

SALMON GILL FISH NETTING OF MANMADE FIBERS FROM JAPAN

**Determination of the Commission
in Investigation No. 751-TA-7
Under the Tariff Act of 1930,
Together With the Information
Obtained in the Investigation**

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. These deletions are marked by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 751-TA-7

SALMON GILL FISH NETTING OF MANMADE
FIBERS FROM JAPAN

Determination

On the basis of the record 1/ developed in this investigation, the Commission determines 2/ that an industry in the United States would be materially injured, by reason of imports of salmon gill fish netting of manmade fibers from Japan covered by antidumping order T.D. 72-158, if the order were to be modified or revoked.

Background

On April 18, 1972, the Commission determined that an industry in the United States was injured within the meaning of the Antidumping Act, 1921, by reason of imports of fish netting of manmade fibers from Japan determined by the Secretary of Treasury to be sold or likely to be sold at less than fair value (investigation No. AA1921-85). On June 1, 1972, the Department of Treasury issued a finding of dumping, T.D. 72-158, and published notice thereof in the Federal Register, 37 FR 11560.

On July 28, 1981, the Commission received a request to review its determination in Fish Nets and Netting of Manmade Fibers from Japan, Inv. No. AA1921-85, T.C. Pub. No. 477 (1972). On October 14, 1981, the Commission

1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (47 F.R. 6190, February 10, 1982).

2/ Commissioner Stern dissenting.

determined that there were sufficient changed circumstances to warrant review of that determination and it instituted investigation No. 751-TA-5, Salmon Gill Fish Netting of Manmade Fibers from Japan, USITC Pub. 1234 (1982). 1/

On March 31, 1982, the Commission determined in investigation No. 751-TA-5 that the establishment of an industry in the United States would be materially retarded by reason of imports of salmon gill fish netting of manmade fibers from Japan covered by antidumping order T.D. 72-158, if the order were to be modified or revoked. The Commission's determination was supported by the finding that although domestic production of salmon gill fish netting was so insignificant that there was no established industry in the United States, Nylon Net Co. of Memphis, Tenn., one of the largest domestic producers of fish netting, had made substantial investments in the development of a marketable salmon gill fish netting. An important part of Nylon Net's plans was the projected development of a nylon yarn by Firestone Fibers & Textile Co., at its Hopewell, Va. plant, which would permit Nylon Net to produce netting that would be competitive with imported Japanese netting. Nylon Net's ability to enter the salmon gill fish netting market apparently depended on the successful development of this nylon yarn.

On November 24, 1982, following receipt of information that Firestone Fibers & Textile Co. expected to cease production of nylon at its Hopewell, Va. plant, the Commission requested comments regarding the institution of a new section 751(b) review investigation. On the basis of the comments filed,

1/ Commissioner Haggart did not participate.

the Commission, on January 25, 1983, determined that sufficient changed circumstances existed to warrant the review of its determination in Fish Nets and Netting of Manmade Fibers from Japan. Therefore, the Commission instituted investigation No. 751-TA-7 to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded if the antidumping order (T.D. 72-158) regarding fish netting of manmade fibers from Japan were to be modified or revoked to exclude salmon gill fish netting of manmade fibers.

Notice of the institution of the investigation and of the public hearing to be held in connection therewith was published in the Federal Register on February 2, 1983. A public hearing was held on Wednesday, April 27, 1983, in Washington, D.C. All interested persons were afforded an opportunity to appear in person or by counsel.

IEWS OF CHAIRMAN ECKES AND COMMISSIONER HAGGART

Imports of salmon gill fish netting of manmade fibers from Japan have been subject to an antidumping order covering all types of fish netting of manmade fibers from Japan since June 1972. 1/ Based on the record developed in this investigation, 2/ we conclude that an industry in the United States would be materially injured by reason of imports of salmon gill fish netting of manmade fibers from Japan covered by the antidumping order if the order were to be modified or revoked. 3/

The domestic industry

In a section 751 investigation, 4/ the Commission must first define the domestic industry to determine if that industry would be injured as a consequence of a modification or revocation of the subject order. Section 771(4)(A) of the Tariff Act of 1930 5/ defines industry as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." Like product, in turn, is defined in

1/ T.D. 72-158, 37 Fed. Reg. 11560, June 9, 1972.

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

3/ In the previous investigation, Salmon Gill Fish Netting of Manmade Fibers from Japan, Inv. No. 751-TA-5, (Commissioner Haggart not participating), the Commission did not find that a domestic industry existed, and thus that determination was based upon the material retardation of a domestic industry. Having found that a domestic industry exists in this investigation, we do not reach the issue of material retardation.

4/ 19 U.S.C. § 1675.

5/ 19 U.S.C. § 1677(4)(B).

section 771(10) 6/ as the "product which is like, or in the absence of like, most similar in characteristics and uses with, the articles subject to an investigation under this title."

The product that is the subject of this investigation is salmon gill fish netting of manmade fibers being imported from Japan. 7/ There are three basic types of imported salmon gill fish netting which vary with regard to strength, flexibility, and transparency: multifilament, 8/ monofilament, and twisted monofilament.

Both the domestic and imported types of salmon gill fish netting vary somewhat as to such characteristics as mesh size, dimension of the netting, and shading. Depending on the need for strength, flexibility, and transparency, one type of netting may be preferred over another type. Although the various types of netting are used under different fishing conditions, they are all designed to catch salmon by having the mesh size large enough to permit the trapping of the fish. Since the imported and domestic salmon gill fish netting have substantially the same use and their characteristics do not vary significantly, we find that the like product is all salmon gill fish netting produced in the United States.

Prior to 1975, salmon gill fish netting was produced by three firms in the United States, two of which have ceased production since that date.

6/ 19 U.S.C. § 1677(10).

7/ Report at A-4-5.

8/ At this time, there are three types of multifilament netting: cablelaid, crystal, and multimono (centercore). The history of the development and marketing of salmon gill fish netting in the United States demonstrates that these types of netting represent a series of improvements on salmon gill fish netting. For example, cablelaid was the primary type of salmon gill fish netting used until crystal netting was developed. The multimono netting now appears to be displacing crystal netting as the most widely used type of netting. Report at A-6.

Currently, two firms, Harbor Net and Twine, Inc. of Hoquiam, Washington, and Nichimo Northwest, Inc. of Everson, Washington, manufacture salmon gill fish netting in the United States. 9/ Harbor Net and Twine has been a longstanding producer of the crystal and cablelaid type of multifilament netting. 10/ Nichimo Northwest, which began production in February 1982, manufactures multifilament (both crystal and multimono), twisted monofilament, and monofilament salmon gill fish netting. Based on the production and capacity figures in 1982, Nichimo Northwest has proven to be a major component of the domestic industry. Its production in 1982 significantly augmented total domestic production. Nichimo Northwest is now sufficiently established to be considered part of the domestic industry. 11/ Therefore, we conclude that the domestic industry for the purposes of this investigation includes the two current producers of salmon gill fish netting, Nichimo Northwest and Harbor Net and Twine.

Although Nichimo Northwest is producing the like product, the issue has been raised in this investigation as to whether Nichimo Northwest should be excluded from the domestic industry as a related party under section 771(4)(B) of the Tariff Act of 1930. 12/ Section 771(4)(B) provides:

9/ A third firm, Nylon Net and Twine Co., Memphis, Tennessee, a large domestic manufacturer of fish netting, expects to have crystal salmon gill fish netting available for sale in late 1983.

10/ Harbor Net and Twine appears to have a unique spot in the market for salmon gill fish netting. This firm maintains small but stable sales of crystal netting to part-time fishermen. Its cablelaid netting, which is the major portion of Harbor Net and Twine's production, is not considered competitive with imported multifilament nettings.

11/ Report at A-19.

12/ 19 U.S.C. § 1677(4)(B).

When some producers are related to the exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise, the term "industry" may be applied in appropriate circumstances by excluding such producers from those included in that industry.

The degree of the relationship necessary to render two firms "related" within the meaning of the statute is not specified by either the statute or the legislative history. Nichimo Northwest is a Washington State Corporation which is 70 percent owned by Nichimo (Washington), Inc. ^{13/} Nichimo (Washington), Inc. is a wholly owned subsidiary of Nichimo (Japan), and acts as its sales agent in the United States. We find that the indirect relationship between Nichimo Northwest and Nichimo (Japan) is sufficient to bring them within the "related party" provision.

Since we find that Nichimo Northwest is related to an exporter of the merchandise covered by the outstanding order, we must further determine if circumstances are appropriate to exclude Nichimo Northwest from the domestic industry. The legislative history of section 771(4)(B) provides some guidance regarding the exclusion of a domestic producer under the related party provision:

The ITC is given discretion not to include within the domestic industry those domestic producers of the like product which are either related to exporters or importers of the imported product being investigated, or which import that product. Thus, for example, where a U.S. producer is related to a foreign exporter and the foreign exporter directs his exports to the United States so as not to compete with his related U.S. producer to be part of the domestic industry. ^{14/}

As noted in Television Receiving Sets from Japan:

Under section 207.45(a), we must, on review, consider the relevant facts and circumstances as they currently exist, assess the

^{13/} Report at A-11.

^{14/} S. Rep. No. 96-249, 96th Cong., 1st Sess. 83 (1979).

intentions of the exporters and importers as to the prospective revocation or modification of the order, and project those factors into the future, . . . 15/

Nichimo Northwest has never imported salmon gill fish netting, nor has Nichimo (Japan) been an exporter of salmon gill fish netting to the United States since the end of the 1982 salmon gill fishing season. Thus, there is no current import activity involving these related parties. For purposes of this 751 review, our focus is on whether Nichimo (Japan) will recommence the exportation of salmon gill fish netting to the United States if the outstanding order is modified or revoked. 16/

Despite the relationship between Nichimo Northwest and Nichimo (Japan), 17/ the record in this investigation supports a finding that Nichimo Northwest is established in this country as a domestic producer and will continue to produce in the United States. The reasons provided by Nichimo Northwest for the startup of its U.S. operations were reasonable and underline the probability that Nichimo Northwest would continue to produce in the United States even if the order were modified or revoked. 18/ Although Nichimo

15/ Television Receiving Sets from Japan, Inv. No. 751-TA-2, . USITC Pub. 1153 (June 1981) at 7-9.

16/ In the context of antidumping investigation under section 731, the decision whether to exclude related parties entails an analysis as to whether the relationship between the related parties is such that the related domestic producer is insulated from competition with its related exporter.

17/ Transcript at 101, 107.

18/ Nichimo's (Japan) motivation was to establish a fish netting manufacturing facility in close proximity to a large segment of its customers. Nichimo (Japan), which ceased exporting to the United States at the end of the 1982 fishing season, does not intend to recommence exporting as long as Nichimo Northwest continues to be a domestic supplier. Prehearing brief of Nichimo Northwest at 2.

In the section 751 review of the Television Receiving Sets from Japan investigation, supra note 15, one of the factors considered by the Commission when deciding that circumstances were not appropriate for excluding related parties, was that the Japanese-owned domestic producers were going to continue producing in the United States regardless of the outcome of the investigation. Television Receiving Sets from Japan at 11.

Northwest is currently purchasing its twine from Nichimo (Japan), it is actively seeking an alternative source for yarn. 19/ Thus, Nichimo Northwest appears to be sufficiently independent from Nichimo (Japan). Furthermore, Nichimo Northwest has taken the position that modification or revocation of the dumping order prospectively would harm it, underscoring its intent to remain a part of the domestic industry. Based on the foregoing, we conclude that the circumstances are not appropriate for excluding Nichimo Northwest from the domestic industry.

The likely effects of modifying and revoking the order

In a section 751 investigation, the existence of an outstanding antidumping order is presumed to change the pricing behavior of importers and exporters of merchandise subject to the order. To avoid the duty levied on merchandise sold at less than fair value, importers and exporters of merchandise subject to an antidumping order often will raise the price of the imports in the United States, lower the home market or other reference price, or both. Alternatively, foreign producers may cease exporting to the United States and shift production to the United States. 20/ Section 751 review investigations require predicting the likely behavior of the exporters and importers if antidumping order is revoked or modified.

Revocation or modification of the outstanding antidumping order covering salmon gill fish netting of manmade fibers would have the effect of removing a

19/ Transcript at 92-93; 97-102.

20/ See, Birch Three-Ply Door Skins from Japan, Inv. No. 751-TA-6, USITC Pub. No. 1271 (July 1982), at 3, n. 4.

major disincentive to dumping. 21/ Revocation of the order may permit the importers to decrease prices of Japanese netting in order to compete more effectively with domestic producers. 22/ Therefore, we must determine whether continued sales of Japanese imports at current or lower prices would cause material injury to the domestic industry. 23/

We have based our injury determination primarily on the likely effect revocation or modification of the dumping order would have on Nichimo Northwest. During 1982, its first year of production, Nichimo Northwest's production was comparable to that of Harbor Net and Twine. 24/ Nichimo Northwest's production of salmon gill fish netting currently represents a major proportion of the total domestic production of the like product. 25/

The behavior of the importers and exporters of Japanese salmon gill fish netting has a much more direct effect on Nichimo Northwest than on Harbor Net and Twine. Nichimo Northwest is in direct competition with the Japanese. It

21/ The importers in this investigation have argued that no duties have been collected on imports of salmon gill fish netting since the order was issued and that there have not been, nor are there currently, less-than-fair-value sales of salmon gill fish netting. The antidumping law contains procedures for reviewing antidumping orders in instances where affected foreign companies are no longer selling at less than fair value. A company may be removed from the coverage of an antidumping order if the Commerce Department finds that its sales have not been at less than fair value for a period of two years. 19 U.S.C. § 1675.

22/ The additional factor of lower priced Korean and Taiwanese netting in the marketplace could provide further incentive for the lowering of the Japanese netting prices, particularly if the quality of these imports improves. Report at A-28-29.

23/ With respect to the volume of imports from Japan, Japan was the principal source of imports of salmon gill fish netting during 1978-1982, accounting for nearly all of imports and U.S. consumption during that period.

24/ Nichimo Northwest began production in February 1982.

25/ Report at A-19-20. 19 U.S.C. 1677(4)(A) requires that the industry be composed of producers who account for a major proportion of domestic production.

produces the same types of salmon gill fish netting that are being imported and produces the same quality netting as the Japanese. 26/

Currently, Nichimo Northwest is producing salmon gill fish netting for fill-in orders and has some advantage over its Japanese competitors in this regard inasmuch as Nichimo Northwest needs less lead time in order to supply a purchaser. Nichimo Northwest is seeking to obtain stock orders for the next fishing season, which begins in the spring of 1984, as this is the major area of business for producers of salmon gill fish netting. 27/ The pricing information on the record indicates that Japanese imports are currently underselling the netting of Nichimo Northwest. 28/ Furthermore, several distributors of netting have indicated that they will continue to place stock orders with the Japanese producers because of their lower prices. 29/

Since the quality of the netting produced by Nichimo Northwest is comparable to the quality of the imported netting, price appears to be the primary reason for purchasing the imported netting. Therefore, we conclude that it is necessary to keep the antidumping order in place in order for Nichimo Northwest to continue its progress toward becoming a profitable domestic producer of salmon gill fish netting. The potential for the Japanese importers to lower their prices if the order is lifted would frustrate Nichimo

26/ Nichimo Northwest has had technological support from Nichimo (Japan) and uses the equipment used in Japanese production. Transcript at 92, 107.

27/ Report at A-27. Stock orders constitute the major supply for the fishermen during the fishing season. Fill-in orders generally replace damaged netting or cover fishermen who order late. For fishermen who order late, the purchase of Japanese netting may be impractical because there is usually a 3 or 4 month lag time to receive the orders.

28/ Report at A-26, Table 7; Report at A-25-27.

29/ Report at A-27.

Northwest's efforts to gain stock orders and would likely affect adversely its current position as a supplier of fill-in orders.

The other domestic producer, Harbor Net and Twine, has indicated that it will be adversely affected if the order were to be revoked. However, cablelaid netting, which is the majority of Harbor Net and Twine's production, has been imported from Japan in only very insignificant quantities. 30/ The crystal netting produced by Harbor Net and Twine is of a lower quality and is priced lower than either the Japanese or Nichimo Northwest's crystal netting. Furthermore, Harbor Net and Twine's netting is sold primarily to fishermen who order late and who fish only as a sideline occupation. 31/ In contrast, fishermen who purchase from Nichimo Northwest or from distributors of Japanese netting rely on their salmon catch as their major source of income and these purchasers are very particular about the quality of the netting they purchase. Thus, if the dumping order were modified or revoked and the prices of Japanese salmon gill fish netting were lowered, Harbor Net and Twine is less likely to be affected than Nichimo Northwest.

Based on the foregoing analysis of current market conditions and the likely effects of imports on the domestic industry, we find that the domestic industry would be materially injured if the antidumping order were to be modified or revoked.

30/ Report at A-6.

31/ Report at A-11.

VIEWS OF COMMISSIONER PAULA STERN

The present section 751 review investigation concerning salmon gill fish netting from Japan is the second such review of this product conducted by the Commission since July 1981. At that time, the Commission received a request, filed under section 751(b) of the Tariff Act of 1930, to review its affirmative determination in investigation No. AA1921-85, Fish Nets and Netting of Manmade Fibers from Japan, as it pertained to salmon gill fish netting of manmade fibers. In October 1981, the Commission instituted investigation No. 751-TA-5 1/ to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, if the antidumping order regarding fish netting of manmade fibers from Japan were to be modified or revoked with respect to salmon gill fish netting of manmade fibers. In March 1982, the Commission determined that any such modification or revocation of the order would materially retard the establishment of an industry in the United States. The Commission cited the efforts of a domestic producer of fish netting, Nylon Net Co. of Memphis, Tenn., to enter into the production of salmon gill fish netting. Key to the successful entry into production was the ability of Nylon Net to secure a reliable source of yarn to enable it to produce netting comparable to the product being imported from Japan. The firm appeared to have secured such a source--Firestone Fibers & Textile Co.

In November 1982, the Commission received information that Firestone was closing its domestic nylon production facility. The Commission, on its own motion, requested comments from interested parties regarding the institution of a new section 751(b) review. On the basis of comments received, the Commission instituted the current investigation in January 1983.

^{1/} Salmon Gill Fish Netting of Manmade Fibers from Japan, investigation No. 751-TA-5, USITC Publication 1234 (1982).

Imported products

The antidumping order currently in effect covers all fish netting of manmade fibers imported from Japan. However, only imports of salmon gill fish netting are the subject of this investigation. Fish netting is actually an intermediate product which is combined with other materials to form a fishing net. The characteristics of the netting are therefore determined by its end use. The vast majority of salmon are harvested using one of two types of nets. Seine nets are used to entrap or encircle the fish. The net is then drawn together at the top to form a bag which is lifted onto the boat. The netting which is the subject of this investigation is used in gill nets. These nets are designed to snare the salmon by having them swim into openings in the nets (meshes) which are only large enough to admit the head of the fish. As the fish attempts to swim forward, it wedges itself into the mesh which tightens around its body, ensnaring it.

Three basic types of salmon gill fish netting are imported from Japan --multifilament, twisted monofilament, and monofilament. 2/ Variations of these basic types are also imported, such as crystal multifilament and multimono. However, all types of salmon gill netting share the common characteristics of strength, flexibility, and transparency. They also share the unique ability to ensnare salmon by predetermining the exact mesh size necessary to catch the species of salmon being sought. Although, by necessity, the exact specifications of the netting used will vary according to the conditions of the fishing area (depth and color of water, prevailing currents, and so forth) and the type of salmon being caught, 3/ I find salmon gill fish netting of manmade fibers to be the imported article that is the subject of this investigation.

2/ See Staff Report (Report), at A-4-A-7, for a full discussion of the types of netting.

3/ Minimum mesh size for king salmon is 8-1/4 inches while the minimum for pink salmon is 4-3/8 to 4-1/2 inches.

