

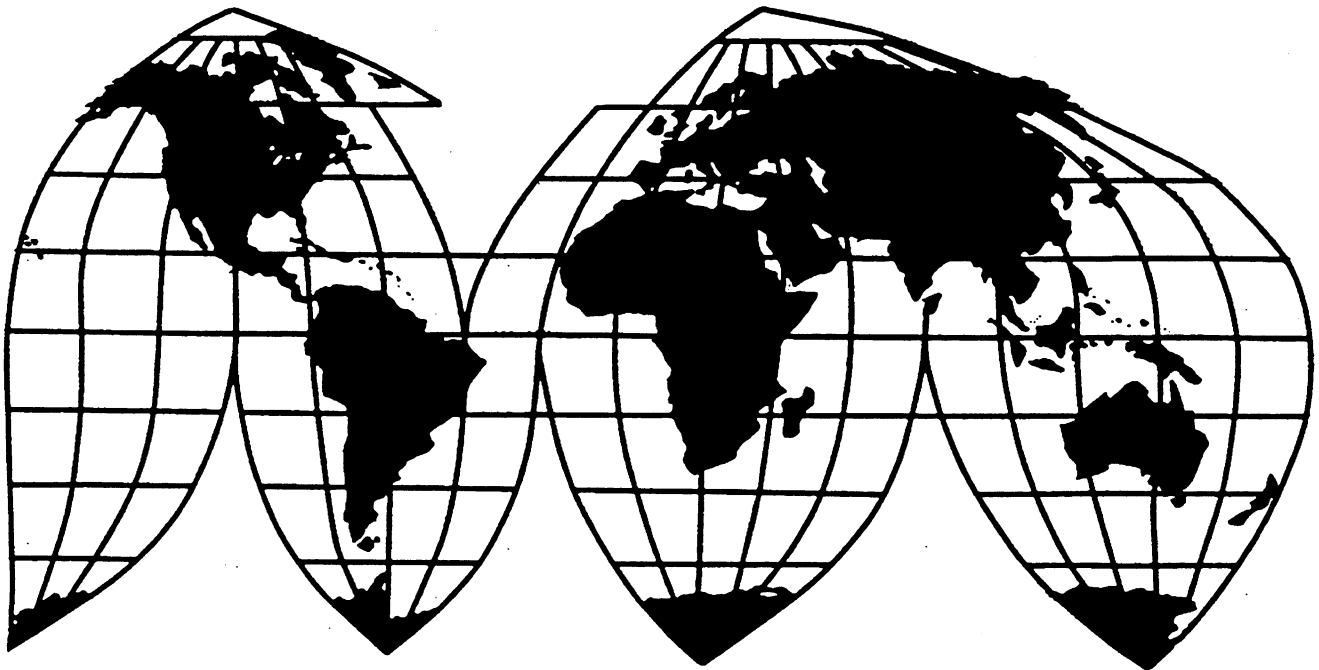
Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine

Investigations Nos. 731-TA-753-756 (Final)

Publication 3076

December 1997

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from the public version of this document. Such deletions are indicated by asterisks (*)**.

GLOSSARY OF ABBREVIATIONS

ABS	American Bureau of Shipping
Acme	Acme Steel Co.
AISI	American Iron and Steel Institute
Alpha	Alpha Processing, Inc.
API	American Petroleum Institute
Arrow	Arrow Steel Processors
ASME	American Society of Mechanical Engineers
ASOMA	ASOMA Corp.
ASTM	American Society for Testing and Materials
Avondale	Avondale Steel Sales
Azovstal	Azovstal Iron and Steel Works
Beta Steel	Beta Steel Corp.
Bethlehem	Bethlehem Steel Corp.
Cargill	Cargill Steel & Wire Div. of Cargill, Inc.
Cargill Ferrous	Cargill Ferrous International Div. of Cargill, Inc.
Carolina Steel	Carolina Steel Corp.
Cincinnati Steel	Cincinnati Steel Products Co.
CIS	Commonwealth of Independent States
Citisteel	Citisteel USA, Inc.
CTL plate	Cut-to-length (carbon steel) plate
CTL Steel	CTL Steel Co.
CSI	California Steel Industries, Inc.
COGS	Cost of goods sold
Commerce	U.S. Department of Commerce
Commission	U.S. International Trade Commission
Feralloy	Feralloy Corp.
Ferrostaal	Ferrostaal, Inc.
Ferro Union	Ferro Union, Inc.
F.o.b.	Free on board
FPC	Feralloy Processing Co.
FR	<i>Federal Register</i>
Francosteel	Francosteel Corp.
Friedman	Friedman Industries, Inc.
Geneva	Geneva Steel Co.
Gulf	Gulf States Steel, Inc.
Highveld	Highveld Steel and Vanadium Corp. Ltd.
HTS	Harmonized Tariff Schedule of the United States
Huntco	Huntco Steel, Inc.
Ilyich	Ilyich Iron and Steel Works
IMF	International Monetary Fund
Inland	Inland Steel Industries
IPSCO	IPSCO, Inc.
ISCOR	ISCOR Ltd.
J. Allen	J. Allen Steel Co.
JIT	J.I.T. Steel, Inc.
Kentucky Electric	Kentucky Electric Steel Co.
Klockner	Klockner Steel Trade/ Klockner Namasco Corp.
LeTourneau	LeTourneau, Inc.
Liaoning	China Metallurgical Import & Export Liaoning Co.
Lone Star	Lone Star Steel Co.

GLOSSARY OF ABBREVIATIONS

LTFV	Less than fair value
Lukens	Lukens Steel Co.
Magnitogorsk	Magnitogorsk Iron & Steel Works Combine
Maurice Pincoffs	Maurice Pincoffs Co., Inc.
Metallia	Metallia USA, Inc.
McDermott	McDermott Shipbuilding Inc.
Metron	Primary Steel/Metron Steel Div.
Midland	Midland Steel Products Co.
National	National Steel Corp.
Newco	Newco Steel Trading, Inc.
Newport	Newport Steel Corp.
North Star	North Star Steel Co.
North Star/BHP	North Star BHP Steel Ltd.
Northern	Northern Industries
Nosta	JSC Nosta
Novolipetsk	Novolipetsk Iron & Steel Corp.
Nucor	Nucor Corp.
Olympic	Olympic Steel, Inc.
O'Neal	O'Neal Steel Co.
Oregon	Oregon Steel Mills, Inc.
Paper Cal	Paper Cal Steel Co.
PDM	PDM Steel Service Centers
Preussag	Preussag International Steel Corp.
Primary	Primary Steel, Inc.
PRW	Production and related worker
R&D expenses	Research and development expenses
Ranger	Ranger Steel Supply Co.
Reliance	Reliance Steel & Aluminum Co.
Robinson	Robinson Steel Co., Inc.
Ryerson	Ryerson Tull, Inc.
S&P	Storage & Processors, Inc.
SDI	Steel Dynamics, Inc.
Severstal	JSC Severstal
SG&A expenses	Selling, general, and administrative expenses
Southern	Southern Fabricators, Inc.
Steel Coils	Steel Coils, Inc.
Steel Warehouse	Steel Warehouse Co., Inc.
Stemcor	Stemcor USA, Inc.
Thypin	Thypin Steel Co.
Thyssen	Thyssen, Inc.
TRICO	TRICO Steel Co.
Tuscaloosa	Tuscaloosa Steel Co.
USX	U.S. Steel Group, division of USX Corp.
Weirton	Weirton Steel Corp.
WPS	Wheeling-Pittsburgh Steel Corp.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-753-756 (Final)

Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine

DETERMINATION

On the basis of the record¹ 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 threatened with material injury² by reason of imports from China, Russia, South Africa, and Ukraine of cut-to-length carbon steel plate,³ provided for in provisions of headings 7208 through 7212 of the Harmonized Tariff Schedule (HTS) of the United States,⁴ that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).⁵

BACKGROUND

The Commission instituted these investigations effective November 5, 1996, following receipt of a petition filed with the Commission and the Department of Commerce by Geneva Steel Co., Provo, UT, and Gulf States Steel, Inc., Gadsden, AL. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by the Department of Commerce that imports of cut-to-length carbon steel plate from China, Russia, South Africa, and Ukraine 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 August 20, 1997 (62 FR 44287). The hearing was held in Washington, DC, on October 28, 1997, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

² Commissioner Crawford determines that an industry in the United States is materially injured by reason of the subject imports. Pursuant to section 735(b)(4)(A) of the Act (19 U.S.C. § 1673d(b)(4)(A)), Commissioner Crawford makes a negative determination regarding critical circumstances.

³ For purposes of these investigations, cut-to-length carbon steel plate is hot-rolled iron and nonalloy steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and nonalloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included in this definition are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling"), such as products which have been bevelled or rounded at the edges. Excluded from this definition is grade X-70 plate.

⁴ Cut-to-length carbon steel plate is currently covered by the following statistical reporting numbers of the HTS: 7208.40.3030; 7208.40.3060; 7208.51.0030; 7208.51.0045; 7208.51.0060; 7208.52.0000; 7208.53.0000; 7208.90.0000; 7210.70.3000; 7210.90.9000; 7211.13.0000; 7211.14.0030; 7211.14.0045; 7211.90.0000; 7212.40.1000; 7212.40.5000; and 7212.50.0000.

⁵ The Commission further determines, pursuant to 19 U.S.C. § 1673d(b)(4)(B), that it would not have found material injury but for the suspension of liquidation of entries of the merchandise under investigation.

VIEWS OF THE COMMISSION

Based on the record in these antidumping duty investigations, we find that an industry in the United States is threatened with material injury by reason of imports of certain carbon steel plate from China, Russia, South Africa, and Ukraine that have been found by the Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”).¹

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 subject merchandise, the Commission must first define the “domestic like product” and the “industry.” Section 771(4)(A) of the Tariff Act of 1930 (“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 the domestic like product constitutes a major proportion of the total domestic production of that 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

Our 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 Although the Commission must accept the determination of Commerce as to the scope of the imported merchandise sold at less than fair value, the Commission determines what domestic product is like the imported articles Commerce has identified.⁵

Congress has directed the Commission to look for “clear dividing lines among possible like products: and further that “[t]he requirement that a product be ‘like’ the imported article 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. . . .”⁶

¹ Commissioner Crawford finds that the domestic industry producing CTL plate is materially injured by reason of CTL plate imports from China, Russia, South Africa, and Ukraine that have been found to be sold at LTFV. See Views of Commissioner Carol T. Crawford, *infra*. Except as noted, she joins in sections I-III of these Views.

² 19 U.S.C. § 1677(4)(A).

³ 19 U.S.C. § 1677(10).

⁴ See, e.g., Nippon Steel Corp. v. United States, 19 CIT ___, Slip Op. 95-57 at 11 (Apr. 3, 1995); Torrington Co. v. United States, 14 CIT 648, 652 n.3, 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) common manufacturing facilities, production processes and production employees; (5) customer or producer perceptions; and, where appropriate, (6) price. See The Timken Co. v. United States, 20 CIT ___, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996). No single factor is dispositive, and the Commission may consider other factors relevant to a particular investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. See, e.g., S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979); Torrington, 14 CIT at 651-2, 747 F. Supp. at 748-49.

⁵ Hosiden Corp. v. Advanced Display Manufacturers, 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, 14 CIT at 651-6, 747 F. Supp. at 748-753 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

⁶ S. Rep. 249, 96th Cong., 1st Sess. 90-91 (1979).

B. Products Covered by the Scope of these Investigations

In its final determinations, Commerce defined the scope of merchandise subject to investigation as:

hot-rolled iron and non-alloy steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and non-alloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and non-alloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated nor coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included as subject merchandise are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.* products which have been “worked after rolling”) - for example, products which have been bevelled or rounded at the edges. Excluded from the subject merchandise within the scope of the petition is grade X-70 plate.⁷

Most cut-to-length carbon steel plate (“CTL plate”) is produced by U.S. mills on a reversing mill, a Steckel mill, or on a hot strip mill. The CTL plate produced on a reversing mill is never coiled,⁸ whereas the CTL plate produced from a hot-strip mill is always coiled, then uncoiled and cut to length.⁹ The CTL plate produced on a Steckel mill either can be produced in a conventional reversing style or coiled first, and then uncoiled and cut.¹⁰ In addition, some service centers buy coiled plate and cut it to length.

Of the CTL plate produced and sold by U.S. mills in 1996, approximately 79 percent was “discrete” plate that had never been in coil form, and 21 percent was cut from hot-rolled coils. When the product of U.S. service centers is considered as well as that of the mills, approximately 60 percent of the CTL plate produced in 1996 was “discrete” plate that had never been in coil form, and 40 percent was cut from hot-rolled coils.¹¹

In the preliminary phase of these investigations, the majority of the Commission did not include CTL plate cut at service centers in the domestic like product.^{12 13} But, given the significant similarities between CTL plate cut to length by service centers and U.S. mills, the Commission indicated that it would explore more closely in any final phase investigations whether to include plate in coil form cut to length by service

⁷ 62 Fed. Reg. 61731 (November 19, 1997).

⁸ Confidential Report (“CR”) at I-5, Public Report (“PR”) at I-4.

⁹ CR at I-5-6, PR at I-4-5.

¹⁰ CR at I-6-7, PR at I-5.

¹¹ CR at I-7, PR at I-5.

¹² Preliminary Determination at 8.

¹³ Commissioner Crawford included CTL plate produced by service centers in the domestic like product, stating that in her view, it makes no difference what entity cuts the CTL plate so long as the CTL plate is “like” the subject imports. Preliminary Determination, Additional Views of Commissioner Carol T. Crawford at 27.

centers in the like product.¹⁴ In addition, the Commission indicated that it intended to examine closely in any final phase investigations whether the like product should include all plate in coil form.¹⁵

In the following sections, we consider three domestic like product issues: (1) whether plate in coil form should be included in the domestic like product, regardless of whether it is shipped to a service center for cutting or used for other purposes; (2) whether “certain coil” *i.e.*, coiled product which is produced to the same specifications, chemistries, or widths as cut-to-length carbon steel plate and generally shipped to processors, service centers, or distributors,¹⁶ should be included in the domestic like product, and (3) whether CTL plate produced by service centers should be included in the like product.

1. Whether Plate in Coil Form Should be Included in the Domestic Like Product

Petitioners argue that the domestic like product does not include coiled plate, whether using the traditional analysis or the semifinished product analysis.¹⁷ Respondents do not address the issue.¹⁸

The domestic like product includes CTL plate made by more than one production process. It includes both plate that is coiled and decoiled during its production process (*i.e.*, plate produced on a hot strip or Steckel mill) and CTL plate produced on a reversing mill (and therefore never coiled and decoiled). Plate in coil form and CTL plate produced from a hot strip or Steckel mill process naturally share many more similarities overall than plate in coiled form and CTL plate produced on a reversing mill, because plate in coil form is the upstream input of CTL plate cut from coils. Most of the differences between plate in coil form and CTL plate produced on reversing mills also exist between CTL plate produced on a hot strip or Steckel mill and CTL plate produced on a reversing mill. No party argues, however, that CTL plate produced on hot strip or Steckel mills and CTL plate produced on reversing mills should be considered separate domestic like products.¹⁹ We address immediately below the traditional like product factors, taking into account the fact that CTL plate is produced both from coiled plate and as “discrete” plate.

a. Physical Characteristics and End Uses

We find that there are differences in physical characteristics and end uses between plate in coiled form and CTL plate. The physical characteristics of CTL plate differ from those of coiled plate consistently in form (CTL plate is a flat product while coiled plate is, as its name implies, in coiled form) and in length, and may differ in thickness.²⁰ The primary distinctions in the physical characteristics of CTL plate produced and sold by U.S. mills and coiled plate stem from each item’s method of manufacture and the form in which it

¹⁴ Preliminary Determination at 8.

¹⁵ Preliminary Determination at 6.

¹⁶ CR at I-15, PR at I-11.

¹⁷ Bethlehem Steel and U.S. Steel Group, unit of USX Corporation, non-petitioning members of the domestic industry, also argued that the domestic like product should not include plate in coils. *See* Prehearing Brief of Bethlehem Steel and USX at 4-12.

¹⁸ The South African respondents suggested, without argument, that the domestic market should be defined in terms of coiled plate and CTL plate. South African Prehearing Brief at 11. The Joint Respondents’ prehearing brief did not address this issue. Joint Respondents stated in their posthearing brief that throughout these investigations, they have been more concerned with the Commission including all CTL plate than with the Commission including plate in coil form. Joint Respondents’ Posthearing Brief, Attachment A, Answer to Commission Questions at 1, n.1.

¹⁹ Approximately 60 percent of domestic produced CTL plate is produced as discrete plate and 40 percent is produced from coiled plate (when the production of service centers is included). CR at I-7, PR at I-5.

²⁰ CR at I-18, PR at I-13.

is sold.²¹ Plate in coil form and CTL plate produced on a hot strip or Steckel mill share many of the same physical characteristics. However, all coiled plate shares the dimensional limitations of the hot-strip and Steckel mills, whereas these dimensional limitations are not shared by discrete CTL plate.²²

There are also some significant differences in end use between coiled plate and CTL plate. The principal uses of coiled plate (other than that sold to service centers) are the production of pipes and tubes and automotive applications.²³ The principal uses for CTL plate are for the production of machinery, industrial equipment, tools, construction and contractors' products, transportation equipment, oil and gas industry equipment, fabrication, storage tank production, barges and rail cars, and the manufacture of agricultural and mining equipment.²⁴

b. Interchangeability

The record indicates that there are some limitations on the interchangeability of CTL plate and coiled plate.²⁵ CTL plate is required for applications requiring thicker, wider, or flatter product including bridge work, critical structural applications, and part burning, whereas purchasers reported that CTL plate could not be used in tubular production processes and long-run stamping operations.²⁶ Both U.S. producers and end-users were split on the issue of whether coiled plate could be a substitute for CTL plate. Four mills (representing 38.9 percent of 1996 mill production of CTL plate) reported that coiled plate in general could be considered a substitute product for CTL plate.²⁷ Six end users reported that CTL plate and coiled plate could be used in the same applications, whereas seven end users reported that they could not be used in the same applications.²⁸ Five purchasers reported shifting purchases of CTL plate to coiled plate in the previous three years, while 44 reported that they had not.²⁹

c. Channels of Distribution

There is an overlap in the channels of distribution for CTL plate and coiled plate. In 1996, 47.5 percent of domestically produced CTL plate was shipped to distributors, processors, and service centers, whereas 52.5 percent was shipped to end users.³⁰ Similarly, in 1996, 36 percent of U.S. mill shipments of coiled plate went to intermediaries, whereas 64 percent went to end users.³¹ As discussed above, however, CTL plate is sold primarily to different end users than coiled plate.

²¹ CTL plate produced on a reversing mill has a greater range of thicknesses and widths than plate in coil form (or CTL plate produced on a hot strip or Steckel mill). CR at I-5-7, PR at I-4-5.

²² Petitioners' Posthearing Brief, Answer to Commission Questions at 70.

²³ CR at I-14-15, PR at I-11.

²⁴ CR at I-9, PR at I-7.

²⁵ While 32 responding purchasers reported that mill-produced CTL plate and coiled plate in general are used in the same application, 13 disagreed, citing thickness limitations, flatness and gauge problems, and product specifications. However, 20 of 42 U.S. purchasers reported that there were applications that required the use of CTL plate and other applications that required the use of coiled plate. CR at I-14, PR at I-10-11.

²⁶ CR at I-14, n.41, PR at I-11, n.41.

²⁷ CR at I-14, PR at I-10.

²⁸ CR at I-14, n.42, PR at I-11, n.42.

²⁹ CR at I-14, PR at I-11.

³⁰ Table I-1, CR at I-12, PR at I-9.

³¹ CR at I-14-15, PR at I-11.

d. Production Facilities, Processes, and Employees

There are some differences in production facilities, processes and employees between CTL plate and coiled plate, particularly when the production of “discrete” plate is considered. Reversing plate mills are usually separated from hot-strip mills and employ different production workers than coiled operations, even when located in the same facility.³² Approximately 60 percent of CTL plate production in the United States is discrete plate,³³ although there appears to be a trend by steel mills away from producing CTL plate on a reversing mill and towards production on combination Steckel mills that produce both plate in coils and CTL plate that has not been coiled.³⁴ In addition, we note that the manufacture of CTL plate from coiled plate requires the additional manufacturing step of decoiling and cutting to length the decoiled product, and therefore requires additional manufacturing equipment.

e. Customer or Producer Perceptions

The record is somewhat mixed as to whether CTL plate and coiled plate are perceived to be different products. As noted in the interchangeability discussion above, U.S. producers representing 38.9 percent of domestic production indicated that they viewed plate in coils and CTL plate to be substitutable. Purchaser responses were mixed, with some indicating that CTL plate and coiled plate were interchangeable, whereas others indicated that, for at least some applications, they were not interchangeable. In addition, we note that customers differentiate between CTL plate and coiled plate in their orders.³⁵

f. Price

There are differences in the average unit value of CTL plate and coiled plate. The average unit value of CTL plate produced by U.S. mills ranged from \$437 to \$465 per short ton during the POI, while the price of plate in coil produced in U.S. mills was considerably lower at \$322 to \$360 per short ton.³⁶ Plate in coil form that has been further cut by service centers generally sold at slightly lower prices than that produced in the mills -- \$389 to \$439 per short ton -- but still at a higher price than that for coiled plate.

Based on the different physical characteristics and end uses, limited interchangeability, different manufacturing facilities for the majority of CTL plate and coiled plate, and differences in price, we do not include coiled plate in the domestic like product in these final investigations.³⁷

³² CR at I-4, n.14, PR at I-4, n.14.

³³ CR at I-7, PR at I-6. During the period of investigation (“POI”), 5 producers produced CTL plate on reversing mills, 3 on strip mills, 1 on both a strip mill and a reversing mill, 1 on both a Steckel mill and a reversing mill, 2 on Steckel mills, and 2 on bar or structural mills. CR at III-1, n.2, PR at III-1, n.2.

³⁴ CR at I-7, n.22, PR at I-5, n.22.

³⁵ Petitioners’ Prehearing Brief at 18.

³⁶ Table I-2, CR at I-13, PR at I-9.

³⁷ We also find that the semifinished product analysis does not support inclusion of coiled plate in the domestic like product. The Commission has employed a semifinished product analysis rather than its traditional analysis when analyzing whether a product at an earlier stage of its production process is “like” a finished or further processed product. Under this analysis, the Commission examines: (1) whether the upstream article is dedicated to the production of the downstream article, or has independent uses; (2) whether there are perceived to be separate markets for the upstream and downstream articles; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) differences in the costs or value of the vertically differentiated articles; and (5) significance and extent of the processes used to transform the upstream into the downstream articles. Large Newspaper Printing Presses and

(continued...)

2. Whether “Certain Coiled Plate” Should be Included in the Like Product

The Commission also collected information on “certain coiled plate,” a subset of coiled plate which is produced to the same specifications, chemistries, or widths as CTL carbon steel plate and generally shipped to processors, service centers, or distributors.³⁸ Petitioners argue against the inclusion of “certain coiled plate” in the domestic like product. Respondents did not address inclusion of certain coiled plate in the domestic like product.

We determine that the domestic like product does not include “certain coiled plate” for the same reasons that we do not include all coiled plate in the domestic like product. We do not find any clear dividing line between “certain coiled plate” and all coiled plate, other than the product widths or ASTM specifications enumerated in the Commission questionnaires.

3. Inclusion of Domestic CTL Plate Cut by Service Centers

Petitioners argue that the Commission should limit the domestic like product to CTL plate produced by U.S. mills.³⁹ Respondents argue that CTL plate cut by service centers is the same as CTL plate cut at mills, and that there is no basis for excluding service center CTL plate from the domestic like product.⁴⁰ We determine that the domestic like product includes all CTL plate, whether produced in a mill by an integrated producer or in a service center.⁴¹

The Commission’s traditional six factor like product analysis weighs strongly in favor of inclusion of CTL plate cut by service centers in the like product. There is little evidence in the record that CTL plate cut by service centers differs from that which is cut to length by U.S. mills. Regardless of whether plate is cut from a coil at a mill or at a service center, such plate has the same physical characteristics and uses since it is essentially an identical product which has the same chemistry, metallurgy, and physical dimensions. To the extent there are distinctions in the physical characteristics of CTL plate produced and sold by U.S. mills and

³⁷ (...continued)

Components Thereof, Whether Assembled or Unassembled, from Germany and Japan, Invs. Nos. 731-TA 736 and 737 (Final), USITC Pub. 2988 (Aug. 1996) at 6 n.23. With respect to the first factor, there are independent uses for coiled plate other than in the manufacture of CTL plate. As to the second factor, the record suggests that while there is some overlap in markets for coiled plate and CTL plate, the major end-user markets for coiled plate, pipe and tube conversion and automotive uses, are not shared by CTL plate. As to the third factor, the physical characteristics of CTL plate differ from those of coiled plate consistently in form and in length, and may also differ in thickness. We note that the distinctions are greater between reversing mill CTL plate and coiled plate than for CTL plate that has been produced from coiled plate. As to the fourth and fifth factors, coiled plate can undergo a variety of transformation processes, typically linked to the designated end use. For example, steel service centers that operate cut to length processing lines level and shear coiled plate, converting it from a coiled to a flat product with a defined length. The costs and processes involved in transforming coiled plate to CTL plate are not trivial, as discussed below in the discussion of domestic industry.

³⁸ CR at I-15, PR at I-11.

³⁹ Hearing Transcript at p.18. Petitioners’ arguments in their prehearing brief pertaining to service centers, however, are primarily directed to the exclusion of service centers as domestic producers, rather than to the definition of the like product. Petitioners’ Prehearing Brief at 5-22.

⁴⁰ Respondents’ Joint Prehearing Brief at 5.

⁴¹ In the most recent 1993 CTL plate investigations, no party raised the issue of whether plate in coil form that has been cut by service centers should be included in the CTL domestic like product, and the Commission did not address the issue. Today, service centers are playing an increasingly significant role in the cutting and distribution of plate. In 1996, shipments of CTL plate cut by service centers from both imported and domestic coil accounted for 23.8 percent of all domestic CTL plate production. CR at I-7, PR at I-6.

CTL plate that is cut to length by service centers from coiled plate, these distinctions are derived from each item's method of manufacture, rather than the location of the manufacturing equipment. As discussed above, CTL plate produced by U.S. mills as "discrete" plate on reversing mills is available in wider widths and greater thicknesses, and may possess superior mechanical properties than plate cut from coil.⁴² These dimensional differences arise from the manufacturing process, and can limit the interchangeability of "discrete" plate with plate cut from a coil.⁴³ However, these dimensional differences also apply to plate produced by hot strip mills and, depending on the production method used, plate produced by Steckel mills. Moreover, 35 responding purchasers reported that mill-produced CTL plate and CTL plate that has been cut to length by a processor from coiled plate are used in the same applications, while 5 disagreed, in whole or in part, citing thickness limitations, flatness and general quality problems, and customer specifications.⁴⁴

The channels of distribution of CTL plate produced at a mill overlap to some extent with that of CTL plate cut by a service center. The former may go through a service center or a distributor prior to sale to the ultimate end user, or it may be shipped directly to an end user.⁴⁵ CTL plate cut by a service center is more likely to be sold directly to an end user than is CTL plate from a mill.

Twenty-one percent of CTL plate produced by U.S. mills utilizes the same manufacturing methods as CTL plate that is cut to length from coiled plate by U.S. service centers.⁴⁶ For this plate, regardless of whether it is cut to length by a mill or a service center, the process and equipment used to cut plate from coil are essentially the same.⁴⁷

Based on the similar physical characteristics and uses, interchangeability, manufacturing processes and equipment and overlapping channels of distribution, we include CTL plate cut from coiled plate by service centers in the domestic like product.

C. Domestic Industry

1. In General

The Commission is directed to consider the impact of the subject imports on the domestic industry, defined as "the producers as a [w]hole of a domestic like product."⁴⁸ In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.⁴⁹ In light of our domestic like product determination, we define the domestic industry as all producers of CTL plate.

In defining the members of the domestic industry in these investigations, we address two issues: (1) whether production of CTL plate includes operations of processors such as steel service centers, which

⁴² CR at I-9, PR at I-7.

⁴³ *Ibid.*

⁴⁴ CR at I-11, PR at I-8. The distinction in thicknesses also applies to plate produced on a reversing mill versus a hot strip or Steckel mill, and does not reflect a broader distinction between service center CTL plate and plate cut to length by U.S. mills. Moreover, of the 11 responding end users that purchase CTL plate, only one reported that it could not use CTL plate converted from coil by a processor. CR at I-11, n.39, PR at I-8, n.39.

⁴⁵ Table I-1, CR at I-12, PR at I-9.

⁴⁶ CR at I-7, PR at I-5.

⁴⁷ CR at I-8-9, PR at I-6-7.

⁴⁸ 19 U.S.C. § 1677(4)(A).

⁴⁹ See e.g., Large Newspaper Printing Presses, USITC Pub. 2988 at 7-8.

purchase coiled plate and decoil it and cut it to length to produce CTL plate, and (2) whether any producers should be excluded from the industry pursuant to section 774(4)(B) of the Act.

2. Inclusion of Processors

There are three types of companies that could be considered members of the CTL plate industry: (1) integrated mill producers, which manufacture either discrete CTL plate or CTL plate from coiled plate that they also produce; (2) nontoll processors, primarily service centers, which purchase coiled plate and decoil it and cut it to length to form CTL plate; and (3) toll processors, which perform the same function as nontoll processors except that ownership of the coil is maintained by another entity, such as a mill or service center.

Petitioners argue that toll processors should be included in the domestic industry, but nontoll producers should be excluded. Respondents argue that all processors should be included in the domestic industry. We note at the outset that the processing performed by steel service centers — *i.e.*, using coiled plate as an input and decoiling and cutting it to length to form CTL plate — changes the product from one which we specifically found was not part of the domestic like product into a product that corresponds to the domestic like product.⁵⁰ More typically, when this issue is raised, the production-related activities involve further processing of a product that is already within the domestic like product definition.⁵¹

In deciding whether a processing firm qualifies as a domestic producer, the Commission generally has analyzed the overall nature of the firm's production-related activities in the United States to determine whether its production-related activities are sufficient to constitute domestic production.⁵² The Commission has not established a specific level of U.S. value added required to qualify as a domestic producer.⁵³ The Commission generally considers the following factors:

⁵⁰ Commissioner Crawford finds that the analysis to determine whether processors are producers of the domestic like product follows from the like product finding. The production related activity required to convert the plate in coil form into CTL plate is by definition sufficient to convert one like product into a different like product. Therefore, it follows that converting plate in coil form into CTL plate constitutes "production" of CTL plate. She therefore finds that the six factor test to analyze production-related activities does not apply and thus she does not join in the discussion of this test. For her complete analysis of this issue, *see* Views of Commissioner Carol T. Crawford, *infra*.

⁵¹ *See Oil Country Tubular Goods from Argentina, Austria, Italy, Japan, Korea, Mexico, and Spain*, Invs. Nos. 701-TA-363-364 and 731-TA-711-717 (Final), USITC Pub. 2911 (Aug. 1995).

⁵² *Ferrovandium and Nitrided Vanadium from Russia*, Inv. No. 731-TA-702 (Final), USITC Pub. 2904 (June 1995) at I-8.

⁵³ *See Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands*, Inv. No. 731-TA-652 (Final), USITC Pub. 2783 at I-8-I-9 & n.34 (June 1994) ("no single factor -- including value added -- is determinative and . . . value added information becomes more meaningful when other production activity indicia are taken into account"); *Low Fuming Brazing Copper Wire and Rod from New Zealand*, Inv. No. 731-TA-246 (Final), USITC Pub. 1779 (Nov. 1985) (the Commission concluded that twenty percent value added by flux coaters was sufficient); *see also Low Fuming Brazing Copper Wire and Rod from South Africa*, Inv. No. 731-TA-247 (Final), USITC Pub. 1790 (Jan. 1986) (value added in the United States was ten to twenty percent).

The Commission has also stated that a "modest percentage of domestically sourced parts or raw materials as a percentage of cost does not necessarily mean that a firm is not a domestic producer." *Certain All Terrain Vehicles from Japan*, Inv. No. 731-TA-388 (Final), USITC Pub. 2163 (Mar. 1989) at 13-14. Conversely, the Commission has decided not to include a firm in the domestic industry where its operations contributed only a "minor percentage of the total value" of the product. *Certain Radio Paging and Alerting Devices from Japan*, Inv. No. 731-TA-102 (Final), USITC Pub. 1410 (Aug. 1983) (operations involved assembly and soldering of foreign sourced parts involving little technical skill); *see also Color Television Receivers from the Republic of Korea and Taiwan*, Invs. Nos. 731-TA-134 and 135 (Final), USITC Pub. 1514 (Apr. 1984) at 7-8 (Commission emphasized for the first time that no single factor--including value added--is determinative).

- (1) the source and extent of the firm's capital investment;
- (2) the technical expertise involved in U.S. production activities;
- (3) the value added to the product in the United States;
- (4) employment levels;
- (5) the quantity and type of parts sourced in the United States; and
- (6) any other costs and activities in the United States directly leading to production of the like product.⁵⁴

No single factor is determinative and the Commission may consider any other factors it deems relevant in light of the specific facts of any investigation.⁵⁵

We find that all processors should be included in the domestic industry, whether the processing is done on a toll or nontoll basis. The record indicates that investment for cut-to length lines producing a combination of products, gauges, and widths may be as much as \$15 million to \$18 million.⁵⁶ Total capital investment by processors for their operations producing CTL plate ranged from \$17.9 million to \$19.4 million during the 1994-96 period.⁵⁷ While the total capital investment of the U.S. mills was significantly higher, we consider these investments to be significant.⁵⁸

Significantly, the manufacturing equipment and processes used by service centers to decoil and cut to length coiled plate is the same as that used by the domestic mills to produce CTL plate from coiled plate.⁵⁹ There is a range of opinion on the expertise required to perform processing operations, ranging from "not very high" to "moderate" to "high." At a minimum, equipment operators require a high school education, with an emphasis on reading and math skills. Many processors prefer cut-to-length operators with mechanical skills, and most stress on-the-job training, typically for 90 days. Most processors emphasized the need to understand the principles of leveling and to record accurate dimensional measurements.⁶⁰

Although the number of operators in any given service center may be low, processors reported aggregate employment levels ranging from a low of 558 to a high of 692 from 1994 to January-March 1997. During the same period, U.S. mills reported employment ranging from 6,854 to 7,173 workers.⁶¹ Therefore, the processors account for approximately 10 percent of all production workers in the CTL industry.

The value added to carbon steel plate by processing operations varies, depending on the operation performed by the processor. The value added (defined as the conversion costs (labor and factory overhead) divided by the total cost of goods sold) by the reporting nontoll processors of all coiled plate (of domestic and foreign origin combined) in 1996 ranged from 2.6 to 23.1 percent, and averaged 5.3 percent. Including

⁵⁴ See, e.g., Large Newspaper Printing Presses, USITC Pub. 2988 at 7-8.

⁵⁵ See Oil Country Tubular Goods from Argentina, Austria, Italy, Japan, Korea, Mexico, and Spain, Invs. Nos. 701-TA-363-364 and 731-TA-711-717 (Final), USITC Pub. 2911 (Aug. 1995) at I-11 n.37; Silicon Carbide from The People's Republic of China, Inv. No. 731-TA-651 (Final), USITC Pub. 2779 (June 1994) at I-11 n.49.

⁵⁶ CR at I-8-9, PR at I-7.

⁵⁷ CR at III-8, PR at III-7. The most common source of capital investment for U.S. processors was internally-generated funds, followed by bank financing, foreign parent companies, domestic parent companies, and equity offerings. CR at III-8, PR at III-7.

⁵⁸ Total capital investment of U.S. mills ranged from \$188.9 million to \$308.1 million. Table VI-5, CR at VI-14, PR at VI-6. The mill investment is significantly larger than the processor investment in part because the data reported by integrated mills include allocated investment for operations such as slab casting and coiling, when these operations lead to the production of CTL plate by or on behalf of U.S. mills.

⁵⁹ CR at I-8, PR at I-6.

⁶⁰ CR at III-9, PR at III-7.

⁶¹ Table III-7, CR at III-13, PR at III-10. We note, however, that these data include information from U.S. processors engaged in tolling operations on behalf of U.S. mills producing CTL plate.

SG&A expenses in the conversion costs increased the average value added to 11.1 percent.⁶² Processors source both domestic and imported coiled plate to produce CTL plate. However, the amount of CTL plate produced by processors from domestic coil significantly exceeded the amount produced from imported coil.⁶³

In addition to these traditional factors, we have also considered the fact that the processing activities in question impart the defining characteristic to the like product -- *i.e.*, by converting a non-like product (coiled plate) into the like product.

In our view, the facts support the inclusion of toll and nontoll processors of imported and domestic coil in the domestic industry.⁶⁴ They invest a significant amount of capital in relatively sophisticated processing operations, and account for a significant percentage of overall employment of the U.S. industry. While the value added is relatively small, this factor is not determinative of the outcome. Rather, we have placed considerable importance on the fact that the processing performed by the service centers involves changing a product that we have affirmatively decided not to include in the domestic like product -- coiled plate -- into the domestic like product.

Based on the foregoing, we include all producers of CTL plate in the domestic industry, whether toll producers, integrated producers, or processors.^{65 66}

⁶² CR at I-19-20, PR at I-14. The value added by reporting nontoll processors of domestic coil in 1996 ranged from 2.5 to 23.1 percent, and averaged 5.4 percent. Including SG&A expenses in the conversion costs increased the average value added to 11.6 percent. The value added by reporting nontoll processors of imported coil in 1996 ranged from 2.7 to 17.7 percent, and averaged 4.9 percent. Including SG&A expenses increased the value added to 9.6 percent. *Ibid.*

⁶³ In 1996, processors produced 1,226,405 short tons of CTL plate from domestic coil versus 426,230 short tons from imported coil. In terms of total U.S. CTL production, 17.7 percent was produced by processors from domestic coil and 6.1 percent was produced by processors from imported coil. CR at I-7, PR at I-6.

⁶⁴ We reject petitioners' argument that toll production should be included and nontoll production should not be included in the domestic CTL plate industry. A significant percentage of the processing of coiled plate is performed on a toll basis. *See, e.g.*, Table III-3, CR at III-7-8 and n.1, PR at III-5 and n.1. Other than ownership, there is no difference in the processing activity that takes place on a toll and nontoll basis. Moreover, we note that petitioners' assertion that toll producers are entirely dependent on U.S. mills is not supported by the record. Tolling for U.S. mills accounted for 49.9 percent of all tolling in 1996, tolling for service centers accounted for 48.2 percent, and tolling for other customers accounted for 1.9 percent of toll production. CR at I-20, n.62, PR at I-14, n.62.

⁶⁵ Chairman Miller and Vice Chairman Bragg note that the processors in these investigations are in a somewhat different position than the domestic mill producers of CTL plate with respect to their vulnerability to unfair import competition.

The processors are either toll processors, that charge their customers a fee for performing the processing, or are independent (nontoll) processors, which purchase either domestic or imported coiled plate and decoil it and cut it to length to manufacture CTL plate. Many nontoll producers also resell domestic or imported CTL plate that they have not produced in their processing operations. Accordingly, a significant number of processors appear to be insulated from the effects of dumped imports in a way that the operations of the domestic mills are not.

For the reasons given above, Chairman Miller and Vice Chairman Bragg believe that the processors should be included in the domestic industry. However, they believe that it is appropriate to take into account the greater vulnerability of the domestic mills to the effects of dumped imports in determining whether the domestic industry as a whole is experiencing material injury by reason of subject imports. Thus, while they have looked at the data for the entire domestic industry, they have placed particular emphasis on the condition of the domestic mills in reaching their finding that subject imports threaten the domestic CTL plate industry with material injury. They note, however, that this emphasis did not alter the outcome of their decision with respect to the CTL plate industry. Finally, their decision to include processors in the domestic industry producing CTL plate should not be construed as an indication that in any future investigations they will necessarily determine that processors will be included in the industry. An analysis of the facts specific to each investigation will govern their treatment of this issue.

⁶⁶ Commissioner Newquist considers the industry as a whole in evaluating whether the domestic industry is injured or threatened with material injury by reason of subject imports.

D. Related Parties

We must further determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B).

North Star Steel Co. (“North Star”) is a mill producer, and Cargill Steel & Wire Div. of Cargill, Inc. (“Cargill”) is a processor of the domestic like product. Both are wholly owned by Cargill, Inc., which also owns Cargill Ferrous International Div. of Cargill, Inc., a company that imports subject merchandise. In addition, Feralloy Corp. (“Feralloy”) is related through common ownership (Preussag North America) to importer Preussag International Steel Corp., which imports subject merchandise. Thus, North Star, Cargill, and Feralloy are related parties, and the Commission may exclude them from the domestic industry if “appropriate circumstances” exist.⁶⁷

None of these companies imported the subject product, and their interests therefore would appear to be in domestic production rather than importation of the subject merchandise.⁶⁸ Operating income data for *** are somewhat *** than the industry average. However, several other companies in the domestic industry that are not related parties had similar, or ***, operating margins. *** operating income margins, which ranged between ***, were *** than the industry average.⁶⁹ Also, *** accounts for only a *** of domestic CTL production in 1996.⁷⁰ Similarly, *** accounted for *** percent of processor production, which corresponds to *** percent of total domestic production (mills and processors) in 1996.⁷¹ Given these *** volumes, we conclude that neither exclusion nor inclusion of any of these producers’ data would skew data for the industry. On balance, we find that appropriate circumstances do not exist for excluding any of these producers from the domestic industry.

II. CONDITION OF THE INDUSTRY

In assessing whether a domestic industry is materially injured or threatened with material injury by reason of LTFV imports, we consider all relevant economic factors that bear on the state of the industry in the United States.⁷² These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and

⁶⁷ 19 U.S.C. § 1677(4)(B). No party has argued that these companies should be excluded from the domestic industry. Factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the percentage of domestic production attributable to the importing producer; the reason the U.S. producer has decided to import the product subject to investigation; whether inclusion or exclusion of the related party will skew the data for the rest of the industry; the ratio of import shipments to U.S. production for related producers; and whether the primary interest of the related producer lies in domestic production or importation. *See, e.g., Torrington Co. v. United States*, 790 F. Supp. 1161 (Ct. Int’l Trade 1992), *aff’d without opinion*, 991 F.2d 809 (Fed. Cir. 1993). *See also Engineered Process Gas Turbo-Compressor Systems from Japan*, Inv. No. 731-TA-748 (Final), USITC Pub. 3042 (June 1997) at 10 n.26.

⁶⁸ For this reason, Commissioner Crawford finds that these firms should not be excluded from the domestic industry. She does not join in the remainder of this discussion.

⁶⁹ ***’s operating income margins on its CTL plate operations ranged from *** percent during the POI, which is *** than the industry mill average of 2.2 to 5.5. Table VI-3, CR at VI-9, PR at VI-4. With respect to ***, operating income margins ranged from ***, which were *** compared to nontoll processors and to mills and processors combined.

⁷⁰ Table III-1, CR at III-3, PR at III-3; Table C-1, Table C-4, CR at C-6, C-12, PR at C-6, C-12.

⁷¹ *See* Tables III-1 and III-2, CR at III-3 and 7-8, PR at III-3 and 5-7; Table C-4, CR at C-12, PR at C-12, as adjusted for toll production.

⁷² 19 U.S.C. § 1677(7)(C)(iii).

research and development.⁷³ 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.”⁷⁴

A condition of competition pertinent to our analysis is the growing importance of steel service centers in this industry. Service centers accounted for 23.8 percent of domestic production of CTL plate in 1996.⁷⁵

In addition, demand for CTL plate increased overall during the period of investigation. Producers, importers, and end-use purchasers attributed the increase in demand to a strong economy, and to such specific factors as low interest rates, increased spending on capital goods, and increased general construction spending.^{76 77 78}

The quantity of apparent U.S. consumption of CTL plate declined from 7.92 million short tons in 1994 to 7.75 million short tons in 1995, and then rose to 8.68 million short tons in 1996. Apparent U.S. consumption was 2.26 million short tons in interim (January-March) 1997 compared with 2.07 million short tons in interim 1996.⁷⁹ During the same period, U.S. producers’ share of consumption by quantity fell from 82.9 percent in 1994 to 82.6 percent in 1995 and to 79.4 percent in 1996. U.S. producers’ share of the quantity of U.S. consumption was 73.4 percent in interim 1997 compared with 84.9 percent in interim 1996.⁸⁰ U.S. producers’ share of consumption by value fell from 84.3 percent in 1994 to 83.8 percent in 1995 and to 81.6 percent in 1996, and was 76.8 percent in interim 1997 compared with 85.8 percent in interim 1996.⁸¹

The domestic industry’s capacity to produce CTL plate fell from 9.06 million short tons in 1994 to 8.96 short tons in 1995, and rose to 9.22 million short tons in 1996. The domestic industry’s capacity to produce CTL plate was 2.33 million short tons in interim 1997 compared with 2.27 million short tons in interim 1996.⁸² The domestic industry’s production volume declined from 6.68 million short tons in 1994 to 6.53 million short tons in 1995, and then increased to 6.94 million short tons in 1996. The domestic industry’s production volume was 1.70 million short tons in interim 1997 compared with 1.77 million short

⁷³ Commissioner Crawford joins her colleagues in these investigations in a discussion of the “condition of the industry” even though she does not make her determination based on industry trends. Rather, she views the discussion as a factual recitation of the data collected concerning the statutory factors.

⁷⁴ 19 U.S.C. § 1677(7)(C)(iii).

⁷⁵ CR at I-7, PR at I-6.

⁷⁶ CR at II-2, PR at II-2.

⁷⁷ Respondents argue that these investigations warrant our consideration of data gathered in the preliminary investigation so that we can analyze four complete years of data. Joint Respondents’ Prehearing Brief at 19. We decline to consider four years of data in these final investigations. We note that it is not our standard practice to consider data from the preliminary phase of our investigations for the sole purpose of extending the period of our final investigation. Such an approach is particularly problematic in these investigations since we included processors in the industry, and such data were not obtained in the preliminary phase.

⁷⁸ Certain domestic producers internally transfer production of CTL plate for production of downstream products. Thus, we have considered whether the captive production provision applies in these investigations. The captive production provision may be applicable if, as a threshold matter, significant production of the domestic like product is internally transferred and significant production is sold in the merchant market. 19 U.S.C. § 1677(7)(C)(iv). In 1996, only *** of domestic production (including processors) was captively consumed. CR at III-11 and n.14, PR at III-9 and n.14; Tables C-1 and C-4, CR at C-6 and C-12, PR at C-6 and C-12. We find this level of captive consumption to be insignificant and therefore do not apply the captive production provision.

⁷⁹ Table C-4, CR at C-11, PR at C-11.

⁸⁰ *Ibid.*

⁸¹ *Ibid.*

⁸² *Ibid.*

tons in interim 1996.⁸³ Capacity utilization fell from 73.6 percent in 1994 to 72.9 percent in 1995, and then rose to 75.3 percent in 1996. Capacity utilization was 72.7 percent in interim 1997 compared with 77.9 percent in interim 1996.⁸⁴

The domestic industry's total U.S. shipments of CTL plate, by volume, fell from 6.57 million short tons in 1994 to 6.39 million short tons in 1995, and rose to 6.89 million short tons in 1996. Total U.S. shipments were 1.66 million short tons in interim 1997 compared with 1.76 million short tons in interim 1996.⁸⁵ The U.S. industry's total U.S. shipments by value rose from \$2.84 billion in 1994 to \$2.93 billion in 1995, and to \$3.10 billion in 1996. The value of U.S. producers' U.S. shipments was \$745.18 million in interim 1997 compared with \$784.50 million in interim 1996.⁸⁶ The quantity of U.S. producers' end-of-period inventories fluctuated throughout the period examined, increasing from 313,570 short tons in 1994 to 336,100 short tons in 1995, and then declining to 317,594 short tons in 1996. End-of-period inventories were 347,744 short tons in interim 1997 compared with 328,779 short tons in interim 1996.⁸⁷

The average number of production and related workers (PRWs) employed by the domestic industry producing CTL plate declined from 7,489 in 1994 to 7,383 in 1995, and then increased to 7,778 in 1996. The number of PRWs was 7,474 in interim 1997 compared with 7,908 in interim 1996. Hours worked increased from 16.60 million in 1994 to 16.67 million in 1995, and to 17.33 million in 1996. Hours worked were 4.14 million in interim 1997 compared with 4.46 million in interim 1996.⁸⁸

The domestic industry's net sales by quantity fell from 6.34 million short tons in 1994 to 6.28 million short tons in 1995, and then rose to 6.71 million short tons in 1996. Net sales by quantity were 1.61 million short tons in interim 1997 compared with 1.72 million short tons in interim 1996. Net sales value rose from \$2.74 billion in 1994 to \$2.87 billion in 1995, and to \$3.02 billion in 1996. Net sales value was \$722.41 million in interim 1997 compared with \$767.60 million in interim 1996.⁸⁹ The domestic industry's gross profits rose from \$182.70 million in 1994 to \$264.62 million in 1995, and then fell to \$258.90 million in 1996. Gross profits were \$49.68 million in interim 1997 compared with \$63.60 million in interim 1996. Operating income followed a similar pattern, increasing from \$78.85 million in 1994 to \$159.68 million in 1995, and then declining to \$142.81 million in 1996. Operating income was \$21.85 million in interim 1997 compared with \$35.96 million in interim 1996.⁹⁰ The industry's operating income margin rose from 2.9 percent in 1994 to 5.6 percent in 1995, and then fell to 4.7 percent in 1996. The operating income margin was 3.0 percent in interim 1997 compared with 4.7 percent in interim 1996. Unit cost of goods sold (COGS) followed the same trends, increasing from \$402.97 per short ton in 1994 to \$414.66 per short ton in 1995, and then declining to \$411.07 per short ton in 1996. Unit COGS was \$417.24 per short ton in interim 1997 compared with \$409.57 per short ton in interim 1996.⁹¹ Unit selling, general and administrative (SG&A) expenses increased from \$16.37 per short ton in 1994 to \$16.71 per short ton in 1995, and further increased

⁸³ *Ibid.*

⁸⁴ *Ibid.*

⁸⁵ *Ibid.*

⁸⁶ *Ibid.*

⁸⁷ *Ibid.*

⁸⁸ *Ibid.*

⁸⁹ *Ibid.*

⁹⁰ *Ibid.*

⁹¹ *Ibid.*

to \$17.30 per short ton in 1996. Unit SG&A expenses were \$17.26 per short ton in interim 1997 compared with \$16.08 per short ton in interim 1996.⁹²

Capital expenditures rose from \$315.32 million in 1994 to \$325.17 million in 1995, and then fell to \$206.48 million in 1996. Capital expenditures were \$34.76 million in interim 1997 compared with \$57.18 million in interim 1996.⁹³ Research and development expenditures fell from \$5.36 million in 1994 to \$5.28 million in 1995, and rose to \$7.93 million in 1996. Research and development expenditures were \$1.96 million in interim 1997 compared with \$2.08 million in interim 1996.^{94 95}

III. CUMULATION

Section 771(7)(G)(I) of the Act provides the general rule for cumulation in determining material injury.⁹⁶ This rule requires the Commission to cumulate imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with domestic like products in the United States market.⁹⁷

In assessing whether imports compete with each other and with the domestic like product,⁹⁸ the Commission has generally considered the following four factors:

- (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and
- (4) whether the imports are simultaneously present in the market.⁹⁹

⁹² *Ibid.*

⁹³ *Ibid.*

⁹⁴ Table VI-5, CR at VI-14, PR at VI-6. Service centers did not report any research and development expenditures. CR at III-9, PR at III-7.

