Certain Polyester Staple Fiber From Korea and Taiwan

Investigation No. 731-TA-825-826 (Final)

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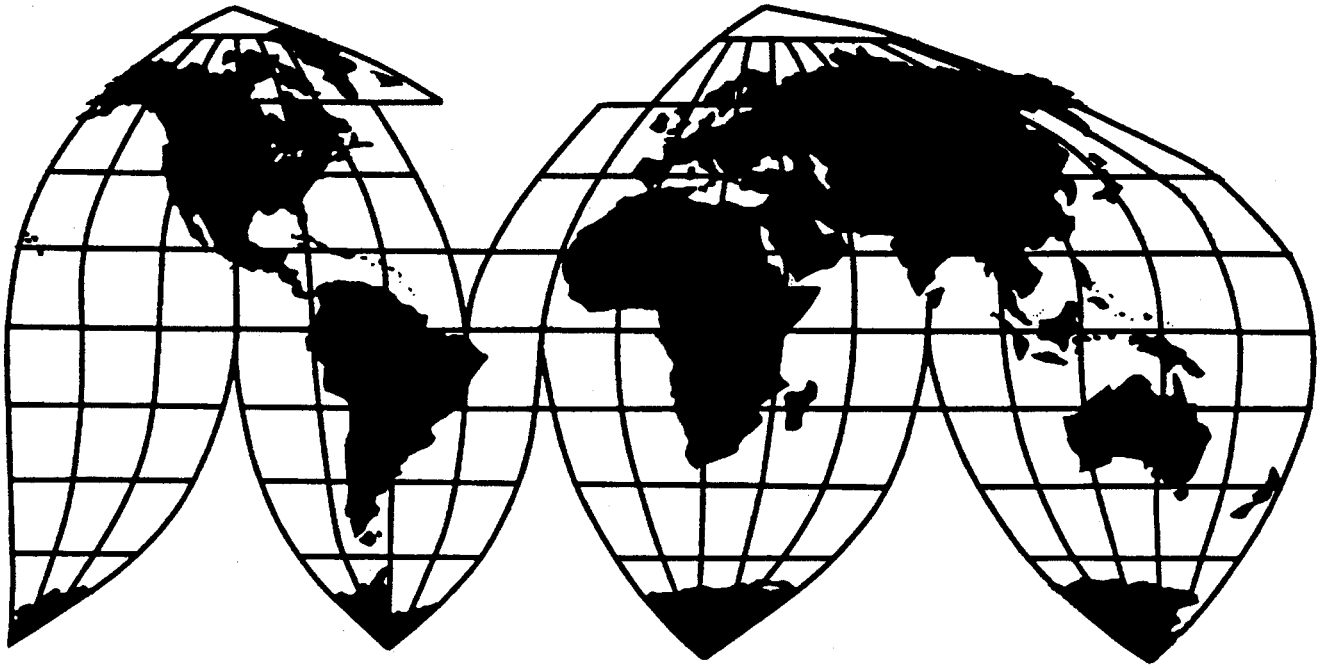
U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-825-826 (Final)

CERTAIN POLYESTER STAPLE FIBER FROM KOREA AND TAIWAN

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from Korea and Taiwan of certain subject polyester staple fiber, other than low-melt fiber, provided for in subheading 5503.20.00 of the Harmonized Tariff Schedule of the United States, that has been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).[2]

The Commission further determines, pursuant to section 735(b) of the Act, that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from Korea and Taiwan of low-melt polyester staple fiber, provided for in subheading 5503.20.00 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at LTFV.[3]

BACKGROUND

The Commission instituted these investigations effective April 2, 1999, following receipt of a petition filed with the Commission and the Department of Commerce by E.I. DuPont de Nemours, Wilmington, DE; Arteva Specialities S.a.r.l. d/b/a KoSa, Spartanburg, SC; Nan Ya Plastics Corp., America, Lake City, SC; Wellman, Inc., Shrewsbury, NJ; and Intercontinental Polymers, Inc., Charlotte, NC, on April 2, 1999.[4] The final phase of the investigations was scheduled by the Commission following notification of a preliminary determination by the Department of Commerce that imports of certain polyester staple fiber from Korea and Taiwan were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of November 24, 1999 (64 FR 66198). The hearing was held in

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[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] Chairman Bragg found one domestic like product and therefore made an affirmative determination with respect to all certain polyester staple fiber, provided for in subheading 5503.20.00 of the Harmonized Tariff Schedule of the United States.

[3] Chairman Bragg found one domestic like product and therefore made an affirmative determination with respect to all certain polyester staple fiber, provided for in subheading 5503.20.00 of the Harmonized Tariff Schedule of the United States.

[4] Nan Ya Plastics Corp. is no longer a petitioner in these investigations. DuPont is not a petitioner in the investigation on Taiwan.

Washington, DC, on March 28, 2000, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

Based on the record in these investigations, we determine that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of low-melt fiber from Korea and Taiwan that the Department of Commerce ("Commerce") found to be sold in the United States at less than fair value ("LTFV");[1] we also determine that an industry in the United States is materially injured by reason of all other subject imports of certain polyester staple fiber (herein "conventional PSF") from Korea and Taiwan that Commerce found to be sold in the United States at LTFV.[2]

I. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. In General

To determine whether an industry in the United States is materially injured, or threatened with material injury, by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[3] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Act"), defines the relevant industry as the "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[4] In turn, 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 . . . ."[5]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[6] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[7] The Commission looks for clear dividing lines among possible like products, and disregards minor

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[1] Chairman Bragg determines, based upon her finding that there is one domestic like product coextensive with the scope of these investigations and which includes all certain polyester staple fiber ("certain PSF"), that the domestic industry is materially injured by reason of subject imports. She therefore joins the majority's findings with respect to conventional PSF, but dissents from the majority's findings with respect to low-melt fiber.

[2] We note that because Commerce made final negative critical circumstances determinations with respect to subject imports from Korea and Taiwan, the critical circumstances issue is moot. See 65 Fed. Reg. 16880 (Mar. 30, 2000); 65 Fed. Reg. 16877 (Mar. 30, 2000); 65 Fed. Reg. 24678 (Apr. 27, 2000) (amended final determ.); 19 U.S.C. § 1673d(b)(4)(A)(i).

[3] 19 U.S.C. § 1677(4)(A).

[4] 19 U.S.C. § 1677(4)(A).

[5] 19 U.S.C. § 1677(10).

[6] See, e.g., NEC Corp. v. Dep't of Commerce and U.S. Int'l Trade Comm'n, 36 F. Supp. 2d 380 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995). The Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and, where appropriate, (6) price. See Nippon, 19 CIT at 455 n.4; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[7] See, e.g., S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

variations.[8] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise sold at LTFV, the Commission determines what domestic product is like the imported articles Commerce has identified.[9]

B. Product Description

In its final determination, Commerce defined the imported merchandise within the scope of these investigations as follows:

> certain polyester staple fiber ("PSF"). Certain polyester staple fiber is defined as synthetic staple fibers, not carded, combed, or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to these investigations may be coated, usually with a silicon[e] or other finish, or not coated. PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier) classified under the Harmonized Tariff Schedule of the United States ("HTSUS") at subheading 5503.20.00.20 is specifically excluded from these investigations. Also specifically excluded from these investigations are polyester staple fibers of 10 to 18 denier that are cut-to-lengths of 6 to 8 inches (fibers used in the manufacture of carpeting).
>
> The merchandise subject to these investigations is classified in the HTSUS at subheadings 5503.20.00.40 and 5503.20.00.60. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.[10]

C. Domestic Like Product Issues[11]

In the preliminary phase of these investigations, based on an application of its traditional six-factor analysis, the Commission found one domestic like product coextensive with the scope of these investigations and consisting of all certain PSF.[12] In so doing, the Commission considered whether low-

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[8] 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).

[9] Hosiden Corp. v. Advanced Display Manufacturers, 85 F.3d 1561 (Fed. Cir. 1996) (Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); Torrington, 747 F. Supp. at 748-52 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

[10] 65 Fed. Reg. 16880 (Mar. 30, 2000) (Korea); 65 Fed. Reg. 16877 (Mar. 30, 2000) (Taiwan); 65 Fed. Reg. 24678 (Apr. 27, 2000) (amended final determ.).

[11] Chairman Bragg concurs with the analysis of the domestic like product except for the low-melt fiber discussion in Section I.C.1.

[12] Certain Polyester Staple Fiber from Korea and Taiwan, Inv. Nos. 731-TA-825-826 (Prelim.), USITC Pub. 3197, at 5 (May 1999) ("Preliminary Determination").

melt fiber, conjugate fiber, and regenerated fiber[13] are separate domestic like products. The Commission also considered whether PSF made from virgin raw materials is a separate domestic like product from PSF made from recycled materials. Although the Commission determined that all such products were part of one domestic like product for purposes of the preliminary phase of these investigations, the Commission indicated that it would revisit these issues in any final phase investigations.[14]

In the final phase of these investigations, petitioners again argued that there is only one domestic like product that is co-extensive with the scope of these investigations, and the domestic like product encompasses a continuum of products.[15] Respondents contended that low-melt fiber and conjugate fiber should be treated as separate domestic like products from all other certain PSF.[16] As explained below, we determine that there are two domestic like products corresponding to (1) low-melt fiber and (2) conventional PSF (all subject PSF except for low-melt fiber).

1. Low-Melt Fiber is a Separate Domestic Like Product[17]

Based on comments from the parties, low-melt fiber was defined for purposes of the final phase of these investigations as:

> a bicomponent fiber comprised of a polyester core and a sheath of copolymer polyester which is typically used to thermal bond other polyester staple fiber in the manufacture of batting for bulk applications such as furniture stuffing and insulation. When heated, the outer copolymer sheath melts at a lower temperature than its core, and the melted sheath acts as a glue to hold the polyester staple fibers together.[18]

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[13] For purposes of the final phase of these investigations, regenerated fiber was defined as "polyester staple fiber produced primarily from waste polyester fibers but may also include other polyester waste products such as non-fiber polyester solids. It generally has inconsistent physical properties, such as irregular color, denier, staple length, and crimp count. It is generally sold without specifications, guarantees, or warranties of any kind." General Information, Instructions and Definitions for Commission Questionnaires, Inv. Nos. 731-TA-825-826 (Final) at 4. In the final phase of these investigations, respondents no longer argue that regenerated fiber is a separate domestic like product.

[14] Id. at 5-11.

[15] Petitioners' Prehearing Brief at 1-25; Petitioners' Posthearing Brief at 1-4; Hearing Tr. at 26-32.

[16] Korean Prehearing Brief at 2-21; Taiwan Prehearing Brief at 5-11, 15-20.

[17] Chairman Bragg determines that there is one domestic like product coextensive with the scope of these investigations and which includes all certain PSF. She therefore does not join this section. The record in these final investigations indicates that all forms of certain PSF share similar channels of distribution; common manufacturing facilities, employees, and processes; and are priced similarly (although higher quality fiber is often priced higher than lower quality fiber products). CR at I-3 to I-4, II-1, PR at I-2 to I-3, II-1; Petitioners' Prehearing Brief at 23-24; Hearing Tr. at 21. And while the record indicates that low-melt fiber is the only type of PSF used as a bonding agent without further modification, other PSF products are also used as bonding agents when treated with resin. CR at I-9, PR at I-6. In addition, the use of low-melt fiber imparts the same end-use characteristics of increased loft and softness as other types of PSF. Hearing Tr. at 54, 136-37. Chairman Bragg therefore determines that on balance, low-melt fiber is not a separate domestic like product, but is rather part of the continuum of certain PSF products.

[18] General Information, Instructions and Definitions for Commission Questionnaires, Inv. Nos. 731-TA-825-826 (Final) at 4.

As discussed below, application of the like product factors results in our finding that low-melt fiber is a separate domestic like product.

Physical Characteristics and Uses: The record indicates that low-melt fiber is a bicomponent fiber with a unique sheath/core structure, distinguishing it from both conjugate, another bicomponent fiber, and conventional PSF, which is usually monocomponent. Low-melt fiber's outer sheath has a unique property that allows it to melt at lower temperatures.[19] Low-melt fiber is used in batting applications because of its special bonding characteristics and its ability to prevent fiber migration, whereas conventional PSF is used as filler material because of its loft characteristics.[20] Low-melt fiber provides only limited loft and would never be used alone as a filler in end product applications.[21] Low-melt fiber replaces an antiquated spray bonding process in which chemical resins or powders are sprayed on conventional PSF – a process that is considered to pose environmental hazards.[22]

Interchangeability: The parties agree that unlike conventional PSF, low-melt fiber would not be used on its own in fiber fill applications.[23] Accordingly, conventional PSF is not substituted for low-melt fiber because low-melt fiber is used for its special bonding characteristics. Similarly, because low-melt fiber does not provide as much loft as conventional PSF, it would not be substituted for conventional PSF used to provide loft.[24]

Channels of Distribution: The record indicates, and the parties agree, that low-melt fiber is sold through the same channels of distribution – i.e., primarily to end users, but sometimes through distributors – as other types of certain PSF.[25]

Common Manufacturing Facilities, Employees, and Processes: Although domestic producers use the same employees to produce low-melt fiber and conventional PSF,[26] the production process for low-melt fiber differs from the production process for conventional PSF. A *** is used to produce low-melt fiber.[27] Whereas the Y-shaped spinneret used to produce low-melt fiber is also used to produce conjugate fiber, a chemical ingredient not used in conjugate fiber production is added during low-melt fiber production to provide the low temperature melting characteristics, and the bi-polymer blend added

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[19] CR at I-9 to I-10, PR at I-6.

[20] CR at I-9 to I-10, PR at I-6; CR and PR at Table II-2.

[21] CR at I-9 to I-10, PR at I-6; CR and PR at Table II-3; Hearing Tr. at 54, 136-37.

[22] CR at I-9, PR at I-6.

[23] CR at I-9, PR at I-6.

[24] CR at I-8 to I-9, PR at I-6; CR and PR at Table II-3; Taiwan Prehearing Brief at 11-13, 16-17; Korean Prehearing Brief at 8-9; Taiwan Posthearing Brief at 10-12; Petitioners' Prehearing Brief at 23-24; Hearing Tr. at 21.

[25] CR at I-9 to I-10, II-1, PR at I-6, II-1; Taiwan Prehearing Brief at 18; Petitioners' Prehearing Brief at 24.

[26] Petitioners' Prehearing Brief at 24.

[27] Petitioners' Prehearing Brief at 24.

during conjugate fiber production is not added during low-melt fiber production.[28] The stretching, cutting, and baling operations are similar for all types of certain PSF.[29]

Producer and Customer Perceptions: Whereas two of three domestic producers reported that low-melt fiber is interchangeable with other types of certain PSF, twelve of thirteen importers and twenty-six of twenty-seven purchasers reported that low-melt fiber is not interchangeable with other certain PSF.[30]

Price: Respondents argued that low-melt fiber is more expensive than conventional PSF; petitioners disagreed.[31] It is difficult to draw meaningful insights about pricing similarities between domestically-produced low-melt fiber and conventional PSF because it is not clear how comparable the selected pricing products are – in terms of denier, hollowness, and slickness.[32] The product pricing data on the record, however, show that prices for domestic low-melt fiber were consistently higher than prices for all other certain PSF, with the exception of a conjugate fiber product.[33]

We find that low-melt fiber's unique bonding characteristics, its very different use, its lack of interchangeability with conventional PSF, the significant consensus among purchasers that low-melt fiber is a different product, and the differences in the production process outweigh the similarities in the channels of distribution and limited similarities in physical characteristics and production processes and employees between low-melt fiber and conventional PSF. Accordingly, we find that low-melt fiber is a separate domestic like product.

2. Conjugate Fiber is Not a Separate Domestic Like Product

Based on comments from the parties, conjugate fiber was defined for purposes of the final phase of these investigations as:

> a hollow, siliconized fiber with a spiral configuration imparted by a chemical process that bonds two different polyester polymers of different viscosity causing one side to shrink to produce spiral-shaped crimps. Conjugate fibers can be produced by both direct spinning and batch spinning. Whether direct or batch, conjugate fibers require a double spinning process since they are composed of a bipolymer blend.[34]

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[28] CR at I-9 to I-10, PR at I-6; Korean Prehearing Brief at 10, 13.

[29] CR at I-4 to I-5, I-7 to I-8, PR at I-3 to I-4.

[30] CR at II-8 to II-11, PR at II-6 to II-9. Domestic producer *** is the only purchaser to report that low-melt fiber is interchangeable with other certain PSF. See also CR and PR at Table II-3 for a summary of specific comments regarding interchangeability; Taiwan Prehearing Brief at 12-13, 18-19; Korean Prehearing Brief at 9; Joint Respondents' Prehearing Brief at Exhibit A (including various affidavits and declarations from purchasers).

[31] Taiwan Prehearing Brief at 19; Korean Prehearing Brief at 10; Petitioners' Prehearing Brief at 25.

[32] CR at V-6, PR at V-5; compare CR and PR at Table V-7 with CR and PR at Tables V-1 to V-6 and V-8 to V-9.

[33] CR and PR at Tables V-1 to V-9.

[34] General Information, Instructions and Definitions for Commission Questionnaires, Inv. Nos. 731-TA-825-826 (Final) at 4.

As discussed below, application of the like product factors results in our finding that conjugate fiber is not a separate domestic like product.

Physical Characteristics and Uses: The record indicates that even though conjugate fiber generally is produced from two polymers rather than a single polymer, conjugate fiber and other certain PSF share the same basic chemical composition, and other certain PSF may be crimped into three dimensions, just like conjugate fiber.[35] Conjugate fiber is destined for the same end uses – providing loft in pillows, comforters, cushions, furniture, mattresses, sleeping bags, and jackets – as other certain PSF.[36]

Interchangeability: The record indicates that conjugate fiber can be blended with other types of certain PSF for the same types of end uses. Some purchasers and importers reported that conjugate fiber is a technologically advanced product suitable for high-end uses, with better filling power and shape retention. We find, however, that overall, the record reflects that even if conjugate fiber is of a higher quality, it is generally interchangeable with other certain PSF and used in the same applications.[37]

Channels of Distribution: Conjugate fiber is sold through the same channels of distribution – i.e., primarily to end users, but sometimes through distributors – as other types of certain PSF.[38]

Common Manufacturing Facilities, Employees, and Processes: The record indicates that domestic producers use the same employees to produce conjugate fiber as other types of certain PSF.[39] The production process and manufacturing facilities for conjugate fiber appear to differ somewhat from those used to produce other certain PSF – conjugate fiber requires a double spinning system to combine two polymers of differing viscosity and the addition of a bi-polymer blend.[40] The second stage of manufacturing (stretching, cutting, and baling), however, is similar for all types of certain PSF.[41]

Producer and Customer Perceptions: Responses were mixed regarding whether producers and customers perceive conjugate fiber to be a different product than other certain PSF. Whereas four domestic producers, six importers, and fourteen purchasers reported that conjugate fiber is at least somewhat interchangeable with other types of certain PSF, eight importers and sixteen purchasers reported that conjugate fiber is not interchangeable with other certain PSF.[42]

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[35] CR at I-4 n.6, I-5, I-8, PR at I-3 & n.6, I-5, I-8.

[36] CR at I-7, PR at I-4; Hearing Tr. at 22-23.

[37] CR at I-7, II-5, II-8, PR at I-4, II-3, II-6; CR and PR at Table II-2; Hearing Tr. at 22-23.

[38] CR at I-7, II-1, PR at I-4, II-1; Korean Prehearing Brief at 5; Taiwan Prehearing Brief at 9; Petitioners' Prehearing Brief at 20.

[39] Petitioners' Prehearing Brief at 21.

[40] CR at I-4, PR at I-3; Korean Prehearing Brief at 13.

[41] CR at I-4 to I-5, I-7 to I-8, PR at I-3 to I-4.

[42] CR at II-5, PR at II-3 to II-4; see also Korean Prehearing Brief at 6, 12; Taiwan Prehearing Brief at 9-10, Exhibit 8 (containing letters from purchasers); Joint Respondents' Prehearing Brief at Exhibit A (including various affidavits from purchasers and importers); Hearing Tr. at 186.

Price: The domestic prices of the only type of domestically-produced conjugate fiber for which pricing data were collected[43] were *** the prices of other certain PSF, but it is not clear how ***.[44]

On balance, the record does not support a finding that conjugate fiber is a separate domestic like product. Conjugate fiber and other certain PSF have similar physical characteristics and identical end uses, are sold through the same channels of distribution, and are manufactured using the same employees and similar production processes. Conjugate fiber and other certain PSF are frequently regarded as interchangeable, and responses were mixed regarding whether conjugate fiber is a different product. Thus, conjugate fiber is not clearly distinct from other types of certain PSF; it is part of a continuum of PSF products used for loft that are included within the scope of these investigations. Where the domestically manufactured merchandise is itself within the continuum of similar products, the Commission generally does not consider each item of merchandise to be a separate domestic like product, but considers the continuum itself to be the domestic like product.[45]

Accordingly, we find two domestic like products corresponding to (1) low-melt fiber, and (2) conventional PSF.

II. DOMESTIC INDUSTRY[46]

A. In General

Section 771(4) of the Act defines the relevant industry as the "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of that product."[47] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States.[48] Based on our finding of two domestic like products, we define two corresponding domestic

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[43] There were no domestic sales of conjugate fiber Product 6 during the POI. CR and PR at Table V-6.

[44] Compare CR and PR at Table V-5 with CR and PR at Table E-2.

[45] See, e.g., Certain Steel Wire Rod From Canada, Germany, Trinidad & Tobago, and Venezuela, Invs. Nos. 701-TA-763-766 (Final), USITC Pub. 3075 at 7 (Nov. 1997).

[46] Chairman Bragg defines the domestic industry as all domestic producers of certain PSF, including low-melt fiber.

[47] 19 U.S.C. § 1677(4)(A).

[48] See, e.g., DRAMs From Taiwan, Inv. No. 731-TA-811 (Final), USITC Pub. 3256 at 6 (Dec. 1999); Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan, Invs. Nos. 701-TA-373, 731-TA-769-775 (Final), USITC Pub. 3126, at 7 (Sept. 1998); Manganese Sulfate from the People's Republic of China, Inv. No. 731-TA-725 (Final), USITC Pub. 2932, at 5 & n.10 (Nov. 1995) (the Commission stated it generally considered toll producers that engage in sufficient production-related activity to be part of the domestic industry); see generally, e.g., Oil Country Tubular Goods from Argentina, Austria, Italy, Japan, Korea, Mexico, and Spain ("OCTG"), Inv. Nos. 701-TA-363-364 (Final) and Inv. Nos. 731-TA-711-717 (Final), USITC Pub. 2911 (Aug. 1995) (not including threaders in the casing and tubing industry because of "limited levels of capital investment, lower levels of expertise, and lower levels of employment").

industries: (1) all domestic producers of low-melt fiber;[49] and (2) all domestic producers of conventional PSF.[50]

B. Related Parties

We must further determine whether any producer of the domestic like product should be excluded from the domestic industries pursuant to 19 U.S.C. § 1677(4)(B). That provision of the statute 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.[51] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.[52]

In the preliminary phase of these investigations, the Commission determined that appropriate circumstances did not exist to exclude *** and Nan Ya America from the domestic industry.[53] In the final phase of these investigations, the parties concur that the Commission should not exclude any producers from the domestic industries.[54] We have considered the circumstances surrounding the importing or purchasing activities of the domestic producers and determine that appropriate circumstances do not exist to exclude any producers from the domestic industries.[55]

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[49] KoSa is the only domestic producer in the domestic low-melt fiber industry. CR at III-5, PR at III-3.

[50] Thus, for purposes of our analysis, the domestic conventional PSF industry is comprised of six producers: KoSa, Wellman, DuPont, Nan Ya America, Intercontinental, and Martin Color-Fi. CR at III-1, PR at III-1.

[51] 19 U.S.C. § 1677(4)(B).

[52] 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 the related 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 producers vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry. 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 interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan, Invs. Nos. 731-TA-741-743 (Final), USITC Pub. 3016 at 14, n.81 (Feb. 1997).

[53] Preliminary Determination, USITC Pub. 3197 at 12.

[54] Petitioners' Prehearing Brief at 25-27; Joint Respondents' Posthearing Brief at Appendix at 5.

[55] The merchandise that *** imported during the POI was sourced exclusively from Samyang, a Korean producer that is no longer a subject producer in these investigations. CR at IV-2 n.1, PR at IV-1 n.1. Accordingly, *** is not a related party.

1. Nan Ya America[56]

As a wholly owned subsidiary of Nan Ya, a subject Taiwan producer,[57] domestic producer Nan Ya America is a related party. As in the preliminary phase of these investigations, however, we find that appropriate circumstances do not exist to exclude Nan Ya from the domestic industries. Nan Ya America does not import subject merchandise from its parent or any other subject foreign producer, and its interests appear to be in domestic production. Nan Ya America's financial performance ***, and it does not appear to have benefitted from its relationship with Nan Ya. Finally, Nan Ya America produced only *** during the POI, and accounted for *** portion of domestic *** production – *** percent in 1999 – so its ***.[58]

2. ***

Domestic producer *** purchased subject imports of *** during the POI from importer *** who in turn imported *** from ***.[59] The threshold question is whether these purchases establish that *** is "related" under the statute by directly or indirectly controlling an exporter or importer.[60]

The Commission generally has found direct or indirect control to exist where a producer was responsible for a predominant share of an importer's purchases, and the importer's purchases were substantial.[61] Although *** imports in 1999 constituted *** percent of *** total exports of subject *** to the United States, they constituted only *** percent of *** 1999 production. Moreover, *** accounted for only *** percent of *** business in 1999 (***). *** purchases of *** represented only ***, ***, and *** percent of total subject imports of ***, respectively, in 1997, 1998, and 1999.[62] Absent any indication that *** purchases of *** from *** give it direct or indirect control over ***, we do not find that *** is a related party.

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[56] Nan Ya America was not a petitioner in the Taiwan investigation and eventually withdrew as a petitioner in the Korean investigation.

[57] CR at III-3, PR at III-2.

[58] CR at I-1 n.2, III-1, III-3 to III-4, IV-2 n.1, PR at I-1 n.2, III-1, III-2, IV-2 n.1; see also CR and PR at Table VI-2; Questionnaire response of Nan Ya; Taiwan Posthearing Brief at 1-4.

[59] Questionnaire responses of ***.

[60] 19 U.S.C. § 1677(4)(B)(ii).

[61] See, e.g., Certain Brake Drums and Rotors from China, Inv. No. 731-TA-744 (Final), USITC Pub. 3035 at 10, n.50 (April 1997).

[62] CR at III-1, Table VI-2, PR at III-1; Questionnaire responses of ***.

III. MATERIAL INJURY ANALYSIS BY REASON OF LTFV IMPORTS OF CONVENTIONAL PSF FROM KOREA AND TAIWAN

In the final phase of antidumping duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the subject imports under investigation.[63] In making this determination, the Commission must consider the volume of the subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[64] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[65] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[66] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[67]

For the reasons discussed below, we determine that the domestic industry producing conventional PSF is materially injured by reason of LTFV imports from Korea and Taiwan.[68]

A. Cumulation

1. In General

For purposes of evaluating the volume and price effects for a determination of material injury by reason of the subject imports, Section 771(7)(G)(i) of the Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with domestic like product in the U.S. market.[69] In assessing whether subject imports compete with each other and with the domestic like product,[70] the Commission has generally considered four factors, including:

(1) the degree of fungibility between the subject imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

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[63] 19 U.S.C. § 1673d(b).

[64] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each [such] factor . . . [a]nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B); see also Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[65] 19 U.S.C. § 1677(7)(A).

[66] 19 U.S.C. § 1677(7)(C)(iii).

[67] 19 U.S.C. § 1677(7)(C)(iii).

[68] Chairman Bragg joins in this determination. She notes that including low-melt fiber in the data and injury analysis strengthens the conclusion that the domestic industry producing certain PSF is materially injured by reason of LTFV imports of all forms of certain PSF from Korea and Taiwan.

[69] 19 U.S.C. § 1677(7)(G)(i).

[70] The SAA (at 848) expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition," citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

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

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[71]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[72] Only a "reasonable overlap" of competition is required.[73]

Because the petitions in these investigations were filed on the same day, the first statutory criterion for cumulation is satisfied. In addition, none of the four statutory exceptions to the general cumulation rule applies in the final phase of these investigations.[74] Therefore, we are required to determine whether there is a reasonable overlap of competition both between the subject imports from Korea and Taiwan, and between the subject imports and the domestic like product.

2. Analysis

In the preliminary phase of these investigations, the Commission cumulated subject imports from Korea and Taiwan, finding a sufficient degree of fungibility between the subject imports and between the subject imports and the domestic like product, overlap of geographic markets, similar channels of distribution, and simultaneous presence in the U.S. market.[75] In the final phase of these investigations, based on our finding of two domestic like products, we examine the cumulation issue with regard to conventional PSF separately.[76]

The parties do not dispute that the requirements are met for three of the four factors that the Commission ordinarily considers in its cumulation analysis: subject imports and the domestic like product are sold in the same geographical markets and through the same channels of distribution, and all were simultaneously present in the market. The sole cumulation issue, therefore, is the degree of fungibility between subject imports of conventional PSF from Korea and Taiwan, and between subject imports and the domestic like product.

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

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

[73] See Goss Graphic System, Inc. v. United States, 33 F. Supp. 2d 1082 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); Wieland Werke, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[74] These exceptions concern imports from Israel, countries as to which investigations have been terminated, countries as to which Commerce has made preliminary negative determinations, and countries designated as beneficiaries under the Caribbean Basin Economic Recovery Act. 19 U.S.C. § 1677(7)(G)(ii).

[75] Preliminary Determination, USITC Pub. 3197 at 13-15.

[76] Chairman Bragg finds that the majority's cumulation analysis applies equally to low-melt fiber. She therefore cumulates subject imports of all certain PSF from Korea and Taiwan.

As explained in more detail in the conditions of competition discussion infra at section III-B, we find that conjugate fiber and regenerated fiber compete to a substantial degree with all other conventional PSF (herein "residual PSF") in the U.S. conventional PSF market. We therefore find that there is a substantial fungibility between subject imports of conventional PSF from Korea and Taiwan, and between subject imports of conventional PSF and the domestic like product.[77]

Based on our findings of overlapping geographical markets and channels of distribution, simultaneous presence, and fungibility between subject imports from Korea and Taiwan, and between subject imports of conventional PSF from Korea and Taiwan and the domestic like product, we find that there is a reasonable overlap of competition between subject imports from Korea and Taiwan, and between the subject imports and the domestic like product. Consequently, we cumulate subject imports from Korea and Taiwan for purposes of our analysis of whether the domestic industry is materially injured by reason of the subject imports of conventional PSF.

B. Conditions of Competition

There are several conditions of competition that are relevant to our analysis in these investigations. Demand for conventional PSF has grown steadily, by *** percent overall during the POI, as a healthy economy – particularly a strong new housing market – has contributed to the increase in demand for conventional PSF, which is consumed in the production of various home-related products, such as furniture, sleep products, and insulation and filtration products.[78] The cost share of certain PSF in downstream products varies widely but can be quite high, ranging from 2.0 to 80.0 percent of the total per unit cost.[79] Much of the certain PSF marketed in the United States faces little competition from substitutes, so price changes are likely to have little overall effect on the demand for certain PSF, although the relatively high cost share of certain PSF in some end-use products increases the sensitivity of demand to changes in the price of certain PSF.[80]

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[77] Even if we were to examine the different types of conventional PSF separately, we would still find sufficient fungibility. While differing somewhat in product mix, the volume of subject merchandise imported by producers in Korea and Taiwan included each variety of conventional PSF. During the POI, most of the subject imports of conventional PSF from Taiwan were conjugate fiber (*** percent of total subject imports of conventional PSF from Taiwan) and residual PSF (*** percent of total subject imports of conventional PSF from Taiwan), and a smaller portion were regenerated fiber (*** percent of total subject imports of conventional PSF from Taiwan), whereas most of the subject imports from Korea were regenerated fiber (*** percent of total subject imports of conventional PSF from Korea) and residual PSF (*** percent of total subject imports of conventional PSF from Korea), and a smaller portion were conjugate fiber (*** percent of total subject imports of conventional PSF from Korea). (Estimates of subject imports' share of total subject imports of conventional PSF for each subject country for each type of conventional PSF are derived from information found at CR and PR at Tables IV-1 to IV-4.)

With regard to competition between subject imports of conventional PSF and the domestic like product, as indicated above, during the POI most of the subject imports from Taiwan were conjugate fiber and residual PSF, whereas most of the subject imports from Korea were regenerated fiber and residual PSF. While domestic production of conjugate fiber was ***, domestic production of regenerated fiber and residual PSF was more significant, approximately *** and *** percent of total domestic production, respectively. (Estimates of the share of domestic conventional PSF production for each type of conventional PSF are derived from information found at CR and PR at Tables IV-5 to IV-12.)

[78] CR at II-2, PR at II-1 to II-2.

[79] CR at II-4, PR at II-2 to II-3.

[80] CR at II-3 to II-4, PR at II-2.

The production of certain PSF requires significant capital investment with relatively high fixed costs.[81] Domestic producers can shift production relatively easily between certain PSF and other polyester products, such as fibers for spinning, carpet fibers, nylon fibers, or specialty fibers. The costs of switching a production line – including, inter alia, changing the spinneret – are small relative to the costs of assembling a new line.[82]

While branded fiber has, in the past, been able to command some price premium, this ability has been significantly eroded. Seven purchasers decreased their purchases of branded fibers, with several commenting on lower demand for such fiber. Only two purchasers reported increasing purchases of branded fiber, and one did so due to declining prices.[83]

We note that non-subject imports of conventional PSF accounted for only *** to *** percent of apparent domestic consumption during the POI. Thus, throughout the POI, the domestic market was dominated by domestic producers and subject imports from Korea and Taiwan.[84]

Petitioners argued that the various types of conventional PSF – regenerated fiber, conjugate fiber, and "residual" fiber – are fungible and compete with each other on the basis of price.[85] Respondents argued that conjugate fiber is a superior product that competes primarily with non-PSF products, especially goose down, and that it is not made in sufficient quantities by the domestic producers. Similarly, respondents argued that regenerated fiber is an inferior product that competes primarily with non-PSF products such as foam, shoddy, wastes, etc, and that it is not made in sufficient quantities by the domestic producers.[86]

We recognize that conjugate fiber and regenerated fiber may substitute for non-PSF products to some extent.[87] However, the record indicates that there is also a large degree of fungibility and direct competition between both of the types of imported fiber and domestically-produced fiber.[88] First, purchasers' blending practices indicate that there are different mixtures of PSF that will result in the desired end-product.[89] Purchasers appear to be able to shift their blends to take account of differences among the types of conventional PSF. For example, purchasers may use greater quantities of lower-priced regenerated fiber and lesser quantities of other types of fiber to achieve a low price point.[90] However, in such situations, it is price concerns that drive the blending decision.

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[81] Preliminary Determination, USITC Pub. 3197 at 16-17.

[82] Preliminary Determination, USITC Pub. 3197 at 17; see also CR at II-2, PR at II-1.

