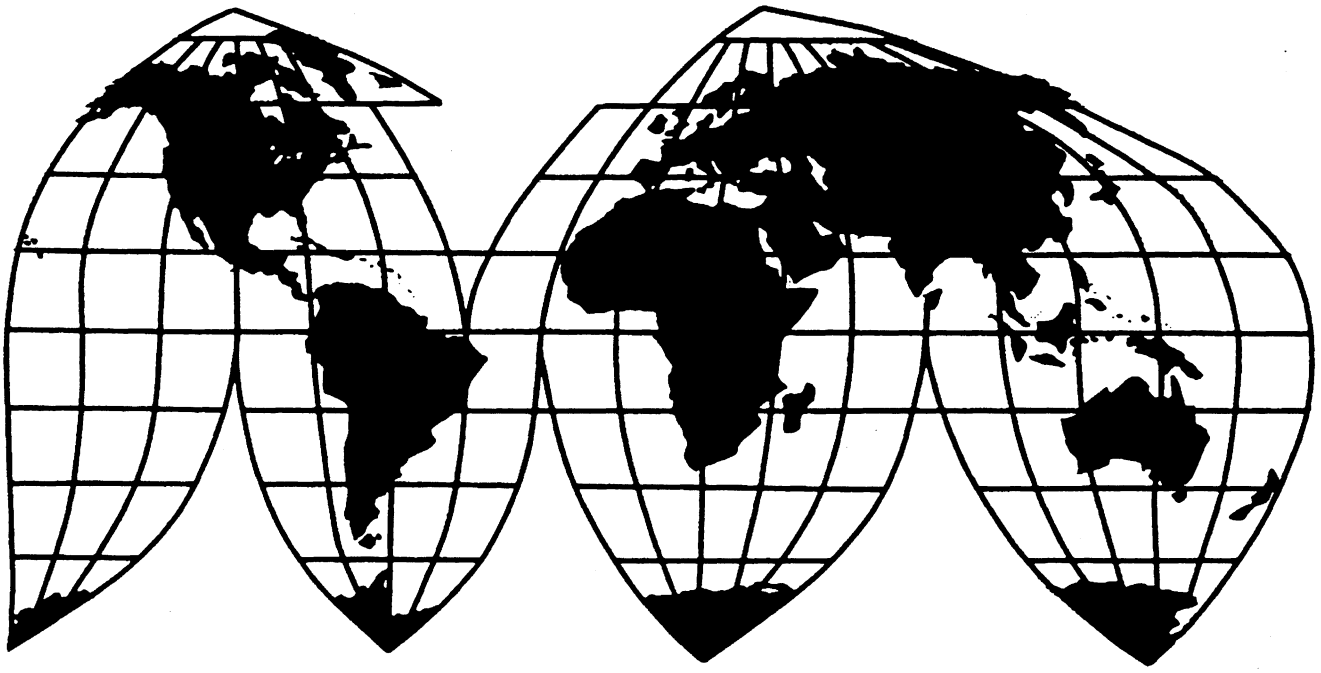
Stainless Steel Angle From Japan, Korea, and Spain

Investigations Nos. 731-TA-888-890 (Final)

Publication 3421 **May 2001**

U.S. International Trade Commission



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May 2001

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Note—Information that would reveal confidential operations of individual concerns may not be published and therefore have been deleted from this report.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

GLOSSARY OF ABBREVIATIONS

Aichi	Aichi Steel Corp.
AmeriSteel	AmeriSteel Corp.
AOD	Argon-oxygen decarburization
Bae Myung	Bae Myung Metal Co., Ltd.
C.i.f.	Cost, insurance, and freight
Commerce	U.S. Department of Commerce
Commission/USITC	U.S. International Trade Commission
COMPAS	Commercial Policy Analysis System
CVD	Countervailing duty
Daido	Daido Steel Co., Ltd.
Distributor Metals	Distributor Metals Corp.
Energy Steel	Energy Steel Products, Inc.
F.o.b.	Free on board
FR	*Federal Register*
HTS	Harmonized Tariff Schedule of the United States
KG Specialty	KG Specialty Steel, Inc.
LTFV	Less than fair value
McDonald	McDonald Steel Corp.
PRW	Production and related worker
R&D expenses	Research and development expenses
Roldan	Roldan, S.A.
SG&A expenses	Selling, general, and administrative expenses
SK Global	SK Global America, Inc.
Slater	Slater Steels Corp., Specialty Alloys Division
SSA	Stainless steel angle
Sumitomo	Sumitomo Metal Industries, Ltd.
USGS	U.S. Geological Survey

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-888–890 (Final)

STAINLESS STEEL ANGLE FROM JAPAN, KOREA, AND SPAIN

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from Japan, Korea, and Spain of stainless steel angle, provided for in subheading 7222.40.30 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

BACKGROUND

The Commission instituted these investigations effective August 18, 2000, following receipt of a petition filed with the Commission and Commerce by Slater Steels Corp., Specialty Alloys Division, Fort Wayne, IN, and the United Steelworkers of America, AFL-CIO/CLC, Pittsburgh, PA. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of stainless steel angle from Japan, Korea, and Spain were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of January 26, 2001 (66 F.R. 7942). The hearing was held in Washington, DC, on March 27, 2001, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

VIEWS OF THE COMMISSION

Based on the record in these final investigations, we determine that an industry in the United States is materially injured by reason of imports of hot-rolled stainless steel angle ("SSA") from Japan, Korea, and Spain that the U.S. Department of Commerce ("Commerce") has determined to be sold in the United States at less than fair value ("LTFV").

I. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. In General

To determine whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[1] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Act"), defines the relevant domestic industry as the "producers as a {w}hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[2] In turn, the Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[3]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[4] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[5] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[6] Although the Commission must accept the determination of Commerce as to the scope of the imported

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[1] 19 U.S.C. § 1677(4)(A).

[2] Id.

[3] 19 U.S.C. § 1677(10).

[4] See, e.g., NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749, n.3 (Ct Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and, where appropriate, (6) price. See Nippon, 19 CIT at 455 & n.4; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct Int'l Trade 1996).

[5] See, e.g., S. Rep. No. 96-249, at 90-91 (1979).

[6] Nippon Steel, 19 CIT at 455; Torrington, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249, at 90-91 (1979) (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

merchandise that has been found to be subsidized or sold at less than fair value, the Commission determines what domestic product is like the imported articles Commerce has identified.[7]

B. Product Description

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

> hot-rolled, whether or not annealed or descaled, stainless steel products of equal leg length angled at 90 degrees, that are not otherwise advanced. The stainless steel angle subject to these investigations is currently classifiable under subheadings 7222.40.30.20 and 7222.40.30.60 of the Harmonized Tariff Schedules of the United States (HTSUS). Specifically excluded from the scope of these investigations is stainless steel angle of unequal leg length. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these investigations is dispositive.[8] [9]

Accordingly, the specialty steel product subject to these investigations is hot-rolled stainless steel angle of equal leg length.[10] Angle may also be manufactured with the sides of the angle or "legs" of equal or unequal length, and it can be formed by extrusion as well as hot-rolling.[11] Stainless steel angle generally is used in industrial applications to provide structural support where resistance to heat or

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[7] Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (Commission may find single like product corresponding to several different classes or kinds defined by Commerce); Torrington, 747 F. Supp. at 748-52 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

[8] Notice of Final Determinations of Sales at Less Than Fair Value: Stainless Steel Angle From Japan, Korea and Spain, 66 Fed. Reg. 16175 (March 23, 2001).

[9] Commissioners Miller and Hillman question petitioners' including within the scope of their petition SSA in sizes less than 1-inch and greater than 3- to 6-inches, despite the fact that petitioners have not produced such sizes. They note that ***, ***, and *** percent of subject imports from Japan, Korea, and Spain, respectively, were in sizes not produced in the United States in 2000, and thus, do not compete with domestically produced SSA. CR at II-17, PR at II-10. While petitioners assert in response to questions regarding the overly-broad scope, that larger SSA sizes could be substituted for sizes produced by petitioners, there is no record evidence that such substitution has occurred or is likely to occur given the significant differences in price for SSA between 1- and 3-inches and larger-sized SSA. Petitioners further contend that Slater could produce 4-inch SSA on existing equipment with minimal investment; that 4- to 5-inch SSA would require only a *** investment; and that AmeriSteel *** Petitioners' Prehearing Br. at 15-16, citing Petitioners' Postconference Brief at Exhibit 1, Attachment 3; Hearing Transcript ("Hearing Tr.") at 49 (Schram). We do not find these arguments compelling. Given petitioners' considerable excess capacity in 2000 and expected stable demand in the SSA market, the necessary capital investment and time required for petitioners to produce meaningful commercial quantities of larger-sized SSA, particularly between 4-inches and 6-inches seems unlikely. Moreover, AmeriSteel reported *** Petitioners' Posthearing Brief at 6-8; Response to Questions from Commissioners Miller (Hearing Tr. at 47-53, Schram) and Hillman (Hearing Tr. at 54-55, Schram); Petitioners' Posthearing Br. at Exhibit 1, pp. 1-2, CR at III-1, n.1, PR at III-1, n.1, citing a Staff Memorandum to the Commission (March 27, 2001).

[10] Petition at 4.

[11] Preliminary Conference Tr. ("Conf. Tr.") at 19; CR at I-3, PR at I-3.

corrosion is necessary, or where a sanitary environment must be maintained.[12] It may be included as a support or brace in constructing stainless steel tanks or other containers used in the chemical, pharmaceutical, paper, food processing, and dairy industries. Although SSA may be produced through either hot-rolling or extrusion,[13] and with the sides of the angle or "legs" of equal or unequal length,[14] the imported merchandise subject to these investigations consists only of hot-rolled stainless steel angle of equal leg length.

C. Domestic Like Product

In the preliminary phase of these investigations the Commission found a single domestic like product consisting of hot-rolled stainless steel angle of equal leg length,[15] just as it did in the 1994-95 antidumping investigation of stainless steel angle from Japan.[16] [17] No party has challenged the Commission's domestic like product determination in the final phase of these investigations and no new evidence has been obtained that would call into question the Commission's reasoning in the preliminary determinations.

We therefore adopt the Commission's reasoning in the preliminary phase that extruded SSA, including that with unequal leg length, is not part of the domestic like product. The record indicates that extruded SSA is used in similar applications as hot-rolled SSA and provides equipment designers with a greater range of angle choices for their designs. Nonetheless, the extruded angle is significantly more expensive than hot-rolled SSA.[18] While applications for extruded SSA are similar to those for hot-rolled SSA, customers normally purchase extruded angle only to obtain sizes, shapes (*i.e.*, angle of unequal length), grades, or dimensions not readily available in the hot-rolled product.[19] U.S. SSA manufacturers who produce the extruded product do not produce the hot-rolled product, and the sole domestic producer

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[12] CR at I-3, PR at I-3.

[13] Conf. Tr. at 19, CR at I-3, PR at I-3.

[14] Id.

[15] Stainless Steel Angle from Japan, Korea and Spain, Invs. Nos. 731-TA-888-890 (Preliminary), USITC Pub. 3356 at 5 (October 2000).

[16] See Stainless Steel Angle from Japan, Inv. No. 731-TA-699 (Preliminary), USITC Pub. 2777 at I-6, n.18 (May 1994); Stainless Steel Angle from Japan, Inv. No. 731-TA-699 (Final), USITC Pub. 2887, at I-6 (May 1995). In this previous antidumping investigation of SSA from Japan, the Commission considered whether to include extruded SSA—which was outside the scope of that investigation, as it is outside the scope of the current investigations—in the domestic like product. It concluded not to do so based on differences in price and the ways in which hot-rolled and extruded angle are produced. The final determination simply adopted the reasoning of the preliminary determination with respect to the like product.

[17] While Commerce determined in the 1994-95 investigation that stainless steel angle from Japan was being sold at LTFV, the Commission determined that the industry in the United States producing stainless steel angle was not materially injured, or threatened with material injury, by reason of imports of stainless steel angle from Japan. Stainless Steel Angle from Japan, Inv. No. 731-TA-699 (Final), USITC Pub. 2887, at I-5-6 (May 1995).

[18] Preliminary Confidential Report ("Prelim. CR") at I-8, n.28, Preliminary Public Report ("Prelim. PR") at I-5, n.28.

[19] Prelim. CR at I-4 and I-7, Prelim. PR at I-4-5. All SSA of unequal leg length produced in the United States is extruded. Prelim. CR at I-6, Prelim. PR at I-4. U.S. producers of extruded SSA include PMAC, Ltd., Beaver Falls, PA, and Plymouth Tube Co., Hopkinsville, KY. Prelim. CR I-6, n.22, Prelim. PR at I-4, n.22. The production of extruded SSA constitutes less than five percent of all SSA produced in the United States. Conf. Tr. at 35.

of the hot-rolled product during the period of investigation, *i.e.,* Slater Steels Corp., Specialty Alloys Division ("Slater"), does not manufacture extruded angle.[20] In light of the differences in producers' and end users' perceptions, limited interchangeability, and differences in price and manufacturing processes, we do not include extruded angle in the domestic like product.

We again determine that, on the whole, all grades of hot-rolled SSA share similar physical characteristics, are generally used in similar applications (*i.e.*, they are used in industrial applications to provide structural support in particular circumstances), are produced in the same production facilities, and are sold in somewhat similar channels of distribution.[21] Consequently, we find, as in the Commission's preliminary determinations, that the domestic like product is all grades of hot-rolled SSA of equal leg length commensurate with Commerce's definition of the scope of these investigations.[22]

D. Domestic Industry

Section 771(4) of the Act defines the relevant industry as "the producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes the major proportion of that product."[23] In defining the domestic industry, the Commission's general practice has been to include in the industry all of the domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[24] Based on our definition of the like product, we find that the domestic industry consists of the sole U.S. producer of hot-rolled stainless steel angle, Slater.[25]

II. CUMULATION[26]

A. In General

For purposes of evaluating the volume and price effects for a determination of material injury by reason of the subject imports, section 771(7)(G)(i) of the Act requires the Commission to assess cumulatively the volume and effect of imports of the subject merchandise from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports

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[20] Prelim. CR at I-6, Prelim. PR at I-4.

[21] CR at I-3-4, PR at I-3-4.

[22] As previously stated, although included in the scope, SSA in sizes under one inch and greater than three inches is not produced domestically. We find that the domestic product which is "most similar" to the subject angle, including angle not produced in the United States, is hot-rolled SSA.

[23] 19 U.S.C. § 1677(4)(A).

[24] See United States Steel Group v. United States, 873 F. Supp. 673, 681-84 (CIT 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

[25] See n.52, infra, regarding another possible U.S. producer. There are no related party issues in these investigations. Slater *** subject product during the period examined and is not related to any firm, either domestic or foreign, engaged in producing SSA, importing SSA from any subject country into the United States, or exporting SSA from any of the subject countries to the United States. CR at III-1, PR at III-1.

[26] Commissioner Bragg finds that the record indicates that import quantities for each of the three subject countries exceeded the 3 percent statutory negligibility threshold during the pertinent period. Table IV-2, CR at IV-4-5, PR at IV-2-3. Accordingly, she finds that the subject imports from each country are not negligible.

compete with each other and with domestic like products in the U.S. market.[27] In assessing whether subject imports compete with each other and with the domestic like product,[28] the Commission has generally considered four factors, including:

(1) the degree of fungibility between the subject imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
(4) whether the subject imports are simultaneously present in the market.[29]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[30] Only a "reasonable overlap" of competition is required.[31]

B. Analysis

We cumulate the subject imports from Japan, Korea, and Spain for purposes of our analysis of present material injury. The petitions in these investigations were filed on the same day. Based on the record in these final investigations, we find that there is a reasonable overlap of competition among imports from each of the subject countries and between subject imports and the domestic like product.

First, as we did in the preliminary investigations, we find there is a reasonable degree of fungibility between the subject imports and the domestic like product.[32] Although Slater does not manufacture SSA in all sizes produced in the subject countries and exported to the United States, the record indicates that a substantial share of the imports from each subject country, in the range of *** to

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[27] 19 U.S.C. § 1677(7)(G)(i).

[28] The Uruguay Round Agreements Act (URAA) Statement of Administrative Action ("SAA") expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." SAA, H.R. Rep. 316, 103d Cong., 2d Sess. at 848 (1994), citing, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

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

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

[31] See Goss Graphic System, Inc. v. United States, 33 F. Supp.2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); Wieland Werke, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[32] Stainless Steel Angle from Japan, Korea and Spain, Invs. Nos. 731-TA-888-890 (Preliminary), USITC Pub. 3356 at 7 (October 2000).

*** percent, consists of angle in sizes produced by Slater.[33] In addition, all SSA is produced in compliance with standard industry specifications with which all producers conform.[34] Moreover, Slater and most importers stated that they consider the domestically produced product and imported SSA to be *** interchangeable, regardless of country of origin.[35]

Second, no party disputed that there is a geographical overlap in sales of the subject imports and the domestically produced product. SSA produced by Slater is shipped throughout the United States,[36] while imported angle from the subject countries serves the entire U.S. market.[37] Accordingly, we find that there is a geographic overlap in sales among the subject imports and the domestic like product.

Third, both domestically produced angle and subject imports from Japan, Korea, and Spain were present in the United States throughout the period of investigation.[38]

Finally, we indicated in our preliminary determinations that we intended to explore further in any final phase investigations the overlap of competition between the subject and domestic merchandise, given apparent differences in the distribution patterns between the foreign and domestic product.[39]

As to competition among the subject imports, virtually all are sold first to master distributors. Specifically, while U.S.-produced SSA is primarily sold by Slater directly to service centers,[40] approximately *** percent of subject imports is sold to master distributors (either by U.S. importers or trading companies) before being sold to service centers.[41] Further along the distribution chain, both the

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[33] As previously stated, foreign producer questionnaire responses submitted in these final investigations indicate that the ratio of their shipments in size specifications not produced by Slater in 2000 was approximately *** percent, *** percent, and *** percent of total shipments from Japan, Korea and Spain, respectively, with most in the larger-sized dimensions. CR at II-17, PR at II-10. However, petitioners contend that there is some overlap in competition between subject imports and the domestic like product regarding SSA in sizes not produced by Slater. Hearing Tr. at 49 (Schram). In addition, the ratio of shipments from the subject producers in specifications produced by Slater totaled *** percent, *** percent, and *** percent, respectively.

[34] Prelim. CR at I-6, Prelim. PR at I-4.

[35] CR at II-12, PR at II-7.

[36] CR at V-8, PR at V-6.

[37] Id.

[38] Table IV-3, CR at IV-6, PR at IV-3. See also Table V-2, CR at V-13, PR at V-9 (indicating pricing data for product 2 for the domestic like product and subject imports are available for every quarter in the period of investigation).

[39] Stainless Steel Angle from Japan, Korea and Spain, Invs. Nos. 731-TA-888-890 (Preliminary), USITC Pub. 3356 at 8 (October 2000) ("[a]ll domestically produced hot-rolled SSA is sold by Slater directly to service centers, while the large majority of subject imports is also sold to service centers, either directly or indirectly through master distributors (U.S. mill depots). Nonetheless, the record indicates that the bulk of subject imports is first sold to master distributors before being sold to service centers, while no domestic merchandise is sold to these customers before being sold to service centers. We intend to explore further in any final phase investigations the extent of competition between the subject and domestic merchandise given this difference in distribution patterns.").

[40] Although Slater claims it attempts to sell to master distributors as well as service centers and now sells to such master distributors as Energy Steel and Distributor Metals, respondents allege Slater historically has never done so. CR at II-7, PR at II-4. Joint Respondents' Posthearing Br. at 17-18; Hearing Tr. at 193-94 (Pierce). Two *** master distributors reported that ***. CR at II-7, PR at II-4.

[41] CR at II-1-2, PR at II-1.

domestic product and subject imports are also distributed through regional and/or smaller distributors.[42] Consequently, all domestically produced SSA and a significant share of imports are distributed to service centers (either directly or through master distributors). The master distributor may sell SSA to the service centers, or it may break up the bundles purchased from the importers and sell to smaller or regional distributors, but neither Slater nor the master distributor sells directly to end users.[43]

The record of these final investigations indicates that while both domestic and subject merchandise may enter the distribution chain at different points, the national and regional service centers sell both the domestic and subject product to SSA end users. The fact that most of the subject imports are distributed through an intermediary (the master distributor) not used or infrequently used by Slater does not necessarily support a finding of no reasonable overlap of competition between the domestic like product and subject imports. Where, in previous instances, the Commission has declined to cumulate based on a lack of overlap of competition due to differences in channels of distribution, subject imports from different countries have typically been destined for distinct end users in different markets.[44] Those circumstances do not exist in this case.

On balance, we find that there is a reasonable overlap of competition among the subject merchandise from Japan, Korea, and Spain, and between subject imports and the domestic product. Consequently, we cumulate subject imports from Japan, Korea, and Spain for purposes of our final determinations.

III. MATERIAL INJURY BY REASON OF LTFV IMPORTS

In the final phase of antidumping duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the imports under investigation.[45] In making this determination, the Commission must consider the volume of imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but

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[42] See Figure II-3, CR at II-1-2, PR at II-1.

[43] See Figure II-3, CR at II-1-5, PR at II-1-2.

[44] In Certain Preserved Mushrooms from Chile, Inv. No. 731-TA-776 (Final), USITC Pub. 3144 at 13-15 (Nov. 1998), the Commission did not cumulate subject imports from Chile with subject imports from Indonesia because the overwhelming majority of the Indonesian product entered the retail channel of distribution, where there was very small Chilean presence. Conversely, virtually all the Chilean product was distributed in industrial or food service channels, where there was no or minimal participation by subject imports from Indonesia. No purchaser purchased both Chilean and Indonesian product. Similarly, in Ferrosilicon from Egypt, Inv. No. 731-TA-642 (Final), USITC Pub. 2688 at I-16-21 (Oct. 1993), the Commission did not cumulate subject imports from Brazil and Egypt, where the off-specification Egyptian product was shipped to processors who blended it into a commercially viable product, while the Brazilian and domestically produced product were sold directly to end users.

In another case where the Commission declined to cumulate based in part on lack of overlap of channels of distribution, the imports were destined for the same end-use markets but were imported at different stages of development. The Commission found this distinction to be probative of 1) limited fungibility between imports from the subject countries; and 2) differences in channels of distribution. See Live Cattle from Canada and Mexico, Invs. Nos. 701-TA-386, 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 12-15 (Feb. 1999) (Commission also cited lack of geographic overlap as an additional ground for not cumulating). By contrast, no party here contends that respondents' use of master distributors affects the fungibility of the subject imports with the domestic like product.

