

Stainless Steel Plate From Sweden

Investigation No. AA1921-114 (Review)

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Neal Reynolds, *Attorney*

Robert Carpenter, *Supervisory Investigator*

**Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436**

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. AA-1921-114 (Review)

STAINLESS STEEL PLATE FROM SWEDEN

DETERMINATION

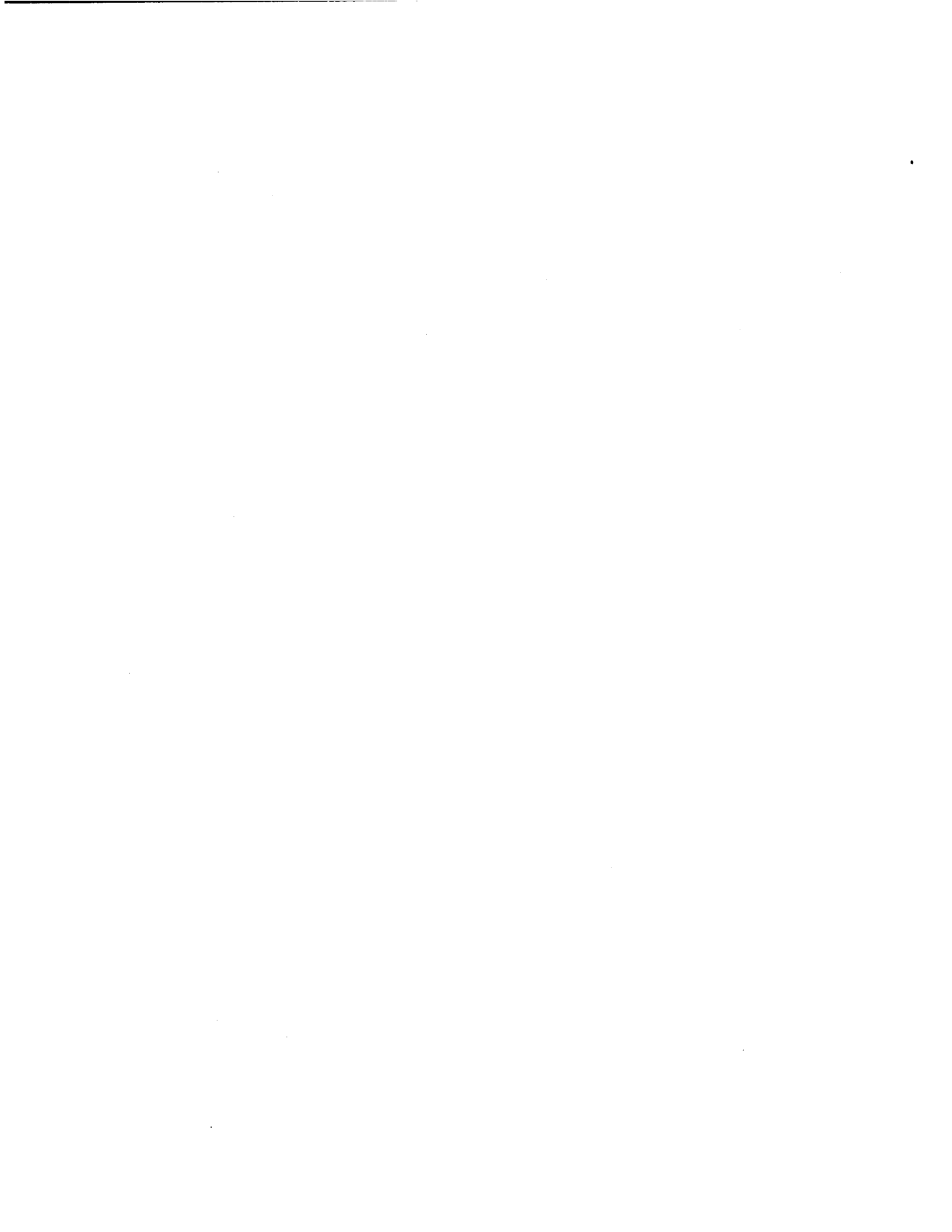
On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping finding on stainless steel plate from Sweden would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted this review on August 3, 1998 (63 F.R. 41288) and determined on November 5, 1998 that it would conduct a full review (63 F.R. 63748, November 16, 1998). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on December 24, 1998 (63 F.R. 71300). The hearing was held in Washington, DC, on May 11, 1999, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

² Chairman Bragg dissenting.



VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping finding covering stainless steel plate from Sweden would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.^{1 2}

I. BACKGROUND

In May 1973, the Commission determined that an industry in the United States was being injured by reason of imports of stainless steel plate from Sweden sold at less than fair value.³ On June 8, 1973, the Department of the Treasury issued an antidumping finding on stainless steel plate from Sweden.⁴ On August 3, 1998, the Commission instituted a review pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”), to determine whether revocation of the antidumping finding on stainless steel plate from Sweden would be likely to lead to continuation or recurrence of material injury.⁵

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

In this review, the Commission received responses to the notice of institution from: (1) six domestic producers of stainless steel plate, (2) two U.S. importers of subject merchandise, and (3) two foreign producers or exporters of subject merchandise. On November 5, 1998, the Commission determined that all individual interested party responses to its notice of institution were adequate, that the

¹ Chairman Lynn M. Bragg dissenting. Chairman Bragg determines that revocation of the antidumping finding covering stainless steel plate from Sweden would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. See Dissenting Views of Chairman Lynn M. Bragg.

² Commissioner Crawford concurs in the result but finds that there are four separate domestic like products in this review. See Concurring Views of Commissioner Carol T. Crawford.

³ Stainless Steel Plate from Sweden, Inv. No. AA1921-114, TC Pub. 573 (May 1973) (“Original Determination”).

⁴ 38 Fed. Reg. 15079 (June 8, 1973).

⁵ 63 Fed. Reg. 41288 (August 3, 1998).

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

domestic interested party group response was adequate, and that the respondent interested party group response was adequate.⁷ Accordingly, the Commission decided to conduct a full five-year review.⁸

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

1. Product Definition

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”⁹ The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹⁰ In its final five-year review determination, Commerce defined the merchandise subject to the finding as:

[S]tainless steel plate from Sweden, which is commonly used in scientific and industrial equipment because of its resistance to staining, rusting, and pitting.¹¹

Commerce specifically included the stainless steel plate products Stavax ESR, UHB Ramax, and UHB 904L, whether forged or flat-rolled, and Swedish hot bands produced from British slabs within the scope of the antidumping finding.¹²

In several scope rulings since the issuance of the original antidumping finding, Commerce has defined the merchandise subject to the finding by reference to its chemical content and its physical dimensions.¹³ More specifically, Commerce has defined the stainless steel plate subject to the finding as being any stainless steel flat-rolled or forged product¹⁴ that has a chromium content between 11 and 30

⁷ See 63 Fed. Reg. 63748 (November 16, 1998).

⁸ *Id.*

⁹ 19 U.S.C. § 1677(4)(A).

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

¹¹ Final Results of Expedited Review: Stainless Steel Plate from Sweden, 63 Fed. Reg. 67658 (Dec. 8, 1998). The notice also provides that the stainless steel plate subject to the review is classified under HTSUS item numbers 7219.11.0000, 7219.12.0005, 7219.12.0015, 7219.12.0045, 7219.12.0065, 7219.12.0070, 7219.12.0080, 7219.21.0005, 7219.21.0050, 7219.22.0005, 7219.22.0010, 7219.22.0030, 7219.22.0060, 7219.31.0010, 7219.31.0050, 7220.11.0000, and 7228.40.0000. *Id.*

¹² *Id.*

¹³ Stainless Steel Plate from Sweden, Final Results of Redetermination Pursuant to Court Remand, Court No, 95-08-01024, dated October 10, 1997; Final Scope Ruling: Stainless Steel Plate from Sweden, dated September 6, 1994; Final Scope Ruling: Stainless Steel Plate from Sweden, dated July 11, 1995; Final Scope Ruling: Stainless Steel Plate from Sweden, dated Sept. 6, 1994.

¹⁴ These products are also defined by having a carbon content of less than one percent. *Id.*

percent and that is 10 inches or more in width and 3/16 inch or more in thickness.¹⁵ Accordingly, for purposes of this review, stainless steel plate has been defined as:

any flat-rolled or forged product, whether or not in coils or cut-to-length, that contains, by weight, more than 11.0 percent and less than 30.0 percent of chromium and that is 0.1875 inch (4.75mm) or more in thickness and 10 inches (254mm) or more in width. Stainless steel plate is generally of rectangular cross section and may or may not be annealed or otherwise heat-treated, pickled or otherwise descaled, or cold-rolled. Non-rectangular shapes also may be considered stainless plate provided that they do not assume the character of fabricated items of stainless steel.¹⁶

Generally, the stainless steel plate covered by the scope of the order is used primarily for the fabrication of storage tanks, process vessels, and equipment in the chemical, dairy, restaurant, pulp and paper, pharmaceutical, and other industries where the corrosion-resistance, heat resistance or ease of maintenance of stainless steel is needed.¹⁷ Stainless steel plate is also used for the production of stainless steel pipe and tube, to be used in the same industries above.¹⁸

The following basic types of stainless steel plate are covered by the scope of this review:

- **Black Plate:** Black plate is a semi-finished stainless steel plate product that has been hot-rolled or forged but has not otherwise been annealed, pickled or heat treated.¹⁹ Black plate is primarily used in the production of finished (i.e., annealed and pickled) stainless steel plate products. It is also used to produce stainless steel sheet and strip and pipe and tube products.
- **Piece Plate:** Piece plate is a stainless steel plate product that is hot-rolled or forged but is not coiled. Unlike plate in coils, piece plate is produced as a finished product in discrete, flat lengths.²⁰ Piece plate may be produced on either a reversing plate mill or a Steckel mill.²¹ As a general rule, piece plate is produced in greater thicknesses or widths than coiled stainless steel plate.²²
- **Hot Rolled, Annealed and Pickled Plate in Coils:** Hot-rolled annealed and pickled plate in coils is a stainless steel plate product that is produced by hot-rolling black plate in coils to a specified thickness, followed by annealing and pickling.²³ A final light cold-rolling pass, such as a skin pass or temper pass, subsequent to annealing and pickling, may be used to improve the finish but this pass does not change the product to a cold-

¹⁵ *Id.*

¹⁶ Confidential Staff Report (“CR”), dated June 7, 1999, at I-1, Public Staff Report (“PR”) at I-1.

¹⁷ CR at I-14; PR at I-10.

¹⁸ CR at I-14, PR at I-10.

¹⁹ See CR at I-16, PR at I-11.

²⁰ CR at I-14, PR at I-10.

²¹ CR at I-16, PR at I-11.

²² See CR at I-14, PR at I-10.

²³ CR at I-13-17, PR at I-9-12.

rolled product. Hot-rolled coiled plate is produced on a continuous rolling mill, but may be produced on a Steckel mill as well.²⁴

- Cold-Rolled Plate in Coils: Cold-rolled plate is a stainless steel plate product that is produced by rolling a hot-rolled, pickled or descaled coil to a specified final thickness on a reversing cold-reduction mill. Generally, the final thickness of the cold-rolled coil is at least 25 percent less than the original hot-rolled coil. Following cold-rolling, annealing and pickling is required.²⁵
- Cut-to-Length Plate: Cut-to-length (“CTL”) plate is a stainless steel plate product, hot-rolled or cold-rolled, that is produced by cutting coiled plate to a specified length.²⁶
- Mold and Mold-Holder Plate: Mold and mold-holder plate is stainless steel plate, whether hot-rolled or forged, that is produced directly on a plate mill or forged and is not coiled. It is used to make molds and mold-holders for the plastics or rubber molding industry.²⁷ Examples of this merchandise are Stavax ESR and Ramax, produced by Uddeholm Tooling AB, a Swedish firm.²⁸

2. Arguments of the Parties

In this review, petitioners²⁹ contend that the Commission should find one domestic like product, consisting of all stainless steel plate within the scope of the review.³⁰ They argue that the statutory scheme underlying sunset reviews will most effectively be implemented if the Commission leaves the original like product finding intact for purposes of its analysis.³¹ If the Commission should choose not to find one domestic like product in this review, however, they argue that the Commission should find three separate domestic like products, consisting of black plate, plate in coils (including both hot-rolled and cold-rolled plate in coils), and plate not in coils (including both piece plate and cut-to-length plate).³²

Respondents Avesta Sheffield AB (a Swedish producer of the subject merchandise) and Avesta Sheffield NAD, Inc. (a U.S. producer and importer of stainless steel plate) (collectively, “Avesta”) contend, on the other hand, that the Commission should find four separate domestic like products in this review, consisting of black plate (including black plate in coils and not in coils), piece plate, hot-rolled

²⁴ CR at I-16, PR at I-11.

²⁵ CR at I-17, PR at I-11.

²⁶ See CR at I-17, PR at I-11.

²⁷ CR at I-13, PR at I-9.

²⁸ *Id.*

²⁹ For ease of reference, we refer to the domestic producers who support continuation of the finding as “petitioners” throughout this opinion.

³⁰ Petitioners’ Posthearing Brief (“PPB”), dated May 20, 1999 at I-4 & Ex. 1, pp. 27-32; Transcript of Commission Hearing, May 11, 1999 (“Tr.”) at 81.

³¹ PPB at 29.

³² PPB at 3-6.

annealed and pickled plate in coils, and cold-rolled plate in coils.³³ In addition, the Swedish producer Uddeholm Tooling AB and its related importer Boehler Uddeholm Corporation (collectively, “Uddeholm”) argue that mold and mold holder plate should be found to be a separate domestic like product from all other forms of stainless steel plate.³⁴

3. Analysis and Finding

The starting point of our like product analysis in a five-year review is the like product definition in the Commission’s original determination. Because the Antidumping Act, 1921, did not contain a “like product” provision, the Commission did not make a like product determination *per se* in its original determination. Instead, it stated that the “domestic industry” at issue “consists of the facilities of domestic producers engaged in the production of stainless steel plate.”³⁵ Thus, in the context of current statutory terminology, the Commission effectively treated stainless steel plate, as that product was defined by the scope of the investigation, as a single domestic like product. We find that the circumstances in this case do not warrant a different approach. Accordingly, for the purposes of this review, we find that there is one domestic like product, consisting of all stainless steel plate.

In making this finding, we note that we recently considered similar domestic like product issues in the antidumping/countervailing duty investigations covering certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan (hereinafter, the “Coiled Plate investigations”).³⁶ In the Coiled Plate investigations, finalized in May 1999,³⁷ the Commission considered whether black plate, piece plate, and cut-to-length plate should be considered part of the same domestic like product as hot-rolled annealed and pickled plate in coils and cold-rolled plate in coils. After a close examination of the record, the Commission determined not to include black plate, piece plate, or cut-to-length plate within the same domestic like product as hot-rolled annealed and pickled plate in coils and cold-rolled plate in coils.³⁸ In addition, a majority of the Commission found that hot-rolled annealed and pickled plate in coils and cold-rolled plate in coils were separate domestic like products.³⁹

Our domestic like product finding in each investigation and review is based on the facts, record and legal parameters of the proceeding in question.⁴⁰ Accordingly, a domestic like product definition in

³³ Avesta’s Prehearing Brief (“AB”), dated April 30, 1999, at 13-24.

³⁴ Uddeholm’s Prehearing Brief (“UB”), dated April 29, 1999, at 5-15.

³⁵ Original Determination, USITC Pub. 573 at 3, n.1.

³⁶ Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376-379 (Preliminary) and 731-TA-788-793 (Preliminary), USITC Pub. 3107, at 9 (May 1998) (“Coiled Plate Preliminary”); Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377 & 379 (Final) and 731-TA-788-793 (Final), USITC Pub. 3188, May 1999 (“Coiled Plate Final”).

³⁷ Coiled Plate Preliminary at 4-15; Coiled Plate Final at 4-7.

³⁸ Coiled Plate Preliminary at 5-10; Coiled Plate Final at 4, n.11.

³⁹ Coiled Plate Final at 3-8. Chairman Bragg and Commissioner Koplan found that hot-rolled and cold-rolled stainless plate in coils were part of the same domestic like product. Coiled Plate Final at 3, n. 2 & 29-31. Commissioner Koplan notes that he was not a member of the Commission at the time of the preliminary determinations in those investigations.

⁴⁰ *See, e.g., Citrosuco Paulista, S.A., v. United States*, 704 F.Supp. 1075, 1087-88 (CIT) (noting that (continued...))

an earlier investigation is not dispositive in a later proceeding. While we recognize the similarities between the domestic like product issues in this review and the Coiled Plate investigations, we believe that there are significant procedural and legal distinctions between the recent coiled plate investigations and this review that support our finding one domestic like product in this review, consisting of all stainless steel plate.

First and most importantly, the procedural posture of this proceeding is distinguishable from the Coiled Plate investigations, which were original injury investigations under 19 U.S.C. §§1673b & 1673d. This proceeding is a five-year -- or “sunset” -- review of an existing antidumping finding under 19 U.S.C. §1675 and therefore involves different legal considerations than an original injury investigation. Specifically, we are required to consider in a five-year review the Commission’s findings in its prior injury determinations, which includes its like product findings.⁴¹ As a result, for the purposes of our analysis, we have taken as our starting point the Commission’s original like product finding.⁴²

Second, the scope of this review is substantially different than the scope of the Coiled Plate investigations. The scope of the Coiled Plate investigations did not cover all of the stainless steel plate products described above. Instead, the scope of those investigations covered only hot-rolled and cold-rolled stainless steel plate in coils that had been annealed and pickled.⁴³ In this review, the scope covers all stainless steel plate, including piece plate, black plate and cut-to-length plate as well as hot-rolled and cold-rolled plate in coils.⁴⁴ Given that the initial consideration in our domestic like product analysis is whether there is a domestically produced product that is “like” the imported merchandise subject to review,⁴⁵ our analysis with respect to black plate, piece plate, and cut-to-length plate starts with substantially different parameters than those in the Coiled Plate investigations.

Finally, we note that petitioners argued in this review that the Commission should adopt the Commission’s original like product -- all stainless steel plate -- as the domestic like product in this proceeding. The domestic producers made a different argument on domestic like product in the Coiled Plate investigations, arguing that black plate, piece plate and cut-to-length plate should not be considered part of the same domestic like product as coiled plate.⁴⁶

⁴⁰ (...continued)

each investigation is sui generis and that Commission is not bound by prior like product determinations but also noting that differing like product definition must be based on a rational basis discernible to the reviewing court).

⁴¹ 19 U.S.C §1675a(a)(1)(A). Again, as we noted above, the Commission made no formal like product finding but, in effect, treated stainless steel plate as a single like product.

⁴² We note that in its Notice of Final Rulemaking regarding five-year reviews the Commission specifically reserved the ability to revisit its original domestic like product and domestic industry determinations in five-year reviews. 63 Fed. Reg. 30599, 30602 (June 5, 1998). In particular, the Commission stated by way of example that “the Commission may revisit its like product determination when there have been significant changes in the products at issue since the original investigation or when domestic like product definitions differed for individual orders within a group concerning similar products.” *Id.*

⁴³ Coiled Plate Preliminary at 4. In other words, the scope of the investigation did not cover black plate, piece plate, cut-to-length plate, or mold and mold-holder plate in piece form. *Id.*

⁴⁴ CR at I-12-13, PR at I-9. On a value basis, only 10.8 percent of the imports subject to investigation in the Coiled Plate investigations overlap with imports in this review. EC-W-048 at 1.

⁴⁵ See 19 U.S.C. §1677(10).

⁴⁶ Although the Commission determined that there were sufficient distinctions between these products and

(continued...)

Accordingly, we find that there is one domestic like product in this review, consisting of all stainless steel plate, whether coiled or uncoiled, whether or not annealed and pickled, or whether or not cut-to-length.^{47 48 49}

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the “domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major

⁴⁶ (...continued)

hot-rolled and cold-rolled coiled plate to consider them separate domestic like products in the Coiled Plate investigations, the Commission did note in its opinion that these products share some similarities with respect to physical characteristics and end uses, manufacturing facilities and processes, interchangeability, customer and producer perceptions, and channels of distribution. Coiled Plate Preliminary at 5-13; Coiled Plate Final at 5-8. Thus, it is not unreasonable in the context of this proceeding to consider all stainless steel products to be part of a continuum of products within the scope of the finding.

⁴⁷ This review presents one issue not addressed in the Coiled Plate investigations, whether mold and mold holder plate should be included within the same domestic like product as other forms of stainless steel plate. The Swedish producer Uddeholm argues that mold and mold holder plates should be considered a separate domestic like product from the other forms of stainless steel plate, while petitioners contend it is not a separate domestic like product. UB at 7-12; PB at 21-25. On the whole, we find that mold and mold holder plate are part of the same domestic like product as other stainless steel plate. Uddeholm asserts that mold and mold holder plate products should be found part of a different domestic like product category because its own products (Stavax and Ramax) are ultrahard, martensitic steels in the grade 420 category of plate products that are used primarily for the production of mold and mold holder production equipment. However, the record indicates that these products are clearly within the stainless steel plate category covered by this review. UB at 7-8. Mold and mold holder plate falls into one of literally dozens of grades and specifications of stainless steel plate within the 400 series of martensitic stainless steel plate, many of which the domestic industry produces. PB at Ex. 7; Tr. at 34. Moreover, the domestic industry produces stainless steel plate products in competition with Uddeholm’s products, both in grade 420 and in other grades. Tr. at 19. Further, grade 420 steels are used not only for mold and mold holder applications but have a number of other applications as well. PB at Ex. 4. Even Uddeholm concedes that its own mold holder products can be used for other end uses to some degree. Tr. at 144. Mold and mold holder plates are sold in somewhat similar channels of distribution as other forms of plate, CR at I-25-26, PR at I-17, are produced in the same facilities by domestic producers as other forms of plate, PB at 25, CR and PR at Table I-2, & Tr. at 20, and have reasonably similar prices as other forms of plate. CR and PR at Tables V-2 & V-3. Accordingly, we believe that the record of this review indicates that mold and mold holder products are simply one subgroup of stainless steel plate products within a continuum of stainless steel plate products that are produced in a wide variety of grades, specifications, shapes and sizes.

⁴⁸ Vice Chairman Miller notes that her determination would not change if she performed her analysis using the three domestic like products also proposed by the domestic producers or the four domestic like products proposed by respondents. This opinion addresses the primary reasons supporting a negative determination under either of these alternative domestic like product definitions.

⁴⁹ Commissioner Hillman believes, in light of the Commission’s recent investigation of stainless steel coiled plate, that there are also strong arguments for finding four domestic like products, corresponding generally to those proposed by Avesta. She would have also reached a negative determination had she found four domestic like products, for the same basic reasons set forth in the text of this opinion.

proportion of the total domestic production of that product.”⁵⁰ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States.⁵¹ Accordingly, given our domestic like product finding above, we find in this review that the domestic industry includes all domestic producers of stainless steel plate.

In defining the domestic industry in this review, we have considered whether the domestic producer Avesta Sheffield NAD should be excluded from the domestic industry pursuant to the related parties provision in section 771(4)(B) of the Act.⁵² That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or that are themselves importers. Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each case.⁵³

Avesta Sheffield NAD is a related party in this review because it is owned by the Swedish stainless steel plate producer, Avesta Sheffield AB.⁵⁴ It also imported subject merchandise in 1997 and 1998.⁵⁵ Accordingly, we address whether appropriate circumstances exist to exclude Avesta Sheffield NAD from the domestic industry or industries in this review.

On the whole, we find that appropriate circumstances do not exist to exclude Avesta from the domestic industry. Avesta was the *** U.S. producer of stainless steel plate in 1998, accounting for *** percent of domestic production in that year.⁵⁶ Moreover, the firm’s imports of subject merchandise only amounted to *** percent and *** percent of its domestic production during 1997 and 1998, respectively.⁵⁷ This suggests that the primary interest of Avesta Sheffield NAD has been in domestic production, rather than importation. Further, during 1997 and 1998, the firm’s operating income was ***, which suggests that the company has not benefitted by its importations of the subject merchandise.⁵⁸

⁵⁰ 19 U.S.C. § 1677(4)(A).

⁵¹ See, e.g., United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996).

⁵² The report prepared in connection with the original determination did not discuss or present any data pertaining to the question of related parties, inasmuch as there was no related parties provision in the Antidumping Act, 1921.

⁵³ See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), *aff’d without opinion*, 991 F.2d 809 (Fed. Cir. 1993). Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int’l Trade 1989), *aff’d without opinion*, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987).

⁵⁴ CR at I-28, PR at I-19.

⁵⁵ CR at I-32, PR at I-21.

⁵⁶ CR and PR at Table I-2.

⁵⁷ CR at I-32, PR at I-21.

⁵⁸ CR and PR at Table III-8. For example, in 1998, ***. We note that no party has argued that the firm should be excluded from the domestic industry in this review.

III. REVOCATION OF THE FINDING ON STAINLESS STEEL PLATE FROM SWEDEN IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping finding unless: (1) it makes a determination that dumping is likely to continue or recur, and (2), the Commission makes a determination that revocation of the finding “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁵⁹ The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo -- the revocation [of the order] . . . and the elimination of its restraining effects on volumes and prices of imports.”⁶⁰ Thus, the likelihood standard is prospective in nature.⁶¹ The statute states that “the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time.”⁶² According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations].”^{63 64}

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the

⁵⁹ 19 U.S.C. § 1675a(a).

⁶⁰ SAA, H.R. Rep. No. 103-316, Vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry).” SAA at 883.

⁶¹ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁶² 19 U.S.C. § 1675a(a)(5).

⁶³ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁶⁴ In analyzing what constitutes a reasonably foreseeable time, Commissioner Koplán examines all the current and likely conditions of competition in the relevant industry. He defines “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, his analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

subject merchandise on the industry if the order is revoked.” It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.^{65 66}

For the reasons stated below, we determine that revocation of the antidumping finding on stainless steel plate from Sweden would not be likely to lead to continuation or recurrence of material injury to the domestic stainless steel plate industry within a reasonably foreseeable time.

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry if the finding is revoked, the statute directs the Commission to evaluate all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁶⁷ In performing our analysis under the statute, we have taken into account the following conditions of competition in the U.S. market for stainless steel plate.

Demand in the U.S. stainless steel plate market has been growing at a healthy rate in recent years and is expected to continue to grow at similar rates during the reasonably foreseeable future. Both importers and domestic producers reported that demand for stainless steel plate has increased during the past several years at a rate of three to six percent a year.⁶⁸ Apparent U.S. consumption of all stainless steel plate was nearly thirteen percent greater in 1998 than it was in 1997.⁶⁹ Moreover, importers and producers state that demand for stainless steel plate should continue to grow at a rate of three to five percent per year in the future.⁷⁰ Demand in the U.S. market has increased in recent years as purchasers of stainless steel plate have increasingly begun recognizing the life-cycle, environmental and process benefits of stainless steel plate in the production and marketing of their end products.⁷¹ During the period covered by the original investigation, however, demand was relatively stable, with apparent consumption fluctuating somewhat but consistently remaining between 68 thousand and 98 thousand tons during the nine years prior to the Commission’s determination.⁷²

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

⁶⁶ Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings “the findings of the administrative authority regarding duty absorption.” 19 U.S.C. § 1675a(a)(1)(D). Commerce did not issue any duty absorption findings in this matter.

⁶⁷ 19 U.S.C. § 1675a(a)(4).

⁶⁸ CR at II-4, PR at II-3.

⁶⁹ Apparent U.S. consumption was approximately 383 thousand tons in 1997 and 434 thousand tons in 1998. CR and PR at Table I-4. Although consumption remained relatively stable in the hot-rolled coiled plate segment of the market between 1997 and 1998, apparent consumption of black plate and piece plate increased between 1997 and 1998. CR and PR at Tables C-2-C-6.

⁷⁰ CR at II-4, PR at II-3.

⁷¹ CR at II-4, PR at II-3; *see also* Tr. at 180-81.

⁷² Original Staff Report, dated April 1973, at 19.

Further, demand for stainless steel plate in the European market has been growing at a substantial rate in recent years and is expected to grow at a substantial rate in the near future.⁷³ The record indicates that consumption of coiled plate in Europe grew at an average annual rate of 15 percent between 1996 and 1998 and is expected to grow by an additional five percent per year in the near future.⁷⁴ The large bulk of Avesta's commercial shipments were made to the European market in 1997-98.⁷⁵

Since the time of the original investigation, technological advances in the production process for stainless steel plate have significantly changed the forms in which stainless steel plate is now available in the market. During the period covered by the original investigation, nearly all of the stainless steel plate that was commercially sold consisted of piece plate.⁷⁶ Since that time, technological advances have occurred that have allowed stainless steel producers to make and commercially market coiled plate products. Moreover, technological advances have allowed producers to make coiled plate in increasingly wider and thicker dimensions than previously available. For example, continuing advances in production technology have resulted in the addition of production facilities by domestic producers that will allow the industry to produce coiled plate in widths up to 96 inches, whereas the previous width limit was 60 inches for coiled plate.⁷⁷ The record of these investigations indicates that at least half of the finished stainless steel plate market in the United States now consists of coiled stainless plate.⁷⁸ Moreover, although there were little or no commercial sales of black plate and cold-rolled plate in 1973, there is an increasing commercial market for these products.⁷⁹

The record of this review further indicates that quality is the most important consideration in the purchase decision for stainless steel plate but that price is also an important factor in the purchase decision.⁸⁰ The record also indicates that there is a moderately high level of substitutability between the domestic merchandise and the subject imports, at least with respect to the same types of product.⁸¹ Nonetheless, the record indicates that this level of substitutability is limited by the fact that the Swedish producers generally produce coiled plate in wider dimensions than the domestic producers,⁸² they produce more specialty products than the domestic producers,⁸³ and they have focused more on production of cold-rolled merchandise,⁸⁴ a product produced in minimal amounts by the domestic industry.⁸⁵

⁷³ APB at Att., Gossas Declaration, ¶¶4-8; Tr. at 118-19.

⁷⁴ *Id.* In the original determination, in contrast, the Commission noted that one of the principal reasons for increased Swedish concentration on the U.S. market was a significant decline in demand for stainless steel plate and sheet in Europe. Original Determination at 6.

⁷⁵ CR at II-3, PR at II-2.

⁷⁶ *See, e.g.*, 1983 Determination at 5.

⁷⁷ *See* CR at I-31, PR at I-20.

⁷⁸ CR and PR at Tables C-2 to C-5; Tr. at 56.

⁷⁹ *See* CR and PR at Table E-1.

⁸⁰ CR and PR at Table II-1.

⁸¹ CR at II-7-9, PR at II-5-6.

⁸² AB at Attachment, Gossas Declaration, ¶12; Tr. at 117, 122 & 166.

⁸³ Tr. at 117.

⁸⁴ *Compare* CR and PR at Table IV-7 with CR and PR at Table IV-6; AB at Att., Gossas Declaration, ¶¶4-12.

⁸⁵ CR and PR at Tables C-3, C-5 & E-1.

Finally, non-subject imports have occupied a relatively important share of the stainless steel plate market, including the coiled plate segment of the market, during recent years. For example, in the overall stainless steel plate market, non-subject imports accounted for *** percent of apparent consumption in 1998.⁸⁶ In the coiled plate segment of the market, non-subject imports accounted for *** percent of apparent consumption in 1998.⁸⁷ However, the Department of Commerce recently issued antidumping/countervailing duty orders covering the large majority of hot-rolled coiled plate imports following our affirmative determinations in the Coiled Plate investigations.⁸⁸ As detailed below, we have taken the issuance of these orders, and their likely disciplining effects on non-subject imports, into account as a further condition of competition in this market.

Based on the record evidence, we find that these conditions of competition in the stainless steel plate market are not likely to change significantly in the reasonably foreseeable future. Accordingly, in this review, we find that current conditions in the stainless steel plate market provide us with a reasonable basis from which to assess the likely effects of revocation of the antidumping finding within the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the finding under review is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁸⁹ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁹⁰

In its original determination, the Commission found that, in the three years prior to its finding, imports from Sweden had significantly increased their volumes and market share in the U.S. market.⁹¹ In particular, the Commission found that subject imports had increased their market share in the United States from two percent of apparent consumption in 1970 to 12 percent in 1972.⁹² It also noted that the subject imports accounted for 19 percent of all imports in 1970 but rose to nearly 58 percent of all imports in 1972.⁹³ Shortly after the finding was imposed in 1973, imports of the subject merchandise

⁸⁶ CR and PR at Table I-4.

⁸⁷ CR and PR at Table C-2.

⁸⁸ 64 Fed. Reg. 25,288 (May 11, 1999) and 64 Fed. Reg. 27,756 (May 21, 1999).

⁸⁹ 19 U.S.C. § 1675a(a)(2).

⁹⁰ 19 U.S.C. § 1675a(a)(2)(A)-(D).

⁹¹ Original Determination at 5.

⁹² Original Determination at 6.

⁹³ Original Determination at 5.

declined to low levels and have remained at low levels,⁹⁴ with the exception of an increase in their volumes during the period from 1994 to 1996, which we discuss below.⁹⁵

Several factors support the conclusion that subject import volumes are not likely to be significant if the finding is revoked. First, the Swedish producers operated at high capacity utilization rates for their stainless steel products in 1997 and 1998.⁹⁶ The two Swedish producers reported capacity utilization rates of *** percent in 1997 and *** percent in 1998.⁹⁷ These reported capacity utilization levels confirm the statements made by Avesta, the primary Swedish producer of stainless steel plate products, that it is currently unable to ship significant volumes to the United States due to capacity constraints.⁹⁸ The existence of these high capacity utilization rates indicates that the Swedish producers are unlikely to be able to ship significant volumes of production to the United States market in the reasonably foreseeable future.⁹⁹

Moreover, we also examined the capacity utilization rates of the Swedish producers with respect to black plate, piece plate, hot-rolled coiled plate, and cold-rolled coiled plate. In the case of cold-rolled coiled plate and black plate, the Swedish producers have reported very high capacity utilization rates for both products, which indicates, as we stated above, that the Swedish producers are unlikely to ship significant volumes of black plate or cold-rolled plate to the United States within a reasonably foreseeable time.¹⁰⁰

Similarly, in the case of hot-rolled annealed and pickled coiled plate, the Swedish producers reported high levels of capacity utilization in 1998.¹⁰¹ Although there was some decline in the capacity utilization rate in 1998, all of this decline appears to be attributable to a decision of the Swedish producers to sell off their inventory in 1998.¹⁰² Moreover, because hot-rolled coiled plate is produced from black band, the high levels of capacity utilization for black band act as an effective bottleneck on possible increases in hot-rolled coiled plate production. Accordingly, we find that the record indicates that it is unlikely that the Swedish producers will be able to ship significant volumes of hot-rolled annealed and pickled coiled product to the United States within the reasonably foreseeable future.

⁹⁴ CR and PR at Figure IV-1.

⁹⁵ CR and PR at Figure IV-1.

⁹⁶ Neither Swedish producer has reported that it is planning capacity expansions in 1999 or 2000. CR at IV-6; PR at IV-4. Although *** *Id.*

⁹⁷ CR and PR at Table IV-4; *see also* Tr. at 124-29.

⁹⁸ AB at Attachment, Silfverlin Declaration, ¶¶11-30; Tr. at 127-28.

⁹⁹ Indeed, the decline in Swedish capacity utilization levels in 1998 appears to relate to the sell-off of a significant volume of inventory in 1998, given that their inventory levels dropped by more than *** tons in 1998, and not to a reduction in overall sales. CR and PR at Table IV-4.

¹⁰⁰ Reported capacity utilization rates for black plate were *** percent and *** percent in 1998 and 1997, respectively, for the Swedish producers. Capacity utilization rates for cold-rolled coiled plate were *** percent and *** percent in 1998 and 1997, respectively. CR and PR at Tables IV-5 & IV-7.

¹⁰¹ The capacity utilization rates reported by the Swedish producers for hot-rolled annealed and pickled coiled plate (including cut-to-length plate) was *** percent in 1997 and *** percent in 1998. CR and PR at Table IV-6. ***.

¹⁰² The Swedish producers reduced their inventories of hot-rolled coiled plate from *** tons in 1997 to *** tons in 1998. CR and PR at Table IV-6. If the Swedish producers had produced this merchandise for sale rather than selling it from inventory, their capacity utilization rate in 1998 would have been more than *** percent. *Id.* Given the depletion of its inventories, ***.