[83] CR at II-18; CR and PR at Table II-6.

[84] Mem. INV-X-087 at Table C-5.

[85] Petitioners' Prehearing Brief at 4-10, 29-30, 32-45; Petitioners' Posthearing Brief at 4-8; Hearing Tr. at 26.

[86] Korean Prehearing Brief at 4-7; Joint Respondents' Prehearing Brief at 25-38, 42-43; Taiwan Prehearing Brief at 2-11, 20-25; Joint Respondents' Posthearing Brief at 6-9; Taiwan Posthearing Brief at 4-12.

[87] Joint Respondents' Prehearing Brief at Exhibit A; CR and PR at Tables II-2, II-4.

[88] E.g., CR at II-4 to II-8, II-11 to II-31, PR at II-3 to II-7, II-9 to II-25; CR and PR at Tables II-2, II-4 to II-10; Hearing Tr. at 28-31, 34-35, 38-42, 44, 70, 78. Regenerated fiber can be spiral crimped or mechanically crimped and conjugate fiber can be produced from regenerated fiber or non-regenerated fiber, further supporting our finding of overlapping competition. Hearing Tr. at 57-58.

[89] CR at II-15, II-21 to II-22, PR at II-12, II-17 to II-19; see also Joint Respondents' Prehearing Brief at Exhibit A; Hearing Tr. at 52-54, 64-65, 113-14.

[90] CR at I-11, PR at I-7; CR and PR at Table II-4; Joint Respondents' Prehearing Brief at Exhibit A; Hearing Tr. at 41, 65.

Second, respondents have failed to identify a significant market segment or end-use served by regenerated fiber or conjugate fiber that is not served by residual PSF. The large volume of imports of conjugate fiber and regenerated fiber indicates that they are not serving niche markets, but rather are competing to a large degree with residual PSF.[91]

Third, the pricing data do not support the argument that conjugate fiber is superior to residual PSF.[92] Moreover, a significant number of importers and purchasers indicated that conjugate fiber and other certain PSF are interchangeable or somewhat interchangeable.[93]

Finally, respondents' arguments regarding regenerated fiber, and the bulk of the questionnaire responses, indicate that purchasers buy regenerated fiber because it is less expensive. Therefore, in the absence of low-priced regenerated fiber, many purchasers would likely buy residual PSF. A majority of importers and purchasers indicated that regenerated fiber and residual PSF are interchangeable or somewhat interchangeable.[94]

C. Volume of the Cumulated Subject Imports[95]

Section 771(7)(C)(i) of the Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[96]

The overall volume of the subject imports of conventional PSF and their level of shipments in the U.S. market increased significantly during the period for which data were collected. The volume of cumulated subject imports of conventional PSF rose from *** thousand pounds in 1997 to *** thousand pounds in 1998, then declined to *** thousand pounds in 1999. Import volume, therefore, rose *** percent from 1997 to 1999.[97] Shipments of cumulated subject imports of conventional PSF in the U.S. market increased from *** thousand pounds in 1997 to *** thousand pounds in 1998, then declined to *** thousand pounds in 1999; shipments therefore rose *** percent between 1997 and 1999. The domestic market share of shipments of cumulated subject imports increased from *** percent in 1997 to *** percent in 1999.[98] Shipments of non-subject imports rose over the POI, but their share of total apparent domestic consumption remained relatively flat.[99] U.S. producers' shipments decreased from

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[91] CR and PR at Tables IV-1, IV-2, IV-4, IV-5, IV-6, IV-8; V-1 to V-6, V-7 to V-9.

[92] Compare CR and PR at Tables V-2 and V-4 with CR and PR at Tables V-5 and V-6.

[93] Four domestic producers, four of fourteen importers, and nine of thirty purchasers reported that conjugate fiber is interchangeable with other certain PSF. Two importers and five purchasers reported that conjugate fiber is at least somewhat interchangeable with other certain PSF. CR at II-5, PR at II-3. Specific comments regarding interchangeability are reproduced at CR at II-5 to II-8, PR at II-3 to II-6.

[94] Four domestic producers, five of fifteen importers, and fifteen of thirty-eight purchasers reported that regenerated fiber is interchangeable with other certain PSF. Three importers and eight purchasers reported that regenerated fiber is somewhat interchangeable with other certain PSF. CR at II-11, PR at II-9. Specific comments regarding interchangeability are reproduced at CR at II-12 to II-15, PR at II-10 to II-12.

[95] Chairman Bragg joins the majority's volume findings. She notes that the addition of low-melt fiber to the analysis strengthens a finding of a significant volume of subject imports.

[96] 19 U.S.C. § 1677(7)(C)(i).

[97] Data is derived from CR and PR at Tables IV-1 to IV-4.

[98] Mem. INV-X-087 at Table C-5.

[99] Mem. INV-X-087 at Table C-5.

*** thousand pounds in 1997 to *** thousand pounds in 1998, before increasing to *** thousand pounds in 1999, but their market share fell from *** percent in 1997 to *** percent in 1999.[100]

We find that the volume of cumulated subject imports, both absolutely and in terms of shipments in the U.S. market, is significant.

D. Price Effects of the Cumulated Subject Imports[101]

Section 771(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[102]

As discussed earlier, the record indicates that subject imports of conventional PSF compete to a significant degree with the domestic like product. Therefore, low-priced imports can have a price depressing or suppressing effect on the domestic like product.

The pricing data gathered in these investigations show that prices of both domestic conventional PSF and subject imports in all product categories declined overall from the beginning of 1997 to the end of 1999.[103] Following the same trend, the average unit value of subject imports declined *** percent over the POI.[104] Between 1997 and 1998, domestic prices for conventional PSF did not fluctuate significantly, but in the face of declining prices of subject imports of conventional PSF, domestic producers suffered declining domestic shipment volumes and declining shares of apparent domestic consumption; only when domestic producers decreased their prices in 1999 did they begin to regain some of their lost market share.[105]

Overall, there was significant underselling throughout the POI. The cumulated imports of conventional PSF from Korea and Taiwan undersold the domestic product in 162 out of 168 quarterly observations, or 96.4 percent of the time.[106] Underselling margins for subject imports from Korea for the

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[100] Mem. INV-X-087 at Table C-5.

[101] Chairman Bragg joins the majority's price findings. She notes that the addition of low-melt fiber to the analysis strengthens a finding of significant negative price effects. The record indicates that prices for both subject imports of low-melt fiber and domestic low-melt fiber declined steadily over the POI. CR and PR at Table V-7. In addition, subject imports of low-melt fiber undersold domestic low-melt fiber in every instance where comparisons were possible, by substantial margins ranging from *** to *** percent. CR and PR at Table V-7.

[102] 19 U.S.C. § 1677(7)(C)(ii).

[103] CR and PR at Tables V-1 to V-6 and V-7 to V-9.

[104] Mem. INV-X-087 at Table C-5.

[105] CR and PR at Table C-5, Tables V-1 to V-6 and V-8 to V-9.

[106] There were no reported domestic shipments of product 6 during the POI. CR and PR at Table V-6.

various products examined ranged from 3.9 to 76.4 percent, and underselling margins for subject imports from Taiwan for the various products examined ranged from 1.9 to 78.2 percent.[107]

While raw material prices declined over the POI, we find that the record does not support the respondents' argument that declining raw material costs fully account for the decline in prices, given the lack of record evidence that prices are based on raw material costs.[108] While we are troubled by the lack of confirmation of many lost sales and lost revenue allegations, we do not find this detracts from the other substantial evidence showing the adverse price effects of the subject imports.[109] [110] Based on this evidence, we find that the significant volumes of underpriced subject imports contributed to a significant degree to price depression.

E. Impact of the Cumulated Subject Imports on the Domestic Industry[111] [112]

Section 771(7)(C)(iii) provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[113] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the industry."[114]

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[107] CR at V-24, PR at V-16.

[108] CR at V-1 to V-2, PR at V-1.

[109] See generally, e.g., Czestochowa v. United States, 890 F. Supp. 1053, 1076 (Ct. Int'l Trade 1995); Lone Star Steel Co. v. United States, 650 F. Supp. 183, 186 (Ct. Int'l Trade 1986). Further, we note that some of the lost sales and lost revenue allegations, while not reported as having been confirmed, at least demonstrate competition between subject imports and the domestic like product. See CR at V-35 to V-43, PR at V-19 to V-24 (e.g., discussion of ***).

[110] Chairman Bragg notes that in several instances Commission staff were able to confirm or partly confirm petitioners' lost sales and lost revenue allegations. CR at V-25 to V-26, PR at V-17 to V-18.

[111] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). Commerce's final antidumping duty margins are as follows: Samyang Corporation (de minimis), Sam Young Synthetics Co. (7.96), Guem Poong Corporation (14.10), and all others from the Republic of Korea (11.38); Far Eastern Textiles, Ltd. (9.51), Nan Ya (5.77), and all others from Taiwan (7.53). See 65 Fed. Reg. 16877, 16879 (Mar. 30, 2000); 65 Fed. Reg. 16880, 16882 (Mar. 30, 2000); 65 Fed. Reg. 24678 (Apr. 27, 2000).

[112] Chairman Bragg notes that she does not ordinarily consider the magnitude of the margin of dumping to be of particular significance in evaluating the effects of subject imports on domestic producers. See Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles From China, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 (June 1996). Chairman Bragg joins the majority's impact findings. She notes that the addition of low-melt fiber to the analysis strengthens a finding of a significant adverse impact.

[113] 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851 and 885 ("In material injury determinations, 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 also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." Id. at 885).

[114] 19 U.S.C. § 1677(7)(C)(iii).

The data show a domestic industry with declines in a number of key performance indicators, despite increases in domestic demand during the POI. During the POI, apparent domestic consumption of conventional PSF increased each year, with an overall increase of *** percent between 1997 and 1999.[115] Domestic producers' shipments of conventional PSF as a share of apparent domestic consumption, however, declined overall during the POI, from *** percent in 1997 to *** percent in 1999.[116] The unit value of domestic shipments of conventional PSF declined throughout the POI, from *** per pound in 1997 to *** per pound in 1998 and *** per pound in 1999.[117] U.S. producers' end-of-period inventories of conventional PSF rose from *** thousand pounds in 1997 to *** thousand pounds in 1998, then declined to *** thousand pounds in 1999.[118]

Although the domestic industry's unit cost of goods sold for the production of conventional PSF declined over the POI from *** per pound in 1997 to *** per pound in 1999, and net sales quantity increased over the POI from *** thousand pounds in 1997 to *** thousand pounds in 1999, the net sales unit value declined from *** per pound in 1997 to *** per pound in 1999.[119] As a result, the industry's gross profits and operating income declined each year.[120] Gross profits declined from *** in 1997 to *** in 1998 and *** in 1999; operating income declined from *** in 1997 to *** in 1998 and *** in 1999.[121] The ratio of operating income to sales dropped from *** percent in 1997 to *** percent in 1998, and to *** percent in 1999.[122] [123]

In sum, we find that the domestic conventional PSF industry is materially injured by reason of significant volumes of lower-priced subject imports of conventional PSF.[124]

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[115] Mem. INV-X-087 at Table C-5.

[116] Mem. INV-X-087 at Table C-5.

[117] Mem. INV-X-087 at Table C-5.

[118] Mem. INV-X-087 at Table C-5.

[119] Mem. INV-X-087 at Table C-5.

[120] Mem. INV-X-087 at Table C-5.

[121] Mem. INV-X-087 at Table C-5.

[122] Mem. INV-X-087 at Table C-5.

[123] We are troubled that as a result of an on-site verification of domestic producer KoSa, substantial changes to its reported data were required. See Apr. 18, 2000 Verification Report, Inv. Nos. 731-TA-825-826 (Final); see also CR at VI-1, VI-1 n.3, VI-9, VI-11, Tables VI-7, VI-8, VI-9, VI-10, VI-11, VI-12, PR at VI-1, VI-1 n.3, VI-5, Tables VI-7, VI-8, VI-9, VI-10, VI-11, VI-12. However, we are confident in the overall accuracy of the domestic industry financial data on the record after verification. We also note that there are some questions with respect to the capacity utilization figures for one domestic producer. CR at VI-1 n.3, PR at VI-1 n.3. However, our decision is not based on the relative capacity utilization rates in this industry.

[124] Chairman Bragg finds that a significant increase in the cumulated volume of undersold subject imports of certain PSF, including low-melt fiber, significantly depressed U.S. prices, and resulted in a significant adverse impact on the domestic industry. She therefore determines that LTFV imports of all forms of certain PSF from Korea and Taiwan caused material injury to the domestic industry.

IV. NO PRESENT MATERIAL INJURY BY REASON OF LTFV IMPORTS OF LOW-MELT FIBER FROM KOREA AND TAIWAN[125]

For the reasons discussed below, we determine that the domestic industry producing low-melt fiber is not presently materially injured by reason of LTFV imports from Korea and Taiwan.

A. Cumulation

Because the petitions in these investigations were filed on the same day, the first statutory criterion for cumulation is satisfied. None of the four statutory exceptions to the general cumulation rule applies in the final phase of these investigations.[126] Therefore, we are required to determine whether there is a reasonable overlap of competition both between the subject imports of low-melt fiber from Korea and Taiwan, and between the subject imports of low-melt fiber and the domestic like product.

The parties do not dispute that the requirements are met for three of the four factors that the Commission ordinarily considers in its cumulation analysis: subject imports of low-melt fiber and the domestic like product are sold in the same geographical markets and through the same channels of distribution, and all were simultaneously present in the market. The sole cumulation issue, therefore, is the degree of fungibility between subject imports of low-melt fiber from Korea and Taiwan, and between subject imports of low-melt fiber and the domestic like product. Respondents do not argue that subject imports of low-melt fiber from Korea are not fungible with subject imports of low-melt fiber from Taiwan. Rather, the focus of their arguments is on differences between subject imports of low-melt fiber and domestically-produced low-melt fiber.

As discussed below, there are serious questions as to whether there is a reasonable degree of fungibility between the subject imports of low-melt fiber and the domestic like product. Nevertheless, given that the other statutory criteria are squarely met, and because cumulation does not affect our negative determination, we cumulate subject imports of low-melt fiber from Korea and Taiwan.

B. Conditions of Competition Specific to Low-Melt Fiber

Demand for low-melt fiber has grown steadily during the POI, with apparent domestic consumption increasing from *** thousand pounds in 1997 to *** thousand pounds in 1998 and *** thousand pounds in 1999, representing a *** percent increase between 1997 and 1999.[127]

Shipments of nonsubject imports of low-melt fiber rose between 1997 and 1998, but declined in 1999, and their share of total apparent domestic consumption increased slightly from *** to *** percent between 1997 and 1998, and then declined significantly to *** percent in 1999.[128]

We find that competition among subject imports of low-melt fiber from Korea and Taiwan and the domestic like product is highly attenuated due to substantial product differences. Respondents argue that subject imports of low-melt fiber have a 50 percent sheath/50 percent core structure and are used as a bonding agent in high loft (bulky) end uses, such as pillows, comforters, furniture, or other home furnishing products, whereas domestically-produced low-melt fiber has a 35/65 structure and historically

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[125] Chairman Bragg dissenting. Chairman Bragg does not join Sections IV and V of this opinion.

[126] See cumulation discussion supra in section III-A.

[127] CR and PR at Table C-3.

[128] CR and PR at Table C-3.

has been used as a bonding agent in thinner, nonwoven fabrics like diaper fabric and industrial weights.[129] We find that the record indicates a general lack of substitutability between subject imports of low-melt fiber and the domestic like product.

Whereas the data collected through purchaser questionnaire responses indicates that all subject imports of low-melt fiber were purchased for use as a bonding agent in fill applications, only *** percent of the domestically-produced low-melt fiber was sold for use as a bonding agent in fill applications in 1999.[130] A *** did purchase subject imports of low-melt fiber during the POI for use as a bonding agent in nonfill applications, but determined that they were not suitable for such an end-use. Of the eight purchasers of domestically-produced low-melt fiber during the POI, three stopped purchasing from the only domestic producer, KoSa, for product incompatibility reasons.[131] Despite losing *** low-melt fiber customers during the POI, KoSa nevertheless increased its production of low-melt fiber. As further evidence that domestic producers recognize the difference between domestically-produced low-melt fiber and imported low-melt fiber, we note that during the POI, *** purchased imported low-melt fiber rather than domestically-produced low-melt fiber.[132]

Five importers reported that subject imports of low-melt fiber are not interchangeable with domestically-produced low-melt fiber, and of the five importers reporting that subject imports of low-melt fiber are interchangeable with domestically-produced low-melt fiber, ***.[133] A number of purchasers reported that subject imports of low-melt fiber were not interchangeable with the domestic like product, and several indicated that they were not aware of any domestic production of low-melt fiber.[134]

For all of these reasons, we find that subject imports of low-melt fiber are not readily substitutable for the domestic like product.[135]

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[129] Taiwan Prehearing Brief at 7 n.11; Joint Respondents' Prehearing Brief at 3-45, Exhibit A; Hearing Tr. at 147-58, 162-65, 169-70, 197-208. We give little weight to petitioners' brief assertion, made for the first time in their post-hearing brief and without any documentary support, that KoSa ***, except as further evidence that low-melt fiber with a 35/65 structure is substantially different from low-melt fiber with a 50/50 structure.

[130] CR and PR at Table III-1; *** Purchaser Questionnaire Response at 5; *** Purchaser Questionnaire Response at 5.

[131] *** Purchaser Questionnaire Response at 10; *** Purchaser Questionnaire Response at 10; *** Questionnaire Response at 10. In its producer questionnaire response, *** indicated that it is not capable of producing low-melt fiber. *** Producer Questionnaire at 12.

[132] *** Importer Questionnaire Response at 10; see also April 14-15, 1999 Field Trip Notes of Jozlyn Kalchthaler and Teresa McKeivier, at 5.

[133] CR at II-23, PR at II-19; see also *** Importer Questionnaire Response at 18; *** Importer Questionnaire Response at 18; *** Importer Questionnaire Response at 18; *** Importer Questionnaire Response at 18.

[134] CR at II-24, PR at II-19 to II-20.

[135] As the U.S. Court of International Trade ("CIT") has recognized, the record may contain substantial evidence that products are fungible enough to support a finding in one context (e.g., one like product), but not in another (e.g., cumulation or causation). Acciai Speciali v. United States, 19 CIT 1051, 1995 WL 476719, *11.

C. Volume of the Cumulated Subject Imports

The volume of cumulated subject imports of low-melt fiber rose from *** thousand pounds in 1997 to *** thousand pounds in 1998 and *** thousand pounds in 1999.[136] Shipments of cumulated subject imports of low-melt fiber in the U.S. market increased from *** thousand pounds in 1997 to *** thousand pounds in 1998 and *** thousand pounds in 1999, and their share of total apparent domestic consumption increased from *** percent in 1997 to *** percent in 1999.[137] The U.S. producer's shipments of low-melt fiber decreased from *** thousand pounds in 1997 to *** thousand pounds in 1998, then rose to *** thousand pounds in 1999; its market share decreased from *** percent in 1997 to *** percent in 1998, then rose to *** percent in 1999.[138]

In light of our finding that subject imports of low-melt fiber are not readily substitutable for domestically-produced low-melt fiber, we do not find the increases in the volume and market share of cumulated subject imports are significant.

D. Price Effects of the Cumulated Subject Imports

The pricing data gathered in these investigations show that prices of both domestically-produced low-melt fiber and subject imports of low-melt fiber declined overall from the beginning of 1997 to the end of 1999.[139] As indicated previously, however, we do not find that subject imports of low-melt fiber are substitutable for domestically-produced low-melt fiber. Based on this finding, we do not find a significant degree of price depression or suppression by reason of subject imports of low-melt fiber.

E. Impact of the Cumulated Subject Imports on the Domestic Industry[140]

Although the financial performance of the domestic low-melt fiber industry declined,[141] based on our findings of lack of volume and price effects of subject imports of low-melt fiber on the domestic like product due to the lack of substitutability among the products, we do not find that subject imports adversely affected the domestic industry. None of the lost revenue and lost sales allegations involved low-melt fiber.[142] We also note that, despite a large increase in demand, domestic capacity remained steady, and at no point could it serve more than *** percent of apparent domestic consumption.[143]

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[136] CR and PR at Table IV-3.

[137] CR and PR at Table C-3.

[138] CR and PR at Table C-3.

[139] CR and PR at Table V-7.

[140] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). Commerce's final antidumping duty margins are as follows: Samyang Corporation (de minimis), Sam Young Synthetics Co. (7.96), Guem Poong Corporation (14.10), and all others from the Republic of Korea (11.38); Far Eastern Textiles, Ltd. (9.51), Nan Ya (5.77), and all others from Taiwan (7.53). See 65 Fed. Reg. 16877, 16879 (Mar. 30, 2000); 65 Fed. Reg. 16880, 16882 (Mar. 30, 2000); 65 Fed. Reg. 24678 (Apr. 27, 2000).

[141] CR and PR at Table C-3. We note that there was some difficulty verifying the financial performance of the domestic low-melt fiber industry. CR at VI-1 n.3, VI-9; Table VI-7, PR at VI-1 n.3, VI-9, Table VI-7.

[142] CR at V-24 to V-43, Tables V-10 to V-11, PR at V-17 to V-24, Tables V-10 to V-11.

[143] CR and PR at Table C-3.

Therefore, we do not find that the domestic industry is materially injured by reason of subject imports of low-melt fiber.

V. THREAT OF MATERIAL INJURY BY REASON OF CUMULATED SUBJECT IMPORTS OF LOW-MELT FIBER[144]

A. Cumulation for Purposes of Threat Analysis

In assessing whether the domestic industry producing low-melt fiber is threatened with material injury by reason of imports from two or more countries, the Commission has discretion to cumulate the volume and price effects of such imports if they meet the requirements for cumulation in the context of present material injury.[145] In deciding whether to cumulate for purposes of making our threat determination, we also consider whether the subject imports are increasing at similar rates and have similar pricing patterns.[146] While there are several factors that weigh against cumulation, we cumulate subject imports of low-melt fiber from Korea and Taiwan because it does not affect our negative determination.

B. Statutory Factors

Section 771(7)(F) of the Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued ... ."[147] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether further dumped imports are imminent and whether material injury by reason of imports would occur unless an order is issued.[148] In making our determination, we have considered all statutory factors[149] that are relevant to these investigations.[150]

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[144] Chairman Bragg dissenting.

[145] 19 U.S.C. § 1677(7)(H).

[146] See Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1992); Metallverken 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).

[147] 19 U.S.C. §§ 1673d(b) and 1677(7)(F)(ii).

[148] 19 U.S.C. § 1677(7)(F)(ii). While the language referring to imports being imminent (instead of "actual injury" being imminent and the threat being "real") is a change from the prior provision, the SAA indicates the "new language is fully consistent with the Commission's practice, the existing statutory language, and judicial precedent interpreting the statute." SAA at 854.

[149] The statutory factors have been amended to track more closely the language concerning threat of material injury determinations in the WTO Antidumping Agreement and Subsidies and Countervailing Measures Agreement, although "[n]o substantive change in Commission threat analysis is required." SAA at 855.

[150] 19 U.S.C. § 1677(7)(F)(i). Factor I regarding countervailable subsidies and Factor VII regarding raw and processed agriculture products are inapplicable to the products at issue. With regard to antidumping or countervailing duty findings or remedies in effect in other countries with respect to certain PSF, petitioners allege that antidumping measures are in place against Korean imports of certain PSF in China, the European Union, India, Turkey, and Mexico. Respondents deny that trade restrictions were implemented by China against imports from

There is some evidence indicating that subject imports of low-melt fiber may increase in volume in the imminent future should subject producers produce at full capacity, shift their exports from other markets to the United States, or sell from inventory. During the POI, Korean and Taiwan capacity utilization ranged from *** to *** percent and *** to *** percent, respectively.[151] Korean exports of subject low-melt fiber to the United States accounted for *** percent of total Korean low-melt shipments in 1997, and decreased to *** percent of total Korean shipments by 1999, whereas Taiwan exports of subject low-melt fiber to the United States accounted for *** percent of total Taiwan low-melt shipments in 1997, *** percent in 1998, and *** percent in 1999.[152] Importer inventories of subject low-melt fiber from both countries increased over the POI.[153]

However, in light of our finding of a general lack of substitutability between subject imports and the domestic like product,[154] and the resulting lack of price effects, any increase in subject imports of low-melt fiber would not be likely to have adverse price effects or otherwise negatively impact the domestic industry in the imminent future.

Therefore, we determine that the domestic industry producing low-melt fiber is not threatened with material injury by reason of cumulated subject imports of low-melt fiber from Korea and Taiwan.

CONCLUSION

For the foregoing reasons, we determine that the domestic industry producing conventional PSF is materially injured by reason of imports of conventional PSF from Korea and Taiwan that Commerce found to be sold in the United States at LTFV. We also determine that the domestic industry producing low-melt fiber is neither materially injured nor threatened with material injury by reason of imports of low-melt fiber from Korea and Taiwan that Commerce found to be sold in the United States at LTFV.[155]

Korea and note that the European Union revoked antidumping measures against Korea in August 1999. Although a subsequent investigation was initiated against Korean imports in October 1999, no order has been issued as of the date the record closed in these investigations. On the other hand, Taiwan reached an export price agreement with China under which Taiwan promised not to ship PSF to China at export prices below 92 percent of its domestic prices. Antidumping duty measures are in place against PSF from Taiwan in the European Union, and the margins are less than 7 percent. CR at VII-6, VII-13. We do not find these findings or remedies detract from the evidence noted herein supporting our negative threat determination.

[151] CR and PR at Tables VII-3, VII-7.

[152] CR and PR at Table VII-7.

[153] CR and PR at Table C-3.

[154] ***, as we noted supra in section IV-B. Given the lack of specificity of the information, we find it speculative at best that *** in the imminent future.

[155] Chairman Bragg finds that a significant increase in the cumulated volume of undersold subject imports of certain PSF, including low-melt fiber, significantly depressed U.S. prices, and resulted in a significant adverse impact on the domestic industry. She therefore determines that LTFV imports of all forms of certain PSF from Korea and Taiwan caused material injury to the domestic industry.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed by E.I. DuPont de Nemours ("DuPont"), Wilmington, DE; Arteva Specialities S.a.r.l. d/b/a KoSa ("KoSa'), Spartanburg, SC; Nan Ya Plastics Corp., America ("Nan Ya USA"), Lake City, SC; Wellman, Inc. ("Wellman"), Shrewsbury, NJ; and Intercontinental Polymers, Inc. ("Intercontinental"), Charlotte, NC, on April 2, 1999, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value (LTFV) imports of certain polyester staple fiber ("certain PSF")[1] from the Republic of Korea ("Korea") and Taiwan.[2] Information relating to the background of the investigations is provided below.[3]

Date	*Action*
April 2, 1999	Petition filed with Commerce and the Commission; institution of Commission investigations
April 29, 1999	Commerce's notice of initiation
May 17, 1999	Commission's preliminary determinations
November 4, 1999 ..	Commerce's preliminary determinations; scheduling of final phase of Commission investigations (64 FR 66198, November 24, 1999)
March 22, 2000	Commerce's final determinations (65 FR 16877, March 30, 2000)[4]
March 28, 2000	Commission's hearing[5]
April 27, 2000	Commerce's amended final determination on Taiwan (65 FR 24678)
May 5, 2000	Commission's votes
May 15, 2000	Commission determinations transmitted to Commerce

[1] Certain PSF is provided for in subheading 5503.20.00 of the Harmonized Tariff Schedule of the United States (HTS) with a column 1-general tariff rate of 4.5 percent ad valorem for imports from countries with normal trading relations, including Korea and Taiwan. The subject PSF is not carded, combed, or otherwise processed for spinning. See further description below.

[2] Nan Ya USA was not a petitioner in the investigation involving Taiwan. In a letter dated May 4, 1999, Nan Ya USA also withdrew as a petitioner in the investigation involving Korea. In the same letter, DuPont withdrew as a petitioner in the investigation involving Taiwan, later citing *** as the reason for its withdrawal. See petitioners' posthearing brief, p. 24.

[3] *Federal Register* notices cited in the tabulation are presented in app. A.

[4] Commerce made a final affirmative LTFV determination with respect to Korea, with the exception of Samyang Corp., for which Commerce found a *de minimis* margin of 0.14 percent. The following margins were found on other Korean producers of certain PSF: for Sam Young Synthetics Co., 7.96 percent, based on comparisons of home market and export prices; for Geum Poong Corp., 14.10 percent, based on comparisons of constructed value and export prices; and for all others, 11.38 percent. Commerce made a final affirmative LTFV determination with respect to Taiwan, finding the following margins: for Nan Ya Plastics, 5.77 percent (amended); for Far Eastern Textiles, Ltd., 9.51 percent; and for all others, 7.53 percent (amended), based on comparisons of export price to comparison market prices. Negative critical circumstances determinations were made with respect to all Korean and Taiwan companies.

[5] App. B contains a list of witnesses appearing at the hearing.

SUMMARY DATA

A summary of data collected in the investigations is presented in appendix C. Table C-1 presents data on certain PSF; table C-2 presents data on conjugate fiber; table C-3 presents data on low-melt fiber; table C-4 presents data on regenerated fiber; and table C-5 presents data on certain PSF, excluding low-melt fiber. Except as noted, U.S. industry data are based on questionnaire responses of six firms that accounted for nearly 100 percent of U.S. production of certain PSF during 1999. U.S. imports are based on questionnaire responses of 20 importers that accounted for approximately 90 percent of total U.S. imports of certain PSF in 1999.

THE PRODUCT

Physical Characteristics and Uses

Commerce has defined the scope of these investigations as follows:

> For purposes of these investigations, the product covered is certain polyester staple fiber. Certain polyester staple fiber is defined as synthetic staple fibers, not carded, combed, or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut-to-lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to these investigations may be coated, usually with a silicon[e] or other finish, or not coated. Certain PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier) classified under the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 5503.20.0020 is specifically excluded from these investigations. Also specifically excluded from these investigations are polyester staple fibers of 10 to 18 denier that are cut-to-lengths of 6 to 8 inches (fibers used in the manufacture of carpeting).

Certain PSF is classified in HTS subheading 5503.20.00 (statistical reporting numbers 5503.20.0040 and 5503.20.0060).

"Certain PSF" includes all merchandise within the scope of the investigations and within the domestic like product as defined in the preliminary phase of the investigations (i.e., fiber made from virgin materials, fiber made from a blend of virgin and recycled materials, conjugate fiber, low-melt fiber, and regenerated fiber).

Specifically excluded from the investigations are fibers of less than 3 denier and fibers of 10 to 18 denier in cut lengths of 6 to 8 inches. Fibers of less than 3 denier are known in the industry as PSF for spinning and are generally used in woven and knit applications to produce textile and apparel products. PSF ranging from 10 to 18 denier is generally used in the manufacture of carpets.

PSF is a man-made fiber that is similar in appearance to cotton or wool fiber when baled. Certain PSF is known in the industry as "fiber for fill," as it is primarily used as polyester fiberfill. Certain PSF has certain physical characteristics that distinguish it from other polyester staple fibers (such as carpet fiber and fiber for spinning), including the denier of the fiber, the length of the fiber, and in some cases the finish and "crimp" of the fiber. Most synthetic fiber is sold by quantity based on the denier of the fiber, expressed in terms of weight per unit of length (denier is the weight in grams of 9,000 meters of fiber). The subject fiber ranges in denier from 3 to less than 12 and is sold cut to length, as mentioned above.

PSF is principally used as fiberfill and is seldom visible. Thus, the appearance of the product is of relatively little importance to the customer. The majority of the subject fiber is used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. PSF used for fill is produced in many variations for purposes of quality enhancement. For example, the subject fiber may be crimped or conjugate, giving the fiber "loft" for stuffing purposes.[6] It may also be coated with a finish (usually silicone or oil-based), making the fiber smoother to the touch for certain high-end uses. The subject fiber may vary in shape and may be hollow or solid, depending on both the preference of the manufacturer and the end use of the fiber.

Raw materials used in the production of certain PSF may also vary. Staple fiber may be made by reacting ethylene glycol and either terephthalic acid or its methyl ester; if so produced, it is termed virgin PSF. Staple fiber may also be made from recycled polyester, using either consumer waste, such as polyethylene terephthalate (PET) bottles, or industrial waste, such as polyester chips or spun tow; such fiber is known as regenerated, or recycled, fiber. Some producers of the subject fiber also manufacture a blend of the virgin and recycled materials by introducing polyester chips into the virgin production line.[7] Finally, certain PSF may be in the form of a low-melt fiber, a bicomponent fiber made from a polyester core, for purposes of thermal bonding. Definitions of conjugate fiber, low-melt fiber, and regenerated fiber are provided in the discussion on like product issues.

Manufacturing Process[8]

Manufacturing of certain PSF may be divided into two discreet stages. The first stage of the process is the polymer formation; this process may vary depending on whether virgin (unprocessed chemicals) or recycled materials are used. Polymer formation varies, however, if conjugate fiber or low-melt fiber is being produced. The second stage of the process, which is common to all certain PSF, including conjugate, low-melt, and regenerated fiber, is fiber formation, including stretching, cutting, and baling.

The manufacture of PSF from virgin materials begins by reacting ethylene glycol with either terephthalic acid or its methyl ester in the presence of an antimony catalyst. The reaction is carried out at a high temperature and vacuum to achieve the high molecular weights needed to form useful fiber. The mix is then sent through an esterification process before it is polymerized. Esterification is the chemical process of combining an acid with an alcohol to form an ester. If a virgin/recycled blend is to be produced, the recycled material (usually in the form of polyester chips) would be introduced at the esterification stage. After polymerization, the solid, molten plastic, which has a consistency similar to cold honey, must be heated and liquidized before it can be extruded. The liquid fiber-forming polymers are then extruded through the tiny holes of a device called a spinneret to form continuous filaments of semi-solid polymer. The spinneret is similar in principle to a shower-head. The denier of the fiber is controlled by the size of the holes on the spinneret. After the polymer is extruded, it is blasted with cold air to form a solid fiber. This process is known as continuous polymerization.

The manufacture of PSF made from recycled materials begins with the cleaning and processing of the materials. Depending on the recycled materials used, the recycled product is cleaned and either

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[6] Crimping involves adding a saw-tooth shape, which may be two- or three-dimensional, to the fiber. Conjugating involves adding a three-dimensional, spiral shape to the fiber. (See Antidumping Petition on Certain PSF from South Kore and Taiwan, p. 6) Conjugate fiber is generally considered superior in quality by end users because of its better loft characteristics.

[7] For purposes of the staff report, all virgin and blended PSF are referred to as "conventional PSF."

[8] Manufacturing processes for conjugate, low-melt, and regenerated fiber are discussed in the following section.

chipped or pelletized before being sent to the extruder.[9] The recycled material is then melted in order to form molten polymers to send through the spinneret. The recycled material is then sent through the spinneret to form continuous filaments of semi-solid polymer. As with fiber from virgin materials, the polymer is then blasted with cold air to form the solid fiber.