⁹⁵ Based on the foregoing, Commissioner Newquist finds that the domestic industry is vulnerable to the continuing adverse effects of the dumped imports of CTL plate from China, Russia, South Africa, and Ukraine. He therefore proceeds directly to the discussion of whether there is a threat of material injury by reason of the subject imports.

⁹⁶ 19 U.S.C. § 1677(7)(G).

⁹⁷ The statute contains four exceptions to cumulation, none of which is applicable in these investigations. These concern imports from Israel, Caribbean Basin Initiative countries, countries as to which investigations have been terminated, and countries as to which Commerce has made preliminary negative determinations. 19 U.S.C. § 1677(7)(G)(ii). The Uruguay Round Agreements Act ("URAA") relocated the provisions concerning cumulation to new sections 771(7)(G) and 771(7)(H), 19 U.S.C. §§ 1677(7)(G) and (H). Section 771(7)(G) concerns cumulation for determining material injury; section 771(7)(H) concerns cumulation for threat. Cumulation for threat purposes is discussed below.

⁹⁸ The 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." H.R. Rep. 316, 103d Cong., 2d Sess., vol. I at 848 (citing Fundicao Tupy, S.A. v. United States, 12 CIT 6, 10-11, 678 F. Supp. 898, 902 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988)).

⁹⁹ 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, 12 CIT 6, 678 F. Supp. 898 (Ct.

(continued...)

Although no single factor is determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product.¹⁰⁰ Only a “reasonable overlap” of competition is required.¹⁰¹

In the preliminary phase of these investigations, we cumulated subject imports based on their interchangeability with the domestic like product and with each other, competition in the same geographical markets, substantial overlap in sales in the same channels of distribution, and the simultaneous presence of all of the subject imports in the U.S. market during the POI.¹⁰² We noted, however, that we intended to collect more information on the alleged “niche” CTL plate products produced in South Africa to analyze further the South African respondents’ arguments against cumulation.¹⁰³

In these final investigations, we again conclude that the statutory criteria for cumulation are met. The subject imports from China, Russia, South Africa, and Ukraine are generally fungible both with the domestic like product and with each other. U.S. producers’ standard CTL plate products often compete for sales with similar imports from the subject countries.¹⁰⁴ All U.S. mills producing and selling CTL plate reported that domestically-produced and imported CTL plate are broadly interchangeable. A majority of importers also reported that domestically-produced and imported plate are broadly interchangeable.¹⁰⁵ Importers that reported CTL plate from various sources to be interchangeable typically noted that imports met widely accepted ASTM or other standards.¹⁰⁶ While the quality of imports from South Africa is considered by some to be generally better than certain other subject imports,¹⁰⁷ questionnaire data also indicate that importers and U.S. producers find that all of the subject imports are broadly interchangeable.¹⁰⁸ Purchaser comparisons also do not support the South African respondents’ claims that their product is of higher quality and more readily available than the domestic product.^{109 110}

⁹⁹ (...continued)

Int’l Trade 1988), *aff’d*, 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, 20 CIT ___, 937 F. Supp. 910, 915 (Ct. Int’l Trade 1996).

¹⁰⁰ See, e.g., Wieland Werke, AG v. United States, 13 CIT 561, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹⁰¹ See Mukand, 937 F. Supp. at 915-16, Wieland Werke, AG, 13 CIT at 563, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); United States Steel Group v. United States, 18 CIT 1190, 1199-1200, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994).

¹⁰² Preliminary Determination at 14-15.

¹⁰³ Preliminary Determination at 15, n. 94.

¹⁰⁴ CR at II-5, PR at II-4.

¹⁰⁵ CR at I-10-11, PR at I-8. However, while South African CTL plate was compared favorably with the domestic products by importers, imports from China, Russia, and Ukraine were usually described as inferior in one or more respects. In most cases, purchasers rated U.S.-produced plate either superior or comparable to the imported product in particular characteristics. CR at II-6-7, PR at II-4.

¹⁰⁶ CR at I-10-11, PR at I-8.

¹⁰⁷ Four out of four purchasers said that Chinese and South African CTL plate were comparable in quality; two out of five purchasers said that the Russian and South African CTL plate were comparable, and three out of five said that the Russian CTL plate was inferior; two out of five purchasers said that the South African and Ukrainian CTL plate were comparable whereas three out of five said that the South African CTL plate was superior. Appendix E, Tables E-2, E-4, E-6, CR at E-3, 4, 5, PR at E-3, 4, 5.

¹⁰⁸ CR at I-10-11 and n.35, PR at I-7-8 and n.35.

¹⁰⁹ Purchaser responses indicate that 8 purchasers considered the South African product comparable to the domestic product, 2 purchasers considered the domestic product superior, and 1 purchaser considered the U.S. product to be inferior. With respect to availability, 5 purchasers reported the South African product and the U.S. product to be comparable, and 6 purchasers considered the U.S. product superior. With respect to reliability of supply, 5 purchasers

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With respect to imports from South Africa, the Commission requested specific data for the thin gauge product category (0.187"-0.250") that the South African respondents argued did not compete with either the domestic like product or subject imports from other countries. Between 41.0 and 67.4 percent of imports from South Africa were in this category. Each of the other countries subject to investigation reported imports of these products, ranging from 0.1 to 5.8 percent of reported U.S. shipments of imports from the subject country in any given year. In addition, sales of this product category constituted between 7.3 and 9.5 percent of U.S. mill shipments of CTL plate.¹¹¹ Therefore, there is a limited overlap of competition between imports from South Africa and imports from other countries and the domestic like product in the thin gauge category. However, imports of other CTL plate from South Africa accounted for between 32.6 and 59.0 percent of imports from that country which we find sufficient to constitute a reasonable overlap of competition.^{112 113}

There is no dispute that the domestic like product and the subject imports from all four countries compete in the same geographical markets nationwide.¹¹⁴ There is a fairly substantial overlap in channels of distribution of the subject imports and the domestic like product. Imports from China, South Africa, and Ukraine are sold predominantly to distributors, processors, and service centers. Domestic producers and importers of Russian CTL plate sell almost half of CTL plate to distributors, processors and service centers, with the remaining sales directly to end users.¹¹⁵ The parties do not dispute that imports from the subject countries have been present in the U.S. market throughout the period of investigation.¹¹⁶

Based on the general fungibility between the subject imports and the domestic like product and with each other, competition in the same geographical markets, substantial overlap in sales in the same channels of distribution, and the simultaneous presence of all of the subject imports in the U.S. market during the period of investigation, we find a reasonable overlap of competition between imports from China, Russia, South Africa, and Ukraine and the domestic like product in these final investigations. Therefore, we find that subject imports compete with each other and with the domestic like product. Consequently, we cumulate the

¹⁰⁹ (...continued)

considered the U.S. and South African product comparable, and 6 purchasers reported the U.S. product superior. Table II-3, CR at II-9, PR at II-6.

¹¹⁰ We note that the imports from South Africa oversold the domestic product in price comparisons for Product 3, which is a thin gauge product. Tables G-1 and G-2, CR at G-3 and G-4, PR at G-3 and G-4. While this could indicate a price premium dictated by perceptions the South African products were of higher quality than the domestic product, the Court of International Trade has affirmed the Commission practice of finding a reasonable overlap of competition even when there are perceived differences in quality of the products, and one product obtained a premium price in the marketplace. See, e.g., Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 740 (CIT 1989); Wieland Werke, AG v. United States, 718 F. Supp. 50, 54 (CIT 1990); Granges Metallwerken AB v. United States, 716 F. Supp. 17, 22 (CIT 1989).

¹¹¹ Table IV-4, CR at IV-8-9, PR at IV-7-8.

¹¹² South Africa reported that between 3.7 and 12.4 percent of its imports during the POI were of "specialty product" between 2.0"-6.0" in thickness. However, significant shipments of this product were also reported by all subject countries and by the domestic mills. Table IV-4, CR at IV-9, PR at IV-8.

¹¹³ With respect to South African respondents' argument that the share of South African shipments in the United States is too small to support a finding of competition with the domestic like product, we note that we rejected this argument in the preliminary phase of these investigations, and we do so in these final investigations for the same reasons. Preliminary Determination at 15, n.92.

¹¹⁴ Table IV-2, CR at IV-6, PR at IV-5.

¹¹⁵ Table I-1, CR at I-12, PR at I-9.

¹¹⁶ Table IV-3, CR at IV-7, PR at IV-6.

subject imports from China, Russia, South Africa, and Ukraine for purposes of analyzing whether the domestic industry is materially injured by reason of the LTFV imports from these countries.

IV. NO MATERIAL INJURY BY REASON OF LTFV IMPORTS FROM CHINA, RUSSIA, SOUTH AFRICA, AND UKRAINE¹¹⁷

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 LTFV imports under investigation.¹¹⁸ 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 only in the context of U.S. production operations.¹¹⁹ Although the Commission considers causes of injury to the industry other than the LTFV imports, it is not to weigh causes.¹²⁰ For the reasons discussed below, we determine that the domestic industry producing CTL plate is not materially injured by reason of cumulated subject imports from China, Russia, South Africa, and Ukraine.

A. 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.”¹²¹ The volume of cumulated subject imports rose from 650,038 short tons in 1994 to 972,368 short tons in 1995, and to 1,263,389 short tons in 1996, an overall increase of 94.4 percent. Cumulated imports were 429,437 short tons in interim 1997 compared with 243,607 short tons in 1996, an increase of 76.3 percent.¹²² The cumulated market share by volume rose from 8.2 percent in 1994 to 12.6 percent in 1995, and to 14.6 percent in 1996, and was 19.0 percent in interim 1997 compared with 11.8 percent in interim 1996.¹²³ We find this increase in volume and market share, both in absolute terms and relative to U.S. consumption, to be significant.

Respondents argue that the increase in the volume of subject imports is not significant because of an alleged shortage of domestic product in 1995 and, in particular, 1996. In our view, the record does not support the conclusion that the significant increase in the volume of subject imports should be discounted due to a short supply of domestic product.¹²⁴ We note that although consumption increased significantly in 1996,

¹¹⁷ Commissioner Crawford determines that the CTL plate industry is materially injured by reason of the subject imports, and therefore does not join the remainder of this opinion. *See* Views of Commissioner Carol T. Crawford.

¹¹⁸ 19 U.S.C. § 1671d(b). The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.” 19 U.S.C. § 1677(7)(A).

¹¹⁹ 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 . . . and explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

¹²⁰ *See, e.g., Gerald Metals, Inc. v. United States*, 937 F. Supp. 930, 936 (Ct. Int’l Trade 1996), *appeal pending*; *Citrosuco Paulista, S.A. v. United States*, 704 F. Supp. 1075, 1101 (Ct. Int’l Trade 1988).

¹²¹ 19 U.S.C. § 1677(7)(C)(I).

¹²² Table IV-1, CR at IV-4, PR at IV-3.

¹²³ Table C-4, CR at C-11, PR at C-11.

¹²⁴ The domestic industry denies that there have been shortages of supply during the POI. While conceding that U.S. producers extended lead times at some time during the POI, petitioners argue that extended lead times should not be confused with supply shortages that would account for the massive quantities of imports during the POI. Petitioners’ Posthearing Brief, Response to Commission Questions at 8. In addition, Bethlehem Steel admits that in response to

(continued...)

capacity utilization reported by U.S. mills rose only to 80.3 percent in 1996 from 77.0 percent in 1995. Capacity utilization was 75.4 percent in interim 1997 compared with 84.3 percent in interim 1996.¹²⁵ Capacity utilization reported by processors and mills combined was 72.9 percent in 1995 and 75.3 percent in 1996, and was 72.7 percent in interim 1997 compared with 77.9 percent in interim 1996.¹²⁶ While capacity utilization was higher in 1996 than other years of the investigative period, there remained some degree of excess capacity in the domestic industry.¹²⁷ We also note that subject imports increased by 49.6 percent from 1994 and 1995, and increased 76.3 percent in interim 1997 compared with the same period in 1996, which is both before and after the alleged domestic supply shortage had occurred.

B. Price Effects of the Subject Imports

Section 771(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether — (I) there has been significant price underselling by the imported merchandise as compared with the price of the domestic like products in 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.¹²⁸

The record confirms that price is a significant factor for purchasers of CTL plate, which is essentially a commodity-type product. The majority of purchasers indicated that the lowest priced CTL plate would usually win the sale.¹²⁹ As discussed above, although there were some perceptions of quality differences between imports from several of the subject countries and the domestic like product, virtually all purchasers indicated that the subject imports were broadly interchangeable with the domestic like product. Similarly, a majority of importers reported that domestically produced and imported CTL plate are broadly interchangeable.¹³⁰ Thus, large or rapidly increasing volumes of low-priced imports can have significant adverse price effects in this industry.

The subject imports undersold the domestic product in the overwhelming majority of comparisons, with margins of underselling ranging from 0.3 to 36.2 percent.¹³¹ In addition, prices obtained by domestic

¹²⁴ (...continued)

increased orders, it adopted a sales plan wherein it supplied all of its regular customers per either their historical requirements, or if necessary, at higher requirements. Bethlehem contends that in October 1996 the sales plan was discontinued, and that by the fourth quarter of 1996 and throughout 1997, the domestic industry was trying to fill their mills. Bethlehem Steel's Posthearing Brief, Answer to Commission Questions at 1-2.

¹²⁵ Table C-1, CR at C-6, PR at C-6.

¹²⁶ Table C-4, CR at C-12, PR at C-12.

¹²⁷ In fact, excluding Inland and Oregon Steel (which closed CTL plate mills between 1995 and 1996), six of twelve mills reported higher production volumes in 1994 and/or 1995 than they did in 1996. This includes *** whose 1994 and 1995 production volumes exceeded 1996 production by *** and *** short tons, respectively. In addition, all fully operational CTL plate mills reported available capacity in 1996. See Questionnaire responses of U.S. mills, especially ***.

¹²⁸ 19 U.S.C. § 1677(7)(C)(ii).

¹²⁹ CR at II-4-5, PR at II-3.

¹³⁰ CR at I-10-11, PR at I-7-8.

¹³¹ Imports from China were priced lower than the domestic mill product in 69 of 78 quarters by margins ranging from 0.3 to 25.9 percent; imports from Russia undersold the domestic mill product in 54 of 55 quarters where comparisons could be made by margins ranging from 2.1 to 36.2 percent; imports from Ukraine undersold the domestic mill product in all 59 quarters where comparisons were possible by margins ranging from 0.7 to 29.8 percent, and imports from South Africa undersold the domestic mill product in 25 of 45 quarters where comparisons were possible by margins

(continued...)

producers for sales to distributors of all three pricing products peaked in early 1995, as did prices for two of three pricing products sold to end users, before declining through early 1996. Prices generally recovered between the first and third quarters of 1996, only to stabilize and decline in the fourth quarter of 1996 and the first quarter of 1997, coincident with the sharp increase in subject imports. We note that underselling was particularly prevalent in pricing products 1 and 2, which are typically produced by U.S. mills rather than by U.S. processors. Underselling was much less frequent in pricing product 3, thin-gauge plate produced and sold in relatively large quantities by U.S. processors.^{132 133 134}

C. Impact of Subject Imports

Section 771(C)(iii) of the Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, “shall evaluate all relevant economic factors which have a bearing on the state of the industry,” as described above in section II.^{135 136 137} As discussed above, we find that it is

¹³¹ (...continued)

ranging from 0.3 to 13.3 percent. Tables V-7, 8, 9, CR at V-24-26, PR at V-16-18. Pricing for product 3 was the only product for which both mill and processor pricing data were provided. The subject imports undersold the domestic mill and processor product in 34 of 61 pricing comparisons. The Chinese product undersold the domestic product in 21 out of 26 quarters by margins ranging from 1.3 to 15.7 percent; the Russian product undersold the domestic product in all 7 quarters where comparisons could be made by margins ranging from 6.3 to 34.9 percent, and the Ukrainian product undersold the domestic product in 6 out of 10 quarters for which comparisons could be made by margins ranging from 0.6 to 19.5 percent. The South African product oversold the domestic product in all 18 quarters for which pricing comparisons could be made. Table G-3, CR at G-5, PR at G-5.

¹³² Tables V-1-V-3, CR at V-9-V-12, PR at V-8-10.

¹³³ Chairman Miller finds that subject imports are having significant adverse price effects. She notes that CTL plate is a commodity product and price is considered the most important factor in purchasing decisions. The record shows that domestic prices declined or were flat in 1996-97 despite significantly increased demand and relatively high capacity utilization rates. These adverse price trends coincided with a substantial increase in lower-priced subject imports. Chairman Miller concludes that the presence of a significant and increasing volume of lower-priced imports prevented price increases, which otherwise would have occurred, to a significant degree.

¹³⁴ Vice Chairman Bragg does not find the price effects of the subject imports to be significant. She takes note of the consistent underselling by subject imports. But she also notes that domestic prices rose over most of the POI, and that domestic producers remained profitable, suggesting that over that time period subject imports have not depressed or suppressed prices to a significant degree. However, the data from late 1996 and interim 1997 indicates that dumped imports are likely to have significant price effects in the near future.

¹³⁵ 19 U.S.C. § 1677(7)(C)(III). The statute specifies that the Commission is to consider “the magnitude of the margin of dumping” in its evaluation of the impact of imports on the domestic industry. 19 U.S.C. § 1677(7)(C)(iii)(V); *see also* 19 U.S.C. § 1677(35)(C); SAA at 850 (this provision “does not alter the requirement in current law that none of the factors which the Commission considers is necessarily dispositive of the Commission’s material injury analysis”). The statute further states that the dumping margins that the Commission is to consider in making a final determination are those “most recently published by the administering authority prior to the closing of the Commission’s administrative record.” 19 U.S.C. § 1677(35)(C)(ii). The dumping margins identified by Commerce in its final determinations are as follows: for China, 30.68 (Anshan); 34.44 (Baoshan); 17.33 (Liaoning); 38.16 (Shanghai Pudong); and 128.59 (WISCO and China-wide) 62 Fed. Reg. 61964 (Nov. 20, 1997); for Russia, 53.81 (Severstal) and 185.00 (Russia-wide) 62 Fed. Reg. 61787 (Nov. 19, 1997); for South Africa, 26.01 (Highveld); 50.87 (Isacor); and 38.36 (all other) 62 Fed. Reg. 61731 (Nov. 19, 1997); and for Ukraine, 81.43 (Azovstal); 155.00 (Ilyich); and 237.91 (Ukraine-wide). 62 Fed. Reg. 61754 (Nov. 19, 1997)

¹³⁶ Chairman Miller notes that CTL plate is a commodity product for which price is the most significant factor in purchasing decisions. In considering whether the domestic industry is materially injured or threatened with material

(continued...)

appropriate to take into account the greater vulnerability of the domestic mills to the effects of LTFV imports in determining whether the domestic industry as a whole is experiencing material injury by reason of subject imports. Thus, while we have examined data for the entire domestic industry, we have placed particular emphasis on the condition of domestic mills in determining whether the domestic industry as a whole is experiencing material injury. We note, however, that the trends for the mills alone and the trends for processors and mills combined were similar.

Although the volume and market penetration of subject imports rose during the period of investigation, the data on the condition of the domestic industry was mixed. Many important indicators of the domestic industry's condition improved overall during the first three years of the investigative period. Specifically, production, capacity, capacity utilization, U.S. shipments, net sales, gross profit and operating income all increased from 1994 to 1996.¹³⁸ However, several important financial indicators, such as gross profit, operating income, capital expenditures, and unit operating income began to decline in 1996 from 1995 levels.¹³⁹ By interim 1997, most of the industry indicators had declined sharply. Specifically, production and capacity utilization fell, as did production-related employment. U.S. shipment unit values remained stagnant as shipment volume and value fell and inventories rose relative to interim 1996. In the face of increasing unit costs, operating income declined noticeably in absolute terms, on a unit basis, and as a ratio to sales.¹⁴⁰ The declines in late 1996 and the first quarter of 1997 coincided with a sharp increase in subject imports. The domestic industry's market share also declined significantly in the face of substantially increased imports in the interim period.

Taking all factors into account, we do not believe that the adverse impact of the subject imports on the domestic industry is sufficient in magnitude to conclude that the domestic industry is currently materially injured by reason of subject imports. As noted, the deterioration in the domestic industry's condition is reflected primarily in the interim 1997 data. In general, the Commission places less weight on post-petition

¹³⁶ (...continued)

injury, Chairman Miller has taken note that the margins of dumping are large. Without placing great weight on this factor, Chairman Miller concludes that the magnitude of the margins of dumping in this case supports an affirmative determination that the domestic industry is threatened with material injury.

¹³⁷ Vice Chairman Bragg notes that she does not ordinarily consider the margin of dumping to be of particular significance in evaluating the effects of subject imports on domestic producers. *See Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China, Inv. No. 731-TA-73 (Final), USITC Pub. 2968 (June 1996).*

¹³⁸ Table C-4, CR at C-12, PR at C-12.

¹³⁹ For mills and processors combined, gross profit declined by 2.2 percent between 1995 and 1996, capital expenditures declined by 36.5 percent, operating income declined by 10.6 percent, and unit operating income declined by 16.3 percent. Table C-4, CR at C-12, PR at C-12. The decline is even more pronounced when the domestic mill data is considered. Gross profit for domestic mills declined by 9.0 percent between 1995 and 1996, capital expenditures declined by 38.7 percent; operating income declined by 17.2 percent, and unit operating income declined by 20.0 percent. Table C-1, CR at C-6, PR at C-6.

¹⁴⁰ In interim 1997 compared with interim 1996 the data for mills and processors combined indicates that production declined 4.3 percent, capacity utilization declined by 5.2 percentage points, employment declined by 5.5 percent; U.S. shipments, in terms of quantity and value declined by 5.3 and 5.0 percent respectively; and inventories increased by 5.8 percent. Gross profit declined by 21.9 percent, total operating income declined by 39.2 percent, unit operating income declined by 35.2 percent, and operating income as a ratio to sales declined by 1.7 percentage points. Table C-4, CR at C-12, PR at C-12. When the mill data is considered, the data indicates steeper declines in many indicators. In interim 1997 compared with interim 1996, production declined by 8.9 percent; capacity utilization declined by 8.9 percentage points; employment declined by 6.6 percent, and U.S. shipments, in terms of quantity and value, declined by 10.3 and 9.3 percent respectively. Gross profits declined by 31.6 percent, total operating income declined by 51.3 percent, unit operating income declined by 45.6 percent, and operating income as a ratio to sales declined by 2.0 percentage points. Table C-1, CR at C-6, PR at C-6.

data due to a concern that market conditions may be affected by the filing of the petition and, therefore, the data may be less representative than pre-petition data. Moreover, the Commission generally is careful in the weight it accords to interim data covering a single quarter. Here, the dramatic increase in subject imports in interim 1997 may reflect, in part, a desire to avoid the possible imposition of antidumping duties. We are reluctant in these circumstances to make an affirmative finding primarily on the basis of this single quarter of data. We therefore determine that the domestic industry producing CTL plate is not materially injured by reason of imports of CTL plate from China, Russia, South Africa, and Ukraine. We find, however, as set forth in the next section, that the deteriorating condition of the domestic industry supports a finding that the domestic industry producing CTL plate is threatened with material injury by reason of imports of CTL plate from the subject countries.

V. THREAT OF MATERIAL INJURY BY REASON OF LTFV IMPORTS

A. Cumulation for Purposes of Threat Analysis

In assessing whether a domestic industry is threatened with material injury by reason of imports from two or more countries, the Commission has discretion to cumulate the volume and price effects of such imports if they meet the requirements for cumulation in the context of present material injury.¹⁴¹ In deciding whether to cumulate for purposes of making our threat determinations, we have in the past also considered whether the subject imports are increasing at similar rates and have similar pricing patterns.¹⁴² The Court of International Trade has held, however, that the Commission is not required to consider divergent volume and pricing trends in exercising its discretion to cumulate for purposes of its threat analysis.^{143 144}

All of the respondents have urged the Commission not to cumulate for purposes of a threat analysis. The South African respondents, in particular, argue that their different volume and pricing trends warrant a decision not to cumulate imports from South Africa with imports from the other subject countries.

We have determined to cumulate the LTFV imports from China, Russia, South Africa, and Ukraine for purposes of our threat analysis. We determined in section III above that the requirements for cumulation for material injury are satisfied, and we conclude for the same reasons to exercise our discretion to cumulate LTFV imports for our threat analysis.¹⁴⁵ Notwithstanding the respondents' arguments, we conclude that any differences in volume and price trends do not warrant a decision not to cumulate. In this regard, we note that

¹⁴¹ 19 U.S.C. § 1677(7)(H).

¹⁴² See Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int'l Trade 1992); Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int'l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int'l Trade 1988).

¹⁴³ Kern Liebers USA, Inc. v. United States, Slip Op. 95-9 at 49-50 (Ct. Int'l Trade, January 27, 1995).

¹⁴⁴ Commissioner Newquist notes that in assessing whether to cumulate for purposes of a threat of material injury analysis, he places little weight on whether imports from various subject countries are increasing at similar rates or have similar margins of underselling and pricing patterns. Nowhere does the statute require that these "factors" be examined in determining whether to cumulate for a threat analysis.

¹⁴⁵ Although Commissioner Newquist did not join sections III and IV of the opinion, he agrees that the subject imports compete with each other and the domestic like product. He notes that, in his view, once a like product determination is made, that determination establishes an inherent level of fungibility within that like product. Only in exceptional circumstances could Commissioner Newquist find products to be "like" and then turn around and find that, for purposes of cumulation, there is no "reasonable overlap of competition" based on some roving standard of substitutability. See Additional and Dissenting Views of Chairman Newquist in Flat-Rolled Carbon Steel Products, USITC Pub. 2664 (August 1993).

most of the subject imports exhibited significant increases in volume during the period of investigation.¹⁴⁶ Also, as discussed above, imports from each of the subject countries consistently undersold the domestic like product.¹⁴⁷

B. Statutory Factors¹⁴⁸

Section 771(7)(F) of the Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether “further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted.”¹⁴⁹ The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued.¹⁵⁰ In making our determination, we have considered all statutory factors¹⁵¹ that are relevant to these investigations.¹⁵²

For the reasons discussed below, we determine that the domestic industry is threatened with material injury by reason of subject imports from China, Russia, South Africa, and Ukraine.

The record indicates that there has been a significant rate of increase of the volume of subject merchandise imported into the United States, indicating the likelihood of substantially increased imports in the near future. As discussed above, the volume of cumulated subject imports of certain CTL plate from China, Russia, South Africa, and Ukraine rose from 650,038 short tons in 1994 to 972,368 short tons in 1995, and to 1,263,389 short tons in 1996, an overall increase of 94.4 percent. Cumulated imports were 429,437 short tons in interim 1997 compared with 243,607 short tons in 1996, an increase of 76.3 percent.¹⁵³ In particular, we find that the dramatic surge of subject imports in interim 1997 demonstrates the ability of

¹⁴⁶ Table IV-1, CR at IV-4, PR at IV-3. Regarding South Africa, we note that the volume of imports from South Africa was significant throughout most of the POI and increased fairly significantly in the first three quarters of 1996. The sharp decline in imports from South Africa that occurred in late 1996 and interim 1997, when other subject imports increased, appears to reflect a different reaction to the filing of the petition.

¹⁴⁷ CR at V-22, PR at V-15; Table V-7-9, CR at V-24-26, PR at V-16-18; Table G-3, CR at G-5, PR at G-5. Regarding South Africa, the overselling cited by the South African respondents was limited to product 3. For product 1 and 2, sales of which occurred in all but two quarters, imports from South Africa consistently undersold the domestic product.

¹⁴⁸ Commissioner Newquist notes that, in his analytical framework, “evaluation of the magnitude of the margin of dumping” is not generally helpful in answering the questions posed by the statute: whether the domestic industry is threatened with material injury; and if so, whether such threat of injury is by reason of the dumped subject imports.

¹⁴⁹ 19 U.S.C. § 1671b(a) and 1677(7)(F)(ii).

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

¹⁵¹ The statutory factors have been amended to track more closely the language concerning threat of material injury determinations in the WTO Antidumping Agreement and Subsidies and Countervailing Measures Agreement, although “[n]o substantive change in Commission threat analysis is required.” SAA at 855.

¹⁵² 19 U.S.C. § 1677(7)(F)(I). Factor I regarding consideration of the nature of the subsidies is inapplicable because there have not been any subsidies alleged. Factor VII regarding raw and processed agriculture products is also inapplicable to the products at issue.

¹⁵³ Table IV-1, CR at IV-4, PR at IV-3.

respondents to ship very large volumes of subject imports to the United States and the likelihood that respondents would do so in the absence of an affirmative determination.

This rate of increase in subject imports far outpaced growth in domestic demand, resulting in increased market share for the subject imports. The cumulated market share of subject imports by volume rose from 8.2 percent in 1994 to 12.6 percent in 1995, and to 14.6 percent in 1996, and was 19.0 percent in interim 1997 compared with 11.8 percent in interim 1996.¹⁵⁴

We are not persuaded by the arguments of the Chinese, Russian, and Ukrainian respondents that expanding home market shipments will expand to the extent necessary to lead to a significant decrease in the volumes exported to the United States. Specifically, Chinese respondents argue that rapid economic growth in China will absorb Chinese CTL plate production leaving little, if any, production for export to the U.S. market. We note, however, that Chinese exports to the United States *** during the period of investigation, notwithstanding strong economic growth in China during this period. The Russian and Ukrainian respondents argue that anticipated oil and gas pipeline projects will divert CTL plate shipments from the United States to local markets. We find that the effect these potential projects would have on respondents' exports to the United States to be too speculative to persuade us that imports from Russia and Ukraine would decline significantly in the near future.

Moreover, while the degree of unused capacity varies among the subject countries, we find that there is current excess capacity to allow exports to the United States to increase greatly.¹⁵⁵ For example, in 1996 when cumulated subject imports held 14.6 percent of the U.S. market, the subject countries possessed unutilized capacity equivalent to an additional 2,889,234 short tons, or 33.3 percent of the U.S. market. In addition, we note that although projected exports to the United States from each of the subject countries *** in 1997, Chinese, Russian, and South African respondents expected exports to the United States to *** in 1998.¹⁵⁶

We also consider it significant that each of the subject countries is facing at least one, and in some cases, several, antidumping duty findings, investigations, or quantitative restrictions in other major export markets indicating that export markets other than the United States are and may be further restricted.¹⁵⁷

¹⁵⁴ Table C-4, CR at C-11, PR at C-11.

¹⁵⁵ Chinese capacity ***, and is projected *** in 1997 and 1998. Chinese capacity utilization *** from *** percent in 1994 to *** percent in 1995 and *** to *** percent in 1996, and was *** percent in interim 1997 compared with *** percent in interim 1996. Chinese capacity utilization is projected to be *** percent for 1997 and *** percent in 1998. Table VII-1, CR at VII-2, PR at VII-1. Russian capacity *** from 1994 to 1996, and is projected to *** in 1997 and 1998. Russian capacity utilization *** from *** percent in 1994 to *** percent in 1995, and to *** percent in 1996, and was *** percent in interim 1997 compared with *** percent in interim 1996. Russian capacity utilization is projected to be *** percent in 1997 and *** percent in 1998. Table VII-2, CR at VII-3, PR at VII-2. South African capacity *** from 1994 to 1996, and is expected to *** in 1997 and 1998. South African capacity utilization *** from *** percent in 1994 to *** percent in 1995, and to *** percent in 1996, and was *** percent in interim 1997 compared with *** percent in interim 1996. South African capacity utilization is projected to be *** percent in 1997 and *** percent in 1998. Table VII-3, CR at VII-5, PR at VII-3. Ukrainian capacity *** over the POI. Ukrainian capacity utilization *** from *** percent in 1994 to *** percent in 1995, and to *** percent in 1996, and was *** percent in interim 1997 compared with *** percent in interim 1996. Ukrainian capacity utilization is projected to be *** percent in 1997 and *** percent in 1998. Table VII-4, CR at VII-7, PR at VII-3.

¹⁵⁶ Tables VII-1 to VII-4, CR at VII-2-7, PR at VII-1-3.

¹⁵⁷ CTL plate from China is currently subject to an antidumping finding in Canada. CR at VII-2, PR at VII-1. CTL plate from Russia is subject to an antidumping finding in Canada, faces quantitative restrictions in the European Union, and is currently the subject of antidumping investigations in Mexico and Indonesia. CR at VII-4, PR at VII-2. CTL plate from South Africa is subject to an antidumping finding in Canada. CR at VII-6, PR at VII-3. CTL plate from Ukraine is subject to an antidumping finding in Canada, faces quotas in the EU, and is the subject of an antidumping

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Inventories of the subject product rose significantly during the three full years of the period of investigation. U.S. inventories rose from*** short tons in 1994 to *** short tons in 1996, an increase of 149.8 percent. While inventories were *** short tons in interim 1997 compared with *** short tons in interim 1996, at the same time, inventories of purchased CTL plate from the countries subject to these investigations held by two of the largest U.S. distributors, Ranger and Thyssen, *** during the period of investigation, and were *** in interim 1997 than interim 1996.¹⁵⁸

We also find evidence that increased subject imports will enter at prices likely to depress or suppress domestic prices to a significant degree. As noted previously, most CTL plate must meet the same ASTM or other standard specifications.¹⁵⁹ The record confirms that price is a significant factor in purchasing decisions for CTL plate, which is essentially a commodity-type product. The subject imports undersold the domestic product in the overwhelming majority of comparisons, with margins of underselling ranging from 0.3 to 36.2 percent.¹⁶⁰ In addition, the beginnings of price depression and suppression are indicated by the fact that sales to distributors of products 1, 2, and 3, the categories with the greatest volume among products investigated, started to show declines in price in mid-to-late 1996, and continuing through early 1997, notwithstanding a strong growth in demand. The decline coincided with a sharp increase in imports. At the same time that sales prices were declining, the cost of goods sold and SG & A expenses on a per unit basis were increasing, rising by 1.9 and 7.4 percent respectively in interim 1997, indicating that the domestic industry was unable to raise its prices in response to increasing costs.

We believe that, in the absence of an affirmative determination, the volume of subject imports and the price pressure exerted by these imports would increase, resulting in further reductions in prices or suppression of price increases, which, in turn, would lead to declines in domestic industry revenues and profitability. We consider the declines in the industry's financial performance at the end of the POI as a strong indication that the industry's condition would further deteriorate in the near future if the escalating volume and price pressure exerted by the subject imports continues. We note in this regard that most mills and processors reported that they anticipated negative effects from subject imports in the future.¹⁶¹

Finally, we do not find that but for the suspension of liquidation, we would have found the domestic industry to be experiencing material injury. The record does not indicate that, absent suspension of liquidation in June 1997, the domestic industry would have been materially injured by reason of subject imports.

In sum, based on the rapid increases in the volume and market share of the subject imports, unused foreign production capacity, the existence of antidumping duty orders, active investigations, and quantitative restrictions in other countries, inventories of the subject product in the United States, the significant underselling by the subject imports, and the adverse trends in the condition of the domestic industry in the latter part of the period of investigation, we find that the domestic industry producing CTL plate is threatened with material injury by reason of subject imports from China, Russia, South Africa, and Ukraine.

¹⁵⁷ (...continued)

investigation in Mexico. CR at VII-7, PR at VII-4.

¹⁵⁸ CR at VII-8, PR at VII-4. Total inventories held by these two companies *** from *** short tons in 1994 to *** short tons in 1996, and were *** short tons in interim 1997 compared with *** short tons in interim 1996. *Ibid.*

¹⁵⁹ CR at II-5, PR at II-3.

¹⁶⁰ Tables V-7, 8, 9, CR at V-24-26, PR at V-16-18 and Table G-3, CR at G-5, PR at G-5, and discussion *supra*.

¹⁶¹ CR at H-6-7, PR at H-3.

VI. DETERMINATION REGARDING CRITICAL CIRCUMSTANCES

In its final determination, Commerce made affirmative findings of critical circumstances with respect to imports of CTL plate from Russia, Ukraine, and China (other than Liaoning).¹⁶²

In investigations pre-dating the URAA, the Commission did not reach the issue of critical circumstances when it made a determination of threat of material injury on the ground that “a finding that retroactive imposition of antidumping duties is necessary to prevent recurrence of material injury would be inconsistent with [a] finding that the domestic industry is threatened with material injury at this time.”¹⁶³ The Commission has previously concluded that the URAA’s amendments to the critical circumstances provision were not intended to alter the Commission’s prior practice of rendering critical circumstances determinations only when it made an affirmative determination of material injury by reason of subject imports.¹⁶⁴ Accordingly, we decline to consider whether critical circumstances exist because we do not find that the domestic industry is presently experiencing material injury by reason of the subject imports from China, Russia, and Ukraine.

CONCLUSION

For the reasons stated above, we determine that the domestic industry producing CTL plate is threatened with material injury by reason of subject imports from China, Russia, South Africa, and Ukraine.

¹⁶² 62 Fed. Reg. 61967-9 (Nov. 20, 1997); 62 Fed. Reg. 61793 (Nov. 19, 1997); 62 Fed. Reg. 61757 (Nov. 19, 1997).

¹⁶³ *E.g.*, Stainless Steel Flanges from India and Taiwan, Inv. No. 731-TA-639-640 (Final), USITC Pub. 2724 at I-21 n.112 (Feb. 1994).

¹⁶⁴ Collated Roofing Nails from China and Taiwan, Invs. Nos. 731-TA-757 and 759 (Final), USITC Pub. 3070 (Nov. 1997) at 24-25.

VIEWS OF COMMISSIONER CAROL T. CRAWFORD

On the basis of information obtained in these investigations, I determine that the industry in the United States producing cut-to-length plate (“CTL plate”) is materially injured by reason of imports of CTL plate from China, Russia, South Africa, and Ukraine that are sold in the United States at less-than-fair-value (“LTFV”). I join my colleagues in the findings with respect to like product and the decision to cumulate subject imports from all four countries, and I join their discussion of the condition of the domestic industry. In addition, I concur in their conclusion that processors are properly included in the domestic industry, although for different reasons as discussed below. However, I do not concur in the majority’s determination that an industry in the United States is threatened with material injury by reason of the subject imports. Rather, I determine that the industry in the United States producing CTL plate is materially injured by reason of the LTFV imports of CTL plate from China, Russia, South Africa, and Ukraine. Because my analysis and determination differ from the majority, my separate views follow.

I. ANALYTICAL FRAMEWORK

In determining whether a domestic industry is materially injured by reason of the LTFV imports, the statute directs the Commission to consider:

- (I) the volume of imports of the merchandise which is the subject of the investigation,
- (II) the effect of imports of that merchandise on prices in the United States for like products, and
- (III) the impact of imports of such merchandise on domestic producers of like products, but only in the context of production operations within the United States . . .¹

In making its determination, the Commission may consider “such other economic factors as are relevant to the determination.”² In addition, the Commission “shall evaluate all relevant economic factors which have a bearing on the state of the industry . . . within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”³

The statute directs that we determine whether there is “material injury by reason of the dumped imports.” Thus we are called upon to evaluate the effect of dumped imports on the domestic industry and determine if they are causing material injury. There may be, and often are, other “factors” that are causing injury. These factors may even be causing greater injury than the dumping. However, the statute does not require us to weigh or prioritize the factors that are independently causing material injury. Rather, the Commission is to determine whether any injury “by reason of” the dumped imports is material. That is, the Commission must determine if *the subject imports* are causing material injury to the domestic industry. “When determining the effects of imports on the domestic industry, the Commission must consider all relevant factors that can demonstrate if *unfairly traded imports are materially injuring the domestic industry*.”⁴ It is important, therefore, to assess the effects of the dumped imports in a way that distinguishes those effects from the effects of other factors unrelated to the dumping. To do this, I compare the current condition of the industry to the industry conditions that would have existed without the dumping, that is, had subject imports all been fairly priced. I then determine whether the change in conditions constitutes material

¹ 19 U.S.C. § 1677(7)(B)(i).

² 19 U.S.C. § 1677(7)(B)(ii).

³ 19 U.S.C. § 1677(7)(C)(iii).

⁴ S. Rep. No. 71, 100th Cong., 1st Sess. 116 (1987)(emphasis added).

injury. Both the Court of International Trade and the United States Court of Appeals for the Federal Circuit have held that the “statutory language fits very well” with my mode of analysis, expressly holding that my mode of analysis comports with the statutory requirements for reaching a determination of material injury by reason of the subject imports.⁵

In my analysis of material injury, I evaluate the effects of the dumping⁶ on domestic prices, domestic sales, and domestic revenues. To evaluate the effects of the dumping on domestic prices, I compare domestic prices that existed when the imports were dumped with what domestic prices would have been if the imports had been priced fairly. Similarly, to evaluate the effects of dumping on the quantity of domestic sales,⁷ I compare the level of domestic sales that existed when imports were dumped with what domestic sales would have been if the imports had been priced fairly. The combined price and quantity effects translate into an overall domestic revenue impact. Understanding the impact on the domestic industry's prices, sales, and overall revenues is critical to determining the state of the industry, because the impact on other industry indicators (*e.g.*, employment, wages, *etc.*) is derived from the impact on the domestic industry's prices, sales, and revenues.

I then determine whether the price, sales, and revenue effects of the dumping, either separately or together, demonstrate that the domestic industry would have been materially better off if the imports had been priced fairly. If so, the domestic industry is materially injured by reason of the dumped imports.

For the reasons discussed below, I determine that the domestic industry producing CTL plate is materially injured by reason of LTFV imports of CTL plate from China, Russia, South Africa, and Ukraine.

II. LIKE PRODUCT AND DOMESTIC INDUSTRY

As discussed previously, I concur in my colleagues' finding that plate in coil form and CTL plate should not be included in the same like product. I also concur in their conclusions that the like product includes all CTL plate, regardless of who produces it, and that all processors are producers of CTL plate and thus properly included in the domestic industry. I join these conclusions for the same reasons that I made these findings in the preliminary determinations, and adopt that analysis and reasoning and those findings here.⁸

While I concur in the conclusion that all processors are producers of CTL plate, my conclusion follows from the like product finding, not by the analysis used by my colleagues. On the surface, the issue of whether processors perform sufficient production-related activity to make them “producers” of CTL plate may seem complicated. However, in my view the analysis is actually quite straightforward, and follows from the like product finding. Plate in coil form and CTL plate are either part of the same like product, or they are separate like products. If they are part of the same like product, then by definition the products are so similar that the production-related activities of processors must be so small that there is no clear dividing line between the products. In these investigations, on the other hand, we have found that plate in coil form and CTL plate are separate like products, and thus the production-related activity required to convert the plate in coil form into CTL plate is, by definition, sufficient to convert one like product into a different like product.

⁵ United States Steel Group v. United States, 96 F.3rd 1352, at 1361 (Fed.Cir. 1996), *aff'g* 873 F.Supp. 673, 694-695 (Ct. Int'l Trade 1994).

⁶ As part of its consideration of the impact of imports, the statute as amended by the URAA now specifies that the Commission is to consider in an antidumping proceeding “the magnitude of the margin of dumping.” 19 U.S.C. § 1677(7)(C)(iii)(V).

⁷ In examining the quantity sold, I take into account sales from both existing inventory and new production.

⁸ “Additional Views of Commissioner Carol T. Crawford” in *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, USITC Pub. No. 3009, Dec. 1996, pp. 26-28.

Therefore, it follows that converting plate in coil form into CTL plate constitutes “production” of CTL plate. While this analysis is straightforward, it is not simplistic. Rather, the analysis is definitional: the like product finding serves to define the amount of activity that constitutes production of the like product.

The definitional nature of this analysis is apparent when the integrated mills and processors are compared. No party has suggested that the integrated mills are not producers of CTL plate or that their production-related activity should be analyzed separately. As discussed above, integrated mills that account for 21 percent of CTL plate production use the same manufacturing methods, processes and equipment as the processors that produce CTL plate from coiled plate. The only difference is that processors purchase coiled plate to use as the input, whereas integrated mills manufacture the coiled plate they use as the input. However, the production-related activity *to produce CTL plate* is the same for both integrated mills and processors. Therefore, if the integrated mills’ activity is “production,” then so is the processors’ activity. If they perform the same activity, then the analysis should be the same for both.

Based on the facts and findings in these investigations, the six-factor analysis of production-related activity that the Commission has used in other investigations simply does not apply to the circumstances present here. In final determinations, the Commission has always employed this six-factor analysis only when an upstream product and a downstream product *are both included in the same like product*. In those circumstances, the six-factor analysis serves as a surrogate definition for the amount of activity that constitutes production of one part of the like product, the downstream product.⁹ However, the Commission has never employed the six-factor analysis in final determinations where, as here, the like product includes only the downstream product. Since the like product serves to define the activity that constitutes production of the downstream product, it is neither necessary nor appropriate¹⁰ to apply the six-factor analysis here.

In sum, I believe that it is analytically inconsistent to find that plate in coil form and CTL plate are so different that they are separate like products and, at the same time, to question whether the production-related activity required to convert one into the other is -- or may be -- too small to constitute production of one of the separate like products. So long as they are separate like products, the conversion from plate in coil form into CTL plate must constitute “production” of CTL plate. Therefore, under the statutory scheme, processors that cut CTL plate are producers of CTL plate. Consequently, they are members of the domestic industry producing CTL plate.

III. CONDITIONS OF COMPETITION

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

⁹ In such circumstances, the activity to convert the upstream product into the downstream product is apparently so small that it does not create a clear dividing line between the two. It is therefore necessary to analyze whether the activity that converts one part of the like product (the upstream product) into another part of the like product (the downstream product) is sufficient to constitute “production” of the like product. The six-factor analysis seems a reasonable approach in these circumstances.

¹⁰ Modifying the six-factor test to include as a factor the fact that the production-related activity converts one like product into another like product does not make the test applicable to the circumstances here. Since the six-factor test is a surrogate definition for whether the conversion is “production,” if the conversion into a separate like product is added as an additional factor, it would subsume the original six factors and make them superfluous. In addition, it does not alter the fact that only the downstream product is included in the like product.

A. Demand Conditions

An analysis of demand conditions tells us what options are available to purchasers, and how they are likely to respond to changes in market conditions, for example an increase in the general level of prices in the market. Purchasers generally seek to avoid price increases, but their ability to do so varies with conditions in the market. The willingness of purchasers to pay a higher price will depend on the importance of the product to them (*e.g.*, how large a cost factor), whether they have options that allow them to avoid the price increase, for example by switching to alternative products, or whether they can exercise buying power to negotiate a lower price. An analysis of these demand-side factors tells us whether demand for the product is elastic or inelastic, that is, whether purchasers will reduce the quantity of their purchases if the price of the product increases. For the reasons discussed below, I find that the overall demand for CTL plate is moderately inelastic.

Importance of the Product and Cost Factor. Key factors that measure the willingness of purchasers to pay higher prices are the importance of the product to purchasers and the significance of its cost. In the case of an intermediate product (*e.g.*, an input), the importance will depend on its cost relative to the total cost of the downstream product in which it is used. When the price of the input is a small portion of the total cost of the downstream product in which it is used, changes in the price of the input are less likely to alter demand for the downstream product, and, by extension, demand for the input.

Record evidence indicates that the cost share of CTL plate in downstream products varies widely, accounting for as little as 5 percent but also up to 50 percent, 70 percent, 75 percent, and even 80 or 90 percent of some of the downstream products in which it is used.¹¹ The high cost shares indicate that demand would likely be elastic.

Alternative Products. Another important factor in determining whether purchasers would be willing to pay higher prices is the availability of viable alternative products. Often purchasers can avoid a price increase by switching to alternative products. If such an option exists, it can impose discipline on producer efforts to increase prices.

Information on the record indicates that alternative products that can substitute for CTL plate are available for a limited number of the most common applications. However, the record also indicates that there are practical and functional limits on the substitutability of the alternative products. Substitution is often limited by factors affecting the end use, *e.g.*, width, thickness, or strength. Coiled plate is most often cited as a substitute for CTL plate. However, coiled plate is available only in thicknesses of less than one inch, while CTL plate is available in larger thicknesses.¹² The limited availability and substitutability of alternative products indicate an inelastic demand for CTL plate.