The domestic industry

In general, the domestic industry consists of all domestic producers of a like product or those producers whose total output of the like product constitutes a major proportion of the domestic production of that product. 4/ A like product is a product which is like, or in the absence of like, most similar in characteristics and uses with, the imported product subject to investigation. 5/

At the conclusion of the prior section 751 review investigation, the Commission did not find a viable domestic industry producing salmon gill fish netting, though several firms had reported limited production or had shown a substantial commitment to begin production. The current investigation revealed a different picture. Nichimo Northwest has made an apparently successful entry into the U.S. market while Nylon Net, the potential producer, has moved closer to beginning production following a number of pre-production delays. 6/

Nichimo Northwest was incorporated in the State of Washington in April 1981. The firm is a joint venture with two American shareholders controlling 30 percent of the stock while the remaining 70 percent is owned by a subsidiary of Nichimo Japan, a major Japanese fish netting producer. Parties to this investigation contend that Nichimo Northwest should be excluded from the domestic industry as a related party under section 771(4)(B) of the Tariff Act 7/ which provides:

When some producers are related to the exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise, the term "industry" may be applied in appropriate circumstances by excluding such producers from those included in that industry.

4/ Section 771(4)(A) of the Tariff Act, 19 U.S.C. § 1677(4)(A).

5/ Section 771(10) of the Tariff Act, 19 U.S.C. § 1677(10).

6/ Data concerning Nichimo Northwest's operations were relatively limited¹⁷ during the prior 751 review. Although it was known that the firm had made its first domestic shipment, the success of its entry into U.S. production could not be predicted.

7/ 19 U.S.C. 1677(4)(B).

After reviewing the portions of the record of this investigation pertinent to the issue, I find that although Nichimo Northwest is related to a firm which exported merchandise covered by the antidumping order, circumstances are such that exclusion of the firm from consideration as a domestic producer is not appropriate. Nichimo Northwest has become a substantial supplier of salmon gill fish netting to U.S. fishermen for use in the current salmon fishing season. The firm's Japanese parent has ceased exporting to the United States 8/ and the firm has moved to secure alternative, non-Japanese yarn supplies. Nichimo Northwest has made a substantial commitment in terms of building and equipment and has a strong motive for continuing U.S. production--the ability to quickly respond to consumers' needs. This ability is especially important to fishermen and has translated into a premium price for the firm's product.

Exclusion of Nichimo Northwest as a part of the domestic industry would leave only Harbor Net and Twine as a domestic producer, seriously distorting the conclusions to be drawn by the Commission regarding the effects of imports. An additional and perhaps conclusive consideration is the position taken by Nichimo Northwest opposing the prospective modification or revocation of the antidumping order to exclude salmon gill fish netting.

Harbor Net and Twine, a small, family owned and operated establishment located in Hoquiam, Wash., produces both crystal-type and cable-laid multifilament salmon gill fish netting. The firm produces only on order, does not export, nor carry any netting in inventory. The Commission found in investigation No. 751-TA-5 that Harbor Net and Twine:

. . . had established a distinct niche in the market for crystal netting . . . Harbor Net and Twine's production is insignificant and not competitive with the imports subject to investigation. 9/

8/ Report, at A-19-A-20.

9/ Salmon Gill Fish Netting of Manmade Fibers from Japan, investigation No. 751-TA-5, at 5 and 7.

Standards for review

The subject investigation represents the seventh investigation conducted by the Commission under section 751(b) of the Tariff Act. Although each investigation presented the Commission with a unique set of factors for its consideration, they all serve to support what I consider to be the underlying purpose of section 751. 10/ That is to provide a mechanism whereby barriers to trade in the form of antidumping duties, which are no longer necessary to protect U.S. industries from the injury of unfairly traded imports, can be removed.

In upholding our statutory responsibility to determine whether the modification or revocation of an antidumping order would result in material injury to a domestic industry, in this investigation the following factors must be analyzed and a judgment rendered: (1) the likely pricing behavior of the foreign producers or exporters in the absence of an antidumping order; (2) the anticipated changes in the volume of imports; and (3) the effect of both of these factors on the U.S. industry producing the articles subject to the antidumping order. The judgment of the Commission in each of these issues must be supported by the record of the investigation and not be based on supposition or conjecture.

Material injury

My analysis of the impact of modification or revocation of the antidumping order has led me to the conclusion that the price and volume of the imported products will not be directly influenced by the exclusion of salmon gill fish netting of manmade fibers from the order. Accordingly, the domestic industry producing salmon gill fish netting will not be adversely affected by such an exclusion.

Price effect.--The imposition of an antidumping order would normally have a direct impact on the pricing structure of the product covered by the order.

10/ See Television Receiving Sets from Japan, investigation No. 751-TA-2, Views of Commissioner Paula Stern at 28-31.

Faced with the cost of additional duties, foreign producers could adjust the price of their product upward to a level that was found to be not at less than fair value and thereby avoid the dumping duty. Another alternative would be to leave the price unchanged and allow the U.S. importer to absorb the additional duty cost or pass it on to consumers. In any event, the end result is normally an increase in the price of the imported product.

In this investigation, the record on prices indicates that the imposition of the antidumping order had little impact of the selling price of imported salmon gill fish netting. Domestic producers have argued that although the order was put into place in June 1972, it was not effectively enforced and therefore imports continued to undersell U.S. producers until they were forced to withdraw from production of salmon gill fish netting. Data from questionnaires submitted in connection with the Commission's original antidumping investigation, the prior section 751 investigation, the current investigation, 11/ and hearing testimony, indicate that from 1971 to 1981, imported salmon gill fish netting was higher priced than domestically produced netting. In 1982, the entrance of Nichimo Northwest with a premium priced product 12/ caused the weighted average selling price of imported Japanese netting to fall below that offered by Nichimo.

An examination of the record concerning less-than-fair-value (LTFV) sales is necessary to understand not only past pricing behavior but also to help anticipate the price reaction to a modification of the antidumping order. The margins determined in the original antidumping investigation conducted by the Department of Treasury in 1971 were based on samples of invoices reflecting sales of fish netting and nets to the United States. None of these invoices concerned sales of salmon gill fish netting. Subsequent to the imposition of the antidumping order, appraisement orders were released to Customs' districts

11/ Report, at A-22-A-27.

12/ Ibid.

which permitted the liquidation of entries and collection of any required dumping duties. Customs' officials in Seattle, Washington, entry point for most imports of salmon gill fish netting, have never found a dumping margin on liquidated entries of salmon gill fish netting and have therefore never assessed a dumping duty. Although imports entered after the effective dates of the last appraisement orders (either September 1976 or March 1978) have not been liquidated, the Department of Commerce has conducted three reviews covering entries through May 31, 1982. The preliminary results of the first of these reviews indicated dumping margins for sales of fish netting of manmade fibers from Japan. However, the calculated margins were based on sales of other than salmon gill fish netting. Results of the remaining two reviews have not been published by Commerce.

In summary, the record of this investigation shows that the antidumping order has had little impact on prices of salmon gill fish netting in that, even before the imposition of the order, imported netting was higher priced than that available from domestic producers. ^{13/} The record also indicates that the dumping margins determined in the original investigation and in subsequent reviews were based on sales of types of fish netting other than salmon gill. ^{14/} Therefore, the modification or revocation of the dumping order would have little impact on salmon gill fish netting prices.

Changes in the volume of imports.--Since 1977, Japanese fish netting producers have been the principal suppliers of salmon gill fish netting to the U.S. market. Demand for fish netting has been erratic during 1978-82, increasing in 1979, dropping sharply in 1980 and again in 1981, then increasing in 1982. The pattern of consumption would suggest a number of factors are at work in determining demand for salmon gill fish netting.

The salmon fishing industry is a tightly regulated one, responding not²¹ only to consumer demand for the end product but also to the ecological

^{13/} Report, at A-22-A-27.

^{14/} Ibid, at A-2-A-4.

requirements of preserving a natural resource--salmon. The number of people engaged in commercial salmon fishing is regulated through the issuance of licenses. The number of fish caught in a season is regulated by the length of the season and the number of days within the season that fishermen are allowed to actively fish. These two factors have a direct bearing on demand for netting. An additional factor is the financial situation of the fishermen. Netting accounts for only a minor portion of total net cost, which in turn is a small portion of the fishermen's overall operating expenses. If the fishermen experience a financially rewarding salmon season, they may respond by purchasing more netting for the following season while they have the funds. Conversely, if financial returns are bad, netting purchases can be postponed.

Given this somewhat erratic demand situation, the projection of imports of salmon gill fish netting is extremely speculative. However, demand for netting is much more a function of the above factors than it is of price. Therefore, the direct impact of the modification or revocation of the dumping order on the volume of such netting imported from Japan would be minimal. This conclusion is supported by statements of the Japanese producers. In response to Commission inquiries, Japanese netting producers reported they anticipated no sharp increase in salmon gill fish netting exports to the United States. The primary reason for this was that there had been little change in the number of U.S. salmon fishing license holders and therefore little change in the total U.S. demand for this product. Modification or revocation of the dumping order for salmon gill fish netting would not significantly alter the supply/demand relationships in the market.

The impact of imports on the domestic industry.--It is my view that the modification or revocation of the antidumping order concerning fish netting of manmade fibers from Japan, to exclude imports of salmon gill fish netting,

would have a de minimus impact on both the price and quantity of future imports of that product. However, my analysis would be incomplete without a consideration of the impact of such imports on domestic firms currently producing salmon gill fish netting.

Of the two firms which comprise the domestic industry, Harbor Net and Twine has the longer history of salmon gill fish netting production. The fact that this firm has remained in production while larger firms, such as First Washington Net Factory and Blue Mountain Industries, have withdrawn is a tribute not to its ability to compete with imports head to head but rather to establish for itself a distinct submarket. The firm, a small, family-owned establishment, services a very small, distinct market. The majority of orders for salmon gill netting are placed in late October and early November preceding the April opening date for the salmon fishing season. This early ordering is necessary when purchasing imported netting because of long delivery times and strong demand in the Japanese home market. Harbor Net and Twine has survived over the years by catering to the needs of those fishermen who order after the season has started. Many of these fishermen are engaged in other full-time occupations. They are not in the mainstream of competition with other commercial fishermen nor is Harbor Net and Twine in direct competition with other netting producers, a fact the firm attested to in the prior section 751 review investigation of this subject.

Harbor Net and Twine produces multifilament netting in two varieties--crystal type and cable-laid. Its crystal netting is significantly lower priced than that available from other producers and is considered by fishermen to be a lesser quality than Japanese netting. Cable-laid netting, which constitutes a large share of Harbor Net and Twine's production, is a special purpose type of netting destined for river fishing rather than the

more important fishing areas in Bristol Bay in Alaska or Puget Sound in Washington. Although Harbor Net and Twine may be adversely affected by fluctuations in the overall demand for netting, it is clear that imports of salmon gill netting have little, if any, effect on the firm's operations.

The newest entry into the domestic salmon gill fish netting industry is Nichimo Northwest. Unlike Harbor Net and Twine, this firm is in direct competition with imports from Japan. However, the firm shares some of the advantages enjoyed by its fellow domestic producer. Nichimo's stated intention in locating a production facility in the United States was to be closer to its U.S. customers. ^{15/} By doing this, the firm has been able to sell its netting at a premium price. Nichimo Northwest has entered the U.S. market with an additional advantage not commonly found in new entrants. As a subsidiary of a well-known Japanese netting producer, Nichimo Northwest has had an easier acceptance of its product by netting distributors and their customers, the fishermen.

Nichimo began production operations in February 1982 with machinery and technology supplied by its Japanese parent. The firm was able to sell some of its output in time for the 1982 salmon season (April-August) and its product received good initial acceptance from fishermen. However, the firm was not particularly successful in attracting large "stocking" orders in anticipation of the 1983 salmon season. Import competition does not appear to have been a factor in this lack of sales. Fishermen did find Nichimo's product acceptable; however, netting distributors were reluctant to place large orders because of concern over Nichimo's technical ability to fill such orders in a short period of time. An additional factor affecting orders placed with Nichimo was the sudden interest in multimono netting. This product has gained in popularity to the point that some distributors feel that it will make the ²⁴

^{15/} Prehearing brief of Nichimo Northwest, Inc., at 2.

once dominant crystal-type netting obsolete. Nichimo now produces this type of netting; however, it did not do so at the time distributors were placing their stocking orders. Although Nichimo suffered some setbacks early in the season, the firm was successful in obtaining "fill-in" orders and has been operating at full capacity in recent months.

Nichimo Northwest will emerge as a potent competitor in the U.S. market as its product quality is proven by actual use and its production capabilities become apparent. Although distributors could be expected to continue to divide their orders between foreign and domestic sources, Nichimo Northwest's ability to provide its customers with a reasonably priced, quality product on short notice will assure the firm of a strong competitive position in the U.S. market. Even if serious price competition (which has been absent in this market for years) should develop in the future, Nichimo's potential supply of lower-cost yarn and its current premium price would provide it with the pricing flexibility to meet such competition. My analysis of the impact of price and volume changes on the domestic industry has led me to the conclusion that any such changes resulting from a modification or revocation of the dumping order would not materially injure, or threaten to materially injure, the domestic industry.

The issue of material retardation

Based on the record developed in investigation No. 751-TA-5, the Commission concluded that the establishment of an industry in the United States would be materially retarded if the antidumping order concerning salmon gill fish netting were modified or revoked. The record revealed no established U.S. industry. Nichimo Northwest had just made its first shipment of salmon gill fish netting and the success of its entry into the U.S. market could not be predicted. Harbor Net and Twine, whose output was insignificant²⁵ and non-competitive with imports, was the only active producer. A third firm was in the final stages of securing nylon yarn and anticipated the imminent

start-up of production of salmon gill netting. The record of the current investigation offers a different scenario. Nichimo Northwest has established itself as a viable producer with a strong commitment to continued production in the United States. Harbor Net and Twine continues to serve its distinct niche in the market, while Nylon Net, after a series of technical delays, has now produced samples of salmon gill fish netting and is prepared to distribute them for customer inspection. A U.S. industry has clearly established itself.

Nylon Net, although not in full production, has moved much closer to that goal. Based on information provided by that firm 16/ it will be offering its netting at a price that will allow it to be very competitive in the U.S. market. The only apparent obstacle to Nylon Net's successful entry into production of salmon gill netting will be acceptance of its product by fishermen. This is a function of the firm's technical and marketing abilities, unrelated to import competition.

Conclusion

After considering the record of this investigation, I have found that the modification or revocation of the existing antidumping order to exclude imports of salmon gill netting will not result in significant changes in either the volume or price of such imports. I therefore conclude that the antidumping order on fish netting of manmade fibers from Japan can be revoked 17/ pertaining to imports of salmon gill fish netting, without causing material injury or threat of material injury to an industry in the United States.

16/ Letter to the Commission from Nylon Net Company, May 3, 1983.

17/ Parties in support of revocation of the antidumping order have requested that the revocation be retroactive to the date that U.S. production of salmon gill fish netting ceased. Section 751 of the Tariff Act clearly places the authority for determining the date for retroactive revocation of antidumping or countervailing duty orders for unliquidated entries with the Department of Commerce. Absent a specific request from the administering authority for advice concerning a revocation date, I find such a decision by the Commission to be inappropriate.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On April 18, 1972, in investigation No. AA1921-85, 1/ the Commission determined that an industry in the United States was being injured within the meaning of the Antidumping Act, 1921, 2/ by reason of imports of fish netting of manmade fibers from Japan determined by the Secretary of Treasury to be sold or likely to be sold at less than fair value (LTFV). As a result of this determination, the Department of the Treasury issued a dumping order applicable to this merchandise on June 9, 1972. 3/

On July 28, 1981, the Commission received a request to review its affirmative determination, filed on behalf of nine Seattle, Wash./Portland, Ore. area importers of salmon gill fish netting from Japan. The request, which was filed under section 751(b) of the Tariff Act of 1930, asked that the Commission retroactively modify its injury determination to exclude double knot salmon gill fish netting, in light of changed circumstances. Importers alleged that significant production of salmon gill fish netting in the United States had ceased by 1974.

On the basis of the request for review and all comments filed concerning the request, the Commission voted to institute investigation No. 751-TA-5 on October 14, 1981. The purpose of the investigation was to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, if the antidumping order regarding fish netting of manmade fibers from Japan were to be modified or revoked with respect to salmon gill fish netting of manmade fibers provided for in item 355.45 of the Tariff Schedules of the United States (TSUS). 4/

On March 31, 1982, the Commission determined that the establishment of an industry in the United States would be materially retarded by reason of imports of salmon gill fish netting of manmade fibers from Japan covered by antidumping order T.D. 72-158, if the order were to be modified or revoked. 5/ The Commission's determination was supported by the finding that although domestic production of salmon gill fish netting was so insignificant that there was no established industry in the United States, Nylon Net Co. of Memphis, Tenn., one of the largest domestic producers of fish netting, had made substantial investments in the development of a marketable salmon gill fish netting. An important part of Nylon Net's plans was the projected development of a nylon yarn by Firestone Fibers & Textile Co., at its Hopewell, Va. plant, which would permit Nylon Net to produce netting that

1/ Fish Nets and Netting of Manmade Fibers From Japan . . ., investigation No. AA1921-85, TC Publication 477 (1972).

2/ 19 U.S.C. 160-171 (replaced by Tariff Act of 1930, secs. 731-740, effective Jan. 1, 1980, 19 U.S.C. 1673-1673i).

3/ A copy of Treasury Decision 72-158 is presented in app. A.

4/ A copy of the Commission's notice of investigation No. 751-TA-5 is presented in app. B.

5/ Salmon Gill Fish Netting of Manmade Fibers from Japan . . ., investigation No. 751-TA-5, USITC Publication 1234 (1982).

would be competitive with imported Japanese netting. Nylon Net's ability to enter the salmon gill fish netting market apparently depended on the successful development of this nylon yarn.

On November 24, 1982, following receipt of information that Firestone Fibers & Textile Co. expected to cease production of nylon at its Hopewell, Va. plant, the Commission requested comments regarding the institution of a new section 751(b) review investigation. Comments were received from counsel representing nine Pacific Northwest importers of salmon gill fish netting (the petitioners in investigation No. 751-TA-5), counsel representing the American Netting Manufacturers Organization (ANMO), counsel for Nichimen Corp. (an exporter of salmon gill fish net to the United States), counsel for the Fishing Nets and Twine Division of the Japan Textile Products Exporters' Association, counsel for Trans-Pacific Trading, Inc. (an importer of salmon gill fish netting), and the firm of McClary, Swift & Co. (Custom house brokers).

On the basis of the comments filed, the Commission voted to institute investigation No. 751-TA-7 on January 25, 1983. The purpose of this investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded if the present antidumping order were to be modified or revoked to exclude salmon gill fish netting of manmade fibers. Modification or revocation of the dumping order as to salmon gill fish netting would not affect the Commission's affirmative determination with respect to other forms of fish netting of manmade fibers from Japan. Notice of the institution of the investigation and of the public hearing to be held in connection therewith was published in the Federal Register of February 2, 1983 (48 F.R. 4746). 1/ A public hearing was held on Wednesday, April 27, 1983, in Washington, D.C. 2/ The Commission's injury vote on this case was held on May 24, 1983.

Nature and Extent of LTFV Sales

On June 9, 1972, a dumping finding on all types of fish netting of manmade fibers from Japan (Treasury Decision 72-158) was published in the Federal Register (37 F.R. 11560). Treasury's investigation concerning LTFV sales covered a sample of sales of fish netting and fish nets of manmade fibers to customers in the United States by four Japanese firms. Sales by those firms represented 55 percent of the dutiable value of all sales to the United States of Japanese fish nets and netting of manmade fibers during the period from October 1, 1969, through September 30, 1970. Treasury determined that two firms--Momoi Fishing Net Manufacturing Co., Ltd., and Amikan Fishing Net Manufacturing Co., Ltd.--were selling fish netting at LTFV. Margins for these firms were 7.9 and 5.1 percent, respectively.