The second stage of production is common to fibers made from both virgin and recycled materials. After the solid fiber is formed, the fiber is coated for the first time with an oil finish, although this coating is usually only for internal use to facilitate further processing. The spun tow, as the fiber is now known, is collected into a can to be stretched. The spun tow is sent over a creel and a series of "draw wheels" in order to orient the fiber molecules and strengthen the tow. Next, the tow is sent through a crimping machine, which gives the fiber tow a two-dimensional, saw-tooth shape. The tow is then sent through an oven to heat-set the crimp. A second finish (usually silicone or some type of oil-base finish) may also be added during this stage of the process, either before the fiber tow is crimped and heat-set or directly after, depending on the preference of the manufacturer. Finally, the fiber tow is cut to length and baled.

LIKE PRODUCT ISSUES

During the preliminary phase of these investigations, the Commission considered whether the domestic like product should be defined as coextensive with the scope of these investigations, as argued by the petitioners, or whether certain types of PSF, specifically low-melt fiber, conjugate fiber, fiber made from recycled materials, and so-called "regen" fiber should be defined as separate like products. Using its traditional six-factor analysis, the Commission determined that for the purpose of the preliminary phase of the investigations there is one domestic like product consisting of all certain PSF.[10] Nevertheless, the Commission indicated that it would collect additional information on low-melt, conjugate, and regenerated fiber in the final phase of the investigations and reexamine the like product determination at that time.

Conjugate Fiber

As defined in the Commission's questionnaires, conjugate fiber is "a hollow, siliconized fiber with a spiral configuration imparted by a chemical process that bonds two different polyester polymers of different viscosity causing one side to shrink to produce spiral-shaped crimps. Conjugate fibers can be produced by both direct spinning and batch spinning. Whether direct or batch, conjugate fibers require a double spinning process since they are composed of a bipolymer blend." Conjugate fiber is often used for its superior lofting qualities. According to respondents, conjugate fiber produces a plumper, fluffier fill for pillows; allows quick recovery, lasting plumpness, luxurious softness, and easy care; and can be made nonallergenic and odorless. Respondents argue that the closest substitute for conjugate fiber would be fine goose down.[11] The end uses for the product are the same as those for other types of certain PSF, i.e., as filler for pillows and mattresses.[12] The polymer formation stage of

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[9] For example, PET bottles are chipped, whereas the polyester tow waste is usually pelletized to give it the proper density before being sent to the extruder.

[10] *Invs. Nos. 731-TA-825-826 (Preliminary), Certain Polyester Staple Fiber from Korea and Taiwan*, USITC Pub. 3197, May 1999, pp. 5-11.

[11] Korean respondents' prehearing brief, p. 4.

[12] Respondents argue that while both conjugate and conventional PSF fill the same general end uses,

(continued...)

production differs from that for both virgin PSF and regenerated PSF. Conjugate fibers are produced by combining two separate polymers of differing viscosity into a spinneret. Respondents describe the spinneret used in manufacturing conjugate fiber as a "Y"-shaped spinneret into which the two polymers are fed and combined.[13] Whether produced from a direct spinning system or an indirect batch system, conjugate fiber requires a double spinning process.[14] The resulting fiber-forming polymer is a hollow fiber of which one side is shrunk to produce spiral-shaped crimps. It is the crimp, or curl, of the fiber that gives the fiber its lofting abilities. After the fiber is extruded, however, the stretching, cutting, and baling of the fiber is identical to other types of certain PSF. Conjugate fibers share the same channels of distribution as other types of certain PSF. Respondents argue that customers perceive a difference between other types of PSF and conjugate fiber and generally consider conjugate fiber a separate product.[15] Finally, respondents state that conjugate fiber sells at a much higher price than other Korean-produced fibers, reflecting the different physical characteristics and uses.[16]

In their prehearing brief, petitioners argue that conjugate fiber is identical in physical characteristics to other PSF, with the exception of the form of the crimp of the fiber. Petitioners further note that both conjugate fiber and other PSF share identical chemical compositions, both can have a three-dimensional crimp, and both provide bulk or filling power in the same end uses that require high bulk. According to KoSa, which has undertaken various laboratory testing procedures to ascertain any differences in terms of the loft and recovery ability of the fibers, U.S.-produced conventional staple fiber performs equally as well as conjugate fiber.[17] Further, domestic producers generally regard mechanically crimped fiber as interchangeable with conjugate fiber.[18] Petitioners also dispute that the production process is different. The only difference, they note, in the production of conjugate is that conjugate fibers are produced by combining two polymers of differing viscosity. Finally, petitioners believe that respondents' arguments regarding the price premium that conjugate fiber commands are unfounded given comparisons between conjugate fiber and conventional PSF. DuPont is the only U.S. producer of conjugate fiber.

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[12] (...continued)
domestically produced conventional fiber does not offer the superior and distinct loft characteristics of conjugate fiber. Korean respondents' prehearing brief, p. 5.

[13] Telephone conversation with counsel for Korean respondents, April 29, 1999.

[14] Petitioners mentioned an alternative way to produce conjugate fiber during their testimony at the Commission's hearing. "Quenching" is the process of using air, or air and water, to cool and solidify the molten fiber immediately after extrusion. The faster it is quenched, the less time there is for the polymer molecules in the fiber to orient themselves along the axis of the fiber. If one side is quenched at a more rapid rate than the other side, known as an asymmetric quench, a difference in the molecular orientation across the cross section will result, causing a spiral crimp. ***. See petitioners' posthearing brief, p. 62. Quenching may provide a spiral crimp to monocomponent fibers or bicomponent fibers, but only if the latter's components are off-center or side by side. Most commercially sold conjugate is produced using the bicomponent method, whereby the polymers have different shrinkages upon being heated, creating a spiral crimp.

[15] Korean respondents' prehearing brief, p. 6.

[16] Ibid., p. 7.

[17] Petitioners' prehearing brief, p. 19.

[18] The exception is ***, which in its revised response to the Commission's producer questionnaire noted that while similarities exist, customers perceive significant differences between conjugate and conventional PSF. *** further contends that because of these customer perceptions, the same pillows, comforters, etc., do not use various PSFs interchangeably.

Low-Melt Fiber

As defined in the Commission's questionnaires, low-melt fiber is "a bicomponent fiber comprised of a polyester core and a sheath of copolymer polyester which is typically used to thermal bond other PSF in the manufacture of batting for bulk applications such as furniture stuffing and insulation. When heated, the outer copolymer sheath melts at a lower temperature than its core, and the melted sheath acts as a glue to hold the fibers together." Low-melt fiber's thermal bonding function holds the fibers in fiberfill together to prevent their migration. This is particularly necessary for end uses such as furniture stuffing or comforter batting, where migration of the fibers would be detrimental to comfort. Usage of low-melt fiber has begun to replace the practice of spray bonding (using spray resins to bond the fibers), which has long been considered environmentally unfriendly. According to respondents, low-melt fibers also give a softer feel to products as compared to spray bonding.[19] Low-melt fiber is mixed with the fibers for fill, and the two are melted together to form a nonwoven bat. Because the sheath of the low-melt has a lower melting point than those of its polyester core or the fibers, the melted sheath acts as the glue between the fibers. Low-melt fiber is produced in a very similar process to conjugate fiber. Like conjugate, low-melt can be produced by both a direct spinning system or a batch system. Component polymers are forced through a Y-shaped extruder to form a single fiber. Furthermore, according to respondents, a chemical ingredient is added to make the outer sheath polymer subject to a lower melting point.[20] The fiber is then stretched, cut, and baled.

According to both petitioners and respondents, low-melt fiber would never be used on its own as fiber for fill and in that sense is not interchangeable with other types of certain PSF in its fiber-for-fill end uses.[21] The channels of distribution for low-melt and other types of certain PSF are the same since low-melt is used in conjunction with other types of the subject fiber. There are no other known uses for low-melt fiber. According to respondents, customers and producers perceive low-melt fiber to be a different product. Respondents believe that of all the PSF in the United States, there is no greater distinction than between low-melt and other fibers.[22] Respondents note that according to pricing data collected by the Commission, low-melt fiber sells at a higher price than conventional PSF in the U.S. market.[23]

In their prehearing brief, petitioners argue that low-melt shares the same basic chemical composition as other forms of PSF with the exception of the existence of a sheath/core bicomponent polymer structure. They further note that the crimp count and cut-length of low-melt are in the same range as those of other PSF.[24] Petitioners argue that despite the unique ability of low-melt to bind other fibers together by virtue of its sheath/core components, the fiber is purchased by the same customers and is applied to the same end uses, such as insulation, furniture, and mattress pads, as other PSF. Petitioners further argue that even though low-melt is used as a binding agent, it ultimately serves the same purposes

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[19] Korean respondents' prehearing brief, p. 9.

[20] Respondents further note that this ingredient is primarily used for low-melt fibers and is not added to conventional fibers because of the different end uses of the two products. Korean respondents' prehearing brief, p. 10.

[21] Petitioners' prehearing brief, p. 24 and Korean respondents' prehearing brief, p. 8.

[22] Korean respondents' postconference brief, p. 14.

[23] Korean respondents' prehearing brief, p. 10.

[24] Petitioners' prehearing brief, p. 23.

as other PSF, that is, filling for varying products.[25] Petitioners argue that the machinery used to produce low-melt is the same as that of other PSF except that low-melt requires a ***, which forces the two polymers through a Y extruder to form a single fiber. According to pricing data in the staff report, petitioners note, low-melt sells within the same price range as conventional PSF, thus refuting respondents' claim.[26] KoSa is the only U.S. producer of low-melt fiber.

Regenerated Fiber[27]

As defined in the Commission's questionnaires, regenerated fiber is "polyester staple fiber produced primarily from waste polyester fibers but may also include other polyester waste products such as non-fiber polyester solids. It generally has inconsistent physical properties, such as irregular color, denier, staple length, and crimp count. It is generally sold without specifications, guarantees, or warranties of any kind."[28] Like conventional PSF, regenerated fiber is used as fiber for fill, usually in lower quality products. Most often, it is blended with higher quality fiber, allowing end users to reduce their costs while at the same time offering a somewhat better product. Regenerated fiber is produced by the same method as conventional PSF, although respondents note that the production process employed by Korean regenerated producers is often crude and unstandardized as compared with the sophisticated capital-intensive technology employed by domestic producers of certain PSF.[29] Respondents argue that regenerated fiber is not interchangeable with conventional PSF because of the quality differences between the two. According to respondents, regenerated fiber is generally used to produce a finished product that is positioned in the lower or middle segment of the market.[30] Respondents believe that regenerated fiber would not be acceptable to end users looking to supply different segments of the market. Problems in processing regenerated fiber, due to the presence of polyester chips, make the fiber impractical to many end users.[31] Respondents argue that customers and end users perceive regenerated fiber to be a different product from conventional PSF because of significant quality differences between them.[32] In fact, respondents argue that regenerated fiber competes against non-polyester waste materials used as filling in low-end products rather than other PSF. Respondents argue that it is the sale of these products, rather than conventional PSF, that has been displaced by the introduction of regenerated fiber

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[25] Ibid., p. 23.

[26] Ibid., p. 24.

[27] In a letter to the Commission dated February 8, 2000, counsel for the Korean producers of regenerated fiber dispute the idea that they argued in the preliminary phase that regenerated fiber is a separate like product. According to counsel, they never intended for their arguments made in their postconference brief to be interpreted as a like product argument but rather stated they were making a competition argument. They went on to say that their argument was intended to clarify the idea that regenerated fiber does not compete with conventional PSF produced in the United States but, in fact, competes with other waste products, such as rayon waste.

[28] This definition was derived from comments solicited from the parties in a letter dated October 22, 1999. In that letter, the parties were asked to submit definitions for regenerated fiber as well as conjugate fiber and low-melt fiber. The resulting definition for regenerated fiber, which was largely composed of subjective attributes of the fiber, closely approximates the definition proposed by counsel for the Korean producers of regenerated fiber, which raised the issue in the preliminary phase.

[29] Respondents' common issues prehearing brief, p. 27.

[30] Ibid., p. 30.

[31] Ibid., p. 32.

[32] Ibid., p. 30.

into the U.S. market.[33] The channels of distribution for regenerated fiber are the same as for conventional PSF, although the respondents note that regenerated fiber often goes to the lower end segments of the market. Finally, respondents argue that regenerated fiber sells at a much lower price than conventional PSF because of its significantly lower quality.[34]

Petitioners argue that there are no significant differences between PSF made from virgin or recycled materials. Regardless of raw material input, all PSF shares the same physical characteristics, manufacturing process, end uses, and channels of distribution. Because of these shared factors, fiber made from virgin and recycled materials are said to be interchangeable.[35] Petitioners also disagree with the characterization of regenerated fiber as solely a Korean product. Petitioners manufacture PSF from polyester waste material, including tow waste, scraps, filaments, polyester film, and PET bottles.[36] According to information provided by petitioners,[37] ***.[38] U.S. producers do not recognize their regenerated fiber product (referred to in the preliminary phase of the investigations as recycled fiber) as being different from or uncompetitive with Korean regenerated fiber.[39] *** all produce some form of regenerated fiber.

Korean-produced regenerated fiber, as noted by the respondents, is not sold with product specifications but rather is sold in grades. For example, most Korean regenerated fiber is invoiced as "A" grade, indicating that the fiber is irregular but not entirely flawed. Fiber with fewer flaws and a greater whiteness is invoiced as "Super A" grade. Fiber with more flaws and containing fused fiber pieces is invoiced as "B" grade.[40] Occasionally, regenerated fiber from Korea may also be sold with only a denier specification, for example, 15 denier. However, respondents note that the buyer has no way of knowing how close the product actually comes to this description or how much variability may exist within a shipment.[41]

Domestically produced regenerated fiber, on the other hand, is sold with some basic descriptive parameters. These typically include the nominal denier and cut length of the fiber, the cross section (i.e., solid or hollow), and whether the finish is dry or slick.[42] For at least one of the domestic producers

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[33] Ibid., p. 33.

[34] Respondents' common issues postconference brief, pp. 19 and 20.

[35] Petitioners' prehearing brief, p. 7.

[36] Korean respondents Geum Poong and Sam Young Synthetics Co. manufacture PSF from polyester waste material, including fiber waste, filament waste, popcorn chip (made from fiber and film waste), polymer lump, and off-grade chip. Neither producer could break down the inputs by percentage. See Sandler Travis letter of April 7, 2000.

[37] Petitioners provided estimated shares of raw material inputs for *** in a letter to the Commission dated April 11, 2000. ***'s raw material costs could not be verified by staff at the time of verification. See Verification Report.

[38] See ***'s producer questionnaire.

[39] Accordingly, all domestic manufacturing of PSF made from recycled materials has been classified as regenerated fiber by the producers in the final phase of the investigations. Respondents strongly disagree with this characterization of domestic production, arguing that petitioners followed only the first half of the Commission's instruction booklet definition with regard to regenerated fiber, thus misidentifying domestic production that would be correctly identified as conventional PSF. (Hearing transcript, pp. 151 and 198.)

[40] Korean respondents' letter to the Commission, February 8, 2000.

[41] BMT letter to the Commission, February 9, 2000.

[42] Petitioners' letter to the Commission, February 14, 2000.

(***), technical assistance is provided to customers in order to determine what product is needed based on how the product will be processed, the end use, and the type of equipment used.[43]

[43] Petitioners' letter to the Commission, February 14, 2000.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

CHANNELS OF DISTRIBUTION

Producers and importers primarily sell PSF to end users, with some sales going to distributors. End users can consist of furniture, bedding, and pillow manufacturers who use the PSF for the filling of various products. Other end users can consist of manufacturers of non-woven batting, which is then sold to manufacturers of bedspreads and comforters.

Most domestic producers and importers reported that they serve the entire United States with PSF. One domestic producer and several importers reported concentrating their sales in the Southeast. Many furniture and bedding manufacturers are located in this area.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

The sensitivity of the domestic supply of PSF to changes in price depends upon such factors as the existence of excess capacity, the levels of inventories in relation to sales, the ease of shifting facilities to the production of other products, and the existence of export markets. These factors suggest that U.S. producers of PSF have some ability to adjust output in response to changes in the price of PSF.

U.S. producers' capacity to produce PSF increased by 71.7 million pounds during 1997-99. Actual production, however, decreased by 2.2 million pounds. Capacity utilization, therefore, dropped from 82.0 to 73.8 percent. The available capacity suggests that the industry has the ability to expand output in response to changes in price.

The ratio of end-of-period inventories to total shipments increased from 9.7 percent in 1997 to 13.5 percent in 1998 and decreased to 10.2 percent in 1999. The overall ratio of exports to total shipments fell slightly from 5.3 percent in 1997 to 5.2 percent in 1999.

Most U.S. producers are able to shift their facilities from production of certain PSF to other products in response to changing market conditions.[1] The machinery and equipment used in various stages of certain PSF production are also used to make other products. Additional products include polyester carpet fiber, which is typically 10-18 denier cut 6-8 inches in length; polyester staple fiber for spinning, usually less than 3 denier; and to a lesser degree, nylon fibers[2] and specialty fibers.[3]

U.S. Demand

Demand Characteristics

The overall demand for certain PSF depends upon the demand for a variety of end-use applications. Certain PSF is used in the production of furniture (stuffing for couches and chairs), sleep products (including mattress pads, pillows, comforters, and bedspreads), and insulation and filtration products. Apparent consumption increased by 5.0 percent from 1997 to 1998 and 8.8 percent from 1998

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[1] *** is the only producer who did not list other production alternatives.

[2] *** produces a nylon fiber, as reported in its questionnaire response, and discussed at staff plant visit, April 15, 1999.

[3] *** reported producing specialty fibers in its questionnaire response.

to 1999. According to domestic producers, demand has increased in the United States because of the healthy economy and, in particular, the boom in the housing market which has been driving the increased consumption of consumer products utilizing certain PSF. Most importers agree that demand has been increasing, but some add that some of the increase in demand is a result of a growing number of new and innovative fibers, such as conjugate and low-melt PSF. Several importers also reported that demand has grown because pricing for certain PSF has become more competitive. Purchasers were asked if the demand for their final products incorporating certain PSF had changed. Nineteen purchasers reported an increase in demand for their final products, 13 reported no change, and 3 reported an actual decrease in their sales. These purchasers were also asked how the change in demand has affected their purchases of certain PSF. Nine purchasers stated that the increased demand has led to an increase in the volume of their purchases. Three purchasers stated that their customers have become more demanding with the increased availability of additional types of fiber. Five purchasers reported an increase in their dependence on low-melt fiber and one stated that it purchases more conjugate fiber. Another purchaser reported that it has increased its spot purchases.

The sensitivity of the overall demand for certain PSF to changes in price depends upon the availability of substitute products and the cost of the certain PSF as an input in final products. Since much of the certain PSF marketed in the United States faces little competition from substitutes, price changes are likely to have little overall effect on the demand for certain PSF. However, the relatively high cost share of certain PSF in end-use products increases the sensitivity of demand to changes in the price of certain PSF. Most end-use products are sold through retail outlets. Competition among retailers is very high, particularly among the major discount and mass merchandise stores.

Substitute Products

Domestic producers reported very few substitutable products for certain PSF. They listed duck and goose down, which are more expensive replacements, and polyurethane foam, a lower-quality substitute in furniture and pillows. Most importers reported many substitute products, especially for the imported regenerated PSF. These include rayon staple fiber and waste, miscellaneous shoddy (a low-grade product used for fill) made from fabric waste, polyurethane foam, cotton and polyester waste, kapok fiber and waste, and others. Purchasers were also asked if alternate products could be substituted for certain PSF. Nine purchasers listed a variety of substitutes, such as spun bonded polyester products, regenerated fiber, shredded foam, super soft foam, recycled filament and tow, polyurethane foam, waste wool blends, and cotton. Twenty-four purchasers reported that substitutes do not exist.

Purchasers were asked if the prices of these alternative products had changed and if this change caused them to shift their purchases from certain PSF to the alternative products or vice versa. Four purchasers reported that prices have declined, five reported that they have stayed the same, and one stated that they have increased. One purchaser reported that the price of imported regenerated fiber has increased and this has caused them to purchase domestic fiber. The majority of purchasers, however, reported that they did not shift their purchases to the alternative products.

Cost Share

Certain PSF often accounts for a large percentage of the total cost of end-use products, although the cost share varies widely. Purchasers estimated the cost share of PSF in the various end-use products, and these are listed in table II-1.

Table II-1
Cost share estimates of various end-use products

Product	Percent
Decorative pillows	11-70
Chair pads	10
Filtration	25-47
Pillows	5-68
Batting	2-67
Sleeping bags	10-15
Mattress pads	9-35
Comforters	4-20
Pet beds	37-39
Furniture	5
Furniture backs	70-80
Source: Compiled from data submitted in response to Commission questionnaires.	

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported PSF depends on many factors. Relative prices are an important factor, as well as the type of fiber (i.e., conjugate, low-melt, regenerated fibers, etc.) and its inherent qualities.[4] Quality characteristics that differentiate the products are whether the fiber is hollow or solid and whether it is slick or dry. Other important quality characteristics are the degree of fill power (fiber used/ounce), loft, resiliency, consistency of the fibers, and whether the fiber has a spiral or a mechanical crimp.

Conjugate Fiber

Domestic producers, importers, and purchasers were asked if conjugate fiber and other types of certain PSF are used interchangeably. Their responses are tabulated below:

[4] In addition to the purchaser responses contained herein, see additional affidavits and declarations of purchasers contained in the respondents' prehearing common issues brief, exhibit A, and the Taiwan producers prehearing brief, exhibit 8.

Interchangeability between conjugate fiber and other types of certain PSF			
Response	U.S. producers[1]	Importers	Purchasers
Yes	4	4	9
No	0	8	16
Somewhat	0	2	5

[1] ***.

In addition, purchasers were asked to describe the similarities and differences in physical characteristics and end uses of conjugate fiber and other certain PSF. Their responses to whether conjugate fiber and other certain PSF are interchangeable and any additional comments are presented in table II-2.

Table II-2
Purchaser responses to the question of interchangeability between conjugate fiber and other certain PSF. Additional comments as to the similarities and differences between the two fibers are included.

Purchaser	Response	Comments
***	No	Conjugate's unique spiral crimp imparts high bulk capacity and compressive resistance with superior loft resiliency and softness when compared to domestically produced mechanically crimped fiber.
***	Yes	Spiral crimp-conjugate offers better filling power and long-term loft. Both types could be used for same end uses. Technically they can be interchangeable but conjugate is preferred by our company.
***	No	We prefer hollow slick conjugate fiber above all else because it retains its loft (stays fluffed-up) better than all others we have tried.
***	No	Similarities: cut length can be the same. Differences: conjugate is generally a bi-component fiber, whereas other fibers are mechanically crimped.
***	No	Conjugate creates a loftier product.
***	No	No reason given.
***	Yes	Both products provide bulk or filling and are used interchangeably in apparel insulation, batting and in blowing end uses such as pillows and furniture backs.

Table continued.

Table II-2--Continued
Purchaser responses to the question of interchangeability between conjugate fiber and other certain PSF

Purchaser	Response	Comments
***	No	It depends on which other certain polyester fibers (i.e., DuPont Hol-II, Qualifil, Hoescht Trevira or a dry fiber)
***	Yes	The physical characteristics are essentially the same. Some believe conjugate fiber gives a better loft and recovery.
***	Yes	Conjugate fiber acquires a better yield than regular fibers and also makes a better product.
***	Somewhat	Used on lower end products where weight and yield are not important.
***	No	Conjugate and other certain polyester fiber can be used in our process. Certain polyester is utilized due to the higher cost of conjugate.
***	Somewhat	Conjugate fiber has a helical spiral crimp vs. a mechanical crimp. Conjugate fiber is inherently stronger in its ability to give support and in its lofting ability vs. non-conjugate. These fibers are interchangeable in certain situations.
***	Somewhat	Conjugate fiber is the only spiral crimp I know of. It is hollow like most others and is used in bed pillows. Conjugate performs better than most others and can be used as a marketing tool since it is different.
***	No	Conjugate fiber has a helical spiral crimp vs. a mechanical crimp. Conjugate fiber is inherently stronger in its ability to give support and in its lofting ability vs. non-conjugate. We do not use them interchangeably.
***	No	Conjugate fiber has a spiral crimp. This provides more loft than saw tooth crimp. The spiral crimp is not mechanically set and therefore it is more durable than regular hollow slick. We cannot use other fibers (mechanically crimped hollow slick) as a substitute for conjugate.
***	No	No reason given.
***	No	Conjugate fibers tend to be more difficult to garnet. Do possess high loft characteristics, but tend to be prone to migration through some fabrics that mechanically crimped fibers do not. Conjugate fibers do not have the highly recognized brand names that are carried by most USA manufactured certain PSF.

Table continued.

Table II-2--Continued
Purchaser responses to the question of interchangeability between conjugate fiber and other certain PSF

Purchaser	Response	Comments
***	No	No reason given.
***	No	Both are hollow, specific denier, cut length, and both are 100 percent polyester. The differences are the end products, type of processing, crimp level, fluffiness, and loft.
***	Yes	Conjugate is a spiral fiber that is heat set. The end uses can be the same--pillows, pads, fiberfill comforters, or other fiberfill products.
***	Yes	Conjugated fiber has a corkscrew configuration in the crimp, cut length and denier are the same.
***	No	Conjugate fibers are not used interchangeably with other polyester fibers due to differences in end use performance. Once our customers started receiving product with conjugate fiber, they insisted on the fiber, and the difference is easy to evaluate by weighing the fiber, feeling the fiber, and using the fiber. The fiber itself looks the same, the difference is in the filling power and performance. With the proper equipment, the conjugate fiber processes competitively through our card and garneting lines.
***	Somewhat	Conjugate fiber is superior most of the time.
***	No	Conjugate fiber not used.
***	No	Conjugate fiber has great fill power with a very soft down like feel. Domestic PSF does not have the same feel. Each fiber blown in a furniture back has a totally different feel.
***	Yes	No comment.
***	Yes	Conjugate fiber is very slick and is primarily used for blown pillows or cushions and limited use in batting. 5 and 15 denier hollow and solid slick polyester fiber were used for blown stock prior to conjugate and some manufacturers still use them. As a rule, conjugate is more expensive.
***	Somewhat	Conjugate fiber is spiral and staple is hollow.
Source: Compiled from data submitted in response to Commission questionnaires.		

Of the importers who responded that conjugate fiber and other types of certain PSF are either somewhat or not interchangeable, several had additional comments. Most of these importers reported that conjugate fiber is used in high-end applications, such as premium quality pillows and furniture, and

other fibers would not perform or meet the demands of the specifications set by customers. Another importer reported that its customers require conjugate and that these customers will not accept other fibers as a substitute.

Low-Melt Fiber

Domestic producers, importers, and purchasers were asked if low-melt fiber and other types of certain PSF are used interchangeably. Their responses are tabulated below:

Interchangeability between low-melt fiber and other types of certain PSF			
Response	U.S. producers[1]	Importers	Purchasers[2]
Yes	2	1	1
No	1	12	26
Somewhat	0	0	0

[1] ***.

[2] The only purchaser to report that this product is interchangeable is ***.

In addition, purchasers were asked to describe the similarities and differences in physical characteristics and end uses of low-melt fiber and other certain PSF. Their responses are summarized in table II-3.

Table II-3
Purchaser responses to the question of interchangeability between low-melt fiber and other certain PSF

Purchaser	Response	Comments
***	No	Low-melt is used as a binder to hold other fibers together.
***	No	50/50 low-melt is used as a binder fiber to ***.
***	No	Low-melt is used only as a bonding agent.
***	No	Low-melts are mainly used in products that require a glazed surface.
***	No	Low-melt fibers melt at a specific temperature giving the batt more strength and energy.
***	No	Low-melt is used to heat bond certain PSFs to form a batt.

Table continued.

Table II-3--Continued
Purchaser responses to the question of interchangeability between low-melt fiber and other certain PSF

Purchaser	Response	Comments
***	Yes	Both are used by the same customers involved in batting end uses on the same equipment.
***	No	Low-melt fiber, when heated, gives extra stability to the nonwoven carpet that staple polyester can not.
***	No	Low-melt is used as a binder fiber and others are not.
***	No	No additional comments given.
***	No	Low-melt is used as a binder for our products.
***	No	Low-melt is an adhesive fiber to hold other fibers together.
***	No	They are both polyester and cut length can be the same but low-melt has a lower melt point.
***	No	Low-melt has a lower melting temperature and is bonded using heat instead of chemical resins.
***	No	Low-melt is used in our process to hold our batts together in the manufacture of mattress pads.
***	No	Low-melt fiber has a lower melting temperature and is bonded using heat instead of chemical resins.
***	No	Low melt fiber melts at a lower temperature than other fibers. It is used to create bonded batts.
***	No	Low-melt fibers, upon exposure to high temperature, will partially melt and thermally bond to each other and regular fibers which have been garnetted together. This may be desirable to increase the integrity and stability of the batt. Our firm does not use low-melt fiber.
***	No	Low-melt is a bicomponent fiber used to fuse certain PSFs together to make a bonded pad under heat without resin. The end uses can be the same--pillows, pads, fiberfill comforters, or other fiberfill products.
***	No	No additional comments.

Table continued.

Table II-3--Continued
Purchaser responses to the question of interchangeability between low-melt fiber and other certain PSF

Purchaser	Response	Comments
***	No	Low-melt not used.
***	No	No additional comments provided.
***	No	They can be used the same, but the yield weight makes it cost ineffective.
***	No	Low-melt is a bonding agent which is blended with certain PSF in the non-woven process known as thermo-bonding. Certain PSF does not have this functionality.
***	No	Low-melt is used to bond together (also known as blending down) of higher loft PSFs.
***	No	Low-melt fiber is unlike all other polyester fibers we use. The low-melt fiber is used in place of a resin to adhere one fiber to another. The low-melt creates less clean-up and environmental problems during the manufacturing process. We switched from resins to low-melt polyester fiber because of safety and environmental concerns. Our equipment requires less cleaning, and the process is more efficient.
***	No	Low-melt is bonded with other fibers as a bonding agent and staple can not be used as a bonding agent. Both are used to keep loft.
Source: Compiled from data submitted in response to Commission questionnaires.		

Regenerated Fiber

Domestic producers, importers, and purchasers were asked if regenerated fiber and other types of certain PSF are used interchangeably. Their responses are tabulated below:

Interchangeability between regenerated fiber and other types of certain PSF			
Response	U.S. producers[1]	Importers	Purchasers
Yes	4	5	15
No	0	7	15
Somewhat	0	3	8

[1] ***.

Purchasers also were asked to describe the similarities and differences in the physical characteristics and end uses of regenerated fiber and other types of certain PSF. Their responses are summarized in table II-4.

Table II-4
Purchaser responses to the question of interchangeability between regenerated fiber and other certain PSF

Purchaser	Response	Comments
***	Yes	The two types are quite similar in end uses although regenerated is of poorer quality, color and consistency. If allowance is made for the quality difference, they are interchangeable.
***	No	Regen PET staple is more brittle and breaks down in the ***.
***	Yes	Regenerated fibers are usually a lesser quality fiber than regular fibers and get a worse yield.
***	Somewhat	Regenerated fiber is of lesser quality and the color is less white.
***	Yes	Our product is a batt of yellow fiberglass with staple fiber needled into it. This makes the spec on color a non-issue. We can use either regenerated or virgin for most of our consumption except low-melt.
***	No	Regen gives the batt a certain feel.
***	Yes	Use only in low-end products such as furniture cushion wraps.
***	Yes	There are no differences. They are used interchangeably in all end uses.
***	No	Again, it depends on which type fiber you are comparing regenerated to.
***	Yes	The regenerated polyester is very similar to the conventional staple fiber in length, denier, crimp and finish.
***	No	The performance and processability of regenerated fiber is much lower than other PSFs. End use products include stuffing for inexpensive toys and low quality filtration products.
***	No	No additional comments given.
***	Yes	Regenerated fiber can not be made with a hollow cross section, can be discolored, and raw materials used are regenerated. The two fibers are interchangeable if the qualities are the same.
***	No	No additional comments provided.
***	No	Regenerated fiber is lower quality than certain PSF.

Table continued.

Table II-4--Continued
Purchaser responses to the question of interchangeability between regenerated fiber and other certain PSF

Purchaser	Response	Comments
***	No	No additional comments.
***	Somewhat	The fibers are basically the same but are used in different price point pillows or decorator pillows and chair pads.
***	No	Regenerated/recycled polyester fiber has a lower strength, less durability and less of an ability to loft vs. virgin fibers. Regenerated fiber is more difficult to process on some machinery.
***	No	Regenerated fiber is made using scrap polyester. It is inferior in quality to any domestically produced fiber. It can have major inconsistencies in color, denier, staple length and crimp. Fusing is very common. Since regenerated fiber is inferior in quality, it can not be used in place of higher quality domestic fibers.
***	Somewhat	We utilize regenerated fiber when the opening of the fibers is minimized.
***	No	Regenerated PSF is more inconsistent in physical properties, has less loft, and carries no brand or trademark. Un-branded polyester is perceived by retailers as less value and is positioned as a lower end product.
***	Yes	Regenerated fiber is produced primarily from waste polyester fiber and also can include non-fiber poly solids. End uses: pillows, pads, fiberfill comforters and other fiberfill products.
***	No	Regenerated fibers do not perform competitively with first quality PSFs. They are often used as a blend in order to provide a reasonable performing product (generally lower end), and to reduce cost. We use very little imported regenerated fiber at this time; however, we have developed a good domestic source. At the present time and for the year 2000, our use of regenerated fibers will be limited. We will only use it to meet certain price points that we are unable to meet with first quality polyester fibers. We use regenerated fibers to respond to lower price point products where quality is not crucial.
***	Yes	Regenerated fiber performs about the same as virgin fiber in comforters.
***	No	Regenerated fibers' color, consistency, processability and loft retention is inferior.

Table continued.

Table II-4--Continued
Purchaser responses to the question of interchangeability between regenerated fiber and other certain PSF

Purchaser	Response	Comments
***	No	No additional comments provided.
***	No/Yes	Korean regenerated is typically off color, poor crimp and is used in lower end applications. Domestic regenerated fiber is comparable to other domestic certain PSF. Imported regenerated is not interchangeable with other certain PSF. Domestic regenerated is interchangeable with other certain PSF.
***	Yes	Regenerated is similar in length and denier to other first quality fibers and has the same end use in pillows and furniture. Regenerated is less muscular than other first quality fibers--it takes more to get the same result.
***	Yes	Both used as batting in sleeping bags. Both fibers are 100% polyester. Regenerated fiber is less consistent of the two.
***	Yes	They can be interchanged.
***	Yes	Interchangeable where weight and yield are important.
***	Somewhat	Regenerated fiber is low quality and they are rarely interchanged because of this.
***	Somewhat	Regenerated fiber is used in conjunction with other staple fibers as a filler to reduce costs and obtain the right product mix.
Source: Compiled from data submitted in response to Commission questionnaires.		