[45] 19 U.S.C. § 1673d(b).

only in the context of U.S. production operations.[46] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[47] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[48] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[49]

For the reasons discussed below, we determine that the domestic industry is materially injured by reason of subject imports from Japan, Korea, and Spain that are sold in the United States at less than fair value.

A. Conditions of Competition

We find several conditions of competition relevant to our analysis in these investigations. First, demand for SSA is derived from conditions in the industries in which angle is used.[50] U.S. apparent consumption of SSA fluctuated during the period of investigation, increasing *** percent between 1998 and 2000, and falling between 1999 and 2000.[51]

Second, as previously stated, Slater currently is the only U.S. producer of hot-rolled SSA for commercial sale.[52] Slater's share of the domestic market declined by *** percentage points from 1998 to 2000, while the U.S. market share of subject imports increased by *** percentage points and the U.S. market share of nonsubject imports decreased by *** percentage points during the same period.[53] Slater supplied *** percent of the U.S. market in 1998, compared with *** percent of the market in 1999, and

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[46] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each [such] factor . . . [a]nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B). See also, Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[47] 19 U.S.C. § 1677(7)(A).

[48] 19 U.S.C. § 1677(7)(C)(iii).

[49] Id.

[50] SSA is most often used as a support or brace in the construction of stainless steel structures, such as tanks, pipelines, and as vats for the food, beverage, and chemical processing industries. These uses have not changed in recent years, and no firm reported any change over the period of investigation, although there are indications that, in the short term, demand for SSA may be influenced by fluctuations in the prices of such raw materials as nickel, which is a primary component in the production of stainless steel angle. CR at II-10, PR at II-6.

[51] U.S. apparent consumption of SSA increased from *** pounds in 1998 to *** pounds in 1999, and then fell to *** pounds in 2000. Table IV-4, CR at IV-7, PR at IV-4. CR at II-10, n.14, PR at II-6, n.14. Although purchasers indicated there had been no fluctuations in overall consumption of SSA over the period of investigation, there was an increase in (annual) apparent consumption of SSA of *** percent from 1998 to 1999 and of *** percent over the whole period of investigation.

[52] Slater was the sole U.S. SSA producer during the period of investigation. However, at the Commission's hearing on March 27, 2001, Slater's Vice President of Sales and Marketing testified on behalf of petitioners that another U.S. company, AmeriSteel, had begun offering SSA for sale in the United States. See Hearing Tr. at 14. In response to an inquiry by Commission staff, AmeriSteel CEO and President Philip Casey advised that ***. CR at III-1 n.1, PR at III-1, n.1, citing a Staff Memorandum to the Commission (March 27, 2001).

[53] Table IV-4, CR at IV-7, PR at IV-4.

*** percent in 2000.[54] Slater has reported that its annual capacity to produce SSA was *** pounds throughout the period of investigation,[55] which is substantially less than the overall level of consumption in the U.S. market, which ranged from *** to *** pounds between 1998 and 2000.[56] Additionally, Slater does not produce SSA in sizes over three inches or under one inch; consequently, purchasers who require such sizes currently must purchase imports.[57]

Slater has acquired the stainless steel operations of the Canadian firm Atlas and reports that it closed its stainless melt and ingot production shop at Fort Wayne, Indiana in April.[58] [59] Slater also experienced some production and operations difficulties during the period of investigation. Slater implemented a management restructuring program that involved the recruitment of new executives and the replacement of key managers in 1998,[60] but experienced a labor strike from May 17 to June 23, 1999.[61]

Third, the record in these final investigations indicates that SSA is a commodity-type product, sold only in a few grades (primarily 304 and 316) and dimensions.[62] Consequently, within the dimensions produced by Slater, there is a relatively high degree of substitutability between imported and domestically produced SSA, making price a key factor in purchasing decisions.[63]

Fourth, the prices of both the subject imports and the domestic like product are affected by the cost of raw materials, including scrap and nickel, which are the principal inputs in the production of SSA.[64] The price of scrap and nickel fluctuated sharply during the period of investigation.[65]

Fifth, as stated previously in our discussion of cumulation, national and regional service centers sell both the domestic and subject product to SSA end users through channels that differ at a few points in the distribution chain but are the same at others.[66]

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[54] Table IV-4, CR at IV-7, PR at IV-4.

[55] Table III-1, CR at III-2, PR at III-2.

[56] Table IV-4, CR at IV-7, PR at IV-4. Compare Table III-1, CR at III-2, PR at III-2, with Table IV-4, CR at IV-7, PR at IV-4.

[57] CR at II-17, PR at II-10.

[58] Slater indicates it will supply its Fort Wayne SSA facility with billets from the Welland, Ontario production facility of Atlas Specialty Steels. CR at I-5, PR at I-4.

[59] In a press release dated March 28, 2001, Slater announced it was closing its Fort Wayne melting facilities permanently as of April 12, 2001. CR at I-5, PR at I-4.

[60] Prelim. CR at VI-4, Prelim. PR at VI-2.

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

[62] The vast majority of stainless steel angle is produced in grades 304 and 304L, which contain minimums of 8 percent nickel and 18 percent chromium, by weight, and grades 316 and 316L, which contain minimums of 10 percent nickel, 16 percent chromium, and 2 percent molybdenum, by weight. 304L and 316L are low carbon grades that are used in particular welding applications, as well as in nearly all other standard applications (*i.e.*, dual-use certified). Slater produces and stocks SSA in grade 304 in 18 standard sizes, and also stocks grades 304L and 316L in a lesser number of sizes. CR at I-3, n.5, PR at I-3, n.5. Hearing Tr. at 19 (Anderson).

[63] CR at II-12-14, PR at II-12-14; Table II-3, CR at II-14, PR at II-14.

[64] CR at I-5, PR at I-4; Hearing Tr. at 210-11 (Hartquist); 129-134 (Button).

[65] Figure V-1, CR at V-2, PR at V-2.

[66] CR at II-18, PR at II-1-4.

Sixth, both U.S. and foreign producers manufacture stainless steel bar at the same facilities at which they produce SSA, and they have the ability to switch production from bar to angle should market conditions warrant.[67]

Finally, as we found in the preliminary investigations, nonsubject imports—primarily from Italy—were a small and stable presence in the U.S. market during the period of investigation, with market penetration considerably lower than that of either domestic production or cumulated subject imports.[68]

B. Volume of Subject Imports

Section 771(7)(C)(i) of the Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[69]

The volume of the cumulated subject imports increased in terms of both quantity and market share over the period of investigation.[70] Cumulated subject imports increased from *** million pounds in 1998 to *** million pounds in 2000.[71] Market share data reflect similar trends. Measured by quantity, the market penetration of cumulated subject import shipments increased from *** percent in 1998 to *** percent in 2000.[72]

The increase in market share captured by cumulated subject imports was accompanied by a decrease in the domestic industry's market share. The domestic industry's share of U.S. apparent consumption, measured by quantity, decreased from *** percent in 1998 to *** percent in 1999, and then fell further to *** percent in 2000.[73]

We note that the volume and market share of subject imports increased substantially even when measured only in sizes of SSA produced by Slater.[74] For purposes of these final determinations, we determine that subject import volume, both in absolute terms and relative to consumption in the United States, is significant.

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[67] CR at I-4-5, VII-1-7, PR at I-3, VII-1-4.

[68] Nonsubject imports' market share, based on quantity of U.S. shipments, increased from *** percent in 1998, to *** percent in 1999, then declined to *** percent in 2000. Table IV-4, CR at IV-7, PR at IV-4.

[69] 19 U.S.C. § 1677(7)(C)(i).

[70] CR at IV-1-7, PR at IV-1-4, Table IV-4, CR at IV-7, PR at IV-4.

[71] Table IV-2, CR at IV-4-5, PR at IV-2-3.

[72] Table IV-4, CR at IV-7, PR at IV-4.

[73] Id.

[74] As noted previously, a range of between *** and *** percent of subject imports are in size specifications not produced by Slater. CR at II-17, PR at II-10. The quantity of cumulated subject imports in sizes produced by Slater increased from approximately *** million pounds in 1998 to *** million pounds in 2000, and market share, by volume, increased from *** percent in 1998 to *** percent in 2000, as Slater's market share decreased from *** percent to *** percent. Supplemental Tables IV-3a and IV-4a, compiled from data submitted in response to Commission questionnaires.

C. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether –

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

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[75]

As noted, the record in these final investigations indicates that SSA is a commodity-type product, and that the domestic like product and the subject imports are *** substitutable.[76] Moreover, the record suggests that price is an important factor in purchasing decisions.[77] We find that the prices of both the subject imports and the domestic like product declined overall during the period of investigation.[78]

During these final phase investigations, the Commission gathered extensive pricing data and, using that data, compared prices of the domestic and subject product at all relevant levels of distribution. Specifically, the Commission compared: 1) sales to first unaffiliated purchasers; 2) sales by Slater and trading companies directly to service centers; and 3) other sales to service centers, including sales through master distributors (both importing and non-importing) and/or trading companies.

1. Sales to First Unaffiliated Purchasers

The Commission first employed its traditional method of making price comparisons by requesting that U.S. producers and importers provide quarterly data for the total quantity and value of SSA sold to their first unaffiliated customers in the United States. In making this comparison, the Commission sought pricing comparison data specifically on: (1) first unaffiliated sales by Slater and importers to all customers (including sales from importers to master distributors); and (2) first unaffiliated sales by Slater and importers directly to steel service centers (not through the master distributors).[79] As indicated above, the vast majority, *** percent, of importers' first unaffiliated sales in the United States were to master distributors (also known as U.S. mill depots), and all of Slater's first unaffiliated sales were to national steel service centers.[80] Firms were requested to provide pricing data for four products, regardless of whether they sold high or low carbon versions of the products, or

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[75] 19 U.S.C. § 1677(7)(C)(ii).

[76] CR at II-12, PR at II-7.

[77] CR at II-13, PR at II-7.

[78] CR at V-25, PR at V-10; Tables G-1-8, CR at G-7-14, PR at G-5-6.

[79] Slater's data were entirely within this latter category of sales. CR at V-11, n.15, PR at V-8, n.15. See Tables V-1-V-4, CR at V-12-15, PR at V-9.

[80] Data on first unaffiliated sales to service centers by importers of the four products chosen for purposes of making pricing comparisons accounted for *** percent, *** percent, and *** percent, respectively, of shipments of imports from Japan, Korea, and Spain during the period. CR at V-11, n.13, PR at V-8, n.13.

versions certified as dual use.[81] The data were requested only for sales of full bundles,[82] since it was acknowledged that most SSA is sold in standard bundle sizes of 2,000 pounds, and it would be infeasible to attempt to relate pricing differences to bundle size differences.[83]

Slater and ten importers provided usable pricing data on their first unaffiliated sales, but not all firms reported pricing for all products for all quarters.[84] These pricing data reflected significant underselling by subject imports. First unaffiliated sales to all customers (*i.e.*, sales from Slater to service centers, and sales by importers/trading companies to master distributors *and* service centers) showed that subject imports undersold the domestic like product in 98 of 137 possible quarterly pricing comparisons.[85] First unaffiliated sales by importers/trading companies *directly* to service centers also undersold the domestic like product in 63 of 130 possible quarterly pricing comparisons.[86]

2. Direct Sales to Service Centers By Slater and Trading Companies

Throughout these investigations, respondents argued that comparing Slater's prices to national service centers with importers' sales to their first unaffiliated customers in the United States (primarily master distributors) was inappropriate, because the comparison did not take into account the value-added or "mark-up" by master distributors who provided certain services when selling SSA to service centers and regional and smaller distributors.[87] Respondents claimed that these services were not provided by Slater, and that adding a markup equivalent to the value of these added services would result in the price of the subject product's overselling, rather than underselling, the domestic product.[88]

In light of respondents' position, the Commission also compared the prices of domestic product and imported product sold by Slater and trading companies directly to service centers (*i.e.*, bypassing master distributors entirely). While these data represent a relatively small percentage of the total shipments of subject imports from Japan, Korea, and Spain, we believe this comparison, as well as our traditional comparison of first unaffiliated sales, is the most appropriate in examining price differences

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[81] CR at V-10, PR at V-7. See n.62, supra.

[82] CR at V-10, n.11, PR at V-7, n.11.

[83] CR at V-11, n.12, PR at V-8, n.12. ***, and respondents agreed that the most appropriate bundle size for purposes of making price comparisons were "full bundles," averaging about 2,000 pounds. CR at V-11, n.12, PR at V-8, n.12. Hearing Tr. at 174-175 (Pierce).

[84] CR at V-11, PR at V-8.

[85] Tables V-7-V-10, CR at V-17-20, PR at V-9-10. Underselling margins ranged from *** to *** percent, averaging *** percent.

[86] Tables V-7-V-10, CR at V-17-20, PR at V-9-10. Underselling margins ranged from *** to *** percent, averaging *** percent.

[87] Master distributors provide services to customers that are otherwise not provided if the same customers were to purchase product directly from trading companies. These services include the rapid delivery of the product from the master distributor's inventory; breaking "full" bundles for sale into smaller amounts; and cutting and/or grinding the SSA. The Commission requested information from master distributors with respect to the amount of value-added for such services. However, information received with respect to the value-added varied widely. For example, master distributors reported margins in their sales to national service centers of *** percent in 1998, *** percent in 1999, and *** percent in 2000. Margins in sales to regional service centers were generally reported to be approximately 1 to 3 percentage points higher than the corresponding margins in sales to national service centers. CR at II-2, n.4, PR at II-1, n.4.

[88] Conf. Tr. at 53; Hearing Tr. at 158-159 (Pierce).

between domestically produced SSA and the imported product. Subject import shipments from trading companies directly to service centers are the only ones in which the subject material is shipped directly from the foreign producers to service centers in the same way that domestic product is shipped from the domestic producer to service centers. A comparison of these data shows 53 instances of underselling out of a total of 76 possible quarterly pricing comparisons.[89]

3. Other Sales to Service Centers

Finally, the Commission also requested purchase and price data from U.S. purchasers of SSA (*i.e.*, the prices of SSA sold by Slater and the master distributors to the service centers). However, data obtained in response to these purchaser questionnaires were sparse. Consequently, the Commission issued a post-hearing supplemental questionnaire to master distributors specifically to obtain additional pricing data that would permit pricing comparisons between the domestic and imported product sold to service centers. These data, combined with previously obtained questionnaire data, covered all sales to service centers, whether made directly by Slater, or indirectly through a trading company, an importing master distributor, or a non-importing master distributor. In quantity terms, the majority of these data for imports represented master distributor's sales of product previously purchased from trading companies.[90] These data indicated that the prices of sales to service centers of subject product were often somewhat higher than Slater's prices to the service centers.[91] Specifically, these data revealed 37 instances of underselling out of a total of 135 possible quarterly comparisons.[92] However, we did not rely on these price comparisons for our underselling analysis because the higher prices may be attributable to the additional product working (*i.e.*, value-added) performed by master distributors not performed by Slater,[93] the value of which we were unable to quantify with any degree of certainty;[94]and the fact that U.S. sales were made to much larger customers than were subject import sales.[95]

In light of the instances of underselling noted above in comparing, in particular, (1) Slater's sales to service centers with importers' sales to their first unaffiliated customers; and (2) Slater's sales to service centers with subject sales made by trading companies directly to service centers, we conclude for purposes of these final determinations that the underselling is significant.[96]

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[89] Tables G-5-G-8, CR at G-11-14, PR at G-6. Underselling margins ranged from *** to *** percent, averaging *** percent.

[90] CR at G-5, PR at G-5.

[91] Id.

[92] Tables G-1-G-4, CR at G-5-10, PR at G-5-6. Underselling margins ranged from *** to *** percent, averaging *** percent.

[93] CR at G-4, PR at G-4.

[94] See n.87, supra, and Hearing Tr. 102 (Neil); 120 (Hunter).

[95] CR at G-4, PR at G-4. Slater sells primarily to relatively large national service centers in bundles of roughly 2,000 pounds, whereas master distributors generally sell to smaller and regional distributors. CR at II-1-2, PR at II-1-2.

[96] While we do not typically rely on average unit values ("AUVs"), we note that the subject product's AUVs were lower than those of the domestic product during the last two years of the period of investigation. CR at C-3-4, PR at C-3. There is no evidence that the product mix of either the subject imports or Slater's product changed over the period of investigation. Indeed, subject import AUVs were lower than Slater's AUVs, even though

(continued...)

In addition to underselling, substantial record evidence indicates that the subject imports suppressed domestic prices. Specifically, the absolute size of the increase in the cost of raw materials, beginning in late 1998, was significantly larger than the increase in domestic SSA prices.[97]

Respondents have argued that SSA prices did not increase as immediately or as sharply as nickel prices because changes in raw material costs such as nickel and stainless steel scrap have a "lagged effect" on angle prices.[98] They asserted that foreign suppliers reported a lag of *** months between changes in nickel costs and changes in angle prices, while purchasers reported a lag of between *** months.[99] They stated that, in contrast, Slater's purchasers reported the time in which angle prices changed in response to changes in nickel costs was shorter due to Slater's *** shorter lead times. Consequently, respondents claimed, Slater's customers would see a price increase on angle delivered within *** days, while master distributors selling subject merchandise would not see a price increase attributable to higher raw material costs until *** months later.[100]

However, our examination of both SSA and raw material prices in 1997, a full year prior to the period examined for purposes of this investigation, indicates that SSA prices tracked raw material costs closely.[101] Then, in 1999, when subject imports were increasing in volume in the U.S. market, SSA prices increased only modestly.[102] Thus, while subject import prices that were lagged three months correlated highly with raw material prices prior to 1998, they correlated very poorly with raw material prices thereafter.[103]

Since Slater was the sole domestic producer of SSA during the period of investigation, and non-subject imports maintained a small and stable presence in the U.S. market throughout the period of investigation, we attribute the failure of domestic prices to keep pace with rising raw material cost to the subject imports to a significant degree.[104] [105]

Consequently, we find that the subject imports have had significant adverse effects on domestic prices during the period of investigation.

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[96] (...continued)
approximately *** to *** percent of the subject imports was of SSA in sizes Slater does not produce and, in many instances, in sizes we would expect to be higher-priced than the size range produced by Slater.

[97] CR at V-2, PR at V-2.

[98] Joint Respondents' Prehearing Br. at 13.

[99] Id.

[100] Joint Respondents' Prehearing Br. at 13-14; Hearing Tr. at 136-137 (Button).

[101] Figure V-2, CR at V-3, PR at V-2.

[102] CR at V-2-3, PR at V-2; Figure F-3, CR at F-7, PR at F-6.

[103] Figures F-2-3, CR at F-6-7, PR at F-6.

[104] Table IV-2, CR at IV-4-5, PR at IV-2-3.

[105] Record evidence indicates the increase in Slater's operating *** between 1998 and 2000 was primarily due to ***, indicating that Slater's price increases were insufficient to cover its raw material costs. CR at VI-3, PR at VI-2.

D. Impact of the Subject Imports

In examining the impact of the subject imports on the domestic industry, we consider all relevant economic factors that bear on the state of the industry in the United States.[106] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[107] [108] [109]

Consistent with our finding that the volume of the subject imports during the period of investigation was significant, and that the decline in prices for domestically produced SSA over that same period was due to the subject imports to a significant degree, we find that the subject imports are having a significant adverse impact on the domestic industry. Specifically, the combination of generally declining shipments and suppressed prices resulted in falling sales revenues for the domestic industry from 1998 to 2000, notwithstanding increasing apparent consumption.[110] As raw material price increases greatly outpaced modest increases in domestic SSA prices, Slater experienced a cost-price squeeze induced by the presence of a significant volume of subject imports.[111] The domestic industry's *** increased from *** in 1998 to *** in 1999, and were *** in 2000. *** margins were *** in 1999, *** in 1998, and *** in 2000.[112] Moreover, the domestic industry lost market share due to the significant

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[106] 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." Id. at 885.).

[107] 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851 and 885 and Live Cattle from Canada and Mexico, Invs. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 (Feb. 1999) at 25, n.148.

[108] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii) (V). Commerce published its final antidumping determinations in its investigation of stainless steel angle from Japan, Korea and Spain on March 23, 2001. Commerce found margins ranging from 70.48 to 114.51 percent for the Japanese respondents; 40.21 to 99.56 percent for the Koreans; a margin of 61.45 percent for the Spanish respondent, Roldan, and 24.32 percent for "all other" manufacturers/exporters from Spain. Notice of Final Determinations of Sales at Less Than Fair Value: Stainless Steel Angle From Japan, Korea and Spain, 65 Fed. Reg.16175 (March 23, 2001).

[109] Commissioner Bragg notes that she does not ordinarily consider the magnitude of the margin of dumping to be of particular significance in evaluating the effects of subject imports on the domestic producers. See Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 (June 1996); Anhydrous Sodium Sulfate from Canada, Inv. No. 731-TA-884 (Preliminary), USITC Pub. 3345 (Sept. 2000) at 11, n.63.

[110] The domestic industry's sales revenues declined from *** in 1998 to *** in 1999, and to *** in 2000. Table VI-1, CR at VI-2, PR at VI-1.

[111] Raw material costs (on a per unit basis) increased 35 percent from *** in 1999, to *** in 2000, while domestic SSA prices increased between 23 and 28 percent in that time. Table VI-3, CR at VI-4, PR at VI-2, and Tables V-1-V-4, CR at V-12-V-15, PR at V-9.

[112] Table VI-1, CR at VI-2, PR at VI-1.

volume of cumulated subject imports. U.S. producers' shipments as a share of the U.S. market declined from *** percent in 1998 to *** percent in 2000.[113]

Other indicators of the performance of the domestic SSA industry also declined. In particular, Slater's employment of production workers decreased from *** in 1998 to *** in 2000.[114] Moreover, although we would have expected increased production efficiencies as a result of both the company's new management and Slater's acquisition of Atlas Specialty Steels in the third quarter of 2000,[115] its domestic capacity utilization rate to produce SSA remained at *** percent.[116] [117] Although respondents argue that neither Slater individually, nor Slater and nonsubject suppliers collectively, can produce sufficient stainless steel angle to satisfy demand in the U.S. market,[118] we note that the domestic industry in 2000 was producing at only *** percent of capacity.[119] Currently, due to losses suffered, Slater has no incentive to produce to capacity. In fact, Slater's inventories have steadily increased over the period of investigation, rising from *** percent of shipments in 1998 to *** percent in 2000.[120]

In sum, the record indicates there have been significant increases in the volume and market share of the subject imports, and that the subject imports undersold the domestic merchandise and have had a significant suppressing effect on domestic prices. As a result, the overall condition of the industry declined during the period. Accordingly, we find that the subject imports are causing material injury to the domestic industry.

