

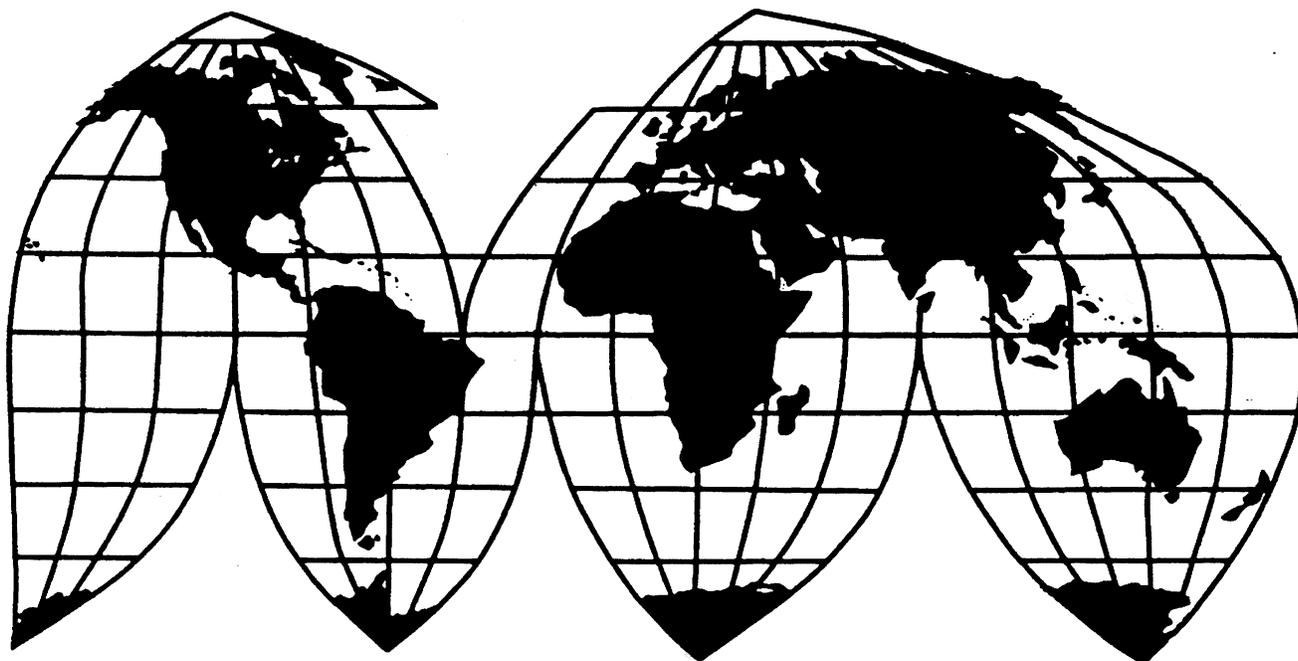
Stainless Steel Butt-Weld Pipe Fittings From Japan, Korea, and Taiwan

Investigations Nos. 731-TA-376, 563, and 564 (Review)

Publication 3280

February 2000

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

GLOSSARY

ANSI	American National Standards Institute
ASME	American Society of Mechanical Engineers
ASTM	American Society of Testing and Materials
Alloy Piping	Alloy Piping Products, Inc.
American Fittings	American Fittings, Inc.
Asia Bend	Asia Bend Co.
Benkan	Benkan Corp.
Bestweld	Bestweld, Inc.
CY	Calendar year
Commerce	U.S. Department of Commerce
Commission/USITC	U.S. International Trade Commission
Custom Alloy	Custom Alloy Corp.
Customs	U.S. Customs Service
Daido	Daido Corp.
Dai-Yung	Dai-Yung Metal Co., Ltd.
Davis	Davis Pipe & Metal Fabricators
FR	<i>Federal Register</i>
FY	Fiscal year
Flo-Bend	Flo-Bend, Inc.
Flo-Mac	Flo-Mac, Inc.
Flowline	Flowline Division of Markowitz Enterprises, Inc./ Flowline Corp.
Franke	Franke, Inc.
Fuji	Fuji Acetylene Industries/Fuji Acetylene Industry Co., Ltd.
Fujikin	Fujikin, Inc.
Gerlin	Gerlin, Inc./Gerlin Corp.
HTS	Harmonized Tariff Schedule of the United States
Hoko	Hoko, Ltd.
Jero	Jero, Inc.
Kuze Bellows Kogyosho	Kuze Bellows Kogyosho Co., Ltd.
LTFV	Less than fair value
Ladish	Ladish Co., Inc.
MSS	Manufacturers Standardization Society
Mie Horo	Mie Horo Co., Ltd.
Nippon Benkan	Nippon Benkan Kogyo, K.K./Nippon Benkan Kogyo Co., Ltd.
Nippon Bulge	Nippon Bulge Industries, Ltd.
POI	Period of investigation
<i>Response</i>	Response to the Commission's Notice of Institution
Sammy	Sammy, Ltd.

Continued.

GLOSSARY—Continued

TSUSA	Tariff Schedules of the United States (Annotated)
Ta Chen	Ta Chen Stainless Pipe Co., Ltd.
Tachia	Tachia Yung Ho Machine Industry Co., Ltd.
Taikei	Taikei Industries Co., Ltd.
Taylor Forge	Taylor Forge Stainless, Inc.
Top Line	Top Line Process Equipment Corp.
Tube Tec	Tube Tec, Inc.
Tru-Flow	Tru-Flow Industrial Co., Ltd.
Tung Teng	Tung Teng Machine Industry Co., Ltd.
Tutui	Tutui, Ltd.
UN	United Nations

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-376, 563, and 564 (Review)

**STAINLESS STEEL BUTT-WELD PIPE FITTINGS
FROM JAPAN, KOREA, AND TAIWAN**

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted these reviews on July 1, 1999 (64 F.R. 35691, July 1, 1999) and determined on October 1, 1999 that it would conduct expedited reviews (64 F.R. 55960, October 15, 1999). The Commission transmitted its determinations in these reviews to the Secretary of Commerce on February 22, 2000.

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 Commissioner Askey dissenting with respect to stainless steel butt-weld pipe fittings from Korea.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty orders covering stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

In March 1988, the Commission determined that an industry in the United States was materially injured by reason of imports of stainless steel butt-weld pipe fittings (“SSBW pipe fittings”) from Japan that were being sold at less than fair value (“LTFV”).² In February 1993, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of SSBW pipe fittings from Korea.³ Four months later, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of SSBW pipe fittings from Taiwan.⁴

Commerce issued antidumping duty orders following each of the Commission’s determinations. In March 1988, Commerce issued an antidumping duty order on SSBW pipe fittings from Japan. In February 1993, Commerce issued an antidumping duty order on the subject merchandise from Korea. Finally, in June 1993, Commerce issued an antidumping duty order on subject imports from Taiwan.

On July 1, 1999, the Commission instituted these reviews pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”), to determine whether revocation of the antidumping duty orders on SSBW pipe fittings would likely lead to continuation or recurrence of material injury.⁵

In five-year reviews, the Commission initially determines whether to conduct a full review (which would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review, as follows. First, the Commission determines whether individual responses to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties -- domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (importers, exporters, foreign producers, trade associations, or subject country governments) -- demonstrate a sufficient willingness among each group to participate and provide information requested in a full review.⁶ If the Commission finds the responses from either group of interested parties to be inadequate, the Commission may determine, pursuant to section 751(c)(3)(B) of the Act, to conduct an expedited review unless it finds that other circumstances warrant a full review.

¹ Commissioner Thelma J. Askey dissenting with respect to Korea. See Concurring and Dissenting Views of Commissioner Thelma J. Askey.

² Certain Stainless Steel Butt-Weld Pipe Fittings from Japan, Inv. No. 731-TA-376 (Final), USITC Pub. 2067 (Mar. 1988) (“Original Determination-Japan”) at 3.

³ Certain Stainless Steel Butt-Weld Pipe Fittings From Korea, Inv. No. 731-TA-563 (Final), USITC Pub. 2601 (Feb. 1993) (“Original Determination-Korea”) at 3-4.

⁴ Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan, Inv. No. 731-TA-564 (Final), USITC Pub. 2641 (June 1993) (“Original Determination-Taiwan”) at 3.

⁵ 64 Fed. Reg. 35691 (July 1, 1999).

⁶ See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

In these reviews, the Commission received a joint response to the notice of institution from Alloy Piping Products, Inc., Flowline, Gerlin, Inc., and Taylor Forge Stainless, Inc., domestic producers of SSBW pipe fittings.⁷ No producer, exporter, or U.S. importer of SSBW pipe fittings from Japan, Korea, or Taiwan filed a response to the notice of institution. On October 1, 1999, the Commission unanimously voted to conduct expedited reviews in the subject five-year reviews involving SSBW pipe fittings.⁸ In this regard, the Commission determined that the domestic interested party group response was adequate.⁹ Because the Commission did not receive a response from any respondent interested party, the Commission determined that the respondent interested party group response was inadequate.¹⁰ The Commission did not find any circumstances that would warrant conducting full reviews. The Commission, therefore, determined to conduct expedited reviews.¹¹

On January 27, 2000, Alloy Piping, Flowline, Gerlin, and Taylor Forge filed joint comments pursuant to 19 C.F.R. § 207.62(d) arguing, as they had in their response to the notice of institution, that revocation of the antidumping duty orders on SSBW pipe fittings from the subject countries would likely lead to a recurrence of material injury to the domestic industry within a reasonably foreseeable time.¹²

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”¹³ The Act defines “domestic 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 under this subtitle.”¹⁴ In its final five-year review determination, Commerce defined the subject merchandise as certain welded stainless steel butt-weld pipe fittings.¹⁵ It further noted that the subject merchandise is classified under subheading 7307.23.00 of the Harmonized Tariff Schedule of the United States.¹⁶

⁷ Joint Response of Alloy Piping Products, Inc. (“Alloy Piping”), Flowline, Gerlin, Inc. (“Gerlin”), and Taylor Forge Stainless, Inc. (“Taylor Forge”) (hereinafter “Joint Response”).

⁸ 64 Fed. Reg. 55960 (Oct. 15, 1999).

⁹ 64 Fed. Reg. 55960 (Oct. 15, 1999).

¹⁰ 64 Fed. Reg. 55960 (Oct. 15, 1999).

¹¹ 64 Fed. Reg. 55960 (Oct. 15, 1999).

¹² Joint Response at 3-4.

¹³ 19 U.S.C. § 1677(4)(A).

¹⁴ 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 96-249 at 90-91 (1979).

¹⁵ 65 Fed. Reg. 5604 (Feb. 4, 2000).

¹⁶ 64 Fed. Reg. 5604 (Feb. 4, 2000).

In each of the original investigations, the Commission defined the domestic like product as stainless steel butt-weld pipe fittings corresponding with Commerce's scope of the subject merchandise.¹⁷

None of the parties to the instant reviews objects to the original domestic like product definition and no new information has been obtained during these reviews that suggests the Commission should change its definition of the domestic like product. We therefore find that the appropriate definition of the domestic like product in these expedited reviews is SSBW pipe fittings, co-extensive with the Commission's original like product determinations and Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."¹⁸ We define the domestic industry, as the Commission did in the original investigations, to include all domestic producers of SSBW pipe fittings.

C. Related Parties

We must further decide whether any producer of the domestic like product should be excluded from the domestic industry as a related party pursuant to section 771(4)(B), which allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or that are themselves importers. Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.¹⁹

¹⁷ Original Determination-Japan at 7; Original Determination-Korea at 3-4; Original Determination-Taiwan at 3-4.

¹⁸ 19 U.S.C. § 1677(4)(A).

¹⁹ See Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude such parties include:

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

See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interest of the related producer lies in domestic production or importation. See, e.g., Sebacic Acid from the People's Republic of China, Inv. No. 731-TA-653 (Final), USITC Pub. 2793 (July 1994) at I-7 to I-8.

In these reviews, a related party issue arises with respect to Flowline, the *** responding U.S. producer of the domestic like product.²⁰ Because it imported the subject merchandise from Japan during the last two years, Flowline is a related party. According to the responding domestic producers, “the quantities imported have not been material in relation to Flowline’s total shipments of stainless steel butt-weld-pipe fittings, and Flowline remains a significant domestic producer.”²¹ It stresses that its interests are those of a producer, not an importer, and, as evidence, points to its support of the continuation of the antidumping duty orders.²²

The size of Flowline’s domestic production, both absolutely and relative to other reporting U.S. producers, as well as the company’s primary identification as a U.S. producer, indicate that Flowline is committed to its domestic production of SSBW pipe fittings, and that its primary interest lies in domestic production and not importation.²³ We therefore find that appropriate circumstances do not exist to exclude Flowline from the domestic industry.

III. CUMULATION²⁴

A. Framework²⁵

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.²⁶

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines

²⁰ Joint Response at 15-16.

²¹ Joint Response at 15-16.

²² Joint Response at 15-16.

²³ See Sorbitol From France, Inv. No. 731-TA-44 (Review), USITC Pub. 3165 (Mar. 1999) at 6; Pressure Sensitive Plastic Tape From Italy, Inv. No. AA1921-167 (Review), USITC Pub. 3157 (Feb. 1999) at 5; Titanium Sponge From Japan, Kazakhstan, Russia, and Ukraine, Invs. Nos. 751-TA-17-20, USITC Pub. 3119 (Aug. 1998) at 5-6.

²⁴ Commissioner Askey joins only subsections A and B of this discussion. For her cumulation analysis, see her concurring and dissenting views.

²⁵ Chairman Bragg does not join section III.A. of the opinion. For a complete statement of Chairman Bragg’s analytical framework regarding cumulation in sunset reviews, see Separate Views of Chairman Lynn M. Bragg Regarding Cumulation in Sunset Reviews, found in Potassium Permanganate from China and Spain, Invs. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 (Oct. 1999). In particular, Chairman Bragg notes that she examines the likelihood of no discernible adverse impact only after first determining there is likely to be a reasonable overlap of competition in the event of revocation.

²⁶ 19 U.S.C. § 1675a(a)(7).

that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.²⁷ We note that neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.²⁸ With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.²⁹

The Commission has generally considered four factors intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product.^{30 31} Only a “reasonable overlap” of competition is required.³² In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission’s traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are revoked. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.³³

²⁷ 19 U.S.C. § 1675a(a)(7).

²⁸ SAA, H.R. Rep. No. 103-316, Vol. I (1994).

²⁹ Commissioner Askey notes that the Act clearly states that the Commission is *precluded* from exercising its discretion to cumulate if the imports from a country subject to review are likely to have “no discernible adverse impact on the domestic industry” upon revocation of the order. 19 U.S.C. § 1675a(a)(7). Thus, the Commission must focus on whether the imports will impact the condition of the industry discernibly as a result of revocation, and not simply on whether there will be a small volume of imports after revocation, *i.e.*, by assessing their negligibility after revocation of the order. For a full discussion of her views on this issue, see Additional Views of Commissioner Thelma J. Askey in Potassium Permanganate from China and Spain, Invs. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 (Oct. 1999).

³⁰ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical 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.

³¹ See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

³² See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); Wieland Werke, AG, 718 F. Supp. 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994, aff’d, 96 F. 3d 1352 (Fed. Cir. 1996)).

³³ See, e.g., Torrington Co. v. United States, 790 F. Supp. 1172 (affirming Commission’s determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int’l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int’l Trade 1988).

In these reviews, the statutory requirement that all of the SSBW pipe fittings reviews be initiated on the same day is satisfied. We do not find that subject imports from any of the subject countries are likely to have no discernible adverse impact on the domestic industry if the orders are revoked.^{34 35 36}

B. Reasonable Overlap of Competition³⁷

The record indicates that domestically produced and imported SSBW pipe fittings are substitutable products. Generally, SSBW pipe fittings must meet the standards set by the ASTM and ANSI, and can be used interchangeably, except in the petrochemical and nuclear industries where butt-weld fittings must be certified.^{38 39} As was true at the time of the original investigations, SSBW pipe fittings are produced and sold in the United States in two forms, finished and unfinished. Similarly, subject imports are in both finished and unfinished forms.⁴⁰ While the record of the original investigations indicated some quality differences between subject imports from Korea and Taiwan and

³⁴ In making this finding, Commissioners Askey and Okun took note of the general interchangeability between and among the domestic like product and the subject merchandise from Japan, Korea, and Taiwan. They also considered the degree of price competition in the original investigations and the likely level of such competition after revocation of the orders.

³⁵ No party has argued that subject imports from either Japan, Korea, or Taiwan “are likely to have no discernible adverse impact” on the domestic industry and we see no basis in the record to make such a finding. For a discussion of Vice-Chairman Miller’s and Commissioners Hillman and Koplán’s analytical framework regarding the application of the “no discernible adverse impact” provision, see Malleable Cast Iron Pipe Fittings From Brazil, Japan, Korea, Taiwan, and Thailand, Invs. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review). For a further discussion of Commissioner Koplán’s analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Invs. Nos. 803-TA-13 (Review), 701-TA-249 (Review), and 731-TA-262, 263, and 265 (Review) (Views of Commissioner Stephen Koplán Regarding Cumulation).

³⁶ Commissioner Askey notes that while the record clearly does not warrant a finding of no discernible adverse impact for Japan and Taiwan, the issue is somewhat close for Korea. Korean import volumes were low during the original period of investigation and in 1997-98. Confidential Report (“CR”) at I-23, Table I-2; Public Report (“PR”) at I-18, Table I-2. The Commission in its original investigation found that Korean imports undersold the domestic like product in the large majority of price comparisons. Original Determination-Taiwan at 16. Thus, while the data show only a limited Korean presence in and impact on the U.S. market both during the original investigation and currently, which suggests that their future presence will likely be limited, this presence is not so insignificant as to lead to a conclusion that these subject imports would likely have no discernible adverse impact should the order be revoked.