A question was posed to purchasers asking them what percentage of their purchases of lower quality fiber they blend with higher quality fiber, and if this percentage has changed since 1997. Sixteen of the responding purchasers blend fibers and 15 do not. Of the purchasers who blend the fibers, seven have not changed the amount of their purchases of lower quality fiber that they blend with higher quality PSF, four have increased the amount that they blend, three have decreased the amount that they blend, and two purchasers commented that the amount varies. Several importers and purchasers commented that regenerated fiber is blended with other types of certain PSF to meet certain price points, and that regenerated fiber is used in low-end applications and, therefore, the two types of fiber are not 100 percent interchangeable.

Factors Affecting Purchasing Decisions

Available information indicates that a variety of factors are considered important in the purchasing decision for PSF. While price has been mentioned as being an important factor in the sale of PSF, other factors such as quality, availability, and reliability of supply are also important considerations.

Purchasers were asked to list the top three factors that they consider when choosing a supplier of PSF.[5] Table II-5 summarizes the responses to this question.

While price is important, purchasers reported that the lowest price offered for PSF would not necessarily win the contract or sale. Eight purchasers reported that the lowest price will "usually" win a contract or sale, 27 purchasers reported "sometimes," and 4 purchasers reported that the lowest price will "never" win a contract or sale.[6] Other factors that these firms consider, aside from price, include quality, delivery, availability, ability to process, long-standing relationships with suppliers, and supplier reputation.

Table II-5
Certain PSF: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers

Purchase Factor	Number 1 factor	Number 2 factor	Number 3 factor
	Number of firms reporting		
Quality	26	8	3
Price	8	14	14
Availability	2	7	9
Credit terms	0	1	1
Brand name	2	0	0
Pre-arranged contracts	0	2	3
Process ability	2	1	0
Flammability	0	1	0
Delivery	0	2	5
Traditional supplier	2	0	0
Service	0	2	2
Reliability of supply	0	2	0

Source: Compiled from data submitted in response to Commission questionnaires.

Most U.S. producers reported that factors other than price are sometimes important in sales of certain PSF while importers had more varied responses, as shown in the following tabulation.

[5] Purchaser questionnaires were sent to 81 firms believed to be purchasers of certain PSF; 49 firms provided usable responses to the Commission's questionnaire. These firms included end users and distributors. *** provided a general response for it and its subsidiaries. Each of the subsidiaries, (5 in total), provided separate data if it differed from the general response.

[6] Two purchasers reported that the firms never buy strictly on price, rather the fiber must continue to meet quality and garnet standards. Another purchaser reported that while price is an important factor, the company looks at the long-term results and takes everything into perspective before making a decision, and the fourth purchaser reported that quality was more important than price.

Frequency that factors other than price are significant factors in each firm's sales of certain PSF					
		Responses of U.S. producers		Responses of U.S. importers	
Product	Frequency	Korea	Taiwan	Korea	Taiwan
Certain PSF	Always	0	0	2	5
	Frequently	0	0	5	4
	Sometimes	5	5	3	3
	Never	1	1	1	1
Conjugate fiber	Always	0	0	2	5
	Frequently	0	0	1	1
	Sometimes	2	2	2	2
	Never	1	1	3	3
Low-melt fiber	Always	0	0	2	5
	Frequently	0	0	1	1
	Sometimes	2	2	2	2
	Never	0	0	1	1
Regenerated fiber	Always	0	0	4	2
	Frequently	0	0	2	1
	Sometimes	4	4	4	3
	Never	1	1	3	2

Several producers commented on differences other than price that may affect their sales. One producer stated that in general, decisions are made mainly on price, but on some occasions other product attributes are more important. Another producer reported that its branded fiber used to get a price premium in the market, but that price premiums are eroding due to competition with lower priced imports.

Purchasers were asked what percentage of their 1999 purchases were of brand name products and if this percentage has remained consistent with purchases made in 1997 and 1998. One purchaser commented that retail and consumer market perception of brands associated with certain PSF is a key element to the function and performance of sleeping bags. Nineteen purchasers reported that their percentage of purchases of name brand products has not changed since 1997. Seven purchasers reported decreasing their purchases of brand name products and several commented that there is less demand for these types of fibers. One purchaser reported that *** has the only major brand name that continues to lose market share and this domestic producer does not invest in new facilities. This purchaser uses other

products that perform better than the branded products at lower prices. One purchaser has increased its purchases of name brand fiber because the prices have declined, and another purchaser increased its purchases of brand name fiber because its customers required it. Five purchasers do not, and have not in the past, purchased brand name fiber. In addition, purchasers were asked if their firm is willing to pay more for brand name PSF. Purchasers were asked to explain their reasoning; their responses are summarized in table II-6.

Table II-6
Purchaser responses to question regarding whether they are willing to pay more for brand name certain PSF products and why

Purchaser	Yes	No	Explanation
***		x	No value to customer in our product category.
***		x	The price difference does not reflect quality levels.
***	x		We receive marketing support, with consumer advertising being the key reason.
***	x		Branded products are guaranteed to be dyeable.
***		x	As long as a product performs, with respect to converting characteristics and flame retardancy, we will use it. Brand names do not affect these characteristics.
***	x		Consumer recognition and perceived quality.
***	x		Some customers require branded programs to control quality.
***	x		If a brand name translates into a better quality product, we will pay more.
***		x	Market is too competitive.
***		x	Customers not willing to pay a premium.
***	x		Customers want and can receive advertising money.
***	x		Only if needed.
***	x		Furniture industry has waited for a domestic fiber that is consistent and not priced out of the market.
***		x	We are promotional producers of comforters. Selling price, value, and competition with imported products are important.
***		x	Market does not allow it.

Table continued.

Table II-6--Continued
Purchaser responses to question regarding whether they are willing to pay more for brand name certain PSF products and why

Purchaser	Yes	No	Explanation
***	x		No reason given.
***	x		The key is yield vs. price.
***	x		Support and participate in merchandised programs established by various domestic producers.
***	x		If a customer requires it, we provide. It is not the best value, however.
***	x		We are willing to pay more for any fiber that will save us and our customers money in yield.
***	x		Customers who require brand name fiber expect to pay more for it to benefit from name recognition.
***		x	Products are a commodity.
***		x	Can not pay domestic prices.
***		x	Our market does not care about brand name.
***	x		Our customers are willing to pay more and there are rebates from the producers.
***	x		We are willing to pay more if our customers are willing to pay more for our converted products.
***	x		If the quality of the product was superior, price would be considered on a different level.
***	x		If our customer desires or markets a brand name, then we provide it.
***		x	Brand name products are not better in quality and are higher priced. Our customers will not pay for it.
***		x	Because our industry is so competitive, we will not pay more for any fiber. If we can get a quality fiber for as much as one cent less, we will buy it. This is the only way we can stay competitive.

Table continued.

Table II-6--Continued
Purchaser responses to question regarding whether they are willing to pay more for brand name certain PSF products and why

Purchaser	Yes	No	Explanation
***		x	Since we have seen that regenerated fiber will process and perform in our product, it is a waste to use virgin fibers.
***	x		Some of our customers prefer brand name certain PSF, so we are willing to pay more for it.
***		x	Customers not willing to pay more for branded fiber.
***	x		We pay more for branded fibers so that we can use the brand name. The brand name has value.
***		x	No reason given.
***	x		If the retailer and consumer are willing to pay more, then we will buy it.
Source: Compiled from data submitted in response to Commission questionnaires.			

Seventeen purchasers reported that between 90 and 100 percent of their 1999 purchases of certain PSF needed some form of certification or pre-qualification. These purchasers reported that qualifying a new supplier can take as little as 2 weeks and as long as 6 months. Ten purchasers do not require certification.

A number of purchasers indicated that the relative levels of their purchases have changed in the last three years. The following is a summary of their responses:

Purchaser	Change	Reason
***	Decrease in domestic fiber purchases.	Moved manufacturing of high-end sleeping bags in the United States to its factory in China.
***	In late 1999, regenerated fiber from Korea was reduced, and domestic purchases increased.	Increased costs and rising prices.
***	Sales have decreased.	No reason given.
***	Low-melt has increased, regenerated from Korea has increased.	Second low-melt line added plus additional new product lines.
***	Domestic purchases have decreased and purchases of imports have increased.	Quality issues of domestic producers.

Purchaser	Change	Reason
***	Increased domestic purchases, sampled Taiwan product in 1998 and trial ordered in 1999.	Increase in sales and better pricing.
***	Reduced supplier base from 22 to 8. Increased domestic purchases from ***% of purchases in 1998 to ***% of purchases in 1999. Use of fiber from Taiwan increased from ***% to ***% and fiber from Korea decreased from ***% to ***%.	Able to provide best quality raw material at reasonably competitive prices. The fiber from Taiwan comes from one factory and the quality is good.
***	No longer buys regenerated.	No reason given.
***	Domestic purchases have increased.	More favorable pricing and increased sale of products requiring fiber with certain characteristics. Fiber is more variable between Korea and Taiwan.
***	Requirements for fiber have increased.	Due to acquisitions ***.
***	Source of low-melt purchases changed.	Korea is a low cost source.
***	Make purchase more directly, rather than through a broker.	No reason given.
***	Increasing purchases of regenerated fiber.	No reason given.
***	Began using regenerated fiber from Korea as a substitution for staple fiber from the U.S. in 1998 and continued into 1999. In 1999, we began to shift back to staple fiber from the U.S.	No reason given.
***	Purchases of certain PSF from Korea and Taiwan have increased in relative terms.	This is due to increasing demand among our customers for conjugate, low-melt and regenerated fiber, none of which is produced in the U.S.

Purchaser	Change	Reason
***	We purchased less regenerated fiber in 1999 and more domestic hollow slick.	No reason given.

Comparisons of Domestic Products and Subject Imports

The average reported lead time for U.S. producers ranged from two days to one month. The lead time reported by importers ranged from one day to three months.

Domestic producers and importers of certain PSF disagreed somewhat over whether the U.S., Korean, and Taiwan products were used interchangeably (see table II-7). U.S. producers reported that imported and domestic PSF are used interchangeably. Several importers commented on the lack of interchangeability of certain PSF from different sources. Some importers mentioned that the fibers are not country specific, but rather producer specific. Others reported that conjugate, low-melt, and regenerated fibers are not interchangeable with each other because of their differing qualities and various end uses.

Table II-7
Certain PSF: Interchangeability between domestic product and imported product from Korea and Taiwan

Product	Firms reporting "yes"		Firms reporting "no"	
	U.S. producers[1]	U.S. importers	U.S. producers	U.S. importers
Certain PSF	5	10	1	5
Conjugate PSF	5	5	0	8
Low-melt PSF	5	5	0	5
Regenerated PSF	5	8	0	5

[1] *** reported that it does not compete with high quality fiber from ***. The firm reported that domestic fiber is interchangeable with Korean fiber, however.

Source: Compiled from data submitted in response to Commission questionnaires.

The only domestic producer to provide an additional comment on the interchangeability of U.S.-produced and imported conjugate was ***. The firm commented that a purchaser would buy a slick product from *** to replace its purchases of conjugate if the price was right. Mostly, importers could not comment on the interchangeably of U.S.-produced and imported conjugate because of insignificant U.S. production. One importer reported that *** does make a similar product but the quantities are minimal. Another importer noted that the only conjugate offered for sale in the United States by domestic producers is imported from the same source as the importers'.[7]

[7] Conversation with ***, a *** sales representative, February 11, 2000. According to ***, *** does not manufacture conjugate fiber, but rather imports conjugate fiber from the same sources as *** and mixes the conjugate with other fibers to produce a specialty fiber which it then resells.

Several importers noted that the low-melt fibers that are produced in the United States are produced in small quantities and are used in more technical applications. One domestic producer, ***, noted that domestic low-melt and imported low-melt fiber are used interchangeably, but a difference is perceived between certain PSF and low-melt fiber. Several importers commented that domestically produced regenerated fiber is superior to Korean regenerated fiber and it carries a price premium.

Purchasers were asked if they perceived a difference between U.S.-produced and foreign-produced certain PSF, conjugate fiber, low-melt fiber, and regenerated fiber.[8] Their responses are tabulated below.

Purchaser responses regarding whether they perceived differences between U.S.-produced and foreign-produced certain PSF		
Product	Firms reporting "yes"	Firms reporting "no"
Certain PSF	14	29
Conjugate PSF	19	11
Low-melt PSF	13	13
Regenerated PSF	15	21

The numbers in the above tabulation should be examined with caution, however. In the conjugate product category, three of the 19 firms that perceived differences between U.S.-produced and foreign-produced fiber stated that they knew of no domestic source. Four of the 11 firms that reported that they did not perceive a difference between U.S.-produced and foreign-produced conjugate fiber reported that they knew of no domestic sources and four purchasers did not answer this question because they knew of no domestic sources.

In the low-melt product category, three of the 13 purchasers who reported that a difference was perceived between U.S.-produced and foreign-produced low-melt added they knew of no domestic source and four purchasers did not respond to this question for the same reason.

In the regenerated fiber product category, two of the 21 purchasers who responded that they did not perceive a difference between U.S.-produced and foreign-produced regenerated fiber, reported that they have not purchased U.S.-produced regenerated fiber. Of the 15 purchasers who did perceive a difference between U.S.-produced and foreign-produced regenerated fiber, three reported that domestic producers do not produce it, seven responded that the domestic regenerated was of better quality, and three reported that the domestic regenerated was of poorer quality.

Purchasers were also asked if imported and domestically produced certain PSF are used in the same applications. Their responses are summarized below:

[8] The question on perceived differences posed to the purchasers was not country specific, but rather a general question addressing all foreign-produced PSF products.

Purchaser responses as to whether domestic and imported certain PSF are used in the same applications				
Product	Korean fiber		Taiwan fiber	
	Yes	No	Yes	No
U.S. fiber	19	7	15	8

Purchasers were asked if prices of U.S.-produced certain PSF had changed relative to prices of imported products since 1997 and, if so, in what direction. Purchaser responses are presented in the following tabulation:

Purchaser responses as to the direction of U.S. price change relative to Korea and Taiwan		
Direction of price change	U.S. price change relative to Korea	U.S. price change relative to Taiwan
Increased	5	3
Decreased	12	10
Remained the same	9	19
Fluctuated	1	1

Purchasers were also asked if they purchase imported products, how much higher the price of the imported products would have to be before they would have switched to domestic products. Eight purchasers reported that the price of Korean products would have to be 5-15 percent higher in order for them to switch to domestic products, and four purchasers reported that the price of fiber from Taiwan would have to be 5-10 percent higher. One purchaser reported that prices for imported products from Korea and Taiwan would have to be 40 percent higher before they would switch to domestic products. Nine purchasers commented that the imported products that they purchase--conjugate, low-melt, and regenerated fiber--are not available domestically and, therefore, price is not the issue. Several purchasers commented that differences exist on all fiber products and it is difficult to make a comparison. One purchaser commented that if the price and quality of U.S. and imported products from Korea and Taiwan were the same, they would choose the imported products because the U.S. producers have not shown an interest in their business.

Purchasers were asked to compare imports from Korea and Taiwan with products produced domestically based on a number of factors. Responses varied widely and are summarized in tables II-8 and II-9.

Comparisons of Products Imported from the Subject Countries

All of the U.S. producers and most importers stated that certain PSF from Korea and Taiwan were used interchangeably. The U.S. producers said that factors other than price were sometimes or never significant between Korea and Taiwan. Five importers reported that factors other than price were frequently or always a factor in their sales, two reported that such differences were sometimes a factor, and four reported that they were never a factor in their sales.

Purchasers were asked to compare imports from Korea and Taiwan based on a number of factors. Most purchasers reporting said the products were similar with respect to most factors, although three purchasers rated Taiwan superior in terms of lowest price (table II-10).

Table II-8
Certain PSF: Comparisons between U.S.-produced and Korean products as reported by U.S. purchasers

Factor	U.S. superior	Comparable	U.S. inferior
	Number of firms reporting		
Availability	0	19	2
Delivery terms	1	16	0
Delivery time	6	9	5
Discounts offered	1	14	3
Price[1]	1	6	15
Minimum quantity requirements	3	17	2
Packaging	0	18	1
Product consistency	4	15	2
Product quality	6	12	3
Product range	7	10	3
Reliability of supply	4	16	1
Technical support	9	9	3
Transportation network	3	15	1
U.S. transportation costs	2	15	0
Other: availability of low-melt and conjugate	0	0	1

[1] A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the U.S. price generally lower than the Korean price.

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-9
Certain PSF: Comparisons between U.S.-produced and Taiwan products as reported by U.S. purchasers

Factor	U.S. superior	Comparable	U.S. inferior
	Number of firms reporting		
Availability	0	16	2
Delivery terms	0	17	1
Delivery time	4	10	3
Discounts offered	1	13	2
Price[1]	0	6	11
Minimum quantity requirements	2	15	1
Packaging	0	18	0
Product consistency	1	16	1
Product quality	4	12	2
Product range	2	9	6
Reliability of supply	1	15	2
Technical support	6	8	3
Transportation network	3	14	0
U.S. transportation costs	3	12	0
Other: availability of low-melt and conjugate	0	0	1

[1] A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the U.S. price generally lower than the Taiwan price.

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-10
Certain PSF: Comparisons between products produced in Korea and Taiwan as reported by U.S. purchasers

Factor	Taiwan superior	Comparable	Taiwan inferior
	Number of firms reporting		
Availability	0	8	0
Delivery terms	0	8	0
Delivery time	0	8	0
Discounts offered	0	8	0
Price[1]	3	5	0
Minimum quantity requirements	0	8	0
Packaging	0	8	0
Product consistency	1	5	2
Product quality	1	5	2
Product range	1	6	1
Reliability of supply	1	6	1
Technical support	1	7	0
Transportation network	0	8	0
U.S. transportation costs	0	7	0

[1] A rating of superior means that the price is generally lower. For example, if a firm reports "Taiwan superior," this means that it rates the Taiwan price generally lower than the Korean price.

Source: Compiled from data submitted in response to Commission questionnaires.

Comparisons of Domestic Products and Subject Imports to Nonsubject Imports [9]

Imports from nonsubject countries accounted for a relatively constant percentage of apparent consumption, increasing slightly from *** percent in 1997 to *** percent in 1999. Two importers commented that they purchase top quality low-melt fiber from Japan, which is considered a superior product and is generally more expensive than low-melt produced domestically or in Korea or Taiwan.

ELASTICITY ESTIMATES

This section discusses the elasticity estimates that are used in the COMPAS analysis.[10] The results of the COMPAS analysis are presented in appendix D.

U.S. Supply Elasticity[11]

The domestic supply elasticity for PSF measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of certain PSF. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternative markets for U.S.-produced certain PSF. Analysis of these factors earlier indicates that the U.S. industry is likely to be able to moderately increase or decrease shipments to the U.S. market; an estimate in the range of 5 to 10 is suggested.

U.S. Demand Elasticity

The U.S. demand elasticity for certain PSF measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of certain PSF. This estimate depends upon factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of the PSF in the production of any downstream products. Based on the available information, the aggregate demand for certain PSF is likely to be inelastic; a range of -0.4 to -1.0 is suggested.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[12] Product differentiation, in turn, depends upon such factors as quality (e.g., yield, loft, appearance, etc.) and conditions of sale (availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced certain PSF and imported PSF is likely to be in the range of 2 to 4.

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[9] Since the issuance of Commission purchaser questionnaires, the Department of Commerce has issued a *de minimis* dumping finding for ***. Therefore, nonsubject imports in this section refer only to those that are imported from countries other that Korea and Taiwan.

[10] Parties were encouraged to comment on these estimates. No comments were received by staff.

[11] A supply function is not defined in the case of a non-competitive market.

[12] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the margins of dumping was presented earlier in this report and information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of six firms that accounted for nearly 100 percent of U.S. production of certain PSF during 1999.[1]

U.S. PRODUCERS

The six U.S. producers, ***, their plant locations, and shares of 1999 production are summarized in the following tabulation:

Firm name	Plant locations	Share of 1999 production (percent)
DuPont	Kinston, NC	***
Intercontinental	Morristown, TN	***
KoSa	Salisbury, NC; Spartanburg, SC	***
Martin Color-Fi	Edgefield, SC	***
Nan Ya USA	Lake City, SC	***
Wellman	Darlington, SC; Johnsonville, SC; Marion, SC	***
Total		100.0

DuPont is a NYSE-listed corporation that has a sizable share in the PSF market. DuPont's PSF plant is located in Kinston, NC. ***. DuPont produces only the subject PSF at its Kinston facility; the plant's production capacity was constant during 1997-99, except for a ***-percent increase in its *** production capacity in 1998.[2] It is also involved in producing fiber in a joint venture with *** overseas. DuPont is not a petitioner in the investigation involving Taiwan.

Intercontinental is a wholly owned subsidiary of Tolaram Corp., Singapore, and is a producer of subject PSF at its plant in Morristown, TN. It shares common ownership with Märkische Faser AG of Premnitz, Germany. Intercontinental expanded its production capacity by *** percent during the period for which data were collected. As Intercontinental has no experience producing conjugate fiber, low-melt fiber, or regenerated fiber, its capacity expansion was in its conventional polyester staple lines. The

[1] The Commission sent an additional questionnaire to Image Industries, now a Mohawk subsidiary, which the petitioners believe may be a producer. Staff has been unable to obtain production data from the firm, however, despite several attempts to do so. Freudenberg Texbond, an importer of certain PSF, also claims to be a producer of the subject fiber by virtue of its extruding lines. The Commission was not able to obtain further information on the firm's domestic production, however. Both firms are believed to be small producers, accounting for less than *** of total U.S. production each.

[2] Petitioners assert that DuPont's small increase in capacity in 1998 was the result of a decision by the company in late 1997 to ***. See petitioners' posthearing brief, p. 35.

firm also produces specialty fibers which are not within the scope of the investigations at the Morristown facility.

KoSa, formerly Hoechst Polyester, is a producer of certain PSF, including conventional fiber, low-melt fiber, and regenerated fiber. KoSa's Spartanburg, SC plant produces PSF made from virgin materials through a continuous polymerization process. Its Salisbury, NC plant produces regenerated fiber from a virgin-polyester chip blend as well as from already processed fiber material. KoSa's overall production capacity for certain PSF increased in 1999 by *** percent. The increased capacity was a result of expansion in KoSa's conventional production as well as in its regenerated production, which increased by *** percent from 1998 to 1999.[3] KoSa also produces staple fiber for spinning at both the Spartanburg and Salisbury plants. KoSa owns a Mexican affiliate in Toluca, Mexico, which produces certain PSF for sale in the Mexican market. This facility does not export to the U.S. market.

Martin Color-Fi is a former NYSE-listed producer of the subject fiber. The company filed for bankruptcy in November 1998, blaming low PSF prices and its own inability to shift production to other products. Martin Color-Fi produces regenerated fiber at its plant in Edgefield, SC. Despite its financial difficulties, Martin Color-Fi was able to increase its production capacity of regenerated fiber, the only type of PSF it reported producing, by nearly *** percent during 1997-99. While Martin Color-Fi is not a petitioner in these investigations, it ***.

Nan Ya USA is a wholly owned subsidiary of Nan Ya Plastics Corp., Taiwan, a producer of certain PSF and a respondent in these investigations. Nan Ya USA's sole PSF plant is in Lake City, SC, where it produces subject PSF. Nan Ya USA also produces out-of-scope PSF for spinning and PSF for carpets at this facility. Subject fiber represents *** percent of total capacity at the plant.[4] Nan Ya USA withdrew as a petitioner in these investigations on May 4, 1999.

Wellman is a NYSE-listed corporation and predominantly produces 100-percent non-blended subject regenerated fiber. Wellman produces certain PSF in three plants: the Johnsonville plant, Johnsonville, SC; the Marion plant, Marion, SC; and the Palmetto plant, Darlington, SC. The Johnsonville and Marion plants produce 100-percent regenerated product while the Palmetto plant produces subject fiber made from virgin materials. Wellman also produces staple fiber for spinning at its Marion and Palmetto facilities and staple fiber for carpets at its Johnsonville plant. Despite a number of reported plant shutdowns during the period for which data were collected, Wellman expanded production capacity in 1999 by *** percent. All of the expanded capacity occurred in its *** production. Wellman owns an Irish subsidiary that supplies the staple fiber plants with recycled materials.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

As shown in table III-1, overall production of certain PSF rebounded in 1999 by 7.5 percent after a decline of 7.4 percent in 1998. The overall result was a decline in production of 0.4 percent from 1997 to 1999. Capacity for certain PSF increased during 1997-99 by 10.7 percent. Expanding capacity with a slight decline in production resulted in a drop off in capacity utilization rates. Capacity utilization declined by 9.3 percentage points in 1998 to 72.7 percent before recovering somewhat in 1999 to a rate of 73.8 percent.[5] ***.[6]

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[3] KoSa's capacity for regenerated fiber may be understated for 1997-98. ***.

[4] According to Nan Ya USA's parent company, Nan Ya Plastics of Taiwan, which built the South Carolina facility, PSF accounts for roughly *** percent of total capacity, not *** percent as reported in Nan Ya USA's response to question II-2 of the producer questionnaire. (See Taiwan respondents' prehearing brief, p. 48.)

[5] As noted by the petitioners in the preliminary phase of these investigations, producing at a capacity utilization

(continued...)

Table III-1
Certain PSF: U.S. producers' capacity, production, and capacity utilization, 1997-99

Item	Calendar year		
	1997	1998	1999
Certain PSF:			
Capacity *(1,000 pounds)*	671,945	701,393	743,608
Production *(1,000 pounds)*	550,890	510,212	548,703
Capacity utilization *(percent)*	82.0	72.7	73.8
Conjugate fiber:			
Capacity *(1,000 pounds)*	***	***	***
Production *(1,000 pounds)*	***	***	***
Capacity utilization *(percent)*	***	***	***
Low-melt fiber:			
Capacity *(1,000 pounds)*	***	***	***
Production *(1,000 pounds)*	***	***	***
Capacity utilization *(percent)*	***	***	***
Regenerated fiber:			
Capacity *(1,000 pounds)*	***	***	***
Production *(1,000 pounds)*	***	***	***
Capacity utilization *(percent)*	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.			

Production of conjugate fiber as reported by DuPont, the sole U.S. producer, increased by *** percent during 1997-99, probably reflecting greater demand for the higher quality fiber. Capacity utilization remained significantly low, however, reaching only *** percent in 1999.[7] Production capacity *** during the period for which data were collected.

Production of low-melt fiber as reported by KoSa, the sole U.S. producer, increased from 1998 to 1999 by *** percent after falling by *** percent from 1997 to 1998. Production capacity *** during 1997-99, with the resulting capacity utilization rising irregularly by *** percentage points to *** percent

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[5] (...continued)
rate of less than 75 percent threatens the physical properties of the fiber. Conference transcript, p. 17. This figure is only meaningful when describing production of virgin fibers, however. As explained by petitioners in their description of ***, any process that is not a continuous polymerization process, including production utilizing recycled or regenerated materials, may be relatively easy to start up and shut down, causing few technical problems.

[6] See Verification Report and Nan Ya USA's revised producer questionnaire.

[7] Petitioners clarified the low capacity utilization rates experienced by DuPont in its production of conjugate by explaining that ***. See petitioners' posthearing brief, p. 68.

in 1999. As with conjugate, increased production of low-melt fiber probably resulted from an increased desire for a higher quality product and the increased popularity of low-melt as a fiber-bonding agent.

Production of regenerated fiber, which accounted for *** percent of total U.S. production of certain PSF in 1999, trended downward by *** percent during 1997-99. Production took a downturn of *** percent in 1998 before rebounding in 1999 by *** percent. Capacity for regenerated fiber production increased by *** percent during 1997-99. ***.[8] Capacity utilization for regenerated fiber decreased during the period from *** percent to *** percent.

U.S. PRODUCERS' DOMESTIC SHIPMENTS AND EXPORT SHIPMENTS

Trends in U.S. producers' domestic and export shipments are shown in table III-2. As there are no company transfers or internal consumption, only data for commercial shipments are reported. U.S. commercial shipments by volume for certain PSF increased by 13.2 percent from 1998 to 1999 after taking a downturn from 1997 to 1998 by 8.6 percent. U.S. shipments by value, however, declined steadily during the period by roughly 16.9 percent, as the average unit value fell by $0.13 per pound.[9] The effect of declining prices was also felt in U.S. producers' export shipments, which witnessed an overall decline from 1997 to 1999 of 3.4 percent by volume but an even greater decline by value, dropping 11.8 percent, ending in a unit value of $1.07 per pound in 1999, $0.10 lower per pound than the unit value in 1997.

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[8] ***.

[9] During the preliminary phase of these investigations, petitioners attributed the declining value of shipments to declining prices. Prices for certain PSF began to fall after 1996, when the unit value per pound of fiber was $0.75. See USITC Pub. 3197, August 1999, *Invs. Nos. 731-TA-825-826 (Preliminary), Certain Polyester Staple Fiber from Korea and Taiwan.* The declining unit value for PSF continued despite attempts by all three of the major producers to increase the price of their fiber. See "Now it's polyester filament prices going higher...again," in *Home Textiles Today*, November 29, 1999. Found at Internet address *http://proquest.umi.com/pqdweb.*

Table III-2
Certain PSF: U.S. producers' shipments, by types, 1997-99

Item	Calendar year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
Commercial U.S. shipments	512,591	468,384	530,340
Export shipments	29,055	27,676	28,071
Total shipments	541,646	496,060	558,411
	Value (*1,000 dollars*)		
Commercial U.S. shipments	338,088	290,748	281,070
Export shipments	34,083	32,147	30,053
Total shipments	372,171	322,895	311,123
	Unit value (*per pound*)		
Commercial U.S. shipments	$0.66	$0.62	$0.53
Export shipments	1.17	1.16	1.07
Total shipments	0.69	0.65	0.56

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

Source: Compiled from data submitted in response to Commission questionnaires.

As shown in table III-3, U.S. producers' U.S. shipments of conjugate fiber followed a similar, but more pronounced, trend in comparison to overall PSF. While producers' U.S. shipments by volume increased steadily during the period, growing by an impressive *** percent, shipments by value declined by *** percent because of a *** percent decline in the average unit value, to $*** per pound in 1999 from $*** in 1997. It is worth noting, however, that even at $*** per pound, U.S.-produced conjugate was still on average $*** more per pound than foreign-produced conjugate in 1999. Export shipments for conjugate on the whole fared better. Exports by volume increased during 1997-99 by *** percent while by value shipments increased by *** percent. The average unit value remained at about $*** per pound.

Table III-3
Conjugate fiber: U.S. producers' shipments, by types, 1997-99

* * * * * * *

As shown in table III-4, U.S. commercial shipments of low-melt fiber increased overall during the period by *** percent in spite of a drop in shipments of *** percent in 1998. By value, shipments increased by only *** percent during 1997-99, as average unit values fell from $*** to $*** per pound. KoSa, the U.S. producer of low-melt, does not export its product.

Table III-4
Low-melt fiber: U.S. producers' shipments, by types, 1997-99

* * * * * * *

U.S. producers' U.S. shipments of regenerated fiber increased *** percent by volume during 1997-99 (table III-5), while the value of U.S. shipments declined by *** percent, as unit values fell from $*** to $*** per pound. Export shipments trended downward by volume by *** percent during 1997-99. The unit value of exports remained above $***, but trended downward over the period, falling by $*** to $*** in 1999.

Table III-5
Regenerated fiber: U.S. producers' shipments, by types, 1997-99

* * * * * * *

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of certain PSF fluctuated upward during the period for which data were collected, as presented in table III-6. Inventories of certain PSF increased by 26.9 percent from 1997 to 1998 before dropping back down by 14.5 percent in 1999. The overall effect was an increase of 8.4 percent. Inventories of conjugate and low-melt fiber increased substantially during 1997-99, whereas inventories of regenerated fiber fluctuated downward during the period.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

As shown in table III-7, during 1997-99, the average number of production and related workers (PRWs) producing certain PSF decreased by 14.1 percent, or 204 PRWs.[10] Hours worked and wages paid followed the same trend, declining by 14.4 percent and 5.1 percent, respectively, while hourly wages rose by $1.91. Productivity increased 16.4 percent during the period. Trends in employment, wages, and productivity for certain PSF were largely driven by trends for regenerated fiber.

[10] During the hearing, petitioners' witness from Wellman stated that Wellman has laid off 900 people over the last several years at its Johnsonville plant, reducing its employees by half. See hearing transcript, p. 36. ***.

Table III-6
Certain PSF: U.S. producers' end-of-period inventories, by types, 1997-99

Item	Calendar year		
	1997	1998	1999
Certain PSF:			
Inventories (*1,000 pounds*)	52,646	66,798	57,090
Ratio to production *(percent)*	9.6	13.1	10.4
Ratio to U.S. shipments *(percent)*	10.3	14.3	10.8
Ratio to total shipments (*percent*)	9.7	13.5	10.2
Conjugate fiber:			
Inventories (*1,000 pounds*)	***	***	***
Ratio to production *(percent)*	***	***	***
Ratio to U.S. shipments *(percent)*	***	***	***
Ratio to total shipments (*percent*)	***	***	***
Low-melt fiber:			
Inventories (*1,000 pounds*)	***	***	***
Ratio to production *(percent)*	***	***	***
Ratio to U.S. shipments *(percent)*	***	***	***
Ratio to total shipments (*percent*)	***	***	***
Regenerated fiber:			
Inventories (*1,000 pounds*)	***	***	***
Ratio to production *(percent)*	***	***	***
Ratio to U.S. shipments *(percent)*	***	***	***
Ratio to total shipments (*percent*)	***	***	***

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

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-7
Certain PSF: Average number of production and related workers, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-99

Item	Calendar year		
	1997	1998	1999
Certain PSF:			
Production related workers *(number)*	1,445	1,351	1,241
Hours worked *(1,000)*	2,287	2,018	1,957
Wages paid *($1,000)*	40,036	38,576	37,976
Hourly wages	$17.50	$19.11	$19.41
Productivity *(pounds per hour)*	240.8	252.8	280.4
Unit labor costs *(per pound)*	$0.07	$0.08	$0.07
Conjugate fiber:			
PRWs *(number)*	***	***	***
Hours worked *(1,000)*	***	***	***
Wages paid *($1,000)*	***	***	***
Hourly wages	$***	$***	$***
Productivity *(pounds per hour)*	***	***	***
Unit labor costs *(per pound)*	$***	$***	$***
Low-melt fiber:			
PRWs *(number)*	***	***	***
Hours worked *(1,000 hours)*	***	***	***
Wages paid *($1,000)*	***	***	***
Hourly wages	$***	$***	$***
Productivity *(pounds per hour)*	***	***	***
Unit labor costs *(per pound)*	$***	$***	$***
Regenerated fiber:			
PRWs *(number)*	***	***	***
Hours worked *(1,000 hours)*	***	***	***
Wages paid *($1,000)*	***	***	***
Hourly wages	$***	$***	$***
Productivity *(pounds per hour)*	***	***	***
Unit labor costs *(per pound)*	$***	$***	$***
Source: Compiled from data submitted in response to Commission questionnaires.			