Notwithstanding the significant cost share of CTL plate in downstream products, the limited availability of alternative products reduces the elasticity of demand. For this reason, I find that the demand for CTL plate is moderately inelastic. That is, purchasers will not reduce significantly the amount of CTL plate they buy in response to a general increase in the price of CTL plate.

B. Substitutability

Simply put, substitutability measures the similarity or dissimilarity of imported versus domestic products from the purchaser's perspective. Substitutability depends upon 1) the extent of product differentiation, measured by product attributes such as physical characteristics, suitability for intended use, design, convenience or difficulty of usage, quality, *etc.*; 2) differences in other non-price considerations such

¹¹ CR at II-3, PR at II-2.

¹² *Ibid.*

as reliability of delivery, technical support, and lead times; and 3) differences in terms and conditions of sale. Products are close substitutes and have high substitutability if product attributes, other non-price considerations, and terms and conditions of sale are similar.

While price is nearly always important in purchasing decisions, non-price factors that differentiate products determine the value that purchasers receive for the price they pay. If products are close substitutes, their value to purchasers is similar, and thus purchasers will respond more readily to relative price changes. On the other hand, if products are not close substitutes, relative price changes are less important and are therefore less likely to induce purchasers to switch from one source to another.

Because demand for CTL plate is moderately inelastic, overall purchases will not decline significantly if the overall prices of CTL plate increase. However, purchasers can avoid price increases from one source by seeking other sources of CTL plate. In addition to any changes in overall demand for CTL plate, the demand for CTL plate from different sources will decrease or increase depending on their relative prices and their substitutability. If CTL plate from different sources is substitutable, purchasers are more likely to shift their demand from one source when the products from that source (*i.e.*, subject imports) experience a price increase. The magnitude of this shift in demand is determined by the degree of substitutability among the sources.

Purchasers have three potential sources of CTL plate: domestically produced CTL plate, subject imports, and nonsubject imports. Purchasers are more or less likely to switch from one source to another depending on the similarity, or substitutability, between and among them. I have evaluated the substitutability among CTL plate from different sources as follows.

Based on the evidence in the record, I find that subject imports, nonsubject imports, and domestic CTL plate are all at least moderate substitutes for each other. Thus, a shift in demand away from subject imports likely would increase demand for both nonsubject imports and domestic CTL plate.

Overall, there is a basic level of substitutability among subject imports, nonsubject imports, and the domestic like product because all three generally must meet ASTM specifications. In addition, evidence indicates that some form of certification applies to 90 to 100 percent of all CTL plate, a further indication of basic substitutability among all sources.¹³

Nonprice factors reduce the substitutability among subject imports and between subject imports and the domestic like product only somewhat. Among the four sources of subject imports, CTL plate from China, Russia, and Ukraine are the most substitutable for each other, while imports from South Africa are only moderately substitutable for the other subject imports. The majority of purchasers rated the countries comparable to each other, with subject imports from Russia and Ukraine rated very closely to each other.¹⁴ In addition, only a minority of importers reported differences between subject imports from Russia and Ukraine. For these reasons, subject imports from these two countries are quite good substitutes for each other. Similarly, only a minority of importers indicated that Chinese subject imports are differentiated from subject imports from Russia and Ukraine by nonprice factors.¹⁵ Therefore, subject imports from these three countries are fairly good substitutes for each other. Subject imports from South Africa, on the other hand, are only moderate substitutes for subject imports from the other three countries. A majority of purchasers indicated that subject imports from Russia and Ukraine were inferior in quality to South African subject imports, and many importers indicated that nonprice factors differentiated subject imports from these sources.¹⁶ With respect to comparisons of subject imports from China and South Africa, all four reporting purchasers indicated that the two were comparable in quality, and only a minority of importers indicated that they were

¹³ CR at II-5, PR at II-3.

¹⁴ Tables E-1 through E-6, CR at E-3-E-5, PR at E-3-E-5.

¹⁵ CR at II-10, n. 12, PR at II-7, n. 12.

¹⁶ Tables E-4 and E-6, CR at E-4-E-5, PR at E-4-E-5. Also, CR at II-10, n. 12, PR at II-7, n. 12.

differentiated by nonprice factors,¹⁷ suggesting that they are fairly good substitutes for each other. However, as discussed previously, a considerable portion of subject imports from South Africa consists of thin gauge products that are not imported in significant quantities from the other countries, thus reducing the substitutability between subject imports from South Africa and the other countries. For these reasons, I find that subject imports from China, Russia, and Ukraine are good substitutes for each other, but only moderately substitutable with subject imports from South Africa.

Nonprice factors also reduce the substitutability between the domestic product and the subject imports. Nonprice factors were reported to be significant by 6 of 17 importers with regard to subject imports from China; by 10 of 18 importers with regard to subject imports from Russia; by 14 of 24 importers with regard to subject imports from Ukraine; and by 7 of 16 importers with regard to subject imports from South Africa.¹⁸ When compared on the basis of nonprice factors such as product quality and consistency, availability, delivery time, and reliability of supply, the domestic like product was most often rated superior to subject imports from China, Russia, and Ukraine by purchasers.¹⁹ The domestic like product was also often rated superior to the subject imports from South Africa in such categories as product range, availability, delivery time, and reliability of supply,²⁰ although not as often as compared to subject imports from the other three countries. Finally, only about *** percent of Bethlehem's product mix consists of the commodity grades that comprise most of the subject imports.²¹ Therefore, some *** percent of Bethlehem's products, which represents about *** percent of total domestic production, consists of different grades than subject imports. Thus, a not inconsiderable portion of the domestic like product is not very substitutable with subject imports. For these reasons, I find that subject imports and the domestic like product are moderately substitutable for each other.

The information concerning nonsubject imports is somewhat limited, but indicates that nonprice differences between nonsubject imports and the domestic like product and subject imports are not significant. Record evidence indicates that producers, importers, and purchasers all consider nonsubject imports overall to be comparable to subject imports and the domestic like product.²² For these reasons, I find that nonsubject imports are at least moderately substitutable for subject imports and the domestic like product.

For these reasons, I find that subject imports, nonsubject imports, and domestic CTL plate are all at least moderate substitutes for each other. Therefore, I find that purchasers would have switched from purchases of subject imports to purchases of both nonsubject imports and domestic CTL plate had subject imports been fairly priced.

C. Supply Conditions

Supply conditions in the market are a third condition of competition. Supply conditions determine how producers would respond to an increase in demand for their product, and also affect whether producers are able to institute price increases and make them stick. Supply conditions include producers' capacity utilization, their ability to increase their capacity readily, the availability of inventories and products for export markets, production alternatives, and the level of competition in the market. For the reasons discussed below, I find that the elasticity of supply of CTL plate is quite low.

¹⁷ Table E-2, CR at E-3, PR at E-3. Also, CR at II-10, n. 12, PR at II-7, n. 12.

¹⁸ CR at II-6, n. 9, PR at II-4, n. 9.

¹⁹ Tables II-1, II-2, and II-4, CR at II-8 to II-9, PR at 5-6.

²⁰ Table II-3, CR at II-9, PR at 6.

²¹ Bethlehem's Posthearing Brief at 10.

²² CR at II-11, PR at II-8.

Capacity Utilization and Capacity. Unused capacity can exercise discipline on prices, if there is a competitive market, as no individual producer could make a price increase stick. Any attempt at a price increase by any one producer would be beaten back by its competitors who have the available capacity and are willing to sell more at a lower price. In 1996, the domestic industry's capacity utilization stood at 75.3 percent. Therefore, nearly 25 percent of capacity was unused and thus apparently was available to increase production.²³ The capacity utilization rates for U.S. mills and processors were 80.3 percent and 62.7 percent, respectively.²⁴ Based on these rates, it would appear that both U.S. mills and processors have considerable unused capacity that could have been used to supply the demand for subject imports. However, a closer examination of the underlying facts demonstrates that unused capacity is, in fact, quite limited.

In my view, the evidence demonstrates that U.S. mills effectively were operating at or near full capacity in 1996. Their capacity utilization rate of 80.3 percent was the highest full-year rate during the period of investigation, and is substantially higher than the historical rates from 1977 to 1992, except for one year.²⁵ In addition, the record contains ample evidence that U.S. mills were not able to meet the heavy demand for CTL plate in 1996, for a number of reasons. First, some purchasers indicated that CTL plate was in limited supply²⁶ and that some producers put customers on allocation because of supply shortages.²⁷ Second, the record shows that supply was affected by start-up problems with Geneva's new equipment²⁸ and a 55-day outage at USX's blast furnace.²⁹ Finally, even U.S. mills acknowledged the supply shortage. Both Geneva and Gulf States testified that their lead times were extended,³⁰ while Bethlehem testified that it had established reservation systems to accommodate its normal customer base³¹ and that the situation was "full operation for everybody" in 1996.³² These four mills accounted for over *** percent of U.S. mill production in 1996,³³ and thus they dominate the U.S. mill production of the domestic industry. All of this evidence indicates that the elasticity of supply for U.S. mills is very low. That is, U.S. mills could not have increased their production much, if at all, to supply the demand for subject imports.

Record evidence demonstrates that processors also had only a limited ability to increase their output to supply the demand for subject imports. Processors' capacity utilization in 1996 was 62.7 percent, which would indicate that 37.3 percent of their capacity was unused. However, this apparent unused capacity is overstated due to constraints on the availability of the input processors require to produce CTL plate. Processors' apparent unused capacity was equivalent to 983,370 short tons in 1996. However, the unused capacity of the suppliers of the input (*i.e.*, coils in plate thicknesses) that processors need to produce CTL plate was only equivalent to 577,245 short tons. Therefore, the *actual* amount of processors' unused

²³ Table C-4, CR at C-12, PR at C-12.

²⁴ Tables C-1 and C-4, CR at C-6 and C-12, PR at C-6 and C-12.

²⁵ Memoranda INV-T-086.

²⁶ CR at V-29, PR at V-19.

²⁷ CR at V-31-V-32, PR at V-21.

²⁸ *Hearing Transcript*, p. 177, testimony of Robert A. Moore, Vice President, Newco Steel Trading Co.

²⁹ *Hearing Transcript*, pp. 106-108, testimony of Chris Navetta, General Manager/Plate Products, USX.

³⁰ *Hearing Transcript*, pp. 55-56, testimony of Lester Bridges, Senior Manager/Marketing, Gulf States Steel, and Robert Grow, President and COO, Geneva Steel.

³¹ *Hearing Transcript*, pp. 100-102, testimony of Richard Cochran, Marketing Manager/Plate Products, Bethlehem Steel.

³² *Hearing Transcript*, p. 104, testimony of Richard Cochran, Marketing Manager/Plate Products, Bethlehem Steel.

³³ Table III-1, CR at III-3, PR at III-3.

capacity was only 577,245 short tons, which represents about 22 percent of processors' reported capacity.³⁴ Since the volume of subject imports was 1,263,389 short tons in 1996, processors' unused capacity was significantly less than the amount of subject imports.³⁵ The input constraints on processors' unused capacity indicate that the elasticity of supply for processors is fairly low. That is, processors could have increased their production only somewhat to supply the demand for subject imports.

U.S. mills account for about three-quarters of domestic production, and thus are the dominant factor in the elasticity of domestic supply. Since U.S. mills could not have increased their production much, if at all, any increase in production would have had to come from processors. However, processors also were limited in their ability to increase production. Therefore, the domestic industry as a whole could have increased its production only slightly to supply the demand for subject imports, which indicates that the elasticity of domestic supply is quite low.

Inventories and Exports. The domestic industry had 317,594 short tons of CTL plate in inventories available at the end of 1996 which it could have shipped into the U.S. market.³⁶ However, the vast majority of these inventories was held by U.S. mills, the largest of which, as discussed above, were placing customers on allocation and reservation in 1996. Therefore, it is unlikely that much of the mills' inventories actually could have been made available to ship into the market. In addition, the domestic industry's exports are quite small, and thus do not represent a significant source of supply of CTL plate.³⁷ For these reasons, the domestic industry had only limited inventories and exports that could have filled the demand supplied by subject imports.

Level of Competition. The level of competition in the domestic market has a critical effect on producer responses to demand increases. A competitive market is one with a number of suppliers in which no one producer has the power to influence price significantly. In the U.S. market, there are 14 mills and 21 processors that produce CTL plate, and thus there is significant competition within the domestic industry. Nonsubject imports are not a substantial source of competition in this market, accounting for only 6.0 percent of consumption in 1996.³⁸ Even though the competition from nonsubject imports is limited, there is significant competition among domestic producers. Consequently, I find that there is a significant level of competition in the U.S. market for CTL plate.

Notwithstanding the significant level of competition in the U.S. market, I find that the elasticity of supply is quite low, based on the domestic industry's very limited ability to increase the supply of domestic CTL plate from existing actual unused capacity, inventories and exports.

IV. MATERIAL INJURY BY REASON OF LTFV IMPORTS OF CTL PLATE FROM CHINA, RUSSIA, SOUTH AFRICA, AND UKRAINE

The statute requires us to consider the volume of subject imports, their effect on domestic prices, and their impact on the domestic industry. I consider each requirement in turn.

³⁴ Tables C-1, C-2, and C-4, CR at C-6, C-8, and C-12, PR at C-6, C-8, and C-12.

³⁵ Table IV-1, CR at IV-4, PR at IV-3.

³⁶ Table C-4, CR at C-12, PR at C-12.

³⁷ *Ibid.*

³⁸ *Ibid.*; CR at C-11, PR at C-11.

A. Volume of Subject Imports

Cumulated subject imports increased from 650,038 short tons in 1994, to 972,368 short tons in 1995, and to 1,263,389 short tons in 1996. In the first three months of 1997, subject imports were 429,437 short tons. The value of subject imports was \$206.0 million in 1994, \$344.1 million in 1995, \$433.7 million in 1996 and \$146.4 million in interim 1997.³⁹ By quantity, subject imports held a market share of 8.2 percent in 1994, 12.6 percent in 1995, 14.6 percent in 1996 and 19.0 percent in interim 1997. Their market share by value was 6.1 percent in 1994, 9.8 percent in 1995, 11.4 in 1996, and 15.1 percent in interim 1997.⁴⁰ While it is clear that the larger the volume of subject imports, the larger the effect they will have on the domestic industry, whether the volume is significant cannot be determined in a vacuum, but must be evaluated in the context of its price and volume effects. Based on the market share of cumulated subject imports and the conditions of competition in the domestic market, I find that the volume of subject imports is significant in light of its price and volume effects.

B. Effect of Subject Imports on Domestic Prices

To determine the effect of subject imports on domestic prices, I examine whether the domestic industry could have increased its prices if the subject imports had not been dumped. As discussed, both demand and supply conditions in the CTL plate market are relevant. Examining demand conditions helps us understand whether purchasers would have been willing to pay higher prices for the domestic product, or buy less of it, if subject imports had been sold at fairly traded prices. Examining supply conditions helps us understand whether unused capacity and competition among suppliers to the market would have imposed discipline and prevented price increases for the domestic product, even if subject imports had not been unfairly priced.

If the subject imports had not been dumped, their prices in the U.S. market would have increased significantly. Thus, if subject imports had been fairly priced, they would have become more expensive relative to domestic CTL plate. In such a case, if subject imports are good substitutes with other CTL plate, purchasers would have shifted towards the relatively less expensive products.

In these investigations, the dumping margins for subject imports generally are quite large, ranging from 26.01 percent to 50.87 percent for South Africa; 17.33 percent to 128.59 percent for China; 53.81 percent to 185.00 percent for Russia; and 81.43 percent to 237.91 percent for Ukraine. Therefore, subject imports would have been priced significantly higher had they been fairly traded. Subject imports and domestic CTL plate are at least moderate substitutes for each other, and thus some of the demand for subject imports would have shifted to domestic CTL plate had subject imports been fairly traded. However, nonsubject imports and subject imports also are at least moderate substitutes for each other, and thus some of the demand for subject imports likely would have shifted to nonsubject imports as well.

At fairly traded prices, all or nearly all of the demand supplied by subject imports from Russia and Ukraine likely would have shifted away from these sources of CTL plate. Since these two sources account for nearly 70 percent of the cumulated subject imports in 1996,⁴¹ the shift in demand away from subject imports from Russia and Ukraine likely would have been quite large. It is likely that very little of this demand would have shifted to the other subject imports because they too, at fairly traded prices, would have been priced significantly higher. In addition, it is likely that at fairly traded prices some, and perhaps most, of the demand supplied by subject imports from China and South Africa also would have shifted away from these sources of

³⁹ Table IV-1, CR at IV-4, PR at IV-3.

⁴⁰ Table C-4, CR at C-11, PR at C-11.

⁴¹ Table IV-1, CR at IV-4, PR at IV-3.

CTL plate. Consequently, demand would have shifted away from subject imports from all four sources. Since subject imports held a cumulated market share of 14.6 percent by quantity in 1996,⁴² the shift in demand away from subject imports would have been fairly large. Nonsubject imports accounted for only 6.0 percent of the market in 1996,⁴³ and thus represent only limited competition for the domestic industry. Therefore, most of the demand for subject imports would have shifted to the domestic product.

The elasticity of demand indicates that domestic suppliers should have been able to increase prices in response to this shift in demand. Given the conditions of competition in the market, domestic price increases in response to the shift in demand would have been successful. Although there is significant competition among producers within the domestic industry, the domestic industry has little unused production capacity, inventories or exports with which producers would have competed for sales, had demand shifted away from subject imports. Because competition from nonsubject imports is limited, it is likely that nonsubject imports would have supplied only a portion of the demand for subject imports. In these circumstances, the shift in demand and the limited availability of supply from other sources would have allowed the domestic industry to raise its prices for CTL plate. Overall demand for CTL plate would not have changed much in response to higher prices because demand is moderately inelastic. However, the elasticity of supply is quite low, and thus the domestic industry would have increased its prices significantly had the subject imports been fairly traded. Consequently, I find that subject imports are having significant effects on prices for domestic CTL plate.

C. Impact of Subject Imports on the Domestic Industry

To assess the impact of subject imports on the domestic industry, I consider output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development and other relevant factors.⁴⁴ These factors together either encompass or reflect the volume and price effects of the dumped imports, and so I gauge the impact of the dumping through those effects.

As I have discussed above, competition from nonsubject imports is limited, and thus, had subject imports not been dumped, most of the demand satisfied by subject imports would have shifted to domestic CTL plate. The increase in demand for the domestic product would have been substantial, and the domestic producers would have increased their prices significantly in response to the increased demand. However, the elasticity of domestic supply is quite low, and so the domestic industry would not have been able to increase its production and output significantly in response to the shift in demand. As discussed above, the processors would have been able to increase their output somewhat, while the integrated mills would not have been able to increase their output much, if at all. Since the processors account for about one-fourth of domestic production, any increase in their output would have been limited, and thus small when considered in the context of the domestic industry as a whole. Therefore, the domestic industry would not have increased its output and sales significantly. Overall, the domestic industry would have increased its output and sales only slightly, but would have increased its prices, and therefore its revenues, significantly had subject imports not been dumped. Consequently, the domestic industry would have been materially better off if the subject imports had been fairly traded.

⁴² *Ibid.*

⁴³ *Ibid.*

⁴⁴ 19 U.S.C. § 1677(7)(C)(iii).

V. NO CRITICAL CIRCUMSTANCES WITH RESPECT TO SUBJECT IMPORTS FROM CHINA, RUSSIA, AND UKRAINE

Because Commerce made affirmative findings of critical circumstances with respect to imports of CTL plate from Russia, Ukraine, and China (other than Liaoning)⁴⁵ and I have found that the domestic industry producing CTL plate is materially injured by reason of the subject imports, the statute requires a determination of “whether the imports subject to the affirmative [Commerce critical circumstances] determination . . . are likely to undermine seriously the remedial effect of the antidumping order to be issued.”⁴⁶ Under current law, as under prior practice, a separate material injury determination regarding the surge in imports is not required.⁴⁷

Suspension agreements have been signed for all three countries for which affirmative critical circumstances determinations have been made. The Commission has made a final affirmative determination, but the suspension agreements, not antidumping duty orders, will be in effect. Commerce’s final determinations indicate that suspension of liquidation of subject imports will be terminated and that cash deposits of entries of the subject merchandise shall be refunded and bonds released.⁴⁸ Therefore, any consideration of critical circumstances may be moot at this point. Nonetheless, I make the finding required by the statute, but note that the lapse of time since the suspension agreements were signed may make a critical circumstances determination moot because any imports affected by the determination likely will have been liquidated. For the following reasons, I make a negative critical circumstances determination with respect to all three countries.

In finding “massive imports” in connection with its affirmative critical circumstances determination, Commerce compared import quantities for the three month period following the filing of the petition (November 1996-January 1997) to import quantities for the three months preceding the filing of the petition (August 1996-October 1996). The record indicates that, for all three countries, the quantity of imports in the post-petition period exceeded the quantity of such imports in the pre-petition period.⁴⁹

⁴⁵ 62 Fed. Reg. 61967-9 (Nov. 20, 1997); 62 Fed. Reg. 61793 (Nov. 19, 1997); 62 Fed. Reg. 61757 (Nov. 19, 1997).

⁴⁶ 19 U.S.C. § 1673d(b)(4)(A)(I). The statute further provides that in making this determination:
the Commission shall consider, among other factors it considers relevant--

- (I) the timing and the volume of the imports,
- (II) a rapid increase in inventories of the imports, and
- (III) any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined.

19 U.S.C. § 1673d(b)(4)(A)(ii).

⁴⁷ SAA at 877, citing ICC Industries, Inc. v. United States, 632 F. Supp. 36, 40 (Ct. Int’l Trade 1986), aff’d, 812 F.2d 694 (Fed. Cir. 1987).

⁴⁸ 62 Fed. Reg. 61998 (Nov. 20, 1997); 62 Fed. Reg. 61794 (Nov. 19, 1997); 62 Fed. Reg. 61794 (Nov. 19, 1997).

⁴⁹ In the pre-petition period, there were 110,575 short tons of subject imports from China (including Liaoning); 65,445 short tons of subject imports from Russia; and 195,488 short tons of subject imports from Ukraine. In the post-petition period, there were 143,200 short tons of subject imports from China (including Liaoning); 153,166 short tons of subject imports from Russia; and 285,571 short tons of subject imports from Ukraine. Figure IV-1; CR at IV-3, PR at IV-2. The Commission data include data for a Chinese exporter not subject to Commerce’s critical circumstances determination. However, since I have concluded that critical circumstances do not exist based on data with this exporter included, the same result would necessarily follow if the exporter were excluded from the data.

The statute also requires the Commission to consider whether there has been a rapid increase in inventories of the subject imports. Although the Commission did not collect data specific to Commerce's post-petition period, it did collect data for interim (January-March) 1997. The data indicate that inventories were lower in interim 1997 for China and Ukraine when compared to interim 1996, and thus were not stockpiled by U.S. importers. On the other hand, inventories were higher in interim 1997 for Russia when compared to interim 1996. However, Russian inventory levels, both in absolute terms and as a percentage of shipments, were not significantly higher than they were in the same period in 1996.⁵⁰ Thus, the record does not support a conclusion that the imports from these three countries were stockpiled by U.S. importers.

I find no other circumstances indicating that the remedial effect of any antidumping duty orders will be seriously undermined. Therefore, notwithstanding the timing of the imports, I find that the imports subject to Commerce's affirmative critical circumstances determinations are not likely to undermine seriously the remedial effect of any antidumping duty orders. Consequently, I make a negative critical circumstances determination.

VI. CONCLUSION

On the basis of the foregoing analysis, I determine that the domestic industry producing CTL plate is materially injured by reason of LTFV imports of CTL plate from China, Russia, South Africa, and Ukraine. Further, I make a negative determination with respect to critical circumstances.

⁵⁰ Table VII-5, CR at VII-9, PR at VII-4. Russian inventories were *** short tons in interim 1997 compared with *** short tons in interim 1996. As a percentage of shipments, Russian inventories were *** percent in interim 1997 compared with *** percent in interim 1996. *Ibid.*

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed by Geneva, Provo, UT, and Gulf, Gadsden, AL, on November 5, 1996, alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV imports of cut-to-length carbon steel plate ("CTL plate") from China, Russia, South Africa, and Ukraine. For purposes of these investigations, CTL plate is hot-rolled iron and nonalloy steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and nonalloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness.¹ Included in this definition are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling"), such as products which have been bevelled or rounded at the edges. Excluded from this definition is grade X-70 plate.

Relevant *Federal Register* notices appear in appendix A; a list of participants in the Commission's hearing is provided in appendix B; a summary of data collected in the present investigations is presented in appendix C; and information on previous and related Commission investigations is provided in appendix D. General information relating to the background of these investigations is provided below:

<u>Date</u>	<u>Action</u>
Nov. 5, 1996	Petitions filed with the Commission and Commerce; institution of the Commission's investigations (61 FR 58216, Nov. 13, 1996)
Dec. 3	Commerce's notice of initiation (61 FR 64051, Dec. 3, 1996)
Dec. 20	Commission's preliminary determinations transmitted to Commerce (61 FR 68293, Dec. 27, 1996)
June 10, 1997	Commission notified of Commerce's affirmative preliminary determinations and postponement of final determination on South Africa (62 FR 31958, June 11, 1997); scheduling of Commission's final phase of investigations (62 FR 34304, June 25, 1997)
July 29	Commerce's postponement of final determination on China (62 FR 40500, July 29, 1997)
Aug. 4	Commerce's postponement of final determination on Ukraine (62 FR 41927, Aug. 4, 1997)
Aug. 8	Commerce's postponement of final determination on Russia (62 FR 42746, Aug. 8, 1997)
Aug. 13	Commission's revised schedule for the subject investigations (62 FR 44287, Aug. 20, 1997)
Sept. 24	Commerce initials suspension agreements with the four subject countries

¹ CTL plate is currently covered by the following statistical reporting numbers of the HTS: 7208.40.3030; 7208.40.3060; 7208.51.0030; 7208.51.0045; 7208.51.0060; 7208.52.0000; 7208.53.0000; 7208.90.0000; 7210.70.3000; 7210.90.9000; 7211.13.0000; 7211.14.0030; 7211.14.0045; 7211.90.0000; 7212.40.1000; 7212.40.5000; and 7212.50.0000. Column 1-general tariffs, applicable to U.S. imports that are products of the subject countries and classified under the subheadings listed, range from 2.4 percent to 4.6 percent ad valorem. These tariffs are applicable as of Jan. 1, 1997, and represent the third stage of tariff reductions agreed to during the Uruguay Round.

<u>Date</u>	<u>Action</u>
Oct. 28	Commission notified of Commerce's signing of suspension agreements with China, Russia, South Africa, and Ukraine, ¹ its continuation of its investigations, and its final determinations regarding all four countries (see app. A for <i>Federal Register</i> citations); ² Commission's hearing
Dec. 2	Date of Commission's vote
Dec. 11	Transmittal of Commission's determinations to Commerce

¹ Under the terms of the agreements, CTL plate exports are limited to 150,000 metric tons from China in the first relevant period (November 1, 1997, through October 31, 1998), with a reference price of \$350.00 per metric ton for ASTM A-36 plate; 118,630 metric tons from Russia in the first relevant period (October 24, 1997, through December 31, 1998), with a reference price of \$300.00 per metric ton for A-36 plate and \$325.00 per metric ton for A-572 plate; and 158,000 metric tons from Ukraine in the first relevant period (November 1, 1997, through October 31, 1998), with a reference price of \$359.00 per metric ton for A-36 plate, \$387.00 per metric ton for A-572 plate, \$390.00 per metric ton for A-516 plate, and \$530.00 per metric ton for API-2H plate. The South African agreement requires signatory producer/exporters to revise prices to eliminate completely the amount by which the normal (constructed) value of the merchandise exceeds the U.S. price.

² The weighted-average dumping margins calculated in Commerce's final determinations are as follows (in percent): for China, 30.68 (Anshan); 34.44 (Baoshan); 17.33 (Liaoning); 38.16 (Shanghai Pudong); and 128.59 (WISCO and China-wide); for Russia, 53.81 (Severstal) and 185.00 (Russia-wide); for South Africa, 26.01 (Highveld); 50.87 (Iskor); and 38.36 (all other); and for Ukraine, 81.43 (Azovstal); 155.00 (Ilyich); and 237.91 (Ukraine-wide). Commerce made affirmative critical circumstances findings with respect to China (except Liaoning), Russia, and Ukraine.

Geneva is also the plaintiff in a private action filed against defendants Ranger and Thyssen under the 1916 Antidumping Act in Federal District Court in Utah. Geneva is requesting a monetary award for damage from the two firms' actions in importing and selling plate from China, Russia, and Ukraine. On September 19, 1997, U.S. District Judge Dee Benson denied a motion by the defendants to dismiss the complaint.²

THE PRODUCT

This section presents information on both imported and domestically produced carbon steel plate, as well as information related to the Commission's "domestic like product" determination and finished/semifinished analysis.³ The imported product subject to these investigations, cut-to-length carbon steel plate ("CTL plate"), consists of rectangular iron and nonalloy steel flat-rolled products,⁴ nominally 4.75 mm or

² *Geneva Steel, Plaintiff(s) v. Ranger Steel, et al., Defendants*, Opinion and Order 96-C-774 B, United States District Court, District of Utah - Central Division, Sept. 19, 1997. "Court Considers Case Using 1916 Dumping Law" in *The Journal of Commerce*, p. 5, Sept. 23, 1997.

³ 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) interchangeability; (3) channels of distribution; (4) customer and producer perceptions; (5) common manufacturing facilities and production employees; and, where appropriate, (6) price.

⁴ Iron and nonalloy steel are defined in chapter 72 of the HTS. Flat-rolled products, as implied by the name, are marked by their surface flatness, which distinguishes them from other steel products, such as bar, wire, pipes, and beams. The subject products have not been further mechanically worked than hot-rolled, a rolling process in which the semifinished form (in this case, a slab) is heated and its thickness is reduced by rolling. Heat treatments, such as annealing or normalizing, in which the temperature of the steel product is raised followed by controlled cooling, do not

(continued...)

more in thickness and greater than 150 mm in width, as well as universal mill plate of 4 mm or more in thickness, but excluding grade X-70 plate as well as products that are coiled, non-rectangular in shape,⁵ or have been clad, plated, or coated with metal.

In the preliminary phase of the present investigations, the Commission determined that the product “like” the imported product included CTL plate, whether produced on a reversing mill, a Steckel mill, or a hot-strip mill, but not coiled plate produced on a Steckel mill or a hot-strip mill, or product from service centers that purchase coiled plate and cut it to length.⁶ The Commission noted that it intended to examine closely in any final phase of these investigations whether the like product should include all plate in coil form and/or plate in coil form cut to length by service centers.⁷

Petitioners argue that the Commission’s like product determination in the final phase of these investigations should be the same as the Commission’s like product determination in the preliminary phase, CTL plate produced by U.S. mills.⁸ South African Respondents argue in favor of defining the domestic market in terms of CTL plate and coiled plate (including plate cut from coil).⁹ The Chinese, Russian, and Ukrainian Respondents argue that the domestic like product must include at least all domestically produced CTL plate, whether produced by a mill or by a processor,¹⁰ and include in their analysis information and data for “certain” coiled plate.¹¹

⁴ (...continued)

constitute mechanical working, nor does uncoiling a coiled plate and cutting it to length. CTL plate includes flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (for example, products which have been bevelled or rounded at the edges). Painting, varnishing, or coating with plastic does not affect inclusion within this definition.

⁵ Non-rectangular products are produced by shearing or gas-cutting rectangular plates to specified shapes, such as circular (“sketch”) or semi-circular (“ring”) plates.

⁶ *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, USITC Pub. No. 3009, Dec. 1996, pp. 5 and 8.

⁷ *Ibid.*, pp. 6 and 8. For purposes of this report, service centers that cut coiled plate to length are called “processors.”

⁸ *Hearing Transcript*, p. 18.

⁹ *South African Prehearing Brief*, p. 11.

¹⁰ *Joint Respondents’ Prehearing Brief*, pp. 2-3. The Chinese, Russian, and Ukrainian Respondents took no position on whether to include coiled plate or, initially, plate cut from imported coils in the domestic like product. *Ibid.*, p. 2 at fn. 4 and p. 7 at fn. 25. However, in their answers to Commissioners’ questions, Counsel for the Joint Respondents argue that CTL plate cut from imported coil should be included in the domestic like product. *Joint Respondents’ Posthearing Brief*, attachment A, p. 1.

¹¹ Coiled plate consists of iron and nonalloy steel flat-rolled products, nominally 4.75 mm or more in thickness and greater than 150 mm in width, in coiled form. “Certain” coiled plate is a subset of coiled carbon steel plate, produced to the same specifications, chemistries, or widths as CTL carbon steel plate and generally shipped to processors, service centers, or distributors; it includes carbon steel plate in coil form (1) produced to such specifications as ASTM A36, A570, A572, A709, A588, A283, PVQ A516, A573, A455, and ABS grades, or chemical or proprietary equivalents to those specifications, or (2) produced to standard discrete plate widths such as 48, 60, 84, 96, 108, or 120 inches. Certain coiled plate approximates plate produced in coil form and shipped to service centers to be cut to length.

Manufacturing Process, Physical Characteristics, and Uses

There are three principal types of mills that produce CTL plate¹² in the United States: reversing plate mills (also called sheared plate mills),¹³ hot-strip mills,¹⁴ and Steckel mills. In addition, some service centers buy coiled plate and cut it to length. The processes for hot-rolling slab into plate and shearing or flame-cutting the plate to the desired width and length are described briefly below. The processes vary by type of mill; although there is overlap with respect to physical characteristics and uses of the types of plate produced by these mills, there also is variance.

On a reversing mill, the slab is reheated, then passed through a scalebreaker and into the breakdown section of the mill; following initial breakdown and transverse rolling¹⁵ the reduced slab (called a transfer bar) is rolled in a single finishing stand (also a reversing stand) and passed to runout tables located at the end of the hot-rolling mill. Final widths are attained either by edge-shearing or flamecutting or by rolling. The ends of the plate are then sheared or flame cut by the mill. At no time during the production process on a reversing mill is the plate in coil form.

Reversing mills produce plate ranging from 0.187" to 20" (4.75 to 508 mm) in thickness and 48" to 154" (1,219 to 3,912 mm) in width. Because of its generally larger dimensions, plate from a reversing mill is preferred for welded load-bearing applications and structural applications. These include uses in bridgework; machine parts (e.g., the body of the machine or its frame); the shell or structural parts of water storage tanks and pressure vessels; transmission towers and light poles; buildings; mobile equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); and heavy transportation equipment, such as railroad cars (especially tanker cars) and oceangoing ships. In addition, end users concerned about "coil set memory" (such as those which burn out parts from the plate) may prefer plate produced on a reversing mill, because the edges of plate cut from coils can curl on heating.

Hot-strip mills consist of a scalebreaker; a roughing train (four or five rolling stands that reduce the slab to a transfer bar) or a single reversing stand (the slab is passed back and forth through the stand until it reaches the thickness of a transfer bar),¹⁶ and a finishing train (four to seven stands) that reduces the transfer bar to the desired thickness of the hot-rolled plate (exceeding 0.187" or 4.75 mm) or sheet (about 0.06" to

¹² An integrated mill's facilities for melting (or refining) raw steel and casting the raw steel into a semifinished form called a slab are common to all products produced in a steel mill, while hot-rolling the semifinished form into a flat-rolled carbon steel plate may be accomplished on one of several different types of hot-rolling mills. For a further description of the steelmaking and steel refining process, see *Steel Industry Annual Report*, USITC Pub. No. 2436, Sept. 1991, fig. 2-2; also, *Certain Flat-Rolled Products Carbon Steel Products (Preliminary)*, USITC Pub. No. 2549, Aug. 1992, pp. I-28-30.

¹³ A "universal" reversing mill includes two sets of vertical rolls located in front of and behind the finishing stand to roll the plate's edges; the horizontal and vertical rolls are integrated into a single mill unit and work the stock simultaneously. There are no universal mills in operation in the United States, although this technology is still in use outside the United States.

¹⁴ Reversing plate mills are usually separated from hot-strip mills and employ different production workers when located at the same facility. For example, the reversing mills at Bethlehem (Burns Harbor, IN, and Sparrows Point, MD) and Gulf (Gadsden, AL) are separate from the hot-strip mills at the same locations.

¹⁵ During transverse rolling, the slab is rotated 90 degrees and may be rolled several times to establish the desired width, and then rotated back to its original direction. Transverse rolling is required for certain types of pressure vessels.

¹⁶ Hot-strip mills are increasingly being equipped with a coilbox, an innovation that reduces the length of a hot-strip mill, lowers its operating costs, and offers improvements in product quality. One or two coilboxes may be located at the reversing stand or roughing train.

0.10" or 1.5 to 2.5 mm). The flat-rolled product exits the finishing train onto the runout table where it is subjected to a combination of water sprays, laminar jets, and/or air cooling in order to reduce the temperature of the steel. At the end of the runout table, the steel is coiled.

A small volume of coiled plate produced on a hot-strip mill is uncoiled and cut to length at the U.S. mill. This product, produced and sold by ***, typically ranges from 0.187" to 0.625" (4.75 to 15.9 mm) in thickness and 48" to 72" (1,219 to 1,828 mm) in width and is used in applications such as barge production; above-ground storage tanks; and the manufacturing of agricultural, construction, and industrial equipment.¹⁷ The remainder of the coiled plate is either processed on behalf of the mill through a toll arrangement,¹⁸ sold to service centers, or sold directly to manufacturers that prefer coiled product.¹⁹

Steckel mills share certain common features with both reversing and hot-strip mills. The primary distinction lies in the placement of a heated coilbox on either side of a single stand reversing mill. In this process the slab is passed through a scalebreaker and reduced to the desired intermediate thickness (transfer bar). The transfer bar is then fed back and forth through the reversing mill from one coilbox to the other. The series of passes through the rolling stand reduces the product to the desired final thickness. Slabs can also be rolled back and forth without using the heated coilboxes, in which case the mill operates like a conventional reversing plate mill. When coiled plate is produced, it may be processed on behalf of the mill through a toll arrangement,²⁰ sheared at the mill,²¹ or sold as is.

The product produced on a Steckel mill typically ranges from 0.187" to 0.750" (4.8 to 19.1 mm) in thickness and 48" to 96" (1,219 to 2,438 mm) in width, although installed equipment can produce wider plate. In the United States, only a small portion of the CTL plate produced in 1996 by the three then-operational Steckel mills was produced as reversing mill plate (in thickness up to three inches (76 mm)); the majority was produced in coil form, cut to length, then sold by the U.S. mill. Each facility also produces coiled plate on its Steckel mill.²²

Of the CTL plate produced and sold by U.S. mills in 1996, approximately 79 percent was "discrete" plate that had never been in coil form and 21 percent was cut from hot-rolled coils produced in their facilities.²³ Of the CTL plate produced and sold by U.S. mills and by U.S. processors in 1996, approximately 60 percent was "discrete" plate that had never been in coil form and 40 percent was cut from hot-rolled coils. The relative volumes and shares of 1996 CTL plate production by both mills and processors are shown in the following tabulation:

¹⁷ Questionnaire responses of ***; interview with ***.

¹⁸ *** levels and shears coiled plate produced on ***'s hot-strip mill on a toll basis. Questionnaire responses and letter from ***.

¹⁹ The production of pipes and tubes is the predominant use of coiled plate that is sold on the open market to users other than service centers, followed by the production of automotive parts and accessories. *Shipments of Steel Products by Market Classification, AIS 16C*, AISI, 1996.

²⁰ *** level and shear coiled plate produced on ***'s Steckel-like mill on a toll basis. Questionnaire responses and letter from ***.

²¹ Tuscaloosa has operated a Steckel mill including a cut-to-length line (located adjacent to its hot-rolling mill) since 1985. Approximately 30 percent of the company's hot-rolled product is processed on this cutting line, which consists of an uncoiler/processor, shear, edge trimmer, leveler, and plate/sheet piler (device for stacking plates and sheets from a coil). Norman L. Samways, "Tuscaloosa Steel Corp.--A Unique Market Mill for Hot-rolled Flat Products," *Iron and Steel Engineer*, Mar. 1989, pp. 19-25.

²² In 1996, three primary plate producers had operational Steckel or Steckel-like mills: Tuscaloosa, Geneva, and Lukens. According to their questionnaire responses, ***. In addition, IPSCO and Oregon are commissioning new Steckel mills and are currently ***. Letters from ***, IPSCO, Nov. 13, 1997, and ***, Oregon, Nov. 12, 1997.

²³ Discrete plate includes the very small portion of U.S. plate production that was produced on bar or structural mills.

<u>Item</u>	<u>1996 volume of CTL plate production (short tons)</u>	<u>1996 share of CTL plate production (percent)</u>
Discrete plate produced by U.S. mills	4,160,036	59.9%
Plate cut from coil		
• By U.S. mills (including toll arrangements)	1,129,514	16.3%
• By U.S. processors from domestic coil	1,226,405	17.7%
• By U.S. processors from imported coil	<u>426,230</u>	<u>6.1%</u>
Subtotal, plate cut from coil	<u>2,782,149</u>	<u>40.1%</u>
Total discrete plate and plate cut from coil	6,942,185	100.0%

Five of 14 U.S. mills producing CTL plate reported producing coiled plate on the same equipment and with the same workers.²⁴ Three of these mills reported that a portion of the plate produced in coils on their mills was regularly cut to length by service centers on a toll basis and sold by the U.S. mills as CTL plate.²⁵

Steel service centers traditionally have served as distributors of flat-rolled steel products. Many service centers maintain extensive inventories of a variety of steel products, providing availability and inventory management services for customers of all sizes -- including those with smaller purchasing needs that must place low-volume orders. Some service centers also perform a wide range of value-added processing of many steel products, such as uncoiling, flattening, and cutting flat-rolled products to length or burning hundreds of intricate parts from a single steel sheet or plate.²⁶ Service centers that process coiled plate into cut lengths may source the coiled plate from U.S. or foreign mills.²⁷

The equipment required to cut hot-rolled coils to length is similar, whether installed at a steel mill or at a steel service center.²⁸ The coil is placed on a mandrel, unwound, fed through a series of rollers, then flattened, levelled, and sheared to length. The product is inspected for surface, gauge, and dimension

²⁴ These five mills (***) accounted for *** percent of 1996 production of CTL plate by U.S. mills. However, the use of common production equipment and workers reported by *** only refers to the *** of its production produced on a hot-strip mill.

²⁵ These three mills (***) accounted for *** percent of 1996 production of CTL plate by U.S. mills.

²⁶ Estimates attributed to Prudential Securities of the value-added activities of service centers on behalf of their manufacturer customers for all products (not only CTL plate) were \$15-45 per ton for storage and shipping; \$15-45 for cutting to size; \$25-65 for pickling; \$75-150 for stamping into a specific shape; and \$100-215 for galvanizing. "Steel middlemen are finding fatter profits in metal: Service center and processors could cut producers' pricing power" in *The Wall Street Journal*, p. B4, Aug. 5, 1997.

²⁷ The leading sources of imported coiled plate are Russia, France, and Canada. Processors reported that approximately three-quarters of the thicker-gauge coils that they cut to length were of U.S. origin.

²⁸ For example, the *** employed by primary plate producer *** differs from the processing lines of service centers *** principally in the dimensions of the coil it can cut to length: 0.75" thick and 96" wide, compared to maximums of between 0.500" and 0.625" in thickness and 48" and 96" in width by the service centers. However, the temper mill employed by *** is able to reduce the thickness of the coil and provide product with extremely tight tolerances. Interviews and facility tours at ***.

tolerances, then stencilled according to customer requirements.²⁹ The cut lengths are stacked on runners, then packaged in paper or plastic according to customer specifications. A cut-to-length line typically requires a capital investment of between \$1 million and \$3 million, which most service centers fund through bank loans, revenue streams, funds from parent companies, or, in some cases, public offerings.³⁰ Capital investment can be substantially higher, however, depending on the combination of products, gauges, and widths processed, and may be as much as \$15 million to \$18 million.³¹

The primary distinctions in the physical characteristics of CTL plate produced and sold by U.S. mills and coiled plate that is cut to length by service centers stem from each item's method of manufacture. CTL plate produced as "discrete" plate on reversing mills in the United States is available in wider widths and greater thicknesses, and may possess superior mechanical properties (such as higher impact strength without the "coil set memory" problems associated with plate cut from coils) as a result of transverse rolling and flat production. However, 21 percent of U.S. mill production of CTL plate utilizes the same manufacturing methods as coiled plate that is subsequently cut to length by U.S. service centers.³²

The principal uses for CTL plate produced and sold by U.S. mills are for the production of machinery, industrial equipment, and tools; for construction and contractors' products; for transportation; and for the oil and gas industry. Plate that is cut to length by service centers is typically used in applications such as fabrication, storage tank production, barges and rail cars, and the manufacturing of agricultural, construction, and mining equipment.

Interchangeability and Customer and Producer Perceptions

Interchangeability between CTL plate produced in the United States and in the subject and nonsubject countries is discussed in detail in Part II of this report. Testimony at the Commission's hearing by representatives of U.S. service centers indicated that domestically produced and imported CTL plate are broadly interchangeable. One participant noted: "... (S)ince our domestic and imported purchases meet the same specifications, our service centers blend both domestic and imported plate into our every day inventory."³³ A second witness testified that the quality of high strength, low alloy CTL plate from China, Russia, and Ukraine was comparable to that of the domestically produced product.³⁴ Questionnaire responses of purchasers also indicated broad interchangeability, though five purchasers noted that customer requirements for domestic product could limit interchangeability and one purchaser indicated that CTL plate from Russia and Ukraine was not interchangeable with CTL plate produced in the United States.³⁵

²⁹ Generally the processor is liable for product which is outside the customer-specified dimensions, while the supplying mill is liable for steel which does not conform to the customer-specified grade or chemistry.

³⁰ Questionnaire responses.

³¹ *Joint Respondents' Postconference Brief*, p. 16, citing investments by service centers Paper Cal and Olympic.

³² Both U.S. mills and U.S. service centers are making efforts to increase the use of coils by reducing or eliminating "coil set memory" through investment in processes such as temper rolling, which results in a small reduction in gauge but enhances crown and edge control. *Bethlehem/USX Postconference Brief, Answers to Staff Questions*, p. 14, and "New Lines for Processing Sheet and Wide Plate" in *New Steel*, Mar. 1996, pp. 29-30.

³³ *Hearing Transcript*, p. 32, testimony of Tom Ballou, Director of Flat Rolled Products, O'Neal.

³⁴ *Hearing Transcript*, p. 37, testimony of Leo O'Donnell, President, Leeco Steel.

³⁵ Purchasers were asked "Are cut-to-length carbon steel plate produced in the United States and in other countries generally used interchangeably (*i.e.*, can they physically be used in the same applications)?" Twenty-one to 24 respondents for each country pairing with the United States replied "Yes" to this question, while one firm, ***, indicated that Russian CTL plate cannot be used in products with critical quality requirements and that Ukrainian CTL

(continued...)

All U.S. mills producing and selling CTL plate reported that domestically produced and imported CTL plate are broadly interchangeable, although two qualified this conclusion by noting limits such as domestic preference restrictions (e.g., "Buy American" provisions) and the sophistication of the end-use product.³⁶ Testimony at the Commission's hearing was consistent with questionnaire responses.³⁷

A majority of importers also reported that domestically produced and imported CTL plate are broadly interchangeable: 63.2 percent of importers comparing U.S. and Russian CTL plate; 66.7 percent comparing U.S. and Chinese and Ukrainian CTL plate; 83.3 percent comparing U.S. and South African CTL plate; and 84.6 percent comparing U.S. and other (nonsubject) imported CTL plate.³⁸ Importers which reported CTL plate from various sources to be interchangeable typically cited the applicability of defined standards, especially ASTM A-36. Importers which reported CTL plate from various sources not to be interchangeable typically cited domestic preference restrictions, quality differences, the lack of metric standards, and the inability of certain U.S. mills to produce thick (heavy) or normalized (heat-treated) plate.

As noted previously, dimensional differences arising from the manufacturing process can limit the interchangeability of "discrete" plate with plate cut from a coil, as can "coil set memory." However, 35 responding purchasers reported that mill-produced CTL plate and coiled plate that has been cut to length by a processor are used in the same applications, while 5 disagreed, in whole or in part, citing thickness limitations, flatness and general quality problems, and customer specifications.³⁹

Channels of Distribution

Table I-1 presents the channels of distribution for domestically produced and imported CTL plate. U.S. mills sell large volumes of CTL plate to both end users and to intermediaries (steel distributors, service centers, and processors). While a slight majority of U.S. mill-produced CTL plate was sold directly to end users in 1996, there is evidence of increasing sales through intermediaries.⁴⁰ Most U.S. shipments of imported CTL plate were sold through intermediaries, although U.S. shipments of Russian CTL plate were more evenly divided between end users and intermediaries.

³⁵ (...continued)

plate has "inconsistent physical qualities," requiring the company to be selective regarding the customers to which it is sold. In addition, *** indicated that the majority of its purchases are for *** contracts which require domestic CTL plate in order to satisfy "first article inspection" and "Buy America" provisions; its commercial contracts permit the use of either imported or domestically produced CTL plate, but it has received no bids from non-U.S. mills.

³⁶ Questionnaire responses of *** and ***, respectively.

³⁷ According to John Duncan, Vice President and General Manager of Gulf, "The cut-to-length plate that Gulf States produces, and the imported cut-to-length plate from China, Russia, Ukraine and South Africa, are all sold to and meet the same specifications. The vast majority of what Gulf States produces is simply a commodity product, and commodity products sell simply on the basis of price." *Hearing Transcript*, p. 29.

³⁸ In addition, two importers responded in a manner suggesting interchangeability and one in a manner suggesting non-interchangeability between U.S. and imported CTL plate.

³⁹ Of the 11 responding end users that purchase CTL plate, only bridge fabricator *** reported that it could not use CTL plate converted from coil by a processor.