Subsequent to the issuance of the dumping order, appraisement orders (master lists) were released to customs districts to permit the liquidation of entries and the collection of any dumping duties required. Such appraisement

1/ A copy of the Commission's notice is presented in app. B.

2/ A calendar of witnesses who appeared at the public hearing is presented in app. C. A-2

orders were issued through September 1976 for the majority of Japanese exporters. Some individual firms were covered by appraisement orders through March 1978. It is normal customs procedure to liquidate imports entered by firms for which appraisement orders are in effect. Customs' officials in Seattle, Wash., entry point for the bulk of salmon gill fish netting imports, have reported to the Commission that no dumping margins have ever been found on liquidated entries of salmon gill fish netting subsequent to the imposition of the dumping order. Consequently, no dumping duties were assessed on such entries. However, imports entered after the effective dates of the last appraisement orders (either September 1976 or March 1978 for most firms) have not been liquidated. Therefore, there is the possibility that dumping duties may be applicable to such imports.

On January 2, 1980, the authority for administering the antidumping law was transferred from Treasury to the Department of Commerce. On March 28, 1980, Commerce published a notice of its intent to conduct administrative reviews of all outstanding dumping findings. On May 5, 1981, Commerce published the preliminary results of its review on fish netting of manmade fibers from Japan. 1/ The review covered the following--(1) imports of fish netting of manmade fibers, classifiable under items 355.4520 and 355.4530 of the Tariff Schedules of the United States Annotated (TSUSA); 2/ (2) 46 of the 65 Japanese firms known to be engaged in the manufacture and exportation of fish netting of manmade fibers to the United States; and (3) time periods from May 1, 1971, through May 31, 1980. Review of the period prior to September 30, 1976 (a period covered by appraisement instructions) was necessary for firms which were not known to be exporting to the United States at the time of Treasury's original investigation but may have made shipments to the United States subsequent to issuance of the dumping order. The period after September 30, 1976, was reviewed because appraisement instructions had not been issued after this date for most Japanese firms exporting fish netting to the United States. The remaining 19 firms were to be covered in a subsequent review.

Ten exporters stated that they either did not export during the period of review or only sold to the United States subsequent to May 31, 1980. Margins for these firms were based on the most recent information for each firm, or the highest current rate for responding firms. Only one firm (* * *) furnished an adequate response. In calculating the U.S. price for this firm, Commerce used purchase price based on the c.i.f., packed price to unrelated purchasers in the United States. In calculating foreign market value, the price to purchasers in a third country (Canada) was used since there were no sales by this firm in the home market of such or similar merchandise. Thirty-five firms refused to respond or provided inadequate responses to Commerce questionnaires. With one exception, Commerce determined that margins for these nonresponsive exporters would be the same as that for the one responding firm (23.3 percent). Commerce preliminarily determined that margins from 11 to 38.27 percent existed during time periods ranging from May 1, 1971, to May 31, 1980.

1/ A copy of Commerce's notice is presented in app. D.

2/ Fish netting and fishing nets (including sections thereof), of manmade fibers.

Following the issuance of Commerce's preliminary results on May 5, 1981, interested parties were given an opportunity to comment and a public hearing was held on June 12, 1981. Based on comments received, Commerce allowed various firms to rectify specific deficiencies in their responses or, in the cases of firms which had initially not responded, to furnish information requested by Commerce. On December 27, 1982, Commerce published revised preliminary results of its annual review and a tentative determination to partially revoke the antidumping finding on fish netting from Japan (47 F.R. 57346). 1/

The revised results of Commerce's annual review cover 74 of the 81 known manufacturers, exporters, and third-country resellers of Japanese fish netting of manmade fibers to the United States. The review covered shipments from as early as May 1, 1971, through May 31, 1980. The seven firms not covered will be examined in subsequent reviews. Shipments by these firms all occurred after May 31, 1980. Forty-four firms failed to respond or provided inadequate responses to Commerce questionnaires. In determining the assessment rates for these firms, the highest rate for responding firms or the most recent previous rate for each nonresponding firm (whichever was higher) was used. As a result of comparisons of U.S. price to foreign market value, Commerce preliminarily determined that margins ranging from 0.002 percent to 19.19 percent existed during the period of review. Commerce also tentatively determined to revoke the antidumping finding on fish netting of manmade fibers from Japan manufactured and exported by Moribun Shoten. The revocation was based on the tentative finding of no LTFV sales to the United States for at least a 2-year period.

In addition to its first annual review, Commerce has also initiated reviews covering the periods June 1, 1980, through May 31, 1981, and June 1, 1981, through May 31, 1982. The preliminary results of these reviews have not been released by Commerce and are not expected to be released until after the Commission's determination.

Discussions with the Commerce staff members responsible for these reviews and a review of their files revealed * * *. However, if an importer purchased salmon gill fish netting from a Japanese firm which had not provided Commerce with an adequate questionnaire response, the importer could be assessed a dumping duty on its imports of salmon gill fish netting based on the margins found for a Japanese firm which did submit an adequate response.

The Product

Description and uses

The subject of this investigation is salmon gill fish netting of manmade fibers from Japan. Almost all salmon gill fishing nets of manmade fibers are of nylon. Salmon gill fish netting, as described in the statistical headnote

1/ A copy of the Commerce notice is presented in app. D.

to schedule 3, part 4, subpart C, of the TSUSA, is nylon multifilament, twisted single plied, with double or triple knot construction; or nylon monofilament, twisted multi-ply or multi-stranded, with double or triple knot construction; all of the foregoing not less than 5-1/4 inches stretch mesh size. Imports of salmon gill fish netting from Japan accounted for about 34 percent of the quantity of 1982 imports of fish netting from Japan which were covered by the outstanding dumping order (T.D. 72-158). 1/

Fish netting and fishing nets represent different stages of construction of the same product. Netting is an intermediate stage; nets are normally an end product. Manmade fiber filaments are extruded and then twisted and drawn. This product is further twisted or combined to form a twine. The netting is constructed by knitting or knotting the twine together by machine to form piece goods of uniform mesh sizes. The netting is then usually dyed to a specified color or shade and may also be coated with resin to increase its durability.

Netting mesh sizes, dimensions, and characteristics will vary depending on the type of fishing net to be produced. Most of the nets used are entrapment types (i.e. seine, trawl, etc.) as opposed to gill nets. Gill nets are designed to catch fish by having the mesh size just large enough to admit the head of the fish. When the fish swims into the opening, its head or body is wedged into the mesh as it attempts to swim forward. The mesh of the net tightens or twines around the bodies of the fish. In some cases the mesh actually slips under and in back of the gills, trapping the fish, thereby the term "gill" net.

The desirable characteristics in gill netting are strength, flexibility, and transparency. These characteristics are found to differing degrees in the three basic types of gill netting imported from Japan for use in salmon fishing. In the United States, multifilament netting is the most common type used, especially in the Alaskan fisheries. There are several types of multifilament netting each distinguished by the type of yarn used and the process used to form the twine. The most widely used type of multifilament is "crystal" netting, which is constructed from twine which usually consists of six or seven multifilament strands that are lightly twisted together. Each strand usually consists of a dozen or more filaments that are twisted together in the same direction. The multifilament strand is twisted in the same direction as the filaments to form the twine. These filaments are thicker than those used in other types of multifilament twine; therefore, fewer filaments are needed to produce a given size twine. A twine with less twist and fewer filaments lends itself to greater transparency, in addition to being more flexible.

1/ The TSUSA definition of salmon gill fish netting, of nylon (355.4520) specifies a minimum mesh size of 5-1/4 inches. The current legal minimum mesh sizes for salmon gill fish netting used in the Bristol Bay area of Alaska (a highly productive salmon fishery) range from 4-7/8 inches to 8-1/4 inches according to the specific species of salmon being harvested. Because of this difference in minimum mesh size (4-7/8 inches versus 5-1/4 inches) salmon gill fish netting could be imported into the United States without being reported as such in the official import statistics. Import data for salmon gill fish netting, of nylon, reported by the Department of Commerce, may therefore be understated.

In 1981, a new version of multifilament netting was introduced in the Alaskan fisheries. The new product, which is referred to as "multimono," 1/ is formed by using either a number of very small filaments or a single monofilament surrounded by multifilaments. The twine must contain a minimum of 30 filaments. The limited number of fine filaments used to produce this netting make it highly transparent and therefore a highly efficient piece of gear. The largest U.S. importers of salmon gill fish netting indicated that, based on their orders for the 1983 season, multimono netting may make crystal multifilament fish netting obsolete.

Cable-laid netting is also considered a multifilament type of netting. Individual strands are formed by twisting many nylon filaments in one direction. Generally, three or four of these multifilament strands are then twisted together in the opposite direction to that of the preliminary twist to form the cord. The filaments used in cable-laid netting are not the same as those used in crystal multifilament or multimono netting, because they are generally thinner and more numerous. Although cable-laid netting is produced in Japan, distributors have indicated that very little has been imported since 1977.

The second most common type of gill netting used in the United States, normally in the Puget Sound area, is twisted monofilament netting, which has twine consisting of several monofilament strands twisted in the same direction. This results in a netting which is of equal strength but more transparent than crystal multifilament netting.

The third basic type of gill netting is monofilament or single strand. The cord used in this type of webbing consists of a single monofilament that is knotted to form the mesh. Although not as strong as other types of netting, it is highly transparent. However, it is illegal for use in the United States except by native (Indian) fishermen, because it is far too efficient in catching salmon. Japan and many other foreign countries use this type of netting for salmon gill fishing nets.

There are two methods of using salmon gill nets--the set method and the drift method. The method of salmon fishing used will depend on such factors as ground rights, season, location, license, and type of salmon to be caught. When used in the set method, the gill net is usually staked or anchored in place near the shore or beach and rigged with floats and sinkers to form a type of fence or barrier. In the drift method, the netting is rigged with floats and sinkers and placed in the water from a boat across the path of salmon to intercept them. The majority of commercial salmon gill net fishermen use the drift method; the set method is popular with native (Indian) fishermen.

Because many salmon gill net fishermen think of their nets as precise tools, quality is usually of utmost importance when they select their netting. The major factors that are considered when judging the quality of a salmon gill fishing net are (1) mesh sizes that are uniform; (2) cords or twines that form loosely hanging mesh; (3) knots that are tight and do not slip when stretched, and (4) dyeing that provides the correct shade of color with no fading.

Some salmon gill net fishermen prefer that the shackles or sections of their nets be of different shades or colors since the angle of sunlight will reflect differently off the water and nets. Many fishermen feel one shade is superior or more desirable in the morning for catching fish, while another shade or color is superior or more desirable in the afternoon or evenings.

The fishing industry is highly regulated and closely monitored by the Federal and State Governments. The total amount of salmon which can be harvested in any one area is determined by Government officials. The minimum legal mesh size and length of netting is also regulated on the basis of the location and species of salmon to be caught. The legal minimum mesh size for specific species of salmon and the approximate harvest seasons in the Bristol Bay area of Alaska (currently one of the most productive salmon fishing grounds) are shown in the following tabulation:

<u>Type of salmon</u>	<u>Minimum mesh size (inches)</u>	<u>Approximate season</u>
King-----	8-1/4	May 25-June 20th
Red (Sockeye)-----	5-1/8 - 5-1/4	June 15-July 1st
Late red-----	4-7/8 - 4-3/4	July 1-July 16th
Humpie (pink)-----	4-3/8 - 4-1/2	July 16-July 30th
Silver and dog (chum)---	5-1/2	July 31-Aug. 10th

Because of the short fishing season, the fisherman's objective is to catch the largest number of fish in the shortest period of time and then begin preparing for the start of the next season for a different species of salmon. A salmon fisherman in the Bristol Bay area will often catch three-fourths of his total catch in a 2-week period. Not only is the fisherman limited in his choices of mesh sizes, but also in the total size of his net. In the Bristol Bay area, salmon gill nets are not allowed to exceed 150 fathoms (900 feet) in length, or 29 meshes in depth. In the Puget Sound area of Washington, salmon gill fish nets are not to exceed 300 fathoms (1,800 feet) in length or 120 to 200 meshes deep. Many fishermen will order their netting with a mesh 1/8 to 1/4 inch under the legal mesh size. When the mesh becomes wet, it will stretch to the legal minimum size. Some fishermen claim that their catch can increase as much as 25 percent by using a net with a mesh size 1/4 inch smaller than the legal minimum size. When knot slippage occurs, the meshes become misshapen and will reveal white areas near the knots where the dye did not penetrate. The net then becomes more visible in the water, possibly causing the fish to swim around it.

U.S. tariff treatment

Imports of salmon gill fish netting are provided for in TSUSA items 355.4520 and 355.4530 (pt.). The current column 1 rate of duty 1/ is 18 cents

1/ Column 1 rates of duty are most-favored-nation (MFN) rates and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, these rates would not apply to products of developing countries where such articles are eligible for preferential tariff treatment provided under the Generalized System of Preferences or under the "LDDC" rate of duty column.

per pound plus 28.6 percent ad valorem. The column 2 rate of duty 1/ is 82 percent ad valorem. Such imports are not eligible for benefits of the Generalized System of Preferences (GSP) 2/. The ad valorem equivalent of the column 1 rate of duty during 1982 was 36.2 percent. The current column 1 rate of duty became effective on January 1, 1983, as a result of negotiations concluded in the Tokyo round of the Multilateral Trade Negotiations (MTN). The former column 1 rate of 25 cents per pound plus 32.5 percent ad valorem remained unchanged between August 31, 1963 and December 31, 1981. The staged reductions in the rate of duty under the MTN are shown in the following tabulation:

Year	:	Rates of duty effective with respect to
	:	articles entered on or after Jan. 1--1/
1982-----	:	21¢/lb + 30.6% ad val.
1983-----	:	18¢/lb + 28.6% ad val.
1984-----	:	15¢/lb + 26.7% ad val.
1985-----	:	12¢/lb + 24.8% ad val.
1986-----	:	9¢/lb + 22.8% ad val.
1987-----	:	6¢/lb + 20.9% ad val.
1988-----	:	3¢/lb + 18.9% ad val.
1989-----	:	17% ad val.
	:	

1/ Concessions granted on most textile products are conditional. Sec. 504 of the Trade Agreements Act of 1979 would restore tariffs on textile products, including fish netting and fishing net, subject to the Multifiber Arrangement (MFA) to the levels of Jan. 1, 1975, if the MFA does not continue in effect or a suitable arrangement is not implemented during the period of the staged tariff reductions.

TSUS item 355.45 was annotated for statistical purposes effective January 1, 1981. This annotation separates salmon gill netting, of nylon (item 355.4520), from other fish netting and fishing nets of manmade fibers. The ad valorem equivalent of the duty on netting reported in TSUSA item 355.4520, based on imports during 1982, was 34.0 percent.

The United States is party to the Arrangement Regarding International Trade in Textiles, commonly known as the Multifiber Arrangement (MFA), sanctioned under the General Agreements on Tariffs and Trade (GATT). The MFA provides the legal framework for member countries to negotiate bilateral agreements allowing for the orderly development of international trade in textiles and apparel. The MFA went into effect on January 1, 1974, for 4 years and was extended for 4 more years through 1981. In December 1981, the MFA was extended until July 1986.

1/ Column 2 rates of duty apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

2/ The GSP, enacted as title V of the Trade Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented in Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise entered on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985.

Under the terms of the MFA, the United States has negotiated agreements with 21 countries 1/ providing for specific limits on U.S. imports of individual textile and apparel products or groups of products or, in some cases, providing for consultations when predetermined import levels are reached. Similar agreements were negotiated, pursuant to the provisions of section 204 of the Agricultural Act of 1956, with Taiwan, the People's Republic of China (China), Costa Rica, and Mauritius, which are not MFA signatories. The United States also has agreements with 10 other countries 2/ providing for consultations should their exports to the United States threaten to cause market disruption.

To administer the U.S. textile and apparel trade agreements programs, imports of textiles and apparel are grouped in three-digit category numbers according to their fiber content (cotton, wool, or manmade fibers), fabric construction (knit or not knit), and product group (yarn, fabric, apparel, or homefurnishings). The current MFA category number which included TSUSA items 355.4520 and 355.4530 is 669. Category 669 is a so-called basket category which includes numerous other textile articles in addition to fish nets and fish netting of manmade fibers. Current bilateral agreements with Japan, Korea, and Taiwan do not provide for any specific limits for imports in this category.

Two bills on fish netting and fishing nets of manmade fibers--H.R. 4002 and S. 1565--were introduced in the House of Representatives and the Senate on June 23, 1981, and July 31, 1981, respectively. Both bills provided for immediate reduction of the duty on fish netting and fishing nets (TSUS item 355.45) to the final staged rate of 17 percent ad valorem. H.R. 4002 was incorporated into H.R. 6867. The legislation passed the House but was defeated in the Senate Finance Committee on September 28, 1982. S.1565 was incorporated into H.R. 4566, which became Public Law 97-446 on January 12, 1983. However, the provision concerning duty reductions on fish netting was deleted in conference before final passage. 3/

The duty on fish netting and fishing nets purchased in foreign ports by U.S. fishing vessels during a specified period of departure from the United States is 50 percent ad valorem (19 U.S.C. 1466). Such purchases are also provided for in U.S. Customs Service regulations in the Code of Federal Regulations (19 CFR 4.14 and 4.15). On meeting one of three statutory criteria, the owner or master of the vessel may obtain a remission of the duties paid when the purchases were made in a specified period (19 U.S.C. 1466(d)). Section 4.14 of these regulations provides specific standards for

1/ As of December 1982, they included Brazil, Colombia, the Dominican Republic, Haiti, Hong Kong, India, Indonesia, Japan, the Republic of Korea (Korea), Macau, Malaysia, Maldives, Mexico, Pakistan, the Philippines, Poland, Romania, Singapore, Sri Lanka, Thailand, and Yugoslavia.

2/ These include Egypt, Czechoslovakia, Greece, Hungary, Jamaica, Malta, Nicaragua, Peru, Portugal, and Spain.

3/ Similar legislation has been reintroduced in the Senate (S.759) on Mar. 10, 1983, and in the House of Representatives (H.R. 2042) on Mar. 9, 1983. A-9

the duty refunds, requiring proof that the transaction met the legal qualifications of replacing such equipment 1/ damaged at sea.

Producers of Salmon Gill Fish Netting

Salmon gill fish netting was produced by three U.S. firms prior to 1975. Since that date, two of these firms ceased production and a fourth firm began production. The former producers of salmon gill fish netting gave various reasons for halting production. First Washington Net Factory, Blaine, Wash., produced salmon gill fish netting from 1960 to 1977. The firm discontinued such production in 1977 after concluding that the investment required to replace the old equipment used in producing the salmon gill fish netting could not be justified because of uncertainty in the market caused by increasing import competition and the efforts being made to remove import duties on fish netting. 2/ In its last year of production, First Washington produced approximately * * * pounds of salmon gill fish netting, an estimated * * * of U.S. production in that year. The firm has also stated that it would consider resuming production of salmon gill fish netting only if * * *.

Blue Mountain Industries, Blue Mountain, Ala., also produced salmon gill fish netting, with the largest production recorded in the early to mid 1960's. Production declined sharply until it ceased completely in 1972, when it was estimated to be * * * pounds. Mr. H. D. Whitlow, vice president of Blue Mountain Industries, in response to a questionnaire of the U.S. International Trade Commission during investigation No. 751-TA-5, indicated that his firm stopped production of salmon gill fish netting because of lower priced imports. Mr. Whitlow also stated that his firm had no intention of resuming production at that time since it could not compete profitably because of import conditions. Only control of import quantities and enforcement of duties would allow domestic producers to compete on a profitable basis. In response to a staff inquiry early in this investigation, 3/ Mr. Whitlow reaffirmed his statement. However, during the Commission's public hearing in this investigation, Mr. Robert Batey, sales manager for Blue Mountain Industries, testified that:

. . . Blue Mountain does want to get back into the salmon gill netting business and feels it can do so profitably with strict enforcement of the dumping finding. 4/

1/ "Fish nets and netting are considered vessel equipment and not vessel supplies," 19 CFR 4.15 (Fn. 28) (1982). Thus, such purchases in a foreign port are subject to duty under sec. 466 of the Tariff Act of 1930 (19 U.S.C. 1466). However, sec. 466 would be repealed by sec. 203 of S. 1038 (the Merchant Marine Act of 1983), introduced Apr. 12, 1983, by Sen. Stevens (by request).