PART IV: U.S. IMPORTS, APPARENT CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

The Commission sent questionnaires to 36 firms believed to be importers of certain PSF from all sources; 24 of these firms supplied questionnaire responses, 20 of which provided usable data. The responding firms accounted for *** percent of subject imports from Korea and *** percent of subject imports from Taiwan in 1999. Less than *** percent of nonsubject imports were accounted for by questionnaire responses. However, it is believed that Korea and Taiwan account for over *** percent of total U.S. imports of certain PSF.

Importers of the subject product are concentrated in the Carolinas and New York; the remainder are spread throughout the East Coast, in New Jersey, Connecticut, Delaware, Maine, and Georgia, as well as in Indiana, Wisconsin, and California. Three of the importers are foreign-owned. ***. Three firms are subsidiaries of U.S. firms. ***. Two of the importers have supplier relationships with Korean manufacturers. ***. Eight of the importers import the subject fiber from both Korea and Taiwan; eight import only from Korea, two import solely from Taiwan, and one imports solely from nonsubject countries. ***[1] ***, most of the subject importers sell certain PSF to end users and processors.

U.S. IMPORTS

Imports of certain PSF shown in table IV-1 are based on responses to importers' questionnaires.[2] Total imports from Korea (both LTFV and non-LTFV) and Taiwan, as reported in importer questionnaire responses, slightly exceed the combined levels of imports for the two countries as reported in official Commerce statistics for the 1997-99 period. Official statistics of the Department of Commerce are not the most reliable source of import data in these investigations because they contain an unknown quantity of out-of-scope products along with subject imports in the HTS categories identified. For imports from nonsubject sources, data from importers' questionnaire responses, although understated, were used as the best available approximation. Total subject imports from Korea and Taiwan increased by *** percent in quantity and *** percent in value during 1997-99.[3] Korea remains the largest supplier of subject PSF with its share of total imports by quantity being *** percent in 1999 as compared with Taiwan's *** percent. During 1997-99, imports of the subject fiber from Korea rose by *** percent in quantity but fell by *** percent in value, as the average unit value of imports from Korea declined steadily. Imports from Taiwan grew by *** percent in quantity and *** percent by value during 1997-99. The unit value of imports from Taiwan dropped by $*** from 1997 to 1999. In 1999, imports of fiber from nonsubject sources, including Samyang, began to rise as the growth of subject imports ceased. Nonsubject imports rose *** percent by quantity in 1999 although they held only *** percent of the total share of imports in that year.

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[1] ***. No other U.S. producer was also an importer of certain PSF during 1997-99.

[2] Because the Korean producers' questionnaire responses for regenerated fiber may not be inclusive of the total regenerated industry in Korea, foreign export data will not necessarily correspond with import data.

[3] These data exclude imports produced by Samyang, for which Commerce found a *de minimis* margin. Samyang's data are included, however, in nonsubject data.

Table IV-1
Certain PSF: U.S. imports, by sources, 1997-99

Source	Calendar year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	292,177	374,329	382,123
	Value (*1,000 dollars*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	161,532	172,332	170,164
	Unit value (*per pound*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Average	***	***	***
Other sources[1]	***	***	***
Average	$0.55	$0.46	$0.45
	Share of quantity (*percent*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	100.0	100.0	100.0
	Share of value (*percent*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	100.0	100.0	100.0

[1] Samyang data are included under "other sources."

Note.–Because of rounding, figures may not add to the totals shown. Values are landed, duty-paid.

Source: Compiled from data submitted in response to Commission questionnaires.

As shown in table IV-2, imports of conjugate fiber from subject sources rose during 1997-99 by *** percent by quantity and *** percent by value. Imports of conjugate fiber constituted the majority of subject imports from Taiwan in 1999 (i.e., *** percent by quantity and *** percent by value). Taiwan also accounted for *** percent of total U.S. imports of conjugate fiber by quantity in 1999. Nevertheless, imports of conjugate from Korea have also been increasing. During 1997-99, Korean conjugate imports increased *** percent by quantity and *** percent by value.[4] ***.

As shown in table IV-3, imports of low-melt fiber from subject sources rose during 1997-99 by *** percent by quantity and *** percent by value. As low-melt becomes an increasingly popular alternative to resin, or spray, bonding to form nonwoven bats for use in home textiles, both U.S. production and imports have increased. Subject Korean low-melt accounted for *** percent of imports in 1999.[5] Imports from that country increased by *** percent by quantity but only *** percent in value, as average unit values fell by $***. Taiwan greatly increased its share of imports during 1997-99 by *** percentage points to a total share of *** percent by quantity in 1999. Imports of low-melt fiber from Taiwan rose by *** percent from 1997 to 1999 by quantity and *** percent by value. The unit value of Taiwan low-melt is about $*** lower than Korean low-melt and $*** lower than U.S.-produced low-melt.

As shown in table IV-4, imports of regenerated fiber from subject sources trended upward during 1997-99 by 16.5 percent in quantity but declined 10.5 percent overall by value. Korea remained the largest supplier of regenerated fiber to the U.S. market during the period for which data were collected, supplying 91.6 percent by quantity of the fiber in 1999. Imports of Korean regenerated fiber rose 21.6 percent during 1997-99 and accounted for all of the growth of imports from subject countries. The unit value of Korean-produced regenerated fiber decreased during 1997-99 by $0.08 to a low of $0.30 per pound in 1999. Taiwan produces and exports very little regenerated fiber compared to its U.S. and Korean counterparts. Imports of regenerated fiber from Taiwan decreased during 1997-99 by 32.2 percent in quantity, and their share of total imports (by quantity) declined from 9.5 percent to 5.4 percent.

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[4] ***.

[5] ***. As its data are considered nonsubject with the Commerce ruling, Korea's share of the low-melt market declined significantly.

Table IV-2
Conjugate fiber: U.S. imports, by sources, 1997-99

Source	Calendar year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	61,978	89,179	121,644
	Value (*1,000 dollars*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	37,334	46,958	57,479
	Unit value (*per pound*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Average	***	***	***
Other sources[1]	***	***	***
Average	$0.60	$0.53	$0.47
	Share of quantity (*percent*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	100.0	100.0	100.0
	Share of value (*percent*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	100.0	100.0	100.0

[1] Samyang data are included under "other sources."

Note.–Because of rounding, figures may not add to the totals shown. Values are landed, duty-paid.

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-3
Low-melt fiber: U.S. imports, by sources, 1997-99

Source	Calendar year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	23,607	28,812	43,038
	Value (*1,000 dollars*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	21,581	23,009	26,579
	Unit value (*per pound*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Average	***	***	***
Other sources[1]	***	***	***
Average	$0.91	$0.80	$0.62
	Share of quantity (*percent*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	100.0	100.0	100.0
	Share of value (*percent*)		
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total	100.0	100.0	100.0

[1] Samyang data are included under "other sources."

Note.–Because of rounding, figures may not add to the totals shown. Values are landed, duty-paid.

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-4
Regenerated fiber: U.S. imports, by sources, 1997-99

Source	Calendar year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
Korea (subject)	113,954	154,955	138,596
Taiwan	12,103	10,169	8,202
Subtotal	126,057	165,124	146,798
Other sources[1]	724	877	4,554
Total	126,781	166,001	151,352
	Value (*1,000 dollars*)		
Korea (subject)	43,264	48,549	40,924
Taiwan	5,427	3,924	2,669
Subtotal	48,691	52,473	43,593
Other sources[1]	352	408	1,517
Total	49,043	52,881	45,110
	Unit value (*per pound*)		
Korea (subject)	$0.38	$0.31	$0.30
Taiwan	0.45	0.39	0.33
Average	0.39	0.32	0.30
Other sources[1]	0.49	0.47	0.33
Average	0.39	0.32	0.30
	Share of quantity (*percent*)		
Korea (subject)	89.9	93.3	91.6
Taiwan	9.5	6.1	5.4
Subtotal	99.4	99.5	97.0
Other sources[1]	0.6	0.5	3.0
Total	100.0	100.0	100.0
	Share of value (*percent*)		
Korea (subject)	88.2	91.8	90.7
Taiwan	11.1	7.4	5.9
Subtotal	99.3	99.2	96.6
Other sources[1]	0.7	0.8	3.4
Total	100.0	100.0	100.0

[1] Samyang data are included under "other sources."

Note.–Because of rounding, figures may not add to the totals shown. Values are landed, duty-paid.

Source: Compiled from data submitted in response to Commission questionnaires.

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of certain PSF, based on U.S. producers' and U.S. importers' U.S. commercial shipments, are shown in table IV-5. Overall apparent consumption of PSF rose by 14.2 percent in quantity and decreased by 5.2 percent in value during 1997-99.

Table IV-5
Certain PSF: U.S. shipments of domestic product, U.S. shipments of imports, by sources, and apparent U.S. consumption, 1997-99

Item	Calendar year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
U.S. producers' shipments	512,591	468,384	530,340
U.S. shipments of imports from--			
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total import shipments	267,040	349,996	359,811
Apparent consumption	779,631	818,380	890,151
	Value (*1,000 dollars*)		
U.S. producers' shipments	338,088	290,748	281,070
U.S. shipments of imports from--			
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total import shipments	172,695	192,466	190,183
Apparent consumption	510,783	483,214	471,253

[1] Samyang data are included under "other sources."

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

Source: Compiled from data submitted in response to Commission questionnaires.

Apparent consumption of conjugate fiber increased significantly, by *** percent in quantity and *** percent in value, during 1997-99 (table IV-6).

Table IV-6
Conjugate fiber: U.S. shipments of domestic product, U.S. shipments of imports, by sources, and apparent U.S. consumption, 1997-99

* * * * * * *

Apparent consumption of low-melt fiber increased in both quantity and value during 1997-99, by *** percent and *** percent, respectively (table IV-7).

Table IV-7
Low-melt fiber: U.S. shipments of domestic product, U.S. shipments of imports, by sources, and apparent U.S. consumption, 1997-99

* * * * * * *

Apparent consumption of regenerated fiber increased by *** percent in quantity but declined by *** percent in value from 1997 to 1999 (table IV-8).[6]

[6] As mentioned in the preliminary phase of these investigations, it is difficult to determine the impact of regenerated fiber on U.S. producers' shipments as no domestic producer of the fiber markets its regenerated fiber as such. All fiber, with the possible exception of conjugate fiber and low-melt fiber, is sold as certain PSF with product characteristics being determined by the fiber's ultimate end use and consumer preference.

Table IV-8
Regenerated fiber: U.S. shipments of domestic product, U.S. shipments of imports, by sources, and apparent U.S. consumption, 1997-99

Item	Calendar year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
U.S. producers' shipments	***	***	***
U.S. shipments of imports from--			
Korea (subject)	102,318	146,718	134,216
Taiwan	12,876	8,949	8,079
Subtotal	115,194	155,667	142,295
Other sources[1]	752	957	2,346
Total import shipments	115,946	156,624	144,641
Apparent consumption	***	***	***
	Value (*1,000 dollars*)		
U.S. producers' shipments	***	***	***
U.S. shipments of imports from--			
Korea (subject)	49,364	61,208	50,786
Taiwan	7,056	4,325	3,372
Subtotal	56,420	65,533	54,158
Other sources[1]	403	536	1,102
Total import shipments	56,823	66,069	55,260
Apparent consumption	***	***	***

[1] Samyang data are included under "other sources."

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

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. MARKET SHARES

Market shares based on U.S. producers' and U.S. importers' U.S. shipments of certain PSF are presented in table IV-9. U.S. producers' market shares trended downward by quantity and by value during the period for which data were collected. Their market share declined 6.1 percentage points in quantity and 6.6 percentage points in value during 1997-99. Subject imports more or less followed a reverse trend. Market shares for subject imports increased irregularly by *** percentage points in quantity and *** percentage points in value during 1997-99.

U.S. producers' market share for conjugate fiber trended upward during 1997-99 although their share remained very small (table IV-10). Taiwan remained the largest supplier of conjugate fiber to the U.S. market with a ***-percent share by quantity in 1999.

Table IV-9
Certain PSF: Apparent U.S. consumption and market shares, 1997-99

Item	Calendar year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
Apparent consumption	779,631	818,380	890,151
	Value (*1,000 dollars*)		
Apparent consumption	510,783	483,214	471,253
	Share of quantity (*percent*)		
U.S. producers' shipments	65.7	57.2	59.6
U.S. shipments of imports from--			
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total import shipments	34.3	42.8	40.4
	Share of value (*percent*)		
U.S. producers' shipments	66.2	60.2	59.6
U.S. shipments of imports from--			
Korea (subject)	***	***	***
Taiwan	***	***	***
Subtotal	***	***	***
Other sources[1]	***	***	***
Total import shipments	33.8	39.8	40.4

[1] Samyang data are included under "other sources."

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

Source: Compiled from data submitted in response to Commission questionnaires.

Table IV-10
Conjugate fiber: Apparent U.S. consumption and market shares, 1997-99

* * * * * * *

U.S. producers' market share of low-melt fiber trended downward by quantity and value during 1997-99 (table IV-11). Most of the gain was achieved by Taiwan, which saw its share rise *** percentage points in quantity to *** percent in 1999. Nonsubject sources, which include Samyang, saw their share drop from *** percent in 1997 to *** percent in 1999.

Table IV-11
Low-melt fiber: Apparent U.S. consumption and market shares, 1997-99

* * * * * * *

U.S. producers' market share of regenerated fiber trended downward in both quantity and value during 1997-99 (table IV-12). By 1999, however, U.S. producers were able to regain some of the lost market share they had suffered in 1998. From 1997 to 1998, U.S. producers witnessed their market share drop *** percentage points to *** percent in quantity. The drop in value was roughly equivalent, with lost market share equaling *** percentage points. By 1999, producers' share climbed back to *** percent by quantity and *** percent by value. Korean regenerated fiber gained all of the market share lost by U.S. producers in 1998, with their market share increasing by *** percentage points by quantity to *** percent. Their share dropped to *** percent in 1999, however, as the U.S. industry recovered some of its share.

Table IV-12
Regenerated fiber: Apparent U.S. consumption and market shares, 1997-99

* * * * * * *

PART V: PRICING AND RELATED INFORMATION

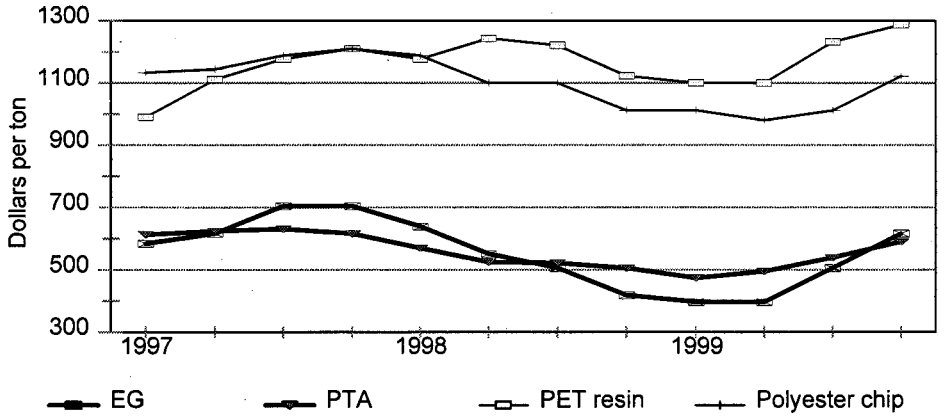
FACTORS AFFECTING PRICES

Raw Material Costs

The two important inputs into the production of virgin PSF are terephthalic acid (PTA) and ethylene glycol (EG). The inputs into the production of regenerated PSF vary, and include consumer waste, such as polyethylene terephthalate (PET) bottles, or industrial waste, such as polyester chips or spun tow. Inputs into the production of either virgin or regenerated certain PSF account for approximately 45 percent of the adjusted per-unit cost of certain PSF production.[1] PTA and EG are petroleum-based products whose prices depend on the price of oil.

Figure V-1 shows the contract price trends for PTA, EG, PET resin, and polyester chip. PET resin and polyester chip are examples of virgin inputs.[2]

Figure V-1
Certain PSF: U.S. raw material prices, 1997-99



Source: PCI, March 16, 2000, respondents prehearing brief, exhibit K.

Regenerated PSF inputs can consist of many different types of materials. The following list of input materials was provided by ***.[3]

* * * * * * *

Two domestic producers, ***, purchase raw materials from a related firm and four do not. Five producers purchase raw materials on a contract basis, while *** does not. No domestic producer or

[1] Compiled from data submitted in response to Commission questionnaires.

[2] Conversation with *** of Georgetown Economic Services, March 30, 2000.

[3] Information provided from a fax sent by ***, April 3, 2000.

importer has contracts with any of their customers which set prices for PSF based in whole or in part on raw material prices.

Petitioners were asked if a lag time existed between a change in raw material prices and PSF prices.[4] Historically, price increases of PSF and raw material costs tended to track one another, with prices lagging raw material cost increases by several months. According to petitioners, however, this relationship has deteriorated over the past three years, as it has become more difficult for U.S. producers to recover raw material cost increases due to the presence of large volumes of imports at low prices.

U.S. Inland Transportation Costs

Transportation costs of PSF for delivery within the United States vary from firm to firm but in general are estimated to account for a small percentage of the total cost of PSF. Producers and importers were asked to estimate the percentage of the total delivered cost of PSF that is accounted for by U.S. inland transportation costs. U.S. producer inland transportation costs for delivery of PSF within the United States vary widely, ranging from 1.2 to 6.3 percent of the delivered price. For importers, reported values ranged from 1.0 to 21.0 percent, with more than half of responding importers reporting costs of 5.0 percent or less.

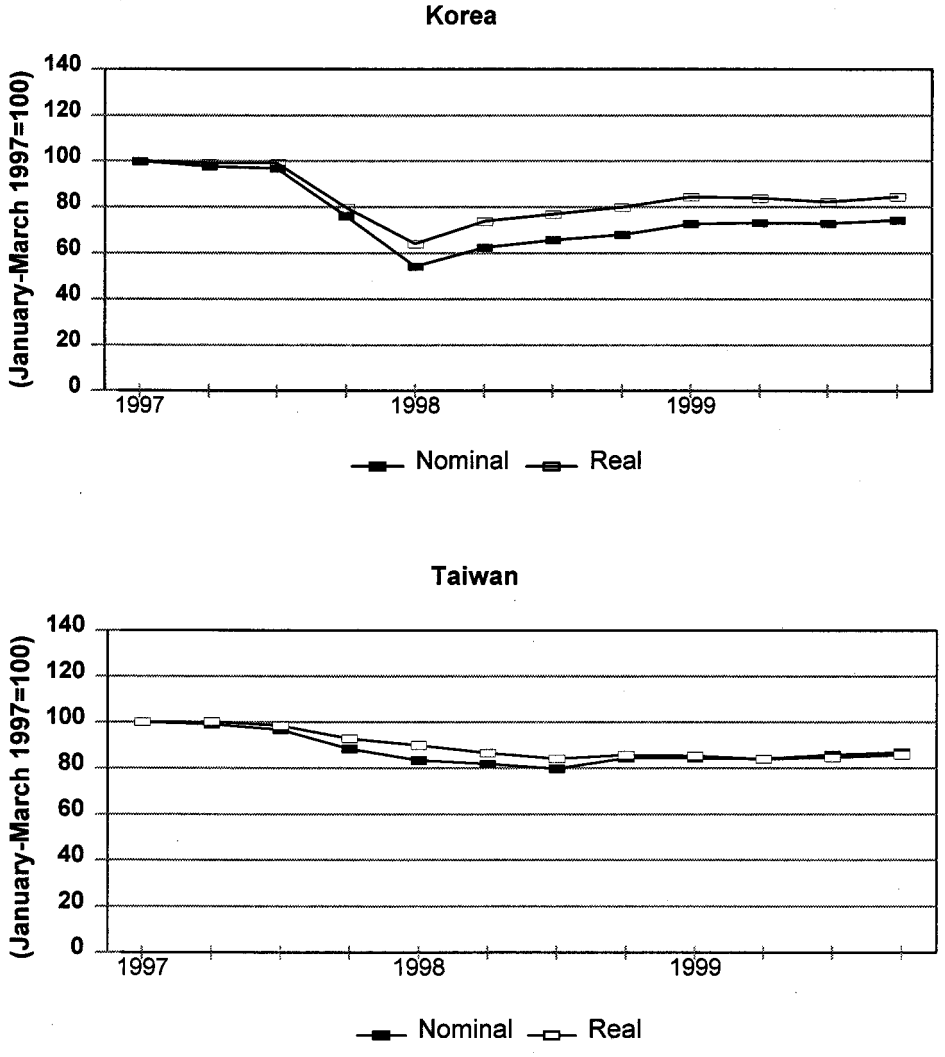
Producers and importers were asked to estimate the percentage of their total shipments that were made within specified distances. U.S. producers reported that between 0 and 25 percent of their PSF shipments were for distances within 100 miles of their storage or production facility and between 50 and 100 percent of their shipments were for distances within 1,000 miles. Seven importers reported that between 75 and 100 percent of their shipments were within 100 miles of their storage facility or the port of entry while six reported a smaller percentage, between 5 and 25 percent, of their shipments within 100 miles. Seven importers reported that between 60 and 99 percent of their shipments were for distances within 1,000 miles.

Exchange Rates

Quarterly nominal and real exchange rate data for Korea and Taiwan during 1997 through 1999 are presented in figure V-2. The currencies of both countries generally depreciated in nominal and real terms relative to the dollar, bottoming out in early 1998. The currencies started to appreciate somewhat against the dollar in 1999, although the levels were still below those in the first quarter of 1997.

[4] The question was posed to the petitioners after the hearing and the response was included in their posthearing brief, p. 66.

Figure V-2
Exchange rates: Indices of the nominal and real exchange rates of the currencies of Korea and Taiwan in relation to the U.S. dollar, by quarters, January 1997-December 1999



Source: IMF, International Financial Statistics, February 2000. The Central Bank of China, financial statistics of Taiwan (web address: *http://www/cbc/gov/tw).*

PRICING PRACTICES

Pricing Methods

Two U.S. producers of PSF reported that they base a majority of their sales on contracts, while four reported that 90 to 100 percent of their sales are on a spot basis.[5] Most importers reported that a majority of their sales are based on contracts. Nine importers reported that between 50 and 100 percent of their sales are on a contract basis while four reported that between 67 and 100 percent of their sales are on a spot basis. Of the two producers that reported using contracts, one negotiates yearly contracts while the other has less formal arrangements. Contracts fix both price and quantity, with one producer using a meet-or-release provision. Importers reported that their contracts range between one and six months, with most reporting a duration of three months. All importers' contracts fix price and quantity, with two containing a meet-or-release provision. Some importers have quantity requirements which vary and two importers reported charging a premium for sub-minimum shipments.

Purchasers were asked if they engage in short- or long-term contracts with their suppliers and if these types of contract arrangements have changed since 1997. Twenty-eight purchasers reported that they do engage in some type of contract arrangement with their suppliers, and that this has not changed. Nine purchasers reported that they do not engage in any type of contract with suppliers and that this also has not changed. One purchaser reported that it now purchases PSF on a quarterly basis rather than monthly.

Sales Terms and Discounts

Four domestic producers do not give discounts to their customers, while two do give discounts depending on volume levels.[6] Eleven importers reported no discount policy, two reported early payment discounts, and one reported that some of its customers receive annual volume rebates.

Three of six U.S. producers reported that they normally quote delivered prices, and three quote prices on both an f.o.b. warehouse and a delivered basis. Ten importers quote delivered prices, two quote on an f.o.b. warehouse basis, and one quotes both f.o.b. and delivered prices. While the actual sales terms vary, in general producers and importers require payment within 30 days. One importer requires payment within 60 days.

PRICE DATA

The Commission requested U.S. producers and importers of PSF to provide quarterly data for the total quantity and f.o.b. U.S. point of shipment value of PSF shipped to unrelated customers in the U.S. market during January 1997-December 1999. All six U.S. producers and 12 importers provided usable pricing data for sales of the requested products, although not necessarily for all of the products or all

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[5] *** has increased its use of contract sales since the preliminary phase of the investigations. Its percentage of contract sales increased from *** to *** percent. In addition, although domestic producers reported that the majority of their sales are on a spot basis, 28 of 37 purchasers reported that they engage in long- or short-term contracts with their suppliers.

[6] Some purchasers receive rebates on branded products as well as advertising and marketing support. White and Case posthearing brief, p. Q-8, and staff report, Part II. In addition, *** percent of ***'s sales, ***percent of ***'s sales, and *** percent of ***'s sales are of branded products. Petitioners' posthearing brief, p. 18.

quarters.[7] [8] [9] U.S. producers and importers were asked to provide information on their shipments of each of the following nine product categories:[10]

***Product 1*.-- Polyester staple fiber.-- 5-7 denier, solid, dry**
***Product 2*.-- Polyester staple fiber.-- 5-7 denier, hollow, slick**
***Product 3*.-- Polyester staple fiber.-- 12-15 denier, solid, dry**
***Product 4*.-- Polyester staple fiber.-- 12-15 denier, hollow, slick**
***Product 5*.-- Conjugate fiber.-- 5-7 denier, hollow, slick**
***Product 6*.-- Conjugate fiber.-- 12-15 denier, hollow, slick**
***Product 7*.-- Low-melt fiber.-- 3.5-6.5 denier**
***Product 8*.-- Regenerated polyester staple fiber.-- 5-7 denier solid, dry**
***Product 9*.-- Regenerated polyester staple fiber.-- 12-15 denier, solid, dry**

Products 1-4 are broad categories that contain data on all sales of PSF that fit the product descriptions. Conjugate fiber and regenerated fiber, products 5, 6, 8, and 9, are subsets of products 1-4 and the pricing data for these products are included in the quantity and value data of products 1-4.[11] Additional pricing comparisons for products 1-4 less the data on conjugate and regenerated fiber are presented in appendix E.[12]

Price Trends

Tables V-1 to V-9 and figures V-3 to V-7 show the weighted-average prices and margins of underselling/(overselling) for U.S.-produced and imported certain PSF from the first quarter of 1997 through the last quarter of 1999. According to petitioners, hollow slick products tend to be more expensive than solid dry products, but the differing deniers of the fiber do not determine PSF prices, all other things being equal.[13]

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[7] One producer, ***, reported that all of its commercial shipments were of regenerated PSF, but did not provide pricing data for these products. It provided pricing data on products 1 and 2. Staff tried to contact *** and verify the information. The firm did not respond. Therefore, the pricing data given for product 1 and 2 are for regenerated fiber.

[8] The quantities that *** reported in the pricing section of the prehearing staff report included its export shipments. The data have been corrected.

[9] A large importer, ***, provided pricing data that could not be used. The data were included in the prehearing report, but not in the final report. *** percent of its data were of imports from ***.

[10] *** provided a footnote to the pricing data that it reported on products 1-4. It states "***".

[11] The quantities that *** reported for products 8 and 9 represent only *** percent of its regenerated PSF commercial shipments in 1997, *** percent in 1998, and *** percent in 1999. The majority of ***'s regenerated commercial shipments consist of hollow slick products which generally command a higher market price. In addition, *** does not produce virgin solid dry products.

[12] Importers provided their data in a disaggregated form and staff summed the data to provide the pricing comparisons for products 1-4.

[13] Petitioners' posthearing brief, pp. 63 and 64. While price data show hollow slick products to be more expensive than solid dry products, a price difference also exists between identical products with a different denier. For example, *** is produced with 3 different deniers, 6, 9, and 15. The price of the 6 denier product was *** percent higher than the 15 denier product in 1997, *** percent higher in 1998, and *** percent higher in 1999.

Table V-1
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States[2]		Korea[3]			Taiwan[4]		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	$0.61	34,322	$0.49	6,668	19.7	***	***	***
Apr.-June	0.63	36,791	0.47	7,695	25.4	***	***	***
July-Sept.	0.60	40,209	0.43	8,787	28.3	***	***	***
Oct.-Dec.	0.60	36,102	0.43	11,558	28.3	***	***	***
1998:								
Jan.-Mar.	0.60	32,760	0.40	12,211	33.3	***	***	***
Apr.-June	0.59	33,645	0.39	14,442	33.9	***	***	***
July-Sept.	0.57	35,541	0.37	14,822	35.1	***	***	***
Oct.-Dec.	0.54	33,646	0.35	13,365	35.2	***	***	***
1999:								
Jan.-Mar.	0.50	34,025	0.35	11,709	30.0	***	***	***
Apr.-June	0.51	35,464	0.35	13,448	31.4	***	***	***
July-Sept.	0.47	39,473	0.35	13,974	25.5	***	***	***
Oct.-Dec.	0.48	41,695	0.36	11,242	25.0	***	***	***

[1] PSF.-- 5-7 denier, solid, dry, includes regenerated fiber 5-7 denier, solid, dry. For data that exclude regenerated fiber, see appendix table E-1.

[2] Approximately *** percent of the data reported by domestic producers in this product category are regenerated fiber.

[3] Approximately *** percent of the data reported by importers in this product category from Korea are regenerated fiber.

[4] All of the data reported by importers in this product category from Taiwan are regenerated fiber.

Source: Compiled from data submitted in response to Commission questionnaires.

In general, weighted-average prices reported by U.S. producers of certain PSF remained relatively stable through the second quarter of 1998. Prices began to decline most noticeably between the second and fourth quarters of 1998.[14] Domestic prices continued to decline somewhat in all product categories except product 2, where prices fluctuated.[15] Prices of Taiwan PSF showed similar pricing trends, except prices appeared to have leveled off in 1999 and then increased in the last quarter of

[14] See figure V-1, showing that virgin raw material prices dropped between the second and fourth quarters of 1998.

[15] Pricing data for *** increased starting in the second quarter of 1999. In addition, ***'s prices also increased in 1999. Since *** and *** are small producers, these increases are not readily apparent in the totals.

Table V-2
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States[2]		Korea[3]			Taiwan[4]		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	$1.01	22,535	$0.62	1,933	38.6	$0.69	4,096	31.7
Apr.-June	0.97	24,809	0.60	1,430	38.1	0.67	5,310	30.9
July-Sept.	0.93	28,114	0.58	1,584	37.6	0.66	5,151	29.0
Oct.-Dec.	0.94	25,060	0.56	1,194	40.4	0.62	6,092	34.0
1998:								
Jan.-Mar.	1.02	22,928	0.55	1,314	46.1	0.60	8,897	41.2
Apr.-June	0.93	19,154	0.50	1,446	46.2	0.58	8,486	37.6
July-Sept.	0.88	22,919	0.50	1,593	43.2	0.56	9,141	36.4
Oct.-Dec.	0.77	24,253	0.52	1,442	32.5	0.55	7,160	28.6
1999:								
Jan.-Mar.	0.81	25,796	0.48	1,983	40.7	0.48	13,052	40.7
Apr.-June	0.75	26,377	0.45	1,978	40.0	0.49	10,701	34.7
July-Sept.	0.78	28,495	0.48	2,298	38.5	0.48	14,191	38.5
Oct.-Dec.	0.80	27,353	0.49	2,223	38.8	0.55	10,712	31.3

[1] PSF.-- 5-7 denier, hollow, slick, includes conjugate fiber 5-7 denier, hollow, slick. For data that exclude conjugate fiber, see appendix table E-2.
[2] Less than *** percent of the data reported by domestic producers in this product category are conjugate fiber. In addition, regenerated hollow slick products are included. A separate pricing category was not requested.
[3] Approximately *** percent of the data reported by importers in this product category from Korea are conjugate fiber.
[4] Approximately *** percent of the data reported by importers in this product category from Taiwan are conjugate fiber.

Source: Compiled from data submitted in response to Commission questionnaires.

1999.[16] Prices of Korean PSF followed a slightly different trend. Prices declined most noticeably between the fourth quarter of 1997 and the first quarter of 1998.[17] Korean prices seemed to decline somewhat throughout 1998, leveled off in 1999, and slightly turned up in the fourth quarter of 1999. Although prices for imported PSF increased in the last quarter of 1999, they remained well below the observed prices in the first quarter of 1997.

[16] The Taiwan dollar depreciated 14.2 percent against the U.S. dollar from 1997 to 1999. The most significant drop, 5.7 percent, occurred between the third and fourth quarters of 1997. See figure V-2.

[17] The Korean won depreciated 15.6 percent against the U.S. dollar from 1997 to 1999. The most significant drop, 35.9 percent, occurred between the third quarter of 1997 and the first quarter of 1998. See figure V-2.

Table V-3
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States[2]		Korea[3]			Taiwan[4]		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	$0.58	17,500	$0.48	7,872	17.2	-	-	-
Apr.-June	0.57	18,988	0.46	8,236	19.3	***	***	***
July-Sept.	0.57	20,404	0.44	7,806	22.8	***	***	***
Oct.-Dec.	0.59	15,799	0.43	8,714	18.0	***	***	***
1998:								
Jan.-Mar.	0.59	17,019	0.41	10,383	30.5	***	***	***
Apr.-June	0.56	16,410	0.39	10,412	30.4	***	***	***
July-Sept.	0.52	15,096	0.37	9,651	28.8	***	***	***
Oct.-Dec.	0.49	17,388	0.36	9,881	26.5	***	***	***
1999:								
Jan.-Mar.	0.50	17,486	0.35	11,521	30.0	***	***	***
Apr.-June	0.45	19,778	0.33	11,008	26.7	***	***	***
July-Sept.	0.44	19,883	0.34	8,184	22.7	***	***	***
Oct.-Dec.	0.43	23,024	0.36	7,243	16.3	***	***	***

[1] PSF.-- 12-15 denier, solid, dry, includes regenerated fiber 12-15 denier, solid, dry. For data that exclude regenerated fiber, see appendix table E-3.

[2] Approximately *** percent of the data reported by domestic producers in this product category are regenerated fiber.

[3] Approximately *** percent of the data reported by importers in this product category from Korea are regenerated fiber.

[4] ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-4
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States[2]		Korea[3]			Taiwan[4]		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	$0.77	14,230	***	***	***	$0.65	6,791	15.6
Apr.-June	0.74	13,493	***	***	***	0.66	6,538	10.8
July-Sept.	0.74	12,897	***	***	***	0.64	8,218	13.5
Oct.-Dec.	0.77	12,339	***	***	***	0.64	8,374	16.9
1998:								
Jan.-Mar.	0.75	14,089	***	***	***	0.62	10,645	17.3
Apr.-June	0.69	12,207	***	***	***	0.58	10,414	15.9
July-Sept.	0.65	14,007	***	***	***	0.56	11,106	13.8
Oct.-Dec.	0.57	13,782	***	***	***	0.52	13,274	8.8
1999:								
Jan.-Mar.	0.52	14,205	***	***	***	0.51	12,831	1.9
Apr.-June	0.57	11,012	***	***	***	0.51	12,741	10.5
July-Sept.	0.54	9,749	***	***	***	0.51	13,620	5.5
Oct.-Dec.	0.52	10,756	***	***	***	0.54	13,390	(3.8)

[1] PSF.-- 12-15 denier, hollow, slick, includes conjugate fiber 12-15 denier, hollow, slick. For data that exclude conjugate fiber, see appendix table E-4.
[2] Domestic data include regenerated hollow slick products. A separate pricing category was not requested.
[3] Over *** percent of the data reported by importers in this product category from Korea are conjugate fiber.
[4] Approximately *** percent of the data reported by importers in this product category from Taiwan are conjugate fiber.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-5
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 5[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States[2]		Korea			Taiwan		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	***	***	***	***	***	$0.68	3,260	***
Apr.-June	***	***	***	***	***	0.66	4,372	***
July-Sept.	***	***	***	***	***	0.66	3,789	***
Oct.-Dec.	***	***	***	***	***	0.64	3,695	***
1998:								
Jan.-Mar.	***	***	***	***	***	0.64	4,195	***
Apr.-June	***	***	***	***	***	0.61	3,911	***
July-Sept.	***	***	***	***	***	0.56	5,200	***
Oct.-Dec.	***	***	***	***	***	0.57	3,251	***
1999:								
Jan.-Mar.	***	***	***	***	***	0.51	5,923	***
Apr.-June	***	***	***	***	***	0.52	4,621	***
July-Sept.	***	***	***	***	***	0.49	7,429	***
Oct.-Dec.	***	***	***	***	***	0.56	5,061	***

[1] Conjugate fiber.-- 5-7 denier, hollow, slick.