³⁷ Chairman Bragg joins in the Commission’s analysis and finding of a likely reasonable overlap of competition among subject imports and between subject imports and the domestic like product.

³⁸ Original Determination-Korea at 13; CR at I-9; PR at I-7.

³⁹ This characterization is based not only on the general functional interchangeability between the products but on the fact that customers requiring AML certification made up *at most* one-half of the U.S. market (and not even all U.S. producers were certified). CR at I-9, PR at I-8. Moreover, current UN data seem to indicate that each of the subject countries exports stainless steel butt-weld pipe fittings to the home markets of one or both of the other suppliers. Japan’s fourth- and sixth-largest markets are Taiwan and Korea, respectively. Korea’s first- and ninth-largest markets are Japan and Taiwan, respectively. Taiwan’s third-largest market is Japan. Joint Response at exh. 3.

⁴⁰ CR at I-4, I-7, I-8, I-10, I-16; PR at I-3, I-7, I-8, I-11, I-15.

domestically produced SSBW pipe fittings, the Commission found in its original determination that “given their significant market share, it is clear that customers view imports from Korea and Taiwan as having acceptable quality.”⁴¹

The record also indicates that the primary channel of distribution for all SSBW pipe fittings continues to be through distributors. Thus, the channels of distribution for domestic and imported SSBW pipe fittings likely would be similar. The subject and domestic merchandise have been and likely would be sold in the same or similar markets if the orders were revoked.⁴²

The other factors (simultaneous presence and sales or offers to sell in the same geographic market) are less easy to evaluate, given that, since the orders were imposed, imports of the subject merchandise from Korea have declined substantially. However, in the original investigations, the Commission found that the subject imports generally competed directly with the domestic like product and that subject imports from all three countries were sold nationwide.⁴³ Moreover, subject imports from each of these countries have continued under the orders, further suggesting their likely simultaneous presence in the U.S. market if the orders were revoked.⁴⁴

Overall, we find that there likely would be a reasonable overlap of competition between subject imports from Japan, Korea, Taiwan, and the domestic like product as well as among the subject imports from these countries, if the antidumping duty orders covering SSBW pipe fittings from these countries were revoked.

C. Other Considerations⁴⁵

As discussed above, we have also taken into account other significant conditions of competition that are likely to prevail if the orders under review were revoked in evaluating whether to cumulate subject imports. The limited record indicates that, if the orders are revoked, subject imports would likely compete in the U.S. market under similar conditions of competition. In this regard, we have considered the substantial capacity in each of the subject countries,⁴⁶ the export orientation of those foreign industries,⁴⁷ and the demonstrated ability of those exporters to shift sales from one market to

⁴¹ Original Determination-Korea at 13.

⁴² CR at I-9; PR at I-8.

⁴³ As stated above, both subject imports and the domestic like product are sold to distributors which indicates that the subject imports directly compete with the domestic like product and each other and are sold nationwide. CR at I-9; PR at I-8; Original Determination-Japan at 12; Original Determination-Korea at 11.

⁴⁴ CR at Table I-2; PR at Table I-2.

⁴⁵ Chairman Bragg does not join section III.C. of this opinion. Having found a reasonable overlap of competition, Chairman Bragg turns to the issue of no discernible adverse impact. Chairman Bragg assesses significant conditions of competition, such as the substantial capacity in the subject countries, the export orientation of the foreign industries evident in these reviews, and the demonstrated ability of those exporters to shift sales from one market to another, in her analysis of the likelihood of no discernible adverse impact if each of the orders under review is revoked. Chairman Bragg finds that revocation of each of the orders under review will likely result in a discernible adverse impact. Accordingly, Chairman Bragg cumulates all subject imports.

⁴⁶ CR at I-22 to I-24; PR at I-20 to I-23.

⁴⁷ CR at I-22, Table I-4; PR at I-21, Table I-4.

another.⁴⁸ For these reasons, we conclude that it is appropriate to exercise our discretion to cumulate subject imports from Japan, Korea, and Taiwan in these reviews.

IV. REVOCATION OF THE ANTIDUMPING DUTY ORDERS ON SSBW PIPE FITTINGS FROM JAPAN, KOREA, AND TAIWAN WOULD LIKELY LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME⁴⁹

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order unless: (1) it makes a determination that dumping is likely to continue or recur and (2) the Commission makes a determination that revocation of an order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁵⁰ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation [of the order] . . . and the elimination of its restraining effects on volumes and prices of imports.”⁵¹ Thus, the likelihood standard is prospective in nature.⁵² The statute states that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”⁵³ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations].”^{54 55}

⁴⁸ CR at I-22, Table I-4; PR at I-21, Table I-4.

⁴⁹ Commissioner Askey dissenting with respect to Korea. Commissioner Askey joins in the discussion of the legal standard and the conditions of competition. She joins in subsections C through E only for purposes of evaluating imports from Japan and Taiwan. For her analysis with respect to Korea, see the Concurring and Dissenting Views of Commissioner Thelma J. Askey.

⁵⁰ 19 U.S.C. § 1675a(a).

⁵¹ SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry).” SAA at 883.

⁵² While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁵³ 19 U.S.C. § 1675a(a)(5).

⁵⁴ SAA at 887. Among the factors that the Commission should consider in this regard are the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities. *Id.*

⁵⁵ In analyzing what constitutes a reasonably foreseeable time, Commissioner Koplan examines all the current and likely conditions of competition in the relevant industry. He defines reasonably foreseeable time as the length

(continued...)

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked.⁵⁶ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.^{57 58}

Section 751(c)(3) of the Act and the Commission's regulations provide that in an expedited five-year review the Commission may issue a final determination based on the facts available, in accordance with section 776.⁵⁹ We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties' suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it

⁵⁵ (...continued)

of time it is likely to take for the market to adjust to a revocation. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define reasonably foreseeable time by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

⁵⁶ 19 U.S.C. § 1675a(a)(1).

⁵⁷ 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁵⁸ Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings the findings of the administrative authority regarding duty absorption. 19 U.S.C. § 1675a(a)(1)(D). Commerce stated in its expedited five-year review determinations that it has not issued any duty absorption finding in these cases. 64 Fed. Reg. 73013 (Dec. 29, 1999).

⁵⁹ 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). Section 776 of the Act, in turn, authorizes the Commission to use the facts otherwise available in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The statute permits the Commission to use adverse inferences in selecting from among the facts otherwise available when an interested party has failed to cooperate by acting to the best of its ability to comply with a request for information. 19 U.S.C. § 1677e(b). Such adverse inferences may include selecting from information from the record of our original determination and any other information placed on the record. *Id.*

finds most persuasive.⁶⁰ As noted above, no respondent interested party responded to the Commission's notice of institution. Accordingly, we have relied on the facts available in these reviews, which consist primarily of the records in the Commission's original investigations on SSBW pipe fittings, limited information collected by the Commission since the institution of these reviews, and information submitted by the domestic producers.

For the reasons stated below, we determine that revocation of the antidumping duty orders on SSBW pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury to the domestic injury within a reasonably foreseeable time.

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the Commission is directed to evaluate all relevant economic factors within the context of the business cycle and conditions of competition that are distinctive to the affected industry.⁶¹ In performing our analysis under the statute, we have taken into account the following conditions of competition in the U.S. market for SSBW pipe fittings.⁶²

SSBW pipe fittings are produced and sold in two forms in the United States, finished and unfinished, and are relatively simple to manufacture.⁶³ The responding domestic producers state that because of modest barriers to entry, the number of producers of SSBW pipe fittings has increased worldwide over the past 10 years.⁶⁴ The domestic industry has undergone some restructuring since the period examined in the original investigations. During the 1988 Japan investigation, 11 firms produced the bulk of SSBW pipe fittings under 14 inches in inside diameter in the United States.⁶⁵ The domestic interested parties have identified only nine U.S. firms that currently manufacture the domestic like product.⁶⁶

As discussed above, domestic and imported SSBW pipe fittings are generally substitutable. However, we note that SSBW pipe fittings used in the petrochemical and nuclear industries must be certified.⁶⁷

The demand for SSBW pipe fittings is dependent on the demand for the product for use in facilities such as chemical plants, pharmaceutical plants, food processing plants, gas processing facilities, and commercial nuclear power plants.⁶⁸ Apparent U.S. consumption of SSBW pipe fittings has increased since the time of the investigation of Japan, more than doubling between 1984 and 1998.⁶⁹ However, although apparent U.S. consumption increased, U.S. producers' market share decreased from *** percent

⁶⁰ SAA at 869.

⁶¹ 19 U.S.C. § 1675a(a)(4).

⁶² Commissioner Askey dissenting with respect to Korea.

⁶³ CR at I-4, I-7, I-10; PR at I-3, I-7, I-8, I-11, I-15.

⁶⁴ Joint Response at 27.

⁶⁵ CR at I-10; PR at I-9.

⁶⁶ CR at I-10, I-11; PR at I-9.

⁶⁷ Original Determination-Japan at 14; Original Determination-Korea at 13; CR at I-9; PR at I-8.

⁶⁸ CR at I-22; PR at I-17.

⁶⁹ In 1984, U.S. apparent consumption was *** pounds. In 1998, U.S. apparent consumption had risen to *** pounds. CR at I-22, Table I-3; PR at I-19, Table I-3.

in 1984 to *** percent in 1986.⁷⁰ During the period reviewed in the Korea and Taiwan investigations, the domestic producers' market share decreased *** from *** percent in 1989 to *** percent in 1991, after peaking at *** percent in 1990.⁷¹ At present, the market share held by the reporting U.S. producers is estimated to be *** percent of apparent U.S. consumption.⁷²

With regard to subject imports' share of the U.S. market, subject imports from Japan held a *** percent share of the U.S. market in 1986,⁷³ while subject imports from Korea and Taiwan held a cumulated share of *** percent of the U.S. market in 1991.^{74 75} In 1998, subject imports from Japan, Korea, and Taiwan held approximately *** percent of the U.S. market.⁷⁶

In 1984, non-subject imports held a *** percent share of the U.S. market, which rose to *** percent in 1989.⁷⁷ Non-subject imports' market share increased to *** percent by 1998.⁷⁸

During 1984-86, the period examined in the Japan investigation, U.S. capacity utilization was under 50 percent. In 1989, the first year examined in the Korea and Taiwan investigations, production levels had increased by 14 percent from that reported in 1986, and capacity utilization rose to 76 percent.⁷⁹ During 1997, U.S. production levels of SSBW pipe fittings fell, and capacity utilization levels were ***.⁸⁰

Based on the record evidence, we find that these conditions of competition in the domestic SSBW pipe fittings market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we have taken these conditions of competition into account in assessing the likely effects of revocation of the antidumping duty orders within the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁸¹ In doing so, the Commission must consider all relevant economic factors, including four enumerated factors: (1) any likely increase in capacity or existing unused capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4)

⁷⁰ CR at I-22, Table I-3; PR at I-19, Table I-3.

⁷¹ CR at I-22, Table I-3; PR at I-19, Table I-3.

⁷² CR at Table I-3; PR at Table I-3.

⁷³ CR at Table I-3; PR at Table I-3.

⁷⁴ CR at Table I-3; PR at Table I-3.

⁷⁵ Commissioner Askey notes that in 1991, subject imports from Taiwan held a *** percent market share while those from Korea held only a *** percent share. CR at Table I-3; PR at Table I-3.

⁷⁶ CR at Table I-3; PR at Table I-3.

⁷⁷ CR at Table I-3; PR at Table I-3.

⁷⁸ CR at Table I-3; PR at Table I-3.

⁷⁹ CR at I-13, Table I-4; PR at I-13-14; Table I-3.

⁸⁰ CR at I-14, Table I-4; PR at I-13-14; Table I-3.

⁸¹ 19 U.S.C. § 1675a(a)(2).

the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁸²

During the original Japan investigation, subject imports rose dramatically, increasing from *** pounds in 1984 to *** pounds in 1986.⁸³ At the same time, U.S. market penetration by subject imports from Japan increased from *** percent in 1984 to *** percent in 1985, before falling to *** percent in 1986.⁸⁴ During the original investigations of Korea and Taiwan, subject imports increased from 1.7 million pounds in 1989 to 2.7 million pounds in 1991.^{85 86 87} U.S. market penetration by subject imports from Korea and Taiwan rose from *** percent in 1989 to *** percent in 1991.⁸⁸

We find that subject import volume is likely to be significant if the orders are revoked. First, there was considerable SSBW pipe fittings capacity in the subject countries at the time of the original investigations. At the time of the 1986-87 investigation, Japanese capacity to produce SSBW pipe fittings alone was almost one-and-one half times apparent U.S. consumption in 1986.⁸⁹ Similarly, in 1991, capacity (which had almost doubled from 1989-91) was reported to be the equivalent of 62 percent of U.S. apparent consumption, not including data for one non-responding manufacturer.⁹⁰ Additionally, Korea was able to produce SSBW pipe fittings valued at \$8.2 million in 1991, as indicated by its total export figures for that year.^{91 92}

While current capacity data for the subject countries are not available, data on the record show worldwide export levels for subject countries in the past two years. Total Japanese exports in 1986, the last year of that original investigation, were 3.6 million pounds; Japanese exports in 1997 and 1998 were *** pounds and *** pounds, respectively, indicating that the Japanese industry continues to export substantial quantities of SSBW pipe fittings.⁹³ In 1991, the last year of the Taiwan original investigation, total exports were *** pounds;⁹⁴ while the record does not contain current volume data, available United Nations data show that 1997 exports were double those of Japan by value, likewise indicating substantial

⁸² 19 U.S.C. § 1675a(a)(2)(A)-(D).

⁸³ CR at Table I-3; PR at Table I-3.

⁸⁴ CR at Table I-3; PR at Table I-3.

⁸⁵ CR at Table I-2; PR at Table I-2.

⁸⁶ Individually, subject imports from Korea more than tripled during this period and subject imports from Taiwan rose by 44 percent. CR at I-18 to I-19, Table I-2; PR at I-19 to I-20, Table I-2.

⁸⁷ Commissioner Askey notes that subject imports from Taiwan increased from 1.5 million pounds in 1989 to 2.1 million pounds in 1999, while subject imports from Korea were only 170,000 pounds in 1989 and 524,000 pounds in 1991. CR at I-18 to I-19, Table I-2; PR at I-19 to I-20, Table I-2.

⁸⁸ CR at Table I-3; PR at Table I-3.

⁸⁹ In 1986, Japanese capacity was 12.1 million pounds and U.S. apparent consumption was 8.5 million pounds. CR at Table I-3, Table I-4; PR at Table I-3, Table I-4.

⁹⁰ In 1991, Taiwan's capacity was reported to be *** pounds, up from *** pounds in 1989. CR at Table I-4; PR at Table I-4. In 1991, U.S. apparent consumption was 10.3 million pounds. CR at Table I-3; PR at Table I-3.

⁹¹ In 1991, U.S. apparent consumption was 10.3 million pounds. CR at Table I-3; PR at Table I-3.

⁹² Commissioner Askey notes that the market share of subject imports from Taiwan rose from *** percent in 1989 to *** percent in 1991, while the market share of those from Korea rose only from *** percent in 1989 to *** percent in 1991. CR at Table I-3; PR at Table I-3.

⁹³ CR at I-27, Table I-4; PR at I-22, Table I-4.

⁹⁴ CR at I-28, Table I-4; PR at I-23, Table I-4.

continued exports.⁹⁵ Korean exports in 1991 were valued at \$8.2 million, and were \$*** and \$*** million in 1997 and 1998, respectively.⁹⁶ Accordingly, there remain substantial quantities of subject SSBW pipe fitting exports from these countries that could be directed to the United States should the orders be revoked.⁹⁷

At the time of the original investigations, home shipments in Japan and Taiwan were declining, while exports, including those to the United States, were increasing.⁹⁸ Although the level of Korean home shipments was unknown, Korean exports to the United States and other countries also increased during the original investigation of Korea.⁹⁹

The past ability of the subject producers to divert SSBW pipe fittings shipments from their home and third country markets to the United States, their substantial exports, and their apparent substantial capacity, indicate that they are likely to commence significant exports to the United States upon revocation of the antidumping duty orders.^{100 101} Consequently, based on the record in these reviews, we conclude that the volume of cumulated subject imports would likely increase to a significant level and would regain significant U.S. market share if the orders are revoked.¹⁰²

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with domestic like products and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of domestic like products.¹⁰³

⁹⁵ Joint Response, exh. 3. The domestic interested parties state that the data contained in the exhibit are for 1997. *Id.* at 23, n. 5.

⁹⁶ CR at Table I-4, I-27; PR at Table I-4, I-22; official U.N. statistics.

⁹⁷ See the Concurring and Dissenting Views of Commissioner Thelma J. Askey for her conclusions regarding Korean exports.

⁹⁸ Japanese exports to the United States increased from 2.0 million pounds in 1984 to 2.2 million pounds in 1986. Japanese exports to other countries increased from 1.2 million pounds in 1984 to 1.4 million pounds in 1986. At the same time, Japanese home shipments decreased from 8.7 million pounds in 1984 to 6.9 million pounds in 1986. Similarly, Taiwan's exports to the United States increased from *** pounds in 1989 to *** pounds in 1991 and Taiwan's exports to other countries increased from *** pounds to *** pounds. In contrast, Taiwan's home shipments dropped from *** pounds to *** pounds. CR at I-28, Table I-4; PR at I-22, Table I-4.

