, Minerais' sales to Japan. Because the reseller does not produce the merchandise, we must determine the cost of production using the actual factors of production of the nonmarket economy producer to establish cost in accordance with section 773(b) of the Act. Minerais' acquisition price from the Kazakh producer is not the cost of production of the merchandise. However, since Minerais does not qualify for treatment as an intermediate country reseller its sales to Japan are irrelevant and a COP investigation is therefore unnecessary. The FMV for all of the sales during the POI must be based on factors of production in Kazakhstan, the Russian Federation, and Ukraine, pursuant to the nonmarket economy methodology in section 773(c) of the Act.

Standing Allegation

On October 1, 1992, we received a letter from Keokuk Ferro-Sil, Inc. (Keokuk), a ferroalloy plant in Iowa, that produces 50 percent ferrosilicon, stating opposition to the antidumping investigations of ferrosilicon from Kazakhstan, the Russian Federation, and Ukraine. On October 7, 1992 we issued standing questionnaires to petitioners and Keokuk. We received responses on October 28 and October 29, 1992. We will conduct a thorough analysis of this information and consider written comments filed by all parties and comments made at a public hearing for the final determinations.

Fair Value Comparisons

To determine whether sales of ferrosilicon from Kazakhstan, the Russian Federation, the Ukraine were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice.

United States Price

We based USP on BIA, which was information supplied by petitioners. Petitioners based their estimate of USP on the average U.S. f.o.b. import value of ferrosilicon from the former Union of Soviet Socialist Republics (U.S.S.R.) for the period of September 1991 to February 1992. The available import statistics did not differentiate U.S. imports of the subject merchandise from the former republics of the U.S.S.R.

Ferrosilicon is sold through the same centralized exporting company. All ferrosilicon exported from Kazakhstan, the Russian Federation, and Ukraine is priced for export by Promsyrioimport. Thus, the Customs value shown for imports from these countries reflects the prices actually paid for ferrosilicon sold for exportation. Petitioners made no adjustments to the estimated USP because they stated that they were unable to obtain information regarding foreign transportation costs.

Foreign Market Value

We based FMV on BIA, which was information provided by the petitioner. Petitioners contend that the FMV of Kazakh-Russian-, and Ukrainian-produced imports subject to this investigation must be determined in accordance with section 773(c) of the Act, which concerns non-market economy (NME) countries. In accordance with section 771(18)(c) of the Act, any determination that a foreign country has at one time been considered an NME shall remain in effect until revoked. This presumption covers the geographic area of the former U.S.S.R., each part of which retains the previous NME status of the former U.S.S.R. Therefore, Kazakhstan, the Russian Federation, and Ukraine will continue to be treated as NMEs until this presumption is overcome (see, Preliminary Determinations of Sales at Less Than Fair Value: Uranium from Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Ukraine and Uzbekistan, 57 FR 23380 (June 3, 1992)). In accordance with section 773(c), FMV in NME cases is based on NME producers' factors of production (valued in a market economy country).

Petitioners calculated FMV on the basis of the valuation of the factors of production for AIMCOR, a U.S. producer of ferrosilicon. In valuing the factors of production, petitioners used Mexico as a surrogate country. For purposes of the initiation, we accepted Mexico as having a comparable economy and being a significant producer of comparable merchandise, pursuant to section 773(c)(4) of the Act.

Petitioners used AIMCOR's factors for raw material and processing material inputs, electricity, and labor. The raw material, energy and labor factors for producing ferrosilicon are based on AIMCOR's actual experience from October 1990 through September 1991. Overhead expenses are expressed as a percentage of the cost of manufacture as experienced by AIMCOR.

Petitioners based labor and electricity values on 1990 wage rates and 1991 energy rates in Mexico. Petitioners based the value of raw material costs for steel scrap, quartzite, coke, bituminous coal and charcoal on 1991 f.a.s. export values from the United States to Mexico. Petitioners added an amount for foreign inland freight expense to Mexico for these raw materials. Petitioners based the value of raw material costs of electrode paste on a delivered import price from Brazil to Mexico. Petitioners based raw material costs for diesel oil, woodchips, water and other processing materials on its own average costs from October 1990 through September 1991.

Pursuant to section 773(c) of the Act, petitioners added the statutory minima of 10 percent for general expenses and eight percent for profit, and an amount for shipment preparation.

Suspension of Liquidation

In accordance with section 733(d)(1) of the Act, we are directing the Customs Service to suspend liquidation of all entries of ferrosilicon from Kazakhstan, the Russian Federation, and Ukraine, as defined in the "Scope of Investigations" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated margin amount by which the foreign market value of the subject merchandise exceeds the United States price as shown below. The suspension of liquidation will remain in effect until further notice.

Manufacturer/Producer/Exporter	Margin percent
All Manufacturers/producers/exporters	104.18

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determinations. If any of our final determinations are affirmative, the ITC will determine whether imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry, before the later of 120 days after the date of these preliminary

determinations or 45 days after our final determinations.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than February 5 1992, and rebuttal briefs no later than February 12, 1992. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to give interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearings will be held on February 16, 1992, at 10 a.m. at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-099, within ten days of the publication of this notice in the *Federal Register*. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentation will be limited to issues raised in the briefs.

This determination is published pursuant to section 733(f) of the Act (19 U.S.C. 1673(f)) and 19 CFR 353.15(a)(4).

Alan M. Dunn,

Assistant Secretary for Import Administration.

[FR Doc. 92-31456 Filed 12-28-92; 8:45 am]
BILLING CODE 3510-08-M

[A-307-807]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Ferrosilicon From Venezuela

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

EFFECTIVE DATE: December 29, 1992.

FOR FURTHER INFORMATION CONTACT:

Shawn Thompson, Office of Antidumping Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-1778.

PRELIMINARY DETERMINATION: We preliminarily determine that ferrosilicon from Venezuela is being, or likely to be, sold in the United States at less than fair value, as provided in section 733 of the

Tariff Act of 1930, as amended (the Act). The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

Case History

Since the notice of initiation on June 11, 1992 (57 FR 27021, June 17, 1992), the following events have occurred.

On July 6, 1992, the International Trade Commission (ITC) issued an affirmative preliminary determination.

On July 17, 1992, the Department presented its questionnaire to CVG-Venezolana de Ferrosilicio C.A. (CVG-FESILVEN), the Venezuelan producer who accounted for at least 60 percent of known sales to the United States during the period of investigation (POI), in accordance with 19 CFR 353.42(b).

CVG-FESILVEN submitted a response to section A of the questionnaire on July 31, 1992, and a response to sections B and C of the questionnaire on August 21, 1992. On August 28 and September 24, 1992, we issued supplemental questionnaires to CVG-FESILVEN. We received the response to the first of these questionnaires on September 11, 1992, and the responses to the second on September 30 and October 2, 1992.

On October 5, 1992, petitioners requested a postponement of the preliminary determination. We granted this request, and on October 9, 1992, we postponed the preliminary determination until December 18, 1992.

On October 30, 1992, petitioners submitted a timely allegation that CVG-FESILVEN had made sales in the home market below the cost of production (COP). On November 19, 1992, we initiated a COP investigation of CVG-FESILVEN's home market sales and issued a COP questionnaire to CVG-FESILVEN.

On December 8, 1992, CVG-FESILVEN requested that the Department investigate whether certain of the petitioners in this investigation (AIMCOR; Alabama Silicon, Inc.; American Alloys, Inc.; Globe Metallurgical, Inc.; and Silicon Metaltech, Inc.) have standing to file the petition on "behalf of" the U.S. ferrosilicon industry. For further discussion of this topic, see the "Standing" section of this notice.