[2] DuPont is the only domestic producer that has produced conjugate. According to the hearing transcript, p. 56, DuPont is not currently producing conjugate. In a follow-up conversation on April 10, 2000, *** stated that DuPont ***. It has plans to start ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-6
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 6[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States[2]		Korea			Taiwan		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	-	-	***	***	-	$0.64	5,224	-
Apr.-June	-	-	***	***	-	0.66	5,063	-
July-Sept.	-	-	***	***	-	0.64	6,696	-
Oct.-Dec.	-	-	***	***	-	0.63	6,450	-
1998:								
Jan.-Mar.	-	-	***	***	-	0.61	9,151	-
Apr.-June	-	-	***	***	-	0.57	9,105	-
July-Sept.	-	-	***	***	-	0.55	9,692	-
Oct.-Dec.	-	-	***	***	-	0.51	12,065	-
1999:								
Jan.-Mar.	-	-	***	***	-	0.50	11,041	-
Apr.-June	-	-	***	***	-	0.50	10,764	-
July-Sept.	-	-	***	***	-	0.50	11,600	-
Oct.-Dec.	-	-	***	***	-	0.53	11,094	-

[1] Conjugate fiber.-- 12-15 denier, hollow, slick.
[2] This product is not produced domestically.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-7
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 7[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States		Korea			Taiwan		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	***	***	***	***	***	$0.88	1,327	***
Apr.-June	***	***	***	***	***	0.75	900	***
July-Sept.	***	***	***	***	***	0.83	929	***
Oct.-Dec.	***	***	***	***	***	0.80	1,072	***
1998:								
Jan.-Mar.	***	***	***	***	***	0.79	1,338	***
Apr.-June	***	***	***	***	***	0.76	1,346	***
July-Sept.	***	***	***	***	***	0.72	1,781	***
Oct.-Dec.	***	***	***	***	***	0.68	1,454	***
1999:								
Jan.-Mar.	***	***	***	***	***	0.62	2,442	***
Apr.-June	***	***	***	***	***	0.58	3,194	***
July-Sept.	***	***	***	***	***	0.59	4,333	***
Oct.-Dec.	***	***	***	***	***	0.61	5,298	***

[1] Low-melt fiber.-- 3.5-6.5 denier.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-8
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 8[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States		Korea			Taiwan		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	$0.62	17,057	$0.49	6,255	21.0	***	***	***
Apr.-June	0.67	17,972	0.47	7,624	29.9	***	***	***
July-Sept.	0.61	19,216	0.43	8,378	29.5	***	***	***
Oct.-Dec.	0.59	20,245	0.43	10,623	27.1	***	***	***
1998:								
Jan.-Mar.	0.60	18,698	0.39	11,285	35.0	***	***	***
Apr.-June	0.60	18,651	0.38	13,065	36.7	***	***	***
July-Sept.	0.58	18,232	0.36	13,840	37.9	***	***	***
Oct.-Dec.	0.56	18,311	0.34	12,426	39.3	***	***	***
1999:								
Jan.-Mar.	0.49	19,127	0.35	10,803	28.6	***	***	***
Apr.-June	0.52	20,427	0.34	12,494	34.6	***	***	***
July-Sept.	0.48	21,146	0.34	12,869	29.2	***	***	***
Oct.-Dec.	0.48	19,167	0.35	10,432	27.1	***	***	***

[1] Regenerated PSF.-- 5-7 denier solid, dry.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-9
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 9[1] and margins of underselling/(overselling), by quarters, January 1997-December 1999

Period	United States		Korea			Taiwan		
	Price (*per pound*)	Quantity (*1,000 pounds*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)	Price (*per pound*)	Quantity (*1,000 pounds*)	Margin (*percent*)
1997:								
Jan.-Mar.	***	***	$0.48	7,634	***	-	-	-
Apr.-June	***	***	0.46	8,008	***	***	***	***
July-Sept.	***	***	0.44	7,063	***	***	***	***
Oct.-Dec.	***	***	0.42	8,130	***	***	***	***
1998:								
Jan.-Mar.	***	***	0.40	9,353	***	***	***	***
Apr.-June	***	***	0.38	9,654	***	***	***	***
July-Sept.	***	***	0.37	8,982	***	***	***	***
Oct.-Dec.	***	***	0.35	9,281	***	***	***	***
1999:								
Jan.-Mar.	***	***	0.35	10,529	***	***	***	***
Apr.-June	***	***	0.32	10,439	***	***	***	***
July-Sept.	***	***	0.33	7,803	***	***	***	***
Oct.-Dec.	***	***	0.36	6,916	***	***	***	***

[1] Regenerated PSF.-- 12-15 denier solid, dry.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-3
Weighted-average f.o.b. prices for certain PSF products 1 and 2, by quarters, January 1997-December 1999

Product 1

* * * * * * *

Product 2

* * * * * * *

Figure V-4
Weighted-average f.o.b. prices for certain PSF products 3 and 4, by quarters, January 1997-December 1999

Product 3

* * * * * * *

Product 4

* * * * * * *

Figure V-5
Weighted-average f.o.b. prices for certain PSF products 5 and 6, by quarters, January 1997-December 1999

Product 5

* * * * * * *

Product 6

* * * * * * *

Figure V-6
Weighted-average f.o.b. prices for certain PSF products 7 and 8, by quarters, January 1997-December 1999

Product 7

* * * * * * *

Product 8

* * * * * * *

Figure V-7
Weighted-average f.o.b. prices for certain PSF product 9, by quarters, January 1997-December 1999

Product 9

* * * * * * *

Price Comparisons

The following tabulation shows a summary of underselling/overselling information by country for the nine products for which data were collected.

Country and year	Number of quarters of underselling	Number of quarters of overselling
Korea:		
1997	**32**	**0**
1998	**32**	**0**
1999	**31**	**1**
Subtotal	**95**	**1**
Taiwan:		
1997	**30**	**0**
1998	**32**	**0**
1999	**27**	**1**
Subtotal	**89**	**1**
Total	**184**	**2**

The following tabulation summarizes the pricing data by country and product:

Product	Korea				Taiwan			
	No. of quarters of under-selling	Range of margins	No. of quarters of over-selling	Range of margins	No. of quarters of under-selling	Range of margins	No. of quarters of over-selling	Range of margins
Product 1	12	19.7-35.2	0	-	12	8.5-23.5	0	-
Product 2	12	32.5-46.2	0	-	12	28.6-41.2	0	-
Product 3	12	16.3-30.5	0	-	10	3.5-18.6	0	-
Product 4	11	3.9 -29.3	1	(1.9)	11	1.9-17.3	1	(3.8)
Product 5	12	40.2-76.4	0	-	12	38.0-78.2	0	-
Product 6	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Product 7	12	15.8-30.0	0	-	12	12.9-32.6	0	-
Product 8	12	21.0-39.3	0	-	12	10.2-25.0	0	-
Product 9	12	14.3-36.4	0	-	10	6.7-28.3	0	-

[1] Data on domestic products in this product category not reported.

LOST SALES AND LOST REVENUES

The Commission sent brief surveys and conducted phone interviews with each of the purchasers named in the allegation, and in some cases, made follow-up phone calls, requesting their comments. The specifics of the allegation to which purchasers responded are shown in tables V-10 and V-11. To the extent provided, additional purchaser comments based on the allegations are presented following the tables.

Six U.S. producers indicated that they lost sales and/or reduced prices due to competition from PSF imports from Korea and Taiwan. Total reported lost sales and lost revenues, by country, are shown in the following tabulations.

Lost revenue allegation summary (imports from Korea)

Purchaser response	Number	Quantity (*pounds*)	Value
Agree	2	***	***
Disagree	6	***	***
Partly agree	0	0	0
No response	4	***	***
Total	12	***	***

Lost sale allegation summary (imports from Korea)

Purchaser response	Number	Quantity (*pounds*)	Value
Agree	4	***	***
Disagree	29	***	***
Partly agree	5	***	***
No response	5	***	***
Total	43	***	***

Lost revenue allegation summary (imports from Taiwan)

Purchaser response	Number	Quantity (*pounds*)	Value
Agree	2	***	***
Disagree	2	***	***
Partly agree	0	0	0
No response	2	***	***
Total	6	***	***

Lost sale allegation summary (imports from Taiwan)

Purchaser response	Number	Quantity (*pounds*)	Value
Agree	0	0	0
Disagree	10	***	***
Partly Agree	0	0	0
No response	0	0	0
Total	10	***	***

Lost revenue allegation summary (imports from Korea or Taiwan, not separable by country)[1]

Purchaser response	Number	Quantity (*pounds*)	Value
Agree	0	0	0
Disagree	9	***	***
Partly agree	1	***	***
No response	0	0	0
Total	10	***	***

[1] In its preliminary phase producer questionnaire, *** provided additional lost sale and revenue allegations. In some cases, *** did not differentiate whether the sale or revenue was lost to Korea or Taiwan. A separate summary has been provided for these allegations.

Lost sale allegation summary (imports from Korea or Taiwan, not separable by country)

Purchaser response	Number	Quantity (*pounds*)	Value
Agree	0	0	0
Disagree	4	***	***
Partly agree	0	0	0
No response	0	0	0
Total	4	***	***

Table V-10
Certain PSF: U.S. producers' lost sales allegations

* * * * * * *

Table V-11
Certain PSF: U.S. producers' lost revenue allegations

* * * * * * *

One domestic producer, ***, reported in its questionnaire response that it was unable to pass along a price increase of $0.04 per pound on some of its products to some of its customers because the customers threatened to purchase imported fiber from Korea and Taiwan instead.[18] These are listed below and are not included in any other summaries.

* * * * * * *

In addition, another domestic producer, ***, alleged that in order for it to keep its business at ***, it had to switch from a branded fiber at a price of *** per pound to a non-branded fiber at *** a pound. The quote was in May 1998 for *** pounds from *** and *** pounds from ***. The competing quote was for conjugate fiber from Taiwan. According to ***, ***. *** used to have a *** program which offered marketing and advertising support. *** had developed its own private label called ***. ***'s products, which included bed pillows, pads, and decorative pillows, used to be filled with ***. *** decided that it did not want its own label product with another brand label on it (***). *** liked conjugate fiber because it created a loftier and whiter product. It was not a price issue. *** went to *** and let them know that *** wanted the conjugate fiber. *** told *** that it would have to *** if it did not have ***'s business and asked *** what it had to do to keep it. *** wanted *** to keep the business and gave them a quote for unbranded fiber.[19] *** agreed that *** kept the business by selling an unbranded fiber.[20]

In another lost revenue allegation, *** alleged that it had to reduce the price of its product from *** per pound to *** to compete with *** per pound of an unbranded conjugate product from Taiwan. Again, according to ***, a conjugate product from Taiwan had nothing to do with *** reducing its price on its ***'s product. *** was looking to improve the quality of its pillows in order to keep a step above the competition. *** suggested to *** that it increase the thread count in the pillow covers and increase the weight of the pillows from 18 ounces to 20 ounces. With these changes in the pillow, the costs would increase to ***, which was a concern. *** suggested that it reduce the price of its fiber to counter the increased cost of the pillow cover. *** agreed. This led to decreased productivity at a *** plant because it had to run more fiber per pillow. *** submitted a letter from ***, dated ***, in which *** states that it is changing the fiber type in ***'s pillows and reducing the price to compensate for the increased weight and new ***. Although the date of this letter is after the allegation, *** stated that this is similar to what *** had done in the past.[21]

*** partly agreed with the lost sale allegation. The firm stated that it only purchases at most *** pounds of fiber per week. It purchases fiber from Taiwan, not Korea, and it is from a broker.[22]

*** disagreed with the allegations, stating that the domestic quote of *** per pound did not match its records. It pays between *** for domestic fiber. The firm said that it buys most of its *** from Korea for a variety of reasons. Since its business has been growing, it has been able to negotiate more favorable payment terms with the import brokers. The firm stated that the import brokers have

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[18] *** also provided a list of 23 additional purchasers that it did not give quotes to because it could not compete based on price. The product listed in 18 of the 23 allegations is conjugate. These allegations are not presented here because they could not be verified.

[19] Phone conversation with ***, April 7, 2000.

[20] Phone conversation with ***, April 10, 2000.

[21] Conversation with ***, April 12, 2000.

[22] Phone conversation with ***, January 19, 2000.

aggressively pursued its business, unlike the U.S. polyester suppliers.[23] With regard to two additional lost sale allegations, *** disagreed with the allegations, stating that it does not purchase any *** products. It also stated that it purchases both domestic and imported fiber. The firm said that its purchases of imports have not displaced any sales of domestic producers.[24]

*** disagreed with both lost sales allegations because the two manufacturing facilities use *** denier polyester fibers. The firm checked its records and indicated that its purchasing patterns had not changed. It did not increase its purchases of imported fiber due to price. It purchased from domestic sources as well as imported sources and the levels of each did not change. The firm added that it purchases *** percent of its fiber from *** and the rest is from another source.[25]

*** disagreed with the lost revenue allegations, stating that it does not use conjugate fiber and the prices and quantities are incorrect. It said when the fibers being compared were equal in quality, it would purchase domestic fiber because the prices were the same.[26]

*** disagreed with the lost revenue allegation. The firm stated that it was purchasing fiber from ***. It became aware that prices for imported fiber were lower. It began testing the conjugate fiber and *** did offer imported conjugate fiber to ***. The firm switched from domestic fiber to imported fiber, although it purchased both from ***. The firm stated that the conjugate fiber was of better quality.[27]

*** disagreed with the lost sale allegations. It believes that because of the quantities listed, the allegations are probably referring to a ***. It agreed to purchasing *** pounds of *** Korean PSF in 1997 due to a significantly lower price than that available from domestic producers.[28]

*** disagreed with the lost sale allegation. It stated that it paid more for the Taiwan fiber than the *** per pound stated in the allegation, and since the domestic price was *** per pound, the sale was not lost due to price.[29]

*** disagreed with the allegation, reporting that it had switched from using a domestic *** fiber to imported conjugate for three reasons: (1) decline in quality of domestic *** fiber; (2) the management team preferred the use of imported conjugate due to the softer feel; and (3) based on 1 & 2 above, *** would have switched to conjugate fiber if the price would have been equal to the domestic *** fiber. In addition, the rejected quote of *** per pound for the domestic product is incorrect. The quoted price is a gross price and the net price per pound in March 1998 was ***.[30]

*** disagreed with the lost sale allegation. The sale was lost to another domestic producer, ***. In addition, the firm does not purchase *** products and it would never receive a quote for the quantity listed.[31]

*** disagreed with the allegations, stating that it did not offer or sell these products at these prices. It also did not sell any of this product from Taiwan. The firm disagrees because as the fiber relates to Korean regenerated, it does not believe the U.S. producers make such a product. In this case, it

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[23] Fax from ***, April 19, 1999.

[24] Fax and follow-up conversation with ***, March 31, 2000.

[25] Fax from ***, January 20, 2000, and follow-up conversation, March 31, 2000.

[26] Fax from ***, January 19, 2000, and follow-up conversation, April 4, 2000.

[27] Fax from and follow-up conversation with ***, January 28, 2000.

[28] Fax from ***, April 22, 1999, and phone conversation, April 20, 1999. A duplicate fax was sent in error on January 18, 2000. The pounds purchased from Korea had decreased since the response in the preliminary phase of the investigations. The quantities matched against purchases of Korean fiber listed in the purchaser questionnaire.

[29] Fax from ***, April 13, 1999, and follow-up conversation, March 31, 2000.

[30] Fax from ***, April 20, 1999.

[31] Conversation with ***, counsel for ***, April, 4, 2000.

believes we are comparing virgin with regenerated fiber and they are not comparable. No U.S. producer makes regenerated fiber utilizing low-end feedstocks.[32]

*** disagreed with the allegation, stating that they are not the same fibers. The firm reported that price is only a minor consideration in its decision to utilize foreign manufactured products in its manufacturing process. It is in strong disagreement that price is the primary issue; quality of fiber in its products is its principal concern.[33]

*** agreed with the lost revenue allegation.[34]

*** disagreed with the lost sale allegations. In one allegation, the U.S. product is quoted at *** in 1997 and the firm disagreed, stating that U.S. fiber was ***, which is less than the quoted import price and likewise for the other allegation. According to a U.S. producer, its fiber was quoted at *** and *** disagrees, stating that U.S. fiber was ***, which is lower than the quoted imported price in the second quarter of 1998.[35]

*** disagreed with the lost revenue and lost sale allegations. The firm stated that the prices and weight are incorrect. It purchased conjugate, however, based on quality characteristics, not price. In May and June 1998, *** was looking for a product that offered better fill power and more support that would give a softer sit and would also hold up better in the field. Also its annual purchases are lower than the *** pounds alleged. The firm provided results of testing completed by ***, stating that conjugate had a higher loft and lower support compared to ***.[36]

*** partly agreed with the lost revenue allegation. The domestic producer alleged that it had to reduce its price in order to maintain its business of *** pounds per year. *** disagreed with the quantities listed.[37]

*** disagreed with the lost sale allegation. The firm stated that this is not an apples to apples comparison of grade/quality of fiber. The firm uses three grades of fiber, A, B, and C. The firm purchased a total of *** pounds of grade A and B fibers from *** at an average price of ***/pound. It also purchased another *** pounds of C grade from *** at ***/pound. The remaining C grade fiber was purchased through brokers at ***/pound. This is a lower grade blend fiber that is not available domestically. As was the case with *** when it had a lower grade blend fiber, *** purchased it. A ***/pound virgin domestic fiber cannot be compared to a ***/pound regenerated imported fiber. Therefore, the sale was not lost due to price. It was lost due to domestic suppliers not having a C grade fiber available.[38]

*** disagreed with the lost revenue allegation, stating that it did not receive a quote from domestic producers for conjugate fibers in 1998. The firm disagreed with two of the lost sale allegations regarding the *** fiber. It does not receive quotes on *** fiber. It did agree to the lost sale allegation regarding the *** fiber. The firm said that the retailer demanded a lower priced fiber and *** found it and used it. It said that the fiber quality was comparable.[39]

*** partly agreed with the lost sale allegation. The firm said that it has purchased fiber from *** for years. It has not changed the amount of fiber that it purchases from them; in fact it purchases more.

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[32] Fax from ***, April 19, 1999, and follow-up conversation, March 31, 2000.

[33] Fax from ***, April 14, 1999.

[34] Fax from ***, January 19, 2000.

[35] Fax from ***, January 20, 2000.

[36] Fax from ***, January 24, 2000 and follow-up conversation, March 31, 2000.

[37] Conversation with ***, March 30, 2000. Response to initial fax returned in its questionnaire.

[38] Fax from ***, January 26, 2000.

[39] Phone conversation with ***, January 24, 2000.

The firm does purchase some imported product from ***. It thinks that prices for ***'s fiber have decreased in order to be competitive in the market.[40]

*** agreed with the lost sale allegations. It added that the company does not have contracts with any of its suppliers, but it makes spot purchases. It purchases from many different sources. In addition, the firm stated that in 1996, *** increased prices repeatedly because it had a lack of competition and could get away with it. *** purchase *** pounds of fiber a year.[41]

*** disagreed with the allegations, stating all significant poundages of *** regenerated were purchased for direct delivery to a customer ***. All of this fiber was slick regenerated. Very little regenerated fiber was purchased on the basis of delivered *** during the fourth quarter of 1998. In addition, the firm did not entertain any quotations from domestic producers for recycled fiber during this quarter and it does not buy regenerated fiber from domestic sources. In regards to the *** fiber, *** contends that it has not purchased any of this fiber for delivery to ***. *** does not purchase significant quantities of this particular fiber from domestic producers. Because of *** per pound freight charges in transporting fiber from the East Coast to the West Coast, the domestic price offered is not workable. The firm does not know where this particular allegation came from. Its customers on the *** feel that the domestic fiber offering is inferior to the imported fiber in terms of quality.[42]

*** had mixed responses regarding the allegations. *** partly agreed with the lost sale allegation, but disagreed with the quoted prices. *** disagreed with the allegation, stating that it has no record of rejecting a quotation for *** pounds of a U.S. product at *** per pound in *** and accepting a quote for imported Korean fiber at *** per pound. The price of *** per pound leads them to conclude that the U.S. producer in question was ***, based on its quoted price during this period. If that is the case, *** actually lost the sale to another domestic producer. The price of the above-mentioned purchases ranged from *** per pound to *** per pound. *** purchased *** pounds of imported fiber during fiscal year *** through *** at a cost of *** per pound. However, the company does not have a record of rejecting a domestic quote in lieu of an import fiber offer. The company states that its purchasing decisions are based on many factors, particularly quality. It says that historically, foreign fiber has been of lesser quality than domestic. It is common in the industry to blend fibers, that is, to use a combination of fibers to attain the desired quality. This company says it will continue to blend fibers because the imported fiber's quality is inferior and a full substitution of imported over domestic fiber would never occur because the desired quality would never be obtained.[43]

*** disagreed with the lost sale allegations for two reasons. First, *** does not use *** in its commercial production operations. Any purchases of this product from any vendor would have been for limited testing purposes only. *** has not directly imported any *** fiber from Korea. Second, in Korea, B grade solid dry is deliberately produced and therefore a consistent product, which is the type of product *** requires in the majority of its production operations. In the United States, B grade solid dry is generally not deliberately produced and therefore does not possess the same characteristics, and is used by the firm in more limited production operations.[44]

*** disagreed with the allegation, stating that it runs *** and purchased from ***.[45]

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[40] Phone conversation with ***, March 30, 2000.

[41] Phone conversation with ***, April 10, 2000.

[42] Response included with questionnaire response, and phone conversation, April 16, 1999. An additional follow-up conversation occurred on March 29, 2000.

[43] Fax and letter dated April 23, 1999 from ***.

[44] Fax from ***, January 24, 2000.

[45] Fax from ***, April 16, 1999.

*** disagreed with the lost revenue allegations. The firm buys three different products from overseas, conjugate, low-melt, and regenerated fibers. It says that the domestic producers do not make these products. The firm purchases large quantities of other products from domestic producers. It did purchase low-melt from *** but it had to send back unused quantities because the melting temperature of this fiber did not work well with its equipment. It said that it pays more for an imported conjugate dry fiber than it does for domestic fiber because it has a better loft.[46]

*** could not comment on the lost revenue allegation because not enough information was provided.[47]

*** disagreed with the lost revenue allegations because it said the products were not comparable. In the first allegation, the domestic producers were quoting a first quality fiber and the Korean quote was for a regenerated, lower quality fiber. In the second lost revenue allegation, the product in question was not conjugate, but a hollow slick polyester. The U.S. product was a branded fiber and the competing quote was not. Branded fibers cost more because it uses ***'s name. *** provides advertising support. This is not an apples to apples quote.[48]

*** disagreed with the lost sale allegation, stating that although it did purchase certain quantities of the product from Taiwan during ***, its records do not indicate that *** received a quote for U.S. product during that time frame.[49]

*** disagreed with the allegation, stating that it was already paying *** per pound when the other quote was submitted by a vendor who did not have a product it found acceptable. Since the date in the allegation, it has been using a vendor in the United States and paying *** to *** per pound and this was purchased on quality.[50]

*** disagreed with the allegation, stating that it does not buy *** from Korea now or in the past.[51] The company also disagreed with a third lost sale allegation because the domestic producers do not produce a conjugate fiber. The furniture industry prefers conjugate.[52]

*** partly agreed with the allegation. It said that it uses product from Taiwan, not Korea. It also said that price was a key element, but not the sole reason. The price is good but the product is superior to anything in the United States. If the imported price was higher, it would still buy imports because of quality.[53]

*** disagreed with the lost sales allegations for the following reasons: ***.[54]

*** disagreed with the lost sales as well as the lost revenue allegations. For the ***, it disagreed because it sold the products at *** to *** per pound. As for the *** products, the quoted prices are below its costs and it has not bought in the quantities listed. It also disagreed with the lost revenue

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[46] Phone conversation with ***, March 29, 2000.

[47] Fax from ***, April 22, 1999.

[48] Fax from ***, April 15, 1999 and follow-up conversation, March 29, 2000.

[49] Fax from ***, April 19, 1999.

[50] Fax from ***, April 15, 1999. A duplicate fax was sent in error on January 18, 2000. A response was sent back to the Commission on January 20, 2000. The company agreed to the allegation, which was a contradiction from the information it sent earlier. A follow-up phone call was made on January 25, 2000 to ***. He apologized for the error and said that the company disagreed with the allegation as it had stated previously.

[51] Fax from ***, April 13, 1999.

[52] Conversation with ***, April 7, 2000.

[53] Fax from ***, April 15, 1999.

[54] Fax from ***, April 26, 1999.

allegations. It said that ***.[55] For the *** lost sale allegations dated ***, the firm disagreed, stating that Korea does not export hollow, slick products.[56]

*** disagreed with the lost sale allegation, stating that the ***/pound was for conventional PSF while the ***/pound fiber is a regenerated product.[57]

*** agreed with the lost revenue allegation, but said that the competing quote for imported product was *** per pound, not *** per pound.[58]

[55] Fax from ***, April 20, 1999.

[56] Fax from ***, January 19, 2000.

[57] Fax from ***, January 24, 2000.

[58] Fax from ***, April 20, 1999.

PART VI: FINANCIAL CONDITION OF THE U.S. INDUSTRY

BACKGROUND

Six producers[1] accounting for approximately 98 percent of U.S. production of certain PSF in 1999 provided financial data on their certain PSF operations. One producer provided financial data on its conjugate PSF operations; one producer provided financial data on its low-melt PSF operations; and four producers provided financial data on their regenerated PSF operations.[2]

Data for KoSa were verified by Commission staff. As a result of the verification, subsequent changes were made to KoSa's trade, pricing, and financial data. The cost of goods sold for KoSa's low-melt and regenerated fiber could not be verified, nor could its estimates of fixed assets be verified.[3]

OPERATIONS ON CERTAIN PSF

The results of the U.S. producers' PSF operations are presented in table VI-1. The combined companies' net sales value decreased in each comparative period. The combined companies realized a decreasing operating income in 1998 compared to 1997 and in 1999 compared to 1998. As shown in the results of operations summary data by firm in table VI-2, five of the companies had decreased sales values in 1998 compared to 1997 and four companies had decreased sales values in 1999 compared to 1998. Five companies had lower operating income margins or increased loss margins in 1998 compared to 1997. *** had improved operating margins in 1999 compared to 1998 while ***[4] [5] saw margins continue on a downward trend. ***.

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[1] ***.

[2] The producers were requested to list other products produced in the facilities in which they produce certain PSF and provide the share of net sales accounted for by the other products in their most recent fiscal year. The producers' answers were: ***.

[3] KoSa's estimated average production capacity for certain, low-melt, and regenerated PSF could not be verified, nor could its estimated employment data for low-melt and regenerated PSF be verified.

[4] ***.

[5] ***.

Table VI-1
Results of U.S. producers on their certain PSF operations, fiscal years 1997-99

Item	Fiscal year		
	1997	1998	1999
	Quantity (*1,000 pounds*)		
Net sales	541,645	499,874	558,413
	Value (*$1,000*)		
Net sales	372,745	324,659	311,143
Cost of goods sold	295,790	271,316	264,608
Gross profit	76,955	53,343	46,535
SG&A expenses	44,314	41,913	41,046
Operating income	32,641	11,430	5,489
Interest expense	948	888	241
Other expense	810	3,855	448
Other income items	979	1,225	1,201
Net income	31,862	7,912	6,001
Depreciation/amortization	13,116	14,440	15,293
Cash flow	44,978	22,352	21,294
	Ratio to net sales (*percent*)		
Cost of goods sold	79.4	83.6	85.0
Gross profit	20.6	16.4	15.0
SG&A expenses	11.9	12.9	13.2
Operating income	8.8	3.5	1.8
Net income	8.5	2.4	1.9
	Number of firms reporting		
Operating losses	1	3	4
Data	6	6	6

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-2
Selected financial data of U.S. producers on their certain PSF operations, by firm, fiscal years 1997-99

* * * * * * *

The average per-pound sales value, as shown in table VI-3, decreased in each comparative period. The average per-pound sales value decreased 5 cents in 1998 compared to 1997, while cost of goods sold remained constant, contributing to a reduction in the operating income from 6 cents per pound in 1997 to 3 cents in 1998. The average per-pound sales value decreased 9 cents in 1999 compared to 1998, while cost of goods sold decreased 8 cents and SG&A expenses decreased 1 cent, resulting in a reduction of the operating income from 3 cents per pound in 1998 to 1 cent per pound in 1999.

Table VI-3
Results of operations (per pound) of U.S. producers[1] in the production of certain PSF, fiscal years 1997-99

Item	Fiscal year		
	1997	1998	1999
Net sales	$0.70	$0.65	$0.56
Cost of goods sold:			
Raw material [2]	0.32	0.30	0.27
Direct labor [3]	0.09	0.09	0.08
Other factory costs [3]	0.14	0.16	0.13
Total cost of goods sold	0.55	0.55	0.47
Gross profit	0.14	0.11	0.09
SG&A expenses	0.08	0.08	0.07
Operating income	0.06	0.03	0.01

[1] *** did not provide the details of cost of goods sold, therefore ***'s per pound data are not included.
[2] ***.
[3] *** included all other factory costs (except depreciation) in the direct labor line item.

Source: Compiled from data submitted in response to Commission questionnaires.

A variance analysis showing the effects of prices and volume on the producers' net sales of certain PSF and of costs and volume on their total costs is shown in table VI-4. The analysis shows that the decreases in operating income during the period were mostly attributable to the price variance. The variance analysis may be affected by the mix of the various grades and sizes of certain PSF within a company and between companies.

Table VI-4
Variance analysis for certain PSF operations, fiscal years 1997-99

Item	Fiscal years		
	1997-99	1997-98	1998-99
	Value (*$1,000*)		
Net sales:			
Price variance	(73,141)	(19,340)	(51,536)
Volume variance	11,539	(28,746)	38,020
Total net sales variance	(61,602)	(48,086)	(13,516)
Cost of sales:			
Cost variance	40,339	1,663	38,481
Volume variance	(9,157)	22,811	(31,773)
Total cost variance	31,182	24,474	6,708
Gross profit variance	(30,420)	(23,612)	(6,808)
SG&A expenses:			
Expense variance	4,640	(1,016)	5,775
Volume variance	(1,372)	3,417	(4,908)
Total SG&A variance	3,268	2,401	867
Operating income variance	(27,152)	(21,211)	(5,941)
Summarized as:			
Price variance	(73,141)	(19,340)	(51,536)
Net cost/expense variance	44,979	647	44,256
Net volume variance	1,010	(2,517)	1,339

Note: Unfavorable variances are shown in parentheses; all others are favorable.

Source: Compiled from data submitted in response to Commission questionnaires.

OPERATIONS ON CONJUGATE PSF

The results of DuPont's conjugate PSF operations are presented in table VI-5 and the per-pound data are shown in table VI-6.

Table VI-5
Results of DuPont's conjugate PSF operations, fiscal years 1997-99

* * * * * * *

Table VI-6
Results of DuPont's operations (per pound) in the production of conjugate PSF, fiscal years 1997-99

* * * * * * *

OPERATIONS ON LOW-MELT PSF

The results of KoSa's low-melt PSF operations are presented in table VI-7 and the per-pound data are shown in table VI-8. KoSa's cost of goods sold for low-melt PSF could not be verified by Commission staff.

Table VI-7
Results of KoSa's low-melt PSF operations, fiscal years 1997-99

* * * * * * *

Table VI-8
Results of KoSa's operations (per pound) in the production of low-melt PSF, fiscal years 1997-99

* * * * * * *

OPERATIONS ON REGENERATED PSF

The results of the U.S. producers' regenerated PSF operations are presented in table VI-9. Selected data by firm with and without KoSa are presented in table VI-10 because the cost of goods sold for KoSa's regenerated PSF could not be verified. Per-pound data are shown in table VI-11.

Table VI-9
Results of U.S. producers on their regenerated PSF operations, fiscal years 1997-99

* * * * * * *

Table VI-10
Selected financial data of U.S. producers on their regenerated PSF operations,[1] by firm, fiscal years 1997-99

* * * * * * *

Table VI-11
Results of operations (per pound) of U.S. producers[1 2 3] in the production of regenerated PSF, fiscal years 1997-99

* * * * * * *

CAPITAL EXPENDITURES, RESEARCH AND DEVELOPMENT EXPENSES, AND INVESTMENT IN PRODUCTIVE FACILITIES

The U.S. producers' capital expenditures, research and development ("R&D") expenses, and the value of their fixed assets are presented in table VI-12. Capital expenditures decreased in each comparative period while R&D expenses increased in each comparative period. The original cost and book value of fixed assets increased during 1997-99 because of continued investment in capital expenditures.

Table VI-12
Capital expenditures, research and development expenditures, and assets utilized by U.S. PSF producers, fiscal years 1997-99

Item	Fiscal year		
	1997	1998	1999
	Value (*$1,000*)		
Capital expenditures [1]	23,320	16,298	7,396
R&D expenses [2]	[ ]	[ ]	[ ]
Fixed assets: [3] [4]			
Original cost	212,723	223,893	254,169
Book value	78,677	86,751	89,753

[1] All companies, except *** provided data on capital expenditures.
[2] The producers providing data are ***.
[3] The producers providing data are ***.
[4] KoSa changed ownership in December 1998. KoSa's fixed assets were ***. None of the estimates could be verified.

Source: Compiled from data submitted in response to Commission questionnaires.

CAPITAL AND INVESTMENT

The producers' comments regarding any actual or potential negative effects of imports of certain PSF from Korea and Taiwan on their firms' growth, investment, ability to raise capital, and/or development and production efforts (including efforts to develop a derivative or more advanced version of the product) are presented in appendix F.

PART VII: THREAT CONSIDERATIONS

The Commission analyzes a number of factors in making threat determinations (see 19 U.S.C. § 1677(7)(F)(i)). Information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows.