CONCLUSION

For the foregoing reasons, we determine that an industry in the United States is materially injured by reason of imports of SSA from Japan, Korea, and Spain that are being sold in the United States at less than fair value.

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[113] Table IV-4, CR at IV-7, PR at IV-4.

[114] Table C-1, CR at C-4, PR at C-3; Table III-4, CR at III-5, PR at III-2.

[115] CR at VI-1, PR at VI-1. Upon closing its U.S. melting facilities, Slater consolidated its melting of stainless steel products at its recently acquired Welland, Ontario, melting facility and is now shipping billets from the Canadian facility to its Fort Wayne SSA facility for rolling. CR at I-5, PR at I-4.

[116] Table III-1, CR at III-2, PR at III-2.

[117] Slater testified that the main reason for Slater's switch to Atlas' melting operations was to increase Slater's capacity utilization. Hearing Tr. at 26 (Schram).

[118] Hearing Tr. at 13 (Pierce).

[119] Table III-1, CR at III-2, PR at III-1.

[120] Table C-1, CR at C-4, PR at C-3.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed by Slater, Fort Wayne, IN, and the United Steelworkers of America, AFL-CIO/CLC, Pittsburgh, PA, on August 18, 2000, with the Commission and Commerce alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV imports of stainless steel angle (SSA)[1] from Japan, Korea, and Spain. Information relating to the background of these investigations is provided below.[2]

Date	*Action*
August 18, 2000	Petition filed with Commerce and the Commission; institution of the Commission's investigations (65 FR 51845, August 25, 2000)
September 8, 2000 ...	Commission's conference
September 14, 2000 ..	Commerce's notice of initiation (65 FR 55504)
September 28, 2000 ..	Commission's vote on preliminary phase
October 2, 2000	Commission's determinations sent to Commerce (65 FR 60451)
January 12, 2001	Commerce's preliminary determinations of sales at LTFV (66 FR 2880)
March 23, 2001	Commerce's final determinations of sales at LTFV (66 FR 16175)
March 27, 2001	Commission's hearing[3]
May 3, 2001	Commission's vote on final phase
May 11, 2001	Commission's transmission of determinations to Commerce

SUMMARY DATA

A summary of data collected in the investigations is presented in appendix C, table C-1. The U.S. industry data are from the questionnaire response of Slater, which accounted for all U.S. production of SSA during 1998–2000, the period for which data were obtained in these investigations. U.S. imports are based on questionnaire responses of 12 importers of the subject merchandise.

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[1] For purposes of these investigations, the term "SSA" consists of hot-rolled, whether or not annealed or descaled, stainless steel products of equal leg length angled at 90 degrees that are not otherwise advanced. SSA is classified under subheading 7222.40.30 and covered by statistical reporting numbers 7222.40.3025 and 7222.40.3065 of the HTS with a normal trade relations tariff rate of 0.6 percent *ad valorem* applicable to imports from Japan, Korea, and Spain in 2001. Specifically excluded from the scope of these investigations is SSA of unequal leg length.

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

[3] A list of witnesses appearing at the hearing is presented in app. B.

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PREVIOUS INVESTIGATION

SSA was the subject of a previous Commission investigation in 1995 (investigation No. 731-TA-699 (Final)), in which Slater was the petitioner.[4] The scope of the current investigations is the same as it was in that investigation. In the 1995 investigation the Commission determined that an industry in the United States was not materially injured or threatened with material injury, and the establishment of an industry in the United States was not materially retarded, by reason of imports from Japan of SSA. Commerce had determined that SSA from Japan was sold in the United States at LTFV.

NATURE AND EXTENT OF SALES AT LTFV

On March 23, 2001, Commerce published a notice in the *Federal Register* (66 FR 16175) of its final determinations of sales at LTFV on SSA from Japan, Korea, and Spain. Following are the weighted-average margin percentages found by Commerce.

Exporter/manufacturer	*Weighted-average margin percentages*
Japan	
Aichi	114.51
Daido	114.51
Sumitomo	114.51
All others	70.48
Korea	
Bae Myung	99.56
SK Global	99.56
All others	40.21
Spain	
Roldan	61.45
All others	24.32

[4] *Stainless Steel Angle from Japan*, Investigation No. 731-TA-699 (Final), USITC Pub. 2887, May 1995. Slater was also a petitioner in antidumping investigations on stainless steel bar from Brazil, India, Italy, Japan, and Spain in 1994–95. The investigation on Italy was terminated, and the Commission made final affirmative determinations in the remaining investigations. Slater is currently a petitioner in antidumping investigations on stainless steel bar from France, Germany, Italy, Korea, Taiwan, and the United Kingdom and in the CVD investigation on stainless steel bar from Italy, in which the Commission made preliminary affirmative determinations of material injury on February 12, 2001 (66 FR 11314, February 23, 2001).

I-2

THE PRODUCT

Physical Characteristics and Uses

The imported product subject to these investigations is hot-rolled SSA of equal leg length.[5] SSA is a structural product used in the building of equipment for use in a high-temperature, corrosive, or sanitary environment such as in the chemical, pharmaceutical, paper, food processing, and dairy industries. SSA is produced in straight lengths and has an "L" shaped cross-section. SSA produced by processes other than hot-rolling or that has legs of unequal length is not subject to these investigations. This section presents information on domestically produced SSA as well as information related to the Commission's "domestic like product" determination.[6] In the preliminary investigations, the Commission, after considering whether angle produced by extrusion rather than hot-rolling, including unequal-leg angle, should be included within the same domestic like product as hot-rolled SSA, concluded that there was a single domestic like product consisting of SSA of equal leg length.[7]

Although SSA may be of any dimension, it is normally produced and stocked in standard sizes. Slater produces and stocks SSA in grade 304 in 18 standard sizes from 1 x 1 x 0.125 inch to 3 x 3 x 0.375 inch.[8] Slater also stocks grades 304L and 316L in the same size range, but in fewer sizes.[9] Imported SSA sizes range from 0.75 x 0.75 x 0.125 inch to 6 x 6 x 0.5 inch.[10]

Manufacturing Facilities and Production Employees

SSA is produced at Slater by heating stainless steel billets[11] to a temperature of over 2,000 degrees Fahrenheit and rolling them on a multi-stand bar mill. The same mill is also used to produce bar products, including rounds, flats, squares, and hexagons, of stainless steel and of other alloy steel.[12] Rolls with grooves of different shapes are used, depending upon the product shape and size to be produced. After hot rolling, SSA is finished by straightening, grit-blasting, pickling, cutting to length,

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[5] Stainless steel is alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. There are numerous grades of stainless steel; however, the vast majority of SSA is produced in grades 304 and 304L, which contain minimums of 8 percent nickel and 18 percent chromium, by weight, and grades 316 and 316L, which contain minimums of 10 percent nickel, 16 percent chromium, and 2 percent molybdenum, by weight.

[6] The Commission's decision regarding the appropriate domestic products that are "like" the subject imported products is based on a number of factors including (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and, where appropriate, (6) price.

[7] *Stainless Steel Angle from Japan, Korea, and Spain*, Investigations Nos. 731-TA-888–890 (Preliminary), USITC Pub. 3356, October 2000, p. 5.

[8] Slater stock list, found at Internet *http://www.slatersteel.com/prod_angle_inv.html*, retrieved August 22, 2000.

[9] Ibid.

[10] Japanese respondents' postconference brief, p. 16. Japan's SSA range is 1–6 inches; Spain's range is 1–4 inches; and Korea's range is 0.75–4.00 inches.

[11] Billet is a semifinished steel product (produced on mills or by forging or continuous casting) that requires subsequent hot rolling or forging, used to produce smaller bars, rods, or shapes. Billet is typically 4–6 inches square and 20 or more feet in length.

[12] Data regarding domestic and foreign production of bar products are presented in app. D.

I-3

and packaging. The finishing equipment for grit-blasting and pickling could be used for any of the stainless steel products, but the straightening equipment is of a type that would normally be used only for straightening angle.

Billets used to produce SSA are produced by melting raw materials in an electric arc furnace, refining the molten metal in an argon-oxygen decarburization (AOD)[13] furnace, and processing into billet by either the ingot-casting method[14] or by the continuous-casting method.[15] The stainless steel billets could be used to produce any stainless steel bar product, and the same melting and casting facilities may be used to produce other alloy steel semifinished billets.

Billets to be hot rolled into SSA can either be produced or purchased by the SSA manufacturer. During the period of investigation, Slater produced its billets in a melt shop located adjacent to its rolling mill. Slater recently announced that it would permanently shut down its U.S. melting facilities effective April 12, 2001.[16] The company has consolidated its melting of stainless steel products at its recently acquired Welland, Ontario, melting facility and is now shipping billets from the Canadian facility to Fort Wayne for rolling.[17]

Raw materials used to produce stainless steel include stainless steel scrap, carbon steel scrap, and alloy materials. Nickel, chromium, and molybdenum alloys as well as stainless steel scrap are the most important cost elements among the raw materials. The market price of stainless steel scrap is highly influenced by the market price of nickel.[18]

Both domestic and subject country producers use the same processing steps, with one exception: subject foreign producers use the continuous-casting method of billet production while, during the period of investigation, Slater used the ingot-casting method. The continuous-casting method is a newer method of producing billets and is generally considered to be a lower-cost method. Billets received by Slater from its affiliated company in Canada are continuous-cast.[19] The continuous-casting method is used by the Japanese[20] and Korean[21] producers. Roldan, the Spanish producer, uses continuous-cast billet produced by its parent company, Acerinox S.A.[22]

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[13] AOD refining is a process used to oxidize carbon from molten steel while minimizing the oxidation of chromium. There are several similar processes that accomplish the same purpose, including vacuum oxygen decarburization, but AOD is the most commonly used.

[14] In the ingot-casting method, the molten metal is poured into cast-iron ingot molds. After the metal freezes, ingots are rolled on a primary rolling mill into billets.

[15] In the continuous-casting method, the molten metal is poured into water-cooled, open-bottom, copper molds, and billets are slowly and continuously withdrawn from the bottom of the molds.

[16] Slater press release, dated March 28, 2001, found at *http://www.micro.newswire.ca/releases/March2001/28/c7498.html/77741-0*, retrieved April 5, 2001.

[17] Ibid.

[18] Robert Hunter, KG Specialty, conference transcript, p. 56.

[19] Henry Cooke, ed., *Iron and Steel Works of the World,* 13th ed. (Metal Bulletin Books Ltd., 1999), p. 50.

[20] Ibid., pp. 260, 262, and 290.

[21] Telephone conversation with ***, September 18, 2000.

[22] Cooke, *Iron and Steel Works of the World*, p. 423.

I-4

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

The information presented in this section is based primarily on questionnaire responses by Slater, U.S. importers, and U.S. purchasers. Twenty-one purchasing firms provided usable responses to the Commission's questionnaire. These purchasers accounted for over 95 million pounds of SSA purchased between 1998 and 2000, approximately *** percent of apparent consumption over this period.[1]

U.S. MARKET SEGMENTS/CHANNELS OF DISTRIBUTION

There are several (at times overlapping) market participants in the distribution of SSA in the United States. Prior to sale to the ultimate end user, SSA may have been sold by a (foreign or domestic) producer, an importing trading company, an importing master distributor, a non-importing master distributor, a steel service center, and/or other smaller distributors.[2] Typically, the route taken by SSA on its way to the end user depends in part on the source of the SSA. SSA produced by Slater, for instance, is typically sold first to relatively large national steel service centers in bundles of roughly 2,000 pounds.[3] Steel service centers, in turn, sell the product, often after breaking the bundles, (primarily) to end users and to smaller regional service centers and other distributors. Imported product typically goes (physically) first to master distributors, either directly or through the services of a trading company,[4] although about *** percent of all imports bypasses master distributors and is shipped to national and regional steel service centers through the services of a trading company. Master distributors then sell product primarily to regional steel service centers and to other distributors. They do not sell to end users.

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[1] Two of these 21 purchasers did not provide purchase data. Because multiple levels of distribution are represented by the responding purchasers, however, the percentage of U.S. purchases *at any single level of distribution* attributable to the remaining 19 purchasers is something less than *** percent. In fact, the master distributors among the purchasers account for *** percent of the total quantity of purchase data. Virtually all of the remainder of the data comes from service centers (less than *** percent of purchase data comes from one end user).

[2] Eight importers (***) reported that they are trading companies. Four importers (***) reported that they are master distributors. Five purchasing firms (***) reported that they are master distributors. Fourteen purchasers reported that they are steel service centers.

[3] Slater has indicated that its sales of broken bundles ***.

[4] Master distributors provide certain services to their customers not available when those customers purchase product directly from a trading company. Chief among these are rapid delivery because of inventory holding by master distributors and the breaking of bundles. Master distributors will, in some cases, also provide other product transformation services such as cutting or grinding (see testimony of David D. Neil, Energy Steel, hearing transcript, pp. 58-59). The markup over trading company prices charged by master distributors varied widely during the period of investigation according to the supplemental master distributor questionnaire. These firms reported margins in their sales to national service centers of *** percent in 1998, *** percent in 1999, and *** percent in 2000. Margins in sales to regional service centers were generally reported to be approximately 1 to 3 percentage points higher than the corresponding margins in sales to national service centers. (***, however, reported higher margins on sales to national service centers than on its other sales in two out of three years.)

II-1

Figure II-1 provides a rough depiction of the channels of distribution in the U.S. SSA market.[5] The various types of firms in the SSA supply chain are shown (in most cases with an approximate number of firms of each type in parentheses), along with arrows pointing to their primary customers. The width of the arrows is intended to give a rough indication of the importance of the various channels. The importing master distributor category is combined with the purchasing master distributor category (separated by a dashed line) because the majority of master distributors fall into both categories. Of the *** known master distributors, only *** do not purchase at least some material from trading companies and only *** does not directly import at least some material. (In figure II-1, certain types of sales are identified by capital letters A through G. These letters are used later in the report (in the discussion of pricing data) to clarify the types of sales considered in various presentations of the data.)

Over the period of investigation, *** was the largest master distributor of SSA, bringing in nearly *** million more pounds of SSA than its next closest competitor (see table II-1; this table also shows the percentages (by quantity) of sales made in full bundles and made to national service centers by these master distributors).[6] It imported Japanese product directly and ***. *** and *** were the next largest master distributors, the former ***, the latter ***. ***. Approximately 40 percent of subject product is imported directly by master distributors, with most of these direct master distributor imports occurring for Japanese product.

Table II-1
SSA: Master distributors' combined imports and purchases, proportions of full bundle sales, and proportions sold to national service centers

* * * * * * *

Table II-2 provides information on the types of sales made by several of Slater's national service center customers. In general, these national service centers sell predominantly to end users and sell the majority of their product in broken bundles. Service centers provide a variety of services to SSA customers. In comparison to master distributors, they provide a larger number of product working services, a greater variety of other (stainless and carbon) steel products, and a more extensive delivery network.

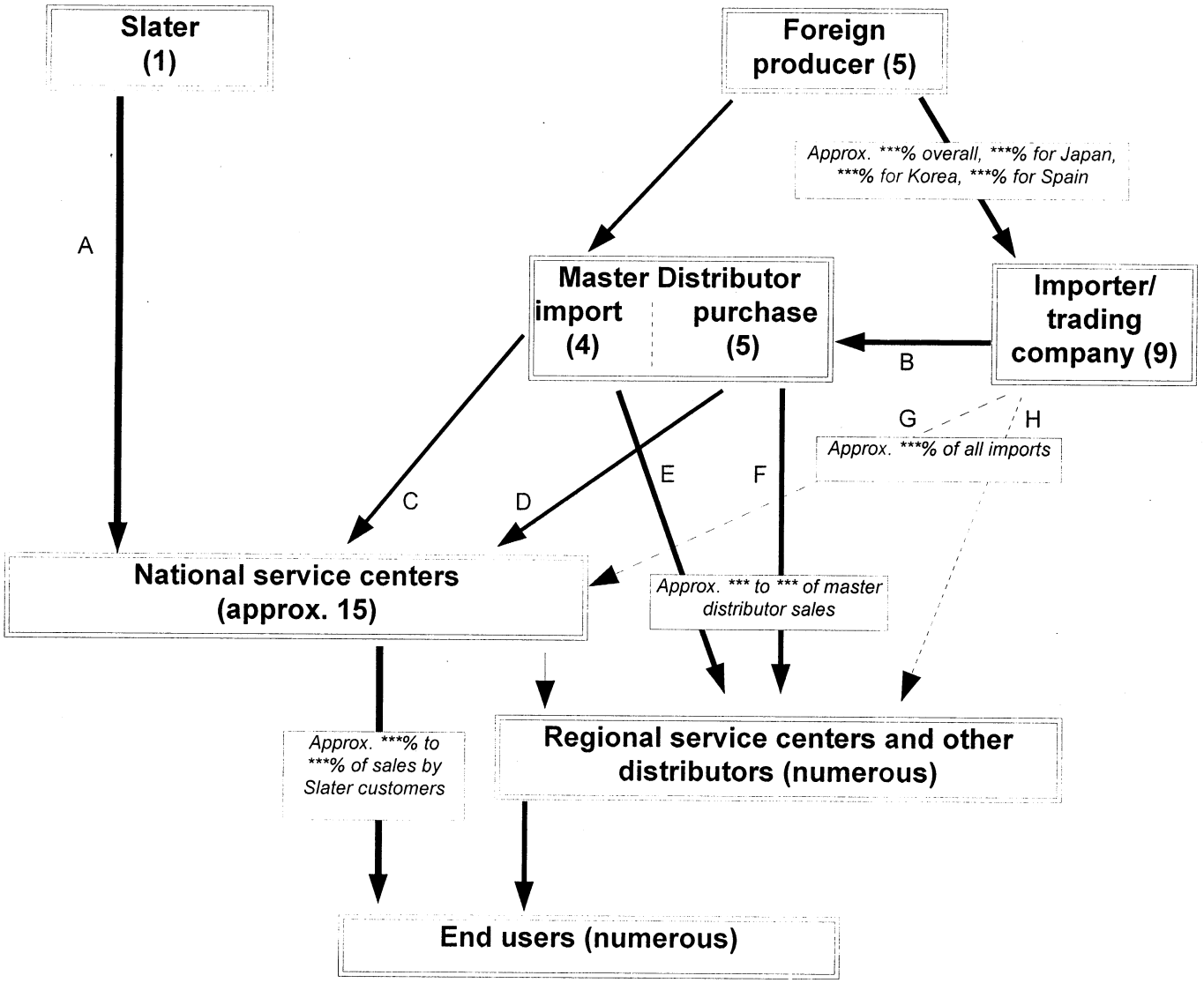
Table II-2
SSA: Distribution of sales by national service centers, by customer and type of bundle, 2000

* * * * * * *

[5] Necessarily, this is a simplified representation of the SSA market. Both petitioners and respondents have presented their own graphical interpretations of market channels (petitioners' posthearing brief, exhibit 3 and exhibit 1 of respondents' hearing materials). They differ from both the figure here and from each other. One proviso: the depiction of trading companies and master distributors at the same level in figure II-1 should not be interpreted as suggesting that these two types of firms represent the same level of distribution.

[6] This is a rough estimation made by adding total imports and purchases reported in their questionnaires by each master distributor.

Figure II-1
SSA: Channels of distribution, 1998-2000



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

II-3

Historically, master distributors and some steel service centers did not purchase product from Slater. Some attribute this to an assumed refusal on the part of Slater to sell to certain classes of customers, both large (i.e., master distributors) and small.[7] Slater's policy is to not sell to customers who will not give assurances of purchasing at least a truckload of any of Slater's mill products (approximately 40,000 pounds) on a monthly basis,[8] and ***.

Slater reported that it very recently began selling to two master distributors, Energy Steel and Distributor Metals.[9] Two *** master distributors reported that ***.[10] Despite this, the perception remains among many purchasers that Slater is unwilling to sell to certain potential customers, master distributors in particular.[11] When asked whether imported SSA is sold at different levels of distribution than domestically produced angle, 10 out of 21 responding purchasers indicated that they are sold at different levels. However, some of those that did identify different levels indicated that the differences were not a major factor from their perspective.

Despite the presence of a single domestic producer and a relatively small number of foreign producers, the degree to which any single firm exerts price leadership in the U.S. SSA market is unclear. Purchasers, when asked to identify any price leaders, gave a variety of answers. Several did not identify any firm. Others said that price leadership changes from firm to firm. In addition, others named a variety of firms, representing product from the United States and each of the subject countries, as price leaders. Slater was named more frequently than any other single firm, but not overwhelmingly, and not necessarily more frequently than firms representing imports generally.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, Slater would have been likely to respond to higher demand during the period of investigation with a moderately large change in the quantity of shipments of U.S.-produced SSA to the U.S. market. The main contributing factors to a high degree of responsiveness of supply include the availability of unused capacity and the existence of inventories. The lack of alternative markets, ***, and (possibly) the low number of available suppliers for the SSA market absent imports from the subject countries would have served to somewhat moderate Slater's overall degree of responsiveness to price.

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[7] The information on this subject comes from ***, March 5, 2001; from the conference transcript, pp. 105-106; and from petitioners' posthearing brief, exhibit 1, pp. 8-10.

[8] ***.

[9] Slater reported that because of ***. In all, Slater reported that *** pounds of SSA have been ordered by *** and *** since January 1, 2001, with *** (petitioners' posthearing brief, exhibit 1, p. 6).

[10] One of these master distributors ***. The other ***.

[11] One non-master distributor purchaser, ***, reported that it has "periodically requested price quotations from Slater Steel without ever receiving a response."

II-4

Industry capacity

Slater's reported capacity utilization in 2000 of *** percent was slightly *** than its capacity utilization in 1998 (*** percent). However, the capacity utilization in both of these years was *** than the *** percent utilization rate in 1999.

Alternative markets

Export shipments by Slater were *** percent of total shipments over the period from 1998 to 2000 as a whole, leaving little potential diversion away from export markets had SSA prices been higher.