On December 18, 1992, we received the response to the COP questionnaire. Although this information was not received in time to use for purposes of the preliminary determination, we will consider it for the final determination.

Scope of Investigation

The product covered by this investigation is ferrosilicon, a ferroalloy generally containing, by weight, not less

than four percent iron, more than eight percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorous, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element.

Ferrosilicon is a ferroalloy produced by combining silicon and iron through smelting in a submerged-arc furnace. Ferrosilicon is used primarily as an alloying agent in the production of steel and cast iron. It is also used in the steel industry as a deoxidizer and a reducing agent, and by cast iron producers as an inoculant.

Ferrosilicon is differentiated by size and by grade. The sizes express the maximum and minimum dimensions of the lumps of ferrosilicon found in a given shipment. Ferrosilicon grades are defined by the percentages by weight of contained silicon and other minor elements. Ferrosilicon is most commonly sold to the iron and steel industries in standard grades of 75 percent and 50 percent ferrosilicon.

Calcium silicon, ferrocadmium silicon, and magnesium ferrosilicon are specifically excluded from the scope of this investigation. Calcium silicon is an alloy containing, by weight, not more than five percent iron, 60 to 65 percent silicon and 28 to 32 percent calcium. Ferrocalcium silicon is a ferroalloy containing, by weight, not less than four percent iron, 60 to 65 percent silicon, and more than 10 percent calcium. Magnesium ferrosilicon is a ferroalloy containing, by weight, not less than four percent iron, not more than 55 percent silicon, and not less than 2.75 percent magnesium.

Ferrosilicon is classifiable under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 7202.21.1000, 7202.21.5000, 7202.21.7500, 7202.21.9000, 7202.29.0010, and 7202.29.0050. The HTSUS subheadings are provided for convenience and customs purposes. Our written description of the scope of this investigation is dispositive.

Standing

On December 8, 1992, CVG-FESILVEN requested that the Department investigate whether certain of the petitioners in this investigation have standing to file the petition on "behalf of" the U.S. ferrosilicon industry. In this request, CVG-FESILVEN stated that one U.S. producer has affirmatively opposed this proceeding. However, this statement is incorrect. To date we have received a standing challenge from a domestic

producer only in the companion antidumping investigations involving Kazakhstan, Russia and Ukraine and are investigating petitioners' standing in those cases. (See Preliminary Determination of Sales at Less Than Fair Value: Ferrosilicon From Kazakhstan, Russia and Ukraine, published elsewhere in this issue of the Federal Register.) We note that these investigations are separate and distinct from this proceeding. Nonetheless, because the petitioners in these cases are the same, our findings in the Kazakh, Russian and Ukrainian investigations may apply here as well.

Period of Investigation

The POI is December 1, 1991, through May 31, 1992.

Such or Similar Comparisons

We have determined for purposes of the preliminary determination that the product covered by this investigation comprises a single category of "such or similar" merchandise. We made similar merchandise comparisons on the basis of: (1) Silicon content range, (2) grade, and (3) sieve size, as described in appendix V of the questionnaire.

In its response, respondent proposed matching products using that three characteristics noted above, plus a fourth characteristic: Exact silicon content. However, we had already considered comments by all parties on this matter and determined that matching using only the three characteristics in appendix V was the most appropriate method. Therefore, we matched according to appendix V.

In addition, respondent designated certain matches as "identical," based on the four criteria it used to determine the most similar comparisons. However, appendix V requires that identical matches involve products which are identical in all physical characteristics, not just those identified in the appendix. As respondent did not claim that the products compared were identical in any physical characteristics other than the four noted above, we treated these matches as "similar" and revised this portion of the product concordance using the criteria outlined in appendix V.

Finally, respondent requested that we make price-to-price comparisons based on the assay weight (i.e., the weight of contained silicon) of the merchandise. However, respondent failed to demonstrate that the prices, selling expenses, and movement charges involved in sales of this merchandise are based strictly on assay weight. Moreover, the sales documentation submitted in the questionnaire response

does not appear to support respondent's request. Accordingly, we made price-to-price comparisons based on the gross weight per metric ton.

Fair Value Comparisons

To determine whether sales of ferroallicon from Venezuela to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice.

United States Price

We based USP on purchase price, in accordance with section 772(b) of the Act, because the subject merchandise was sold to unrelated purchasers in the United States prior to importation and because exporter's sales price methodology was not otherwise indicated.

We calculated purchase price based on packed F.O.B. prices to unrelated customers. We increased USP by the amount of a price addition claimed by respondent on certain transactions. In accordance with section 772(d)(2)(A) of the Act, we made deductions, where appropriate, for foreign inland freight and pier rental charges.

In accordance with section

772(d)(1)(B) of the Act, respondent requested an addition to USP for the amount of duty drawback claimed by respondent from the Venezuelan government. We disallowed this adjustment, because not only did respondent not show that it actually received drawback on the exports in question, but also it failed to demonstrate that it had a reasonable expectation of ever receiving the drawback amounts claimed.

Foreign Market Value

In order to determine whether there were sufficient sales of ferroallicon in the home market to serve as a viable basis for calculating FMV, we compared the volume of home market sales of ferroallicon to the volume of third country sales of the same product, in accordance with section 773(a)(1)(B) of the Act. CVG-FESIL VEN had a viable home market with respect to sales of ferroallicon during the POI.

We calculated FMV based on packed F.O.T. (free on truck) prices to unrelated customers in the home market. For purposes of this preliminary determination, we excluded sales to related customers, pursuant to 19 CFR 353.45, as respondent failed to demonstrate that the prices paid by those customers were comparable to the prices paid by unrelated customers.

Pursuant to 19 CFR 353.56(a)(2), we made circumstance-of-sale adjustments, where appropriate, for differences in credit expenses and bank charges.

Respondent calculated U.S. credit expenses based on the period between shipment from the factory and payment. We deducted home market packing costs and added U.S. packing costs, in accordance with section 773(e)(1) of the Act.

Currency Conversion

Because certified exchange rates from the Federal Reserve were unavailable, we made currency conversions based on the official monthly exchange rates in effect on the dates of the U.S. sales as certified by the International Monetary Fund.

Verification

As provided in section 776(b) of the Act, we will verify the information used in making our final determination.

Suspension of Liquidation

In accordance with section 733(d)(1) of the Act, we are directing the Customs Service to suspend liquidation of all entries of ferroallicon from Venezuela that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. The Customs Service shall require a cash deposit or the posting of a bond equal to the estimated preliminary dumping margin, as shown below. The suspension of liquidation will remain in effect until further notice. The weighted-average dumping margins are as follows:

In metric	In metric
Home market price to exporter - gross margin percentage	Weighted-average dumping margin percentage
CVG-Venezuela to Ferroallicon CA _____	1.00
All others _____	1.00

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine whether these imports are materially injurious, or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments with at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than February 10, 1993, and rebuttal briefs no later than February 16, 1993. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to give interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. Tentatively, the hearing will be held on February 17, 1993, at 1 p.m. at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW.

Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-088, within ten days of the publication of this notice in the *Federal Register*. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to issues raised in the briefs.

This determination is published pursuant to section 733(b) of the Act (19 U.S.C. 1673b(f)) and 19 CFR 353.15(e)(4).
 Dated: December 18, 1992.
 Alan M. Dunn,
 Assistant Secretary for Import Administration.

