Circular Seamless Stainless Steel Hollow Products From Japan

Investigation No. 731-TA-859 (Final)

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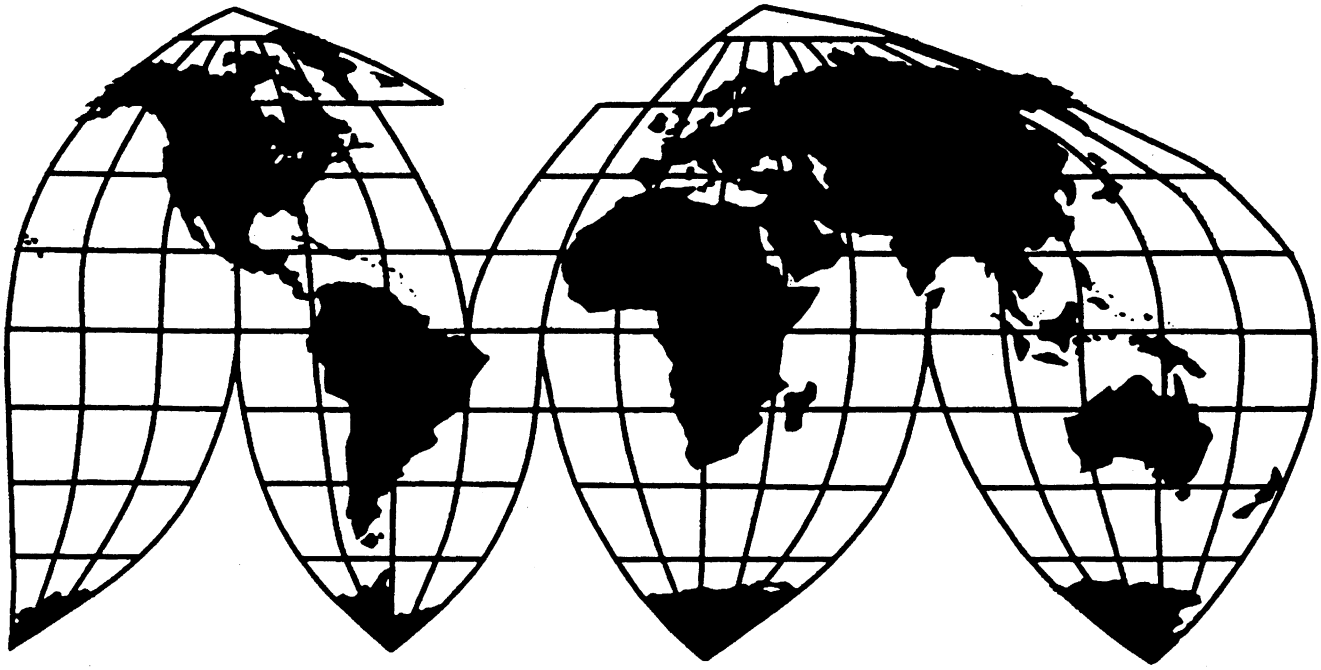
U.S. International Trade Commission



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U.S. International Trade Commission

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Circular Seamless Stainless Steel Hollow Products From Japan

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Note.–Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

Company Abbreviations

U.S. producers

ALTech/ALTX	ALTech Specialty Steel Corp./Altx, Inc.
American Extruded	PMAC, Ltd., American Extruded Products
DMV	DMV Stainless USA, Inc.
Dynamic	Dynamic Metal Forming
Greenville	Greenville Tube Corp.
Handy & Harman	Handy & Harman Tube Co., Inc.
International Extruded	International Extruded Products, LLC–Wyman Gordon
Kaiser	Kaiser Electroprecision
PEXCO	Pennsylvania Extruded Tube Co.
Plymouth	Plymouth Tube Co.
Salem	Salem Tube, Inc.
Sandvik	Sandvik Steel Co.
Superior	Superior Tube Co.
Timken	Timken Co.
Uniform	Uniform Tubes, Inc.

U.S. importers

* * * * * * *

Foreign producers

Kawasaki	Kawasaki Steel Corp.
Kobe	Kobe Special Tube Co., Ltd.
Kuze Bellows	Kuze Bellows Kogyosho Co., Ltd.
Nippon	Nippon Steel Corp.
NKK	NKK Corp.
Sanyo	Sanyo Special Steel Co., Ltd.
Sumikin	Sumikin Stainless Steel Tube Co., Ltd.
Sumitomo Metal	Sumitomo Metal Industries, Ltd.
Tokyo Seimitsu	Tokyo Seimitsu Kan Co., Ltd.

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-859 (Final)

CIRCULAR SEAMLESS STAINLESS STEEL HOLLOW PRODUCTS FROM JAPAN

DETERMINATION

On the basis of the record[1] developed in the subject investigation, the United States International Trade Commission determines,[2] 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 not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from Japan of circular seamless stainless steel hollow products[3] that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

BACKGROUND

The Commission instituted this investigation effective October 26, 1999, following receipt of a petition filed with the Commission and the Department of Commerce by Altx, Inc., Watervliet, NY; American Extruded Products Corp., Beaver Falls, PA; DMV Stainless USA, Inc., Houston, TX; Salem Tube, Inc., Greenville, PA; Sandvik, Steel Co., Scranton, PA; International Extruded Products LLC d/b/a Wyman-Gordon Energy Products - IXP Buffalo, Buffalo, NY;[4] and United Steelworkers of America, AFL-CIO/CLC, Pittsburgh, PA. The final phase of the investigation was scheduled by the Commission following notification of a preliminary determination by the Department of Commerce that imports of circular seamless stainless steel hollow products from Japan 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 investigation 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 May 10, 2000 (65 *FR* 30133). The hearing was held in Washington, DC, on July 12, 2000, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Chairman Koplan and Vice Chairman Okun dissenting.

[3] For purposes of this investigation, Commerce has defined the subject merchandise as "pipes, tubes, redraw hollows, and hollow bars, of circular cross-section, containing 10.5 percent or more by weight chromium, regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade or intended use. Common specifications for the subject circular seamless stainless steel hollow products include, but are not limited to, ASTM-A-213, ASTM-A-268, ASTM-A-269, ASTM-A-270, ASTM-A-271, ASTM-A-312, ASTM-A-376, ASTM-A-498, ASTM-A-511, ASTM-A-632, ASTM-A-731, ASTM-A-771, ASTM-A-789, ASTM-A-790, ASTM-A-826 and their proprietary or foreign equivalents."

The products subject to this investigation are covered by statistical reporting numbers 7304.10.5020; 7304.10.5050; 7304.10.5080; 7304.41.3005; 7304.41.3015; 7304.41.3045; 7304.41.6005; 7304.41.6015; 7304.41.6045; 7304.49.0005; 7304.49.0015; 7304.49.0045; and 7304.49.0060 of the Harmonized Tariff Schedule of the United States (HTS).

[4] On June 7, 2000, International Extruded withdrew from participation as a petitioner in this investigation.

VIEWS OF THE COMMISSION

Based on the record in this investigation, we find that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of circular seamless stainless steel hollow products ("CSSSHP") from Japan that are 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 imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[2] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Act"), defines the relevant domestic industry as the "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[3] 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."[4]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[5] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[6] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[7] Although the Commission must accept the determination of the Department of Commerce ("Commerce") as to the scope of the imported merchandise that has been found to be subsidized or sold

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[1] Chairman Koplan and Vice Chairman Okun determine that the domestic industry is materially injured by reason of LTFV subject imports. They join Section I of these views.

[2] 19 U.S.C. § 1677(4)(A).

[3] 19 U.S.C. § 1677(4)(A).

[4] 19 U.S.C. § 1677(10).

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

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

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

at LTFV, the Commission determines what domestic product is like the imported articles Commerce has identified.[8]

B. Product Description

In its final determination, Commerce described the merchandise within the scope of its investigation as follows, in part:[9]

> seamless stainless steel hollow products, including pipes, tubes, redraw hollows, and hollow bars, of circular cross section, containing 10.5 percent or more by weight chromium, regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade or intended use.[10]

Seamless stainless steel hollow products are produced by either of two high temperature processes to form a central cavity in a solid steel billet: the rotary piercing process or the hot extrusion process. Because most grades of stainless steel do not lend themselves to the rotary piercing process, almost all hollow products are produced by the extrusion process. This process requires a cylindrical billet with an axial hole, which is drilled through the entire length of the billet. The billet is then heated to hot-forming temperature (2,200 degrees Fahrenheit) and the hole is hot expanded by forcing a piercing die through the drilled hole. The billet is then reheated and forced through a die and over an internal mandrel, forming a hot-finished hollow section.[11]

Small diameter[12] or thin walled products and products requiring particularly close dimensional tolerances are cold-finished.[13] Cold finishing consists of cold tube-reducing by rolling on an internal mandrel, or cold-drawing by pulling through a die, usually with an internal plug or mandrel to form the inside of the tube. To produce cold-finished products, seamless redraw hollows are first pickled in acid to remove scale and oxides from both the outside and inside surfaces. They are then rinsed in water and coated, by dipping, with a lubricant for cold drawing. The hollow is pulled through a die and over an internal mandrel, reducing the outside diameter and increasing the length. The mandrel inside the hollow controls the inside diameter and the wall thickness. An alternate method of cold working, commonly used on seamless stainless steel, is tube reducing. In this method, a pair of rolls having tapered grooves are rolled and reciprocated along the outside of the tube so that a reduction of both the diameter and the

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[8] Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (Commission may find single like product corresponding to several different classes or kinds defined by Commerce); Torrington, 747 F. Supp. at 748-752 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

[9] Pursuant to petitioners' request that the scope be changed to clarify the exemption for oil country tubular goods ("OCTG"), the current scope differs from that considered during the preliminary investigation.

[10] For the remainder of the scope, *see* Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Circular Seamless Stainless Steel Hollow Products from Japan, A-588-853 in Confidential Report ("CR")/Public Report ("PR") at Appendix A.

[11] CR at I-7, PR at I-6.

[12] While the minimum diameter for hot finishing differs among producers because of differences in equipment capabilities, hot-finished pipe or tubing is produced with a diameter as small as one inch. CR at I-8, PR at I-6.

[13] CR at I-7, PR at I-6.

wall thickness is accomplished against a fixed, tapered mandrel on the inside of the tube.[14] For very small diameter tubes or for tubes requiring substantial cross-sectional reduction, the sequence of annealing, pickling, and cold drawing may be repeated one or more times.[15]

C. Domestic Like Product

In its preliminary determination, the Commission found a single domestic like product consisting of hot- and cold-finished circular stainless steel hollow products, including pipes, tubes, redraw hollows, and hollow bars.[16] The like product issues before the Commission in the preliminary phase of this investigation were whether hot-finished and cold-finished hollow products constitute a single domestic like product; whether extreme-temperature hollow products constitute a separate domestic like product; and, whether redraw hollows constitute a separate domestic like product. The Commission found one like product consisting of all hot- and cold-finished hollow products, including redraw hollows. In this final phase investigation, we consider two issues: whether hot- and cold-finished hollow products constitute separate domestic like products, and whether ultra high purity 316L redraw hollows comprise a separate domestic like product.

1. Cold-Finished vs. Hot-Finished

In the final phase of this investigation, petitioners argue that the Commission should determine that circular seamless stainless steel hollow products constitute a single domestic like product. Respondents contend that the Commission should determine that hot- and cold-finished hollow products comprise separate domestic like products.

Although there are merits to both arguments, in the absence of a clear dividing line, we determine that hot- and cold-finished hollow products comprise a single domestic like product.

The record indicates that hot-finished and cold-finished hollow products share the same important physical characteristics (they are produced without seams from stainless steel billets) and common uses (the corrosion-resistant transport of liquids or gas in the chemical, petrochemical, dairy, semiconductor, and paper industries). Both are used for corrosion resistance or hygienic needs; they are also used in certain medical devices.[17] However, cold finishing generally results in hollow products with less eccentricity, closer dimensional tolerances, smoother surfaces, greater hardness and other differences in metallurgic properties, and lower wall thickness ratios than hot-finished products. Certain sizes of hollow products can be produced only by cold finishing, although there is overlap in the one- to 24-inch size range.[18]

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[14] This process of tube reducing is sometimes called "pilgering."

[15] CR at I-7 - I-8, PR at I-6.

[16] Circular Seamless Stainless Steel Hollow Products from Japan, Inv. No. 731-TA-859 (Preliminary), USITC Pub. 3262, at 5 (Dec. 1999).

[17] CR at I-6, PR at I-5.

[18] CR at I-8, II-1 -II-2 & Table I-1, PR at I-6, II-1 & Table I-1. Petitioners state that the most common reason for cold finishing a product is to achieve a diameter that cannot be produced by extrusion. Petitioners' Prehearing Brief at 10.

There is some interchangeability in the use of hot- and cold-finished products.[19] However, because hot-finished products are considerably less expensive than cold-finished products, cold-finished products generally are used when hot-finished products will not meet the desired specifications.[20] Substitution of hot- and cold-finished products is becoming more common, primarily due to technological improvements in the hot-finished product.[21] Some applications, such as boiler tubes, are shifting to some extent from the use of cold-finished to hot-finished hollow products. In addition, some producers give their hot-finished products a "cold pass" to meet specifications and quality standards that other producers can meet with a hot-finished product.[22]

Production of cold-finished hollow products involves the processing of hot- or cold-finished hollows (redraw hollows) by employees on additional equipment not otherwise needed for the production of hot-finished hollow products, *i.e.,* cold-drawing and/or tube-reducing equipment.[23] Finishing operations, such as testing, pickling, annealing, and straightening are common to hot- and cold-finished hollow products.[24] Two domestic producers, ALTech/ALTX and Timken, produce both cold- and hot-finished hollow products.[25]

Producers and purchasers appear to perceive some similarities in hot- and cold-finished hollow products. Producers acknowledge distinctions based on tolerance, appearance/surface finish, and size, but generally report that a degree of overlap exists.[26] Purchasers indicate that they can use hot- and cold-finished product interchangeably,[27] but that this occurs based on factors such as lead time concerns, rather than based on the products' physical characteristics.[28]

The channels of distribution for both are the same, including end users and distributors.[29] Moreover, both hot- and cold-finished hollow products are often sold by the same companies.[30]

Prices for hollow products vary by material composition, size, and finishing.[31] Cold-finished hollow products may be sold at unit values over twice that of hot-finished hollow products, although some cold-finished products that compete more directly with hot-finished products are sold at a premium

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[19] CR/PR at II-1; *see* Tr. at 197 (Mr. Bootz). Forty-seven percent of responding purchasers stated that hot- and cold-finished products can sometimes be physically substituted for one another; 23 percent reported they could be substituted. Twenty percent of purchasers stated that substitution was routine and seven percent said it was routine in some cases. CR/PR at II-1 nn.1 & 2.

[20] CR/PR at II-1.

[21] CR at II-21, PR at II-12.

[22] Tr. at 161-62 (Mr. Breckinridge), 165-66 (Mr. Johnson); Respondents' Posthearing Brief at 5; *see* Respondents' Posthearing Brief, Part II at 20.

[23] CR at I-10 & Table III-7, PR at I-8 & Table III-7.

[24] Petitioners' Prehearing Brief at 20.

[25] CR/PR at Table III-1.

[26] Petitioners' Prehearing Brief at 13-24; Petitioners' Posthearing Brief at 4-5.

[27] CR/PR at II-1, Tr. at 197 (Mr. Bootz), 242-43 (Mr. Curran).

[28] Tr. at 194-95 (Mr. Breckinridge).

[29] CR at Table I-3, II-4, PR at Table I-3, II-3.

[30] *See* CR/PR at Table III-1; Sandvik's and PEXCO's Producer Questionnaire Responses.

[31] CR at I-13, PR at I-9.

of only 10 to 15 percent.[32] Cold finishing can add as little as three to five percent to cost, although much higher percentages are typical.[33]

In conclusion, we find that hot- and cold-finished hollow products comprise a single domestic like product due to the overlap in characteristics and uses, at least some degree of interchangeability, the fact that two domestic producers make both products on similar equipment, a degree of overlap based on customer and producer perceptions, and the same channels of distribution.

2. Ultra High Purity 316L Redraw Hollows

Plymouth Tube Company ("Plymouth Tube") argues for the first time in this final phase investigation that the Commission should determine that ultra high purity 316L redraw hollows comprise a separate domestic like product. Cold-finished tubes made from these redraw hollows are used for gas distribution by the semiconductor industry.

Plymouth Tube states that it has been unable to procure ultra high purity 316L redraw hollows from any domestic producer.[34] Thus, ultra high purity 316L redraw hollow could not be found to be a separate domestic like product. Because there is no domestic production of this product, we must identify the domestic product that is most similar in characteristics and uses with the article subject to this investigation.[35] We find that circular seamless stainless steel pipes, tubes, redraw hollows, and hollow bars are most similar to ultra high purity 316L redraw hollows.

In sum, we again determine that there is a single like product, coextensive with the scope, consisting of hot- and cold-finished circular seamless stainless steel hollow products, including pipes, tubes, redraw hollows, and hollow bars.

D. Domestic Industry

1. Generally

The domestic industry is defined as "the producers as a [w]hole of a domestic like product."[36] In defining the domestic industry, the Commission's general practice has been to include in the industry all of the domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[37] We find one domestic industry in this investigation and define it as all domestic producers of circular seamless stainless steel hollow products, whether hot- or cold-finished, including pipes, tubes, redraw hollows, and hollow bars.

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[32] CR/PR at II-1 & n.3.

[33] *See* Tr. at 84 (Mr. Andriola).

[34] *See* Plymouth Tube's Prehearing Brief at 2-7.

[35] *See* Certain Cold-Rolled Steel Products from Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela, Inv. Nos. 701-TA-393-396 & 731-TA-829-840 (Preliminary), USITC Pub. 3214, at 10 n.58 (July 1999).

[36] 19 U.S.C. § 1677(4)(A).

[37] *See* United States Steel Group v. United States, 873 F. Supp. 673, 681-684 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996).