With respect to piece plate, the Swedish producers have reported relatively low capacity levels for their production operations on piece plate in 1997 and 1998.¹⁰³ Although this indicates that the Swedish producers have substantial unused piece plate capacity available for the production of merchandise to be shipped to the United States, we believe that it is unlikely that Avesta would ship significant volumes of piece plate to the United States in the reasonably foreseeable future. First, Avesta's subsidiary, Avesta Sheffield NAD, has been a domestic producer of piece plate for over 15 years and remains one of the largest producers of piece plate in the U.S. market.¹⁰⁴ Given the central position of Avesta Sheffield NAD in the U.S. piece plate market, we believe it is unlikely that Avesta would begin shipping significant volumes of piece plate to the United States, since these imports would in all likelihood compete with sales by its U.S. subsidiary. Moreover, we believe that, if Avesta were to seek to increase its U.S. sales of piece plate, it would most likely do so via its U.S. subsidiary.¹⁰⁵

Second, Avesta's decision not to ship significant amounts of piece plate from its British facility, even though those imports were not subject to the antidumping finding,¹⁰⁶ indicates that Avesta, as a corporate entity, has chosen not to supply piece plate to the United States from abroad.¹⁰⁷ We believe that the record indicates that Avesta will continue to pursue this strategy. Indeed, Avesta shut down its piece plate production facility in Britain in March 1999 and plans to service that facility's customers from its Swedish piece plate facilities.¹⁰⁸ This fact suggests that low capacity utilization rate reported by Avesta for its piece operations will not continue for the reasonably foreseeable future.

Stainless steel plate inventories in Sweden have been at low levels and declined significantly between 1997 and 1998. Between 1997 and 1998, inventories for all stainless steel plate in Sweden declined from *** percent of production to *** percent of production.¹⁰⁹ Given that the domestic producers' ratio of inventories to production was *** percent during both 1997 and 1998, we conclude that the level of Swedish inventories are not at such high levels that it is likely that there will be significant volumes of subject merchandise exported to the U.S. in the reasonably foreseeable future if the finding is revoked.¹¹⁰

¹⁰³ The reported capacity utilization rates for the Swedish producers in 1997 and 1998 were *** percent and *** percent, respectively. CR and PR at Table IV-8.

¹⁰⁴ Tr. at 110, 119, & 130; APB at 4; CR at I-29, PR at I-19.

¹⁰⁵ Moreover, we do not wholly agree with the industry's contention that Avesta could ship thinner, narrower piece plate to the United States because its subsidiary concentrates on the production of wider, thicker piece merchandise in the market. PPB at 9 & 14. As Avesta's witnesses indicated at the hearing, Avesta Sheffield NAD is pursuing a marketing plan that encourages its customers to substitute wider and thicker piece product for product of thinner or narrower dimensions. Tr. at 199-200. Accordingly, if Avesta pursued the policy suggested by petitioners, it would again be in competition with its subsidiary and would be undermining its marketing efforts by doing so.

¹⁰⁶ AB at Att., Cheetham Declaration, ¶ 15; APB at 5-6.

¹⁰⁷ See Tr. at 130-31.

¹⁰⁸ AB at Attachment, Cheetham Declaration, ¶ 16.

¹⁰⁹ CR and PR at Table IV-4.

¹¹⁰ We also note that U.S. importers' inventories of subject merchandise were at minimal levels in 1997 and 1998. CR and PR at Table IV-3.

There are no reported tariff or non-tariff barriers to trade in countries other than the United States for stainless steel plate exports from Sweden.¹¹¹ Indeed, the Swedish producers have consistently exported the vast bulk of their production not internally consumed to third-country markets other than the United States.¹¹² There is no basis to conclude that this pattern is likely to change in the reasonably foreseeable future.

Although the record indicates that Swedish producers of stainless steel plate produce non-subject products, such as stainless steel sheet and strip, on the same equipment and machinery that is used to produce stainless steel plate, the subject producers have indicated that their high capacity utilization rates apply to all products produced on these facilities.¹¹³ Moreover, they state that the non-subject products produced in these facilities, such as stainless sheet and strip, are higher value-added products that are more profitable than their stainless steel plate products and command a premium in the European market.¹¹⁴ Accordingly, while there is a potential for some product shifting to occur, there appears to be little likelihood that it will be significant.

In reaching our conclusion, we have taken into account the arguments made by petitioners. Specifically, although petitioners seek to persuade us otherwise, we do not find the increase in subject imports that occurred between 1994 and 1996¹¹⁵ to be indicative of an intent on the part of the Swedish producers to increase imports significantly in a reasonably foreseeable time.¹¹⁶ In this regard, we note that the record indicates that the bulk of this increase consisted of imports of black plate that was shipped to Avesta's coiled plate facility in Baltimore.¹¹⁷ When this facility was closed, these black plate imports ceased.¹¹⁸ We believe that the decision to close this facility was based on a number of factors and was not primarily the result of the Department of Commerce's decision to increase Avesta's dumping margin.¹¹⁹ Accordingly, we do not think that it is likely that Avesta would resume substantial shipments of black plate to the U.S. market within a reasonably foreseeable time, if the finding is revoked.¹²⁰

We also considered petitioners' argument that the recent imposition of antidumping duty orders on imports of coiled stainless plate from six countries will result in the shift of those exports from the U.S. market to the European market, which will consequently result in the displacement of substantial volumes of Swedish stainless steel plate imports from the European market to the U.S. market.¹²¹ We do not find this argument persuasive. While at least some of the producers in those countries are likely to

¹¹¹ CR at IV-7, PR at IV-5.

¹¹² CR and PR at Table IV-4.

¹¹³ *See, e.g.*, Tr. at 127-28.

¹¹⁴ APB at 6; *see also* AB at Att., Silfverlin Declaration at ¶; Tr. at 128-29.

¹¹⁵ CR and PR at Figure IV-1.

¹¹⁶ PB at 2-5, 34-36, 53-54.

¹¹⁷ APB at 3; AB at Attachment, Stateczny Declaration, ¶¶14-16; Tr. at 120-21, 132-33.

¹¹⁸ *Id.* We also find that, while it is possible in theory that Avesta would re-open its Baltimore facility, the record does not indicate that a re-opening of the Baltimore facility is likely within a reasonably foreseeable time. *See, e.g.*, AB at Att., Stateczny Declaration at ¶26.

¹¹⁹ *See* AB at Att., Stateczny Declaration, ¶¶23-26; PPB at Ex. 12.

¹²⁰ We do not find it likely, moreover, that Uddeholm would export significant quantities of stainless steel plate to the United States upon revocation of the order. Its Stavax and Ramax products are specialized products with limited applications and are therefore of limited demand. Nor is it likely that Uddeholm would export significant quantities of any other stainless steel plate product.

¹²¹ PPB at 10; Tr. at 50-51

increase their focus on the European market, they are likely to focus on other export markets as well. Moreover, we are not prepared to assume that Avesta would respond to increased competition from these countries for sales in Europe by abandoning its European customers and shifting substantial production volumes to the U.S. market, rather than by competing to retain those customers.¹²² The information on record indicates that Avesta's primary marketing focus is, and will continue to remain, the European market.¹²³ In addition, it seems likely that the growth in demand in Europe would readily absorb these volumes.¹²⁴ Thus, we conclude that the recent orders will not result in a significant shift of Swedish production to the U.S. market.

Similarly, we do not find that the existence of price differentials for plate products in the European and U.S. markets indicates that Avesta is likely to shift significant volumes of stainless steel plate to the United States within a reasonably foreseeable time.¹²⁵ In this regard, we recognize that the U.S. prices of stainless steel plate products generally have been higher than European prices of similar products since January 1997.¹²⁶ Although a substantial price differential between markets might result in a decision by a producer to shift production between markets, we believe that existing price differentials between the markets have not been substantial enough or in existence for such a consistent period of time that Avesta would be likely to shift significant volumes of merchandise from Europe to the United States. In this regard, we note, as indicated by Avesta, that the price differentials between the two markets (on an unadjusted basis) are likely to be overstated because of cost differentials, primarily freight and duties, between the markets.¹²⁷ Moreover, as we indicated above, the record indicates that Avesta's marketing focus for stainless steel products remains on the European market. We believe it is unlikely that Avesta would jeopardize its existing customer relationships in Europe by shifting significant volumes of merchandise to the United States market, simply to obtain possible short-term gains from higher U.S. prices.¹²⁸

In light of the foregoing considerations, we conclude that subject import volumes are not likely to reach significant levels if the antidumping finding is revoked.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping finding is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject

¹²² See Tr. at 149-50.

¹²³ See, e.g., Tr. at 117-118 & 149; see also PPB at Ex. 5, p. 5 (indicating that additions of capacity in U.S. will limit European exports to U.S.).

¹²⁴ During 1997 (the last year of the period of investigation in the coiled plate proceeding), the total volume of coiled plate imports into the United States for all six subject countries was 28,818 tons. Coiled Plate Final at IV-3. The record in this review indicates that apparent European consumption of coiled plate was approximately *** tons in 1998 and that consumption is forecast to grow by five percent (or *** tons) in 1999. AB at Attachment, Gossas Declaration at ¶5; see also Tr. at 150-51.

¹²⁵ Petitioners' Final Comments, dated June 16, 1999, at 4-6.

¹²⁶ Avesta Factual Submission ("AFS"), dated June 14, 1999, at Exs. 1 and 2.

¹²⁷ AFS at 2-3. However, we do not necessarily agree with Avesta's quantification of the overstatement in the price differentials between the markets but do agree that some overstatement exists. In this regard, we note that we lack detailed pricing information on the European market and that we therefore do not place great weight on this data.

¹²⁸ See AB at Attachment, Gossas Declaration, ¶¶13-20, Tr. at 122-23 & 149-50.

imports as compared with domestic like products and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of domestic like products.¹²⁹

In its original determination, the Commission found that prices of the subject imports were substantially lower than those of domestically produced stainless steel plate and that the difference in price was approximately equal to the margins found by the Department of Treasury.¹³⁰ It also found that this price competition had resulted in a cost/price squeeze, as domestic producers failed to keep pace with their costs of production, resulting in lowered profits and returns on investment.¹³¹

The record of these investigations indicates that price remains an important factor in the purchase decision.¹³² The record also indicates that there is a moderately high level of substitutability between the domestic merchandise and the subject imports, at least with respect to similar types of stainless steel products.¹³³ Accordingly, the record does suggest that there is a possibility that the subject merchandise could have significant effects on domestic prices if substantial volumes of the subject merchandise were imported within a reasonably foreseeable time.

Nonetheless, we believe that the subject merchandise will not have significant adverse effects on domestic prices within a reasonably foreseeable time. We have already concluded that the volume of the subject imports is not likely to be significant if the finding is revoked. Therefore we find that it is also unlikely that the subject merchandise would have significant adverse effects on domestic prices in the event of revocation.

Moreover, although the record suggests a moderately high level of substitutability between the domestic and subject merchandise for similar categories of products, it also indicates that the overall level of substitutability may be limited because the Swedish producers generally produce plate in wider dimensions than the domestic producers,¹³⁴ they are unlikely to ship significant volumes of piece plate to the U.S. market given the existence of Avesta's U.S. piece plate production facility, and they are increasingly concentrating their production operations on the production of cold-rolled merchandise, a product the domestic industry produced in minimal amounts.¹³⁵

Finally, although the record of this review indicates that the prices of domestic merchandise declined during 1998, we recently found that imports of coiled hot-rolled annealed and pickled plate from

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

¹³⁰ Original Determination at 4.

¹³¹ Original Determination at 4 & 7.

¹³² CR and PR at Table II-1.

¹³³ CR at II-7-9, PR at II-5-6.

¹³⁴ CR at II-5-6, PR at II-3-4.

¹³⁵ See, e.g., Tr. at 128-29. The Commission's pricing data in this review generated few usable price comparisons between the domestic and subject merchandise, limited to the specialized 420 grade of stainless steel plate. Although these limited data indicate the Swedish merchandise have consistently oversold the subject merchandise, CR and PR at Tables V-2 & V-3, these data are of limited probative value in evaluating the likely price effects of the subject imports as a whole.

six countries contributed materially to those price declines.¹³⁶ The recent imposition of antidumping and countervailing duty orders on those imports as a result of this finding should provide a significant measure of price discipline in this market in the very near term.¹³⁷

In light of our conclusion regarding the likely future volumes of imports, and the imposition of the recent orders on coiled hot-rolled stainless steel plate, we conclude that it is unlikely that the subject imports would undersell the domestic merchandise significantly or enter the United States at prices that would have significant depressing or suppressing effects on the prices for the domestic like product if the finding is revoked.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the finding is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹³⁸ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.¹³⁹ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping finding at issue and whether the industry is vulnerable to material injury if the finding is revoked.¹⁴⁰

In its original determination, the Commission found that the subject imports had significantly increased their volumes and market share as a result of LTFV pricing and that they had adverse price effects on domestic prices.¹⁴¹ As a result, the Commission determined that the domestic industry lost

¹³⁶ Coiled Plate Final at 17-20.

¹³⁷ In this regard, we note that revocation of the antidumping finding on Swedish stainless steel plate will not occur until January 1, 2000.

¹³⁸ 19 U.S.C. § 1675a(a)(4).

¹³⁹ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In its final five-year review determination, Commerce published likely dumping margins of 24.67 percent for Avesta, 5.22 percent for Uddeholm and an “all others” margin of 5.22 percent. 63 Fed. Reg. at 67662; Stainless Steel Plate from Sweden: Amended Final Results of Antidumping Duty Administrative Duty Administrative Review: 63 Fed. Reg. 72283, 72284 (Dec. 31, 1998).

¹⁴⁰ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the finding is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

¹⁴¹ Original Determination at 5-6.

significant numbers of sales and market share and was caught in a cost/price squeeze that led to significantly reduced profitability levels and returns on investment.¹⁴²

The record of this review indicates that the domestic industry's condition has improved in significant respects since the antidumping finding was made in 1973. In this regard, the industry retains the bulk of the market share in the overall stainless steel plate market,¹⁴³ its market share has increased significantly in the finished hot-rolled plate segments of the market,¹⁴⁴ and the industry's profitability levels are now somewhat higher than they were in 1972, the final year covered by the original investigation.¹⁴⁵ Moreover, just as apparent consumption has substantially increased since the time of the original investigation, the domestic industry's production and sales revenues have increased very substantially since the time of the original investigation.¹⁴⁶

Nonetheless, although the condition of the industry has improved in some respects since the antidumping finding, the industry is currently in a vulnerable condition. While it retains a dominant share of the overall stainless plate market, its market share is substantially lower than in 1973.¹⁴⁷ Moreover, its market share, operating income, shipments and production levels have all declined between 1997 and 1998, primarily as a result of competition from LTFV imports in the coiled plate segment of the stainless steel plate market.¹⁴⁸ Nonetheless, although the record of the Coiled Plate investigations and this review indicates that the industry is now vulnerable, we believe that the recent imposition of the orders on coiled plate imports from six countries is an important change in the market that should provide substantial protection to the domestic industry and will have a significant impact on market prices and market conditions. Thus, we believe that current vulnerability of the industry is a short term situation and that the industry will recover in large measure from its vulnerable state.¹⁴⁹

¹⁴² Original Determination at 6-7.

¹⁴³ The industry's share of the market was 68.1 percent in 1997 and 54.0 percent in 1998. CR and PR at Table I-1.

¹⁴⁴ The industry had an *** percent share of the hot-rolled coiled plate market in 1998, CR and PR at Table C-2, and *** percent of the hot-rolled piece plate market, CR and PR at Table C-4.

¹⁴⁵ The industry's operating income as a percentage of sales was 1.5 percent in 1972, while its operating income as a percentage of sales was 5.5 percent and 3.8 percent in 1997 and 1998, respectively. CR and PR at Table I-1.

¹⁴⁶ The industry's shipments were 69,569 tons in 1972, while its shipments were 261,631 tons and 234,381 tons in 1997 and 1998, respectively. Similarly, the industry's net sales revenues were \$80 million in 1972, but were \$639.4 million and \$516.1 million in 1997 and 1998, respectively. CR and PR at I-1.

¹⁴⁷ The industry's share of the market declined from 89.5 percent in 1970 to 80.3 percent in 1972, before the antidumping finding was issued. The industry's overall share of the market was 68.1 percent in 1997 and 54.0 percent in 1998. CR and PR at Table I-1.

¹⁴⁸ CR and PR at Table I-1. In this regard, we note that the industry's operating income as a percentage of sales in the hot-rolled coiled segment of the market declined significantly from 1997 to 1998 (from a profit of *** percent to a loss of *** percent) and that its production levels and net U.S. sales levels declined significantly as well during that period. CR and PR at Table C-2. Its operating income on its hot-rolled piece plate sales has remained relatively good in 1998 (at a *** percent level) and its production and shipment levels in the piece plate market have remained stable. CR at Table C-4.

¹⁴⁹ In this regard, we note that the finding could not be revoked until January 1, 2000, which will provide the industry with an additional period of protection from competition with Swedish imports, thus further allowing it to recover from its vulnerable condition.

Notwithstanding its current vulnerable state, we find that the subject imports are not likely to adversely impact the domestic stainless steel plate industry if the antidumping finding is revoked. We found above that revocation of the antidumping finding is not likely to lead either to significant additional volumes of subject imports or significant price effects. These findings in turn indicate that the subject imports are not likely to have a significant adverse impact on the domestic industry as a whole in the reasonably foreseeable future if the finding is revoked. Moreover, as we indicated above, imposition of the recent orders on coiled stainless steel plate will likely impose discipline on prices in this market and will likely enable U.S. producers to capture business formerly served by countries now placed under the antidumping/countervailing duty orders. Finally, as noted above, demand in the U.S. market is predicted to grow within the near future, which will increase the likelihood that any increased imports of Swedish stainless steel plate would be absorbed by the growing market without adversely affecting the U.S. industry. Accordingly, we conclude that revocation of the antidumping finding would not be likely to lead to significant declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, have likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, or have likely negative effects on the domestic industry's development and production efforts within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping finding on stainless steel plate from Sweden would not be likely to lead to continuation or recurrence of material injury to the U.S. stainless steel plate industry within a reasonably foreseeable time.

CONCURRING VIEWS OF COMMISSIONER CAROL T. CRAWFORD

On the basis of the information contained in the record of this investigation, I find four domestic like products, hot-rolled stainless steel plate in coils, cold-rolled stainless steel plate in coils, hot-rolled stainless steel plate not in coils, and cold-rolled stainless steel plate not in coils. I determine that revocation of the antidumping finding concerning stainless steel plate from Sweden would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹ I join my colleagues in their discussion of the relevant legal standards that apply in a sunset review under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), and in certain factual recitations and conclusions concerning background matters in this review. However, I present these separate views because I do not join my colleagues in finding a single domestic like product and single domestic industry; nor do I join in my colleagues in their discussion of the relevant conditions of competition in the U.S. market.

As a preliminary matter, I note that the statute requires the Commission to determine “whether revocation of an order ... would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”² In making such determination, the statute directs the Commission to consider the likely volume, price effect, and impact of the subject imports on the domestic industry if a finding is revoked. I have considered and taken into account all of the factors required by the statute in reaching my determination. My analysis with respect to the domestic like products and the domestic industries follows first. Thereafter, I continue my analysis with a discussion of the likely effects of revocation on each of the subject industries defined therein.³

I. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Products

In making a determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”⁴ The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation

¹ In analyzing what constitutes a reasonably foreseeable time, I examine all of the current and likely conditions of competition in a relevant industry. I define “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation. In making this assessment, I consider all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, my analysis seeks to define “reasonably foreseeable time” by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

² 19 U.S.C. § 1675a(a).

³ In analyzing whether revocation of a finding or order would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time, I take as my starting point the date on which the revocation would actually take place. In this review, the finding would be revoked in January 2000. 19 U.S.C. § 1675(c)(6)(iv).

⁴ 19 U.S.C. § 1677(4)(A).

under this subtitle.”⁵ In its final five-year review determination, the Department of Commerce (“Commerce”) defined the subject merchandise as “stainless steel plate from Sweden.”⁶

The starting point of a like product analysis in a five-year review is the like product definition in the Commission’s original determination. Because the Antidumping Act, 1921, did not contain a “like product” provision, the Commission did not make a like product determination *per se* in its original determination. In its original determination, the Commission defined the domestic industry being injured by LTFV imports as that “consist[ing] of the facilities of domestic producers engaged in the production of stainless-steel plate.”⁷ Thus, in the context of current statutory terminology, the Commission effectively treated all stainless steel plate within the scope of the investigation as a single domestic like product.

For the purposes of this review, I find that there are four separate domestic like products, consisting of hot-rolled stainless steel plate in coils, cold-rolled stainless steel plate in coils, hot-rolled stainless steel plate not in coils, and cold-rolled stainless steel plate not in coils. In making this finding, I note that the Commission recently considered similar domestic like product issues in the antidumping/countervailing duty investigations covering certain stainless steel plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan (“Coiled Plate investigations”).⁸ In the Coiled Plate investigations, completed just two months ago,⁹ the Commission refused to expand the like product of those investigations to include certain domestically produced merchandise in addition to that which had been specifically excluded from Commerce’s investigation.

Commerce’s scope in those particular investigations was defined as certain stainless steel plate in coils. The Commission specifically excluded from the domestic like product: (1) stainless steel plate not in coils; (2) stainless steel plate not annealed and pickled (*i.e.*, black plate); and, (3) stainless steel sheet, strip, and flat bars.¹⁰ An additional issue presented in the Coiled Plate investigations concerned whether hot-rolled and cold-rolled stainless steel plate in coils should be defined as separate domestic like products. On this issue, a majority of Commissioners ultimately determined that these were separate like

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

⁶ Since the original finding, Commerce has rendered several rulings clarifying this scope definition. On July 11, 1995, Commerce determined that Stavax ESR (Stavax), UHB Ramax (Ramax), and UHB 904L (904L) when flat-rolled, are within the scope of antidumping finding. These are brand names of particular mold and mold holder stainless steel plate produced by one of the foreign interested parties discussed in this memorandum. On November 3, 1995, Commerce determined that stainless steel plate products Stavax, Ramax, and 904L when forged, are within the scope of the antidumping finding. On December 30, 1997 Commerce determined that merchandise rolled into hot bands in Sweden from British slabs is subject to the finding. 63 Fed. Reg. 67658 (Dec. 8, 1998).

⁷ Stainless Steel Plate from Sweden, Inv. No. AA1921-114, TC Pub. 573, May 1973 at 3 n.1.

⁸ Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376-379 (Preliminary) and 731-TA-788-793 (Preliminary), USITC Pub. 3107, May 1998 (“Coiled Plate Preliminary”); Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377 & 379 (Final) and 731-TA-788-793 (Final), USITC Pub. 3188, May 1999 (“Coiled Plate Final”).

⁹ Coiled Plate Preliminary at 4-15; Coiled Plate Final at 4-7.

¹⁰ Coiled Plate Preliminary at 5-10; Coiled Plate Final at 4, n.11.

products. Accordingly, the Commission found two domestic like products in the Coiled Plate investigations, certain hot-rolled stainless steel plate in coils (“HRAP plate”), and certain cold-rolled stainless steel plate in coils.¹¹

While the domestic like product definition of an earlier investigation may not be dispositive in subsequent proceedings, I find that significant similarities between the domestic like product issues presented in this review and in the recent Coiled Plate investigations, as well as the particular facts of these two proceedings, support a finding of more than one domestic like product. Moreover, I note that the Commission has specifically preserved the ability to revisit its original domestic like product and domestic industry determinations in sunset reviews. In the Notice of Final Rulemaking for sunset reviews, the Commission indicated that “the Commission may revisit its like product determination when there have been significant changes in the products at issue since the original investigation or when domestic like product definitions differed for individual orders within a group concerning similar products.”¹²

In light of the intervening 26 years since the Commission’s original finding and the recent Coiled Plate investigations, I find that the particular facts and circumstances of this review warrant reconsideration of the Commission’s original like product determination. Thus, my analysis of the domestic like product issues presented by this review begins with a consideration of the Commission’s recent decision in the Coiled Plate investigations. From this point, the like product issues are addressed by initially making a demand-side distinction between stainless steel plate in coils and stainless steel plate not in coils. I draw a further distinction between hot-rolled and cold-rolled like products within the previously cited like product categories. The remaining like product issues identified and argued by the parties to this review then fit within this framework. Thus, I find that both stainless steel black plate and stainless steel mold and mold holder plate are not separate domestic like products, but are simply subgroups within a continuum of stainless steel plate products.

1. Stainless Steel Plate in Coils and Stainless Steel Plate not in Coils are Separate Like Product Categories

In the preliminary phase of the Coiled Plate investigations, the Commission recognized that stainless steel plate not in coils consists of two distinct products, piece plate¹³ and cut-to-length plate (the latter of which is a downstream product produced from coiled plate that is decoiled and cut into pieces). The Commission excluded cut-to-length plate from the domestic like product, citing Commerce’s explicit exclusion of plate not in coils from the scope of the investigation, as well as the Commission’s traditional practice of not including downstream articles, such as cut-to-length plate, in the domestic like product when the downstream imported product (*i.e.*, cut-to-length plate) corresponding to the downstream domestic product is not within the scope of the investigation.¹⁴ The Commission then analyzed the other stainless steel plate product not in coils (*i.e.*, piece plate) on the basis of its traditional like product

¹¹ Coiled Plate Final at 3-8.

¹² 63 Fed. Reg. 30599, 30602 (June 5, 1998).

¹³ Piece plate is also routinely referred to as discrete plate, plate mill plate, or flat plate. *See* Coiled Plate Preliminary at 5.

¹⁴ *Id.* at 5.

factors. While the Commission found some overlap and similarity between coiled plate and piece plate, the Commission also excluded piece plate from the domestic like product.¹⁵

The Commission also found that neither cut-to-length plate nor piece plate was included in the domestic like product of coiled plate, although it did not explicitly evaluate whether cut-to-length plate and piece plate comprised a single like product. However, some guidance in this area is provided by the Commission's decision in *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa and Ukraine*, Inv. Nos. 731-753-756 (Final) (Dec. 1997). In those investigations, the Commission determined that "plate that is coiled and decoiled during its production process ... and CTL [*i.e.*, cut-to-length] plate produced on a reversing mill (and therefore never coiled and decoiled)" are part of the same domestic like product."¹⁶

While the like product and scope definitions in those particular investigations differ from this review, those investigations clearly show that the Commission has previously found one domestic like product consisting of cut-to-length plate products regardless of the manufacturing process. Moreover, the unique facts of this particular review and the weight of the available evidences suggests that non-coiled stainless steel plate should be treated as a domestic like product separate and distinct from coiled stainless steel plate.

In this regard, both parties argue that all non-coiled stainless steel plate should be considered a separate like product and that this particular domestic like product should include both piece and cut-to-length plate. Moreover, the record in those investigations reveals that there are relatively significant differences between the two products because piece plate is generally produced in wider and thicker dimensions than coiled plate.¹⁷ The record also indicates that the overall interchangeability of the products is limited by these dimensional and other differences.¹⁸ In addition, coiled and non-coiled stainless steel plate do not share common manufacturing facilities following the initial melt stage of the production process and there are relatively significant price differentials between the two products.¹⁹

¹⁵ *Id.* at 5-8. "While coiled plate and discrete plate [*i.e.*, piece plate] generally share some common product qualities, physical characteristics and end-uses, and similar channels of distribution, there are limits to interchangeability, a general perception by producers that they are separate products, and there are no common production facilities at the hot-rolling stage. There also is some evidence that discrete plate [*i.e.*, piece plate] is more expensive than comparable coiled plate. We do not include discrete plate in the domestic like product." *Id.* at 8.

¹⁶ *Id.* at 6-7. The Commission continued to treat all plate not in coiled form as a single like product, separate and distinct from coiled plate, in its April 1999 investigations on coiled plate. See Certain Cut-to-Length Steel Plate From the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia, Inv. Nos. 701-TA-387-392 (Preliminary) and 731-TA-815-822 (Preliminary), USITC Pub. No. 3181, April 1999 at 5, 7.

¹⁷ For example, stainless steel coiled plate is shipped in a continuous coil form while stainless steel piece plate not in coils is a flat form that cannot be used in applications requiring a coiled product. CR at I-24-25; PR at I-16. Thus, although both forms are produced as wide as 96 inches and as thick as 0.5 inch, stainless steel plate not in coils is generally produced in wider and thicker dimensions than coiled plate. CR at I-23; PR at I-15.

¹⁸ For example, a major market for stainless steel plate in the coiled form is in the production of stainless steel tubing. CR at I-14; PR at I-10.

¹⁹ Generally speaking, although both forms of stainless steel plate can be produced using a Steckel mill, most stainless steel coiled plate and stainless steel plate not in coils is produced on production lines dedicated to the production of one of these two forms of plate. See Coiled Plate Preliminary at 8. In this regard, both products are not produced at the same facilities, even for those U.S. producers who produced both forms of plate during the

(continued...)

Given the clear dividing line between coiled plate and plate not in coils, and the existing Commission precedent, I find separate like products for these two forms of stainless steel plate in this review.

2. Hot-Rolled Stainless Steel Plate and Cold-Rolled Stainless Steel Plate are Separate Like Product Categories

As previously stated, the scope of Commerce's investigations is broader than the scope of the investigations in the Coiled Plate investigations, which covered only imports of coiled stainless steel plate. Nonetheless, in those investigations the Commission concluded that a clear dividing line existed between certain hot-rolled stainless steel plate in coils, and certain cold-rolled stainless steel plate in coils.²⁰ Based upon the analysis therein, and given the fact that the Commission found such a clear dividing line between hot-rolled plate and cold-rolled plate in the Coiled Plate investigations less than two months ago, the like product distinction drawn between these two products is well-settled.²¹ Therefore, within stainless steel plate in coils and stainless steel plate not in coils like product categories defined above, I find that hot-rolled stainless steel plate and cold-rolled stainless steel plate warrant separate like product treatment in this review.

3. Mold and Mold Holder Stainless Steel Plate is not a Separate Domestic Like Product Category

I concur with my colleagues in their finding that the available evidence indicates that mold and mold holder products are simply one subgroup of stainless steel plate products within a continuum of stainless steel plate products that are produced in a wide variety of grades, specifications, shapes and sizes. In this regard, the majority has correctly pointed out that mold and mold holder stainless steel plate are sold in similar channels of distribution as other forms of stainless steel plate, are produced in the same facilities by domestic producers as other forms of stainless steel plate, and have reasonably similar prices as other forms of stainless steel plate. Therefore, I find that mold and mold holder stainless steel plate are not sufficiently distinct from other forms of stainless steel plate to warrant a separate domestic like product definition.

¹⁹ (...continued)
period of investigation. CR at I-26-32; PR at I-17-21.

²⁰ "Overall, because cold-rolled plate differs somewhat from HRAP plate in surface finish and dimensional tolerances, resulting in limited interchangeability and different end uses; cold-rolling involves substantial additional processing steps that are performed on separate lines using separate production workers; producers and customers perceive HRAP plate and cold-rolled coiled plate to be separate products and request cold-rolled plate specifically when placing orders; and cold-rolled plate commands a price premium, we find there to be a clear dividing line between HRAP plate and cold-rolled plate. Accordingly, we find two domestic like products in these investigations, certain hot-rolled stainless steel plate in coils (HRAP plate), and certain cold-rolled stainless steel plate in coils (cold-rolled plate)." Coiled Plate Final at 7.

²¹ I incorporate by reference the discussion and conclusions drawn in the Coiled Plate Preliminary and Coiled Plate Final opinions, and the related staff reports.

In light of the foregoing discussion, mold and mold holder stainless steel plate are most appropriately a form of piece plate.²² Accordingly, because I find that piece plate is part of the domestic like product consisting of stainless steel plate not in coils and because there is no domestic production of cold-rolled stainless steel plate not in coils,²³ I find that mold and mold hold stainless steel plate are a part of the domestic industry consisting of hot-rolled stainless steel plate not in coils.

4. Stainless Steel Black Plate is not a Separate Domestic Like Product Category

In the preliminary phase of the Coiled Plate investigations determination, the Commission applied a semifinished product analysis and determined that there were significant “differences between the markets, physical characteristics, functions and values” of stainless steel black plate and stainless steel plate in coils.²⁴

Yet, applying the same analysis in the instant investigations, and considering the broader scope of this review and all of the facts available on this record, I find that the weight of the available evidence indicates that black plate should not be treated as a separate domestic like product. First, the record in this review reveals that black plate is largely dedicated to the production of finished stainless steel plate products. In fact, almost all black plate is captively consumed for such purposes.²⁵ Moreover, while the products exhibit some physical differences, they share the same basic chemical characteristics as finished plate products. Additionally, black plate accounts for a significant portion of the overall value of finished stainless steel products.²⁶ Given these considerations, I conclude that black plate is part of the same domestic like product as (and is subsumed by) the finished forms of stainless steel plate in coils and stainless steel plate not in coils. In this regard, I further note that the great majority of black plate is consumed in the production of hot-rolled plate in coils.²⁷

B. Domestic Industries

Having found four like products, I find four domestic industries, the industry producing hot-rolled stainless steel plate in coils, the industry producing cold-rolled stainless steel plate in coils, the industry producing hot-rolled stainless steel plate not in coils, and the industry producing cold-rolled stainless steel plate not in coils. In defining the domestic industries in this review, I have also considered whether any producers of the domestic like products should be excluded from a particular domestic industry pursuant to the related parties provision in section 771(4)(B) of the Act. As discussed in the majority opinion, one domestic producer, Avesta Sheffield NAD, Inc. (ASNAD), is a related party in this

²² The record shows that domestically produced mold and mold-holder product shares the same production processes and facilities as other flat-rolled and piece plate products. CR at I-27; PR at 18. Tr. at 20.

²³ CR and PR at Table E-1.

²⁴ Coiled Plate Preliminary at 10.

²⁵ CR at I-12-13; Coiled Plate Preliminary at 9. Approximately *** percent of black plate is captively consumed. Final Comments of Avesta Sheffield NAD, Inc. and Avesta Sheffield AB at 3.

²⁶ See Coiled Plate Preliminary at 9.

²⁷ CR and PR at Table E-1.

review because it is owned by the Swedish stainless steel plate producer, Avesta Sheffield AB.²⁸ ASNAD also imported subject merchandise in 1997 and 1998.²⁹

Considering all of the available information in the record, I concur with my colleagues in their finding that appropriate circumstances do not exist in these investigations to exclude ASNAD from any domestic industry.

II. REVOCATION OF THE FINDING ON STAINLESS STEEL PLATE FROM SWEDEN IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME FOR THE DOMESTIC INDUSTRY PRODUCING HOT-ROLLED STAINLESS STEEL PLATE IN COILS

The appropriate legal standard for sunset reviews is correctly set forth in the majority opinion. Therefore, I adopt and incorporate from the majority opinion my colleagues' recitation and discussion of the Act as it pertains to this review. Because the statute requires the Commission to consider the volume of subject imports, their effect on domestic prices, and their impact on the domestic industry, I consider each requirement in turn and in the context of the conditions of competition distinctive to the domestic industry producing hot-rolled stainless steel plate in coils.

A. Conditions of Competition

To understand how an industry is affected by unfair imports, we must examine the conditions of competition in the domestic market. The conditions of competition constitute the commercial environment in which the domestic industry competes with unfair imports, and thus form the foundation for a realistic assessment of the effects of the dumping. This environment includes demand conditions, substitutability among and between products from different sources, and supply conditions in the market.

In evaluating the likely impact of the subject imports on the domestic industry if the finding is revoked, the statute directs the Commission to evaluate all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."³⁰ In performing my analysis under the statute, I have taken into account the following conditions of competition in the U.S. market.

Domestic demand for all categories of stainless steel plate market has been growing at a healthy rate in recent years and is expected to continue to grow at similar rates during the reasonably foreseeable future. In the current investigation, both importers and domestic producers reported that demand for all stainless steel plate has increased during the past several years at a rate between three to six percent a year.³¹ Apparent U.S. consumption of all categories of stainless steel plate was nearly thirteen percent greater in 1998 than it was in 1997.³² Importers and producers both report that demand for stainless steel

²⁸ CR at I-28, 32; PR at I-19, I-21

²⁹ CR at I-32; PR at I-21

³⁰ 19 U.S.C. § 1675a(a)(4).

³¹ CR at II-4, PR at II-3.

³² Apparent U.S. consumption for all categories of stainless steel plate was approximately 383 thousand tons in 1997 and 434 thousand tons in 1998. CR and PR at Table I-4.

plate should continue to grow at a rate of three to five percent per year in the near future.³³ Demand in the U.S. market has reportedly increased in recent years as purchasers of all categories of stainless steel plate seek the longer life-cycle, environmental and process benefits of stainless steel plate in the production and marketing of their end products.³⁴ During the period covered by the original investigation, however, demand was relatively stable, with apparent consumption fluctuating somewhat but consistently remaining between 68 thousand and 98 thousand tons during the eight years prior to the Commission's determination.³⁵

In addition, Swedish production capacity for hot-rolled stainless steel plate in coils rose from 1997 to 1998 and outpaced increases in actual production. This situation resulted in a drop in capacity utilization of *** percentage points. In 1998, Swedish capacity utilization for hot-rolled stainless steel plate in coils was *** percent. End-of-period inventories decreased and were relatively insubstantial when compared to production and shipments.³⁶

Over the period of investigation, Swedish exports of hot-rolled stainless steel plate in coils to the United States declined and accounted for no more than *** percent of total U.S. shipments.³⁷ Meanwhile, demand for all categories of stainless steel plate in the European market has been growing at a substantial rate in recent years and is expected to grow at a substantial rate in the near future.³⁸ Thus, Swedish exports of hot-rolled stainless steel plate in coils to other markets grew by *** percent and accounted for about *** percent of total Swedish shipments in 1998.³⁹ Nearly all of ASNAD's commercial shipments were made to the European market in 1997-98.⁴⁰ According to the record, all categories of exports of stainless steel plate from Sweden are free from tariffs or nontariff barriers in countries other than the United States.⁴¹

The record also demonstrates that the cost share for this product relative to the production cost of end-use products varies, but tends to be moderate.⁴² This moderate cost share would indicate a higher elasticity of demand. More importantly, however, the record also reveals that there simply are no reasonable alternative products for this product. Although nickel alloy plate may be used as an alternative product in certain applications,⁴³ performance requirements nearly always dictate the use of

³³ CR at II-4, PR at II-3.