2/ Statement of Mr. Carl Koring, president of First Washington; submitted in response to a questionnaire of the U.S. International Trade Commission during investigation No. 751-TA-5.

3/ Telephone conversation between Mr. C.L. Cook of the Commission staff and Mr. H.D. Whitlow, Feb. 16, 1983.

4/ Transcript of the hearing, p. 125.

Harbor Net and Twine Co., Inc., is a small family owned and operated establishment located in Hoquiam, Wash. This firm services a very small but distinct market. Most orders for imported salmon gill fish netting are placed in late October and early November in anticipation of the earliest opening date of the fishing season in April. Orders placed after this time period tend to have longer delivery times and often are delayed as Japanese suppliers react to the demand in their home market. Harbor Net and Twine's highest production period is April. It primarily serves those fishermen who do not order early. Harbor Net and Twine's production is composed of approximately * * * crystal type multifilament salmon gill netting; 1/ the remaining * * * consists of the cable-laid type of salmon gill netting. Most of the cable-laid netting is destined for river fishing in Alaska, where flexibility and transparency of the netting are relatively unimportant quality features because of the fast currents and murkiness of the water. Many of the fishermen purchasing their netting in * * * from Harbor Net and Twine are part-time fishermen and have other jobs as their primary sources of income. Mrs. Grace Savola, President of Harbor Net and Twine, has stated that " * * * ." 2/ * * *.

On April 30, 1981, a new firm, Nichimo Northwest, Inc., was incorporated in the State of Washington. The firm is a joint venture with two American shareholders controlling 30 percent of the stock. Seventy percent of the stock is owned by Nichimo (Washington), Inc., a Washington State corporation which is a wholly owned subsidiary of Nichimo (Japan) and acts as its sales agent in the United States. Nichimo Northwest, which is located in Everson, Wash., started its manufacturing operations in February 1982. Counsel for the firms supports the retroactive revocation of the dumping order but alleges that revocation of the order for imports entered into the market since February 1982 would adversely affect his clients operations. 3/

Nylon Net and Twine Co., Memphis, Tenn., a large domestic manufacturer of fish netting, stated that it has both the intent and the capability to produce crystal multifilament salmon gill fish netting. However, officials of the firm also state that unless the dumping duty on salmon gill fish netting imports from Japan remains in effect, it can not successfully compete in this market. 4/

1/ Purchasers of this type of netting have testified that it is an inferior product compared with imported Japanese netting.

2/ Statement of Mrs. Grace Savola, President of Harbor Net and Twine; submitted in response to a questionnaire of the U.S. International Trade Commission.

3/ Transcript of the hearing, p. 91.

4/ Transcript of the hearing, pp. 119-123.

U.S. Importers

Salmon gill fish netting is principally imported by firms located in Oregon and Washington. These firms and their share of total U.S. imports of salmon gill netting in 1982 are shown in the following tabulation:

<u>Firm</u>	<u>Percentage distribution</u>
Astoria Marine Supply	***
Englund Marine Supply	***
Fisheries Supply Co.	***
Jovanovich Supply Co.	***
Lummi Fishery Supplies	***
Nets Incorporated	***
Nordby Supply Co.	***
Redden Net Co., Inc.	***
Seattle Marine and Fishing Supply	***
Tacoma Marine Supply	***
Trans-Pacific Trading Co.	***
	<u>100.0</u>

The typical importer is actually a fishing supply house, providing not only netting but almost any product fishermen would need for their fishing operations. These firms purchase netting from both foreign and domestic sources and distribute the product to the fishermen.

The Foreign Industry

Japan, Korea, and Taiwan are the world's principal producers of all types of fish netting and fishing nets. Total world output of fish netting and fish nets is estimated to exceed 120 million pounds annually, which are made primarily of manmade fibers. The production of double-knot salmon gill fish netting accounts for only a small share of the total production of all fish netting.

Japan is the leading world producer of fish netting and fishing nets. It maintains a network of domestic and foreign factories and warehouses located in most market areas of the world. The Japanese industry consists of about 300 firms that produce about 65 million pounds of fish netting and fishing nets annually. About six multinational firms account for the bulk of the Japanese domestic production. The Japanese fish netting and fishing net manufacturers are usually affiliated with Japanese petrochemical producers, which are their source of manmade fibers. The Japanese are usually able to obtain the amount and type of fibers and yarn needed with less difficulty than most U.S. producers because of the larger market for fish netting in Japan.

According to data received from the Japan Fishing Net Manufacturers Association (JFNMA) in the previous section 751 investigation 1/ and from JFNMA and a major Japanese netting manufacturer in the current investiga-

1/ Department of State telegram, Jan. 19, 1982.

tion, ^{1/} Japanese producers exported almost 5 million pounds of fish nets and fish netting of manmade fibers in 1982. JFNMA reported that less than 10 percent of such exports went to the United States and Canada. The Japanese fish netting manufacturer estimated that some 80 percent of such exports to the United States were salmon gill fish netting. No major changes in Japanese production levels were anticipated by JFNMA. Japanese netting producers did not anticipate any sharp increase in salmon gill fish netting exports to the United States, because there had been little change in the number of U.S. salmon-fishing license holders and therefore little change in the total U.S. demand for this product. The Japanese netting manufacturer also indicated that demand for Japanese-made netting in the United States and Canada is not likely to decline significantly in 1983 or 1984, regardless of whether or not the current antidumping order is modified or revoked, because the quality of Korean and Taiwan netting has not reached a level high enough to be acceptable to U.S. salmon fishermen. However, the manufacturer noted that American fishermen were aware of the antidumping order and might turn to the lower priced imports, even with lower quality, if their financial conditions were to worsen.

U.S. Market

Market developments

Demand in the U.S. market for salmon gill fish netting has been almost entirely served by imports from Japan, Korea, or Taiwan. Imports have been a factor in the U.S. market since the 1950's. They became predominant in the late 1960's and early 1970's. The salmon gill netting currently in use is the result of an evolutionary process predating World War II. At that time, salmon gill netting was constructed from cotton or flax which was tarred to prevent rotting. The resulting product was a coarse, heavy item, far different from the light, transparent netting employed today. After World War II, nylon was introduced in many markets which had traditionally depended on natural fibers. Fish netting was such a market.

U.S. producers introduced nylon gill netting in the mid-50's. Japanese producers also exported to the United States a cable-laid nylon gill fish netting product containing from 15 to 24 multifilament strands. In the mid-1960's, the Japanese introduced a netting that used fewer multifilament strands (six or seven) and therefore was much lighter and more transparent. By the late 1960's and early 1970's, this product dominated the market. The key to the new product was obtaining the yarn which consisted of six or seven multifilament strands. Domestic producers contend they could not interest U.S. fiber producers in making this type of multifilament yarn, since it was such a small volume item. Domestic producers were using, and still use, a multifilament yarn which was produced for use as tire cord. These same producers attempted to secure an adequate supply of the multifilament yarn from Japan but were unable to do so. They contend that when they did receive shipments of such yarn from Japan, the shipments were late. Some domestically produced crystal-type gill netting was available in the U.S. market in the early 1970's, but importers and fishermen contend that it was not comparable

^{1/} Department of State telegram, Apr. 20, 1983.

in quality with Japanese netting. By the late 1970's, domestic producers, with the exception of Harbor Net and Twine, had abandoned production of salmon gill netting and concentrated instead on production of salmon seine netting. Seine netting can be produced in large volume from fibers and yarn that are readily available in the United States. The market for seine netting is currently dominated by the domestic producers. In 1982, Nichimo Northwest, Inc., began production of salmon gill fish netting in Everson, Wash. The firm produces both salmon and herring gill netting, using equipment and raw materials imported from Japan. Salmon gill netting production includes multifilament (both crystal and multimono), twisted monofilament, and monofilament netting. The firm also produces herring gill fish netting.

Crystal multifilament netting is heavily used in Alaskan fisheries. In 1981, Alaskan Game and Fish officials rewrote their regulation on minimum twine sizes allowed in salmon gill fish netting. The regulations had set limits in terms of denier, a dimensional factor which was difficult to determine through visual inspection. The new regulations determined twine size by setting minimum limits on the number of filaments used to form the twine. A limit of 30 filaments was established. Japanese manufacturers responded to this change by introducing "multimono" salmon gill netting to Alaska. 1/ Because of the limited number of very fine filaments used in this netting, it closely resembles monofilament netting, which is banned in Alaska. Fish and Game officials attempted to have the legislature ban this product as well, but their efforts were not successful. However, salmon fishing is a heavily regulated industry where the need to employ fishermen must be balanced against the need to insure the spawning of a sufficient number of salmon to allow for plentiful supplies of fish in succeeding years. Alaskan authorities can regulate the number of fishing days in the season to insure sufficient "escapement." 2/ However, if this new type of netting proves too effective in catching salmon, and causes an imbalance in employment vs. "escapement," it may be banned in the future. Until then, most fishermen will demand this type of netting so as not to be at a disadvantage with their competitors. It is estimated that at least 50 percent of the salmon gill netting used in Alaska this season will be the multimono variety. 3/

Apparent consumption

U.S. consumption of all types of salmon gill fish netting increased from * * * pounds, valued at * * * million, in 1978 to * * * pounds, valued at * * * million, in 1979, as shown in table 1. Consumption declined sharply in 1980 and 1981, then increased * * * percent to * * * pounds in 1982, valued at * * * million.

1/ The initial entry to the U.S. market was a patented product called "centercore" produced by Momoi Net Manufacturing Co. Other major Japanese producers have either entered into licensing arrangements with Momoi or developed comparable types of netting.

2/ The percentage of a run of salmon allowed to proceed upstream to spawn.

3/ Estimate provided to staff by * * *.

Table 1.--Salmon gill fish netting: U.S. producers' shipments, imports for consumption, and apparent consumption, 1978-82

(Quantity in thousands of pounds; value in thousands of dollars)

Year	U.S. producers' shipments ^{1/}	Imports	Apparent consumption	Ratio (percent) of imports to consumption
Quantity				
1978-----	***	591	***	***
1979-----	***	768	***	***
1980-----	***	350	***	***
1981-----	***	279	***	***
1982-----	***	400	***	***
Value				
1978-----	***	3,327	***	***
1979-----	***	5,055	***	***
1980-----	***	2,374	***	***
1981-----	***	2,604	***	***
1982-----	***	3,817	***	***

^{1/} Value of shipments in 1978-80 estimated by staff of the U.S. International Trade Commission.

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

Apparent consumption by type of netting is shown in table 2. Multi-filament salmon gill fish netting represented about 64 percent of all salmon gill fish netting purchased in 1982. Approximately * * * percent of this netting was imported from Japan. Twisted monofilament gill fish netting represented about 22 percent of purchases. The remaining 14 percent consisted of monofilament gill fish netting. Domestic shipments represented about * * * percent of salmon gill fish netting consumption in 1982.

Table 2.--Salmon gill fish netting: Apparent U.S. consumption,
by types, 1978-82

(In thousands of pounds)

Type	1978	1979	1980	1981	1982
Multifilament-----	***	***	***	***	***
Twisted monofilament-----	***	***	***	***	***
Monofilament-----	***	***	***	***	***
Total-----	***	***	***	***	***

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

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

Japan has been the principal supplier of salmon gill netting throughout 1978-82. The following tabulation shows 1982 market share by source and type of netting (in percent):

Source	Multifilament	Twisted Monofilament	Monofilament	Total
Domestic-----	***	***	***	***
Japan-----	***	***	***	***
Korea-----	***	***	***	***
Tawain-----	***	***	***	***
Total-----	100.0	100.0	100.0	100.0

Consumption of salmon gill fish netting is dependent on a number of factors, including the number of fishermen, the number of salmon caught in a season, and the financial condition of salmon gill net fishermen. Industry sources have indicated that the long-term trend in consumption primarily depends on the first two factors, with fishermen's financial condition affecting year-to-year fluctuations in consumption.

Individual States strictly regulate the number of licenses issued for salmon gill net fishing. ^{1/} Below is a tabulation showing the number of salmon gill net license holders, by States, for 1979-82:

Year	Alaska	Washington	Oregon	Total
1979-----	7,776	2,215	470	10,461
1980-----	7,809	2,168	512	10,489
1981-----	7,843	2,137	491	10,471
1982-----	7,858	2,034	471	10,363

^{1/} In Alaska, native American fishermen need no licenses for subsistence fishing; in Washington, no licenses are required if fishing is within tribal waters.

Although the holding of a license does not necessarily mean a fisherman has fished, these figures give some indication of trends in the number of fishermen. The data show that the total number of license holders increased slightly from 1979 to 1980, but decreased in 1981 and 1982. In Alaska, which accounts for about 85 percent of the annual U.S. salmon catch, the number of license holders increased every year. The number of license holders in Washington decreased each year and, in Oregon, the number decreased in 1981 and 1982. The decrease in Washington may be due to a U.S. district court decision in the early 1970's, which has had a depressing effect on the commercial salmon-fishing industry in that State. 1/

Apparent U.S. consumption of salmon gill netting increased in 1979 with the increase in salmon catch. However, in 1980 and 1981, salmon gill net consumption decreased significantly, even though the salmon catch increased in each year, as shown in the following tabulation (in thousands of pounds): 2/

<u>Year</u>	<u>Purchases of salmon gill fish netting</u>	<u>Quantity of salmon landed</u>
1978-----	***	404,489
1979-----	***	536,116
1980-----	***	613,811
1981-----	***	648,440
1982-----	***	607,420

Several possible reasons for the decline in salmon gill fish netting consumption in 1980 and 1981 were offered by parties in the previous investigation. Although the salmon catch increased in 1980, the price of salmon declined significantly, resulting in a smaller return to the fishermen. 3/ As costs to the fishermen for fuel, insurance, supplies, and so forth increased, purchases of netting were curtailed.

Another explanation is that large catches in 1978 and 1979, concurrent with rising salmon prices in those years, resulted in profitable seasons for the fishermen. Since the fishermen had the funds available, they purchased surplus stocks of netting in 1978, and especially in 1979, as indicated by the * * * percent increase in consumption between 1978 and 1979. These large purchases may have resulted in a decline in consumption in both 1980 and 1981, as fishermen drew on surplus stocks of netting rather than buy new netting.

1/ The district court held that under treaties applicable to native Americans in what is now the State of Washington, Indian fishermen are entitled to a 45- to 50-percent share of the harvestable fish passing through their recognized tribal fishing grounds. This decision was affirmed on appeal to the U.S. Supreme Court. (See Washington v. Washington State Commercial Passenger Fishing Vessel Assn., 443 U.S. 658 (1979)).

2/ From 1975 to 1980, salmon gill nets consistently accounted for between 45 and 50 percent of the salmon catch, with the balance accounted for by seine nets (45 to 50 percent) and trollers. These figures indicate that fishermen have not been switching from one fishing method to another.

3/ Ex-vessel salmon prices declined from an index of 615.4 in 1979 to 479.0 in 1980 (1967=100), and to 470.8 in 1981.

Although the quantity of salmon landed declined in 1982, consumption of salmon gill fish netting increased in that year over 1980 and 1981 levels. However, the quantity of purchases in 1982 was still an average of * * * percent below 1978 and 1979 levels.

Channels of distribution

Distribution of salmon gill fish netting is usually made through marine supply houses, which furnish fishermen with nets, netting, boating equipment, and other supplies used by the fishing industry. Although some of the large domestic producers have their own sales organizations, most producers sell to the supply houses, which are typically located in the Northwest. The majority of imports are also distributed by these same supply houses. Although fish netting is usually sold to individual fishermen and usually custom ordered, substantial sales are also made to fish canneries, which in turn contract with fishermen for their catch and provide them with nets.

Consideration of Material Injury or the Threat of Material Injury

Status of the domestic industry

Salmon gill fish netting was produced by three domestic firms prior to 1975. Two firms, Harbor Net and Twine and Nichimo Northwest, currently manufacture this type of netting. Harbor Net and Twine produces a relatively small quantity of crystal-type multifilament salmon gill netting and a somewhat larger volume of cable-laid salmon gill netting, as shown by the data for 1978-81 in table 3.

Table 3.--Salmon gill fish netting: U.S. production, by types, 1978-82

(In pounds)						
Item	1978	1979	1980	1981	1982	2/
Multifilament:						
Crystal 1/-----	***	***	***	***	***	***
Cable-laid-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
Twisted monofilament---	***	***	***	***	***	***
Monofilament-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***

1/ Includes Nichimo's production of some multimono type netting.

2/ Includes data for both Harbor Net and Twine and Nichimo Northwest.

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

Harbor Net and Twine produces only on order, does not export, and does not carry any netting inventory. The firm employs from * * * production workers according to demand for netting and could not provide data on the profitability of its fish netting operation. However, the firm has indicated that its operations would be adversely affected if the dumping order were modified or revoked.

As noted in an earlier section of this report, Harbor Net and Twine appears to have a unique spot in the market for salmon gill fish netting. Although importers and fishermen have alleged that the firm's crystal-type multifilament netting is inferior to that available from Japanese manufacturers, the firm maintains small but stable sales of this product to a small group of fishermen who tend to place their orders just before the salmon fishing season starts. According to fish netting distributors and fishermen, the firm's cable-laid salmon gill fish netting is not considered to be competitive with imported multifilament netting, since it has none of the characteristics of transparency or flexibility that fishermen deem desirable. However, this type of netting is sought by fishermen who fish the swift, murky river waters of Alaska and Washington, where strength and durability are the most important characteristics.

Nichimo Northwest began its manufacturing operations in February 1982. Data concerning the firm's operations in 1982 are shown in the following tabulation:

Item	:	1982	
Production-----pounds--:	:		***
Shipments:	:		
Multifilament-----do----	:		***
Twisted monofilament-----do----	:		***
Monofilament-----do----	:		***
Total-----do----	:		***
Capacity-----do----	:	<u>1/</u>	***
Capacity utilization-----percent--:	:		***
Net operating loss-----1,000 dollars--:	:		***
Capital expenditures-----do----	:		***
Average number of employees-----number--:	:		***
Production and related workers	:		
producing:	:		
All products-----do----	:		***
Salmon gill fish netting-----do----	:		***
Hours worked-----hours--:	:		***
Wages paid-----dollars--:	:		***
Total compensation paid-----do----	:		***
	:		
<u>1/</u> * * *.			

As noted earlier, Nichimo Northwest is a joint venture owned by both Japanese and American interests. The firm began its operations with * * *. It currently operates * * * and employs a total of * * * persons in * * * oper-^{A-19}

ation. Nichimo Northwest began its production of salmon gill fish netting 1/ late in the 1982 season. Most orders for netting are placed by the first of the year; therefore, Nichimo's initial shipments were mainly fill-in orders * * *. However, in 1983, Nichimo is supplying all of its parent's former U.S. customers, since Nichimo Japan no longer exports salmon gill fish netting to the United States. Although Nichimo Northwest currently uses yarn imported from its Japanese parent, it is testing yarn received from a supplier in * * *. The firm hopes to complete testing by the end of June and, if the tests are successful, to obtain all of its yarn from its * * * source. If and when Nichimo purchases all of its yarn from * * *, it anticipates that its costs will * * *. This * * * in cost is very significant, since yarn costs accounted for * * * percent of the firm's production costs in the period December 1982 through March 1983. 2/ The next highest cost was labor, which contributed * * * percent.