Inventory levels

Slater's inventories increased by *** pounds from the end of 1999 to the end of 2000 after increasing by *** pounds in the previous year. This increase led to an increase in the ratio of inventories to shipments from *** percent at the end of 1998 to *** percent by the end of 2000. (Inventories at the beginning of 1998 were *** pounds higher than at the end of that year, at *** percent of 1998 shipments.)

Production alternatives

Slater has the ability to produce alternative products. As noted in Part I, the rolling mill used to produce SSA can be used to produce any bar product, such as stainless steel rounds, squares, hexagons, and flats. Only the straighteners are used exclusively for SSA. This presence of production alternatives is a factor that would have tended to enhance Slater's overall quantity response to price.

Nonsubject Imports

Italy is the most competitive nonsubject foreign source of the product, while India has recently increased its presence in the U.S. SSA market. An apparent presence of alternative markets and the relatively low levels of nonsubject imports during the period of investigation indicate that the responsiveness of nonsubject supply to higher prices could have been moderately large.

U.S. Demand

Demand Characteristics and Trends

Based on available information, U.S. consumers of SSA would have been likely to respond to changes in the price of this product with small changes in their purchases.[12] The main contributing factors to the low degree of responsiveness of demand are the limited substitutability of other products for SSA and the (apparent) relatively low cost share of SSA in its end uses.

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[12] Because purchased SSA is generally held as inventory by at least one purchasing firm along the chain of distribution, purchases of SSA may be more responsive to price in the short run than over a longer time frame, especially in circumstances where changes in prices are expected to be transitory. The low level of responsiveness discussed in the text ignores the possible effects of this short run responsiveness.

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SSA is most often used as a support or brace in the construction of stainless steel structures such as tanks, pipelines, and vats for the food, beverage, and chemical processing industries. As such, overall demand for SSA is derived from conditions in those industries. These uses have not changed in recent years; no firm responding to questionnaires indicated any change over the period of investigation. Questionnaire responses and economic theory suggest that, in the short term, demand[13] for SSA may be influenced by fluctuations (and expectations about fluctuations) in the price of raw materials used in the production of stainless steel, nickel in particular.

Commission questionnaires asked purchasers whether they were aware of any change in demand for end use products since the beginning of 1998. The vast majority responded "no." Only two purchasers responded that they had observed a change, and one of these suggested that its response was based more on individual firm circumstances than on any change in the overall market. (The other firm suggested that demand for SSA is increasing in line with an overall increase in demand for stainless products.)

Purchasers also addressed the more general issue of whether there have been fluctuations in overall consumption of SSA. Again, most firms responded in the negative.[14] One purchaser observed that nickel price fluctuations produce some speculation from time to time. Another observed that 2000 was a relatively soft year for consumption of SSA. A larger number of suppliers discussed demand trends. Slater reported that ***[15] ***. Six importers, ***, indicated that they perceived demand to be generally increasing. (*** estimated the rate of growth at approximately 5 to 10 percent per year.) Reasons given by importers for the general increase in demand include the general strength of the economy and the trend toward greater use of stainless steel. Three importers indicated that demand had not changed and two others could not discern the state of demand.

Substitute Products

Few firms addressing the issue of substitute products in response to the Commission's questionnaires identified any such product. Only two suppliers named substitute products; welded angle and welded stainless steel flats. Six out of 20 purchasers addressing the issue of substitutes named potential substitutes, among which are formed sheet, formed plate, carbon steel, and extruded angle. Of these, formed plate was identified as a possibility by four purchasers and formed sheet by two. These potential substitutes are not generally viewed as attractive alternatives to SSA in most cases, in part at least due to the superior strength of SSA compared to most of these alternatives.

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[13] The term "demand" here should be viewed either in the broad sense of comprising any entity below the level of producers that purchases SSA or in the narrow sense of comprising firms that make purchases that are recorded as apparent consumption in this report, not in the (distinct) narrow sense of comprising only end users of SSA.

[14] This is in contrast to an increase in (annual) apparent consumption of SSA of *** percent from 1998 to 1999 and of *** percent over the whole period of investigation. Part of the increase in apparent consumption may be more properly viewed as a supply side phenomenon, as it captures increases in inventory held by master distributors and steel service centers. In addition, lower prices after 1998 may have contributed to increases in apparent consumption without any fundamental change in other factors affecting demand.

[15] Respondents told a similar story of inventory decumulation in 1998 and accumulation in 1999 in hearing testimony (hearing transcript, pp. 131-133). The supplemental master distributor questionnaire asked these firms to report end-of-year inventories for 1998, 1999, and 2000. The data reported show that master distributor inventories rose by 3.9 million pounds from the end of 1998 to the end of 1999 and rose by 4.1 million pounds in 2000. In this regard, ***.

Cost Share

Neither Slater nor any of the importers indicated the cost share of end uses that is comprised by SSA. Only one purchaser provided information on the end-use cost share of SSA, estimating that ***. Several firms responding to the questionnaire, both on the supply and purchasing side, indicated that they were too far away from the end users in the chain of distribution to have any idea as to these cost shares.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported SSA depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, there appears to have been a relatively high degree of substitutability between U.S. product and product from each of the three subject countries. This is particularly the case when considering angle sizes produced in common in the United States and the subject countries. One of the most important factors affecting the high degree of substitutability between the various product sources is a lack of distinction in terms of physical applicability and physical quality between the main sources (the United States, Japan, Korea, Spain, and Italy) of SSA. The substitutability of product from Italy, a nonsubject country, with domestic product and with subject country product appears to have been quite similar to the substitutability of domestic and subject country product. The substitutability of domestic product and subject country product appears to have been somewhat lower, however, with respect to products from nonsubject countries other than Italy because of purchaser concerns about the quality and competitiveness of product from these sources.

Factors Affecting Purchasing Decisions

According to a number of firms providing information in the instant investigations, price is an important factor in SSA purchasing decisions. Nine purchasers reported that they usually buy the lowest priced SSA offered to them. Thirteen others reported that they sometimes buy the product at the lowest offered price. Slater claims that price is "the only meaningful variable in the purchasing decision."[16] While respondents, importers, and purchasers do not necessarily all share Slater's conclusion that everything can be reduced to price, this factor is clearly given substantial consideration by a great many purchasers. Product availability (defined broadly) is another important factor in the market for SSA. This entails the supplier not only having rapid access to the product, but also being able to obtain the needed product size and providing the product in the desired quantities. Respondents and other firms have suggested that, in certain cases, the last two characteristics may be especially relevant in determining whose product is purchased.

Purchasers were asked to rank factors involved in their purchasing decisions according to their importance. Their responses are summarized in table II-3. Price was ranked by eight purchasers as the most important factor. Availability (not necessarily the broad definition given above) and product range were ranked as the most important factor by five purchasers and four purchasers, respectively. The importance of these three factors is also reflected in purchasers' selections of second and third most important factors. Five purchasers ranked product quality as one of the top three factors in their

[16] Daniel Anderson, Slater, conference transcript, p. 12.

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purchasing decisions. Other factors were mentioned less frequently by purchasers as being among the most important factors.

Table II-3
SSA: Ranking of factors used in purchasing decisions, as reported by U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Availability	5	6	1
Delivery	0	2	1
Lead times	0	1	1
Price	8	5	3
Range	4	7	5
Quality	2	0	3
Traditional supplier	1	0	3
Source: Compiled from data submitted in response to Commission questionnaires.			

Purchasers were also asked to rate a number of specific factors as to their importance in purchasing decisions. Their responses are presented in table II-4. In answering this question, purchasers reported price considerations as somewhat less important than table II-3 might imply. More purchasers (11) responded that price is only *somewhat important* to their purchasing decision than responded that price is *very important* (9). Availability and product range, however, were both rated as *very important* much more often than as *somewhat important*. The reliability of supply and product quality were most consistently rated as being *very important* to purchasing decisions, with just a single purchaser rating each as only *somewhat important*. Several other factors frequently identified as *very important*, including delivery terms, delivery time, and product consistency, are also related to the notion that purchasers want to be able to quickly and reliably obtain the product they expect.

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Table II-4
SSA: Rating of factor importance in purchasing decisions, as reported by U.S. purchasers

Factor	Number of firms reporting		
	Very important	Somewhat important	Not important
Availability	15	4	1
Delivery terms	14	4	2
Delivery time	15	5	0
Discounts offered	4	11	3
Dual certified	10	6	4
Lowest price	9	11	0
Minimum quantity requirements	4	13	3
Packaging	4	14	1
Product consistency	14	6	0
Product quality	19	1	0
Product range	14	6	0
Reliability of supply	19	1	0
Technical support/service	9	9	2
Transportation network	5	10	5
U.S. transportation costs	3	13	3

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

Questionnaire responses from purchasers give no indication that the purchasing process for SSA is particularly complex. Only one purchaser suggested that different specifications of SSA would be used for different applications, and (other than the available size range) no reasons were given by purchasers that would suggest applications vary by country source of the product. Most purchasers report that they contact from one to four suppliers before making a purchase, with a larger number of purchasers contacting two or three suppliers rather than contacting one or four suppliers. The majority of purchasers indicate that they change suppliers only infrequently. For some of these, purchases are generally made from a single firm. Others will spread the relative size of their purchases among a small number of suppliers. The most frequent purchasing pattern is a buying on a monthly basis. Others purchase less (every two or three months) or more (weekly or even daily) often. Only three of the responding purchasers indicated that their purchasing pattern changed over the last three years.

Because of the physical nature of the product, purchasers closer to the end of the chain of distribution are not necessarily aware of the producer of the SSA, or even its country of origin.[17] Some master distributors and steel service centers report not tracking the product they sell by country. Eight

[17] One result of this is that several purchasers were unable to provide pricing data by country of origin in response to a questionnaire request for this information.

purchasers reported that they always know whether the product they purchase is imported or U.S.-produced, while another eight reported they usually know the source. Three purchasers indicated that they only sometimes know whether a product is domestic or imported, and one reported that it never knows. However, the country of origin is reportedly a lesser concern to the customers of these firms. Eleven purchasers stated that their customers are only sometimes concerned with and/or aware of the country of origin of the SSA they resell. One firm stated that its customers are rarely concerned, and five firms stated that their customers were never concerned about the issue.

Approximately half of the purchasing firms suggest that they do require some sort of supplier qualification of their vendors. Generally, it takes anywhere from 3 days to 6 months to complete these qualification processes (depending on the purchaser), which consist of activities such as verification of product quality (dimensional tolerances and chemical and physical specifications, for example), processing of trial orders, and assessing the order and delivery characteristics of the supplier. There is no indication that product from any of the major suppliers (with the exception of a supplier ***) failed to pass the qualification process of any of the purchasers during the period of investigation.

Comparisons of Domestic Products and Subject Imports

Among the issues raised by purchasers and respondents as most significant in the comparisons of domestic products and subject imports are the range of sizes available from certain sources and the channels of distribution through which products from various sources are sold. The channels of distribution were addressed earlier. On the issue of size range, Slater sells products only in the range between ***.[18] Foreign producer responses indicate that the ratio of their shipments in size specifications not produced by Slater was as high as *** percent, *** percent, and *** percent, respectively, of total shipments for Japan, Korea, and Spain (in 2000), with most of those quantities in the larger-sized dimensions. Several purchasers indicated they are aware that Slater does not produce the smaller or larger angle sizes. One purchaser indicated that it was not worthwhile ordering from Slater because the lack of certain sizes ***.[19]

Prices of domestically-produced product are generally perceived by purchasers to be at least as high as those of imported product, although some purchasers maintain that on balance the differences are not that significant. When requested to compare prices from different country sources, a situation of approximate price parity with domestic product was reported by two purchasers with respect to Japanese product, by two purchasers for Korean product, and by four purchasers for Spanish product. Product from the subject countries was reported to be lower priced than domestic product by five (Japan), five (Korea), and one (Spain) purchaser(s).[20] Seven purchasers that purchased imported SSA reported that they would have purchased domestic product had the import prices been somewhat higher, with the

[18] Slater has noted, however, that it has investigated the possibility of expanding the size range of its production, and would be inclined to do so if market prices would permit. According to Slater, an investment of about $500,000 would allow it to expand its size range to produce 4 inch angles. (Testimony of Daniel Schram, hearing transcript, pp. 24-25.)

[19] Telephone conversation with ***, February 20, 2001. ***.

[20] Compare these reports with the pricing data presented in Part V of this report.

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percentage increase required to induce purchases of domestic product ranging from 3 percent to 15 percent.[21]

Despite the impression that U.S.-produced SSA is higher-priced, several purchasers indicated that they nonetheless purchase from Slater for other reasons, such as superior lead times, good supply reliability, the ability to purchase non-angle products from the same source, and product quality. In addition, a relatively small percentage of purchases are made because of end users' needs for domestically-produced components (generally to fill some product-content requirement).

Suppliers of SSA were asked to indicate whether SSA produced in various producing countries is used interchangeably with that produced in other countries. In addition, suppliers were asked whether differences between SSA from various countries, other than price, are significant factors in selling the product. With respect to these suppliers' responses concerning the comparison of domestically-produced product with subject imports (and, in fact, with respect to comparisons between all countries), Slater's response *** those of importers.

Slater stated that U.S. product is ***. It also stated that there are *** any significant differences other than price between its own product and subject imports that are a factor in the sale of its product. Responses from importers to these two questions, however, indicate that many *** view of the comparability of U.S. product with subject imports. In large part, importers indicated that U.S.-produced product is *frequently* used interchangeably with subject imports and that there are *sometimes* differences other than price between domestically-produced product and subject imports that are important factors in the sale of SSA. These responses are discussed in turn for each of the subject countries in the subsections that follow. Many of the importers reported having no views for some of the comparisons discussed in these subsections because of a lack of familiarity with product from one source or another.

Purchasers of SSA were asked to compare SSA produced in the United States with that produced in the subject countries for a number of specific factors. For several of these factors, the U.S. product was judged by purchasers to be relatively similar to its subject counterparts, but differences were identified in certain areas including (most notably) pricing, product range, and delivery time. The U.S. product tended to be viewed as inferior to subject imports on the first two of these, but as superior on the third. The U.S. product was also viewed as relatively strong in terms of availability and technical support. These purchaser comparisons of U.S. product and subject imports are summarized, by country, in table II-5. As with the supplier comparisons, many of the comparisons made by purchasers were made for only certain source combinations, often being restricted to sources for which the responding purchasers had direct purchasing knowledge.[22]

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[21] For the most part, purchasers did not perceive any change in the relative prices between U.S.-produced SSA and imported SSA since January 1998. Only three purchasers reported such changes. One reported that U.S. prices fell relative to all imports. Another reported that they fell relative to prices of Japanese and Korean material. The third said that U.S. prices increased relative to prices for Japanese material.

[22] Four purchasers could not identify specific importing countries in their comparisons, but compared imports generally to the domestic product. These comparisons are shown in the final sets of columns of table II-5. Note, in particular, that for these comparisons, nonsubject imports may have been lumped into the comparison against U.S. product with subject imports by the responding purchasers.

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Table II-5
SSA: Comparisons between U.S.-produced and subject country products, as reported by U.S. purchasers

Factor	Number of firms reporting											
	Japan			Korea			Spain			Imports generally[1]		
	S[2]	C[2]	I[2]	S[2]	C[2]	I[2]	S[2]	C[2]	I[2]	S[2]	C[2]	I[2]
Availability	3	3	0	2	2	1	2	2	0	1	3	0
Delivery terms	2	3	1	2	2	1	2	1	1	2	2	0
Delivery time	4	2	0	4	1	0	2	1	1	2	2	0
Discounts offered	0	5	0	0	5	0	0	3	0	0	4	0
Dual certified	1	4	0	0	5	0	0	3	1	0	4	0
Lowest price[3]	0	2	4	0	2	3	0	1	3	0	3	1
Minimum quantity requirements	1	4	1	1	4	0	0	3	1	1	2	1
Packaging	0	5	1	0	5	0	0	4	0	1	3	0
Product consistency	1	4	1	1	3	1	1	3	0	1	3	0
Product quality	1	4	1	2	3	0	1	3	0	1	3	0
Product range	0	1	5	0	2	3	1	0	3	0	2	2
Reliability of supply	2	3	1	1	4	0	2	2	0	2	2	0
Technical support/service	3	3	0	3	2	0	2	2	0	2	2	0
Transportation network	2	3	1	3	2	0	1	3	0	1	3	0
U.S. transportation costs	0	3	2	0	4	1	0	3	1	1	2	1

[1] See footnote 22 in the text.
[2] "S" denotes that the U.S. product is judged **superior** to the comparison country product, "C" denotes **comparable**, "I" denotes **inferior**.
[3] A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the U.S. price generally lower than the comparison country price.

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

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United States versus Japan

Among importers, Japanese product was deemed to be *always* used interchangeably with domestic product by two of the nine responding firms. It was deemed to be *frequently* used interchangeably by three firms and (only) *sometimes* used interchangeably by the other four firms. Nearly symetrically, four importers stated that there are *sometimes* important differences other than price between U.S. product and Japanese product, and four stated that there are *frequently* such differences. When asked to identify the factors limiting the comparability between U.S. and Japanese product, the factor most frequently mentioned was limits on the U.S. size range. Slater's perceived policy of not selling to certain customers was also viewed as relevant by multiple importers. Delivery time advantages for Slater and high Japanese SSA surface quality on its SSA were also mentioned.

Purchasers' comparisons of Japanese product with U.S. product were generally similar to comparisons of other subject imports with U.S. product. In particular, however, purchasers viewed the Japanese product range as being superior to the U.S. product range, with only one purchaser rating the two countries as comparable for this factor. Another partial difference between the Japanese comparisons and those of other subject countries is that delivery terms for Japanese product are viewed by a higher percentage of purchasers as comparable to those of U.S. product (as opposed to inferior) than are the delivery terms for products from the other subject countries.

United States versus Korea

Two importers stated that Korean product is *always* used interchangeably with U.S. product, three stated that Korean product is *frequently* used interchangeably, and one stated that it is *sometimes* used interchangeably. Four of these importers indicated that there are *sometimes* significant factor differences other than price between products from the two countries. One other importer stated that there are *frequently* significant differences other than price. The comparisons by purchasers of Korean product with U.S. product differed slightly from those of the other subject countries with respect to product quality and product range in particular. Higher percentages of purchasers viewed U.S. product quality as superior and U.S. product range as comparable than in the comparisons of U.S. product with product from the other subject countries.

United States versus Spain

Importer comparisons of Spanish product to U.S. product in terms of interchangeability and significant differences other than price were identical to those for Korea. With respect to the purchaser comparisons, fewer firms viewed the transportation network of the domestic product as superior to that of the Spanish product, relative to comparisons of the United States versus Japan and Korea.

Comparisons of Subject Products from the Subject Countries

As with subject product compared to U.S. product, subject product from any single source is widely viewed by questionnaire respondents as quite similar to subject product from any other source. Slater stated that product from all three subject countries is *** used interchangeably and that there are *** important differences other than price between products from the subject countries. Four of importers comparing Japanese and Korean product stated that Japanese product is *frequently* used interchangeably with that from Korea, while three gave the same response for the comparison between Japanese and Spanish product. Two importers judged Japanese product to be *always* used

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interchangeably with both the Korean and the Spanish. Korean and Spanish product was viewed as *always* used interchangeably by all three importers addressing the comparison between these two countries. The difference between the Korean/Spanish comparison and those involving Japan hinged on views that the Japanese size range is larger than product from the other two countries. On the question of whether there are important differences other than price, the majority of responding importers (four for the Japan/Spain comparison, three each for both of the other comparisons) reported that there were *sometimes* such differences. One importer reported never encountering these differences in its Japan/Korea and Spain/Korea comparisons.

Purchasers made similar comparisons of the products of the three subject countries. While the predominant view of purchasers is that products from the subject countries are mostly comparable, Japan is viewed by these firms as superior to the other two countries with respect to product range and inferior with respect to price. Compared to Spain, Japan also is generally viewed by purchasers as superior in terms of availability, delivery time, supply reliability, and technical support/service. Spain compares well against Korea in terms of its low price and its product range. These purchaser comparisons are presented in table II-6.

Comparisons of Domestic Products and Nonsubject Imports

The prime nonsubject source of SSA in the U.S. market is Italy.[23] Both suppliers and importers compared the Italian product to products from the United States and to subject importers, with responses suggesting only minor differences. Slater stated that Italian product is *** used interchangeably with other products, both U.S. and subject imports, while importers generally stated that such interchangeability in use occurs *frequently*. Slater stated that there are *** any important differences other than price between Italian product and that from any other source. All responding importers stated that there are *sometimes* important differences of this type between U.S. product and Italian product. All but one of the four responding importers also reported that there are *sometimes* important differences between Italian product and that from each of the three subject countries. (The firm that was the exception reported that there are *never* such differences.) Purchaser comparisons suggest that the Italian product is priced between the U.S. price and prices of subject imports and that it has a product range similar to that of the subject imports. These comparisons are presented in table II-7.

ELASTICITY ESTIMATES

This section discusses the elasticity estimates used in the COMPAS analysis presented in appendix E. Parties were requested to comment on the suggested elasticities provided in the prehearing staff report. Japanese and Spanish respondents' joint prehearing brief contained comments on two of the elasticity estimates. No other parties commented on the suggested elasticities. As discussed below, no changes were made to the suggested elasticities that appeared in the prehearing staff report.

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[23] India is another nonsubject producer of SSA mentioned by purchasers. One purchaser indicated that it examined the Indian product and found the quality ***. Respondents report differing views of Indian product (see Japanese and Spanish respondents' joint posthearing brief, p. 16 and exhibit 13, and Korean respondents' posthearing brief, p. 3 (exhibit 1)). None of the specific comparisons made by firms responding to questionnaires reference India.

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Table II-6
SSA: Comparisons between subject country products, as reported by U.S. purchasers

Factor	Number of firms reporting								
	Japan vs. Korea			Japan vs. Spain			Korea vs. Spain		
	S[1]	C[1]	I[1]	S[1]	C[1]	I[1]	S[1]	C[1]	I[1]
Availability	2	3	1	4	2	0	1	3	0
Delivery terms	2	3	1	3	1	2	0	3	1
Delivery time	2	3	1	4	2	0	1	2	1
Discounts offered	0	4	0	1	4	0	0	2	0
Dual certified	1	5	0	0	6	0	0	4	0
Lowest price[2]	1	3	2	0	3	3	0	2	2
Minimum quantity requirements	1	5	0	0	5	1	0	3	1
Packaging	1	4	1	2	4	0	1	2	1
Product consistency	2	4	0	2	4	0	0	4	0
Product quality	2	4	0	1	5	0	0	4	0
Product range	5	1	0	3	3	0	0	2	2
Reliability of supply	2	3	1	4	2	0	1	2	1
Technical support/service	2	4	0	3	3	0	0	4	0
Transportation network	1	4	1	0	5	1	1	3	1
U.S. transportation costs	0	5	0	0	3	2	0	3	1

[1] "S" denotes that the first country product in the comparison is judged **superior** to the second country product in the comparison, "C" denotes **comparable**, "I" denotes **inferior**.
[2] A rating of superior means that the price is generally lower.