³⁴ CR at II-4, PR at II-3; *see also* Tr. at 180-8.

³⁵ Original Staff Report, dated April 1973, at 19.

³⁶ CR and PR at Table IV-6. The data presented in Table IV-6 are the closest approximation available for the Swedish industry producing hot-rolled stainless steel plate in coils. This data includes cut-to-length plate (of which there is minimal Swedish production) and appears to exclude black plate.

³⁷ CR and PR at Table E-1 (grouping the data for black coiled plate, HRAP coiled plate and all other Swedish stainless steel plate not accounted for by the three remaining like products herein).

³⁸ Pre-Hearing Brief of Avesta Sheffield NAD, Inc. and Avesta Sheffield AB at Attachment, Affidavit of Peter Gossas, ¶¶4-8; Tr. at 118-19.

³⁹ CR and PR at Table IV-6.

⁴⁰ CR at II-3; PR at II-2.

⁴¹ CR at IV-7; PR at IV-5.

⁴² CR at II-5; PR at II-3.

⁴³ CR at II-6; PR at II-4.

this product because of its unique physical characteristics and corrosion resistance.⁴⁴ The limited availability of substitute products reduces the elasticity of demand. Therefore, because the cost share in downstream products is likely to be moderate and there is only limited availability of substitute products, I find that the overall elasticity of demand for this product is relatively low.

Although price is an important factor in purchasing decisions associated with this product, the selection of domestic, subject, and nonsubject imported products depends quite heavily on issues involving quality and product availability.⁴⁵ Yet, there also appears to be evidence of substitutability between and among subject imports, nonsubject imports, and U.S.-produced stainless steel plate products. Factors that tend to enhance such substitutability include the fact that subject and nonsubject merchandise is viewed as interchangeable in its uses, and the fact that most purchasers found subject imports to be similar to domestic merchandise with regard to their specific requirements. Nevertheless, some U.S. producers and purchasers have reported that subject imports are superior to the domestic product in relation to availability, delivery time, price, reliability, and transportation network.⁴⁶ Moreover, the level of substitutability is limited by the fact that imports of subject merchandise from Sweden tend to be used in more specialized applications.⁴⁷ The record also reveals that Swedish producers generally produce stainless steel plate in coils in wider dimensions than the domestic producers;⁴⁸ that they produce more specialty products than the domestic producers;⁴⁹ and that they have been concentrating more of their production on cold-rolled merchandise,⁵⁰ a product produced in minimal amounts by the domestic industry.⁵¹ These facts indicate a much lower elasticity of substitutability between domestic merchandise and subject imports. Overall, because the imports of subject merchandise from Sweden appear to fill specific customer and product requirements, I find the level of substitutability between domestic and subject imports is relatively low.

Finally, in recent years non-subject imports have captured a relatively significant share of the stainless steel plate in coils categories of the U.S. market. However, Commerce recently issued antidumping/countervailing duty orders covering the large majority of imports of hot-rolled stainless steel plate in coils following the Commission's affirmative determinations in the Coiled Plate investigations.⁵² I have taken these orders and their likely effects on non-subject imports into consideration as a further condition of competition in this market.

Based on the record evidence, I find that these conditions of competition in the market are not likely to change significantly in the reasonably foreseeable future. Accordingly, in this review, I find that current conditions in the market provide a reasonable basis from which to assess the likely effects of revocation of the antidumping finding within the reasonably foreseeable future.

⁴⁴ CR at II-4 and II-6; PR at II-3 and II-4.

⁴⁵ CR and PR at Table II-1.

⁴⁶ CR at II-7; PR at II-4.

⁴⁷ CR at II-9; PR at II-6.

⁴⁸ AB at Attachment, Gossas Declaration, ¶12; Tr. at 117, 122 & 166.

⁴⁹ Tr. at 117.

⁵⁰ Compare CR and PR at Table IV-7 with CR and PR at Table IV-6; AB at Attachment, Gossas Declaration, ¶¶4-12.

⁵¹ CR and PR at Tables C-3, C-5 & E-1.

⁵² 64 Fed. Reg. 25,288 (May 11, 1999) and 64 Fed. Reg. 27,756 (May 21, 1999).

B. Volume of the Subject Imports

The volume of subject imports fell from *** short tons in 1997 to *** short tons in 1998. In 1997, subject imports held a market share of *** percent. In 1998, subject market share was *** percent. The record in this review also reveals that much of this decrease may be explained by ASNAD's decision to permanently close and sell its production facility in Baltimore, which had been importing stainless steel black plate in wider widths that were unavailable elsewhere on the U.S. market. By comparison, nonsubject imports were *** short tons and accounted for *** percent of the domestic market in 1998.⁵³

While it is clear that the larger the volume of subject imports, the larger the effect they will have on the domestic industry, whether the volume is significant cannot be determined in a vacuum, but must be evaluated in the context of their price effects and impact. Based on the market share of the subject imports, the conditions of competition in the U.S. market including the recently issued antidumping/countervailing duty orders covering the large majority of imports of hot-rolled stainless steel plate in coils, and the lack of significant price effects or impact on the domestic industry as discussed below, I find that the likely volume of these subject imports from Sweden would not be significant if the finding is revoked within a reasonably foreseeable time.

C. Price Effects of the Subject Imports

To determine the effect of subject imports on domestic prices following a revocation of an existing finding, I evaluate whether domestic prices would be likely to decrease if the finding is revoked. As previously discussed, demand for this product is relatively inelastic. Thus, lowering its price likely would not result in significant increases in its demand. In addition, because the evidence indicates that subject and domestic merchandise are poor substitutes, changes in the relative price of subject imports likely not lead to a significant shift in demand away from domestic merchandise. Since there likely would be no shift in demand away from the domestic product if the finding is revoked, revocation of the finding would have no effect on domestic prices. Consequently, I find that the subject imports are not likely to have significant effects on domestic prices if the finding is revoked.

D. Impact of the Subject Imports

To assess the likely impact of the subject imports on the domestic industry, I consider all of the relevant economic factors. I evaluate the effect on domestic prices, sales, and overall revenues that is likely to occur if the finding is revoked. Understanding the impact of revocation on the domestic industry's prices, sales, and overall revenues is critical, because the impact on the other industry indicators (*e.g.* employment, wages, *etc.*) is derived from the impact on the domestic industry's prices, sales, and revenues. These factors together either encompass or reflect the volume and price effects of the subject imports, and so I gauge the impact of the revocation of the finding through these effects.

As discussed above, revocation of the finding is not likely to lead to a shift in demand toward the subject imports. Therefore, revocation of the finding would not cause a shift in demand away from the domestic product. Absent a shift in demand away from the domestic product, there likely would be no

⁵³ CR and PR at Table E-1 (grouping the data for black coiled plate, HRAP coiled plate and all other Swedish stainless steel plate not accounted for by the three remaining like products herein).

effect on the domestic industry's output, sales, and overall revenues. Consequently, revocation of the finding is not likely to have a significant impact on the domestic industry.⁵⁴

E. Conclusion

Based on the foregoing analysis, I find that revocation of the finding is not likely to have significant effects on domestic prices or a significant impact on the domestic industry. Consequently, I determine that revocation of the finding on stainless steel plate from Sweden is not likely to lead to continuation or recurrence of material injury to the domestic industry producing hot-rolled stainless steel plate in coils within a reasonably foreseeable time.

III. REVOCATION OF THE FINDING ON STAINLESS STEEL PLATE FROM SWEDEN IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME FOR THE DOMESTIC INDUSTRY PRODUCING HOT-ROLLED STAINLESS STEEL PLATE NOT IN COILS

The appropriate legal standard for sunset reviews is correctly set forth in the majority opinion. Therefore, I adopt and incorporate from the majority opinion my colleagues' recitation and discussion of the Act as it pertains to this review. Because the statute requires the Commission to consider the volume of subject imports, their effect on domestic prices, and their impact on the domestic industry, I consider each requirement in turn and in the context of the conditions of competition distinctive to the domestic industry producing hot-rolled stainless steel plate not in coils.

A. Conditions of Competition

To understand how an industry is affected by unfair imports, we must examine the conditions of competition in the domestic market. The conditions of competition constitute the commercial environment in which the domestic industry competes with unfair imports, and thus form the foundation for a realistic assessment of the effects of the dumping. This environment includes demand conditions, substitutability among and between products from different sources, and supply conditions in the market.

⁵⁴ The statute also directs the Commission to take into account several general considerations. 19 U.S.C. § 1675a(a)(1). The Commission is to consider its prior injury determinations, whether any improvement in the state of the industry is related to the order or finding, whether the industry is vulnerable to material injury in the event of revocation, and whether any duty absorption finding is made by the Department of Commerce. *Id.* Commerce made no duty absorption finding in this case. 63 Fed. Reg. at 63,706 (Nov. 16, 1998). Based on the facts available in this review, the record indicates that the domestic industry has improved its position in the U.S. market since the issuance of the finding. Although such improvement has come about while the finding has been in effect, it does not automatically or necessarily follow that revocation of the finding will result in the continuation or recurrence of material injury within the reasonably foreseeable future. Moreover, although the record of the Coiled Plate investigations suggests that the domestic industry is vulnerable, the recent order on coiled plate imports from six countries is an important change in the market that should provide substantial protection to the domestic industry and will have a significant impact on market prices and market conditions. In addition, I find that the magnitude of any adverse effects of revocation is likely to increase with the degree of vulnerability of the domestic industry. Based on the industry's current performance as reflected in the record, and considering the recent order on coiled plate imports, I conclude that the domestic industry is not particularly vulnerable to material injury if the finding is revoked.

In evaluating the likely impact of the subject imports on the domestic industry if the finding is revoked, the statute directs the Commission to evaluate all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."⁵⁵ In performing my analysis under the statute, I have taken into account the following conditions of competition in the U.S. market.

As stated in the majority opinion, domestic demand for all categories of stainless steel plate market has been growing at a healthy rate in recent years and is expected to continue to grow at similar rates during the reasonably foreseeable future. In the current investigation, both importers and domestic producers reported that demand for all stainless steel plate has increased during the past several years at a rate between three to six percent a year.⁵⁶ Apparent U.S. consumption of all stainless steel plate was nearly thirteen percent greater in 1998 than it was in 1997.⁵⁷ Importers and producers both report that demand for stainless steel plate should continue to grow at a rate of three to five percent per year in the near future.⁵⁸ Demand in the U.S. market has reportedly increased in recent years as purchasers of all categories of stainless steel plate seek the longer life-cycle, environmental and process benefits of stainless steel plate in the production and marketing of their end products.⁵⁹ During the period covered by the original investigation, however, demand was relatively stable, with apparent consumption fluctuating somewhat but consistently remaining between 68 thousand and 98 thousand tons during the eight years prior to the Commission's determination.⁶⁰

In addition, Swedish production capacity for hot-rolled stainless steel plate not in coils rose significantly from 1997 to 1998 while actual production decreased. This situation resulted in a drop in capacity utilization of *** percentage points. In 1998, Swedish capacity utilization for hot-rolled stainless steel plate not in coils was *** percent. End-of-period inventories decreased but were relatively substantial when compared to production and shipments.⁶¹

Over the period of investigation, Swedish exports of hot-rolled stainless steel plate not in coils to the United States were steady and accounted for *** percent of total shipments in each year of the period of investigation.⁶² Meanwhile, demand for all categories of stainless steel plate in the European market has been growing at a substantial rate in recent years and is expected to grow at a substantial rate in the

⁵⁵ 19 U.S.C. § 1675a(a)(4).

⁵⁶ CR at II-4, PR at II-3.

⁵⁷ Apparent U.S. consumption for all categories of stainless steel plate was approximately 383 thousand tons in 1997 and 434 thousand tons in 1998. CR and PR at Table I-4.

⁵⁸ CR at II-4, PR at II-3.

⁵⁹ CR at II-4, PR at II-3; *see also* Tr. at 180-81.

⁶⁰ Original Staff Report, dated April 1973, at 19.

⁶¹ CR at and PR at Table IV-8. The data presented in Table IV-8 are the closest approximation available for the Swedish industry producing hot-rolled stainless steel plate not in coils. I further note that as presented in the discussion of the domestic like product, there is only an insignificant amount of cold-rolled stainless steel plate not in coils produced in Sweden.

⁶² CR and PR at Table E-1 (grouping the data for HRAP cut-to-length plate, HRAP piece plate, black cut-to-length plate, black piece plate, and mold and mold holder plate).

near future.⁶³ Thus, Swedish exports of hot-rolled stainless steel plate not in coils to other markets grew by *** percent and accounted for about *** percent of total Swedish shipments in 1998.⁶⁴ Nearly all of ASNAD's commercial shipments were made to the European market in 1997-98.⁶⁵ According to the record, all categories of exports of stainless steel plate from Sweden are free from tariffs or nontariff barriers in countries other than the United States.⁶⁶

The record also demonstrates that the cost share for this product relative to the production cost of end-use products varies, but tends to be moderate.⁶⁷ This moderate cost share would indicate a higher elasticity of demand. More importantly, however, the record also reveals that there simply are no reasonable alternative products for this product. Although nickel alloy plate may be used as an alternative product in certain applications,⁶⁸ performance requirements nearly always dictate the use of this product because of its unique physical characteristics and corrosion resistance.⁶⁹ The limited availability of substitute products reduces the elasticity of demand. Therefore, because the cost share in downstream products is likely to be moderate and there is only limited availability of substitute products, I find that the overall elasticity of demand for this product is relatively low.

Although price is an important factor in purchasing decisions associated with this product, the selection of domestic, subject, and nonsubject imported products depends quite heavily on issues involving quality and product availability.⁷⁰ Yet, there also appears to be evidence of substitutability between and among subject imports, nonsubject imports, and U.S.-produced stainless steel plate products. Factors that tend to enhance such substitutability include the fact that subject and nonsubject merchandise is viewed as interchangeable in its uses, and the fact that most purchasers found subject imports to be similar to domestic merchandise with regard to their specific requirements. Nevertheless, some U.S. producers and purchasers have reported that subject imports are superior to the domestic product in relation to availability, delivery time, price, reliability, and transportation network.⁷¹ Moreover, the level of substitutability is limited by the fact that imports of subject merchandise from Sweden tend to be used in more specialized applications.⁷² The record also reveals that Swedish producers generally produce stainless steel plate in coils in wider dimensions than the domestic producers,⁷³ that they produce more specialty products than the domestic producers;⁷⁴ and that they have been

⁶³ Pre-Hearing Brief of Avesta Sheffield NAD, Inc. and Avesta Sheffield AB at Attachment, Affidavit of Peter Gossas, ¶¶4-8; Tr. at 118-19.

⁶⁴ CR and PR at Table IV-8.

⁶⁵ CR at II-3; PR at II-2.

⁶⁶ CR at IV-7; PR at IV-5

⁶⁷ CR at II-5; PR at II-3.

⁶⁸ CR at II-6; PR at II-4.

⁶⁹ CR at II-4 and II-6; PR at II-3 and II-4.

⁷⁰ CR and PR at Table II-1.

⁷¹ CR at II-7; PR at II-4.

⁷² CR at II-9; PR at II-6.

⁷³ AB at Attachment, Gossas Declaration, ¶12; Tr. at 117, 122 & 166.

⁷⁴ Tr. at 117.

concentrating more of their production on cold-rolled merchandise,⁷⁵ a product produced in minimal amounts by the domestic industry.⁷⁶ These facts indicate a much lower elasticity of substitutability between domestic merchandise and subject imports. Overall, because the imports of subject merchandise from Sweden appear to fill specific customer and product requirements, I find the level of substitutability between domestic and subject imports is relatively low.

Based on the record evidence, I find that these conditions of competition in market are not likely to change significantly in the reasonably foreseeable future. Accordingly, in this review, I find that current conditions in the market provide a reasonable basis from which to assess the likely effects of revocation of the antidumping finding within the reasonably foreseeable future.

B. Volume of the Subject Imports

Subject imports of hot-rolled stainless steel plate not in coils remained relatively constant over the period of investigation at *** short tons in 1997 and *** short tons in 1998. In both 1997 and 1998, subject market share was *** percent. By comparison, nonsubject imports were *** short tons and accounted for *** percent of the domestic market in 1998. The domestic industry accounts for the remaining *** percent of the domestic market.⁷⁷

While it is clear that the larger the volume of subject imports, the larger the effect they will have on the domestic industry, whether the volume is significant cannot be determined in a vacuum, but must be evaluated in the context of their price effects and impact. Based on the market share of the subject imports, the conditions of competition in the U.S. market, and the lack of significant price effects or impact on the domestic industry as discussed below, I find that the likely volume of subject these imports from Sweden would not be significant if the finding is revoked within a reasonably foreseeable time.

C. Price Effects of the Subject Imports

To determine the effect of subject imports on domestic prices following a revocation of an existing finding, I evaluate whether domestic prices would be likely to decrease if the finding is revoked. As previously discussed, demand for this product is relatively inelastic. Thus, lowering its price likely would not result in significant increases in its demand. In addition, because the evidence indicates that subject and domestic merchandise are poor substitutes, changes in the relative price of subject imports likely would not lead to a significant shift in demand away from domestic merchandise. Since there likely would be no shift in demand away from the domestic product if the finding is revoked, revocation of the finding would have no effect on domestic prices. Consequently, I find that the subject imports are not likely to have significant effects on domestic prices if the finding is revoked.

⁷⁵ Compare CR and PR at Table IV-7 with CR and PR at Table IV-6; AB at Attachment, Gossas Declaration, ¶¶4-12.

⁷⁶ CR and PR at Tables C-3, C-5 & E-1.

⁷⁷ CR and PR at Table E-1 (grouping the data for HRAP cut-to-length plate, HRAP piece plate, black cut-to-length plate, black piece plate, and mold and mold holder plate).

D. Impact of the Subject Imports

To assess the likely impact of the subject imports on the domestic industry, I consider all of the relevant economic factors. I evaluate the effect on domestic prices, sales, and overall revenues that is likely to occur if a finding is revoked. Understanding the impact of revocation on the domestic industry's prices, sales, and overall revenues is critical, because the impact on the other industry indicators (e.g. employment, wages, etc.) is derived from the impact on the domestic industry's prices, sales, and revenues. These factors together either encompass or reflect the volume and price effects of the subject imports, and so I gauge the impact of the revocation of the finding through these effects.

As discussed above, revocation of the finding is not likely to lead to a shift in demand toward subject imports. Therefore, revocation of the finding would not cause a shift in demand away from the domestic product. Absent a shift in demand away from the domestic product, there likely would be no effect on the domestic industry's output, sales, and overall revenues. Consequently, revocation of the finding is not likely to have a significant impact on the domestic industry within a reasonably foreseeable time.⁷⁸

E. Conclusion

Based on the foregoing analysis, I find that revocation of the finding is not likely to have significant effects on domestic prices or a significant impact on the domestic industry. Consequently, I determine that revocation of the finding on stainless steel plate from Sweden is not likely to lead to continuation or recurrence of material injury to the domestic industry producing hot-rolled stainless steel plate not in coils within a reasonably foreseeable time.

IV. REVOCATION OF THE FINDING ON STAINLESS STEEL PLATE FROM SWEDEN IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME FOR THE DOMESTIC INDUSTRY PRODUCING COLD-ROLLED STAINLESS STEEL PLATE IN COILS

As in the recent Coiled Plate investigations, the facts available in this review demonstrate that there was minimal domestic production of cold-rolled stainless steel plate in coils in 1997-98.⁷⁹ Additionally, in the Coiled Plate investigations the Commission made a negative injury determination

⁷⁸ The statute also directs the Commission to take into account several general considerations. 19 U.S.C. § 1675a(a)(1). The Commission is to consider its prior injury determinations, whether any improvement in the state of the industry is related to the order or finding, whether the industry is vulnerable to material injury in the event of revocation, and whether any duty absorption finding is made by the Department of Commerce. *Id.* Commerce made no duty absorption finding in this case. 63 Fed. Reg. at 63,706 (Nov. 16, 1998). Based on the facts available in this review, the record indicates that the domestic industry has improved its position in the U.S. market since the issuance of the finding. Although such improvement has come about while the finding has been in effect, it does not automatically or necessarily follow that revocation of the finding will result in the continuation or recurrence of material injury within the reasonably foreseeable future. In addition, I find that the magnitude of any adverse effects of revocation is likely to increase with the degree of vulnerability of the domestic industry. Based on the industry's current performance as reflected in the record, I conclude that the domestic industry is not particularly vulnerable to material injury if the finding is revoked.

⁷⁹ CR and PR at Table E-1.

with respect to imports of cold-rolled plate where the volumes of such imports from the countries under investigation were far greater than the volumes of such imports from Sweden in this review.

Therefore, in the absence of the existing finding, I find that there likely would be no continuation or recurrence of material injury because there likely would be no shift in demand away from domestic production. In addition, there likely would be no shift in demand to other domestic stainless steel products because those products are not good substitutes for cold-rolled stainless steel plate in coils. Absent an increase in demand for domestic cold-rolled stainless steel plate in coils, the domestic industry would not be able to increase its prices, output, sales, or revenues. Therefore, there likely would not be a continuation or recurrence of material injury by reason of subject imports of cold-rolled stainless steel plate in coils from Sweden.

Regardless of the volumes and prices of subject imports of cold-rolled stainless steel plate in coils that may be imported in the U.S. market in the absence of the existing finding, the fact that there is minimal domestic production of this merchandise means that none of the sales in the reasonably foreseeable future would be captured by the domestic industry. Thus, a revocation of the existing duties on these subject imports will not have a material effect on the domestic industry. Consequently, I determine that revocation of the finding on stainless steel plate from Sweden is not likely to lead to continuation or recurrence of material injury to the domestic industry producing cold-rolled stainless steel plate in coils within a reasonably foreseeable time.

V. REVOCATION OF THE FINDING ON STAINLESS STEEL PLATE FROM SWEDEN IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME FOR THE DOMESTIC INDUSTRY PRODUCING COLD-ROLLED STAINLESS STEEL PLATE NOT IN COILS

Through the 1997-98 period of review, there was no domestic production of cold-rolled stainless steel plate not in coils. There also were no imports of subject cold-rolled stainless steel plate not in coils in 1998 and only *** short tons in 1997.⁸⁰ Thus, while there is no domestic industry producing the like product in this particular category of stainless steel plate, the statute requires the Commission to examine the product that is most similar to this like product. The product that is arguably the most similar to cold-rolled stainless steel plate not in coils is hot-rolled stainless steel plate not in coils.⁸¹

Therefore, the analysis of the domestic industry producing hot-rolled stainless steel plate not in coils serves as a proxy for the domestic industry producing cold-rolled stainless steel plate not in coils. Given my conclusion regarding the domestic industry producing hot-rolled stainless steel plate not in coils provided above, and there likely would not be a continuation or recurrence of material injury by reason of subject imports of cold-rolled stainless steel plate not in coils for the reasons stated therein. Consequently, I determine that revocation of the finding on stainless steel plate from Sweden is not likely to lead to continuation or recurrence of material injury to the domestic industry producing cold-rolled stainless steel plate not in coils within a reasonably foreseeable time.

⁸⁰ CR and PR at Table E-1.

⁸¹ One could also conclude that cold-rolled stainless steel plate in coils is the domestic like product most similar to cold-rolled stainless steel plate not in coils. In such a case, as previously stated, there likely would be no continuation or recurrence of material injury in the absence of the existing finding because there likely would be no shift in demand away from domestic production.

DISSENTING VIEWS OF CHAIRMAN LYNN M. BRAGG

Based upon the record in this investigation, I find under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping finding on stainless steel plate from Sweden would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. BACKGROUND

This five-year sunset review investigation is being conducted pursuant to the transition provisions of the Act and stems from the following actions. In May 1973, the Commission determined that an industry in the United States was being injured by reason of imports of stainless steel plate from Sweden that were being sold at less than fair value.¹ Subsequently, on June 8, 1973, the U.S. Department of the Treasury issued an antidumping finding on imports of stainless steel plate from Sweden.²

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

In this review, the Commission received responses from 5 U.S. producers in support of continuance: Allegheny Ludlum Corporation; Armco, Inc.; Bethlehem Lukens Plate; G.O. Carlson, Inc.; and J&L Specialty Steel, Inc. The Commission determined that the domestic interested party group accounted for the preponderance of U.S. stainless steel plate production, and found the group’s response adequate.

The Commission received responses in support of revocation from Avesta Sheffield AB (“Avesta AB”) and Uddeholm Tooling AB, foreign producers/exporters; Avesta Sheffield NAD, Inc. (“Avesta NAD”), a U.S. producer and importer of stainless steel plate from Sweden; and Boehler Uddeholm Corporation, a related-party importer. Avesta AB accounted for approximately *** percent of the value of total exports to the U.S. of stainless steel plate from Sweden in 1997. Avesta NAD accounted for approximately *** percent of the value of total U.S. imports of stainless steel plate from Sweden in 1997. The Commission determined that the respondent group response was adequate.

¹ Stainless Steel Plate from Sweden, Inv. No. AA1921-114, TC Pub. 573 (May 1973).

² 38 Fed. Reg. 15079 (June 8, 1973).

³ See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

II. DOMESTIC LIKE PRODUCT AND DOMESTIC INDUSTRY

A. Domestic Like Product

In its original determination, the Commission stated that the domestic industry consists of the facilities of domestic producers engaged in the production of stainless steel plate, effectively treating all stainless plate as a single domestic like product.⁴ That determination was made pursuant to the Antidumping Act, 1921, which did not contain a “like product” provision. Under the current statutory framework, the Commission is required to define the “domestic like product” as it relates to Commerce’s scope determination.⁵

In this sunset review, Commerce has defined the scope to include any flat-rolled or forged product whether or not in coils or cut-to-length, that contains, by weight, more than 11.0 percent and less than 30.0 percent of chromium and that is 0.1875 inch (4.75mm) or more in thickness and 10 inches (254mm) or more in width.⁶

In performing my like product analysis, I begin with Commerce’s scope determination and look to see if there are clear dividing lines among possible like products. In this regard, I consider whether different types of products represent a “continuum” of articles within one like product rather than separate like products. In this review, I find the continuum approach controlling and therefore define the like product to include all stainless steel plate.

I note that in the recent Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan determination I found that stainless steel plate in coils was a single like product for purposes of that review.⁷ Importantly, Commerce’s scope determination in that investigation was limited to stainless steel plate in coils and excluded: (1) plate not in coils (piece plate); (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled (black band); (3) sheet and strip; and (4) flat bars. In contrast, in this sunset review the scope includes all stainless steel plate, without limitation.

B. Domestic Industry

There are nine domestic producers of stainless steel plate: Allegheny Ludlum, accounting for *** percent of domestic production; Armco *** percent; Avesta NAD *** percent; Ellwood Specialty Steels ***; G.O. Carlson *** percent; J&L Specialty Steel *** percent; North American Stainless *** percent; Universal Stainless *** percent; and Washington Steel *** percent.⁸

⁴ Report to the Commission, at 3 (April 1973).

⁵ 19 U.S.C. § 1677(4)(A) & 1677(10).

⁶ Stainless Steel Plate from Sweden, Final Results of Redetermination Pursuant to Court Remand, Court No. 95-08-01024, (October 10, 1997); Final Scope Ruling: Stainless Steel Plate from Sweden, (September 6, 1994); Final Scope Ruling: Stainless Steel Plate from Sweden, (July 11, 1995); and Final Scope Ruling: Stainless Steel Plate from Sweden, (September 6, 1994). Commerce found that Stavax, Ramax, 904L, and hot bands were subject to the original finding.

⁷ Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Inv. Nos. 701-TA-376, 377 & 379 (Final) and 731-TA-788-793 (Final), USITC Pub. No. 3188 (May 1999) (“SS Coiled Plate”).

⁸ Confidential Report (“CR”) at I-27, Public Report (“PR”) at I-18.

As noted earlier, domestic producer Avesta NAD, a wholly-owned subsidiary of Swedish stainless steel plate producer Avesta AB, is also one of two U.S. importers of the subject merchandise.⁹ The company imported *** of subject merchandise in 1997, and *** in 1998.¹⁰

Because domestic producer Avesta NAD is owned by the Swedish stainless steel producer Avesta AB, I first address the issue of whether appropriate circumstances exist to exclude Avesta NAD from the domestic industry. In original investigations, the factors examined by the Commission in deciding whether to exclude a related party include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation; and (3) the position of the related producer vis-a-vis the rest of the industry.

In 1998, Avesta NAD was the *** producer of stainless steel plate in the U.S.¹¹ During 1997 and 1998, the firm's imports of subject merchandise amounted to *** percent and *** percent of its domestic production, respectively.¹² Accordingly, I conclude that Avesta NAD's primary interest lies in domestic production. I therefore find that appropriate circumstances do not exist to exclude Avesta NAD from the domestic industry.

III. REVOCATION OF THE FINDING ON STAINLESS STEEL PLATE IS LIKELY TO LEAD TO THE CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping finding unless: (1) it makes a determination that dumping is likely to continue or recur; and (2) the Commission makes a determination that revocation of a finding "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."¹³ The Uruguay Round Agreements Act ("URAA") Statement of Administration Action ("SAA") provides that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation [of the finding] . . . and the elimination of its restraining effects on volumes and prices of imports."¹⁴ Thus, the likelihood standard is prospective in nature. The statute states that "the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time."¹⁵ According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations]."¹⁶

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains many of the same fundamental elements.

⁹ *Id.*

¹⁰ CR at I-32, PR at I-21.

¹¹ CR at I-29, PR at I-19.

¹² CR at I-29 & I-32, PR at I-19 & I-21.

¹³ 19 U.S.C. § 1675a(a).

¹⁴ URAA SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994).

¹⁵ 19 U.S.C. § 1675a(a)(5).

¹⁶ SAA at 887.

The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the [finding] is revoked.”¹⁷ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, and whether the industry is vulnerable to material injury if the order is revoked.”¹⁸

For the reasons set forth below, I determine that revocation of the antidumping finding on stainless steel plate would be likely to lead to the continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry if the finding is revoked, the statute directs the Commission to evaluate all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹⁹ In performing my analysis under the statute, I have taken into consideration the following conditions of competition for stainless steel plate.

Since the imposition of the antidumping finding, overall domestic demand for stainless steel plate has grown at an annual rate of 6.4 percent.²⁰ However, this strong demand has not resulted in a healthy industry, especially when one considers that this industry must maximize profits in the upward cycle of demand to see it through the downward portion of the business cycle.

Between 1997 and 1998, domestic producers’ total sales volumes of stainless steel plate dropped by 6 percent, while total sales values declined by 19.3 percent.²¹ In 1972, prior to the imposition of the original finding, domestic producers’ market share was 80.3 percent.²² By 1998, domestic producers’ market share had dropped to 54 percent, with more than one half of the over-all decline occurring that year.²³ In contrast, the growth in total imports, subject and non-subject, since 1972 has averaged 10.7 percent, resulting in an increase in import market share from 19.7 percent in 1972 to 46.1 percent in 1998.²⁴

Another important element of my analysis of the conditions of competition in this review is the interplay between the Commission’s recent SS Coiled Plate decision and this sunset review. It is reasonable to expect that European stainless steel producers from Belgium and Italy, which accounted for approximately *** short ton import total in the SS Coiled Plate investigation, will redirect at least a portion of their previous U.S. sales to the European market as a result of the order in that investigation. Therefore, Swedish producers will be pressured in these same traditional markets and will have an incentive to increase exports to the U.S. in the event of revocation. In addition, a negative determination here coupled with the recent affirmative determination in SS Coiled Plate would create an incentive for

¹⁷ 19 U.S.C. 1675a(a).

¹⁸ *Id.*

¹⁹ 19 U.S.C. § 1675a(a)(4).

²⁰ CR at I-5, PR at I-4.

²¹ CR at III-6, PR at III-4.

²² CR at I-5, PR at I-4.

²³ *Id.*

²⁴ *Id.*

Swedish producers to increase imports to the U.S. to take the place of stainless steel previously sold by countries now subject to the SS Coiled Plate order.²⁵

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the finding under review is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.²⁶ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.²⁷

I conclude that the volume of subject imports is likely to increase significantly if the order is revoked. Before the imposition of the original antidumping finding, Swedish imports of stainless steel plate rose from 1,580 short tons in 1970 to 3,960 short tons in 1971, then surged to 9,985 short tons in 1972 (comprising over 11.5 percent of total U.S. consumption that year).²⁸ A review of the current record reveals that Swedish stainless steel plate producers, if given the incentive provided by revocation of the antidumping finding, have the ability to quickly recapture a similar presence in the U.S. market.

At the end of 1998, Swedish producers held *** short tons of stainless steel inventory and *** short tons of available capacity.²⁹ When viewed collectively, these figures are significant relative to both U.S. production and consumption. Together, the inventory and capacity, if directed to the U.S. market, would equate to *** percent of 1998 U.S. production³⁰ and *** percent of apparent U.S. consumption.³¹ Based on the foregoing, I find that revocation of the antidumping finding will likely result in significant volumes of subject imports from Sweden.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping finding is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with the domestic like product. The Commission must also consider whether the

²⁵ Swedish producers' 1998 unused capacity of *** short tons is capable of replacing all of the stainless steel plate exported to the U.S. in 1997 by the countries subject to the recent SS Coiled Plate determination. CR at IV-8, PR at IV-4.

²⁶ 19 U.S.C. § 1675a(a)(2).

²⁷ 19 U.S.C. § 1675a(a)(2)(A)-(D).

²⁸ CR at I-5, PR at I-4.

²⁹ CR at IV-8, PR at IV-4.

³⁰ CR at III-1, PR at III-1.

³¹ CR at I-5, PR at I-4.

subject imports are likely to enter the U.S. at prices that would have a significant price depressing or suppressing effect on the domestic like product.³²

Due to the recent low volume of subject imports, there is little evidence upon which to make price comparisons between domestic stainless steel plate and subject imports. Nonetheless, I have considered all relevant economic factors within the context of the business cycle and the conditions of competition distinctive to the industry. As instructed by the statute, I have also considered the extent to which any improvement in the state of the domestic industry is related to the antidumping finding at issue and whether the industry is vulnerable to material injury if the order is revoked.

The Commission Report in this investigation indicates that there is a relatively high degree of substitution between U.S.-produced stainless steel plate and the imported product and that price is an important factor in purchasing decisions.³³ It also indicates that prices for domestic and imported stainless steel plate have generally fluctuated downward during the POI.³⁴ In addition, price data from the recent SS Coiled Plate decision reveals that the U.S. industry is vulnerable to unfairly priced imports from all countries and that there is a strong correlation between unfairly priced imports and price declines experienced by the U.S. stainless steel plate industry. In that investigation, the Commission determined that important elements of the same industry under investigation in this review were being materially injured by imports.

I therefore conclude that given the high degree of substitution and the importance of price in purchasing decisions, the likely significant volume of subject imports will result in likely negative price effects to the domestic industry in the event of revocation.

E. Likely Impact of Subject Imports

When considering the likely impact of subject imports, the Commission is to consider all relevant economic factors likely to have a bearing on the state of the industry in the United States, including: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more enhanced version of the domestic like product.³⁵

Although the domestic industry has recently spent significant sums to upgrade and expand production, the industry-wide capacity utilization rate stood at only 65.1 percent in 1997 and 51.6 percent in 1998.³⁶ Despite the fact that domestic consumption increased by over 11 percent (50,000 tons) between 1997 and 1998, U.S. producers' shipments actually decreased by over 10 percent (27,500

³² 19 U.S.C. § 1675a(a)(3).

³³ CR at II-7, PR at II-5.

³⁴ CR at V-5, PR at V-4.

³⁵ 19 U.S.C. § 1675a(a)(4).

³⁶ CR at III-1, PR at III-1.

tons).³⁷ U.S. producers' commercial unit sales values *** in 1998.³⁸ Domestic operating profits were down by 44.4 percent in 1998.³⁹

Additionally, although domestic inventories declined by 22 percent from 1997 to 1998,⁴⁰ they still remain inordinately high relative to production.⁴¹ On a unit basis, average operating profit declined by 41 percent between 1997 and 1998.⁴² During this period, the average number of production and related workers decreased 2.2 percent while hours worked decreased 6.8 percent.⁴³ Total wages paid dropped 11.5 percent and hourly wages fell 5.0 percent.⁴⁴ And, capital expenditures related to stainless steel plate declined by 59 percent between 1997 and 1998.⁴⁵

Accordingly, I conclude that given the current vulnerability of the domestic stainless steel plate industry, if the antidumping finding is revoked, likely significant volumes of subject imports would likely result in negative price effects, and thus have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

IV. CONCLUSION

Based upon the foregoing analysis, I find that revocation of the antidumping finding on stainless steel plate from Sweden would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

³⁷ CR at I-5, PR at I-4.