Counsel for Nichimo Northwest contends that his client's operations constitute the domestic industry producing salmon gill fish netting. As such, Nichimo Northwest supports the retroactive revocation of the dumping order for the period before February 1982 and the continuation of the order, without modification, for all salmon gill fish netting imported subsequent to that date. Counsel stated that Nichimo Northwest was not in production prior to February 1982 and that there had not been a domestic industry in existence since the early 1970's. However, the prospective revocation of the dumping order could be detrimental to its domestic production of salmon gill fish netting. 3/

U.S. imports

Imports of salmon gill fish netting increased from 591,000 pounds, valued at \$3.3 million, in 1978 to 768,000 pounds, valued at \$5.1 million, in 1979, and then dropped sharply to 278,000 pounds in 1981, or by 64 percent from that in 1979. Imports rose again in 1982 to 400,000 pounds, valued at \$3.8 million (table 4).

Japan was the principal source of imports during 1978-82, accounting for 94 percent of total salmon gill fish netting imports during the period. Taiwan became a significant supplier in 1981, and increased its share of total imports to 16 percent in 1982.

As shown in table 5, imported multifilament fish netting was the most important type of netting, representing 63 percent of the quantity of netting imported in 1982. Imports of multifilament netting increased from 1978 to 1979, declined sharply in 1980 and 1981, and then increased in 1982. Imports of other types of netting increased from 1978 to 1979, declined sharply from 1979 to 1980, and then increased steadily through 1982.

1/ The firm also produces cod gill fish netting and herring gill fish netting.

2/ * * *.

3/ Transcript of the hearing, p. 91.

Table 4.--Salmon gill fish netting: U.S. imports for consumption,
by principal sources, 1978-82

Source	1978	1979	1980	1981	1982
Quantity (1,000 pounds)					
Japan-----	***	***	***	243	333
Taiwan-----	***	***	***	32	64
Republic of Korea-----	***	***	***	3	3
Total-----	591	768	350	279	400
Value (1,000 dollars) ^{1/}					
Japan-----	***	***	***	2,468	3,532
Taiwan-----	***	***	***	110	261
Republic of Korea-----	***	***	***	25	24
Total-----	3,327	5,055	2,374	279	3,817
Unit value (per pound)					
Japan-----	***	***	***	\$10.15	\$10.60
Taiwan-----	***	***	***	3.44	4.08
Republic of Korea-----	***	***	***	8.33	8.00
Average-----	5.63	6.58	6.78	9.37	9.54

^{1/} Import value data in 1981 and 1982 include duties paid; data for prior years do not.

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

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

Table 5.--Salmon gill fish netting: U.S. imports for consumption, by types, 1978-82

Item	1978	1979	1980	1981	1982
Quantity (1,000 pounds)					
Multifilament-----	385	464	258	146	251
Twisted monofilament--	188	243	67	84	89
Monofilament-----	17	61	26	49	60
Total-----	591	768	350	279	400
Value (1,000 dollars) <u>1/</u>					
Multifilament-----	2,200	3,014	1,772	1,556	2,672
Twisted monofilament--	1,039	1,717	474	730	830
Monofilament-----	87	325	127	317	315
Total-----	3,327	5,055	2,374	2,604	3,817
Unit value (per pound)					
Multifilament-----	\$5.71	\$6.49	\$6.86	\$10.66	\$10.65
Twisted monofilament--	5.52	7.08	7.08	8.69	9.27
Monofilament-----	5.12	5.33	4.88	6.47	5.29
Average-----	5.63	6.58	6.78	9.33	\$9.54

1/ Import value data in 1981 and 1982 include duties paid; data for prior years do not.

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

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

Data on imports in 1982, by source and type of netting, are presented in the following tabulation (in thousands of pounds):

Source	Multifilament	Twisted monofilament	Monofilament	Total
Japan-----	243	74	16	333
Korea-----	3	-	-	3
Taiwan-----	5	15	44	64
Total-----	251	89	60	400

Prices

The structure of the domestic salmon gill fish netting industry has changed significantly since the early 1970's. There are two U.S.-based manufacturers now, whereas in the early to mid-1970's there were several U.S. manufacturers of salmon gill fish netting, including the crystal multifilament

type. 1/ Testimony indicates that in the early 1970's fishermen began to regard Japanese crystal multifilament salmon gill netting (crystal netting) as a superior product and were willing to pay a premium for this perceived quality. 2/ The following analysis describes conditions of price competition between U.S.-produced and imported Japanese salmon gill netting from 1970 to 1982.

Delivered purchase prices of U.S. distributors/importers are used to compare prices of U.S.-produced and imported (from Japan) salmon gill fish netting. These distributors are the first level of distribution in the United States where the U.S.-produced and imported netting compete on a head-to-head basis. Price comparisons at the next level of distribution (i.e., retail sales to fishermen) may disguise or distort price differentials that exist at the distributor level. For example, one distributor/importer purchases from * * *. 3/

1970-78.--Price data are available for 1970 and 1971 from investigation No. AA1921-85 (1972). In 1970, imported Japanese crystal netting was higher priced than U.S.-produced crystal netting for two of the five specifications for which prices were reported. For these two specifications, Japanese prices were an average of \$0.06 per pound higher than the average domestic price of \$3.54 per pound (table 6). For the other three specifications, Japanese prices were an average of \$0.22 per pound lower than the average domestic price of \$3.57 per pound.

1/ Including Nichimo Northwest as a U.S.-based manufacturer here implies no judgment concerning the issue of whether Nichimo Northwest should be considered part of the U.S. industry.

2/ Transcript of hearing for investigation No. 751-TA-5, pp. 8, 10, 15, 30, 31, 116, 124, and 125.

3/ Telephone conversation with * * *, Apr. 28, 1983.

Table 6.--Salmon gill fish netting: Prices paid by netting distributors for purchases of imported and domestic crystal multifilament salmon gill fish netting, 1/ 1970, 1971, 1976, and 1977

Twine size	Japanese		U.S.-producer,
	***	***	***
1970:			
210/9-----	\$3.75	-	\$3.69
210/11-----	3.46	\$3.47	3.62
210/12-----	3.17	-	3.62
210/18-----	3.39	3.43	3.48
210/21-----	-	3.43	3.38
1971:			
210/9-----	3.95	-	3.69
210/11-----	3.80	3.87	3.62
210/12-----	3.66	-	3.62
210/18-----	3.59	3.75	3.48
210/21-----	-	3.75	3.38
1976: <u>2/</u>			
210/9-----	7.70	-	6.14
210/18-----	6.91	-	5.79
1977: <u>2/</u>			
210/18-----	6.91	7.38	6.05

1/ All nonresin netting.

2/ For this year, importers/distributors supplied price data for these specifications only.

Source: Prices for 1970 and 1971 from the report in investigation No. AA1921-85 (1972), p. 38; prices for 1976 and 1977 were obtained from telephone conversations with importers/distributors of salmon gill fish netting during investigation No. 751-TA-5.

In 1971, Japanese netting was higher priced for all five specifications by an average of \$0.21 per pound compared with the average domestic price of \$3.56 per pound.

No price data are available for 1972 to 1975, although importers/distributors have indicated that prices of Japanese salmon gill netting were consistently higher than domestic netting prices during these years. 1/ Importers/distributors have stated that in 1976 and 1977, all specifications of Japanese crystal netting were higher priced than U.S.-produced crystal netting, by even greater margins than existed in the early 1970's. Price data provided by two distributors for one specification (210/18) show that in 1976

1/ Transcript of the hearing for investigation No. 751-TA-5, pp. 54 and 110. 24

and 1977, Japanese crystal netting was an average of about \$1.00 per pound higher than the domestic producer's average price of \$5.92 per pound. Price data are not available for 1978.

1979-82.--Questionnaire price data for salmon gill fish netting are available for 1979 to 1982 (Table 7). From 1979 to 1981 the only U.S. producer supplying the U.S. salmon gill fish netting market was Harbor Net and Twine, and U.S. producers' prices for this period represent only those from this firm. U.S. producers' prices for 1982 are not directly comparable with those from 1979-81 since these prices were provided by a new firm, Nichimo Northwest. During this period (1979-81), prices of Harbor Net and Twine's nonresin crystal gill netting were consistently below prices of this type of netting imported from Japan. In 1981, Harbor Net and Twine's price was * * * per pound less than the average price of \$9.98 per pound for the imported Japanese netting. Although Harbor Net and Twine also produces a cable-laid netting, this type of netting apparently does not compete with the type of salmon gill netting imported from Japan, and is substantially lower priced. ^{1/} No significant quantities of cable-laid netting have been imported from Japan since 1977.

In 1982, Nichimo Northwest, jointly owned by Japanese and U.S. interests, began manufacturing a full line of salmon gill fish netting that is competitive with the netting imported from Japan. In this year, prices of salmon gill fish netting produced by Nichimo Northwest ranged from a weighted average of * * * per pound. In 1982, prices of salmon gill fish netting imported from Japan ranged from a weighted average of \$9.81 to \$12.34 per pound, including a base duty of \$0.21 per pound plus 30.6 percent ad valorem. This duty had the effect of increasing the landed duty-paid price over the c.i.f. price by an average of about \$2.65 per pound, or by 32 percent. Import prices do not include additional dumping duties, which have not been collected on salmon gill fish netting since at least 1976.

In 1982, salmon gill fish netting was generally lower priced than comparable specifications produced in the United States. For the resin multifilament netting, import prices were an average of * * * per pound, or * * * percent, lower than the average price of * * * per pound for U.S.-produced netting. For nonresin multifilament netting, import prices were an average of * * * per pound, or * * * percent, lower than the average price of U.S.-produced netting. The weighted-average price of Japanese twisted monofilament netting was lower than that for Nichimo Northwest, by an average of * * * per pound, or by * * * percent.

The weighted-average Japanese import prices in the table disguise a divergence in prices from different Japanese suppliers. For example, the prices reported by Trans-Pacific, the major importer of salmon gill fish netting produced by Hakodate Seimo Sengu Co. Ltd., were considerably * * * than prices reported by other importers/distributors, and generally * * * than prices from the U.S.-based manufacturer, Nichimo Northwest. In contrast, import prices reported by * * *, which purchases from * * *, were about 20

^{1/} In 1982 the price of cable-laid netting from Harbor Net and Twine was * * * per pound, or * * * per pound less than the average price of nonresin crystal netting imported from Japan.

Table 7.--Salmon gill fish netting: Weighted-average of prices paid by netting distributors for purchases of imported and domestic salmon gill fish netting, by semiannual periods, 1979-82

(Per pound)									
Period	7 filament <u>1/</u>				Twisted		Multimono		
	Resin		Nonresin		Monofilament				
	U.S. produced	Japanese	U.S. produced	Japanese	U.S. produced	Japanese	U.S. produced	Japanese	
1979:									
Jan.-June-----	<u>2/</u>	\$9.74	***	\$8.79	<u>2/</u>	\$9.33	<u>2/</u>	<u>3/</u>	
July-Dec-----	<u>2/</u>	11.07	***	9.45	<u>2/</u>	9.53	<u>2/</u>	<u>3/</u>	
1980:									
Jan.-June-----	<u>2/</u>	11.67	<u>4/</u> ***	9.50	<u>2/</u>	10.32	<u>2/</u>	<u>3/</u>	
July-Dec-----	<u>2/</u>	11.67	<u>4/</u> ***	9.51	<u>2/</u>	10.33	<u>2/</u>	<u>3/</u>	
1981:									
Jan.-June-----	<u>2/</u>	12.43	<u>4/</u> ***	9.83	<u>2/</u>	10.20	<u>2/</u>	\$11.87	
July-Dec-----	<u>2/</u>	14.89	<u>4/</u> ***	10.12	<u>2/</u>	10.04	<u>2/</u>	11.87	
1982:									
Jan.-June-----	<u>5/</u> ***	12.21	<u>5/</u> ***	10.25	<u>5/</u> ***	9.98	<u>5/</u> ***	12.19	
July-Dec-----	<u>5/</u> ***	12.34	<u>5/</u> ***	9.81	<u>5/</u> ***	10.17	<u>5/</u> ***	11.51	

1/ Also known as "crystal" salmon gill fish netting. These prices are for the 210/18 specification.

2/ Not produced in the United States.

3/ Not sold in the United States.

4/ These prices represent sales by Harbor Net and Twine.

5/ These prices represent sales by Nichimo Northwest, Inc. Prices for Harbor Net and Twine are not available.

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

percent lower than prices from Nichimo Northwest. Import prices reported by importers/ distributors with * * *, a major supplier, were also lower than prices from Nichimo Northwest. For example, import prices reported by * * * for nonresin netting from * * * were about * * * percent lower than its purchase prices from * * *. However, prices reported by * * * for nonresin netting from * * * were slightly higher than its purchase price from * * *. 1/

U.S. distributors claim that the netting produced by Nichimo Northwest can sell at a higher price in the U.S. market because of its locational advantage and shorter delivery leadtime. During the 1982 season several distributors purchased from Nichimo Northwest for "fill in" orders, but no large stocking orders were placed. 2/ Distributors gave a number of reasons for their decision not to place stock orders with Nichimo Northwest in 1982. First, because Nichimo was a new producer they did not want to place large orders until the quality of Nichimo's netting was proven. With the exception of some problems with the initial run, they believe that the netting produced by Nichimo Northwest is comparable in quality to that they had been importing from Japan. Second, one distributor claimed that Nichimo did not have the capacity to handle stock orders for the 1982 season. Nichimo testified that its plant is currently running at full capacity, although it had been operating below capacity from September-December 1982, when most stocking orders were placed. 3/ Several distributors stated that they will still place most of their stock orders with Japanese producers because of the lower price. However, most believed that Nichimo Northwest would be a viable factor in the market in the future, given the good quality of its netting and its locational advantage. 4/

Effect on price of revocation of the dumping duty.--A dumping order generally effects imports through the price mechanism. If the cost of imports is higher because of the payment of dumping duties, the importer will likely pass on some of this increased cost to customers as higher prices. This will improve the price competitiveness of U.S. producers in the U.S. market. Conversely, the revocation of a dumping order, and a possible concurrent decrease in importers' costs, may enable importers to lower their U.S. market price for the imported product. This could weaken U.S. producers' price competitiveness in the U.S. market.

In the present case there is no evidence on the record that dumping duties have ever been collected on imports of salmon gill fish netting, although a dumping order has been in existence since 1972. U.S. producers claim that the revocation of the dumping order will still lead to lower import prices, and harm their competitive position in the U.S. market. Importers/distributors claim that revocation of the dumping order will have little effect on the market price of Japanese imports. Details of these arguments follow.

1/ Imports from Nichimo Japan ceased sometime in 1982, transcript of the hearing, p. 99.

2/ Transcript of the hearing, pp. 104-105.

3/ Transcript of the hearing, p. 105.

4/ Telephone conversations with distributors and post-hearing brief of Trans-Pacific Trading Co., p. 4.

Both U.S.-based manufacturers, Nichimo Northwest and Harbor Net and Twine, have stated in their questionnaire responses that revocation of the dumping order would adversely affect their U.S. sales of salmon gill fish netting. Nylon Net Co., a potential manufacturer of salmon gill fish netting, has stated that revocation of the dumping order would hinder their entry into this market. These companies believe that revocation of the dumping order would give the Japanese increased price flexibility, enabling Japanese producers to lower prices to compete more aggressively with U.S. producers. 1/ In addition, they argue that if competition from lower priced Taiwan or Korean salmon gill netting becomes more intense in the U.S. market the Japanese will lower their prices, absent a dumping order, to compete with these newer market entrants. According to Nichimo Northwest, this will have a depressing effect on U.S. market prices, injuring its operations. 2/ 3/

Representatives of Japanese netting manufacturers and importers/distributors testified that revocation of the dumping order for salmon gill netting will have little effect on import prices or quantities. 4/ They claim that from the mid-1970's to 1980, dumping duties had never been collected, and they believed this netting would not be liable for dumping duties. Accordingly, salmon gill fish netting prices over that period were not affected by the dumping order, according to the importers/distributors.

Importers were informed in 1980 that they may be liable for retroactive dumping duties on unliquidated entries dating to 1976. Importers/distributors testified that the weak market for salmon gill fish netting since 1980, combined with competition between the various importers/distributors, precluded their ability to raise prices to compensate them for any possible future dumping duties. 5/

Taiwan and Korean salmon gill netting.--Duty-paid c.i.f. unit values of salmon gill netting from Japan, Taiwan, and Korea in 1981 give some indication of how prices of imports from these three countries compare. However, the quality and type of netting imported from Japan is generally regarded as superior to imports from Korea and Taiwan, and this may account for the substantial difference in unit values. 6/ In 1982, unit values of Taiwan salmon gill fish netting were an average of \$3.88 per pound lower than the average Japanese unit value of \$7.48 per pound. Korean unit values were \$3.10 per pound lower than the average Japanese unit value, as shown in following tabulation:

1/ Transcript of the hearing, p. 122.

2/ Memorandum to the Commission concerning fieldtrip to Nichimo Northwest, Apr. 11, 1983.

3/ The U.S. producers have also argued that revocation of the dumping order for salmon gill fish netting will encourage circumvention of the order for other types of netting.

4/ Transcript of hearing for investigation No. 751-TA-5, pp. 122, 123, 154, 155.

5/ Transcript of the hearing, pp. 149-150.

6/ Id. p. 24.

	<u>Japan</u>	<u>Taiwan</u>	<u>Korea</u>
1982:			
Jan.-Mar-----	\$ 7.42	\$2.51	\$3.46
Apr.-June-----	7.07	3.89	2.40
July-Sept-----	7.61	4.42	1.97
Oct.-Dec-----	7.82	3.57	<u>1/</u> 9.71

1/ This unit value represents a shipment of only 756 pounds that was made in October-December 1982.

Consideration of Material Retardation

Commercial quantities of crystal nylon yarn, the raw material necessary for production of crystal salmon gill fish netting, have not been produced in the United States. Domestic netting producers that manufactured salmon gill netting in the 1970's claim that in the mid-1970's delivery of crystal yarn from Japan, the only foreign source, was both unreliable and costly. This was one reason they discontinued production of crystal netting. Other factors which may have contributed to this discontinuation have also been given, including the existence in the market of Japanese netting sold at LTFV (claim of counsel for ANMO) and the superior quality of Japanese crystal netting (importers' claim).

In early 1981, at the request of Nylon Net, the Firestone Synthetic Yarn Co., Hopewell, Va., investigated the possibility of producing crystal nylon yarn. 1/ If the yarn proved satisfactory, Firestone officials stated that the firm had the capacity to supply all of Nylon Net's crystal yarn needs with no additional investment in plant or equipment. It estimated that it could produce 1.5 million pounds of crystal yarn per year, which was about 2 percent of its total yarn capacity. Nylon Net anticipated production from this yarn of * * * pounds of crystal netting per year over the first 3 years of production, and expected to begin commercial production in April 1982. Nylon Net stated it could use its existing production facilities to produce crystal netting. It had invested in additional equipment that would be used in the manufacture of all types of netting, including the planned production of crystal netting. These investments included \$150,000 in an autoclave, which could be used in salmon gill fish netting production for heat setting knots and for stretching netting to its specified size. Nylon Net had also invested \$25,000 in equipment to test netting characteristics such as elasticity and tensile strength.

In response to the Commission questionnaire in this investigation, Nylon Net reported * * * test runs of salmon gill fish netting crystal yarn. The runs each produced * * * pounds of yarn and were completed in * * *. In * * *, Nylon Net was notified by Firestone that its production of nylon fiber at its Hopewell, Va., plant would cease as of October 3, 1982. Mr. Roy Guenin, plant

1/ Firestone has been a major supplier of nylon yarn to Nylon Net during the past 5 years. Firestone had previously developed for Nylon Net a solution-dyed yarn used in the production of tuna netting.

manager of Nylon Net, met with officials of * * *, 1/ and * * * at the October 1982 textile show in Greenville, S.C., to discuss the purchase of nylon yarn.