⁴⁰ Mr. Grow, President of Geneva, testified at the Commission's conference: "I would mention one fundamental change that's going on in the industry. And that is the service center business has become increasingly more important to all of us. If you go back a decade ago, service centers were handling about 25 percent of the plate in the United States. They're now handling about 50 percent of the plate." *Conference Transcript*, pp. 40-41.

Table I-1 CTL plate: Channels of distribution for U.S. producers and U.S. importers, 1996		
Item	Share of sales to distributors, processors, and service centers	Share of sales to end users
U.S. producers' shipments ¹	47.5	52.5
Imports from China	93.0	7.0
Imports from Russia	53.8	46.2
Imports from South Africa	98.9	1.1
Imports from Ukraine	90.2	9.8
Imports from other countries	95.7	4.3
Total	54.6	45.4
¹ U.S. mill shipments of CTL plate. U.S. mills' commercial shipments of CTL plate were divided nearly evenly between sales to intermediaries and sales to end users. Approximately 29 percent of U.S. shipments of plate levelled and cut by U.S. processors went to intermediaries and 71 percent to end users in 1996.		
Source: Compiled from data submitted in response to Commission questionnaires.		

Prices

Table I-2 presents data on the average unit values of domestically produced, domestically processed, and imported CTL plate, as well as domestically produced coiled and certain coiled plate. Information regarding specific pricing items is presented in Part V of this report.

Table I-2 Carbon steel plate: Average unit values of domestically produced, domestically processed, and imported CTL plate, and of domestically produced coiled and certain coiled plate, by sources, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997					
Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
<i>Unit value (per short ton)</i>					
CTL plate produced by--					
U.S. mills ¹	\$436.78	\$465.36	\$457.57	\$452.15	\$456.94
U.S. processors of domestic coils ¹	422.18	439.24	425.69	429.51	436.05
U.S. processors of imported coils ¹	415.85	419.64	416.25	412.10	389.04
Continued on the following page.					

Table I-2 -- Continued
Carbon steel plate: Average unit values of domestically produced, domestically processed, and imported CTL plate, and of domestically produced coiled and certain coiled plate, by sources, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
Unit value (per short ton)					
CTL plate imported from--					
China ²	328.27	342.65	350.98	356.38	339.64
Russia ²	302.21	333.67	311.07	324.12	347.50
South Africa ²	359.24	422.16	389.59	424.06	395.55
Ukraine ²	311.33	359.72	346.57	361.30	337.39
All other ²	459.78	588.71	505.76	631.97	458.97
Coiled plate produced by U.S. mills ¹	357.47	359.71	338.05	322.49	345.95
Certain coiled plate produced by U.S. mills ¹	349.73	354.49	335.48	320.45	342.32

¹ Average unit value of domestic shipments, f.o.b. point of production/processing.

² Average unit value of imports, landed, duty-paid.

Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.

Like Product Alternatives

Coiled Plate

Coiled plate consists of iron and nonalloy steel flat-rolled products, nominally 4.75 mm or more in thickness and greater than 150 mm in width, in coiled form. As described earlier, coiled plate is manufactured on hot-strip and Steckel mills, but not on traditional reversing mills. Of the 17 U.S. mills that produce coiled plate, 7 also produce CTL plate (5 on the same equipment and with the same workers) and 14 produce coiled plate produced to the same specifications, chemistries, or widths as CTL plate.

Coiled plate produced on a hot-strip mill typically ranges from 0.187" to 0.625" (4.75 to 15.9 mm) in thickness and 48" to 72" (1,219 to 1,828 mm) in width, while that produced on a Steckel mill typically ranges from 0.187" to 0.750" (4.8 to 19.1 mm) in thickness and 48" to 96" (1,219 to 2,438 mm) in width, although installed equipment can produce wider plate. The primary distinctions in the physical characteristics of CTL plate produced and sold by U.S. mills and coiled plate stem from each item's method of manufacture and the form in which it is sold.

U.S. producers were split on the issue of whether coiled plate could be a substitute for CTL plate. Four mills (representing 38.9 percent of 1996 mill production of CTL plate) reported that coiled plate in general could be considered a substitute product for CTL plate. Thirty-two responding purchasers reported that mill-produced CTL plate and coiled plate in general are used in the same applications, while 13

disagreed, in whole or in part, citing thickness limitations, flatness and gauge problems, and product specifications as limitations to the use of coiled plate, and the requirements of producers' manufacturing lines as limitations to the use of CTL plate.⁴¹ Five purchasers reported shifting purchases of CTL plate to coiled plate in the previous three years, while 44 reported that they had not.⁴²

Approximately 36 percent of U.S. mill shipments of coiled plate went to intermediaries (steel distributors and service centers, including processors) and 64 percent to end users in 1996.⁴³ The principal uses of coiled plate (other than that sold to service centers) are the production of pipes and tubes, followed by automotive applications.⁴⁴

As noted earlier, the average unit values for coiled plate produced by U.S. mills ranged from \$338 to \$360 per short ton during 1994 through 1996, and from \$322 per short ton during the January-March 1996 interim period to \$346 during January-March 1997.

Certain Coiled Plate

Certain coiled plate is a subset of coiled plate, produced to the same specifications, chemistries, or widths as CTL carbon steel plate and generally shipped to processors, service centers, or distributors; it includes carbon steel plate in coil form (1) produced to such specifications as ASTM A36, A570, A572, A709, A588, A283, PVQ A516, A573, A455, and ABS grades, or chemical or proprietary equivalents to those specifications, or (2) produced to standard discrete plate widths such as 48, 60, 84, 96, 108, or 120 inches. Like coiled plate generally, certain coiled plate is manufactured on hot-strip and Steckel mills, but not on traditional reversing mills, and typically ranges from 0.187" to 0.750" (4.75 to 19.1 mm) in thickness. Certain coiled plate is typically produced in standard discrete plate widths such as 48, 60, 84, or 96 inches, but can be produced in widths up to 108 or 120 inches. Of the 14 U.S. mills that produce certain coiled plate, 7 also produce CTL plate (5 on the same equipment and with the same workers).

In addition to the four mills (representing 38.9 percent of 1996 mill production of CTL plate) which reported that coiled plate in general could be considered a substitute product for CTL plate, five mills (representing 17.6 percent of 1996 mill production of CTL plate) indicated that coiled plate could be substitutable with CTL plate if levelled and cut. Thirty-two purchasers reported that mill-produced CTL plate and coiled plate in general are used in the same applications, while 13 disagreed, in whole or in part.⁴⁵

⁴¹ Twenty of 42 responding U.S. purchasers noted that there were applications that required the use of either CTL plate or coiled plate. CTL plate is required for applications requiring thicker, wider, or flatter product -- bridge work, critical structural applications, and part burning. However, ***, ***, and *** noted that CTL plate could not be used in their tubular production process, while *** reported that CTL plate cannot be used for long-run stamping applications.

⁴² Six end users reported that CTL plate and coiled plate could be used in the same applications, although only three, metal building fabricator ***, steel tank producer ***, and barge builder ***, actually purchased more than several hundred tons of both products in 1996. Seven end users reported that CTL plate and coiled plate could not be used in the same applications: pipe and tube producers ***, barge builders ***, naval vessel manufacturer ***, and bridge fabricator ***.

⁴³ End users include pipe and tube manufacturers. Mill shipments to end users include company transfers, which accounted for 21.8 percent of these firms' U.S. shipments in 1996. Virtually all company transfers were consumed internally to produce pipe and tube. Questionnaire responses of ***.

⁴⁴ *Shipments of Iron and Steel Products by Market Classification, AISI 16C*, AISI, 1996.

⁴⁵ Most purchasers did not distinguish between coiled plate generally and certain coiled plate, so while grade differences were eliminated as a reason for why certain coiled plate and CTL plate are not used in the same applications, thickness and width limitations and flatness concerns remained limitations to the use of certain coiled plate, and the requirements of producers' manufacturing lines limited the use of CTL plate.

Approximately 79 percent of U.S. shipments of certain coiled plate produced by U.S. mills went to intermediaries and 21 percent to end users in 1996.⁴⁶ Mills that distinguished between their shipments of certain coiled plate and coiled plate that was not produced to the same specifications, chemistries, or widths as CTL plate reported that the former was typically sold to service centers for use in construction or storage applications, as warehouse stock, or for “the same end uses as for CTL plate,” while the latter was more frequently sold to end users, as well as processors, for pipe and tube production, automotive part production, trailer chassis, cargo freight containers, metal lathes, and metal buildings.⁴⁷

As noted earlier, the average unit values for certain coiled plate produced by U.S. mills ranged from \$335 to \$354 per short ton during 1994 through 1996, and from \$320 per short ton during the January-March 1996 interim period to \$342 during January-March 1997.

Intermediate Products

In its preliminary views, the Commission invited parties to submit arguments concerning the use of finished/semifinished analysis in examining the coiled plate versus CTL plate like product issue.⁴⁸ Accordingly, the Commission requested information regarding coiled plate and CTL plate from all questionnaire recipients.

Markets

Coiled plate and CTL plate are sold into many of the same markets, though not generally in the same volumes or with the same frequency. According to data compiled by AISI, the top five markets for CTL plate are steel service centers and distributors (46.0 percent); construction and materials handling equipment (5.9 percent); freight cars (5.5 percent); general construction (4.4 percent); and bridge and highway construction (3.2 percent). The top five markets for coiled plate are conversion into pipe and tube (38.4 percent); steel service centers and distributors (37.8 percent); independent suppliers of automotive parts and accessories (10.4 percent); conversion into hot- and cold-rolled sheet and strip (2.2 percent); and construction and materials handling equipment (1.9 percent).⁴⁹

According to questionnaire responses from the seven U.S. mills producing both plate in cut lengths and plate in coil form, CTL plate and coiled plate are sometimes sold to the same customers. *** indicated that their sales of certain coiled plate, produced to the same specifications, chemistries, or widths as CTL plate, “frequently” were to the same customers purchasing CTL plate, while *** reported that this overlap occurred “sometimes” and ***, which produces CTL plate for such automotive products as ***, indicated this overlap “never” occurs. Sales of coiled plate *not* produced to the same specifications, chemistries, or widths as CTL plate by *** are “sometimes” to the same customers purchasing CTL plate, while such sales by ***

⁴⁶ The mills’ shipments include company transfers and internal consumption, which accounted for 1.9 percent of these companies’ total U.S. shipments in 1996. ***’s company transfers were shipped to ***, while ***’s were consumed internally.

⁴⁷ To the extent that certain coiled plate is sold to end users, most mills reported its anticipated use as structural or construction applications. Other uses reported included agricultural machinery, auto parts, transport equipment, and tubular products.

⁴⁸ *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, USITC Pub. No. 3009, Dec. 1996, p. 6, fn. 25.

⁴⁹ *Shipments of Iron and Steel Products by Market Classification, AIS 16C*, AISI, 1996.

are “never” to the same customers.⁵⁰ Twenty-one of 52 responding purchasers buy both CTL plate and coiled plate, 21 buy only CTL plate, and 10 buy only coiled plate.

Uses

The most common use for coiled plate is in the production of tubular products. In the United States, producers of standard pipe, line pipe, and oil country tubular goods purchase coils of hot-rolled steel (commonly referred to as skelp) to be slit into narrow strips and fed through a series of tapered forming rolls to form pipe up to 24" in diameter.⁵¹

Steel service centers with cut-to-length processing lines reported to the Commission that the most frequent use for the coiled plate they purchased was as an input for their leveling and shearing lines to produce CTL plate, either in pattern sizes for stock and resale or conforming to specific customer orders for immediate sale. A second use reported by these steel service centers is as an input for the production of equipment parts.⁵² A third use among these service centers is as feed stock for sales to pipe and tube producers, though such sales are less frequent and may require that the coil be slit along its length to form multiple narrow coils (“mults”).⁵³

Sales of coiled plate to customers other than producers of tubular products and steel service centers are generally for use in the production of automotive parts and accessories. These customers, typically independent suppliers, use the coiled plate to form the required shape by a combination of shearing, slitting, blanking (cutting an outline and punching holes), and forming (either by rollers or a mechanical press).⁵⁴ Some manufacturers cut coils to length as a stage in their production process, while others do not.⁵⁵

Characteristics and Functions

The physical characteristics of CTL plate differ from those of coiled plate consistently in form (CTL plate is a flat product while coiled plate is, as its name implies, in coiled form) and in length, and may differ in thickness. One processor noted the coiled plate it purchases is “...uncoiled, flattened, and cut to length. Otherwise, the physical characteristics are not altered.”⁵⁶ Skelp is typically sold to pipe and tube producers in different, often narrower, widths than CTL plate, and is generally produced to proprietary specifications.⁵⁷ Coiled plate designated for automotive applications (such as elements of frames for trucks, buses, and construction vehicles) is also produced to customer requirements, typically benchmarked against specifications of the Society of Automotive Engineers. Some coiled plate designated for automotive

⁵⁰ ***.

⁵¹ *Circular Welded Nonalloy Steel Pipe from Romania and South Africa*, USITC Pub. No. 2973, July 1996, p. I-5.

⁵² For example, small portions of ***’s coiled plate purchases are plasma-cut into non-rectangular shapes. Interview with ***. In contrast, most of ***’s coiled plate purchases are processed into parts or non-rectangular shapes through such processes as oxy-fuel, plasma-arc, and laser cutting; punching; drilling; forming; grating; and shot blasting. Interview with ***.

⁵³ Interview with ***.

⁵⁴ Telephone interviews with *** and ***.

⁵⁵ *** levels and shear the coils it purchases as part of a continuous production process for truck frames, as does ***. *Ibid.* However, *** stamps brackets directly from coils, *** produces wheel rims directly from slit coils, and *** stamps seatbelt components from slit coils. Telephone interviews with ***, ***, and ***.

⁵⁶ Questionnaire response of ***.

⁵⁷ Interviews with ***, ***, ***, and ***, and questionnaire response of ***.

applications is slit to narrow widths (e.g., 15" or 380 mm) before further processing,⁵⁸ while some is converted into strip or sheet.⁵⁹

Transformation Processes

Coiled plate can undergo a variety of transformation processes, typically linked to the designated end use. Steel service centers with cut-to-length processing lines level and shear coiled plate, converting it from a coiled to a flat product with a defined length, as described earlier. In addition, these processors may alter the product's width (typically by edge trimming), its thickness, and/or its surface appearance.⁶⁰ Such processors do not alter the chemistry or the mechanical properties of the product substantially. As noted in the section entitled "Uses," pipe and tube producers and automotive parts and accessories suppliers typically transform coiled plate into a non-rectangular shape, such as a cylinder or a channel, through rolling or pressing.

Value Added

The value added to carbon steel plate by processing operations varies, depending on the operation performed by the processor. Most processors reported leveling and cutting to length operations only, generally estimating the costs associated with such activities to be between \$20 and \$25 per short ton, though estimates ranged from as low as \$10 to as high as \$55 per short ton. For portions of their cut-to-length processing, a few companies reported edging costs, estimated at \$10-15 per short ton; slitting costs, estimated at \$20-35; and pickling and oiling costs, estimated at \$20-30.

The Commission requested coil processors to provide data on both their toll and nontoll operations. Based on these data, the value added by the reporting nontoll processors of domestic coil in 1996 ranges from 2.5 to 23.1 percent, and averages 5.4 percent. The value added is defined as the conversion costs (labor and factory overhead) divided by the total costs of goods sold. Including SG&A in the conversion costs increases the average value added to 11.6 percent. The value added by the reporting nontoll processors of imported coil in 1996 ranges from 2.7 to 17.7 percent, and averages 4.9 percent. Including SG&A in the conversion costs increases the average value added to 9.6 percent. The value added by the reporting nontoll processors of all coil (of domestic and foreign origin combined) in 1996 ranges from 2.6 to 23.1 percent,⁶¹ and averages 5.3 percent. Including SG&A in the conversion costs increases the average value added to 11.1 percent.⁶²

⁵⁸ Telephone interviews with *** and ***. *** disputed that the product purchased by *** was even coiled plate, stating that despite its thickness (up to 7.6 mm), the product was sheet.

⁵⁹ Telephone interview with ***.

⁶⁰ Processors with temper mills can feed the coil through a continuous cold-reduction mill, marginally elongating the coil and reducing its thickness. Interview with ***.

⁶¹ The two companies whose data represent the high end of the range of value added, ***, represent only *** percent of nontoll processing of domestic coils and *** percent of nontoll processing of imported coils.

⁶² Tolling operations by processors are not included in this calculation, since toll processors do not purchase the hot-rolled coils. In 1996, the finishing fees charged by toll processors were \$32.36 per ton for U.S. mills, \$20.40 per ton for U.S. service centers, and \$32.16 for other U.S. customers (primarily end users). Tolling for U.S. mills accounted for 49.9 percent of all reported tolling in 1996, tolling for steel service centers accounted for 48.2 percent, and tolling for other customers accounted for 1.9 percent.

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

BUSINESS CYCLE

The Petitioners and Respondents generally agree that the U.S. CTL plate industry follows a business cycle, and that overall demand is continuing to grow with no clear evidence that a peak has been reached.¹ The Petitioners have stated that the plate industry follows a cycle that is closely tied to the construction industry.² They argue that despite the continuing overall growth in demand, industry profitability is not what it should be because of dumped imports from the subject countries. Respondents disagreed, arguing that imports increased because the mills have lacked the capacity to meet the increased demand.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

The sensitivity of the domestic supply of CTL plate to changes in price depends upon such factors as the existence of excess capacity, the levels of inventories in relation to sales, the ease of shifting facilities to the production of other products, and the existence of export markets. U.S. mills reported excess capacity throughout January 1994-March 1997 equivalent to 20-25 percent of their total CTL plate capacity. This suggests that the industry has the ability to expand output in response to changes in price. The availability of inventories also indicates some flexibility in adjusting output in response to price changes. The ratio of end-of-period inventories to shipments ranged between 5 and 6 percent throughout January 1994-March 1997. In addition, the majority of the U.S. producers are able to shift their facilities from production of CTL plate to other products in response to changing market conditions. Nine mills, accounting for over half of mill shipments of CTL plate in 1996, reported that machinery and equipment used in various stages of CTL plate production are also used to make other products, including hot-rolled sheet, alloy steel plate, clad plate, coiled plate, stainless plate and sheet, and pipe skelp.

The export data indicate that mills have little flexibility in diverting shipments to or from export markets in response to changes in the price of plate. Exports have consistently accounted for only 1 to 2 percent of total mill shipments of CTL plate during the period for which data were requested. Therefore, exports are not a factor that increases the sensitivity of supply to changes in price.

U.S. Demand

Demand Characteristics

The overall demand for CTL plate depends greatly upon the demand for a variety of end-use applications. Producers, importers, and end-use purchasers were asked to list the end uses of the plate they buy, sell, or purchase. The most common reported uses were the production of ships and/or barges, storage tanks, heavy machinery, bridges, railcars, machine parts, pressure vessels, and off-shore drilling platforms.

Demand for CTL plate in the United States increased during January 1994-March 1997. Apparent consumption of CTL plate produced by mills rose by 7.0 percent between 1994 and 1996 and was up by 9.0

¹ *Joint Respondents' Posthearing Brief*, pp. 28-29, and *Petitioners' Prehearing Brief, Submission of Petitioners' Economists*, p. 4.

² *Conference Transcript*, p. 48.

percent during January-March 1997 over the same period in the previous year.³ Producers, importers, and end-use purchasers generally agreed that demand has increased during this period. They attributed the increase to a strong economy, and to such specific factors as low interest rates, increased spending on capital goods (e.g., railroad cars and barges), and increased general construction spending.

The sensitivity of the overall demand for CTL plate to changes in price depends upon the availability of substitute products and the cost of the plate as an input in final products. Since much of the CTL plate marketed in the United States faces no competition from close substitutes, increases in price are not likely to have a significant overall effect on the demand for this plate. Where plate accounts for a significant share of the cost of the end-use product, an increase in its price could result in a decline in demand for the product and the CTL plate used in its manufacture. However, the cost share varies depending on the application.

Substitute Products

While there are substitutes for CTL plate, the potential for substitution is often limited by differences in such factors as width, thickness, and strength, as well as in price. Concrete, aluminum, and fiberglass were listed as substitutes in certain applications. However, producers, importers, and purchasers most commonly cited coiled plate as a substitute for CTL plate. When asked whether CTL and coiled plate are used in the same applications, 32 of 45 purchasers of cut-to-length or coiled plate answered "yes." However, coiled plate is available only in thicknesses of less than one inch. For CTL plate with thicknesses of one inch or more, there are no close substitutes. In addition, there are some applications, such as pressure vessel production, where coiled plate cannot be substituted for CTL plate even if they share the same thickness and width.

Cost Share

CTL plate often accounts for a large percentage of the total cost of end-use products, although the cost share varies widely. For tanks, purchaser estimates of the plate cost share ranged from 20 percent to 75 percent. For barges, estimates ranged from 24 to 90 percent depending upon the type of barge, and for both pressure vessels and bridges the cost share was estimated at 50 percent.⁴ Among other end-use products, the estimated share was 80 percent for aircraft carriers and towboats, 50 percent for built-up beams, 40 percent for pipe fabrication, 30 percent for safes, 20 percent for light pole bases, 15 percent for pressure vessel valves, metal buildings, and commercial tankers, and 5 percent for submarines.

SUBSTITUTABILITY ISSUES

U.S. Purchasers

Fifty-two purchasers of CTL or coiled plate provided questionnaire responses. Thirty-six of the respondents are either distributors or service centers, 13 are end users, 2 resell plate to distributors, and 1 described itself as a toll processor.⁵ Twenty-one of these firms buy both CTL and coiled plate, 21 buy only CTL plate, and 10 buy only coiled plate. Among the 42 purchasers of CTL plate, 15 have bought only U.S.-produced plate and/or plate from nonsubject countries, 25 have bought both U.S.-produced plate and plate

³ For combined CTL plate from U.S. mills and U.S. processors, consumption increased by 9.6 percent between 1994 and 1996, and was up by 9.5 percent during the first quarter of 1997 as compared to the first quarter of 1996.

⁴ One purchaser estimated that CTL plate accounts for all of the material cost of a bridge.

⁵ A number of the reporting service centers process hot-rolled coils on a nontoll basis.

from the countries subject to the investigation, 1 has only purchased imports from 1 of the subject countries, and 1 purchased imports from both subject and nonsubject countries.

Purchasers of CTL plate tend to buy frequently, and rarely change suppliers. Twenty-two of 42 purchasers of CTL plate reported that they purchase daily or weekly, and the majority of the others reported purchasing monthly or irregularly. Most reported little change in their purchasing pattern over the past three years. Twenty-six purchasers reported that they don't often change suppliers.⁶ One reported that it never changes suppliers.

Factors Affecting Purchasing Decisions

When asked to list the three most important factors considered in choosing a supplier, price was ranked first more often than any other consideration. Eighteen of 41 reporting purchasers consider price to be most important, 14 ranked quality first, and 5 ranked availability first.⁷ Other factors that were ranked first included product size range, material chemistry, financing, past performance, and traditional supplier relationships. A summary of rankings is shown in the following tabulation:

	<u>First Place</u>	<u>Second Place</u>	<u>Third Place</u>
Price	18	10	6
Quality	14	13	6
Availability	5	11	10
Other	<u>5</u>	<u>7</u>	<u>16</u>
Total	42	41	38

In addition to the rankings, purchasers were also asked whether the lowest price for CTL plate would win a contract or sale "always," "usually," "sometimes," or "never." Twenty-seven of the 41 purchasers selected "usually," 12 selected "sometimes," and 2 chose "always." No respondent selected "never." The 39 purchasers that selected "usually" or "sometimes" were also asked to list other factors besides price that they consider when making a purchasing decision. Quality was most often cited, with 27 purchasers listing this as an important factor in addition to price. Availability, delivery, timely delivery, or lead time were mentioned by 25 purchasers. The other factors cited included flatness, material chemistry and consistency, size range, service, and traceability.

Before buying plate from a supplier, the majority of purchasers require some form of certification of the product being sold. Most of the requirements consist of standards set by independent organizations. The most commonly cited specifications by producers, importers, and purchasers were those by ASTM; other organizations with standard specifications for plate include the ABS, API, American Society of Railroads, and AISI. Twenty-two of 42 purchasers of CTL plate reported that they require certification before purchasing from a supplier. These purchasers reported that the requirements apply to between 90 and 100 percent of the CTL plate that they buy.

⁶ A few firms reported that they have shifted purchases to more imports from China, Russia, South Africa, or Ukraine during the past three years. *** increased purchases of CTL plate from China, Russia, and Ukraine because of a lack of supply from Western Europe. *** reported that it had increased purchases of Russian and Ukrainian plate because of lower prices. *** reported minor increases in purchases from China and Ukraine due to availability and favorable prices. *** reported that it dropped *** due to delivery problems and *** due to delivery problems and a high price. It added *** imports purchased from *** due to lower prices and a consignment agreement.

⁷ One purchaser ranked both price and availability in first place. Therefore, there were a total of 42 first place rankings by the 41 purchasers.

Comparisons of Domestic Products and Subject Imports

U.S. mills' CTL plate often competes for sales of standard products with similar imports from China, Russia, South Africa, and Ukraine, even though some factors limit the extent of the competition. As noted earlier, U.S.-produced and imported plate from these countries are commonly sold to distributors and end users and are considered broadly interchangeable in use by producers and a majority of importers. However, importer sales are primarily to distributors, while sales of the domestic product are more evenly divided between these markets. Domestic CTL plate and imported CTL plate from each of the four countries are marketed in all areas of the United States.⁸ Despite the similarities, questionnaire respondents frequently reported that they consider the imports to be different from domestic plate in one or more categories, such as quality, availability, product range, technical support, lead time in delivery, or others.

Producers and importers generally disagreed on whether factors other than price are important in determining sales of CTL plate. Most U.S. mills reported that only price is important in competition between the domestic product and imports while importers frequently took the opposite view.⁹ In some cases importers cited advantages of the foreign-produced plate over the domestic product. For example, one stated that China, Russia, South Africa, and Ukraine all have mills which offer qualities and sizes not commonly produced in the United States, and that these imports often serve coastal areas in the United States that are not adequately served by domestic producers. In addition, two importers cited the high quality of the CTL plate from South Africa as an important sales factor.

While South African plate was compared favorably with domestic products by importers, imports from China, Russia, and Ukraine were usually described as inferior in one or more respects. A limited product range or a lack of technical support were cited as problems for all three countries by one or more importers, and in the case of both Russia and Ukraine, deficiencies in quality and delays in delivery or long lead times were also often mentioned. Among the importers that compared imports from one or more of the four countries with the domestic product, one reported that China's product range was limited, one reported that Russia's range was limited, and six reported that Ukraine has a limited product range. In the case of technical support, China and Russia were each described as deficient by one importer, while five reported that the Ukrainian technical support was inferior to that available from U.S. producers. Delays or problems with delivery were cited by two importers in the case of Russia and three in the case of Ukraine. Two importers reported that the quality of Russian plate is inferior to that of the domestic product and six reported that the Ukrainian quality is inferior. In addition, one importer reported that in some cases Chinese, Russian, and Ukrainian plate did not meet flatness requirements in the United States. Two importers reported that Ukrainian imports sometimes suffer from damage in transit and one mentioned that Russian imports also have this problem.

In addition to the survey of producers and importers, purchasers were also asked to compare U.S.-produced CTL plate with imported plate from each of the four subject countries in selected characteristics other than price, noting whether the domestic product was superior, comparable, or inferior to the import in each case. The characteristics chosen were availability, delivery terms, delivery time, minimum quantity requirements, packaging, product consistency, product quality, product range, reliability of supply, and technical support/service (tables II-1 through II-4).

⁸ Among the 3 largest mills producing CTL plate, ***. Among the largest importers, ***.

⁹ Factors other than price were reported to be significant by 6 of 17 importers with regard to Chinese imports, 10 of 18 with regard to Russian imports, 7 of 16 with regard to South African imports, and 14 of 24 with regard to Ukrainian imports.

**Table II-1
CTL plate: Purchaser comparisons of U.S.-produced and Chinese product, by number of purchasers per category**

Consideration	U.S. superior	Comparable	U.S. inferior
Availability	12	5	1
Delivery terms	10	7	0
Delivery time	14	3	1
Minimum quantity requirements	9	8	1
Packaging	2	16	0
Product consistency	7	11	0
Product quality	5	12	1
Product range	10	7	0
Reliability of supply	12	5	1
Technical support/service	14	4	0
Source: Compiled from information submitted in response to Commission questionnaires.			

**Table II-2
CTL plate: Purchaser comparisons of U.S.-produced and Russian product, by number of purchasers per category**

Consideration	U.S. superior	Comparable	U.S. inferior
Availability	17	3	0
Delivery terms	11	8	0
Delivery time	18	2	0
Minimum quantity requirements	11	8	1
Packaging	8	12	0
Product consistency	12	8	0
Product quality	12	8	0
Product range	12	8	0
Reliability of supply	15	5	0
Technical support/service	15	5	0
Source: Compiled from information submitted in response to Commission questionnaires.			

Table II-3
CTL plate: Purchaser comparisons of U.S.-produced and South African product, by number of purchasers per category

Consideration	U.S. superior	Comparable	U.S. inferior
Availability	6	5	0
Delivery terms	5	6	0
Delivery time	9	2	0
Minimum quantity requirements	5	5	1
Packaging	0	11	0
Product consistency	4	7	0
Product quality	2	8	1
Product range	6	5	0
Reliability of supply	6	5	0
Technical support/service	7	4	0
Source: Compiled from information submitted in response to Commission questionnaires.			

Table II-4
CTL plate: Purchaser comparisons of U.S.-produced and Ukrainian product, by number of purchasers per category

Consideration	U.S. superior	Comparable	U.S. inferior
Availability	18	6	1
Delivery terms	13	11	0
Delivery time	21	4	0
Minimum quantity requirements	12	10	3
Packaging	9	16	0
Product consistency	13	11	1
Product quality	12	12	1
Product range	16	8	1
Reliability of supply	17	6	2
Technical support/service	19	4	2
Source: Compiled from information submitted in response to Commission questionnaires.			

The number of comparisons varied by country, with purchasers providing 18 comparisons for China, 20 for Russia, 11 for South Africa, and 25 for Ukraine. In most cases U.S.-produced plate was rated either superior or comparable to the imported product in particular characteristics. Instances where the domestic product was ranked inferior were much less common. In the case of China, the domestic product was ranked superior by the majority of purchasers in availability, delivery terms, delivery time, minimum quantity requirements, product range, reliability of supply, and technical support. It was ranked comparable to Chinese imports by a majority of purchasers in packaging, product consistency, and product quality. In the case of Russia, the domestic product was ranked superior by a majority of purchasers in all characteristics except packaging. In the case of South Africa, the United States was ranked superior by a majority in availability, delivery time, product range, reliability of supply, and technical support, and comparable or inferior by a majority of purchasers in each of the other categories. In the case of Ukraine, the United States was ranked superior by a majority in everything but minimum quantity requirements, packaging, and product quality.

In comparing lead times in delivery, producer and importer questionnaire responses indicate that lead times for delivery of plate are shorter on average for U.S. mills than for importers. While mills' lead times range from 2 to 12 weeks, periods of 4 to 8 weeks were most commonly reported. Among the larger U.S. mills, *** reported average lead times of 4 to 8 weeks and *** reported an average of 4 weeks.¹⁰ Two importers, ***, which imports from China and Ukraine, and ***, which imports from China, Russia, and Ukraine, both reported lead times of 24 to 48 hours. ***, which imports from South Africa, reported a lead time of 3 days. However, all of the other 24 importers reported periods of 8 weeks to over a year.¹¹ Lead times of 3 to 6 months were most typical for importers.

Comparisons of Products Imported from the Subject Countries

When making cross-country comparisons of CTL plate imports from the four subject countries, most producers reported that considerations other than price are not significant in determining sales while importers frequently took the opposite view. However, the importers usually did not identify the differences between these countries. One importer did say that South African plate is superior in quality to imports from other sources.¹²

Purchasers were asked to compare CTL plate from the four subject countries in terms of availability, delivery terms, delivery time, minimum quantity requirements, packaging, product consistency, product quality, product range, reliability of supply, and technical support/service. The results, are shown in tables E-1 through E-6 in appendix E. Seven purchasers of CTL plate compared China and Russia, 4 compared China and South Africa, 7 compared China and Ukraine, 5 compared Russia and South Africa, 8 compared Russia

¹⁰ Bethlehem reported that it has started a program at its Sparrows Point, MD, production facility called the plate service depot to reduce the lead time for certain grades/sizes of plate. Bethlehem regularly stocks grade A-36, commodity plate in standard sizes at the depot. It guarantees that plate in these standard sizes will always be ready for pick up from the depot within 72 hours. *Conference Transcript*, p. 82.

¹¹ *** reported a lead time of 14 months for imports from China and a lead time of 6 months for imports from Russia or Ukraine.

¹² With respect to Chinese imports, 4 of 12 importers reported that factors other than price differentiate these imports from the Russian imports; 5 of 13 importers reported that such factors differentiate Chinese imports from Ukrainian imports; and 3 of 12 importers reported such differences between Chinese and South African imports. Five of 14 responding importers reported that there are differences between the Russian and South African products, 7 of 15 reported differences between the South African and Ukrainian products, and 3 of 16 reported that there are differences between the Russian and Ukrainian products.

and Ukraine, and 5 compared South Africa and Ukraine. In most cases the majority of purchasers rated the countries comparable to each other in the different categories. In particular, Russian and Ukrainian imports were ranked very close to each other. However, in the comparisons between imports from South Africa and Russia, a majority of the 5 responding purchasers ranked Russia inferior in product range, product consistency, and product quality. Also, in the comparison between South Africa and Ukraine, the Ukrainian product quality was ranked inferior by 3 of the 5 responding purchasers.

Comparisons of Domestic Products and Subject Imports to Nonsubject Imports

Imports were available from many countries during the period for which data were collected. The largest sources of plate imports from nonsubject countries in volume in 1996 were Canada, France, and the Czech Republic. The majority of producers and importers reported that differences other than price between nonsubject imports and either domestic and/or subject imports were not significant. The very limited information from purchasers also indicated that such differences are not an important factor in sales. One purchaser reported that the subject imports are comparable to nonsubject imports in all 10 of the categories discussed in the previous section. Two purchasers reported that U.S.-produced CTL plate is comparable in all categories with imports from Canada. One purchaser reported that the U.S. plate is comparable in all 10 characteristics with imports from France. Another purchaser reported that imports from France and Belgium are inferior to the United States in availability, delivery terms, delivery time, and product range, but comparable in the other 6 characteristics. Another purchaser reported that Czech imports are comparable in all 10 characteristics with U.S.-produced plate and imports from China, Russia, and Ukraine.

ELASTICITY ESTIMATES

The elasticity estimates discussed in this section were used in the COMPAS analysis described in appendix F. The domestic supply elasticity for CTL plate measures the sensitivity of the quantity supplied by the domestic producer to a change in the U.S. market price of these products. On the basis of information relating to capacity utilization, ratios of inventories to sales, the importance of export markets, and the flexibility of facilities and equipment in shifting between CTL plate and other products, it is likely that the elasticity falls in the range of 5 to 10.

In their prehearing brief the Petitioners argued that this range of estimates is too high, and that a range no higher than 1 to 2 would be more appropriate for the domestic supply elasticity to be used in the COMPAS model.¹³ They argue that, in the absence of dumping, the subject imports would have been far lower or non-existent. As a result, domestic output and capacity utilization would have been higher and U.S. inventories would have been lower. Therefore, the supply elasticity would have been lower. Thus, in their view, the domestic supply elasticity is heavily influenced by the dumping margin. This unusual argument is very difficult to follow and does not make a strong case for lowering the estimate.

In their posthearing brief the Respondents also argue that a supply elasticity of 5 to 10 is too high on the basis of evidence that some U.S. producers were operating at or near capacity levels during parts of 1995 and 1996 and thus were unable to supply all customers.¹⁴ Questionnaire data indicate that there was some excess capacity industry-wide during this period, but that the amount of excess capacity varied from company to company. While there does not seem to be a strong case for lowering the range of estimates for the supply elasticity, the Respondents arguments do suggest that value may be nearer to 5 than to 10.

¹³ *Petitioners' Prehearing Brief, Submission of Petitioners' Economists*, pp. 10-11

¹⁴ *Joint Respondents' Posthearing Brief*, pp. 4-9.

The U.S. demand elasticity for CTL plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of this product. Based on the information relating to substitute products and cost shares, it is likely that this elasticity is in the 0.5 to 1.0 range.

The Petitioners argued that this range of estimates is too high, and that a value of 0.5 should be considered to be an upper bound for the demand elasticity. In making this case, they argue that CTL plate constitutes a small part of the cost of production for many products that use it, and that the final demand for these end-use products, tends to be inelastic. Thus, in their view, the derived demand for CTL plate is likely to be very low. However, available evidence doesn't support these judgments. Questionnaire responses discussed earlier in this section indicate that in many cases CTL plate accounts for a significant share of the final cost of the end-use product. Moreover, the demand elasticities for these end-use products are not known. Finally, the Petitioners' analysis does not take into account the importance of coiled plate and other materials mentioned earlier as potential substitutes for CTL plate in certain applications. Therefore, there does not seem to be a strong case for lowering the upper range of the estimate. The Respondents did not comment on the demand elasticity estimate.

The substitution elasticity is a measure of the degree to which domestically-produced CTL plate and the imported plate from China, Russia, South Africa, and Ukraine are substitutable across the range of possible uses. The information relating to such factors as differences in domestic and import product ranges, product quality, availability, delivery lead times, and other factors cited previously indicate that this elasticity probably falls in the 3 to 5 range for all 4 countries. It is likely that this elasticity is higher for some countries than for others.

The Respondents argued in their posthearing brief that the substitution elasticity should be at the low end of the range for China, Russia, and Ukraine because of quality problems, and delays and uncertainty concerning delivery. While these factors are important in purchasing decisions, imports from these countries are still physically similar to the domestic product, and often compete directly with U.S.-produced CTL plate for the same customers. Therefore, limiting this elasticity to a value of 3 seems to be too restrictive. The Petitioners did not comment on this elasticity.

PART III: CONDITION OF THE U.S. INDUSTRY

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the margins of dumping was presented earlier in this report and information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of 25 firms that accounted for virtually all of U.S. mill production and shipments of cut-to-length and coiled carbon steel plate in 1996 and 21 firms that accounted for a substantial portion of U.S. processing of carbon steel coils in 1996.¹

U.S. PRODUCERS

The Commission mailed questionnaires to 34 mills believed to produce carbon steel plate in cut lengths or in coil form, including all 13 firms found in its 1992-93 investigations to be producing CTL plate, 12 firms previously found to be producing hot-rolled carbon steel products but not producing CTL plate, and 9 new firms (primarily minimills). Fourteen firms, representing virtually all mill production of CTL plate in the United States, provided the Commission with data on their CTL plate operations.² Seventeen firms provided the Commission with data on their coiled plate operations; 14 also provided information or data on their operations producing certain coiled plate (produced to the same specifications, chemistries, or widths as CTL plate and generally shipped to processors, service centers, or distributors). Unless specifically indicated, the aggregate data presented in this section are consistent with the like product and industry determinations of the Commission in the preliminary phase of these investigations -- CTL plate produced by U.S. mills (including toll production of CTL plate on behalf of U.S. mills). Data for other product/producer combinations are provided in appendix C.

U.S. Mills Producing CTL Plate

Four of the U.S. mills producing CTL plate are owned in whole or in part by companies located outside the United States and one is related to an importer of the subject product.³ Two firms, representing

¹ U.S. commercial shipments of CTL plate from mills reported in questionnaire responses for 1996 were equivalent to 100.1 percent of U.S. shipments (excluding exports) of "plates, cut lengths" reported to AISI, while U.S. commercial shipments of coiled plate for 1996 were equivalent to 159.8 percent of U.S. shipments (excluding exports) of "plates in coils." *Shipments of Steel Products by Market Classification, AIS 16C*, AISI, 1996. The Commission is believed to have obtained broader coverage of mills producing coiled plate because it included mills producing hot bands for internal consumption and selling additional volume on the open market, as well as mills producing product reported to AISI as sheet. Based on processors' identification of the major firms providing cut-to-length services, AISI data for shipments of coiled plate to steel service centers, and the volume of certain coiled plate sold by U.S. mills to intermediaries (non-end users), coverage of service centers' production of CTL plate processed from hot-rolled coils is estimated to be 75 percent of nontoll processing of domestically produced coils, 50 percent of nontoll processing of imported coils, and 90 percent of toll processing of coils.

² During the period for which data were collected, 5 producers produced CTL plate on reversing mills, 3 on strip mills, 1 on both a strip mill and a reversing mill, 1 on both a Steckel mill and a reversing mill, 2 on Steckel mills, and 2 on bar or structural mills.

³ CSI is jointly-owned by Kawasaki Steel Corp. of Japan and Cia. Vale do Rio Doce of Brazil; Citisteel's ultimate parent is China International Trust & Investment Corp. (which does not produce or export CTL plate); National's ultimate parent is NKK Corp. of Japan; and Tuscaloosa's ultimate parent is U.K. CTL plate producer British Steel PLC.

(continued...)

*** percent of reported 1996 production, constitute the petitioning coalition; nine firms, representing *** percent of reported 1996 production, are not affiliated with the coalition but support the petition; and three firms, representing 13.7 percent of reported 1996 production, take no position on the petition. Details regarding each firm's position on the petition, share of 1996 mill production, production location, and parent company are presented in table III-1.

Reported U.S. production of CTL plate is concentrated in Alabama, California, Indiana, Pennsylvania, and Utah. In 1995, Inland halted production of CTL plate at its East Chicago, IN, facility and Oregon closed its Fontana, CA, mill. No new mills entered the U.S. industry during the period for which data were collected, but four existing mills took measures to increase their capacity. In addition, IPSCO's Steckel mill in Muscatine, IA, began trial production of CTL plate in July 1997 and has sold *** tons of prime CTL plate through October 1997, while Oregon began production of CTL plate in late September 1997, primarily for ***.⁴ USX has announced that it will modernize its plate mill by installing new heat-treating facilities, scheduled for completion in 1998.⁵

U.S. Mills Producing Coiled Plate and Certain Coiled Plate

Five of the 17 U.S. companies with mills producing coiled plate are owned in whole or in part by firms located outside the United States, one of which is related to an importer of the subject product.⁶ Seven of the 17 produce CTL plate, while 14 include in their product mix certain coiled plate.⁷ Geneva represents *** percent of reported 1996 production of coiled plate; 11 non-petitioning firms, representing *** percent of reported 1996 production, support the petition; 4 firms, representing *** percent of reported 1996 production, take no position; and 1 firm, ***, representing *** percent of reported 1996 production, opposes the petition. Geneva and other firms supporting the petition represent *** percent of reported 1996 production of certain coiled plate, respectively; firms taking no position or opposing the petition represent *** percent, respectively. Details of each firm's position on the petition, share of 1996 mill production, production location, and parent company are presented in table III-2.

Reported U.S. production of coiled plate is concentrated in Indiana, Kentucky, Ohio, and Texas. Between 1994 and 1996, no mills producing coiled plate exited the industry and three mills entered it. In 1995, Nucor began production and sales of coiled plate at its new mill in Crawfordsville, IN, while Gallatin began production and sales from its facility in Ghent, KY, during the same year. In 1996, SDI moved from trial heats to full-scale production and sales from its facility in Butler, IN. North Star BHP, located in Delta, OH, began its hot commission phase in late February 1997, but production was suspended after an explosion

³ (...continued)

In addition, North Star's parent company, Cargill, Inc., is also the parent company of importer Cargill Ferrous.

⁴ Letters from ***, IPSCO, Nov. 13, 1997, and ***, Oregon, Nov. 12, 1997.

⁵ *Hearing Transcript*, p. 97. Also, press accounts indicate that both IPSCO and Nucor are considering building new plate mills. "IPSCO considers 2d plate mill in US" in *American Metal Market*, Oct. 9, 1997, p. 9, and "Nucor Considers Building a Mill To Roll Steel Plate" in *The Wall Street Journal*, Oct. 3, 1997, p. B3.

⁶ CSI is jointly-owned by Kawasaki Steel Corp. of Japan and Cia. Vale do Rio Doce of Brazil; Gallatin is jointly-owned by Co-Steel and Dofasco of Canada; National's ultimate parent is NKK Corp. of Japan; and Tuscaloosa's ultimate parent is U.K. CTL plate producer British Steel PLC. In addition, one of publicly-held SDI's shareholders is Preussag Stahl A.G., the parent company of importer Preussag.

⁷ *** reported production of CTL plate and coiled plate (including certain coiled plate). These firms accounted for *** percent of U.S. mill production of coiled plate in 1996 and *** percent of U.S. mill production of certain coiled plate. *** accounted for *** percent of coiled plate production but do not produce certain coiled plate.

in an evacuation duct. In the second quarter of 1997, TRICO began coil production in Decatur, AL,⁸ while IPSCO and Oregon began production of coiled plate in the third quarter of 1997 ***.

Table III-1 CTL plate: U.S. mills, positions on the petitions, shares of reported 1996 U.S. mill production, U.S. production locations, and parent companies				
Firm	Position	Share of production (percent)¹	Production location	Parent company and country
Acme	***	***	Riverdale, IL	Acme Metals, Inc. (U.S.)
Bethlehem	***	***	Chesterton, IN; Sparrows Point, MD	Bethlehem (U.S.)
CSI	***	***	Fontana, CA	Kawasaki Steel Corp. (Japan): 50%; CIA. Vale do Rio Doce (Brazil): 50%
Citisteel	***	***	Claymont, DE	China International Trust & Investment Corp. (China)
Geneva	Petitioner	***	Vineyard, UT	Geneva (U.S.)
Gulf	Petitioner	***	Gadsden, AL	GSS Holding Corp. (U.S.)
Inland	***	***	East Chicago, IN	Inland Steel Industries, Inc. (U.S.)
LeTourneau	***	***	Longview, TX	Rowan Cos., Inc. (U.S.)
Lukens	***	***	Coatesville, PA; Conshohocken, PA	Lukens, Inc. (U.S.)
National	***	***	Ecorse, MI Granite City, IL	NKK Corp. (Japan): 67.6%; National Steel (U.S.): 32.4%
North Star	***	***	Calvert City, KY	Cargill, Inc. (U.S.)
Oregon	***	***	Portland, OR; Fontana, CA	Oregon (U.S.)
Tuscaloosa	***	***	Tuscaloosa, AL	British Steel PLC (U.K.)
USX	***	***	Gary, IN	USX Corp. (U.S.)
Total		100.0		
¹ Reported 1996 mill production does not include ***.				
Source: Compiled from data submitted in response to Commission questionnaires.				

⁸ Both North Star BHP and TRICO intend to concentrate on the production of hot-rolled coils in gauges ***. Letter from North Star BHP, July 7, 1997, and interviews with ***.

**Table III-2
Coiled and certain coiled plate: U.S. mills, positions on the petitions, shares of reported 1996 U.S. mill production, U.S. production locations, and parent companies**

Firm	Position	Share of production (percent)¹	Production location	Parent company and country
AK Steel	***	***	Middletown, OH	AK Steel (U.S.)
Beta Steel	***	***	Portage, IN	Beta Steel (U.S.)
Bethlehem	***	***	Chesterton, IN; Sparrows Point, MD	Bethlehem (U.S.)
CSI	***	***	Fontana, CA	Kawasaki Steel Corp. (Japan): 50%; CIA. Vale do Rio Doce (Brazil): 50%
Gallatin	***	***	Ghent, KY	Co-Steel (Canada): 50%; Dofasco (Canada): 50%
Geneva	Petitioner	***	Vineyard, UT	Geneva (U.S.)
Inland	***	***	East Chicago, IN	Inland Steel Industries, Inc. (U.S.)
Lone Star	***	***	Dallas, TX	Lone Star (U.S.)
LTV	***	***	Cleveland, OH East Chicago, IN	The LTV Corp. (U.S.)
National	***	***	Ecorse, MI Granite City, IL	NKK Corp. (Japan): 67.6%; National Steel (U.S.): 32.4%
Newport	***	***	Newport, KY	NS Group, Inc. (U.S.)
Nucor	***	***	Blytheville, AR Crawfordsville, IN	Nucor (U.S.)
SDI	***	***	Butler, IN	SDI (U.S.); shareholders include Preussag Stahl A.G. (Germany): 12.7%
Tuscaloosa	***	***	Tuscaloosa, AL	British Steel PLC (U.K.)
USX	***	***	Gary, IN	USX Corp. (U.S.)
Weirton	***	***	Weirton, WV	Weirton (U.S.)
WPS	***	***	Steubenville, OH	WHX Corp. (U.S.)
Total		100.0		

¹ Share of coiled plate/share of certain coiled plate. Reported production does not include ***.

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

U.S. Processors

The Commission identified and requested data from approximately 100 steel service centers which distribute CTL plate or coiled plate and which operate or have access to cut-to-length lines.⁹ While many reporting firms indicated that they did not level and cut hot-rolled coils into plate (or that they processed only small volumes), 21 firms provided the Commission with usable data regarding their processing operations.¹⁰

Three of the 21 reporting U.S. processors are owned in whole or in part, directly or indirectly, by companies located outside the United States, and two are related to importers of the subject product.¹¹ No processor reported direct imports of CTL plate, although two, ***, reported direct imports of coiled plate. Four firms reported purchases of imported CTL plate from subject countries.¹² Five firms, representing *** percent of reported 1996 processing, support the petition; 13 firms, representing *** percent of reported 1996 processing, take no position on the petition; and 3 firms, representing *** percent of reported 1996 processing, oppose the petition. Details regarding each firm's position on the petition, share of 1996 processing, processing location, and parent company are presented in table III-3.

U.S. processors are concentrated in Illinois, Indiana, Ohio, and Texas. Two new firms began processing during the period for which data were collected, Alpha in late 1994 and JIT in late 1996. Two firms installed new cut-to-length lines for processing coils in both plate and sheet thicknesses, *** during 1994-95 and *** in 1996.