⁹⁹ Korean exports to the United States increased from \$717,000 in 1989 to \$779,000 in 1991. The value of Korean exports to other countries increased from \$7.3 million in 1989 to \$7.4 million in 1991. CR at Table I-4, I-27; PR at Table I-4, I-22.

¹⁰⁰ CR at I-26, Table I-4; PR I-17, Table I-4.

¹⁰¹ Chairman Bragg infers that in the absence of the orders, SSBW producers from each subject country would revert to their historical emphasis on exporting to the United States as evidenced in the Commission's original determinations. Based upon the record in these grouped reviews, Chairman Bragg finds that this historical emphasis will result in significant volumes of subject imports from Japan, Korea, and Taiwan into the United States.

¹⁰² Commissioner Askey dissenting with respect to Korea.

¹⁰³ 19 U.S.C. § 1675a(a)(3). The SAA states that [c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on

(continued...)

In the original investigations, the Commission found that the subject imports consistently undersold the domestic like product and had an adverse impact on prices in the domestic industry.¹⁰⁴ Given the general substitutability of subject imports with the domestic like product,¹⁰⁵ price appears to be an important factor in purchasing decisions. Moreover, given the large presence of low-priced non-subject imports in the U.S. market, the subject countries have further incentive to lower their prices to recapture their U.S. market share. Thus, increased sales of subject imports likely would be achieved by means of aggressive pricing.

The evidence in the record regarding prices of subject imports in the U.S. market is limited, but the evidence suggests that the subject imports would likely continue to undersell the domestic product. In 1998, the average landed duty-paid reported unit value for the three subject countries was approximately \$4.17 per pound, compared to the average unit value of \$*** per pound for the domestic like product.¹⁰⁶

The limited information in the record regarding current pricing indicates that cumulated subject imports would likely undersell the domestic product and have significant adverse price effects, as they did before the imposition of the orders, if the orders were revoked. We find that, given the importance of price in purchasing decisions, the competitive presence of low-priced non-subject imports, and the evidence of continued underselling, even in face of the orders, it is likely that, should the orders be revoked, subject imports from Japan, Korea, and Taiwan would enter the United States at prices that would significantly depress or suppress U.S. prices.

For the foregoing reasons, we find that revocation of the antidumping duty orders would be likely to lead to significant underselling by the cumulated subject imports of the domestic like product, as well as significant price depression and suppression, within a reasonably foreseeable time.¹⁰⁷

E. Likely Impact of Cumulated Subject Imports

In evaluating the likely impact of imports of subject merchandise if the orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry,

¹⁰³ (...continued)

circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices. SAA at 886.

¹⁰⁴ In the original Japan determination, the Commission found that imports of [SSBW pipe fittings] from Japan have consistently been below [stainless steel butt-weld pipe fittings] in the United States throughout the period of investigation by margins ranging from 4 to 60 percent. Original Determination-Japan at 14-16. In the Korea and Taiwan investigations, the Commission similarly found that Korean SSBW pipe fittings undersold the domestic products in 16 of 17 possible price comparisons, and Taiwan imports undersold the domestic product in all instances. Original Determination-Korea at 16-17.

¹⁰⁵ Original Determination-Korea at 13; CR at I-9; PR at I-8.

¹⁰⁶ CR at I-15, Table I-2; PR at I-12, Table I-2.

¹⁰⁷ Commissioner Askey dissenting with respect to Korea.

including efforts to develop a derivative or more advanced version of the domestic like product.¹⁰⁸ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.¹⁰⁹ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.¹¹⁰

In the original determination for Japan, the Commission found that the increasing volume of the lower-priced subject imports, and the significant market share accounted for by those imports, depressed domestic prices and caused the U.S. industry to suffer growing financial losses.¹¹¹ In its original determination for Korea and Taiwan, the Commission found that the significant increase in cumulated imports, their large market share, and the substitutability of the subject imports and the domestic like product led to decreased sales of the domestic like product.¹¹² In addition, the Commission found that the subject imports had an adverse impact on the domestic industry by lowering prices and lowering sales volumes that resulted in significant declines in operating profits and employment.¹¹³

The imposition of the antidumping duty orders had a positive effect on the domestic industry's performance. The domestic industry had an operating *** margin of only *** percent in 1985.¹¹⁴ However, the domestic industry's operating *** margin improved to *** percent in 1989, two years after the issuance of the antidumping duty order against Japan. Subsequently, subject imports from Korea and Taiwan increased, and by 1991, the domestic industry's operating *** margin had fallen to *** percent.¹¹⁵ In 1997, four years after the Korea and Taiwan orders were in place and nine years after the Japan order was imposed, there was a substantial increase in non-subject imports, and the domestic industry showed a *** percent operating ***.¹¹⁶ As the domestic industry argued in their joint response,

¹⁰⁸ 19 U.S.C. § 1675a(a)(4).

¹⁰⁹ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that the Commission may consider the magnitude of the margin of dumping in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the magnitude of the margin of dumping to be used by the Commission in five-year reviews as the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title. 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In its final five-year determinations, Commerce found that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the following margins: Japan - Mic Horo 65.08 percent, Nippon Benkan Kogyo, K.K. 37.24 percent, and All Others 49.31 percent; Korea - The Asia Bend Co. Ltd. 21.20 percent, and All Others 21.20 percent; Taiwan - Tachai Yung Ho Machine Industry Co. Ltd. 76.20 percent, Ta Chen Stainless Pipe Co. Ltd. 0.64 percent, Tru-Flow Industrial Co., Ltd. 76.20 percent, and All Others 51.01 percent. 65 Fed. Reg. 5604 (Feb. 4, 2000).

¹¹⁰ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports. SAA at 885.

¹¹¹ Original Determination-Japan at 15.

¹¹² Original Determination-Korea at 17.

¹¹³ Original Determination-Korea at 17.

¹¹⁴ CR at Table I-1; PR at Table I-1.

¹¹⁵ CR at Table I-1; PR at Table I-1.

¹¹⁶ CR at Table I-1; PR at Table I-1.

it appears that the orders have helped sustain the domestic industry's performance, despite the increased competition from non-subject sources, by limiting subject imports.

However, based on the most recent data available, we find that the domestic industry is currently vulnerable to material injury if the antidumping duty orders are revoked.¹¹⁷ In 1998, the domestic industry reported an *** of *** percent, and domestic shipment levels were below those in most of the years examined during the original investigations.¹¹⁸ Capacity utilization levels are ***, but below those reported during the Korea and Taiwan investigations.¹¹⁹ While domestic average unit values increased following imposition of the antidumping duty order against subject imports from Japan, to \$*** per pound in 1989, average unit values in 1997 and 1998 were similar to those in place during the original investigations concerning Korea and Taiwan, at \$*** per pound in 1997 and \$*** per pound in 1998.¹²⁰ Based on the foregoing, we conclude that the domestic industry is in a weakened state as contemplated by the statute's vulnerability criterion.^{121 122}

As discussed above, revocation of the antidumping duty orders would likely lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic like product and significantly depress U.S. prices. In addition, the volume and price effects of the cumulated subject imports would have a significant adverse impact on the domestic industry and would likely cause the domestic industry to lose market share.

The price and volume declines would likely have a significant adverse impact on the production, shipment, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the orders will result in commensurate employment declines for domestic firms.

Accordingly, based on the limited record in these reviews, we conclude that, if the antidumping duty orders are revoked, subject imports from Japan, Korea, and Taiwan would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.¹²³

¹¹⁷ Commissioners Askey and Okun do not concur in this finding.

¹¹⁸ CR at Table I-1; PR at Table I-1.

¹¹⁹ CR at Table I-1; PR at Table I-1.

¹²⁰ CR at Table I-1; PR at Table I-1.

¹²¹ 19 U.S.C. § 1675a(1)(C). See SAA at 885 ("The term 'vulnerable' relates to susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order.").

¹²² Commissioners Askey and Okun observe that the U.S. shipments of the four reporting companies alone are now comparable in volume to the U.S. shipments of the U.S. industry during the periods examined in the previous investigations. They note that the four reporting U.S. producers were *** in 1997, and that they continued to increase their capacity in 1998. CR at I-13, Table I-1; PR at I-11, Table I-1. They further note that the quantity of the four reporting firms' U.S. shipments remained fairly stable between 1997 and 1998. Thus, in the face of an apparent sharp decline in U.S. consumption, the four reporting U.S. producers actually gained market share. CR at I-23, Table I-3; PR at I-21, Table I-3. Therefore, Commissioners Askey and Okun do not find the domestic industry to be in a weakened state as a result of reported declines in average unit values and revenues in 1998 that accompanied increases in reported capacity and a decrease in apparent U.S. consumption.

¹²³ Commissioner Askey dissenting with respect to Korea.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty orders on imports of SSBW pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury to the domestic SSBW pipe fittings industry within a reasonably foreseeable time.¹²⁴

¹²⁴ Commissioner Askey dissenting with respect to Korea.

**CONCURRING AND DISSENTING VIEWS OF
COMMISSIONER THELMA J. ASKEY**

Section 751(d) of the Tariff Act of 1930, as amended, requires that the Department of Commerce (“Commerce”) revoke a countervailing duty order or an antidumping duty order in a five-year (“sunset”) review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the Commission determines that material injury would be likely to continue or recur within a reasonably foreseeable time.¹ Based on the record in these reviews, I concur in the Majority’s determination that revocation of the antidumping duty order covering stainless steel butt-weld pipe fittings (“SSBW pipe fittings”) from Japan and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. I also determine that revocation of the antidumping duty order covering SSBW pipe fittings from Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Except as otherwise noted, I join in the Majority’s findings with respect to the domestic like product and domestic industry, the legal standards governing the Commission’s cumulation and causation analysis in sunset reviews, conditions of competition in this marketplace, and the likelihood of recurrence or continuation of material injury by reason of the subject imports from Japan and Taiwan. However, I have determined to exercise my discretion with respect to cumulation and cumulate subject imports from Japan and Taiwan but not those from Korea. I also determine that revocation of the order covering subject imports from Korea would not be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time. I discuss the reasons for these determinations below.

As a preliminary matter, I note that in response to its notice of institution, the Commission received one joint response from four domestic producers who together represent approximately *** percent of domestic industry SSBW pipe fitting production, while no respondent interested parties chose to participate in the review. Given the level of responses in this review, the Commission has a somewhat limited record to review in determining whether revocation of the orders will likely lead to continuation or recurrence of material injury in the reasonably foreseeable future. In a case such as this, where domestic interested parties (and no respondent producers, exporters or importers) have fully participated in the review, those parties have an advantage in terms of being able to present information to the Commission without rebuttal from the other side. Nonetheless, irrespective of the source of information on the record, the statute obligates the Commission both to investigate the matters at issue and to evaluate the information and evidence before it in terms of the statutory criteria.² The Commission cannot properly accept participating parties’ information and characterizations thereof without question and without evaluating other available information and evidence.³

¹ 19 U.S.C. §§ 1675(d)(2), 1675a(a)(1) (1994).

² 19 U.S.C. § 1675a(a).

³ See, e.g., *Alberta Pork Producers’ Mktg. Bd. v. United States*, 669 F. Supp. 445, 459 (Ct. Int’l Trade 1987) (“Commission properly exercised its discretion in electing not to draw an adverse inference from the low response rate to questionnaires by the domestic swine growers since the fundamental purpose of the rule to ensure production of relevant information is satisfied by the existence of the reliable secondary data.”).

I. CUMULATION

A. General

In sunset reviews, the Commission has the discretion to cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews were initiated on the same day if those imports would be likely to compete with each other and with the domestic like product within a reasonably foreseeable time if the orders are revoked.⁴ The Commission has generally considered four factors intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product.⁵ In five-year reviews, the relevant inquiry is whether there would likely be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews and the discretionary nature of the cumulation decision, when deciding whether to cumulate in sunset reviews, the Commission has examined other significant conditions of competition that are likely to prevail if the orders under review are revoked.

Although cumulation is discretionary in sunset reviews, the statute clearly and unambiguously states that the Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry upon revocation of an order.⁶ Therefore, the Commission must conclude that the subject imports from a country will have a “discernible adverse impact on the domestic industry” after revocation of the order before cumulating the volume and effect of those imports with those of other subject imports. Accordingly, to determine whether I am precluded from cumulating the subject imports in my analysis, I focus on how discernibly the imports will impact the condition of the industry as a result of revocation, and not simply on whether there will be a small -- i.e., negligible -- volume of imports after revocation.⁷

In this case, the reviews of the orders for the three subject countries were initiated on the same day. Thus, I first consider whether the subject imports from each of Japan, Korea or Taiwan are likely to have a “discernible adverse impact” on the domestic industry if the orders covering each country were to be revoked. If I find that imports from any one of these countries are not likely to have a discernible adverse impact on the domestic industry if the order is revoked, then I am precluded from cumulating the imports from that country with those of any other subject country. If I find that they are likely to have a discernible adverse impact on the industry upon revocation of the order, I must then consider whether it is appropriate to exercise my discretion to cumulate the subject countries.

⁴ 19 U.S.C. § 1675a(a)(7).

⁵ The four factors the Commission generally considers in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical 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.

⁶ Section 752(a)(7) of the Act, 19 U.S.C. § 1675a(a)(7).

⁷ For a more complete discussion of my views on this matter, see my Additional Views in Potassium Permanganate from China and Spain, Inv. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 (Oct. 1999) at 31.

Along with the rest of my colleagues, I find that subject imports are likely to have a discernible adverse impact on the domestic industry.⁸ Therefore, I proceed to consider whether it is appropriate to exercise my discretion to cumulate subject imports from the three subject countries.

B. Exercise of Discretion Not to Cumulate the Subject Imports from Japan and Taiwan with those from Korea

Although I find that the subject imports from all three countries are likely to have a discernible adverse impact on the domestic industry as a result of revocation of the order, I have chosen not to exercise my discretion to cumulate the subject imports from Japan and Taiwan with those from Korea for purposes of my analysis in this review. In particular, I find that U.S. import and worldwide export patterns for Japan and Taiwan are similar to each other but are significantly different from those of Korea. Therefore, I cumulate subject imports from Japan with those from Taiwan, but do not cumulate subject imports from those two countries with those from Korea.

During the original investigations, imports from Japan and Taiwan increased substantially. The volume of the subject imports from Japan quadrupled over the course of the original investigation, increasing from *** pounds in 1984 to *** pounds in 1986.⁹ Their imports declined substantially thereafter.¹⁰ The market share of the subject imports from Japan increased from *** percent in 1984 to *** percent in 1985 before declining slightly, to *** percent in 1986.¹¹ Taiwanese imports increased by 36 percent over the original POI, increasing from 1.5 million pounds in 1989 to 2.2 million pounds in 1991.¹² Taiwanese imports fluctuated thereafter, and were 2.0 million pounds and 705,000 pounds, respectively, in 1997 and 1998.¹³ Taiwanese subject import market share increased from *** percent in 1989 to *** percent in 1991 and was *** percent in 1997.¹⁴

In recent years, Japanese and Taiwanese world export levels have remained strong. Total Japanese exports in 1986, the last year of that original investigation, were 3.6 million pounds; Japanese worldwide exports in 1997 and 1998 were *** pounds and *** pounds, respectively.¹⁵ In 1991, the last year of the Taiwan original investigation, total Taiwanese worldwide exports were *** pounds;¹⁶ while the record does not contain current volume data, available United Nations data shows that 1997 Taiwanese exports were double those of Japan by value, likewise indicating substantial continued exports.¹⁷

Accordingly, Japanese and Taiwanese import levels were high during the original POI and their worldwide exports remain strong in recent years. Therefore, I find it appropriate to cumulate subject

⁸ Views of the Commission, Section III.A.

⁹ Table I-3, CR at I-23, PR at I-18.

¹⁰ Figure I-1, CR at I-17, PR at I-14.

¹¹ Table I-3, CR at I-23, PR at I-18.

¹² Table I-2, CR at I-18, PR at 15.

¹³ Figure I-1, CR at I-17, PR at I-18.

¹⁴ *Id.*

¹⁵ Table I-4, CR at I-27, PR at I-21.

¹⁶ Table I-4, CR at I-28, PR at I-22.

¹⁷ Petitioner's Response, Exhibit 3. Petitioners state that the data contained in the exhibit is for 1997. *Id.* at 23, n. 5.

imports from those two countries because of their similar historical patterns and likely future patterns. For the reasons discussed in Section III.B of the Views of the Commission, I find that there would likely be a reasonable overlap of competition between subject imports from Japan and Taiwan and the domestic like product, as well as among the subject imports from those two countries, if the antidumping duty orders covering SSBW pipe fittings from these countries were revoked.

By contrast, while Korean imports increased over the original POI, their levels remained small relative to domestic consumption and to other subject imports, and Korean worldwide exports have declined substantially since that time. Korean imports tripled over the original POI, but they remained at a low level relative to U.S. apparent consumption; they increased between 1989 and 1991, growing from 170,000 pounds in 1989 to 524,000 pounds in 1991.¹⁸ This represented domestic apparent consumption shares of only *** percent and *** percent, respectively, well below Japanese and Taiwanese levels, which reached to *** percent and *** percent, respectively, and non-subject shares, which were *** percent and *** percent, respectively.¹⁹ Korean imports remained at extremely low levels thereafter,²⁰ and were 195,000 pounds and 96,000 pounds in 1997 and 1998, respectively.²¹ Accordingly, even at their highest level during the original POI, Korean import volumes were substantially less than those of Japan and Taiwan and accounted for only a small fraction of domestic apparent consumption.