³⁸ CR at III-3, PR at III-2.

³⁹ CR at III-7, PR at III-5.

⁴⁰ CR at III-4, PR at III-3.

⁴¹ U.S. producers held 47,734 short tons of stainless steel plate inventory at the end of 1998, nearly 20 percent of 1998 domestic production. CR at III-4 & III-1, PR at III-3 & III-1.

⁴² CR at III-8, PR at III-6.

⁴³ CR at III-5, PR at III-4.

⁴⁴ *Id.*

⁴⁵ CR at III-13, PR at III-7.



PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On April 25, 1972, Jessop Steel Company filed a formal complaint with the Treasury Department alleging that stainless steel plate¹ from Sweden was being sold in the United States at less than fair value (LTFV). The Treasury Department instituted an investigation on May 26, 1972, and the Tariff Commission, on February 13, 1973, instituted investigation No. AA1921-114 to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. On February 1, 1973, Treasury advised the Commission that stainless steel plate from Sweden was being sold in the United States at LTFV within the meaning of the Antidumping Act, 1921, as amended. The Commission issued a determination of injury on May 1, 1973, and Treasury published an antidumping duty finding on June 8, 1973.

On August 3, 1998, the Commission instituted a five-year review concerning the antidumping duty order on stainless steel plate from Sweden. On November 5, 1998, the Commission determined that a full review should proceed to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Information relating to the background of the review is provided in the following tabulation:²

Effective date	Action	Federal Register citation
June 8, 1973	Treasury's antidumping duty finding	38 FR 15079
August 3, 1998	Commission's institution of five-year review	63 FR 41288
November 5, 1998	Commission's decision to conduct a full review	63 FR 63748 (Nov. 16, 1998)
November 16, 1998	Commerce's final results of administrative review	63 FR 63706
December 8, 1998	Commerce's final results of expedited review	63 FR 67658
December 15, 1998	Commission's scheduling of full review	63 FR 71300 (Dec. 24, 1998)
December 31, 1998	Commerce's amended final results of administrative review	63 FR 72283

¹ For purposes of this review, stainless steel plate is defined as any flat-rolled or forged product, whether or not in coils or cut-to-length, that contains, by weight, more than 11.0 percent and less than 30.0 percent of chromium and that is 0.1875 inch (4.75 mm) or more in thickness and 10 inches (254 mm) or more in width. Stainless steel plate is generally of rectangular cross section and may or may not be annealed or otherwise heat-treated, pickled, or otherwise descaled, or cold-rolled. Non-rectangular shapes also may be considered stainless plate provided that they do not assume the character of fabricated items of stainless steel. Flat-rolled and forged Stavax ESR, UHB Ramax, and UHB 904L are products within this definition, as are Swedish hotbands produced from British slabs. These products, if imported, are classified in subheadings of the Harmonized Tariff Schedule of the United States ("HTS") as follows: 7219.11.00, 7219.12.00, 7219.21.00, 7219.22.00, 7219.31.00, 7220.11.00, 7222.30.00, and 7228.40.00, with general duty rates ranging from 3 percent to 5.3 percent ad valorem in 1999.

² Recent *Federal Register* notices cited in the tabulation are presented in app. A.

Effective date	Action	Federal Register citation
May 11, 1999	Commission's hearing ¹	Not applicable
June 24, 1999	Commission's vote	Not applicable
July 6, 1999	Commission's determination transmitted to Commerce	Not applicable
¹ The list of hearing witnesses is presented in app. B.		

PAST DETERMINATIONS AND EXISTING ORDERS ON IMPORTS OF STAINLESS STEEL PLATE

In January 1976, the Commission determined in investigation No. TA-201-5, Stainless Steel and Alloy Tool Steel, that certain stainless steel and alloy tool steel, including stainless steel plate, was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. In March 1976, the President determined to provide import relief and directed the Special Representative for Trade Negotiations to attempt to negotiate orderly marketing agreements no later than June 1976. Also, the President granted adjustment assistance to workers.³ In June 1976, the President imposed quotas on these items for a 3-year period. Import relief was briefly extended, and then was terminated in February 1980.⁴

In March 1983, the Commission determined, in investigation No. TA-201-48, Stainless Steel and Alloy Tool Steel, that certain stainless steel and alloy tool steel, including stainless steel plate, was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. In July 1983, the President granted 4 years of import relief to the specialty steel industry in the form of dregressive tariffs for stainless steel sheet, strip, and plate.⁵

In June 1983, the Commission determined, in investigation No. 701-TA-196 (Final), pursuant to section 705(b)(1) of the Tariff Act of 1930 (19 U.S.C. § 1671d(b)(1)), that an industry in the United States was materially injured by reason of imports of stainless steel plate from the United Kingdom which were found by Commerce to be subsidized by that Government.⁶ A countervailing duty order was issued effective June 23, 1983. The order was revoked in August 1986.⁷

On April 22, 1999, the Commission determined that an industry in the United States was materially injured by reason of imports of hot-rolled stainless steel plate in coils from Belgium, Canada, Italy, Korea, South Africa, and Taiwan that Commerce determined were sold in the United States at LTFV and by reason of such imports that Commerce found to be subsidized by the Governments of

³ United States International Trade Commission Annual Report, 1976, p. 4.

⁴ USITC Publication 1391, June 1983, p. A-6.

⁵ United States International Trade Commission Annual Report, 1983, p. 3.

⁶ USITC Publication 1391, June 1983, p. 1.

⁷ AD/CVD Case History, 1980-May 31, 1998, U.S. Department of Commerce.

Belgium, Italy, and South Africa.^{8 9} The countervailing and antidumping duty orders on hot-rolled stainless steel plate in coils became effective on May 11, 1999 (64 FR 25288) and May 21, 1999 (64 FR 27756), respectively.

SUMMARY DATA

A summary of data collected in the review is presented in appendix C. Table C-1 presents data on all stainless steel plate; table C-2 presents data on hot-rolled, annealed, and pickled ("HRAP") stainless steel plate in coils (including cut-to-length plate); table C-3 presents data on cold-rolled stainless steel plate in coils (including cut-to-length plate); table C-4 presents data on HRAP stainless steel piece plate; table C-5 presents data on cold-rolled stainless steel piece plate; table C-6 presents data on stainless steel black coiled plate; and table C-7 presents data on stainless steel HRAP and cold-rolled cut-to-length plate. U.S. industry data are based on questionnaire responses of nine firms that accounted for virtually 100 percent of U.S. production of stainless steel plate during 1997 and 1998. U.S. import data are based on questionnaire responses of importers accounting for 100 percent of imports from Sweden and approximately 95 percent of imports from all other sources. Available comparative data from the original investigation and the current review are presented in table I-1.

STATUTORY CRITERIA

Section 751(c) of the Tariff Act of 1930 requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."¹⁰

Section 752(a)(1) of the Act states that the Commission ". . . shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

- (A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,
- (B) whether any improvement in the state of the industry is related to the order or the suspension agreement,
- (C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and
- (D) in an antidumping proceeding, Commerce's findings regarding duty absorption."

⁸ The Commission made negative determinations or found negligible imports with regard to imports of cold-rolled stainless steel plate in coils from all countries.

⁹ USITC Publication 3188, May 1999.

¹⁰ Certain transition rules apply to the scheduling of reviews (such as this one) involving antidumping and countervailing duty orders and suspensions of investigations that were in effect prior to January 1, 1995 (the date the WTO Agreement entered into force with respect to the United States). Reviews of these transition orders will be conducted over a three-year transition period running from July 1, 1998, through June 30, 2001. Transition reviews must be completed not later than 18 months after institution. No transition order may be revoked before January 1, 2000.

Table I-1
Stainless steel plate: Comparative data from the original investigation and the current review, 1970-72
and 1997-98

(Quantity in short tons, value in 1,000 dollars, unit values are per ton)

Item	1970	1971	1972	1997	1998
U.S. consumption quantity:					
Amount	79,183	68,818	86,684	383,970	434,343
Producers' share ¹	89.5	84.9	80.3	68.1	54.0
Importers' share:					
Sweden ¹	2.0	5.8	11.5	***	***
All other ¹	8.5	9.3	8.2	***	***
Total imports ¹	10.5	15.1	19.7	31.9	46.0
U.S. shipments of imports from ²⁻⁻					
Sweden:					
Quantity	1,580	3,960	9,985	***	***
Value	1,614	3,435	8,428	***	***
Unit value	\$1,022	\$867	\$844	***	***
Other sources:					
Quantity	6,760	6,400	7,130	***	***
Value	6,522	5,344	5,850	***	***
Unit value	\$965	\$835	\$820	***	***
All sources:					
Quantity	8,340	10,360	17,115	122,339	199,962
Value	8,136	8,779	14,278	187,667	268,750
Unit value	\$976	\$847	\$834	\$1,534	\$1,344
U.S. producers ¹ :					
U.S. shipments (quantity)	70,843	58,458	69,569	261,631	234,381
Export shipments (quantity)	3,089	2,969	2,054	24,614	20,264
Production workers	1,746	1,553	1,617	979	957
Hours worked (1,000s)	3,341	2,921	3,042	2,104	1,960
Net sales (value)	81,000	72,000	80,000	639,407	516,149
Operating income	7,000	434	1,000	35,284	19,635
Operating income/sales ¹	9.0	0.6	1.5	5.5	3.8

¹ Reported data are in percent.

² Data reported for the period 1970-72 are U.S. imports.

Source: Data for the period 1997-98 are compiled from Commission questionnaires. Data for the period 1970-72 are derived from the staff report of April 1973.

Section 752(a)(2) of the Act states that “[I]n evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

- (A) any likely increase in production capacity or existing unused production capacity in the exporting country,
- (B) existing inventories of the subject merchandise, or likely increases in inventories,
- (C) the existence of barriers to the importation of such merchandise into countries other than the United States, and
- (D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.”

Section 752(a)(3) of the Act states that “[I]n evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

- (A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and
- (B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.”

Section 752(a)(4) of the Act states that “[I]n evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

- (A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,
- (B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and
- (C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all [such] relevant economic factors within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.”

Section 752(a)(6) of the Act states that in making its determination, “. . . the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

Information obtained during the course of the review that relates to the above factors is presented throughout this report. Following is a summary of party arguments regarding the likely effects of

revocation of the order. Responses by U.S. producers, importers, and purchasers of stainless steel plate and producers of the product in Sweden to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of its revocation are presented in appendix D.

LIKELY EFFECTS OF REVOCATION OF THE ORDER

Supporters of Continuation

Supporters of continuation of the order believe that revocation will result in dumped imports from Sweden that will displace domestic plate and further deteriorate the industry's trade and financial results.¹¹ They argue that the Swedish stainless steel plate industry is export-oriented, has ample capacity, and can only sell in the United States by dumping, which the existing finding has checked, but not eliminated.¹² Imports of stainless steel plate from Sweden will increase if the order is revoked because Avesta will be able to import large volumes of black band and possibly reopen its Baltimore facility to produce wide coiled plate. In addition, the orders resulting from the *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan*¹³ ("Coiled Plate") investigations will create an opportunity for countries not under order to expand their presence in the U.S. market.¹⁴ Furthermore, they assert that although Avesta produces piece plate at its New Castle, IN facility, it is likely to import piece plate in gauges, sizes, or grades that it does not produce in the United States.¹⁵ Supporters of continuation also argue that Avesta's allegation that it is having difficulty meeting an upsurge in European demand is contradicted by excerpts from its annual reports and other public sources.¹⁶

Supporters of Revocation

Avesta argues that there will not be significant quantities of imports of stainless steel plate from Sweden if the order is revoked.¹⁷ This reportedly is confirmed by its history of imports into the United States and by the fact that its capacity in Sweden, which is currently ***, is devoted to its commitment to the European home market.¹⁸ The "spike" in imports that began in late 1995 and ended in early 1998 occurred for reasons that will not recur: Avesta imported black hot band during this period, which it could not obtain in the United States, to feed its Baltimore hot-rolled, annealed, and pickled coiled plate production. When inefficiencies and high costs closed this facility in 1998, Avesta's black hot band imports ceased.¹⁹ There reportedly will not be any imports of black hot band from Sweden upon revocation.²⁰ Second, Avesta has not been an importer of piece plate for over 15 years. Its New Castle, IN facility has *** to meet the increases that are expected in U.S. piece plate demand; thus, Avesta would have no need to import piece plate from Sweden because these imports would undercut its

¹¹ Supporters of Continuation posthearing brief, p. 8.

¹² *Ibid.*, p. 9.

¹³ *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376-379 (Final) and 731-TA-788-793 (Final)*, USITC Publication 3188, May 1998.

¹⁴ Supporters of Continuation posthearing brief, p. 10.

¹⁵ *Ibid.*, p. 15.

¹⁶ *Ibid.*, p. 13.

¹⁷ Posthearing brief of Avesta Sheffield, p. 1.

¹⁸ *Ibid.*

¹⁹ *Ibid.*, p. 3.

²⁰ *Ibid.*, p. 5.

U.S. production.²¹ Third, any future imports of HRAP coiled plate from Sweden would be in small volumes consisting of widths (72 inches and wider) and grades that would not injure the U.S. HRAP coiled plate industry.²² Finally, Swedish imports of cold-rolled coiled plate have always been in very small volumes, and evidence on the record establishes that imports will remain at low, non-injurious levels.²³

Bohler-Uddeholm states that at the time of the 1973 injury determination, the U.S. manufacturers of stainless mold and mold holder plate were not included in the domestic industry, making it impossible to determine whether the order has resulted in any improvement of the industry.²⁴ Since none of the eight firms reported any production of mold and mold holder plate during the time periods covered by the Commission's questionnaires, the data collected in this review are of limited value to an economic impact analysis directed at the stainless mold and mold holder plate industry.²⁵ U.S. shipments by Bohler-Uddeholm increased between 1997 and 1998 despite the assessment of antidumping duties on these products. Imports have risen as the demand for plastic molded products has risen, rather than in response to "pricing opportunities" for multipurpose stainless steel plate.²⁶ Bohler-Uddeholm anticipates no change in production capacity, production, or exports of Stavax and Ramax to the United States in the future if the order is revoked.²⁷

NATURE AND EXTENT OF SALES AT LTFV

On December 8, 1998, Commerce published a notice in the *Federal Register* of the final results of its expedited sunset review on stainless steel plate from Sweden. In that determination, Commerce found that revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping at the following levels: Avesta, 24.67 percent; Bohler-Uddeholm, 5.22 percent; and all others, 5.22 percent. The dumping margin for Avesta is the rate Commerce calculated in its 1995-96 administrative review. The margin for Bohler-Uddeholm is the first "new shipper's" rate calculated by Commerce.

The Departments of Treasury and Commerce conducted eight administrative reviews during 1973-98. The following tabulation, obtained from Commerce's Internet site entitled "Five-Year (Sunset) Reviews," shows the company-specific and "all others" dumping margins (in percent) that resulted from those reviews.

²¹ *Ibid.*, p. 4.

²² *Ibid.*, pp. 6-7.

²³ *Ibid.*, pp. 7-8.

²⁴ Prehearing brief of Bohler-Uddeholm, p. 16.

²⁵ *Ibid.*, p. 17.

²⁶ Posthearing brief of Bohler-Uddeholm, p. 12.

²⁷ Prehearing brief of Bohler-Uddeholm, p. 18.

Period of review	Avesta	Uddeholm	Axel Johnson ¹	All others
Sept. 22, 1973-Sept. 30, 1976	6.21	(²)	(²)	(²)
Oct. 1, 1976-May 31, 1980	5.22	(²)	(²)	5.22
Jan. 1, 1980-June 30, 1980	(²)	5.22	(²)	(²)
June 1, 1980-May 31, 1981	(²)	6.21	6.21	(²)
June 1, 1980-May 31, 1982	(²)	(²)	(²)	4.46
June 1, 1981-May 31, 1982	0	4.46	6.21	(²)
June 1, 1995-May 31, 1996	24.67	2.95	(²)	4.46
June 1, 1996-May 31, 1997	22.67	9.47	(²)	(²)

¹ Third country reseller.
² No review.

The following tabulation presents available data from the U.S. Customs Service concerning the actual duties collected pursuant to the antidumping duty order on stainless steel plate from Sweden and the customs value of subject imports in fiscal years 1993-97.

Item	1993	1994	1995	1996	1997
	Value (1,000 dollars)				
Duties collected	108	66	153	728	408
Value of imports	2,472	1,483	3,463	16,356	9,312

THE SUBJECT PRODUCT

Commerce has defined the scope of this review as follows:

“The merchandise subject to this antidumping finding is stainless steel plate from Sweden, which is commonly used in scientific and industrial equipment because of its resistance to staining, rusting, and pitting. Stainless steel plate is classified under Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7219.11.0000, 7219.12.0005, 7219.12.0015, 7219.12.0045, 7219.12.0065, 7219.12.0070, 7219.12.0080, 7219.21.0005, 7219.21.0050, 7219.22.0005, 7219.22.0010, 7219.22.0030, 7219.22.0060, 7219.31.0010, 7219.31.0050, 7220.11.0000, 7222.30.0000, and 7228.40.0000.”²⁸

²⁸ Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden, 63 FR 67658 (Dec. 8, 1998). Commerce added the following clarifying language to its scope definition: “On July 11, 1995, The Department determined that Stavax ESR (Stavax), UHB Ramax (Ramax), and UHB 904L (904L) when flat-rolled are within the scope of [the] antidumping finding. On November 3, 1995, the Department determined that stainless steel plate (continued...)”

For purposes of this review, stainless steel is defined as an alloy steel containing, by weight, more than 11.0 percent and less than 30.0 percent of chromium.²⁹ Stainless steel plate is defined as a flat-rolled or forged stainless steel product that is 4.75 mm or more in thickness and 254 mm or more in width.³⁰ Stainless steel plate may be produced in coils of successively superimposed layers ("coiled plate") or in straight lengths which may be either cut to length from coils ("CTL plate") or produced on a plate mill and sheared to size ("piece plate"). Plate in straight lengths may be in rectangular shapes, including squares, or may be in non-rectangular shapes, including circles, semicircles, rings, polygonal shapes, and irregular shapes. Non-rectangular shapes are often called "sketch plate" or "sketches."

Stainless steel plate is normally sold annealed (or heat treated) and pickled (or descaled). Product that has not been pickled or descaled is called "black" and is generally confined to heat-resisting applications because scale impairs corrosion resistance. Black stainless steel plate, especially black plate in coils, may be imported or sold for further processing, including annealing, pickling, cold reduction, and other processing, before being sold to a downstream customer.

Plate may be "further worked" than hot-rolled or cold-rolled and still be considered plate. Common processing that might be performed on plate without its losing its identity as plate would include beveling of the edges, drilling or otherwise perforating, grinding, polishing, and coating with metals or nonmetallic substances.

One end use for stainless steel plate is to fabricate molds and mold holders for the plastic and rubber molding industries. Plate for these purposes is normally somewhat thicker and narrower than that used for the other applications described above, but is within the dimensional limits for plate. Plate of this type may be rolled on a plate mill or on a primary rolling mill, or may be forged to size. This product may be shipped in annealed condition or in hardened (heat-treated) condition. It is commonly sold surface-ground to specific dimensions. Such mold and mold holder plate is normally manufactured from high-carbon stainless steel, the high carbon content being necessary to achieve the specified hardness for wear resistance in the product. Surface grinding removes the outer surface in which carbon may have been depleted during processing. Such products include Stavax ESR³¹ and Ramax, which are produced by Uddeholm Tooling AB in Sweden and imported into the United States. Uddeholm manufactures these products, by forging, and Commerce has specifically included these products, as well as 904L, which is a low-carbon stainless steel, both rolled and forged, in the scope.

Stainless steel plate may be produced with patterns in relief derived directly from rolling. The most common product of this type, rolled floor plate, has raised patterns at regular intervals on one surface of the plate and is used to provide non-skid surfaces in galley spaces and washrooms, and for ladder treads.

²⁸ (...continued)

products Stavax, Ramax, and 904L when forged, are within the scope of the antidumping finding. On December 30, 1997, the Department determined that merchandise rolled into hot bands in Sweden from British slabs is subject to the finding."

²⁹ The chromium threshold under the former Tariff Schedules of the United States (TSUS) was 11.0 percent by weight, and this percentage was therefore employed in the original antidumping duty finding. The current chromium threshold under the Harmonized Tariff Schedule of the United States (HTS) is 10.5 percent.

³⁰ See footnote 1 for a more precise definition.

³¹ "ESR" refers to electroslag remelting. Such product has been remelted under a blanket of molten slag to produce stainless steel of higher purity and lower nonmetallic inclusion content than conventionally melted product, when the demands of the application, such as critical aerospace components or molds for optically clear plastic lenses, justify the added cost.

Uses

Stainless steel plate is used primarily for the fabrication of storage tanks, process vessels, and equipment in the chemical, dairy, restaurant, pulp and paper, pharmaceutical, and other industries where the corrosion resistance, heat resistance, or ease of maintenance of stainless steel is needed. For these applications, coiled product would normally be distributed through a service center or warehouse having the necessary equipment to uncoil, flatten, and cut to length. The availability of the product in coil form offers the service center and the ultimate customer more utility because the product can be cut to the exact length required, rather than cut from a standard length, potentially reducing the cost to the ultimate user, and also allowing the service center to operate with less inventory.

Another major market for the product in coiled form is for the production of stainless steel tubing for use in the same industries mentioned above. Tubing manufacturers would normally have the ability to feed coiled material directly into a tube-making machine where it would be formed into a round tube, welded, and cut to length as a tube. For smaller-diameter tubes, coiled product would first be slit into a number of individual coils of the required width. This slitting might be done by the tubing manufacturer or by a warehouse or service center.

Stainless steel plate in straight lengths is used for similar purposes to those mentioned above. In general, it is less costly to produce plate in coil form and to cut it into straight lengths as a final operation than it is to produce plate in discrete pieces; therefore, as a rule, plate that can physically be produced in coils is produced that way. Each manufacturer, however, has limitations on maximum widths and thicknesses for coiled product, and product that is wider or thicker than those limitations must be produced in discrete pieces, called discrete plate, or piece plate.

Manufacturing Process

The process of manufacturing stainless steel plate begins with melting and casting operations. Melting takes place in an electric arc furnace, followed by refining of molten metal in a secondary refining unit and casting, usually into a continuous slab. Steelmaking raw materials include stainless and carbon steel scrap, ferroalloys and alloying elements, and recycled by-products from the plant operations. The secondary refining unit is usually an argon-oxygen decarburization (AOD) unit although there are other similar processes that also serve the function of removing carbon, silicon, and other elements from the molten metal while minimizing the loss of valuable chromium. The alloying elements nickel, chromium, and molybdenum represent the largest costs of the product.

Casting

Following the production of molten steel with the desired properties, the steel is cast into a form that can enter the rolling process. Two principal methods of casting are used, ingot teeming and continuous casting, but continuous slab casting is the preferred, lower-cost method and is normally used to produce plates up to about 4 inches in thickness. The slabs are 5 to 8 inches thick and up to 100 inches wide. The continuous slabs are cut into lengths of up to about 35 feet for further processing. The length is limited by the mill's reheating and/or rolling capability. To produce thicker plates, continuous cast slabs of sufficient thickness are not feasible, and ingots are used.

To produce continuous cast slabs, molten steel is poured into the top of a continuous casting machine, which has a mold with an open bottom. A solid slab is slowly withdrawn from the bottom of the mold. To produce ingots, molten steel is poured into cast iron ingot molds and allowed to cool. Following solidification, the ingots are removed from the molds and placed in furnaces to allow the temperature to be equalized throughout the ingot before rolling. Ingots are then rolled into slabs of

similar shape to those produced by continuous casting. This rolling could be done on a primary rolling mill, called a slabbing mill, or on the roughing stand of a reversing plate mill as described below.

Rolling

Most piece plate is hot-rolled on a reversing plate mill (also called a “sheared plate mill”), while coiled plate is hot-rolled on a hot-strip mill. A reversing plate mill consists of one or two reversing hot-rolling mill stands and associated equipment. If there are two stands, the first is called the roughing mill and the second is called the finishing mill. Mill stands used for roughing are equipped with special tables in front of and behind the mill that are used to rotate the plate one-quarter turn between rolling passes in order to allow cross-rolling, increasing the width rather than length of the plate as the thickness is reduced. After the desired finished width is reached, the plate is again rotated one-quarter turn and rolled straightaway to finished thickness. Some reversing plate mills are equipped with coilers on each side of the finishing mill that operate inside small heating furnaces, keeping the steel hot and allowing the production of much longer or thinner plates. Such mills are called “Steckel mills.” Plate can be rolled on a Steckel mill without using the heated coilers, in which case the mill operates like a conventional reversing plate mill. Steckel mills, because they have the capability to produce long pieces, are also equipped with coilers to produce coiled plate in addition to having in-line shearing facilities to produce discrete plate.

A conventional hot-strip mill, used to produce coiled plate, consists of a roughing and a finishing mill. For a mill designed primarily to produce stainless steel, the roughing mill is generally a reversing mill in which the slabs are rolled to a thickness of about 1 inch in a succession of rolling passes. The finishing mill could be a reversing mill of the Steckel type as described above or a continuous mill made up of five or six individual rolling mills, located about 18 feet apart, and with the bands passing continuously through the mill in one direction only. The bands continue on to a coiler, where they are wrapped into coils. At this point the product would be called a black band (or a hot band). If it was ordered as a hot-rolled product it would be at its final ordered thickness, even though additional processing might be required.

Annealing and Pickling

Annealing of stainless steel plate is done by passing the plate through a continuous furnace, followed by rapid cooling. Following annealing, plate is descaled by passing it through a grit-blasting machine in which scale from the hot-rolling mill and the annealing operation is removed using small particles thrown at high speed by centrifugal wheels. Plate is then pickled, or dipped in acid for a predetermined time to dissolve scale and remove any iron particles remaining on the steel after the grit blasting. Annealing and pickling of coiled plate are done on a single continuous processing line; annealing and pickling of piece plate are done in individual process steps.

Further Processing

Plate may also be ordered as cold-rolled plate, in which case a pickled or descaled coil would be rolled to final thickness on a reversing cold-reduction mill. The final thickness would be at least 25 percent less than the original hot-rolled thickness. Following cold reduction, annealing and pickling would be required. Both hot-rolled and cold-rolled plate in coils may also be given a very light rolling pass (known as a skin pass or temper pass) to improve their surface.

Steel service centers traditionally have served as processors and distributors of plate. Some service centers also perform a wide range of value-added processing of many steel products, such as uncoiling, flattening, and cutting plate products to length or flame-cutting plate into non-rectangular shapes. Service centers that process coiled plate into cut lengths or non-rectangular shapes may purchase the coiled plate from U.S. or foreign mills.

DOMESTIC LIKE PRODUCT ISSUES

In its original determination, the Commission defined the domestic like product to include all stainless steel plate. There were no like product issues addressed in the Commission's Statement of Reasons. In this five-year review, parties in support of continuation of the order and parties in support of revocation of the order took different positions regarding the appropriate domestic like product. Supporters of continuation argue for one like product encompassing all stainless steel plate, Avesta Sheffield argues for four separate like products, and Bohler-Uddeholm argues that mold and mold holder plates are a separate like product.

Arguments of Supporters of Continuation of the Order

Prior to submission of the prehearing briefs, the parties in support of continuation of the order had not taken a position regarding the appropriate domestic like product. However, in their prehearing brief, they argued for three separate domestic like products: black plate, plate in coils, and plate not in coils.³² At the hearing they explained that they had proposed the three like products in their prehearing brief in order to be consistent with their position in the recent *Coiled Plate* investigation.³³ They further argued at the hearing and in their posthearing brief that a single like product was most appropriate for purposes of this review.

The supporters of continuation of the order distinguish original investigations from five-year reviews, explaining that a five-year review starts with an antidumping duty order already in place and an industry already defined by the injury determination that led to that order. The Commission must determine whether injury will likely continue or recur in the industry that was examined in the original proceeding if the order is revoked.³⁴ They assert that it is consistent with the statute to maintain the original industry definition, even though the Commission might reach a different conclusion in a new injury investigation, and that the Commission should measure the likely effect of terminating the antidumping finding against Swedish stainless steel plate as it has been constituted since 1973.³⁵ They argue that "...the statutory scheme underlying sunset reviews will be most effectively implemented if the Commission in its discretion accepts its original investigation's historic legacy and leaves intact the single like product and domestic industry designated in 1973 with respect to stainless steel plate."³⁶ Nevertheless, because there is no explicit ban in the statute, the Commission has discretion in a sunset review to revise an original investigation's definition of the like product and domestic industry.³⁷ If the Commission decides to analyze multiple like product categories, the supporters of continuation of the

³² Supporters of Continuation prehearing brief, p. 7.

³³ Hearing transcript, pp. 77-78.

³⁴ Supporters of Continuation posthearing brief, app. 1, p. 28.

³⁵ *Ibid.*, p. 2.

³⁶ *Ibid.*, app. 1, p. 29.

³⁷ *Ibid.*, app. 1, p. 28.

order confirm their prehearing brief arguments that the appropriate product groupings are black plate, coiled plate, and plate in straight lengths.³⁸

In their posthearing brief, parties in support of continuation of the order “respectfully disagree” with the Commission’s separation of hot- and cold-rolled products in its recent *Coiled Plate* determinations and urge the Commission to find a single like product covering all coiled plate (in the absence of an aggregate approach).³⁹ They argue that hot-rolled stainless steel plate should not be segregated from cold-rolled stainless steel plate regardless of whether or not the plate is in coils.⁴⁰ They further argue that coiled plate is a separate like product from either cut-to-length plate or piece plate, and that cut-to-length plate and piece plate comprise a single like product.⁴¹ Finally, they note that Stavax ESR and Ramax meet the definition of stainless steel plate as defined in this review,⁴² and argue that the Commission should not attempt to define like products solely on the basis of a particular grade and end use.⁴³

Arguments of Supporters of Revocation of the Order

A number of like product issues have been raised by the parties in support of revocation of the order. Citing previous investigations in its comments on the draft questionnaires, Avesta asserted that the Commission had already determined that piece plate, coiled plate, and black plate are separate like products.⁴⁴ In addition, Avesta argued that HRAP coiled plate and cold-rolled coiled plate should be treated as separate like products. Bohler-Uddeholm argued that the Commission should treat stainless mold and mold holder steels used by the plastics industry, such as Stavax ESR and Ramax S, as separate like products. Avesta supported Bohler-Uddeholm’s position on this issue.

Black Plate

Avesta argues that the Commission recently determined not to include black plate in the domestic like product in the *Coiled Plate* investigations and, therefore, black plate is a separate like product from HRAP coiled plate.⁴⁵ Black plate has certain physical characteristics, different uses, different channels of distribution, and different customer and producer perceptions that distinguish it from all types of finished plate.⁴⁶ Black plate is either consumed internally or sold to a mill that uses it as

³⁸ Ibid., p. 3.

³⁹ Ibid., p. 5.

⁴⁰ Supporters of Continuation prehearing brief, p. 9. For more detailed arguments see Supporters of Continuation prehearing brief, pp. 9-14.

⁴¹ Ibid., p. 16.

⁴² Ibid., p. 21.

⁴³ Supporters of Continuation posthearing brief, p. 6.

⁴⁴ The investigations cited were *Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376-379 (Preliminary) and 731-TA-788-793 (Preliminary)*, USITC Publication 3107, pp. 5-15 (May 1998) and *Certain Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, The Republic of Korea, Mexico, Taiwan, and The United Kingdom, Invs. Nos. 701-TA-380-382 (Preliminary) and 731-TA-797-804 (Preliminary)*, USITC Publication 3118, pp. 5-14 (May 1998).

⁴⁵ Prehearing brief of Avesta Sheffield, p. 19.

⁴⁶ Ibid., pp. 20-21.

feedstock for a downstream product, whereas finished plate is usually sold to distributors, service centers, converters/rollers, or fabricators.⁴⁷

Hot-Rolled and Cold-Rolled Coiled Plate⁴⁸

In its prehearing brief, Avesta affirms the Commission's decision in the *Coiled Plate* cases to view HRAP and cold-rolled coiled plate as separate like products. Avesta argues that the products differ in surface finish and tolerance and states that HRAP coiled plate is used as an input for the downstream production of cold-rolled coiled plate. End uses for HRAP coiled plate are further described as including pipe and capital equipment while cold-rolled plate is used in applications for food and beverage processing.⁴⁹ For most applications, the higher price for cold-rolled coiled plate prevents it from competing with HRAP coiled plate. However, HRAP and cold-rolled coils are typically produced using the same manufacturing facilities and equipment through the initial annealing and pickling stage.⁵⁰

Piece Plate

Avesta argues that the Commission's determination not to include piece plate in the domestic like product in the *Coiled Plate* investigation effectively establishes that piece plate and coiled plate are separate like products.⁵¹ Piece plate is generally produced in wider and thicker dimensions than coiled plate. As for end uses, piece plate is preferred for applications that require few welds while coiled plate is used most often in continuous fabrication operations. In the *Coiled Plate* investigations, the Commission found that consumers generally do not switch back and forth between these two types of plate within a particular product application.⁵² At the hot-rolling stage, production of piece plate and coiled plate differ in that piece plate is rolled on a reversing mill and coiled plate is rolled on either a continuous mill or a Steckel mill.⁵³ Avesta agrees with parties in support of continuation of the order that it would be most appropriate to group cut-to-length plate with piece plate; however, it asserts that the Commission would not err if it grouped cut-to-length plate with coiled plate.⁵⁴

Mold and Mold Holder Plate

Bohler-Uddeholm argues that mold and mold holder plate should be treated as a separate like product in this review. Mold and mold holder stainless steel is recognized as one specific grade of stainless steel (grade 420). The mold and mold holder plates imported by Uddeholm, Stavax ESR and Ramax, are used by the plastics molding industry and are not interchangeable with other stainless steel plate products.⁵⁵ Uddeholm forges these products; it notes that the use of common manufacturing facilities and production employees for these and other stainless steel plate products diverge particularly when products over 4 inches thick are manufactured. Most of the imported Stavax ESR and Ramax are

⁴⁷ Ibid., p. 20.

⁴⁸ For more detailed arguments, see prehearing brief of Avesta Sheffield, pp. 22-24.

⁴⁹ Prehearing brief of Avesta Sheffield, p. 22.

⁵⁰ Ibid., p. 23.

⁵¹ Ibid., p. 16.

⁵² Ibid., pp. 17-18.

⁵³ Ibid.

⁵⁴ Posthearing brief of Avesta Sheffield, app. 1, p. 2.

⁵⁵ Prehearing brief of Bohler-Uddeholm, pp. 9-10.

shipped directly to end users.⁵⁶ Avesta continues to support Bohler-Uddeholm's argument that mold and mold holder plate is a separate like product.

Industry Perceptions

In response to party comments and the Commission's review of the draft questionnaires, the questionnaires were designed to collect separate statistical data, including data related to channels of distribution and prices, for four types of stainless steel plate. In addition, producers and importers were asked to compare these four product categories (HRAP stainless steel plate in coils (including cut-to-length plate), cold-rolled stainless steel plate in coils (including cut-to-length plate), HRAP stainless steel piece plate, and cold-rolled stainless steel piece plate) in terms of characteristics and uses, interchangeability, and common manufacturing facilities and production employees. Questionnaire comments are summarized below, followed by information related to channels of distribution. Available information on prices for the four product groups is presented in *Part V, Pricing and Related Information*.

Physical Characteristics and End Uses

Comments by Producers

All forms of stainless steel plate are similar in terms of corrosion resistance, strength, and service at elevated temperatures. Products are selected based on gauge, width, grade, strength, surface quality, price, and ultimate end use. Generally, HRAP piece plate is available in heavier thicknesses and wider widths than HRAP coiled plate. Coiled plate is usually limited to $\frac{3}{8}$ inch thick and 72 inches wide and is most often produced in the 48-60 inch wide range. Both piece plate and coiled plate can be produced in widths up to 96 inches and thicknesses up to $\frac{1}{2}$ inch, but only piece plate can be produced in wider and thicker dimensions. Piece plate is generally produced in thicknesses between $\frac{1}{2}$ inch and 6 inches and it can be produced in widths up to 120 inches. Producers are not aware of any U.S. companies capable of producing cold-rolled piece plate. Consumers that require cold-rolled plate purchase it in coils. HRAP coiled plate and cold-rolled coiled plate differ both in surface finish and tolerance.

End uses for stainless steel plate products include tanks, chemical processing equipment, pulp and paper equipment, pipe and tube, food and beverage equipment, bulk trailers, refrigeration trailers, scrubbers for fossil-fueled power generation plants, and spray paint booths.