Table III-3 CTL plate: U.S. processors, positions on the petitions, shares of reported 1996 U.S. processing, U.S. processing locations, and parent companies				
Firm	Position	Share of processing (percent)^{1 2}	Processing location	Parent company and country
Alpha	***	***	Chicago, IL	Alpha (U.S.)
Arrow	***	***	Houston, TX	Arrow (U.S.)
Cargill	***	***	Houston, TX Memphis, TN Catoosa, OK Panama City, FL	Cargill, Inc. (U.S.)

Continued on the following page.

⁹ The Commission indicated its intention to explore whether processors of coiled plate should be included within the definition of the domestic industry in terms of six factors: capital investment, technical expertise, value added, employment, parts sourced in the United States, and other costs and activities. *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, USITC Pub. No. 3009, Dec. 1996, p. 8, fn. 38.

¹⁰ The Commission received usable data from 21 firms whose processing ranges between several hundred and several hundred thousand short tons annually. Also, 12 firms provided estimates of their processing, which range from several hundred to under 15,000 short tons annually for 10 firms and between 30,000 and 40,000 tons annually for 2 firms.

¹¹ The ultimate parent of Feralloy Corp., majority shareholder of FPC, is Preussag Stahl A.G. of Germany; the ultimate parent of JIT is Mitsui of Japan; and the ultimate parent of Paper Cal is IPSCO, Inc., of Canada (a CTL plate producer and exporter). In addition, Feralloy Corp. is related through common ownership (Preussag North America) to importer Preussag, while Cargill's parent company, Cargill, Inc., is also the parent company of importer Cargill Ferrous.

¹² *** reported 1996 purchases of ***.

Table III-3 – Continued
CTL plate: U.S. processors, positions on the petitions, shares of reported 1996 U.S. processing, U.S. processing locations, and parent companies

Firm	Position	Share of processing (percent)^{1 2}	Processing location	Parent company and country
Carolina Steel	***	***	Greensboro, NC	Jackson National Life Insurance (U.S.)
Cincinnati Steel	***	***	Cincinnati, OH	Cincinnati Steel (U.S.)
CTL Steel	***	***	Columbus, OH	Clark Grave Vault Co. (U.S.)
Feralloy	***	***	Chicago, IL	Preussag North America (U.S.)
FPC	***	***	Portage, IN	USX (U.S.): *** Feralloy Corp. (U.S.): ***
Friedman	***	***	Hickman, AR Houston, TX Lone Star, TX	Friedman (U.S.)
Huntco	***	***	Springfield, MO	Huntco (U.S.)
JIT	***	***	Tulare, CA	Mitsui & Co. (U.S.): ***
Northern	***	***	Crestwood, IL	Northern (U.S.)
Olympic	***	***	Cleveland, OH	Olympic (U.S.)
O'Neal	***	***	Birmingham, AL Dallas, TX	O'Neal (U.S.)
Paper Cal	***	***	St. Paul, MN	IPSCO, Inc. (Canada)
Primary	***	***	Middletown, CT Chicago, IL	Primac (U.S.)
Robinson	***	***	East Chicago, IN Granite City, IL	Robinson (U.S.)
Ryerson	***	***	Chicago, IL	Inland Steel Industries, Inc. (U.S.): ***
S&P	***	***	Houston, TX	Steel Products, Inc. (U.S.): ***
Southern	***	***	Memphis, TN	Southern (U.S.)
Steel Warehouse	***	***	South Bend, IN	Steel Warehouse (U.S.)

Continued on the following page.

Table III-3 – Continued				
CTL plate: U.S. processors, positions on the petitions, shares of reported 1996 U.S. processing, U.S. processing locations, and parent companies				
Firm	Position	Share of processing (percent)^{1 2}	Processing location	Parent company and country
U.S. mill processing ³		***		
Total		100.0		

¹ Processing activities include toll operations. Six service centers, ***, process coiled plate on a toll basis only, while five service centers, ***, process coiled plate on both a toll and a nontoll basis.

² Processing activities also include nontoll operations. Twelve reporting service centers process coiled plate of both domestic and foreign origin, while three reporting service centers (***) process coiled plate of domestic origin exclusively.

³ In 1996, U.S. mill *** processed *** short tons of domestically produced hot-rolled coils purchased in the open market and U.S. mill *** processed *** short tons of imported hot-rolled coils purchased in the open market.

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

The most common source of capital investment noted by U.S. processors was internally-generated funds, followed by bank financing, foreign parent companies, domestic parent companies, and equity offerings. Total capital investment by processors for their operations processing CTL plate is presented in the following tabulation (in thousands of dollars):

Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
Toll processors	4,977	917	2,699	15	25
Nontoll processors	14,174	16,978	16,702	9,590	690
Total capital investment	19,151	17,895	19,401	9,605	715

The level of technical expertise involved in processing activities varies from firm to firm, ranging from “not very high” to “moderate” to “high.” At a minimum, equipment operators require a high school education, with an emphasis on reading and math skills. Many processors prefer cut-to-length line operators with mechanical skills, and most stress on-the-job training, typically for 90 days. Most processors emphasized the need to understand the principles of leveling and to record accurate dimensional measurements. None of the processors reported any research and development expenditures for their operations processing CTL plate.

Value added by processors is discussed in the section of this report entitled “Value Added” and the number of production and related workers are presented in the following tabulation:

<u>Item</u>	<u>Calendar year--</u>			<u>Jan.-Mar.--</u>	
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1996</u>	<u>1997</u>
Toll processors	101	107	120	117	146
Nontoll processors	<u>457</u>	<u>467</u>	<u>517</u>	<u>512</u>	<u>546</u>
Total employment	558	574	637	629	692

There are no parts sourced in the United States other than the coiled plate itself. There are no other reported costs or activities in the United States directly leading to the production of CTL plate.

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

Table III-4 presents data on U.S. mills' production and capacity to produce CTL plate. These data reflect not only the exits from the marketplace noted previously but also the improvements made by U.S. mills in the years included in these investigations. ***¹³ IPSCO's Steckel mill in Muscatine, IA, began trial production of CTL plate in July 1997 and has sold *** tons of prime CTL plate through October 1997, while Oregon began production of CTL plate in late September 1997, primarily for ***. USX has announced that it will modernize its plate mill by installing new heat-treating facilities, scheduled for completion in 1998. No U.S. mill reported any labor constraints on production (*e.g.*, inability to fill work crews, labor unrest, work stoppages).

Table III-4
CTL plate: U.S. mills' capacity, production, and capacity utilization, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

<u>Item</u>	<u>Calendar year--</u>			<u>Jan.-Mar.--</u>	
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1996</u>	<u>1997</u>
Average-of-period capacity (short tons)	6,877,455	6,619,393	6,586,165	1,624,637	1,654,300
Production (short tons)	5,312,473	5,094,064	5,289,550	1,370,297	1,247,872
Capacity utilization (percent)	77.2	77.0	80.3	84.3	75.4

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

The majority of the responding mills are capable of producing other types of steel products, such as alloy, clad, and stainless steel plate and sheet; a variety of hot-rolled carbon steel products (bands, sheet, coils in plate thicknesses, and skelp); cold-rolled and tin-coated carbon steel products; and assorted carbon steel shapes (angles, channels, and I-beams).

¹³ ***

U.S. MILLS' SHIPMENTS

Table III-5 presents data on U.S. mills' shipments (company transfers, domestic commercial shipments, and export shipments) during the period for which data were collected.¹⁴ Four U.S. mills reported company transfers, which accounted for between 4.3 and 8.2 percent of total shipments during this period. Eleven mills reported exports of CTL plate, primarily to Canada and Mexico. Exports accounted for between 1.3 and 2.3 percent of total mill shipments during the period for which data were collected.

Table III-5					
CTL plate: Shipments by U.S. mills, by types, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997					
Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
<i>Quantity (short tons)</i>					
Company transfers	433,226	253,746	229,465	57,446	60,703
Domestic shipments	4,773,281	4,711,729	5,003,585	1,300,639	1,158,030
Subtotal	5,206,507	4,965,475	5,233,050	1,358,085	1,218,733
Export shipments	75,884	115,861	70,101	21,204	16,074
Total	5,282,391	5,081,336	5,303,151	1,379,289	1,234,807
<i>Value (\$1,000)</i>					
Company transfers	181,546	115,183	106,819	27,151	28,709
Domestic shipments	2,084,887	2,192,653	2,289,500	588,083	529,155
Subtotal	2,266,433	2,307,836	2,396,319	615,234	557,864
Export shipments	35,033	55,376	34,731	10,271	8,007
Total	2,301,466	2,363,212	2,431,050	625,505	565,871
<i>Unit value (per short ton)</i>					
Company transfers	\$419.06	\$453.93	\$465.51	\$472.64	\$472.94
Domestic shipments	436.78	465.36	457.57	452.15	456.94
Average	435.31	464.78	457.92	453.02	457.74
Export shipments	461.67	477.95	495.44	484.39	498.13
Average	435.69	465.08	458.42	453.50	458.27
Source: Compiled from data submitted in response to Commission questionnaires.					

¹⁴ Company transfers consist of shipments to related distributors and internal transfers for further manufacturing into energy products or construction equipment.

U.S. MILLS' INVENTORIES

Table III-6 presents end-of-period inventory data supplied by all responding U.S. CTL plate mills during the period for which data were collected. Mills generally maintained inventories of high-volume products in order to respond promptly to customers' orders. Two mills further supplemented inventories with purchases of domestically produced and imported CTL plate.

Table III-6 CTL plate: End-of-period inventories of U.S. mills, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997					
Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
End-of-period inventories (short tons)	269,785	282,600	271,880	275,461	285,148
Ratio of inventories to production (percent)	5.1	5.5	5.1	5.0	5.7
Ratio of inventories to U.S. shipments (percent)	5.2	5.7	5.2	5.1	5.8
Ratio of inventories to total shipments (percent)	5.1	5.6	5.1	5.0	5.8

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

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

U.S. mills' employment and productivity data are presented in table III-7. As noted earlier, mills produce a variety of steel products using the same equipment and PRWs as are used to produce CTL plate.

Table III-7 Average number of production and related workers in U.S. establishments wherein CTL plate is produced, hours worked, wages paid to such employees, and hourly wages, productivity, and unit production costs, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997					
Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
Number of PRWs	6,979	6,860	7,173	7,338	6,854
Hours worked (1,000)	15,586	15,555	16,121	4,155	3,799
Wages paid (\$1,000)	324,514	335,692	350,059	89,429	83,639
Hourly wages (per hour)	\$20.82	\$21.58	\$21.71	\$21.52	\$22.02
Productivity (short tons/1,000 hours)	340.9	327.5	328.1	329.8	328.5
Unit production costs (per short ton)	\$61.09	\$65.90	\$66.18	\$65.26	\$67.03

Note: Data include employment information from U.S. processors engaged in tolling operations on behalf of U.S. mills producing CTL plate.

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

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

U.S. IMPORTERS

The Commission sent questionnaires to 48 firms believed to have imported CTL plate or coiled plate from China, Russia, South Africa, and/or Ukraine between January 1994 and March 1997, and received usable data from 39 of the firms.¹ No U.S. mill directly imported CTL plate, although one purchased CTL plate originating in one of the countries subject to investigation.² Based on Commerce data, firms responding to the Commission's questionnaire accounted for 88.7 percent of 1996 imports of CTL plate from China; 87.6 percent of 1996 imports of CTL plate from Russia; 90.5 percent of 1996 imports of CTL plate from South Africa; 97.1 percent of 1996 imports of CTL plate from Ukraine; 21.0 percent of 1996 imports of CTL plate from all other countries; and 78.5 percent of imports of coiled plate from all sources.

The 31 reporting U.S. importers of CTL plate³ are principally located in New York and Texas, with multiple firms located in New Jersey, California, Connecticut, and Pennsylvania, and individual firms located in Georgia, Illinois, Michigan, Minnesota, and North Carolina. Eight of the reporting importers of CTL plate are wholly-owned by parent companies located in Western Europe; 3 by parent companies in Asia; 2 by parent companies in South Africa; 1 by a parent company in Canada; 2 by a combination of companies located in the United States and abroad; and 14 are independent firms or are owned by parent companies in the United States.⁴ Thirteen of the reporting importers of CTL plate are related to firms which import, produce, or export CTL plate.⁵

Two of 31 reporting CTL plate importers, ***, imported from all 4 of the countries subject to investigation during the period for which data were collected, while 7 others, ***, imported from all of the subject countries except South Africa and 1, ***, imported from all the subject countries except China. Nine reporting firms imported from two of the four subject countries, while two imported solely from China, three from Russia, two from South Africa, three from Ukraine, and two from nonsubject countries.

U.S. IMPORTS

U.S. imports of CTL plate from the subject countries are presented on a monthly basis for January 1994 through June 1997 in figure IV-1, while CTL plate imports from each of the subject countries and from all nonsubject countries for 1994-96, January-March 1996, and January-March 1997 appear in table IV-1. Imports of CTL plate from 31 countries not subject to these investigations (primarily from Canada, France, the Czech Republic, Germany, Belgium, and India) were present in the U.S. market in 1996. India, Canada, and France remain leading sources of (nonsubject) CTL imports in 1997.⁶

¹ Six of the firms reported that they did not import CTL plate or coil from the countries subject to investigation during the period for which data were collected and three firms did not respond to the Commission's questionnaires with data.

² ***.

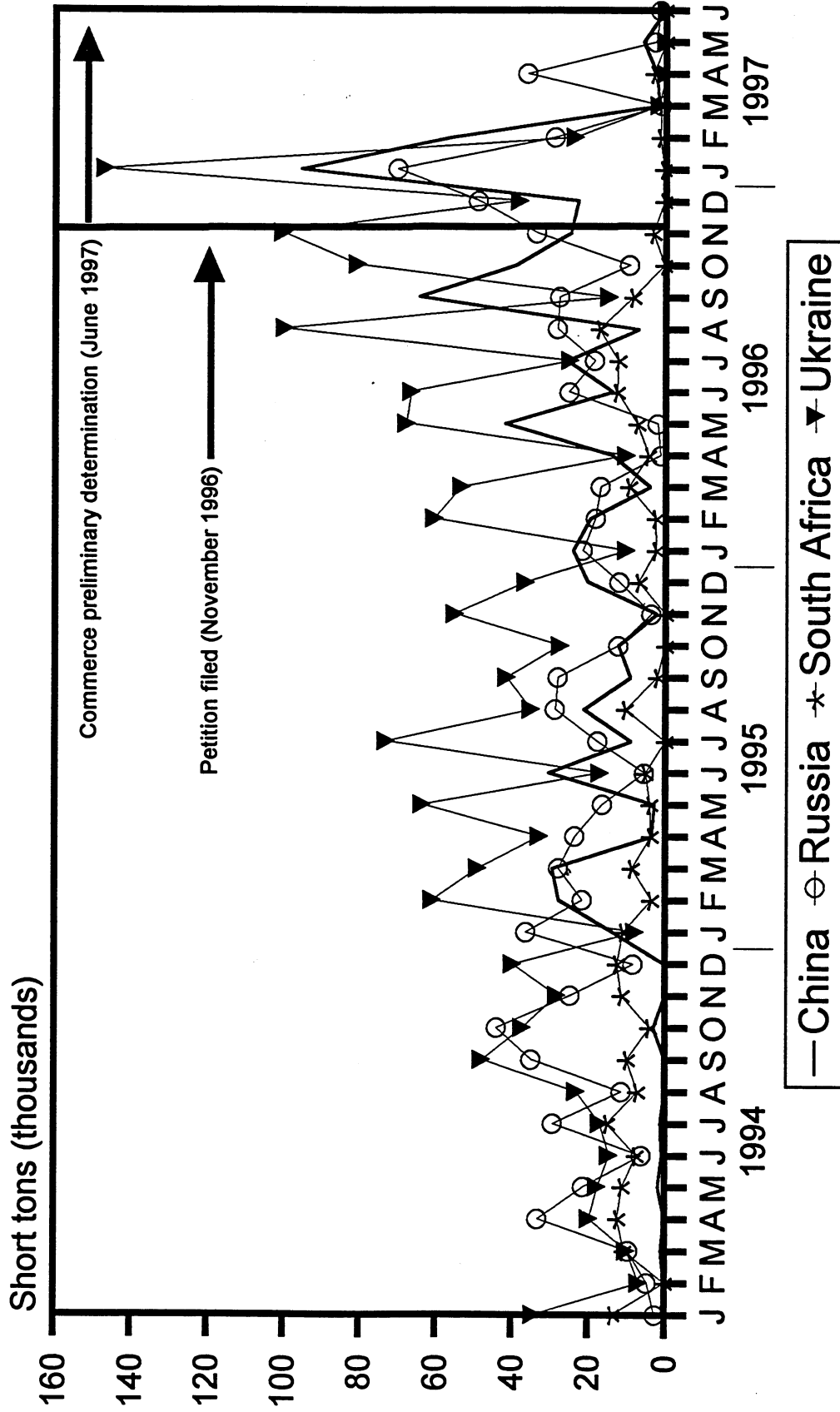
³ Eight of the reporting importers, including ***, reported importing coiled plate but not CTL plate.

⁴ One importer of CTL plate did not report its ownership.

⁵ ***.

⁶ Imports of CTL plate from Belgium, the Czech Republic, India, Indonesia, and Sweden declined sharply between 1994 and 1995; imports from Belgium, the Czech Republic, and Indonesia recovered partially in 1996, while those from India and Sweden did not. Imports from Canada, France, and Germany remained large and generally increased during the period for which data were collected.

Figure IV-1
 CTL plate: U.S. imports from China, Russia, South Africa, and Ukraine,
 by months, Jan. 1994-June 1997



Source: Compiled from official statistics of Commerce.

Table IV-1
CTL plate: U.S. imports, by sources, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
<i>Quantity (short tons)</i>					
China	8,639	181,737	301,652	47,843	153,352
Russia	230,156	234,255	252,396	56,937	100,444
South Africa	115,468	56,110	81,544	14,635	3,220
Ukraine	295,775	500,266	627,796	124,192	172,421
Subtotal	650,038	972,368	1,263,389	243,607	429,437
All other	701,627	378,226	520,807	67,966	172,081
Total	1,351,665	1,350,595	1,784,195	311,573	601,518
<i>Value (\$1,000)</i>					
China	2,836	62,271	105,874	17,050	52,085
Russia	69,556	78,164	78,514	18,455	34,905
South Africa	41,481	23,688	31,769	6,206	1,274
Ukraine	92,085	179,955	217,574	44,871	58,173
Subtotal	205,957	344,078	433,731	86,582	146,436
All other	322,594	222,665	263,404	42,953	78,980
Total	528,551	566,743	697,135	129,534	225,416
<i>Unit value (per short ton)</i>					
China	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64
Russia	302.21	333.67	311.07	324.12	347.50
South Africa	359.24	422.16	389.59	424.06	395.55
Ukraine	311.33	359.72	346.57	361.30	337.39
Subtotal	316.84	353.86	343.31	355.42	341.00
All other	459.78	588.71	505.76	631.97	458.97
Total	391.04	419.62	390.73	415.74	374.74
Continued on the following page.					

Table IV-1--Continued
CTL plate: U.S. imports, by sources, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
<i>Share of quantity (percent)</i>					
China	0.6	13.5	16.9	15.4	25.5
Russia	17.0	17.3	14.1	18.3	16.7
South Africa	8.5	4.2	4.6	4.7	0.5
Ukraine	21.9	37.0	35.2	39.9	28.7
Subtotal	48.1	72.0	70.8	78.2	71.4
All other	51.9	28.0	29.2	21.8	28.6
Total	100.0	100.0	100.0	100.0	100.0
<i>Share of value (percent)</i>					
China	0.5	11.0	15.2	13.2	23.1
Russia	13.2	13.8	11.3	14.2	15.5
South Africa	7.8	4.2	4.6	4.8	0.6
Ukraine	17.4	31.8	31.2	34.6	25.8
Subtotal	39.0	60.7	62.2	66.8	65.0
All other	61.0	39.3	37.8	33.2	35.0
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of Commerce.

The imports subject to these investigations are provided for in provisions of headings 7208 through 7212 of the HTS.⁷ Data regarding the quantity and value of U.S. imports of CTL plate from subject and nonsubject countries are based on Commerce statistics. Import data may be somewhat overstated, because some of the HTS categories may contain products that are outside the scope of these investigations.⁸

⁷ For the period 1994-95, CTL plate was covered by the following statistical reporting numbers of the HTS: 7208.31.0000; 7208.32.0000; 7208.33.1000; 7208.33.5000; 7208.41.0000; 7208.42.0000; 7208.43.0000; 7208.90.0000; 7210.70.3000; 7210.90.9000; 7211.11.0000; 7211.12.0000; 7211.21.0000; 7211.22.0045; 7211.90.0000; 7212.40.1000; 7212.40.5000; and 7212.50.0000. In 1996 and 1997, CTL plate is covered by the following statistical reporting numbers of the HTS: 7208.40.3030; 7208.40.3060; 7208.51.0030; 7208.51.0045; 7208.51.0060; 7208.52.0000; 7208.53.0000; 7208.90.0000; 7210.70.3000; 7210.90.9000; 7211.13.0000; 7211.14.0030; 7211.14.0045; 7211.90.0000; 7212.40.1000; 7212.40.5000; and 7212.50.0000.

⁸ Virtually all imports from the four countries subject to investigation are in HTS categories which contain no nonsubject product.

CUMULATION CONSIDERATIONS

In assessing whether imports compete with each other and with the domestic like product, the Commission has generally considered four factors: fungibility; presence of sales or offers to sell in the same geographical markets; common or similar channels of distribution; and simultaneous presence in the market. Issues concerning fungibility are addressed in Part II of this report and channels of distribution are discussed in Part I; geographical markets, presence in the market, and specialty products are discussed below.

Geographical Markets

As noted previously, CTL plate produced in the United States is shipped nationwide. Table IV-2, based on Commerce statistics for the period January 1994 through March 1997, presents U.S. imports of CTL plate, by country, according to the customs district through which they entered (in percent).

Table IV-2 CTL plate: U.S. imports, by sources and by customs districts, Jan. 1994-Mar. 1997				
Customs district	China (percent)	Russia (percent)	South Africa (percent)	Ukraine (percent)
Boston, MA	5.1	3.0	11.1	2.3
Chicago, IL	3.5	5.9	0.0	2.1
Cleveland, OH	0.0	1.5	0.3	3.7
Detroit, MI	12.1	5.1	3.5	3.5
Houston, TX	27.0	26.1	47.9	49.7
Los Angeles, CA	11.2	0.0	1.2	0.0
Mobile, AL	5.9	1.3	0.2	0.8
New Orleans, LA	24.6	47.7	16.1	27.0
Philadelphia, PA	0.7	4.6	7.6	4.1
Portland, OR	2.4	0.0	0.0	0.0
Savannah, GA	0.8	1.5	6.4	3.0
Tampa, FL	5.5	0.8	0.6	1.8
Wilmington, NC	0.4	0.3	4.2	1.2
All other	0.8	2.2	0.9	0.8
Total	100.0	100.0	100.0	100.0

Source: Compiled from official statistics of Commerce.

Presence in the Market

CTL plate produced in the United States was present throughout the period for which data were collected. Based on Commerce statistics, imports of CTL plate from China entered the United States in 37 of the 39 months between January 1994 and March 1997; imports from Russia entered in 39 months; imports from South Africa entered in 38 months; and imports from Ukraine entered in 39 months. Table IV-3 presents U.S. imports of CTL plate, by subject country, according to the number of months in each period in which they entered.

Table IV-3 CTL plate: U.S. imports, monthly entries into the United States, by sources, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997					
Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
China	10	12	12	3	3
Russia	12	12	12	3	3
South Africa	11	12	12	3	3
Ukraine	12	12	12	3	3

Source: Compiled from official statistics of Commerce.

Specialty Products

In the preliminary phase of these investigations, the South African Respondents contended that South African imports of CTL plate “occupy segments of the U.S. market different from those of the other subject imports and fall, for the most part, under the category of specialized niche product.”⁹ Accordingly, the Commission gathered data on CTL plate in thinner gauges (0.187" through 0.250") and in thicker gauges (2.0" through 6.0"). Data on U.S. shipments from mills and from importers of these products are presented in table IV-4.

⁹ *South African Respondents' Postconference Brief*, p. 6.

Table IV-4
CTL plate: U.S. shipments of specialty products, by sources, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
<i>Quantity (short tons)</i>					
CTL plate, 0.187"-0.250" thick:					
U.S. mills	454,563	471,630	442,856	110,299	89,302
China	***	***	2,087	***	1,315
Russia	***	4,013	7,742	***	***
South Africa	54,835	26,627	50,957	9,861	5,358
Ukraine	9,334	9,500	2,478	1,386	***
Nonsubject	9,361	***	8,571	***	5,858
Total	530,556	515,412	514,691	124,275	103,736
<i>Quantity (short tons)</i>					
CTL plate, 2.0"-6.0" thick:					
U.S. mills	374,347	378,580	389,818	97,905	98,942
China	***	48,963	96,910	27,453	31,457
Russia	16,651	12,395	***	***	***
South Africa	10,993	8,089	***	***	***
Ukraine	13,715	82,742	67,383	18,009	13,983
Nonsubject	31,102	18,241	15,575	1,983	12,715
Total	***	549,010	578,500	146,361	159,385
Continued on the following page.					

Table IV-4--Continued
CTL plate: U.S. shipments of specialty products, by sources, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
Share of reported U.S. shipments (<i>percent</i>)					
CTL plate, 0.187"-0.250" thick:					
U.S. mills	8.7	9.5	8.5	8.1	7.3
China	***	***	0.8	***	1.2
Russia	***	1.7	3.5	***	***
South Africa	49.8	41.0	67.4	62.4	40.2
Ukraine	2.9	2.0	0.4	1.5	***
Nonsubject	3.4	***	7.8	***	10.4
Total	8.7	8.6	8.0	7.8	6.4
Share of reported U.S. shipments (<i>percent</i>)					
CTL plate, 2.0"-6.0" thick:					
U.S. mills	7.2	7.6	7.4	7.2	8.1
China	***	37.8	37.2	39.6	29.0
Russia	9.6	5.4	***	***	***
South Africa	10.0	12.4	***	***	***
Ukraine	4.2	17.3	11.9	18.9	7.3
Nonsubject	11.3	16.4	14.2	15.6	22.6
Total	***	9.2	8.9	9.1	9.8
Source: Compiled from data submitted in response to Commission questionnaires.					

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of CTL plate are based on U.S. mills' shipments as reported in Commission questionnaires and imports as recorded in official statistics. During the period for which data were collected, the economy improved in general and consumption of CTL plate fluctuated in a generally upward trend. Data on apparent U.S. consumption are presented in table IV-5.

Table IV-5					
CTL plate: U.S. mills' shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997					
Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
<i>Quantity (short tons)</i>					
U.S. mills' shipments	5,206,507	4,965,475	5,233,050	1,358,085	1,218,733
Imports from China	8,639	181,737	301,652	47,843	153,352
Imports from Russia	230,156	234,255	252,396	56,937	100,444
Imports from South Africa	115,468	56,110	81,544	14,635	3,220
Imports from Ukraine	295,775	500,266	627,796	124,192	172,421
Subtotal	650,038	972,368	1,263,389	243,607	429,437
All other imports	701,627	378,226	520,807	67,966	172,081
Total imports	1,351,665	1,350,595	1,784,195	311,573	601,518
Apparent consumption	6,558,172	6,316,070	7,017,245	1,669,658	1,820,251
<i>Value (\$1,000)</i>					
U.S. mills' shipments	2,266,433	2,307,836	2,396,319	615,234	557,864
Imports from China	2,836	62,271	105,874	17,050	52,085
Imports from Russia	69,556	78,164	78,514	18,455	34,905
Imports from South Africa	41,481	23,688	31,769	6,206	1,274
Imports from Ukraine	92,085	179,955	217,574	44,871	58,173
Subtotal	205,957	344,078	433,731	86,582	146,436
All other imports	322,594	222,665	263,404	42,953	78,980
Total imports	528,551	566,743	697,135	129,534	225,416
Apparent consumption	2,794,984	2,874,579	3,093,454	744,768	783,280
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.					

MARKET SHARES

The market shares of U.S. mills and imports from China, Russia, South Africa, Ukraine, and all other sources, based on apparent U.S. consumption of CTL plate, are presented in table IV-6.

Table IV-6 CTL plate: Apparent U.S. consumption and market shares, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997					
Item	Calendar year--			Jan.-Mar.--	
	1994	1995	1996	1996	1997
<i>Quantity (short tons)</i>					
Apparent consumption	6,558,172	6,316,070	7,017,245	1,669,658	1,820,251
<i>Value (\$1,000)</i>					
Apparent consumption	2,794,984	2,874,579	3,093,454	744,768	783,280
<i>Share of quantity (percent)</i>					
U.S. mills' shipments	79.4	78.6	74.6	81.3	67.0
Imports from China	0.1	2.9	4.3	2.9	8.4
Imports from Russia	3.5	3.7	3.6	3.4	5.5
Imports from South Africa	1.8	0.9	1.2	0.9	0.2
Imports from Ukraine	4.5	7.9	8.9	7.4	9.5
Subtotal	9.9	15.4	18.0	14.6	23.6
All other imports	10.7	6.0	7.4	4.1	9.5
Total imports	20.6	21.4	25.4	18.7	33.0
<i>Share of value (percent)</i>					
U.S. mills' shipments	81.1	80.3	77.5	82.6	71.2
Imports from China	0.1	2.2	3.4	2.3	6.6
Imports from Russia	2.5	2.7	2.5	2.5	4.5
Imports from South Africa	1.5	0.8	1.0	0.8	0.2
Imports from Ukraine	3.3	6.3	7.0	6.0	7.4
Subtotal	7.4	12.0	14.0	11.6	18.7
All other imports	11.5	7.7	8.5	5.8	10.1
Total imports	18.9	19.7	22.5	17.4	28.8
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.					

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Public data compiled by the Bureau of Labor Statistics showing quarterly movements in costs of heavy melting scrap and iron ore, two important inputs used in CTL plate production, are presented in figure V-1 for January 1994-March 1997. The data show that the cost of iron ore has increased during this period, while the cost of scrap has remained fairly constant. Questionnaire data from mills indicates that overall raw material costs for firms producing CTL plate were relatively stable during the period.

Transportation Costs to the U.S. Market

Ocean transportation costs for CTL plate from China, Russia, South Africa, and Ukraine to the United States are estimated to be 8.4, 10.2, 7.7, and 11.0 percent respectively. 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 to a customs value basis.¹

U.S.-Inland Transportation Costs

Inland transportation costs for delivery of CTL plate within the United States vary widely. U.S. mills' reported costs ranged from 1 to 7 percent of the delivered price, with values of 5 or 6 percent most typical. For importers reported values ranged from 2 to 15 percent, with 13 of 27 importers reporting costs of 10 percent or more.

Producers and importers were also asked to estimate the percentage of the total shipments that were made within specified distances. About 24 percent of mills' shipments were within 100 miles from their facilities, 34 percent were between 100 and 500 miles, and nearly 43 percent were over 500 miles.² Importers reported that about 67 percent of their shipments were within 100 miles of their storage facility or the port of entry, about 26 percent were between 100 and 500 miles, and only 7 percent exceeded 500 miles.

Exchange Rates

Nominal exchange rate data for China, Russia, and Ukraine, and nominal and real exchange rate data for South Africa, are presented in figure V-2 on a quarterly basis for January-March 1994 through January-March 1997.³ The data show that the nominal rates for the Chinese yuan were largely unchanged relative to the dollar during most of the period while the nominal exchange rates of the Russian ruble and the Ukrainian hrynia and the nominal and real exchange rates of the South African rand all depreciated relative to the dollar.

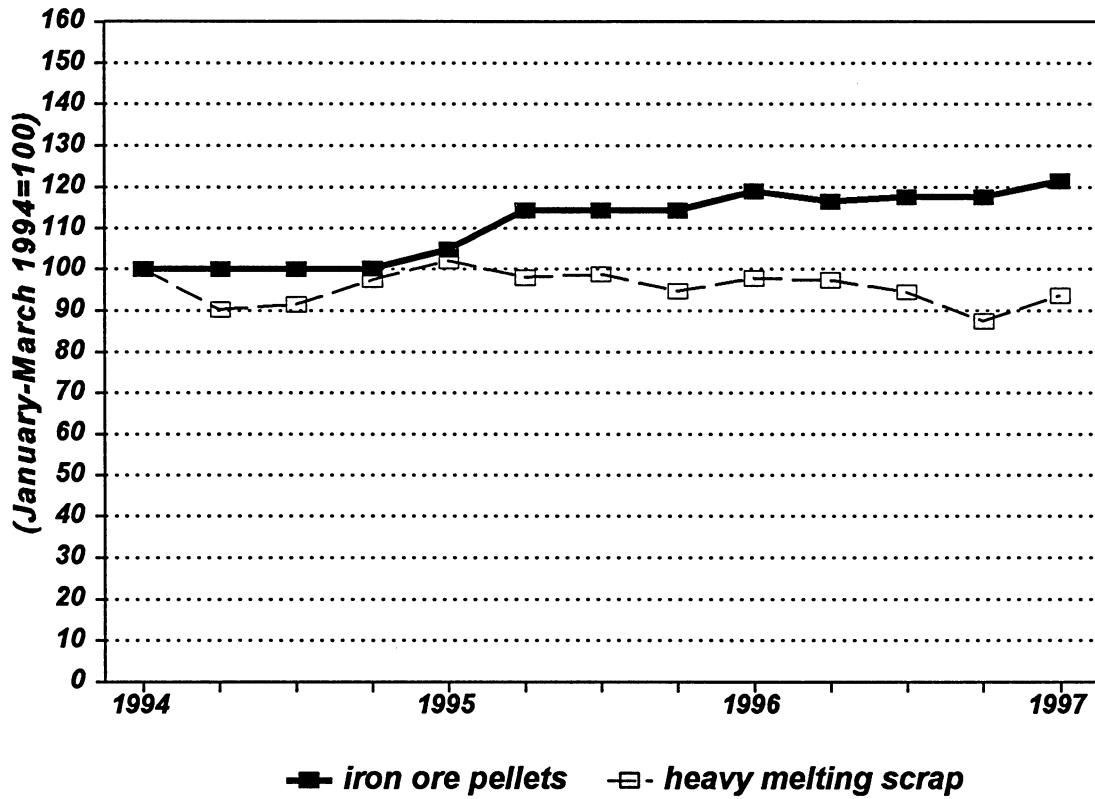
¹ These estimates were derived using data for the HTS numbers for the subject plate that were applicable during 1996.

² While most U.S. mills reported that less than one half of their plate shipments were for distances of over 500 miles, *** reported that *** percent of its shipments exceeded this distance. Two other mills, ***, also tend to ship long distances. Fifty-nine percent of ***'s shipments and 51 percent of ***'s shipments exceeded 500 miles.

³ Real exchange rates are calculated by adjusting the nominal rates for movements in producer prices in the United States and other countries. Real exchange rates could not be calculated for China, Russia, or Ukraine since producer price indexes for these countries were not available.

Figure V-1

Material costs: Indices of costs of heavy melting scrap and iron ore pellets, by quarters, Jan. 1994-Mar. 1997

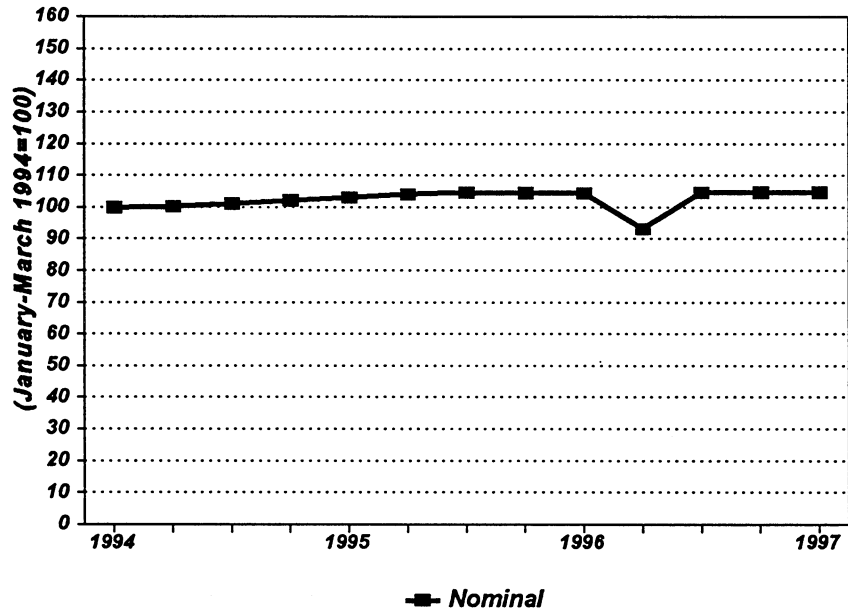


Source: Bureau of Labor Statistics.

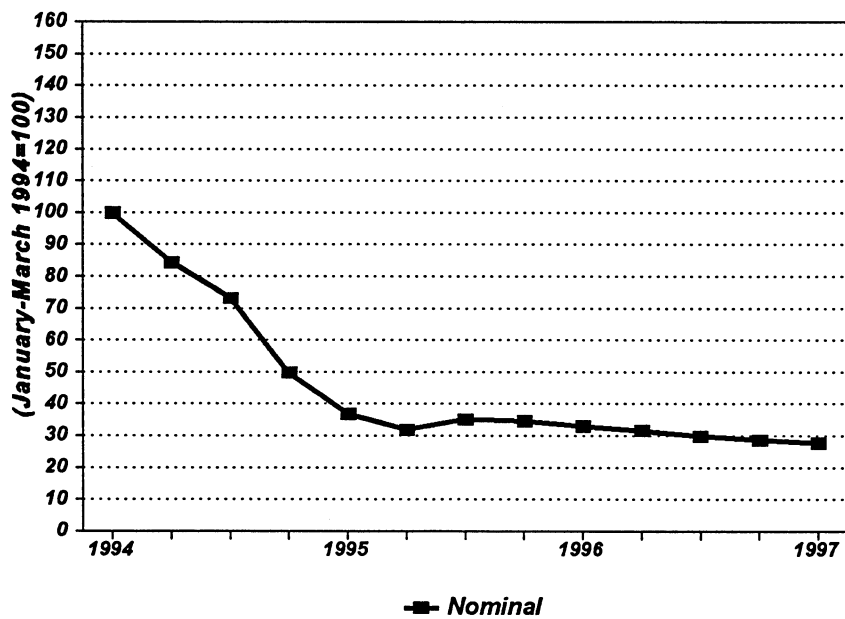
Figure V-2

Exchange rates: Indices of the nominal and real exchange rates of the currencies of China, Russia, South Africa, and Ukraine in relation to the U.S. dollar, by quarters, Jan. 1994-Mar. 1997

China



Russia

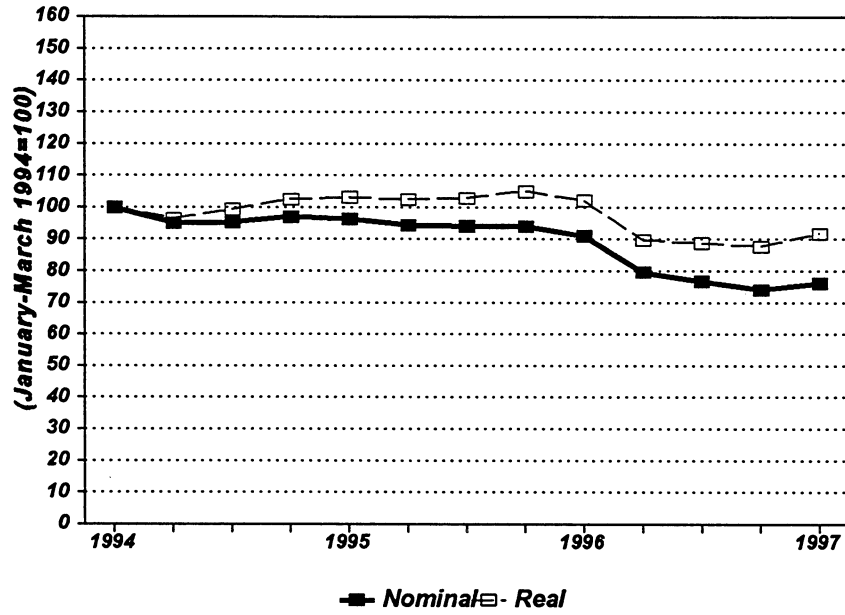


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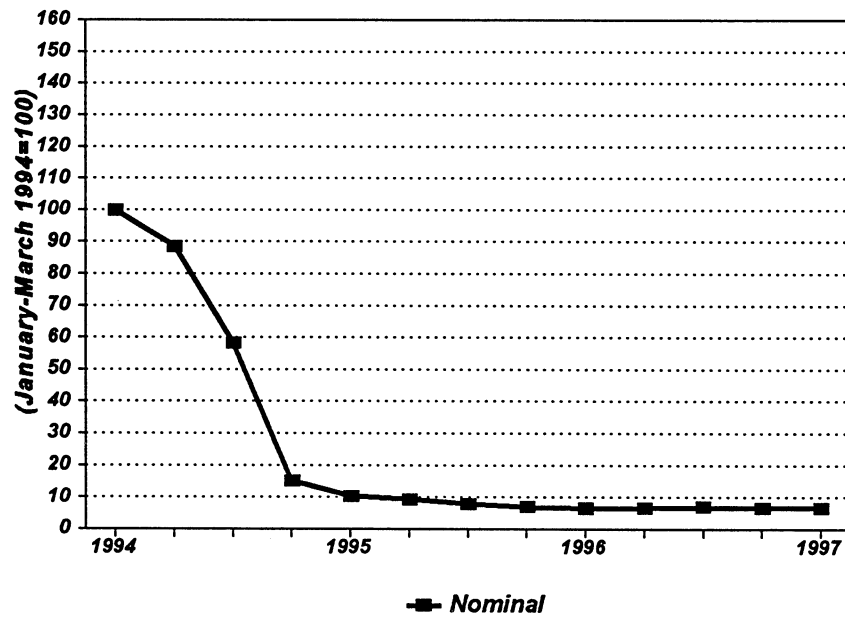
Figure V-2--continued

Exchange rates: Indices of the nominal and real exchange rates of the currencies of China, Russia, South Africa, and Ukraine in relation to the U.S. dollar, by quarters, Jan. 1994-Mar. 1997

South Africa



Ukraine



Source: IMF, *International Financial Statistics*, Oct. 1997.

PRICING PRACTICES

Pricing Methods

Prices of CTL plate are generally determined through negotiations between buyers and sellers. Mills publish price lists, but generally use the list prices only as a starting point for negotiating a final price. They commonly give discounts from list prices in order to be competitive. Most importers also stated that prices are determined through negotiations.⁴ However, unlike mills, most importers do not use price lists. When asked whether prices are set by suppliers or determined through negotiations, 28 purchasers reported that they arrive at prices through negotiations while only 14 reported that they are set by suppliers. Most purchasers stated that they contact from 2 to 5 suppliers before buying CTL plate.

Ten of 14 mills reported that they normally quote f.o.b. prices, while 3 mills, ***, commonly quote on both a delivered and f.o.b. basis.⁵ The remaining firm, ***, only quotes on a delivered basis.⁶ Importers most frequently reported that they quote prices on either an f.o.b. port of entry or duty-paid basis.

CTL plate is sometimes sold on a freight-equalization basis. Under this arrangement, a supplier quotes a delivered price from the mill nearest to the customer that is capable of producing the same product. As a result, the supplier ends up absorbing part of the freight costs in the transaction. Mills are more likely to freight equalize than importers. Ten mills reported equalizing freight costs on some of their sales. While the share of sales on which freight was equalized varied widely among mills, ranging from 10 to 82 percent, most reported shares in the 40 to 70 percent range. In contrast, only 3 of 27 importers reported the use of freight equalization. Two importers reported that the share of sales where freight equalization applied was small (*i.e.*, *** percent); the other firm (***) reported absorbing freight costs on about *** percent of its sales of Russian material.

Sales Terms and Discounts

A majority of mills (8 of 14) and some importers (5 of 27) reported giving discounts based upon such factors as the quantity involved in an individual sale, the total purchase volumes by a particular customer over a monthly, quarterly, or annual period, and the prices offered by competitors (both domestic and foreign). In addition to discounts off the list or starting price, most mills provide discounts for payment within a specified time period, usually 10 days. These discounts ranged from 0.5 to 2 percent, with the majority reporting a 0.75 percent discount for payment within 10 days. Only one importer reported offering similar early payment discounts; the others reported that their sales terms were net 30 days with no discount for prepayment.

⁴ One importer, ***, which imports CTL plate from China and Ukraine, reported that prices are determined by the traders or marketers of plate. The final price depends upon several factors, including the origin of the product, the size ranges and qualities that a mill can produce, and the current prevailing market price for plate. *** reported that Western European and South African plate is "of substantially better grade than plate from most mills in the CIS or China. Consequently, material from third world countries, such as the CIS or China, will have to be sold at a lower price." *** also stated that if a mill can offer plates up to 4" with higher grade qualities, wider and longer, then certain premiums can be demanded.

⁵ At the conference, several distributors/service centers reported that prices for plate are usually quoted on an f.o.b. basis; *Conference Transcript*, pp. 123-126. The majority of purchasers also reported that imports are quoted on an f.o.b. basis.

⁶ *** reported that it has changed the way it quotes prices in some cases in recent years. Before 1988 plate had always been sold on an f.o.b. mill basis. However, in 1988 *** started selling on a delivered basis; as a result *** began selling on a delivered or freight-equalization basis when necessary to compete with ***. *Postconference Brief of Bethlehem and USX*, Answers to Staff Questions, pp. 4-5.

CTL plate is commonly sold on either a contract or spot basis by both mills and importers. Nine of 14 mills reported that part of their transactions are on a contract basis, while the other 5 firms sold exclusively on a spot basis. *** reported that contract sales accounted for 90 percent of its total sales, *** reported that they accounted for 70 percent, and 7 other mills reported that they account for 30 to 60 percent of total sales. Among importers, 5 reported that all sales are on a contract basis, 5 reported that contract sales accounted for anywhere from 50 to 90 percent of the total, and 17 reported that all sales are on a spot basis.

Contract terms are fairly similar for those mills and importers that sell on that basis. Most contracts are for periods of 3 to 6 months with prices and quantities generally fixed during the period. None of the firms reported that their contracts contain meet-or-release clauses, which allow for changes in the agreed upon prices while the contract is in force. Some mills reported that their contract contained standard quantity requirements, but none of the importers reported the use of this provision.

PRICE DATA

U.S. mills, importers, and processors of plate were asked to provide quarterly quantity and value data on an f.o.b. basis for January 1994-March 1997 on their shipments of each of three common product categories for use in determining average quarterly prices. Data were requested separately for shipments to distributors/processors/service centers and to end users. The product categories are as follows:

- Product 1:** Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat-treated, not cleaned or oiled, in cut lengths, over 72" through 96" (1,828.8 through 2,438.4 mm) in width, 0.50" through 0.99" in thickness
- Product 2:** Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat-treated, not cleaned or oiled, in cut lengths, over 72" through 96" (1,828.8 through 2,438.4 mm) in width, 1.00" through 2.00" in thickness
- Product 3:** Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat-treated, not cleaned or oiled, in cut lengths, over 72" through 96" (1,828.8 through 2,438.4 mm) in width, 0.1875" through 0.2500" in thickness.

Ten U.S. mills and 26 importers provided pricing data for sales of the requested products, although most firms did not report sales of all 3 products in all quarters.⁷ Pricing data reported by mills accounted for 22 percent of total U.S. mills' shipments of plate in 1996. The import pricing data accounted for 40 percent of imports from China, 38 percent from Russia, 50 percent from South Africa, and 54 percent from Ukraine in 1996. While U.S. mills reported large sales quantities of plate to both specified customer categories, importers sold mainly to service centers/distributors/processors.

⁷ Pricing data for processors is consolidated with mill prices in appendix G. Most processor sales were limited to product 3. One processor sold a very small amount of product 1, but because of the small quantities involved this data was not consolidated with mill data for product 1.

Price Trends

Sales to Service Centers/Distributors/Processors

Weighted-average prices for U.S.-produced and imported CTL plate products sold to service centers/distributors/processors are shown in tables V-1 through V-3 and figures V-3 through V-5 for January-March 1994 through January-March 1997.⁸ Mill data did not show a consistent trend during the 13-quarter period, but prices for all 3 products were higher at the end of the period than at the beginning. Import prices trended upward, though they varied widely. Prices of both Chinese and Russian imports of products 1 and 2 fluctuated widely with no trend throughout the period. However, prices of Chinese imports of product 3 increased over most of the 3 years. Prices of Russian imports of product 3 also increased over the 5 quarters in which sales occurred. South African prices for product 1 increased from January-March 1994 through October-December 1996 and then declined sharply in the next quarter. South African prices for product 2 increased irregularly during the period. South Africa prices for product 3 were higher in all quarters from 1995 onward than they had been at any time in 1994. Ukrainian price data showed wide fluctuations, but prices for all three products were higher in the first quarter of 1997 than in the first quarter of 1994.

Sales to End Users

Mill and importer prices on sales to end users are shown in tables V-4 through V-6 and figures V-6 through V-8. Prices of all three domestic products generally increased during January-March 1994 through January-March 1997, while prices for imports showed mixed patterns, often based upon very limited sales quantities. Chinese prices for imported products 1 and 2 did not exhibit a clear trend during most of the period, while prices of product 3 increased. Russian prices for products 1 and 2 edged upward over the period, but no trend could be determined for product 3 since sales occurred in only 2 quarters. No clear-cut trends for any of the three product categories could be determined for either South Africa or Ukraine. In the case of both countries, prices either fluctuated widely or sales of the products occurred too infrequently to determine any trend.