Moreover, the record shows that Korean worldwide exports in recent years were substantially lower than they were during the original investigation and than recent Japanese and Taiwanese exports. Korean worldwide exports in 1991 were valued at \$8.2 million, and at \$*** million in 1998.²² Therefore, available data shows that Korean producers have been exporting substantially less subject merchandise worldwide in recent years than have the Japanese and Taiwanese producers.

In sum, the record indicates that any increases in the volume of subject imports from Japan and Taiwan would be significantly higher than those from Korea should the orders be revoked. This shows that the subject imports from Japan and Taiwan would be likely to exhibit significantly different volume trends in the reasonably foreseeable future. In addition, the likely margins found for Korean producers are one-third to one-half of those found for Japanese producers and one-quarter to one-half those found for all but one Taiwanese producer.²³ This suggests that the Japanese and Taiwanese producers may be more aggressive in their pricing practices upon revocation of the order than the Korean producers. Therefore, because of these significant differences, I exercise my discretion to cumulate the subject imports from Japan and Taiwan but do not cumulate them with those from Korea.

¹⁸ Table I-2, CR at I-18, PR at 15.

¹⁹ *Id.* Korean imports were only 100,000 pounds in 1990, Table I-2, CR at I-18, PR at 15, representing *** percent of domestic apparent consumption. Table I-3, CR at I-23, PR at 18.

²⁰ Figure I-1, CR at I-17, PR at I-14.

²¹ Table I-2, CR at I-18, PR at 15.

²² Table I-4, CR at I-27, PR at I-22; Official U.N. statistics. Korean producers provided only value data in the original investigation, so value rather than volume data is used here for comparison purposes. *See* 1993 Korea Staff Report at I-45.

²³ Commerce found the following likely margins: for Japanese producers, individual company rates of 65.08 percent and 37.24 percent and an All Others rate of 49.31 percent; for Korean producers, individual company and an All Others rates of 21.20 percent; and for Taiwanese producers, individual company rates of 0.64 percent and 76.20 percent and an All Others rate of 51.01 percent. 65 Fed. Reg. 5604 (Feb. 4, 2000).

II. REVOCATION OF THE COUNTERVAILING DUTY ORDER ON SSBW PIPE FITTINGS FROM KOREA IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. *Likely Volume of Subject Imports from Korea*

In evaluating the likely volume of imports of subject merchandise if an antidumping order is revoked, the statute directs the Commission to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.²⁴ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.²⁵

In the original determination concerning Korea, the Commission found that the domestic industry was materially injured by reason of imports of SSBW pipe fittings from Korea that were sold at less than fair value.²⁶ The Commission found that cumulated subject imports from Taiwan and Korea had decreased from *** percent in 1989 to *** percent in 1990 before increasing to *** percent in 1991.²⁷ The Commission concluded that the volume of the cumulated subject imports was significant. However, the market share for Korean imports alone was quite low, at *** percent in 1989, *** percent in 1990 and *** percent in 1991,²⁸ based on imports of 170,000 pounds, 100,000 pounds, and 524,000 pounds, respectively.²⁹

Korean imports volumes have remained at extremely low levels since the order was put in place in 1993.³⁰ The import levels in 1997 and 1998, which were 186,000 pounds and 96,000 pounds, respectively, are roughly comparable to 1989 and 1990 levels.³¹ Korean market share has remained at similarly low levels of *** percent and *** percent, respectively, in 1997 and 1998.³²

While Korean production and capacity data is not available for either the original POI or for recent years, available Korean worldwide export data shows that Korean exports have declined substantially. Korean worldwide exports were valued at \$8.0 million, \$4.7 million and \$8.2 million in

²⁴ 19 U.S.C. § 1675a(a)(2).

²⁵ 19 U.S.C. § 1675a(a)(2)(A)-(D).

²⁶ Certain Stainless Steel Butt-Weld Pipe Fittings from Korea, Inv. No. 731-TA-563 (Final), USITC Pub. 2601 (Feb. 1993) at 17.

²⁷ Id. at 15.

²⁸ Table I-3, CR at I-23, PR at I-18.

²⁹ Table I-2, CR at I-18, PR at I-15.

³⁰ See Figure I-1, CR at I-17, PR at I-14.

³¹ Table I-2, CR at I-18, PR at I-15.

³² Table I-3, CR at I-23, PR at I-18.

1989-91, respectively; by contrast, they were \$*** and \$*** in 1997 and 1998, respectively.³³ This substantial decrease in worldwide exports indicates that Korea has not been focused on export markets in recent years, further indicating that Korean imports would not be likely to increase to any significant degree should the order be revoked.

Moreover, non-subject imports, which include imports from Japan and Taiwan for purposes of this analysis, have been very high, holding at least half of domestic consumption, both during the original POI and in 1997-98. Nonsubject imports held *** percent, *** percent and *** percent shares of domestic consumption in 1989-91, respectively, and *** percent in 1997 and *** percent in 1998.³⁴ Thus, if Korean imports were to increase subsequent to revocation of the order, such an increase would come predominantly at the expense of non-subject imports.

Therefore, I do not find that the past and current volume levels indicate that there will be a significant adverse volume effect on the industry if the order covering Korea is revoked. Korean imports were at relatively low levels throughout the original POI, particularly in comparison with the size of non-subject imports, and there has been an overall decrease in worldwide Korean exports. While I find that imports from Korea would have a discernable adverse impact on the domestic industry should the order be revoked, I do not find such impact to be material.

B. Likely Price Effects of Subject Imports from Korea

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with the domestic like product, and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of the domestic like product.³⁵

In the original Korea determination, the Commission found that the subject imports from Korea had undersold the domestic merchandise in 16 of 17 quarterly price comparisons, by margins of more than 20 percent in 11 of those comparisons.³⁶ The Commission noted that Korean prices were declining during the POI, at the same time that the cost of goods sold, as a percentage of net sales, were increasing.³⁷

The record does not contain current pricing data and only limited pricing data was available during the original investigation.³⁸ Available landed duty-paid unit value data shows Korean unit values

³³ Table I-4, CR at I-27, PR at I-21; Official U.N. statistics.

³⁴ *Id.*

³⁵ 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

³⁶ USITC Pub. 2601 at 16.

³⁷ *Id.*

³⁸ 54 direct price comparisons were available for Taiwanese imports but only 17 comparisons for Korean imports. USITC Pub. 2601 at 16. The Japanese investigation involved 99 direct price comparisons. USITC Pub. 2067 at Table 15.

of \$4.13 and \$3.79 per pound in 1997 and 1998, respectively.³⁹ Domestic producer domestic shipment unit values for 1997 and 1998 were \$*** and \$***, respectively. I find AUV comparisons generally to be of limited probative value; their comparative value is particularly limited in this review because of the lack of current product mix and product quality information and because the domestic and import AUVs are calculated at different levels of trade.

The limited record suggests that Korean imports have undersold domestic merchandise and may continue to do so again in the future. However, as I indicate above in my discussion of the likely volume effects of the imports from Korea, I find that the minimal additional volumes that are likely to enter the United States as a result of revocation will have only a minimal impact on domestic prices.

Accordingly, I find that the subject imports from Korea would not be likely to have a significant adverse effect on domestic prices within a reasonably foreseeable time if the order is revoked.

C. Likely Impact of Subject Imports from Korea

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁴⁰ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.⁴¹

As instructed by the statute, I have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if those orders are revoked.⁴² Generally, the limited available data shows the domestic industry's financial condition has declined since the original period of investigation for Korea. The industry's market share has declined since the original period and the industry now has a relatively small share of the domestic market: In 1989 and 1991 the domestic industry held market shares of roughly *** percent and in 1997 and 1998, held market shares of *** percent and *** percent, respectively.⁴³ In addition, in 1998 the industry showed an *** of *** percent and declining domestic shipments, unit values and operating income compared to 1997.⁴⁴

Nonetheless, although the industry is now in a weakened condition, the record indicates that the small additional volumes of SSBW pipe fittings from Korea that are likely to enter the market upon

³⁹ Table I-2, CR at I-18, PR at I-15.

⁴⁰ 19 U.S.C. § 1675a(a)(4).

⁴¹ *Id.*

⁴² The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

⁴³ Table I-1, CR at I-13, PR at I-10.

⁴⁴ *Id.*

revocation of the order will not have a material adverse impact on the industry. As I discussed above, the record of this review indicates that the subject imports from Korea are not likely to have significant adverse volume or price effects on the domestic industry within the reasonably foreseeable future if the order were revoked. I also find that subject imports would not be likely to have a significant impact on the domestic industry's cash flow, inventories, employment, wages, growth, ability to raise capital, or investment within a reasonably foreseeable time in the event the order is revoked. Further, I find that revocation of the order is not likely to lead to a significant reduction in U.S. producers' output, sales, market share, profits, productivity, ability to raise capital, or return on investments within a reasonably foreseeable time.

Accordingly, I find that there is not likely to be a significant impact on the domestic industry if the order covering the subject imports from Korea is revoked.

III. CONCLUSION

For the reasons stated above, I determine that revocation of the antidumping duty order on SSBW pipe fittings from Korea would not be likely lead to continuation or recurrence of material injury within a reasonably foreseeable time.

INFORMATION OBTAINED IN THE REVIEWS

INTRODUCTION

On July 1, 1999, the Commission gave notice that it had instituted reviews to determine whether revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.¹ On October 1, 1999, the Commission determined that the domestic interested party response to its notice of institution was adequate;² the Commission also determined that the respondent interested party response was inadequate. It found no other circumstances that would warrant conducting full reviews. Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(3)).³ The Commission voted on these reviews on February 9, 2000, and notified Commerce of its determinations on February 22, 2000.

The Original Investigations

The Commission completed the original investigation for Japan (inv. No. 731-TA-376) in March 1988, determining that an industry in the United States was materially injured by reason of imports of stainless steel butt-weld pipe fittings from Japan that were sold at LTFV.⁴ Then, in February 1993, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of stainless steel butt-weld pipe fittings from Korea (inv. No. 731-TA-563).⁵ Subsequently, in June 1993, the Commission made a material injury determination for LTFV imports of subject fittings from Taiwan (inv. No. 731-TA-564).^{6 7}

The Commission defined the like product in the 1987-88 investigation for Japan as stainless steel butt-weld pipe fittings (whether finished or unfinished), regardless of the form in which they are imported.⁸ It further determined that there was one domestic industry producing that product. In the

¹ 64 FR 35691, July 1, 1999. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

² The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of the following U.S. producers of the domestic like product: Alloy Piping, Flowline, Gerlin, and Taylor Forge. The firms are believed to represent approximately *** percent of U.S. stainless steel butt-weld pipe fitting production. *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 19-20.

³ 64 FR 55960, October 15, 1999. Subsequently, Commerce extended the date for its final results in the expedited reviews from October 29, 1999 to January 27, 2000 (64 FR 62167, November 16, 1999). The Commission, therefore, revised its schedule to conform with Commerce's new schedule (64 FR 66645, November 29, 1999). The Commission's notices of expedited reviews and revised schedule appear in app. A. See the Commission's web site (<http://www.usitc.gov>) for Commissioner votes on whether to conduct expedited or full reviews. The Commission's statement on adequacy is presented in app. B.

⁴ *Certain Stainless Steel Butt-Weld Pipe Fittings from Japan*, USITC Pub. 2067, March 1988, p. 3.

⁵ *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, USITC Pub. 2601, February 1993, p. 3.

⁶ *Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan*, USITC Pub. 2641, June 1993, p. 3.

⁷ The original investigation concerning Japan resulted from a petition filed by Flowline in April 1987; the original investigations concerning Korea and Taiwan resulted from petitions filed by Flowline in May 1992.

⁸ *Certain Stainless Steel Butt-Weld Pipe Fittings from Japan*, p. 7. Only product under 14 inches (inside diameter) was subject to investigation.

In its views, the Commission discussed (1) whether finished and unfinished fittings constituted a single like
(continued...)

1992-93 investigations for Korea and Taiwan, the Commission made like product determinations comparable to its earlier determination, finding the like product to be finished and unfinished stainless steel butt-weld pipe fittings having an inside diameter of less than 14 inches.⁹ ¹⁰ It further found the domestic industry to include both integrated and combination producers of the domestic like product.¹¹

⁸ (...continued)

product, (2) whether tubular blanks constituted a separate like product from other subject fittings, and (3) whether ultra clean fittings constituted a separate like product from other subject fittings. "As-formed" tubular blanks are unfinished fittings; semi-finished fittings are those between the tubular blank stage and the finished stage. Both tubular blanks and semi-finished fittings were considered to be unfinished fittings. Clean fittings have an electrolytically polished inner surface, generally range from one-half to 4 inches in nominal size, are not beveled, and have relatively small wall thicknesses. They are used in applications that require their ultra clean characteristics, such as piping systems which convey ultra clean gas.

The Commission stated that "{t}ubular blanks and semifinished {subject fittings} have only one use, further processing into finished fittings, and cannot be used for their intended purposes unless they are completely finished. The record indicates that all stages in the production of finished {subject fittings} from tubular blanks are necessary to produce a commercially useful end product. With respect to ultra clean {subject fittings}, it appears that these fittings are manufactured with the same equipment as other {subject fittings}, and are subject to an additional process (electrolytic polishing) that is not applied to conventional fittings. Such fittings, therefore, are quite similar to other {subject fittings} and are simply subject to an additional finishing process." *Id.*, pp. 3-6, and *Staff Report of March 1, 1988*, p. A-12. Subsequent to the imposition of the antidumping order for Japan, Commerce excluded certain super clean fittings. See 61 FR 5333, February 13, 1996 (excluding super clean microfittings produced by Benkan) and 61 FR 40194, August 1, 1996 (excluding super clean fittings manufactured by Benkan). Super clean and ultra clean fittings are believed to be generally comparable. Super, ultra, and mega clean (etc.) fittings are trade names rather than a hierarchy of technical grades. Compared to "ordinary" fittings, these fittings are characterized by a finer degree of polishing of joint surfaces; a high degree of cleaning; and specific protocols for packaging, shipping, handling, and installation to minimize contamination. USITC staff conversation with a consultant to the pipe industry on clean protocols, January 19, 2000.

⁹ *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, pp. 3-4; *Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan*, p. 3.

¹⁰ In addition, in the original preliminary investigations regarding subject imports from Korea and Taiwan, the Commission explicitly declined to expand the like product determinations to include large-diameter pipe fittings or carbon steel pipe fittings "because they are produced on different machinery and equipment than is used to produce the subject merchandise, and they are sold to specialized markets. Also, large-diameter pipe fittings are typically custom made whereas smaller diameter pipe fittings are not, stainless steel pipe fittings are sold for applications requiring a high degree of corrosion-resistance whereas carbon steel pipe fittings are not, and both the stainless steel and large-diameter pipe fittings command a higher price than, respectively, carbon steel and smaller diameter fittings. Further, stainless steel fittings obviously use a different raw material than carbon steel pipe fittings." *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea and Taiwan*, USITC Pub. 2534, July 1992, pp. 4-6.

¹¹ *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, p. 5; *Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan*, p. 3. The Commission noted in the original investigation for Korea that "{i}ntegrated producers generally begin with seamless stainless steel pipe as their raw material and perform forming, machining, and finishing operations. Combination producers produce some fittings in an integrated process and other fittings in a conversion process. Conversion consists of performing machining operations to a formed fitting. The vast majority of shipments by combination producers consists of purely domestic production. Less than 10 percent of their annual production consists of finishing a subject import." *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, pp. 5-6.

The domestic interested parties in these reviews indicate their agreement with the Commission's original definitions of domestic like product and domestic industry.¹²

After receipt of the Commission's various determinations, Commerce issued an antidumping duty order in March 1988 on imports of stainless steel butt-weld pipe fittings from Japan, in February 1993 on imports of such fittings from Korea, and in June 1993 on such fittings from Taiwan.¹³

Commerce's Final Results of Expedited Sunset Reviews

Commerce extended the time limit for the final results of its expedited sunset reviews for stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan to not later than January 27, 2000.¹⁴ Its determinations were published on February 4, 2000 and are presented in appendix A.

¹² *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 26.

¹³ 53 FR 9787, March 25, 1988 (Japan); 58 FR 11029, February 23, 1993 (Korea); and 58 FR 33250, June 16, 1993 (Taiwan, amended).

Japan.—The following are the original margins and those for 4 subsequent administrative reviews: Fuji (0.08 percent, which was de minimis, February 1988); Mie Horo (65.08 percent, February 1988); Nippon Benkan (37.24 percent, February 1988), (0.70 percent, April 1991), (6.96 percent, May 1991), (5.37 percent, October 1992), and (8.06 percent, March 1994); and all others (49.31 percent, February 1988), (0.70 percent, April 1991), (6.96 percent, May 1991), (5.37 percent, October 1992), and (49.31 percent, March 1994). The March 1994 review is for the most recent POI (which covers the POI of March 1992 through February 1993).

Korea.—The original margins were 21.20 percent for Asia Bend and 21.20 percent for all others (February 1993). There have been no administrative reviews of the order for Korea.

Taiwan.—The following are the amended original margins and those for 2 subsequent administrative reviews: Tachia (76.20 percent, June 1993); Ta Chen (0.64 percent, June 1993), (76.20 percent, January 2000, for the POI of December 23, 1992 to May 31, 1994), and (0.34 percent with a 0 cash deposit, December 1998, for the POI of June 1, 1996 to May 31, 1997); Tru-Flow (76.20 percent, June 1993); and all others (51.01 percent, June 1993), (51.01 percent preliminarily, May 1997), and (51.01 percent, December 1998).