[FIR Doc. 92-31457 Filed 12-20-92: 8:45 am]
 EIN: 00-000-0000

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 303-TA-23 (Final) and 731-TA-566 and 568-570 (Final)]

**Ferrosilicon From Kazakhstan, Russia,
Ukraine, and Venezuela**

AGENCY: United States International
Trade Commission

ACTION: Institution and scheduling of
final antidumping investigations and
scheduling of the ongoing
countervailing duty investigation.

SUMMARY: The Commission hereby gives
notice of the institution of final
antidumping investigations Nos. 731-
TA-566 and 568-570 (Final) under
section 735(b) of the Tariff Act of 1930
(19 U.S.C. 1673d(b)) (the Act) to
determine whether an industry in the
United States is materially injured, or is
threatened with material injury, or the
establishment of an industry in the
United States is materially retarded, by
reason of imports from Kazakhstan,
Russia, Ukraine, and Venezuela of
ferrosilicon, provided for in
subheadings 7202.21.10, 7202.21.50,
7202.21.75, 7202.21.90, and 7202.29.00
of the Harmonized Tariff Schedule of
the United States. The Commission also
gives notice of the schedule to be
followed in these antidumping
investigations and the ongoing
countervailing duty investigation
regarding imports of ferrosilicon from
Venezuela (Inv. No. 303-TA-23 (Final)),
which the Commission instituted
effective August 21, 1992 (57 FR 41777,
September 11, 1992). The schedules for
the subject investigations will be
identical, pursuant to Commerce's
alignment of its final subsidy and
dumping determinations (57 FR 43222,
September 18, 1992).

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

EFFECTIVE DATE: December 21, 1992.
FOR FURTHER INFORMATION CONTACT: Brad
Hudgens (202-205-3189), 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

The subject antidumping investigations are being instituted as a result of affirmative preliminary determinations by the Department of Commerce that imports of ferrosilicon from Kazakhstan, Russia, Ukraine, and Venezuela are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. 1673b). The Commission instituted the subject countervailing duty investigation on August 21, 1992 (57 FR 41777, September 11, 1992). The investigations were requested in a petition filed on May 22, 1992, by AIMCOR, Pittsburgh, PA; Alabama Silicon, Inc., Bessemer, AL; American Alloys, Pittsburgh, PA; Globe Metallurgical, Inc., Cleveland, OH; Silicon Metaltech, Inc., Seattle, WA; United Autoworkers of America (locals 523 and 12846); United Steelworkers of America (locals 2528, 3081, and 5171); and Oil, Chemical & Atomic Workers (local 380).

Participation in the Investigations and Public Service List

Any person having already filed an entry of appearance in the countervailing duty investigation is considered a party in the antidumping investigation. Any other persons wishing to participate in the investigations as parties must file an entry of appearance with the Secretary of the Commission not later than seven (7) days after publication of this notice in the Federal Register. Section 201.11 of the Commission's rules is hereby waived. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the 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

The Secretary will make BPI gathered in these final 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.

Section 207.7(a) of the Commission's rules is hereby waived. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff Report

The prehearing staff report in these investigations will be placed in the nonpublic record on January 8, 1993, and a public version will be issued thereafter, pursuant to § 207.21 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with these investigations beginning at 9:30 a.m. on January 22, 1993, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before January 19, 1993. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on January 21, 1993, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ 201.6(b)(2), 201.13(f), and 207.23(b) of the Commission's rules. Parties are strongly encouraged to submit as early in the investigations as possible any request to present a portion of their hearing testimony *in camera*.

Written Submissions

Each party is encouraged to submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.22 of the Commission's rules; the deadline for filing is January 15, 1993. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.23(b) of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.24 of the Commission's rules. The deadline for filing posthearing briefs is February 1, 1993; witness testimony must be filed no later than three (3) days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before February 1, 1993. A supplemental brief addressing only the final antidumping determinations of the Department of

Commerce is due on March 8, 1993. The brief may not exceed five (5) pages in length. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also 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 § 207.20 of the Commission's rules.

Issued: December 22, 1992.

By order of the Commission.

**Paul R. Barden,
Acting Secretary.**

[FR Doc. 92-31498 Filed 12-23-92; 8:45 am]
SULLIVAN COOK 7000-00-W

[A-570-819]

Final Determination of Sales at Less Than Fair Value: Ferrosilicon From the People's Republic of China

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

EFFECTIVE DATE: January 21, 1993.

FOR FURTHER INFORMATION CONTACT: Kimberly Hardin, Office of Antidumping Investigations, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 482-0371.

FINAL DETERMINATION:

Background

Since the publication of our affirmative preliminary determination

on November 5, 1992 (57 FR 52759), the following event occurred.

On November 23, 1992, petitioners filed a case brief regarding the Department's use of best information available (BIA) in the preliminary determination.

On January 8, 1993, a "reseller" of ferrosilicon from the People's Republic of China (PRC) filed a request for postponement of the final determination for 60 days.

On January 12, 1993, petitioners submitted comments to the Department objecting to any postponement of the final determination.

Scope of Investigation

The product covered by this investigation is ferrosilicon, a ferroalloy generally containing, by weight, not less than four percent iron, more than eight percent but not more than 96 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorous, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element.

Ferrosilicon is a ferroalloy produced by combining silicon and iron through smelting in a submerged-arc furnace. Ferrosilicon is used primarily as an alloying agent in the production of steel and cast iron. It is also used in the steel industry as a deoxidizer and a reducing agent, and by cast iron producers as an inoculant.

Ferrosilicon is differentiated by size and by grade. The sizes express the maximum and minimum dimensions of the lumps of ferrosilicon found in a given shipment. Ferrosilicon grades are defined by the percentages by weight of contained silicon and other minor elements. Ferrosilicon is most commonly sold to the iron and steel industries in standard grades of 75 percent and 50 percent ferrosilicon.

Calcium silicon, ferrocalcium silicon, and magnesium ferrosilicon are specifically excluded from the scope of this investigation. Calcium silicon is an alloy containing, by weight, not more than five percent iron, 60 to 65 percent silicon and 28 to 32 percent calcium. Ferrocalcium silicon is a ferroalloy containing, by weight, not less than four percent iron, 60 to 65 percent silicon, and more than 10 percent calcium. Magnesium ferrosilicon is a ferroalloy containing, by weight, not less than four percent iron, not more than 55 percent silicon, and not less than 2.75 percent magnesium.

Ferrosilicon is classifiable under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 7202.21.1000,

7202.21.5000, 7202.21.7500, 7202.21.9000, 7202.29.0010, and 7202.29.0050. The HTSUS subheadings are provided for convenience and customs purposes. Our written description of the scope of this investigation is dispositive.

Period of Investigation

The period of investigation (POI) is December 1, 1991, through May 31, 1992.

Best Information Available

We have determined, in accordance with section 776(c) of the Tariff Act of 1930, as amended, (the Act), that the use of BIA is appropriate for sales of the subject merchandise in this investigation. In deciding to use BIA, section 776(c) provides that the Department of Commerce (the Department) may take into account whether the respondent was able to produce information requested in a timely manner and in the form required. In this case, exporters of ferrosilicon from the PRC did not respond to any request for information.

As outlined in the preliminary determination, the Department made several attempts to obtain information from the American Embassy in Beijing, the Embassy of the PRC, from the Ministry of Foreign Economics, Relations, and Trade, and from the Chamber of Commerce. However, the Department received no information from any of these sources. Consequently, we based our preliminary determination in this investigation on BIA. As BIA, we used the highest margin listed in the notice of initiation for this investigation, which was based on the petition.

Fair Value Comparisons

To determine whether sales of ferrosilicon from the PRC were made at less than fair value, we compared the United States price, (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice.