⁸ The Petitioners argued in their posthearing brief that product 3 from South Africa is dual-certified to ASTM A-36 and more stringent ABS standards. As a result it is more costly than the domestic product, and therefore, price comparisons are of limited value. The Commission contacted two of the largest importers of South African CTL plate, ***, to examine this argument. Together, these companies accounted for *** of all sales of product 3 from South Africa during January 1994 through March 1997. While spokesmen for both companies acknowledged that most of the product 3 that they sell is dual-stenciled, both stated that the cost of this process is small (** per ton for *** and *** per ton for ***). Telephone interviews with ***. These costs are so small that they have very little effect on the price comparisons between product 3 produced by U.S. mills and imports of product 3 from South Africa. In addition to discussions with importers, the Commission talked to ***, which ranked *** in total U.S. mill sales of product 3 during the period for which data were collected. *** also indicated that dual stenciling adds relatively little to the cost of the CTL plate. He estimated a value of \$5 to \$8 per ton. Sales of dual-stenciled CTL plate typically account for about *** percent of ***'s total sales of product 3. Telephone interview with ***, Nov.10, 1997.

Table V-1
CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1994-Mar. 1997

Period	United States		China		Russia		South Africa		Ukraine	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1994--										
Jan.-Mar.	\$383.35	62,465	***	***	\$349.23	8,451	***	***	\$349.62	10,786
Apr.-June	398.24	81,359	***	***	338.09	18,559	***	***	347.17	8,342
July-Sept.	413.55	68,411	***	***	343.09	6,763	***	***	357.35	36,396
Oct.-Dec.	411.96	70,074	***	***	348.33	10,611	***	***	349.34	24,913
1995--										
Jan.-Mar.	422.26	61,862	\$384.67	10,224	356.16	5,253	***	***	356.50	37,870
Apr.-June	419.52	61,561	460.46	6,379	357.92	6,307	***	***	370.77	27,069
July-Sept.	416.03	57,202	388.60	4,142	382.23	6,292	(¹)	(¹)	365.16	43,980
Oct.-Dec.	413.07	64,130	394.94	2,392	404.39	10,417	(¹)	(¹)	348.50	14,172
1996--										
Jan.-Mar.	398.98	90,021	383.03	5,561	371.92	8,578	(¹)	(¹)	350.78	20,359
Apr.-June	402.25	88,405	373.19	6,117	357.22	4,863	***	***	359.67	34,768
July-Sept.	414.27	75,813	380.47	8,237	340.76	27,567	***	***	353.48	31,798
Oct.-Dec.	408.06	70,299	380.88	10,506	375.56	14,622	***	***	359.85	65,097
1997--										
Jan.-Mar.	401.61	76,750	378.98	12,409	359.01	11,448	(¹)	(¹)	380.43	31,017

¹ Data not reported.

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

Table V-2
CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1994-Mar. 1997

Period	United States		China		Russia		South Africa		Ukraine	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1994-										
Jan.-Mar.	\$387.76	60,635	***	***	\$420.58	6,801	***	***	\$352.07	11,677
Apr.-June	402.31	71,472	***	***	347.54	15,073	***	***	355.22	8,126
July-Sept.	416.69	80,479	***	***	335.00	6,546	***	***	373.17	25,004
Oct.-Dec.	420.46	63,604	***	***	394.30	11,911	***	***	356.81	26,539
1995-										
Jan.-Mar.	433.05	58,016	\$376.91	13,227	368.37	4,237	***	***	362.70	21,093
Apr.-June	434.96	46,916	473.99	13,578	411.92	5,242	***	***	379.61	20,067
July-Sept.	428.02	49,616	426.82	12,857	365.81	6,326	(¹)	(¹)	372.18	22,839
Oct.-Dec.	422.66	60,804	434.29	3,506	387.04	7,282	(¹)	(¹)	385.93	10,513
1996-										
Jan.-Mar.	410.07	79,395	390.14	12,258	368.13	6,728	***	***	380.06	7,533
Apr.-June	413.95	85,530	387.19	17,806	358.65	2,594	***	***	367.27	26,196
July-Sept.	426.31	78,319	386.87	21,522	345.31	12,558	***	***	360.26	16,307
Oct.-Dec.	420.78	62,847	401.72	28,113	365.54	8,756	***	***	373.04	48,345
1997-										
Jan.-Mar.	411.28	72,444	380.68	36,811	388.01	6,174	***	***	384.09	17,986

¹ Data not reported.

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

Table V-3
CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1994-Mar. 1997

Period	United States		China		Russia		South Africa		Ukraine	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1994--										
Jan.-Mar.	\$416.49	36,265	***	***	***	***	***	***	***	***
Apr.-June	422.13	28,594	***	***	***	***	***	***	***	***
July-Sept.	436.03	28,370	***	***	***	***	***	***	***	***
Oct.-Dec.	438.41	37,982	***	***	***	***	***	***	***	***
1995--										
Jan.-Mar.	443.65	40,797	***	***	***	***	***	***	***	***
Apr.-June	458.10	42,091	***	***	***	***	***	***	***	***
July-Sept.	443.95	43,411	***	***	***	***	***	***	***	***
Oct.-Dec.	437.63	40,400	***	***	***	***	***	***	***	***
1996--										
Jan.-Mar.	445.71	44,067	***	***	***	***	***	***	***	***
Apr.-June	441.08	50,862	***	***	***	***	***	***	***	***
July-Sept.	456.43	56,439	***	***	***	***	***	***	***	***
Oct.-Dec.	456.70	36,600	***	***	***	***	***	***	***	***
1997--										
Jan.-Mar.	436.26	39,929	***	***	***	***	***	***	***	***

¹ Data not reported.

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

Figure V-3

CTL plate: Weighted-average f.o.b. prices of domestic and imported product 1 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1994-Mar. 1997

* * * * *

Figure V-4

CTL plate: Weighted-average f.o.b. prices of domestic and imported product 2 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1994-Mar. 1997

* * * * *

Figure V-5

CTL plate: Weighted-average f.o.b. prices of domestic and imported product 3 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1994-Mar. 1997

* * * * *

Table V-4
C/TL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 sold to end users, by sources and by
quarters, Jan. 1994-Mar. 1997

Period	United States		China		Russia		South Africa		Ukraine	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1994--										
Jan.-Mar.	\$392.01	27,601	***	***	***	***	***	***	***	***
Apr.-June	403.00	27,848	***	***	***	***	***	***	***	***
July-Sept.	405.41	36,872	***	***	***	***	***	***	***	***
Oct.-Dec.	415.52	30,975	***	***	***	***	***	***	***	***
1995--										
Jan.-Mar.	419.05	37,674	***	***	***	***	***	***	***	***
Apr.-June	426.38	33,830	***	***	***	***	***	***	***	***
July-Sept.	424.32	43,701	***	***	***	***	***	***	***	***
Oct.-Dec.	421.17	42,884	***	***	***	***	***	***	***	***
1996--										
Jan.-Mar.	415.95	35,139	***	***	***	***	***	***	***	***
Apr.-June	416.71	46,201	***	***	***	***	***	***	***	***
July-Sept.	422.29	53,219	***	***	***	***	***	***	***	***
Oct.-Dec.	418.46	31,483	***	***	***	***	***	***	***	***
1997--										
Jan.-Mar.	418.86	27,308	***	***	***	***	***	***	***	***

¹ Data not reported.

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

Table V-5
CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 sold to end users, by sources and by
quarters, Jan. 1994-Mar. 1997

Period	United States		China		Russia		South Africa		Ukraine	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1994—										
Jan.-Mar.	\$407.61	13,083	***	***	***	***	***	***	***	***
Apr.-June	410.18	16,801	***	***	***	***	***	***	***	***
July-Sept.	420.93	15,542	***	***	***	***	***	***	***	***
Oct.-Dec.	424.47	20,683	***	***	***	***	***	***	***	***
1995—										
Jan.-Mar.	431.60	20,789	***	***	***	***	***	***	***	***
Apr.-June	435.82	26,140	***	***	***	***	***	***	***	***
July-Sept.	438.01	17,504	***	***	***	***	***	***	***	***
Oct.-Dec.	428.06	24,763	***	***	***	***	***	***	***	***
1996—										
Jan.-Mar.	422.69	22,418	***	***	***	***	***	***	***	***
Apr.-June	439.57	21,874	***	***	***	***	***	***	***	***
July-Sept.	442.82	22,101	***	***	***	***	***	***	***	***
Oct.-Dec.	439.57	14,285	***	***	***	***	***	***	***	***
1997—										
Jan.-Mar.	441.97	13,871	***	***	***	***	***	***	***	***

¹ Data not reported.

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

Table V-6
CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 sold to end users, by sources and by
quarters, Jan. 1994-Mar. 1997

Period	United States		China		Russia		South Africa		Ukraine	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1994--										
Jan.-Mar.	\$440.57	12,786	***	***	***	***	***	***	***	***
Apr.-June	457.19	12,511	***	***	***	***	***	***	***	***
July-Sept.	478.78	12,281	***	***	***	***	***	***	***	***
Oct.-Dec.	471.05	17,090	***	***	***	***	***	***	***	***
1995--										
Jan.-Mar.	474.81	20,681	***	***	***	***	***	***	***	***
Apr.-June	497.46	12,477	***	***	***	***	***	***	***	***
July-Sept.	507.35	12,620	***	***	***	***	***	***	***	***
Oct.-Dec.	468.40	11,180	***	***	***	***	***	***	***	***
1996--										
Jan.-Mar.	443.44	13,916	***	***	***	***	***	***	***	***
Apr.-June	471.27	11,116	***	***	***	***	***	***	***	***
July-Sept.	457.46	12,074	***	***	***	***	***	***	***	***
Oct.-Dec.	451.23	12,881	***	***	***	***	***	***	***	***
1997--										
Jan.-Mar.	474.03	8,536	***	***	***	***	***	***	***	***

¹ Data not reported.

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

Figure V-6

CTL plate: Weighted-average f.o.b. prices of domestic and imported product 1 sold to end users, by sources and by quarters, Jan. 1994-Mar. 1997

* * * * *

Figure V-7

CTL plate: Weighted-average f.o.b. prices of domestic and imported product 2 sold to end users, by sources and by quarters, Jan. 1994-Mar. 1997

* * * * *

Figure V-8

CTL plate: Weighted-average f.o.b. prices of domestic and imported product 3 sold to end users, by sources and by quarters, Jan. 1994-Mar. 1997

* * * * *

Price Comparisons

Price comparisons between domestic and imported products for the 3 product categories on sales to both service centers/distributors/processors and to end users are presented in tables V-7 through V-9. Chinese imports were priced lower than the domestic product in 69 of 78 quarters by margins ranging from 0.3 percent to 25.9 percent. Russian prices were lower than domestic prices in 54 of 55 quarters where comparisons could be made by margins ranging from 2.1 percent to 36.2 percent, and Ukrainian prices were lower in all 59 quarters where comparisons were possible by margins ranging from 0.7 percent to 29.8 percent. South African prices were lower than domestic prices in 25 of 45 quarters. Margins of underselling ranged from 0.3 percent to 13.3 percent. Prices of product 3 sold to service centers/distributors/processors, South Africa's largest selling product category, were higher than domestic prices in all 13 quarters.⁹

Purchasers that bought imported CTL plate from one or more of the subject countries during 1996 were asked approximately how much higher the price of imported plate would have to have been before they would have bought domestic plate in place of it. One purchaser answered that it would switch to the domestic product with any increase in the price of the imports, while 15 purchasers provided percentages. For China, the percentages ranged from 5 to 30 percent and for Russia and Ukraine they ranged from 5 to 27 percent and 5 to 28 percent respectively. For South Africa the range was 3 to 10 percent.

⁹ The Petitioners argued in their posthearing brief that the imports of product 3 by *** from *** included products in addition to ASTM A-36. However, *** of *** said that only A-36 CTL plate was included in their price data (telephone conversation, Nov. 12, 1997).

Table V-7
CTL plate: Margins of under/(over)selling for product 1 sold to service centers/distributors/processors and to end users, by sources and by quarters, Jan. 1994-Mar. 1997

Period	Service centers/distributors/processors				End users			
	China	Russia	S Africa	Ukraine	China	Russia	S Africa	Ukraine
<i>(In percent)</i>								
1994--								
Jan.-Mar.	***	8.9	***	8.8	***	***	***	***
Apr.-June	***	15.1	***	12.8	***	***	***	***
July-Sept.	***	17.0	***	13.6	***	***	***	***
Oct.-Dec.	***	15.4	***	15.2	***	***	***	***
1995--								
Jan.-Mar.	8.9	15.7	***	15.6	***	***	***	***
Apr.-June	(9.8)	14.7	***	11.6	***	***	***	***
July-Sept.	6.6	8.1	***	12.2	***	***	***	***
Oct.-Dec.	4.4	2.1	***	15.6	***	***	***	***
1996--								
Jan.-Mar.	4.0	6.8	***	12.1	***	***	***	***
Apr.-June	7.2	11.2	***	10.6	***	***	***	***
July-Sept.	8.2	17.7	***	14.7	***	***	***	***
Oct.-Dec.	6.7	8.0	***	11.8	***	***	***	***
1997--								
Jan.-Mar.	5.6	10.6	(¹)	5.3	***	***	***	***
¹ Margin not calculated.								
Note: Percentage margins are calculated from unrounded figures; thus, margins cannot always be directly calculated from the rounded prices shown in the tables.								
Source: Compiled from data submitted in response to Commission questionnaires.								

Table V-8

CTL plate: Margins of under/(over)selling for product 2 sold to service centers/distributors/processors and to end users, by sources and by quarters, Jan. 1994-Mar. 1997

Period	Service centers/distributors/processors				End users			
	China	Russia	S Africa	Ukraine	China	Russia	S Africa	Ukraine
<i>(In percent)</i>								
1994--								
Jan.-Mar.	***	(8.5)	***	9.2	***	***	***	***
Apr.-June	***	13.6	***	11.7	***	***	***	***
July-Sept.	***	19.6	***	10.4	***	***	***	***
Oct.-Dec.	***	6.2	***	15.1	***	***	***	***
1995--								
Jan.-Mar.	13.0	14.9	***	16.2	***	***	***	***
Apr.-June	(9.0)	5.3	***	12.7	***	***	***	***
July-Sept.	0.3	14.5	***	13.0	***	***	***	***
Oct.-Dec.	(0.3)	8.4	***	8.7	***	***	***	***
1996--								
Jan.-Mar.	4.9	10.2	***	7.3	***	***	***	***
Apr.-June	6.5	13.4	***	11.2	***	***	***	***
July-Sept.	9.3	19.0	***	15.5	***	***	***	***
Oct.-Dec.	4.5	13.1	***	11.3	***	***	***	***
1997--								
Jan.-Mar.	7.4	5.7	***	6.6	***	***	***	***

¹ Margin not calculated.

Note: Percentage margins are calculated from unrounded figures; thus, margins cannot always be directly calculated from the rounded prices shown in the tables.

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

Table V-9
CTL plate: Margins of under/(over)selling for product 3 sold to service centers/distributors/processors and to end users, by sources and by quarters, Jan. 1994-Mar. 1997

* * * * *

Price Leadership

When asked to name a price leader, answers among the 42 responding purchasers that buy CTL plate varied widely. Thirty-one purchasers listed one or more firms as price leaders, with domestic mills most commonly cited. Eleven other purchasers were either unable to identify a price leader, or did not believe that a leadership pattern exists. Among domestic mills, the three largest U.S. firms, Bethlehem, Geneva, and USX, were most frequently listed as price leaders. Bethlehem was named 12 times, USX was named 9 times, and Geneva was cited 7 times. Lukens was listed as a price leader by 4 purchasers and Citisteel and Gulf were each mentioned once. Among importers, Ranger and Thyssen, which both import ***, were named by 5 and by 2 purchasers respectively. Francosteel, which imports from ***, and Cargill Ferrous, which imports from ***, were both mentioned once.

When asked to describe how the firm or firms exert price leadership, responses varied. In some cases firms were described as price leaders for maintaining stable prices, for publishing price lists or announcing new prices, for trying to stay competitive, or for demonstrating a desire to capture business. Purchasers that offered more specific responses tended to cite U.S. mills as leaders in raising prices, while describing importers as leaders in lowering prices. For example, Bethlehem was listed as a price leader by one purchaser because it announced price changes before anyone else, and by two other purchasers for announcing price increases. Another purchaser listed Bethlehem, Geneva, Lukens, and USX as price leaders for announcing increases. Still another purchaser cited Geneva as causing prices to trend downward. Ranger was listed as the price leader by one purchaser because it raises or lowers prices, by another for aggressive pricing, and by a third for having the lowest price. Ranger and Thyssen were cited together by one purchaser for consistently keeping prices at low levels throughout the Midwest and Gulf Coast. Another purchaser listed both Ranger and Thyssen as price leaders because of availability and price. Francosteel was listed by one purchaser for offering a lower price on identical terms offered by U.S. mills.

Ranger's importer questionnaire indicates that ***.

LOST SALES AND LOST REVENUES

Producers were asked to report any instances of lost sales or revenues they experienced due to competition from CTL plate from China, Russia, South Africa, and/or Ukraine. Seven U.S. mills reported that they lost sales of CTL plate products due to competition with imports from one or more of the four countries and nine mills stated that they had to either reduce prices or roll back prices in order to avoid losing sales to competitors selling plate imported from these countries. However, firms often could not provide details concerning these allegations.¹⁰

¹⁰ In addition, *** reported that it was forced to reduce prices to compete with ***. *** believes that ***'s price reduction was a result of lower foreign prices.

Altogether, 34 detailed allegations of lost sales and 8 detailed allegations of lost revenues relating to CTL plate were submitted.¹¹ The lost sales allegations totaled approximately \$38 million and involved over 7,000 tons of plate. The 6 allegations involving Chinese imports amounted to \$3.4 million, the 10 involving Russia totaled \$8.1 million, and the 5 each concerning South Africa and Ukraine were valued at \$18 million and \$4.5 million respectively. The other 8 lost sales allegations, which involved various combinations of Chinese, Russian, and Ukrainian imports, amounted to \$4.3 million. The lost revenue allegations involved 25,000 tons of CTL plate and were valued at more than \$820,000, with \$366,000 of the total attributed to Chinese imports and the remaining \$454,000 attributed to combined imports from China, Russia, and Ukraine. The Commission contacted 14 purchasers and investigated 21 of the allegations.

*** cited *** in a lost sales allegation totaling *** and involving *** tons of plate due to competition from Chinese imports.¹² *** also claimed that they lost revenues of *** on a sale of *** tons of plate allegedly due to competition with lower-priced Chinese imports. A spokesman for *** did not comment on the specific allegations but did report that imports from the subject countries tend to be priced lower than the domestic products. *** reported that it has purchased plate from China and has found the quality to be fair; there have been some quality problems with the Chinese material, primarily that it is rusty and wavy.¹³ *** also reported that it has stayed away from purchasing Ukrainian plate because of quality problems. In addition, *** reported that lead times for delivery are longer for the imported products. Finally, *** reported that it has not really shifted purchases from domestic suppliers to import suppliers because the products that *** is buying from off-shore sources are types of plate (e.g., pattern-sized plate) that U.S. mills do not make.

*** cited *** in a lost sales allegation totaling *** and involving *** tons of plate in *** due to competition from Chinese imports. ***, the spokesman for ***, did not have the information available to address the allegation. However, he stated that his company, a service center, requests bids from competing suppliers, but does not tell the suppliers the names or country origins of competing suppliers or the winning bidder. Therefore, he questioned whether any domestic supplier would have the information needed to make a lost sales allegation relating to a specific country source. *** also said that CTL plate accounts for a very small part of *** total business.

*** alleged that they lost revenues totaling *** on sales to *** in *** due to competition from imports from China, Russia, and Ukraine. The *** transactions involved a total of *** tons of CTL plate. ***, the director of purchasing for ***, a service center, could not recall details of the transaction. However, he said that his company does buy imports from China, Russia, and Ukraine, as well as domestic products from U.S. mills, and that import prices are consistently lower. He said that he frequently uses the low prices of these imports as leverage in negotiating down prices of U.S.-produced plate. He also said that his company continues to buy U.S.-produced plate because some of his customers prefer it for reasons such as traceability. *** believes that imports are necessarily priced lower than domestic products because of long lead times in delivery and problems that frequently occur in shipping such as rust and corrosion.

*** alleged that they lost revenues totaling *** on sales of *** tons of CTL plate to *** in *** due to competition from imports from China, Russia, and Ukraine. ***, the president of ***, a service center, denied the allegation. He said that his company does not use the leverage of low-priced imports to negotiate lower prices. When purchasing CTL plate, his company asked for bids from competing domestic

¹¹ *** reported *** lost revenue allegations but did not specify dates, quantities, values, or countries involved. *** also reported several instances of lost sales or lost revenues but did not provide specific dates or company contacts.

¹² ***.

¹³ *** reported that these problems can be corrected; however, it is costly to do so.

and import suppliers. It generally purchases from the lowest bidder. He said that U.S.-produced CTL plate was in limited supply in *** and was not available to his company at the time. As a result, he purchased only imported plate at that time.

*** alleged lost revenues of *** on sales of *** tons of plate to *** in *** due to competition from Chinese imports. ***, the vice president of ***, did not recall the particulars of the transaction. However, he said that his company often used low-price bids from China and other import sources to leverage down the price quoted by domestic mills. He said that import prices tend to be lower than domestic prices because of long delivery lead times.

*** alleged that it lost *** on a sale of *** tons of plate to ***, due to competition from imports from Ukraine. ***, spokesman for ***, was unable to comment on the specific allegation; however, he reported that *** has not really shifted any of its purchases from domestic to imported plate. *** reported that *** has purchased plate imported from South Africa and Ukraine; purchases from these sources have been fairly constant for the past five years. *** also commented that the quality of the South African and Ukrainian plate products has been very good. According to ***, prices of the imported product have been lower than those for domestic products. With regard to supply conditions in the plate industry, *** reported that domestic plate mills were placing some customers on allocation in the second and third quarter of 1996. *** reported that during late 1995 and into 1996, domestic plate mills were focusing on the market areas that had stronger demands (such as the Midwest).

*** alleged that it lost *** on a sale of *** tons of plate to *** due to competition from Russian imports. ***, spokesman for ***, reported that *** has purchased plate products imported from China and Ukraine and that the price of these imports has generally been below those for domestic products. *** reported, however, that *** would not purchase the imported plate if it were not priced less than the domestic product because the imports tend to be lower quality and often have higher inventory costs associated with them.¹⁴ With regard to quality, *** stated that while both domestic and imported plate meet the same ASTM specifications, domestic plate generally exceeds these specifications, while the imports do not.¹⁵ *** reported that *** likes to buy predominantly from domestic sources but has shifted some purchases from domestic suppliers to import sources, though more for reasons of availability than for price.

*** was cited in a lost sale allegation by *** totaling *** and involving *** tons of plate allegedly purchased from Russia during ***. *** stated that the company has purchased plate from Ukraine, Russia, and China. *** reported that *** had never purchased imported plate until 1996, but did so because the price was so attractive; the imported price was approximately 18-20 percent below the domestic. He stated that *** had to purchase the lower-priced imports to remain competitive with its competitors who were purchasing the lower-priced plate. In addition, *** commented that the prices of imports from China, Russia, and Ukraine were similar. He noted that *** customers have recently begun asking for separate price quotes for foreign and domestic plate. With regard to supply conditions, *** stated that *** did not have trouble obtaining plate, although lead times were lengthened somewhat.

*** alleged that it lost a sale of *** tons of plate valued at *** to *** in *** due to competition from Russian imports. ***, the spokesman for ***, was unwilling to discuss the allegation. However, *** indicated in its purchaser questionnaire that it had *** purchases of Russian-produced CTL plate from *** in 1995 to *** tons in 1996. *** also stated that the Russian plate is less expensive than U.S.-produced plate, but that delivery lead times are longer. U.S. mills are by far the largest suppliers to ***. The company purchased *** tons of U.S.-produced plate in 1995 and *** tons in 1996.

¹⁴ *** reported that it is often necessary to purchase imported CTL plate in larger quantities, which tends to increase inventory costs.

¹⁵ He also stated that he believes the ASTM specifications are old and do not really reflect what the market needs.

*** alleged that it lost a sale of *** tons of CTL plate valued at *** to *** in *** due to competition from South African imports. *** of *** denied the allegation. He said that his company purchases CTL plate from many different sources and that it is all about equal in quality. However, he said that he is almost certain that his company has never purchased CTL plate from South Africa.

*** alleged that it lost a sale of *** tons of CTL plate valued at *** to *** in *** due to competition from Chinese imports. ***, the spokesman, did not have the information to address the allegation, but he was doubtful that the lost sale had occurred. He said that his company mainly buys domestically produced plate, and only buys imported plate when the domestic product that they need is not available. He said that *** considers plate from China, Russia, and Ukraine inferior to the domestic product because of a poor surface quality, and generally avoids buying imports from these countries, despite their low prices. *** is in favor of imposing dumping duties on imports from those countries.

*** alleged that it lost a sale of *** tons of CTL plate valued at *** to *** in *** due to competition from Chinese and Ukrainian imports. *** of ***, a service center, denied the allegation. *** said that domestic mills tend to focus their sales efforts on obtaining contracts with major original equipment manufacturers and that this often results in shortages of CTL plate for service centers in periods when demand is strong. He said that his company had bought significant quantities of imports during the period cited in the allegation, and acknowledged that they were less expensive than comparable domestically produced plate. However, he said that mills had placed his company on allocation early in 1996 because of supply shortages in the face of a strong demand from automobile and farm machinery manufacturers. Therefore, *** turned to imports to meet its needs. *** said that his company commonly buys from a number of domestic mills as well as importers. While they are satisfied with most of their suppliers, they have often been dissatisfied with *** due to the quality of its CTL plate and its poor delivery performance.

*** cited *** in *** lost sales allegations. It alleged that it lost sales of *** tons of CTL plate in *** valued at *** as a result of competition from Russian imports and that it lost sales of *** tons valued at *** in *** due to competition from Ukrainian imports. *** lost sales relating to South Africa, which allegedly occurred in ***, involved a total of *** tons of CTL plate valued at more than ***. ***, a vice president of ***, was unable to specifically address any of the allegations, although he did acknowledge that his company does purchase imports from these countries. He said that *** commonly purchases CTL plate from Russia and Ukraine because it is price competitive. However, he said that all purchases of South African plate consists of material that is not available from most domestic mills, including *** and ***. He said that the products from South Africa are available from ***, although *** does not buy from these mills. He said that *** has been dissatisfied with the surface quality of ***'s CTL plate.

*** alleged that it lost *** sales in *** totaling *** tons of CTL plate valued at over *** to *** as a result of competition from imports from Ukraine. ***, said that *** had bought its CTL plate from *** and *** in the past, but discontinued purchases from these mills in *** and began buying Ukrainian CTL plate sold by ***. *** said that the company switched from domestic sources to imported plate from Ukraine because domestic prices were starting to rise, ***, and domestic delivery was becoming less reliable. All of the Ukrainian product purchased was *** or *** certified and there were no quality problems. *** continued to buy the Ukrainian product until the dumping cases were filed.

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

BACKGROUND

Thirteen U.S. steel mills¹ provided financial data on their operations on CTL plate. These data represent virtually all U.S. mill production of CTL plate in 1996. The allocated data for toll operations on behalf of U.S. mills are also consolidated with the financial data of these U.S. steel mills. Inland discontinued the production of CTL plate as of Dec. 31, 1995, and Oregon closed its Fontana, CA, plate-rolling mill in the first quarter of 1995.

OPERATIONS ON CTL PLATE

Income-and-loss data for the U.S. mills on their CTL plate operations with allocated profit and loss of the tolling operations for the mill producers are presented in table VI-1² and figure VI-1; data on a per-short ton basis are shown in table VI-2. Selected financial data, by firms, are presented in table VI-3. The operating income margin increased from 2.2 percent in 1994 to 5.5 percent in 1995 and then declined to 4.5 percent in 1996. Operating income fell from 4.3 percent in January-March 1996 to 2.3 percent in January-March 1997.

From 1994 to 1995, the volume of total net sales in short tons decreased by 2.8 percent, and average selling price per short ton increased faster than the rise in the average cost of goods sold per short ton, resulting in higher gross profit and operating income. From 1995 to 1996, the volume of total net sales in short tons increased by 3.5 percent and average selling price per short ton declined slightly while average cost of goods sold and SG&A expenses remained steady, resulting in a 1.0 percentage point decline in the operating income margin.

From January-March 1996 to January-March 1997, the average selling price per short ton rose less than the increase in the average cost of goods sold and SG&A expenses per short ton, resulting in declining gross profit and operating income. During this period, the volume of total net sales in short tons dropped by 10.6 percent.

*** did not provide data on raw materials, direct labor, and other factory costs. Data of the other remaining firms are shown in the following tabulation (per short ton):

<u>Item</u>	<u>Fiscal year--</u>			<u>Jan.-Mar.--</u>	
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1996</u>	<u>1997</u>
Raw materials	\$159.70	\$161.62	\$162.09	\$160.32	\$160.44
Direct labor	62.27	65.12	68.40	65.58	69.01
Other factory costs	188.81	195.66	192.37	192.68	202.19

¹ U.S. steel mills and their fiscal year ends are ***. ***'s producer questionnaire data were verified by the Commission. This report reflects revisions made by these firms as a result of verification.

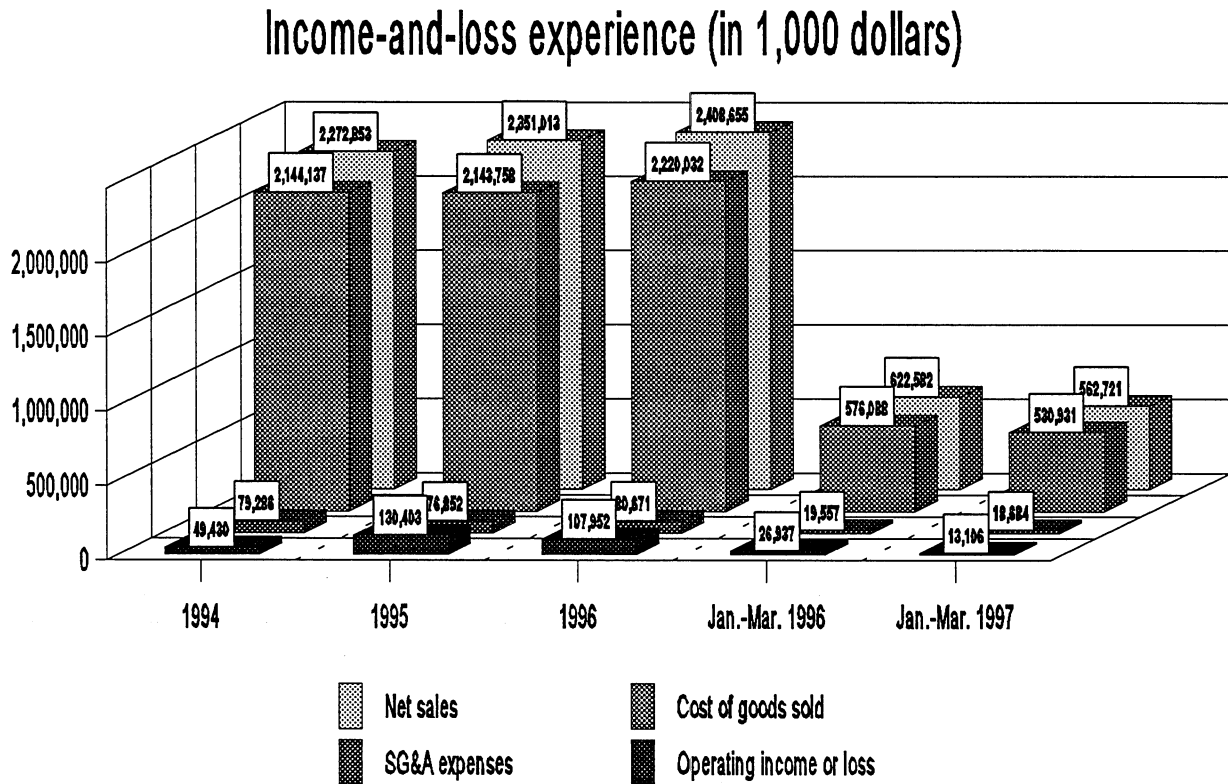
² Please refer to final working papers regarding consolidation for inclusion of allocated profit and loss data of tolling operations.

Table VI-1
Results of operations of U.S. mills in the production of CTL plate, fiscal years 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Fiscal year			Jan.-Mar.	
	1994	1995	1996	1996	1997
<i>Quantity (short tons)</i>					
Trade sales	4,777,454	4,808,536	5,011,882	1,315,741	1,167,429
Company transfers	433,226	253,746	229,465	57,446	60,703
Total sales	5,210,680	5,062,282	5,241,347	1,373,187	1,228,132
<i>Value (\$1,000)</i>					
Trade sales	2,091,307	2,235,830	2,301,836	595,431	534,012
Company transfers	181,546	115,183	106,819	27,151	28,709
Total sales	2,272,853	2,351,013	2,408,655	622,582	562,721
Cost of goods sold	2,144,137	2,143,758	2,220,032	576,088	530,931
Gross profit	128,716	207,255	188,623	46,494	31,790
SG&A expenses	79,286	76,852	80,671	19,557	18,684
Operating income or (loss)	49,430	130,403	107,952	26,937	13,106
Interest expense	37,898	45,964	49,903	14,345	11,409
Other expense	9,974	20,672	11,860	2,349	1,375
Other income items	1,967	2,239	4,950	492	578
Net income or (loss)	3,525	66,006	51,139	10,735	900
Depreciation/amortization	97,656	107,820	112,901	29,125	29,205
Cash flow	101,181	173,826	164,040	39,860	30,105
<i>Ratio to net sales (percent)</i>					
Cost of goods sold	94.3	91.2	92.2	92.5	94.4
Gross profit	5.7	8.8	7.8	7.5	5.6
SG&A expenses	3.5	3.3	3.3	3.1	3.3
Operating income or (loss)	2.2	5.5	4.5	4.3	2.3
Net income or (loss)	0.2	2.8	2.1	1.7	0.2
<i>Number of firms reporting</i>					
Operating losses	4	4	4	4	3
Data	13	13	13	13	12
<p>Note: *** had no sales of CTL plate in January-March 1997.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires.</p>					

Figure VI-1

CTL plate: U.S. mills' net sales, cost of goods sold, SG&A expenses, and operating income or loss, fiscal years 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997



Source: Table VI-1.

Item	Fiscal year			Jan.-Mar.	
	1994	1995	1996	1996	1997
Net sales	\$436.19	\$464.42	\$459.55	\$453.38	\$458.19
Cost of goods sold	411.49	423.48	423.56	419.53	432.31
Gross profit	24.70	40.94	35.99	33.86	25.88
SG&A expenses	15.22	15.18	15.39	14.24	15.21
Operating income or (loss)	9.49	25.76	20.60	19.62	10.67

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

Table VI-3
Results of operations of U.S. mills in the production of CTL plate, by firms, fiscal years 1994-96,
Jan.-Mar. 1996, and Jan.-Mar. 1997

	*	*	*	*	*	*	*
	*	*	*	*	*	*	*3 4 5
	*	*	*	*	*	*	*6 7 8

The variance analysis for the 13 U.S. mills is presented in table VI-4. The information for this variance analysis is derived from table VI-1. Export sales were minor and averaged less than 2 percent of total shipments in short tons during the period of investigation. Company transfers were about 8 percent of total shipments in short tons in 1994 and were 5 percent or less since 1995. The variance analysis provides an assessment of changes in profitability as related to changes in pricing, costs, and volume. This analysis is more effective when the product involved is a homogeneous product with no variation in product mix. Some of the producers at the conference mentioned that their product mix did not change during the period of investigation. Petitioners' counsel stated at the conference that "our estimates are that commodity sizes and grades represent approximately 80 percent of the U.S. cut-to-length carbon plate market."⁹ The analysis shows that the increase in operating income from 1994 to 1996 is attributable to the higher favorable price and net volume variance compared to unfavorable net cost/expense variance, and the decline in operating income from January-March 1996 to January-March 1997 is attributable to the higher unfavorable net cost/expense and net volume variance compared to favorable price variance.

3 ***.

4 ***.

5 ***.

6 ***.

7 ***.

8 ***.

⁹ *Conference Transcript*, p. 55.

Table VI-4
Variance analysis for CTL plate operations of U.S. mills, fiscal years 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Fiscal year			Jan.-Mar.
	1994-96	1994-95	1995-96	1996-97
Value (\$1,000)				
Trade sales:				
Price variance	107,909	130,917	(28,544)	5,699
Volume variance	102,620	13,606	94,550	(67,118)
Total trade sales variance	210,529	144,523	66,006	(61,419)
Company transfers:				
Price variance	10,660	8,849	2,658	19
Volume variance	(85,387)	(75,212)	(11,022)	1,539
Total transfer variance	(74,727)	(66,363)	(8,364)	1,558
Total net sales:				
Price variance	122,425	142,890	(25,519)	5,905
Volume variance	13,377	(64,730)	83,161	(65,766)
Total net sales variance	135,802	78,160	57,642	(59,861)
Cost of sales:				
Cost variance	(63,276)	(60,685)	(444)	(15,697)
Volume variance	(12,619)	61,064	(75,830)	60,854
Total cost variance	(75,895)	379	(76,274)	45,157
Gross profit variance	59,907	78,539	(18,632)	(14,704)
SG&A expenses:				
Expense variance	(918)	176	(1,101)	(1,193)
Volume variance	(467)	2,258	(2,718)	2,066
Total SG&A variance	(1,385)	2,434	(3,819)	873
Operating income variance	58,522	80,973	(22,451)	(13,831)
Summarized as:				
Price variance	122,425	142,890	(25,519)	5,905
Net cost/expense variance	(64,194)	(60,509)	(1,545)	(16,890)
Net volume variance	291	(1,408)	4,613	(2,845)
Note: Unfavorable variances are shown in parentheses; all others are favorable.				
Source: Compiled from data submitted in response to Commission questionnaires.				

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

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment for CTL operations are shown in table VI-5. *** did not supply these data. *** reported zero capital expenditures. R&D expenses were incurred by six firms--***. ***.

Table VI-5					
Value of assets, capital expenditures, and R&D expenses of U.S. mills producing CTL plate, fiscal years 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997					
Item	Fiscal year			Jan.-Mar.	
	1994	1995	1996	1996	1997
Value (\$1,000)					
Capital expenditures	300,479	308,056	188,940	47,575	34,042
R&D expenses	5,362	5,278	7,925	2,077	1,959
Fixed assets:					
Original cost	1,602,624	1,692,779	1,775,054	1,789,845	1,743,677
Book value	638,253	693,554	725,567	727,554	688,647
Source: Compiled from data submitted in response to Commission questionnaires.					

CAPITAL AND INVESTMENT

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of CTL plate from China, Russia, South Africa, and/or Ukraine on their firms' growth, investment, and ability to raise capital or development and production efforts (including efforts to develop a derivative or more advanced version of the product). Their responses are shown in appendix H.

PART VII: THREAT CONSIDERATIONS

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

THE INDUSTRY IN CHINA

The Petition listed 10 firms believed to produce plate in China,¹ combined with estimates of the number of plate mills in China (believed to be 22) and plate production in China (estimated to be 8.6 million tons).² The Commission requested information and data on the Chinese industry from the U.S. Embassy in Beijing³ and from counsel representing Chinese producers and exporters. Counsel on behalf of the Chinese Respondents provided complete data for 12 mills, believed to account for approximately two-thirds of Chinese CTL plate production and about 90 percent of such exports to the United States.⁴ Accordingly, the data presented in table VII-1 are for Anshan Iron & Steel Complex; Anyang Iron & Steel (Group) Co., Ltd.; Baoshan Iron & Steel Corp.; Chongqing Iron & Steel Co.; Jinan Iron & Steel Group Corp.; Kunming Iron & Steel Corp.; Nanjing Iron & Steel Works; Shanghai Pudong Iron & Steel (Group) Co., Ltd.; Shaoguan Iron & Steel Corp. Ltd.; Taiyun Iron & Steel Co.; Tianjin Tiandun Co., Ltd.; and Wuhan Iron & Steel Co.

CTL plate accounted for between 3.0 and 50.0 percent of total sales for reporting Chinese mills in their most recent fiscal years. Several mills reported producing plate products "other than CTL plate" on the same equipment used to produce CTL plate, including alloy, low-alloy, shipbuilding, high-grade structural, and pressure vessel plate.⁵ Four mills reported increased capacity between 1994 and (projected) 1998, while one reported plans to curtail capacity. Chinese CTL plate export markets include East Asia, Southeast Asia, Europe, and North America. Chinese CTL plate is currently subject to an antidumping finding in Canada.

Table VII-1

CTL plate: China's capacity, production, capacity utilization, inventories, and shipments, 1994-96, Jan.-Mar. 1996, Jan.-Mar. 1997, and projections for 1997-98

* * * * *

¹ *Petition, Vol. I (China)*, p. 16, fn. 21.

² The estimate of plate mills appears in "Chinese Steel & Metals" in *MBM*, Dec. 1994, p. 17, while the production estimate appears in "Biggest Medium to Thick Steel Plate Production Base Operational" in the *Shanghai Economic Daily* (AsiaInfo Daily News Service), July 11, 1996. Both articles appear in *Petitioners' Postconference Brief*, exh. 19.

³ The U.S. Embassy in Beijing did not acknowledge the Commission's request for information.

⁴ The Ministry of Metallurgical Industry in China provided data indicating that eight additional mills in China produced but did not export to the United States *** metric tons (***) short tons) of CTL plate in 1996. Letter from Counsel for the Chinese Respondents, Oct. 22, 1997. Exports to the United States do not include CTL plate exported by Liaoning (***) in 1996) and two other trading companies (***) in 1996). Telephone interview with ***.

⁵ The Commission requested additional information regarding several of the products which, based on the terms used to describe them, are covered by Commerce's scope language. Counsel reported that certain of these products are, in fact, included in the aggregate Chinese industry data. Letter from Counsel for the Chinese Respondents, Oct. 6, 1997.

THE INDUSTRY IN RUSSIA

The Petition listed 13 firms believed to produce CTL plate in Russia.⁶ The Commission requested information and data on the Russian industry from the U.S. Embassy in Moscow and from counsel representing Severstal, Nosta, Magnitogorsk, and Novolipetsk. The information and data in this section are drawn from the data provided by the counsels for the Russian Respondents and presented in table VII-2.

Table VII-2
CTL plate: Russia's capacity, production, capacity utilization, inventories, and shipments, 1994-96, Jan.-Mar. 1996, Jan.-Mar. 1997, and projections for 1997-98

* * * * *

Severstal,⁷ Nosta, Magnitogorsk, and Novolipetsk reportedly account for *** percent of Russian CTL plate production and virtually all Russian exports to the United States.⁸ CTL plate accounted for *** percent, respectively, of these firms' total sales in their most recent fiscal year. In addition to CTL plate, Severstal, Novolipetsk, and Magnitogorsk all produce hot-rolled sheets and coiled plate (together accounting for *** of each mill's sales) on the same equipment used to produce CTL plate. At the end of 1994, Severstal ***; neither that company nor any of the others reported any further plans to expand or curtail capacity.

The Russian mills reportedly market plate exports to the United States through trading companies. In addition to the United States, primary export markets include Southeast Asia and Western Europe. CTL plate exported from Russia is subject to an antidumping finding in Canada, faces quantitative restrictions in the European Union,⁹ and is currently the subject of antidumping investigations in Mexico and Indonesia.

THE INDUSTRY IN SOUTH AFRICA

Two South African firms reported production and exports to the United States of CTL plate: Highveld and ISCOR. Data on Highveld's and ISCOR's production and shipments of CTL plate were submitted by counsel in response to the Commission's foreign producer questionnaire and are presented in table VII-3.

⁶ *Petition, Vol. I (Russia)*, p. 16, fn. 21.

⁷ Based on 1995 and 1996 shipments, Severstal believes itself to be the largest rolled stock producer in Russia. *Russian Respondents' Prehearing Brief*, p. 2.

⁸ Counsels for the Russian Respondents assert that these four mills are the only Russian mills with the capacity to produce CTL plate to ASTM standards and at a quality that may be sold in the United States. One Russian mill, Volgograd, has the capacity to produce CTL plate to ASTM specifications, but traditionally has produced plate for *** applications. Six other Russian plate mills are described by Counsels as "structurally incapable of producing CTL plate to ASTM standards" and therefore unable to export to the U.S. market. *Russian Respondents' Prehearing Brief*, p. 15 and fn. 34.

⁹ Counsel for Severstal notes that three EU quota categories contain HTS numbers included within the scope of these investigations, SA1 (coils); SA2 (heavy plate); and SA3 (other flat-rolled products); and that the three categories "have a combined quota of 294,087 (short) tons in 1997 increasing annually to 332,535 (short) tons in 2001, the last year of the agreement." *Severstal's Posthearing Brief*, p. 8. The large majority of this quota is for category SA1 (coils); the quota for category SA2 (heavy plate) increases from 31,115 metric tons (34,298 short tons) in 1997 to 35,183 metric tons (38,782 short tons) in 2001. *Ibid.*, pp. 14 and 15.

Table VII-3

CTL plate: South Africa's capacity, production, capacity utilization, inventories, and shipments, 1994-96, Jan.-Mar. 1996, Jan.-Mar. 1997, and projections for 1997-98

* * * * *

Highveld and ISCOR account for all South African CTL plate production and exports to the United States. CTL plate accounted for *** and *** percent of the firms' sales, respectively, in their most recent fiscal year. In addition to CTL plate, Highveld produces coiled plate (accounting for *** percent of the mill's sales) and coiled strip (accounting for *** percent) on the same equipment used to produce CTL plate, while ISCOR produces sheet in coil and floor plate (together accounting for *** percent of sales). ISCOR reported ***; Highveld reported *** plans to expand or curtail capacity.

In addition to the United States, primary export markets for the two South African mills include Asia, Israel, and Western Europe. The CTL plate exported by Highveld and ISCOR is subject to an antidumping finding in Canada, but faces no quantitative restrictions in the European Union.

THE INDUSTRY IN UKRAINE

The Petition listed 6 firms believed to produce CTL plate in Ukraine.¹⁰ The Commission requested information and data on the Ukrainian industry from the U.S. Embassy in Kiev and from counsel representing Alchevsk, Azovstal, and Ilyich. The information and data in this section are drawn from these sources and from the Ministry of Industrial Policy in Ukraine, and are presented in table VII-4.

Table VII-4

CTL plate: Ukraine's capacity, production, capacity utilization, inventories, and shipments, 1994-96, Jan.-Mar. 1996, Jan.-Mar. 1997, and projections for 1997-98

* * * * *

Data on the industry in Ukraine is limited to that provided by Azovstal and Ilyich, which reportedly account for over 75 percent Ukrainian CTL plate production and virtually all exports to the United States.¹¹ CTL plate accounted for *** and *** percent, respectively, of the two mills' total sales in their most recent fiscal year. In addition to CTL plate, *** also produces coiled plate and alloy steel (each accounting for *** percent of the mill's sales) on the same equipment used to produce CTL plate. Neither mill increased or decreased its capacity between 1994 and 1996. However, the Ukrainian market is reportedly experiencing a shift in the demand for steel products. Reflected in the projections for 1997 and 1998 are the expectations of increased home market demand for material inputs for use in pipe production.¹²

¹⁰ *Petition, Vol. I (Ukraine)*, p. 16, fn. 21.

¹¹ The U.S. Embassy in Kiev reported that two of the identified steel mills in Ukraine, ***, produce no CTL plate. According to the Ministry of Industrial Policy, three other mills have the capacity to produce CTL plate: ***. Of these three mills, with a combined capacity of ***. Letter from Sergei Grischenko, Deputy Minister of Industrial Policy, Oct. 27, 1997.

¹² Azovstal and Ilyich are participants in the Stal-Truby Gas Concern, in conjunction with, among others, the Khartsyzsk State Pipe Works. The concern's activities include coordination of activities in the conversion of slab to skelp to pipe. *Ukrainian Respondents' Posthearing Brief*, attachment 4. Counsel for the Ukrainians estimates that

(continued...)

Primary export markets for the mills include the United States, Russia, Asia, and Western Europe. Since 1994, CTL plate from Ukraine has been subject to an antidumping finding by Canada. Ukrainian exports face quotas in the European Union¹³ and are the subject of an antidumping investigation in Mexico.

U.S. IMPORTERS' INVENTORIES

Data on U.S. importers' inventories are presented in table VII-5. Many U.S. importers reported that they maintain no inventories of CTL plate in the United States and instead order from foreign suppliers on behalf of their customers. During the period for which data were collected, however, certain importers of CTL plate from each of the four countries subject to investigation (and from nonsubject countries as well) did hold inventories of imported product, the levels of which sometimes fluctuated noticeably.¹⁴

Table VII-5
CTL plate: End-of-period inventories of U.S. importers, by sources, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

* * * * *

In addition to inventories of CTL plate for which they are the importer of record, some distributing importers also purchase CTL plate from suppliers in the United States. Two firms, Ranger and Thyssen, were noted at the Commission's hearing.¹⁵ At the Commission's request, these firms reported their total inventories, regardless of source, which *** and *** between March 31, 1996, and March 31, 1997. The firms' end-of-period inventories of purchased CTL plate originating in the countries subject to these investigations, allocated solely on the volume of the firms' purchases of such products, are presented in the following tabulation (in short tons):

* * * * *

¹² (...continued)

"(t)his pipe and tube production, along with related production for oil facilities, is estimated to involve 400,000 tons of plate annually for the next four years." *Hearing Transcript*, p. 198.

¹³ The quota for the products noted in the discussion of the Russian industry will increase from 145,932 metric tons (160,861 short tons) in 1997 to 165,010 metric tons (181,891 short tons) in 2001. The heavy plate quota will increase from 102,707 metric tons (113,214 short tons) in 1997 to 116,135 metric tons (128,016 short tons) in 2001. *European Commission and Ukraine Reach New Steel Agreement*, Brussels, Mar. 20, 1997. According to Counsel for the Ukrainian Respondents, the agreement "does not impose quotas on plates used for ship building, drilling industries, and off-shore oil platforms which are major uses of Ukrainian plate. This effectively allows unlimited Ukrainian carbon steel plate into the EU. As a result of these broad exemptions, exports of carbon steel plate to the EU last year exceeded the nominal quota for these products by over one hundred thousand metric tons." *Hearing Transcript*, p. 198.