See Commerce's web site (http://www.ita.doc.gov/import_admin/records/sunset) at *Case History and Scope Information* and 65 FR 2116, January 13, 2000.

¹⁴ 64 FR 62167, November 16, 1999.

THE PRODUCT

Scope¹⁵

Commerce states that the items covered by the review of the Japanese order include certain stainless steel butt-weld pipe and tube fittings, whether finished or unfinished.^{16 17} These fittings are used in piping systems for chemical plants, pharmaceutical plants, food processing facilities, waste treatment facilities, nuclear power plants, and other areas. The imported products covered by the reviews of the Korean and Taiwanese orders are certain stainless steel butt-weld pipe fittings, finished or unfinished, under 14 inches in inside diameter.¹⁸ The fittings are used to connect pipe sections in piping systems where conditions require welded connections. The subject merchandise is used where one or more of the following conditions is a factor in designing the piping system: (1) corrosion of the piping system will occur if material other than stainless steel is used; (2) contamination of the material in the system by the system itself must be prevented; (3) high temperatures are present; (4) extreme low temperatures are present; and/or (5) high pressures are contained within the system. Pipe fittings come in a variety of shapes, with the following five shapes the most basic: "elbows," "tees," "reducers," "stub ends," and "caps." The edges of finished pipe fittings are beveled. Pipe fittings manufactured to ASTM specification A774 are included in the scope of the Taiwanese order.

The products are classified under the HTS subheading 7307.23.00¹⁹ and enter at the column-1 general duty rate of 5 percent ad valorem. The HTS subheading is provided for convenience and for Customs purposes; the written description is dispositive as to the scope of the product coverage.

¹⁵ See Commerce's web site (http://www.ita.doc.gov/import_admin/records/sunset) at *Case History and Scope Information*.

¹⁶ In scope rulings made after the imposition of the antidumping order for Japan, Commerce excluded: (1) certain gasket raised face seal sleeves and certain stainless steel "fine-fit" tube fittings imported by Fujikin (60 FR 54213, October 20, 1995); (2) Primet joint metal seal fittings and Primet joint weld fittings produced by Daido and sleeves of clean vacuum couplings and super clean microfittings produced by Benkan (61 FR 5333, February 13, 1996); and (3) super clean fittings manufactured by Benkan (61 FR 40194, August 1, 1996).

¹⁷ As shown, the scope language for the antidumping order for Japan listed in Commerce's *Case History and Scope Information* web site does not specifically limit the subject product to only those fittings under 14 inches in inside diameter. However, Commerce's scope of investigation in its final LTFV determination for Japan reads as follows: "{stainless steel butt-weld pipe and tube fittings}, whether finished or unfinished, including as-formed tubular blanks (blanks), under 14 inches in inside diameter ..." 53 FR 3227, February 4, 1988. Its antidumping duty order does not contain specific scope language, but simply refers to "stainless steel butt-weld pipe and tube fittings." 53 FR 9787, March 25, 1988.

¹⁸ Threaded, grooved, and bolted fittings are excluded from the review of these orders. Also, Commerce subsequently ruled that Taiwan producer Top Line's stainless steel tube fittings with non-welded end connections, and other products, were outside the scope of the Taiwanese order (60 FR 54213, October 20, 1995).

¹⁹ Items entering under the applicable HTS subheading include some nonsubject merchandise (i.e., stainless steel butt-weld pipe fittings with an inside diameter equal to or greater than 14 inches). Stainless steel butt-weld pipe (and tube) fittings entered under TSUSA item 610.8048 during January-March 1984. Effective in April 1984, they entered under TSUSA items 610.8948 and 610.9060. Since January 1, 1989, they have entered under HTS subheading 7307.23.00.

Description and Uses²⁰

Butt-weld pipe fittings are used to connect pipe sections where conditions require permanent, welded connections. The beveled edges of butt-weld fittings distinguish them from other types of pipe fittings, such as threaded, grooved, or bolted fittings, which rely on different fastening methods. When placed against the end of a beveled pipe or another fitting, the beveled edges form a shallow channel that accommodates the “bead” of the weld that fastens the two adjoining pieces. Butt-weld fittings are produced from various materials: carbon steel, alloy steel, and stainless steel. Only those butt-weld fittings produced from stainless steel and which are under 14 inches in inside diameter are covered by these investigations.²¹ For tariff purposes, the term “stainless steel” includes by definition all grades of steel containing 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Fittings of stainless steel provide resistance to corrosion or oxidation and to extreme temperatures as well as the ability to withstand pressure.

Butt-weld fittings come in several basic shapes, such as elbows, tees, crosses, stub-ends, reducers, and shapes. Each of these basic product categories includes a wide range of fittings which vary by size, alloy type, and intended application. In general, stainless steel butt-weld fittings are utilized by a variety of industries in “process” operations to join pipes in straight lines and to change or divide the flow of fluids.²²

The domestic manufacturing sector for stainless steel butt-weld pipe fittings includes integrated producers and combination producers. Integrated producers begin with stainless steel pipe as their raw material and perform forming, machining, and finishing operations. Combination producers produce some fittings in an integrated process and other fittings in a conversion process (performing only machining and finishing operations). End users generally require that subject fittings meet specifications set by ASTM, ANSI, MSS, and/or the ASME Boilers and Pressure Vessel Code. These specifications include required manufacturing processes (such as annealing²³) as well as sizing to tolerance and performance standards.

According to industry officials in the 1992-93 investigations, little difference existed between the production techniques and machinery used by domestic and foreign producers due to the global diffusion of technology and forming methods. Further, almost all of the distributors of fittings that responded to Commission questionnaires in the 1987-88 investigation saw no significant differences, particularly in terms of physical and application characteristics, between domestically produced and subject Japanese fittings. Defect rates were low. In the 1992-93 investigations, most purchasers reported that domestic and imported Korean and Taiwanese fittings were interchangeable. However, some U.S. producers indicated that the subject imports were lower in quality than domestically produced subject fittings. Further, approved manufacturers lists, which identify those suppliers whose stainless steel butt-weld pipe fittings have been certified as meeting required end-use standards on the basis of a stringent

²⁰ All of the discussion in this section is from the original investigations, unless otherwise noted. *Staff Report of March 1, 1988*, pp. A-4, A-12, A-41, and A-49, and *Staff Report of May 13, 1992*, pp. I-5 through I-11, I-22, and I-51 through I-54.

²¹ See the previous section of this report for a discussion of whether only fittings under 14 inches in inside diameter are covered under the antidumping duty order for Japan.

²² See the previous section of this report for Commerce’s scope, which contains additional information on end uses.

²³ Annealing is a heat treatment to relieve the strain imparted to the steel during the forming process.

series of tests, are used for certain applications, such as those in the petrochemical and nuclear industries.²⁴

The vast majority of stainless steel butt-weld pipe fittings are sold through distributors. On occasion, U.S. producers sell directly to end users, usually by special order. Most of the responding U.S. producers in the original investigations issued standardized industry price lists, but provided discounts based on either the size of the sale or competing discount offers. Importers did not publish price lists, but instead negotiated prices on a sale-by-sale basis. Transportation costs are relatively small.

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

During the 1988 investigation for Japan, 11 firms produced the bulk of stainless steel butt-weld pipe fittings under 14 inches in inside diameter in the United States. Some firms manufactured all types of subject fittings, while others limited their production to specialty fittings.²⁵ A substantial quantity of the stainless steel butt-weld pipe fittings produced and sold in the United States in 1988 were made from unfinished fittings purchased from foreign or other domestic sources. Further, 5 of the 11 responding U.S. producers were direct importers of unfinished fittings from Japan. Integrated U.S. producers included American Fittings, Bestweld, Custom Alloy, Davis, Flowline, and Ladish.²⁶ Combination producers, which manufactured finished fittings from both stainless steel pipe and from purchased unfinished fittings, consisted of Alloy Piping, Flo-Mac, Franke, Gerlin,²⁷ and Taylor Forge.^{28 29}

²⁴ During the 1992-93 investigations, petitioner estimated that the extremely quality conscious segment of the industry that only purchased from approved manufacturers accounted for *** percent of the market. Many end users in the petrochemical and nuclear industries used Exxon's approved manufacturer list. No manufacturers from either Korea or Taiwan were included in the September 15, 1992 version of Exxon's list.

In its views for the investigation on Korea, the Commission stated that "we have considered the existence of an approved market wherein U.S. producers appear to face relatively less competition from subject imports, since subject imports are not on any approved manufacturers lists. We note, however, that the nonapproved market, where the subject imports and the domestic products compete head-to-head, is still significant to the U.S. industry and constitutes the largest segment of the domestic market." *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, p. 8. The issue was also considered in the original investigation for Taiwan. *Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan*, pp. 4-5.

²⁵ According to petitioner in the 1992-93 investigations, commodity fittings are those requested frequently enough to be kept in inventory rather than being produced to order. Specialty fittings include those fittings with greater wall thickness, those of larger diameter, and those made of specialty alloys. *Staff Report of May 19, 1993*, p. I-7.

²⁶ ***.

²⁷ Until September 1987, Gerlin only converted fittings from unfinished fittings produced overseas. In October 1987, Gerlin purchased Franke, which provided the firm with the ability to form stainless steel pipe or plate into finished product.

²⁸ *Staff Report of March 1, 1988*, pp. A-8 through A-9 and A-12.

²⁹ The Commission did not address the issue of related parties in its views for the investigation concerning Japan. See *Certain Stainless Steel Butt-weld Pipe Fittings from Japan*.

At the time of the 1992-93 investigations for Korea and Taiwan, Davis was no longer producing³⁰ and, as indicated, Franke had been sold to Gerlin. However, two new firms had entered the market, namely, Flo-Bend and Jero. With the exception of Gerlin and Taylor Forge, all U.S. manufacturing operations were integrated during the period reviewed in these investigations. However, ***. In addition, ***.^{31 32}

Currently, nine U.S. firms manufacture the subject product. Four of these firms responded to the Commission's notice of institution in these reviews (Alloy Piping, Flowline, Gerlin, and Taylor Forge). These four firms accounted for *** percent of shipments of the domestic like product by U.S. producers in 1986 and *** percent of 1991 U.S. production of stainless steel butt-weld pipe fittings.³³ Today, they are believed to account for approximately *** percent of total U.S. production of the subject product.³⁴ The additional U.S. manufacturers consist of: American Fittings, Bestweld, Flo-Mac, Jero, and Tube Tec.³⁵ None are related to any producer or exporter of the subject product in Japan, Korea, or Taiwan. Of the four firms whose data is provided in the *Response*, only Flowline has imported the subject merchandise (from Japan) in the last two years. The firm indicated in the *Response* that the quantities imported from Japan were not material in relation to its total shipments of stainless steel butt-weld pipe fittings.³⁶

U.S. Production, Capacity, and Shipments

Data reported by U.S. producers of stainless steel butt-weld pipe fittings in the Commission's original 1987-88 investigation are presented in table I-1. As indicated in a note to table I-1, trends for industry indicators for the period covered by the Commission's first investigation are somewhat distorted due to the absence of data for one producer in 1984. However, capacity to produce the subject product by the industry clearly increased during the period reviewed, as ***. Capacity utilization was under 50 percent during 1984-86. Further, the industry's financial condition was poor throughout the reporting period. As indicated earlier, a substantial quantity of the finished stainless steel butt-weld pipe fittings produced and sold in the United States were made from unfinished fittings purchased from other sources.

³⁰ Davis abandoned the production of stainless steel butt-weld pipe fittings in early 1992 to concentrate on its stainless steel pipe business. The firm indicated to the Commission in June 1992 that ***.

³¹ ***. *Staff Report of May 19, 1993*, pp. I-16 through I-21.

³² The Commission stated in its views that "{a}lthough three domestic producers are related parties, we have included them in the domestic industry in this investigation. Purchases of imports by these related parties represent a small percentage of their total shipments and these parties do not appear to be shielded in any way from the effects of subject imports on the industry as a whole. For all three producers, wholly domestic production always exceeded 67 percent of total production throughout the period of investigation, and financial performance followed the same general trend as that of the rest of the industry." *Certain Stainless Steel Butt-weld Pipe Fittings from Korea*, pp. 6-7.

³³ *Staff Report of March 1, 1988*, p. A-9; *Staff Report of May 19, 1993*, p. I-16.

³⁴ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 19-20.

³⁵ Neither Custom Alloy, Ladish, nor Flo-Bend were listed as being current manufacturers of the subject product. *Id.* Custom Alloy is recorded in the *Thomas Register* as an "emergency" manufacturer of non-commodity butt-weld pipe fittings (including stainless). See <http://www4.thomasregister.com>. Ladish sold its production facilities and brand name to Hackney (Trinity Fittings and Flange Group), a manufacturer of nonsubject carbon butt-weld pipe fittings. *Carbon Steel Butt-Weld Pipe Fittings from Brazil, China, Japan, Taiwan, and Thailand*, USITC Pub. 3263, December 1999, p. I-10.

³⁶ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 15-16.

Table I-1
Stainless steel butt-weld pipe fittings: U.S. producers' capacity, production, and domestic shipments, 1984-86, 1989-91, and 1997-98

Item	1984	1985	1986	1989	1990	1991	1997	1998
Production (1,000 pounds)	3,090	3,989	3,995	4,559	4,159	4,324	***	***
Capacity (1,000 pounds)	6,345	8,321	8,736	6,037	6,216	6,331	***	***
Capacity utilization (percent)	48.7	47.9	45.7	75.5	66.9	68.3	***	***
Domestic shipments: ¹								
Quantity (1,000 pounds)	2,990	4,029	3,938	***	***	***	***	***
Value (1,000 dollars)	20,591	26,854	25,843	***	***	***	***	***
Unit value (per pound)	\$6.89	\$6.67	\$6.56	***	***	***	***	***
Net sales (1,000 dollars)	(2)	***	***	36,526	33,951	29,573	***	***
Operating income (1,000 dollars)	(2)	***	***	4,803	4,399	3,399	***	***
Net income (1,000 dollars)	(2)	***	***	4,278	3,138	1,742	(3)	(3)
Operating income to net sales (percent)	(2)	***	***	13.2	13.0	11.5	***	***
Net income to net sales (percent)	(2)	***	***	11.7	9.2	5.9	(3)	(3)

¹ With the exception of *** pounds of unfinished fittings reported in 1986, shipments are of finished fittings (including those produced from imported ***).

² Not presented since 2 firms (Gerlin and Taylor Forge) that provided data for 1985-86 did not respond for 1984.

³ Not available.

Coverage for trade data.--Except for one firm that could not provide data for 1984, trade data for 1984-86 and 1989-91 cover those producers manufacturing the bulk of U.S. production of subject fittings. (The producer whose data were not available for 1984 accounted for *** percent of aggregate U.S. shipments in 1986.) Firms providing trade data for 1997-98 are believed to account for approximately *** percent of total U.S. production of stainless steel butt-weld pipe fittings in 1998. *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 19-20. Since the earlier data only represented the "bulk" of U.S. production, no attempt was made in this report to adjust 1997-98 data upward to account for the operations of nonresponding U.S. producers.

Continued.

Continued.

Coverage for financial data.-- Firms providing financial data for 1985-86 are ***. Financial data for 1989-91 and for 1997-98 represent the operations of ***. Data for the 1985-86, 1989-91, and 1997-98 periods are believed to be generally comparable.

Source: *Staff Report of March 1, 1988*, pp. A-16, A-17, and A-25 for 1984-86 data; *Staff Report of May 19, 1993*, pp. I-23, I-24, and I-33 for 1989-91 data; and *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, exhibit 1, for 1997-98 data.

The share of total reported U.S. production accounted for by such purchased unfinished fittings rose from *** percent in 1984 to 27 percent in 1985 and 34 percent in 1986.³⁷

Following the Commission's affirmative determination, Commerce issued an antidumping order for stainless steel butt-weld pipe fittings from Japan in March 1988. Industry data are not available for the period immediately following the issuance of the order. However, data on subject fittings were gathered for 1989, the first year examined in the succeeding Korea and Taiwan investigations. In 1989, production of stainless steel butt-weld pipe fittings had increased by *** percent from that reported in 1986 (table I-1).³⁸ Also, the financial status of the U.S. industry was considerably improved, with the ratio of operating income to net sales increasing from a *** of *** percent in 1986 to a profit of 13.2 percent in 1989. In 1989, *** percent of U.S.-produced stainless steel butt-weld pipe fittings were manufactured from purchased or imported unfinished fittings (almost all of which were of foreign-origin).³⁹

Data for the 1989-91 period considered by the Commission during its stainless steel butt-weld pipe fittings investigations for Korea and Taiwan are also listed in table I-1. As shown, U.S. production and domestic shipments decreased overall by 5 percent and *** percent, respectively, from 1989 to 1991. Further, operating and net profits declined steadily from 1989 to 1991.

In their *Response*, the domestic interested parties provided the Commission with data on their operations for 1997 and 1998. While U.S. production of stainless steel butt-weld fittings increased slightly in 1997 compared to 1991, production levels are again trending downward (table I-1). From 1997 to 1998, the production of subject fittings in the United States decreased by *** percent. Capacity utilization levels are *** and operating income ***. The domestic interested parties describe their industry as being in a "weakened condition."⁴⁰

³⁷ *Staff Report of March 1, 1988*, p. A-17.

³⁸ The much higher capacity utilization ratio reported in 1989 (compared to that for 1986) was due to the higher production levels as well as to the contraction in the production capacity of the U.S. industry. This contraction is presumably due, at least in part, to the withdrawal of Davis from the industry. In 1986, Davis accounted for *** percent of domestic shipments of the subject product. *Staff Report of March 1, 1988*, p. A-9. New entrants Flo-Bend and Jero either did not respond or provided unusable data to the Commission's questionnaires in the 1992-93 investigations. *Staff Report of May 19, 1993*, p. I-16. Consequently, their production capacity, which was believed to be small, is not included in the figures in table I-1.