2. Related Parties

We also must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 19 U.S.C. § 1677(4)(B). That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry a producer that is related to an exporter or importer of subject merchandise, or which is itself an importer.[38] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.[39]

In the preliminary phase of the investigation, the Commission considered whether to exclude three domestic producers under the related party provision: Pennsylvania Extruded Tube Co. USA Inc. ("PEXCO"), a joint venture owned in part by Sumitomo Metal Industries, Ltd., a Japanese producer of the subject merchandise,[40] and *** and ***, both believed to have imported subject hollow products throughout the period of investigation. The Commission did not find that PEXCO is a related party and determined that appropriate circumstances did not exist to exclude *** and *** from the domestic industry.[41]

None of the additional information gathered during this final phase of the investigation indicates that Sumitomo, the Japanese producer, is in a position to exercise control of PEXCO. There is consequently no reason to revisit our conclusion in the preliminary determination that PEXCO is not a related party.

The record in this final phase investigation indicates that *** and *** purchased, rather than imported directly, the subject merchandise from Japan.[42] Five other domestic producers also purchased subject hollow products during the period: ***.[43] No domestic producer directly imported subject merchandise during the period of investigation.

In previous investigations the Commission has concluded that a domestic producer that does not itself import subject merchandise, or does not share a corporate affiliation with an importer, may nonetheless be deemed a related party if that producer controls large volumes of imports. We have found such control to exist where the domestic producer was responsible for a predominant proportion of an

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[38] 19 U.S.C. § 1677(4)(B).

[39] Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l. Trade 1989), *aff'd without opinion*, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l. Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.*, whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market, and (3) the position of the related producers vis-a-vis the rest of the industry, *i.e.*, whether inclusion or exclusion of the related party will skew the data for the rest of the industry. *See, e.g.*, Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l. Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. *See, e.g.*, Melamine Institutional Dinnerware from China, Indonesia, and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016, at 14 n.81 (Feb. 1997).

[40] Sumitomo Metal Industries of Japan owns 30 percent of PEXCO, while Sandvik Steel of Sweden owns 70 percent. CR at III-2, PR at III-1.

[41] USITC Pub. 3262 at 10-11.

[42] CR/PR at Table III-6 n.1.

[43] CR/PR at Table III-5.

importer's purchases and the importer's purchases were substantial.[44] However, in this case, we do not find that any producer purchased sufficient subject imports to be considered as exercising control over a large volume of imports. The amount of purchases for each domestic producer relative to total subject imports during 1999 is as follows: ***.[45] Accordingly, we determine that these firms are not related parties within the meaning of the statute.[46]

II. NO MATERIAL INJURY BY REASON OF SUBJECT IMPORTS

In the final phase of antidumping or countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the imports under investigation. 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.[47] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[48] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[49] 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."[50]

For the reasons discussed below, we determine that the domestic industry producing certain circular seamless stainless steel hollow products is not materially injured by reason of LTFV imports from Japan.

A. Conditions of Competition

The following conditions of competition are pertinent to our analysis in this investigation. First, the demand for hollow products is a derived demand, determined in large part by the activity level of a number of consuming industries including energy, pharmaceuticals, aerospace, chemicals and petrochemicals, and semiconductors.[51] No single industry has a predominant influence on demand. During the period of investigation, the demand in some industries increased while the demand in others

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[44] *See* USITC Pub. 3262 at 11 n.55; Certain Special Quality Carbon and Alloy Hot-Rolled Steel Bars and Rods and Semifinished Products from Brazil, Inv. No. 731-TA-572 (Final), USITC Pub. 2662, at 18-19 (July 1993); Certain Carbon Steel Butt-Weld Pipe Fittings from China and Thailand, Inv. No. 731-TA-520 (Final), USITC Pub. 2528, at 12-13 (June 1992).

[45] CR/PR at Tables III-5, IV-4. *See, e.g.*, Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-864-867 (Preliminary), USITC Pub. 3281 (Feb. 2000) (purchases amounting to 24 percent of total imports not sufficient to constitute control).

[46] Chairman Koplan and Vice Chairman Okun do not join the remainder of this opinion. *See* their dissenting views.

[47] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each [such] factor . . . [a]nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B). *See also* Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[48] 19 U.S.C. § 1677(7)(A).

[49] 19 U.S.C. § 1677(7)(C)(iii).

[50] 19 U.S.C. § 1677(7)(C)(iii).

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

decreased.[52] Apparent U.S. consumption of hollow products as a whole increased between 1997 and 1998, then fell in 1999, but there was an overall increase in consumption over the period of investigation.[53]

Second, the price of stainless steel generally and the cost of certain raw materials (chiefly nickel and chromium) influence the price of hollow products. Since 1997, raw material costs have accounted for between 43 and 47 percent of the cost of hollow products.[54] The cost of raw materials decreased over the period examined, which is reflected in the decreasing cost of goods sold ("COGS").[55]

Third, for a large portion of subject imports there is a high degree of substitution with the domestic like product.[56] Nonetheless, there is an important segment of the market, including certain sizes and certain chemistry requirements, that the domestic producers are unable to supply.[57] The parties strongly disagree regarding the extent of this lack of competition.[58] It appears that at least 20 percent of subject imports as measured by volume are of types not produced domestically.[59] Additionally, there appear to be ranges of product, mainly hot-finished, for which domestic supply is viewed as non-viable by certain purchasers.[60] Several cold-finishers avoid purchasing domestically produced redraw hollows from PEXCO because of its close affiliation with Sandvik, their competitor in the cold-finished market. These cold-finishers argue that they cannot be dependent on their competitor for crucial upstream

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[52] CR at II-18, PR at II-11.

[53] Apparent U.S. consumption increased from *** short tons in 1997 to *** short tons in 1998, then fell to *** short tons in 1999. Apparent U.S. consumption was higher in Jan.-Mar. 2000 (*** short tons) than in Jan.-Mar. 1999 (*** short tons). CR/PR at Table IV-5.

[54] CR/PR at V-1.

[55] *See* CR/PR at Table VI-4. COGS per short ton fell from *** in 1997 to *** in 1999, and was *** in interim 2000 compared to *** in interim 1999. CR/PR at Table VI-4. We recognize that these changes in unit COGS may also reflect changes in product mix.

[56] CR at II-23, PR at II-13; CR/PR at Table I-2.

[57] *See* CR at II-26, PR at II-16.

[58] *See* CR at II-26, PR at II-16.

[59] *See* CR/PR at Table I-2.

[60] *See* CR at II-26- II-27, PR at II-16. In particular, there are deficiencies, or at least a perception of deficiencies by some purchasers, in the domestic production of hot-finished product between 3 and 10 inches in outer diameter. For example, PEXCO, the largest hot-finished producer, ***. PEXCO's Producer Questionnaire Response, Section II-15. While American Extruded claims to be able to produce hot-finished pipe up to 6 inches, its capabilities are suspect in the eyes of many purchasers. CR at II-27, PR at II-16; Tr. at 157, 158 (Mr. Curran). Both its relatively low production levels and capacity utilization throughout the period lend support to this perception. CR/PR at Table III-2. ALTech Specialty Steel Corp. sought bankruptcy protection in 1997, Tr. at 156 (Mr. Curran), and subsequently ceased production of hollow products. Tubacex America purchased its production assets and facility in 1999, and is now operating them as the firm ALTX. CR/PR at Table III-1 n.1. As a result, some former ALTech customers now purchase from other sources, and questions linger about ALTX's reliability as a supplier. CR at II-27, PR at II-16; CR/PR at Table III-5 n.5. (We note that ALTX did show a significant increase in production at the end of the period examined. CR/PR at Table III-2.) Finally, while International Extruded claims that it can produce down to 6 or 8 inches, it does not appear to actively seek business in sizes below 10 inches due to its press' inefficiencies for such sizes. CR at II-27 n. 50, PR at 16 n.50. With respect to characteristics other than size, there are also several types of hollow products not produced domestically, or perceived as not produced domestically, including 316L redraw hollows, superhot finished boiler tubes, and certain light walled products. CR at II-26, PR at II-16, Tr. at 162 (Mr. Breckinridge), 166 (Mr. Johnson).

supplies.[61] Thus, because they viewed PEXCO as the only viable domestic source for certain sizes of redraw hollows (due to ALTech's bankruptcy),[62] these cold-finishers purchased imported redraw hollows, both subject and nonsubject.[63]

Finally, nonsubject imports increased steadily and substantially over the period of investigation. Nonsubject imports' share of the domestic market rose substantially from 1997 to 1999, and was at its highest at the end of the period examined -- in Jan.-Mar. ("interim") 2000 -- such that they accounted for *** percent of apparent domestic consumption.[64] The record also indicates that some petitioning firms purchase nonsubject imports due to lack of domestic production.[65]

B. Volume of the 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."[66] [67]

Although the quantity of subject imports almost doubled between 1997 and 1998, it decreased significantly between 1998 and 1999, and was lower in interim 2000 than in interim 1999.[68] The value of these imports also decreased substantially between 1998 and 1999, and was lower in interim 2000 than in interim 1999.[69] Subject import market share, as measured by quantity, decreased between 1998 and 1999, and was much lower in interim 2000 than in interim 1999.[70] Nonsubject market share was greater than subject market share for most of the period.[71] Indeed, from 1998 to 1999, the declining presence of

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[61] Tr. at 157-58 (Mr. Curran).

[62] Tr. at 156 (Mr. Curran).

[63] CR/PR at Table III-5. Indeed, domestic cold-finishers accounted for over *** percent of subject imports in 1999. CR/PR Tables III-5, IV-4, C-1.

[64] Nonsubject imports increased from 16,860 short tons in 1997 to 19,058 short tons in 1998, and then rose to 20,865 short tons in 1999. Nonsubject imports were 3,955 short tons in Jan.-Mar. 1999 and 8,715 short tons in Jan.-Mar. 2000. Nonsubject imports' market share decreased from *** percent in 1997 to *** percent in 1998, then increased to *** percent in 1999. It was *** percent Jan.-Mar. 1999 and *** percent in Jan.-Mar. 2000. CR/PR at Table IV-5.

[65] CR/PR at Table III-5 nn. 2, 3, and 8.

[66] 19 U.S.C. § 1677(7)(C)(i).

[67] We have used official import statistics (as adjusted) in analyzing volume due to discrepancies between the official statistics and data collected through questionnaires. CR at IV-6 n.12, PR at IV-3 n.12. We have adjusted the official statistics to account for misclassified imports. *See* CR at IV-3 - IV-5, PR at IV-2.

[68] Subject imports rose from *** short tons in 1997 to *** short tons in 1998, then declined to *** short tons in 1999. Subject imports were *** short tons in Jan.-Mar. 1999 and *** short tons in Jan.-Mar. 2000. CR/PR at Table IV-5.

[69] The value of subject imports climbed from *** in 1997 to *** in 1998, then fell to *** in 1999. The value of subject imports was *** in Jan.-Mar. 1999 and was *** in Jan.-Mar. 2000. CR/PR at Table IV-4.

[70] As measured by quantity, subject import market share increased from *** percent in 1997 to *** percent in 1998, then decreased to *** percent in 1999. It was *** percent in Jan.-Mar. 1999 and *** percent in Jan.-Mar. 2000. CR/PR at Table IV-5.

[71] Nonsubject market share was *** percent in 1997, *** percent in 1998 and *** percent in 1999. It was *** percent in Jan.-Mar. 1999 and *** percent in Jan.-Mar. 2000. CR/PR at Table IV-5.

subject imports in the U.S. market was more than made up for by increasing nonsubject import volumes even as apparent U.S. consumption declined.[72]

We have considered whether the filing of the petition on October 26, 1999, affected the volume of imports starting in the second half of 1999 and first half of 2000 such that we should give less weight to post-petition information.[73] The sharpest decline in subject imports occurred between the second half of 1998 and the first half of 1999[74] -- well before the filing of the petition. Consequently, we do not consider the decline to be a function of the filing of the petition.[75]

Finally, any increased competition from rising subject import volumes between 1997 and 1998 was at least somewhat attenuated in light of record evidence indicating a lack of competition between some subject imports and the domestic like product for some range of product.[76] [77] [78]

In sum, although the absolute volume of subject imports nearly doubled between 1997 and 1998, it then declined consistently and substantially thereafter. In 1999, U.S. production, shipments, and capacity utilization were lower for the period than they were in prior years, and the domestic industry's market share was 8.4 percentage points lower.[79] These reductions, however, cannot be attributed to subject imports, which were substantially lower in both volume and market share in 1999 than they were in 1998.[80] In light of the factors discussed above, we do not conclude that the subject import volume is significant, notwithstanding the increases in subject import volume and market penetration from 1997 to 1998.

C. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether -- (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

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[72] *See* CR/PR at Table IV-5. We note that some purchasers perceive nonsubject hollow products to be a generally more competitive alternative to Japanese products than the domestic products. CR at II-33, PR at II-20.

[73] 19 U.S.C. § 1677(7)(I) (if the Commission finds that a change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition is related to the pendency of the investigation, the Commission may reduce the weight accorded to the data for the period after the filing of the petition).

[74] *See* CR/PR at Table C-6.

[75] Petitioners argued that respondents were aware of the possibility of a petition in early to mid-1999. Petitioners' Prehearing Brief at 65; Petitioners' Posthearing Brief at 14. Even if respondents were aware a few months into 1999, we do not find it credible that the drop in imports in the first half of 1999 can be attributed to such knowledge, given the time lag between placement of the order and arrival of the imports, typically 13-26 weeks. CR at II-29, PR at II-17.

[76] CR at II-23, II-26 - II-27, PR at II-13 - II-17; CR/PR at Table I-2. In addition, some of the increase in subject imports was likely due to ALTech's bankruptcy, after which domestic cold-drawers sought new sources of supply. Tr. at 156-58 (Mr. Curran).

[77] Commissioner Bragg concurs that there is a substantial overlap of competition among these products.

[78] Commissioners Miller and Hillman recognize that allegations have been made about attenuated competition between the subject imports and domestic hollow products. They believe that the record supports finding that there remains substantial competitive overlap between these products.

[79] *See* CR/PR at Table C-1.

[80] *See* CR/PR at Table IV-4.

As noted above, although a share of subject imports does not compete with the domestic like product, where there is competition there is a significant degree of substitutability between the domestic like product and the subject imports. Further, price is an important consideration for purchasers,[81] although other nonprice considerations are also important, such as the ability to obtain specific products and the quality of the product.[82]

The Commission's questionnaires identified nine specific products for price comparisons. Domestic prices for many of the products declined for portions of the period examined. At the same time, the pricing data collected indicate extensive underselling by subject imports throughout the period of investigation.[83] However, underselling was occurring during periods when domestic prices were stable or rising, indicating a lack of price depression or suppression. Moreover, the condition of the domestic industry improved markedly in 1998, when imports were at their peak, and again in interim 2000, as explained below, despite persistent underselling.

At least some of the price declines can be explained by the substantial decline in the raw material costs during the initial part of the period examined. Indeed, while most of the collected pricing data indicate declines of about 10 percent or less between the first quarter of 1997 and the fourth quarter of 1998 (with some price levels actually evidencing increases),[84] the unit cost of goods sold for the domestic industry declined 11 percent between 1997 and 1998.[85]

In addition, while much of the collected domestic pricing data indicate further declines of about 13 percent or less between the fourth quarter of 1998 and the fourth quarter of 1999 (with price levels actually increasing for a number of products),[86] apparent U.S. consumption declined 11.3 percent between 1998 and 1999, while at the same time subject import volume declined over 35 percent.[87] We find that price declines evidenced between 1998 and 1999 are attributable in significant part to a softening of demand, and not in response to substantially declining volumes of subject imports.

Finally, one large purchaser stated that European producers were the price leaders from June 1998 to November 1999.[88] Any such price leadership would have coincided with the surge in nonsubject import volumes.

Accordingly, notwithstanding evidence of consistent and extensive underselling over the period of investigation, we do not find that underselling by the subject imports is significant, nor do we find that the subject imports have suppressed or depressed the prices for the domestic like product to a significant degree.

D. Impact of the Subject Imports on the Domestic Industry

Section 771(7)(C)(iii) provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market

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[81] CR at II-24, PR at II-14; CR/PR at Table II-1.

[82] CR at II-24, PR at II-14.

[83] CR/PR at Tables V-2 - V-10.

[84] *See* CR/PR at Tables V-2 through V-10.

[85] CR/PR at Table C-1. The ratio of COGS to net sales declined from *** percent to *** percent during that same period. CR/PR at Table C-1.

[86] *See* CR/PR at Tables V-2 through V-10.

[87] CR/PR at Table C-1.

[88] CR at II-21, PR at II-12; Tr. at 151-52 (Mr. Bootz).

share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[89] [90] [91] For the reasons discussed below, we conclude that subject imports of circular seamless stainless steel hollow products have not adversely affected the domestic industry.

U.S. apparent consumption fluctuated over the period of investigation, ending higher in 1999 than in 1997, as noted above. Despite the mixed overall performance of the domestic industry,[92] its financial picture actually improved from 1997 to 1998, when subject imports registered their most significant increase, and remained above the 1997 level in 1999 as subject imports fell and nonsubject imports gained a substantial share of the domestic market. Interim 2000 data show improvement for the domestic industry in most indicators when compared to interim 1999.

The quantity of domestic producers' shipments was steady between 1997 and 1998, then decreased in 1999 when apparent U.S. consumption declined and subject imports also declined to a greater extent. It was also higher in interim 2000 than in interim 1999.[93] The value of these shipments followed a different trend, decreasing from 1997 to 1998 and declining further in 1999. However, the value was higher in interim 2000 than in interim 1999.[94]

U.S. production increased from 1997 to 1998, then decreased between 1998 and 1999, when apparent U.S. consumption declined and subject imports also decreased to a greater extent. U.S. production was higher in interim 2000 than in interim 1999.[95] Total U.S. capacity decreased from 1997 to 1998, while capacity utilization increased.[96]

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[89] 19 U.S.C. § 1677(7)(C)(iii). *See also* SAA at 851 and 885 and Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 25 n.148 (Feb. 1999).