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

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Table II-7
SSA: Comparisons between nonsubject country products and U.S.-produced products/subject country imports, as reported by U.S. purchasers

Factor	Number of firms reporting											
	U.S. vs. Italy			Japan vs. Italy			Korea vs. Italy			Spain vs. Italy		
	S[1]	C[1]	I[1]	S[1]	C[1]	I[1]	S[1]	C[1]	I[1]	S[1]	C[1]	I[1]
Availability	2	1	0	2	1	1	0	1	1	0	0	2
Delivery terms	1	2	0	1	2	1	0	1	1	1	0	1
Delivery time	3	0	0	2	1	1	0	1	1	0	0	2
Discounts offered	0	3	0	0	3	0	0	2	0	0	1	1
Dual certified	1	2	0	0	3	1	0	1	1	0	2	0
Lowest price[2]	0	1	2	2	2	0	2	0	0	2	0	0
Minimum quantity requirements	0	3	0	0	4	0	0	2	0	0	2	0
Packaging	0	3	0	0	4	0	0	2	0	0	1	1
Product consistency	1	2	0	0	4	0	0	2	0	0	2	0
Product quality	1	2	0	0	4	0	0	2	0	0	2	0
Product range	0	1	2	1	3	0	0	0	2	0	2	0
Reliability of supply	2	1	0	2	1	1	0	1	1	0	0	2
Technical support/service	2	1	0	0	3	1	0	0	2	0	1	1
Transportation network	1	2	0	1	2	1	0	1	1	1	1	0
U.S. transportation costs	0	1	2	0	2	1	0	1	1	1	0	0

[1] "S" denotes that the first country product in the comparison is judged **superior** to the Italian product in the comparison, "C" denotes **comparable**, "I" denotes **inferior**.

[2] A rating of superior means that the price is generally lower.

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

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Supply Elasticities[24]

The domestic supply elasticity for SSA measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of SSA. 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 SSA. Earlier analysis of these factors indicated that during the period of investigation (especially towards the end) the U.S. industry would likely have been able to moderately increase or decrease shipments to the U.S. market; an elasticity estimate in the range of 2 to 4 is used in the COMPAS analysis.[25]

The supply elasticity for nonsubject foreign producers depends on the same sort of factors that determines the domestic supply elasticity. Based on the available information, the COMPAS analysis uses an elasticity estimate in the range of 1 to 3 for nonsubject supply.

U.S. Demand Elasticity

The U.S. demand elasticity for SSA measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of SSA. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of the SSA in the production of any downstream products. Based on the available information, the aggregate demand for SSA during the period of investigation was likely to have been inelastic with a range of -.2 to -.33 used in the COMPAS analysis.

Elasticities

The elasticities of substitution depends upon the extent of product differentiation between the domestic and imported products, and between imported products from subject and nonsubject countries.[26] 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 SSA and subject-country imported SSA (in sizes produced by Slater) was likely to have been high from 1998 to 2000, in the range

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[24] A supply function is not defined in the case of a non-competitive market. Because there is only one domestic SSA producer and the nonsubject import component of the U.S. SSA market is relatively small, it is conceivable that the extent of competition in the market may be altered by the imposition of any orders that greatly limit the competitiveness of subject imports. This issue cannot be directly addressed in the context of the COMPAS analysis.

[25] In the 1995 SSA investigation, a range of 0.5 to 1.5 was used for the supply elasticity. However, in contrast to the situation from 1998 to 2000, that earlier estimate was made in the context of relatively high capacity utilization levels and declining inventories. In the instant investigation, respondents argue for a lower supply elasticity by stating that Slater's capacity numbers are not credible and that the implied capacity utilization figures should not be given much weight in determining the elasticity (Japanese and Spanish respondents' joint prehearing brief, exhibit 18).

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

II-17

of 3 to 6. The elasticity of substitution between U.S.-produced SSA and nonsubject-country imported SSA was likely to have been slightly lower, in the range of 2.5 to 5.[27] The elasticity of substitution between nonsubject and subject sourced imported products was also likely to have been in the range of 2.5 to 5.

[27] Respondents argue for a range of 2 to 4 based on the lack of competition in the top and the bottom of the SSA size range and the frequency of broken bundle sales by master distributors (in contrast to Slater). (Japanese and Spanish respondents' joint prehearing brief, exhibit 18). Staff attempted to address the former issue by alternative means in the COMPAS analysis. On the latter issue, it should be noted that the preponderance of broken bundle sales is not as great as suggested by respondents (see table II-1). In addition, the underlying degree of substitution between domestic and foreign product need not be tied to competition occurring at any single level of distribution. In any case, the lower range of elasticities would not have changed any of the results presented in appendix E, as the COMPAS model would continue to imply in each case that subject imports would have exited the market under the dumping margins used.

II-18

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

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

U.S. PRODUCER

Slater, a wholly owned subsidiary of Slater Steels, Inc. of Ontario, Canada, produces SSA at its Fort Wayne, IN, facility. Slater *** the subject product during the period examined and is not related to any firm, either domestic or foreign, engaged in producing SSA; importing SSA from Japan, Korea, or Spain into the United States; or exporting SSA from Japan, Korea, or Spain to the United States.

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Table III-1
SSA: U.S. producer's capacity, production, and capacity utilization, 1998–2000

* * * * * * *

During the preliminary phase of these investigations, Slater reported its annual capacity to produce SSA to be *** million pounds. Its reported capacity was "calculated based on the maximum level of production that Slater could reasonably expect to attain under normal operating conditions assuming a typical or representative product mix," approximately *** percent bar and *** percent angle.[2] "[I]f Slater switched its entire plant to the production of angle, it would have an annual capacity of *** pounds, based on existing machinery used to produce angle."[3]

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[1] The Commission sent a questionnaire during the preliminary phase of these investigations to each of the firms identified in the petition as having produced SSA during the period of investigation, McDonald and Slater. ***. Telephone conversation with ***.

During the hearing in these investigations, Daniel Anderson, vice president of sales and marketing for Slater, stated that AmeriSteel had begun offering SSA for sale in the United States. Hearing transcript, p. 14. During the hearing, staff contacted Phillip Casey, president and CEO of AmeriSteel in Florida, who stated that AmeriSteel does not commercially produce SSA. Mr. Casey stated that his company ***. Memo to Commission, March 27, 2001.

[2] Petitioners' postconference brief, p. 14.

[3] Ibid., p. 14. This figure was calculated based on total plant production at *** percent capacity utilization. See petitioners' postconference brief, attachment 1 of exhibit 1, for further detail on machinery and capacity limits of SSA production.

III-1

Respondents disputed Slater's reported capacity. Counsel for the Japanese respondents described Slater's production capacity as a "***."[4] Slater's reported capacity of *** million pounds is *** apparent U.S. consumption of SSA in each year and period for which data were collected in these investigations.[5]

Slater's Fort Wayne facility operated on a curtailed schedule with salary personnel due to a strike during May 17–June 23, 1999. Slater reported *** as constraints that limit its production capabilities. It further reported that the PRWs employed to produce SSA also produce stainless steel bar.

***.

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

Slater's shipments of SSA are shown in table III-2. The volume, value, and average unit value of its U.S. shipments of SSA declined from 1998 to 2000 by *** percent, *** percent, and *** percent, respectively. Slater reported *** internal consumption/company transfers during the period of investigation, and its export shipments, ***, equaled *** percent of total shipments in 2000.

Table III-2
SSA: U.S. producer's shipments, by type, 1998–2000

* * * * * * *

U.S. PRODUCER'S INVENTORIES

As shown in table III-3, Slater's end-of-period inventories of SSA increased by *** percent from 1998 to 2000. Slater attributed the increase in its finished goods inventory to the ***.[6]

Table III-3
SSA: U.S. producer's end-of-period inventories, 1998–2000

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Data provided by Slater on the number of PRWs engaged in the production of SSA, the total hours worked by such workers, and wages paid to such PRWs during the period for which data were collected in the investigations are presented in table III-4.

Table III-4
SSA: Average number of PRWs; hours worked; wages paid to such employees; and hourly wages, productivity, and unit labor costs, 1998–2000

* * * * * * *

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[4] Japanese respondents' postconference brief, pp. 10–12.

[5] See table C-1.

[6] Slater's questionnaire response, p. 6.

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

U.S. IMPORTERS

The Commission sent questionnaires to 18 firms believed to be importers of SSA. Questionnaire responses were received from 14 firms, 13 of which reported that they import subject and/or nonsubject product. Staff believes that all major importers of SSA from the subject countries responded to the Commission's questionnaire. Table IV-1 lists all responding U.S. importers and their quantities of imports, by source, in 2000. The table indicates that only one importer imported SSA from more than one of the subject countries; that same importer was the only importer to import subject and nonsubject SSA.

In comparison with official statistics of Commerce, questionnaire data of the responding firms for 2000 accounted for approximately *** percent of the volume of imports from Japan, *** percent of the volume of imports from Korea, and *** percent of the volume of imports from Spain. Because reported imports from Japan, Korea, and Spain were greater than reported exports from the respective foreign producers[1] and reported imports from Korea were greater than official statistics (which cover products not included within the scope of these investigations, such as SSA of unequal leg length),[2] questionnaire data are used in the body of this report.

Two importers are related to foreign exporters of the subject product. ***. ***.

Table IV-1
SSA: U.S. imports, by importer and by source of imports, 2000

* * * * * * *

Questionnaire respondents were primarily located in California (5), New Jersey (3), New York (2), and Texas (2).[3] Nonsubject imports were reported from Italy by two importers during the period of investigation. *** U.S. importers entered the subject product into or withdrew it from foreign trade zones or bonded warehouses or imported SSA under the temporary importation under bond program during the period examined.

U.S. IMPORTS

Table IV-2 shows that the quantity of U.S. imports of SSA from all sources increased from 1998 to 2000, while average unit values decreased from 1998 to 1999, then rose from 1999 to 2000. Subject

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[1] Bae Myung of Korea and Roldan of Spain stated in their questionnaire responses that each company was responsible for *** SSA exports to the United States. Bae Myung's questionnaire response, p. 8; Roldan's questionnaire response, p. 7.

[2] Counsel for petitioners estimated that considerably less than five percent of imports under the HTS statistical reporting numbers 7222.40.3020 and 7222.40.3060 (2000 HTS) fall outside the scope of these investigations. Conference transcript, p. 31. Counsel for the Japanese respondents agreed. Japanese respondents' postconference brief, exhibit 1, p. 5. ***.

[3] Importers of the subject product were located in California; New Jersey; New York; Ohio; South Carolina; Texas; and Ontario, Canada.

IV-1

import quantities rose from 1999 to 2000 while nonsubject import quantities decreased. The bulk of the increase in import quantities from 1998 to 2000 was from Korea.

Table IV-2
SSA: U.S. imports, by sources, 1998–2000

Source	Calendar year		
	1998	1999	2000
	Quantity (*1,000 pounds*)		
Japan	***	***	***
Korea	***	***	***
Spain	***	***	***
Subtotal	***	***	***
All others	***	***	***
Total	19,603	32,798	34,296
	Value (*$1,000*)		
Japan	***	***	***
Korea	***	***	***
Spain	***	***	***
Subtotal	***	***	***
All others	***	***	***
Total	20,931	27,163	32,152
	Unit value (*per pound*)		
Japan	$***	$***	$***
Korea	***	***	***
Spain	***	***	***
Average	***	***	***
All others	***	***	***
Average	1.07	0.83	0.94

Table continued on next page.

IV-2

Table IV-2—Continued
SSA: U.S. imports, by sources, 1998–2000

Source	Calendar year		
	1998	1999	2000
	Share of quantity (*percent*)		
Japan	***	***	***
Korea	***	***	***
Spain	***	***	***
Subtotal	***	***	***
All others	***	***	***
Total	100.0	100.0	100.0
	Share of value (*percent*)		
Japan	***	***	***
Korea	***	***	***
Spain	***	***	***
Subtotal	***	***	***
All others	***	***	***
Total	100.0	100.0	100.0

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

APPARENT U.S. CONSUMPTION

As presented in table IV-3, the volume of apparent U.S. consumption increased by 37.6 percent from 1998 to 2000, while the value increased by 18.7 percent during this period.

Table IV-3
SSA: U.S. shipments of domestic product; U.S. shipments of imports, by sources; and apparent U.S. consumption, 1998–2000

* * * * * * *

IV-3

U.S. MARKET SHARES

Slater's share of consumption decreased by *** percentage points from 1998 to 2000 (table IV-4), while the U.S. market share of subject imports increased by *** percentage points and the U.S. market share of nonsubject imports decreased by *** percentage points during the same period.

Table IV-4
SSA: Apparent U.S. consumption and market shares, 1998–2000

* * * * * * *

IV-4

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

The main raw material costs for SSA come from nickel, chromium, and, in the case of 316 grade, molybdenum. These elements may be purchased separately or may be obtained from stainless steel scrap. The cost of these three materials for the most common grade, 304, varied widely over the period of investigation according to publicly available sources;[1] at times being as low as approximately 21 cents per pound, at other times as high as 45 cents per pound.[2] Costs for grade 316 ranged from 28 cents to 57 cents per pound. Of this cost, the bulk is accounted for by nickel. The share of nickel in this cost averaged 74 percent for grade 304 (71 percent for grade 316) and ranged around the average for 1998 to 2000 by as much as 9-11 percentage points (11-12 percentage points for grade 316).[3] The price of nickel itself ranged from $1.76 per pound to $4.66 per pound. The price of stainless steel scrap tends to follow a similar trend to those of nickel individually, and the combination of nickel, chromium, and molybdenum used in grades 304 and 316.

Figure V-1 shows indexed prices for nickel, stainless steel scrap, and the combinations of nickel, chromium, and molybdenum used in grades 304 and 316. After falling by 30 and 39 percent, respectively, from January 1998 levels in the later months of 1998, nickel and stainless steel scrap prices rose to as much as 87 and 35 percent, respectively, above January 1998 levels in the spring of 2000. Subsequently, these prices fell by 38 to 51 index points. By December 2000, nickel prices were 34 percent above original values and stainless steel scrap prices were 11 percent below original prices. Prices of combinations of nickel, chromium, and molybdenum used in the two most common grades followed similar, but intermediate, trends.

---

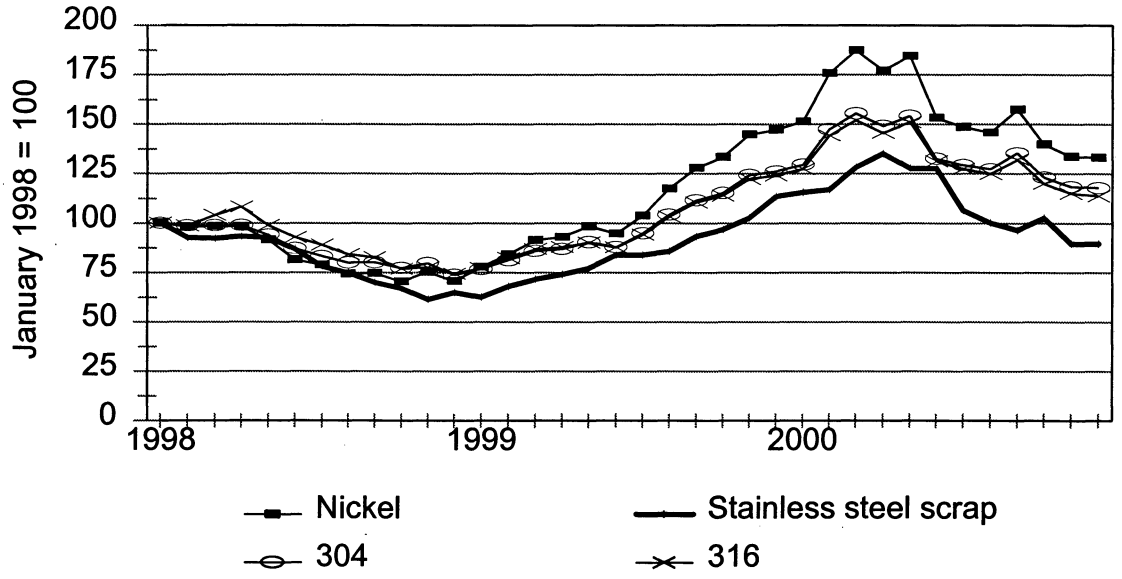
[1] Monthly data prior to and during the period of investigation on nickel, chromium, molybdenum, and stainless steel scrap were obtained from Peter Kuck, John Papp, and John Blossom at the USGS. The nickel prices provided on February 16, 2001 by Mr. Kuck were from the London Metal Exchange and were originally reported in *Platt's Metals Week*. The chromium prices provided on February 12, 2001 by Mr. Papp were from the price of high carbon ferrochromium containing 50 to 55 percent chromium as reported in *Platt's Metals Week*. The molybdenum prices provided on February 7, 2001 by Mr. Blossom were also originally given in *Platt's Metals Week*. The prices for stainless steel scrap (provided on February 16, 2001 by Mr. Kuck) are 18/8 stainless steel scrap prices in Pittsburgh, and were originally published by *American Metal Market*. Cost figures reported throughout this paragraph are computed from these price data covering the period of investigation.

[2] Grade 304 contains 8 percent nickel and 18 percent chromium by weight. Grade 316 contains 10 percent nickel, 16 percent chromium, and 2 percent molybdenum by weight.

[3] These calculations incorporate the weight percentages of nickel, chromium, and molybdenum given in the previous footnote.

V-1

Figure V-1
Indices of the price of nickel, stainless steel scrap, and costs of selected inputs[1] of grades 304 and 316, by month, January 1998-December 2000



[1] Costs are a weighted combination of nickel, chromium, and molybdenum prices.

Source: Compiled from USGS. See footnote 1 in the text.

The absolute size of the increase in the cost of these raw materials beginning in late 1998 was larger than the increase in prices of SSA.[4] In contrast, the drop in SSA prices prior to late 1998 was larger than the drop in raw material costs. While the prices of selected products are discussed at great length later in this pricing section, figure V-2 gives a rough comparison, on an absolute basis, of the changes in costs to the changes in prices by presenting the differences between January 1998 levels for 3 series: stainless steel scrap, the average unit value of subject imports, and U.S. prices for product 2 (defined later in this pricing section).[5] The first two series are presented on a monthly basis; the last is only available on a quarterly basis. Because of the possibility that prices lag costs (examined in more detail in appendix F), data for one year prior to January 1998 are included in the figure.

Figure V-2
Cumulative change in raw material costs and prices of SSA, by month, January 1997-December 2000

* * * * * * *

[4] The "raw material costs" referred to here are not producers' actual costs of producing a pound of SSA, but per pound costs of the specified raw materials. As such, they do not account for any (potential) wastage or underutilization of these raw materials in the production of SSA.

[5] Product 2 is the largest of the four pricing products considered in this section in terms of quantity. Slater's prices of the other pricing products are *** with its prices of product 2, see app. F.

Transportation Costs to the U.S. Market

Transportation costs for SSA from both Japan and Spain to the United States (excluding U.S. inland costs) are estimated to be approximately 4 percent of the total cost for SSA. These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value (both for 2000 individually, and over the period from 1998 to 2000). Estimates of transportation costs from Korea to the United States are higher, at approximately 9 percent of the total cost for SSA.

U.S. Inland Transportation Costs

As is generally the case for specialty stainless steel products, U.S. inland transportation costs for SSA make up a small percentage of its total costs and vary according to geographic location. Importers reported transportation costs from ½ (***) to 6 percent (***) of the total delivered costs of SSA, with an average of approximately 2-3 percent.[6] Slater reported that its U.S. transportation costs account for about ***.

Exchange Rates

Quarterly data reported by the International Monetary Fund indicate that the nominal value of the Japanese yen appreciated 17 percent relative to the U.S. dollar from January 1998 to December 2000 (figure V-3), despite falling by 9 percent through the third quarter of 1998. The real value of the Japanese yen appreciated 3 percent vis-a-vis the U.S. dollar in that time period, again despite a drop in value of 8 percent in early quarters. Over the same period of time, the Korean won increased by 38 percent, in nominal terms, and by 28 percent, in real terms, against the U.S. dollar. Most of the won's nominal appreciation and more than its entire real appreciation occurred by the first quarter of 1999. In contrast, the nominal value and the real value of the Spanish peseta fell by 20 percent and 21 percent, respectively, over that period of time; the nominal and real values of the peseta were nearly identical between 1998 and 2000, so the graphs of the two series virtually coincide in the figure. The value of the peseta appreciated by 9 percent of its original value by the fourth quarter of 1998 before beginning its decline.

[6] *** reported (possibly aberrational) transportation costs more than twice as high as any of these.