³⁹ *Staff Report of May 19, 1993*, p. I-28.

⁴⁰ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 21.

Minimal information is available on current pricing of stainless steel butt-weld pipe fittings.⁴¹ As shown in table I-1, the average unit value of the subject product decreased from \$6.89 per pound in 1984 to \$6.56 per pound in 1986, then increased sharply to \$*** per pound in 1989, only to decline again to \$*** per pound in 1991. Average unit values fell from \$*** in 1997 to \$*** in 1998.

U.S. IMPORTS AND CONSUMPTION

U.S. Imports⁴²

During the 1987-88 investigation, the Commission identified 17 firms that imported the subject merchandise from Japan (in the first half of 1987). In 1986, U.S. producers accounted for *** percent of the imports from Japan. Most of their imports were unfinished fittings (including tubular blanks)⁴³ that were later converted into finished product. Importing firms that were not manufacturers imported mostly finished fittings from Japan.⁴⁴ During the 1992-93 investigations, approximately 40 firms were believed to have imported stainless steel butt-weld pipe fittings from Korea and Taiwan. However, only *** firms imported significant quantities of the subject fittings from Korea. There were several large importers of subject Taiwanese product.⁴⁵ In their response to the Commission's notice of institution in these reviews, the domestic interested parties identified 17 firms that have recently imported subject fittings from Japan, Korea, or Taiwan.⁴⁶

⁴¹ The Commission found during its original investigation for Japan that "prices for U.S.-produced {stainless steel butt-weld pipe fittings} declined sharply. Prices for all seven specifications of {stainless steel butt-weld pipe fittings} collected by the Commission fell substantially from January-March 1984 to January-March 1987, with declines ranging from 10 to 35 percent. Although prices for four product specifications increased minimally in mid-1987, prices for the other three continued to fall through the second quarter of 1987." *Certain Stainless Steel Butt-Weld Pipe Fittings from Japan*, p. 12. It stated in its views for the original investigation for Korea that "{d}omestic prices dropped by over 13 percent for all products for which pricing data were obtained." *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, p. 10.

⁴² The Commission cumulated imports of stainless steel butt-weld pipe fittings from Taiwan with those from Korea. *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, p. 13; *Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan*, pp. 8-9. In its views for the original investigation on Korea, it stated that "{t}he only cumulation issue in dispute in this investigation is whether the imports involving Korea and Taiwan compete with the domestic like product in the U.S. market. ... In this final investigation there is evidence in the record that suggests that subject imports, especially those from Taiwan, are of lesser quality than the domestic product. ... Further, a significant percentage of the end user market relies upon an approved manufacturers list when making purchasing decisions. ... No producer from Taiwan or Korea is on the approved manufacturers list. The approved market, however, is less than half of total domestic consumption. Therefore, there is significant direct competition between imports from Korea and Taiwan and the domestic product, at least in the nonapproved market (which represents between 50 and 80 percent of the total market)." *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, p. 13.

⁴³ Tubular blanks were defined by Gerlin as products made from pipe, plate, or forgings that have been formed to a basic shape, heat treated, and sized, but which require additional transformation to adapt them to use as a finished fitting.

⁴⁴ *Staff Report of March 1, 1988*, p. A-10.

⁴⁵ *Staff Report of May 19, 1993*, pp. I-20 through I-22.

⁴⁶ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 17-18.

Figure I-1 and table I-2 present data on imports of the subject product (consisting of both finished and unfinished fittings) from 1984 to the present. As shown, U.S. imports of stainless steel butt-weld pipe fittings from Japan increased dramatically from 1984 to 1985, then declined somewhat in 1986 (table I-2). Overall, subject imports more than tripled from 1984 to 1986. Following the filing of the petition (April 1987), imports from Japan declined; total 1987 imports from Japan were substantially reduced from their 1986 level (figure I-1). Since the imposition of Commerce's final antidumping order, total Japanese imports have consistently been below one million pounds, the approximate amount imported in 1984, prior to the 1985 rise in imports.⁴⁷

The domestic interested parties argued in their *Response* that Japan's shares of total U.S. imports have varied according to the dumping rates assigned to Nippon Benkan.⁴⁸ After requesting an administrative review in 1989, the firm's dumping margin was reduced from 37.24 percent to 0.70 percent; Japan's share of total imports jumped from 10 percent in 1989 to 17 percent in 1990.⁴⁹ In October 1992, Nippon Benkan's margin was reduced from 6.96 percent to 5.37 percent; Japan's share of total imports increased from 10 percent in 1992 to 16 percent in 1993. In March 1994, Nippon Benkan's dumping margin increased to the level at which it currently remains, 8.06 percent; Japan's share of total imports has not risen above 9 percent since 1994.⁵⁰ The parties state that "(t)his relationship reveals a high correlation between changes in calculated dumping rates and the level of imports—demonstrating emphatically that the antidumping duty order has limited Japanese imports and that revocation of the order would lead to increased imports and material injury to the domestic industry."⁵¹

With respect to the 1992-93 investigations, imports of stainless steel butt-weld pipe fittings from Korea more than tripled from 1989 to 1991; imports of the subject product from Taiwan rose by 44 percent (table I-2).⁵² The Korean and Taiwan orders were imposed in February 1993 and June 1993, respectively. As shown in figure I-1, imports of stainless steel butt-weld fittings from Korea were minimal in 1993. During the following years few or no subject fittings were imported from Korea.⁵³ In contrast, post-order imports of stainless steel butt-weld pipe fittings from Taiwan remained at about one-half of or slightly lower than the amount imported in 1991. Imports from both subject sources rose somewhat in 1997, when imports from Korea amounted to 35 percent and those from Taiwan amounted to 89 percent of the quantity imported in 1991. However, subject imports from the two sources again

⁴⁷ As indicated in notes to figure 1 and table I-2, reported Japanese imports include those from Fuji. In its final LTFV determination, Commerce found Fuji's margins to be de minimis and it was excluded from the order.

⁴⁸ Nippon Benkan is the only Japanese firm whose antidumping margins have been reviewed by Commerce since the imposition of the antidumping order.

⁴⁹ In this instance, the relationship between Nippon Benkan's request for the review and the increase in Japan's share of total imports is not clear. As noted earlier in the report, Commerce's final results of its review were not issued until April 1991. By 1991, Japan's share of total imports had fallen back to 7 percent.

⁵⁰ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 6, footnote 13 of this report, and official Commerce statistics for subheading 7307.23.00.

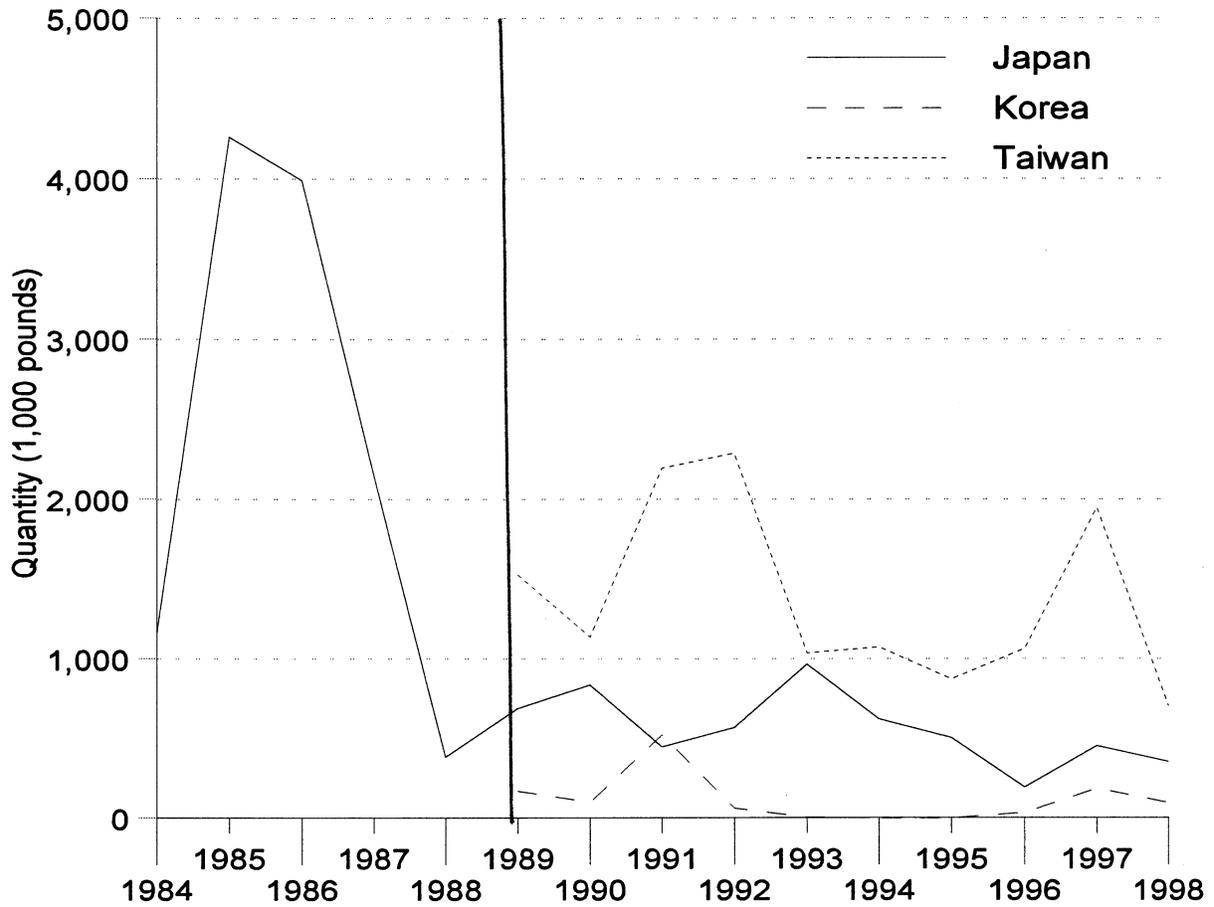
⁵¹ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 6.

⁵² The domestic interested parties argue that the rate of increase for Taiwan's imports seen in the early 1990s would have continued absent the imposition of the antidumping order. *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 9-10.

⁵³ The domestic interested parties state that "{t}his pattern of dramatic, long-term decline demonstrates that Korean producers are not able to sell stainless steel butt-weld pipe fittings in commercial volumes in the United States under the discipline of the current antidumping finding." *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 7.

Figure I-1

Stainless steel butt-weld pipe fittings: U.S. imports from Japan, Korea, and Taiwan, by quantity, 1984-8



Note.—Japanese data includes imports from Fuji, whose margins were found by Commerce to be de minimis.

Source: *Staff Report of March 1, 1988*, p. A-35, for 1984-86 data; *Staff Report of May 19, 1993*, p. I-48, for 1989-91 data; and official Commerce statistics for all other periods.

Table I-2
Finished and unfinished stainless steel butt-weld pipe fittings: U.S. imports, 1984-86, 1989-91,
and 1997-98

Item	1984	1985	1986	1989	1990	1991	1997	1998
	Quantity (1,000 pounds)							
Japan ¹	1,154	4,259	3,990	(2)	(2)	(2)	452	352
Korea	(2)	(2)	(2)	170	100	524	186	96
Taiwan	(2)	(2)	(2)	1,527	1,139	2,195	1,949	705
Korea and Taiwan	(2)	(2)	(2)	1,698	1,239	2,718	(3)	(3)
Subject ⁴	(3)	(3)	(3)	(3)	(3)	(3)	2,587	1,153
Other sources ⁵	1,236	1,776	2,109	5,367	3,708	3,765	7,837	7,135
Total	2,390	6,035	6,099	7,065	4,946	6,483	10,424	8,288
	Landed duty-paid value (1,000 dollars)							
Japan ¹	4,030	10,440	11,604	(2)	(2)	(2)	4,694	2,189
Korea	(2)	(2)	(2)	869	407	1,519	769	364
Taiwan	(2)	(2)	(2)	7,034	5,414	10,598	7,500	2,251
Korea and Taiwan	(2)	(2)	(2)	7,903	5,820	12,118	(3)	(3)
Subject ⁴	(3)	(3)	(3)	(3)	(3)	(3)	12,963	4,804
Other sources ⁵	3,689	5,648	6,003	20,375	18,916	17,736	35,898	28,934
Total	7,719	16,088	17,607	28,279	24,736	29,854	48,861	33,738
	Landed duty-paid unit value (per pound)							
Japan ¹	\$3.49	\$2.45	\$2.91	(2)	(2)	(2)	\$10.38	\$6.22
Korea	(2)	(2)	(2)	\$5.11	\$4.08	\$2.90	4.13	3.79
Taiwan	(2)	(2)	(2)	4.60	4.75	4.83	3.85	3.19
Average for Korea and Taiwan	(2)	(2)	(2)	4.66	4.70	4.46	(3)	(3)
Average for subject ⁴	(3)	(3)	(3)	(3)	(3)	(3)	5.01	4.17
Other sources ⁵	2.98	3.18	2.85	3.80	5.10	4.71	4.58	4.06
Average	3.23	2.67	2.89	4.00	5.00	4.60	4.69	4.07

Continued.

Continuation.

¹ Includes data for Fuji, whose margins Commerce found to be de minimis in its final LTFV determination. Fuji accounted for *** percent of total exports to the United States from Japan in 1984 and for *** percent and *** percent of such exports in 1985 and 1986, respectively.

² Not presented in the staff report for the original investigations.

³ Not applicable.

⁴ Subject sources consist of Japan, Korea, and Taiwan.

⁵ Japan was, by far, the largest source of imports during 1984-86. The primary nonsubject source during 1989-91 was Canada, followed by Thailand and Germany. Today there are a number of countries exporting nonsubject fittings to the United States; Canada and Malaysia are the largest sources.

Note.—Data on the value of annual imports reviewed by Customs that are subject to the antidumping duty order are as follows: Japan (\$1.7 million for FY 1994, \$6.8 million for FY 1995, \$409,000 for FY 1996, and \$818,000 for FY 1997); Korea (0 for FY 1994 through FY 1996, \$*** for FY 1997 and \$356,000 for FY 1998); and Taiwan (\$3.4 million for FY 1994, \$2.4 million for FY 1995, \$*** for FY 1997, and \$3.7 million for FY 1998). FY 1998 data for Japan and FY 1996 data for Taiwan are confidential and not available to the Commission. *Antidumping/Countervailing Duty Annual Report*.

The large discrepancy between the FY 1997 figure for imports from Japan (\$818,000) that are subject to the antidumping duty and the landed duty-paid value of imports from Japan for CY 1997 (\$4.7 million, as reported in table I-2) suggests that a large portion of imports of stainless steel butt-weld pipe fittings from Japan may not be subject to the antidumping duty order. However, discrepancies also exist for other countries (e.g., the value of FY 1997 imports that are reported as subject to the antidumping duty order for Taiwan (\$*** and the value of total CY 1997 imports (\$7.5 million)). During the original investigation for Japan, exports by Fuji appear to have accounted for over *** percent of total Japanese exports to the United States during each of the years reviewed (i.e., 1984, 1985, and 1986). Compare U.S. imports from Japan as listed in table I-3 to U.S. imports from Japan as listed in table I-2.

See table 10 of the *Staff Report of March 1, 1988* for separate data on imports of unfinished and finished fittings from Japan.

Source: *Staff Report of March 1, 1988*, p. A-35, for imports (which were official Commerce statistics) for 1984-86 data; *Staff Report of May 19, 1993*, p. I-48, for imports (which were official Commerce statistics) for 1989-91 data; and official Commerce statistics for 1997-98 data. Note that landed, duty-paid values do not include any antidumping duty.

dropped in 1998 and, as of that year, amounted to 18 percent (for Korea) and 32 percent (for Taiwan) of 1991 levels. (Imports from Japan also showed a comparable rise in 1997.) In 1998, subject imports from Japan accounted for 4 percent of total U.S. imports; imports from Korea and Taiwan accounted for 1 percent and 9 percent, respectively (table I-2).

The only current pricing data for stainless steel butt-weld pipe fittings available to the Commission are unit values derived from official Commerce statistics.⁵⁴ As shown in table I-2, the average unit values of both Japanese and nonsubject fittings declined during the period reviewed for the 1987-88 investigation, or from 1984 to 1986. However, the unit value of all imports of stainless steel butt-weld pipe fittings was much higher in 1989 (\$4.00 per pound) than it had been in 1986 (\$2.89 per pound). As for Korea, unit values of subject Korean product declined during the period reviewed for the 1992-93 investigations, or from 1989 to 1991. In contrast, reported unit values for Taiwan rose from 1989 to 1991. Post-order stainless steel butt-weld fittings from Korea entered the United States with a higher per-pound value in 1997 than was reported in 1991 (\$4.13 per pound compared to \$2.90 per pound). However, the Taiwan product was actually valued less (\$3.85 per pound in 1997 compared to \$4.83 per pound in 1991) during that period. Finally, stainless steel butt-weld pipe fittings from Japan were valued at \$10.38 per pound in 1997 compared to \$2.91 in 1986. However, pre-order and post-order price comparisons for the Japanese product are distorted due to the large amount of unfinished fittings which were imported from that country during the period of the original investigation. The unit values of stainless steel butt-weld pipe fittings declined from 1997 to 1998 for every source shown in table I-2.⁵⁵

Apparent U.S. Consumption

The demand for stainless steel butt-weld pipe fittings is dependent on use of the product in such facilities as chemical plants, pharmaceutical plants, food processing plants, gas processing facilities, and commercial nuclear power plants.⁵⁶ As shown in table I-3, apparent U.S. consumption of finished stainless steel butt-weld pipe fittings has increased since the time of the 1987-88 investigation, more than doubling from 1984 to 1998. However, the domestic interested parties report that U.S. demand for stainless steel butt-weld pipe fittings has shown “modest {emphasis supplied} growth” since the time of

⁵⁴ In its views for the original investigation for Japan, the Commission stated that the pricing information obtained in its questionnaires on imported stainless steel butt-weld pipe fittings indicated consistent and significant underselling. All Japanese-produced fittings for which prices were gathered were priced below the comparable domestic product throughout the period of investigation, and the margins of underselling were found to be significant. *Certain Carbon Steel Butt-Weld Pipe Fittings from Japan*, pp. 11-12. During the period reviewed for the Korean and Taiwan investigations, the Commission found that prices for subject imports also declined. Furthermore, the margins of underselling exceeded 20 percent in 11 of the 17 price comparisons for Korea and in 36 of the 54 price comparisons for Taiwan. *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea*, p. 16.