[90] As part of its consideration of the impact of imports, the statute specifies that the Commission is to consider "the magnitude of the margin of dumping" in an antidumping proceeding. 19 U.S.C. § 1677(7)(C)(iii)(V). Commerce's final antidumping duty margins ranged from 62.14 percent to 156.81 percent. 65 Fed. Reg. 42985, 42986 (July 12, 2000).

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

[92] For example, we note that throughout the period of investigation, capacity utilization never exceeded 52.3 percent. *See* CR/PR at Table III-2. Nevertheless, the domestic industry demonstrated an ability to register a range of favorable operating results throughout the period.

[93] U.S. producers' total shipments increased in quantity from 15,900 short tons in 1997 to 15,907 short tons in 1998, then decreased to 14,691 short tons in 1999. They were 3,439 short tons in Jan.-Mar. 1999 and 4,965 short tons in Jan.-Mar. 2000. CR/PR at Table III-3.

[94] The value of U.S. producers' total shipments declined from *** in 1997 to *** in 1998, and declined further to *** in 1999. The value of these shipments was *** in Jan.-Mar. 1999 and *** in Jan.-Mar. 2000. CR/PR at Table III-3.

[95] U.S. production was *** short tons in 1997, then rose to *** short tons in 1998, and fell to *** short tons in 1999. It was *** short tons in Jan.-Mar. 1999 and *** short tons in Jan.-Mar. 2000. CR/PR at Table III-2.

[96] U.S. capacity declined from *** short tons in 1997 to *** short tons in 1998, then fell to *** short tons in 1999. Capacity was *** short tons in Jan.-Mar. 1999 and *** short tons in Jan.-Mar. 2000. Capacity utilization was 42.8 percent in 1997 and rose to 45.4 percent in 1998, then fell to 38.9 percent in 1999. It was 31.4 percent in Jan.-Mar. 1999 and 52.3 percent in Jan.-Mar. 2000. CR/PR at Table III-2.

The average number of production and related workers declined steadily between 1997 and 1999, but was higher in interim 2000 than in interim 1999.[97] The hours worked by production and related workers[98] and wages paid to them[99] followed the same trend.

Operating income increased from 1997 to 1998, when the volume of subject imports surged, then fell substantially (to below the 1997 level), when the volume of subject imports decreased substantially. Operating income was much higher in interim 2000 than in interim 1999.[100] Operating income margins followed the same trend.[101]

Capital expenditures experienced a large increase between 1997 and 1998, then decreased between 1998 and 1999. They were higher in interim 2000 than in interim 1999.[102] Research and development expenses declined steadily between 1997 and 1999, but were higher in interim 2000 than in interim 1999.[103]

U.S. producers' end-of-period inventories increased steadily over the period.[104] Nearly all the inventories were held by cold-finishers,[105] who purchased a significant portion of their redraw hollows from non-domestic sources throughout the period of investigation.[106] Thus, we note that the steady and substantial increase in nonsubject import volumes over the period of investigation[107] is, to some degree, responsible in that they displaced the domestic product. In addition, the increase in inventories during interim 2000 as compared to interim 1999 reflects ***.[108]

The health and performance of the domestic industry over the period were somewhat mixed. However, significant indicators of the industry's condition improved as subject import volumes increased and declined as subject import volumes declined. In view of the lack of significant volume and price effects, the favorable profitability and overall improvement in the financial condition of the

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[97] The average number of production and related workers declined from 1,064 in 1997 to 1,000 in 1998, then decreased to 945 in 1999. It was 942 in Jan.-Mar. 1999 and 1,005 in Jan.-Mar. 2000. CR/PR at Table III-7.

[98] Hours worked fell from 1.6 million in 1997 to 1.5 million in 1998, then to 1.4 million in 1999. Hours worked were 362,000 in Jan.-Mar. 1999 and 408,000 in Jan.-Mar. 2000. CR/PR at Table III-7.

[99] Wages paid were $23.0 million in 1997, $22.2 million in 1998, and $21.5 million in 1999. They were $5.5 million in Jan.-Mar. 1999 and $6.8 million in Jan.-Mar. 2000. CR/PR at Table III-7.

[100] Operating income was *** in 1997, *** in 1998, and *** in 1999. It was *** in Jan.-Mar. 1999 and *** in Jan.-Mar. 2000. CR/PR at Table VI-1.

[101] The ratio of operating income to net sales was *** percent in 1997, *** percent in 1998, and *** percent in 1999. It was *** percent in Jan.-Mar. 1999 and *** percent in Jan.-Mar. 2000. CR/PR at Table VI-1.

[102] Capital expenditures rose from $6.4 million in 1997 to $16.0 million in 1998, then declined to $7.0 million in 1999. Capital expenditures were $3.0 million in Jan.-Mar. 1999 and $3.9 million in Jan.-Mar. 2000. CR/PR at Table VI-5.

[103] Research and development expenses were *** in 1997, *** in 1998, and *** in 1999. They were *** in Jan.-Mar. 1999 and *** in Jan.-Mar. 2000. CR/PR at Table VI-5.

[104] End-of-period inventories increased from 2,111 short tons in 1997 to 2,626 short tons in 1998, then climbed to 2,854 short tons in 1999. They were 2,436 short tons in Jan.-Mar. 1999 and 4,979 short tons in Jan.-Mar. 2000. CR./PR at Table III-6.

[105] *See* CR/PR at Table III-6.

[106] *See* CR/PR at Table III-4.

[107] *See* CR/PR at Table IV-5.

[108] CR/PR at Table III-6 n.1. While we examine the domestic industry as a whole, we are mindful of ALTech's filing for bankruptcy protection in 1997, which we do not find attributable to subject imports. *See* Tr. at 25 (Mr. Peak); CR at II-27, PR at II-16; CR/PR at Table III-1 n.1.

domestic industry, and the lack of correlation between the presence of subject imports and trends in several important indicia of the domestic industry's condition, we do not find that the subject imports are having a significant adverse impact on the domestic industry.[109] [110]

Conclusion

For the foregoing reasons, we find that an the industry in the United States producing circular seamless stainless steel hollow products is not materially injured by reason of imports of circular seamless stainless steel hollow products from Japan that are sold in the United States at less than fair value.

III. NO THREAT OF MATERIAL INJURY BY REASON OF SUBJECT IMPORTS

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."[111] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole."[112] In making our determination, we have considered all factors that are relevant to this investigation.[113] [114]

Based on an evaluation of the relevant statutory factors, we find that an industry in the United States is not threatened with material injury by reason of imports of circular seamless stainless steel hollow products from Japan that are sold in the United States at less than fair value.

While the volume and market penetration of subject imports increased from 1997 to 1998, they began to decline dramatically from 1998 to 1999 and further in interim 2000.[115] Consequently, trends in

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[109] Petitioners have urged the Commission to examine data on a semiannual basis. As an initial matter, we note that the semiannual data are not directly comparable to the annual data due to the absence of semiannual data from three domestic producers. The semiannual data (contained in CR/PR at Table C-6) show that the quantity of subject imports increased from Jan.-June 1998 to July-Dec. 1998, but then decreased substantially in both Jan.-June 1999 and July-Dec. 1999, both in absolute terms and in market share. Although the increase in subject import volume in the second half of 1998 coincided with declines in several indicia of the condition of the domestic industry, when subject imports declined substantially in the first half of 1999 (to a level below that in the first half of 1998), these same indicia continued to decline. Consequently, the semiannual data do not lead us to a conclusion contrary to that reached upon consideration of the annual data, as described above.

[110] Commissioner Askey did not rely on semiannual data in her analysis.

[111] 19 U.S.C. §§ 1673b(a) and 1677(7)(F)(ii).

[112] 19 U.S.C. § 1677(7)(F)(ii). An affirmative threat determination must be based upon "positive evidence tending to show an intention to increase the levels of importation." Metallverken Nederland B.V. v. United States, 744 F. Supp. 281, 287 (Ct. Int'l Trade 1990), *citing* American Spring Wire Corp. v. United States, 590 F. Supp. 1273, 1280 (Ct. Int'l Trade 1984). *See also* Calabrian Corp. v. United States, 794 F. Supp. 377, 387-88 (Ct. Int'l Trade 1992), *citing* H.R. Rep. No. 98-1156 at 174 (1984).

[113] 19 U.S.C. § 1677(7)(F)(i). Factor I regarding countervailable subsidies and Factor VII regarding raw and processed agriculture products are inapplicable to the product at issue. *See* 19 U.S.C. § 1677(7)(F)(i)(I) and (VII).

[114] Commissioner Bragg notes that her evaluation of the threat of material injury includes her assessment of the current condition and performance trends of the domestic industry, as discussed in Section II.D.

[115] The volume of subject imports increased from *** short tons in 1997 to *** short tons in 1998, then

(continued...)

subject import volume during the latter portion of the period of investigation indicate that there is not a likelihood of substantially increased imports in the imminent future.[116] Further supporting this conclusion is information in the record indicating that exports from Japan to other markets are expected to increase in 2000 and 2001, at quantities larger than those during the period of investigation,[117] and home market shipments are also projected to increase.[118] Even assuming arguendo that subject import volume does increase, the increase would likely be primarily at the expense of nonsubject imports, which accounted for well over half of apparent U.S. consumption in interim 2000.[119] Indeed, the range and quality of European-produced hollow products are very comparable to the Japanese products;[120] in fact, purchasers perceive nonsubject hollow products to be a generally more competitive alternative to Japanese products than the domestic products.[121]

Production capacity in Japan decreased steadily over the period examined, but is projected to increase in 2000 and 2001.[122] Capacity utilization increased between 1997 and 1998, then decreased between 1998 and 1999. However, it was higher in interim 2000 than in interim 1999, and is projected to increase in 2000 and 2001.[123] Although there is unused production capacity in Japan, we do not believe this supports an affirmative threat determination in light of our findings regarding likely subject import volume.

As noted, we did not find the underselling to be significant with respect to our determination regarding present material injury, nor did we find significant price depression or suppression by reason of subject imports; accordingly, we find that there is not a likelihood that the subject imports are likely to enter the U.S. market at prices that will have a significant depressing or suppressing effect on prices for the domestic like product or increase demand for further imports.

We note that U.S. importers' end-of-period inventories decreased between 1997 and 1998, then increased between 1998 and 1999. They were lower in interim 2000 than in interim 1999.[124] However,

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[115](...continued)
decreased to *** short tons in 1999. The volume of subject imports was *** in Jan.-Mar. 1999 and *** short tons in Jan.-Mar. 2000. CR/PR at Table IV-4. Subject imports' market share was *** percent in 1997, *** percent in 1998, and *** percent in 1999. It was *** percent in Jan.-Mar. 1999 and *** percent in Jan.-Mar. 2000. CR/PR at Table IV-5.

[116] As previously stated, we conclude that these declines are not attributable to the filing of the petition.

[117] Exports to other markets were 23,364 short tons in 1997, 19,437 short tons in 1998, and 21,647 short tons in 1999. They were 6,034 short tons in Jan.-Mar. 1999 and 4,721 short tons in Jan.-Mar. 2000. They are projected to rise to 24,527 short tons in 2000 and to 24,586 short tons in 2001. CR/PR at Table VII-2.

[118] Home market shipments were 46,114 short tons in 1997, 43,534 short tons in 1998, and 34,852 short tons in 1999. They were 7,777 short tons in Jan.-Mar. 1999 and 10,411 short tons in Jan.-Mar. 2000. They are projected to increase to 42,158 short tons in 2000 and 43,584 short tons in 2001. CR/PR at Table VII-2.

[119] *See* CR/PR at Table IV-5.

[120] CR at II-32, PR at II-20.

[121] CR at II-33, PR at II-20.

[122] Production capacity was 89,203 short tons in 1997, then declined to 88,628 short tons in 1998, and declined further to 80,107 short tons in 1999. It was 20,275 short tons in Jan.-Mar. 1999 and 20,129 short tons in Jan.-Mar. 2000. It is projected to increase to 80,888 short tons in 2000 and to 83,108 in 2001. CR/PR at Table VII-2.

[123] Capacity utilization was 89.7 percent in 1997, 90.2 percent in 1998, and 83.9 percent in 1999. It was 78.1 percent in Jan.-Mar. 1999 and 81.2 percent in Jan.-Mar. 2000. It is projected to increase to 86.1 percent in 2000 and 90.1 percent in 2001. CR/PR at Table VII-2.

[124] U.S. importers' end-of-period inventories declined from 1,359 short tons in 1997 to 1,332 short tons in 1998,
(continued...)

these inventories, both in absolute terms and relative to imports, were at a lower or comparable level in 1999 and interim 2000 than they were in 1997.[125] Japanese producers' end-of-period inventories fell from 1997 to 1999; while they were higher in interim 2000 than in interim 1999, the level was still lower than that in 1997 and 1998.[126]

While there is some potential for product-shifting in view of the U.S. antidumping duty orders on carbon and alloy oil country tubular goods from Japan and certain small- and large-diameter seamless carbon and alloy steel standard, line, and pressure pipe from Japan, as well as the ongoing antidumping proceeding in Indonesia regarding certain pipe from Japan,[127] we do not view such potential to be likely to result in a significant increase in subject import volumes in the imminent future, in light of the extensive shipments by producers in Japan to third country markets, as well as increased home market shipments.[128]

With respect to the effects of the subject imports on development and production efforts, seven of 12 domestic producers informed the Commission that there have been no actual negative effects and six of 12 indicated that they anticipate no negative effects.[129]

Based on this evidence, and in particular our conclusion regarding no likelihood of substantially increased imports and no likelihood of significant price depression or suppression by reason of subject imports, we find that the U.S. industry producing circular seamless stainless steel hollow products is not threatened with material injury by reason of subject imports of circular seamless stainless steel hollow products from Japan.

CONCLUSION

For the reasons stated above, we determine that the domestic industry producing circular seamless stainless steel hollow products is not materially injured nor threatened with material injury by reason of imports of circular seamless stainless steel hollow products from Japan that are sold in the United States at less than fair value.

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[124](...continued)
then rose to 1,461 short tons in 1999. They were 1,743 in Jan.-Mar. 1999 and 1,313 in Jan.-Mar. 2000. CR/PR at Table VII-3.

[125] *See* CR/PR at Table VII-3.

[126] CR/PR at Table VII-2.

[127] CR at VII-7, PR at VII-5 - VII-6.

[128] CR/PR at Table VII-2.

[129] CR at H-4 - H-5, PR at H-3.

ADDITIONAL AND DISSENTING VIEWS OF CHAIRMAN STEPHEN KOPLAN AND VICE CHAIRMAN DEANNA TANNER OKUN

On the basis of the record in this investigation, we determine that an industry in the United States producing circular seamless stainless steel hollow products ("CSSSHP") is materially injured by reason of imports of CSSSHP from Japan that are being sold in the United States at less than fair value. We concur with our colleagues' findings with respect to the domestic like product and the domestic industry. However, for the reasons discussed below, we dissent from the Commission's determination that the CSSSHP industry in the United States is not materially injured by reason of the subject imports.

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the subject imports under investigation.[1] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[2] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[3] In assessing whether the domestic industry is materially injured by reason of subject imports, we considered all relevant economic factors that bear on the state of the industry in the United States.[4] 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."[5]

I. The Conditions of Competition

We consider a number of conditions of competition to be pertinent to our analysis in this investigation. As a general matter, there is no single business cycle for hollow products, as aggregate demand depends in large part on demand for CSSSHP in various consuming industries (*e.g.*, aerospace, energy, chemicals, petrochemicals, pharmaceuticals, and semiconductors).[6] During the period examined in this investigation, demand in some industries increased while demand in others decreased, leading individual market participants to view demand trends somewhat differently. In general, demand increased in 1998 as a result of the strength in the petroleum and petrochemicals fields (at least until mid-1998) and the aerospace sector, weakened somewhat in 1999, and has begun to rebound in 2000 as the oil and gas market has recovered. Apparent U.S. consumption of non-excluded, properly classified hollow products[7] increased by 25 percent between 1997 and 1998, fell by 11 percent in 1999, then increased by nearly 50

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[1] 19 U.S.C. § § 1671d(b) and 1673d(b).

[2] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each [such] factor...[a]nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B). *See also, Angus Chemical Co. v. United States*, 140 F.3d 1478 (Fed. Cir. 1998).

[3] 19 U.S.C. § 1677(7)(A).

[4] 19 U.S.C. § 1677(7)(C)(iii).

[5] 19 U.S.C. § 1677(7)(C)(iii).

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

[7] Throughout our Additional and Dissenting Views, discussions of volume reflect adjustments made to official import statistics as a result of scope exclusions and apparent misclassifications by importers and by Customs. Although Petitioners argue in favor of a presumption of correctness of the official import statistics, Customs officials have upheld all of the instances of misclassifications that they have reviewed. Although Respondents argue in favor of using questionnaire data, several importers did not respond to the Commission. *See,* CR at IV-1-6, PR at IV-1-3.

percent in the first quarter of 2000.[8] Some market participants suggest that demand for hot-finished hollow products has increased over the period examined as a result of the increasing ability to use hot-finished products in applications once reserved for cold-finished applications, as well as increasingly-favorable pricing.[9]

U.S. hollow producers have considerable ability to shift supply in response to changes in U.S. market conditions. Fully one-quarter of the domestic industry's total shipments in 1999 were exports (one-third with respect to hot-finished hollow products only). In addition, U.S. producers maintained inventories (primarily of cold-finished hollow products) equivalent to nearly one-fifth of their total shipments in 1999. Moreover, many companies produce products other than hollow products on the same equipment used to produce CSSSHP. Finally, the domestic industry has substantial available capacity to produce CSSSHP, although at no time during the period examined in this investigation did it have sufficient hot-finishing or cold-finishing capacity to supply the entire domestic demand in either market segment. These overall capacity limitations, as well as product-specific constraints discussed below, moderate the domestic industry's ability to respond to changes in U.S. market conditions.