Comments by Importers

Coiled plate can be cut to specified lengths or slit to a specified width on an automated line which decreases labor costs. HRAP coiled plate is typically less than or equal to $\frac{1}{2}$ inch in thickness and less than or equal to 72 inches wide. Cold-rolled coiled plate is less than or equal to $\frac{3}{16}$ inch in thickness, offers improved surface quality for cleaning and appearance, and has tighter thickness tolerance. HRAP piece plate is typically produced for specialty grades in thicknesses and widths that are not possible to coil. Cold-rolled piece plate has tighter thickness tolerance and is available up to $\frac{3}{16}$ inch thick and 91 inches wide.

Bohler-Uddeholm only imports Stavax and Ramax in plate dimensions (mold and mold holder plates) and has no knowledge of the physical characteristics and uses of the other four products. Stavax

⁵⁶ For more detailed arguments, see prehearing brief of Bohler-Uddeholm, pp. 5-15.

and Ramax are different in that the smelting process, especially the electro-slag remelt (ESR) process used to make Stavax, and the forging process are designed to minimize impurities in the steel. This physical characteristic is important to the plastics molding industry.

End uses vary by product category. HRAP coiled plate is used for small tanks while HRAP piece plate is used for large tanks, pressure vessels, and pulp and paper equipment. Cold-rolled coiled plate is used for tanks 3/16 to 1/4 inch in thickness that are purchased by the pharmaceutical and food industries. Cold-rolled piece plate is also used in the pharmaceutical and food industries. Stavax is used to mold optically clear plastics, which are free of imperfections, such as compact discs, visor lenses, and medical and pharmaceutical products. Ramax is used to make mold holders which hold molds in place during use and must have high compressive resistance, be corrosion resistant, and withstand wear and indentation without damaging the mold.

Interchangeability

Comments by Producers

HRAP coiled plate is fully interchangeable with HRAP piece plate of the same gauge, width, and length except where continuous feed is desirable such as for stamping, roll forming, or continuous welding. Cold-rolled plate may be used in place of HRAP plate within the same thickness range, but cold-rolled plate is more expensive and this type of substitution is generally not practiced. HRAP plate cannot be substituted for cold-rolled plate when cold-rolled is required. Cold-rolled coiled plate is often used in applications where cleanliness and concerns over bacteria retention are most critical. Piece plate is generally preferred for applications that require few welds, such as in construction and nuclear facilities, whereas coiled plate is generally preferred in operations such as pipe and tube manufacturing.

Comments by Importers

Coiled plate and piece plate may be interchangeable because all products are used based on dimensions rather than the production method. For equal grades, HRAP coiled plate and HRAP piece plate are interchangeable when the design will permit the use of narrower widths (if the thickness is less than 1/2 inch and the width is less than 79 inches, coiled plate may be used). HRAP coiled plate and cold-rolled coiled plate are generally interchangeable, but sometimes thicker sections are needed to accomplish strength levels that cold-rolled coils can provide in thinner sections than HRAP coils. Cold-rolled piece plate is not interchangeable with other types of plate. Stavax and Ramax are similar to other types of mold and mold holder stainless steel in plate dimensions. Mold and mold holder plates are not interchangeable with the other types of stainless steel plate. The higher price and greater thickness of mold and mold holder plate (most is sold in thicknesses greater than 2 inches) make it uneconomical to use in general stainless steel plate applications.

Common Manufacturing Facilities and Production Employees⁵⁷

Comments by Producers

Some companies produce only HRAP in coils and cut-to-length plate and therefore the manufacturing facilities and production employees are limited to those products. Other companies that

⁵⁷ Importers were not asked to comment on manufacturing facilities and production employees.

produce more than one of the products commented that manufacturing facilities and employees are shared at the primary end (i.e., melting stage) of the production process and as the products diverge, the amount of shared machinery and production workers decreases. For HRAP and cold-rolled coiled products, the same manufacturing facilities and production employees are used through the hot-roll, anneal, and pickle operations. Cold-rolled coil is then cold-rolled and subjected to additional anneal and pickle operations. The rolling mills and anneal and pickling equipment used to produce coiled plate and piece plate are completely different. Piece plate is annealed and pickled by independent operations, typically one piece at a time, while coiled plate is processed through a continuous annealing and pickling line which combines both operations. Material handling of piece plate and coiled plate is different too, but equipment used to cut shapes is the same.

Channels of Distribution

U.S. producers and U.S. importers reported the channels of distribution for HRAP coiled plate, cold-rolled coiled plate, HRAP piece plate, and cold-rolled piece plate in 1998. The majority of U.S. producers' shipments of HRAP coiled plate (67.7 percent) and HRAP piece plate (65.7 percent) went to distributors. The majority of U.S. importers' shipments of HRAP coiled plate (57.7 percent) and HRAP piece plate (70.7 percent) also went to distributors. Nearly all of U.S. importers' shipments of cold-rolled coiled plate (***) went to distributors. U.S. producers reported a very small amount of cold-rolled coiled plate shipments (***) to end users and there were no shipments of cold-rolled piece plate reported by either U.S. producers or U.S. importers. Bohler-Uddeholm ships nearly *** its imported mold and mold-holder plate directly to end users, the tool and die makers who make molds and mold holders.⁵⁸

U.S. MARKET PARTICIPANTS

U.S. Producers

The nine firms comprising the domestic industry producing stainless steel plate are shown in table I-2. *** revocation of the order.

Allegheny Ludlum Corp. purchased Jessop Steel in 1993-94 and merged with Teledyne in August 1996 to form Allegheny Teledyne, Inc. Allegheny Ludlum is now a wholly owned subsidiary of Allegheny Teledyne, Inc., a NYSE-listed corporation. Allegheny Ludlum and Bethlehem/Lukens also completed an asset sale on November 20, 1998. Allegheny's main plant is in Brackenridge, PA, where it can produce up to 48-inch wide stainless steel coiled plate. Its acquisition of the Massillon, OH, anneal and pickle line previously owned by Lukens gives Allegheny the capability to anneal and pickle coiled plate up to 96 inches wide. Using the same machinery and equipment it uses to produce stainless steel plate, Allegheny also produces stainless steel sheet and silicon steel hot-rolled band and it produces piece plate at the former Jessup Steel plant in Washington, PA. Allegheny is the *** U.S. producer of stainless steel plate, accounting for *** percent of domestic production in 1998.

Armco is a NYSE-listed corporation and accounted for *** percent of domestic industry production of stainless steel plate in 1998, making it the *** producer. Armco's main flat-rolling mill is located in Butler, PA, where it is capable of producing plate up to 48 inches wide. The caster in that plant can produce 63-inch wide slabs, which are hot-rolled by AK Steel Co., Middletown, OH (formerly owned by Armco, but now an independent firm), and sold as black band since Armco cannot anneal and

⁵⁸ Prehearing brief of Bohler-Uddeholm, p. 11.

Table I-2
Stainless steel plate: U.S. producers and their plant locations, stainless steel plate products produced, and their shares of production in 1998

Firm	Plant locations	Stainless steel plate products produced ¹	Share of U.S. production (percent)
Allegheny Ludlum Corp.	Brackenridge, PA Washington, PA	HRAP coiled, HRAP piece plate	***
Armco, Inc.	Butler, PA	Black coiled, HRAP coiled, HRAP CTL plate	***
Avesta Sheffield NAD, Inc.	Baltimore, MD ² New Castle, IN	HRAP coiled, HRAP CTL, HRAP piece plate	***
Ellwood Specialty Steels	Ellwood City, PA	Forged plate	***
G.O. Carlson	Thorndale, PA Coatesville, PA	HRAP CTL, HRAP piece plate	***
J&L Specialty Steel, Inc.	Louisville, OH Midland, PA Detroit, MI	Black coiled, HRAP coiled, HRAP CTL, CR coiled plate	***
North American Stainless	Ghent, KY	HRAP coiled, HRAP CTL plate	***
Universal Stainless	Bridgeville, PA	Black piece plate	***
Washington Steel	Washington, PA Massillon, OH	Black coiled, HRAP coiled, Black CTL, HRAP CTL, HRAP piece plate	***

¹ "Black"= hot-rolled only; "HRAP"=hot-rolled, annealed, and pickled; "CR"=cold-rolled; "CTL"=cut-to-length.
² Started up in early 1996 and shut down in July 1998.

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

pickle any plate over 48 inches wide.⁵⁹ In July 1988, Cyclops Industries acquired Eastern Stainless Corp. and in April 1992, Armco acquired Cyclops Industries. On March 15, 1995, Armco sold substantially all of Eastern Stainless Corp.'s assets to Avesta Sheffield Holding Company. Using the same equipment and machinery used to produce stainless steel plate, Armco also produces such other products as electrical steels, semi-finished stainless steels, and cold-rolled stainless steel sheet and strip. The same

⁵⁹ Memorandum from Gerry Houck, Apr. 29, 1998.

production-and-related workers that are used to produce stainless steel plate are also used to produce these other products.

In 1984, Avesta AB acquired a New Castle, IN, facility which was previously owned by The Axel Johnson Group of Sweden. From 1973 to 1989, the New Castle facility had the capability of producing piece plate 3/16 to 4 inches thick by 96 inches wide, with an annual capacity of *** short tons.⁶⁰ Avesta AB increased the capacity in New Castle during 1986-89 from *** to *** short tons per year through productivity improvements. In 1991, Avesta AB spent \$*** to add annealing and pickling capacity at New Castle, bringing plant capacity to *** short tons. In 1992, Avesta AB and British Steel Stainless merged to form the Swedish firm Avesta Sheffield AB. In 1995, Avesta Sheffield AB's North American Division, Avesta Sheffield NAD, became a member of the U.S. stainless steel coiled plate industry with the purchase of the stainless steel plate operations of Eastern Stainless Corp., then a subsidiary of Armco, with production facilities in Baltimore, MD. Avesta Sheffield NAD produced piece plate at the Baltimore facility until 1996 and produced HRAP coiled plate in 48-inch widths during late 1995 and early 1996. The 48-inch wide anneal and pickle line was taken out of production in early 1996 and a new 80-inch wide anneal and pickle line was started up in its place. In 1996, Avesta Sheffield NAD spent \$*** to acquire/re-locate from the Sheffield, England site a line capable of producing piece plate up to 120 inches wide and in 1997, it began production on that line in New Castle. In 1998, the company spent \$*** for an 1,800 ton stretcher to flatten wider and thicker sections produced on the new wide line. Also in 1997-98, Avesta Sheffield NAD spent \$*** to expand warehouse capacity for its New Castle piece plate production. Due to a combination of factors including high costs and inefficient operations, all manufacturing operations at the Baltimore facility were discontinued in July 1998. Avesta Sheffield NAD does not have any plans to resume production activity at the Baltimore facility and is currently looking for buyers of the equipment located in Baltimore. Avesta Sheffield NAD's production of stainless steel plate in 1998 represented *** percent of the industry's total production, making it the *** producer.

G.O. Carlson is a privately held firm that accounted for *** percent of U.S. production of stainless steel plate in 1998. G.O. Carlson manufactures ingots at Electralloy, an affiliate, and purchases slabs from unrelated firms J&L, Armco, Atlas, and Avesta. These ingots and slabs are rolled into plate and annealed and pickled by Bethlehem/Lukens/Washington Steel under a toll agreement. The plates are shipped to G.O. Carlson for cutting to sizes specified by customers. In 1979, G.O. Carlson purchased and installed a large plasma arc cutting system for cutting plates. Due to a fire which destroyed its Downingtown, PA, plant, G.O. Carlson consolidated operations into one plant in Coatesville, PA, in 1985. In 1988, the company purchased a second plasma arc cutting system and in 1990 it modified the plant in order to install additional racks for plate storage. Using the same equipment and machinery and the same production and related workers, G.O. Carlson also produces nickel alloy and titanium plate products (accounting for only *** percent of the total weight of specialty steel plate products produced and sold by G.O. Carlson).

J&L Specialty Steel is wholly owned by the French firm Usinor Sacilor SA. J&L produces up to 63-inch wide slabs of stainless steel and can anneal and pickle the subject product up to 60 inches (as of the last quarter of 1997). It has no hot-rolling facilities and relies on Weirton Steel Corp., Weirton, WV (with capabilities up to 48 inches in width) and LTV Steel, Cleveland, OH (with capabilities up to 60

⁶⁰ In 1973 the New Castle facility was owned by Borg Warner Corp. of Chicago, IL, and was run by the Ingersoll Steel Division of Borg Warner. In 1975, Axel Johnson purchased the New Castle plant and owned it until 1984, when it was purchased by Avesta.

inches in width) for toll hot-rolling.⁶¹ The hot bands are returned to J&L for finishing. In 1983, J&L acquired the Midland, PA, plant from Crucible Industries and closed its Warren, MI, melt shop. At the same time, J&L also acquired a hot anneal and pickle line. The firm's new Direct Roll Anneal and Pickle (DRAP) line at Midland, PA, built at a cost of \$*** and commissioned in 1997, is expected to result in considerable savings in production costs by combining or eliminating several production processes.⁶² J&L was the *** producer of stainless steel plate in 1998, accounting for *** percent of total domestic production. Using the same equipment and machinery used to produce stainless steel plate, J&L also produces such other products as stainless steel sheet and strip, semi-finished stainless steels, and stainless steel bar products. The same production and related workers that are used to produce stainless steel plate are also used to produce these other products.

North American Stainless (NAS) was the *** domestic producer of stainless steel plate in 1998, accounting for *** percent of total U.S. production. NAS was established in 1990 and is 95-percent owned by the Spanish steel company Acerinox SA, and 5-percent owned by Armco. Until 1998, NAS had only an annealing and pickling line in its Ghent, KY, plant, and had to import black band from its parent company in Spain (or buy it from other producers) to produce the finished product. The company has, however, installed a hot-rolling mill that now allows it to produce hot-rolled coils from purchased slabs. Stainless steel sheet and strip are also produced using in part the same equipment and machinery and the same production and related workers used to produce stainless steel plate.

Universal Stainless is a NASDAQ-traded firm and represented *** percent of total stainless steel plate production in 1998. In August 1994, Universal Stainless acquired and opened an idled facility, the Bridgeville, PA, plant of Armco, Inc. The same equipment, machinery, and production and related workers are used to produce stainless steel plate, tool steel, and billets.

The Washington, PA, stainless steel plate facility formerly owned by Lukens currently exists as Washington Steel and is now owned by Bethlehem Steel, a NYSE-traded firm. During 1978, the company was purchased by Blount, Inc., which was later purchased by Mercury Stainless. In 1991, Mercury Stainless filed for bankruptcy. In 1992, at a cost of more than \$***, Lukens entered the stainless flat-rolled market by acquiring Washington Steel, which had operations at Washington, PA, Houston, PA, and Massillon, OH. This acquisition was followed by a capital investment program which involved the installation of a Steckel hot-rolling mill at its facility in Conshohocken, PA.⁶³ This new addition enabled Lukens to roll stainless hot band as wide as 96 inches. However, Lukens still lacked the capability to produce a finished, wide-coiled, stainless steel plate product. To achieve this capability, Lukens spent nearly \$*** on construction of a new annealing and pickling line at its Massillon, OH, facility in 1996. On May 29, 1998, Lukens, including Washington Steel, was acquired by Bethlehem Steel Corp. Because of sustained operating losses, and in spite of the recent investments that had been made by Lukens, Bethlehem opted to exit the stainless steel business and sell the former Lukens assets that were used only for stainless steel activities. The Massillon, OH, 96-inch annealing and pickling line and the Houston, PA, melting and hot-rolling facilities were sold to Allegheny Teledyne, Inc. The remaining facilities at Massillon, OH, and the stainless steel plate and sheet finishing facilities at Washington, PA, have been shut down. Bethlehem announced on April 7, 1999, that it finalized an agreement to sell the two mills to a company to be formed by SB International, Inc., a Dallas-based steel marketing company, and Jindal Strips, Ltd., New Delhi, India, which produces direct-reduced iron,

⁶¹ Memoranda from Gerry Houck, Apr. 29, 1998, and Dec. 17, 1998.

⁶² *Ibid.*

⁶³ Conference testimony of Mr. R.W. Van Sant, chairman and chief executive officer of Lukens, Inc. (*Certain Stainless Steel Plate from Belgium, Canada, Italy, Korea, South Africa, and Taiwan, Invs. Nos. 701-TA-376-379 (Preliminary) and 731-TA-788-793 (Preliminary)*).

carbon steel, and stainless steel. Although it has exited the business, Washington Steel accounted for *** percent of total U.S. production of stainless steel plate in 1998.

U.S. Importers

The Commission sent questionnaires to 16 firms that were believed to import stainless steel plate. Two of the firms, Avesta Sheffield NAD and Bohler-Uddeholm, were importers of the product from Sweden and 14 were importers from nonsubject countries. These firms imported stainless steel plate primarily from Belgium, Canada, France, Germany, Italy, Korea, South Africa, Spain, and Taiwan. Fourteen of the 16 firms (including Avesta Sheffield and Bohler-Uddeholm) submitted responses to the questionnaires; 13 of these supplied useable data.

Avesta Sheffield NAD is owned by Avesta Sheffield AB in Sweden and is located in Schaumburg, IL. Avesta Sheffield NAD has two commonly owned firms: Avesta Sheffield Plate Company, located in New Castle, IN, and Avesta Sheffield Pipe Company, located in Wildwood, FL. Avesta Sheffield AB also owns Avesta Sheffield, Ltd., which is located in Sheffield, United Kingdom. Bohler-Uddeholm Corp., owned by Bohler-Uddeholm AG in Austria, is located in Rolling Meadows, IL. A sister company within Bohler-Uddeholm AG Group, Uddeholm Tooling AB, is located in Sweden. *** is the only U.S. producer besides Avesta Sheffield NAD that reported imports of stainless steel plate; these imports were from ***. Avesta's U.S. production and imports from Sweden during 1997 and 1998 are shown in the following tabulation (in short tons):

Item	1997	1998
U.S. production	***	***
U.S. imports	***	***

U.S. Purchasers

The Commission sent questionnaires to 58 firms that were believed to be purchasers of stainless steel plate. A total of 32 responses were received: 17 purchasers supplied useable data, 10 indicated that they did not purchase the product during the period of review, and 5 noted that they were no longer in the business. Of the purchasers that supplied useable data, 10 were distributors and 7 were end users. The companies are located in Illinois (6 purchasers), Pennsylvania (3), Texas (2), Alabama, California, Florida, Minnesota, Oregon, and Virginia.

U.S. MARKET SEGMENTS AND CHANNELS OF DISTRIBUTION

According to data compiled from Commission questionnaire responses, 64.8 percent of U.S. producers' shipments of stainless steel plate went to service centers/distributors in 1998, 6.3 percentage points higher than in 1997, while 35.2 percent went to end users. In contrast, the majority of U.S. importers' shipments, 78.8 percent in 1998, went to end users, 17.1 percentage points higher than in 1997, while only 21.2 percent went to service centers/distributors.

APPARENT U.S. CONSUMPTION

The quantity of apparent U.S. consumption increased 13.1 percent from 1997 to 1998, as shown in table I-3, while the value of U.S. consumption decreased by 7.7 percent. U.S. producers' and

Table I-3 Stainless steel plate: U.S. shipments of domestic product, U.S. import shipments, by sources, and apparent U.S. consumption, 1997-98		
Item	1997	1998
	Quantity (<i>short tons</i>)	
U.S. producers' shipments	261,631	234,381
U.S. shipments of imports from--		
Sweden	***	***
Other sources	***	***
Total import shipments	122,339	199,962
Apparent consumption	383,970	434,343
	Value (<i>\$1,000</i>)	
U.S. producers' shipments	600,745	459,170
U.S. shipments of imports from--		
Sweden	***	***
Other sources	***	***
Total import shipments	187,667	268,750
Apparent consumption	788,412	727,920
Source: Compiled from data submitted in response to Commission questionnaires.		

importers' shipments and apparent U.S. consumption for 10 categories of stainless steel plate are shown in table E-1 in appendix E.

U.S. MARKET SHARES

Table I-4 shows that from 1997 to 1998, the market share held by U.S. producers decreased by 14.2 percentage points on the basis of quantity and 13.1 percentage points on the basis of value. The share for imports from Sweden did not exceed *** percent in either year. The market share held by imports from other sources increased by *** percentage points on the basis of quantity and *** percentage points on the basis of value. U.S. market shares for 10 categories of stainless steel plate are shown in table E-2 in appendix E.

Table I-4

Stainless steel plate: Apparent U.S. consumption and market shares, 1997-98

Item	1997	1998
	<i>Quantity (short tons)</i>	
Apparent consumption	383,970	434,343
	<i>Value (\$1,000)</i>	
Apparent consumption	788,412	727,920
	<i>Share of quantity (percent)</i>	
U.S. producers' shipments	68.1	54.0
U.S. shipments of imports from--		
Sweden	***	***
Other sources	***	***
Total import shipments	31.9	46.0
	<i>Share of value (percent)</i>	
U.S. producers' shipments	76.2	63.1
U.S. shipments of imports from--		
Sweden	***	***
Other sources	***	***
Total import shipments	23.8	36.9
Source: Compiled from data submitted in response to Commission questionnaires.		



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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

The U.S. industry is able to respond to changes in domestic demand with increased production, sales from inventories, and increased imports. As a result of these factors, the U.S. supply elasticity is estimated to be high.

Domestic Production

During the first half of the 1990s, the stainless steel plate industry experienced capacity upgrades, consolidation and rationalization, and production of different gauges of products. During this period, the availability of thicker and wider plate from domestic sources increased. During 1997-98, U.S. production decreased by 22 percent, producers' U.S. shipments decreased by 10 percent, and inventory levels decreased by 22 percent. This decline, according to U.S. producers, was the result of increased imports of lower-priced product and lower domestic capacity utilization.

Industry capacity

U.S. producers' capacity utilization rates declined from 65.1 percent in 1997 to 51.6 percent in 1998. Such low rates indicate that U.S. producers have excess capacity from which they could increase production. Also, U.S. producers have the ability to shift production capacity from the production from one gauge of plate to another in order to meet customer specifications.¹

Export markets

U.S. exports of stainless steel plate decreased by 18 percent from 1997 to 1998. U.S. exports of this product accounted for about 8 percent of total domestic shipments during the period. Primary U.S. markets for these products included Canada and Mexico. There are also some sales to Japan and Germany; however, according to the responding producers, most domestic production goes toward meeting domestic demand. Also, according to U.S. producers, price strategies of foreign producers make it difficult for U.S. producers to compete in foreign markets.

Production alternatives

According to responding producers and importers, U.S. and foreign producers have the technology and capacity to produce a variety of gauges of stainless steel plate. Most plate is used in applications such as tank fabrication for the chemical and petroleum industries, machine tooling, and plastic molds that call for specific requirements. Also, environmental concerns have increased the use of stainless steel plate over other products because of its corrosion resistance properties and increased life-cycle.

¹ Supporters of Continuation posthearing brief, exhib. 7, pp. 1-3.

Inventories

U.S. inventories dropped by 22 percent from 1997 to 1998. The ratio of U.S. inventories to U.S. production was 20 percent during 1997-98. These data indicate that U.S. producers can utilize inventories to increase the supply of domestic product. However, since most stainless steel plate is produced to specific requirements of each customer, the ability to sell from inventory could be lessened.

Subject Imports

The quantity of U.S. imports of stainless steel plate from all sources increased by 63 percent from 1997 to 1998, indicating a high degree of elasticity. However, U.S. imports from Sweden decreased by *** percent (based on quantity) during the period. According to Bohler-Uddeholm Corp., a responding importer, its product is not the same as the domestic product and, therefore, has a much higher unit value than the domestically produced product.²

Industry capacity

Data provided by foreign producers indicate that Swedish producers of stainless steel plate are operating at or near full capacity. Aggregate capacity utilization rates for Swedish producers declined slightly from *** percent in 1997 to *** percent in 1998. Avesta stated that its capacity in Sweden is committed to a strongly growing European market, which would prevent it from significantly increasing exports to the U.S. market.³ However, according to the petitioners, capital expenditures aimed at increasing Swedish stainless steel plate capacity combined with producers' ability to divert capacity from one product to another could provide Swedish producers opportunity to increase shipments to the U.S. market.⁴

Alternative markets

Data obtained from Swedish producers show that the United States is not a major market for Swedish exports of stainless steel plate. The United States accounted for *** percent of Swedish exports in 1997 and less than *** percent in 1998. Internal consumption and transfers accounted for approximately *** percent of total Swedish shipments during 1997-98 while the remainder was exported to markets in Europe. Based on these data, Swedish producers have the ability to shift sales of stainless steel plate from the home and alternative markets to the United States. However, the ability to shift may be limited due to the lack of a significant customer base in the U.S. market.

Inventories

Sweden's inventories declined by *** percent from 1997 to 1998. The ratio of Sweden's inventories to production averaged *** percent during the period. These data indicate that Swedish producers do not maintain inventory levels that would enable them to increase the supply of stainless

² Posthearing brief of Bohler-Uddeholm, pp. 5-11.

³ Hearing transcript, pp. 11-19 and 147-150.

⁴ Supporters of Continuation prehearing brief, p. 39.

steel plate, if necessary.⁵ According to questionnaire respondents, the product is produced to the specific requirements of each customer and, therefore, inventory levels are kept to a minimum.

U.S. Demand

Based on available information, the overall demand for stainless steel plate is not likely to change significantly in response to changes in the price of the product. The low degree of price sensitivity is the result of a lack of substitute products that meet the specific requirements of U.S. purchasers.

Demand Characteristics

According to responding producers and importers, demand for stainless steel plate has increased during the past several years, averaging 3-6 percent per year. Firms stated that longer life cycles, environmental considerations, and advances in process technology favor the continued use of stainless steel plate in specific industrial applications. Firms further stated that future demand for stainless steel plate should continue to grow by 3-5 percent per year as demand for more sophisticated molded plastics develops.

Substitute Products

Stainless steel plate is generally selected as the material of choice because of its unique physical characteristics and corrosion resistance qualities. Therefore, performance requirements dictate the use of stainless steel plate over possible substitute products. The lack of viable substitutes supports the low degree of price sensitivity for stainless steel plate.

Cost Share

The end uses for stainless steel plate include welded pipe, tank construction, process equipment, chemical processing uses, turbine blading, machine tooling, plastic molding, and many other industrial uses. The cost of stainless steel plate relative to the total cost of production of the end-use products varies but tends to be moderate. The demand for stainless steel plate is fairly unresponsive to price changes as quality and durability are the more important market factors.

SUPPLY AND DEMAND IN THE SWEDISH HOME MARKET

Swedish producers were asked to provide information on their home market for stainless steel plate. There are two Swedish producers of stainless steel plate, Avesta Sheffield AB and Uddeholm Tooling AB.⁶ Avesta Sheffield AB stated that it accounts for nearly *** percent of the cold-rolled coiled

⁵ Petitioners disagree, citing that end-of-period inventories remained sizable despite the decline and that inventory levels would allow Swedish stainless steel plate producers to *** 1998 export levels in the future. Supporters of Continuation prehearing brief, p. 39.

⁶ Through a U.S. affiliate, Avesta is currently a member of the U.S. industry. Beginning in the mid-1980s, Avesta made significant investments in U.S. production facilities and now largely provides the U.S. market with domestic product instead of imports. Prehearing brief of Avesta Sheffield, p. 10.

plate and *** percent of HRAP coiled plate sales in Sweden.⁷ Stainless steel plate from Finland, France, Spain, Germany, and Belgium is also sold in the Swedish market.

Swedish producers were asked to compare prices for stainless steel plate sold in the United States with prices for the product sold in Sweden. Avesta reported that the prices in the U.S. market are slightly higher than in other markets. Uddeholm reported that prices for Ramax and Stavax in Sweden are *** higher than prices for the same products in the U.S. market.

Swedish producers were also asked whether the stainless steel plate sold in Sweden was interchangeable with that sold in the United States. Avesta reported that the products sold in Sweden are not interchangeable with products sold in the United States. The Swedish and European markets require plate in metric measurements while plate in the United States is sold to U.S. measurement standards for width and gauge. Uddeholm reported that Stavax and Ramax sold in all markets are identical.

SUBSTITUTABILITY ISSUES

The degree of substitutability between domestic and imported stainless steel plate depends primarily on quality. Also important is the availability of various thicker, wider plates. Stainless steel plate is generally selected as the material of choice for its unique physical characteristics and resistance to corrosion. Although nickel alloy plate can be substituted in certain applications, performance requirements usually dictate the use of stainless steel plate. Based on available data, it is believed that there is a relatively low degree of substitution between stainless steel plate and other products; an estimated elasticity range of 1 to 3 is suggested.

Factors Affecting Purchasing Decisions

Producers, importers, and purchasers were asked a variety of questions to determine what factors influenced the decisions of customers when buying stainless steel plate. Information obtained from these sources indicates that quality, the availability of plate in various widths and thicknesses, and price were listed as the most important factors affecting purchasing decisions (table II-1). Petitioners stated that the number one factor affecting purchasing decisions is, and always has been, price, given that the quality of the domestic product and the Swedish product are the same.⁸

Comparisons of Domestic Products and Subject Imports

There is a relatively high degree of substitution between U.S.-produced stainless steel plate and the imported product. Factors that tend to enhance the degree of substitution include the fact that stainless steel plate from various countries is viewed as interchangeable in its uses and most purchasers found the subject imports to be similar with regard to their specific requirements.

Some U.S. producers and purchasers reported that stainless steel plate from Sweden is superior to the domestic product in relation to availability, delivery time, price, reliability, and transportation network. Respondents to the purchasers questionnaires stated that the Swedish product is considered to be comparable to U.S.-produced stainless steel plate in terms of delivery terms, discounts, minimum quantity requirements, packaging, product consistency, quality, technical support, and transportation costs.

⁷ Response to questionnaires of the U.S. International Trade Commission by Avesta Sheffield AB.

⁸ Supporters of Continuation prehearing brief, p. 43.

Table II-1 Stainless steel plate: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers			
Factor	Number one factor	Number two factor	Number three factor
	<i>Number of firms reporting</i>		
Availability	1	1	5
Price	5	6	5
Quality	11	2	1
Other ¹	1	3	2

¹ Other factors include deliverability, range of product line, marketing philosophy, and customer preference.

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

Comparisons of Domestic Products and Nonsubject Imports

Imports of stainless steel plate from nonsubject countries were available during the period for which data were collected. Comparisons were made concerning product from Belgium, Canada, Finland, Germany, Italy, Japan, Korea, South Africa, and Spain. In most cases, purchasers considered stainless steel plate from these nations to be comparable, if not superior, to the U.S. product; however, purchasers reported that product from these nations was inferior in terms of price and discounting.

Comparisons of Subject Imports and Nonsubject Imports

Available information from purchasers' questionnaires indicates that stainless steel plate from subject and nonsubject countries is generally viewed as interchangeable. Respondents stated that the sourcing can vary as long as the chemical and physical properties meet the specifications dictated by the particular end use.⁹

ELASTICITY ESTIMATES

U.S. Supply Elasticity

The domestic supply elasticity for stainless steel plate measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of stainless steel plate. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced stainless steel plate. Analysis of

⁹ This holds true for the mold and mold holder plates produced by Bohler Uddeholm; purchasers require that the product from any source meet specific physical and chemical properties.

these factors indicates that the U.S. supply elasticity is likely to be high; an estimate ranging from approximately 5 to 10 is suggested.¹⁰

U.S. Demand Elasticity

U.S. demand elasticity for stainless steel plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of the product. This estimate depends on factors such as the existence, availability, and commercial viability of substitute products, as well as the share of the stainless steel plate in the cost of production of downstream products. The share of the total cost of the end products accounted for by stainless steel plate varies by usage; however, based on available information, it appears that the cost component of stainless steel plate in most end uses is moderate. Therefore, the aggregate demand for stainless steel plate is likely to be inelastic and within a range of 0.5 to 1.0.¹¹

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported product.¹² Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced stainless steel plate and the subject imported product is likely to be within the 3 to 5 range to the extent that the products are used in similar applications; however, it may be in the low end of the range given that the Swedish product tends to be used in more specialized applications.¹³

MODEL RESULTS

This analysis uses a nonlinear partial equilibrium model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used for the analysis of trade policy changes in both partial and general equilibrium. Based on discussion earlier, staff has selected a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity,

¹⁰ Avesta agreed with this range for “all stainless steel plate” but stated that the degree of excess capacity and the producers’ ability to shift to production of other products applies especially to black band; however, Avesta imported black band for use in its Baltimore facility, which is now closed. As a result, Avesta argues that the price elasticity of import supply of black band from Sweden is effectively zero. (Prehearing brief of Avesta Sheffield, p. 67.)

¹¹ Avesta suggests that a range of 0.75-1.25 is more reasonable given that Avesta Sheffield AB, which accounts for nearly all Swedish capacity to produce the subject merchandise, owns 1 of the 2 U.S. producers of stainless steel piece plate and has no reason to undermine the pricing structure of its U.S. affiliate. Prehearing brief of Avesta Sheffield, p. 66.

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

¹³ Avesta stated that it previously imported black hot band from Sweden for use in its now closed Baltimore facility and that there were no commercial sales of this product in the U.S. market. As a result, the price elasticity of substitution between domestic supply of black band and hypothetical imports of that product from Sweden is effectively zero. Prehearing brief of Avesta Sheffield, p. 67.

demand elasticity, and substitution elasticities) in the U.S. stainless steel plate market. The model uses these estimates along with data on market shares and Commerce's margin which represents its estimation of the likely level of dumping that will recur or continue. In this modeling exercise, staff has calculated a weighted-average margin for subject imports based on subject Swedish producers' exports to the U.S. market in 1998.¹⁴

The analysis uses the most recent one year period, 1998, as the base year. The model results suggest the possible effects of recurrence or continuation of the dumping on the domestic stainless steel plate industry over a one year time period only.¹⁵ The possible effects over a longer time period are not part of this modeling exercise. Finally, the model does not assume that all of the dumping margin will be passed forward to U.S. prices of the subject imports.

Based on staff's estimates and the margin given by Commerce, the modeling results indicate that there would be little or no change from the current (i.e., fair) levels in U.S. prices in the event that the dumping of Swedish stainless steel plate recurs or continues.¹⁶ The model results indicate that there would be a decrease of between 0.1 and 0.2 percent from the current quantity levels of U.S. producers. Finally, revenues of U.S. stainless steel plate producers would decline by 0.1 to 0.2 percent (from current levels) if dumping recurred or continued.

¹⁴ Staff calculated the share of total Swedish exports to the U.S. market accounted for by each Swedish producer. This share was then applied to the margin (estimated by Commerce to represent the likely level of dumping that will recur or continue) for each of these producers; these margins were combined for a weighted-average margin for all subject Swedish producers.

¹⁵ The model results presented in this report estimate only the effects of the revocation of the antidumping order for stainless steel plate from Sweden on the U.S. industry as it existed in 1998. Recently, the Commission determined that the domestic stainless steel plate industry was materially injured by reason of imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan. However, the model results presented here do not take into account the potential impact of any shifting from imports from Belgium, Canada, Italy, Korea, South Africa, and Taiwan to imports from Sweden if the dumping order on Swedish stainless steel plate is revoked.

¹⁶ See app. F for model results.

PART III: U.S. PRODUCERS' OPERATIONS¹

Information in this section is based on the questionnaire responses of nine firms that accounted for virtually 100 percent of U.S. production in 1998.²

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

As shown in table III-1, average production capacity decreased by 1.2 percent from 1997 to 1998 and production fell by 21.8 percent, resulting in a decrease in capacity utilization of 13.6 percentage points.

Table III-1 Stainless steel plate: U.S. producers' capacity, production, and capacity utilization, 1997-98 ¹		
Item	1997	1998
Capacity (<i>short tons</i>)	476,764	470,931
Production (<i>short tons</i>)	310,906	243,188
Capacity utilization (<i>percent</i>)	65.1	51.6

¹ In order to avoid double-counting, production was adjusted to account for the following purchases: ***.

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

Five of the nine U.S. producers reported additions to capacity since January 1, 1997. ***.³ ***. Some toll production occurs among members of the domestic industry. ***. There is no U.S. production of stainless steel plate in foreign trade zones.

U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

As shown in table III-2, U.S. producers' U.S. shipments decreased 10.4 percent in quantity and 23.6 percent in value from 1997 to 1998, while the average unit value fell by 14.7 percent. Export shipments, which accounted for about 8 percent of total shipments, also declined along with total shipments. Export shipments were primarily to Canada, England, France, and Mexico. There has been no captive consumption of the subject merchandise by U.S. producers since ***.

¹ Information in this section covers all stainless steel plate. Separate data for HRAP coiled plate, cold-rolled coiled plate, HRAP piece plate, and cold-rolled piece plate are presented in app. C, tables C-2 through C-5.

² One firm, ***, provided production, shipments, and inventory data, but did not provide employment or financial data.

³ ***.