⁵⁵ In their *Response*, the domestic interested parties examine subject unit values for imports both before and immediately prior to the order; they state that the antidumping duty orders have had a “noticeable impact on import pricing practices: “While the average unit value (AUV) of Japanese imports in the two years prior to the imposition of the order (1986/1987) was \$2.96/pound, in the two years following the imposition of the order (1988/1989), Japan’s AUV jumped to \$4.15, a 40 percent increase. ... Prior to the imposition of the Taiwanese order, the AUV of imports from Taiwan was \$3.98/pound in 1992, 13 percent lower than the total U.S. import AUV of \$4.55. Immediately following the order in 1993, Taiwan’s AUV jumped 17 percent to \$4.64, which was 12 percent higher than the total import AUV. ... Similarly, the AUV of imports from Korea in 1991, the year before the filing of the petition, was \$2.66/pound, or 38 percent below the overall imports AUV of \$4.27. In the following year, Korea’s AUV spiked by more than 100 percent to \$5.64/pound, which was 24 percent above the overall AUV of \$4.55.” *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 10 and 11 and exhibit 2.

⁵⁶ *Staff Report of March 1, 1988*, p. A-13.

Table I-3								
Stainless steel butt-weld pipe fittings: U.S. producers' domestic shipments, U.S. imports, and apparent U.S. consumption, on the basis of quantity, 1984-86, 1989-91, and 1997-98								
Item	1984	1985	1986	1989	1990	1991	1997	1998
	Quantity (1,000 pounds)							
U.S. producers' domestic shipments	2,990	4,029	3,938 ¹	***	***	***	***	***
U.S. imports: ² Japan (LTFV) ³	***	***	***	(4)	(4)	(4)	452	352
Korea	(4)	(4)	(4)	***	***	***	186	96
Taiwan	(4)	(4)	(4)	***	***	***	1,949	705
Korea and Taiwan	(4)	(4)	(4)	***	***	***	(5)	(5)
Subject ⁶	(5)	(5)	(5)	(5)	(5)	(5)	2,587	1,153
Other sources	***	***	***	***	***	***	7,837	7,135
Total	***	***	***	***	***	***	10,424	8,288
Apparent U.S. consumption ⁸	***	9,004	8,517	10,923	9,246	10,269	***	***
	Share of consumption (percent)							
U.S. producers' domestic shipments	***	44.7	46.2	***	***	***	***	***
U.S. imports: ⁹ Japan (LTFV) ³	***	***	***	(4)	(4)	(4)	***	***
Korea	(4)	(4)	(4)	***	***	***	***	***
Taiwan	(4)	(4)	(4)	***	***	***	***	***
Korea and Taiwan	(4)	(4)	(4)	***	***	***	(5)	(5)
Subject ⁶	(5)	(5)	(5)	(6)	(6)	(6)	***	***
Other sources	***	***	***	***	***	***	***	***
Total	***	55.3	53.8	***	***	***	***	***
<i>Continued.</i>								

Continuation.

¹ As discussed in a note to table I-1, figure includes a small amount of unfinished product.

² Total imports (as reported in official Commerce statistics) less U.S. producers' imports of unfinished fittings, except for 1997-98. Separate import data for unfinished and finished fittings are not available for 1997 and 1998.

³ Data excludes exports (which may not equal imports) to the United States by Fuji, whose sales were found by Commerce to be de minimis.

⁴ Not presented in staff reports for the original investigations.

⁵ Not applicable.

⁶ Subject sources consist of Japan, Korea, and Taiwan.

⁷ Data include exports of finished fittings to the United States by Fuji.

⁸ In order to avoid double-counting, apparent consumption was computed for 1984-86 and for 1989-91 by adding total imports of fittings (as reported in official Commerce statistics) to U.S. producers' domestic shipments of finished fittings (whether produced by integrated processes or converted from unfinished fittings) less their imports of unfinished fittings.

⁹ Calculated as the ratio to apparent consumption of total imports (as reported in official Commerce statistics) less U.S. producers' imports of unfinished fittings, except for 1997-98. Separate import data for unfinished and finished fittings are not available for 1997 and 1998. Therefore, to the extent that any unfinished fittings continue to enter the United States, apparent consumption will be overstated for those years.

Note.--See table C-1 of the *Staff Report of May 19, 1993* for calculated market shares that include imports of both unfinished and finished fittings. These figures, which differ slightly from those presented above, are those cited in the Commission's views for the original investigations for Korea and Taiwan. See *Certain Stainless Steel Butt-weld Pipe Fittings from Korea*, p. 15.

Source: *Staff Report of March 1, 1988*, pp. A-14 and A-40, and *memorandum INV-L-011, March 9, 1988*, for 1984-86 data; *Staff Report of May 19, 1993*, pp. I-14 and I-49 through I-50 for 1989-91 data; 1997 and 1998 imports are from official Commerce statistics; and U.S. producers' shipments for 1997 and 1998 are from the *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, exhibit 1.

the original Japan investigation.⁵⁷ The rise in apparent U.S. consumption can be attributed primarily to increased imports. In 1984, the market share of total U.S. imports was *** percent; by 1998, U.S. imports accounted for *** percent of U.S. apparent consumption. The domestic interested parties note that during the 1990s stainless steel butt-weld pipe fittings from new sources appeared in the U.S. market, with imports from producers of stainless steel butt-weld pipe fittings in, among other countries, the Philippines (which did not even have an industry at the time of the Korea/Taiwan investigations), Malaysia (which did not export to the United States at the time of the Korea/Taiwan investigations), and Thailand (which

⁵⁷ *Id.*, p. 20.

did not export to the United States until after the Japan investigation).⁵⁸ Recently, demand for stainless steel butt-weld fittings in the United States has decreased, falling by *** percent from 1997 to 1998.⁵⁹

As shown in table I-3, while U.S. producers' domestic shipments increased during the 1987-88 investigation, their market share fell from *** percent in 1984 to 46 percent in 1986. By 1989, their market share had not recovered and, during the period reviewed in the 1992-93 investigations, decreased slightly from *** percent in 1989 to *** percent in 1991. Today, the market share held by the domestic industry is even lower (*** percent). Subject imports and imports from other sources accounted for *** percent and *** percent, respectively, of apparent U.S. consumption in 1998. The most significant nonsubject sources, Canada and Malaysia, amounted to almost two-fifths of nonsubject imports in 1998.

FOREIGN INDUSTRIES

Seven firms, Fuji, Hoko, Kuze Bellows Kogyosho, Mie Horo, Nippon Benkan, Nippon Bulge, and Tutui manufactured stainless steel butt-weld pipe fittings in Japan during the period reviewed in the 1988 investigation. Japanese manufacturers that export or have exported the subject product since 1988 (and that remain subject to the order) include: Daido, Hoko, Kuze Bellows Kogyosho, Mie Horo, Nippon Benkan, Taikei, and Tutui. However, the domestic industry indicates that it does not know whether the fittings currently exported by these producers are subject to the antidumping order. At minimum, Daido and Taikei are believed to be capable of producing subject stainless steel butt-weld pipe fittings.⁶⁰ During the 1992-93 investigations, only one Korean manufacturer, Asia Bend, sold stainless steel butt-weld fittings in the United States; two other firms, Dai-Yung and Sammy, also produced in Korea. Only Asia Bend has exported to the United States since the imposition of the order.⁶¹ Regarding Taiwan, three producers of the Taiwan product, Tachia, Tru-Flow, and Tung Teng, provided the Commission with information on their operations during the original investigation for Taiwan. (According to the American Institute in Taiwan, these three companies, plus Ta Chen, accounted for over 95 percent of Taiwanese production of stainless steel butt-weld pipe fittings). The domestic interested parties report that it is these same firms (including Ta Chen) that have exported the subject product to the United States since 1992.⁶²

Table I-4 presents data for 3 of the 7 firms that manufactured the subject fittings in Japan during the period reviewed in the 1987-88 investigations.⁶³ As shown, Japanese capacity utilization in the

⁵⁸ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 12.

⁵⁹ The domestic interested parties state that the reduced demand for stainless steel butt-weld pipe fittings has exacerbated the downward trend in prices. *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 14. They further indicate that world demand for the product has also declined. In their *Response*, the producers discuss the effect of the ongoing Asian economic crisis and also note the strength of the U.S. dollar compared to other currencies, particularly those of the subject countries. *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 24-26 and exhibit 4.

⁶⁰ *Staff Report of March 1, 1988*, p. A-32, and *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 16-17.

⁶¹ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 17.

⁶² *Staff Report of May 19, 1993*, pp. I-45 through I-46, and *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 16-17.

⁶³ A comparison of Japanese exports to the United States for the 1984-86 period (table I-4) to U.S. imports from Japan for the comparable period (table I-3, excluding Fuji) shows the export data to be comparable, except for 1984).

Table I-4
Stainless steel butt-weld pipe fittings: Subject countries' capacity and shipments, 1984-86, 1989-91, and 1997-98

Item	Quantity (1,000 pounds, except as noted)				
	1984	1985	1986	1997	1998
Japan					
Capacity	14,074	13,386	12,169	(1)	(1)
Production	12,035	11,936	9,844	(1)	(1)
Capacity utilization (percent)	85.5	89.2	80.9	(1)	(1)
Shipments: Home market	8,708	8,962	6,898	(1)	(1)
Exports: United States	2,055	2,224	2,205	***2	***2
Other	1,267	1,561	1,400	***	***
Total exports	3,322	3,785	3,605	***	***
Total shipments	12,030	12,747	10,503	(1)	(1)
	1989	1990	1991	1997	1998
Korea					
Capacity	(1)	(1)	(1)	(1)	(1)
Production	(1)	(1)	(1)	(1)	(1)
Capacity utilization (percent)	(1)	(1)	(1)	(1)	(1)
Shipments: Home market	(1)	(1)	(1)	(1)	(1)
Exports: United States	717 ³	433 ³	779 ³	***	***
Other	7,251 ³	4,252 ³	7,414 ³	***	***
Total exports	7,968 ³	4,685 ³	8,193 ³	***	***
Total shipments	(1)	(1)	(1)	(1)	(1)

Continued.

Table I-4--continued

Stainless steel butt-weld pipe fittings: Subject countries' capacity and shipments, 1984-86, 1989-91, and 1997-98

Item	Quantity (1,000 pounds, except as noted)				
	1989	1990	1991	1997	1998
Taiwan					
Capacity	***	***	***	(1)	(1)
Production	***	***	***	(1)	(1)
Capacity utilization (percent)	***	***	***	(1)	(1)
Shipments: Home market	***	***	***	(1)	(1)
Exports: United States	***	***	***	(1)	(1)
Other	***	***	***	(1)	(1)
Total exports	***	***	***	(1)	(1)
Total shipments	***	***	***	(1)	(1)

¹ Not available.

² Includes nonsubject exports by Fuji.

³ Data in 1,000 dollars.

Source: *Staff Report of March 1, 1988*, p. A-33, for 1984-86 data (which was provided by counsel for Nippon Benkan, Nippon Bulge, and Kuze Bellows Kogyosho); *Staff Report of May 19, 1993*, p. I-45, for 1989-91 data for Korea (which are official Korean export statistics provided by the U.S. Embassy in Seoul) and for 1989-91 data for Taiwan (which were submitted in response to information requests of the Commission); and official UN statistics for 1997-98 exports. Official UN statistics are copyrighted and not to be distributed outside the U.S. Government.

production of stainless steel butt-weld fittings ranged between 80 and 90 percent during 1984-86. Further, Japanese production and home market shipments of the subject product fell from 1984 to 1986 while total export shipments increased somewhat. Exports to the United States accounted for *** percent of total export shipments in 1986. Minimal data were available during the original investigation for Korea. As shown in table I-4, exports of stainless steel butt-weld pipe fittings to the United States accounted for only

Table I-4 also presents data gathered for the subject fitting industry in Taiwan during the original investigation for that source.⁶⁵ Taiwan's capacity to produce the subject product increased sharply from 1989 to 1991, as did its production and total shipments. However, the added shipments were directed to sources outside Taiwan. Export shipments more than doubled from 1989 to 1991, while home market sales actually fell during that period. Exports of stainless steel butt-weld pipe fittings to the United States accounted for *** percent of total export shipments from Taiwan in 1991.

Limited data are available on the current capacity and production levels for stainless steel butt-weld pipe fittings in the subject countries. With the possible exception of Japan, the stainless steel butt-weld pipe fitting industries in the subject countries appear to be structured today much as they were during the original investigations. The domestic interested parties state that "{i}t is generally understood ... that the major producers in these countries have modernized their facilities since the original investigations, with a number of producers purchasing new and updated production equipment. As a result of such increases in efficiency and output, production capacity in the subject countries is presumed to be higher than at the time of the original investigations." The parties believe that Japanese subject capacity is "well in excess" of total U.S. demand for stainless steel butt-weld pipe fittings and that the producers in the three subject countries have "retained and even increased" their capacity to produce the subject fittings.⁶⁶ At the time of the 1986-87 investigation, Japanese capacity to produce the subject product was one-and-one-half times U.S. apparent consumption in 1986 (tables I-3 and I-4). Further, reported Taiwanese production capacity for stainless steel butt-weld pipe fittings was 62 percent of U.S. apparent consumption in 1991 (tables I-3 and I-4), not including data for the non-responding Taiwan manufacturer, Ta Chen. Official UN statistics show that Japan's total exports today are somewhat lower than those reported during the period of the original investigation (table I-4). Further, according to official UN statistics, Korea currently exports far fewer stainless steel butt-weld pipe fittings than it did during 1989-91.⁶⁷ The domestic interested parties note that since the time of the original investigations, additional countries have established stainless steel butt-weld pipe fitting industries.⁶⁸

⁶⁵ Although data for Ta Chen are not included in table I-4, Taiwan exports to the United States for the 1989-91 period (table I-4) are comparable to reported U.S. imports from Taiwan for the same period (table I-2).

⁶⁶ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, pp. 22-23.

⁶⁷ Japanese exports listed in official UN statistics (table I-4) are very similar to reported U.S. imports from Japan (table I-3). However, Korea's exports to the United States as shown in table I-4 appear to be understated (when compared to U.S. imports from Korea presented in table I-3).

⁶⁸ *Response of Alloy Piping, Flowline, Gerlin, and Taylor Forge*, p. 20.

APPENDIX A
***FEDERAL REGISTER* NOTICES**

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 731-TA-376, 563, and 564 (Reviews)]

**Stainless Steel Butt-Weld Pipe Fittings
From Japan, Korea, and Taiwan**

AGENCY: United States International Trade Commission.

ACTION: Scheduling of expedited five-year reviews concerning the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan.

SUMMARY: The Commission hereby gives notice of the scheduling of expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews 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, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 F.R. 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: October 1, 1999.

FOR FURTHER INFORMATION CONTACT: Debra Baker (202-205-3180), 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. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:**Background**

On October 1, 1999, the Commission determined that the domestic interested party group responses to its notice of institution (64 FR 35691, July 1, 1999) were adequate and the respondent interested party group responses were inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.¹ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.

Staff Report

A staff report containing information concerning the subject matter of the reviews will be placed in the nonpublic record on December 28, 1999, and made available to persons on the Administrative Protective Order service list for these reviews. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written Submissions

As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the reviews may file written comments with the Secretary on what determination the Commission should reach in the reviews. Comments are due on or before January 3, 2000, and may not contain new factual information. Any person that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by January 3, 2000. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the reviews must be

served on all other parties to the reviews (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.

Determinations

The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. § 1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: October 8, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-26903 Filed 10-14-99; 8:45 am]

BILLING CODE 7020-02-P

¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

² The Commission has found the responses submitted by Alloy Piping Products, Inc.; Flowline Division of Markovitz Enterprises, Inc.; Gerlin, Inc.; and Taylor Forge Stainless, Inc. to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

**INTERNATIONAL TRADE
COMMISSION**

[Investigations Nos. 731-TA-376, 563, and
564 (Review)]

**Stainless Steel Butt-Weld Pipe Fittings
From Japan, Korea, and Taiwan**

AGENCY: United States International
Trade Commission.

ACTION: Revised schedule for the subject
five-year reviews.

EFFECTIVE DATE: November 18, 1999.

FOR FURTHER INFORMATION CONTACT:
Debra Baker (202-205-3180), 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.
General information concerning the
Commission may also be obtained by
accessing its internet server ([http://
www.usitc.gov](http://www.usitc.gov)).