Notwithstanding the ability of the domestic industry to modulate its supply in response to prevailing market conditions, imports supplied the majority of U.S. demand for hot-finished and cold-finished hollow products in the United States. Japan was the largest single source of imports of CSSSHP, although the volume of nonsubject imports in the aggregate was larger than the volume of subject imports.[10]

There is at least a moderate level of substitutability between subject imports and the domestic like product. Purchasers include a number of factors in their sourcing decisions. In terms of importance, the first tier of factors are product quality, product consistency, and reliability of supply. The second tier of factors are availability, delivery time, product range, and (lowest) price. Thus, while market participants generally consider hollow products from Japan and the domestic like product to be interchangeable, products from different sources have different relative strengths and weaknesses. For instance, Japanese hollow products had several strengths, but were dominant in the categories of lowest price and (broadest) product range. U.S. hollow products, on the other hand, were considered to be clearly superior in delivery time.[11] Overall, for a range of subject imports -- approximately 80 percent in 1999 -- there is a high degree of substitutability with the domestic like product.[12] Nonetheless, there is a portion of the market in certain sizes and pursuant to certain chemistry requirements that the domestic producers are unable to supply.[13]

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[8] Apparent U.S. consumption increased from *** short tons in 1997 to *** short tons in 1998, then fell to *** short tons in 1999. Apparent U.S. consumption was higher in Jan.-Mar. 2000 (*** short tons) than in Jan.-Mar. 1999 (*** short tons). Table IV-5, CR at IV-9, PR at IV-3. Table C-1, CR and PR at C-4.

[9] *See,* CR at II-19-21, PR at II-12. The combination of higher apparent U.S. consumption and declining prices could suggest a facilitating role for supply factors.

[10] Table IV-5, CR at IV-9, PR at IV-3.

[11] *Compare*, Table II-1, CR at II-25, PR at II-15 *with* Tables II-2 and II-3, CR at II-30 and II-31, PR at II-18 and II-19.

[12] CR at II-23, PR at II-13; Table I-2, CR at I-12, PR at I-11. The record indicates that *** percent of imports of Japanese hot-finished hollow products and *** percent of imports of Japanese cold-finished hollow products may be unavailable from U.S. sources. Table I-2, CR at I-12, PR at I-11.

[13] *See*, CR at II-26, PR at II-16. Domestic producers are unable to produce hollow products in certain size categories, although the exact size range is in dispute. It appears, however, that U.S. capability is lacking in the range from 3 inches to 8 or 10 inches in outside diameter. CR at II-26, PR at II-16. PEXCO ***. PEXCO's Producer Questionnaire Response, Section II-15. International Extruded can produce down to 6 or 8 inch outside

(continued...)

Finally, raw materials are an important cost component in the production and sale of CSSSHP, accounting for 43- 47 percent of the total cost of goods.[14] Stainless steel bars or billets are the stock material for hot-finished CSSSHP, while hot-finished CSSSHP (specifically redraw hollow products) are the stock material for cold-finished CSSSHP. Raw material costs fell sharply between 1997 and 1998, and more moderately between 1998 and 1999.[15] These trends reflect a variety of factors. Between the first quarter of 1997 and the fourth quarter of 1998, nickel prices declined by more than one-half, but then increased substantially, exceeding the price levels in the first quarter of 1997 by the first quarter of 2000. Likewise chromium prices fell markedly from the first quarter of 1997 to the second quarter of 1999, but then increased substantially through the first quarter of 2000.[16] The prices for billets also declined (most noticeably in 1997), while the prices for redraw hollow products fell markedly, albeit irregularly, over the period examined.[17]

II. The Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act of 1930 ("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."[18]

The quantity of subject imports increased from *** short tons in 1997 to *** short tons in 1998, an increase of 95.6 percent. By 1998, the volume of imports of the subject merchandise from Japan surpassed the total shipment volume of the domestic industry and rivaled the volume of imports from all other sources *combined.* While the quantity of subject imports decreased by 35.2 percent between 1998 and 1999, to *** short tons, the quantity of subject imports remained greater than the U.S. shipments of the domestic industry in 1999.[19]

Apparent U.S. consumption of CSSSHP increased from 1997 to 1998, and then decreased from 1998 to 1999. Overall, from 1997 to 1999, apparent consumption increased by 10.9 percent.[20] During this same period, the domestic industry's U.S. shipments decreased by 10.2 percent between 1997 and 1998, falling from 13,177 short tons to 11,827 short tons, then fell by an additional 7.3 percent, to 10,959 short tons, in 1999. Overall, the quantity of imports of the subject merchandise from Japan increased by

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[13] (...continued)
diameters, but apparently does not actively seek general business below 10 inches because of the inefficiency of its press in such sizes. CR at II-27 n.50, PR at II-16 n.50. In addition, American Extruded and ALTech have not always been viewed as viable suppliers. CR at II-27, PR at II-16.

[14] Table VI-4, CR at VI-9, PR at VI-3.

[15] Table VI-4, CR at VI-9, PR at VI-3.

[16] CR and PR at V-1. Because stainless steel products have a relatively high level of such expensive alloying elements as chromium and nickel, the underlying costs of these alloying elements are an important component of total raw material costs.

[17] Table V-1, CR and PR at V-2. We note that the decline in redraw hollow prices is consistent with the significant decrease in the average unit values of U.S. shipments of redraw hollow products from Japan between 1997 and 1999, as well as the significant increase in the volume of low-priced redraw hollow products from Japan in 1998 and 1999 relative to 1997. *See*, Table E-3, CR at E-8, PR at E-3.

[18] 19 U.S.C. § 1677(7)(C)(i).

[19] Table IV-4, CR at IV-7, PR at IV-3; Table III-3, CR at III-7, PR at III-4.

[20] Table C-1, CR and PR at C-4.

26.8 percent, U.S. shipments by the domestic industry decreased by 16.8 percent, and imports from all other countries combined increased by 23.8 percent between 1997 and 1999.[21]

The market share of imports of the subject merchandise from Japan increased by 13.5 percentage points between 1997 and 1998, rising from *** percent to *** percent, then retreated by 10.1 percentage points, to *** percent, in 1999. During this same period, the domestic industry's market share decreased by 9.4 percentage points between 1997 and 1998, falling from *** percent to *** percent, then increased by 1.1 percentage point, to *** percent, in 1999. Nonsubject imports held *** percent of the market in 1997, *** percent in 1998, and *** percent in 1999. Overall, the market share of imports of the subject merchandise from Japan increased by 3.4 percentage points, the domestic industry's market share decreased by 8.4 percentage points, and nonsubject imports' market share increased by 4.9 percentage points.[22]

We find the volume and the increase in the volume of subject imports, both in absolute terms and relative to domestic consumption, to be significant.

III. The Effect of Subject Imports on Domestic Prices

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

> (I) there has been significant underselling by the imported merchandise as compared with the price of the domestic like products of the United States, and
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[23]

Based on the price data collected by the Commission, prices for the domestic like product and the subject imports generally fell over the period examined. With respect to the hot-finished CSSSHP, the prices of domestically-produced ASTM A-312 pipe, hollow bars, and redraw hollows declined irregularly throughout the period examined. Prices of the subject merchandise from Japan exhibited a similar trend, although with a more distinct upturn in the first quarter of 2000, following the filing of the petition. In the majority of instances in which the domestic and Japanese prices could be compared, the Japanese product was sold in the U.S. market for a price lower than the domestic price. Notably, underselling occurred most frequently in 1998 and 1999. In 1997, the Japanese hot-finished stainless hollow products undersold the domestic like product in 7 of 13 instances. However, in 1998 (when the increase in the volume of subject imports was the greatest) and in 1999, the Japanese product undersold

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[21] Table IV-5, CR at IV-9, PR at IV-3. The quantity of subject imports from Japan was 38.0 percent lower in the first quarter of 2000 than in the first quarter of 1999; the quantity of U.S. shipments by the domestic industry was 62.3 percent higher; and the quantity of nonsubject imports was 120.4 percent higher. *Id.* Because of the short duration of the interim period, and the proximity of interim 2000 to the filing of the petition, we do not place great weight on comparisons of data in Jan.-Mar. 1999 to data in Jan.-Mar. 2000.

[22] Table IV-5, CR at IV-10, PR at IV-3. The market share of subject imports from Japan was 21.1 percentage points lower in the first quarter of 2000 than in the first quarter of 1999; the market share of the domestic industry was 2.3 percentage points higher; and the market share of nonsubject imports was 18.8 percentage points higher. *Id.*

[23] 19 U.S.C. § 1677(7)(C)(ii).

the domestic product in 25 of 31 instances. In the first quarter of 2000, after the petition was filed and prices for the Japanese product increased, the degree of underselling decreased.[24]

With respect to cold-finished CSSSHP, prices for both U.S.-produced and Japanese CSSSHP declined over the period, and reached low points in 1999. In 31 of 39 instances in which the prices of cold-finished CSSSHP produced in the United States and in Japan could be compared, the Japanese product undersold the domestic like product.[25]

Many purchasers identified price competitiveness as an important consideration in their purchase of the subject product. A number of firms noted that Japanese pricing is generally lower than domestic pricing, and several identified Sanyo and Sumitomo as price leaders. Indeed, *** indicated that Japanese producer *** was especially aggressive in its pricing in 1998. This is consistent with a large increase in the volume of shipments reported by ***.[26]

We have carefully considered other factors that arguably contribute to the observed pricing levels and trends. Respondents contend that declining prices for hollow products reflect declining input prices, especially that of nickel. In addition, they assert that U.S. producers are able to charge a premium for quick delivery.[27]

We agree that input costs are an important component of price. However, the decline in nickel prices in 1997 and 1998, while significant, was completely reversed in 1999 and early 2000. In contrast, domestic prices for virtually all grades and types of CSSSHP, whether hot- or cold-finished, declined over the period examined, as did prices for sales of CSSSHP produced in Japan, and did not recover.[28] Moreover, as discussed below, price declines in the U.S. market outpaced cost savings for the majority of the domestic industry that did not benefit extensively from the purchase of Japanese inputs that were sold in the United States at less than fair value. Further, it is clear that the domestic industry's superior delivery times do not offset other advantages generally attributed by purchasers to CSSSHP from Japan (primarily price, followed by product range).[29]

Respondents also note the limited nature of the data comparing the prices of the domestic like product and the subject merchandise from Japan.[30] The record indicates that the products for which the Commission gathered direct pricing information account for approximately 7 percent of sales of hot-finished hollow products produced in the United States and imported from Japan, and between 1 and 4 percent of sales of cold-finished hollow products produced in the United States and imported from Japan.[31] However, we find the data to be broadly representative of the overall market environment for hollow products in the United States. Based on more extensive observations, Japanese hollow products

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[24] Tables V-2-V-3, V-7-V-10; CR at V-9, V-10, V-14 - V-17; PR at V-7, V-8.

[25] Tables V-3-V-5, CR at V-11-V-13, PR at V-8 - V-9.

[26] CR at II-10, PR at II-6; CR at II-28 and n.53, PR at II-17 and n.53. *See also* Table VII-1, CR at VII-3, PR at VII-2 (indicating that ***'s role as an exporter of CSSSHP to the United States is disproportionate to its status as a manufacturer of CSSSHP in Japan).

[27] Japanese Respondents' Prehearing Brief at 71-74 and 87-89.

[28] *Compare,* CR at V-1, PR at V-1, *with* Tables V-2-V-10, CR at V-9 - V-17, PR at V-8 - V-9. We have also considered the data compiled in Table V-1, CR and PR at V-2. The most significant decline in billet and bar prices appear to have taken place in 1997, although this is based on data from only two reporting companies. While redraw hollow prices declined throughout most of the period examined, we find that this reflects in large part the increasing volume and share, and declining average unit values, of imports of the subject merchandise from Japan. *See, e.g.*, Table E-3, CR at E-8, PR at E-3.

[29] *See, e.g.*, Tables II-2 and II-3, CR at II-30 and II-31, PR at II-18 - II-19.

[30] Japanese Respondents' Posthearing Brief at 13.

[31] CR at V-7-V-8, PR at V-6.

undersold U.S. hollow products over the entire range of products in which they compete: in 34 of 51 observations for hot-finished hollows and in 35 of 37 observations for cold-finished hollows.[32]

Based on the persistent underselling and aggressive pricing of the subject imports, and the declining domestic prices during the period examined, we conclude that the substantial volumes of subject imports that entered the United States significantly depressed and suppressed domestic prices during the period examined.[33]

IV. The Impact of Subject Imports on the Domestic Industry

Section 771(7)(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." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[34] [35]

The domestic industry maintained relatively stable capacity over the period examined. The domestic industry's production increased between 1997 and 1998, fell in 1999, then recovered in the first quarter of 2000.[36] The increase in production levels in 1998 did not reflect an increase in U.S. shipments, however, even though apparent U.S. consumption increased by 25 percent between 1997 and 1998; rather, it reflected the combined effects of increased exports and inventory levels. Overall, between 1997 and 1999, U.S. production fell by 11.4 percent and capacity utilization decreased by 3.9 percentage points.[37] [38]

From 1997 to 1999, U.S. producers' domestic shipments decreased by 16.8 percent by quantity and by 19.6 percent by value. These declines in domestic shipments occurred while U.S. apparent

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[32] Table E-3, CR at E-8-12, PR at E-3. These data also reflect the steep declines in average unit values across a broad spectrum of products. *Id.*

[33] We note that the limited information on lost sales presented in the Staff Report do not contradict this finding. However, we have not placed great weight on these data because of the paucity of verifiable lost sales and lost revenue allegations provided to the Commission by the Petitioners. *See*, CR at V-28 - V-32, PR at V-12 - V-14.

[34] 19 U.S.C. § 1677(7)(C)(iii). *See also,* Uruguay Round Agreements Act Statement of Administrative Action (SAA), H.R. Rep. 103-316 at 851, 885 (1994); Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 25 n.148 (Feb. 1999).

[35] As part of its consideration of the impact of imports, the statute specifies that the Commission is to consider "the magnitude of the margin of dumping" in an antidumping proceeding. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination, Commerce determined that the weighted-average dumping margin was 156.81 percent for both Sanyo Special Tube and Sumitomo Metal Industries, and 62.14 percent for all other manufacturers. 65 Fed. Reg. 42985, 42986 (July 12, 2000).

[36] Overall capacity utilization remained below 50 percent until the first quarter of 2000, with cold-finishing capacity utilization rates slightly higher than hot-finishing capacity utilization rates. Table III-2, CR at III-4-5, PR at III-3. We note the anomalous capacity reported by one of the smallest U.S. producers, ***.

[37] Table III-2, CR at III-4-5, PR at III-3. While U.S. production levels were significantly lower in 1999 than in 1997, production declined less markedly than did U.S. shipments, as the domestic industry's exports and inventory levels increased by about one-third each.

[38] Following the filing of the petition, U.S. production in Jan.-Mar. 2000 was 73.8 percent higher, and capacity utilization was 20.9 percentage points higher, than the levels in Jan.-Mar. 1999. Table III-2, CR at III-4-5, PR at III-3.

consumption of CSSSHP increased by 10.9 percent and subject imports increased by 26.8 percent.[39] This decline in shipments corresponded to a 35.5-percent increase in the domestic industry's inventories of CSSSHP and the sharp reduction in U.S. production noted above, contributing to an 11.2-percent decrease in the number of production related workers, and a 13.0-percent decrease in the number of hours worked.[40]

The domestic industry benefitted from declining costs (raw material, direct labor, and factory overhead) and expenses over the period examined. However, as noted in the price section, prices declined significantly. As a result, full fiscal year gross profits and operating income crested in 1998, but were lower in the aggregate in 1999 than in 1997.[41] By all measures -- aggregate on an annualized basis, per unit, and as a share of net sales -- the domestic industry's operating income levels improved in the first quarter of 2000, following the filing of the petition.

Because of declining prices and flagging market share, and despite declining production costs for the larger portion of the period examined, the domestic industry as a whole experienced only brief periods of improvement in its operating performance and little sustained improvement in its bottom line. Moreover, a more detailed performance evaluation indicates that the domestic industry's difficulties were most intense in the second half of 1998 and the first half of 1999, when the subject imports held *** percent of the U.S. market.[42] [43] It is clear that the financial performance of the domestic industry in 1999 is heavily influenced by the very positive performance of the three companies that rely on Japanese redraw hollow products to produce cold-finished hollow products; the rest of the industry barely broke even in 1999.[44] The differences are even more dramatic when viewing the cold-finishing segment of the industry in isolation.[45]

The significant increase in subject imports began in the first six months of 1998. In January through June of 1998, subject imports were *** short tons,[46] equal to 83.8 percent of the quantity of subject imports in 1997. Though the volume of subject imports was high, the domestic industry reported a strong operating performance in the first half of 1998.[47] This was largely the result of a steep decline in

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[39] Table IV-5, CR at IV-9, PR at IV-3.

[40] Table C-1, CR and PR at C-4. End of period inventories increased from 2,111 short tons in 1997, to 2,626 short tons in 1998, and to 2,854 short tons in 1999. The number of production workers declined from 1,064 workers in 1997, to 1,000 in 1998, and to 945 in 1999. The number of hours worked also declined from 1.559 million in 1997, to 1.474 million in 1998, and to 1.355 million in 1999. Consistent with the increase in production and shipments evaluated previously, these factors generally improved in the first quarter of 2000, following the filing of the petition.

[41] *Compare,* CR Table VI-1 (all stainless steel hollow products) to Tables VI-1A (hot-finished) and VI-1B (cold-finished). On both a unit basis and as a ratio to sales, operating income levels were higher in 1999 than in 1997. These data, however, reflect the increasing proportion of total sales accounted for by the higher-value cold-finished stainless steel hollow products.

[42] Table C-6, CR and PR at C-18.

[43] One domestic producer, ALTech, ceased production of CSSSHP in 1999. At the hearing, a former ALTech employee testified: "ALTech began losing significant accounts to subject imports and was eventually forced to cease production. Japanese imports drove my last employer out of business, and are threatening to do the same to my current employer." Tr. at 26 (Mr. Peak).

[44] Table C-5, CR and PR at C-15.

[45] Table C-4, CR and PR at C-13.

[46] Table C-6, CR and PR at C-18.