During the Commission's public hearing in this investigation, Mr. Joseph Amore, vice president of Sales and Marketing for Nylon Net, testified that his firm is determined to successfully enter into the manufacture and sale of salmon gill fish netting. Mr. Amore further testified that his firm has produced a sample of salmon gill netting (using yarn produced by Firestone) which would be sent to a netting distributor for critiquing. Nylon Net expects to have crystal salmon gill fish netting available for sale in October or November 1983. 2/ The netting samples will be sent to * * * by approximately * * *. * * * would then make the sample available to selected fishermen. The expected selling price would range from * * * to * * * for sales * * *. Mr. Amore stated that a supply of nylon yarn will be available to his firm from at least two domestic yarn suppliers and perhaps from foreign yarn suppliers also. 3/ Mr. H. Dunlop Dawbarn, President and Chairman of the board of CAMAC Corp., 4/, testified that he had recently been contacted by Nylon Net concerning his firm's ability to produce nylon yarn for use in salmon gill fish netting. Mr. Dawbarn stated that based on the specifications provided by Nylon Net his firm would have no difficulty producing this yarn if an order were received. 5/ The other potential domestic supplier, * * *, did not appear at the hearing and has not supplied Nylon Net with any yarn samples. 6/ Nylon Net is prepared to place a * * * pound initial order with one of these firms, most probably * * *. 7/ Nylon Net estimates that after twisting and winding, the yarn would cost an average of * * * per pound. Total netting costs would average * * * per pound.

Blue Mountain Industries has also indicated an intention to enter into the production of salmon gill fish netting. Mr. Robert Batey, Vice President, testified that if the dumping order is not modified or revoked his firm will be able to become a viable producer of salmon gill fish netting. Blue Mountain has machinery to twist yarn and the knitting machines to transform the yarn into netting. The firm lacks a source of nylon yarn, but Mr. Batey stated that preliminary inquiries had been made concerning possible foreign and domestic sources. Mr. Batey concluded that his firm would "not go forward (in committing resources to the salmon gill netting project) as long as the future of the dumping order is so very much in question." 8/ Mr. Donald Whitlow, President of Blue Mountain, set three conditions for his firm's entry into salmon gill production: (1) the continuation and active enforcement of

1/ * * * was a sales agent for * * *. The firm is no longer retained in that capacity.

2/ Transcript of the hearing, pp. 120-121.

3/ Id., p. 121.

4/ CAMAC Corp. is a manufacturer of synthetic fibers (primarily pigmented (dyed) nylon) located in Bristol, Va. The firm had sales in 1982 of approximately \$15 million.

5/ Transcript of the hearing, p. 124.

6/ Id., p. 153.

7/ See confidential submission of Mr. Joseph Amore, May 3, 1983.

8/ Transcript of the hearing, pp. 125-126.

the antidumping order; (2) no acceleration of the staged duty reductions; and (3) a continuation of the MFA provisions affecting fish netting. 1/

New domestic producers will be entering a market where the final consumers of salmon gill fish netting (the fishermen) are apparently satisfied with the quality of imported Japanese salmon gill fish netting. Questionnaire responses from salmon gill fish netting importers/distributors and testimony at the hearing expressed doubt in the ability of U.S. netting producers to manufacture salmon gill fish netting comparable in quality with the Japanese product. These distributors attributed this skepticism to past problems they have had with the quality of domestic salmon gill fish netting. However, some also indicated that if a domestic netting producer offered salmon gill fish netting comparable in quality and price with the Japanese netting, that they would consider purchasing it.

Appendix A

Treasury Decision 72-158

(T.D. 72-158)

Antidumping—Fish netting of manmade fibers from Japan

The Secretary of the Treasury makes public a finding of dumping with respect to fish netting of manmade fibers from Japan. Section 153.43, Customs Regulations, amended

DEPARTMENT OF THE TREASURY,
Washington, D.C., June 1, 1972.

TITLE 19—CUSTOMS DUTIES

CHAPTER I—BUREAU OF CUSTOMS

PART 153—ANTIDUMPING

Section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), gives the Secretary of the Treasury responsibility for determination of sales at less than fair value. Pursuant to this authority the Secretary of the Treasury has determined that fish nets and netting of manmade fibers from Japan are being, or are likely to be, sold at less than fair value within the meaning of section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). (Published in the Federal Register of January 19, 1972 (37 F.R. 815, F.R. Doc. 72-897)).

Section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)), gives the United States Tariff Commission responsibility for determination of injury or likelihood of injury. The United States Tariff Commission has determined, and on April 18, 1972, it notified the Secretary of the Treasury that an industry in the United States is being and is likely to be injured by reason of the importation of fish netting of manmade fibers from Japan, sold at less than fair value; and that no industry in the United States is being, or is likely to be, injured, or prevented from being established, by reason of the importation of fish nets of manmade fibers from Japan, sold at less than fair value. (Published in the Federal Register of April 22, 1972 (37 F.R. 8036, F.R. Doc. 72-6211).)

On behalf of the Secretary of the Treasury, I hereby make public these determinations, which constitute a finding of dumping with respect to fish netting of manmade fibers from Japan.

Section 153.43 of the Customs Regulations is amended by adding the following to the list of findings of dumping currently in effect:

<i>Merchandise</i>	<i>Country</i>	<i>T.D.</i>
Fish netting of manmade fibers	Japan	72-158

(Sections 201, 407, 42 Stat. 11, as amended, 18; 19 U.S.C. 160, 173.)
(643.3)

EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

[Published in the Federal Register June 9, 1972 (37 F.R. 11560)]

A-34

Appendix B

U.S. International Trade Commission Notices

Salmon Gill Fish Netting of Manmade Fibers From Japan; Commission Request for Comments Concerning Institution of Section 751(b) Review Investigation

ACTION: International Trade Commission.

ACTION: Request for comments regarding institution of section 751(b) review investigation concerning affirmative determination in Investigation No. AA1921-85, Fish Nets and Netting of Manmade Fibers from Japan.

SUMMARY: The Commission invites comments from the public on whether changed circumstances exist which warrant the institution of an investigation pursuant to section 751(b) of the Tariff Act of 1930 (19 U.S.C. 1675(b)), to review the Commission's affirmative determination in investigation No. AA1921-85 regarding salmon gill fish netting of manmade fibers from Japan. The purpose of the proposed section 751(b) review investigation, if instituted, would be to determine whether an industry in the United States would be materially injured, would be threatened with material injury, or the establishment of an industry would be materially retarded, by reason of imports of salmon gill fish netting of manmade fibers if the antidumping order regarding fish netting of manmade fibers from Japan is modified or revoked with respect to salmon gill fish netting of manmade fibers provided for in item 355.45 of the Tariff Schedules of the United States. Revocation or modification of the dumping finding as to salmon gill fish netting would not affect the Commission's affirmative determination as to other types of fish netting from Japan.

SUPPLEMENTARY INFORMATION: On April 18, 1972, the Commission determined that an industry in the United States was injured within the meaning of the Antidumping Act, 1921, by reason of imports of fish netting of manmade fibers from Japan determined by the Secretary of Treasury to be sold or likely to be sold at less than fair value (LTFV).

On June 1, 1972, the Department of the Treasury issued a finding of dumping (T.D. 72-158) and on June 9, 1972,

published notice of the dumping finding in the Federal Register.

On July 28, 1981, the Commission received a request to review its affirmative determination in investigation No. AA1921-85. The request was filed pursuant to section 751(b) of the Tariff Act of 1930 by the Law Offices of George R. Tuttle on behalf of Seattle Marine and Fishing Supply Co., Nordby Supply Co., Redden Net Co., Fisheries Supply Co., Lummi Fishery Supply Co., Nets, Inc., Tacoma Marine Supply, Astoria Marine Supply, and Englund Marine Supply, importers of salmon gill fish netting from Japan.

Written Comments Requested

Pursuant to § 207.45(b)(2) of the Commission's Rules of Practice and Procedure (48 FR 18023), the Commission requests comments on whether the following alleged changed circumstances are sufficient to warrant institution of a review investigation: (1) the likelihood that there has been no significant manufacturing of salmon gill netting in the United States comparable to that imported from Japan, since approximately 1974, and (2) the likelihood that the decline of salmon gill netting production in the United States is not a result of LTFV imports from Japan, but rather the inability of U.S. netting manufacturers to produce a commercially competitive product due to technology inferior to that in Japan. In addition, comments are invited on petitioners' request that the Commission's injury determination on salmon gill fish netting of manmade fibers be revoked retroactively to approximately 1974 and that the determination be made within sixty days of institution rather than the one hundred and twenty days provided for in § 207.45(b)(3).

The Request for Review of The Injury Determination

Copies of the request for review of the injury determination and any other public documents in this matter are available to the public during official working hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20438; telephone 202-523-0161.

Additional Information

Under § 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8), the signed original and 19 true copies of all written submissions must be filed with the Secretary to the Commission, 701 E Street, NW., Washington, D.C. 20438. All comments must be filed no later than September

18, 1981. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request business confidential treatment under § 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8). Such request should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. Each sheet must be clearly marked at the top "Confidential Business Data." The Commission will either accept the submission in confidence or return it. All nonconfidential written submissions will be available for public inspection in the Office of the Secretary.
FOR FURTHER INFORMATION CONTACT: Dan Leahy, senior investigator, Office of Investigations, U.S. International Trade Commission (202-523-1300) or Jane Albrecht, Esq., U.S. International Trade Commission (202-523-1827).

Issued: August 11, 1981.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 81-24371 Filed 8-18-81; 8:44 am]

BILLING CODE 7020-02-01

[Investigation No. 751-TA-5]

Salmon Gill Fish Netting of Manmade Fibers From Japan; Institution of Section 751(b) Review Investigation

AGENCY: International Trade Commission.

ACTION: Institution of Section 751(b) review investigation concerning affirmative determination in investigation No. AA1921-85, Fish Nets and Netting of Manmade Fibers from Japan.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has initiated an investigation pursuant to section 751(b) of the Tariff Act of 1930, 19 U.S.C. § 1675(b) (Supp. III 1979), to review its determination in investigation No. AA1921-85. The purpose of the investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, if the antidumping order regarding fish netting of manmade fibers from Japan were to be modified or revoked with respect to salmon gill fish netting of manmade fibers provided for in item 355.45 of the Tariff Schedules of the United States.

SUPPLEMENTARY INFORMATION: On April 18, 1972, the Commission determined that an industry in the United States was injured within the meaning of the Antidumping Act, 1921, by reason of imports of fish netting of manmade fibers from Japan determined by the Secretary of Treasury to be sold or likely to be sold at less than fair value (hereinafter LVFV).

On June 1, 1972, the Department of the Treasury issued a finding of dumping, T.D. 72-158, and published notice thereof in the Federal Register, 37 FR 11560.

The U.S. Department of Commerce published a notice of the preliminary results of an administrative review of the antidumping finding in this matter in the Federal Register of May 5, 1981 (45 FR 25118).

On July 28, 1981, the Commission received a request to review its affirmative determination in investigation No. AA1921-85. The request was filed under section 751(b) of the Tariff Act of 1930 by counsel representing nine Seattle, Washington Portland, Oregon area importers of salmon gill fish netting from Japan.

The Commission requested comments from the public regarding the proposed institution of a review investigation in a notice published in the Federal Register on August 19, 1981 (46 FR 42219). Comments supporting the request for an investigation were received from counsel representing the Fishing Nets Twine Division of the Japan Textile Products Exporters' Association and from counsel representing Trans-Pacific Trading, Inc., of Seattle, Washington. Comments in opposition to the request were filed on behalf of members of the American Netting Manufacturers Organization (ANMO). On the basis of the request for review and all comments filed concerning the request, the Commission on October 14, 1981, voted to institute investigation No. 751-TA-5.

The Commission determined that the request showed the following changed circumstance sufficient to warrant review: since 1972 the volume of production of salmon gill fish netting in the United States has changed to such a degree that at the present time there is no significant manufacturing of salmon gill fish netting in the United States compared to that imported into the United States from Japan.

The investigation will be conducted in accordance with § 207.45(b) of the Commission's Rules of Practice and Procedure (46 FR 18023) (March 23, 1981). The purpose of this investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded if the present antidumping order were to be modified or revoked to exclude salmon gill fish netting of manmade fibers. Modification or revocation of the dumping finding as to salmon gill fish netting would not affect the Commission's affirmative determination as to other forms of fish netting of manmade fibers from Japan.

Dates.—Pursuant to § 207.45(b) of the Commission's Rules of Practice and Procedure, the 120 day period for completion of this investigation begins on the date of publication of this notice in the Federal Register.

Written submissions.—Any person may submit to the Commission on or before December 23, 1981, written statements if information pertinent to the subject matter of the investigation. A signed original and nineteen true copies of such statements must be submitted in accordance with § 201.8 of the Commission's Rules of Practice and Procedure 129 CFR 201.8 (1980).

Any business information which a submitter desires the Commission to treat as confidence shall be submitted separately and each sheet must be clearly marked at the top "Confidential business data." Confidential submissions must conform with the requirements of § 201.6 of the Rules of Practice and Procedure (129 CFR 201.6).

All written submissions, except confidential business data, will be available for public inspection. A staff report containing preliminary findings of fact will be available to all interested parties on November 25, 1981.

Public hearing.—The Commission will hold a public hearing in connection with this investigation on December 17, 1981, in the Hearing Room of the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436, beginning at 10:00 a.m. e.s.t. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m., e.s.t.), December 7, 1981. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 10:00 a.m., e.s.t., on December 9, 1981, in Room 117 of the U.S. International Trade Commission Building and must file prehearing statements on or before December 11, 1981. For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure Part 207, Subpart (19 CFR 207), and Part 201, Subparts A through E (19 CFR 201).

The Commission has waived commission rule 201.12(d), "submission of prepared statements," in connection with this investigation. This rule states that "Copies of witnesses' prepared statements should be filed with the Office of the Secretary of the Commission not later than 3 business days prior to the hearing and submission of such statements shall comply with § 201.6 and § 201.8 of this subpart". It is nevertheless the Commission's request that parties submit copies of witnesses' prepared testimony as early as

practicable before the hearing in order to permit Commission review.

FOR FURTHER INFORMATION CONTACT: Daniel Lehy, investigator, Office of Investigations, U.S. International Trade Commission, (202) 532-1369 or Jane Albrecht, attorney, Office of the General Counsel, U.S. International Trade Commission, (202) 523-1627.

By Order of the Commission.

Issued: October 16, 1981.

Kenneth R. Mason,
Secretary.

[FR Doc. 81-30499 Filed 10-20-81, 9:45 am]
BILLING CODE 7020-02-M

FR 33682, August 4, 1982), and Part 201, Subparts A through E (19 CFR Part 201, 47 FR 6182, February 10, 1982; 47 FR 13791, April 1, 1982; 47 FR 33682, August 4, 1982).

This notice is published pursuant to § 207.20 of the Commission's Rules (19 CFR 207.20).

Issued: November 17, 1982.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 82-32304 Filed 11-23-82; 8:45 am]

BILLING CODE 7020-02-M

Salmon Gill Fish Netting of Manmade Fibers From Japan; Commission Request for Comments Concerning Institution of Review Investigation

AGENCY: International Trade Commission.

ACTION: Request for comments regarding institution of section 751(b) review investigation concerning affirmative determination in Investigation No. AA1921-85, Fish Nets and Netting of Manmade Fibers From Japan.

SUMMARY: The Commission invites comments from the public on whether changed circumstances exist which warrant the institution of an investigation pursuant to section 751(b) of the Tariff Act of 1930 (19 U.S.C. 1675(b)), to review the Commission's affirmative determination in investigation No. AA1921-85 regarding salmon gill fish netting of manmade fibers from Japan. The purpose of the proposed section 751(b) review investigation, if instituted, would be to determine whether an industry in the United States would be materially injured, would be threatened with material injury, or the establishment of an industry would be materially retarded, by reason of imports of salmon gill fish netting of manmade fibers if the antidumping order regarding fish netting of manmade fibers from Japan is modified or revoked with respect to salmon gill fish netting of manmade fibers provided for in item 355.45 of the Tariff Schedules of the United States. Revocation or modification of the dumping finding as to salmon gill fish netting would not affect the Commission's affirmative determination as to other types of fish netting from Japan.

SUPPLEMENTARY INFORMATION: On April 18, 1972, the Commission determined that an industry in the United States was injured within the meaning of the Antidumping Act, 1921, by reasons of imports of fish netting of manmade fibers from Japan determined by the

Secretary of Treasury to be sold or likely to be sold at less than fair value (LTFV).

On June 1, 1972, the Department of Treasury issued a finding of dumping (T.D. 72-158) and on June 9, 1972, published notice of the dumping finding in the **Federal Register**.

On July 28, 1981, the Commission received a request to review its affirmative determination in investigation No. AA1921-85. The request was filed pursuant to section 751(b) of the Tariff Act of 1930 by counsel representing nine importers of salmon gill fish netting from Japan.

On October 14, 1981, the Commission instituted investigation No. 751-TA-5, Salmon Gill Fish Netting of Manmade Fibers From Japan. The Commission instituted the investigation based on the finding that circumstances had changed sufficiently, since the 1972 dumping finding was issued, to warrant review of the Commission's 1972 determination. The changed circumstance that warranted the investigation was the cessation of any U.S. production of salmon gill fish netting.

After conducting an investigation, the Commission unanimously determined that the establishment of an industry in the United States would be materially retarded, by reason of imports of salmon gill fish netting of manmade fibers from Japan covered by antidumping order T.D. 72-158, if the order were to be modified or revoked. The **Federal Register** notice was issued on March 31, 1982, and published on April 7, 1982 (47 FR 14979).

This determination was supported by the finding that the the production of salmon gill fish netting was so insignificant that there is no established domestic industry producing salmon gill fish netting in the United States. The Commission also found that Nylon Net Co. of Memphis, Tenn., one of the largest domestic producers of fish netting, had made substantial investments in the development of a marketable crystal netting. Nylon Net Co. was developing a manmade fiber yarn in a joint project with Firestone Fibers & Textile Co., which would permit Nylon Net to produce netting that would be competitive with the imported Japanese netting. In the presentation of its position during the investigation, Nylon Net relied on Firestone's capacity to produce 1.5 million pounds of yarn per year. Nylon Net's ability to enter the salmon gill fish netting market was represented as being dependent on the production of the yarn by Firestone.

Recently, the Commission has received information that Firestone

Fibers & Textile Co. expects to cease production of nylon by the end of October 1982. We have no information indicating that Nylon Net has alternative sources of nylon which would allow it to produce the type of netting it had intended.

Written Comments Requested

Pursuant to § 207.45(b)(2) of the Commission's Rules of Practice and Procedure (46 FR 18023), the Commission requests comments on whether the findings of the Commission in Salmon Gill Fish Netting of Manmade Fibers From Japan, investigation No. 751-TA-5, in conjunction with the information that Firestone Fibers & Textile Co. will no longer be producing nylon, are changed circumstances sufficient to warrant institution of a review investigation.

Public Documents Available

Public documents regarding this matter are available to the public during official working hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone 202-523-0161.

Additional Information

Under § 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8), the signed original and 14 true copies of all written submissions must be filed with the Secretary to the Commission, 701 E Street NW., Washington, D.C. 20436. All comments must be filed no later than 30 days after publication of this notice in the **Federal Register**. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request business confidential treatment under § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). Such request should be directed to the Secretary to the Commission and must include a statement of the reasons why the Commission should grant such treatment. Each sheet must be clearly marked on the top "Confidential Business Data." The Commission will either accept the submission in confidence or return it. All nonconfidential written submissions will be available for public inspection in the Office of the Secretary.

FOR FURTHER INFORMATION CONTACT: Carol McCue Verratti, Esq., Office of the General Counsel, U.S. International Trade Commission, (202) 523-0079.

Issued: November 18, 1982.

[Investigation No. 751-TA-7]**Salmon Gill Fish Netting of Manmade Fibers From Japan; Institution of Section 751(b) Review Investigation**

AGENCY: International Trade Commission.

ACTION: Institution of Section 751(b) review investigation concerning the affirmative determination in investigation No. AA1921-85, Fish Nets and Netting of Manmade Fibers from Japan.