Table III-2
Stainless steel plate: U.S. producers' shipments, by type, 1997-98¹

Item	1997	1998
	Quantity (<i>short tons</i>)	
Commercial shipments	***	***
Internal shipments ²	***	***
U.S. shipments	261,631	234,381
Export shipments	24,614	20,264
Total shipments	286,245	254,645
	Value (<i>\$1,000</i>)	
Commercial shipments	\$***	\$***
Internal shipments	***	***
U.S. shipments	600,745	459,170
Export shipments	51,456	35,959
Total shipments	652,201	495,129
	Unit value (<i>per short ton</i>)	
Commercial shipments	***	***
Internal shipments	***	***
U.S. shipments	2,296	1,959
Export shipments	2,091	1,775
Average	2,278	1,944

¹ In order to avoid double-counting, shipments were adjusted to account for the following purchases: ***.
² ***.

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

U.S. producers were asked to provide data on their shipments of stainless steel plate by specified width and thickness categories in 1998. As shown in table III-3, the majority of U.S. producers' shipments of coiled and cut-to-length (CTL) plate were over 36 to 60 inches in width and all were 0.1875 to 0.5 inch in thickness. For piece plate, the great majority of the U.S. producers' shipments were over 72 inches wide and most were over 0.75 inch in thickness. In actual volumes, U.S. producers' shipments of coiled and CTL plate were much higher than those of piece plate in all width classes, except the "over 72 inches" category, where piece plate shipments exceeded coiled and CTL shipments by nearly 4 to 1.

Table III-3

Stainless steel plate: Share (percent) of U.S. producers' shipments, by width and thickness categories, 1998

Item	Width category				
	Up to 36 inches	>36 to 48 inches	>48 to 60 inches	>60 to 72 inches	>72 inches
Coiled/CTL plate	***	***	***	***	***
Piece plate	***	***	***	***	***
	Thickness category				
	0.1875 inch to 0.25 inch	>0.25 inch to 0.5 inch	>0.5 inch to 0.75 inch	>0.75 inch to 1.0 inch	>1.0 inch
Coiled/CTL plate	***	***	***	***	***
Piece plate	***	***	***	***	***

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

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories decreased by 22.0 percent from 1997 to 1998, as shown in table III-4, and the ratio of inventories to total shipments fell by 2.6 percentage points. There was only a marginal drop in the ratio of inventories to production for this period.

Table III-4

Stainless steel plate: U.S. producers' end-of-period inventories, 1997-98

Item	1997	1998
Inventories (<i>short tons</i>)	61,178	47,734
Ratio to production (<i>percent</i>)	19.7	19.6
Ratio to U.S. shipments (<i>percent</i>)	23.4	20.4
Ratio to total shipments (<i>percent</i>)	21.4	18.7

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

U.S. PRODUCERS' PURCHASES

Other than direct imports, four U.S. producers have purchased stainless steel plate since January 1, 1997. ***.

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

From 1997 to 1998, the average number of production and related workers (PRWs) decreased 2.2 percent while hours worked decreased 6.8 percent, as shown in table III-5. Total wages paid dropped 11.5 percent and hourly wages fell 5.0 percent during this period. Productivity declined 16.0 percent, resulting in an increase of 13.2 percent in unit labor costs.

Item	1997	1998
PRWs (<i>number</i>)	979	957
Hours worked (<i>1,000</i>)	2,104	1,960
Wages paid (<i>\$1,000</i>)	48,858	43,259
Hourly wages	\$23.22	\$22.07
Productivity (<i>short tons per 1,000 hours</i>)	147.6	123.9
Unit labor costs (<i>per short ton</i>)	\$157.30	\$178.09

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

U.S. PRODUCERS' FINANCIAL EXPERIENCE

Background

Eight producers of stainless steel plate provided financial data on their operations. Seven of the eight reporting companies provided financial data using fiscal years which were on a calendar-year basis. The remaining company, ***, reported on a fiscal basis ending March 31st. These data account for virtually all stainless steel plate production in the United States. Commission staff reviewed information related to the production of stainless steel plate by Allegheny Ludlum and J&L Specialty Steel. As appropriate, modifications to producer data are reflected in this final report.

The level of integration (of the three identified stages of production) varied. Four companies (***) reported that substantially all three stages of production (melting/casting, hot rolling, and annealing and pickling) were performed at their U.S. establishments. Three companies (***) performed 100 percent of at least one stage of production. *** reported that less than 100 percent of any stage of production was performed at its U.S. establishment. The stages of production not performed by these companies were either directly purchased in the form of slab or black band, or provided through a tolling agreement (hot rolling and annealing and pickling). In some instances, purchases and tolling arrangements took place between the respondent companies. Adjustments were made to the consolidated data in order to account for this inter-company activity.

Operations on Stainless Steel Plate

Income-and-loss data for the U.S. producers on their stainless steel plate operations are presented in table III-6; data on a per-short-ton basis are shown in table III-7. Between 1997 and 1998 total sales volume of stainless steel plate declined by 6 percent, while total sales value declined by 19.3 percent.

Table III-6
Results of operations of U.S. producers in the production of stainless steel plate, fiscal years 1997-98

Item	Fiscal Year	
	1997	1998
	Quantity (<i>short tons</i>)	
Trade sales	***	***
Company transfers	***	***
Total sales	282,728	265,699
	Value (\$1,000)	
Trade sales	***	***
Company transfers	***	***
Total sales	639,407	516,149
Cost of goods sold	570,904	467,055
Gross profit	68,503	49,094
SG&A expenses	33,219	29,459
Operating income or (loss)	35,284	19,635
Interest expense	4,572	5,257
Other expense	913	433
Other income items	1,032	483
Net income or (loss)	30,831	14,428
Depreciation/amortization	14,736	15,461
Cash flow	45,567	29,889
	Ratio to net sales (<i>percent</i>)	
Cost of goods sold	89.3	90.5
Gross profit	10.7	9.5
SG&A expenses	5.2	5.7
Operating income or (loss)	5.5	3.8
Net income or (loss)	4.8	2.8
	Number of firms reporting	
Operating losses	1	3
Data	8	8

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

Table III-7
Results of operations of U.S. producers (per ton) in the production of stainless steel plate, fiscal years 1997-98

Item	Fiscal Year	
	1997	1998
Net sales	\$2,262	\$1,943
Cost of goods sold:		
Raw materials	1,486	1,265
Direct labor	193	166
Other factory	340	327
Cost of goods sold	2,019	1,758
Gross profit	242	185
SG&A expenses	117	111
Operating income or (loss)	125	74

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

In 1997, gross profit was 10.7 percent of sales. The following year gross profit declined to 9.5 percent. During this period both average unit sales value and unit cost of goods sold (COGS) declined. The 14-percent decline in unit sales value, however, exceeded the 13-percent reduction in unit COGS. Two components of COGS, raw materials and direct labor, remained relatively stable when measured as a percentage of sales, while factory overhead increased from 15 to 17 percent of sales between 1997 and 1998.

In 1997, total operating income was 5.5 percent of sales; it subsequently declined to 4 percent in 1998. Lower stainless steel plate sales in terms of both volume and value offset reduced selling, general, and administrative (SG&A) expenses and lower COGS. On a unit basis, average operating profit declined from \$125 to \$74 per short ton (or 41 percent) between 1997 and 1998.

During this period expenses below the operating income line remained relatively stable. Reductions in both other income and other expenses balanced each other, while interest expense increased 15.0 percent between 1997 and 1998. With reduced sales volume and value, 1998 total net income and cash flow declined by 53.2 percent and 34.4 percent, respectively, as compared to 1997.

Selected financial data, by firm, are presented in table III-8. While most firms experienced a reduction in operating income between 1997 and 1998, *** reported an operating loss in both years. The company's average unit sales price in 1997 only marginally covered its unit COGS, leaving it with a slim *** gross profit in that year. By way of comparison, the gross margins of other firms in 1997 ranged from *** to *** percent.⁴

⁴ ***'s direct labor, as a percentage of its average sales price, was not high relative to other companies and its raw material cost was in the mid range. Its factory overhead as a percentage of average sales price, however, was the highest of any company. Start-up expenses related to *** are embodied in the reported COGS and account for *** percent of total COGS in 1997 and 1998, respectively. Depreciation for the *** is included in 1998 COGS and accounted for *** percent of the total. While ***'s COGS declined *** on a unit basis between 1997 and 1998, its
(continued...)

Table III-8

Results of operations of U.S. producers, by firm, in the production of stainless steel plate, fiscal years 1997-98

* * * * *

The variance analysis for the eight producers that reported financial data is presented in table III-9 and is derived from table III-6 information. Exports and company transfers averaged 7.5 percent and *** percent, respectively. Table III-9 shows that an unfavorable price and net volume variance compared to a favorable net costs/expense variance led to decreasing operating income between 1997 and 1998.

**Investment in Productive Facilities, Capital Expenditures,
and Research and Development Expenses**

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment are shown in table III-10. Capital expenditures related to stainless steel plate declined by 59 percent between 1997 and 1998, while overall establishment capital expenditures fell by a somewhat smaller amount, 51.8 percent. In total, the reported book value of plant and equipment related to stainless steel plate production represented 10 percent of overall establishment plant and equipment. *** reported R&D expenditures specific to stainless steel plate.

⁴(...continued)

average sales price fell by *** during this period, which resulted in a negative gross margin in 1998.

Table III-9
 Variance analysis for stainless steel plate operations of U.S. producers, fiscal years 1997-98

Item	Fiscal years 1997-98
	Value (\$1,000)
Trade sales:	
Price variance	***
Volume variance	***
Trade sales variance	***
Company transfers:	
Price variance	***
Volume variance	***
Transfer variance	***
Total net sales:	
Price variance	(84,746)
Volume variance	(38,512)
Total net sales variance	(123,258)
Cost of sales:	
Cost variance	69,463
Volume variance	34,386
Total cost variance	103,849
Gross profit variance	(19,409)
SG&A expenses:	
Expense variance	1,759
Volume variance	2,001
Total SG&A variance	3,760
Operating income variance	(15,649)
Summarized as:	
Price variance	(84,746)
Net cost/expense variance	71,222
Net volume variance	(2,125)
Note: Unfavorable variances are shown in parentheses; all others are favorable.	
Source: Compiled from data submitted in response to Commission questionnaires.	

Table III-10
Value of assets, capital expenditures, and R&D expenses of U.S. producers of stainless steel plate,
fiscal years 1997-98

Item	Fiscal year	
	1997	1998
Value (\$1,000)		
Capital expenditures:		
Overall establishment	187,041	90,177
Stainless steel plate	17,696	7,280
R&D expenses:		
Overall establishment	22,567	17,827
Stainless steel plate	1,995	944
Fixed assets:		
Overall establishment:		
Original cost	2,671,758	2,679,226
Book value	1,575,491	1,537,325
Stainless steel plate:		
Original cost	241,488	219,868
Book value	158,868	150,209

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

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRY¹

U.S. IMPORTS

Import data were compiled from questionnaire responses and represent 100 percent of imports from Sweden and approximately 95 percent of imports from all other sources. Table IV-1 shows

Table IV-1 Stainless steel plate: U.S. imports, by sources, 1997-98		
Item	1997	1998
	<i>Quantity (short tons)</i>	
Sweden	***	***
Other sources	***	***
Total	135,186	187,717
	<i>Value (\$1,000)</i>	
Sweden	\$***	\$***
Other sources	***	***
Total	201,375	247,092
	<i>Unit value (per short ton)</i>	
Sweden	***	***
Other sources	***	***
Average	1,490	1,316
	<i>Share of quantity (percent)</i>	
Sweden	***	***
Other sources	***	***
Total	100.0	100.0
	<i>Share of value (percent)</i>	
Sweden	***	***
Other sources	***	***
Total	100.0	100.0
Source: Compiled from data submitted in response to Commission questionnaires.		

¹ Information in this section covers all stainless steel plate. Separate data for HRAP coiled plate, cold-rolled coiled plate, HRAP piece plate, and cold-rolled piece plate are presented in app. C, tables C-2 through C-5.

that, from 1997 to 1998, the total quantity of imports rose 38.9 percent and the total value of imports increased 22.7 percent. Imports from Sweden declined by *** percent in quantity and *** percent in value over the same period and were significantly lower than nonsubject imports. ***.² ***.

Figure IV-1 shows U.S. imports of stainless steel plate from Sweden during 1970-98. Imports rose sharply during 1970-72, the period covered by the original investigation, then fell abruptly when the order was imposed in 1973. There was another sharp increase in imports in 1995 and 1996, followed by another dramatic fall in 1997 and 1998. Supporters of continuation of the order argue that the decline in imports in 1997-98 was the result of a dumping margin of 24.67 percent, which resulted from Commerce's 1995-96 administrative review, implying the efficacy of the dumping order.³ Supporters of revocation of the order argue that the increase between late 1995 and early 1998 was due to Avesta importing black hot band, which it could not obtain in the United States, for processing at its Baltimore facility and that the decline in 1998 was solely due to the closing of that facility in July 1998.⁴

U.S. importers of the product from Sweden were asked to provide data on their shipments of stainless steel plate by specified width and thickness categories in 1998. All such shipments of coiled and cut-to-length (CTL) plate were *** in width and *** in thickness, as shown in table IV-2. For piece plate, all of the importers' shipments were in the *** category in width and *** in thickness.

Table IV-2 Stainless steel plate: Share (percent) of U.S. importers' shipments of imports from Sweden, by width and thickness categories, 1998					
Item	Width category				
	Up to 36 inches	>36 to 48 inches	>48 to 60 inches	>60 to 72 inches	>72 inches
Coiled/CTL plate	***	***	***	***	***
Piece plate	***	***	***	***	***
	Thickness category				
	0.1875 inch to 0.25 inch	>0.25 inch to 0.5 inch	>0.5 inch to 0.75 inch	>0.75 inch to 1.0 inch	>1.0 inch
Coiled/CTL plate	***	***	***	***	***
Piece plate	***	***	***	***	***

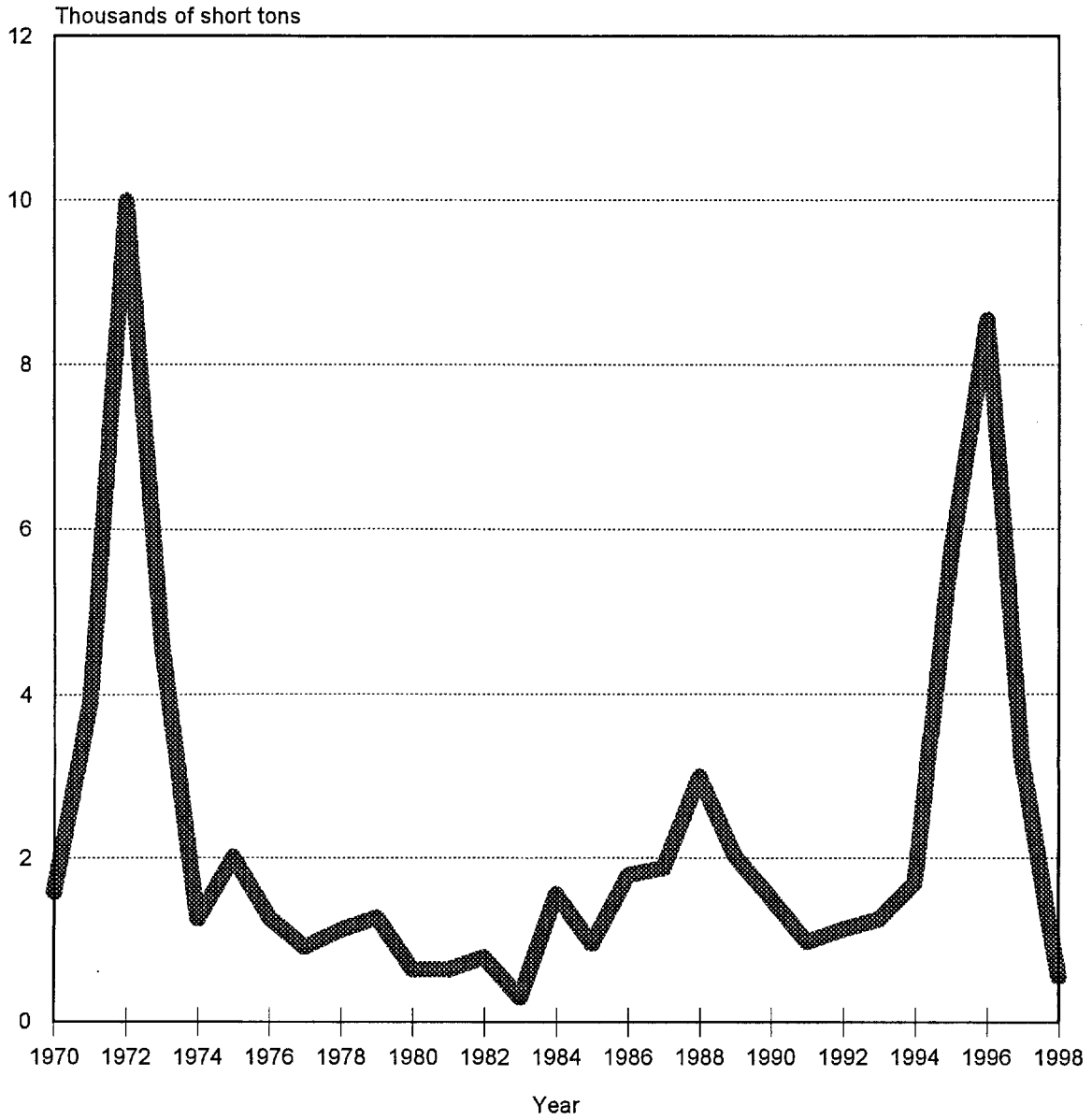
Source: Compiled from data submitted in response to Commission questionnaires.

² Avesta Sheffield NAD importer questionnaire response.

³ Hearing transcript, p. 40.

⁴ Ibid., p. 11.

Figure IV-1
Stainless steel plate: U.S. imports from Sweden, 1970-98



Source: For 1970-84: Stainless Steel and Alloy Tool Steel, Inv. No. TA-203-5, USITC Pub. 968 (1979) at A-86, table 12, and A-94, table 18; Stainless Steel and Alloy Tool Steel, Inv. No. TA-201-48, USITC Pub. 1377 (1983) at A-91, table 8, and A-96, table 13; and the U.S. Dept. of Commerce. For 1985-98: U.S. Dept. of Commerce IM146 report.

U.S. IMPORTERS' INVENTORIES

In absolute terms, end-of-period inventories of imports from Sweden and from other sources both declined from 1997 to 1998, as shown in table IV-3, although the drop was steeper for nonsubject imports. The ratio of inventories to imports from Sweden grew *** percentage points while the ratio of inventories to imports from other sources declined *** percentage points. The ratios of inventories to U.S. shipments of imports from Sweden and from other sources followed similar trends.

Table IV-3 Stainless steel plate: U.S. importers' end-of-period inventories of imports from Sweden and other countries, 1997-98
* * * * *

PRODUCERS IN SWEDEN

There are two producers in Sweden, Avesta Sheffield AB and Uddeholm Tooling AB. Avesta Sheffield AB reported significant changes to its operations and production technology in the past 25 years. ***.

Today, Avesta produces stainless steel black plate in coils from its own slabs, and HRAP and cold-rolled stainless steel plate in coils from internally produced black plate coils. Avesta has become a fully integrated producer of wide stainless steel HRAP and cold-rolled coiled products, with internal production of the wide products ranging from slab through the rolling stages. It is one of only two fully integrated producers capable of producing wide coils (over 72 inches) in the world. The firm reported that ***.

* * * * *

CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES IN SWEDEN

Table IV-4 shows data for producers in Sweden for all stainless steel plate. Tables IV-5 through IV-9 show data for producers in Sweden for black plate, HRAP coiled plate, cold-rolled coiled plate, HRAP piece plate, and mold and mold holder plate.

Table IV-4 All stainless steel plate: Data for producers in Sweden, 1997-98
* * * * *

Table IV-5 Stainless steel black plate: Data for producers in Sweden, 1997-98
* * * * *

Table IV-6 Stainless steel HRAP coiled (including cut-to-length) plate: Data for producers in Sweden, 1997-98						
*	*	*	*	*	*	*

Table IV-7 Stainless steel cold-rolled coiled (including cut-to-length) plate: Data for producers in Sweden, 1997-98						
*	*	*	*	*	*	*

Table IV-8 Stainless steel HRAP piece plate: Data for producers in Sweden, 1997-98						
*	*	*	*	*	*	*

Table IV-9 Stainless steel mold and mold holder plate: Data for producers in Sweden, 1997-98						
*	*	*	*	*	*	*

For all stainless steel plate, Swedish producers' capacity rose from 1997 to 1998, while production remained virtually constant, resulting in a drop in capacity utilization of *** percentage points. End-of-period inventories decreased and were insignificant relative to production and shipments. Exports from Sweden to the United States declined by *** percent and accounted for less than *** percent of total shipments in each year. Exports from Sweden to other markets grew by *** percent and accounted for about *** percent of total shipments in 1998.

Avesta Sheffield AB and Uddeholm Tooling AB both reported that stainless steel plate exports from Sweden are not subject to tariff or non-tariff trade barriers in countries other than the United States and that there are no trade barriers to imports of stainless steel plate into Sweden.



PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

The most important raw materials for stainless steel plate are nickel, chromium, molybdenum, and stainless steel scrap. Generally, prices for all of the raw materials for stainless steel plate have been falling during 1997-98 (table V-1). According to the questionnaire respondents, declines in the costs of raw materials resulted in lower selling prices for stainless steel plate during the period for which data were collected.

Year	Nickel	Chromium	Molybdenum	Scrap
	<i>(Per pound)</i>			
1997	\$3.22	\$0.48	\$4.29	\$0.36
1998	2.18	0.46	3.86	0.27

Source: Data were derived from official statistics of the U.S. Geological Survey, *Mineral Industry Survey and Mineral Commodity Summaries* (original data source: *Platt's Metals Week* and *American Metal Market*).

Transportation Costs to the U.S. Market

Transportation costs for stainless steel plate from Sweden to the United States (excluding U.S. inland costs) are estimated to be 2.5 percent of the landed, duty-paid value. These estimates are derived from official U.S. import data and represent the transportation and other charges on imports.¹

U.S. Inland Transportation Costs

Transportation costs of stainless steel plate within the United States vary from firm to firm but are estimated to account for a small percentage of the total cost of the product. Producers and importers were asked to estimate the percentage of the total delivered cost of the stainless steel plate that is accounted for by U.S. inland transportation costs. U.S. producers reported that these costs accounted for between 1 and 5 percent. Importers of stainless steel plate reported that these costs accounted for from 2 to 7 percent. U.S. producers also reported that the proportion of their sales occurring within 100 miles of their storage facility or the plant ranged from 10 to 30 percent; the proportion of sales within 1,000 miles ranged from 60 to 90 percent. U.S. importers reported that the proportion of their sales occurring within

¹ Data for the customs value and the landed, duty-paid value of the imports were used. Staff deducted the amount of the duty paid to report the transportation costs separately.

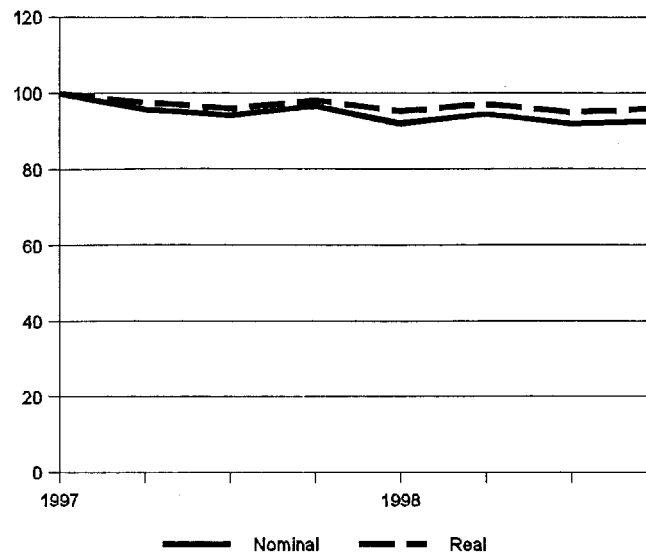
100 miles of their storage facility or the plant ranged from 60 to 80 percent; the proportion of sales within 1,000 miles ranged from 75 to 100 percent.

Exchange Rates

Quarterly data reported to the International Monetary Fund (IMF) indicate that the nominal value of the Swedish krona depreciated 7.4 percent relative to the U.S. dollar from January 1997 to December 1998 (figure V-1). Adjusting for inflation, the real value of the Swedish krona depreciated 4.1 percent during the same period.

Figure V-1

Exchange rates: Indices of the nominal and real exchange rates between the U.S. dollar and the Swedish krona, Jan. 1997-Dec. 1998



Source: International Monetary Fund, *International Financial Statistics*, March 1999.

PRICING PRACTICES

Pricing Methods

Sales of stainless steel plate are usually based on quarterly agreements; however, spot market sales are also prevalent.² Quarterly agreements are flexible to the extent that changes can occur in the tonnage of stainless steel plate required. Contract sales are generally made to distributors while sales to end users tend to be spot market.

Market conditions are a major factor in determining prices for stainless steel plate. Prices, which are determined on a transaction-by-transaction basis, are not fixed and therefore are subject to renegotiation.

Six producers reported that stainless steel plate is generally sold on an f.o.b. mill basis; one producer reported that the product was sold on a delivered basis. Of the three responding importers, two reported that stainless steel plate was sold on a delivered basis.

Sales Terms and Discounts

Two of the nine responding producers reported that price lists are used and that prices are determined by the quantity of product purchased by each customer; two of the five responding importers use price lists. Volume discounts are determined by customer and are based on past and expected annual purchases. Rebates are offered to large volume customers for specific widths and gauges. Discounts or rebates are applied at the time of the order entry, resulting in a net invoice value for the customer.

PRICE DATA

The Commission requested U.S. producers and importers of stainless steel plate to provide quarterly data for the total quantity and value of specific stainless steel plate products that were shipped to unrelated end users.³ Data were requested for the period January 1997 through December 1998. The five products for which pricing data were requested are as follows:

Product 1.-- Grade 304; 0.25 (0.24-0.295) inch in thickness, inclusive; 48-60 inches in width, inclusive; hot-rolled, annealed, and pickled; in coils.

Product 2.-- Grade 304L; 0.375-0.5 inch in thickness, inclusive; 80-100 inches in width, inclusive; up to 360 inches in length; hot-rolled, annealed, and pickled; not in coils.

Product 3.-- Grade 304L, 5/16 (0.313) inch in thickness, 72-74 inches in width, hot-rolled, annealed, and pickled, in coils.

Product 4.-- Grade 309S, 0.25 inch in thickness, 72-74 inches in width, with a 2D finish, in coils.

Product 5.-- Grade 420/Stavax; 0.5 to 14 inches in nominal thickness, inclusive; 10 inches or more in width; up to 360 inches in length; hot-rolled or forged; not in coils.

² Typically, prices and quantities are negotiated with customers before the quarter in which the product is to be shipped (questionnaire responses).

³ Importers were asked to provide data on each of the specified products imported from each supplier in Sweden. Values were f.o.b. U.S. point of shipment, net of all discounts and rebates.

Eight U.S. producers and one importer of Swedish plate provided useable pricing data for sales of requested products; not all firms reported prices for all products and for all quarters. Data accounted for 8 percent of producers' U.S. shipments in 1998 and *** percent of imports from Sweden in 1998.

Price Trends

In general, prices for domestic and imported stainless steel plate fluctuated downward during the period for which data were collected. There were no imports from Sweden of products 1, 2, or 3 during 1997-98 and product 4 was imported only during the first quarter of 1997; therefore, price comparisons between the domestic product and the Swedish product can only be made during the period for product 5.

Weighted-average prices for domestic products 1 and 2 decreased steadily and by a total of 14 percent and 15 percent, respectively, from the first quarter of 1997 to the fourth quarter of 1998 (table V-2). Weighted-average prices for domestic product 3 fluctuated during 1997, decreasing by less than 1 percent from the first quarter to the fourth quarter of 1997. During 1998, prices declined by 22 percent from the first quarter to the fourth quarter.⁴ There were no reported domestic sales of product 4; however, during the first quarter of 1997, sales of the Swedish product averaged *** per ton. The price of domestic product 5, the only product with both domestic and import sales, fluctuated during 1997-98, increasing by *** percent from the first quarter of 1997 to the fourth quarter of 1998.⁵ Prices for product 5 from Sweden also fluctuated during the period, showing an overall decline of *** percent from the first quarter of 1997 to the fourth quarter of 1998.⁶

⁴ According to the petitioners, the interchangeability of stainless steel plate from Sweden with domestic product has had a substantial impact on domestic prices. Domestic prices for products 1, 2, and 3 decreased from the second quarter of 1997 through the last quarter of 1998. By the fourth quarter of 1998, prices for product 1 were *** per ton less than they were in the second quarter of 1997; product 2 prices were *** per ton less; and prices for product 3 were *** per ton less. Supporters of Continuation prehearing brief, pp. 44-45.

⁵ According to the petitioners, the large difference in price for product 5 from Sweden versus the domestic product is the result of differences in the product mix. The petitioners submit that the product specification for product 5 (0.5-14 inches thickness) is too broad for a meaningful price comparison. Supporters of Continuation prehearing brief, pp. 45-46.

⁶ According to Mr. Kevin Williams, counsel for Bohler-Uddeholm Corp., the importer reporting prices for product 5, the product that this company imports is made of stainless steel and is of the same dimensions as specified in the definition for product 5 in the questionnaire; however, this imported product does not compete with stainless steel plate produced in the United States and does not have the same end use. According to Bohler Uddeholm, there are no domestic products that are substitutes for Stavax and Ramax as is evidenced by the large price difference between Swedish and domestically produced product 5. Stavax and Ramax are specialty grades of martensitic stainless steel forged into plate dimensions and are used only to make molds and mold holders used in the plastics industry. Stavax and Ramax are designed to fulfill specific functions and are ordered in thicknesses of up to 14 inches, which are more than twice the thicknesses available from U.S. producers. Posthearing brief of Bohler-Uddeholm, pp. 5-11.

Table V-2
 Stainless steel plate: Weighted-average delivered prices and quantities of domestic and Swedish products, by product and by quarters, Jan. 1997-Dec. 1998

Period	Product 1 (U.S.)		Product 2 (U.S.)		Product 3 (U.S.)	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1997 --						
Jan.-Mar.	\$1,508	3,495	\$2,135	764	\$2,000	12
Apr.-June	1,539	2,883	2,192	900	2,068	44
July-Sept.	1,516	2,561	2,159	642	1,949	59
Oct.-Dec.	1,436	2,248	2,170	593	1,986	70
1998 --						
Jan.-Mar.	1,337	3,442	2,015	755	1,627	83
Apr.-June	1,285	2,751	1,915	827	1,690	129
July-Sept.	1,252	2,277	1,843	652	1,649	97
Oct.-Dec.	1,291	1,718	1,806	766	1,268	71

Table continued on next page.

Table V-2--Continued Stainless steel plate. Weighted-average delivered prices and quantities of domestic and Swedish products, by product and by quarters, Jan. 1997-Dec. 1998								
Period	Product 4				Product 5			
	United States		Sweden		United States		Sweden	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1997 --								
Jan.-Mar.	(¹)	(¹)	***	***	***	***	***	***
Apr.-June	(¹)	(¹)	(¹)	(¹)	***	***	***	***
July-Sept.	(¹)	(¹)	(¹)	(¹)	***	***	***	***
Oct.-Dec.	(¹)	(¹)	(¹)	(¹)	***	***	***	***
1998 --								
Jan.-Mar.	(¹)	(¹)	(¹)	(¹)	***	***	***	***
Apr.-June	(¹)	(¹)	(¹)	(¹)	***	***	***	***
July-Sept.	(¹)	(¹)	(¹)	(¹)	***	***	***	***
Oct.-Dec.	(¹)	(¹)	(¹)	(¹)	***	***	***	***
¹ No sales reported.								
Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.								

Price Comparisons

Price comparisons between the domestic product and the Swedish product are only possible for product 5. Prices for stainless steel plate product 5 from Sweden were well above prices for the domestic product. Margins ranged from a low of *** percent to a high of *** percent (table V-3).

Table V-3 Stainless steel plate: Margins of under/(over)selling for product 5, by quarters, Jan. 1997-Dec. 1998								
	*	*	*	*	*	*	*	*

APPENDIX A

FEDERAL REGISTER NOTICES

or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. § 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. § 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in Canada that currently export or have exported Subject Merchandise to the United States or other countries since 1973.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 1997 (report quantity data in sets and value data in thousands of U.S. dollars). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s') production; and

(b) The quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from Canada, provide the following information on your firm's(s') operations on that product during calendar year 1997 (report quantity data in sets and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on

an aggregate basis, for the firms which are members of your association.

(a) The quantity and value of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from Canada accounted for by your firm's(s') imports; and

(b) The quantity and value of U.S. commercial shipments of Subject Merchandise imported from Canada.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in Canada, provide the following information on your firm's(s') operations on that product during calendar year 1997 (report quantity data in sets and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in Canada accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from Canada accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Country since the Order Date, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Country, and racing plates from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree

with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: July 28, 1998.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 98-20649 Filed 7-31-98; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. AA1921-114 (Review)]

Stainless Steel Plate From Sweden

AGENCY: United States International Trade Commission.

ACTION: Institution of a five-year review concerning the antidumping duty order on stainless steel plate from Sweden.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on stainless steel plate from Sweden would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; the deadline for responses is September 22, 1998. Comments on the adequacy of responses may be filed with the Commission by October 16, 1998.

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: August 3, 1998.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193) or Vera Libeau (202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting

the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:

Background

On June 8, 1973, the Department of the Treasury issued an antidumping duty order on imports of stainless steel plate from Sweden (38 FR 15079). The Commission is conducting a review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

Definitions

The following definitions apply to this review:

(1) Subject Merchandise is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The Subject Country in this review is Sweden.

(3) The Domestic Like Product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determination, the Commission defined the Domestic Like Product as stainless steel plate.

(4) The Domestic Industry is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determination, the Commission defined the Domestic Industry as producers of stainless steel plate.

(5) The Order Date is the date that the antidumping duty order under review became effective. In this review, the Order Date is June 8, 1973.

(6) An Importer is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the Review and Public Service List

Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level,

representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

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

Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**.

Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification

Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written Submissions

Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is September 22, 1998. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning whether the Commission should conduct an expedited review. The deadline for filing such comments is October 16, 1998. All written

submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

Inability To Provide Requested Information

Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information To Be Provided in Response to This Notice of Institution

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the Domestic Industry in general and/or your firm/entity

specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in Sweden that currently export or have exported Subject Merchandise to the United States or other countries since 1972.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 1997 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s') production; and

(b) the quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from Sweden, provide the following information on your firm's(s') operations on that product during calendar year 1997 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from Sweden accounted for by your firm's(s') imports; and

(b) the quantity and value of U.S. commercial shipments of Subject Merchandise imported from Sweden.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in Sweden, provide the

following information on your firm's(s') operations on that product during calendar year 1997 (report quantity data in thousands of pounds and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in Sweden accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from Sweden accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Country since the Order Date, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Country, and stainless steel plate from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: July 28, 1998.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 98-20645 Filed 7-31-98; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. AA1921-115 (Review)]

Synthetic Methionine From Japan

AGENCY: United States International Trade Commission.

ACTION: Institution of a five-year review concerning the antidumping duty order on synthetic methionine from Japan.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on synthetic methionine from Japan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; the deadline for responses is September 22, 1998. Comments on the adequacy of responses may be filed with the Commission by October 16, 1998.

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: August 3, 1998.

FOR FURTHER INFORMATION CONTACT: Elizabeth Haines (202-205-3200) or Vera Libeau (202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

General information concerning the Commission may also be obtained by

this notice of final results of administrative review for all shipments of the subject merchandise from Japan that are entered or withdrawn from warehouse, for consumption on or after the publication date, as provided by 751(a)(1) of the Act: (1) the cash deposit rates for the reviewed companies will be the rates listed above, except if the rate is less than 0.5 percent and, therefore, de minimis, the cash deposit rate will be zero; (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in a previous segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published in the most recent final results in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review or in any previous segment of this proceeding, but the manufacturer is, the cash deposit rate will be that established for the manufacturer of the merchandise in these final results of review or in the most recent final results of review in which that manufacturer participated; and (4) if neither the exporter or the manufacturer is a firm covered in this review or in any previous segment of this proceeding, the cash deposit rate will be 15.92 percent, the "all others" rate based on the first review conducted by the Department in which a "new shipper" rate was established in the final results of antidumping finding administrative review (48 FR 51801, November 14, 1983). These requirements shall remain in effect until publication of the final results of the next administrative review.

For duty assessment purposes, we have calculated importer-specific assessment rates for roller chain. For CEP sales we calculated an importer-specific assessment rate by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the estimated entered value of subject merchandise sold during the POR to that importer. We calculated the estimated entered value by subtracting international movement expenses and expenses incurred in the United States from the gross sales value. For assessment of EP sales, for each importer, we calculated a per unit importer-specific assessment amount by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total quantity of subject merchandise sold to that importer during the POR.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of

antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulation and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: November 4, 1998.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-30414 Filed 11-13-98; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-401-040]

Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Final Results of Antidumping Duty Administrative Review.