THE INDUSTRY IN KOREA

The industry in Korea may be divided into two segments: conventional and regenerated PSF producers.[1] There are five known Korean producers of conventional fiber: Kohap, Ltd.; Daehan Synthetic Fiber Co., Ltd.; Saehan Industries, Inc.; Samyang Co.; and SK Chemicals.[2] Conjugate and low-melt fiber account for *** percent of Korean exports of conventional fiber to the United States. Respondents report that Korean conventional fiber producers saw a decrease in their raw material costs with suppressed petroleum prices during 1996-98. This effect, coupled with the devaluation of the Korean won, allowed Korean virgin producers to drop their prices. However, the prices of petroleum-based raw materials have been rapidly rising, with the prices of purified terephthalic acid and ethylene glycol, in particular, rising more than 50 percent since the first quarter of 1999.[3]

Data provided by Saehan and SK Chemicals are included in table VII-1 on all certain PSF (along with data from producers of regenerated fiber), and in tables VII-2 and VII-3 on conjugate and low-melt fiber, respectively.

Korean production of conjugate fiber increased by *** percent during 1997-99, nearly keeping pace with an expansion in capacity of *** percent during the same period (table VII-2). Capacity utilization dropped by *** percentage points, ending with a utilization rate of *** percent in 1999. Despite the increase in capacity and production, exports to the United States still represented only about *** percent of total production in 1999. Exports to the United States did rise by *** percent during 1997-99, however. Capacity for conjugate is forecasted to continue to expand in 2000. Korean production of low-melt fiber also witnessed a large increase in capacity and production (table VII-3). Capacity for low-melt increased by *** percent during 1997-99 while production increased by *** percent. Capacity utilization remained high at *** percent in 1999. Despite this significant expansion, exports to the United States decreased by *** percent during 1997-99. Exports to all other markets gained most of the increase in shipments, with their share more than doubling to *** percent.

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[1] Conventional fiber producers manufacture several different types of fiber: polyester fiber from virgin materials, conjugate fiber, low-melt fiber, and blends of fiber made from virgin and recycled materials. Some grade A regenerated fiber may also be produced by these firms.

[2] As Commerce found *de minimis* margins on Samyang, its data are excluded from the Korean industry data for purposes of the staff report. Kohap and Daehan did not provide data in response to the Commission's foreign producer questionnaire.

[3] Korean respondents' prehearing brief, p. 24.

Table VII-1
Certain PSF: Korean production capacity, production, shipments, and inventories, 1997-99 and projected 2000-01

* * * * * * *

Table VII-2
Conjugate fiber: Korean production capacity, production, shipments, and inventories, 1997-99 and projected 2000-01

* * * * * * *

Table VII-3
Low-melt fiber: Korean production capacity, production, shipments, and inventories, 1997-99 and projected 2000-01

* * * * * * *

The other major product from Korea is regenerated fiber. Regenerated fiber accounted for *** percent and *** percent of total subject PSF exports from Korea to the United States in 1998 and 1999, respectively. Most of the Korean producers manufacturing regenerated subject fiber are small, family-owned businesses, the total number of which is not known. According to respondents, most firms producing regenerated fiber employ an average of 15 people, produce an average monthly quantity of only 300 to 400 metric tons, and use manually operated homemade machinery.[4] Therefore, it is difficult to determine total capacity for regenerated subject fiber in Korea. Capacity for reporting firms expanded by 41.6 percent during 1997-99 while production increased by 37.3 percent. Capacity utilization was down, however, to a low of 79.1 percent in 1999. Unlike shipments of conventional staple fiber producers, 40.4 percent of regenerated fiber was shipped to the United States in 1999, making the United States the single largest market for this product. Data provided by 12 Korean producers of regenerated fiber are presented in table VII-4, and are also included in table VII-1 (along with data from producers of conventional fiber).[5]

Exports to non-U.S. markets accounted for *** percent of total Korean shipments in 1999 (table VII-1). According to petitioners, several of Korea's other significant export markets for certain PSF have undertaken antidumping measures against Korean imports, including China, the European Union ("EU"), India, Turkey, and Mexico.[6] According to respondents, no trade restrictions exist on Korean exports of certain PSF to China. While an investigation was rumored to be in the works, no case was ever prosecuted because, according to respondents, the Chinese petitioners' claims lacked merit.[7] In 1993, the EU imposed antidumping duties on Korean imports of certain PSF. The EU revoked those duties on August 4, 1999, although a subsequent investigation was initiated against Korean imports in October 1999. No order has been issued as a result of the new investigation to date.[8] In October 1999,

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[4] Respondents' common issues prehearing brief, p. 27.

[5] While respondents believe they have captured the great majority of the Korean regenerated industry, the total number of such producers is not known.

[6] Petitioners' posthearing brief, p. 47.

[7] Respondents' common issues posthearing brief, p. 8.

[8] Respondents' common issues posthearing brief, p. 8.

Table VII-4
Regenerated fiber: Korean production capacity, production, shipments, and inventories, 1997-99 and projected 2000-01

Item	Actual experience			Projections	
	1997	1998	1999	2000	2001
	Quantity (*1,000 pounds*)				
Capacity	190,565	245,843	269,746	265,600	268,461
Production	155,458	209,585	213,387	216,513	219,988
End of period inventories	5,589	5,188	3,730	3,361	3,623
Shipments:	0	0	0	0	0
Home market	17,060	18,935	25,542	29,746	29,962
Exports to--	67,306	110,976	97,474	90,897	91,023
All other markets	86,818	97,647	118,165	121,106	123,607
Total exports	154,124	208,623	215,639	212,003	214,630
Total shipments	171,184	227,558	241,181	241,749	244,592
	Ratios and shares (*percent*)				
Capacity utilization	81.6	85.3	79.1	81.5	81.9
Inventories to production	3.6	2.5	1.7	1.6	1.6
Inventories to total shipments	3.3	2.3	1.5	1.4	1.5
Share of total quantity of shipments:	0.0	0.0	0.0	0.0	0.0
Home market	10.0	8.3	10.6	12.3	12.2
Exports to--	39.3	48.8	40.4	37.6	37.2
All other markets	50.7	42.9	49.0	50.1	50.5
All export markets	90.0	91.7	89.4	87.7	87.8

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

Source: Compiled from data submitted in response to Commission questionnaires.

India imposed antidumping duties on all imports of PSF exported from Korea.[9] Turkey initiated an antidumping investigation against imports of fiber from Korea in 1999, while exports from Korea are also subject to antidumping measures in Mexico.[10]

[9] "Antidumping duty imposed on S. Korean, Thai polyester fiber," *The Statesman*, New Delhi, October 10, 1999, found at Internet address *http://proquest.umi.com*.

[10] Respondents' common issues posthearing brief, p. 9.

THE INDUSTRY IN TAIWAN

There are four known producers of the subject product in Taiwan: Far Eastern Textile, Ltd.; Nan Ya Plastics Corp.; Tuntex Distinct Corp.; and Shinkong Synthetic Fibers Corp. Shinkong and Tuntex produce only PSF from virgin materials. Far Eastern and Nan Ya produce fiber made from both virgin and recycled materials, although the majority of production is concentrated in fiber from virgin materials. Regenerated fiber constituted *** percent of Far Eastern's total production and *** percent of Nan Ya's in 1999. According to respondents, Taiwan's PSF is of high quality and often is conjugate.[11] *** of Tuntex's shipments to the United States and *** percent of Nan Ya's virgin fibers were composed of conjugate fiber. Overall, 56.1 percent of Taiwan's subject exports to the United States in 1999 were of conjugate fiber while *** percent were of low-melt.

Total capacity in Taiwan increased by 5.0 percent during 1997-99, and capacity utilization remained high, at a level of 92.2 percent in 1999. Data provided by Far Eastern Textile, Ltd.; Nan Ya Plastics Corp.; Shinkong Synthetic Fibers; and Tuntex Distinct Corp. are presented in tables VII-5 through VII-8. Exports to the United States do not constitute the largest share of Taiwan's export markets; shipments to other countries accounted for 49.9 percent of overall shipments of certain PSF from Taiwan in 1999. Respondents contend that Asia and Europe account for the majority of Taiwan's shipments.[12]

Taiwan has reached an "export price agreement" with China on exports of PSF, through which Taiwan promises not to ship PSF to China with export prices below 92 percent of its domestic prices.[13] In 1992, the EU imposed antidumping duties on imports of certain PSF from Taiwan. As a result of a review dated August 4, 1999, the EU maintained the antidumping duties, which are below 7 percent, on Taiwan. Finally, India initiated antidumping measures against Taiwan in 1999. A decision is pending in that investigation.[14]

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[11] Taiwan respondents' prehearing brief, p. 57.

[12] Taiwan respondents' prehearing brief, p. 62.

[13] Respondents' common issues posthearing brief, p. 9 and petitioners' prehearing brief, p. 83.

[14] Respondents' common issues posthearing brief, pp. 8-9 and exhibit 1.

Table VII-5
Certain PSF: Taiwan's production capacity, production, shipments, and inventories, 1997-99 and projected 2000-01

Item	Actual experience			Projections	
	1997	1998	1999	2000	2001
	Quantity (*1,000*)				
Capacity	526,934	526,934	553,389	558,681	558,681
Production	461,876	454,513	510,389	533,975	533,400
End of period inventories	41,507	27,429	27,636	24,433	25,934
Shipments:					
Internal consumption	6,149	3,881	6,102	6,391	6,231
Home market	95,721	97,684	110,386	117,715	117,365
Exports to--					
The United States	88,567	116,758	138,902	142,344	142,344
All other markets	249,665	239,270	254,821	270,727	265,958
Total exports	338,232	356,028	393,723	413,071	408,302
Total shipments	440,102	457,593	510,211	537,177	531,898
	Ratios and shares (*percent*)				
Capacity utilization	87.7	86.3	92.2	95.6	95.5
Inventories to production	9.0	6.0	5.4	4.6	4.9
Inventories to total shipments	9.4	6.0	5.4	4.5	4.9
Share of total quantity of shipments:					
Internal consumption/transfers	1.4	0.8	1.2	1.2	1.2
Home market	21.7	21.3	21.6	21.9	22.1
Exports to--					
The United States	20.1	25.5	27.2	26.5	26.8
All other markets	56.7	52.3	49.9	50.4	50.0
All export markets	76.9	77.8	77.2	76.9	76.8

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

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-6
Conjugate fiber: Taiwan's production capacity, production, shipments, and inventories, 1997-99 and projected 2000-01

Item	Actual experience			Projections	
	1997	1998	1999	2000	2001
	Quantity (*1,000 pounds*)				
Capacity	308,462	308,462	308,462	308,462	308,462
Production	271,822	262,447	288,263	297,710	297,406
End of period inventories	17,861	9,927	9,825	12,376	13,722
Shipments:					
Internal consumption	0	0	0	0	0
Home market	23,643	32,928	43,525	45,738	45,938
Exports to--					
The United States	50,030	67,840	77,911	75,960	75,960
All other markets	187,219	169,613	166,995	173,463	174,163
Total exports	237,249	237,453	244,906	249,423	250,123
Total shipments	260,892	270,381	288,431	295,161	296,061
	Ratios and shares (*percent*)				
Capacity utilization	88.1	85.1	93.5	96.5	96.4
Inventories to production	6.6	3.8	3.4	4.2	4.6
Inventories to total shipments	6.8	3.7	3.4	4.2	4.6
Share of total quantity of shipments:					
Internal consumption/transfers	0.0	0.0	0.0	0.0	0.0
Home market	9.1	12.2	15.1	15.5	15.5
Exports to--					
The United States	19.2	25.1	27.0	25.7	25.7
All other markets	71.8	62.7	57.9	58.8	58.8
All export markets	90.9	87.8	84.9	84.5	84.5

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

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-7
Low-melt fiber: Taiwan's production capacity, production, shipments, and inventories, 1997-99 and projected 2000-01

* * * * * * *

Table VII-8
Regenerated fiber: Taiwan's production capacity, production, shipments, and inventories, 1997-99 and projected 2000-01

* * * * * * *

U.S. INVENTORIES OF PRODUCT FROM KOREA AND TAIWAN

Inventories held by U.S. importers of merchandise from Korea and Taiwan are shown in table VII-9. Importers' inventories of certain PSF from Korea grew by *** percent from 1997 to 1999.[15] Even excluding import data from Samyang, ***, conjugate and low-melt fiber drove most of the growth of U.S. importers' inventories of Korean fiber.[16] Inventory levels of both conjugate and low-melt fiber from Korea grew significantly, by *** percent and *** percent, respectively, during 1997-99. While regenerated fiber constituted roughly *** percent of total inventory of Korean product in 1999, inventories of the fiber remained fairly flat overall during the period, rising by 15.3 percent from 1997 to 1998 before falling in 1999 by 13.7 percent.

Importers' inventories of certain PSF from Taiwan rose by 42.7 percent from 1997 to 1999. As with inventories of Korean fiber, conjugate and low-melt fiber drove the overall growth in inventories of Taiwan fiber. Inventories of conjugate and low-melt fiber from Taiwan both grew at significant rates, 92.2 percent and 120.4 percent, respectively, from 1997 to 1999. While imports of Taiwan regenerated fiber are small compared with imports of conjugate and low-melt fiber, inventories more than doubled, growing by 179.4 percent.

[15] Imports from Samyang are not included in the Korean data.

[16] ***.

Table VII-9
Certain PSF: U.S. importers' end-of-period inventories of imports from subject countries, 1997-99

Item	Calendar year		
	1997	1998	1999
Certain PSF			
Imports from Korea:			
Inventories *(1,000 pounds)*	***	***	***
Ratio to imports *(percent)*	***	***	***
Ratio to U.S. shipments of imports *(percent)*	***	***	***
Imports from Taiwan:			
Inventories *(1,000 pounds)*	18,251	23,374	26,048
Ratio to imports *(percent)*	***	***	***
Ratio to U.S. shipments of imports *(percent)*	***	***	***
Conjugate fiber			
Imports from Korea:			
Inventories *(1,000 pounds)*	***	***	***
Ratio to imports *(percent)*	***	***	***
Ratio to U.S. shipments of imports *(percent)*	***	***	***
Imports from Taiwan:			
Inventories *(1,000 pounds)*	7,323	9,191	14,077
Ratio to imports *(percent)*	***	***	***
Ratio to U.S. shipments of imports *(percent)*	***	***	***
Low-melt fiber			
Imports from Korea:			
Inventories *(1,000 pounds)*	***	***	***
Ratio to imports *(percent)*	***	***	***
Ratio to U.S. shipments of imports *(percent)*	***	***	***
Imports from Taiwan:			
Inventories *(1,000 pounds)*	1,616	1,387	3,561
Ratio to imports *(percent)*	***	***	***
Ratio to U.S. shipments of imports *(percent)*	***	***	***
Regenerated fiber			
Imports from Korea:			
Inventories *(1,000 pounds)*	15,825	18,251	15,754
Ratio to imports *(percent)*	***	***	***
Ratio to U.S. shipments of imports *(percent)*	***	***	***
Imports from Taiwan:			
Inventories *(1,000 pounds)*	715	2,373	1,998
Ratio to imports *(percent)*	5.9	23.3	24.4
Ratio to U.S. shipments of imports *(percent)*	5.6	26.5	24.7
Source: Compiled from data submitted in response to Commission questionnaires.			

APPENDIX A

FEDERAL REGISTER NOTICES

SE¼SE¼SW¼, E½NW¼NE¼SE¼, NE¼NE¼SE¼, S½NE¼SE¼, and S½SE¼SE¼.

T. 32 S., R. 38 E.,

Sec. 5, lot 2 of the N½, portion of lot 1 of the NW¼, portion of lot 1 of the NE¼, N½S½, and a portion of the S½S½, excluding lots 15, 28, 31, 41, 49, 51, 99, 103, 113, 119, 136, 142, 170, 191, 200, 218 and 223 of Tract No. 2714, as per map filed December 7, 1962 in Book 13 Pages 94 to 98, inclusive of maps in the office of the county recorder of said county.

The areas described aggregate 3,201.52 acres in Kern County.

The purpose of the proposed withdrawal is to assure long term protection and preservation of the public lands and lands proposed to be acquired in the Desert Tortoise Natural Area.

Until July 11, 2000, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the Field Manager, Bureau of Land Management, Ridgecrest Field Office.

Notice is hereby given that an opportunity for a public meeting is afforded in connection with the proposed withdrawal. All interested persons who desire a public meeting for the purpose of being heard on the proposed withdrawal must submit a written request to the Field Manager, Ridgecrest Field Office by July 11, 2000. Upon determination by the authorized officer that a public meeting will be held, a notice of the time and place will be published in the **Federal Register** at least 30 days before the scheduled date of the meeting.

The application will be processed in accordance with the regulations set forth in 43 CFR part 2300.

For a period of 2 years from the date of publication of this notice in the **Federal Register**, the public lands will be segregated as specified above unless the application is denied or canceled or the withdrawal is approved prior to that date. The temporary uses which may be permitted during this segregative period are those which are compatible with the use of the lands, as determined by BLM.

Dated: March 27, 2000.

David McIlnay,

Chief, Branch of Lands.

[FR Doc. 00–9022 Filed 4–11–00; 8:45 am]

BILLING CODE 4310–40–P

DEPARTMENT OF THE INTERIOR

National Park Service

Notice of Intent to Repatriate a Cultural Item in the Possession of the Peabody Museum of Archaeology and Ethnology, Harvard University, Cambridge, MA

AGENCY: National Park Service.

ACTION: Notice.

Notice is hereby given under the Native American Graves Protection and Repatriation Act, 43 CFR 10.10 (a)(3), of the intent to repatriate a cultural item in the possession of the Peabody Museum at Harvard University, Cambridge, MA, which meets the definition of "object of cultural patrimony" under section 2 of the Act.

The cultural item consists of a memorial totem pole, approximately 20 feet in length, bearing the Brown Bear crest.

Until 1899, the pole stood in front of the Hoots-Hit house on the beach at Old Cape Fox village, Alaska. The clan leader of the house at that time was Big Thomas. The totem pole was removed from Cape Fox by the Harriman Alaska Expedition in July 1899 when the expedition's steamer anchored near the village. Later, Charles Palache who was a member of the expedition solicited the pole from Edward Harriman as a gift to the Peabody Museum.

Consultation evidence indicates that at the time of collection by the Harriman Alaska Expedition the pole depicting the Brown Bear crest was considered the communal property of the Teikweidi of the Saanya Kwaan, and could not have been alienated, appropriated, or conveyed by any individual.

Based on the above-mentioned information, officials of the Peabody Museum of Archaeology and Ethnology have determined that pursuant to 43 CFR 10.2 (d)(4), this cultural item has ongoing historical, traditional, and cultural importance central to the Teikweidi of the Saanya Kwaan, and could not have been alienated, appropriated, or conveyed by any individual. Officials of the Peabody Museum of Archaeology and Ethnology also have determined that, pursuant to 43 CFR 10.2 (e), there is a relationship of shared group identity which can be reasonably traced between this item and the Cape Fox Corporation of the Saanya Kwaan on behalf of the Teikweidi.

This notice has been sent to officials of the Cape Fox Corporation and the Organized Village of Saxman. Representatives of any other Indian tribe that believes itself to be culturally affiliated with this object should contact Barbara Isaac, Coordinator for Repatriation, Peabody Museum of Archaeology and Ethnology, 11 Divinity Avenue, Cambridge, MA 022138, telephone: (617) 496–3702, before May 12, 2000. Repatriation of this object to the Cape Fox Corporation of the Saanya Kwaan may begin after that date if no additional claimants come forward.

Dated: April 4, 2000.

Muriel Crespi,

Acting Departmental Consulting Archeologist, Archeology and Ethnography Program.

[FR Doc. 00–8997 Filed 4–11–00; 8:45 am]

BILLING CODE 4310–70–F

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–825–826 (Final)]

Certain Polyester Staple Fiber From Korea And Taiwan

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject investigations.

EFFECTIVE DATE: April 5, 2000.

FOR FURTHER INFORMATION CONTACT: Jozlyn Kalchthaler (202–205–3457), 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: On March 30, 2000, the Department of Commerce notified the Commission of its final determinations. The Commission must make its final determinations in antidumping investigations within 45 days after notification of Commerce's final determinations, or in this case by May 15, 2000. The Commission is revising its schedule to conform with this statutory deadline.

The Commission's new schedule for the investigations is as follows: the Commission will make its final release of information on April 28, 2000; and final party comments are due on May 2, 2000.

For further information concerning these investigations see the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rule.

By order of the Commission.

Issued: April 5, 2000.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–9114 Filed 4–11–00; 8:45 am]

BILLING CODE 7020–02–P

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES

Proposed Collection; Comment Request

AGENCY: National Endowment for the Humanities.

ACTION: Notice.

SUMMARY: National Endowment for the Humanities (NEH) is soliciting public comments on the proposed information collection described below. The proposed information collection will be sent to the Office of Management and Budget (OMB) for review, as required by the provisions of the Paperwork Reduction Act of 1995.

DATES: Comments on this information collection must be submitted on or before June 12, 2000.

ADDRESSES: Send comments to Ms. Susan Daisey, Assistant Director, Grants Office, National Endowment for the Humanities, 1100 Pennsylvania Avenue, NW, Room 311, Washington, D.C. 20506, or by email to: *sdaisey@neh.gov.* Telephone: 202–606–8494.

SUPPLEMENTARY INFORMATION: The National Endowment for the Humanities will submit the proposed information collection to OMB for review, as required by the Paperwork Reduction Act of 1995 (Pub. L. 104–13, 44 U.S.C. Chapter 35). This notice is soliciting comments from members of the public and affected agencies. NEH is particularly interested in comments which help the agency to: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) enhance the quality, utility, and clarity of the information to be collected; and (4) minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submissions of responses.

This Notice also lists the following information:

Type of Review: Extension of a currently approved collection.

Agency: National Endowment for the Humanities.

Title of Proposal: Generic Clearance Authority for the National Endowment for the Humanities.

OMB Number: 3136–0134.

Affected Public: Applicants to NEH grant programs, reviewers of NEH grant applications, and NEH grantees.

Total Respondents: 20,563.

Frequency of Collection: On occasion.

Total Responses: 20,569.

Average Time per Response: Varied according to type of information collection.

Estimated Total Burden Hours: 91,301 hours.

Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval of the information collection request. The will also become a matter of public record.

John W. Roberts,

Deputy Chairman.

[FR Doc. 00–9041 Filed 4–11–00; 8:45 am]

BILLING CODE 7536–01–M

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–295 and 50–304]

Commonwealth Edison Company, Zion Nuclear Power Station, Units 1 and 2; Notice of Receipt and Availability for Comment of the Post Shutdown Decommissioning Activities Report and Notice of Public Meeting

The U.S. Nuclear Regulatory Commission (the Commission) is in receipt of and is making available for public comment, the Post-Shutdown Decommissioning Activities Report (PSDAR) for Zion Nuclear Power Station, Units 1 and 2 (ZNPS), located in Zion, Illinois.

ZNPS has been shut down since February 1997. Commonwealth Edison Company (ComEd) certified the permanent shutdown on February 13, 1998, and on March 9, 1998, certified that all fuel had been removed from the reactor vessels. In accordance with 10 CFR 50.82(a)(2), upon docketing of the certifications, the facility operating license no longer authorizes ComEd to operate the reactor or to load fuel into the reactor vessel. By letter dated February 14, 2000, ComEd submitted its PSDAR to the Commission in accordance with the requirements of 10 CFR 50.82.

In the PSDAR, ComEd has identified the planned decommissioning activities and schedule for ZNPS, provided an estimate of expected costs, and discussed the reasons for concluding that the environmental impacts associated with site-specific decommissioning activities are bounded by the appropriate previously issued environmental impact statements. ComEd has chosen to put ZNPS in a safe storage condition until 2013 at which time decontamination and dismantlement activities are scheduled to begin.

The Commission staff will conduct a public meeting at the Zion-Benton High School, 3901 21st Street, Zion, Illinois on April 26, 2000 to provide an opportunity for members of the public to raise issues and concerns related to the ZNPS PSDAR. The meeting is scheduled for 7 p.m.–10 p.m., and will be moderated by Dr. Donald Moon and Mr. Peter Cioni. This meeting is a formal part of the decommissioning process. There will be an opportunity for members of the public to ask questions of the NRC staff and ComEd representatives and to make comments related to the PSDAR. The meeting will be transcribed. For more information, contact Dino C. Scaletti, Project Directorate IV & Decommissioning, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone 301–415–1104.

The PSDAR is available for public inspection at the Commission's Public Document Room located at the Gelman Building, 2120 L Street, NW, Washington, DC, and is accessible electronically from the ADAMS Public Library component on the NRC Web site, http://www.nrc.gov (the Electronic Reading Room).

Dated at Rockville, Maryland, this 5th day of April 2000.

sold in the United States through an importer that is affiliated with such exporter or producer. The request must include the name(s) of the exporter or producer for which the inquiry is requested.

For transition orders defined in section 751(c)(6) of the Act, the Secretary will apply paragraph (j)(1) of this section to any administrative review initiated in 1998 (19 CFR 351.213(j)(1–2)).

Interested parties must submit applications for disclosure under administrative protective orders in accordance with 19 CFR 351.305.

These initiations and this notice are in accordance with section 751(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1675(a)), and 19 CFR 351.221(c)(1)(i).

Dated: March 24, 2000.

Holly A. Kuga,

Acting Deputy Assistant Secretary, Group II, for Import Administration.

[FR Doc. 00–7927 Filed 3–29–00; 8:45 am]

BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–833]

Notice of Final Determination of Sales at Less Than Fair Value: Certain Polyester Staple Fiber From Taiwan

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

SUMMARY: On November 8, 1999, the Department of Commerce published its preliminary determination of sales at not less than fair value of certain polyester staple fiber from Taiwan. The investigation covers two manufacturers/exporters. The period of investigation is April 1, 1998, through March 31, 1999.

Based on our analysis of the comments received, we have made changes in the margin calculations. Therefore, the final determination differs from the preliminary determination. The final weighted-average dumping margins for the investigated companies are listed below in the section entitled "Suspension of Liquidation."

EFFECTIVE DATE: March 30, 2000.

FOR FURTHER INFORMATION CONTACT: Cynthia Thirumalai or Gregory Campbell, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 482–4087 or 482–2239, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to provisions of the Tariff Act of 1930 ("the Act") as amended by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department's") regulations refer to the regulations codified at 19 CFR Part 351 (April 1999).

Case History

Since the preliminary determination of this investigation (see 64 FR 60771 (November 8, 1999) ("Preliminary Determination")), the following events have occurred:

In December 1999, we received supplemental section D responses from the respondents, Far Eastern Textiles, Ltd. (FETL) and Nan Ya Plastics Corporation (Nan Ya). On January 6, 2000, we received revised U.S. and home market listings from FETL. Subsequently, in February FETL and Nan Ya submitted revised cost of production and constructed value databases.

Verification of the responses to the sales and cost questionnaires took place in January 2000 (see the "Verification" section below).

The petitioners [1] and the respondents filed case briefs on February 24, 2000. On February 29, 2000, the petitioners and both respondents filed rebuttal briefs. At the request of interested parties, the Department held a public hearing on March 10, 2000.

Scope of Investigation

For the purposes of this investigation, the product covered is certain polyester staple fiber ("PSF"). Certain polyester staple fiber is defined as synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to this investigation may be coated, usually with a silicon or other finish, or not coated. PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier) classified under the *Harmonized Tariff Schedule of the United States* ("HTSUS") at subheading 5503.20.00.20 is specifically excluded from this investigation. Also specifically excluded from this investigation are polyester staple fibers of 10 to 18 denier that are cut to lengths of 6 to 8 inches (fibers used in the manufacture of carpeting).

The merchandise subject to this investigation is classified in the HTSUS at subheadings 5503.20.00.40 and 5503.20.00.60. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

For a discussion of scope comments and determinations, see the March 22, 2000, Issues and Decision Memorandum for the Investigation of Certain Polyester Staple Fiber from the Republic of Korea from Susan Kuhbach, Acting Deputy Assistant Secretary, Import Administration, to Richard W. Moreland, Acting Assistant Secretary for Import Administration, Comments 4 and 5, which is on file in the Central Records Unit, Room B–099 of the main Department building ("B–099") and on the Web at: www.ita.doc.gov/import admin/records/frn.

Period of Investigation

The period of investigation ("POI") is April 1, 1998 through March 31, 1999. This period corresponds to each respondent's four most recent fiscal quarters prior to the filing of the petition.

Critical Circumstances

No comments were received regarding the Department's preliminary critical circumstances determination, and the Department has not made any changes to that determination.[2] As set forth in our preliminary determination, because imports from FETL and Nan Ya have not been "massive" within the meaning of section 733(e)(1) of the Act, the Department continues to find, for the purposes of this final determination, that critical circumstances do not exist for imports of PSF from Taiwan.

Product Comparisons

We compared the products sold by the respondents in the comparison market during the POI to the products sold in the United States during the POI using the methodology described in the *Preliminary Determination*, with the following exception:

At the *Preliminary Determination*, we included product grade as a matching

[1] Arteva Specialties S.a.r.l.,d/b/a KoSa; Wellman, Inc; and Intercontinental Polymers, Inc.

[2] We note that there was a correction to Nan Ya's reported shipment data for one month. See Memorandum to the Case File from Cynthia Thirumalai and Gregory Campbell; Results of sales verification of Nan Ya Plastics Corporation (February 11, 2000) ("Nan Ya's Sales Verification Report"). However, this does not alter the preliminary critical circumstances finding.

criterion for Nan Ya because it specified grade in both the U.S. and comparison markets. Upon further consideration of information provided by FETL, we have determined that it is also appropriate to include grade as a matching criterion for FETL.

Fair Value Comparisons

To determine whether sales of PSF from Taiwan to the United States were made at less than fair value, we compared the export price ("EP") to comparison market prices or CV, as described in the "Export Price" and "Normal Value" sections below. Our calculations followed the methodologies described in the *Preliminary Determination,* except as noted below and in the company-specific calculation memoranda dated March 22, 2000, which have been placed in the file in Room B–099.

Export Price

For the price to the United States, we used EP as defined in section 772 of the Act. We calculated EP based on the same methodology described in the *Preliminary Determination,* with the following exceptions:

General Issues

We corrected clerical errors in which we inadvertently double-converted U.S. packing expenses and excluded U.S. credit expenses. See the March 22, 2000, Issues and Decision Memorandum for the Investigation of Certain Polyester Staple Fiber from Taiwan from Susan Kuhbach, Acting Deputy Assistant Secretary, Import Administration, to Richard W. Moreland, Acting Assistant Secretary for Import Administration ("Decision Memorandum"), comment 2, which is on file in B–099 and on the Web at: www.ita.doc.gov/ import admin/record/frn/.

FETL

a. We excluded sales of infused antibacterial products from the U.S. sales database. See Decision Memorandum, comment 5.

b. We adjusted the reported amounts for bank charges, ocean freight, domestic inland freight and brokerage expenses by the weighted-average percentage deviation between the reported amounts and the amounts actually incurred on transactions examined during verification. For those transactions examined at verification, we used the actual amounts for the above-referenced expenses. See Decision Memorandum, comment 6.

c. Based on certain errors found at verification, we adjusted U.S. packing costs for all sales. See Memorandum to the Case File from Cynthia Thirumalai and Gregory Campbell; Results of sales verification of FETL (February 11, 2000) ("FETL's Sales Verification Report").

d. We made revisions to certain product codes correcting for errors identified by FETL in preparation for verification. See Decision Memorandum, comment 3.

Nan Ya

a. We recalculated the date of sale for certain U.S. sales. See Decision Memorandum, comment 17, and Memorandum to Richard Moreland from Case Team; Errors in Nan Ya's Reported Dates of Sale (March 22, 2000).

b. We increased foreign inland freight expense by adding an amount for general and administrative (G&A) expenses. See Decision Memorandum, comment 19.

c. We added an amount for foreign inland freight for two U.S. sales. See Decision Memorandum, comment 20.

d. We added a commission amount to one U.S. sale. See Decision Memorandum, comment 25.

e. We recalculated U.S. credit expense based on a revised short-term interest rate. See Decision Memorandum, comment 26.

f. Based on certain errors found at verification, we added bank fees to one observation that were originally unreported; we corrected the following expenses for certain U.S. sales: Domestic inland freight, ocean freight, bank charges, and brokerage. We excluded three sales from the U.S. database because they either were made outside the POI or were sample sales. See Nan Ya's Sales Verification Report.

Normal Value

We used the same methodology to calculate NV as that described in the *Preliminary Determination,* with the following exceptions:

1. Cost of Production Analysis

General Issues

We used grade to define separate products in the cost test. See Decision Memorandum, comment 2.

FETL

a. We adjusted the G&A ratio applied to the cost of manufacture for purified terephthalic acid (PTA), a major input in the production of PSF, purchased from an affiliate to include certain unreported expenses. We then revised the cost of the PTA purchased from the affiliate to reflect the cost of production of this input in accordance with the major input rule. See Decision Memorandum, comment 10.

b. We revised the cost of manufacture for ethylene glycol (EG), a major input in the production of PSF, purchased from an affiliate to include certain unreported expenses. We then revised the cost of the EG purchased from the affiliate to reflect the cost of production of this input in accordance with the major input rule. See Decision Memorandum, comment 11.

c. We adjusted the total cost of manufacture for each product to account for the difference between the reported value and the book value of FETL's net scrap input costs. See Decision Memorandum, comment 12.

d. We revised the G&A ratio to include certain foreign exchange gains and losses and to exclude packing expenses from the denominator. See Decision Memorandum, comments 13 and 14.

e. We revised the financial expense ratio to include certain exchange gains and losses. In addition, we applied the rate to the total cost of manufacture plus packing. See Decision Memorandum, comment 13 and comment 14.

Nan Ya

a. We have made no adjustment to the reported credit for recovered EG. See Decision Memorandum, comment 28.

b. We revised the G&A ratio to include certain foreign exchange gains and losses. We have excluded other operating costs from the denominator in the G&A ratio calculation and, instead, included these costs in the numerator of that calculation. In addition, we applied the G&A ratio to the total cost of manufacturing plus packing. See Decision Memorandum, comment 29, comment 32, and comment 34.

c. We increased the cost of manufacture for silicon-coated products by applying the highest cost of silicon reported by FETL as adverse facts available. Moreover, we did not allow a difference in merchandise adjustment when a home market silicon coated product was matched to a non-silicon coated product. See Decision Memorandum, comment 31.

d. We adjusted Nan Ya's financial expense ratio to include certain net foreign exchange gains and to exclude long-term interest income. In addition, we applied the financial expense ratio to the total cost of manufacturing plus packing. See Decision Memorandum, comment 33.

e. We increased the total cost of manufacturing to include certain unreported production costs that were incurred by Nan Ya. See Decision Memorandum, comment 35.

f. We adjusted Nan Ya's fiber scrap credit due to over-reporting. See Decision Memorandum, comment 38.

g. We revised the cost of production for PTA to include (i) the quantity and costs from an unreported plant, (ii) certain overhead costs, and (iii) an amount for other expenses. See Decision Memorandum, comment 39.