[47] In the January-June 1998 period, the domestic industry's operating income as a percent of sales was ***

(continued...)

unit cost of goods sold in the first half of 1998, which did not recur until the first quarter of 2000.[48] In the second half of 1998, subject imports surged 33.3 percent, increasing to *** short tons.[49] During this period, U.S. producers' domestic shipments declined by 30.5 percent, and their profitability fell dramatically; operating income as a percent of sales fell from *** percent in January-June 1998 to *** percent in July-December 1998.[50] While the volume of subject imports declined from the second half of 1998 to the first half of 1999, they remained at high levels. In the first half of 1999, subject imports accounted for *** percent of domestic apparent consumption.[51] This large volume of dumped imports led to a further decline in U.S. producers' domestic shipments, revenue and profitability. From the second half of 1998 to the first half of 1999, the quantity of U.S. producers' domestic shipments fell by 6.2 percent. These sales were at lower prices, as the value of these shipments declined by 15.7 percent. Operating income as a percent of sales decreased from *** percent in the second half of 1998, to *** percent in the first half of 1999.[52] In the second half of 1999, with the filing of the petition in this investigation, subject imports declined, and U.S. producers' domestic shipments, revenue, and profitability improved.[53] [54]

We conclude that the declines in the domestic industry's performance during the period examined are attributable to the significant volume of subject imports which entered the United States at prices which significantly suppressed and depressed prices of the domestic like product.

V. Conclusion

For the foregoing reasons, we determine that the domestic industry producing CSSSHP is materially injured by reason of imports of CSSSHP from Japan that are being sold in the United States at less than fair value.

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[47] (...continued)
percent. Table C-6, CR and PR at C-18.

[48] Table C-6, CR and PR at C-18.

[49] Table C-6, CR and PR at C-18.

[50] Table C-6, CR and PR at C-18.

[51] Table C-6, CR and PR at C-18.

[52] Table C-6, CR and PR at C-18.

[53] Table C-6, CR and PR at C-18. From the first half of 1999 to the second half of 1999, subject imports decreased by 12.5 percent. U.S. producers' domestic shipments increased by 6.9 percent and the value of those shipments increased by 23.3 percent. The domestic industry's operating income as a percent of sales increased to *** percent. The decline in the volume of subject imports and the improvement in the domestic industry's operating performance continued into the first quarter of 2000. Comparing the first quarter of 1999 to the first quarter of 2000, subject imports decreased by 38.0 percent, U.S. producers' U.S. shipments increased by 62.3 percent, and the domestic industry's operating income as a percent of sales increased from *** percent to *** percent.

[54] We have carefully examined the role of nonsubject imports in the U.S. market. As discussed above, while the volume of such imports increased significantly over the period examined, the increase in the volume of imports of the subject merchandise from Japan was even more rapid. Moreover, we note that average unit values per short ton of nonsubject CSSSHP remained substantially higher than those of the hot-finished and cold-finished CSSSHP from Japan. Table IV-4, CR at IV-7-IV-8, PR at IV-3. We also note that a large volume of the nonsubject imports do not appear to compete directly with U.S. production. *See,* Table III-5, CR at III-10-III-11, PR at III-6 and Table E-4, CR at E-13, PR at E-3.

PART I: INTRODUCTION

BACKGROUND

This investigation results from a petition filed on behalf of Altx, Inc. ("ALTX"), Watervliet, NY; American Extruded Products PMAC, Ltd. ("American Extruded"), Beaver Falls, PA; DMV Stainless USA, Inc. ("DMV"), Houston, TX; Salem Tube, Inc. ("Salem"), Greenville, PA; Sandvik Steel Co. ("Sandvik"), Scranton, PA; International Extruded Products, LLC d/b/a Wyman-Gordon Energy Products - IXP Buffalo ("International Extruded"),[1] Buffalo, NY; and the United Steelworkers of America, AFL-CIO/CLC, Pittsburgh, PA; on October 26, 1999,[2] alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of circular seamless stainless steel hollow products ("CSSSHP")[3] from Japan. Information relating to the background of the investigation is provided below.[4]

Effective date	Action	*Federal Register* citation
Oct. 26, 1999	Petition filed with Commerce and the Commission; institution of Commission's investigation	64 FR 60223 (Nov. 4, 1999)
Nov. 19, 1999	Initiation of investigation by Commerce	64 FR 63285 (Nov. 19, 1999)
Dec. 13, 1999	Commission's preliminary determination	64 FR 71496 (Dec. 21, 1999)
May 1, 2000	Commerce's preliminary determination	65 FR 25305
Apr. 28, 2000	Scheduling of final phase of Commission's investigation	65 FR 30133 (May 10, 2000)
July 10, 2000	Commerce's final determination	65 FR 42985 (July 12, 2000)
July 12, 2000	Commission's public hearing[1]	NA
Aug. 17, 2000	Commission's vote	NA
Aug. 25, 2000	Commission's determination transmitted to Commerce	NA
[1] A list of witnesses that appeared at the hearing is presented in app. B.		

[1] On June 7, 2000, International Extruded withdrew from participation as a petitioner in this investigation (June 7, 2000, submission of Collier, Shannon).

[2] On November 9, 1999, the petition was amended to add Pennsylvania Extruded Tube Co. ("PEXCO") as a petitioner (amendment to the antidumping petition; filed by Collier, Shannon; p. 1).

[3] The products covered by this investigation are seamless stainless hollow products, including pipes, tubes, redraw hollows, and hollow bars, of circular cross-section, containing 10.5 percent or more by weight of chromium, regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade, or intended use. A complete description of the imported products subject to investigation is presented in the portion of this section of the report entitled *The Product.*

[4] *Federal Register* notices cited in the tabulation since the Commission's preliminary determination are presented in app. A.

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STATUTORY CRITERIA AND ORGANIZATION OF THIS REPORT

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission–

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--

> *In evaluating the volume of imports of merchandise, 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.*
> . . .
> *In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.*
> . . .
> *In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to . . . (I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in [an antidumping investigation], the magnitude of the margin of dumping.*

Information on the subject merchandise, margins of dumping, and domestic like product is presented in *Part I.* Information on conditions of competition and certain economic factors is presented in *Part II. Part III* presents information on the condition of the U.S. industry, including data on capacity,

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production, shipments, inventories, and employment. The volume and pricing of imports of the subject merchandise are presented in *Parts IV* and *V*, respectively. *Part VI* presents information on the financial condition of U.S. producers.

The statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury are presented in *Part VII*.

SUMMARY DATA

A summary of data collected in the investigation is presented in appendix C. Except as noted, U.S. industry data are based on questionnaire responses of 15 firms that accounted for nearly all U.S. production of CSSSHP during 1999. U.S. imports are based alternatively on official Commerce statistics (as reported and adjusted) and questionnaire responses (see *Part IV* of this report for a discussion of the treatment of imports).

PREVIOUS INVESTIGATIONS

The Commission has conducted three other investigations concerning seamless stainless steel pipes and tubes. In 1983 the Commission completed its antidumping duty investigation of *Certain Seamless Stainless Steel Pipes and Tubes from Japan*, Investigation No. 731-TA-87 (Final), USITC Publication 1347, February 1983. The Commission made an affirmative determination which resulted in the issuance of an antidumping order on March 1, 1983; this order was later revoked, effective October 29, 1985, pursuant to a voluntary restraint agreement.

In 1987 the Commission completed countervailing duty and antidumping duty investigations of seamless and welded *Stainless Steel Pipes and Tubes from Sweden*, Investigation No. 701-TA-281 (Final), USITC Publication 1966, April 1987; and Investigation No. 731-TA-354 (Final), USITC Publication 2033, November 1987. In the countervailing duty investigation, the Commission made a negative determination. In the antidumping investigation, the Commission made an affirmative determination with respect to the seamless products, which resulted in an antidumping duty order on December 3, 1987;[5] this order was revoked with respect to seamless products on August 16, 1995, after Commerce conducted a changed circumstances review.

NATURE AND EXTENT OF SALES AT LTFV

Commerce has determined that CSSSHP from Japan are being, or are likely to be, sold in the United States at LTFV. The following tabulation provides the final weighted-average dumping margins (*in percent ad valorem*) determined by Commerce for companies subject to this investigation:

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[5] The Commission initially made a negative determination with respect to the welded products from Sweden; on remand, the Commission made an affirmative determination with respect to the welded products and this resulted in an amended antidumping duty order including the welded products within the scope of the order (57 F.R. 52761, November 5, 1992). The antidumping duty order with respect to the welded products was revoked effective January 1, 2000, as a result of lack of domestic response during the sunset review of the order.

There have been three other antidumping investigations of welded stainless steel pipe and tube: the Commission made a negative determination in investigation No. AA1921-180, *Welded Stainless Steel Pipe and Tube from Japan* (USITC Pub. 899, July 1978) and affirmative determinations with respect to investigations Nos. 731-TA-540 and 541, *Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan* (USITC Pub. 2585, December 1992). The Commission is currently conducting full sunset reviews of the antidumping orders with respect to the welded products from Korea and Taiwan.

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Company	Dumping margins--[1] (*percent ad valorem*)
Sanyo Special Tube	156.81[2]
Sumitomo Metal Industries	156.81[3]
All others	62.14[4]

[1] Commerce's period of investigation was October 1, 1998, through September 30, 1999.

[2] Rate based on adverse facts otherwise available (highest margin alleged in the petition); the firm failed to respond to Commerce's questionnaire, nor did it provide any indication that it was unable to do so.

[3] Rate based on adverse facts otherwise available (highest margin alleged in the petition); the firm responded to Commerce's questionnaire, but failed to respond to all of the supplemental questionnaires and subsequently withdrew all of its questionnaire responses from the record.

[4] Rate based on the simple average of the margins in the petition.

THE PRODUCT

Commerce has defined the imported products subject to the scope of its investigation as--[6]

> *seamless stainless hollow products, including pipes, tubes, redraw hollows, and hollow bars, of circular cross-section, containing 10.5 percent or more by weight chromium, regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade or intended use. Common specifications for the subject circular seamless stainless steel hollow products include, but are not limited to, ASTM-A-213, ASTM-A-268, ASTM-A-269, ASTM-A-270, ASTM-A-271, ASTM-A-312, ASTM-A-376, ASTM-A-498, ASTM-A-511, ASTM-A-632, ASTM-A-731, ASTM-A-771, ASTM-A-789, ASTM-A-790, ASTM-A-826 and their proprietary or foreign equivalents.*[7]

Excluded from the scope of the investigation are: (1) finished oil country tubular goods ("OCTG") marked, produced, warranted, and certified to American Petroleum Institute ("API") standards 5CT or 5D or to a proprietary (non-API) OCTG specification, and used in a downhole OCTG application; (2) OCTG coupling stock with "mother-child traceability;" (3) line pipe marked, produced, warranted, or certified only to API or proprietary line pipe specifications and used in a pipeline application; and (4) hollow drill bars and rods.[8]

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[6] The full statement of the scope and, thus, of the products subject to investigation is contained in Commerce's Issues and Decision Memorandum for its *Notice of Final Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products From Japan;* 65 FR 42985, July 12, 2000 (see app. A).

[7] The products subject to this investigation are covered by statistical reporting numbers 7304.10.5020; 7304.10.5050; 7304.10.5080; 7304.41.3005; 7304.41.3015; 7304.41.3045; 7304.41.6005; 7304.41.6015; 7304.41.6045; 7304.49.0005; 7304.49.0015; 7304.49.0045; and 7304.49.0060 of the Harmonized Tariff Schedule of the United States ("HTS"). The statistical reporting numbers are provided for convenience; the written description of the subject products is controlling. The 2000 general duty rate on goods entered under subheadings 7304.10.50, 7304.41.30, 7304.41.60, and 7304.49.00 is 3 percent *ad valorem*.

[8] A detailed explanation of scope exclusions is presented in Commerce's Issues and Decision Memorandum for its final notice of sales at LTFV (see app. A).

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DOMESTIC LIKE PRODUCT

During the preliminary phase of this investigation the Commission found a single domestic like product[9] consisting of "hot- and cold-finished hollow products, including pipes, tubes, redraw hollows, and hollow bars."[10] However, the Commission did note that in any final investigation, "we intend to reexamine closely whether cold-finished and hot-finished hollow products constitute separate like products."[11]

During the final phase of this investigation, petitioners have argued that the Commission should continue to find a single domestic like product consisting of all CSSSHP. Japanese respondents have urged the Commission to find two separate domestic like products consisting of hot-finished and cold-finished CSSSHP. Counsel for Plymouth has urged the Commission to find that ultra-high purity 316L redraw hollows constitute a separate domestic like product.

Information gathered during this investigation concerning the Commission's domestic like product factors, for both imported and domestically produced CSSSHP, is presented below and in appendix D.

Physical Characteristics and Uses

Seamless pipe and tubing are produced from a solid bar or billet and, unlike welded pipe or tubing, do not have a weld seam that could be a potential source of premature failure or possible contamination. Seamless pipe and tubing are therefore considered to be more reliable than welded products and are used when specified by purchasers, even though they are usually of higher price than their welded competition. Both hot- and cold-finished stainless steel pipe and tubing are used generally in chemical, petrochemical, dairy, semiconductor, and paper industries for corrosion resistant or hygienic reasons. They are also used in certain medical devices.

Manufacturing Facilities and Production Employees

CSSSHP are produced from round billets. The billets may have been either continuous cast or rolled from larger continuous-cast blooms or from ingots. The molten stainless steel was produced in an electric arc melting furnace, refined in an argon-oxygen decarburization unit or by a similar process, and cast into either blooms, billets, or ingots. Raw materials for the production of stainless steel are stainless steel scrap, carbon steel scrap, and ferroalloys. The main alloys are nickel, chromium, and molybdenum. In general, U.S. manufacturers of hot-finished CSSSHP do not have their own steelmaking operations; each firm uses billets purchased from domestic or foreign stainless steel producers. Several of the petitioning firms and all of the U.S. manufacturers not in the petitioning group are cold-finishers. These manufacturers purchase redraw hollows from domestic or foreign companies and perform only cold-finishing operations as described below.

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

[10] See, *Circular Seamless Stainless Steel Hollow Products from Japan*, Investigation No. 731-TA-859 (Preliminary), USITC Pub. 3262, December 1999, p. 5.

[11] Id., p. 7.

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Seamless hollow products are manufactured by either of two high-temperature processes to form a central cavity in a solid steel billet: the rotary piercing process or the hot extrusion process. Because most grades of stainless steel do not lend themselves to the rotary piercing process, almost all CSSSHP are produced by the extrusion process.[12] The extrusion process requires a cylindrical billet with an axial hole, which is drilled through the entire length of the billet. The billet is then heated to hot-forming temperature (2,200 degrees Fahrenheit) and the hole is hot expanded by forcing a piercing die through the drilled hole. The billet is then reheated and forced through a die and over an internal mandrel, forming a hot-finished hollow section (see figure I-1).

While CSSSHP may be furnished either hot-finished or cold-finished, small diameter or thin walled products and products requiring particularly close dimensional tolerances or smooth finish are cold-finished. Cold-finishing consists of cold tube-reducing by rolling on an internal mandrel, or cold-drawing by pulling through a die, usually with an internal plug or mandrel to form the inside of the tube. The minimum diameter for hot-finishing differs from producer to producer because of differences in equipment capabilities; however, hot-finished pipe or tubing is produced with a diameter as small as one inch. Cold-finished CSSSHP are produced in outside diameters up to 24 inches. To produce cold-finished product, hot-finished seamless hollows are first pickled in acid to remove scale and oxides from both the outside and inside surfaces. They are then rinsed in water and coated, by dipping, with a lubricant for cold-drawing. The hollows are pulled through a die and over an internal mandrel, reducing the outside diameter and increasing the length. The mandrel inside the hollow controls the inside diameter and the wall thickness (see figure I-2). An alternate method of cold-working, commonly used on seamless stainless steel, is tube reducing. In this method, a pair of rolls having tapered grooves are rolled and reciprocated along the outside of the tube so that a reduction of both the diameter and the wall thickness is accomplished against a fixed, tapered mandrel on the inside of the tube (see figure I-3).[13]

[12] One U.S. producer, ***. Staff conversation with ***, November 23, 1999.

[13] This process of tube reducing is sometimes called "pilgering."

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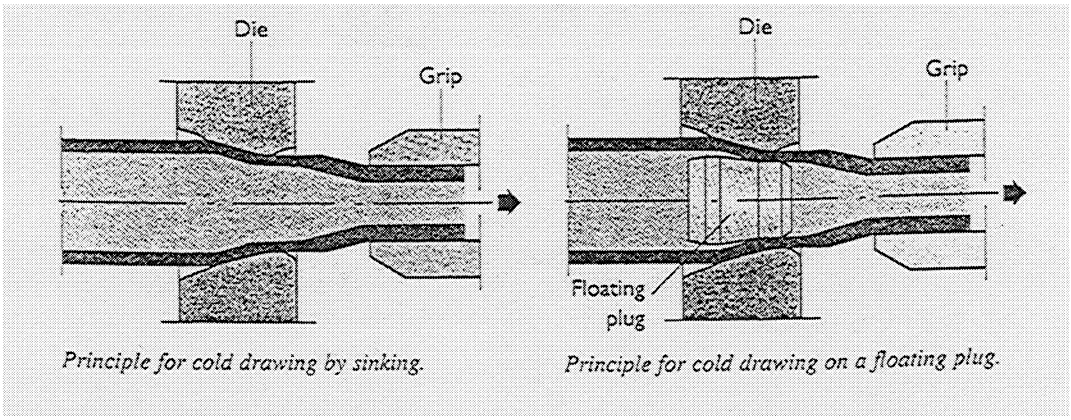
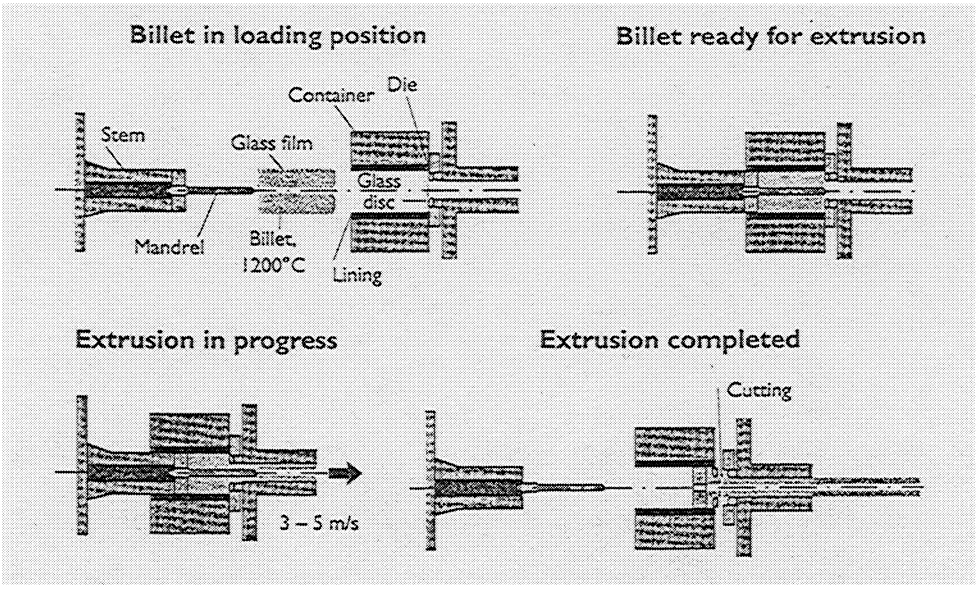
Figure I-1
Cycle of operations in the production of an extruded tubular section



Source: Petition, exhibit 5.