United States Price

We based USP on BIA, which was information supplied by petitioners. Petitioners based their estimate of USP on the average U.S. f.o.b. import value of ferrosilicon for the period September 1991 to February 1992. Petitioners made no adjustments to the estimated USP because they stated that they were unable to obtain information regarding foreign transportation costs.

Foreign Market Value

We based FMV on BIA, which was information supplied by the petitioner. Petitioners calculated FMV on the basis of the valuation of the factors of production for AIMCOR, a U.S. producer of ferrosilicon. In valuing the factors of production, petitioners used India as a surrogate country. For purposes of the initiation, we accepted India as having a comparable economy and being a significant producer of comparable merchandise, pursuant to section 773(c)(4) of the Act.

Petitioners used AIMCOR's factors for raw material and processing material inputs, electricity, and labor. The raw material, energy and labor factors for producing ferrosilicon are based on AIMCOR's actual experience from October 1990 through September 1991. However, petitioners made an adjustment to the labor factor to account for more labor-intensive ferrosilicon operations existing in the PRC. Overhead expenses are expressed as a percentage of the cost of manufacture as experienced by AIMCOR.

Petitioners based labor and electricity values on 1991 wage rates and energy rates in India. Petitioners based on the value of raw material costs for steel scrap, quartzite, coke, bituminous coal, diesel fuel, and water on Indian values. Petitioners based the value of raw material costs for electrode paste on a delivered import price from Italy to India. Petitioners based raw material costs for charcoal and woodchips, and other processing materials on AIMCOR's average costs from October 1990 through September 1991.

Pursuant to section 773(c) of the Act, petitioners added the statutory minima of 10 percent for general expenses and eight percent for profit, and an amount for shipment preparation.

Interested Party Comment

A reseller of ferrosilicon from the PRC, asserting that it accounts for a significant percentage of ferrosilicon imported from the PRC in 1991, requested that the Department postpone the final determination for 60 days in order to study the situation regarding ferrosilicon from the PRC, to consult with its PRC suppliers and U.S. customers and to decide whether to retain counsel for purposes of evaluating its procedural and legal rights in this investigation.

Petitioner responded that the Department should not postpone the final determination because such an extension is not available to the party requesting postponement for purposes of 19 CFR 353.20(b), there is no

evidence that this party was a reseller of a major portion of ferrosilicon from the PRC during the POI, and under the circumstances of this investigation, the requested extension would serve no purpose.

DOC Position

We agree with petitioner. We declined to postpone the final determination because the party requesting postponement does not qualify as a "reseller" in this investigation, pursuant to 19 CFR 353.2(s), because its sales were not used to calculate either FMV or USP. Therefore, the party in question cannot request a postponement under 19 CFR 353.20(b).

Moreover, insofar as the requesting party wanted the additional time to consult with its suppliers, any new information obtained therefrom could not be utilized by the Department in its less than fair value calculation because the deadline for submission of factual information, pursuant to 19 CFR 353.31, had passed. Therefore, it would have been futile to postpone the final determination.

Accordingly, the Department denied the request to postpone the final determination.

Continuation of Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of ferrosilicon from the PRC, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated margin amount by which the foreign market value of the subject merchandise exceeds the United States price as shown below. The suspension of liquidation will remain in effect until further notice.

Manufacturer/producer/exporter	Margin (percent)
All manufacturers/producers/exporters	137.73

ITC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination.

Notification to Interested Parties

This notice also serves as the only remainder to parties subject to administrative protective order (APO) of their responsibility covering the return

or destruction of proprietary information disclosed under APO in accordance with 19 CFR 353.35(d). Failure to comply is a violation of the APO.

This determination is published pursuant to section 735(d) of the Act (19 U.S.C. 1673(d)) and 19 CFR 353.20.

Dated: January 12, 1993.

Alan M. Duna,
Assistant Secretary for Import
Administration.

[FIR Doc. 93-1344 Filed 1-19-93; 8:45 am]

BILLING CODE 3510-08-M

SUPPLEMENTARY INFORMATION:**Background**

These investigations are being instituted in response to a petition filed on January 12, 1993, by ADMCOR, Pittsburgh, PA; Alabama Silicon, Inc., Bessemer, AL; American Alloys, Pittsburgh, PA; Globe Metallurgical, Inc., Cleveland, OH; Silioco Metaltech, Inc., Seattle, WA; United AutoWorkers of America (locals 523 and 12545); United Steelworkers of America (locals 2528, 3081, and 5171); and Oil, Chemical & Atomic Workers (local 330).

Investigations Nos. 731-74-641-642 (Preliminary)

INTERNATIONAL TRADE COMMISSION

Ferralsilicon From Brazil and Egypt

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of preliminary antidumping investigations.

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigations Nos. 731-7A-641-642 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Brazil and Egypt of ferrosilicon, provided for in

subheadings 7202.21.10, 7202.21.20, 7202.21.75, 7202.21.90, and 7202.29.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value. The Commission must complete preliminary antidumping investigations in 45 days, or in this case by February 28, 1993.

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: January 12, 1993.

FOR FURTHER INFORMATION CONTACT:

Brad Hudges (202-205-3189), 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.

Participation in the Investigations and Public Service List

Persons (other than petitioners) wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 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 Services List

Pursuant to § 207.7(b) 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 services 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 February 3, 1993, at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC. Parties wishing to participate in the conference should contact Brad Hudges (202-205-3189) not later than January 28, 1993, to arrange for their appearance. Parties in support of the imposition of 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 207.15 of the Commission's rules, any person may submit to the Commission on or before February 8, 1993, 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: January 13, 1993.

By order of the Commission.

Paul R. Bardos,

Acting Secretary.

[FR Doc. 93-1322 Filed 1-14-93; 2:15 pm]

BILLING CODE 7020-02-W

**International Trade Administration
[A-351-820, A-729-801]**

**Initiation of Antidumping Duty
Investigations: Ferrosilicon From
Brazil and Egypt**

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

EFFECTIVE DATE: January 8, 1993.

FOR FURTHER INFORMATION CONTACT:
Mary Jenkins, 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)
482-1756.

INITIATION OF INVESTIGATIONS:

The Petitions.

On January 12, 1993, we received petitions filed in proper form by AIMCOR, Alabama Silicon, Inc., American Alloys, Inc., Globe Metallurgical, Inc., Silicon Metaltech Inc., United Autoworkers of America Local 523, United Steelworkers of America Locals 12646, 2528, 5171 and 3081, and Oil, Chemical & Atomic Workers Local 389 (petitioners). In accordance with 19 CFR 353.12, the petitioners allege that ferrosilicon from Brazil and Egypt 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 sections 771(9)(C) and 771(9)(D) of the Act, and because the petitions were filed on behalf of the U.S.

industry producing, manufacturing or reselling the like product subject to these investigations and on behalf of certified unions representing the employees of U.S. ferrosilicon producers. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(g) of the Act, wishes to register support for, or opposition to, these petitions, 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.

Period of Investigation

The period of investigation is July 1, through December 31, 1992.

Scope of Investigations

The product covered by these investigations is ferrosilicon, a ferroalloy generally containing, by weight, not less than four percent iron, more than eight percent but not more than 98 percent silicon, not more than 10 percent chromium, not more than 30 percent manganese, not more than three percent phosphorous, less than 2.75 percent magnesium, and not more than 10 percent calcium or any other element.

Ferrosilicon is a ferroalloy produced by combining silicon and iron through smelting in a submerged-arc furnace. Ferrosilicon is used primarily as an alloying agent in the production of steel and cast iron. It is also used in the steel industry as a deoxidizer and a reducing agent, and by cast iron producers as an inoculant.