V-3

Figure V-3
Exchange rates: Indices of the nominal and real exchange rates of the currencies of Japan, Korea, and Spain relative to the U.S. dollar, by quarters, January 1998-December 2000

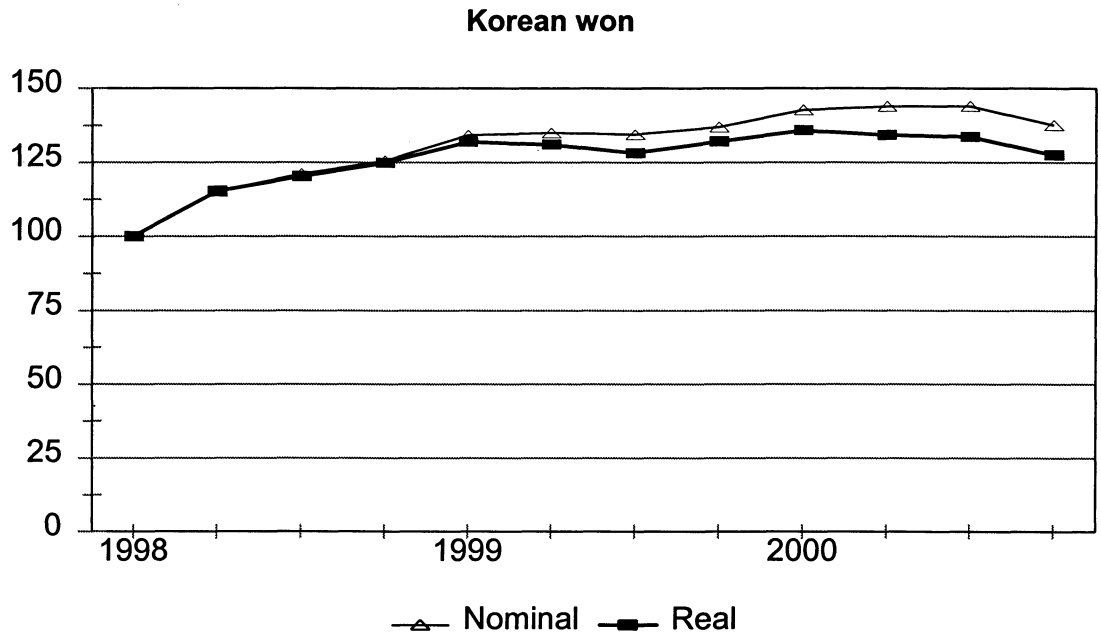
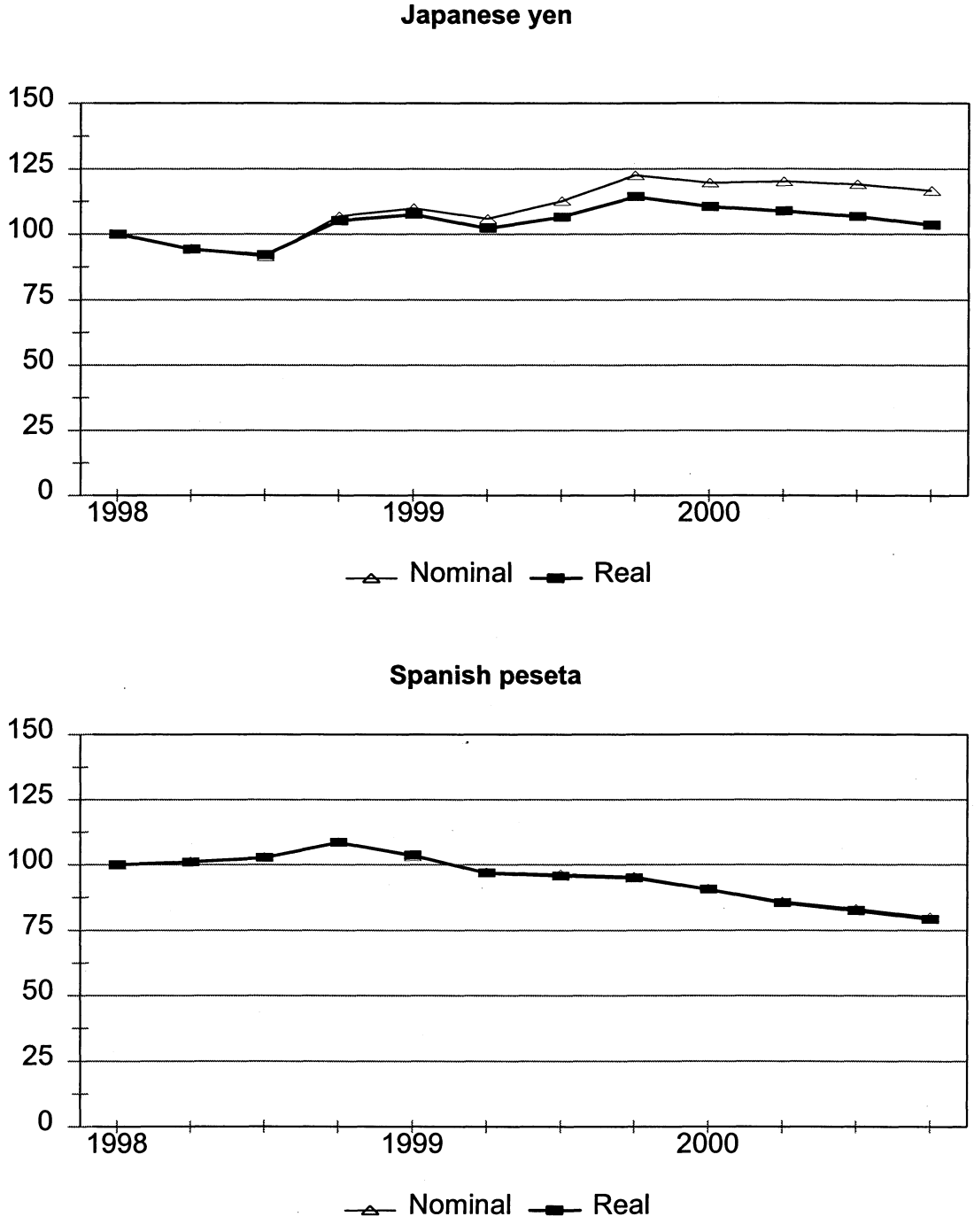


Figure continued on next page.

V-4

Figure V-3--Continued
Exchange rates: Indices of the nominal and real exchange rates of the currencies of Japan, Korea, and Spain relative to the U.S. dollar, by quarters, January 1998-December 2000



Source: International Monetary Fund, *International Financial Statistics*, February 2001.

V-5

PRICING PRACTICES

Pricing Methods

Importers predominantly reported that their prices are determined through transaction-by-transaction negotiations. Only a few importers elaborated on this answer, stating that price negotiations are based on market conditions and/or targets for gross margins. One importer, ***, stated that some of its prices are set by price lists. Slater stated that ***. It also pointed to ***. According to 60 percent of responding SSA purchasers, the price at which the product is sold can be negotiated by supplier and customer. (The other 40 percent reported that the supplier usually sets the price.)

SSA suppliers reported that a large percentage of sales are forward sales rather than spot sales.[7] Slater reported that *** were made on a forward basis. Eight importers reported that all of their sales were forward sales. Two importers, ***, reported that none of their sales were forward sales and one, ***, reported that only five percent of its sales were made on a forward basis.

Contract sales are made by some suppliers. Seven suppliers reported that they sold at least some of their SSA under a contract. Five of these stated that contract sales accounted for all of their sales. The other two, ***, reported that only 5 and 15 percent, respectively, of their sales are made under contract. Five suppliers, ***, reported that none of their material was sold under contracts. *** reported that its contracts last for one year. Other suppliers reported shorter contract duration ranging from a single transaction and 1 month, up to 6 to 7 months. The contracts reported by suppliers tend to involve a minimum quantity requirement with typical features of a 40,000 pound minimum for the total order and a 2,000 pound minimum for each size within the order.

Four importers (all master distributors) reported selling SSA in broken bundles. *** stated that all of its sales were in broken bundles, while *** stated that about 70 percent and 25 percent, respectively, of their sales were in broken bundles.[8] *** reported that an unknown percentage of its sales were made in broken bundles. No trading company reported selling broken bundles.

Suppliers reported a mixture of delivery arrangements. Six importers *** indicated that at least some product is priced on an f.o.b. basis. Similarly, six importers reported that at least some product is priced on a delivered basis. According to their responses, suppliers are more likely to make the actual delivery arrangements than are their customers. Only four responding suppliers (among these both trading companies and a master distributor) indicated that purchasers usually make delivery arrangements. One other supplier, ***, indicated that both it and its purchasers may make delivery arrangements.

*** and five of the importers (***) reported that their operations serve the entire U.S. market. Four other importers (***) reported selling in broad areas of the United States. Other importers focused their sales on smaller geographic regions; some in widely scattered small regions (i.e., specific cities or states), one in a single larger region.

Most SSA is sold relatively close to the sellers' facilities. This is particularly the case for imported product. *** reported that more than 5 percent of sales were made more than 1,000 miles away from its facilities, with *** percent being sold at such distances. Five suppliers reported that at least 90 percent of sales occurred within 100 miles of the supplier's facility and only two (***) reported that less than half of their sales occurred within 100 miles (20 percent and 10 percent, respectively).

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[7] Forward sales entail lags between order and delivery of between approximately *** for Slater and 3 to 6-7 months for imported product. Spot sales can be delivered within 2 days to 1 week.

[8] ***.

V-6

Sales Terms and Discounts

Sales terms for SSA are relatively standardized, with a few exceptions. Slater reported that its typical terms are ***. ***, 8 importers reported sales terms with net 30 days provisions. *** were the only importers reporting different terms, with the former reporting that its typical terms are 90 days bill of lading and the latter reporting that it utilizes terms of 180 days.

While a number of suppliers set prices individually for each transaction, formal discounting was reported by suppliers to be rather uncommon. Slater indicated that ***.[9] ***. Two importers, ***, indicated that discounts may be provided for purchases of large quantities. The former reported that such discounts must be negotiated, the latter that there is no fixed discount rate. Eight other importers reported that they do not give discounts.

PRICE DATA

The Commission requested U.S. producers and importers of SSA to provide quarterly data for the total quantity and value of SSA that was shipped in first unaffiliated sales to customers in the U.S. market.[10] Data were requested for the period January 1998 to December 2000. The products for which pricing data were requested are as follows:

Product 1.--Grade 304, hot-rolled, annealed, and descaled stainless steel 90-degree angle, 1" x 1" x 1/8"

Product 2.--Grade 304, hot-rolled, annealed, and descaled stainless steel 90-degree angle, 2" x 2" x 1/4"

Product 3.--Grade 304, hot-rolled, annealed, and descaled stainless steel 90-degree angle, 1½" x 1½" x 3/16"

Product 4.--Grade 316, hot-rolled, annealed, and descaled stainless steel 90-degree angle, 2" x 2" x 1/4"

Firms were requested to provide pricing data for these products whether they sold the high carbon versions of these products, the low carbon versions (i.e., 304L and 316L), or a version certified as dual-use. Data were requested only for sales of full bundles.[11] In addition, it was requested that information

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[9] ***. One importer, ***, reported providing discounts of *** size on a very small percentage of its sales.

[10] Pricing data was also requested from master distributors that were not importers of record. These data are presented in appendix G.

[11] In certain cases, including sales by *** and ***, quantities of less than full bundle size were obtained in some quarters because of allocation methods used in estimating the data. The former firm could not distinguish sales of products for which it was the importer of record from sales of products it had purchased previously from the importer of record. The latter also had this problem, plus an inability to distinguish individual sales by country of origin and an inability to separate full bundle sales from partial bundle sales. In both cases, the suppliers reported that the price at which the product was sold did not vary according to the feature(s) that they were unable to distinguish. Both of these firms reported two sets of sales price data during this investigation, one in response to the (continued...)

be provided classifying sales by bundle size. While the majority of SSA was sold in bundles averaging about 2,000 pounds, some product was sold in 1,000 pound (average) bundles (for instance, up to *** percent of Slater's sales and most of the imports from Japan sold by *** were sold in 1,000 pound bundles). Because of some imprecision in responses to bundle size queries and for the sake of clarity, the presentation that follows does not differentiate data according to bundle size. In any case, it is highly unlikely that there is enough data to determine whether or not differences in standard bundle sizes result in systematic differences in the way SSA is sold or priced.[12]

Slater and 10 importers provided usable pricing data for first unaffiliated sales of the requested products, although not all firms reported pricing for all products for all quarters. Five importers reported pricing data on Japanese product, four reported for Korean product, and one (***) reported for Spanish product. Pricing data reported by these firms accounted for approximately *** percent of Slater's U.S. shipments of SSA, and *** percent of U.S. shipments of subject imports from Japan, *** percent of U.S. shipments of subject imports from Korea, and *** percent of U.S. shipments of subject imports from Spain in 1998-2000.[13]

The pricing data on first unaffiliated sales collected by the Commission are summarized in the tables and figures that follow. Other supplier pricing data, including data obtained from non-importing master distributors, are summarized in appendix G.[14] Tables V-1-V-4 present prices and quantities of the four products by level of distribution.[15] Tables V-5 and V-6 summarize instances and margins of underselling/overselling. Tables V-7-V-10 present quarterly underselling/overselling margins for the four pricing products. Figures V-4-V-7 show prices for each of the pricing products.

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[11] (...continued)
importer questionnaire, the other in response to the master distributor supplemental questionnaire. The latter set of data was used as the basis (from which the adjustments just discussed were made) of the pricing values attributed to *** in this section (Part V). ***'s quantity data from the importer questionnaire was used in this section. For prices, data from the master distributor supplemental questionnaire was used when possible, as ***.

[12] Because most SSA is sold in standard bundle sizes of 2,000 pounds (and because there is not a large number of firms in the market generally) it would be infeasible to attempt to relate pricing differences to bundle size differences. In any case, ***.

[13] Data on first unaffiliated sales to service centers by importers of these four products account for *** percent, *** percent, and *** percent, respectively, of shipments of imports from Japan, Korea, and Spain during the period.

[14] Pricing data from unaffiliated first sales are presented in this section in keeping with typical Commission practice. Respondents have argued that these data do not provide a valid comparison between prices of the domestic product and prices of imports from subject imports at a similar level of distribution. The presentation in appendix G gives various alternative pricing comparisons based on different perspectives as to appropriate levels of distribution for price comparisons. The presentation there also provides a brief assessment of the benefits and difficulties associated with the use of each type of price comparison.

[15] The two levels of distribution presented are first unaffiliated sales made to steel service centers, and all first unaffiliated sales (of which the prior category is a subset). Slater's data lie entirely in the steel service center category. The analysis of all first unaffiliated sales ("first sales overall") aggregates first unaffiliated sales made to steel service centers with first unaffiliated sales made to master distributors. A (more limited) index value comparison of first unaffiliated sales of imported product made to master distributors with Slater's sales made to steel service centers is made in appendix G.

V-8

Table V-1
SSA: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, first unaffiliated sale, by quarters, January 1998-December 2000

* * * * * * *

Table V-2
SSA: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, first unaffiliated sale, by quarters, January 1998-December 2000

* * * * * * *

Table V-3
SSA: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, first unaffiliated sale, by quarters, January 1998-December 2000

* * * * * * *

Table V-4
SSA: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, first unaffiliated sale, by quarters, January 1998-December 2000

* * * * * * *

Table V-5
SSA: Occurrences of underselling by subject imports, first unaffiliated sale, by sources and by years, 1998-2000

* * * * * * *

Table V-6
SSA: Percentage margins of underselling/(overselling) for average of all pricing products, first unaffiliated sale, by sources and by years, 1998-2000

* * * * * * *

Table V-7
SSA: Percentage margins of underselling/(overselling) for product 1, first unaffiliated sale, by sources and by quarters, January 1998-December 2000

* * * * * * *

Table V-8
SSA: Percentage margins of underselling/(overselling) for product 2, first unaffiliated sale, by sources and by quarters, January 1998-December 2000

* * * * * * *

V-9

Table V-9
SSA: Percentage margins of underselling/(overselling) for product 3, first unaffiliated sale, by sources and by quarters, January 1998-December 2000

* * * * * * *

Table V-10
SSA: Percentage margins of underselling/(overselling) for product 4, first unaffiliated sale, by sources and by quarters, January 1998-December 2000

* * * * * * *

Figure V-4
SSA: Weighted-average f.o.b. prices of product 1, first unaffiliated sale, by quarters, January 1998-December 2000

* * * * * * *

Figure V-5
SSA: Weighted-average f.o.b. prices of product 2, first unaffiliated sale, by quarters, January 1998-December 2000

* * * * * * *

Figure V-6
SSA: Weighted-average f.o.b. prices of product 3, first unaffiliated sale, by quarters, January 1998-December 2000

* * * * * * *

Figure V-7
SSA: Weighted-average f.o.b. prices of product 4, first unaffiliated sale, by quarters, January 1998-December 2000

* * * * * * *

Price Trends

Each of the four pricing products exhibited similar trends from 1998 to 2000. Prices fell from the first quarter of 1998 through early to mid 1999. (Prices of the domestic product, for example, fell by *** percent over this period.) Prices rose subsequently, but at a slower rate than the earlier drop in prices. In *** of the products examined did prices of domestically produced products by fourth quarter of 2000 rise to the levels of the first quarter of 1998. While prices of product imported from subject countries were more variable, they experienced a similar pattern. (The correlation coefficients of prices by countries and products are presented in tables F-1 and F-2 in appendix F. Average country correlation coefficients over products are presented in table F-3, along with analogous correlation coefficients for the pricing data discussed in appendix G.)

V-10

Price Comparisons

In general, the differences between the prices of domestically produced SSA and those of SSA imported from subject countries depend on whether the comparison is made at the same level of distribution (i.e., sales to steel service centers) or in the aggregate. In most cases, prices of subject imports were higher (and margins of underselling were therefore lower or positive) for sales made to steel service centers than for sales made to master distributors.

Prices of Japanese products were *** similar to those of domestic products, especially for ***. Korean and (particularly) Spanish product prices were generally lower. Spanish and Korean product was sold predominantly to master distributors, contributing in large part to the size of the overall margins of underselling. Margins of underselling from all three sources were highest in 2000.

The Commission requested pricing data from purchasers on the same four pricing products but received complete responses from relatively few of the responding purchasers. Many of the responses that were received differed as to the level of distribution at which their purchases were made. Based on the information received, a comparison can be made in cases where an individual purchaser purchased a given pricing product from multiple suppliers in a given quarter. Margins associated with these "within-firm" comparisons are summarized in table V-11.[16]

Table V-11
SSA: Within-firm margins of overselling/(underselling), purchaser data, 1998-2000

* * * * * * *

LOST SALES AND LOST REVENUES

The Commission requested that Slater report any instances of lost sales or revenues it experienced due to competition from imports of SSA from Japan, Korea, or Spain during January 1997 to June 2000 in the preliminary phase of the investigations and in subsequent months in this final phase.[17] Slater reported no specific allegations in this final phase, but during the preliminary phase did report that it lost sales, and that it had to either reduce prices or roll back announced price increases. Its 20 lost sales allegations during the preliminary phase totaled $*** and involved *** pounds of SSA. The 15 lost revenues allegations it made in that phase totaled $*** and involved *** pounds of product.

The details of each of these allegations including the dates, quantities, prices, and comments from the five purchasing firms involved are presented in the report from the preliminary phase of the instant investigations. In brief, ***.

[16] The small number of data points available makes an analysis of quarterly price movements infeasible.

[17] This paragraph and the one that follows uses information that was first presented in USITC Pub. 3356, p. V-8.

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

BACKGROUND

Slater provided financial data for its SSA operations. Slater also produces stainless steel bar, accounting for *** percent of the 2000 net sales of the Fort Wayne Specialty Alloys Division,[1] and stainless ingots and billets, accounting for *** percent of the establishment net sales. SSA accounted for the remaining *** percent of the establishment net sales in 2000.

During the third quarter of 2000, Slater's parent acquired Atlas Stainless Steels and Atlas Specialty Steels. After the inclusion of the two Atlas units, the parent changed its segment reporting for its financial statements to stainless steel, specialty carbon, and distribution.[2]

OPERATIONS ON SSA

The results of Slater's SSA operations are presented in table VI-1.[3] Net sales value declined in 1999 compared to 1998 ***. The per-pound net sales value increased to $*** in 2000 but the net sales value continued to decline due to a ***. Net sales value ***. However, other costs ***. Slater *** in each year ranging from *** percent of net sales in 1998 to *** percent of net sales in 1999.

Table VI-1
Results of operations of Slater in the production of SSA, calendar years 1998-2000

* * * * * * *

Pounds shipped for the entire Fort Wayne Specialty Alloys Division *** in 2000 compared to 1998 and 1999, which would contribute to a *** per-pound cost to SSA for other factory costs and SG&A expenses because of allocating fixed costs over a *** number of pounds.[4]

Slater provided the cost of the components of raw materials as shown in table VI-2.[5] The data indicate that the increase in per-pound raw material costs in 2000 compared to 1998 and 1999 was *** due to a significant increase in the cost of nickel and stainless steel scrap.

---

[1] Slater has a fiscal year-end of December 31. Slater provided product line income statements for its Fort Wayne Specialty Alloy Division for each of the periods investigated. Other business segments of Slater's parent, Slater Steel, Inc., through 1999 included Hamilton Specialty Bar, located in Hamilton, Ontario, and Sorel Forge, Scarborough, Ontario.

[2] Found at Internet site *http://biz.yahoo.com/cnw/010215/slater_ste.html*, retrieved on February 22, 2001.

[3] Slater's Fort Wayne division product line income statements allowed the questionnaire to be reconciled to the parent company's financial statements through 1999. Based on values shown in these product line income statements, changes have been made to the questionnaire response in other factory costs and SG&A expenses. Changes made to the questionnaire response decreased Slater's *** on SSA by $*** in 1998 and increased the *** by $*** in 1999, and $*** in 2000.

[4] "***." Fax from Rick Sober, Manager, Costs and Budgets, February 26, 2001.

[5] The raw material per-pound values were computed on the basis of SSA quantity sold.

VI-1

Table VI-2
Breakdown of the cost of raw materials used in the production of SSA, calendar years 1998-2000

* * * * * * *

Changes in Slater's operating *** are shown in the variance analysis comparing the effects of prices and volume on net sales and of costs and volume on its total costs (table VI-3). This analysis shows that the increase in operating *** between 1998 and 2000 was due primarily to ***. The increase in operating *** between 1998 and 1999 is due to ***.

Table VI-3
Variance analysis for the SSA operations of Slater, calendar years 1998-2000

* * * * * * *

CAPITAL EXPENDITURES, R&D EXPENSES, AND INVESTMENT IN PRODUCTIVE FACILITIES

Capital expenditures, R&D expenses, and the original cost and book value of property, plant, and equipment used in the production of SSA are shown in table VI-4. ***. Capital expenditures *** in 1999 compared to 1998, then *** in 2000 *** of the 1998 capital expenditures.

Table VI-4
Capital expenditures, R&D expenses, and the value of assets of Slater with respect to SSA, calendar years 1998-2000

* * * * * * *

CAPITAL AND INVESTMENT

Slater provided a response to questions regarding the significance of imports of SSA from Japan, Korea, or Spain in terms of their actual or potential negative effects on return on investment or its growth, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or scale of capital investments. Slater stated that it has experienced actual negative effects "***." Slater stated with regard to potential negative effects, that "***."