SUMMARY: On July 8, 1998, the Department of Commerce (The Department) published the preliminary results of review in the antidumping duty administrative review on stainless steel plate from Sweden. (63 FR 36877). The review covers two manufacturers/exporters (Avesta Sheffield AB (Avesta) and Uddeholm Tooling AB, Bohler-Uddeholm Corporation and Uddeholm Limited (collectively Uddeholm)) of the subject merchandise to the United States and the period June 1, 1996 through May 31, 1997.

EFFECTIVE DATE: November 16, 1998.

FOR FURTHER INFORMATION CONTACT: John Totaro or Nithya Nagarajan, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution

Avenue, NW, Washington, DC 20230; telephone (202) 482-3793.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act) are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR part 351 (1998).

Background

The Department of the Treasury published an antidumping finding on stainless steel plate from Sweden on June 8, 1973 (38 FR 15079). On July 8, 1998, the Department published in the **Federal Register** the preliminary results of antidumping duty administrative review of this antidumping finding (63 FR 36877) for the period June 1, 1996 through May 31, 1997. The Department has now completed this review in accordance with section 751(a) of the Act.

Scope of the Review

Imports covered by this review are shipments of stainless steel plate which is commonly used in scientific and industrial equipment because of its resistance to staining, rusting and pitting. Stainless steel plate is classified under Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7219.11.00.00, 7219.12.00.05, 7209.12.00.15, 7219.12.00.45, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.21.00.05, 7219.21.00.50, 7219.22.00.05, 7219.22.00.10, 7219.22.00.30, 7219.22.00.60, 7219.31.00.10, 7219.31.00.50, 7220.11.00.00, 7222.30.00.00, and 7228.40.00.00. Although the subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

On November 21, 1997, Avesta and Avesta Sheffield NAD, Inc. requested clarification to determine whether stainless steel slabs that are manufactured in Great Britain and rolled into hot bands in Sweden are within the scope of the antidumping finding. On December 22, 1997, the Department determined that British slabs rolled into hot bands in Sweden are within the scope of the finding.

Analysis of Comments Received

We invited interested parties to comment on the preliminary results of

this administrative review. We received timely comments from Uddeholm and Avesta. We received timely rebuttal comments from petitioners, Allegheny Ludlum Steel Corp., G.O. Carlson, Inc., and Lukens, Inc.

Avesta

Comment 1: Avesta argues that the Department should establish the CEP profit ratio based on Avesta's consolidated annual financial statement. Respondent argues that the Department based the CEP profit ratio on the financial statements of Avesta Sheffield, NAD, Inc. (the North American Division) rather than the consolidated financial statements of the whole company. Avesta argues that section 772(d)(3) requires the Department to adjust CEP for an amount of profit allocable to U.S. sales and that the Department's practice has been to base this calculated profit on revenues and expenses associated with total sales of subject merchandise (both in the home market and in the United States). In addition, Avesta argues that under section 772(f)(2)(C), the Department has three alternatives for calculating CEP profit including relying on the respondent company's financial reports covering the production and sales of merchandise in all countries, and that in this case the only information available to the Department is the financial report for the consolidated company which indicates that Avesta incurred a loss during the period of review (POR). Therefore, respondent urges the Department to set the CEP profit ratio to zero.

Petitioners did not object to Avesta's comment.

Department's Position: The Department agrees with Avesta. Consistent with the provisions of sections 772(d)(3) and 772(f)(2)(C) of the Act, as amended, the Department is applying a CEP profit ratio of zero on all sales made in the United States due to the fact that Avesta incurred a loss during the POR.

Comment 2: Avesta argues that the Department should recalculate CEP profit applying the profit ratio only to U.S. selling expenses related to economic activities in the United States, excluding foreign and U.S. movement charges as well as indirect selling expenses and inventory carrying costs incurred in Sweden. Respondent argues that the Department incorrectly applied the profit ratio to foreign movement charges, U.S. movement charges, indirect selling expenses incurred in Sweden, and imputed inventory carrying costs incurred in Sweden prior to export to the U.S. Respondent argues

that movement expenses are not classified as selling expenses within the meaning of section 772(d) of the Act, and therefore should not be included in the CEP profit calculation. In addition, Avesta argues that the expenses associated with economic activity in the U.S. do not include those indirect selling expenses and inventory costs incurred in the home market prior to exportation, and therefore the CEP profit ratio should not be applied to the expenses in calculating total CEP profit.

Petitioners offered no objections to respondent's comments.

Department's Position: The Department agrees in part with respondent. Both the SAA, at 823, and the Department's regulations, at 19 CFR 351.402(b), explain that, under section 772(d) of the Act, we only deduct from CEP the expenses associated with commercial activity in the United States which relate to the resale to an unaffiliated purchaser. *See also, Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden and the United Kingdom; Final Results of Antidumping Duty Administrative Reviews*, 63 FR 33320, 33344 (June 18, 1998). The movement expenses and imputed expenses at issue are, by definition, not associated with economic activities in the United States; movement expenses have been deducted from CEP and, therefore, should not be included in "total United States expenses" for purposes of calculating the CEP profit ratio. These expenses are associated with the sale of the merchandise to the affiliated reseller. However, "total United States expenses" includes all selling expenses (direct and indirect) associated with the unaffiliated sale in the United States. Therefore, consistent with the Department's methodology, we have calculated total actual profit using total U.S. selling expenses, deducted from the U.S. starting price as directed by Section 772(d)(1) of the Act. *See, e.g., Small Diameter Circular Seamless Carbon and Alloy Steel Standard Line and Pressure Pipe From Germany; Final Results of Antidumping Duty Administrative Review*, 63 FR 13217 (March 18, 1998). For purposes of these final results of review, we have not included inventory carrying costs (DINVCARU) or U.S. movement expenses in total U.S. expenses as these expenses were not deducted from CEP. However, we have included in total U.S. expenses all selling expenses incurred in making the sale to the U.S. unaffiliated customer.

Comment 3: Avesta states that the Department erred by deducting the cost of brokerage and handling at the U.S. port of entry (USOTRE1U) twice in the calculation of net price. Petitioners have not objected to Avesta's requested correction.

Department's Position: We agree with Avesta and have adjusted the final margin calculation program to adjust for USOTRE1U only once.

Comment 4: Avesta contends that the Department erred in the preliminary results of review by matching U.S. sales of CONNUMU 2422151, 2423121, and 2423151 with home market sales of CONNUMH 2323152 rather than CONNUMH 2623152. Respondent states that CONNUMU 2422151, 2423121, and 2423151 are all heat resistant steels. Similarly, respondent argues that CONNUMH 2623152 and 2622152 are also a heat resistant steels whereas CONNUMH 2323152 is a "general service and wet corrosion" steel that has a different purpose and use than heat resistance steels and is therefore not comparable to the U.S. CONNUMs. Based on the chemical differences and uses of the home market CONNUMs, respondent urges the Department to compare CONNUMU 2422151, 2423121 to home market CONNUM 2622152, and U.S. CONNUM 2423151 to home market CONNUM 2623152.

Petitioner objected to the information in Avesta's case brief discussing the chemical and physical specifications of the home market and U.S. CONNUMs as new factual information. However, petitioner did not offer any objection to the proposed changes in the matching methodology utilized in the preliminary results of review.

Department's Position: We agree with respondent. The Department incorrectly matched CONNUMU 2422151, 2423121, and 2423151 with CONNUMH 2323152. For purposes of the final results of review, the Department has compared U.S. CONNUMs 2422151, 2423121 to home market CONNUM 2622152, and U.S. CONNUM 2423151 to home market CONNUM 2623152 due to the fact that these are the most similar products based on product specifications. In response to petitioner's comment, the Department has determined that Avesta's submission in its case brief does not constitute new factual information under § 351.301 of the Department's regulations. Consistent with the Department's request in the original questionnaire, Avesta provided detailed product specification and concordance information in its October 8, 1997, section A response in Exhibits A-36 and A-37. In conclusion, the Department is comparing the above

mentioned U.S. CONNUMs to home market CONNUMs 2622152 and 2623152.

Uddeholm

Comment 5: Uddeholm contends that the Department did not deduct further manufacturing expenses in its calculation of CEP and normal value. Uddeholm argues that it reported cutting and grinding expenses incurred in connection with its sales in the United States and Canada as further manufacturing expenses, but inconsistent with section 772(d)(2) of the Act, the Department did not adjust for these expenses in calculating CEP. Uddeholm also points out that the Department did adjust for further manufacturing expenses reported by the other respondent in the case, Avesta, but failed to make the same adjustment on Uddeholm sales. Further, Uddeholm contends that the Department should make a similar adjustment to normal value as a circumstance of sale adjustment as instructed by the statute.

Petitioners argue that the expenses Uddeholm reported as "cutting and grinding expenses" in fact included expenses both for cutting and grinding and for two other processing operations, milling and slitting. As such, petitioners allege that the "cutting and grinding expenses" reported by respondent are overly broad for purposes of utilizing these expenses as adjustments to U.S. price and normal value. In addition, petitioners argue that Uddeholm's Canadian customers were charged separately for cutting and grinding expenses, whereas only 50 percent of U.S. customers were charged separately for these same expenses. Petitioners therefore contend that Uddeholm's difference in pricing methodology is an indication that cutting and grinding costs were "bundled" with the end price and are distortive of actual U.S. price as these expenses were not recovered. Petitioners argue that the only accurate means of determining the true further manufacturing cost of cutting and grinding would be to create two sets of sales one where the customer was charged separately for these expenses and one where no charges were assessed. Absent this separation, petitioners argue that there is insufficient record evidence to warrant allowing adjustments for further manufacturing from U.S. price and normal value.

Department's Position: Pursuant to § 351.402 of its regulations, the Department adjusts U.S. price for expenses associated with commercial activities in the United States that relate to the sale to an unaffiliated purchaser.

The Department will not make an adjustment for expenses related solely to the sale to an affiliated importer. Similarly, under § 351.410 of the Department's regulations, the Department is authorized to make circumstance of sale adjustments to normal value for differences in direct selling expenses. Direct selling expenses are defined as expenses such as commissions, credit expenses, guarantees, and warranties, that result from and bear a direct relationship to the particular sale in question. In the instant review, the cutting and grinding expenses incurred by Uddeholm in the U.S. market are expenses associated with economic activity in the United States and are properly deducted from CEP. However, the cutting and grinding expenses incurred in the comparison market are not direct selling expenses as defined in § 351.410 and have therefore not been deducted from normal value.

In response to petitioner's concern, the Department has reviewed the record to determine the manner in which cutting and grinding expenses are incurred and/or charged to the unaffiliated customer in both the U.S. and comparison markets. Upon review of the record the Department has determined that there is no evidence to indicate that Uddeholm's U.S. cutting and grinding costs are bundled with the U.S. end price, nor is there evidence to indicate that there is a dual pricing structure where cutting and grinding expenses are charged to customers in the comparison market and only charged 50 percent of the time to U.S. customers. The evidence on the record merely indicates that cutting and grinding expenses are incurred in both the U.S. market and the comparison market on sales to unaffiliated customers and these expenses are reported as a price adjustment. Therefore, for purposes of these final results of review, the Department is adjusting Uddeholm's U.S. price for the reported cutting and grinding expenses but is not applying a circumstance of sale adjustment to normal value for similar expenses incurred in the comparison market. This is consistent with the Department's treatment of Avesta's reported cutting and grinding expenses in both the preliminary and final results of review.

Comment 6: Uddeholm states that the Department did not compare U.S. sales to the weighted-average normal values for the calendar month in which the U.S. sale occurred. Respondent contends that the Department should have matched sales within the most contemporaneous month (e.g., June 1996 to June 1996). However, the

margin program has compared all U.S. sales to the weighted average normal value for June 1996 which is an error which should be corrected. Petitioners offered no objections to respondent's argument.

Department's Position: The Department has reviewed the margin program and has corrected this error for the final results of review.

Comment 7: Uddeholm states that the Department did not use contemporaneous weighted-average third country indirect expenses to calculate the CEP offset. Based upon an analysis of the margin program discussed in Comment 6, above, respondent argues that the CEP offset calculated for June 1996 was used for all CEP sales during the POR. Petitioners did not rebut respondent's argument.

Department's Position: The Department has reviewed the margin program and has corrected this error for the final results of review.

Comment 8: Uddeholm notes that the Department used the incorrect profit ratio to calculate CEP profit. The Department's analysis memo indicates that the calculated CEP profit ratio was the result of total operating profit divided by total actual expenses. However, in transcribing the result to the margin calculation program the Department used the incorrect number. Petitioners did not rebut respondent's requested change.

Department's Position: The Department agrees with respondent and has corrected the final margin calculation program consistent with respondent's comment.

Final Results of Review

As a result of this review, we have determined that the following margins exist for the period June 1, 1996, through May 31, 1997:

Company	Margin percentage
Avesta Sheffield AB	25.05
Uddeholm Corporation	9.47

The Department shall determine, and the U. S. Customs Service shall assess, antidumping duties on all appropriate entries. The Department shall issue appraisal instructions directly to the Customs Service. For assessment purposes, we have calculated importer-specific duty assessment rates for the merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales during the POR to the total entered value of sales examined during the POR. Individual differences between U.S.

price and normal value may vary from the percentages stated above.

Furthermore, the following deposit requirements shall be effective upon publication of this notice of final results of review for all shipments of stainless steel plate from Sweden entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed companies will be the rates stated above; (2) for previously investigated or reviewed companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in these reviews, or the original LTFV investigations, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in these reviews, the cash deposit rate for this case will continue to be 4.46 percent, which was the "all others" rate in the LTFV investigation. The deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with § 353.34(d) of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 1677f(i)(1)).

Dated: November 5, 1998.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-30566 Filed 11-13-98; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

Visiting Committee on advanced Technology; Meeting

AGENCY: National Institute of Standards and Technology, Department of Commerce.

ACTION: Notice of partially closed meeting.

SUMMARY: Pursuant to the Federal Advisory Committee Act, 5 U.S.C. app. 2, notice is hereby given that the Visiting Committee on Advanced Technology, National Institute of Standards and Technology (NIST), will meet Tuesday, December 8, 1998 from 8:30 a.m. to 5 p.m. The Visiting Committee on Advanced Technology is composed of fifteen members appointed by the Director of NIST: who are eminent in such fields as business, research, new product development, engineering, labor, education, management consulting, environment, and international relations. The purpose of this meeting is to review and make recommendations regarding general policy for the Institute, its organization, its budget, and its programs within the framework of applicable national policies as set forth by the President and the Congress. The agenda will include an update on NIST programs; Applied Technology Program/Manufacturing Extension Partnership (ATP/MEP) Cooperation on Dissemination; Changes in ATP Procedures for the FY 1999 Competitions; NIST Diversity Initiatives; Chemical Science and Technology laboratory's Process for Setting Project Priorities; Update on Status of Advanced Encryption Standard; Measurements and Data for Aircraft Fire Suppression; and a tour of the Advanced Chemical Sciences Laboratory. Discussions scheduled to begin at 8:30 a.m. and to end at 9:10 a.m. on December 8, 1998, on staffing of management positions at NIST and the NIST budget, including funding levels of the Advanced Technology Program and the Manufacturing Extension Partnership, will be closed.

DATES: The meeting will convene December 8, 1998, at 8:30 a.m. and will adjourn at 5 p.m. on December 8, 1998.

ADDRESSES: The meeting will be held in the Employees' Lounge (seating capacity 80, includes 38 participants), Administration Building, at NIST, Gaithersburg, Maryland.

FOR FURTHER INFORMATION CONTACT: Dr. Brian C. Belanger, Executive Director, Visiting Committee on Advanced

Technology, National Institute of Standards and Technology, Gaithersburg, MD 20899-1004, telephone number (301) 975-4720.

SUPPLEMENTARY INFORMATION: The Assistant Secretary for Administration, with the concurrence of the General Counsel, formally determined on August 7, 1998, that portions of the meeting of the Visiting Committee on Advanced Technology which involve discussion of proposed funding of the Manufacturing Extension Partnership and the Advanced Technology Program may be closed in accordance with 5 U.S.C. 552b(c)(9)(B), because those portions of the meetings will divulge matters the premature disclosure of which would be likely to significantly frustrate implementation of proposed agency actions; and that portions of meetings which involve discussion of the staffing issues of management and other positions at NIST may be closed in accordance with 5 U.S.C. 552b(c)(6), because divulging information discussed in those portions of the meetings is likely to reveal information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.

Dated: November 10, 1998.

Robert E. Hebner,

Acting Deputy Director.

[FR Doc. 98-30577 Filed 11-13-98; 8:45 am]

BILLING CODE 3510-13-M

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Adjustment of an Import Limit for Certain Cotton Textile Products Produced or Manufactured in Egypt

November 10, 1998.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Issuing a directive to the Commissioner of Customs increasing a limit.

EFFECTIVE DATE: November 17, 1998.

FOR FURTHER INFORMATION CONTACT: Roy Unger, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4212. For information on the quota status of this limit, refer to the Quota Status Reports posted on the bulletin boards of each Customs port or call (202) 927-5850. For information on embargoes and quota re-openings, call (202) 482-3715.

accessing its internet server (<http://www.usitc.gov>).

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

Issued: November 9, 1998.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 98-30461 Filed 11-13-98; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. AA1921-129 (Review)]

Polychloroprene Rubber From Japan

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission decision to conduct a full five-year review concerning the antidumping duty order on polychloroprene rubber from Japan.

SUMMARY: On November 5, 1998, the Commission determined that a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) should proceed in the subject five-year review. The Commission ruled that interested party responses to the notice of institution (63 FR 41284, August 3, 1998) are adequate.¹ Accordingly, the Commission hereby gives notice of a full review to determine whether revocation of the antidumping duty order on polychloroprene rubber from Japan would be likely to lead to continuation or recurrence of material injury. A schedule for the review will be established and announced at a later date.

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 F.R. 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: November 5, 1998.

FOR FURTHER INFORMATION CONTACT: Gail Burns (202-205-2501) or Robert

Carpenter (202-205-3172), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

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

Issued: November 9, 1998.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 98-30460 Filed 11-13-98; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. AA1921-114 (Review)]

Stainless Steel Plate From Sweden

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission decision to conduct a full five-year review concerning the antidumping duty order on stainless steel plate from Sweden.

SUMMARY: On November 5, 1998, the Commission determined that a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) should proceed in the subject five-year review. The Commission ruled that interested party responses to the notice of institution (63 F.R. 41288, August 3, 1998) are adequate.¹ Accordingly, the Commission hereby gives notice of a full review to determine whether revocation of the antidumping duty order on stainless steel plate from Sweden would be likely to lead to continuation or recurrence of material injury. A schedule for the review will be established and announced at a later date.

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and

Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 F.R. 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: November 5, 1998.

FOR FURTHER INFORMATION CONTACT: Pamela Luskin (202-205-3189) or Robert Carpenter (202-205-3172), Office of Investigations, U.S.

International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

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

Issued: November 9, 1998.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 98-30462 Filed 11-13-98; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. AA1921-115 (Review)]

Synthetic Methionine From Japan

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission decision to conduct a full five-year review concerning the antidumping duty order on synthetic methionine from Japan.

SUMMARY: On November 5, 1998, the Commission determined that a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(5)) should proceed in the subject five-year review. The Commission ruled that interested party responses to the notice of institution (63 F.R. 41290, August 3, 1998) are adequate.¹ Accordingly, the

¹ A record of the Commissioners' votes and a statement by Chairman Bragg are available from the Office of the Secretary and at the Commission's web site.

¹ A record of the Commissioners' votes and statements by Chairman Bragg and Commissioners Crawford and Koplan are available from the Office of the Secretary and at the Commission's web site.

¹ A record of the Commissioners' votes and a statement by Chairman Bragg are available from the

that the cessation of imports after the issuance of the finding is highly probative of the likelihood of continuation or dumping. Furthermore, deposit rates above *de minimis* levels continue in effect for two of the eight known Japanese polychloroprene rubber producers and/or exporters. As discussed in Section II.A.3. of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, if imports cease after the order is issued, we may reasonably assume that exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping. Therefore, absent argument and evidence to the contrary, and given that shipments of the subject merchandise ceased soon after the issuance of the finding and that dumping margins continued after the issuance of the finding, the Department, consistent with Section II.A.3 of the *Sunset Policy Bulletin*, determines that dumping is likely to continue or recur if the finding were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that, in a sunset review of an antidumping finding for which no company-specific margin or all others rate is included in the Treasury finding published in the *Federal Register*, the Department normally will provide to the Commission the company-specific margin from the first final results of administrative review published in the *Federal Register* by the Department. Additionally, if the first final results do not contain a margin for a particular company, the Department normally will provide the Commission, as the margin for that company, the first "new shipper" rate established by the Department for that finding. (See section II.B.1. of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3. of the *Sunset Policy Bulletin*.)

Because Treasury did not publish weighted-average dumping margins in its finding, the margins determined in

the original investigation are not available to the Department for use in this sunset review. Under these circumstances, the Department normally will select the margin from the first administrative review conducted by the Department as the magnitude of the margin of dumping likely to prevail if the finding is revoked. We note that, to date, the Department has not issued any duty absorption findings in this case.

In its substantive response, DuPont argues that because Treasury did not publish company-specific margins or a "new shipper's" rate in this finding, the Department, consistent with its *Sunset Policy Bulletin*, should report the company-specific margins and "new shipper's" rate calculated by the Department in the final results of the first administrative review.

The Department finds no reason to deviate from our *Sunset Policy Bulletin* in this review. We determine that the original margins calculated by the Department are probative of the behavior of the Japanese manufacturers and exporters of polychloroprene rubber. (See *Polychloroprene Rubber From Japan; Final Results of Administrative Review of Antidumping Finding*; 47 FR 14746 (April 6, 1982). We will report to the Commission the company-specific and "all other's" rate contained in the Final Results section of this notice.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/exporter	Margin (percent)
Denki Kagaku Kogyo, K.K.	0
Denki Kagaku Kogyo, K.K./Hoei Sangyo Co., Ltd.	55
Suzugo Corporation	55
All Other's Rate	55

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

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

Dated: December 1, 1998.

Robert S. LaRussa,
Assistant Secretary for Import Administration.

[FR Doc. 98-32539 Filed 12-7-98; 8:45 am]
BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration
[A-401-040]

Final Results of Expedited Sunset Review: Stainless Steel Plate From Sweden

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

ACTION: Notice of final results of expedited sunset review: stainless steel plate from Sweden.

SUMMARY: On August 3, 1998, the Department of Commerce ("the Department") initiated a sunset review (63 FR 41227) of the antidumping finding on stainless steel plate from Sweden pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate filed on behalf of the domestic industry and substantive comments filed on behalf of the domestic industry and a respondent interested party, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Magnitude of the Margin section of this notice.

FOR FURTHER INFORMATION CONTACT: Scott E. Smith or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

EFFECTIVE DATE: December 8, 1998.

Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("Sunset Regulations"). Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the

48 FR 9678 (March 8, 1983); *Polychloroprene Rubber From Japan; Final Results of Administrative Review of Antidumping Finding*; 49 FR 10694 (March 22, 1984); *Polychloroprene Rubber From Japan; Final Results of Administrative Review of Antidumping Finding*; 49 FR 46454 (November 26, 1984); *Polychloroprene Rubber From Japan; Final Results of Administrative Review of Antidumping Finding*; 61 FR 29344 (June 10, 1996); and *Polychloroprene Rubber From Japan; Final Results of Administrative Review of Antidumping Finding*; 61 FR 67318 (December 20, 1996).

Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Scope

The merchandise subject to this antidumping finding is stainless steel plate from Sweden, which is commonly used in scientific and industrial equipment because of its resistance to staining, rusting and pitting. Stainless steel plate is classified under Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7219.11.00.00, 7219.12.00.05, 7219.12.00.15, 7219.12.00.45, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.21.00.05, 7219.21.00.50, 7219.22.00.05, 7219.22.00.10, 7219.22.00.30, 7219.22.00.60, 7219.31.00.10, 7219.31.00.50, 7220.11.00.00, 7222.30.00.00, and 7228.40.00.00. Although the subheading is provided for convenience and customs purposes, the written description of the merchandise remains dispositive.

On July 11, 1995, the Department determined that Stavax ESR (Stavax), UHB Ramax (Ramax), and UHB 904L (904L) when flat-rolled are within the scope of antidumping finding. On November 3, 1995, the Department determined that stainless steel plate products Stavax, Ramax, and 904L when forged, are within the scope of the antidumping finding. On December 30, 1997, the Department determined that merchandise rolled into hot bands in Sweden from British slabs is subject to the finding.

This review covers all known manufacturers and exporters of stainless steel plate from Sweden.

Background

On August 3, 1998, the Department initiated a sunset review of the antidumping finding on stainless steel plate from Sweden (63 FR 41227) pursuant to section 751(c) of the Act. We received a Notice of Intent to Participate from the Allegheny Ludlum Corporation, Armco, Inc., J&L Specialty Steel, Inc., G.O. Carlson, Inc., and Bethlehem Lukens Plate (collectively "the petitioners") within the applicable deadline (August 18, 1998) specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The petitioners claimed interested party status under section 771(9)(C) of the Act, as domestic manufacturers of the subject merchandise. We received timely and complete substantive responses to the

notice of initiation on September 2, 1998, on behalf of the petitioners and one respondent interested party, Uddeholm Tooling AB, and their American subsidiary, Bohler-Uddeholm Corporation ("Uddeholm"). Uddeholm claimed interested party status under section 771(9)(A) of the Act, as a foreign manufacturer and exporter of the subject merchandise. We received a waiver of participation from the other known Swedish manufacturer of stainless steel plate, Avesta Sheffield AB, and their American subsidiary, Avesta Sheffield NAD ("Avesta").

Using the value of exports information submitted by Uddeholm and the value of imports as reported by the United States Customs Service in its annual reports to Congress on administration of the antidumping and countervailing duty laws,¹ the Department determined that exports by Uddeholm accounted for significantly less than 50 percent of the value of total exports of the subject merchandise over the five calendar years preceding the initiation of the sunset review. Therefore, on September 22, 1998, the Department determined that respondent interested parties provided inadequate response to the notice of initiation, and, the Department determined to conduct an expedited review (see memo concerning adequacy of respondent's submission dated September 22, 1998) in accordance with section 351.218(e)(1)(ii)(C)(2) of the *Sunset Regulations*.

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping finding and, shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the finding is revoked.

The Department's determinations concerning continuation or recurrence of dumping and magnitude of the margin are discussed below. In addition,

¹ This information is available to the public on the Internet at "http://www.ita.doc.gov/import_admin/records/sunset".

parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the basis for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis (see section II.A.3. of the *Sunset Policy Bulletin*). Additionally, the Department normally will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3. of the *Sunset Policy Bulletin*).

The antidumping finding on stainless steel plate from Sweden was published in the *Federal Register* as Treasury Decision 73-157 (38 FR 15079, June 8, 1973). Since that time, the Department has conducted several administrative reviews.² The finding remains in effect for all imports of stainless steel plate from Sweden.

In its substantive response, the petitioners argued that the actions taken by producers and exporters of Swedish stainless steel plate during the life of the finding indicate that "dumping will

² See *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 47 FR 29867 (July 9, 1982); *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 47 FR 41151 (September 17, 1982); *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 49 FR 39885 (October 11, 1984); *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 63 FR 1824 (January 11, 1998); *Stainless Steel Plate From Sweden: Amended Final Results of Antidumping Duty Administrative Review*; 63 FR 8434 (February 19, 1998); and *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 63 FR 63706 (November 16, 1998).

continue in the event of revocation" (see September 2, 1998, Substantive Response of petitioners). With respect to whether dumping continued at any level above *de minimis* after the issuance of the finding, petitioners argued that, as documented in the final determinations reached by the Department, dumping levels have fluctuated during the life of the finding, with company-specific margins ranging between 0 and 24.67 percent.³

With respect to whether imports of the subject merchandise ceased after the issuance of the finding, the petitioners argued that imports of the subject merchandise have fallen dramatically since the issuance of the finding in 1973. Petitioners state that import volumes of the subject merchandise in 1972 were 9,990 short tons and that imports fell rapidly, reaching a low of 291 short tons in 1983 and remaining below 3,250 short tons up to the present, excluding a brief surge in 1996. The petitioners stated, citing U.S. International Trade Commission publications and U.S. Department of Commerce IM146 reports, that imports of the subject merchandise fell dramatically since the issuance of the finding increasing only in 1995, at which time petitioners began requesting administrative reviews. Uddeholm does not dispute that dumping is likely to continue.

In conclusion, the petitioners argued that the Department should determine that there is a likelihood that dumping would continue were the finding revoked because dumping margins have fluctuated above *de minimis* levels over the life of the finding, and because import volumes of the subject merchandise have decreased sharply after the issuance of the finding.

In its substantive response, Uddeholm stated that the likely effects of revocation of the dumping finding are (1) no significant change in the volume of Stavax and Ramax imports and (2) no significant change in the price of Stavax and Ramax sold by Bohler-Uddeholm in the United States.

³ See *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 47 FR 29867 (July 9, 1982); *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 47 FR 41151 (September 17, 1982); *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 49 FR 39885 (October 11, 1984); *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 63 FR 1824 (January 11, 1998); *Stainless Steel Plate From Sweden: Amended Final Results of Antidumping Duty Administrative Review*; 63 FR 8434 (February 19, 1998); and *Stainless Steel Plate From Sweden: Final Results of Antidumping Duty Administrative Review*; 63 FR 63706 (November 16, 1998).

Uddeholm did not address the fact that dumping margins above *de minimis* continue to exist except to offer a calculated rate from the 1995-1996 administrative review as the dumping margin likely to prevail if the finding were revoked. Uddeholm did address the question of import volumes. It argues that much of the decrease in import volumes after the early 1980's was due to a restructuring of the Swedish stainless steel industry which resulted in Uddeholm discontinuing exports of subject merchandise to the United States. Uddeholm claims that the only products it exports to the United States covered by this finding are Stavax and Ramax (See scope determination dated July 11, 1995). Only after the 1995 scope ruling did Uddeholm again participate in administrative reviews. Furthermore, Uddeholm argues that the demand for Stavax and Ramax is "driven solely by the market economics of the plastics molding industry" (see Uddeholm's Substantive Response dated September 2, 1998). Uddeholm stated that it did not anticipate any significant increase or decrease in the imports and/or prices of Stavax or Ramax if the Department revokes this finding.

In rebuttal, the petitioners argued that Uddeholm's product mix is irrelevant and the rate from the first administrative review in which Stavax and Ramax are included should not be considered "the first rate calculated." Petitioners cite that there is no statute, regulation, or policy which permits consideration of a company's product mix in the determination of a dumping margin.

We find that the existence of dumping margins above *de minimis* levels and a reduction in export volumes over the life of the finding is highly probative of the likelihood of continuation or recurrence of dumping. As discussed in Section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, "[i]f companies continue to dump with the discipline of the order in place, it is reasonable to assume that dumping would continue if the discipline were removed." Therefore, given that dumping margins continued after the issuance of the finding, and absent argument and evidence to the contrary, the Department, consistent with Section II.A.3 of the *Sunset Policy Bulletin*, determines that dumping is likely to continue if the finding were revoked.

Magnitude of the Margin

In the *Sunset Policy Bulletin* the Department stated that, in a sunset review of an antidumping finding for which no company-specific margin or all others rate is included in the

Treasury finding published in the *Federal Register*, the Department normally will provide to the Commission the company-specific margin from the first final results of administrative review published in the *Federal Register* by the Department. Additionally, if the first final results do not contain a margin for a particular company, the Department normally will provide the Commission, as the margin for that company, the first "new shipper" rate established by the Department for that finding. (See section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, as appropriate, and consideration of duty absorption determinations. (See section II.B.2 and 3 of the *Sunset Policy Bulletin*.)

Because Treasury did not publish the weighted-average dumping margins in this finding, the margins determined in the original investigation are not available to the Department for use in this sunset review. Therefore, the Department normally will select the margin from the first administrative review conducted by the Department as the magnitude of the margin of dumping likely to prevail if the finding is revoked. For any company not covered in the first administrative review, the Department will provide to the Commission the first "new shipper" rate established for that finding. The Department received a request for a duty absorption determination in the ongoing administrative review covering 1996-1997, however, the Department has not issued a final determination in that review.

In its substantive comments, the petitioners argue that the Department should select the highest company-specific margins from the final results of the most recently completed administrative reviews. For Uddeholm, the petitioners argue that the Department should use the final rate from the 1996-1997 administrative review, unless that rate is lower than Uddeholm's highest rate otherwise in this case.

In its substantive response, Uddeholm argues that the Department should select the margin calculated in the 1995-1996 administrative review as the rate likely to prevail if the Department were to revoke the finding (see Uddeholm's Substantive Response dated September 2, 1998). Uddeholm claims that, between the early 1980's and 1995, it did not export any products covered by this finding to the United States. Only after the July 11, 1995 scope clarification, in which the Department clarified that Stavax and

Ramax were within the scope of the finding, did Uddeholm again export subject merchandise to the United States. Because of the restructuring of the Swedish stainless steel industry and its long absence from the exportation of subject merchandise, Uddeholm argues that the first calculated rate after the inclusion of Stavax and Ramax is the "first dumping margin established for these products" (see Uddeholm's Substantive Response dated September 2, 1998).

In rebuttal, petitioners argue that product mix should be irrelevant in the Department's choice of margins. The petitioners state that the restructuring of the Swedish stainless steel industry and the inclusion of Stavax and Ramax into the scope of the order should have no bearing on the Department's margin decision. Furthermore, Uddeholm has not confirmed the variation in product mix with any specific or convincing facts. According to petitioners, Uddeholm's data simply demonstrate that its "volumes and values of imports of subject merchandise into the United States fluctuate and are not stable" (see Petitioner's Rebuttal Comments dated September 11, 1998).

The Department disagrees with the petitioners in part. In the *Sunset Policy Bulletin* the Department stated that "a company may choose to increase dumping in order to maintain or increase market share" and that "the Department may, in response to an argument from an interested party, provide to the Commission a more recently calculated margin for a particular company, where, for that particular company, dumping margins increased after the issuance of the order." (See section II.B.2 of the *Sunset Policy Bulletin*.) The Department's intent was to establish a policy of using the original investigation margin as a starting point, thus providing interested parties the opportunity and incentive to come forward with data which would support a different estimate. With respect to Uddeholm, the Department finds the petitioners' argument of choosing the highest margin calculated unpersuasive because the increase in imports of stainless steel plate from Sweden did not correspond to an increase in Uddeholm's dumping margin. In fact, during the initial surge in imports in 1995, Uddeholm's dumping margin decreased from 4.46 to 2.95 percent.

As for the alternative choice of the most recent margins, the Department again disagrees with the petitioners. The petitioners argue that, according to the Department's *Sunset Policy Bulletin*, if the original finding by the Treasury

Department does not supply a margin, "the Department normally will provide the Commission the company-specific margin from the first final results of administrative review published in the *Federal Register* by the Department" *Sunset Policy Bulletin* (63 FR 18873). However, "the Department may * * * provide to the Commission a more recently calculated margin for a particular company where, for that particular company, dumping margins increased after the issuance of the order" *Sunset Policy Bulletin* (63 FR 18873). The petitioners argue that both Uddeholm and Avesta have accelerated their rates of dumping considerably over the life of the finding and, therefore, the Department should report to the Commission a more recently calculated rate. With respect to Uddeholm, there has been no consistent pattern of increasing margins. Excluding the most recent administrative review, Uddeholm's margins have decreased since June 1980.

With respect to the petitioners' rebuttal comments, the Department agrees with the petitioners' objection to the 1995-1996 administrative review being considered the "first calculated rate" for Uddeholm. In essence, Uddeholm is arguing that the Department view this finding as two separate findings; the first covering material under the original scope of the finding and the second covering Stavax and Ramax, as incorporated into the scope of the finding by the July 11, 1995 scope clarification. Uddeholm is arguing, for the purposes of margin selection, that the Department ignore the margins calculated prior to 1995 in this finding. Scope clarification decisions are meant to clarify what products are covered by the scope of a particular finding; they are not intended to be viewed as new findings in and of themselves. The Department believes that a review of the entire margin history of the finding is essential for understanding a company's behavior with the discipline of the finding in place. Therefore, the Department finds little basis for Uddeholm's assertion that the margin from the 1995-1996 administrative review is the *de facto* first rate calculated for this finding.

As for the choice of the 2.95 percent as the margin likely to prevail if the finding were revoked, the Department disagrees with Uddeholm. First, Uddeholm has provided little or no evidence to support their assertions of a restructuring of the Swedish stainless steel industry, the basis for its suggestion of the 2.95 percent margin. Without such evidence, the Department has no reason to believe that

Uddeholm's decrease in exportation during the 1980's and early 1990's was not attributable to its inability to sell subject merchandise in the United States without dumping. Second, other than its assertion that the 2.95 percent rate is the *de facto* first margin calculated, an assertion that the Department finds invalid, Uddeholm has offered no other reason why the Department should report this rate to the Commission. Lastly, Uddeholm has demonstrated a willingness to dump subject merchandise above a *de minimis* level in the United States, regardless of the type of subject merchandise or the structure of the Swedish stainless steel market as evidenced by the entire margin history of this finding.