Ferrosilicon is differentiated by size and by grade. The sizes express the maximum and minimum dimensions of the lumps of ferrosilicon found in a given shipment. Ferrosilicon grades are defined by the percentages by weight of contained silicon and other minor elements. Ferrosilicon is most commonly sold to the iron and steel industries in standard grades of 75 percent and 50 percent ferrosilicon.

Calcium silicon, ferrocalcium silicon, and magnesium ferrosilicon are specifically excluded from the scope of these investigations. Calcium silicon is an alloy containing, by weight, not more than five percent iron, 60 to 65 percent silicon, and 28 to 32 percent calcium. Ferrocalcium silicon is a ferroalloy containing by weight not less than four percent iron, 60 to 65 percent silicon,

and more than 10 percent calcium. Magnesium ferrosilicon is a ferroalloy containing, by weight, not less than four percent iron, not more than 55 percent silicon, and not less than 2.75 percent magnesium.

Ferrosilicon is classifiable under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 7202.21.1000, 7202.21.5000, 7202.21.7500, 7202.21.9000, 7202.29.0010, and 7202.29.0050. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these investigations is dispositive.

United States Price and Foreign Market Value

Brazil

Petitioners based their estimate of U.S. Price (USP) on the U.S. f.o.b. import value of ferrosilicon imported from Brazil in July, August, September and November 1992. Petitioners made no adjustments to the estimated USP. We have deducted from USP an amount for foreign inland freight based on information provided by petitioners from the public version of the Department's current administrative review of silicon metal from Brazil.

Petitioners based their estimate of foreign market value on three home market prices for comparable periods obtained during 1992, for subject merchandise sold by certain producers exporting to the United States. Petitioners have stated that one of the prices includes shipping and packing. Petitioners could not identify the costs associated with shipping and packing. However, we have deducted foreign inland freight on that specific sale based on information provided by petitioners from the public version of the Department's current administrative review of silicon metal from Brazil.

Petitioner alleged home market sales below cost of production (COP) with respect to the subject merchandise for all Brazilian producers and exporters named in the petition. These allegations are based on a comparison of home market prices for three foreign producers named in the petition with cost of production (CCP). CCP was based on the COP of an efficient producer, AIMCOR, one of the petitioners in this investigation. Adjustments were made for known differences in material costs and labor. We adjusted petitioners' calculation to correct a conversion factor used for two inputs. Constructed value was calculated in the same manner, however, we used 10 percent for general

expenses and eight percent for profit, pursuant to section 773(e)(1)(B) of the Act. We did not add an amount for packing because petitioner stated that usually the merchandise is shipped in bulk in both markets, thereby incurring no packing costs.

The Department is initiating COP investigations for the three companies where petitioners provided company-specific home market prices, contingent on whether these companies become respondents in this investigation. The Department will not initiate a COP investigation for those companies and exporters where petitioners did not provide company-specific home market prices.

Egypt

Petitioners based their estimate of USP on the U.S. f.o.b. import value of ferrosilicon imported from Egypt in June 1992. Petitioners made no adjustments to the estimated USP.

Petitioners based their estimate of foreign market value on home market prices obtained during July through December, 1992, for subject merchandise sold by an Egyptian producer exporting to the United States. Petitioners made no adjustments to the estimated foreign market value because they stated that they were unable to obtain information regarding transportation and packing costs.

Based on a comparison of USPs, adjusted for foreign inland freight in Brazil, and foreign market value, petitioners allege dumping margins ranging from 13.07% to 23.45% for ferrosilicon from Brazil and 52.41% to 90.50% for Egypt.

Based on a comparison of USP and foreign market value based on CV, petitioners allege dumping margins ranging from 64.17% to 89.52% for ferrosilicon from Brazil. Based on adjustments made to material costs for two inputs and deletion of packing costs, the revised constructed value margins range from 24.43% to 34.73%.

Initiation of Investigations

We have examined the petitions on ferrosilicon from Brazil and Egypt and have found that the petitions meet the requirements of section 732(c) of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of ferrosilicon from the above-referenced countries are being, or are likely to be, sold in the United States at less than fair value.

ITC Notification

Section 732(d) of the Act requires us to notify the International Trade

Commission (ITC) of these actions and we have done so.

Preliminary Determinations by the ITC

The ITC will determine by February 26, 1993, whether there is a reasonable indication that imports of ferrosilicon from Brazil and Egypt are materially injuring, or threaten material injury to, a U.S. industry. Any ITC determination which is negative will result in the respective investigation being terminated; otherwise, the investigations will proceed to conclusion in accordance with the statutory and regulatory time limits.

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

Dated: February 1, 1993.

*Joseph A. Sperini,
Acting Assistant Secretary for Import
Administration.*

[FR Doc. 93-2978 Filed 2-5-93; 8:45 am]

BALING CODE 2510-08-P

APPENDIX B

LIST OF PARTICIPANTS IN THE HEARING AND THE CONFERENCE

CALENDAR OF PUBLIC HEARING

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

Subject	:	FERROSILICON FROM THE PEOPLE'S REPUBLIC OF CHINA, KAZAKHSTAN, RUSSIA, UKRAINE, AND VENEZUELA
Inv. No.	:	303-TA-23 (Final) 731-TA-566-570 (Final)
Date and Time	:	January 22, 1993 - 9:30 a.m.

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

OPENING REMARKS:

Petitioner (Mr. Kramer)

Respondents (Mr. Finlayson)

In support of Imposition of Antidumping Duties/Countervailing:

Baker & Botts
Washington, D.C.
On behalf of

AIMCOR
Alabama Silicon, Inc.
American Alloys, Inc.
Globe Metallurgical, Inc.
Silicon Metaltech Inc.
Oil, Chemical & Atomic Workers Local 389
United Autoworkers of America Local 523
United Steelworkers of America,
Locals 2528, 3081, 5171 and 12646

Dr. Kenneth R. Button, Vice President,
Economic Consulting Services, Inc.

William D. Beard, President and CEO,
American Alloys, Inc.

**In support of Imposition of
Antidumping Duties/Countervailing:**

**Baker & Botts
Washington, D.C.
On behalf of**

**Alfred F. Koestner, Director of Marketing,
Metals Division, Applied Industrial
Materials Corporation**

**William D. Kramer)
John B. Veach III)--OF COUNSEL
Michael X. Marinelli)**

**In Opposition to the Imposition of
Antidumping/Countervailing Duties:**

**Shearman & Sterling
Washington, D.C.
On behalf of**

S.A. des Minerais

Minerais U.S. Inc.

Grant E. Finlayson)--OF COUNSEL

CALENDAR OF THE PUBLIC CONFERENCE

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

Subject: **FERROSILICON FROM BRAZIL AND EGYPT**
Investigations Nos. 731-TA-641-642 (Preliminary)

Time and Date: February 3, 1993 - 9:30 a.m.

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

In Support of the Imposition of Countervailing and Antidumping Duties:

Baker & Botts--Counsel
Washington, DC
On behalf of

AIMCOR; Alabama Silicon, Inc.; American Alloys, Inc.; Globe Metallurgical, Inc.; Silicon Metaltech, Inc.; Oil, Chemical & Atomic Workers Union (local 389); United Autoworkers of America Union (locals 523 and 12646); and United Steelworkers of America Union (locals 2528, 3081, and 5171)

Kenneth R. Button, Vice President
Economic Consulting Services, Inc.