Figure I-2
Diagram of the cold-drawing process



Source: Petition, exhibit 5.

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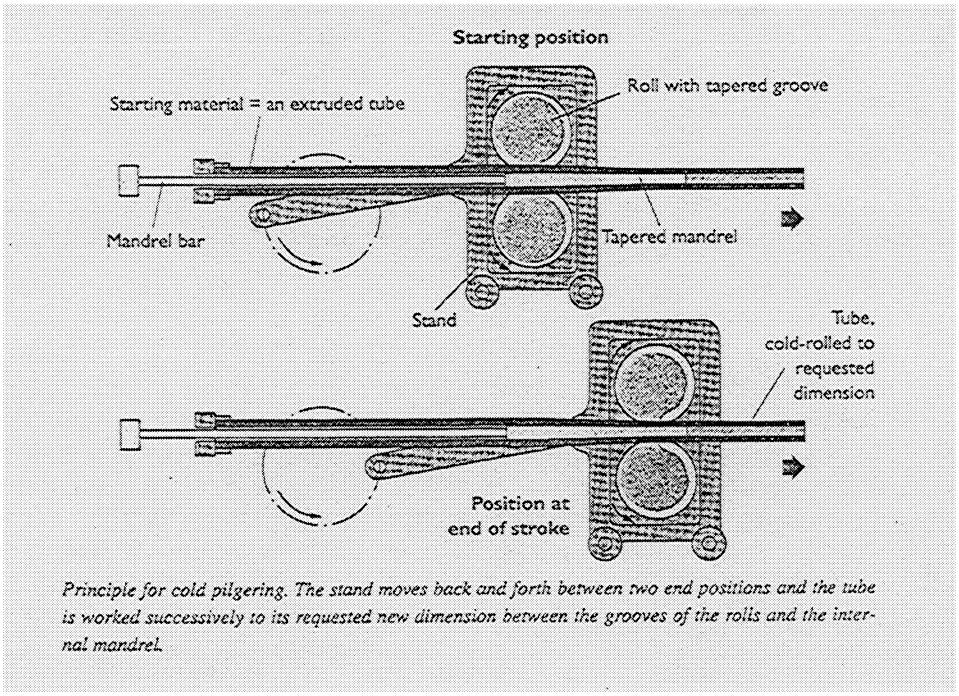
Figure I-3
Cycle of operations in tube reducing, showing dies at start and end of stroke



Source: Petition, exhibit 5.

Manufacture of CSSSHP in Japan is believed to involve the same manufacturing process as that described herein for domestic production. Several Japanese manufacturers are steel-producing companies; those that have steelmaking and rolling facilities may obtain billets by internal transfer rather than by purchase.

Production of cold-finished CSSSHP involves the processing of hot- or cold-finished hollows (redraw hollows); redraw hollows are produced on the same equipment, in the same facilities, and utilizing the same production employees as those used to produce other hot-finished CSSSHP. Production of cold-finished CSSSHP, however, requires additional production equipment not needed for the production of hot-finished CSSSHP: cold-drawing and/or tube-reducing equipment. Only one U.S. producer made both hot-finished and cold-finished CSSSHP during the period reviewed.[14]

Interchangeability and Customer and Producer Perceptions

Petitioners and respondents agree that Japanese product is interchangeable with U.S.-produced product. Respondents argue, however, that there are many specific products that are not available from U.S. producers. During the final phase of this investigation, data were provided by 15 firms that import CSSSHP from Japan and from other sources as to the quantity and value of CSSSHP that were not

[14] ALTech produced both hot- and cold-finished product. ALTech ceased production in July 1999. Its facilities have been purchased by Tubacex, the parent company of Salem, a producer of cold-finished CSSSHP.

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available from U.S. producers. Imports from Japan for which there was reportedly no U.S. production accounted for a high of *** percent of total imports (based on quantity) from Japan during 1998 and a low of *** percent during January-March 1999. Imports of CSSSHP from other sources for which there was reportedly no U.S. production accounted for a high of 16.2 percent of total imports from such sources during January-March 2000 and a low of 9.0 percent during 1998. Data concerning U.S. shipments of domestically produced and imported CSSSHP, by size and type, are presented in table I-1 and appendix E. Additional data relating to imports of CSSSHP that are not available from U.S. producers are presented in table I-2.

There are a number of nonsubject products that are potential substitutes for CSSSHP. The most likely substitute would be welded stainless steel pipe or tubing of similar dimension to the product to be substituted. Welded pipe or tubing is less costly than CSSSHP, but is normally considered less reliable. A user would weigh the price differential before electing to use CSSSHP. Other potential substitutes would depend upon the service conditions. There are other metal alloys, such as nickel or titanium, that have excellent corrosion resistance, but may be even more expensive than CSSSHP. Plastic piping materials may have excellent corrosion resistance but be lacking in physical strength or more subject to damage than CSSSHP. In short, there are no direct substitutes for CSSSHP, but there are many potential substitutes, depending upon price and service conditions.

Channels of Distribution

Channels of distribution for CSSSHP by U.S. producers and importers of product from Japan are presented in table I-3. End users are U.S. producers that redraw CSSSHP into cold-finished CSSSHP products or fabricators that manufacture downstream products.

Price

Prices for CSSSHP vary by material composition, size, and finishing. Table I-4 presents average unit values per ton for U.S. shipments of the subject products for 1999.

Plymouth Tube argues that it is unable to obtain from domestic sources "ultra high purity" redraws hollows of a modified grade 316L that contain 0.4 percent or less by weight of manganese.[15] The average unit values for this imported product were $*** per ton in 1997 and $*** per ton during January-March 2000.[16]

For more information concerning price comparisons of products from the United States and Japan, see *Part V* of this report.

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[15] July 6, 2000, prehearing brief of Gardner, Carton, pp. 3-5.

[16] June 6, 2000, questionnaire response of ***, section II-7, p. 7.

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Table I-1
CSSSHP: U.S. shipments of domestically produced and imported products, by sizes and types, shares based on quantity,[1] 1997 through March 2000

(In *percent*)

Item	Source								
	Hot-finished			Cold-finished			CSSSHP		
	U.S.-produced	Japan	All other sources	U.S.-produced	Japan	All other sources	U.S.-produced	Japan	All other sources
Size:									
≤1-1/4 inches O.D.	(2)	(2)	(2)	44.7	24.7	4.1	20.8	8.7	1.5
>1-1/4 and ≤3 inches O.D.	***	51.0	32.8	4.4	2.7	2.4	41.7	29.4	28.8
>3 inches O.D.	***	31.8	72.3	0.3	1.0	1.0	14.0	21.0	46.2
Other	(2)	(2)	(2)	40.8	25.1	63.5	19.0	8.8	23.2
Unreported	***	17.2	(2)	9.8	46.5	29.0	4.5	32.1	0.3
Total[3]	100.0	100.0	105.1	100.0	100.0	100.0	100.0	100.0	100.0
Type:									
Boiler	***	5.3	5.0	4.9	16.0	1.8	2.6	9.1	3.8
Duplex	***	0.1	2.1	3.8	1.3	2.3	3.6	0.5	2.2
Heat exchange	(2)	(2)	(2)	37.4	8.2	1.7	17.4	2.9	0.6
A268 pipe	(2)	0.1	0.3	3.0	2.2	1.7	1.4	0.8	0.8
A312 pipe	***	41.5	64.9	(2)	(2)	(2)	15.9	26.5	41.2
Redraw hollows	***	20.6	17.9	0.2	3.6	12.3	21.7	14.6	15.9
Hollow bars	***	11.4	14.2	2.8	3.2	0.1	10.4	8.5	9.0
Polished tubes	(2)	(2)	(2)	(2)	(4)	0.2	(2)	(4)	0.1
Other	***	5.1	0.7	38.1	30.3	50.9	16.9	3.2	19.0
Unreported	***	15.9	(2)	9.8	35.3	29.0	8.6	22.8	7.4
Total[3]	100.0	100.0	105.1	100.0	100.0	100.0	100.0	100.0	100.0

[1] **Shares are based on official Commerce statistics, adjusted for exclusions and misclassifications.**
[2] **Not available/applicable.**
[3] **Hot-finished product from all other sources exceeds 100 percent because of ***.**
[4] **Less than 0.05 percent.**

Source: App. E, tables E-1 and E-2.

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Table I-2
CSSSHP: U.S. imports of products reportedly not available from domestic sources, 1997-99

Item	Source					
	Japan			All other sources		
	1997	1998	1999	1997	1998	1999
	Quantity (*short tons*)					
Hot-finished	924	3,294	1,912	2,680	1,634	2,833
Cold-finished	127	362	356	45	80	46
Total CSSSHP	1,051	3,665	2,268	2,725	1,714	2,879
	Ratios to total imports (*percent*)[1]					
Hot-finished	***	***	***	24.9	14.3	21.0
Cold-finished	***	***	***	0.7	1.0	0.6
Total CSSSHP	***	***	***	16.2	9.0	13.8

[1] Ratios are based on official Commerce statistics, adjusted for exclusions and misclassifications (see *Part IV* for a discussion of adjusted imports). If official statistics or questionnaire data for imports from Japan were used, the ratios (in percent) of imports of products not available to total imports from Japan are as follows:

	1997	1998	1999
Official statistics:			
Hot-finished	11.6	20.1	16.4
Cold-finished	2.4	6.6	6.0
Total CSSSHP	8.0	16.7	12.9
Questionnaire data:			

* * * * * * *

Source: Compiled from responses to the Commission's importer questionnaires and official Commerce statistics.

Table I-3
CSSSHP: U.S. producers' and importers' U.S. shipments, by channels of distribution, 1997-99
(In *percent*)

Source	Distributors			End users		
	1997	1998	1999	1997	1998	1999
Hot-finished:						
U.S.-produced	76.7	84.4	94.4	23.3	15.6	5.6
Imports from Japan	80.3	72.4	59.6	19.7	27.6	40.4
Cold-finished:						
U.S.-produced	65.9	60.3	65.0	34.1	39.7	35.0
Imports from Japan	83.8	70.3	59.6	16.2	29.7	40.4

Source: Compiled from responses to the Commission's questionnaires.

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Table I-4
CSSSHP: Average unit values (per short ton) of U.S. shipments, by sizes and types, 1999

Item	Source					
	Hot-finished			Cold-finished		
	U.S.-produced	Japan	All other sources	U.S.-produced	Japan	All other sources
Size:						
≤1-1/4 inches in O.D.	(1)	(1)	(1)	$9,604	$5,601	$7,333
>1-1/4 and ≤3 inches in O.D.	$***	$3,834	$4,371	10,612	5,757	8,418
>3 inches O.D.	***	4,373	3,780	7,182	5,319	4,827
Other	(1)	(1)	(1)	13,024	5,673	8,384
Type:						
Boiler	***	4,178	4,215	6,982	4,616	4,417
Duplex	***	4,500	5,468	10,799	6,684	7,096
Heat exchange	(1)	(1)	(1)	9,972	7,599	7,199
A268 pipe	(1)	6,250	8,741	10,556	5,629	9,814
A312 pipe	***	3,787	3,805	(1)	(1)	(1)
Redraw hollows	***	4,008	3,712	5,689	3,955	3,746
Hollow bars	***	4,820	4,240	7,000	5,633	8,333
Polished tubes	(1)	(1)	(1)	(1)	***	23,172
Other	(1)	3,601	8,888	13,408	(1)	7,368
Average	***	3,972	3,974	11,667	5,001	6,853

[1] **Not available/applicable.**

Source: App. E, tables E-1 and E-2.

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INTERMEDIATE PRODUCTS

When the subject product is also an intermediate product and there is a domestic like-product issue concerning the downstream product, the Commission has employed a five-factor "semifinished/finished products" test, as set forth in *Stainless Steel Bar from Brazil, India, Italy, Japan, and Spain,* (Invs. Nos. 731-TA-678-682 (Preliminary)).[17]

In this case, cold-finished CSSSHP are downstream products, and redraw hollows, which are particular hot-finished and cold-finished CSSSHP, are the upstream or intermediate product. Hot-finished CSSSHP have many uses independent from the production of cold-finished CSSSHP. Such uses include pipe, tubing, and hollow bar. Many specifications, particularly those for pipe, allow the use of either hot-finished or cold-finished product at the option of the manufacturer, thereby making the choice dependent upon the specific manufacturing capabilities of the manufacturer. In such cases, there may be a perception among customers and manufacturers that there is a single market for both the hot-finished and the cold-finished products. For many CSSSHP, however, specifications require cold-finished product and, in such cases, there may be a perception that the market is separate from that for hot-finished CSSSHP. Redraw hollows are purchased for use by producers of cold-finished CSSSHP. Therefore, the market for redraw hollows is separate from that of other CSSSHP, whether hot- or cold-finished. Although redraw hollows are commonly produced in grades and sizes (diameter and wall thickness) that are also used for pipe, redraw hollows are not finished (straightening, testing, and end finishing) in the same way that pipe products are; therefore, there is no common other use for redraw hollows.

Cold-finished CSSSHP are clearly different from hot-finished CSSSHP in physical characteristics. Cold-finished product has a smoother surface and is produced to closer tolerances. Cold-finished CSSSHP are more costly to produce than hot-finished CSSSHP, due to the significant additional operations required to produce them. These additional operations include, at a minimum, cold drawing or tube reducing and an additional sequence of annealing and pickling operations. The cost of these additional operations is reflected in the higher prices and higher value of cold-finished product.

Value added

The Commission's questionnaires in the final phase of this investigation requested information on the cost of production for cold-finished CSSSHP for the various stages of production. Data submitted in response to the questionnaire by 6 firms have been compiled and are as follows:

* * * * * * *

[17] The five factors that the Commission has considered in analyzing semifinished products include: (1) uses (is the upstream product dedicated to the production of the downstream product or does it have independent uses?); (2) markets (are there separate markets for the upstream and downstream products?); (3) characteristics and functions (are there differences in the physical characteristics and functions of the upstream and downstream products?); (4) value (are there differences in the production costs and/or sales values (transfer values or market prices as appropriate) of the upstream and downstream products?); and (5) transformation processes (what is the significance and extent of the processes used to transform the upstream product into the downstream product?).

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

U.S. MARKET SEGMENTS AND CHANNELS OF DISTRIBUTION

U.S. Market Segments

CSSSHP within the scope of the investigation can be divided according to several characteristics, including finishing process, chemistry, and size. There is a clear distinction in production between cold-finished and hot-finished CSSSHP. While both can be used for some of the same general purposes,[1] many, but certainly not all, purchasers typically choose either a hot-finished product or a cold-finished product with little thought of substitution between the two.[2] There are two main reasons for this: price and ability to meet specifications. Hot-finished CSSSHP are usually less expensive than cold-finished CSSSHP by a substantial amount overall,[3] and by less so for the products most directly comparable (how much varies by product, but some cold-finished CSSSHP are as little as about 10 to 15 percent more).[4] Cold-finished CSSSHP are usually only purchased when hot-finished CSSSHP will not meet the desired specifications. Cold-finishing can produce CSSSHP with less eccentricity, closer dimensional tolerances, smoother surfaces, greater hardness, and lower wall thickness ratios than can hot finishing. In addition, there are some types of tests for product integrity that can only be performed with cold-finished CSSSHP. Many of the end uses of CSSSHP require such advantages and consequently only cold-finished CSSSHP may be used. Additionally, there are certain sizes that require cold-finishing. CSSSHP with outside diameters below certain sizes (generally slightly over 1 inch) cannot be produced with a hot-finishing process alone, and therefore require cold-finishing. Hot-finished product is used when the

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[1] Forty-seven percent of responding purchasers reported that hot- and cold-finished products can sometimes be physically substituted for one another, 30 percent reported that the two could not be substituted, and 23 percent reported that they could be substituted.

[2] There are some purchasers who reported that whether a product was hot- or cold-finished made little difference to them and that they may not always even be aware whether a particular product is hot- or cold-finished. Of responding purchasers, 64 percent reported they were always aware of the finishing process, 26 percent reported that they were usually aware of the finishing process, and 10 percent reported that they knew the finishing process only sometimes. No purchaser, however, said that they never knew whether a product was hot- or cold-finished. The purchasers who were less aware of the finishing process tended to be distributors. These purchasers also tended to be somewhat less aware (with important exceptions) of end uses of CSSSHP and less concerned with quality and specification issues generally compared to many of the end users responding to questionnaires. Of the purchasers, 73 percent said that hot- and cold-finished products are not routinely substituted for one another in practice. Only 20 percent said such substitution was routine. Seven percent said that routine substitution occurs in some cases. In CSSSHP manufactured to standard pipe specifications the distinction between hot- and cold-finishing is viewed by many purchasers as less important than in other applications.