VI-2

PART VII: THREAT CONSIDERATIONS

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

THE SUBJECT FOREIGN INDUSTRIES

The Industry in Japan

The petition cited three producers/exporters of SSA in Japan, Aichi, Daido, and Sumitomo, and the Commission received responses from each of them during the final phase of these investigations.[1] Table VII-1 presents aggregated data of the Japanese producers, which are believed to account for 100 percent of SSA production in Japan.[2]

Capacity utilization remained at or above *** percent during the period examined and is projected to *** by 2002. In particular, ***, which accounted for *** percent of Japan's SSA production in 2000 and *** percent of Japan's SSA capacity in 2000, reported capacity utilization rates of *** percent, *** percent, and *** percent for 1998 to 2000, respectively.[3] Aggregated shipment data of Japanese producers ***.[4]

As shown in table VII-2, *** percent of Japanese exports of SSA to the United States in 2000 was comprised of sizes not produced by Slater, as compared to *** percent in 1999.

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[1] The petition (p. 50) also mentioned a new Japanese producer of SSA, scheduled to begin operations in 2001. The producer, Mori Kogyo, is to invest $27 million to install a hot-rolling bar mill in its current Mizukaido plant. The bar mill will begin production in the autumn of 2001. The production plan calls for the mill to produce approximately 700 metric tons per month of hot-rolled angles and flat bars (Tekko Shimbun newspaper, March 13, 2000, as presented in Japanese respondents' postconference brief, exhibit 1-A).

[2] All Japanese producers provided projected data. ***.

[3] ***.

[4] ***. Telephone conversation with ***, September 12, 2000.

VII-1

Table VII-1
SSA: Japan's production capacity, production, shipments, and inventories, 1998–2000, and projections 2001–02

Item	Actual experience			Projections	
	1998	1999	2000	2001	2002
	Quantity (*1,000 pounds*)				
Capacity	112,555	119,830	119,830	119,830	119,830
Production	118,157	132,346	136,111	138,855	141,113
End-of-period inventories	15,258	***	***	***	12,155
Shipments:					
Internal consumption	0	0	0	0	0
Home market	75,464	77,401	98,456	99,225	99,225
Exports to—					
The United States	11,249	12,207	8,394	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***
Total shipments	***	***	***	***	***
	Ratios and shares (*percent*)				
Capacity utilization	105.0	110.4	113.6	115.9	117.8
Inventories to production	12.9	***	***	***	8.6
Inventories to total shipments	***	15.8	11.2	10.4	***
Shares of total quantity of shipments:					
Internal consumption	0.0	0.0	0.0	0.0	0.0
Home market	***	***	***	***	***
Exports to—					
The United States	***	***	***	***	***
All other markets	***	***	***	***	***
Total exports	***	***	***	***	***

Note: Figures do not incorporate *** in the following amounts: *** pounds in 1999; *** pounds in 2000; and *** pounds each in 2001 and 2002 (est.).

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

VII-2

Table VII-2
SSA: Japan's exports to the United States, by sizes produced and not produced by Slater, 1998–2000

* * * * * * *

Table VII-3 presents Japanese exports of SSA to the United States by customer type. All Japanese export shipments were made to master distributors, with the exception of ***.

Table VII-3
SSA: Japan's exports to the United States, by customer type, 1998–2000

* * * * * * *

The Industry in Korea

Bae Myung was the only producer/exporter of SSA in Korea cited in the petition. Bae Myung reported that it accounted for *** percent of SSA production in Korea and *** percent of Korea's SSA exports to the United States in 2000. Its sales of SSA accounted for *** percent of its total sales in its most recent fiscal year. Of its shipments in 2000, *** percent were made to the United States and *** percent were exports. Other principal export markets reported were ***. Bae Myung's production and shipments to the United States increased from 1998 to 2000 by *** percent and *** percent, respectively (table VII-4). However, it reported that its capacity and production of SSA will ***.[5]

As shown in table VII-5, *** percent of Bae Myung's exports of SSA to the United States in 2000 was comprised of sizes not produced by Slater, an increase from *** percent in 1999 (adjusted from *** percent as reported in the preliminary phase of these investigations).

Table VII-4
SSA: Korea's production capacity, production, shipments, and inventories, 1998–2000, and projections 2001–02

* * * * * * *

Table VII-5
SSA: Korea's exports to the United States, by sizes produced and not produced by Slater, 1998–2000

* * * * * * *

Table VII-6 presents Bae Myung's exports of SSA to the United States by customer type. Bae Myung *** to end users and *** percent of its export shipments were made to service centers in 2000, as compared with *** percent of its export shipments in 1999 (adjusted from *** percent as reported in the preliminary phase of these investigations).

---

[5] Bae Myung reported that its production and capacity of SSA will ***. Bae Myung's questionnaire response, p. 5.

VII-3

Table VII-6
SSA: Korea's exports to the United States, by customer type, 1998–2000

* * * * * * *

The Industry in Spain

Roldan was the only producer/exporter of SSA in Spain cited in the petition. Roldan reported that in 2000 it accounted for *** percent of total production of SSA in Spain and *** percent of Spain's exports to the United States. Of its shipments in 2000, *** percent were made to the United States, down from *** percent in 1999, and exports as a whole in 2000 accounted for *** percent of its shipments, down from *** percent in 1999. Other principal export markets reported were ***. Roldan's production and exports to the United States increased from 1998 to 2000 by *** percent and *** percent, respectively (table VII-7).

Its capacity is projected to *** from 2000 to 2001. Roldan stated that ***[6] ***[7] ***.

As shown in table VII-8, *** percent of Roldan's exports of SSA to the United States in 2000 was comprised of sizes not produced by Slater, as compared to *** percent in 1999. Table VII-9 presents Roldan's exports of SSA to the United States by customer type. In 2000, Roldan *** shipments directly to end users and sent *** percent of its export shipments to master distributors.

Table VII-7
SSA: Spain's production capacity, production, shipments, and inventories, 1998–2000, and projections 2001–02

* * * * * * *

Table VII-8
SSA: Spain's exports to the United States, by sizes produced and not produced by Slater, 1998–2000

* * * * * * *

Table VII-9
SSA: Spain's exports to the United States, by customer type, 1998–2000

* * * * * * *

U.S. IMPORTERS' INVENTORIES OF PRODUCT FROM SUBJECT COUNTRIES

Reported inventories held by U.S. importers of subject merchandise from Japan, Korea, and Spain are shown in table VII-10. Five of 13 reporting U.S. importers reported end-of-period inventories during the period of investigation.

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[6] Spanish respondents' postconference brief, p. 7.

[7] Roldan's questionnaire response, p. 5.

Table VII-10
SSA: U.S. importers' end-of-period inventories of imports, by source, 1998–2000

* * * * * * *

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO DECEMBER 31, 2000

The Commission requested importers to indicate whether they imported or arranged for the importation of SSA from subject countries after December 31, 2000. Two importers stated they would import SSA in January 2001: *** and ***.

DUMPING IN THIRD-COUNTRY MARKETS

Questionnaire respondents reported no knowledge of import relief investigations regarding the subject product in any country other than the United States.

APPENDIX A

FEDERAL REGISTER NOTICES

A-1

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–888–890 (Final)]

Stainless Steel Angle From Japan, Korea, and Spain

AGENCY: United States International Trade Commission.

ACTION: Scheduling of the final phase of antidumping investigations.

SUMMARY: The Commission hereby gives notice of the scheduling of the final phase of antidumping investigations Nos. 731–TA–888–890 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of less-than-fair-value imports from Japan, Korea, and Spain of stainless steel angle, provided for in subheading 7222.40.30 of the Harmonized Tariff Schedule of the United States.[1]

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

EFFECTIVE DATE: January 12, 2001.

FOR FURTHER INFORMATION CONTACT: Brian R. Allen (202–708–4728), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*).

SUPPLEMENTARY INFORMATION:

Background.—The final phase of these investigations is being scheduled as a result of affirmative preliminary determinations by the Department of Commerce that imports of stainless steel angle from Japan, Korea, and Spain are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. 1673b). The investigations were requested in a petition filed on August 18, 2000 by Slater Steels Corporation, Specialty Alloys Division, Fort Wayne, IN, and the United Steelworkers of America, AFL–CIO/CLC, Pittsburgh, PA.

Participation in the investigations and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the final phase of these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, no later than 21 days prior to the hearing date specified in this notice. A party that filed a notice of appearance during the preliminary phase of the investigations need not file an additional notice of appearance during this final phase. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of these investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the investigations. A party granted access to BPI in the preliminary phase of the investigations need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the final phase of these investigations will be placed in the nonpublic record on March 14, 2001, and a public version will be issued thereafter, pursuant to section 207.22 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the final phase of these investigations beginning at 9:30 a.m. on March 27, 2001, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before March 19, 2001. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on March 22, 2001, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony in camera no later than 7 days prior to the date of the hearing.

[1] For purposes of these investigations, Commerce has defined the subject merchandise as stainless steel angle that "includes hot rolled, whether or not annealed or descaled, stainless steel products of equal leg length angled at 90 degrees that are not otherwise advanced."

Written submissions.—Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is March 21, 2001. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is April 3, 2001; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before April 3, 2001. On April 26, 2001, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before April 30, 2001, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

By order of the Commission.

Issued: January 23, 2001.

Donna R. Koehnke,

Secretary.

[FR Doc. 01–2407 Filed 1–25–01; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–856, A–580–846, A–469–810]

Notice of Final Determinations of Sales at Less Than Fair Value: Stainless Steel Angle From Japan, Korea, and Spain

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

ACTION: Notice of final determinations.

EFFECTIVE DATE: March 23, 2001.

FOR FURTHER INFORMATION CONTACT: Jarrod Goldfeder (Japan) at (202) 482–0189, Brian Smith (Korea) at (202) 482–1766, Minoo Hatten (Spain) at (202) 482–1690, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Final Determinations

We determine that stainless steel angles ("SSA") from Japan, Korea, and Spain are being, or are likely to be, sold in the United States at less-than-fair-value ("LTFV") prices, as provided in section 735 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

The Applicable Statute

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 Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department's") regulations refer to 19 CFR part 351 (2000).

Case History

The preliminary determinations in these investigations were issued on January 8, 2001. *See Notice of Preliminary Determinations of Sales at Less Than Fair Value: Stainless Steel Angle from Japan, Korea, and Spain*, 66 FR 2880 (January 12, 2001) ("*Preliminary Determinations*"). No briefs were filed in these investigations commenting on the *Preliminary Determinations*.

Scope of Investigations

For purposes of these investigations, the term "stainless steel angles" includes hot-rolled, whether or not annealed or descaled, stainless steel products of equal leg length angled at 90 degrees, that are not otherwise advanced. The stainless steel angle subject to these investigations is currently classifiable under subheadings 7222.40.30.20 and 7222.40.30.60 of the *Harmonized Tariff Schedules of the United States* ("HTSUS"). Specifically excluded from the scope of these investigations is stainless steel angle of unequal leg length. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these investigations is dispositive.

Period of Investigation

The period of these investigations ("POI") is August 1, 1999, through July 31, 2000.

Facts Available

In the *Preliminary Determinations*, the Department based the dumping margins for the exporters in the three SSA cases (*i.e.*, companies to which the Department issued the antidumping questionnaire) on facts otherwise available, pursuant to section 776(a)(2) of the Act. These following exporters received company-specific rates: Daido Steel Co., Ltd. ("Daido"), Aichi Steel Corporation ("Aichi"), and Sumitomo Metal Industries, Ltd., ("Sumitomo") (respondents in the SSA case from Japan); Bae Myung Metal Co., Ltd. ("Bae Myung") and SK Global Co., Ltd. ("SK Global") (respondents in the SSA case from Korea); Roldan, S.A. ("Roldan") (respondent in the SSA case from Spain).

The use of facts otherwise available was required because the record for each SSA case did not contain company-specific information, given the respondents' failure in each SSA case to respond to the Department's antidumping questionnaire. *See Preliminary Determinations*, 64 FR at 2883. For purposes of the *Preliminary Determinations*, the Department also found that, in each SSA case, each of the respondents failed to cooperate by not acting to the best of its ability to comply with the Department's request for information within the meaning of section 776(b) of the Act. Accordingly, the Department determined to use an adverse inference in selecting from among the facts otherwise available. *See id.* Specifically, the Department assigned to the respondents in these cases the highest margins alleged in the petition or as recalculated by the Department, which were corroborated as required by section 776(c) of the Act (*see id.*). Following the *Preliminary Determinations*, interested parties did not file any comments and have not objected either to the Department's decision to use adverse facts available for the respondents in these investigations or to the Department's choice of facts available. Accordingly, for the reasons discussed in the *Preliminary Determinations*, for these final determinations the Department is continuing to apply adverse facts available to each of the respondents in each case and to use the highest margins alleged in the petition or as recalculated by the Department for the respondents in these cases. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Certain Expandable Polystyrene Resins from Indonesia*, 65 FR 69285 (November 16, 2000). In addition, the Department has left unchanged from the *Preliminary Determinations* the "All Others Rate" in each SSA case, which is the average of all the rates provided in the petition or in amendments to the petition.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend all entries of SSA from Japan, Korea, and Spain that are entered, or withdrawn from warehouse, for consumption on or after January 12, 2001, the date of publication of our *Preliminary Determinations*. The Customs Service shall require a cash deposit or the posting of a bond equal to the dumping margins, as indicated in the chart below. These instructions will remain in effect until further notice. The dumping margins for each LTFV proceeding are as follows:

	Weighted-average margin percentage
Exporter/Manufacturer (Japan):	
Daido	114.51
Aichi	114.51
Sumitomo	114.51
All Others	70.48
Exporter/Manufacturer (Korea):	
Bae Myung	99.56
SK Global	99.56
All Others	40.21
Exporter/Manufacturer (Spain):	
Roldan	61.45
All Others	24.32

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our final determinations. As our final determinations are 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 such injury does exist, the Department will issue antidumping duty orders directing the Customs Service to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

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 19 CFR 351.305. Timely notification of return or 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.

These determinations are published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: March 16, 2001.

Timothy J. Hauser,

Acting Under Secretary for International Trade.

[FR Doc. 01–7315 Filed 3–22–01; 8:45 am]

BILLING CODE 3510–DS–P

APPENDIX B

CALENDAR OF THE PUBLIC HEARING

B-1

CALENDAR OF PUBLIC HEARING

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

Subject:	Stainless Steel Angle from Japan, Korea, and Spain
Inv. Nos.:	731-TA-888-890 (Final)
Date and Time:	March 27, 2001 - 9:30 a.m.

Sessions were held in connection with this investigation in the Main Hearing Room, 500 E Street, SW, Washington, DC.

OPENING REMARKS

Petitioner (**David A. Hartquist**, Collier Shannon Scott, PLLC)
Respondents (**Kenneth J. Pierce**, Willkie Farr & Gallagher)

In Support of the Imposition of Antidumping Duties:

Collier Shannon Scott, PLLC
Washington, D.C.
on behalf of

Petitioner Companies

Daniel M. Anderson, Vice President, Sales & Marketing, Slater Steels Corporation
Daniel Schram, Technical Services Manager, Slater Steels Corporation
David D. Neil, President, Energy Steel Products, Incorporated
Brad Hudgens, Economic Consultant, Georgetown Economic Services
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In Opposition to the Imposition of Antidumping Duties:

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on behalf of

Japanese Respondents

Robert Hunter, Bar Products Manager, KG Specialty Steel, Incorporated
Kenneth R. Button, Senior Vice President, Economic Consulting Services, Incorporated

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REBUTTAL/CLOSING REMARKS

Petitioner (**David A. Hartquist**, Collier Shannon Scott, PLLC)
Respondents (**Kenneth J. Pierce**, Willkie Farr & Gallagher)

APPENDIX C

SUMMARY DATA

C-1

Table C-1
SSA: Summary data concerning the U.S. market, 1998–2000

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C-3

APPENDIX D

DOMESTIC AND FOREIGN PRODUCERS' STEEL PRODUCTS AND STAINLESS STEEL BAR CAPACITY AND PRODUCTION

D-1

Table D-1
Stainless steel bar and steel products: Slater's production capacity and production, 1998–2000

* * * * * * *

Table D-2
Stainless steel bar and steel products: Japanese producers' production capacity and production, 1998–2000

Item	1998	1999	2000
	Quantity (*1,000 pounds*)		
All steel products:			
Capacity	***	***	***
Production	***	***	***
SSA:			
Capacity	***	***	***
Production	***	***	***
Stainless steel bar:			
Capacity	209,694	209,694	209,694
Production	216,124	234,069	284,213
Other steel products:[1]			
Capacity	6,840,515	6,840,515	6,840,515
Production	6,365,974	6,640,680	7,165,581
	Ratios (*percent*)		
Capacity utilization:			
All steel products	93.6	97.8	105.8
SSA	***	***	***
Stainless steel bar	103.1	111.6	135.5
Other steel products	93.1	97.1	104.8

[1] Includes carbon steel billet; bearing steel bar and wire rod; mild steel round bar; carbon steel bar and wire rod; spring steel round bar, flat bar, and wire rod; alloy steel bar and wire rod; stainless steel wire rod, sheet bar, channel bar, and H beam; heat-resisting steel bar and wire rod; free-cutting steel bar and wire rod; hi-manganese steel bar and wire rod; tool steel bar and wire rod; and titanium round bar, flat bar, wire rod, and angle bar.

Note: Capacity figures reported in this table may differ from capacity figures presented elsewhere in this report because this table's capacity figures represent only SSA capacity in facilities where stainless steel bar is also produced.

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

D-3

Table D-3
Stainless steel bar and steel products: Bae Myung's production capacity and production, 1998–2000

* * * * * * *

Table D-4
Stainless steel bar and steel products: Roldan's production capacity and production, 1998–2000

* * * * * * *

D-4

APPENDIX E

COMPAS PRESENTATION

E-1

ASSUMPTIONS

The COMPAS model[1] is a supply and demand model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used extensively for the analysis of trade policy changes both in partial and general equilibrium. Based on the discussion contained in Part II of this report, the staff selects a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity, demand elasticity, and substitution elasticity) in the U.S. SSA market. The model uses these estimates with data on market shares, Commerce's estimated margins of dumping, transportation costs, current tariffs, domestic capacity utilization, and (in certain cases) quantities of SSA in sizes not produced by Slater to analyze the likely effect of unfair pricing of subject imports on the U.S. domestic like product industry.[2]

FINDINGS

Estimated (individual country) effects of the LTFV and subsidized imports on the U.S. SSA industry are as follows: *** percent to *** percent reduction in revenue, *** percent to *** percent reduction in output, and *** percent to *** percent reduction in price. Estimated percentage effects by country are shown in the following tabulation.

Country	Reduction in revenue	Reduction in output	Reduction in price
Japan	***	***	***
Korea	***	***	***
Spain	***	***	***

These estimates were obtained in three sets of calculations using different assumptions about market share data. The first set of calculations used actual market shares as reported in table IV-4. The second and third set of calculations used market shares adjusted for sizes not produced by Slater.[3] The other inputs used in the COMPAS estimations are shown in the tabulation below.

---

[1] COMPAS version 1.4 (dumping, 6/1/93).

[2] Estimates are based on 2000 data on market share, capacity utilization, and quantities in sizes not produced by Slater. Commerce's period of investigation for the antidumping/countervailing duty investigations was August 1, 1999-July 31, 2000.

[3] The second and third sets of calculations use data reported by exporters to adjust import data, despite possible concerns about coverage and timing differences between export and import data. The second set of calculations adjusts the implied value of imports and implied value market share of each of the imported countries by subtracting the quantity of exports reported not to be produced by Slater from the quantity of imports from that country. The resulting quantity is multiplied by the unit value of imports to get an adjusted value and market share. The third set of calculations adjust the value of imports (and thus the market share) of each country by multiplying imports by the ratio of SSA exports in sizes produced by Slater to total exports and multiplying by the unit value. These last two sets of calculations implicitly assume that sizes not produced by Slater are not part of the relevant market and that elimination of LTFV sales in these sizes would have no effect on Slater.

Margin - Japan	115 percent
Margin - Korea	100 percent
Margin - Spain	61 percent
Transportation costs - Japan	4 percent
Transportation costs - Korea	9 percent
Transportation costs - Spain	4 percent
Tariff	0.6 percent
Elasticity of demand	-.2 to - .33
Elasticity of domestic supply	2 to 4
Elasticity of nonsubject foreign supply	1 to 3
Elasticity of substitution - domestic/subject	3 to 5
Elasticity of substitution - domestic/nonsubject	2.5 to 5
Elasticity of substitution - subject/nonsubject	2.5 to 5
Domestic capacity utilization	*** percent

In every estimation the COMPAS model calculations imply that the subject country would have exited the U.S. market rather than make sales at "fair" value. Thus, only the "but-for subject import" scenarios are presented.[4] These are shown in table E-1.

Table E-1
SSA: Estimated percentage effects of LTFV pricing of imports from Japan, Korea, and Spain

* * * * * * *

[4] The COMPAS estimations presented examine the effect of fair value sales individually from each of the three subject countries. That is, in the Japan estimation, it is assumed that actual Korean and Spanish market shares are the result of fair value sales. While it is possible to perform a joint COMPAS estimation for the three subject countries using a weighted-average margin, the results of such an exercise are (somewhat) internally inconsistent in this particular case due to the large margins and the large combined market share of the subject countries.

E-4

APPENDIX F

RAW MATERIALS AND PRICES - TRENDS AND CORRELATIONS

F-1

This appendix contains additional information on raw materials costs and SSA prices. As discussed in the paragraphs below, SSA prices and unit values have historically been strongly correlated with nickel and stainless steel scrap prices.[1] A number of firms in the SSA market have suggested that the effects of costs of raw materials such as nickel and stainless steel scrap on prices are felt most strongly after a lag. Information on this issue is also presented later in this appendix. To maximize the number of available data points, public data series are used in this appendix when dealing with raw material costs. Data series for these costs (and for unit values of subject imports) are available on a monthly basis and for periods longer than the period of investigation.