William Kramer)
John B. Veach III)--OF COUNSEL

In Opposition to the Imposition of Countervailing and Antidumping Duties:

Rogers & Wells
Washington, DC
On behalf of

Ulrich Krauskopf, Vice President
MG Ores and Alloys

Robin Snyder, Administrator
ACI Chemicals

William Silverman)
Doug Heffner)--OF COUNSEL

APPENDIX C
SUMMARY DATA

Table C-1
Ferrosilicon: Summary data concerning the U.S. market, 1989-91, January-September 1991, and January-September 1992

(Quantity=silicon-content short tons, value=1,000 dollars, unit values and unit labor costs are per silicon-content short ton, period changes=percent, except where noted)

Item	Reported data					Period changes				Jan.-Sept. 1991-92
	1989	1990	1991	Jan.-Sept. 1991	1992	1989-91	1989-90	1990-91		
U.S. consumption quantity:										
Amount.....	***	***	***	***	***	***	***	***	***	***
Producers' share 1/.....	***	***	***	***	***	***	***	***	***	***
Importers' share: 1/										
China.....	***	***	***	***	***	***	***	***	***	***
Kazakhstan.....	***	***	***	***	***	***	***	***	***	***
Russia.....	***	***	***	***	***	***	***	***	***	***
Ukraine.....	***	***	***	***	***	***	***	***	***	***
Venezuela.....	***	***	***	***	***	***	***	***	***	***
Brazil.....	***	***	***	***	***	***	***	***	***	***
Egypt.....	***	***	***	***	***	***	***	***	***	***
Subtotal.....	***	***	***	***	***	***	***	***	***	***
Argentina.....	***	***	***	***	***	***	***	***	***	***
Subtotal.....	***	***	***	***	***	***	***	***	***	***
Other sources 3/.....	***	***	***	***	***	***	***	***	***	***
Total.....	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:										
Amount.....	***	***	***	***	***	***	***	***	***	***
Producers' share 1/.....	***	***	***	***	***	***	***	***	***	***
Importers' share: 1/										
China.....	***	***	***	***	***	***	***	***	***	***
Kazakhstan.....	***	***	***	***	***	***	***	***	***	***
Russia.....	***	***	***	***	***	***	***	***	***	***
Ukraine.....	***	***	***	***	***	***	***	***	***	***
Venezuela.....	***	***	***	***	***	***	***	***	***	***
Brazil.....	***	***	***	***	***	***	***	***	***	***
Egypt.....	***	***	***	***	***	***	***	***	***	***
Subtotal.....	***	***	***	***	***	***	***	***	***	***
Argentina.....	***	***	***	***	***	***	***	***	***	***
Subtotal.....	***	***	***	***	***	***	***	***	***	***
Other sources 3/.....	***	***	***	***	***	***	***	***	***	***
Total.....	***	***	***	***	***	***	***	***	***	***
U.S. importers' imports from--										
China:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Kazakhstan:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Russia:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Ukraine:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Venezuela:										
Imports quantity.....	21,624	26,585	32,979	17,197	11,703	+52.5	+22.9	+24.1	-31.9	
Imports value.....	20,819	16,811	21,561	11,309	7,330	+3.6	-19.3	+28.3	-35.2	
Unit value.....	\$963	\$632	\$654	\$658	\$626	-32.1	-34.3	+3.4	-4.8	
Ending inventory qty.....	9,978	6,514	12,109	6,883	3,687	+21.4	-34.7	+85.9	-46.4	
Brazil:										
Imports quantity.....	13,435	30,063	11,700	5,924	44,118	-12.9	+123.8	-61.1	+644.7	
Imports value.....	12,055	20,952	7,001	3,904	26,909	-41.9	+73.8	-66.6	+589.3	
Unit value.....	\$897	\$697	\$598	\$659	\$610	-33.3	-22.3	-14.1	-7.5	
Ending inventory qty.....	6,045	14,242	4,785	6,335	17,990	-20.8	+135.6	-66.4	+184.0	

Footnotes appear at end of table.

Table C-1--Continued
Ferrosilicon: Summary data concerning the U.S. market, 1989-91, January-September 1991, and January-September 1992

(Quantity=silicon-content short tons, value=1,000 dollars, unit values and unit labor costs are per silicon-content short ton, period changes=percent, except where noted)

Item	Reported data					Period changes				
	1989	1990	1991	Jan.-Sept.--		1989-91	1989-90	1990-91	Jan.-Sept.	
				1991	1992					
U.S. importers' imports from--										
Egypt:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Subject sources:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Argentina:										
Imports quantity.....	7,718	5,432	7,829	6,487	0	+1.4	-29.6	+44.1	-100.0	
Imports value.....	8,312	3,676	4,857	4,005	0	-41.6	-55.8	+32.1	-100.0	
Unit value.....	\$1,077	\$677	\$620	\$617	4/	-42.4	-37.2	-8.3	4/	
Ending inventory qty.....	597	1,281	3,931	5,290	1,272	+558.5	+114.6	+206.9	-76.0	
Subject sources (plus Argentina):										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Other sources:										
Imports quantity 3/.....	44,642	47,883	43,917	28,639	41,765	-1.6	+7.3	-8.3	+45.8	
Imports value 3/.....	41,035	39,104	36,088	24,217	32,124	-12.1	-4.7	-7.7	+32.7	
Unit value 3/.....	\$919	\$817	\$822	\$846	\$769	-10.6	-11.2	+0.6	-9.0	
All sources:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
U.S. producers' --										
Average capacity quantity..	318,332	297,226	300,918	234,031	217,194	-5.5	-6.6	+1.2	-7.2	
Production quantity.....	270,923	227,093	184,818	147,088	129,298	-31.8	-16.2	-18.6	-12.1	
Capacity utilization 1/....	85.1	76.4	61.4	62.8	59.5	-23.7	-8.7	-15.0	-3.3	
U.S. shipments:										
Quantity.....	246,632	219,185	188,024	138,897	119,790	-23.8	-11.1	-14.2	-13.8	
Value.....	254,143	192,402	156,341	117,364	96,467	-38.5	-24.3	-18.7	-17.8	
Unit value.....	\$1,030	\$878	\$831	\$845	\$805	-19.3	-14.8	-5.3	-4.7	
Export shipments:										
Quantity.....	10,939	8,568	7,402	5,304	5,311	-32.3	-21.7	-13.6	+0.1	
Exports/shipments 1/....	4.2	3.8	3.8	3.7	4.2	-0.5	-0.5	2/	+0.6	
Value.....	16,319	11,679	10,252	6,883	6,971	-37.2	-28.4	-12.2	+1.3	
Unit value.....	\$1,492	\$1,363	\$1,385	\$1,298	\$1,313	-7.2	-8.6	+1.6	+1.1	
Ending inventory quantity..	52,642	51,982	41,374	54,869	45,571	-21.4	-1.3	-20.4	-16.9	
Inventory/shipments 1/....	20.4	22.8	20.6	28.0	26.7	+0.2	+2.4	-2.2	-1.3	
Production workers.....	1,034	890	655	729	611	-36.7	-13.9	-26.4	-16.2	
Hours worked (1,000s)....	2,286	1,875	1,405	1,086	860	-38.5	-18.0	-25.1	-20.8	
Total comp. (\$1,000).....	39,373	33,712	24,945	19,383	15,795	-36.6	-14.4	-26.0	-18.5	
Hourly total compensation..	\$17.22	\$17.98	\$17.75	\$17.85	\$18.37	+3.1	+4.4	-1.3	+2.9	
Productivity (silicon-content short ton/										
1,000 hours).....	118.5	118.7	125.4	129.5	150.3	+5.8	+0.2	+5.6	+16.1	
Unit labor costs.....	\$145.33	\$151.44	\$141.59	\$137.85	\$122.16	-2.6	+4.2	-6.5	-11.4	
Net sales value.....	252,136	204,081	163,526	119,158	104,714	-35.1	-19.1	-19.9	-12.1	
COGS/sales 1/.....	83.4	99.3	102.3	101.9	102.3	+18.9	+15.9	+3.0	+0.3	
Operating income (loss)....	27,801	(10,253)	(12,406)	(8,561)	(8,329)	-144.6	-136.9	-21.0	+2.7	
Op. income (loss)/sales 1/.	11.0	(5.0)	(7.6)	(8.0)	(8.0)	-18.6	-16.1	-2.6	-0.8	

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.