2. Calculation of NV Based on Comparison Market Prices

We performed price-to-price comparisons where there were sales of comparable merchandise in the comparison market that did not fail the cost test using the same methodology described in the *Preliminary Determination,* with the following exceptions:

FETL

a. We excluded certain sales to an affiliate from the home market database. See Decision Memorandum, comment 7.

b. Based on certain errors found at verification, we revised inland freight and credit days for certain home market sales. In addition, we revised the home market packing expenses for all home market sales. See FETL's Sales Verification Report.

c. We made revisions to certain product codes correcting for errors identified by FETL in preparation for verification. See Decision Memorandum, comment 3.

Nan Ya

We adjusted home market credit expense and inventory carrying costs due to a change in the short-term interest rate. (See Decision Memorandum, comment 27).

3. Calculation of NV Based on Constructed Value

We calculated CV in the same way as in the *Preliminary Determination,* with the following exceptions:

FETL

a. We made the changes identified in the "Cost of production analysis" section above.

b. We revised FETL's U.S. indirect selling expenses to reflect changes made during verification. See FETL's Sales Verification Report.

Nan Ya

We made the changes identified in the "Cost of Production Analysis" section above.

Level of Trade

We have made the same level of trade determinations described in the *Preliminary Determination.*

Currency Conversions

We made currency conversions in accordance with section 773A of the Act in the same manner as in the *Preliminary Determination.*

Verification

As provided in section 782(i)(1) of the Act, we verified the information submitted by the respondents for use in our final determination. We used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by the respondents.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the March 22, 2000, Decision Memorandum, which is hereby adopted. A list of the issues which parties have raised and to which we have responded, all of which are in the Decision Memorandum, is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in Room B–099. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at: www.ita.doc.gov/import—admin/records/frn/. The paper copy and electronic version of the Decision Memorandum are identical in content.

Suspension of Liquidation

In accordance with section 735(c)(1)(A) of the Act, we are directing the U.S. Customs Service ("Customs") to suspend liquidation of all imports of the subject merchandise from Taiwan, except for subject merchandise produced and exported by Nan Ya (which has a *de minimis* weighted-average margin), that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. Customs shall require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage	Critical circumstances
FETL	9.51	No.
Nan Ya	0.00	No.
All others	9.51	No.

The rate for all other producers and exporters applies to all entries of the subject merchandise except for entries from exporters that are identified individually above. In accordance with section 735(c)(5)(A) of the Act, we have excluded the *de minimis* margin for Nan Ya from the calculation of the "all others" rate.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: March 22, 2000.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

APPENDIX

Appendix

List of Comments and Issues in the Decision Memorandum

[FR Doc. 00–7925 Filed 3–29–00; 8:45 am]
BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–839]

Notice of Final Determination of Sales at Less Than Fair Value: Certain Polyester Staple Fiber From the Republic of Korea

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

SUMMARY: On November 8, 1999, the Department of Commerce published its preliminary determination of sales at less than fair value of certain polyester staple fiber from the Republic of Korea. The investigation covers three manufacturers/exporters. The period of investigation is April 1, 1998, through March 31, 1999.

Based on our analysis of the comments received, we have made changes in the margin calculations. Therefore, the final determination differs from the preliminary determination. The final weighted-average dumping margins for the investigated companies are listed below in the section entitled "Continuation of Suspension of Liquidation."

EFFECTIVE DATE: March 30, 2000.

FOR FURTHER INFORMATION CONTACT: Craig Matney, Suresh Maniam, or Blanche Ziv, Import Administration, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 482–1778, 482–0176,or 482–4207, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated,all citations to the Department of Commerce's ("the Department's") regulations refer to the regulations codified at 19 CFR Part 351 (April 1998).

Case History

Since the preliminary determination of this investigation (*see* 64 FR 60776 (November 8, 1999) ("*Preliminary Determination*")), the following events have occurred:

On November 2 and 5, 1999, we received responses, including a revised U.S. sales listing, to our October 15, 1999, supplemental questionnaire from Samyang Corporation ("Samyang"). We verified Samyang's questionnaire responses in November 1999.

Geum Poong Corporation ("Geum Poong") submitted a section B response covering sales to third countries on January 5, 2000. On January 11, 2000, we rejected Geum Poong's section B response on the grounds that it contained untimely filed new factual information. Also on January 11, 2000, the Department solicited additional information from respondent Geum Poong and petitioners E.I. DuPont de Nemours, Inc.; Arteva Specialities S.a.r.l.; d/b/a KoSa; Wellman, Inc.; and Intercontinental Polymers, Inc. (hereinafter collectively referred to as "the petitioners") regarding the appropriate methodology for calculating Geum Poong's constructed value profit ratio. The petitioners objected to our soliciting additional information regarding this subject on January 31, 2000. Geum Poong submitted information concerning the constructed value profit ratio on February 8, 2000.

Verification of the responses submitted by Geum Poong and Sam Young Synthetics Co. ("Sam Young") took place in January 2000 (*see* the "Verification" section below). (We refer hereinafter to Samyang, Sam Young, and Geum Poong collectively as "the respondents".)

On February 18, 2000, we received comments from petitioners objecting to the request of Gates Formed-Fiber Products, Inc., ("Gates") a U.S. importer, to treat black automotive substrate ("BAS") as a separate class or kind of merchandise. The petitioners, the respondents and Gates filed case briefs on February 22, 2000. On February 28, 2000, petitioners and respondents filed rebuttal briefs. At the request of interested parties, the Department held a public hearing on March 2, 2000.

Scope of Investigation

For the purposes of this investigation, the product covered is certain polyester staple fiber ("PSF"). Certain polyester staple fiber is defined as synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to this investigation may be coated, usually with a silicon or other finish, or not coated. PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier) classified under the *Harmonized Tariff Schedule of the United States* ("HTSUS") at subheading 5503.20.00.20 is specifically excluded from this investigation. Also specifically excluded from this investigation are polyester staple fibers of 10 to 18 denier that are cut to lengths of 6 to 8 inches (fibers used in the manufacture of carpeting).

The merchandise subject to this investigation is classified in the HTSUS at subheadings 5503.20.00.40 and 5503.20.00.60. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

For a discussion of scope comments and determinations, *see* the March 22, 2000, memorandum from Susan H. Kuhbach, Acting Deputy Assistant Secretary, Import Administration, to Richard W. Moreland, Acting Assistant Secretary for Import Administration, ("Decision Memorandum"), Comments

4 and 5, which is on file in the Central Records Unit of the main Department building ("B–099") and on the Web at *www.ita.doc.gov/import admin/ records/frn.*

Period of Investigation

The period of investigation ("POI") is April 1, 1998 through March 31, 1999.

Critical Circumstances

In the *Preliminary Determination*, we found that critical circumstances within the meaning of section 773(e)(1) of the Act existed for each of the respondents because (1) there was a history of dumping and material injury, and (2) each of the respondents had more than a 15 percent increase in imports during the three-month period following the filing of the petition (as compared to the three-month period prior to the filing of the petition). We also preliminarily determined that critical circumstances did not exist for "all other" exporters.

At verification, we examined each company's monthly shipment data for November 1998 through August 1999. Based on a comparison of the five-month periods before and after the filing of the petition, we determine that imports have not been massive over a relatively short period for any respondent or for companies subject to the all other rate. Accordingly, we have reversed our preliminary finding of critical circumstances with regard to Samyang, Sam Young, and Geum Poong, and affirmed our negative preliminary finding for all other exporters. (*See* Decision Memorandum, Comment 1.)

Product Comparisons

We compared the products sold by the respondents in the comparison market during the POI to the products sold in the United States during the POI using the methodology described in the *Preliminary Determination*, with the following exception:

For the final determination we have determined that it is appropriate to include grade as a matching criterion for Sam Young.

Date of Sale

For the final determination, we have concluded that invoice date is the appropriate date of sale for Sam Young and Geum Poong. (*See* Decision Memorandum, Comment 2.)

Fair Value Comparisons

To determine whether sales of PSF from Korea to the United States were made at less than fair value, we compared the export price ("EP") to comparison market prices or CV, as described in the Export Price and Normal Value sections below. Our calculations followed the methodologies described in the *Preliminary Determination*, except as noted below and in the company-specific calculation memoranda dated March 22, 2000, which have been placed in the file in B–099.

1. Export Price

For the price to the United States, we used EP as defined in section 772 of the Act. We calculated EP based on the same methodology described in the *Preliminary Determination.*

2. Normal Value

We used the same methodology to calculate NV as that described in the *Preliminary Determination*, with the following exceptions:

(a) Cost of Production Analysis

As noted in the *Preliminary Determination*, the Department has investigated whether Samyang's and Sam Young's sales of PSF in their respective comparison markets were made at prices below the cost of production ("COP") during the POI. In accordance with section 773(b)(3) of the Act, we calculated the weighted-average COP for Samyang and Sam Young, by control number, based on the sum of each company's cost of materials, fabrication, general expenses, and packing costs. We have made the following changes to the COP calculations since the preliminary determination:

We have found that Sam Young's fiscal year 1998 COP provides a more accurate measure of its production costs than its POI-based COP. Therefore, we have calculated Sam Young's COP based on its fiscal year data. (*See* Decision Memorandum, Comment 13.)

(b) Calculation of NV Based on Comparison Market Prices

We performed price-to-price comparisons where there were sales of comparable merchandise in the comparison market that did not fail the cost test, using the same methodology described in the *Preliminary Determination.*

(c) Calculation of NV Based on Constructed Value

Section 773(a)(4) of the Act provides that where NV cannot be based on comparison market sales, NV may be based on the constructed value ("CV"). Accordingly, for Samyang and Sam Young, where we could not determine the NV based on comparison market sales, either because (1) there were no sales of a comparable product or (2) all sales of comparison products failed the COP test, we based NV on the CV. In addition, for Geum Poong, which did not have a viable comparison market, we based NV on CV.

We calculated CV as in the *Preliminary Determination*, with the following exceptions:

For Geum Poong, we have changed our methodology for calculating CV profit. (*See* Decision Memorandum, Comment 15.)

Level of Trade

We have made the same level of trade determinations described in the *Preliminary Determination.*

Currency Conversions

We made currency conversions in accordance with section 773A of the Act in the same manner as in the *Preliminary Determination.*

Verification

As provided in section 782(i)(1) of the Act, we verified the information submitted by the respondents for use in our final determination. We used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by the respondents.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the March 22, 2000, Decision Memorandum, which is hereby adopted. A list of the issues which parties have raised and to which we have responded, all of which are in the Decision Memorandum, is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in B–099. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at: http://www.ita.doc.gov/import—admin/ records/frn/. The paper copy and electronic version of the Decision Memorandum are identical in content.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(A) of the Act, we are directing the U.S. Customs Service ("Customs") to continue to suspend liquidation of all imports of the subject merchandise from Korea, except for subject merchandise produced and exported by Samyang (which has a *de minimis* weighted-average margin), that are entered, or withdrawn from warehouse, for

consumption on or after November 8, 1999, the date of publication of the Preliminary Determination in the **Federal Register**. We will instruct Customs to refund all bonds and cash deposits posted on subject merchandise exported by Samyang. In addition, consistent with our reversal of our preliminary determination of critical circumstances, we will instruct Customs to refund all bonds and cash deposits posted on subject merchandise exported by Sam Young and Geum Poong that was entered, or withdrawn from warehouse, for consumption prior to November 8, 1999.

Customs shall continue to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage	Critical circumstances
Samyang Corporation	[1]0.14	No.
Sam Young Synthetics Co	7.96	No.
Geum Poong Corporation	14.10	No.
All Others	11.38	No.

[1] (*de minimis*).

The rate for all other producers and exporters applies to all entries of the subject merchandise except for entries from exporters that are identified individually above. In accordance with section 735(c)(5)(A) of the Act, we have excluded the *de minimis* margin for Samyang from the calculation of the "all others" rate.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: March 22, 2000.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

Appendix

List of Comments and Issues in the Decision Memorandum

I. General Issues

Comment 1: Critical circumstances
Comment 2: Date of sale methodology
Comment 3: Quarterly averaging periods
Comment 4: Regenerated PSF
Comment 5: Black automotive substrate

II. Issues Specific to Samyang Corporation

Comment 6: Major input value
Comment 7: Home market price changes
Comment 8: G&A and interest expense ratios
Comment 9: "P" channel sales
Comment 10: Coding of home market products
Comment 11: Duty drawback

III. Issues Specific to Sam Young Synthetics Co., Ltd.

Comment 12: Duty drawback
Comment 13: Cost of manufacture
Comment 14: Adjustment to production quantities

IV. Issues Specific to Geum Poong Corporation

Comment 15: Constructed value profit ratio
Comment 16: Duty drawback
Comment 17: G&A calculation

[FR Doc. 00–7926 Filed 3–29–00; 8:45 am]
BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 032400A]

Submission for OMB Review; Comment Request

The Department of Commerce (DoC) has submitted to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35).

Agency: National Oceanic and Atmospheric Administration (NOAA).

Title: National Marine Sanctuaries - Socioeconomic Impacts of Marine Reserves.

Agency Form Number(s): None.

OMB Approval Number: None.

Type of Request: New collection.

Burden Hours 1,330.

Number of Respondents: 665.

Average Hours Per Response: 2 hours.

*Needs and Uses*The National Marine Sanctuaries Act Authorizes the designation and management of National Marine Sanctuaries. NOAA has developed a process for establishing "no take" areas. The process includes establishing a Sanctuary Advisory Council (SAC) made up of representatives of all the stakeholders of a sanctuary; a working group; and scientists to provide analysis in developing alternatives for a "no-take area". However, no-take areas have been called Ecological Reserves, Marine Reserves or Sanctuary Preservation Areas.

Also, to implement the no-take areas, a set of regulations prohibiting certain activities must be created. This proposed data collection is designed to work with each user group to develop the necessary information.

Under this requirement, a person from the agency visits the establishment and uses the survey to guide the data collection effort. The following three (3) surveys will be used in evaluating alternative boundaries for Marine Reserves in the Channel Islands National Marine Sanctuary: (1) Commercial Fishing Operations; (2) Wholesale Processors (of commercial fish); and (3) Recreational for Hire Businesses. The objective is to minimize the socioeconomic impacts of Marine Reserves.

Finally, the Marine Reserves no-take areas are used to protect sanctuary resources and resolve user conflicts. As a result, NOAA would not be able to meet the requirements under the National Environmental Policy Act (NEPA) for evaluating the socioeconomic impacts of no-take regulations if this data collection were not conducted.

Frequency: One time.

Respondent's Obligation: Voluntary.

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–825–826 (Final)]

Certain Polyester Staple Fiber From Korea and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Scheduling of the final phase of antidumping investigations.

SUMMARY: The Commission hereby gives notice of the scheduling of the final phase of antidumping investigation No. 731–TA–825 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the Act) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of less-than-fair-value imports from Korea of certain polyester staple fiber, provided for in subheading 5503.20.00 of the Harmonized Tariff Schedule of the United States.[1] Section 207.21(b) of the Commission's rules provides that, where the Department of Commerce has issued a negative preliminary determination, the Commission will not publish a notice of scheduling for the final phase of its investigation unless and until it receives an affirmative final determination from Commerce. Although the Department of Commerce has preliminarily determined that certain polyester staple fiber from Taiwan is not being sold, nor is likely to be sold, in the United States at less than fair value, for purposes of efficiency the Commission hereby waives rule 207.21(b) and gives notice of the scheduling of the final phase of the antidumping investigation No. 731–TA–826 (Final) under section 735(b) of the Act. The Commission is taking this action so that the final phases of the antidumping investigations may proceed concurrently in the event that Commerce makes a final affirmative antidumping determination with respect to Taiwan. If Commerce makes a final negative antidumping determination with respect to Taiwan, the Commission will terminate its antidumping investigation under section 735(c)(2) of the Act (19 U.S.C. 1673d(c)(2)), and section 207.2(d) of the Commission's rules.

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

EFFECTIVE DATE: November 4, 1999.

FOR FURTHER INFORMATION CONTACT: Jozlyn Kalchthaler (202–205–3457), 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

The final phase of these investigations is being scheduled as a result of an affirmative preliminary determination by the Department of Commerce that imports of certain polyester staple fiber from Korea are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. 1673b). The final phase of the antidumping investigation with respect to Taiwan is being scheduled, under waiver of section 207.21(b), discussed above, for purposes of efficiency. The investigations were requested in a petition filed on April 2, 1999, by E.I. Dupont de Nemours, Inc., Wilmington, DE; NanYa Plastics Corporation, America, Lake City, SC; KoSa, Spartanburg, SC; Wellman, Inc., Shrewsbury, NJ; and Intercontinental Polymers, Inc., Charlotte, NC.[2]

Participation in the Investigations and Public Service List

Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the final phase of these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, no later than 21 days prior to the hearing date specified in this notice. A party that filed a notice of appearance during the preliminary phase of the investigations need not file an additional notice of appearance during this final phase. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

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

Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of these investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the investigations. A party granted access to BPI in the preliminary phase of the investigations need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff Report

The prehearing staff report in the final phase of these investigations will be placed in the nonpublic record on March 14, 2000, and a public version will be issued thereafter, pursuant to section 207.22 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with the final phase of these investigations beginning at 9:30 a.m. on March 28, 2000, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before March 20, 2000. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on March 23,

[1] For purposes of these investigations, certain polyester staple fiber is defined as synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The merchandise subject to these investigations may be coated, usually with a silicon or other finish, or not coated. Certain polyester staple fiber is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture. Merchandise of less than 3.3 decitex (less than 3 denier) is specifically excluded from these investigations. Also specifically excluded from these investigations are polyester staple fibers of 10 to 18 denier that are cut to lengths of 6 to 8 inches (fibers used in the manufacture of carpeting).

[2] NanYa is no longer a petitioner in these investigations. DuPont is not a petitioner in the investigation on Taiwan.

2000, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written Submissions

Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is March 21, 2000. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is April 4, 2000; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before April 4, 2000. On April 20, 2000, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before April 24, 2000, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of 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 Commission's rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: November 17, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99–30647 Filed 11–23–99; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Notice Required by the Y2K Act To Establish a Small Business Liaison

AGENCY: Department of Justice.

ACTION: Notice.

SUMMARY: Pursuant to section 18(b) of the Y2K Act, Public Law 106–37, 106 Stat. 185 (1999), to be published at 15 U.S.C. 6617, the Department of Justice designates Joseph K. Bryan, Director, Office of Small and Disadvantaged Business Utilization (OSDBU), as the point of contact between the Department and small businesses which qualify as small business concerns under the Act, with respect to problems arising out of Y2K failures and resulting violations of Federal rules or regulations. Mr. Bryan can be reached on (202) 616–0521 or 1–800–345–3712.

EFFECTIVE DATE: September 1, 1999 through December 31, 2000.

FOR FURTHER INFORMATION CONTACT: Joseph K. Bryan, Director, OSDBU, Department of Justice, 1331 Pennsylvania Ave, NW, Suite 1010, Washington, D.C. 20530; telephone number 1–800–345–3712; fax number (202) 616–1717.

SUPPLEMENTARY INFORMATION: The Y2K Act provides for a suspension of penalties for a "first-time" violation of certain Federally enforceable rules or regulations, during the year 2000, where the violation was the result of a year 2000 failure, certain waiver standards are met, and no similar violation occurred during the last three years. Certain exceptions apply. For purposes of this Act, a "small business concern" is defined as an unincorporated business, a partnership, corporation, association, or organization, with fewer than 50 full-time employees.

The Y2K Act defines "Y2K failure" as failure by any device or system (including any computer system and any microchip or integrated circuit embedded in another device or product), or any software, firmware, or other set or collections of processing instructions to process, calculate, compare, sequence, display, store, transmit, or receive Year 2000 date-related data. This definition specifically includes failures to:

(1) Deal with or account for transitions or comparisons from, into, and between the years 1999 and 2000 accurately;

(2) Recognize or process accurately any specific date in 1999, 2000, or 2001; or

(3) Account accurately for the year 2000's status as a leap year, including recognition and processing of the correct date of February 29, 2000.

Dated: November 8, 1999.

Stephen R. Colgate,

Assistant Attorney General for Administration.

[FR Doc. 99–30638 Filed 11–23–99; 8:45 am]

BILLING CODE 4410–AR–M

DEPARTMENT OF JUSTICE

National Institute of Corrections

Solicitation for a Cooperative Agreement

Summary: The Department of Justice (DOJ), National Institute of Corrections (NIC) announces the availability of funds in FY 2000 for a cooperative agreement to fund the "Development of a Survival Guide for Newly Appointed Wardens" project.

Purpose: The National Institute of Corrections (NIC) invites applications for a cooperative agreement to develop a "survival guide" for newly appointed Wardens or Superintendents, hereinafter referred to as Wardens. In this usage, a survival guide is defined as "a tool that contains information that will provide instruction and guidance to newly appointed Wardens before and during their initial months in their new position". It may include written and/or audiovisual materials containing information concerning training opportunities, suggested early steps in orientation to the new assignment, and potentially important early contacts or actions. It may include written recommendations from experienced Wardens or Directors of state Departments of Correction, reference information concerning where specific information may be found, general management and leadership information, bibliography of helpful reading, information concerning special programs, or information of other types or in other that may be critical to a new Wardens early progress. This project will provide a tool that may be given to the Warden at the time of appointment and provide information that will strengthen the new appointee's entry and approach to the new position and the needs of the facility for which she is responsible.

Authority: Public Law 93–415.

APPENDIX B

LIST OF WITNESSES

CALENDAR OF PUBLIC HEARINGS

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

Subject:	Certain Polyester Staple Fiber from Korea and Taiwan
Invs. Nos.:	731-TA-825-826 (F)
Date and Time:	March 28, 2000 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 E Street, SW, Washington, DC.

OPENING REMARKS

Petitioner (**Paul C. Rosenthal**, Collier Shannon Scott, PLLC)
Respondents (**Beth C. Ring**, Sandler, Travis & Rosenberg, P.A.)

In Support of the Imposition of Antidumping Duties:

Collier Shannon Scott, PLLC
Washington, D.C.
on behalf of

Petitioner Companies

Richard Osman, Director, New Business Development for Fibers, KoSa

Michael Bermish, Director, Strategic Planning and Development, Wellman, Incorporated

Robert Amos, Fiberfill Specialty Products Business Manager, E.I. Dupont de Nemours, Incorporated

Patrick J. Magrath, Director, Georgetown Economic Services, LLC

In Support of the Imposition of Antidumping Duties–Continued:

Gina Beck, Economic Consultant, Georgetown Economic Services, LLC

Paul C. Rosenthal)
Kathleen W. Cannon)–OF COUNSEL
David C. Smith, Jr.)

In Opposition to the Imposition of Antidumping Duties:

Wasserman, Schneider, Babb & Reed
New York, New York
on behalf of

BMT Commodity Corporation ("BMT")

John F. Price, Vice President

Patrick C. Reed–OF COUNSEL

Sandler, Travis & Rosenberg, P.A.
Washington, D.C.
on behalf of

Stein Fibers, Limited
Korean Producers

Craig Mayberry, Purchasing Director, Ladd Upholstery Incorporated
(Subsidiary of Lazy Boy Incorporated)

Richard D. Boltuck, Vice President, Charles River Associates Incorporated

Philip S. Gallas)
Beth C. Ring)–OF COUNSEL
Mark R. Ludwikowski)

In Opposition to the Imposition of Antidumping Duties–Continued:

(Available for questions)

Peter Spitalny, President, Stein Fibers, Limited

Mervyn Bernet, President, Bernet International LLC
(Exclusive Sales Agent for Kanematsu USA Incorporated)

Carroll Galliher, General Manager, Royal Comfort Seating

Dorsey & Whitney LLP
Washington, D.C.
on behalf of

Korean Respondents

H.J. Lim, Manager, SK Chemicals Company, Limited

Philippe M. Bruno)
)–OF COUNSEL
Jiyul Yoo)

Gardner, Carton & Douglas
Washington, D.C.
on behalf of

Consolidated Textiles, Incorporated ("Consolidated Textiles")

Robert P. Kunik, President, Consolidated Textiles

Greg Gabrel, General Manager, Hickory Springs Fibers
and Inno-Therm Products, LLC

W.N. Harrell Smith, IV–OF COUNSEL

In Opposition to the Imposition of Antidumping Duties–Continued:

White & Case LLP
Washington, D.C.
on behalf of

Far Eastern Textile, Limited
Nan Ya Plastics Corporation

Ernest Elias, Fibertex Corporation

Frank H. Hurst, Senior Vice President, Carpenter Company

Dennis Mater, Director, Polyester Fiber - Development Engineering, Carpenter Company

Lyle B. Vander Schaaf–OF COUNSEL

(Available for questions)

Richard Yang, Manager - Staple Fiber, Fiber Division, Far Eastern Textile, Limited

CLOSING REMARKS

Petitioner (**Paul C. Rosenthal**, Collier Shannon Scott, PLLC)
Respondents (**Lyle B. Vander Schaaf**, White & Case LLP)

APPENDIX C

SUMMARY DATA

Table C-1
Certain PSF: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. consumption quantity:						
Amount	779,631	818,380	890,151	5.0	8.8	14.2
Producers' share (1)	65.7	57.2	59.6	-8.5	2.3	-6.2
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	34.3	42.8	40.4	8.5	-2.3	6.2
U.S. consumption value:						
Amount	510,783	483,214	471,253	-5.4	-2.5	-7.7
Producers' share (1)	66.2	60.2	59.6	-6.0	-0.5	-6.5
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	33.8	39.8	40.4	6.0	0.5	6.5
U.S. shipments of imports from:						
Korea:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Taiwan:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Subtotal:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	267,040	349,996	359,811	31.1	2.8	34.7
Value	172,695	192,466	190,183	11.4	-1.2	10.1
Unit value	$0.65	$0.55	$0.53	-15.0	-3.9	-18.3
Ending inventory quantity	46,173	57,503	68,099	24.5	18.4	47.5

Table continued on next page.

Table C-1--Continued
Certain PSF: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. producers':						
Average capacity quantity	671,945	701,393	743,608	4.4	6.0	10.7
Production quantity	550,890	510,212	548,703	-7.4	7.5	-0.4
Capacity utilization (1)	82.0	72.7	73.8	-9.2	1.0	-8.2
U.S. shipments:						
Quantity	512,591	468,384	530,340	-8.6	13.2	3.5
Value	338,088	290,748	281,070	-14.0	-3.3	-16.9
Unit value	$0.66	$0.62	$0.53	-5.9	-14.6	-19.6
Export shipments:						
Quantity	29,055	27,676	28,071	-4.7	1.4	-3.4
Value	34,083	32,147	30,053	-5.7	-6.5	-11.8
Unit value	$1.17	$1.16	$1.07	-1.0	-7.8	-8.7
Ending inventory quantity	52,646	66,798	57,090	26.9	-14.5	8.4
Inventories/total shipments (1)	9.7	13.5	10.2	3.7	-3.2	0.5
Production workers	1,445	1,351	1,241	-6.5	-8.1	-14.1
Hours worked (1,000s)	2,287	2,018	1,957	-11.8	-3.0	-14.5
Wages paid ($1,000s)	40,036	38,576	37,976	-3.6	-1.6	-5.1
Hourly wages	$17.50	$19.11	$19.41	9.2	1.5	10.9
Productivity (pounds per hour)	240.8	252.8	280.4	5.0	10.9	16.4
Unit labor costs	$0.07	$0.08	$0.07	4.0	-8.5	-4.8
Net sales:						
Quantity	541,645	499,874	558,413	-7.7	11.7	3.1
Value	372,745	324,659	311,143	-12.9	-4.2	-16.5
Unit value	$0.69	$0.65	$0.56	-5.6	-14.2	-19.0
Cost of goods sold (COGS)	295,790	271,316	264,608	-8.3	-2.5	-10.5
Gross profit or (loss)	76,955	53,343	46,535	-30.7	-12.8	-39.5
SG&A expenses	44,314	41,913	41,046	-5.4	-2.1	-7.4
Operating income or (loss)	32,641	11,430	5,489	-65.0	-52.0	-83.2
Capital expenditures	23,320	16,298	7,396	-30.1	-54.6	-68.3
Unit COGS	$0.55	$0.54	$0.47	-0.6	-12.7	-13.2
Unit SG&A expenses	$0.08	$0.08	$0.07	2.5	-12.3	-10.2
Unit operating income or (loss)	$0.06	$0.02	$0.01	-62.1	-57.0	-83.7
COGS/sales (1)	79.4	83.6	85.0	4.2	1.5	5.7
Operating income or (loss)/ sales (1)	8.8	3.5	1.8	-5.2	-1.8	-7.0

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-2
Conjugate fiber: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
Korea:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Taiwan:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Subtotal:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	55,020	80,347	107,979	46.0	34.4	96.3
Value	37,813	47,747	59,658	26.3	24.9	57.8
Unit value	$0.69	$0.59	$0.55	-13.5	-7.0	-19.6
Ending inventory quantity	9,734	12,988	23,226	33.4	78.8	138.6

Table continued on next page.

Table C-2--Continued
Conjugate fiber: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data					
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid ($1,000s)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not available.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-3
Low-melt fiber: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
Korea:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Taiwan:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Subtotal:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	22,451	27,685	38,951	23.3	40.7	73.5
Value	21,550	24,074	27,310	11.7	13.4	26.7
Unit value	$0.96	$0.87	$0.70	-9.4	-19.4	-27.0
Ending inventory quantity	3,513	4,055	6,535	15.4	61.2	86.0

Table continued on next page.

Table C-3--Continued
Low-melt fiber: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid ($1,000s)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.
(3) Not available.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-4
Regenerated fiber: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
Korea:						
Quantity	102,318	146,718	134,216	43.4	-8.5	31.2
Value	49,364	61,208	50,786	24.0	-17.0	2.9
Unit value	$0.48	$0.42	$0.38	-13.5	-9.3	-21.6
Ending inventory quantity	15,825	18,251	15,754	15.3	-13.7	-0.4
Taiwan:						
Quantity	12,876	8,949	8,079	-30.5	-9.7	-37.3
Value	7,056	4,325	3,372	-38.7	-22.0	-52.2
Unit value	$0.55	$0.48	$0.42	-11.8	-13.6	-23.8
Ending inventory quantity	715	2,373	1,998	231.9	-15.8	179.5
Subtotal:						
Quantity	115,194	155,667	142,295	35.1	-8.6	23.5
Value	56,420	65,533	54,158	16.2	-17.4	-4.0
Unit value	$0.49	$0.42	$0.38	-14.0	-9.6	-22.3
Ending inventory quantity	16,540	20,624	17,752	24.7	-13.9	7.3
Other sources:						
Quantity	752	957	2,346	27.3	145.1	212.0
Value	403	536	1,102	33.0	105.6	173.4
Unit value	$0.54	$0.56	$0.47	4.5	-16.1	-12.3
Ending inventory quantity	201	120	2,152	-40.3	1693.3	970.6
All sources:						
Quantity	115,946	156,624	144,641	35.1	-7.7	24.7
Value	56,823	66,069	55,260	16.3	-16.4	-2.8
Unit value	$0.49	$0.42	$0.38	-13.9	-9.4	-22.0
Ending inventory quantity	16,741	20,744	19,904	23.9	-4.0	18.9

Table continued on next page.

Table C-4--Continued
Regenerated fiber: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid ($1,000s)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not available.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-5
Certain PSF, excluding low-melt: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):				***	***	***
Korea	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
Korea:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Taiwan:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Subtotal:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	244,589	322,311	320,860	31.8	-0.5	31.2
Value	151,145	168,392	162,873	11.4	-3.3	7.8
Unit value	$0.62	$0.52	$0.51	-15.5	-2.8	-17.9
Ending inventory quantity	42,660	53,448	61,564	25.3	15.2	44.3

Table continued on next page.

Table C-5--Continued
Certain PSF, excluding low-melt: Summary data concerning the U.S. market, 1997-99

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

	Reported data			Period changes		
Item	1997	1998	1999	1997-98	1998-99	1997-99
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid ($1,000s)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires.

APPENDIX D

COMPAS PRESENTATION

ASSUMPTIONS

The COMPAS model[1] is a supply and demand model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used extensively for the analysis of trade policy changes both in partial and general equilibrium. Based on the discussion contained in Part II of this report, the staff selects a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity, demand elasticity, and substitution elasticity) in the U.S. PSF market. The model uses these estimates with data on market shares, Commerce's estimated margins of dumping, transportation costs, and current tariffs to analyze the likely effect of unfair pricing of subject imports on the U.S. domestic like product industry.

FINDINGS[2]

Estimated effects of the LTFV imports on the U.S. PSF industry are as follows: 1.1 percent to 6.2 percent reduction in revenue, 0.9 percent to 5.6 percent reduction in output, and 0.1 percent to 1.1 percent reduction in price. Estimated effects by country are shown in the following tabulation.

Country	Reduction in revenue	Reduction in output	Reduction in price
Korea	1.8 to 6.2	1.5 to 5.6	0.2 to 1.1
Taiwan	1.1 to 3.9	0.9 to 3.5	0.1 to 0.7
Total	1.1 to 6.2	0.9 to 5.6	0.1 to 1.1

More detailed effects of the dumping and the full range of scenarios are shown in tables D-1 and D-2.

[1] COMPAS version 1.4 (dumping, 6/1/93).

[2] Estimates are based on 1999 data. Commerce's period of investigation for the antidumping duty investigations was July 1998-June 1999.

Table D-1
The estimated effects of LTFV pricing of imports from Korea

* * * * * * *

Table D-2
The estimated effects of LTFV pricing of imports from Taiwan

* * * * * * *

APPENDIX E

ADDITIONAL PRICE COMPARISONS FOR CERTAIN PSF

Table E-1
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 1(a) and margins of underselling/(overselling), by quarters, January 1997-December 1999

* * * * * * *

Table E-2
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 2(a) and margins of underselling/(overselling), by quarters, January 1997-December 1999

* * * * * * *

Table E-3
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 3(a) and margins of underselling/(overselling), by quarters, January 1997-December 1999

* * * * * * *

Table E-4
Certain PSF: Weighted-average f.o.b. prices and quantities of domestic and imported product 4(a) and margins of underselling/(overselling), by quarters, January 1997-December 1999

* * * * * * *

Figure E-1
Weighted-average f.o.b. prices for certain PSF products 1(a) and 2(a), by quarters, January 1997-December 1999

* * * * * * *

Figure E-2
Weighted-average f.o.b. prices for certain PSF products 3(a) and 4(a), by quarters, January 1997-December 1999

* * * * * * *

Price Comparisons

The following tabulation shows a summary of underselling/overselling information by country for products 1(a)-4(a), excluding the data for conjugate and regenerated fiber.

* * * * * * *

The following tabulation summarizes the pricing data by country and product:

* * * * * * *

APPENDIX F

EFFECTS OF IMPORTS ON PRODUCERS' EXISTING DEVELOPMENT AND PRODUCTION EFFORTS, GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL

Responses of U.S. producers to the following questions:

1. Since January 1, 1997, has your firm experienced any actual negative effects on its return on investment or its growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of certain polyester staple fiber from Korea and/or Taiwan?

Responses of the producers are:

* * * * * * *

2. Does your firm anticipate any negative impact of imports of certain polyester staple fiber from Korea and/or Taiwan?

Responses of the producers are:

* * * * * * *