With respect to Avesta, the petitioners argue, in their substantive response, that the Department should select the highest company-specific margin from the final results of the most recently completed administrative review. However, in its rebuttal comments, the petitioners argue, based on Avesta's waiver of participation, that the Department should select the highest margin found in any segment of this proceeding for Avesta. The highest margin calculated for Avesta is 24.67 percent, a rate determined in the 1995-1996 administrative review (63 FR 1834, February 19, 1998).

The Department disagrees with the petitioners, in part, regarding the choice of the highest margin calculated during the life of the finding as the rate to report to the Commission for Avesta. The Department disagrees that a waiver of participation is sufficient cause for the Department to select the highest margin calculated. In fact, both the statute and the regulations provide that respondent interested parties may waive participation in a sunset review before the Department with the intent of reducing the burden on all parties. Waiving participation before the Department does not, therefore, result in the use of an adverse inference by the Department.

However, the Department does agree with petitioners' comments that the 24.67 percent rate calculated in the 1995-1996 administrative review should be for used for Avesta. As noted above, in the *Sunset Policy Bulletin*, the Department stated that "a company may choose to increase dumping in order to maintain or increase market share" and that "the Department may, in response to an argument from an interested party, provide to the Commission a more recently calculated margin for a particular company, where, for that particular company, dumping margins increased after the issuance of the

order." (See section II.B.2 of the *Sunset Policy Bulletin*.) The Department finds that the recent surge in import volumes of subject merchandise in 1995 and 1996 accompanied by the dramatic increase in dumping margins by Avesta is sufficient cause for the Department to select a more recently calculated margin in this case.

In conclusion, consistent with the policy, we determine that the 5.22 percent rate, the first "new shipper's" rate calculated by the Department is probative of the behavior of Uddeholm. With respect to Avesta, the Department determines that a more recently calculated margin is probative of the behavior of Avesta if the finding were to be revoked.

Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping finding would be likely to lead to continuation or recurrence of dumping at the levels indicated below.

Manufacturer/exporter	Margin (percent)
Avesta	24.67
Uddeholm	5.22
All Others	5.22

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

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

Dated: December 1, 1998.

Robert S. LaRussa,
Assistant Secretary for Import Administration.
 [FR Doc. 98-32538 Filed 12-7-98; 8:45 am]
 BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-680-811]

Notice of Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Steel Wire Rope from the Republic of Korea

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

SUMMARY: In response to a request by the petitioner, the Committee of Domestic Steel Wire Rope & Specialty Cable Manufacturers, the Department of Commerce is conducting an administrative review of the antidumping duty order on steel wire rope from Korea. The review covers 16 manufacturers/exporters of the subject merchandise. The period of review is March 1, 1997, through February 28, 1998.

We have preliminarily found that, for certain producers/exporters, sales of subject merchandise have been made below normal value. If these preliminary results are adopted in our final results of this administrative review, we will instruct the Customs Service to assess antidumping duties based on the difference between the export price and the normal value.

Interested parties are invited to comment on these preliminary results. Parties who submit case briefs in this proceeding should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

EFFECTIVE DATE: December 8, 1998.

FOR FURTHER INFORMATION CONTACT: James Kemp, at (202) 482-1276, or John Brinkmann, at (202) 482-5288, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are to the regulations codified at 19 CFR Part 351, as published in the *Federal Register* on May 19, 1997 (62 FR 27296).

Case History

On March 26, 1993, the Department published in the *Federal Register* an antidumping duty order on steel wire rope from the Republic of Korea. See 58 FR 16397. On March 11, 1998, the Department published a notice providing an opportunity to request an administrative review of this antidumping duty order for the period March 1, 1997, through February 28, 1998 (POR). See 63 FR 11868. On March 31, 1998, the petitioner requested an administrative review of 19 manufacturers/exporters of steel wire rope from Korea. Since we had revoked the orders for three of the named companies (Chung Woo Rope Co. Ltd., Ssang Yong Cable Manufacturing Co. Ltd., and Sun Jin Company) in a prior segment of this proceeding, we excluded these three companies and initiated a review of the other 16 companies. See *Steel Wire Rope from the Republic of Korea; Final Results of Antidumping Duty Administrative Review and Revocation in Part of Antidumping Duty Order*, 63 FR 17986, 17990 (April 13, 1998) (*Steel Wire Rope Fourth Review Final*). We published a notice of initiation of this administrative review on April 24, 1998. See 63 FR 20378.

We initiated this administrative review for the following 16 producers and exporters of steel wire rope from Korea: Boo Kook, Dae Heung Industrial (Dae Heung), Dae Kyung Metal (Dae Kyung), Dong Il Steel (Dong Il), Dong Young, Hanboo Wire Rope (Hanboo), Jinyang Wire Rope (Jinyang), Korea Sangsa, Kumho Wire Rope (Kumho), Kwangshin Rope, Myung Jin, Seo Hae Industrial Co. Ltd. (Seo Hae), Seo Jin Wire Rope (Seo Jin), Sungsan Special Steel Processing (Sungsan), TSK Korea, and Yeonsin Metal (Yeonsin).

On May 15, 1998, we issued an antidumping questionnaire to each of the respondents, except for Kwangshin Rope and Seo Hae (for whom we did not find addresses). After locating the mailing addresses of Kwangshin Rope and Seo Hae, we issued an antidumping questionnaire to them on May 26, 1998.

Between May 21 and July 7, 1998, we received letters from Korea Sangsa, Myung Jin, Dae Heung, Dae Kyung, and HI-LEX Corporation (on behalf of its Korean affiliate, TSK Korea) stating that they had no shipments of subject merchandise to the United States during the period of review (POR). On June 19, 1998, we received a letter from Sungsan stating that it had purchased steel wire rope in Korea and exported it to the United States during the POR. The Department received a questionnaire

subsequent notice published in the **Federal Register** on Monday, November 30, 1998, in Vol. 63, No. 229, Page 65809, extended the public comment period to December 18, 1998. This notice extends the public comment period to January 29, 1999.

Dated: December 17, 1998.

Frank L. Rowley,

Acting Field Office Manager.

[FR Doc. 98-34100 Filed 12-23-98; 8:45 am]

BILLING CODE 4310-32-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. AA1921-114 (Review)]

Stainless Steel Plate From Sweden

AGENCY: United States International Trade Commission.

ACTION: Scheduling of a full five-year review concerning the antidumping duty order on stainless steel plate from Sweden.

SUMMARY: The Commission hereby gives notice of the scheduling of a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty order on stainless steel plate from Sweden would be likely to lead to continuation or recurrence of material injury. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

EFFECTIVE DATE: December 15, 1998.

FOR FURTHER INFORMATION CONTACT: Pamela Luskin (202-205-3189), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by

accessing its internet server (<http://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:

Background—On November 5, 1998, the Commission determined that responses to its notice of institution of the subject five-year review were such that a full review pursuant to section 751(c)(5) of the Act should proceed (63 FR 63748, November 16, 1998). A record of the Commissioners' votes and statements by Chairman Bragg and Commissioners Crawford and Koplan are available from the Office of the Secretary and at the Commission's web site.

Participation in the review and public service list—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in this review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this review available to authorized applicants under the APO issued in the review, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the review. A party granted access to BPI following publication of the Commission's notice of institution of the review need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report—The prehearing staff report in the review will be placed in the nonpublic record on April 21, 1999, and a public version will be issued thereafter, pursuant to § 207.64 of the Commission's rules.

Hearing—The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on May 11, 1999, at the U.S. International Trade Commission Building. Requests to

appear at the hearing should be filed in writing with the Secretary to the Commission on or before May 3, 1999. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on May 6, 1999, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions—Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.65 of the Commission's rules; the deadline for filing is April 30, 1999. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.67 of the Commission's rules. The deadline for filing posthearing briefs is May 20, 1999; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before May 20, 1999. On June 14, 1999, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before June 16, 1999, but such final comments must not contain new factual information and must otherwise comply with § 207.68 of the Commission's rules. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a

document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: December 16, 1998.

Donna R. Koehnke,

Secretary.

[FR Doc. 98-34136 Filed 12-23-98; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF LABOR

Pension and Welfare Benefits Administration

[Prohibited Transaction Exemption 98-60; Exemption Application No. D-10352, et al.]

Grant of Individual Exemptions; Citizens Bank New Hampshire

AGENCY: Pension and Welfare Benefits Administration, Labor.

ACTION: Grant of individual exemptions.

SUMMARY: This document contains exemptions issued by the Department of Labor (the Department) from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (the Act) and/or the Internal Revenue Code of 1986 (the Code).

Notices were published in the *Federal Register* of the pendency before the Department of proposals to grant such exemptions. The notices set forth a summary of facts and representations contained in each application for exemption and referred interested persons to the respective applications for a complete statement of the facts and representations. The applications have been available for public inspection at the Department in Washington, DC. The notices also invited interested persons to submit comments on the requested exemptions to the Department. In addition the notices stated that any interested person might submit a written request that a public hearing be held (where appropriate). The applicants have represented that they have complied with the requirements of the notification to interested persons. No public comments and no requests for a hearing, unless otherwise stated, were received by the Department.

The notices of proposed exemption were issued and the exemptions are being granted solely by the Department because, effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978 (43 FR 47713, October 17, 1978) transferred the authority of the

Secretary of the Treasury to issue exemptions of the type proposed to the Secretary of Labor.

Statutory Findings

In accordance with section 408(a) of the Act and/or section 4975(c)(2) of the Code and the procedures set forth in 29 CFR Part 2570, Subpart B (55 FR 32836, 32847, August 10, 1990) and based upon the entire record, the Department makes the following findings:

- (a) The exemptions are administratively feasible;
- (b) They are in the interests of the plans and their participants and beneficiaries; and
- (c) They are protective of the rights of the participants and beneficiaries of the plans.

Citizens Bank New Hampshire, Located in Manchester, New Hampshire

[Prohibited Transaction Exemption 98-60; Exemption Application No. D-10352]

Section I—Exemption for In-Kind Transfers of CIF Assets

The restrictions of sections 406(a) and 406(b) of ERISA and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (F) of the Code, shall not apply, effective October 11, 1996, to the past in-kind transfer of assets of employee benefit plans (the Client Plans) for which Citizens Bank New Hampshire (the Bank) serves as fiduciary, other than plans established and maintained by the Bank, that were held in a portfolio of a collective investment fund maintained by the Bank (the CIF), in exchange for shares of the Berger/BIAM International Institutional Fund (the B/B Fund), an open-end investment company registered under the Investment Company Act of 1940 (the 1940 Act),¹ the investment adviser and investment sub-adviser of which were BBOI

¹ In this regard, the Bank represents that any further in-kind transfers of CIF assets to the B/B Fund will comply with the conditions of Prohibited Transaction Exemption (PTE) 97-41 (62 FR 42830, August 8, 1997). PTE 97-41 permits the purchase by employee benefit plans (i.e. the Client Plans) of shares of one or more open-ended management investment companies (i.e. mutual funds) registered under the 1940 Act in exchange for assets of the Client Plans transferred in-kind to the mutual fund from a collective investment fund (i.e. the CIF) maintained by a bank or a plan adviser, where the bank or plan adviser is the investment adviser to the mutual fund and also a fiduciary to the Client Plans, if the conditions of the exemption are met. However, as noted further below, the Bank distributed written confirmation to the Client Plans regarding the in-kind transfer of CIF assets made to the Funds within 150 days, rather than within the 105-day period required by Section I(g) of PTE 97-41. Thus, an individual exemption to cover these specific CIF conversions is necessary to provide the appropriate retroactive relief.

Worldwide LLC (BBOI) and Bank of Ireland Asset Management Limited (BIAM), respectively, which are related to the Bank; provided the following conditions and the general conditions of Section III below are met:

(A) No sales commissions or other fees were paid by the Client Plans in connection with the purchase of B/B Fund shares through the in-kind transfer of CIF assets and no redemption fees are paid in connection with the sale of such shares by the Client Plans to the B/B Fund;

(B) The transferred assets constituted the Client Plans' pro rata portion of all assets that were held by the CIF immediately prior to the transfer;

(C) Each Client Plan received shares of the B/B Fund which had a total net asset value that is equal to the value of the Client Plans' pro rata share of the assets of the CIF on the date of the transfer, as determined in a single valuation performed in the same manner at the close of the same business day, using an independent source in accordance with Rule 17a-7(b) issued by the Securities and Exchange Commission under the 1940 Act and the procedures established by the B/B Fund pursuant to Rule 17a-7(b) for the valuation of such assets. Such procedures must require that all securities for which a current market price cannot be obtained by reference to the last sale price for transactions reported on a recognized securities exchange or NASDAQ be valued based on the current market value of the assets of the CIF, as objectively determined by an independent principal pricing service (the Principal Pricing Service);

(D) A second fiduciary who is independent of and unrelated to the Bank (the Second Fiduciary) received advance written notice of the in-kind transfer of assets of the CIF and full written disclosure of information concerning the B/B Fund and, on the basis of such information, authorized in writing the in-kind transfer of the Client Plan's CIF assets to the B/B Fund in exchange for shares of the B/B Fund. The full written disclosure referred to in this paragraph (D) of Section I included the following information:

(1) A current prospectus for the B/B Fund;

(2) A description of the fees for investment advisory or similar services that are to be paid (directly or indirectly) by the B/B Fund to BBOI and BIAM, the fees paid to the Bank for Secondary Services, as defined in Section IV below, and all other fees to be charged to or paid by the Client Plan and the B/B Fund directly or indirectly to BBOI, BIAM, the Bank, or unrelated

entered, or withdrawn from warehouse, for consumption on or after August 5, 1998 (the date of publication of the preliminary determination in the **Federal Register**). The Customs Service shall continue to require a cash deposit or posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. These suspension of liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
PT Dieng Djaya/PT Surya Jaya Abadi Perkasa	7.94
PT Zeta Agro Corporation	22.84
All Others	11.26

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-34705 Filed 12-30-98; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-401-040]

Stainless Steel Plate From Sweden: Amended Final Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Amended Final Results of Antidumping Duty Administrative Review.

SUMMARY: On November 16, 1998, the Department of Commerce (the Department) published the final results of review in the antidumping duty administrative review on stainless steel plate from Sweden (63 FR 63706). The review covers two manufacturers/exporters (Avesta Sheffield AB (Avesta) and Uddeholm Tooling AB, Bohler-Uddeholm Corporation and Uddeholm Limited (collectively Uddeholm)) of the subject merchandise to the United States and the period June 1, 1996 through May 31, 1997.

On November 19, 1998, pursuant to section 351.224(c) of the Department's regulations, Avesta filed a ministerial error allegation regarding the Department's implementation of the constructed export price (CEP) offset in calculating a margin for Avesta in the final results of the review. The Department is publishing these amended final results to correct this ministerial error.

EFFECTIVE DATE: December 31, 1998.

FOR FURTHER INFORMATION CONTACT: John Totaro or Nithya Nagarajan, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-1374 and (202) 482-4243, respectively.

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended, ("the Act") are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 351 (1998), 62 FR 27296 (May 19, 1997).

Ministerial Error in the Final Results of Review

For purposes of calculating the antidumping margin for Avesta for the POR, as published in the final results, the Department's margin calculation program calculated a CEP offset in accordance with the Department's regulations. However, Avesta alleged that the Department's final results margin calculation program defined the indirect selling expense variable INDEXUS but did not similarly define the variable INDEXPU. Avesta argues that the Department incorrectly tied the CEP offset to INDEXPU instead of INDEXUS. As a result, Avesta's CEP offset was always equal to zero. Avesta alleged that, as a result of this ministerial error, Avesta did not receive the CEP offset to which it was otherwise entitled. Petitioners have not objected to this allegation of ministerial error.

The Department examined the margin calculation program, and we agree with Avesta that this is a clerical error within the meaning of 19 CFR 351.224(f), *i.e.*, a clerical error in connecting the calculation of CEP offset to the variable INDEXPU instead of INDEXUS in the margin calculation program. We have corrected the program so that the CEP offset calculation properly references the variable INDEXUS, rather than INDEXPU.

Amended Final Results of Review

Upon correction of the ministerial error described above, Avesta's margin, as published in the **Federal Register** on November 16, 1998, has been revised from 25.05 percent to 22.67 percent for the period June 1, 1996 through May 31, 1997. The final results margin for Uddeholm remains unchanged. We will instruct the Customs Service accordingly.

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. The Department shall issue appraisal instructions directly to the Customs Service. For assessment purposes, we have calculated importer-specific duty assessment rates for the merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales during the POR to the total entered value of sales examined during the POR. Individual differences between U.S. price and normal value may vary from the percentages stated above. As a result of this review, we have determined that the importer-specific duty assessments rates are necessary.

Furthermore, the following deposit requirements shall be effective upon

publication of this notice of amended final results of review for all shipments of stainless steel plate from Sweden entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(1) of the Tariff Act: (1) the cash deposit rate for the reviewed company will be the rate stated above; (2) for previously investigated or reviewed companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in these reviews, or the original LTFV investigations, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in these reviews, the cash deposit rate for this case will continue to be 4.46 percent, which was the "all others" rates in the LTFV investigations. The deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with sections 351.305 and 351.306 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This amended administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. §§ 1675(a)(1) and 1677(f)(i)(1)) and sections 351.213 and 351.224 of the Department's regulations.

Dated: December 12, 1998.

Richard W. Moreland,
Acting Assistant Secretary for Import Administration.
[FR Doc. 98-34707 Filed 12-30-98; 8:45 am]
BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

Evaluation of Coastal Zone Management Program and National Estuarine Research Reserves

AGENCY: Office of Ocean and Coastal Resource Management, National Ocean Service, National Oceanic and Atmospheric Administration (NOAA), DOC.

ACTION: Notice of intent to evaluate.

SUMMARY: The NOAA Office of Ocean and Coastal Resource Management (OCRM) announces its intent to evaluate the performance of the Guam Coastal Zone Management Program and the Weeks Bay (AL), South Slough (OR), and Hudson River (NY) National Estuarine Research Reserves.

These evaluations will be conducted pursuant to sections 312 and 315 of the Coastal Zone Management Act of 1972 (CZMA), as amended. The CZMA requires a continuing review of the performance of states with respect to coastal program and research reserve program implementation. Evaluation of Coastal Zone Management Programs and National Estuarine Research Reserves require findings concerning the extent to which a state has met the national objectives, adhered to its coastal program document or the Reserve's final management plan approved by the Secretary of Commerce, and adhered to the terms of financial assistance awards funded under the CZMA. The evaluations will include a site visit, consideration of public comments, and consultations with interested Federal, State, and local agencies and members of the public. Public meetings are held as part of the site visits.

Notice is hereby given of the dates of the site visits for the listed evaluations, and the dates, local times, and locations of public meetings during the site visits.

The Guam Coastal Zone Management Program evaluation site visit will be from February 1-5, 1999. One public meeting will be held during the week. The public meeting will be held on Monday, February 1, 1999, at 5:00 P.M., in the Governor's Cabinet Conference Room at Adelup, Guam.

The Weeks Bay National Estuarine Research Reserve in Alabama site visit will be from February 22-26, 1999. One public meeting will be held during the

week. The public meeting will be held on Thursday, February 25, 1999, at 7:00 p.m., at the Weeks Bay Interpretive Center Auditorium, 11300 U.S. Highway 98, Fairhope, Alabama.

The South Slough National Estuarine Research Reserve in Oregon site visit will be from March 8-12, 1999. One public meeting will be held during the week. This public meeting will be on Wednesday, March 10, 1999, at 7:00 P.M. at the Southwestern Oregon Community College in Coos Bay, Oregon.

The Hudson River National Estuarine Research Reserve in New York site visit will be from April 12-16, 1999. One public meeting will be held during the week. This public meeting will be on Wednesday, April 14, 1999, from 5:00 P.M.-7:00 P.M., at the New York State Department of Environmental Conservation Region 3 Office, 21 South Putt Corners Road, New Paltz, New York.

The States will issue notice of the public meeting(s) in a local newspaper(s) at least 45 days prior to the public meeting(s), and will issue other timely notices as appropriate.

Copies of the State's most recent performance reports, as well as OCRM's notifications and supplemental request letters to the States, are available upon request from OCRM. Written comments from interested parties regarding these Programs are encouraged and will be accepted until 15 days after the public meeting. Please direct written comments to Vickie A. Allin, Chief, Policy Coordination Division (PCD), Office of Ocean and Coastal Resource Management, NOS/NOAA, 1305 East-West Highway, Silver Spring, Maryland, 20910. When the evaluation is completed, OCRM will place a notice in the *Federal Register* announcing the availability of the Final Evaluation Findings.

FOR FURTHER INFORMATION CONTACT:

Vickie A. Allin, Chief, Policy Coordination Division, Office of Ocean and Coastal Resource Management, NOS/NOAA, 1305 East-West Highway, Silver Spring, Maryland, 20910, (301) 713-3155, ext. 126.

Dated: December 23, 1998.

(Federal Domestic Assistance Catalog 11.419 Coastal Zone Management Program Administration)

Evelyn Fields,

Captain, Deputy Assistant Administrator for Ocean Services and Coastal Zone Management.

[FR Doc. 98-34687 Filed 12-30-98; 8:45 am]

BILLING CODE 3510-08-M

APPENDIX B
CALENDAR OF THE PUBLIC HEARING

CALENDAR OF PUBLIC HEARING

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

Subject: Stainless Steel Plate from Sweden
Inv. No.: AA1921-114 (Review)
Date and Time: May 11, 1999 - 9:30 a.m.

Sessions were held in connection with this review in the Main Hearing Room, 500 E Street, SW, Washington, DC.

OPENING REMARKS

In Support of Continuation (**Jeffrey S. Beckington**, Collier, Shannon, Rill & Scott, PLLC)

In Support of Revocation (**Richard O. Cunningham**, Steptoe & Johnson LLP)

In Support of Revocation (**R. Kevin Williams**, O'Donnell, Byrne & Williams)

In Support of the Continuation of the Finding/Order:

Collier, Shannon, Rill & Scott, PLLC
Washington, D.C.
on behalf of

Allegheny Ludlum Corporation
Armco, Incorporated
J&L Speciality Steel, Incorporated
G.O. Carlson, Incorporated
Bethlehem Lukens Plate

David Carter, Marketing Director, Stainless Plate,
Allegheny Ludlum Corporation

Daniel Lebhertz, Marketing Manager (Industrial),
Armco, Incorporated

**In Support of the Continuation of
the Finding/Order–Continued:**

Patrick J. Magrath, Director, Georgetown Economic
Services, LLC

John M. Ascienzo, Economist, Georgetown Economic
Services, LLC

Laura M. Beltrami, Economist, Georgetown Economic
Services, LLC

Adam K. Lee, Consultant, Georgetown Economic
Services, LLC

Jeffrey S. Beckington)
R. Alan Luberd)–OF COUNSEL
Adam H. Gordon)

**In Support of the Revocation of
the Finding/Order:**

Steptoe & Johnson LLP
Washington, D.C.
on behalf of

Avesta Sheffield NAD, Incorporated
Avesta Sheffield AB

Barrie Cheetham, Executive Vice President, Sales and Marketing,
Avesta Sheffield AB

Michael Stateczny, Vice President, Sales and Marketing,
Plate Products Unit, Avesta Sheffield NAD, Incorporated

Anders Silfverlin, Director, Sales and Marketing, KBR Division,
Avesta Sheffield AB

**In Support of the Revocation of
the Finding/Order—Continued:**

Bruce Malashevich, President, Economic Consulting Services, Incorporated

Richard O. Cunningham)
Anthony J. LaRocca)—OF COUNSEL
Niklas Bjorqvist)

O'Donnell, Byrne & Williams
Chicago, IL
on behalf of

Böhler-Uddeholm
Uddeholm Tooling AB

Donald W. Ochitwa, Vice President, Operations

R. Kevin Williams—OF COUNSEL

CLOSING REMARKS

In Support of Continuation (**Jeffrey S. Beckington, Collier, Shannon, Rill
& Scott, PLLC**)

In Support of Revocation (**Richard O. Cunningham, Steptoe & Johnson LLP**)

APPENDIX C
SUMMARY DATA

Table C-1

Stainless steel plate: Summary data concerning the U.S. market, 1997-98

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period change=percent, except where noted)

Item	Reported data		Period change
	1997	1998	1997-98
U.S. consumption quantity:			
Amount	383,970	434,343	13.1
Producers' share (1)	68.1	54.0	-14.2
Importers' share (1):			
Sweden	***	***	***
Other sources	***	***	***
Total imports	31.9	46.0	14.2
U.S. consumption value:			
Amount	788,412	727,920	-7.7
Producers' share (1)	76.2	63.1	-13.1
Importers' share (1):			
Sweden	***	***	***
Other sources	***	***	***
Total imports	23.8	36.9	13.1
U.S. shipments of imports from:			
Sweden:			
Quantity	***	***	***
Value	***	***	***
Unit value	***	***	***
Ending inventory quantity	***	***	***
Other sources:			
Quantity	***	***	***
Value	***	***	***
Unit value	***	***	***
Ending inventory quantity	***	***	***
All sources:			
Quantity	122,339	199,962	63.4
Value	187,667	268,750	43.2
Unit value	\$1,533.99	\$1,344.00	-12.4
Ending inventory quantity	18,789	6,313	-66.4

Table continued on next page.

Table C-1--Continued

Stainless steel plate: Summary data concerning the U.S. market, 1997-98

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period change=percent, except where noted)

Item	Reported data		Period change
	1997	1998	1997-98
U.S. producers ¹ :			
Average capacity quantity	476,764	470,931	-1.2
Production quantity	310,906	243,188	-21.8
Capacity utilization (1)	65.1	51.6	-13.6
U.S. shipments:			
Quantity	261,631	234,381	-10.4
Value	600,745	459,170	-23.6
Unit value	\$2,296.15	\$1,959.08	-14.7
Export shipments:			
Quantity	24,614	20,264	-17.7
Value	51,456	35,959	-30.1
Unit value	\$2,090.52	\$1,774.53	-15.1
Ending inventory quantity	61,178	47,734	-22.0
Inventories/total shipments (1)	21.4	18.7	-2.6
Production workers	979	957	-2.2
Hours worked (1,000s)	2,104	1,960	-6.8
Wages paid (\$1,000s)	48,858	43,259	-11.5
Hourly wages	\$23.22	\$22.07	-5.0
Productivity (short tons per 1,000 hours)	147.6	123.9	-16.0
Unit labor costs	\$157.30	\$178.09	13.2
Net sales:			
Quantity	282,728	265,699	-6.0
Value	639,407	516,149	-19.3
Unit value	\$2,261.56	\$1,942.61	-14.1
Cost of goods sold (COGS)	570,904	467,055	-18.2
Gross profit or (loss)	68,503	49,094	-28.3
SG&A expenses	33,219	29,459	-11.3
Operating income or (loss)	35,284	19,635	-44.4
Capital expenditures	17,696	7,280	-58.9
Unit COGS	\$2,019.27	\$1,757.83	-12.9
Unit SG&A expenses	\$117.49	\$110.87	-5.6
Unit operating income or (loss)	\$124.80	\$73.90	-40.8
COGS/sales (1)	89.3	90.5	1.2
Operating income or (loss)/sales (1)	5.5	3.8	-1.7

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

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

Table C-2

HRAP stainless steel coiled (including cut-to-length) plate: Summary data concerning the U.S. market, 1997-98

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Table C-3

Cold-rolled stainless steel coiled (including cut-to-length) plate: Summary data concerning the U.S. market, 1997-98

* * * * *

Table C-4

HRAP stainless steel piece plate: Summary data concerning the U.S. market, 1997-98

* * * * *

Table C-5

Cold-rolled stainless steel piece plate: Summary data concerning the U.S. market, 1997-98

* * * * *

Table C-6

Stainless steel black coiled plate: Summary data concerning the U.S. market, 1997-98

* * * * *

Table C-7

Stainless steel HRAP and cold-rolled cut-to-length plate: Summary data concerning the U.S. market, 1997-98

* * * * *

APPENDIX D

**U.S. PRODUCERS', U.S. IMPORTERS', U.S. PURCHASERS', AND
FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF
THE ORDER AND THE LIKELY EFFECTS OF REVOCATION**

**U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDER AND THE
LIKELY EFFECTS OF REVOCATION**

**Anticipated Operational/Organizational Changes
If Order Were To Be Revoked (Question II-4)**

The Commission requested U.S. producers to describe any anticipated changes in the character of their operations or organization relating to the production of stainless steel plate in the future if the antidumping duty order on stainless steel plate from Sweden were to be revoked. Their responses are as follows:

Allegheny Ludlum Corp.

Armco, Inc.

Avesta Sheffield NAD, Inc.

Bethlehem Steel, Washington Operations

G.O. Carlson, Inc.

J&L Specialty Steel, Inc.

North American Stainless

Universal Stainless and Alloy Products, Inc.

**Significance of Existing Order
In Terms of Trade and Related Data (Question II-19)**

The Commission requested U.S. producers to describe the significance of the existing antidumping duty order covering imports of stainless steel plate from Sweden in terms of its effect on their firms' production capacity, production, U.S. shipments, inventories, purchases, and employment. Their responses are as follows:

Allegheny Ludlum Corp.

Armco, Inc.

Avesta Sheffield NAD, Inc.

Bethlehem Steel, Washington Operations

G.O. Carlson, Inc.

J&L Specialty Steel, Inc.

North American Stainless

Universal Stainless and Alloy Products, Inc.

**Anticipated Changes In Trade and Related Data
If Order Were To Be Revoked (Question II-20)**

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, or employment relating to the production of stainless steel plate in the future if the antidumping duty order on stainless steel plate from Sweden were to be revoked. Their responses are as follows:

Allegheny Ludlum Corp.

Armco, Inc.

Avesta Sheffield NAD, Inc.

Bethlehem Steel, Washington Operations

G.O. Carlson, Inc.

J&L Specialty Steel, Inc.

North American Stainless

Universal Stainless and Alloy Products, Inc.

**Significance of Existing Order
In Terms of Financial Data (Question III-8)**

The Commission asked U.S. producers to describe the significance of the existing antidumping duty order covering imports of stainless steel plate from Sweden in terms of its effect on their firms' revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. Their responses are as follows:

Allegheny Ludlum Corp.

Armco, Inc.

Avesta Sheffield NAD, Inc.

Bethlehem Steel, Washington Operations

G.O. Carlson, Inc.

J&L Specialty Steel, Inc.

North American Stainless

Universal Stainless and Alloy Products, Inc.

**Anticipated Changes in Financial Data
If Order Were To Be Revoked (Question III-9)**

The Commission asked U.S. producers to describe any anticipated changes in their revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of stainless steel plate in the future if the antidumping duty order on stainless steel plate from Sweden were to be revoked. Their responses are as follows:

Allegheny Ludlum Corp.

Armco, Inc.

Avesta Sheffield NAD, Inc.

Bethlehem Steel, Washington Operations

G.O. Carlson, Inc.

J&L Specialty Steel, Inc.

North American Stainless

Universal Stainless and Alloy Products, Inc.

**U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF THE ORDER AND THE
LIKELY EFFECTS OF REVOCATION**

**Anticipated Operational/Organizational Changes
If Order Were To Be Revoked (Question II-4)**

The Commission requested importers to describe any anticipated changes in the character of their operations or organization relating to the importation of stainless steel plate in the future if the antidumping duty order on stainless steel plate from Sweden were to be revoked. Their responses are as follows:

Avesta Sheffield NAD, Inc.

Bohler-Uddeholm Corp.

Atlas Stainless Steels

Creusot-Marrel, Inc.

Fabrique de Fer de Charleroi USA, Inc.

Krupp Hoesch Steel Products, Inc.

Newco Steel Trading, Inc.

Nissho Iwai American Corp.

North American Stainless

Pohang Steel America Co.

Trefil Arbed, Inc.

Uginox Sales Corp.

**Significance of Existing Order
In Terms of Trade and Related Data (Question II-23)**

The Commission requested importers to describe the significance of the existing antidumping duty order covering imports of stainless steel plate from Sweden in terms of its effect on their firms' imports, U.S. shipments of imports, and inventories. Their responses are as follows:

Avesta Sheffield NAD, Inc.

Bohler-Uddeholm Corp.

Atlas Stainless Steels

Creusot-Marrel, Inc.

Fabrique de Fer de Charleroi USA, Inc.

Krupp Hoesch Steel Products, Inc.

Newco Steel Trading, Inc.

Nissho Iwai American Corp.

North American Stainless

Pohang Steel America Co.

Trefil Arbed, Inc.

Uginox Sales Corp.

**Anticipated Changes In Trade and Related Data
If Order Were To Be Revoked (Question II-24)**

The Commission requested importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of stainless steel plate in the future if the antidumping duty order on stainless steel plate from Sweden were to be revoked. Their responses are as follows:

Avesta Sheffield NAD, Inc.

Bohler-Uddeholm Corp.

Atlas Stainless Steels

Creusot-Marrel, Inc.

Fabrique de Fer de Charleroi USA, Inc.

Krupp Hoesch Steel Products, Inc.

Newco Steel Trading, Inc.

Nissho Iwai American Corp.

North American Stainless

Pohang Steel America Co.

Trefil Arbed, Inc.

Uginox Sales Corp.

U.S. PURCHASERS' COMMENTS REGARDING THE LIKELY EFFECTS OF REVOCATION

**Effects of Revocation on Future Activities of the Firms
and the U.S. Market as a Whole (Question III-11)**

The Commission asked purchasers to comment on the likely effects of revocation of the antidumping duty order on (1) the future activities of their firms and (2) the U.S. market as a whole. Their responses are as follows:

Allied Metals, Inc.

- (1) ***
- (2) ***

A.M. Castle & Co.

- (1) ***
- (2) ***

Avesta Sheffield Pipe Co.

- (1) ***
- (2) ***

Damascus-Bishop Tube Co.

- (1) ***
- (2) ***

EMJ Co.

- (1) ***
- (2) ***

ESCO Corp.

- (1) ***
- (2) ***

First Metals, Inc.

- (1) ***
- (2) ***

Industrial Metals Inc./A Metals USA Co.

(1) ***
(2) ***

Metals & Services Co.

(1) ***
(2) ***

Mold Base Industries, Inc.

(1) ***
(2) ***

O'Neal Steel, Inc.

(1) ***
(2) ***

Reynolds Aluminum Supply Co.

(1) ***
(2) ***

Ryerson Tull

(1) ***
(2) ***

TW Metals, Inc.

(1) ***
(2) ***

University of California Lawrence Livermore National Lab

(1) ***
(2) ***

Vincent Metal Goods

(1) ***
(2) ***

**FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDER AND
THE LIKELY EFFECTS OF REVOCATION**

**Significance of Existing Order
In Terms of Trade and Related Data (Question II-15)**

The Commission requested foreign producers to describe the significance of the existing antidumping duty order covering imports of stainless steel plate from Sweden in terms of its effect on their firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses are as follows:

Avesta Sheffield AB

Uddeholm Tooling AB

**Anticipated Changes In Trade and Related Data
If Order Were To Be Revoked (Question II-16)**

The Commission requested foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of stainless steel plate in the future if the antidumping duty order on stainless steel plate from Sweden were to be revoked. Their responses are as follows:

Avesta Sheffield AB

Uddeholm Tooling AB

APPENDIX E

**APPARENT CONSUMPTION AND MARKET SHARE
DATA FOR 10 CATEGORIES OF STAINLESS STEEL PLATE**

Table E-1

Stainless steel plate: U.S. commercial shipments by producers and importers, and apparent U.S. consumption, by product, 1997-98

* * * * *

Table E-2

Stainless steel plate: U.S. market shares, by product, 1997-98

* * * * *

APPENDIX F

**MODEL RESULTS CONCERNING THE EFFECTS OF
CONTINUATION OR RECURRENCE OF DUMPING
ON THE U.S. STAINLESS STEEL PLATE INDUSTRY**

Table F-1
Model results concerning the effects of continuation or recurrence of dumping on the U.S. stainless steel plate industry

Scenario	#1	#2	#3	#4	#5	#6	#7	#8
Inputs:								
Substitution	3	3	3	3	5	5	5	5
Demand	-0.5	-0.5	-1.0	-1.0	-0.5	-0.5	-1.0	-1.0
Supply	5	10	5	10	5	10	5	10
Growth rate	0	0	0	0	0	0	0	0
Estimated impact:								
Domestic price	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Domestic quantity	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Domestic value	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Subject import price	-8.2	-8.2	-8.2	-8.2	-8.1	-8.1	-8.1	-8.1
Subject import quantity	29.0	29.0	29.0	29.0	52.1	52.1	52.1	52.1
Subject import value	18.4	18.4	18.5	18.5	39.7	39.8	39.8	39.9
Non-subject price	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
Non-subject quantity	-0.2	-0.1	-0.1	-0.1	-0.4	-0.3	-0.3	-0.3
Non-subject value	-0.2	-0.1	-0.1	-0.1	-0.4	-0.3	-0.3	-0.3