2/ An increase of less than 0.05 percentage points.

3/ Official import statistics of the U.S. Department of Commerce.

4/ Not applicable.

5/ An increase of 1,000 percent or more.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

Table C-1--Continued

Ferrosilicon: Summary data concerning the U.S. market, 1989-91, January-September 1991, and January-September 1992

(Quantity=silicon-content short tons, value=1,000 dollars, unit values and unit labor costs are per silicon-content short ton, period changes=percent, except where noted)

Item	Reported data					Period changes				
	1989	1990	1991	Jan.-Sept.--		1989-91	1989-90	1990-91	Jan.-Sept.	
				1991	1992					
U.S. importers' imports from--										
Egypt:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Subject sources:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Argentina:										
Imports quantity.....	7,718	5,432	7,829	6,487	0	+1.4	-29.6	+44.1	-100.0	
Imports value.....	8,312	3,676	4,857	4,005	0	-41.6	-55.8	+32.1	-100.0	
Unit value.....	\$1,077	\$677	\$620	\$617	4/	-42.4	-37.2	-8.3	4/	
Ending inventory qty.....	597	1,281	3,931	5,290	1,272	+558.5	+114.6	+206.9	-76.0	
Subject sources (plus Argentina):										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.....	***	***	***	***	***	***	***	***	***	***
Other sources:										
Imports quantity 3/.....	44,642	47,883	43,917	28,639	41,765	-1.6	+7.3	-8.3	+45.8	
Imports value 3/.....	41,035	39,104	36,088	24,217	32,124	-12.1	-4.7	-7.7	+32.7	
Unit value 3/.....	\$919	\$817	\$822	\$846	\$769	-10.6	-11.2	+0.6	-9.0	
All sources:										
Imports quantity.....	***	***	***	***	***	***	***	***	***	***
Imports value.....	***	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***	***
U.S. producers'--										
Average capacity quantity..	318,332	297,226	300,918	234,031	217,194	-5.5	-6.6	+1.2	-7.2	
Production quantity.....	270,923	227,093	184,818	147,088	129,298	-31.8	-16.2	-18.6	-12.1	
Capacity utilization 1/....	85.1	76.4	61.4	62.8	59.5	-23.7	-8.7	-15.0	-3.3	
U.S. shipments:										
Quantity.....	246,632	219,185	188,024	138,897	119,790	-23.8	-11.1	-14.2	-13.8	
Value.....	254,143	192,402	156,341	117,364	96,467	-38.5	-24.3	-18.7	-17.8	
Unit value.....	\$1,030	\$878	\$831	\$845	\$805	-19.3	-14.8	-5.3	-4.7	
Export shipments:										
Quantity.....	10,939	8,568	7,402	5,304	5,311	-32.3	-21.7	-13.6	+0.1	
Exports/shipments 1/....	4.2	3.8	3.8	3.7	4.2	-0.5	-0.5	2/	+0.6	
Value.....	16,319	11,679	10,252	6,883	6,971	-37.2	-28.4	-12.2	+1.3	
Unit value.....	\$1,492	\$1,363	\$1,385	\$1,298	\$1,313	-7.2	-8.6	+1.6	+1.1	
Ending inventory quantity..	52,642	51,982	41,374	54,869	45,571	-21.4	-1.3	-20.4	-16.9	
Inventory/shipments 1/....	20.4	22.8	20.6	28.0	26.7	+0.2	+2.4	-2.2	-1.3	
Production workers.....	1,034	890	655	729	611	-36.7	-13.9	-26.4	-16.2	
Hours worked (1,000s)....	2,286	1,875	1,405	1,086	860	-38.5	-18.0	-25.1	-20.8	
Total comp. (\$1,000)....	39,373	33,712	24,945	19,383	15,795	-36.6	-14.4	-26.0	-18.5	
Hourly total compensation..	\$17.22	\$17.98	\$17.75	\$17.85	\$18.37	+3.1	+4.4	-1.3	+2.9	
Productivity (silicon-content short ton/1,000 hours).....	118.5	118.7	125.4	129.5	150.3	+5.8	+0.2	+5.6	+16.1	
Unit labor costs.....	\$145.33	\$151.44	\$141.59	\$137.85	\$122.16	-2.6	+4.2	-6.5	-11.4	
Net sales value.....	252,136	204,081	163,526	119,158	104,714	-35.1	-19.1	-19.9	-12.1	
COGS/sales 1/.....	83.4	99.3	102.3	101.9	102.3	+18.9	+15.9	+3.0	+0.3	
Operating income (loss)....	27,801	(10,253)	(12,406)	(8,561)	(8,329)	-144.6	-136.9	-21.0	+2.7	
Op. income (loss)/sales 1/.	11.0	(5.0)	(7.6)	(7.2)	(8.0)	-18.6	-16.1	-2.6	-0.8	

1/ 'Reported data' are in percent and 'period changes' are in percentage-point.

2/ An increase of less than 0.05 percentage points.

3/ Official import statistics of the U.S. Department of Commerce.

4/ Not applicable.

5/ An increase of 1,000 percent or more.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

APPENDIX D

**COMMENTS RECEIVED FROM U.S. PRODUCERS ON THE IMPACT OF
IMPORTS OF FERROSILICON FROM ARGENTINA, BRAZIL, EGYPT,
KAZAKHSTAN, CHINA, RUSSIA, UKRAINE, OR VENEZUELA ON THEIR
GROWTH, INVESTMENT, ABILITY TO RAISE CAPITAL,
AND/OR EXISTING DEVELOPMENT AND PRODUCTION EFFORTS**

In the final investigations, the Commission requested U.S. producers to describe any actual or anticipated negative effects of imports of ferrosilicon from Argentina, Kazakhstan, China, Russia, Ukraine, or Venezuela on their growth, investment, ability to raise capital, or existing development and production efforts, including efforts to develop a derivative or more advanced version of the product. *** indicated "no" to all questions. The remaining responses are as follows:

* * * * *

In the preliminary investigations, the Commission requested U.S. producers to describe any actual or anticipated negative effects of imports of ferrosilicon from Brazil and Egypt on their growth, investment, ability to raise capital, or existing development and production efforts, including efforts to develop a derivative or more advanced version of the product. *** indicated "no" to all questions. The remaining responses are as follows:

* * * * *

**APPENDIX E
DATA CONCERNING ARGENTINA**

Data on the ferrosilicon industry in Argentina are presented in table E-1, and available U.S. pricing data on imports from Argentina are presented in tables E-2 and E-3. Additional information on the Argentine product follows.

Table E-1

Ferrosilicon: Argentina's production capacity, production, shipments, and end-of-period inventories, 1989-91, January-March 1991, January-March 1992, and projected 1992 and 1993

* * * * *

Product Comparisons

Four U.S. ferrosilicon producers *** and one importer *** commented on the imported Argentine ferrosilicon.¹ *** considered the supply of the Argentine material to be less reliable than that of the domestic product. *** indicated that no significant quality differences existed between the domestic and imported Argentine commodity grade ferrosilicon 75, although *** noted that the Argentine material was not available in odd sizes. *** noted that it had to screen the imported product in the United States to sell specific sizes,² and that ferrosilicon imported from Argentina is not considered by end users that require specialized ferrosilicon such as high-purity or low-aluminum grades and foundry-grade inoculants. On the other hand, *** indicated that relatively high calcium in the Argentine ferrosilicon made it useful to both steel producers and iron foundries.