[3] Domestically produced cold-finished CSSSHP are sold at unit values over twice that of domestically produced hot-finished CSSSHP. The difference in unit values is much smaller for imported CSSSHP (both subject and nonsubject) with cold-finished unit values roughly 20 to 30 percent higher than cold-finished.

[4] Different cold-finishing premiums were reported by different market participants. The 10 to 15 percent figure presented reflects the most common of these.

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desired size is available as hot-finished and/or the product specifications are not as strict. Additionally, redrawers typically use hot-finished product as their feedstock.[5]

, a distributor, reported in its questionnaire response that only *** percent of its product line (percent by value) is product for which hot- and cold-finished sizes and specifications overlap. Parties were requested to estimate the present degree of overlap between hot- and cold-finished CSSSHP.[6] No party provided precise estimates, though the Japanese respondents did estimate that the market for product between 1 to 3 inches, in which much of the competition overlap between the finishes exists, is just 15 percent of the entire market.[7] From the figures in tables E-2 and E-3 it may be inferred that the size overlap is greater than 15 percent.[8] However, specification issues may prevent some of the hot- and cold-finished products which overlap in size from actually competing with each other.

A second characteristic by which CSSSHP can be classified is steel chemistry. Here the main categories are austenitic, ferritic, and martensitic; duplex and other chemistries also account for a portion of production. The first contains the largest percentage of nickel and is the largest category in terms of production tonnage by a considerable amount. An unweighted sample of suppliers shows that, on average, 81 percent of domestic production quantities and 91 percent of imports from Japan are austenitic chemistries. The ferritic, martensitic, and "other" (including duplex) categories account for averages of 1, 10, and 9 percent of domestic production, and 6, 2, and 2 percent of imports from Japan, respectively. Within each of these categories are a number of specified grades representing more minor chemistry variations.

CSSSHP are also differentiated by size. The size of a given product will typically include an outside diameter and either a wall thickness or an inside diameter specification. Although there are some restrictions on the wall thickness of CSSSHP relative to outside diameter, generally there is a continuum of product sizes ranging from nearly hypodermic needle size to products with outside diameters greater than 24 inches. CSSSHP with outside diameters larger than about 1.050 to 1.1315 inch are often hot-finished because of the cost advantage previously discussed.[9] CSSSHP with smaller diameters must be cold-finished.

CSSSHP producers can produce a certain range of sizes with a given set of equipment. Equipment that is designed for the production of small outside diameter sizes is not well suited for the production of very large sizes, and vice versa. U.S. producers and importers of Japanese CSSSHP were

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[5] There are exceptions to this, however. A (not insignificant) minority of redraw hollows purchased in the U.S. market was apparently cold-finished. The vast majority of these cold-finished redraw hollows were Japanese in origin. (The largest category of cold-finished goods in the shipments reported by Japanese importers was cold-finished redraw hollows; see table I-1).

[6] Hearing transcript, pp. 84-85, 119.

[7] Petitioners' postconference brief, answers to questions, pp. 36-38. Japanese respondents' postconference brief, answers to questions, pp. 22-24.

[8] Table E-2 shows that the percentage of hot-finished shipments in the 1-1/4 to 3 inch size range is roughly half of all hot-finished shipments. The percentage of cold-finished shipments in this size range is apparently much less (in the range of 15 percent). However, for the majority of cold-finished shipments, the size is not reported, so the actual percentage may be quite different. Overall, the tables show that reported shipments in this size category account for 30 percent of all shipments.

[9] Different suppliers report different outside diameters for the low end cutoff of hot-finished production. Additionally, some producers are reported to produce predominantly cold-finished product for sizes larger than these hot-finishing minimums for reasons of internal plant economics. For instance, *** are both reported to produce a significant amount of cold-finished product in sizes and specifications that could be produced as hot-finished (and are by most of their competition).

II-2

asked to indicate in which of six size categories their sales were concentrated.[10] Only two domestic producers, ***, reported that sales were spread throughout as many of three of these size categories (although *** both indicated a concentration in two of these sizes with small amounts of production in a third). None produced significantly in four categories. Some importers, on the other hand, were more inclined to sell a full range of sizes, with one selling in all six categories, five selling in four categories, and three more selling in three categories. Even among importers, though, a significant number of sellers reported substantial specialization by size. Specific end uses are also concentrated within certain size ranges. Buyers will almost always have a certain size requirement for the particular application at hand.

Because of the specialization among producers (and importers to a lesser degree), the degree of choice between producers for each purchase is limited to a subset of CSSSHP suppliers. This is offset to varying degrees by joint marketing by affiliated firms (either domestic with domestic or domestic with (usually) nonsubject foreign), so that in some cases a very wide variety of product finishes, sizes, and specifications may be available from a single vendor.

Another aspect of size is product length. CSSSHP lengths vary according to the size and weight-handling capability of the equipment in production facilities. The lengths of standardized CSSSHP are quite similar across hot- and cold-finished product, with lengths centering around 20 feet.[11] In many cases, longer lengths are preferred by redrawers, fabricators, or other end users as product waste is minimized and the need to weld pieces together is reduced. Product lengths for these customers vary according to customer preference and according to the length-handling capabilities of the individual production facility.

Channels of Distribution

CSSSHP of both hot- and cold-finishes are sold in significant quantities both to distributors and to the largest end users.[12] CSSSHP sold to end users are somewhat more likely to be specialized, although some distributors may carry quite an extensive variety of CSSSHP.[13] CSSSHP sold to distributors are typically standardized (commodity) products, both hot- and cold-finished, in a large variety of sizes and chemistries. There is a relatively small group of distributors (roughly a dozen) called master distributors that accounts for a significant (but not necessarily predominant) percentage of initial CSSSHP purchases. These resell both hot- and cold-finished CSSSHP exclusively to other distributors. While a number of master distributors are among the largest CSSSHP purchasers, a master distributor may be relatively small and be specialized in a narrow market segment. The master distributors are primarily concentrated in the mid-Atlantic section of the United States (Pennsylvania and New Jersey, in

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[10] The size categories are: under 0.5 inch, 0.5 inch to 1 inch, 1 inch to 3 inches, 3 inches to 6 inches, 6 inches to 10 inches, and over 10 inches in outside diameter. The questionnaire item eliciting this information was imprecise in the sense that several categories are not mutually exclusive. Thus, the reported concentrations likely understate the degree of size specialization in production and importing.

[11] Hot-finished lengths tend to vary up to 3 or 4 feet on either side of 20 feet, while cold-finished lengths are typically exactly 20 feet. E-mail from ***, June 28, 2000.

[12] The largest end users can be further categorized into redrawers and others. The former tend to make relatively large purchases, while the latter's purchase volumes are relatively small. Boiler tube manufacturers are a prominent example of the latter.

[13] The extent to which the type of product sold to distributors differs from that sold to end users appears to differ by suppliers, with many reporting no difference whatsoever. A greater percentage of importers reported differences in types of product sold to each type of customer than did domestic producers.

II-3

particular) and along the Gulf Coast and in Oklahoma. There is also a West Coast and midwestern presence.

Several distributors, both large and small, also purchase the majority of their product directly from producers or importers. Some of these resell to other distributors, but much of their sales are made to end users. The geographic concentration of the largest of these distributors is similar to that of master distributors.

While a number of master distributors and other large distributors are independent, a significant number also have ties to firms that sell to the U.S. market. A few of these are related to European CSSSHP producers, *** and *** among others. Sandvik, too, has begun to play the role of distributor recently, in addition to its role as a producer. In 1998, Sandvik opened a distribution center called North American Distribution Center, replacing an older facility.[14] According to some reports, this gives Sandvik advantages not held by other firms.[15]

Several domestic producers, too, are related to foreign producers. This results in some degree of production rationalization between related companies, as evidenced by ***'s assertion that *** and by ***. The extent of production rationalization may not necessarily be the same for all firms with foreign affiliates. Additionally, product rationalization between a domestic producer and foreign producers does not necessarily suggest that domestic production as a whole is rationalized with that of foreign producers with U.S. affiliates.

Geographic considerations seem to play a smaller role in the market for CSSSHP than might be the case for other steel products, due to the relatively low level of transportation costs in the total cost of the CSSSHP. The majority of sellers indicate a history of selling, or a willingness to sell, nationwide. Demand varies across the United States, however, with an especially strong presence in the Texas/Gulf Coast region and along the East Coast. Because of this localized demand and because transportation costs are not negligible, sellers do tend to partially concentrate their sales geographically. Among U.S. producers, none reported selling even half of its output within 150 miles of its plant, but most sold more than half to customers within 1,000 miles of their plants. Importers (with the ability to select the port of entry for their product) tended to report selling larger percentages of their output within close proximity of their storage facilities or ports of entry, with many importers selling more than half of their product within 100 miles. Virtually all imported CSSSHP is sold within 1,000 miles of importers' storage facilities or entry ports.

Business Cycle

The business cycle in the market for CSSSHP depends in large part on demand from several end-use industries including the oil/gas, semiconductor, petrochemical, chemical, aerospace, power generation, and pharmaceutical industries. The business cycles for these industries are not necessarily similar, so demand from a variety of other end uses may offset the effect of a change in demand from any single end use. However, the demand of some of these industries is larger than that of others, and any downturn (or upturn) in these industries can affect overall demand disproportionately. For instance, many market participants report that the demand from the energy (especially oil and gas) industry and from the petrochemical industry had a large impact on overall demand from (roughly) the middle of 1998 to the middle of 1999. Some sellers of CSSSHP specialize in production for certain industries and can be seriously affected by events in those industries.

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[14] *Sandvik seals Popppe & Pottoff buy*, AMM Online - Steel News - September 11, 1998. The article containing this information was made faxed to staff by ***.

[15] Sandvik reported that it acts as a distributor for ***. A couple of other firms ***. Sandvik ***.

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In response to questions raised during the Commission's hearing about demand and the effects of the various end-use industries on demand, staff requested both suppliers and purchasers to report the quantity of shipments devoted to each end use during 1997 and during both halves of 1998 and 1999. In most cases, firms were not able to provide this information.[16] Two firms (***), however, did provide estimates on the proportions of CSSSHP sales accounted for by specific end uses for the industry in general.[17] These estimates are not broken down by time period, so they give no specific indication as to the exact sources of changes in demand between 1999 and interim 2000, except in the sense that the largest end uses will likely account for the largest changes in demand, all else being equal. These estimates are presented in the following tabulations. ***'s end-use breakdown is given by the three major CSSSHP categories (pipe, hollow bar, and tube) in percent.[18]

* * * * * * *

***'s end use breakdown gives estimates for the CSSSP market as a whole.

* * * * * * *

The two sets of end-use breakdowns do not use all of the same categories and so are not completely comparable. However, there is a rough consistency between the two in the sense that the chemical/petrochemical, oil and gas, and utilities industries are three of the largest end users of CSSSHP.[19] Other firms (providing less data and/or data only applicable to certain market segments) confirm that the petrochemical market, in particular, is an important end use for CSSSHP, with many of the estimates exceeding 50 percent for this market. The end-use volume of the semiconductor industry, which petitioners lump in the high purity category,[20] is somewhat different across the two sets of estimates. However, according to both, CSSSHP use in this industry is a relatively minor component of overall CSSSHP sales.[21]

Supply considerations also affect the business cycle for CSSSHP. In particular, the price of stainless steel generally and the (related) price of nickel (one of the most costly components of many varieties of stainless steel) will have a large influence on the price of CSSSHP. During the Commission's conference in the preliminary phase of this investigation, Joseph Kreitzer of Prudential

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[16] While responses differed, firms tended to have only a vague general idea to which end-use market their shipments went, and no way of assessing how end uses changed over the time periods at issue. The lack of knowledge was especially pertinent to distributors and their suppliers who may be several steps removed from the ultimate end use.

[17] ***.

[18] Pipe consists of ASTM specifications A312 and A376. Hollow bar consists of the A511 specification. Tube consists of specifications A213, A268, and A269. Redraw hollows are not included in these estimations because they are typically simply feedstock for cold-finishing that will create a product in one of these three categories.

[19] ***'s petrochemical category includes chemicals, pharmecuticals, fertilizers, petroleum refining, and pulp and paper processing. ***'s does not include a petrochemical category. Part of what *** has included in the petrochemical category is surely included in ***'s chemical category. Some of it may also be included in ***'s oil and gas category. An earlier study done for *** dealing exclusively with the pipe market reports that petrochemicals account for *** percent of pipe sales and that chemicals account for *** percent.

[20] Petitioners' posthearing brief, answers to questions, p. 48.

[21] Although this category accounts up to 20 percent of the hollow bar category, the hollow bar category is the smallest of the three major categories.

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(an importer and master distributor of CSSSHP) estimated that CSSSHP account for only about 1 percent of the overall use of stainless steel worldwide, suggesting that events in the overall stainless steel industry drive the price of CSSSHP, and not the other way around.[22] The costs of significant materials used in the production of stainless steel used in the production of CSSSHP fell since the beginning of 1997 until roughly the middle of 1999, and rose sharply thereafter through the first quarter of 2000.[23] However, this increase in stainless steel costs did not immediately result in increased raw materials costs for U.S. CSSSHP producers. The issue of the effect of raw material costs on the market for CSSSHP is emphasized by the Japanese respondents as a driving force behind the declining unit values and prices of CSSSHP between 1997 and 1999.[24] More detail on issues related to this drop in raw material prices is presented in *Part V*.

Market Leadership

One purchaser (***) expressed its view that the market for CSSSHP is less directly connected to stainless steel and is less of a commodity market than might be expected, in part because of what it feels is a limited number of suppliers.[25] As evidence, it pointed to what it considered to be relatively small changes in CSSSHP prices when costs of raw materials used in stainless steel changed significantly. Firms responding to Commission questionnaires expressed a variety of views on a related issue, that of price leadership. Some firms suggested that there are really no price leaders in the market for CSSSHP. According to this view, different suppliers may occasionally attempt to use different pricing strategies, but are unlikely to be very successful if the strategy differs from what others are doing. Other firms suggest that price leadership exists, but is diffused among several of the largest firms, including Sandvik, Sumitomo Metal, Tubacex, DMV, Sanyo, and others. At various times, any of these might undertake pricing action that is followed by other firms. A third view is that only the strongest of these firms are true price leaders. In this context, *** is often mentioned, especially over the period examined. *** has also been identified as one of the main price leaders, but reportedly its leadership in this area dropped considerably with the introduction of the antidumping action.

Other factors affecting pricing and market leadership mentioned by some firms are the ability to produce a broad range of products and the appearance (or lack thereof) of a supplier on approved manufacturer lists.[26] Some purchasers have contrasted the aggressive pricing of *** to ***'s less aggressive posture because of ***'s advantages in these areas. A handful of purchasers mentioned the

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[22] Conference transcript, p. 103.

[23] As nickel prices started to rise significantly, nickel surcharges began to be imposed by several suppliers, most especially those in the United States and Europe. While the Japanese suppliers tend not to add raw material surcharges to their base prices, both petitioners and *** suggest that these surcharges are more of an apparent than a real difference between Japanese and other suppliers. (Petitioners' posthearing brief, p. 63, and telephone interview with ***). Japanese suppliers simply raise their base price when costs rise while others may put the same price increase on in the form of a surcharge.

[24] Japanese respondents' prehearing brief, pp. 71-74.

[25] Telephone interview with ***, June 16, 2000.

[26] Approved manufacturer lists are lists of approved sources maintained by some of the significant end users of CSSSHP. Among others, these include Exxon, Mobil, and DuPont. Other end users often use these lists to develop their own purchasing criteria.

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latter factor as a prime consideration in selecting a supplier. Both *** and Sandvik noted that suppliers not on certain lists command lower prices than those on the lists.[27] ***.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Production

Based on available information, U.S. CSSSHP producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of U.S.-produced CSSSHP to the U.S. market. Factors that tend to raise the degree of responsiveness of supply are the availability of unused capacity (especially for the production of cold-finished CSSSHP) and a (much more limited) ability to transfer resources from the production of alternative products to the production of CSSSHP. Factors that would reduce the supply responsiveness are production rationalization on the part of multinational groups with which some suppliers are affiliated and, to some degree, the size range limitations of domestic producers. In addition to general supply responsiveness considerations, the imposition of an antidumping duty order on hot-finished CSSSHP imported from Japan would also have consequences for a group of domestic redrawers from the other side of the market; that is, as purchasers.[28]

Industry capacity

Overall capacity utilization figures of 39 to 45 percent among U.S. CSSSHP producers during 1997-99 clearly indicate that there is substantial room for increased output by domestic producers. At the same time, overall capacity figures suggest that a great deal of CSSSHP will be imported regardless of the outcome of the present investigation. The capacity utilization rates were somewhat higher for cold-finished CSSSHP producers for most of the period, ranging from 45 to 50 percent during 1997-99. For hot-finished producers, capacity utilization ranged from 34 to 43 percent over the period. For hot- and cold-finishers combined, capacity utilization reached its lowest point in interim 1999, before rebounding strongly to 52 percent in interim 2000.

Other capacity related issues include the bankruptcy of ALTech in December 1997 and the question of whether the reported U.S. capacity could produce the size specifications demanded in the U.S. marketplace. These are both issues discussed at length by the parties in their various submissions and appearances. To the extent that they are considered important, the reported capacity utilization figures may overstate effective capacity as perceived by purchasers (in the case of ALTech's bankruptcy),[29] or may be reflective of overcapacity in some market segments and undercapacity in other market segments. At the least, the extensive amount of importing from nonsubject sources performed by

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[27] Telephone interview with *** and hearing transcript, p. 98. Mr. *** reported that appearance on approved manufacturer lists ***. Mr. Andriola reported that only Exxon's list is of much significance anymore and that it commands much less than 50 percent of total market volume. However, Mel Gephardt of DMV reported (also at the hearing) that being on such lists carries no price premium.

[28] Or, put another way, pricing at levels that would not have resulted in a determination of sales at LTFV by Commerce would have had purchasing consequences for some domestic redrawers that might have led to production changes.

[29] See the testimony of Thomas Curran of Handy & Harman, for example. Hearing transcript, p. 156.