Figure F-1 presents indexed values of nickel prices, stainless steel scrap prices, and unit values of SSA imports from the three subject countries since 1993. The SSA unit values are expected to be less volatile than raw material costs, a feature seen in these graphs.[2]

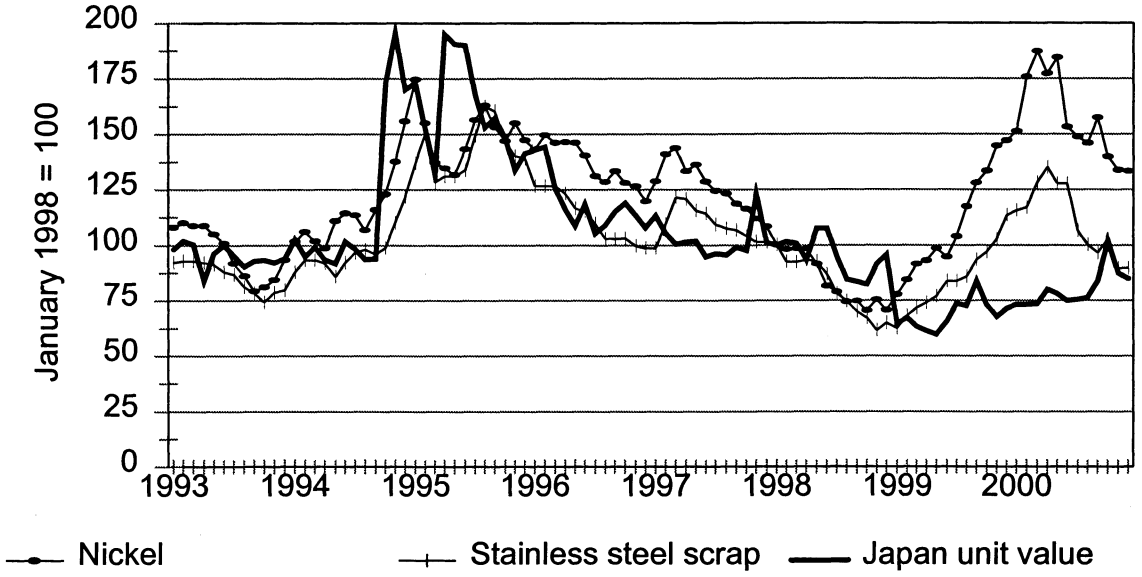
---

[1] Correlation coefficients, which vary between -1 and 1, measure the direction and strength of the linear association between two series. Correlation analysis should be used with caution; correlation between two data series does not necessarily provide information as to the nature of the relationship between the series. A large correlation coefficient does not necessarily imply the existence of a causal relation between series, or the direction of a causal relationship if one exists. Correlation analysis is most useful when measuring a relationship (causal or otherwise) suggested by other evidence. Non-linear relationships may or may not be partially detected by correlation analysis, depending on the degree of non-linearity. Using correlation analysis to determine whether a meaningful relationship exists between two series can be seriously misleading when outside variables (time, for instance) have important effects on one or both of the data series. Such a situation may lead to spurious correlation when no meaningful relationship exists, or may tend to conceal the existence of a meaningful relationship.

[2] More precisely, any change in SSA prices or unit values caused by changes in raw material costs should be smaller on a percentage basis than the percentage change in raw material costs because raw materials costs make up only a fraction of total SSA costs. (For instance, if raw material costs are 30 percent of total SSA costs, a 10 percent rise in raw materials costs would only translate into a 3 percent increase in total SSA costs.) In addition, to the extent that consumers' buying patterns are sensitive to changes in price, the interaction of supply and demand will tend to result in less than the full change in total SSA costs being reflected in SSA prices. In the typical case, this should lead to higher highs, and lower lows for the raw material prices than for the final product prices on the graph.

F-3

Figure F-1
Index value comparison of raw material costs and import unit values, by country and by month, January 1993-December 2000



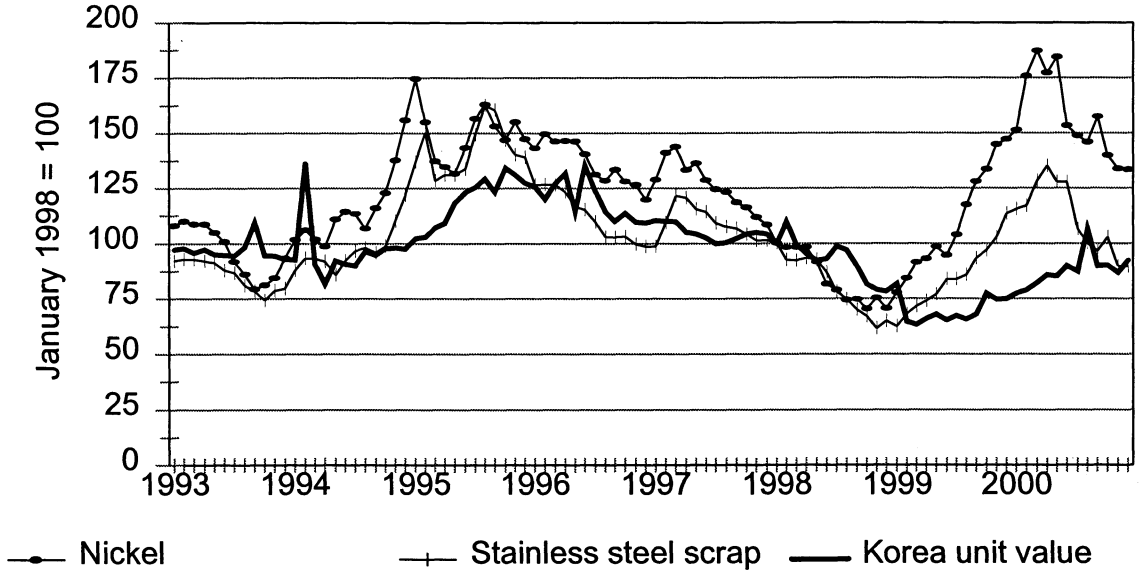
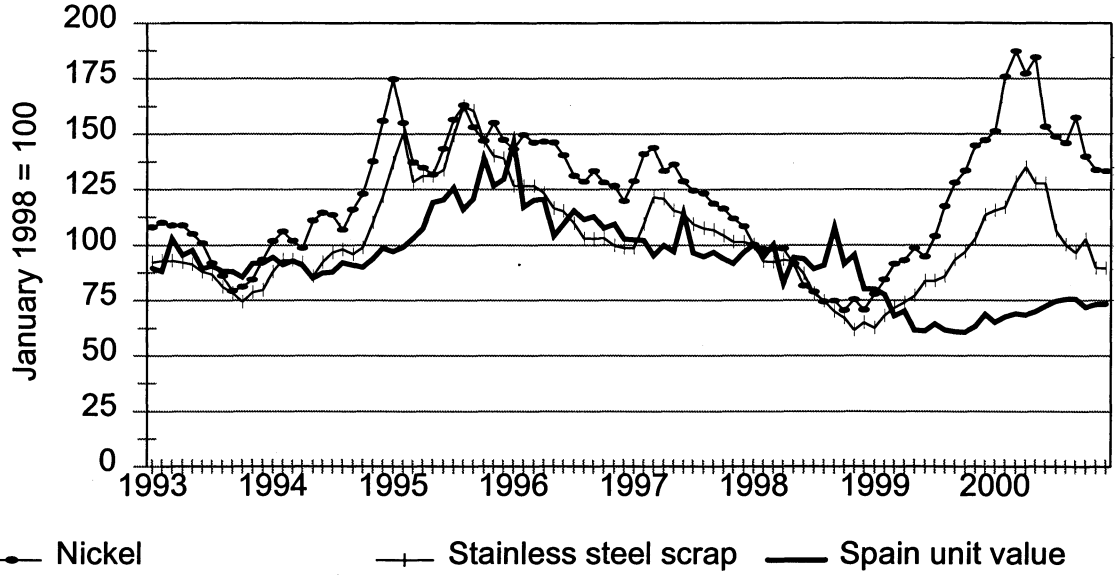


Figure continued on next page.

F-4

Figure F-1--Continued
Index value comparison of raw material costs and import unit values, by country and by month, January 1993-December 2000



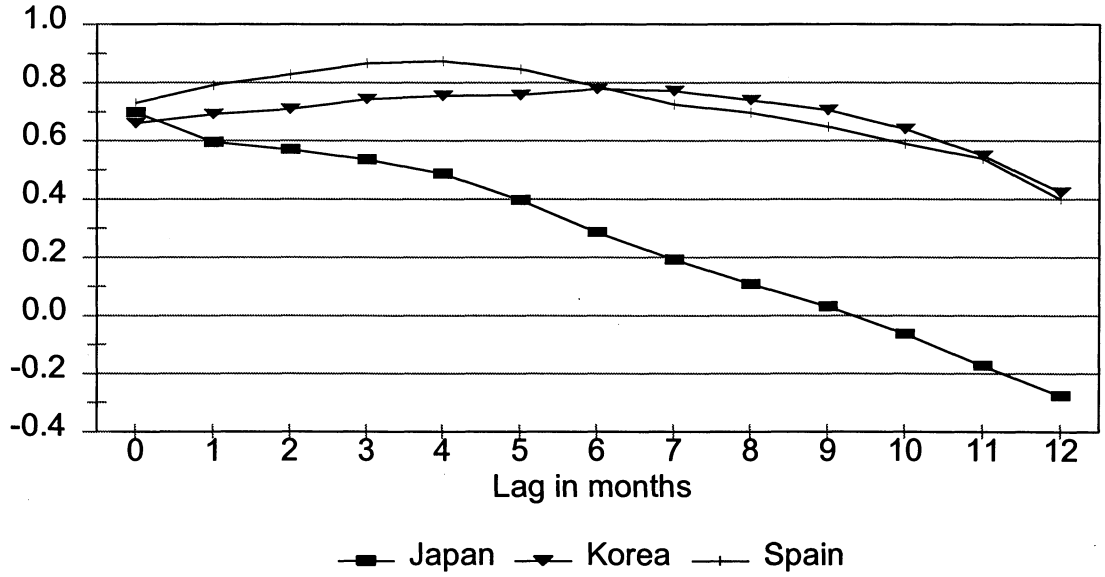
Source: Compiled from USGS and official import statistics.

Each of the graphs in figure F-1 shows something of a lag between raw material prices and unit values. In particular, the lag is evident over the last three years shown (1998-2000). The following two (figures F-2 and F-3) examine the duration of the lag. Figure F-2 shows the correlation coefficient of import unit values from the three subject countries with stainless steel scrap prices measured at various lags (from no lag to a lag of 12 months) using data from 1993 to 1997. This graph shows that, with the exception of unit value of imports from Japan, unit values were most highly correlated with stainless steel scrap prices at lags of 4 to 7 months.[3]

[3] A similar analysis (not presented) with nickel prices indicates that the price of nickel has its strongest correlation with import unit values for SSA at even longer lags (by approximately 1 to 2 months) than does the price of stainless steel scrap. In addition, correlation coefficients of nickel prices with SSA prices and unit values are generally slightly lower than the corresponding correlation coefficients of stainless steel scrap prices with SSA prices and unit values.

F-5

Figure F-2
Correlation coefficients[1] of import unit values with various lags of stainless steel scrap prices, by country and by month, January 1993-December 1997



[1] See footnote 1 from the text.

Source: Compiled from USGS and official import statistics.

Figure F-3 shows the same correlation analysis performed for the years 1998 to 2000, and includes data from Slater for comparison.[4] The strongest correlations occur at longer lags for this more recent period, particularly those involving the unit values of imports from Japan.

Figure F-3
Correlation coefficients of import unit values with various lags of stainless steel scrap prices, by country and by month, January 1998-December 2000

* * * * * * *

The Commission's questionnaires asked firms to estimate any lag between changes in nickel and other raw material prices and the price of SSA. Responses from suppliers varied from 2 months (***) to

[4] Prices of product 2 from Slater (computed from its producer questionnaire and presented in table V-2) are also included in the calculations underlying this graph. Because these prices are only available on a quarterly basis, the correlation analysis compares the price of this product with the stainless steel scrap price in the middle month of the relevant quarter. (For instance, at a lag of 0 the correlation coefficient associates the first quarter's SSA prices with February's stainless steel scrap prices. At a lag of 1, the correlation coefficient the first quarter's SSA prices with January's stainless steel scrap prices.)

3 to 6 months. Purchasers generally reported lags of similar lengths, though a small number reported that lags can be as short as one month or less.

Coefficients of correlation were computed for contemporaneous quarterly pricing data (i.e., no lags) using each of the 4 products defined in Part V. These are presented in tables F-1 and F-2. Table F-1 presents correlation coefficients of prices for (same country) pairs of the products. For example, the first entry in the table gives the correlation coefficient of the prices reported by Slater for product 1 and product 2. Table F-2 presents correlation coefficients of prices for (same product) pairs of countries. For example, the first entry in table F-2 gives the correlation coefficient of the prices reported for product 1 by Slater and by importers of Japanese SSA. The pricing data in both tables F-1 and F-2 come from the "overall" first unaffiliated sales categories in tables V-1-V-4.

Table F-1
Pairwise product price correlation coefficients, by country

* * * * * * *

Table F-2
Pairwise country price correlation coefficients, by product

* * * * * * *

Table F-3 presents price correlations of U.S. prices with subject country prices under several of the quarterly pricing comparisons discussed in Part V and in appendix G. In this table, three lag structures are provided; a one quarter lead, no lag, and a one quarter lag of U.S. prices relative to subject country prices. In each case, the numbers given are simple averages of the correlations for each of the four pricing products.

Table F-3
Average correlation coefficients of subject country prices with U.S. prices across the four pricing products under various pricing comparisons

* * * * * * *

F-7

APPENDIX G

ADDITIONAL PRICING DATA

G-1

This appendix presents additional pricing information beyond that given in Part V. In general, this presentation is designed to consider the pricing data under three differing viewpoints as to the appropriate level of distribution to be used comparing prices of subject imports with Slater's prices.[1] Whereas the discussion in Part V used first unaffiliated sales as the level of price comparison, the presentation here uses sales to service centers and direct sales from non-master distributor trading companies to service centers as levels of price comparison. In addition to these two, an index value comparison is presented using domestic sales to national service centers and trading company sales of imported product to master distributors.[2]

The following tabulation shows the types of pricing comparisons made in this report and outlines some of the benefits and difficulties associated with the use of each. (Some difficulties are associated with differences (from Slater) in sales conditions that can result in price markups or discounts. Some other difficulties are associated with data limitations in terms of the quantities of available sales upon which price comparisons are made.)

[1] The difficulty in finding appropriate levels of competition for price comparisons in the market for SSA arises because domestic sales are made (predominantly) to national steel service centers. Of the imported product that is purchased by national service centers, some is sold directly by trading companies, some is sold by importing master distributors, and the rest is sold by master distributors that first purchased the product from trading companies (precise sales percentages of these categories are not available). However, the majority of imported product (roughly 75 percent or higher) is never sold at all to national service centers, going instead from master distributors (usually after purchase from a trading company) to regional service centers. See figure II-1.

[2] A comparative correlation analysis utilizing pricing data at various levels of competition was presented in table F-3.

G-3

Type of comparison	Types of sale in figure II-1 captured by comparison	Benefits	Difficulties
First unaffiliated sale (presented in Part V)	A,B,C,E,G,H	-- Typical Commission practice -- Most complete available data coverage of subject sales	-- Lag time disadvantage (relative to domestic) for majority of subject sales (i.e., sales by trading companies) -- Lag time advantage on some subject sales (i.e., sales by master distributors) -- Small amount of subject sales may involve product working (most sales with product working likely eliminated with exclusion of partial bundle sales) -- Differences in percentage of imports by master distributors across subject countries makes comparisons between these countries problematic -- Data from some master distributors' sales out of their own imports cannot be cleanly distinguished from those firms' sales out of their purchases from trading companies
All sales to service centers	A,C,D,E,F,G,H	-- May have common type of customer -- Relatively large percentage of subject sales	-- Domestic sales made to larger customers than subject sales -- Some subject sales may involve product working (most sales with product working likely eliminated with exclusion of partial bundle sales) -- Lag time advantage for majority of subject sales -- Lag time disadvantage on some subject sales
Trading company sales to service centers	A,G,H	-- First unaffiliated sale to same type of customer	-- Small percentage of subject sales -- Lag time disadvantage for subject sales
Trading company sales to master distributors	A,B	-- Subset of first unaffiliated sale category -- Relatively large percentage of subject sales -- Same type of customer across subject countries results in clean comparison between these countries -- Large purchase (order) sizes of both domestic and subject product	-- Entirely different purchasers necessitate index value comparison, rather than absolute price comparison -- Lag time disadvantage for subject sales

G-4

The rest of this appendix presents pricing comparisons for the four pricing products according to each of the types just identified. Tables G-1-G-4 show subject prices and quantities for all sales made to service centers, whether by a trading company, an importing master distributor, or a non-importing master distributor. In quantity terms, the majority of these data come from master distributor sales of product that the master distributor had previously purchased from a trading company. The data were collected following the hearing as requested by respondents. The quantity covered by the pricing comparisons accounts for about *** percent of total shipments of subject imports from Japan, *** percent of total shipments of subject imports from Korea, and *** percent of total shipments of subject imports from Spain. For comparison, subject data from the (overall) first unaffiliated sale that were shown in tables V-1-V-4 are reproduced in these tables. Figures G-1-G-4 show these prices of sales to service centers graphically. The data indicate that, in contrast to all first unaffiliated prices, prices of all sales to service centers of product imported from the subject countries were often somewhat higher than prices for sales to service centers of the domestic product.

Tables G-5-G-8 and figures G-5-G-8 present prices and quantities comparing domestic sales to subject sales made directly from trading companies to service centers (i.e., bypassing master distributors entirely). Since much of the sales made to service centers by importers (presented in Part V) are made by importing master distributors, shipments of subject imports covered by this type of sale are only approximately *** percent of total shipments of subject imports. The available pricing data represent a much smaller percentage, only *** percent, *** percent, and *** percent, respectively, of total shipments of subject imports produced in Japan, Korea, and Spain. However, the shipments covered by these data are the only ones in which the subject material is shipped directly from the foreign producer to service centers in much the same way that the domestic sales are shipped from the domestic producer to service centers. The pricing data in this category, while sparse, show that prices of the subject products tended to be low (relative to prices of the domestic products) in later quarters of the period of investigation. In earlier quarters, prices of subject products were higher than prices of domestic products more frequently.

The final set of price comparisons (tables G-9-G-12 and figures G-9-G-12) contains an index value comparison utilizing the largest single-purchaser-type subset of the first unaffiliated sales of subject imports, sales from trading companies to master distributors. Because none of the purchasers of the domestic sales are common with the purchasers of the sales of subject imports, absolute prices are not compared. Instead, an index is constructed that facilitates the comparison of trends over time between domestic prices and subject import prices. The index is constructed by comparing prices for in each quarter for each country to a base value consisting of the country's first quarter 1998 prices. The pricing data in this set of comparisons account for *** percent, *** percent, and *** percent, respectively, of total shipments of subject imports from Japan, Korea, and Spain over the period of investigation. These data show that after the first or second quarter of 1999, prices of subject products were frequently lower, relative to their respective levels in the first quarter of 1998, than prices of domestic products. This is particularly the case for prices of products from Spain.

Table G-1
SSA: Prices and quantities of domestic product 1, service center sales and first unaffiliated sales, by quarters, January 1998-December 2000

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Table G-2
SSA: Prices and quantities of domestic product 2, service center sales and first unaffiliated sales, by quarters, January 1998-December 2000

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Table G-3
SSA: Prices and quantities of domestic product 3, service center sales and first unaffiliated sales, by quarters, January 1998-December 2000

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Table G-4
SSA: Prices and quantities of domestic product 4, service center sales and first unaffiliated sales, by quarters, January 1998-December 2000

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Table G-5
SSA: Prices and quantities of domestic product 1 and imported product 1 sold directly from trading company to service center, by quarters, January 1998-December 2000

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Table G-6
SSA: Prices and quantities of domestic product 2 and imported product 2 sold directly from trading company to service center, by quarters, January 1998-December 2000

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Table G-7
SSA: Prices and quantities of domestic product 3 and imported product 3 sold directly from trading company to service center, by quarters, January 1998-December 2000

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Table G-8
SSA: Prices and quantities of domestic product 4 and imported product 4 sold directly from trading company to service center, by quarters, January 1998-December 2000

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Table G-9
SSA: Price index values and quantities of domestic product 1 and imported product 1 sold directly from trading company to master distributor, by quarters, January 1998-December 2000

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G-6

Table G-10
SSA: Price index values and quantities of domestic product 2 and imported product 2 sold directly from trading company to master distributor, by quarters, January 1998-December 2000

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Table G-11
SSA: Price index values and quantities of domestic product 3 and imported product 3 sold directly from trading company to master distributor, by quarters, January 1998-December 2000

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Table G-12
SSA: Price index values and quantities of domestic product 4 and imported product 4 sold directly from trading company to master distributor, by quarters, January 1998-December 2000

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Figure G-1
SSA: Weighted-average prices of product 1, domestic and imported sold from master distributor to service center regardless of importer of record, by quarters, January 1998-December 2000

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Figure G-2
SSA: Weighted-average prices of product 2, domestic and imported sold from master distributor to service center regardless of importer of record, by quarters, January 1998-December 2000

* * * * * * *

Figure G-3
SSA: Weighted-average prices of product 3, domestic and imported sold from master distributor to service center regardless of importer of record, by quarters, January 1998-December 2000

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Figure G-4
SSA: Weighted-average prices of product 4, domestic and imported sold from master distributor to service center regardless of importer of record, by quarters, January 1998-December 2000

* * * * * * *

Figure G-5
SSA: Weighted-average prices of product 1, domestic and imported sold directly from trading company to service center, by quarters, January 1998-December 2000

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G-7

Figure G-6
SSA: Weighted-average prices of product 2, domestic and imported sold directly from trading company to service center, by quarters, January 1998-December 2000

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Figure G-7
SSA: Weighted-average prices of product 3, domestic and imported sold directly from trading company to service center, by quarters, January 1998-December 2000

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Figure G-8
SSA: Weighted-average prices of product 4, domestic and imported sold directly from trading company to service center, by quarters, January 1998-December 2000

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Figure G-9
SSA: Weighted-average price index values of product 1, domestic and imported sold directly from trading company to master distributor, by quarters, January 1998-December 2000

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Figure G-10
SSA: Weighted-average price index values of product 2, domestic and imported sold directly from trading company to master distributor, by quarters, January 1998-December 2000

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Figure G-11
SSA: Weighted-average price index values of product 3, domestic and imported sold directly from trading company to master distributor, by quarters, January 1998-December 2000

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Figure G-12
SSA: Weighted-average price index values of product 4, domestic and imported sold directly from trading company to master distributor, by quarters, January 1998-December 2000

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G-8