Three purchasers, ***--all steel producers, commented on the quality of the Argentine ferrosilicon. All of these firms indicated that the imported Argentine commodity grade ferrosilicon 75 was comparable in quality to the U.S.-produced product and was priced about the same as the domestic product. *** asserted that the domestic ferrosilicon 75 was not always available.

Price Trends And Price Comparisons

Based on U.S. producer and importer questionnaire data, net weighted-average quarterly U.S. f.o.b. prices and shipment quantities of the specified Argentine ferrosilicon product 1 sold to steel producers are shown during January 1989-September 1992 in table E-2.³ The quarterly average selling price of the imported product 1 sold to steel producers ***. In comparison,

¹ Importers reported importing ferrosilicon 75 from Argentina.

² *** reported in its questionnaire response that it screened in the United States about *** percent of total U.S. shipments of the imported Argentine ferrosilicon between January 1989 and September 1992. The screening costs added *** per pound of silicon content to the U.S. selling price of the imported ferrosilicon. The *** reported share of import shipments that were screened and the *** additional cost of screening in the United States suggests that U.S. screening costs had *** impact on U.S. selling prices of the ferrosilicon imported from Argentina.

³ Two responding U.S. importers provided the price information, which accounted for *** percent of the total quantity of reported U.S. shipments of all imported Argentine ferrosilicon between January 1989 and September 1992.

Table E-2

Net weighted-average U.S. f.o.b. selling prices and quantities of ferrosilicon imported from Argentina, by products, by types of customers, and by quarters, January 1989-September 1992

* * * * *

quarterly net f.o.b. prices of the domestic product 1 sold to steel producers fell by 37.7 percent during January 1989-September 1992.

Based on U.S. producer and importer questionnaire data, a total of 11 quarterly delivered price comparisons were possible between the domestic and imported Argentine ferrosilicon during January 1989-September 1992 (table E-3).⁴ All 11 price comparisons involved product 1 sold to steel producers. Seven of the 11 price comparisons showed that the imported product was priced less than the domestic product, with margins of underselling averaging 2.3 percent. Four price comparisons showed that prices of the imported product were higher than prices of the domestic product, averaging 4.5 percent above prices of the domestic product.

Lost Revenues

*** reported lost revenue allegations involving competition from ferrosilicon imported from Argentina. The reported allegations totaled *** of lost revenues for *** million pounds of silicon content in the ferrosilicon. The Commission was able to contact both of the purchasers cited in the lost revenue allegations; the conversations are discussed below.

*** alleged that it offered to sell *** pounds (silicon content) of commodity grade ferrosilicon 75 to ***. *** reportedly offered its U.S.-produced ferrosilicon at *** per pound of silicon content but asserted that it had to reduce its price to *** per pound of silicon content to make the sale because of competition with ferrosilicon imported from Argentina; *** did not know the price of the imported material. ***.

⁴ In addition, 3 quarterly price comparisons involving the imported Argentine product 1 purchased by U.S. steel producers were possible based on delivered purchase price data reported in purchaser questionnaires. These data, which did not include shipments requiring SPC documentation, are not shown in a table but are discussed below. Two of the delivered purchase price comparisons showed that the imported product was priced less than the domestic product, with margins of underselling averaging almost *** percent. One price comparison showed the imported and domestic product 1 to be priced ***.

Table E-3

Net U.S. delivered selling prices of the U.S.-produced and imported Argentine ferrosilicon, by products and by types of customers, and margins of under/(over)selling,¹ by quarters, April 1989-September 1992²

<u>Period</u>	<u>Product 1</u>			
	<u>Sales to steel producers</u>			
	<u>U.S.</u> <u>producer price</u>	<u>Argentine price</u>	<u>Margins of under/(over)selling</u>	
<u>-----Per pound silicon content-----</u>				<u>Percent</u>
1989:				
Apr.-June.....	\$ 0.5957	***	***	***
July-Sept.....	.4995	***	***	***
Oct.-Dec.....	.4114	***	***	***
1990:				
Apr.-June.....	.4176	***	***	***
July-Sept.....	.4350	***	***	***
1991:				
Apr.-June.....	.3997	***	***	***
July-Sept.....	.3967	***	***	***
Oct.-Dec.....	.3800	***	***	***
1992:				
Jan.-Mar.....	.3580	***	***	***
Apr.-June.....	.3673	***	***	***
July-Sept.....	.3874	***	***	***

¹ The percentage price differences between the U.S. and imported Argentine ferrosilicon were calculated as differences from the U.S. producers' price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product during that quarter.

² The prices shown were based on total quarterly/semiannual requirement sales and are the averages of the domestic and imported net U.S. delivered quarterly selling prices of the reporting U.S. producers and importers, weighted by each firm's total quarterly sales of the specified domestic and Argentine products to the type of customer shown above.

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

*** alleged that it sold about *** million pounds (silicon content) of commodity grade ferrosilicon 75 to ***, for *** delivery. *** reportedly offered its U.S.-produced ferrosilicon initially at *** per pound of silicon content but asserted that to make the sale it had to lower its price to *** per pound of silicon content to match the price of Argentine ferrosilicon offered to ***. *** did not know the competing price.

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APPENDIX F
MONTHLY IMPORT STATISTICS

Table F-1

Ferrosilicon: U.S. imports, by sources and by months, January 1991-September 1992

Item	Kazakhstan	Russia	Ukraine	Former USSR	World
	Quantity (silicon-content short tons)				
1991:					
January.....	0	0	0	1,125	8,229
February.....	0	0	0	3,026	9,818
March.....	0	0	0	0	1,202
April.....	0	0	0	0	10,670
May.....	0	0	0	3,032	9,821
June.....	0	0	0	3,717	7,010
July.....	0	0	0	946	12,872
August.....	0	0	0	0	13,050
September.....	0	0	0	4,614	14,011
October.....	0	0	0	957	8,431
November.....	0	0	0	287	9,764
December.....	0	0	0	0	17,570
1992:					
January.....	0	0	0	12,677	17,817
February.....	0	0	0	0	11,453
March.....	0	0	0	0	9,916
April.....	1,433	0	0	14,512	21,769
May.....	1,199	793	0	0	23,567
June.....	3,003	0	0	58	16,878
July.....	0	0	0	0	6,705
August.....	0	0	0	0	20,074
September.....	0	0	0	0	20,600
	Value (1,000 dollars)				
1991:					
January.....	0	0	0	832	6,148
February.....	0	0	0	1,997	6,978
March.....	0	0	0	0	1,125
April.....	0	0	0	0	7,205
May.....	0	0	0	2,183	7,500
June.....	0	0	0	2,714	5,072
July.....	0	0	0	690	9,937
August.....	0	0	0	0	9,334
September.....	0	0	0	3,158	9,036
October.....	0	0	0	699	6,298
November.....	0	0	0	209	6,594
December.....	0	0	0	0	11,481
1992:					
January.....	0	0	0	8,324	11,657
February.....	0	0	0	0	7,926
March.....	0	0	0	0	6,089
April.....	955	0	0	9,664	14,718
May.....	798	518	0	0	15,005
June.....	2,000	0	0	40	10,652
July.....	0	0	0	0	4,930
August.....	0	0	0	0	13,575
September.....	0	0	0	0	14,969

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