SUPPLEMENTARY INFORMATION: On
October 1, 1999, the Commission
established a schedule for the conduct
of these expedited five-year reviews (64
FR 55960, October 15, 1999) and
identified the parties to the reviews that
have provided individually adequate
responses to the notice of institution.
Subsequently, the Department of
Commerce extended the date for its final
results in the expedited reviews from

October 29, 1999 to January 27, 2000. In order to have the benefit of the Department of Commerce's findings, the Commission, therefore, is revising its schedule to conform with Commerce's new schedule.

The Commission's new schedule for the five-year reviews is as follows: The staff report will be placed in the nonpublic record on January 21, 2000; the deadline for interested party comments (which may not contain new factual information) on the staff report is January 26, 2000; the deadline for interested party comments (which may not contain new factual information) on Commerce's final results is January 31, 2000; and the deadline for brief written statements (which shall not contain new factual information) pertinent to the reviews by any person that is neither a party to the five-year reviews nor an interested party is January 31, 2000.

For further information concerning these five-year reviews, see the Commission's notice cited above and the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and F (19 CFR part 207).

Authority: These five-year reviews are being conducted under authority of title VII of the Tariff Act of 1930; the Commission is using its authority under 19 U.S.C. 1675(c)(5)(B) to extend the deadline for these reviews. Further, this notice is published pursuant to § 207.62 of the Commission's rules.

Issued: November 22, 1999.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 99-30937 Filed 11-26-99; 8:45 am]

BILLING CODE 7020-02-P

Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

EFFECTIVE DATE: February 4, 2000.

DEPARTMENT OF COMMERCE

International Trade Administration
[A-588-702, A-580-813, and A-583-816]

Final Results of Expedited Sunset Reviews: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings From Japan, South Korea, and Taiwan

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

ACTION: Notice of Final Results of Expedited Sunset Reviews: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings from Japan, South Korea and Taiwan.

SUMMARY: On July 1, 1999, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on certain stainless steel butt-weld pipe and tube fittings ("pipe and tube fittings") from Japan, South Korea ("Korea"), and Taiwan (64 FR 35588) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate response filed on behalf of a domestic interested party and inadequate response (in these cases, no response) from respondent interested parties in each of these reviews, the Department decided to conduct expedited reviews. As a result of these reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to the continuation or recurrence of dumping at the levels indicated in the Final Results of Reviews section of this notice.

FOR FURTHER INFORMATION CONTACT: Mark D. Young or Melissa G. Skinner, Office of Policy for Import

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for conducting sunset reviews are set forth in Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) ("Sunset Regulations"), and 19 CFR part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Scope

The products covered by these reviews include certain stainless steel butt-weld pipe and tube fittings. These fittings are used in piping systems for chemical plants, pharmaceutical plants, food processing facilities, waste treatment facilities, semiconductor equipment applications, nuclear power plants and other areas. The subject merchandise are currently classifiable under the Harmonized Tariff Schedule of the United States ("HTSUS") item number 7307.23.00.00. The HTSUS item number is provided for convenience and customs purposes. The written description remains dispositive.

With respect to the order on subject imports from Japan and Taiwan, the Department has made several scope rulings. The following products were determined to be within the scope of the order:

Product within scope	Importer	Citation
Superclean or ultraclean pipe fittings from Japan ...	Benkan Corporation	56 FR 1801 (January 17, 1991).
A774 type stainless steel pipe fittings from Taiwan	Tachia Yung Ho	58 FR 28556 (May 14, 1993).
Cast butt-weld pipe fittings from Taiwan	Eckstrom Industries	Eckstrom Ind. v. United States, Court No. 97-10-01913, Slip. Op., 99-99 (Ct. Int'l Trade Sept. 20, 1999).

The following products were determined to be outside the scope of the order:

Product outside scope	Importer	Citation
Certain gasket raised face seal sleeves and certain stainless steel "Fine-fit" tube fittings imported from Japan.	Fujikin of America, Inc	60 FR 54212 (October 20, 1995).
Stainless steel tube fittings with non-welded end connection, and other products from Taiwan.	Top Line Process Equipment Corporation.	60 FR 54213 (October 20, 1995).
Primet joint metal seal fittings and primet joint weld fittings from Japan.	Daido	61 FR 5533 (February 13, 1996).
Sleeves of clean vacuum couplings and super-clean microfittings from Japan.	Benkan	61 FR 5533 (February 13, 1996).
Superclean fittings from Japan	Benkan UCT Corporation	61 FR 40194 (August 11996).

These reviews cover imports from all manufacturers and exporters of pipe and tube fittings from Japan, Korea, and Taiwan.

History of the Orders

Japan

The Department published its final affirmative determination of sales at less than fair value ("LTFV") with respect to imports of pipe and tube fittings from Japan on February 4, 1988 (53 FR 3227). In this determination, the Department published three weighted-average dumping margins (which included a *de minimis* margin¹) and an "all others" rate. The Department published its antidumping duty order on pipe and tube fittings from Japan on March 25, 1988.² The Department has conducted four administrative reviews of this order since its imposition.³ In each of the four reviews we calculated one company-specific margin. The order remains in effect for all manufacturers and exporters of the subject merchandise from Japan, other than Fuji who was excluded from the antidumping duty order.

Korea

The Department published its final affirmative determination of sales at LTFV with respect to imports of pipe and tube fittings from Korea on December 29, 1992 (57 FR 61881). In this determination, the Department published weighted-average dumping margins for one company and an "all others" rate. The Department published its antidumping duty order on pipe and tube fittings from Korea on February 23, 1993.⁴ The Department has not conducted an administrative review of

this order since its imposition. The order remains in effect for all manufacturers and exporters of the subject merchandise from Korea.

Taiwan

On May 14, 1993, the Department issued its final affirmative determination of sales at LTFV regarding pipe and tube fittings from Taiwan (58 FR 28556). In this determination, the Department published weighted-average dumping margins for three companies and an "all others" rate. The Department subsequently published an amended final determination and antidumping duty order on June 16, 1993.⁵ Since the order was issued, the Department has completed three administrative reviews with respect to pipe and tube fittings from Taiwan.⁶ The order remains in effect for all manufacturers and exporters of the subject merchandise from Taiwan.

Background

On July 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on pipe and tube fittings from Japan, Korea, and Taiwan (64 FR 35588), pursuant to section 751(c) of the Act. We received Notices of Intent To Participate in each of the three sunset reviews, on behalf of Alloy Piping Products, Inc. ("Alloy"), Flowline Division of Markovitz Enterprises, Inc. ("Flowline"), Gerlin, Inc. ("Gerlin"), and Taylor Forge Stainless, Inc. ("Taylor") (collectively "domestic interested parties"), by July 16, 1999, within the deadline specified in § 351.218(d)(1)(i) of the Sunset Regulations. Pursuant to section 771(9)(C) of the Act, the domestic interested parties claimed interested-

party status as U.S. manufacturers whose workers are engaged in the production of domestic like products. Moreover, the domestic interested parties stated that they have been involved in these proceedings since their inception. The Department received complete substantive responses from the domestic interested parties by August 2, 1999, within the 30-day deadline specified in the Sunset Regulations under § 351.218(d)(3)(i). We did not receive a substantive response from any respondent interested party to these proceedings. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct expedited, 120-day, reviews of these orders.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). The reviews at issue concern transition orders within the meaning of section 751(c)(6)(C)(ii) of the Act. Therefore, the Department determined that the sunset reviews of the antidumping duty orders on pipe and tube fittings from Japan, Korea, and Taiwan are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than January 27, 2000, in accordance with section 751(c)(5)(B) of the Act.⁷

Although the deadline for this determination was originally January 27, 2000, due to the Federal Government shutdown on January 25 and 26, 2000, resulting from inclement weather, the time frame for issuing this determination has been extended by one day.

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted these reviews to determine whether

⁷ See Extension of Time Limit for Final Results of Five-Year Reviews, 64 FR 62167 (November 16, 1999).

¹ One of the three companies investigated, Fuji Acetylene Industries Co., Ltd. ("Fuji"), was excluded from the antidumping duty order, since the Department found that it had a *de minimis* dumping margin.

² See Antidumping Duty Order: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings from Japan, 53 FR 9787 (March 25, 1988).

³ See Stainless Steel Butt-Weld Pipe and Tube Fittings from Japan; Final Results of Antidumping Duty Administrative Review, 56 FR 14922 (April 12, 1991); 56 FR 20592 (May 6, 1991); 57 FR 46372 (October 8, 1992); 59 FR 12240 (March 16, 1994).

⁴ See Antidumping Duty Order: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings from Korea, 58 FR 11029 (February 23, 1993).

⁵ See Amended Final Determination and Antidumping Duty Order: Certain Stainless Steel Butt-Weld Pipe and Tube Fittings from Taiwan, 58 FR 33250 (June 16, 1993).

⁶ See Certain Stainless Steel Butt-Weld Pipe Fittings From Taiwan: Final Results of Antidumping Duty Administrative Review, 63 FR 67855 (December 9, 1998) (3rd review); 65 FR 2116 (January 13, 2000) (1st & 2nd review).

revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making these determinations, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order, and it shall provide to the International Trade Commission ("the Commission") the magnitude of the margins of dumping likely to prevail if the order were revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margins are discussed below. In addition, parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margins are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its Sunset Policy Bulletin providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its Sunset Policy Bulletin, the Department indicated that determinations of likelihood will be made on an order-wide basis. See Sunset Policy Bulletin, 63 FR at 18872. In addition, the Department indicated that normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly. See *Id.*

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of the order would be likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the

sunset review. In these instant reviews, the Department did not receive a substantive response from any respondent interested party. Pursuant to § 351.218(d)(2)(iii) of the Sunset Regulations, this constitutes a waiver of participation.

In their substantive responses, the domestic interested parties argue that revocation of these antidumping duty orders would likely lead to a continuation or recurrence of dumping by Japanese, Korean, and Taiwanese, producers/manufacturers. They argue further that since the imposition of the antidumping duty orders, most respondents have continued to dump in the U.S. market and have reduced their sales of pipe and tube fittings dramatically. The domestic interested parties argue that this demonstrates the inability of the producers from subject countries to sell in the United States at any significant volume without dumping. Therefore, they assert, were the antidumping duty orders revoked, it is likely that Japanese, Korean, and Taiwanese producers would need to dump in order to sell their pipe and tube fittings in any significant quantities in the United States.

Japan

The domestic interested parties argue that the imposition of the antidumping duty order had a dramatic effect on subject import volumes from Japan. They indicate that in the years following the order, Japanese imports have averaged 13 percent of their pre-order levels. Moreover, they assert, the dumping margins for Japanese manufacturers continue at significant levels. In sum, the domestic interested parties argue, the dramatic decline in import volumes following the imposition of the order in conjunction with continued margins of dumping indicates that dumping by Japanese pipe and tube fitting producers is likely to continue or recur in the event of revocation of the order.⁸

Korea

With respect to subject merchandise from Korea, the domestic interested parties maintain that, in the year the order was imposed, imports from Korea fell to 4,228 pounds from approximately 523,619 pounds the year before. They argue further that, in the years following the imposition of the order, average import volumes of the subject merchandise were more than 90 percent lower than in the years preceeding the

issuance of the order. Therefore, the domestic interested parties argue that the near cessation of imports from Korea demonstrates that Korean manufacturers need to dump pipe and tube fittings in the U.S. market in order to sell at pre-order volumes. To support this conclusion the domestic interested parties assert that dumping margins for all Korean manufacturers of pipe and tube fittings are extraordinarily high at 21.2 percent. Yet, they contend, Korean manufacturers never availed themselves of the administrative review process to demonstrate that their dumping has ceased or abated.⁹

Taiwan

The domestic interested parties assert that only one Taiwanese respondent has had dumping margins below *de minimis* levels since the issuance of the order. They argue that, following the issuance of the order, imports from Taiwan dropped to a level far below their pre-order level and have never been more than 50 percent of their pre-order level. The domestic interested parties conclude that Taiwanese importers need to dump pipe and tube fittings in the U.S. market in order to sell at pre-order volumes. To corroborate this conclusion, the domestic interested parties note that the dumping margins for all but one Taiwanese manufacturer are extraordinarily high and yet, they have never availed themselves of the administrative review process to demonstrate that their dumping has abated.¹⁰

General Discussion

If companies continue dumping with the discipline of an order in place or imports ceased after the issuance of the order, the Department may reasonably infer that dumping would continue or recur if the discipline were removed. See section II.A.3 of the Sunset Policy Bulletin and the SAA at 890, and the House Report at 63-64. As pointed out above, dumping margins at levels above *de minimis* continue to exist for shipments of the subject merchandise from Japan, Korea, and Taiwan.

Consistent with section 752(c) of the Act, the Department also considers the volume of imports before and after issuance of the order. As outlined in each respective section above, the domestic interested parties argue that a significant decline in the volume of imports of the subject merchandise from

⁹ See August 2, 1999, Substantive Response of the Domestic Interested Parties regarding pipe and tube fittings from Korea at 13.

¹⁰ See August 2, 1999, Substantive Response of the Domestic Interested Parties regarding pipe and tube fittings from Taiwan at 14.

⁸ See August 2, 1999, Substantive Response of the Domestic Interested Parties regarding pipe and tube fittings from Japan at 12.

Japan, Taiwan, and Korea since the imposition of the orders provides further evidence that dumping would continue if the orders were revoked. In their substantive responses, the domestic interested parties provided statistics demonstrating the decline in import volumes of pipe and tube fittings from Japan, Korea, and Taiwan. The Department agrees with the domestic interested parties' arguments that imports of the subject merchandise fell sharply after the orders were imposed and never regained pre-order volumes.

As noted above, in conducting its sunset reviews, the Department considered the weighted-average dumping margins and volume of imports in determining whether revocation of these antidumping duty orders would lead to the continuation or recurrence of dumping. Based on this analysis, the Department finds that the existence of dumping margins at levels above de minimis and a reduction in export volumes after the issuance of the orders is highly probative of the likelihood of continuation or recurrence of dumping. A deposit rate above *de minimis* continues in effect for exports of the subject merchandise by all (except as indicated in footnotes 11 & 12) known Japanese,¹¹ Korean and Taiwanese,¹² manufacturers/exporters of the subject merchandise. Therefore, given that dumping has continued over the life of the orders, import volumes have declined significantly after the imposition of the order, respondent parties have waived participation in these reviews, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue or recur if the orders were revoked.

Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that normally it will provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. See Sunset Policy Bulletin 63 FR 18873. Exceptions to this policy include the use of a more recently calculated margin, where

¹¹ One Japanese producer was excluded from the antidumping duty order based on a *de minimis* dumping margin calculated in the Final Less Than Fair Value Determination. Supra at footnote 1.

¹² As noted above, one Taiwanese producer/exporter currently has a *de minimis* dumping margin.

appropriate, and consideration of duty-absorption determinations. See *id.* at 18873-74. To date, the Department has not issued any duty-absorption findings in any of these three cases.

In their substantive response, the domestic interested parties recommended that, consistent with the Sunset Policy Bulletin, the Department provide to the Commission the company-specific margins from the original investigations. Moreover, regarding companies not reviewed in the original investigations, the domestic interested parties suggested that the Department report the "all others" rates included in the original investigations.

The Department agrees with the domestic interested parties. The Department finds that the margins calculated in the original investigations are probative of the behavior of Japanese, Korean, and Taiwanese manufacturers/exporters if the orders were revoked as they are the only margins which reflect their actions absent the discipline of the order.

Therefore, the Department will report to the Commission the company-specific and all others rates from the original investigations as contained in the Final Results of Reviews section of this notice.

Final Results of Reviews

As a result of these reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the margins listed below:

JAPAN

Manufacturer/exporter	Margin (percent)
Mie Horo	65.08
Nippon Benkan Kogyo, K.K	37.24
All others	49.31

Fuji Acetylene Industries, Co., Ltd. was excluded from the antidumping duty order based on a *de minimis* dumping margin calculated in the Final Less Than Fair Value Determination. See Final Determination of Sales at Less Than Fair Value: Certain Stainless Steel Butt-Weld Pipe Fittings from Japan, 53 FR 3227 (February 4, 1988).

KOREA

Manufacturer/exporter	Margin (percent)
The Asia Bend Co. Ltd.	21.20
All others	21.20

TAIWAN

Manufacturer/exporter	Margin (percent)
Tachia Yung Ho Machine Industry Co. Ltd.	76.20
Ta Chen Stainless Pipe Co. Ltd.	0.64
Tru-Flow Industrial Co., Ltd.	76.20
All others	51.01

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: January 28, 2000.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00-2584 Filed 2-3-00; 8:45 am]

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APPENDIX B
STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Stainless Steel Butt-Weld Pipe Fittings from Japan, Korea, and Taiwan,
Inv. Nos. 731-TA-376 and 563-564 (Review)

On October 1, 1999, the Commission determined that it should proceed to expedited reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

The Commission determined that the domestic interested party group response to its notice of institution was adequate. In this regard, the Commission received an adequate joint response from Alloy Piping Products, Inc., Flowline Division of Markovitz Enterprises, Inc., Gerlin, Inc., and Taylor Forge Stainless, Inc., all domestic producers of stainless steel butt-weld pipe fittings. These companies account for a significant share of U.S. production of stainless steel butt-weld pipe fittings.

Because no respondent interested parties responded to the notice of institution, the Commission determined that the respondent interested party group responses for the reviews concerning Japan, Korea and Taiwan were inadequate.

The Commission did not find any circumstances that would warrant conducting full reviews. The Commission, therefore, determined to conduct expedited reviews.