EFFECTIVE DATE: January 28, 1983.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has initiated an investigation pursuant to section 751(b) of the Tariff Act of 1930, 19 U.S.C. 1675(b) (Supp. III 1979), to review its determination in investigation No. AA1921-85. The purpose of the investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded, if the antidumping order regarding fish netting of manmade fibers from Japan were to be modified or revoked with respect to salmon gill fish netting of manmade fibers provided for in item 355.45 of the Tariff Schedules of the United States. Pursuant to § 207.45(b) of the Commission's Rules of Practice and Procedure, the 120-day period for completion of this investigation begins on the date of publication of this notice in the Federal Register.

FOR FURTHER INFORMATION CONTACT: Daniel Leahy, senior investigator, Office of Investigations, U.S. International Trade Commission, 202-523-1369 or Carol McCue Verratti, Esq., Office of the General Counsel, U.S. International Trade Commission, 202-523-0079.

SUPPLEMENTARY INFORMATION:

Background.—On April 18, 1972, the Commission determined that an industry in the United States was injured within the meaning of the Antidumping Act, 1921, by reason of imports of fish netting of manmade fibers from Japan determined by the Secretary of Treasury to be sold or likely to be sold at less than fair value (investigation No. AA1921-85).

On June 1, 1972, the Department of the Treasury issued a finding of dumping, T.D. 72-158, and published notice thereof in the Federal Register 37 FR 11560.

On October 14, 1981, following receipt of a request to review its affirmative determination in investigation No.

AA1921-85, the Commission instituted investigation No. 751-TA-5, salmon gill fish netting of manmade fibers from Japan. On March 31, 1982, the Commission unanimously determined that the establishment of an industry in the United States would be materially retarded, by reason of imports of salmon gill fish netting of manmade fibers from Japan covered by antidumping order T.D. 72-158, if the order were to be modified or revoked.

This determination was supported by the finding that the domestic production of salmon gill fish netting was so insignificant that there is no established domestic industry producing salmon gill fish netting in the United States. The Commission also found that Nylon Net Co. of Memphis, Tenn., one of the largest domestic producers of fish netting, had made substantial investments in the development of a marketable crystal salmon gill netting. Nylon Net Co. was developing a manmade fiber yarn in a joint project with Firestone Fibers & Textile Co., which would permit Nylon Net to produce netting that would be competitive with the imported Japanese netting. In the presentation of its position during the investigation, Nylon Net relied on Firestone's capacity to produce 1.5 million pounds of yarn per year. Nylon Net's ability to enter the salmon gill fish netting market was presented as being dependent on the production of the yarn by Firestone.

On November 24, 1982, following receipt of information that Firestone Fibers & Textile Co. expected to cease production of Nylon, the Commission requested comments regarding the institution of a new section 751(b) review investigation (47 FR 53152). Comments were received from counsel representing nine Pacific Northwest importers of salmon gill netting (the petitioners in investigation No. 751-TA-5), counsel representing the America Netting Manufacturers Organization (ANMO), counsel for Nichimen Corporation (an exporter of salmon gill net to the United States), counsel for the Fishing Nets and Twine Division of the Japan Textile Products Exporters' Association, counsel for Trans-Pacific Trading, Inc. (an importer of salmon gill netting), and the firm of McClary, Swift & Co. (Custom house brokers). On the basis of the comments filed, the Commission, on January 25, 1983, voted to institute investigation No. 751-TA-7. The Commission determined that the following changed circumstances existed which were sufficient to warrant a review:

(1) Firestone Fibers & Textile Co. Has ceased production of nylon fiber at its Hopewell, Va., plant;

(2) Nylon Net Co. has not secured an alternative source of nylon fiber for use in production of salmon gill netting;

(3) Changes have taken place with respect to the types of salmon gill netting being sold in the United States.

The investigation will be conducted in accordance with § 207.45(b) of the Commission's Rules of Practice and Procedure (46 FR 18023) (March 23, 1981). The purpose of this investigation is to determine whether an industry in the United States would be materially injured, or would be threatened with material injury, or the establishment of an industry in the United States would be materially retarded if the present antidumping order were to be modified or revoked to exclude salmon gill fish netting of manmade fibers. Modification or revocation of the dumping finding as to salmon gill fish netting would not affect the Commission's affirmative determination as to other forms of fish netting of manmade fibers from Japan.

Participation in the investigation.—Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in 201.11 of the Commission's Rules of Practice and Procedure (19 CFR § 201.11, as amended by 47 FR 6189, February 10, 1982), not later than 21 days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation, pursuant to 201.11(d) of the Commission's rules (19 CFR § 201.11(d), as amended by 47 FR 6189, February 10, 1982). Each document filed by a party to this investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without the certificate of service (19 CFR 201.16(c), as amended by 47 FR 33682, August 4, 1982).

Staff report.—A public version of the staff report containing preliminary findings of fact in this investigation will be placed in the public record on April 6, 1983, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing.—The Commission will hold a hearing in connection with this investigation beginning at 10:00 a.m. to April 27, 1983, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on April 1, 1983. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10:00 a.m. on April 6, 1983, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is April 20, 1983.

Testimony at the public hearing is governed by section 207.23 of the Commission's rules (19 CFR 207.23, as amended by 47 FR 33682, Aug. 4, 1982). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22, as amended by 47 FR 33682, August 4, 1982). Posthearing briefs must conform with the provisions of section 207.24 (19 CFR 207.24, as amended by 47 FR 6191, February 10, 1982) and must be submitted not later than the close of business on May 4, 1983.

Written submissions.—As mentioned, parties to this investigation may file prehearing and posthearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before May 4, 1983. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8, as amended by 47 FR 6188, February 10, 1982, and 47 FR 13791, April 1, 1982). All written submissions, except for confidential business data, will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and C (19 CFR Part 207, as amended by 47 FR 6190, February 10,

1982, and 47 FR 33682, August 4, 1982), and Part 201, Subparts A through E (19 CFR Part 201, as amended by 47 FR 6188, February 10, 1982; 47 FR 13791, April 1, 1982; and 47 FR 33682, August 4, 1982).

This notice is published pursuant to section 207.20 of the Commission's rules (19 CFR 207.20, as amended by 47 FR 6190, February 10, 1982).

Record.—The record of investigation No. 751-TA-5, Salmon gill fish netting of manmade fibers from Japan, will be incorporated into the record of investigation No. 751-TA-7.

Issued: January 28, 1983.

By order of the Commission.

Kenneth R. Mason,
Secretary.

(FR Doc. 83-2646 Filed 2-1-83; 8:45 am)
BILLING CODE 7020-02-M

INTERSTATE COMMERCE COMMISSION

Motor Carriers; Agricultural Cooperative; Intent To Perform Interstate Transportation for Certain Nonmembers

Dated: January 28, 1983.

The following Notices were filed in accordance with section 10526 (a)(5) of the Interstate Commerce Act. These rules provide that agricultural cooperatives intending to perform nonmember, nonexempt, interstate transportation must file the Notice, Form BOP 102, with the Commission within 30 days of its annual meetings each year. Any subsequent change concerning officers, directors, and location of transportation records shall require the filing of a supplemental Notice within 30 days of such change.

The name and address of the agricultural cooperative (1) and (2), the location of the records (3), and the name and address of the person to whom inquiries and correspondence should be addressed (4), are published here for interested persons. Submission of information which could have bearing upon the propriety of a filing should be directed to the Commission's Office of Compliance and Consumer Assistance, Washington, D.C. 20423. The Notices are in a central file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C.

- (1) Agate Elevator Agricultural and Livestock Cooperative Association.
- (2) P.O. Box 4, Agate, Colorado 80101.
- (3) 40984 Highway 40, Agate, CO 80101.
- (4) Robert L. Benjamin, P.O. Box 4, Agate, CO.

- (1) Tennessee Farmers Cooperative.
- (2) P.O. Box 157, Lavergne, TN 37086.
- (3) P.O. Box 157, Lavergne, TN 37086.
- (4) Joe L. Wright, P.O. Box 157,

Lavergne, TN 37086

Agatha L. Mergenovich,
Secretary.

(FR Doc. 83-2786 Filed 2-1-83; 8:45 am)

BILLING CODE 7035-01-M

[Volume No. 21]

Motor Carriers; Applications, Alternate route Deviations, and Intrastate Applications

Motor Carrier Intrastate Application(s)

The following application(s) for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to Section 10931 (formerly Section 206(a)(6) of the Interstate Commerce Act. These applications are governed by 49 CFR Part 1161 of the Commission's Rules of Practice which provide, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, and any other related matters shall be directed to the State Commission with which the application is filed and shall *not* be addressed to or filed with the Interstate Commerce Commission.

By the Commission.

Agatha L. Mergenovich,
Secretary.

California Docket A 83-01-19, filed January 13, 1983. Applicant: JOE HARTSELL, d.b.a. HARTSELL TRUCKING, 1167 Grange St., Redding, CA 96001. Representative: James H. Gulseth, 100 Bush Street, 21st Floor, San Francisco, CA 94104. Certificate of Public Convenience and Necessity sought to operate a freight service, as follows: Transportation of: *general commodities* between all points and places in Butte, Colusa, Glenn, Lassen, Modoc, Plumas, Sacramento, Shasta, Siskiyou, Tehama, Trinity and Yolo Counties, California, except that pursuant to the authority herein granted, carrier shall not transport any shipments of: 1. Used household goods and personal effects, office, store, and institution furniture and fixtures. 2. Automobiles, trucks, and buses, new and used. 3. Ordinary livestock. 4. Liquids, compressed gases, commodities in semiplastic form, and commodities in suspension in liquids in bulk in any tank truck or tank trailer. 5. Mining, building,

Appendix C

Calendar of Witnesses Appearing at the Public Hearing

TENTATIVE CALENDAR OF PUBLIC HEARING

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

Subject : Salmon Gill Fish Netting of Manmade
Fibers from Japan

Inv. No. : 751-TA-7

Date and time: April 27, 1983 - 10:00 a.m.

Sessions were held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

Parties in support of the application for review of the
determination of injury

George R. Tuttle--Counsel
San Francisco, California
on behalf of

Pacific Northwest area importers of salmon gill
netting of manmade fibers from Japan

Seattle Marine & Fishing Supply Company,
Nordby Supply Company,
Redden Net Company,
Fisheries Supply Company,
Lummi Fisheries Supply Company,
Nets, Inc.,
Tacoma Marine Supply,
Astoria Marine Supply, and
Englund Marine Supply

William R. Lee, President, Seattle Marine &
Fishing Supply Company

Edward Martin, Economic Consultant

George R. Tuttle)
Richard S. Hoffman)--OF COUNSEL

- more -

Davis, Wright, Todd, Riese & Jones--Counsel
Washington, D.C.
on behalf of

Trans-Pacific Trading Company, Inc. ("Trans-Pacific")

Barry L. Tyrer, President

Edward B. Cohen--OF COUNSEL

Parties opposing a review of the determination
of injury:

Williams & Ince--Counsel
Washington, D.C.
on behalf of

The American Netting Manufacturers Organization

H. Dunlop Dawbarn, President and
Chairman of the Board, CaMac Corporation

Joseph Amore, Vice President of Marketing,
Nylon Net Company

Robert Batey, Director of Marketing,
Blue Mountain Industries

William E. Wright, Vice President of
Willking International Corporation

James D. Williams, Jr.)
Ann Ottoson King)--OF COUNSEL

Ryan, Swanson, Hendel & Cleveland--Counsel
Seattle, Washington
on behalf of

Nichimo Northwest, Inc. ("Nichimo"), a domestic
manufacturer of salmon gill fish netting

Michael Parr, Manager

Michael R. Rayton--OF COUNSEL

Appendix D

U.S. Department of Commerce Notices

Fish Netting of Manmade Fibers From Japan; Preliminary Results of Administrative Review of Antidumping Finding

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of Preliminary Results of Administrative Review of Antidumping Finding.

SUMMARY: The Department of Commerce has conducted an administrative review of the antidumping finding on fish netting of manmade fibers from Japan. The scope of the review covers 21 manufacturers and 25 other exporters of this merchandise to the United States. The review covers varying time periods for manufacturers and exporters through May 31, 1980. This review indicates the existence of dumping margins in particular periods for certain manufacturers and exporters.

As a result of this review, for the one exporter with sales activity that provided adequate information, the Department has preliminarily determined to assess dumping duties equal to the calculated difference between United States price and foreign market value on each of its shipments occurring during the covered periods. Where company-supplied information was inadequate or no information was received, the Department has used the best information available. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: May 5, 1981.

FOR FURTHER INFORMATION CONTACT: Harry A. Patrick, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-3813).

SUPPLEMENTARY INFORMATION:

Procedural Background

On June 9, 1972, a dumping finding with respect to fish netting of manmade fibers from Japan was published in the Federal Register as Treasury Decision 72-158 (37 FR 11560). On January 1, 1980, the provisions of title I of the Trade Agreements Act of 1979 became effective. Title I replaced the provisions of the Antidumping Act of 1921 ("the 1921 Act") with a new title VII to the Tariff Act of 1930 ("the Tariff Act"). On January 2, 1980, the authority for administering the antidumping duty law was transferred from the Department of the Treasury to the Department of Commerce ("the Department"). The Department published in the Federal Register of March 28, 1980 (45 FR 20511-20512) a notice of intent to conduct

administrative reviews of all outstanding dumping findings. As required by section 751 of the Tariff Act, the Department has conducted an administrative review of the finding on fish netting of manmade fibers from Japan. The substantive provisions of the 1921 Act and the appropriate Customs Service Regulations apply to all unliquidated entries made prior to January 1, 1980.

Scope of the Review

Imports covered by this review are shipments of fish netting of manmade fibers, currently classifiable under items 355.4520 and 355.4530 of the Tariff Schedules of the United States Annotated (TSUSA).

The Department knows of a total of 65 Japanese firms engaged in the manufacture and exportation of fish netting of manmade fibers to the United States. This review covers 46 of them (21 manufacturers and 25 non-manufacturing exporters) for all time periods through May 31, 1980, during which shipments of fish netting of manmade fibers may have been made to the United States, and for which appraisal instructions ("master lists") have not been issued. Therefore, different time periods are involved for different firms. The remaining firms were discovered late in the review and will be covered in a subsequent review.

The issue of the Department's obligation to conduct administrative review of entries, unliquidated as of January 1, 1980 and covered by previously issued master lists, is under review. Liquidation has been suspended pending disposition of the issue.

Seven exporters stated that they did not export fish netting of manmade fibers to the U.S. during the periods of review. Three non-manufacturing exporters, whose suppliers failed to respond, sold only to the United States during the latest period. The estimated deposit rate for these firms shall be based on the most recent information for each firm, or the highest current rate for responding firms. One firm with sales activity furnished an adequate response.

Thirty-five firms refused to respond or provided inadequate responses to our questionnaire. For these non-responsive exporters we proceeded to use the best information available. The best information available is the current rate for the one responding firm, which is 23.9 percent, except for Hakodate, for which we used its most recent master list rate of 38.27%.

United States Price

In calculating United States price the Department used purchase price, as

defined in section 772 of the Tariff Act or section 203 of the 1921 Act, as appropriate. Purchase price was based on the CIF, packed price to unrelated purchasers in the United States. Where applicable, deductions were made for ocean freight, marine insurance and shipping charges. No other adjustments were claimed or made.

Foreign Market Value

In calculating foreign market value, since there were no sales by the firm in the home market of such or similar merchandise, the Department used the price to purchasers in a third country (Canada), as defined in section 773 of the Tariff Act or section 205 of the 1921 Act, as appropriate. Foreign market value was based on the CIF, packed price with deductions, where applicable, for ocean freight, marine insurance and shipping charges.

Although adjustments were claimed for interest expenses and a commission, no supporting documentation was furnished and they were disallowed. No other adjustments were claimed or made.

Preliminary Results of the Review

As a result of our comparison of United States price to foreign market value we preliminarily determine that the following margins exist:

U.S. Exporter	Time period	Margin (per-cent)
Amikan Fishing Net Mfg Co., Ltd.	12/1/78-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Amisho Kabushiki Kaisha, Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Amits Company, Ltd.	4/1/78-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Arai Gomu KK.	5/1/71-5/31/80	23.3
Fukuda Shoten	5/1/71-5/31/80	23.3
Fukui Fishing Net Co., Ltd.	4/1/78-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hakodate Seimo Sengyo Co., Ltd.	10/1/78-5/31/80	48.27
Hakodate Seimo Sengyo Co., Ltd./Mitsui & Co., Ltd.	9/1/78-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hiraga Fishing Net Mfg Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hiraga Fishing Net Mfg Co., Ltd./Sanyo Enterprises Co., Ltd.	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hiraga Fishing Net Mfg Co., Ltd./Frameda Trading Co., Ltd.	1/1/77-3/31/79	38.27
	4/1/79-9/30/79	16.4
	10/1/79-5/31/80	23.3
Hirata Spinning Co., Ltd.	4/1/78-3/31/79	38.27
	4/1/79-9/30/79	16.4