¹⁴ Inventories of CTL plate from *** reflect the allocation of inventories of direct imports held by stocking distributor ***, which was unable to provide actual data for inventories of CTL plate for which it was the importer of record. According to ***, the firm does not keep such records because its customers simply "want to buy steel," and so there is no need to maintain inventory records that distinguish product by country of origin. The firm's inventory of CTL plate, sourced from ***, must meet ASTM specifications. Interview with and correspondence from ***, July 11, 1997, and Nov. 3, 1997, respectively.

¹⁵ *Hearing Transcript*, pp. 251-255.

U.S. IMPORTERS' CURRENT ORDERS

In its questionnaire, the Commission asked firms to report future contracts for importing CTL plate from the countries subject to investigation after March 31, 1997. Responding importers reported placing orders for 44,798 short tons of CTL plate from the four countries subject to investigation for delivery between April and July: 16,087 short tons of CTL plate from China; 16,592 short tons from Russia; 3,643 short tons from South Africa; and 8,476 short tons from Ukraine.

APPENDIX A

FEDERAL REGISTER NOTICES

**INTERNATIONAL TRADE
COMMISSION**

**[Investigations Nos. 731-TA-753-756
(Final)]**

**Certain Carbon Steel Plate From China,
Russia, South Africa, and Ukraine**

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-753-756 (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 China, Russia, South Africa, and Ukraine of certain carbon steel plate,¹ provided for in provisions of headings 7208 through 7212 of the Harmonized Tariff Schedule of the United States (HTS).²

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: June 10, 1997.

¹ For the purposes of these investigations, certain carbon steel plate is hot-rolled iron and nonalloy steel universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated, nor coated with metal, and whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and nonalloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, and whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included in this definition are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been bevelled or rounded at the edges. Excluded from this definition are plates that are characterized as grade X-70 plates.

² Certain carbon steel plate is currently covered by the following statistical reporting numbers of the HTS: 7208.40.3030; 7208.40.3060; 7208.51.0030; 7208.51.0045; 7208.51.0060; 7208.52.0000; 7208.53.0000; 7208.90.0000; 7210.70.3000; 7210.90.9000; 7211.13.0000; 7211.14.0030; 7211.14.0045; 7211.90.0000; 7212.40.1000; 7212.40.5000; and 7212.50.0000.

FOR FURTHER INFORMATION CONTACT:

Douglas Corkran or Vera Libeau (202-205-3177 or 202-205-3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov> or <ftp://ftp.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 certain carbon steel plate from China, Russia, South Africa, and Ukraine 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 November 5, 1996, by Geneva Steel Co., Provo, UT, and Gulf States Steel, Inc., Gadsden, AL.

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 August 15, 1997, 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 August 28, 1997, 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 August 20, 1997. 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 August 25, 1997, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written Submissions

Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is August 22, 1997. 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 September 5, 1997; 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 September 5, 1997. On September 24, 1997, 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 September 26, 1997, 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.

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

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

Issued: June 20, 1997.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 97-16675 Filed 6-24-97; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

**[Investigations Nos. 731-TA-753-756
(Final)]**

**Certain Carbon Steel Plate From China,
Russia, South Africa, and Ukraine**

AGENCY: United States International
Trade Commission.

ACTION: Revised schedule for the subject
investigations.

EFFECTIVE DATE: August 13, 1997.

FOR FURTHER INFORMATION CONTACT:
Douglas Corkran (202-205-3177), 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> or <ftp://ftp.usitc.gov>).

SUPPLEMENTARY INFORMATION: Effective June 10, 1997, the Commission established a schedule for the conduct of the final phase of the subject investigations (62 FR 34304, June 25, 1997). Subsequently, the Department of Commerce extended the date for its final determinations in the investigations involving China, Ukraine, and Russia from August 18, 1997, to October 24, 1997 (62 FR 40500, July 29, 1997; 62 FR 41927, August 4, 1997; and 62 FR 42746, August 8, 1997), conforming the date for its final determinations in these investigations with that for its investigation involving South Africa (62 FR 31963, June 11, 1997). The Commission, therefore, is revising its schedule to conform with Commerce's new schedules.

The Commission's new schedule for the investigations is as follows: the prehearing staff report will be placed in the nonpublic record on October 15, 1997; requests to appear at the hearing and prehearing briefs must be filed with the Secretary to the Commission not later than October 22, 1997; the prehearing conference will be held at the U.S. International Trade Commission Building at 9:30 a.m. on October 24, 1997; the hearing will be held at the U.S. International Trade Commission Building at 9:30 a.m. on October 28, 1997; the deadline for filing posthearing briefs is November 5, 1997; the Commission will make its final release of information on November 21, 1997; and final party comments are due on November 25, 1997.

For further information concerning these investigations see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207), as amended in 61 FR 37818, July 22, 1996.

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

Issued: August 14, 1997.

By order of the Commission.
Donna R. Koehnke,
Secretary.
[FR Doc. 97-22055 Filed 8-19-97; 8:45 am]
BILLING CODE 7020-02-P

Commerce's notices regarding its suspension agreements, continuation of investigations, and final affirmative LTFV determinations on CTL plate from China, Russia, South Africa, and Ukraine, were published in the *Federal Register* on November 19 and 20, 1997:

Suspension agreement with China (62 FR 61773, Nov. 19, 1997)
Suspension agreement with Russia (62 FR 61780, Nov. 19, 1997)
Suspension agreement with South Africa (62 FR 61751, Nov. 19, 1997)
Suspension agreement with Ukraine (62 FR 61766, Nov. 19, 1997)
Continuation of investigation and final determination regarding China (62 FR 61964, Nov. 20, 1997)
Continuation of investigation and final determination regarding Russia (62 FR 61787, Nov. 19, 1997)
Continuation of investigation and final determination regarding South Africa (62 FR 61731, Nov. 19, 1997)
Continuation of investigation and final determination regarding Ukraine (62 FR 61754, Nov. 19, 1997)

The terms of the agreements and the margins of sales at LTFV are summarized on page I-2 of this report.

APPENDIX B
LIST OF WITNESSES

CALENDAR OF THE HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing held in connection with the following investigations:

CERTAIN CARBON STEEL PLATE FROM CHINA, RUSSIA, SOUTH AFRICA, AND UKRAINE

Investigations Nos. 731-TA-753-756 (Final)

October 28, 1997 - 9:30 am

The conference was held in Room 101 (Main Hearing Room) of the United States International Trade Commission Building, 500 E Street, SW, Washington, DC.

IN SUPPORT OF THE IMPOSITION OF ANTIDUMPING DUTIES:

Schagrin Associates
Washington, DC
on behalf of

Geneva Steel
Gulf States Steel

Robert Grow, President and COO, Geneva Steel
Richard D. Clayton, Senior Vice President Marketing and Sales,
Geneva Steel
Ken Johnsen, Vice President and General Counsel, Geneva Steel
Phil Jones, Vice President, Marketing, Geneva Steel
Dennis Nolen, Director of Marketing and Sales, Geneva Steel
John Lefler, President and CEO, Gulf States Steel
John Duncan, Vice President and General Manager,
Flat-rolled Products, Gulf States Steel
Lester Bridges, Senior Manager, Marketing, Gulf States Steel
Dr. Robert Blecker, Professor, American University
Dr. Robert Scott, Economist, Economic Policy Institute
Tom Ballou, Director, Flat-rolled Products, O'Neal Steel
Mervyn Pregulman, Vice Chairman, Siskin Steel & Aluminum
Leo O'Donnell, President, Leeco Steel
Don Steiler, Consultant, A.M. Castle

Roger B. Schagrin)
R. Alan Luberda)--OF COUNSEL
John C. Steinberger)

IN SUPPORT OF THE IMPOSITION OF ANTIDUMPING DUTIES -- Continued:

Panel 2

Dewey Ballantine LLP
Washington, DC
on behalf of

Bethlehem Steel Corp.

Richard B. Cochran, Jr., Marketing Manager, Plate Products,
Bethlehem Steel Corp.

Susan B. Hester, Economist, Dewey Ballantine LLP

Michael H. Stein--OF COUNSEL

Skadden, Arps, Slate, Meagher & Flom LLP
Washington, DC
on behalf of

U.S. Steel Group, Unit of USX Corp. ("U.S. Steel")

Chris Navetta, General Manager, Plate Products, U.S. Steel

Stephen J. Narkin--OF COUNSEL

Panel 3

United Steelworkers of America ("USWA"), Pittsburgh, PA

George Becker, President, USWA

Carl B. Frankel, General Counsel, USWA

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES:

Panel 1

Powell, Goldstein, Frazer & Murphy LLP
Washington, DC
on behalf of

Joint Respondents

Kenneth R. Button, Senior Vice President, Economic Consulting Services, Inc.
Jennifer Lutz, Economist, Economic Consulting Services, Inc.

Peter O. Suchman)
Elizabeth C. Hafner)--OF COUNSEL

Panel 2

Dorsey & Whitney LLP
Washington, DC
on behalf of

Highveld Steel and Vanadium Corp. Limited (“Highveld”)

Jeffrey A. Chegwidden, General Manager, Marketing, Highveld
Robert A. Moore, Vice President, Newco Steel Trading, Inc.

John B. Rehm)
Phillippe M. Bruno)--OF COUNSEL

Adduci, Mastriani & Schaumberg LLP
Washington, DC
on behalf of

Iscor Limited

Thinus Jacobsz, Senior Counsel, Iscor Limited
John Lecky, Vice President, Macsteel International

Marcela B. Stras--OF COUNSEL

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES -- Continued:

Panel 3

Aitken Irvin Lewin Berlin Vrooman & Cohn LLP
Washington, DC
on behalf of

Azovstal Iron and Steel Works
Illyich Iron and Steel Works
Alchevsk
Ministry of Industrial Policy

Bruce Aitken)
Martin J. Lewin)--OF COUNSEL

Embassy of Ukraine, Washington, DC

Igor G. Gaiduchok, Head, Trade and Economic Mission
Volodymyr G. Khrebet, Deputy Head, Trade and Economic Mission

Panel 4

Shearman and Sterling
Washington, DC
on behalf of

Chinese Producers

Sun Tai Lai, Manager, International Economic and
Trading Corp., Wugang Group
Zhao Zhikang, Vice Director, Ministry of Metallurgical Industry
Chen Lianying, Deputy Director, China Chamber of Commerce
of Metals, Minerals & Chemicals
Jiang Haijun, Director, Angang Group International Trade Corp.
Hu Xiao Dong, Sales Manager, Baosteel Group International
Trade Corp.
Zhang Zhen An, Export Division Manager, Shanghai
Pudong Iron and Steel Group
Joshua Strauss, International Trade Specialist, Shearman and Sterling

Thomas B. Wilner)
Jeffrey M. Winton)
Michael J. Chapman)--OF COUNSEL
Mary Jane Bingham)
Roopal Shah)

IN OPPOSITION TO THE IMPOSITION OF ANTIDUMPING DUTIES -- Continued:

Panel 5

Powell, Goldstein, Frazer & Murphy LLP
Washington, DC
on behalf of

JSC Severstal

Peter O. Suchman)
Elizabeth C. Hafner)--OF COUNSEL

O'Melveny & Myers LLP
Washington, DC
on behalf of

Novolipetsk Iron and Steel Corp.
Magnitogorsk Iron and Steel Works Combine
JSC NOSTA (Orsk-Khalilov Integrated Iron-Steel Works)

Gary N. Horlick--OF COUNSEL

APPENDIX C
SUMMARY DATA

The following tables summarize the data collected by the Commission in the final phase of its investigations on CTL plate from China, Russia, South Africa, and Ukraine. Table C-1 presents data on a “like product” consisting of CTL plate and an industry defined as U.S. mills (including toll processors). This table corresponds to the like product and industry determinations of the Commission in the preliminary phase of these investigations. Petitioners have argued that these are the appropriate “like product” and industry determinations.¹ Table C-2 presents data on a “like product” consisting of CTL plate and certain coiled plate² and an industry defined as U.S. mills (including toll processors), while table C-3 presents data on a “like product” consisting of CTL plate and coiled plate and an industry defined as U.S. mills (including toll processors).

Table C-4 presents data on a “like product” consisting of CTL plate and an industry defined as U.S. mills and U.S. processors, while table C-4a presents data on a “like product” consisting of CTL plate and an industry defined as U.S. mills and U.S. processors of *domestically produced* coils. Chinese, Russian, and Ukrainian Respondents have argued that at least the latter are the appropriate “like product” and industry determinations.³

Table C-5 presents data on a “like product” consisting of CTL plate and certain coiled plate and an industry defined as U.S. mills and U.S. processors, while table C-5a presents data on a “like product” consisting of CTL plate and certain coiled plate and an industry defined as U.S. mills and U.S. processors of *domestically produced* coils. Chinese, Russian, and Ukrainian Respondents have argued that the latter provide the appropriate basis for analysis of employment and financial data. Table C-6 presents data on a “like product” consisting of CTL plate and coiled plate and an industry defined as U.S. mills and U.S. processors. South African Respondents argue in favor of defining the domestic market in terms of CTL plate and coiled plate (including plate cut from coil).⁴

¹ *Hearing Transcript*, p. 18.

² Certain coiled plate is a subset of coiled carbon steel plate, produced to the same specifications, chemistries, or widths as cut-to-length carbon steel plate and generally shipped to processors, service centers, or distributors; it includes carbon steel plate in coil form (1) produced to such specifications as ASTM A36, A570, A572, A709, A588, A283, PVQ A516, A573, A455, and ABS grades, or chemical or proprietary equivalents to those specifications, or (2) produced to standard discrete plate widths such as 48, 60, 84, 96, 108, or 120 inches. Certain coiled plate approximates plate produced in coil form and then shipped to service centers to be cut to length.

³ *Joint Respondents’ Prehearing Brief*, pp. 2-3. The Chinese, Russian, and Ukrainian Respondents took no position on whether to include coiled plate or, initially, plate cut from imported coils in the domestic like product. *Ibid.*, p. 2 at fn. 4 and p. 7 at fn. 25. However, in their answers to Commissioners’ questions, Counsel for the Joint Respondents argue that CTL plate cut from imported coil should be included in the domestic like product. *Joint Respondents’ Posthearing Brief*, attachment A, p. 1.

⁴ *South African Prehearing Brief*, p. 11.

Table C-1

CTL plate from U.S. mills: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
				1996	1997				
U.S. consumption quantity:									
Amount	6,558,172	6,316,070	7,017,245	1,669,658	1,820,251	7.0	-3.7	11.1	9.0
Producers' share (1)	79.4	78.6	74.6	81.3	67.0	-4.8	-0.8	-4.0	-14.4
Importers' share (1):									
China (subject)	0.1	2.9	4.3	2.9	8.4	4.2	2.7	1.4	5.6
Russia (subject)	3.5	3.7	3.6	3.4	5.5	0.1	0.2	-0.1	2.1
South Africa (subject)	1.8	0.9	1.2	0.9	0.2	-0.6	-0.9	0.3	-0.7
Ukraine (subject)	4.5	7.9	8.9	7.4	9.5	4.4	3.4	1.0	2.0
Subtotal	9.9	15.4	18.0	14.6	23.6	8.1	5.5	2.6	9.0
Other sources	10.7	6.0	7.4	4.1	9.5	-3.3	-4.7	1.4	5.4
Total imports	20.6	21.4	25.4	18.7	33.0	4.8	0.8	4.0	14.4
U.S. consumption value:									
Amount	2,794,984	2,874,579	3,093,454	744,768	783,280	10.7	2.8	7.6	5.2
Producers' share (1)	81.1	80.3	77.5	82.6	71.2	-3.6	-0.8	-2.8	-11.4
Importers' share (1):									
China (subject)	0.1	2.2	3.4	2.3	6.6	3.3	2.1	1.3	4.4
Russia (subject)	2.5	2.7	2.5	2.5	4.5	(2)	0.2	-0.2	2.0
South Africa (subject)	1.5	0.8	1.0	0.8	0.2	-0.5	-0.7	0.2	-0.7
Ukraine (subject)	3.3	6.3	7.0	6.0	7.4	3.7	3.0	0.8	1.4
Subtotal	7.4	12.0	14.0	11.6	18.7	6.7	4.6	2.1	7.1
Other sources	11.5	7.7	8.5	5.8	10.1	-3.0	-3.8	0.8	4.3
Total imports	18.9	19.7	22.5	17.4	28.8	3.6	0.8	2.8	11.4
U.S. imports from:									
China (subject):									
Quantity	8,639	181,737	301,652	47,843	153,352	(3)	(3)	66.0	220.5
Value	2,836	62,271	105,874	17,050	52,085	(3)	(3)	70.0	205.5
Unit value	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64	6.9	4.4	2.4	-4.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia (subject):									
Quantity	230,156	234,255	252,396	56,937	100,444	9.7	1.8	7.7	76.4
Value	69,556	78,164	78,514	18,455	34,905	12.9	12.4	0.4	89.1
Unit value	\$302.21	\$333.67	\$311.07	\$324.12	\$347.50	2.9	10.4	-6.8	7.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
South Africa (subject):									
Quantity	115,468	56,110	81,544	14,635	3,220	-29.4	-51.4	45.3	-78.0
Value	41,481	23,688	31,769	6,206	1,274	-23.4	-42.9	34.1	-79.5
Unit value	\$359.24	\$422.16	\$389.59	\$424.06	\$395.55	8.5	17.5	-7.7	-6.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Ukraine (subject):									
Quantity	295,775	500,266	627,796	124,192	172,421	112.3	69.1	25.5	38.8
Value	92,085	179,955	217,574	44,871	58,173	136.3	95.4	20.9	29.6
Unit value	\$311.33	\$359.72	\$346.57	\$361.30	\$337.39	11.3	15.5	-3.7	-6.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	650,038	972,368	1,263,389	243,607	429,437	94.4	49.6	29.9	76.3
Value	205,957	344,078	433,731	86,582	146,436	110.6	67.1	26.1	69.1
Unit value	\$316.84	\$353.86	\$343.31	\$355.42	\$341.00	8.4	11.7	-3.0	-4.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other sources:									
Quantity	701,627	378,226	520,807	67,966	172,081	-25.8	-46.1	37.7	153.2
Value	322,594	222,665	263,404	42,953	78,980	-18.3	-31.0	18.3	83.9
Unit value	\$459.78	\$588.71	\$505.76	\$631.97	\$458.97	10.0	28.0	-14.1	-27.4
All sources:									
Quantity	1,351,665	1,350,595	1,784,195	311,573	601,518	32.0	-0.1	32.1	93.1
Value	\$28,551	\$66,743	\$97,135	\$129,534	\$225,416	31.9	7.2	23.0	74.0
Unit value	\$391.04	\$419.62	\$390.73	\$415.74	\$374.74	-0.1	7.3	-6.9	-9.9

Continued on the following page.

Table C-1--Continued

CTL plate from U.S. mills: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
			1996	1997					
U.S. producers:									
Average capacity quantity	6,877,455	6,619,393	6,586,165	1,624,637	1,654,300	-4.2	-3.8	-0.5	1.8
Production quantity	5,312,473	5,094,064	5,289,550	1,370,297	1,247,872	-0.4	-4.1	3.8	-8.9
Capacity utilization (1)	77.2	77.0	80.3	84.3	75.4	3.1	-0.3	3.4	-8.9
U.S. shipments:									
Quantity	5,206,507	4,965,475	5,233,050	1,358,085	1,218,733	0.5	-4.6	5.4	-10.3
Value	2,266,433	2,307,836	2,396,319	615,234	557,864	5.7	1.8	3.8	-9.3
Unit value	\$435.31	\$464.78	\$457.92	\$453.02	\$457.74	5.2	6.8	-1.5	1.0
Export shipments:									
Quantity	75,884	115,861	70,101	21,204	16,074	-7.6	52.7	-39.5	-24.2
Value	35,033	55,376	34,731	10,271	8,007	-0.9	58.1	-37.3	-22.0
Unit value	\$461.67	\$477.95	\$495.44	\$484.39	\$498.13	7.3	3.5	3.7	2.8
Ending inventory quantity	269,785	282,600	271,880	275,461	285,148	0.8	4.8	-3.8	3.5
Inventories/total shipments (1)	5.1	5.6	5.1	5.0	5.8	(2)	0.5	-0.4	0.8
Production workers	6,979	6,860	7,173	7,338	6,854	2.8	-1.7	4.6	-6.6
Hours worked (1,000s)	15,586	15,555	16,121	4,155	3,799	3.4	-0.2	3.6	-8.6
Wages paid (\$1,000s)	324,514	335,692	350,059	89,429	83,639	7.9	3.4	4.3	-6.5
Hourly wages	\$20.82	\$21.58	\$21.71	\$21.52	\$22.02	4.3	3.6	0.6	2.3
Productivity (short tons per									
1,000 hours)	340.9	327.5	328.1	329.8	328.5	-3.7	-3.9	0.2	-0.4
Unit labor costs	\$61.09	\$65.90	\$66.18	\$65.26	\$67.03	8.3	7.9	0.4	2.7
Net sales:									
Quantity	5,210,680	5,062,282	5,241,347	1,373,187	1,228,132	0.6	-2.8	3.5	-10.6
Value	2,272,853	2,351,013	2,408,655	622,582	562,721	6.0	3.4	2.5	-9.6
Unit value	\$436.19	\$464.42	\$459.55	\$453.38	\$458.19	5.4	6.5	-1.0	1.1
Cost of goods sold (COGS)	2,144,137	2,143,758	2,220,032	576,088	530,931	3.5	(4)	3.6	-7.8
Gross profit or (loss)	128,716	207,255	188,623	46,494	31,790	46.5	61.0	-9.0	-31.6
SG&A expenses	79,286	76,852	80,671	19,557	18,684	1.7	-3.1	5.0	-4.5
Operating income or (loss)	49,430	130,403	107,952	26,937	13,106	118.4	163.8	-17.2	-51.3
Capital expenditures	300,479	308,056	188,940	47,575	34,042	-37.1	2.5	-38.7	-28.4
Unit COGS	\$411.49	\$423.48	\$423.56	\$419.53	\$432.31	2.9	2.9	(5)	3.0
Unit SG&A expenses	\$15.22	\$15.18	\$15.39	\$14.24	\$15.21	1.2	-0.2	1.4	6.8
Unit operating income or (loss)	\$9.49	\$25.76	\$20.60	\$19.62	\$10.67	117.1	171.5	-20.0	-45.6
COGS/sales (1)	94.3	91.2	92.2	92.5	94.4	-2.2	-3.2	1.0	1.8
Operating income or (loss)/ sales (1)	2.2	5.5	4.5	4.3	2.3	2.3	3.4	-1.1	-2.0

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Increase of less than 0.05 percentage point.

(3) Increase greater than 1,000 percent.

(4) Decrease of less than 0.05 percent.

(5) Increase of less than 0.05 percent.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of Commerce.

Table C-2

CTL plate and certain coiled plate from U.S. mills: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data			January-March		Period changes			Jan.-Mar.
	1994	1995	1996	1996	1997	1994-96	1994-95	1995-96	1996-97
U.S. consumption quantity:									
Amount	8,362,675	8,098,286	9,446,975	2,240,791	2,528,883	13.0	-3.2	16.7	12.9
Producers' share (1)	81.1	79.4	76.6	81.9	71.1	-4.6	-1.8	-2.8	-10.8
Importers' share (1):									
China (subject)	0.1	2.2	3.2	2.1	6.1	3.1	2.1	0.9	3.9
Russia (subject)	2.8	2.9	2.7	2.5	4.0	-0.1	0.1	-0.2	1.4
South Africa (subject)	1.4	0.7	0.9	0.7	0.1	-0.5	-0.7	0.2	-0.5
Ukraine (subject)	3.5	6.2	6.6	5.5	6.8	3.1	2.6	0.5	1.3
Subtotal	7.8	12.0	13.4	10.9	17.0	5.6	4.2	1.4	6.1
Other sources	11.1	8.6	10.0	7.2	11.9	-1.0	-2.5	1.4	4.7
Total imports	18.9	20.6	23.4	18.1	28.9	4.6	1.8	2.8	10.8
U.S. consumption value:									
Amount	3,423,208	3,508,822	3,896,743	931,512	1,020,646	13.8	2.5	11.1	9.6
Producers' share (1)	82.3	80.5	78.7	82.4	74.1	-3.6	-1.8	-1.8	-8.4
Importers' share (1):									
China (subject)	0.1	1.8	2.7	1.8	5.1	2.6	1.7	0.9	3.3
Russia (subject)	2.0	2.2	2.0	2.0	3.4	(2)	0.2	-0.2	1.4
South Africa (subject)	1.2	0.7	0.8	0.7	0.1	-0.4	-0.5	0.1	-0.5
Ukraine (subject)	2.7	5.1	5.6	4.8	5.7	2.9	2.4	0.5	0.9
Subtotal	6.0	9.8	11.1	9.3	14.3	5.1	3.8	1.3	5.1
Other sources	11.7	9.6	10.2	8.3	11.6	-1.5	-2.0	0.5	3.3
Total imports	17.7	19.5	21.3	17.6	25.9	3.6	1.8	1.8	8.4
U.S. imports from:									
China (subject):									
Quantity	8,639	181,737	301,652	47,843	153,352	(3)	(3)	66.0	220.5
Value	2,836	62,271	105,874	17,050	52,085	(3)	(3)	70.0	205.5
Unit value	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64	6.9	4.4	2.4	-4.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia (subject):									
Quantity	230,156	234,255	252,396	56,937	100,444	9.7	1.8	7.7	76.4
Value	69,556	78,164	78,514	18,455	34,905	12.9	12.4	0.4	89.1
Unit value	\$302.21	\$333.67	\$311.07	\$324.12	\$347.50	2.9	10.4	-6.8	7.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
South Africa (subject):									
Quantity	115,468	56,110	81,544	14,635	3,220	-29.4	-51.4	45.3	-78.0
Value	41,481	23,688	31,769	6,206	1,274	-23.4	-42.9	34.1	-79.5
Unit value	\$359.24	\$422.16	\$389.59	\$424.06	\$395.55	8.5	17.5	-7.7	-6.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Ukraine (subject):									
Quantity	295,775	500,266	627,796	124,192	172,421	112.3	69.1	25.5	38.8
Value	92,085	179,955	217,574	44,871	58,173	136.3	95.4	20.9	29.6
Unit value	\$311.33	\$359.72	\$346.57	\$361.30	\$337.39	11.3	15.5	-3.7	-6.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	650,038	972,368	1,263,389	243,607	429,437	94.4	49.6	29.9	76.3
Value	205,957	344,078	433,731	86,582	146,436	110.6	67.1	26.1	69.1
Unit value	\$316.84	\$353.86	\$343.31	\$355.42	\$341.00	8.4	11.7	-3.0	-4.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other imports:									
Quantity	927,103	697,911	949,356	162,233	301,951	2.4	-24.7	36.0	86.1
Value	398,941	338,591	395,700	77,014	118,210	-0.8	-15.1	16.9	53.5
Unit value	\$430.31	\$485.15	\$416.81	\$474.71	\$391.49	-3.1	12.7	-14.1	-17.5
All imports:									
Quantity	1,577,141	1,670,280	2,212,744	405,840	731,388	40.3	5.9	32.5	80.2
Value	604,898	682,669	829,431	163,596	264,647	37.1	12.9	21.5	61.8
Unit value	\$383.54	\$408.72	\$374.84	\$403.10	\$361.84	-2.3	6.6	-8.3	-10.2

Continued on the following page.

Table C-2--Continued

CTL plate and certain coiled plate from U.S. mills: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
U.S. producers':									
Average capacity quantity	8,845,137	8,690,308	9,153,310	2,244,435	2,368,162	3.5	-1.8	5.3	5.5
Production quantity	6,924,367	6,620,209	7,279,450	1,847,076	1,845,309	5.1	-4.4	10.0	-0.1
Capacity utilization (1)	78.3	76.2	79.5	82.3	77.9	1.2	-2.1	3.3	-4.4
U.S. shipments:									
Quantity	6,785,534	6,428,006	7,234,231	1,834,951	1,797,495	6.6	-5.3	12.5	-2.0
Value	2,818,310	2,826,153	3,067,312	767,916	755,999	8.8	0.3	8.5	-1.6
Unit value	\$415.34	\$439.66	\$424.00	\$418.49	\$420.58	2.1	5.9	-3.6	0.5
Export shipments:									
Quantity	84,842	149,921	75,339	21,602	17,574	-11.2	76.7	-49.7	-18.6
Value	38,180	66,445	36,513	10,413	8,507	-4.4	74.0	-45.0	-18.3
Unit value	\$450.01	\$443.20	\$484.65	\$482.04	\$484.07	7.7	-1.5	9.4	0.4
Ending inventory quantity	356,824	399,192	371,953	391,567	402,396	4.2	11.9	-6.8	2.8
Inventories/total shipments (1)	5.2	6.1	5.1	5.3	5.5	-0.1	0.9	-1.0	0.3
Production workers	7,765	7,575	8,049	8,200	7,886	3.7	-2.5	6.3	-3.8
Hours worked (1,000s)	17,171	16,996	17,899	4,582	4,316	4.2	-1.0	5.3	-5.8
Wages paid (\$1,000s)	356,776	365,535	388,647	99,393	95,441	8.9	2.5	6.3	-4.0
Hourly wages	\$20.78	\$21.51	\$21.71	\$21.69	\$22.11	4.5	3.5	1.0	1.9
Productivity (short tons per 1,000 hours)	403.3	389.5	406.7	403.1	427.6	0.8	-3.4	4.4	6.1
Unit labor costs	\$51.52	\$55.22	\$53.39	\$53.81	\$51.72	3.6	7.2	-3.3	-3.9
Net sales:									
Quantity	6,798,778	6,557,771	7,223,868	1,850,451	1,808,394	6.3	-3.5	10.2	-2.3
Value	2,830,451	2,877,404	3,073,282	775,406	761,356	8.6	1.7	6.8	-1.8
Unit value	\$416.32	\$438.78	\$425.43	\$419.04	\$421.01	2.2	5.4	-3.0	0.5
Cost of goods sold (COGS)	2,621,943	2,627,254	2,853,493	730,305	710,928	8.8	0.2	8.6	-2.7
Gross profit or (loss)	208,508	250,150	219,789	45,101	50,428	5.4	20.0	-12.1	11.8
SG&A expenses	101,943	100,493	115,970	26,990	28,162	13.8	-1.4	15.4	4.3
Operating income or (loss)	106,565	149,657	103,819	18,111	22,266	-2.6	40.4	-30.6	22.9
Capital expenditures	380,319	424,041	233,024	62,298	39,326	-38.7	11.5	-45.0	-36.9
Unit COGS	\$385.65	\$400.63	\$395.01	\$394.66	\$393.13	2.4	3.9	-1.4	-0.4
Unit SG&A expenses	\$14.99	\$15.32	\$16.05	\$14.59	\$15.57	7.1	2.2	4.8	6.8
Unit operating income or (loss)	\$15.67	\$22.82	\$14.37	\$9.79	\$12.31	-8.3	45.6	-37.0	25.8
COGS/sales (1)	92.6	91.3	92.8	94.2	93.4	0.2	-1.3	1.5	-0.8
Operating income or (loss)/ sales (1)	3.8	5.2	3.4	2.3	2.9	-0.4	1.4	-1.8	0.6

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Decrease of less than 0.05 percentage point.

(3) Increase greater than 1,000 percent.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of Commerce.

Table C-3

CTL plate and coiled plate from U.S. mills: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)					Period changes			
	Reported data					1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
	1994	1995	1996	January-March					
			1996	1997					
U.S. consumption quantity:									
Amount	12,952,144	12,526,366	15,100,541	3,409,743	3,988,126	16.6	-3.3	20.6	17.0
Producers' share (1)	83.4	83.9	80.9	88.3	76.9	-2.5	0.5	-3.0	-11.4
Importers' share (1):									
China (subject)	0.1	1.5	2.0	1.4	3.8	1.9	1.4	0.5	2.4
Russia (subject)	1.8	1.9	1.7	1.7	2.5	-0.1	0.1	-0.2	0.8
South Africa (subject)	0.9	0.4	0.5	0.4	0.1	-0.4	-0.4	0.1	-0.3
Ukraine (subject)	2.3	4.0	4.2	3.6	4.3	1.9	1.7	0.2	0.7
Subtotal	5.0	7.8	8.4	7.1	10.8	3.3	2.7	0.6	3.6
Other sources	11.6	8.3	10.7	4.6	12.4	-0.9	-3.3	2.4	7.8
Total imports	16.6	16.1	19.1	11.7	23.1	2.5	-0.5	3.0	11.4
U.S. consumption value:									
Amount	5,041,480	5,093,557	5,801,607	1,313,993	1,520,636	15.1	1.0	13.9	15.7
Producers' share (1)	84.2	84.2	82.2	87.7	78.8	-2.0	(2)	-2.0	-8.9
Importers' share (1):									
China (subject)	0.1	1.2	1.8	1.3	3.4	1.8	1.2	0.6	2.1
Russia (subject)	1.4	1.5	1.4	1.4	2.3	(3)	0.2	-0.2	0.9
South Africa (subject)	0.8	0.5	0.5	0.5	0.1	-0.3	-0.4	0.1	-0.4
Ukraine (subject)	1.8	3.5	3.8	3.4	3.8	1.9	1.7	0.2	0.4
Subtotal	4.1	6.8	7.5	6.6	9.6	3.4	2.7	0.7	3.0
Other sources	11.7	9.1	10.4	5.7	11.6	-1.4	-2.7	1.3	5.9
Total imports	15.8	15.8	17.8	12.3	21.2	2.0	(3)	2.0	8.9
U.S. imports from:									
China (subject):									
Quantity	8,639	181,737	301,652	47,843	153,352	(4)	(4)	66.0	220.5
Value	2,836	62,271	105,874	17,050	52,085	(4)	(4)	70.0	205.5
Unit value	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64	6.9	4.4	2.4	-4.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia (subject):									
Quantity	230,156	234,255	252,396	56,937	100,444	9.7	1.8	7.7	76.4
Value	69,556	78,164	78,514	18,455	34,905	12.9	12.4	0.4	89.1
Unit value	\$302.21	\$333.67	\$311.07	\$324.12	\$347.50	2.9	10.4	-6.8	7.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
South Africa (subject):									
Quantity	115,468	56,110	81,544	14,635	3,220	-29.4	-51.4	45.3	-78.0
Value	41,481	23,688	31,769	6,206	1,274	-23.4	-42.9	34.1	-79.5
Unit value	\$359.24	\$422.16	\$389.59	\$424.06	\$395.55	8.5	17.5	-7.7	-6.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
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Quantity	295,775	500,266	627,796	124,192	172,421	112.3	69.1	25.5	38.8
Value	92,085	179,955	217,574	44,871	58,173	136.3	95.4	20.9	29.6
Unit value	\$311.33	\$359.72	\$346.57	\$361.30	\$337.39	11.3	15.5	-3.7	-6.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	650,038	972,368	1,263,389	243,607	429,437	94.4	49.6	29.9	76.3
Value	205,957	344,078	433,731	86,582	146,436	110.6	67.1	26.1	69.1
Unit value	\$316.84	\$353.86	\$343.31	\$355.42	\$341.00	8.4	11.7	-3.0	-4.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other imports:									
Quantity	1,497,753	1,038,503	1,614,471	155,335	493,401	7.8	-30.7	55.5	217.6
Value	592,165	462,099	601,024	74,522	176,043	1.5	-22.0	30.1	136.2
Unit value	\$395.37	\$444.97	\$372.27	\$479.75	\$356.79	-5.8	12.5	-16.3	-25.6
All imports:									
Quantity	2,147,790	2,010,871	2,877,860	398,942	922,839	34.0	-6.4	43.1	131.3
Value	798,122	806,176	1,034,755	161,103	322,479	29.6	1.0	28.4	100.2
Unit value	\$371.60	\$400.91	\$359.56	\$403.83	\$349.44	-3.2	7.9	-10.3	-13.5

Continued on the following page.

Table C-3--Continued

CTL plate and coiled plate from U.S. mills: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
U.S. producers':									
Average capacity quantity	13,947,368	14,149,007	15,228,651	3,739,913	3,923,011	9.2	1.4	7.6	4.9
Production quantity	11,026,170	10,872,224	12,332,989	3,033,548	3,127,673	11.9	-1.4	13.4	3.1
Capacity utilization (1)	79.1	76.8	81.0	81.1	79.7	1.9	-2.2	4.1	-1.4
U.S. shipments:									
Quantity	10,804,354	10,515,495	12,222,681	3,010,801	3,065,287	13.1	-2.7	16.2	1.8
Value	4,243,358	4,287,381	4,766,852	1,152,890	1,198,157	12.3	1.0	11.2	3.9
Unit value	\$392.75	\$407.72	\$390.00	\$382.92	\$390.88	-0.7	3.8	-4.3	2.1
Export shipments:									
Quantity	126,411	325,130	102,276	42,113	19,825	-19.1	157.2	-68.5	-52.9
Value	51,592	121,004	44,067	15,744	9,299	-14.6	134.5	-63.6	-40.9
Unit value	\$408.13	\$372.17	\$430.86	\$373.85	\$469.05	5.6	-8.8	15.8	25.5
Ending inventory quantity	683,081	714,766	725,679	697,253	768,443	6.2	4.6	1.5	10.2
Inventories/total shipments (1)	6.2	6.6	5.9	5.7	6.2	-0.4	0.3	-0.7	0.5
Production workers	10,276	10,090	10,724	10,823	10,539	4.4	-1.8	6.3	-2.6
Hours worked (1,000s)	22,836	22,588	23,970	6,067	5,809	5.0	-1.1	6.1	-4.3
Wages paid (\$1,000s)	481,279	494,989	529,273	133,736	130,177	10.0	2.8	6.9	-2.7
Hourly wages	\$21.08	\$21.91	\$22.08	\$22.04	\$22.41	4.8	4.0	0.8	1.7
Productivity (short tons per									
1,000 hours)	482.8	481.3	514.5	500.0	538.4	6.6	-0.3	6.9	7.7
Unit labor costs	\$43.65	\$45.53	\$42.92	\$44.09	\$41.62	-1.7	4.3	-5.7	-5.6
Net sales:									
Quantity	10,825,222	10,854,909	12,173,934	3,046,812	3,078,437	12.5	0.3	12.2	1.0
Value	4,255,797	4,407,916	4,757,687	1,166,578	1,204,306	11.8	3.6	7.9	3.2
Unit value	\$393.14	\$406.08	\$390.81	\$382.88	\$391.21	-0.6	3.3	-3.8	2.2
Cost of goods sold (COGS)	3,918,514	4,051,231	4,485,426	1,128,014	1,129,001	14.5	3.4	10.7	0.1
Gross profit or (loss)	337,283	356,685	272,261	38,564	75,305	-19.3	5.8	-23.7	95.3
SG&A expenses	146,996	149,551	180,617	40,657	42,486	22.9	1.7	20.8	4.5
Operating income or (loss)	190,287	207,134	91,644	(2,093)	32,819	-51.8	8.9	-55.8	(5)
Capital expenditures	482,201	687,953	337,435	90,389	54,732	-30.0	42.7	-51.0	-39.4
Unit COGS	\$361.98	\$373.22	\$368.45	\$370.23	\$366.74	1.8	3.1	-1.3	-0.9
Unit SG&A expenses	\$13.58	\$13.78	\$14.84	\$13.34	\$13.80	9.3	1.5	7.7	3.4
Unit operating income or (loss)	\$17.58	\$19.08	\$7.53	(\$0.69)	\$10.66	-57.2	8.6	-60.5	(5)
COGS/sales (1)	92.1	91.9	94.3	96.7	93.7	2.2	-0.2	2.4	-2.9
Operating income or (loss)/ sales (1)	4.5	4.7	1.9	-0.2	2.7	-2.5	0.2	-2.8	2.9

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Increase of less than 0.05 percentage point.

(3) Decrease of less than 0.05 percentage point.

(4) Increase greater than 1,000 percent.

(5) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of Commerce.

Table C-4

CTL plate from U.S. mills and U.S. processors: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
			1996	1997					
U.S. consumption quantity:									
Amount	7,918,112	7,745,003	8,675,485	2,067,568	2,263,816	9.6	-2.2	12.0	9.5
Producers' share (1)	82.9	82.6	79.4	84.9	73.4	-3.5	-0.4	-3.1	-11.5
Importers' share (1):									
China (subject)	0.1	2.3	3.5	2.3	6.8	3.4	2.2	1.1	4.5
Russia (subject)	2.9	3.0	2.9	2.8	4.4	(2)	0.1	-0.1	1.7
South Africa (subject)	1.5	0.7	0.9	0.7	0.1	-0.5	-0.7	0.2	-0.6
Ukraine (subject)	3.7	6.5	7.2	6.0	7.6	3.5	2.7	0.8	1.6
Subtotal	8.2	12.6	14.6	11.8	19.0	6.4	4.3	2.0	7.2
Other sources	8.9	4.9	6.0	3.3	7.6	-2.9	-4.0	1.1	4.3
Total imports	17.1	17.4	20.6	15.1	26.6	3.5	0.4	3.1	11.5
U.S. consumption value:									
Amount	3,367,692	3,495,951	3,795,297	914,032	970,592	12.7	3.8	8.6	6.2
Producers' share (1)	84.3	83.8	81.6	85.8	76.8	-2.7	-0.5	-2.2	-9.1
Importers' share (1):									
China (subject)	0.1	1.8	2.8	1.9	5.4	2.7	1.7	1.0	3.5
Russia (subject)	2.1	2.2	2.1	2.0	3.6	(2)	0.2	-0.2	1.6
South Africa (subject)	1.2	0.7	0.8	0.7	0.1	-0.4	-0.6	0.2	-0.5
Ukraine (subject)	2.7	5.1	5.7	4.9	6.0	3.0	2.4	0.6	1.1
Subtotal	6.1	9.8	11.4	9.5	15.1	5.3	3.7	1.6	5.6
Other sources	9.6	6.4	6.9	4.7	8.1	-2.6	-3.2	0.6	3.4
Total imports	15.7	16.2	18.4	14.2	23.2	2.7	0.5	2.2	9.1
U.S. imports from:									
China (subject):									
Quantity	8,639	181,737	301,652	47,843	153,352	(3)	(3)	66.0	220.5
Value	2,836	62,271	105,874	17,050	52,085	(3)	(3)	70.0	205.5
Unit value	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64	6.9	4.4	2.4	-4.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia (subject):									
Quantity	230,156	234,255	252,396	56,937	100,444	9.7	1.8	7.7	76.4
Value	69,556	78,164	78,514	18,455	34,905	12.9	12.4	0.4	89.1
Unit value	\$302.21	\$333.67	\$311.07	\$324.12	\$347.50	2.9	10.4	-6.8	7.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
South Africa (subject):									
Quantity	115,468	56,110	81,544	14,635	3,220	-29.4	-51.4	45.3	-78.0
Value	41,481	23,688	31,769	6,206	1,274	-23.4	-42.9	34.1	-79.5
Unit value	\$359.24	\$422.16	\$389.59	\$424.06	\$395.55	8.5	17.5	-7.7	-6.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Ukraine (subject):									
Quantity	295,775	500,266	627,796	124,192	172,421	112.3	69.1	25.5	38.8
Value	92,085	179,955	217,574	44,871	58,173	136.3	95.4	20.9	29.6
Unit value	\$311.33	\$359.72	\$346.57	\$361.30	\$337.39	11.3	15.5	-3.7	-6.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	650,038	972,368	1,263,389	243,607	429,437	94.4	49.6	29.9	76.3
Value	205,957	344,078	433,731	86,582	146,436	110.6	67.1	26.1	69.1
Unit value	\$316.84	\$353.86	\$343.31	\$355.42	\$341.00	8.4	11.7	-3.0	-4.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other sources:									
Quantity	701,627	378,226	520,807	67,966	172,081	-25.8	-46.1	37.7	153.2
Value	322,594	222,665	263,404	42,953	78,980	-18.3	-31.0	18.3	83.9
Unit value	\$459.78	\$588.71	\$505.76	\$631.97	\$458.97	10.0	28.0	-14.1	-27.4
All sources:									
Quantity	1,351,665	1,350,595	1,784,195	311,573	601,518	32.0	-0.1	32.1	93.1
Value	528,551	566,743	697,135	129,534	225,416	31.9	7.2	23.0	74.0
Unit value	\$391.04	\$419.62	\$390.73	\$415.74	\$374.74	-0.1	7.3	-6.9	-9.9

Continued on the following page.

Table C-4--Continued

CTL plate from U.S. mills and U.S. processors: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
				1996	1997				
U.S. producers:									
Average capacity quantity	9,064,709	8,960,893	9,222,170	2,274,581	2,331,563	1.7	-1.1	2.9	2.5
Production quantity	6,676,099	6,532,841	6,942,185	1,772,024	1,696,015	4.0	-2.1	6.3	-4.3
Capacity utilization (1)	73.6	72.9	75.3	77.9	72.7	1.6	-0.7	2.4	-5.2
U.S. shipments:									
Quantity	6,566,447	6,394,408	6,891,290	1,755,995	1,662,298	4.9	-2.6	7.8	-5.3
Value	2,839,141	2,929,208	3,098,162	784,498	745,176	9.1	3.2	5.8	-5.0
Unit value	\$432.37	\$458.09	\$449.58	\$446.75	\$448.28	4.0	5.9	-1.9	0.3
Export shipments:									
Quantity	75,884	115,861	70,158	21,204	16,149	-7.5	52.7	-39.4	-23.8
Value	35,033	55,376	34,763	10,271	8,048	-0.8	58.1	-37.2	-21.6
Unit value	\$461.67	\$477.95	\$495.50	\$484.39	\$498.36	7.3	3.5	3.7	2.9
Ending inventory quantity	313,570	336,100	317,594	328,779	347,744	1.3	7.2	-5.5	5.8
Inventories/total shipments (1)	4.7	5.2	4.6	4.6	5.2	-0.2	0.4	-0.6	0.6
Production workers	7,489	7,383	7,778	7,908	7,474	3.9	-1.4	5.3	-5.5
Hours worked (1,000s)	16,596	16,667	17,332	4,464	4,135	4.4	0.4	4.0	-7.4
Wages paid (\$1,000s)	337,309	349,810	365,401	93,267	87,948	8.3	3.7	4.5	-5.7
Hourly wages	\$20.33	\$20.99	\$21.08	\$20.89	\$21.27	3.7	3.3	0.5	1.8
Productivity (short tons per 1,000 hours)									
Unit labor costs	\$50.52	\$53.55	\$52.63	\$52.63	\$51.86	4.2	6.0	-1.7	-1.5
Net sales:									
Quantity	6,344,407	6,280,227	6,711,412	1,718,903	1,612,314	5.8	-1.0	6.9	-6.2
Value	2,739,295	2,868,752	3,017,747	767,603	722,412	10.2	4.7	5.2	-5.9
Unit value	\$431.77	\$456.79	\$449.64	\$446.57	\$448.06	4.1	5.8	-1.6	0.3
Cost of goods sold (COGS)	2,556,592	2,604,129	2,758,843	704,008	672,729	7.9	1.9	5.9	-4.4
Gross profit or (loss)	182,703	264,623	258,904	63,595	49,683	41.7	44.8	-2.2	-21.9
SG&A expenses	103,858	104,941	116,090	27,640	27,834	11.8	1.0	10.6	0.7
Operating income or (loss)	78,845	159,682	142,814	35,955	21,849	81.1	102.5	-10.6	-39.2
Capital expenditures	315,323	325,170	206,476	57,180	34,757	-34.5	3.1	-36.5	-39.2
Unit COGS	\$402.97	\$414.66	\$411.07	\$409.57	\$417.24	2.0	2.9	-0.9	1.9
Unit SG&A expenses	\$16.37	\$16.71	\$17.30	\$16.08	\$17.26	5.7	2.1	3.5	7.4
Unit operating income or (loss)	\$12.43	\$25.43	\$21.28	\$20.92	\$13.55	71.2	104.6	-16.3	-35.2
COGS/sales (1)	93.3	90.8	91.4	91.7	93.1	-1.9	-2.6	0.6	1.4
Operating income or (loss)/ sales (1)	2.9	5.6	4.7	4.7	3.0	1.9	2.7	-0.8	-1.7

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Increase of less than 0.05 percentage point.

(3) Increase greater than 1,000 percent.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of Commerce.

Table C-4a

CTL plate from U.S. mills and U.S. processors of domestic coils: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
				1996	1997				
U.S. consumption quantity:									
Amount	7,692,636	7,425,318	8,246,936	1,973,301	2,133,946	7.2	-3.5	11.1	8.1
Producers' share (1)	82.4	81.8	78.4	84.2	71.8	-4.1	-0.6	-3.4	-12.4
Importers' share (1):									
China (subject)	0.1	2.4	3.7	2.4	7.2	3.5	2.3	1.2	4.8
Russia (subject)	3.0	3.2	3.1	2.9	4.7	0.1	0.2	-0.1	1.8
South Africa (subject)	1.5	0.8	1.0	0.7	0.2	-0.5	-0.7	0.2	-0.6
Ukraine (subject)	3.8	6.7	7.6	6.3	8.1	3.8	2.9	0.9	1.8
Subtotal	8.5	13.1	15.3	12.3	20.1	6.9	4.6	2.2	7.8
Other sources	9.1	5.1	6.3	3.4	8.1	-2.8	-4.0	1.2	4.6
Total imports	17.6	18.2	21.6	15.8	28.2	4.1	0.6	3.4	12.4
U.S. consumption value:									
Amount	3,273,927	3,361,798	3,616,914	875,185	920,068	10.5	2.7	7.6	5.1
Producers' share (1)	83.9	83.1	80.7	85.2	75.5	-3.1	-0.7	-2.4	-9.7
Importers' share (1):									
China (subject)	0.1	1.9	2.9	1.9	5.7	2.8	1.8	1.1	3.7
Russia (subject)	2.1	2.3	2.2	2.1	3.8	(2)	0.2	-0.2	1.7
South Africa (subject)	1.3	0.7	0.9	0.7	0.1	-0.4	-0.6	0.2	-0.6
Ukraine (subject)	2.8	5.4	6.0	5.1	6.3	3.2	2.5	0.7	1.2
Subtotal	6.3	10.2	12.0	9.9	15.9	5.7	3.9	1.8	6.0
Other sources	9.9	6.6	7.3	4.9	8.6	-2.6	-3.2	0.7	3.7
Total imports	16.1	16.9	19.3	14.8	24.5	3.1	0.7	2.4	9.7
U.S. imports from:									
China (subject):									
Quantity	8,639	181,737	301,652	47,843	153,352	(3)	(3)	66.0	220.5
Value	2,836	62,271	105,874	17,050	52,085	(3)	(3)	70.0	205.5
Unit value	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64	6.9	4.4	2.4	-4.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia (subject):									
Quantity	230,156	234,255	252,396	56,937	100,444	9.7	1.8	7.7	76.4
Value	69,556	78,164	78,514	18,455	34,905	12.9	12.4	0.4	89.1
Unit value	\$302.21	\$333.67	\$311.07	\$324.12	\$347.50	2.9	10.4	-6.8	7.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
South Africa (subject):									
Quantity	115,468	56,110	81,544	14,635	3,220	-29.4	-51.4	45.3	-78.0
Value	41,481	23,688	31,769	6,206	1,274	-23.4	-42.9	34.1	-79.5
Unit value	\$359.24	\$422.16	\$389.59	\$424.06	\$395.55	8.5	17.5	-7.7	-6.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Ukraine (subject):									
Quantity	295,775	500,266	627,796	124,192	172,421	112.3	69.1	25.5	38.8
Value	92,085	179,955	217,574	44,871	58,173	136.3	95.4	20.9	29.6
Unit value	\$311.33	\$359.72	\$346.57	\$361.30	\$337.39	11.3	15.5	-3.7	-6.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	650,038	972,368	1,263,389	243,607	429,437	94.4	49.6	29.9	76.3
Value	205,957	344,078	433,731	86,582	146,436	110.6	67.1	26.1	69.1
Unit value	\$316.84	\$353.86	\$343.31	\$355.42	\$341.00	8.4	11.7	-3.0	-4.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other sources:									
Quantity	701,627	378,226	520,807	67,966	172,081	-25.8	-46.1	37.7	153.2
Value	322,594	222,665	263,404	42,953	78,980	-18.3	-31.0	18.3	83.9
Unit value	\$459.78	\$588.71	\$505.76	\$631.97	\$458.97	10.0	28.0	-14.1	-27.4
All sources:									
Quantity	1,351,665	1,350,595	1,784,195	311,573	601,518	32.0	-0.1	32.1	93.1
Value	528,551	566,743	697,135	129,534	225,416	31.9	7.2	23.0	74.0
Unit value	\$391.04	\$419.62	\$390.73	\$415.74	\$374.74	-0.1	7.3	-6.9	-9.9

Continued on the following page.

Table C-4a--Continued

CTL plate from U.S. mills and U.S. processors of domestic coils: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
				1996	1997				
U.S. producers':									
Average capacity quantity	8,687,707	8,425,669	8,602,326	2,130,317	2,152,564	-1.0	-3.0	2.1	1.0
Production quantity	6,450,057	6,208,025	6,515,955	1,677,528	1,563,715	1.0	-3.8	5.0	-6.8
Capacity utilization (1)	74.2	73.7	75.7	78.7	72.6	1.5	-0.6	2.1	-6.1
U.S. shipments:									
Quantity	6,340,971	6,074,723	6,462,741	1,661,728	1,532,428	1.9	-4.2	6.4	-7.8
Value	2,745,376	2,795,055	2,919,779	745,651	694,652	6.4	1.8	4.5	-6.8
Unit value	\$432.96	\$460.11	\$451.79	\$448.72	\$453.30	4.3	6.3	-1.8	1.0
Export shipments:									
Quantity	75,884	115,861	70,158	21,204	16,149	-7.5	52.7	-39.4	-23.8
Value	35,033	55,376	34,763	10,271	8,048	-0.8	58.1	-37.2	-21.6
Unit value	\$461.67	\$477.95	\$495.50	\$484.39	\$498.36	7.3	3.5	3.7	2.9
Ending inventory quantity	304,359	321,683	305,650	314,714	329,787	0.4	5.7	-5.0	4.8
Inventories/total shipments (1)	4.7	5.2	4.7	4.7	5.3	-0.1	0.5	-0.5	0.6
Production workers	7,397	7,284	7,643	7,809	7,329	3.3	-1.5	4.9	-6.1
Hours worked (1,000s)	16,442	16,448	17,100	4,410	4,056	4.0	(4)	4.0	-8.0
Wages paid (\$1,000s)	335,417	347,103	362,521	92,597	87,010	8.1	3.5	4.4	-6.0
Hourly wages	\$20.40	\$21.10	\$21.20	\$21.00	\$21.45	3.9	3.5	0.5	2.2
Productivity (short tons per 1,000 hours)	392.3	377.4	381.1	380.4	385.5	-2.9	-3.8	1.0	1.3
Unit labor costs	\$52.00	\$55.91	\$55.64	\$55.20	\$55.64	7.0	7.5	-0.5	0.8
Net sales:									
Quantity	6,166,534	6,001,219	6,316,130	1,649,479	1,503,012	2.4	-2.7	5.2	-8.9
Value	2,668,183	2,756,157	2,861,901	739,895	681,118	7.3	3.3	3.8	-7.9
Unit value	\$432.69	\$459.27	\$453.11	\$448.56	\$453.17	4.7	6.1	-1.3	1.0
Cost of goods sold (COGS)	2,494,962	2,503,650	2,621,386	679,613	635,818	5.1	0.3	4.7	-6.4
Gross profit or (loss)	173,221	252,507	240,515	60,282	45,300	38.8	45.8	-4.7	-24.9
SG&A expenses	100,244	100,031	108,946	26,547	25,993	8.7	-0.2	8.9	-2.1
Operating income or (loss)	72,977	152,476	131,569	33,735	19,307	80.3	108.9	-13.7	-42.8
Capital expenditures	315,323	325,170	206,476	57,180	34,757	-34.5	3.1	-36.5	-39.2
Unit COGS	\$404.60	\$417.19	\$415.03	\$412.02	\$423.03	2.6	3.1	-0.5	2.7
Unit SG&A expenses	\$16.26	\$16.67	\$17.25	\$16.09	\$17.29	6.1	2.5	3.5	7.5
Unit operating income or (loss)	\$11.83	\$25.41	\$20.83	\$20.45	\$12.85	76.0	114.7	-18.0	-37.2
COGS/sales (1)	93.5	90.8	91.6	91.9	93.3	-1.9	-2.7	0.8	1.5
Operating income or (loss)/ sales (1)	2.7	5.5	4.6	4.6	2.8	1.9	2.8	-0.9	-1.7

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Increase of less than 0.05 percentage point.

(3) Increase greater than 1,000 percent.

(4) Increase of less than 0.05 percent.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of Commerce.

Table C-5

CTL plate and certain coiled plate from U.S. mills and CTL plate from U.S. processors: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
U.S. consumption quantity:									
Amount	8,362,675	8,098,286	9,446,975	2,240,791	2,528,883	13.0	-3.2	16.7	12.9
Producers' share (1)	83.8	83.3	81.1	86.1	76.2	-2.7	-0.5	-2.2	-9.9
Importers' share (1):									
China (subject)	0.1	2.2	3.2	2.1	6.1	3.1	2.1	0.9	3.9
Russia (subject)	2.8	2.9	2.7	2.5	4.0	-0.1	0.1	-0.2	1.4
South Africa (subject)	1.4	0.7	0.9	0.7	0.1	-0.5	-0.7	0.2	-0.5
Ukraine (subject)	3.5	6.2	6.6	5.5	6.8	3.1	2.6	0.5	1.3
Subtotal	7.8	12.0	13.4	10.9	17.0	5.6	4.2	1.4	6.1
Other sources	8.4	4.7	5.5	3.0	6.8	-2.9	-3.7	0.8	3.8
Total imports	16.2	16.7	18.9	13.9	23.8	2.7	0.5	2.2	9.9
U.S. consumption value:									
Amount	3,440,626	3,527,049	3,942,830	936,297	1,031,939	14.6	2.5	11.8	10.2
Producers' share (1)	84.6	83.9	82.3	86.2	78.2	-2.3	-0.7	-1.6	-8.0
Importers' share (1):									
China (subject)	0.1	1.8	2.7	1.8	5.0	2.6	1.7	0.9	3.2
Russia (subject)	2.0	2.2	2.0	2.0	3.4	(2)	0.2	-0.2	1.4
South Africa (subject)	1.2	0.7	0.8	0.7	0.1	-0.4	-0.5	0.1	-0.5
Ukraine (subject)	2.7	5.1	5.5	4.8	5.6	2.8	2.4	0.4	0.8
Subtotal	6.0	9.8	11.0	9.2	14.2	5.0	3.8	1.2	4.9
Other sources	9.4	6.3	6.7	4.6	7.7	-2.7	-3.1	0.4	3.1
Total imports	15.4	16.1	17.7	13.8	21.8	2.3	0.7	1.6	8.0
U.S. imports from:									
China (subject):									
Quantity	8,639	181,737	301,652	47,843	153,352	(3)	(3)	66.0	220.5
Value	2,836	62,271	105,874	17,050	52,085	(3)	(3)	70.0	205.5
Unit value	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64	6.9	4.4	2.4	-4.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia (subject):									
Quantity	230,156	234,255	252,396	56,937	100,444	9.7	1.8	7.7	76.4
Value	69,556	78,164	78,514	18,455	34,905	12.9	12.4	0.4	89.1
Unit value	\$302.21	\$333.67	\$311.07	\$324.12	\$347.50	2.9	10.4	-6.8	7.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
South Africa (subject):									
Quantity	115,468	56,110	81,544	14,635	3,220	-29.4	-51.4	45.3	-78.0
Value	41,481	23,688	31,769	6,206	1,274	-23.4	-42.9	34.1	-79.5
Unit value	\$359.24	\$422.16	\$389.59	\$424.06	\$395.55	8.5	17.5	-7.7	-6.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Ukraine (subject):									
Quantity	295,775	500,266	627,796	124,192	172,421	112.3	69.1	25.5	38.8
Value	92,085	179,955	217,574	44,871	58,173	136.3	95.4	20.9	29.6
Unit value	\$311.33	\$359.72	\$346.57	\$361.30	\$337.39	11.3	15.5	-3.7	-6.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	650,038	972,368	1,263,389	243,607	429,437	94.4	49.6	29.9	76.3
Value	205,957	344,078	433,731	86,582	146,436	110.6	67.1	26.1	69.1
Unit value	\$316.84	\$353.86	\$343.31	\$355.42	\$341.00	8.4	11.7	-3.0	-4.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other imports:									
Quantity	701,627	378,226	520,807	67,966	172,081	-25.8	-46.1	37.7	153.2
Value	322,594	222,665	263,404	42,953	78,980	-18.3	-31.0	18.3	83.9
Unit value	\$459.78	\$588.71	\$505.76	\$631.97	\$458.97	10.0	28.0	-14.1	-27.4
All imports:									
Quantity	1,351,665	1,350,595	1,784,195	311,573	601,518	32.0	-0.1	32.1	93.1
Value	528,551	566,743	697,135	129,534	225,416	31.9	7.2	23.0	74.0
Unit value	\$391.04	\$419.62	\$390.73	\$415.74	\$374.74	-0.1	7.3	-6.9	-9.9

Continued on the following page.

Table C-5--Continued

CTL plate and certain coiled plate from U.S. mills and CTL plate from U.S. processors: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
				1996	1997				
U.S. producers:									
Average capacity quantity	9,222,139	9,225,532	9,773,154	2,388,699	2,547,161	6.0	(4)	5.9	6.6
Production quantity	7,150,409	6,945,025	7,705,680	1,941,572	1,977,609	7.8	-2.9	11.0	1.9
Capacity utilization (1)	77.5	75.3	78.8	81.3	77.6	1.3	-2.3	3.6	-3.6
U.S. shipments:									
Quantity	7,011,010	6,747,691	7,662,780	1,929,218	1,927,365	9.3	-3.8	13.6	-0.1
Value	2,912,075	2,960,306	3,245,695	806,763	806,523	11.5	1.7	9.6	(5)
Unit value	\$415.36	\$438.71	\$423.57	\$418.18	\$418.46	2.0	5.6	-3.5	0.1
Export shipments:									
Quantity	84,842	149,921	75,339	21,602	17,574	-11.2	76.7	-49.7	-18.6
Value	38,180	66,445	36,513	10,413	8,507	-4.4	74.0	-45.0	-18.3
Unit value	\$450.01	\$443.20	\$484.65	\$482.04	\$484.07	7.7	-1.5	9.4	0.4
Ending inventory quantity	366,035	413,609	383,897	405,632	420,353	4.9	13.0	-7.2	3.6
Inventories/total shipments (1)	5.2	6.0	5.0	5.2	5.4	-0.2	0.8	-1.0	0.2
Production workers	8,275	8,098	8,654	8,770	8,506	4.6	-2.1	6.9	-3.0
Hours worked (1,000s)	18,180	18,107	19,110	4,890	4,652	5.1	-0.4	5.5	-4.9
Wages paid (\$1,000s)	369,570	379,654	403,989	103,232	99,749	9.3	2.7	6.4	-3.4
Hourly wages	\$20.33	\$20.97	\$21.14	\$21.11	\$21.44	4.0	3.1	0.8	1.6
Productivity (short tons per 1,000 hours)	393.3	383.5	403.2	397.0	425.1	2.5	-2.5	5.1	7.1
Unit labor costs	\$51.69	\$54.67	\$52.43	\$53.17	\$50.44	1.4	5.8	-4.1	-5.1
Net sales:									
Quantity	6,976,651	6,836,779	7,619,150	1,919,875	1,917,696	9.2	-2.0	11.4	-0.1
Value	2,963,738	3,052,331	3,301,807	822,236	821,654	11.4	3.0	8.2	-0.1
Unit value	\$424.81	\$446.46	\$433.36	\$428.28	\$428.46	2.0	5.1	-2.9	(4)
Cost of goods sold (COGS)	2,701,243	2,744,813	3,011,737	760,034	753,333	11.5	1.6	9.7	-0.9
Gross profit or (loss)	262,495	307,518	290,070	62,202	68,321	10.5	17.2	-5.7	9.8
SG&A expenses	126,515	128,582	151,389	35,073	37,312	19.7	1.6	17.7	6.4
Operating income or (loss)	135,980	178,936	138,681	27,129	31,009	2.0	31.6	-22.5	14.3
Capital expenditures	395,163	441,155	250,560	71,903	40,041	-36.6	11.6	-43.2	-44.3
Unit COGS	\$387.18	\$401.48	\$395.29	\$395.88	\$392.83	2.1	3.7	-1.5	-0.8
Unit SG&A expenses	\$18.13	\$18.81	\$19.87	\$18.27	\$19.46	9.6	3.7	5.6	6.5
Unit operating income or (loss)	\$19.49	\$26.17	\$18.20	\$14.13	\$16.17	-6.6	34.3	-30.5	14.4
COGS/sales (1)	91.1	89.9	91.2	92.4	91.7	0.1	-1.2	1.3	-0.8
Operating income or (loss)/ sales (1)	4.6	5.9	4.2	3.3	3.8	-0.4	1.3	-1.7	0.5

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Decrease of less than 0.05 percentage point.

(3) Increase greater than 1,000 percent.

(4) Increase of less than 0.05 percent.

(5) Decrease of less than 0.05 percent.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of Commerce.

Table C-5a

CTL plate and certain coiled plate from U.S. mills and CTL plate from U.S. processors of domestic coils: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)									
	Reported data					Period changes				
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar.	
			1996	1997				1996-97		
U.S. consumption quantity:										
Amount	8,362,675	8,098,286	9,446,975	2,240,791	2,528,883	13.0	-3.2	16.7	12.9	
Producers' share (1)	81.1	79.4	76.6	81.9	71.1	-4.6	-1.8	-2.8	-10.8	
Importers' share (1):										
China (subject)	0.1	2.2	3.2	2.1	6.1	3.1	2.1	0.9	3.9	
Russia (subject)	2.8	2.9	2.7	2.5	4.0	-0.1	0.1	-0.2	1.4	
South Africa (subject)	1.4	0.7	0.9	0.7	0.1	-0.5	-0.7	0.2	-0.5	
Ukraine (subject)	3.5	6.2	6.6	5.5	6.8	3.1	2.6	0.5	1.3	
Subtotal	7.8	12.0	13.4	10.9	17.0	5.6	4.2	1.4	6.1	
Other sources	11.1	8.6	10.0	7.2	11.9	-1.0	-2.5	1.4	4.7	
Total imports	18.9	20.6	23.4	18.1	28.9	4.6	1.8	2.8	10.8	
U.S. consumption value:										
Amount	3,423,208	3,508,822	3,896,743	931,512	1,020,646	13.8	2.5	11.1	9.6	
Producers' share (1)	82.3	80.5	78.7	82.4	74.1	-3.6	-1.8	-1.8	-8.4	
Importers' share (1):										
China (subject)	0.1	1.8	2.7	1.8	5.1	2.6	1.7	0.9	3.3	
Russia (subject)	2.0	2.2	2.0	2.0	3.4	(2)	0.2	-0.2	1.4	
South Africa (subject)	1.2	0.7	0.8	0.7	0.1	-0.4	-0.5	0.1	-0.5	
Ukraine (subject)	2.7	5.1	5.6	4.8	5.7	2.9	2.4	0.5	0.9	
Subtotal	6.0	9.8	11.1	9.3	14.3	5.1	3.8	1.3	5.1	
Other sources	11.7	9.6	10.2	8.3	11.6	-1.5	-2.0	0.5	3.3	
Total imports	17.7	19.5	21.3	17.6	25.9	3.6	1.8	1.8	8.4	
U.S. imports from:										
China (subject):										
Quantity	8,639	181,737	301,652	47,843	153,352	(3)	(3)	66.0	220.5	
Value	2,836	62,271	105,874	17,050	52,085	(3)	(3)	70.0	205.5	
Unit value	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64	6.9	4.4	2.4	-4.7	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	
Russia (subject):										
Quantity	230,156	234,255	252,396	56,937	100,444	9.7	1.8	7.7	76.4	
Value	69,556	78,164	78,514	18,455	34,905	12.9	12.4	0.4	89.1	
Unit value	\$302.21	\$333.67	\$311.07	\$324.12	\$347.50	2.9	10.4	-6.8	7.2	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	
South Africa (subject):										
Quantity	115,468	56,110	81,544	14,635	3,220	-29.4	-51.4	45.3	-78.0	
Value	41,481	23,688	31,769	6,206	1,274	-23.4	-42.9	34.1	-79.5	
Unit value	\$359.24	\$422.16	\$389.59	\$424.06	\$395.55	8.5	17.5	-7.7	-6.7	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	
Ukraine (subject):										
Quantity	295,775	500,266	627,796	124,192	172,421	112.3	69.1	25.5	38.8	
Value	92,085	179,955	217,574	44,871	58,173	136.3	95.4	20.9	29.6	
Unit value	\$311.33	\$359.72	\$346.57	\$361.30	\$337.39	11.3	15.5	-3.7	-6.6	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	
Subtotal:										
Quantity	650,038	972,368	1,263,389	243,607	429,437	94.4	49.6	29.9	76.3	
Value	205,957	344,078	433,731	86,582	146,436	110.6	67.1	26.1	69.1	
Unit value	\$316.84	\$353.86	\$343.31	\$355.42	\$341.00	8.4	11.7	-3.0	-4.1	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	
Other imports:										
Quantity	927,103	697,911	949,356	162,233	301,951	2.4	-24.7	36.0	86.1	
Value	398,941	338,591	395,700	77,014	118,210	-0.8	-15.1	16.9	53.5	
Unit value	\$430.31	\$485.15	\$416.81	\$474.71	\$391.49	-3.1	12.7	-14.1	-17.5	
All imports:										
Quantity	1,577,141	1,670,280	2,212,744	405,840	731,388	40.3	5.9	32.5	80.2	
Value	604,898	682,669	829,431	163,596	264,647	37.1	12.9	21.5	61.8	
Unit value	\$383.54	\$408.72	\$374.84	\$403.10	\$361.84	-2.3	6.6	-8.3	-10.2	

Continued on the following page.

Table C-5a--Continued

CTL plate and certain coiled plate from U.S. mills and CTL plate from U.S. processors of domestic coils: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
U.S. producers':									
Average capacity quantity	8,845,137	8,690,308	9,153,310	2,244,435	2,368,162	3.5	-1.8	5.3	5.5
Production quantity	6,924,367	6,620,209	7,279,450	1,847,076	1,845,309	5.1	-4.4	10.0	-0.1
Capacity utilization (1)	78.3	76.2	79.5	82.3	77.9	1.2	-2.1	3.3	-4.4
U.S. shipments:									
Quantity	6,785,534	6,428,006	7,234,231	1,834,951	1,797,495	6.6	-5.3	12.5	-2.0
Value	2,818,310	2,826,153	3,067,312	767,916	755,999	8.8	0.3	8.5	-1.6
Unit value	\$415.34	\$439.66	\$424.00	\$418.49	\$420.58	2.1	5.9	-3.6	0.5
Export shipments:									
Quantity	84,842	149,921	75,339	21,602	17,574	-11.2	76.7	-49.7	-18.6
Value	38,180	66,445	36,513	10,413	8,507	-4.4	74.0	-45.0	-18.3
Unit value	\$450.01	\$443.20	\$484.65	\$482.04	\$484.07	7.7	-1.5	9.4	0.4
Ending inventory quantity	356,824	399,192	371,953	391,567	402,396	4.2	11.9	-6.8	2.8
Inventories/total shipments (1)	5.2	6.1	5.1	5.3	5.5	-0.1	0.9	-1.0	0.3
Production workers	8,183	7,999	8,519	8,671	8,361	4.1	-2.2	6.5	-3.6
Hours worked (1,000s)	18,027	17,888	18,878	4,836	4,573	4.7	-0.8	5.5	-5.4
Wages paid (\$1,000s)	367,678	376,947	401,108	102,561	98,812	9.1	2.5	6.4	-3.7
Hourly wages	\$20.40	\$21.07	\$21.25	\$21.21	\$21.61	4.2	3.3	0.8	1.9
Productivity (short tons per									
1,000 hours)	384.1	370.1	385.6	381.9	403.5	0.4	-3.6	4.2	5.7
Unit labor costs	\$53.10	\$56.94	\$55.10	\$55.53	\$53.55	3.8	7.2	-3.2	-3.6
Net sales:									
Quantity	6,798,778	6,557,771	7,223,868	1,850,451	1,808,394	6.3	-3.5	10.2	-2.3
Value	2,892,626	2,939,736	3,145,961	794,528	780,360	8.8	1.6	7.0	-1.8
Unit value	\$425.46	\$448.28	\$435.50	\$429.37	\$431.52	2.4	5.4	-2.9	0.5
Cost of goods sold (COGS)	2,639,613	2,644,334	2,874,280	735,639	716,422	8.9	0.2	8.7	-2.6
Gross profit or (loss)	253,013	295,402	271,681	58,889	63,938	7.4	16.8	-8.0	8.6
SG&A expenses	122,901	123,672	144,245	33,980	35,471	17.4	0.6	16.6	4.4
Operating income or (loss)	130,112	171,730	127,436	24,909	28,467	-2.1	32.0	-25.8	14.3
Capital expenditures	395,163	441,155	250,560	71,903	40,041	-36.6	11.6	-43.2	-44.3
Unit COGS	\$388.25	\$403.24	\$397.89	\$397.55	\$396.16	2.5	3.9	-1.3	-0.3
Unit SG&A expenses	\$18.08	\$18.86	\$19.97	\$18.36	\$19.61	10.5	4.3	5.9	6.8
Unit operating income or (loss)	\$19.14	\$26.19	\$17.64	\$13.46	\$15.74	-7.8	36.8	-32.6	16.9
COGS/sales (1)	91.3	90.0	91.4	92.6	91.8	0.1	-1.3	1.4	-0.8
Operating income or (loss)/									
sales (1)	4.5	5.8	4.1	3.1	3.6	-0.4	1.3	-1.8	0.5

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Decrease of less than 0.05 percentage point.

(3) Increase greater than 1,000 percent.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of Commerce.

Table C-6

CTL plate and coiled plate from U.S. mills and CTL plate from U.S. processors: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
				1996	1997				
U.S. consumption quantity:									
Amount	12,952,144	12,526,366	15,100,541	3,409,743	3,988,126	16.6	-3.3	20.6	17.0
Producers' share (1)	85.2	86.5	83.8	91.1	80.1	-1.4	1.3	-2.7	-10.9
Importers' share (1):									
China (subject)	0.1	1.5	2.0	1.4	3.8	1.9	1.4	0.5	2.4
Russia (subject)	1.8	1.9	1.7	1.7	2.5	-0.1	0.1	-0.2	0.8
South Africa (subject)	0.9	0.4	0.5	0.4	0.1	-0.4	-0.4	0.1	-0.3
Ukraine (subject)	2.3	4.0	4.2	3.6	4.3	1.9	1.7	0.2	0.7
Subtotal	5.0	7.8	8.4	7.1	10.8	3.3	2.7	0.6	3.6
Other sources	9.8	5.7	7.9	1.8	9.1	-2.0	-4.1	2.1	7.3
Total imports	14.8	13.5	16.2	8.9	19.9	1.4	-1.3	2.7	10.9
U.S. consumption value:									
Amount	5,058,898	5,111,784	5,847,695	1,318,779	1,531,930	15.6	1.0	14.4	16.2
Producers' share (1)	85.7	86.5	84.6	90.4	81.5	-1.2	0.8	-1.9	-8.9
Importers' share (1):									
China (subject)	0.1	1.2	1.8	1.3	3.4	1.8	1.2	0.6	2.1
Russia (subject)	1.4	1.5	1.3	1.4	2.3	(2)	0.2	-0.2	0.9
South Africa (subject)	0.8	0.5	0.5	0.5	0.1	-0.3	-0.4	0.1	-0.4
Ukraine (subject)	1.8	3.5	3.7	3.4	3.8	1.9	1.7	0.2	0.4
Subtotal	4.1	6.7	7.4	6.6	9.6	3.3	2.7	0.7	3.0
Other sources	10.2	6.8	8.0	3.1	8.9	-2.2	-3.4	1.2	5.9
Total imports	14.3	13.5	15.4	9.6	18.5	1.2	-0.8	1.9	8.9
U.S. imports from:									
China (subject):									
Quantity	8,639	181,737	301,652	47,843	153,352	(3)	(3)	66.0	220.5
Value	2,836	62,271	105,874	17,050	52,085	(3)	(3)	70.0	205.5
Unit value	\$328.27	\$342.65	\$350.98	\$356.38	\$339.64	6.9	4.4	2.4	-4.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia (subject):									
Quantity	230,156	234,255	252,396	56,937	100,444	9.7	1.8	7.7	76.4
Value	69,556	78,164	78,514	18,455	34,905	12.9	12.4	0.4	89.1
Unit value	\$302.21	\$333.67	\$311.07	\$324.12	\$347.50	2.9	10.4	-6.8	7.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
South Africa (subject):									
Quantity	115,468	56,110	81,544	14,635	3,220	-29.4	-51.4	45.3	-78.0
Value	41,481	23,688	31,769	6,206	1,274	-23.4	-42.9	34.1	-79.5
Unit value	\$359.24	\$422.16	\$389.59	\$424.06	\$395.55	8.5	17.5	-7.7	-6.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Ukraine (subject):									
Quantity	295,775	500,266	627,796	124,192	172,421	112.3	69.1	25.5	38.8
Value	92,085	179,955	217,574	44,871	58,173	136.3	95.4	20.9	29.6
Unit value	\$311.33	\$359.72	\$346.57	\$361.30	\$337.39	11.3	15.5	-3.7	-6.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	650,038	972,368	1,263,389	243,607	429,437	94.4	49.6	29.9	76.3
Value	205,957	344,078	433,731	86,582	146,436	110.6	67.1	26.1	69.1
Unit value	\$316.84	\$353.86	\$343.31	\$355.42	\$341.00	8.4	11.7	-3.0	-4.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other imports:									
Quantity	1,272,277	718,818	1,185,922	61,068	363,531	-6.8	-43.5	65.0	495.3
Value	515,818	346,172	468,729	40,460	136,812	-9.1	-32.9	35.4	238.1
Unit value	\$405.43	\$481.59	\$395.24	\$662.54	\$376.34	-2.5	18.8	-17.9	-43.2
All imports:									
Quantity	1,922,314	1,691,186	2,449,311	304,675	792,969	27.4	-12.0	44.8	160.3
Value	721,775	690,250	902,460	127,042	283,249	25.0	-4.4	30.7	123.0
Unit value	\$375.47	\$408.15	\$368.45	\$416.98	\$357.20	-1.9	8.7	-9.7	-14.3

Continued on the following page.

Table C-6--Continued

CTL plate and coiled plate from U.S. mills and CTL plate from U.S. processors: Summary data concerning the U.S. market, 1994-96, Jan.-Mar. 1996, and Jan.-Mar. 1997

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)								
	Reported data					Period changes			
	1994	1995	1996	January-March		1994-96	1994-95	1995-96	Jan.-Mar. 1996-97
			1996	1997					
U.S. producers:									
Average capacity quantity	14,324,370	14,684,231	15,848,495	3,884,177	4,102,010	10.6	2.5	7.9	5.6
Production quantity	11,252,212	11,197,040	12,759,219	3,128,044	3,259,973	13.4	-0.5	14.0	4.2
Capacity utilization (1)	78.6	76.3	80.5	80.5	79.5	2.0	-2.3	4.3	-1.1
U.S. shipments:									
Quantity	11,029,830	10,835,180	12,651,230	3,105,068	3,195,157	14.7	-1.8	16.8	2.9
Value	4,337,123	4,421,534	4,945,235	1,191,737	1,248,681	14.0	1.9	11.8	4.8
Unit value	\$393.22	\$408.07	\$390.89	\$383.80	\$390.80	-0.6	3.8	-4.2	1.8
Export shipments:									
Quantity	126,411	325,130	102,276	42,113	19,825	-19.1	157.2	-68.5	-52.9
Value	51,592	121,004	44,067	15,744	9,299	-14.6	134.5	-63.6	-40.9
Unit value	\$408.13	\$372.17	\$430.86	\$373.85	\$469.05	5.6	-8.8	15.8	25.5
Ending inventory quantity	692,292	729,183	737,623	711,318	786,400	6.5	5.3	1.2	10.6
Inventories/total shipments (1)	6.2	6.5	5.8	5.7	6.1	-0.4	0.3	-0.8	0.5
Production workers	10,786	10,613	11,329	11,393	11,159	5.0	-1.6	6.7	-2.0
Hours worked (1,000s)	23,845	23,700	25,181	6,376	6,145	5.6	-0.6	6.3	-3.6
Wages paid (\$1,000s)	494,073	509,108	544,614	137,574	134,485	10.2	3.0	7.0	-2.2
Hourly wages	\$20.72	\$21.48	\$21.63	\$21.58	\$21.88	4.4	3.7	0.7	1.4
Productivity (short tons per									
1,000 hours)	471.9	472.5	506.7	490.6	530.5	7.4	0.1	7.2	8.1
Unit labor costs	\$43.91	\$45.47	\$42.68	\$43.98	\$41.25	-2.8	3.6	-6.1	-6.2
Net sales:									
Quantity	11,003,095	11,133,917	12,569,216	3,116,236	3,187,739	14.2	1.2	12.9	2.3
Value	4,389,084	4,582,843	4,986,212	1,213,408	1,264,604	13.6	4.4	8.8	4.2
Unit value	\$398.90	\$411.61	\$396.70	\$389.38	\$396.71	-0.6	3.2	-3.6	1.9
Cost of goods sold (COGS)	3,997,814	4,168,790	4,643,670	1,157,743	1,171,406	16.2	4.3	11.4	1.2
Gross profit or (loss)	391,270	414,053	342,542	55,665	93,198	-12.5	5.8	-17.3	67.4
SG&A expenses	171,568	177,640	216,036	48,740	51,636	25.9	3.5	21.6	5.9
Operating income or (loss)	219,702	236,413	126,506	6,925	41,562	-42.4	7.6	-46.5	500.2
Capital expenditures	497,045	705,067	354,971	99,994	55,447	-28.6	41.9	-49.7	-44.5
Unit COGS	\$363.34	\$374.42	\$369.45	\$371.52	\$367.47	1.7	3.1	-1.3	-1.1
Unit SG&A expenses	\$15.59	\$15.95	\$17.19	\$15.64	\$16.20	10.2	2.3	7.7	3.6
Unit operating income or (loss)	\$19.97	\$21.23	\$10.06	\$2.22	\$13.04	-49.6	6.3	-52.6	486.7
COGS/sales (1)	91.1	91.0	93.1	95.4	92.6	2.0	-0.1	2.2	-2.8
Operating income or (loss)/									
sales (1)	5.0	5.2	2.5	0.6	3.3	-2.5	0.2	-2.6	2.7

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Decrease of less than 0.05 percentage point.

(3) Increase greater than 1,000 percent.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of Commerce.

APPENDIX D

**PREVIOUS AND
RELATED INVESTIGATIONS**

**Table D-1
Carbon steel plate: Previous and related investigations**

Source	Investigation number	Investigation date	Report number	Result
Belgium	731-TA-018 (P)	1980	USITC 1064	Affirmative
	701-TA-083 (P)	1982	USITC 1207	Affirmative
	701-TA-086 (F)	1982	N/A	Terminated 10/26/82
	731-TA-053 (F)	1982	N/A	Terminated 10/26/82
	731-TA-146 (P)	1983	USITC 1451	Affirmative
	701-TA-319 (F)	1993	USITC 2664	Affirmative
	731-TA-573 (F)	1993	USITC 2664	Affirmative
Brazil	701-TA-084 (P)	1982	USITC 1208	Affirmative
	701-TA-087(F)	1983	USITC 1356	Affirmative (suspension agreement reached)
	701-TA-204 (P)	1983	N/A	Petition withdrawn 11/83
	701-TA-320 (F)	1993	USITC 2664	Affirmative
	731-TA-574 (F)	1993	USITC 2664	Affirmative
Canada	731-TA-575 (F)	1993	USITC 2664	Affirmative
China	731-TA-753 (P)	1996	USITC 3009	Affirmative
Czechoslovakia	731-TA-213 (P)	1985	USITC 1642	Affirmative
	731-TA-213 (F)	1985	N/A	Petition withdrawn 05/85
Finland	731-TA-169 (P)	1984	USITC 1510	Affirmative
	731-TA-169 (F)	1985	N/A	Petition withdrawn 01/85
	731-TA-576 (F)	1993	USITC 2664	Affirmative
France	731-TA-020 (P)	1980	USITC 1064	Affirmative
	701-TA-088 (P)	1982	USITC 1221	Negative
	731-TA-054 (P)	1982	USITC 1221	Negative
	701-TA-321 (F)	1993	USITC 2664	Negative
	731-TA-577 (F)	1993	USITC 2664	Negative

Continued on the following page.

Table D-1 – Continued
Carbon steel plate: Previous and related investigations

Source	Investigation number	Investigation date	Report number	Result
Germany (East)	731-TA-214 (F)	1985	N/A	Terminated 08/85
Germany (West)	731-TA-019 (P)	1980	USITC 1064	Affirmative
	701-TA-093 (P)	1982	USITC 1221	Affirmative
	701-TA-093 (F)	1982	N/A	Terminated 10/82
	731-TA-060 (F)	1982	N/A	Terminated 10/82
	731-TA-147 (F)	1984	N/A	Terminated 11/84
Germany (Unified)	701-TA-322 (F)	1993	USITC 2664	Affirmative
	731-TA-578 (F)	1993	USITC 2664	Affirmative
Hungary	731-TA-215 (F)	1985	N/A	Petition withdrawn 05/85
Italy	731-TA-021 (P)	1980	USITC 1064	Affirmative
	701-TA-089 (P)	1982	USITC 1221	Negative
	731-TA-055 (P)	1982	USITC 1221	Negative
	701-TA-323 (P)	1992	USITC 2549	Affirmative
	731-TA-579 (P)	1992	USITC 2549	Affirmative
Japan	AA1921-179	1978	USITC 0882	Affirmative
	731-TA-580 (P)	1992	USITC 2549	Negative
Korea	701-TA-170 (F)	1983	USITC 1346	Affirmative
	731-TA-151 (F)	1984	USITC 1561	Affirmative
	701-TA-324 (F)	1993	USITC 2664	Negative
	731-TA-581 (F)	1993	USITC 2664	Negative
Luxembourg	701-TA-090 (P)	1982	USITC 1221	Negative
	731-TA-056 (P)	1982	USITC 1221	Negative
Mexico	701-TA-325 (F)	1993	USITC 2664	Affirmative
	731-TA-582 (F)	1993	USITC 2664	Affirmative

Continued on the following page.

Table D-1 – Continued
Carbon steel plate: Previous and related investigations

Source	Investigation number	Investigation date	Report number	Result
Netherlands	731-TA-023 (P)	1980	USITC 1064	Affirmative
	701-TA-091 (P)	1982	USITC 1221	Negative
	731-TA-057 (P)	1982	USITC 1221	Negative
Poland	AA1921-203	1979	USITC 0984	Negative
	731-TA-216 (P)	1985	USITC 1642	Affirmative
	731-TA-216 (F)	1985	N/A	Terminated 08/85
	731-TA-583 (F)	1993	USITC 2664	Affirmative
Romania	731-TA-051(P)	1982	USITC 1207	Affirmative
	731-TA-058 (P)	1982	USITC 1221	Affirmative
	731-TA-058 (F)	1982	N/A	Suspension agreement reached 01/83; terminated 07/85
	731-TA-584 (F)	1993	USITC 2664	Affirmative
Russia	731-TA-754 (P)	1996	USITC 3009	Affirmative
South Africa	731-TA-170 (P)	1984	USITC 1510	Affirmative
	731-TA-755 (P)	1996	USITC 3009	Affirmative
Spain	701-TA-155 (F)	1982	USITC 1331	Affirmative
	731-TA-171 (F)	1985	N/A	Terminated 01/85
	701-TA-326 (F)	1993	USITC 2664	Affirmative
	731-TA-585 (F)	1993	USITC 2664	Affirmative
Sweden	701-TA-225 (F)	1985	USITC 1759	Negative
	701-TA-327 (F)	1993	USITC 2664	Affirmative
	731-TA-586 (F)	1993	USITC 2664	Affirmative
Taiwan	AA1921-197	1979	USITC 0970	Affirmative
Ukraine	731-TA-756 (P)	1996	USITC 3009	Affirmative

Continued on the following page.

Table D-1 – Continued
Carbon steel plate: Previous and related investigations

Source	Investigation number	Investigation date	Report number	Result
United Kingdom	731-TA-024 (P)	1980	USITC 1064	Affirmative
	701-TA-092 (P)	1982	USITC 1221	Affirmative
	731-TA-059 (P)	1982	USITC 1221	Affirmative
	701-TA-092 (F)	1982	N/A	Terminated 10/82
	731-TA-059 (F)	1982	N/A	Terminated 10/82
	701-TA-328 (P)	1993	USITC 2664	Affirmative
	731-TA-587 (F)	1993	USITC 2664	Affirmative
Venezuela	701-TA-226 (P)	1985	USITC 1642	Affirmative
	731-TA-217 (P)	1985	USITC 1642	Affirmative

Note: Highlighted text denotes that an order is in place.

Source: Cited Commission publications.

APPENDIX E

**PURCHASER COMPARISONS OF PRODUCT CHARACTERISTICS OF
IMPORTS FROM CHINA, RUSSIA, SOUTH AFRICA, AND UKRAINE**

Table E-1
CTL plate: Purchaser comparisons of Chinese and Russian product, by number of purchasers per category

Consideration	Chinese superior	Comparable	Chinese inferior
Availability	2	4	1
Delivery terms	0	6	0
Delivery time	2	5	0
Minimum quantity requirements	0	7	0
Packaging	0	7	0
Product consistency	2	5	0
Product quality	1	6	0
Product range	2	5	0
Reliability of supply	2	5	0
Technical support/service	0	7	0

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

Table E-2
CTL plate: Purchaser comparisons of Chinese and South African product, by number of purchasers per category

Consideration	Chinese superior	Comparable	Chinese inferior
Availability	1	3	0
Delivery terms	0	4	0
Delivery time	0	4	0
Minimum quantity requirements	0	4	0
Packaging	0	4	0
Product consistency	0	4	0
Product quality	0	4	0
Product range	0	3	1
Reliability of supply	1	3	0
Technical support/service	0	4	0

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

Table E-3
CTL plate: Purchaser comparisons of Chinese and Ukrainian product, by number of purchasers per category

Consideration	Chinese superior	Comparable	Chinese inferior
Availability	1	6	0
Delivery terms	0	6	0
Delivery time	1	6	0
Minimum quantity requirements	0	7	0
Packaging	1	6	0
Product consistency	1	6	0
Product quality	1	6	0
Product range	1	6	0
Reliability of supply	2	5	0
Technical support/service	0	7	0

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

Table E-4
CTL plate: Purchaser comparisons of Russian and South African product, by number of purchasers per category

Consideration	Russian superior	Comparable	Russian inferior
Availability	0	4	1
Delivery terms	0	4	1
Delivery time	0	4	1
Minimum quantity requirements	0	5	0
Packaging	0	3	2
Product consistency	0	2	3
Product quality	0	2	3
Product range	0	2	3
Reliability of supply	0	3	2
Technical support/service	0	4	1

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

Table E-5 CTL plate: Purchaser comparisons of Russian and Ukrainian product, by number of purchasers per category			
Consideration	Russian superior	Comparable	Russian inferior
Availability	0	7	1
Delivery terms	0	7	0
Delivery time	0	8	0
Minimum quantity requirements	0	8	0
Packaging	0	7	1
Product consistency	0	7	1
Product quality	0	7	1
Product range	0	7	1
Reliability of supply	0	8	0
Technical support/service	0	8	0
Source: Compiled from information submitted in response to Commission questionnaires.			

Table E-6 CTL plate: Purchaser comparisons of South African and Ukrainian product, by number of purchasers per category			
Consideration	South African superior	Comparable	South African inferior
Availability	1	3	1
Delivery terms	1	4	0
Delivery time	1	4	0
Minimum quantity requirements	0	5	0
Packaging	1	4	0
Product consistency	2	3	0
Product quality	3	2	0
Product range	2	2	1
Reliability of supply	2	2	1
Technical support/service	2	3	0
Source: Compiled from information submitted in response to Commission questionnaires.			

APPENDIX F
RESULTS OF THE
COMPAS MODEL

Methodology

The COMPAS model 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 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.*, elasticities of supply, demand, and substitution) in the U.S. market for CTL plate. The model uses these estimates with data on market shares and Commerce's margins of dumping to analyze the likely effect on the U.S. like product industry of removing the subject imports from China, Russia, South Africa, and Ukraine.

Findings

The model examines different scenarios of economic effects that correspond to various combinations of the ranges of elasticities discussed in Part II of this report. In addition to the elasticities, inputs into the model include the 1996 domestic market value share of 77.5 percent and the 1996 subject imports value shares of 3.4 percent for China, 2.5 percent for Russia, 1.0 percent for South Africa, and 7.0 percent for Ukraine.¹ Because of the large average dumping margins that applied to the imports from China, Russia, and South Africa, meaningful estimates could not be obtained under many of the scenarios, and it was necessary to apply a "but-for" analysis in place of the upper limit of the estimates. In the case of Ukraine, the "but-for" analysis provided the only meaningful estimates because of the very high average dumping margin of ***.

Estimates of the effects of dumping are presented in tables F-1 through F-6. The first 3 tables analyze the effects of dumping for an industry consisting only of CTL plate from U.S. mills, while the next 3 tables provide the same analysis for an industry consisting of CTL plate from both U.S. mills and U.S. processors. In the case of China, only scenarios 1-4 and the "but-for" analysis apply regardless of how the industry is defined. As shown in table F-1 the results indicate that in the absence of dumping the domestic price would have been 0.2 percent to 0.6 percent higher in 1996, domestic output would have been 1.7 percent to 2.8 percent higher, and domestic revenue would have been 2.0 percent to 3.4 percent higher. Similar estimates for China where the industry consists of CTL plate from both mills and processors are presented in table F-4. In the case of estimates of market share, price, and revenue effects for Russia shown in tables F-2 and F-5, only scenarios 3 and 4 and the "but-for" estimates are meaningful. For the South African estimates shown in tables F-3 and F-6, scenarios 1-4 and the "but-for" estimates are usable. For Ukraine, no tables are shown since only "but-for" estimates are applicable. These estimates for Ukraine show that in the absence of dumping the domestic price would have been 1.2 percent higher, domestic output would have been 5.9 percent higher, and domestic revenue would have been 7.0 percent higher when the industry consists only of U.S. producers. For an industry consisting of both U.S. producers and processors the price would have been 1.0 percent higher, output would have been 4.8 percent higher, and revenue would have been 5.7 percent higher.

¹ The dumping margins used in the analysis are averages of margins determined for individual companies in each of the four countries weighted by their shares of total exports to the United States in 1996. The transportation ratios shown in the tables were presented in Part V and the average tariff rates are the ratios of duties collected for each country to imports for consumption in 1996.

Table F-1
CTL plate from U.S. mills: Estimated effects of LTFV imports from China

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Table F-2
CTL plate from U.S. mills: Estimated effects of LTFV imports from Russia

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Table F-3
CTL plate from U.S. mills: Estimated effects of LTFV imports from South Africa

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Table F-4
CTL plate from U.S. mills and U.S. processors: Estimated effects of LTFV imports from China

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Table F-5
CTL plate from U.S. mills and U.S. processors: Estimated effects of LTFV imports from Russia

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Table F-6
CTL plate from U.S. mills and U.S. processors: Estimated effects of LTFV imports from South Africa

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APPENDIX G

**CONSOLIDATED PRICE DATA
OF U.S. MILLS AND PROCESSORS**

Table G-1
CTL plate: Weighted-average f.o.b. prices and quantities of domestic (mills and processors) and imported product 3 sold to service centers/distributors/processors, by sources and by quarters, Jan. 1994-Mar. 1997

Period	United States		China		Russia		South Africa		Ukraine	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1994--										
Jan.-Mar.	\$401.44	64,105	***	***	***	***	***	***	***	***
Apr.-June	407.92	56,359	***	***	***	***	***	***	***	***
July-Sept.	417.47	58,802	***	***	***	***	***	***	***	***
Oct.-Dec.	420.89	68,025	***	***	***	***	***	***	***	***
1995--										
Jan.-Mar.	433.73	78,948	***	***	***	***	***	***	***	***
Apr.-June	449.42	79,852	***	***	***	***	***	***	***	***
July-Sept.	431.74	79,230	***	***	***	***	***	***	***	***
Oct.-Dec.	424.63	78,339	***	***	***	***	***	***	***	***
1996--										
Jan.-Mar.	419.29	92,444	***	***	***	***	***	***	***	***
Apr.-June	418.72	100,041	***	***	***	***	***	***	***	***
July-Sept.	429.92	105,152	***	***	***	***	***	***	***	***
Oct.-Dec.	424.65	82,239	***	***	***	***	***	***	***	***
1997--										
Jan.-Mar.	405.55	109,302	***	***	***	***	***	***	***	***

¹ Data not reported.

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

Table G-2
CTL plate: Weighted-average f.o.b. prices and quantities of domestic (mills and processors) and imported product 3 sold to end users, by sources and by quarters, Jan. 1994-Mar. 1997

Period	United States		China		Russia		South Africa		Ukraine	
	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)	Price (Per ton)	Quantity (Tons)
1994--										
Jan.-Mar.	\$396.86	67,037	***	***	***	***	***	***	***	***
Apr.-June	399.95	65,740	***	***	***	***	***	***	***	***
July-Sept.	406.51	73,421	***	***	***	***	***	***	***	***
Oct.-Dec.	409.33	76,895	***	***	***	***	***	***	***	***
1995--										
Jan.-Mar.	429.58	97,467	***	***	***	***	***	***	***	***
Apr.-June	426.58	94,183	***	***	***	***	***	***	***	***
July-Sept.	425.09	93,796	***	***	***	***	***	***	***	***
Oct.-Dec.	415.86	92,515	***	***	***	***	***	***	***	***
1996--										
Jan.-Mar.	398.57	113,397	***	***	***	***	***	***	***	***
Apr.-June	401.98	113,067	***	***	***	***	***	***	***	***
July-Sept.	401.43	111,009	***	***	***	***	***	***	***	***
Oct.-Dec.	401.82	110,022	***	***	***	***	***	***	***	***
1997--										
Jan.-Mar.	394.98	100,063	***	***	***	***	***	***	***	***

¹ Data not reported.

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

Table G-3

CTL plate: Margins of under/(over)selling for product 3 sold to service centers/distributors/processors and to end users, (using consolidated mill and processor price data), by sources and by quarters, Jan. 1994-Mar. 1997

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APPENDIX H

EFFECTS OF IMPORTS ON PRODUCERS' EXISTING DEVELOPMENT AND PRODUCTION EFFORTS, GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL

The Commission requested U.S. producers to describe any actual or anticipated negative effects of imports of CTL plate from China, Russia, South Africa, and/or Ukraine on their return on investment or their growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or their scale of capital investments undertaken as a result of such imports. The responses are as follows:

Actual Negative Effects

* * * * *

Anticipated Negative Effects

* * * * *