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Importer	Time period	Margin (per cent)	Importer	Time period	Margin (per cent)
10/1/79	-5/31/80	23.3	Ogura Trading Co., Ltd.	8/1/78-5/31/80	23.3
Hirata Spinning Co., Ltd./			Ohmi Netting Co., Ltd.	8/1/78-5/31/79	23.3
Nichimen Co., Ltd.	4/1/75-3/31/79	38.27		4/1/78-9/30/79	18.4
	4/1/79-9/30/79	18.4		10/1/79-5/31/80	23.3
	10/1/79-5/31/80	23.3	Ohmi Netting Co., Ltd./Mitsui	8/1/78-3/31/79	38.27
Hirose Tanshi Shoten	5/1/71-5/31/80	23.3	& Co., Ltd.	4/1/79-9/30/79	18.4
Bosen K.K.	5/1/71-12/31/74	11.0		10/1/79-5/31/80	23.3
	1/1/75-3/31/79	38.27	Osada Fishing Net Co., Ltd.	8/1/78-3/31/79	38.27
	4/1/79-9/30/79	18.4		4/1/79-9/30/79	18.4
	10/1/79-5/31/80	23.3		10/1/79-5/31/80	23.3
Inagaki Fishing Net Mfg. Co.,			Osada Fishing Net Co., Ltd./		
Ltd.	8/1/78-3/31/79	38.27	Nichimen Co., Ltd.	4/1/78-3/31/79	38.27
	4/1/79-9/30/79	18.4		4/1/79-9/30/79	18.4
	10/1/79-5/31/80	23.3		10/1/79-5/31/80	23.3
Inagaki Fishing Net Mfg. Co.,			Tsuto Soko Co., Ltd.	8/1/78-3/31/79	38.27
Ltd./Nichimen Co., Ltd.	8/1/78-3/31/79	38.27		4/1/79-9/30/79	18.4
	4/1/79-9/30/79	18.4		10/1/79-5/31/80	23.3
	10/1/79-5/31/80	23.3	Techets Co.	5/1/71-12/31/74	11.0
Koh-Sen Mfg. Co., Ltd.	5/1/71-12/31/74	11.0		1/1/75-3/31/79	38.27
	1/1/75-3/31/79	38.27		4/1/79-9/30/79	18.4
	4/1/79-9/30/79	18.4		10/1/79-5/31/80	23.3
	10/1/79-5/31/80	23.3	Toyama Fishing Net Mfg.		
Koh-Sen Mfg. Co., Ltd./			Co., Ltd.	4/1/78-3/31/79	38.27
Yamada Trading Co., Ltd.	1/1/77-3/31/79	38.27		4/1/79-9/30/79	18.4
	4/1/79-9/30/79	18.4		10/1/79-5/31/80	23.3
	10/1/79-5/31/80	23.3	Toyonen Co., Ltd.	4/1/78-3/31/79	38.27
Kasumi Fishing Net Mfg.				4/1/79-9/30/79	18.4
Co., Ltd.	5/1/71-12/31/74	11.0		10/1/79-5/31/80	23.3
	1/1/75-3/31/79	38.27	Watanabe Chosen Shoten	8/1/78-3/31/79	38.27
	4/1/79-9/30/79	18.4		4/1/79-9/30/79	18.4
	10/1/79-5/31/80	23.3		10/1/79-5/31/80	23.3
Kasumi Fishing Net Mfg.			Yagi Fishing Net Co., Ltd.	5/1/71-5/31/80	23.3
Co., Ltd./Sanyo Enter-			Yamaji Fishing Net Co., Ltd.	2/1/78-3/31/79	38.27
prises Co., Ltd.	5/1/71-12/31/74	11.0		4/1/79-9/30/79	18.4
	1/1/75-3/31/79	38.27		10/1/79-5/31/80	23.3
	4/1/79-9/30/79	18.4	Wako Boshi K.K.	5/1/71-12/31/74	11.0
	10/1/79-5/31/80	23.3		1/1/75-3/31/79	38.27
Katsuka Saimo Co., Ltd.				4/1/79-9/30/79	18.4
	8/1/78-3/31/79	38.27		10/1/79-5/31/80	23.3
	4/1/79-9/30/79	18.4	Hashimoto	5/1/71-12/31/74	11.0
	10/1/79-5/31/80	23.3		1/1/75-3/31/79	38.27
Katsuka Saimo Co., Ltd./				4/1/79-9/30/79	18.4
Horikita Saimo Co., Ltd.	5/1/71-12/31/74	11.0		10/1/79-5/31/80	23.3
	1/1/75-3/31/79	38.27	Makino	5/1/71-12/31/74	11.0
	4/1/79-9/30/79	18.4		1/1/75-3/31/79	38.27
	10/1/79-5/31/80	23.3		4/1/79-9/30/79	18.4
Katsuka Saimo Co., Ltd./				10/1/79-5/31/80	23.3
K.Y. Corp.	5/1/71-12/31/74	11.0	Yamaguchi	5/1/71-12/31/74	11.0
	1/1/75-3/31/79	38.27		1/1/75-3/31/79	38.27
	4/1/79-9/30/79	18.4		4/1/79-9/30/79	18.4
	10/1/79-5/31/80	23.3		10/1/79-5/31/80	23.3
Kinoshita Fishing Net Mfg.					
Co., Ltd.	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Kinoshita Fishing Net Mfg.					
Co., Ltd./Masako Hara Corp.	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Miya Saimo Co., Ltd.					
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Miya Saimo Co., Ltd./Nichi-					
men Co., Ltd.	7/1/73-5/31/80	23.3			
Morita Fishing Net Mfg. Co.,					
Ltd.	8/1/78-3/31/79	38.27			
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Moribun Shoten	5/1/71-12/31/74	11.0			
	1/1/75-3/31/79	38.27			
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Morino Co., Ltd.	5/1/71-12/31/74	11.0			
	1/1/75-3/31/79	38.27			
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Morishita Fishing Net Mfg.					
Co., Ltd.	6/1/73-12/31/74	11.0			
	1/1/75-3/31/79	38.27			
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Morishita Fishing Net Mfg.					
Co., Ltd./Mitsui & Co., Ltd.	8/1/78-3/31/79	38.27			
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Nagata Saimosha Co., Ltd.	5/1/71-12/31/74	11.0			
	1/1/75-3/31/79	38.27			
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Nakano Co., Ltd.	8/1/78-3/31/79	38.27			
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Nakano Fishing Co., Ltd.	1/1/75-3/31/79	38.27			
	4/1/79-9/30/79	18.4			
	10/1/79-5/31/80	23.3			
Nato Saimo Co., Ltd.	4/1/78-3/31/79	18.4			

* No shipments during period

Interested parties may submit written comments on these preliminary results on or before June 4, 1981 and may request disclosure and/or a hearing on or before May 20, 1981. Any request for an administrative protective order must be made no later than May 11, 1981. The Department will publish the final results of the administrative review including the results of its analysis of any such comments or hearing.

The Department shall determine, and the U.S. Customs Service shall assess, dumping duties on all entries made with purchase dates during the time periods involved. Individual differences between United States price and foreign market value may vary from the percentage stated above. The Department will issue appraisement instructions separately on each exporter directly to the Customs Service.

Further, as required by § 353.48(b) of the Commerce Regulations, a cash deposit based upon the most recent of the margins calculated above shall be required on all shipments of fish netting

of manmade fibers entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results. This requirement shall remain in effect until publication of the final results of the next administrative review.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1075(a)(1)) and § 353.53 of the Commerce Regulations (19 CFR 353.53).

John D. Greenwald,

Deputy Assistant Secretary for Import Administration.

April 30, 1981.

(FR Doc. 81-13512 Filed 5-4-81; 8:45 am)

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A-47

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Fish Netting of Man-Made Fibers From Japan; Revised Preliminary Results of Administrative Review of Antidumping Finding and Tentative Determination to Revoke in Part

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of revised Preliminary Results of Administrative Review of

Antidumping Finding and Tentative Determination to Revoke in Part.

SUMMARY: The Department of Commerce has conducted an administrative review of the antidumping finding on fish netting of man-made fibers from Japan. The review covers 74 of the 81 known manufacturers, exporters, and third-country resellers of this merchandise to the United States and varying time periods through May 31, 1980.

We originally published preliminary results of this review on May 5, 1981. Interested parties were given an opportunity to comment and we held a hearing on June 12, 1981. Based on the comments received we permitted various firms to rectify specific deficiencies in their responses or, in the cases of firms initially not responding, to furnish the Department with the requested information.

As a result of the review of all of the information submitted (including the supplemental responses), the Department has preliminarily determined to assess dumping duties for certain firms equal to the calculated differences between United States price and foreign market value on each of their shipments during the periods reviewed. Where company-supplied information was inadequate or no information was received, the Department has used the best information available. The Department also has tentatively determined to revoke the finding with respect to such fish netting manufactured and exported by Moribun Shoten. This firm made all sales to the United States at not less than fair value for at least two years. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: December 27, 1982.

FOR FURTHER INFORMATION CONTACT: Harry A. Patrick or David R. Chapman, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230, Telephone: (202) 377-2923.

SUPPLEMENTARY INFORMATION:

Background

On June 9, 1972, a dumping finding with respect to fish netting of man-made fibers from Japan was published in the **Federal Register** as Treasury Decision 72-158 (37 FR 11560). On May 5, 1981 the Department of Commerce ("the Department") published in the **Federal Register** (46 FR 25118-20) its preliminary results of its administrative review of this finding. Interested parties were given an opportunity to comment on the preliminary results and the Department

held a hearing on June 12, 1981. As a result of comments received, the Department decided to allow certain firms to submit additional data. These revised preliminary results incorporate changes on the supplementary submissions. The substantive provisions of the Antidumping Act of 1921 ("the 1921 Act") and the appropriate Customs Service regulations apply to all unliquidated entries made prior to January 1, 1980.

Scope of the Review

Imports covered by the review are shipments of fish netting of man-made fibers, currently classifiable under items 355.4520 and 355.4530 of the Tariff Schedules of the United States Annotated (TSUSA).

The Department knows of a total of 81 manufacturers, exporters, and third-country resellers of Japanese fish netting of man-made fibers to the United States. This review covers 74 of them for various time periods through May 31, 1980. Different time periods are involved for different firms. We will cover the remaining 7 firms in subsequent reviews. Shipments by the seven firms not covered occurred subsequent to May 31, 1980.

Twelve firms did not export fish netting of man-made fibers to the U.S. during the periods reviewed. The rate for cash deposit of estimated antidumping duties for these firms shall be based on the most recent information for each firm. In the absence of a prior rate for a firm, the cash deposit rate shall be based on the highest rate for responding firms with shipments during the most recent period reviewed.

Forty-four firms failed to respond or provided inadequate responses to our questionnaire. For these non-responsive exporters we used the best information available to determine the assessment rates. The best information available generally is the highest rate for responding firms in each period of non-

response or the most recent previous rate for each non-responding firm, whichever is higher. The cash deposit rate shall be based on the most recent rate listed below for each firm.

We received requests from nine importers for revocation of the finding for shipments to them from eleven manufacturers and two trading companies. Three of the eleven manufacturers, Momoi Net Manufacturing Co., Ltd., Moribun Shoten, and Amikan Fishing Net Mfg. Co., Ltd., also requested revocation. Moribun Shoten made all sales to the United States at not less than fair value for at least a two-year period. As provided for by § 353.54(e) of the Commerce Regulations, Moribun Shoten has agreed in writing to an immediate suspension of liquidation and reinstatement of the finding if circumstances develop which indicate that fish netting of man-made fibers manufactured by Moribun Shoten and thereafter imported into the United States is being sold by Moribun at less than fair value. The other two manufacturers, Momoi Net Manufacturing Co., Ltd. and Amikan Fishing Net Mfg. Co., Ltd., did not meet the criteria set forth in § 353.54 of the Commerce Regulations requiring at least a two-year period of sales at not less than fair value. The Department therefore will not consider revocation for these two firms at this time. It is not our practice to revoke when presented with applications by importers because such firms have no control over, nor knowledge of, the prices at which a manufacturer, exporter, or third-country reseller sells the merchandise in its home market or to third countries. The importers therefore cannot assure us that there will be no sales at less than fair value.

United States Price

In calculating United States price the Department used purchase price, as

defined in section 772 of the Tariff Act of 1930 ("the Tariff Act") or section 203 of the 1921 Act. Purchase price was based on the CIF, packed price to unrelated purchasers in the United States. Where applicable, deductions were made for ocean freight, marine insurance, and shipping charges. No other adjustments were claimed or allowed.

Foreign Market Value

In calculating foreign market value the Department used the price to unrelated purchasers in Japan, or to unrelated purchasers in countries other than Japan when home market sales were insufficient to be used as a basis for comparison, as defined in section 773 of the Tariff Act or section 205 of the 1921 Act, as appropriate. Foreign market value was based on the packed price with deductions, where applicable, for inland freight, differences in credit, and shipping charges. Further adjustments were made, where applicable, for differences in packing costs and differences in physical characteristics, in accordance with § 353.16 of the Commerce Regulations or § 153.11 of the Customs Regulations. Claimed adjustments for differences in physical characteristics were denied when they were not adequately quantified. An adjustment was claimed for a commission, but not adequately explained; therefore, the claim was disallowed. A claim for differences in profit between sales to the United States and sales in Japan was disallowed because there is no provision in the statute or our regulations for making such an adjustment.

Preliminary Results of the Review and Tentative Determination To Revoke in Part

As a result of our comparison of United States price to foreign market value, we preliminarily determine that the following margins exist:

T2 Manufacturer/exporter	Time period	Margin (percent)
Amikan Fishing net Mfg. Co., Ltd.	12/1/78-5/31/79	0.53
	6/1/79-5/31/80	0
Aresho Kabushiki Kaisha, Ltd.	5/1/71-5/31/80	14.30
Amata Company, Ltd.	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Arai Gomi K.K.	5/1/71-5/31/80	14.30
Daiei Housing Co., Ltd.	1/1/76-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Fukuda Shoten	5/1/71-5/31/80	14.30
Fukui Fishing Net Co., Ltd.	4/1/78-5/31/78	2.41
	6/1/79-5/31/80	1.94
Hakodate Seimo Sangu Co., Ltd.	10/1/76-5/31/79	1.66
	6/1/79-5/31/80	0.88
Hakodate Seimo Sangu Co., Ltd., Mitsui & Co., Ltd.	9/1/76-9/30/76	7.70
	10/1/76-5/31/79	1.66
	6/1/79-5/31/80	0.88
Hashimura	5/1/71-8/31/76	4.30
	9/1/76-12/31/76	7.70

T2Manufacturer/exporter	Time period	Margin (percent)
Hiraga Fishing Net Mfg. Co., Ltd.	1/1/77-5/31/80	19.19
Hiraga Fishing Mfg. Co., Ltd./Sanyo Enterprises Co., Ltd.	5/1/71-5/31/80	4.30
	5/1/1-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Hiraga Fishing Net Mfg. Co., Ltd./Yamada Trading Co., Ltd.	1/1/77-5/31/80	0
Hirata Spinning Co., Ltd.	4/1/78-5/31/80	6.07
Hirata Spinning Co., Ltd./Nichimen Co., Ltd.	4/1/75-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Hirose Tankichi Shoten	5/1/71-5/31/80	4.30
Ikesen K.K.	5/1/71-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
K.K. International Corp.	1/1/79-5/31/80	6.07
nagaki Fishing Net Mfg. Co., Ltd.	9/1/76-5/31/80	4.30
nagaki Fishing Net Mfg. Co., Ltd./Nichimen Co., Ltd.	9/1/76-5/31/80	0.002
deka General Kogyo	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
toh-Seni Mfg. Co., Ltd.	5/1/71-5/31/80	0
toh-Seni Mfg. Co., Ltd./Yamada Trading Co., Ltd.	1/1/77-5/31/80	0
Japan Marine Material Co., Ltd.	1/1/79-5/31/80	6.07
Japan Mdse., Ltd.	6/1/73-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kanematsu Trading, Ltd.	1/1/80-5/31/80	1.94
Kasumi Fishing Net Mfg., Ltd.	5/1/71-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kasumi Fishing Net Mfg. Co., Ltd./Sanyo Enterprises Co., Ltd.	5/1/71-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kataoka Seimo Co., Ltd./Horuniku Seimo Co., Ltd./K.Y. Corp.	5/1/71-5/31/80	0
Kinoshita Fishing Net Mfg. Co., Ltd.	4/1/78-5/31/80	4.30
Kinoshita Fishing Net Mfg. Co., Ltd./Nissho Iwai Corp.	4/1/79-5/31/80	0
Kyoto Netting Co., Ltd.	4/1/78-5/31/80	6.70
Kakino	5/1/71-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Karuhei & Co.	6/1/73-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kiye Seimo Co., Ltd.	4/1/79-5/31/80	0.11
Kiye Seimo Co., Ltd./Nichimen Co., Ltd.	7/1/73-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Komoi Fishing Net Mfg. Co., Ltd.	9/1/76-5/31/80	7.70
Koribun Shoten	5/1/71-5/31/80	0
Korinin Co., Ltd.	5/1/71-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Korishita Fishing Net Mfg. Co., Ltd.	6/1/73-8/31/76	4.30
	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Korishita Fishing Net Mfg. Co., Ltd./Mitsui & Co., Ltd.	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Korishita Fishing Net Mfg. Co., Ltd./Nissho Iwai Corp.	4/1/78-5/31/79	0.52
	6/1/79-5/31/80	0.52
	5/1/71-5/31/80	4.30
Kagawa Seimosho Co., Ltd.	7/1/78-5/31/80	6.70
Kakazawa Gyomo Co., Ltd.	9/1/76-5/31/79	6.07
Kichimo Co., Ltd.	6/1/79-5/31/80	0
Kikka (Mitsui)	7/1/75-8/31/76	4.30
	9/1/76-9/31/76	7.70
	10/1/78-5/31/79	1.66
	6/1/79-5/31/80	0.88
Kippon Kenmo Co., Ltd.	1/1/77-5/31/80	19.19
Kitto Seimo Co., Ltd.	4/1/78-5/31/80	0
Kigura Trading Co., Ltd.	9/1/76-5/31/80	4.30
Kihmi Netting Co., Ltd.	9/1/76-5/31/80	0
Kihmi Netting Co., Ltd./Mitsui & Co., Ltd.	9/1/76-5/31/80	0
Kino Trading	4/1/78-5/31/80	6.07
Kinu Netting	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kisada Fishing Net Mfg. Co., Ltd.	9/1/76-5/31/80	4.30
Kisada Fishing Net Mfg. Co., Ltd./Nichimen Co., Ltd.	4/1/76-5/31/80	0
Kakura Net Kogyosho	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kindo Kogyo, K.K.	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kinwa Trading Co., Ltd.	7/1/78-5/31/80	0
Kito Seiko Co., Ltd.	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kiyo Gyogyo Kabushiki Kaisha	1/1/80-5/31/80	6.07
Kame Bussan Co., Ltd.	7/1/78-5/31/80	6.07
Kenets Co.	5/1/71-5/31/80	0
Koyama Fishing Net Mfg. Co., Ltd.	4/1/78-5/31/80	0
Koyonen Co., Ltd.	4/1/78-5/31/80	6.07
Kako Boeki K.K.	5/1/71-5/31/80	0
Katanabe Chosen Shoten	9/1/76-12/31/76	7.70
	1/1/77-5/31/80	19.19
Kagi Fishing Net Co., Ltd.	5/1/71-8/31/76	4.30
	9/1/76-12/31/76	7.70

T2Manufacturer/exporter	Time period	Margin (percent)
Yamagen.....	1/1/77-5/31/80	19.19
	5/1/71-8/31/78	4.30
	9/1/76-12/31/78	7.70
Yamaji Fishing Net Mfg. Co., Ltd.....	1/1/77-5/31/80	19.19
	2/1/78-8/31/78	4.30
	9/1/76-12/31/78	7.70
	1/1/77-5/31/80	19.19
Third-Country Reseller (Canada)		
Abco Acadia.....	7/1/78-5/31/80	6.07
Atlantic Netting, Rope & Twine, Ltd.....	1/1/77-5/31/80	19.19
Bay Bulls Trading Co., Ltd.....	1/1/80-5/31/80	1.94
Dennis Ross.....	7/1/78-5/31/80	6.07
Gourock Division, Wire Rope Ind., Ltd.....	7/1/74-8/31/78	4.30
	9/1/76-12/31/78	7.70
	1/1/77-5/31/80	19.19
Industrial Marine Products.....	1/1/72-8/31/78	4.30
	9/1/76-12/31/78	7.70
	1/1/77-5/31/80	19.19
John Leckie, Ltd.....	1/1/78-8/31/78	4.30
	9/1/76-12/31/78	7.70
	1/1/77-5/31/80	19.19
J. P. Forge, Ltd.....	1/1/76-8/31/78	4.30
	9/1/76-12/31/78	7.70
	1/1/77-5/31/80	19.19
Maxwell Calder.....	7/1/78-5/31/80	6.07
Prince Rupert Fishermen's Co-operative Ass'n.....	1/1/79-5/31/80	6.07
Puretic Supplies Co., Ltd.....	1/1/75-8/31/78	4.30
	9/1/76-12/31/78	7.70
	1/1/77-5/31/80	19.19

¹ No shipments during the period.

Also as a result of our review we tentatively determine to revoke the antidumping finding on fish netting of man-made fibers from Japan with regard to such fish netting manufactured and exported by Moribun Shoten. If this revocation is made final, it shall apply to all unliquidated entries of this merchandise manufactured and exported by Moribun Shoten entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice.

Interested parties may submit written comments on these preliminary results within 30 days of the date of publication of this notice and may request disclosure and/or a hearing within 10 days of the date of publication. Any hearing, if requested, will be held 30 days after the date of publication or the first workday thereafter. Any request for an administrative protective order must be made no later than 5 days after the date of publication. The Department will publish the final results of the administrative review including the results of its analysis of any such comments or hearing.

The Department shall determine, and the U.S. Customs Service shall assess, dumping duties on all appropriate entries with purchase dates during the time periods involved. Individual differences between United States price and foreign market value may vary from the percentages stated above. The Department will issue assessment instructions on each exporter directly to the Customs Service.

Further, as provided for in § 353.48(b) of the Commerce Regulations, a cash

deposit of estimated antidumping duties based upon the most recent of the margins calculated above shall be required on all shipments of Japanese fish netting of man-made fibers from these firms entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results. The Department waives the deposit requirements for Inagaki Fishing Net Mfg. Co., Ltd. (exporter Nichimen Co., Ltd.) and Miye Seimo Co., Ltd. since their margins are less than 0.5 percent and therefore *de minimis*. These deposit requirements and waivers shall remain in effect until publication of the final results of the next administrative review.

This administrative review, tentative determination to revoke in part, and notice are in accordance with sections 751(a)(1) and (c) of the Tariff Act (19 U.S.C. 1675(a)(1), (c)) and §§ 353.53 and 353.54 of the Commerce Regulations (19 CFR 353.53, 353.54).

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

December 17, 1982.

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