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some of the domestic producers or their affiliates suggests that no single group of affiliated companies is able to produce all major subject products.

Inventory levels

Inventory levels of hot-finished CSSSHP at the end of March 2000 stood at about *** percent of annualized production. This is much higher than for any of the three full years in the period examined. Inventory levels were very small for hot-finished CSSSHP producers through most of the period, much less than one percent of annual production. The ratio of inventories to production for cold-finished CSSSHP in interim 2000 was also higher than in any previous period at *** percent of annualized production.

Alternative markets

Several domestic CSSSHP producers sell some of their output in export markets. Exports generally increased among producers of hot- and cold-finished CSSSHP during the period reviewed. As a ratio to domestic open-market shipments, export shipments of hot-finished CSSSHP increased from 23 percent in 1997 to 36 percent in 1998 and 52 percent in 1999. Cold-finished CSSSHP exports rose from 7 percent of domestic shipments in 1997 to 11 percent in 1998 and 10 percent in 1999. For both hot- and cold-finished product, the ratios of exports to U.S. shipments fell quite sharply from interim 1999 to interim 2000 to less than half their original percentages. It is not clear to what extent export sales to foreign affiliates of U.S. CSSSHP producers would be diverted back to the U.S. market were domestic demand to increase.

The chief export market for U.S.-produced hot-finished CSSSHP is Canada, for which ***. Some sales were also made to Germany. Canada and Mexico are the principal export markets for U.S. producers of cold-finished CSSSHP. India was reported to be an important export market by ***. ***, a producer of *** cold-finished CSSSHP, reported that it exports to the Middle East, the Far East, and South America. There are indications that export options are somewhat limited for U.S. producers of cold-finished CSSSHP because of difficulties competing on price in the world market.

Production alternatives

A number of domestic CSSSHP producers indicated that other products can be produced using the same equipment and workers that they use for CSSSHP. Among these alternative products are non-circular shapes, nickel alloys, carbon products, and welded products. The first of these was indicated to be a production alternative only by hot-finished CSSSHP producers. The last was reported only by cold-finished CSSSHP producers. Several domestic producers, however, stated that no other products are produced with the same equipment or workers. Among these are ***. Both *** and *** reported that over *** percent of their production on equipment usable for CSSSHP was production of other products. *** reported that roughly *** percent of its production was non-CSSSHP.

Subject Imports

Based on available information, the Japanese producers are generally likely to respond to changes in demand with moderate to large changes in the quantity of shipments of CSSSHP to the U.S. market. The main contributing factor to the high degree of responsiveness of supply is the existence of alternate markets to or from which supply could be diverted.

Industry capacity

The foreign producer questionnaire capacity utilization figures show fairly high capacity utilization rates overall. Capacity utilization in 1999 was lower than in previous years, at 84 percent for hot- and cold-finished CSSSHP combined. While interim 2000 capacity utilization rates (81 percent) were a bit lower than in 1999, they were higher than interim 1999 when they were only 78 percent. Over most of the period, Japanese cold-finished capacity utilization was slightly higher than that of its hot-finished product. Reporting producers in Japan forecast that capacity utilization for hot- and cold-finished product combined will rise to 90 percent by 2001. These figures are not particularly relevant for either the question of the future response of imports from Japan to the imposition of an antidumping duty order or the question of the hypothetical level of past imports from Japan had pricing been at non-dumped levels, since neither scenario envisions a situation where Japanese production would conceivably be affected by coming close to capacity constraints. On questions of threat, the figures may have some relevance. However, the petitioners have argued that reported Japanese capacity figures greatly understate the true potential for production increases because of the way in which allocations between CSSSHP and alternative products were performed.[30] For other changes (i.e., increases) in demand, however, these high capacity utilization figures would serve to reduce the responsiveness of Japanese supply to changes in demand for its CSSSHP.

Inventory levels

Inventory levels among Japanese producers responding to the Commission's questionnaires were fairly constant throughout the entire period examined, and much more similar for hot- and cold-finished CSSSHP than U.S. inventory levels. CSSSHP inventories ranged from 5 percent to 7 percent of annual production and shipments overall. Hot-finished inventory ratios were only slightly lower than cold-finished ratios. In comparison to domestic CSSSHP, Japanese hot-finished CSSSHP inventory-to-production ratios were much higher. For cold-finished CSSSHP, the inventory-to-production ratios were much lower in Japan than in the United States.

Alternative markets

Japanese CSSSHP producers sell a great deal of their product in markets outside of the United States. The Japanese producers' responses to the Commission's questionnaire indicate that over most of the period of investigation, the percentage of Japanese shipments going to the Japanese market steadily decreased through 1999 from 53 to 47 percent. The decline was somewhat more rapid for hot-finished product, falling from 51 to 42 percent. These percentages rebounded strongly in interim 2000.[31] In virtually all periods, exports to third countries well exceeded those to the United States, with third-country-to-total-shipments ratios of about one-fifth to one-third. There was a decrease in these non-U.S. export shipments in 1998. The rebound in 1999 resulted both from lower shipments to the United States and higher export shipments to all other markets. Market participants (on all sides of the market) have widely acknowledged that the shift away from the U.S. market and towards third markets in 1999 was, in large part, a response to concern about the U.S. antidumping investigation.

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[30] Petitioners' prehearing brief, pp. 77-81. In this, petitioners also propose alternative Japanese capacity figures.

[31] The increase in the percentage of Japanese shipments sold in its home market was in large part a result of the drop in shipments to the United States and the drop in hot-finished exports to third countries. The level of home market shipments increased significantly, too, between interim 1999 and interim 2000.

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The petitioners have suggested that the recent Asian crisis and the prolonged Japanese economic slump have provided an impetus for Japanese producers to make sales to the U.S. market a priority.[32] While this might be a partial explanation for the increase in Japanese market share in the United States since 1997 (1998 in particular), most indications are that the worst of the regional economic weakness has passed. However, the projections reported by Japanese producers in response to the Commission's questionnaires indicate that Japanese domestic sales are unlikely to reach 1997 quantities by 2001.[33]

Nonsubject Imports

Based on available information, the nonsubject producers are likely to respond to changes in demand with moderate to large changes in supply. Relatively little direct information has been provided to the Commission as to the state of supply outside of the United States and Japan. However, several firms have noted that nonsubject suppliers, taken as a group, are comparable to Japanese suppliers in many respects, including supply range, pricing, and product quality. Furthermore, some firms have noted that when Japanese producers seemed to withdraw somewhat from the U.S. market in response to the present proceedings, nonsubject producers were quite aggressive in competing for positions vacated by the Japanese. Data collected on quantities and unit values of nonsubject imports appear quite consistent with this observation. The nonsubject foreign competition in the U.S. market comes primarily from Europe, Asia, and North America (in order of importance). Important European exporters include Austria, France, Germany, Italy, Sweden, and the United Kingdom. In Asia, the primary exporters are Korea, India, and China. Canada and Mexico both export to the United States, though the former appears to be a more important factor than the latter in the U.S. market. Certain countries are more important in the hot-finished market than the cold-finished market, and vice-versa. For instance, purchasers comparing product sources in their questionnaire responses only referred to Italy and Canada as cold-finishers. Sweden and the United Kingdom, in contrast were mentioned more often in connection with hot-finished product.

U.S. Demand

U.S. demand for CSSSHP depends on several factors, including the specialized physical characteristics of CSSSHP, the suitability of potential substitute products, and the downstream demand in industries utilizing CSSSHP. Based on these factors and the available information, U.S. purchasers of CSSSHP are likely to respond to changes in price with small changes in the quantity of CSSSHP purchased.

Demand Characteristics and Trends

As noted above, the demand for CSSSHP is a derived demand, determined in large part by the activity level of a number of industries including energy, pharmaceuticals, aerospace, chemicals and petrochemicals, and semiconductors. To the degree that certain producers are specialized in one or another of these purchasing industries, the level of perceived demand might differ across the CSSSHP market.

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[32] Petition, p. 37.

[33] Projected 2001 sales are smaller than 1997 sales for both hot- and cold-finished product.

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In the preliminary phase of this investigation, there was a notable difference between demand perceived by U.S. producers and that perceived by importers of Japanese CSSSHP, as indicated in the responses to the Commission's questionnaires. Several of the domestic producers in support of the petition reported that demand fell over most of the period examined.[34] Importers of Japanese CSSSHP saw demand trends much differently. Several reported stable demand during 1996 and 1997, a big increase in demand in 1998, and a major drop in late 1998 or 1999.[35]

Current questionnaire responses (which cover three calendar quarters subsequent to the period examined in the preliminary phase of the investigation) tend to support the importers' views concerning demand, at least for hot-finished product. While several domestic producers still view 1997 and 1998 as a down period (due to the Asian financial crisis, among other factors), several also note that demand has recovered recently (at least to some degree) and that the change in demand over the whole period is more moderate than reported earlier. *** and *** report increased demand over the period of investigation. ***, ***, and *** each indicate that demand has been fairly stable overall, although some fluctuations have occurred. Importers of product from Japan generally describe demand trends in terms similar to those they used in the preliminary phase, i.e., strong demand through about 1997, with a dropoff in late 1998 and especially in the first half of 1999. As do domestic producers, these importers tend to report that demand has picked up over the last 2 or 3 quarters.[36] As with domestic producers, perceived demand is not uniform for all firms. Because of the wide range of sectors to which CSSSHP products are sold, a significant number of firms report experiences different from the general trend outlined above. Purchaser questionnaires did not yield a particularly clear picture of demand trends over the period reviewed. If anything, however, they seem to point towards a slight drop in demand over the whole period.

As discussed above, staff attempted to obtain data about shipments by end uses for various time periods from all firms providing questionnaire responses. While firms were generally not able to provide data that would shed light on the changes in CSSSHP end use by industry over the period examined, both petitioners and the Japanese respondents did provide indices of activity in some of these end use industries.[37] Not all of the same industries are considered across the two sets of indices and the two use different indicators when the industry is the same. Both indices show significant weakness in the oil and gas market in 1998 and 1999. The indices pertaining to aerospace differ in 1999, but both show strong growth in 1997 and 1998. The respondents' data shows the semiconductor index falling sharply (by 33 percent) in the third quarter of 1998 and remaining down for a year. In the third quarter of 1999, the

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[34] These firms include ***. The Asian slowdown and the slump in oil prices were cited as the main contributing factors. A drop in investments related to Y2K concerns was also noted. Other interpretations of demand by U.S. producers include the following: *** indicated that sales dropped dramatically before late 1998, with a slowdown in inquiries following. A few other producers reported lower demand over the period. *** (along with ***) stated that the downturn in the semiconductor industry was responsible for lower business. *** reported a global slowdown, in part due to events in Asia. *** cited unspecified cyclical industry factors as lowering demand. Only two domestic producers (***) perceived a constant or improving level of demand over the period of investigation.

[35] These firms include ***. They typically attributed the 1998 increase in demand to increases in activity in the petrochemical and oil industries, and the drop in 1999 to the drop in oil prices. *** provided interpretations largely consistent with the previous description, with slight differences in detail. Among importers, only *** and *** suggested that demand was flat or weak before late 1998.

[36] One purchaser suggested that the rise in demand over recent quarters may be due to hedging (on the part of buyers) against the expected future increase in CSSSHP prices that is anticipated to result from the recent dramatic increases in nickel prices.

[37] Petitioners' posthearing brief, exhibit 10. Japanese respondents' posthearing brief, answers to questions, pp. 42-46.

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index rose sharply, though not as much as the drop a year earlier. The chemical and petroleum products industries both experienced moderately strong growth in 1997, but weaker growth in 1998 and 1998, according to the petitioners' indices. There was no indication of any significant changes in the utility industry. The petitioners suggest that activity in the construction and engineering industry was strong throughout the period.

The aggregate figures for apparent U.S. consumption and unit values reported elsewhere in this report and in the report from the preliminary phase are consistent with a drop in demand from 1996 to 1997 (apparent consumption fell by 20 percent while unit values fell by significant amounts for both U.S. and Japanese CSSSHP, both hot- and cold-finished), and also a drop in 1999 (consumption fell considerably and unit values of imports dropped). Apparent consumption rose from *** million tons in 1997 to *** million tons in 1998. However, unit values generally declined in 1998, suggesting that both supply and demand factors may have facilitated the increase in shipment quantity. In interim 2000 apparent consumption rose sharply. At least one firm, TA Chen, has suggested that this recent increase does not reflect an increase in use of CSSSHP, but rather buying on the part of distributors trying to beat the anticipated (nickel driven) increase in prices.[38]

The increase in shipments was particularly strong in the second half of 1998 and was most pronounced for hot-finished imports from Japan.[39] Much of this can be traced to increased U.S. purchases of redraw hollows and purchases of hot-finished boiler tubing. A significant amount, too, is attributable to increases in purchases by major distributors (master and otherwise). Staff identified several distributors and end users whose Japanese shipments increased substantially during 1998 and attempted to determine the reason for the increase. These purchasers gave several different explanations for the increased purchases.[40]

*** noted that 1998 was a time of ***. It noted, however, that it wouldn't even know where to begin in assessing the reason for the demand increase. *** suggested that much of the reason for its increased purchases in 1998 was that ***. It also acknowledged that purchases were (and have always been) made with price as a primary consideration. ***, a large buyer for which data on 1998 are unavailable, reported that its purchases from Japan did not significantly change in 1998 or 1999. *** attributed its increase in Japanese purchases in 1998 to ***. Its 1999 purchases of Japanese hot finished material fell ***. *** reported that its purchases were strong in 1998 because of ***. *** both reported that their increased purchases ***.

A few purchasers noted in questionnaires that demand for hot-finished product had increased over the period examined at the expense of the demand for cold-finished product. Two explanations were given by purchasers: first, hot-finished production quality is becoming increasingly adequate for some applications that previously used only cold-finished product. Second, with the overall drop in raw material prices, the relative price of hot-finished product to that of cold-finished product fell, since raw material (i.e., the stainless steel itself) is a smaller component of cost of cold-finished product than hot-finished product.

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[38] Hearing transcript, pp. 214-215, 217.

[39] Just how inconsistent this is with the demand trends reported by importers of Japanese CSSSHP depends in part on the degree of synchronization between official shipment import statistics and purchaser orders with importers.

[40] Staff telephone conversations with various purchasers, July 18-August 2, 2000. Redrawers were not contacted, as hearing testimony, briefs, and questionnaires have all discussed redrawer purchasers of Japanese imports in some detail. In 1998, ***.

Substitute Products

Domestic producers and importers generally agree that there is little direct substitutability between CSSSHP and other products. Welded stainless steel hollow products were mentioned in a few of the questionnaires, but generally not as serious alternatives, except in the lowest seamless grades.[41] Purchasers generally specify seamless product only when the pressure/heat-containing properties of seamless are required, because welded product is less expensive than seamless. Changes in the relative price of the two would do little to induce buyers to switch from seamless to welded or vice-versa. Other substitution possibilities suggested include replacing some mechanical tubing (also known as hollow bar) with solid bar under certain conditions and using nickel (and other) alloy products, which share some characteristics with stainless steel, in its place. As mentioned earlier, however, within the CSSSHP definition there is some substitutability between hot- and cold-finished products. If the price of cold-finished products were to be reduced relative to hot-finished products, some substitution might occur as certain users move to the higher quality product. Certainly the reverse incentives would apply were the opposite situation to occur, but most users already buy the cheaper product (hot-finished) if it meets the required specification for the particular application, so it is not clear how much such substitution would immediately occur.

Cost Share

Firms in the CSSSHP market report widely varying percentages of the costs of end-use products accounted for by CSSSHP. In large part, these percentages are reported as varying according to application. The most frequent estimates put these percentages at approximately 25 to 40 percent. However, some sellers report that percentages can be as low as 5 to 10 percent and as high as 80 to 90 percent or higher. For instance, *** reported that for chemical/process (high pressure) applications, CSSSHP account for as little as 20 percent of total end-use costs. At the other extreme, for lower-pressure applications (with lower-grade surrounding steel), the percentage is closer to 80 percent. ***, ***, and *** also reported very wide ranges of end-use cost percentages. Two domestic cold-finishers (*** and ***) and two importers (*** and ***) suggested percentages that could rise well above 50 percent. Purchasers in the boiler tube industry also suggested that the CSSSHP share in the cost of their end-use products could be quite high.

SUBSTITUTABILITY ISSUES

Factors Affecting Purchasing Decisions

The degree of substitution between domestic and imported CSSSHP depends on such factors as relative prices, product availability, quality (e.g., grade standards, reliability of supply, defect rates, cosmetic factors, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is a high degree of substitution between domestic and imported CSSSHP from Japan for a range of hot-finished and cold-finished products. For a second range of products, however (smaller than the first

[41] However, *** noted that large diameter cold-finished CSSSHP (a very small category of CSSSHP) competes mainly with welded product, despite being approximately 7 to 10 times as expensive. Telephone interview, November 30, 1999.

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overall - how much smaller is a matter of dispute),[42] domestic suppliers do not provide strong alternatives to Japanese imports, if they are produced at all in the United States. This range appears to have more market significance for hot-finished products than for cold. There is also a small set of CSSSHP for which Japanese imports do not effectively compete with domestic CSSSHP. Finally, there are at least two product categories in which hot-finished CSSSHP from one country competes with cold-finished CSSSHP from the other country. Absent any pricing differences, the substitutability between U.S. and Japanese CSSSHP in these categories is high.

With respect to nonsubject product, questionnaire responses and other evidence suggest that the overall degree of substitutability is somewhat higher for Japanese CSSSHP than for domestic. The reasons for this are similar to the issues just discussed, that is, the lack of domestic capability and/or competitiveness in certain product categories. In most of these particular categories, competition between Japanese and nonsubject suppliers is strong. In product categories where domestic supply is viable, competition with nonsubject firms is also at a high level, though perhaps slightly lower than the level of competition between domestic and Japanese suppliers. One factor contributing to the lower nonsubject substitutability with domestic production is product rationalization across affiliates in the U.S. and nonsubject countries. Several of the factors considered in analyzing the substitutability between domestic, subject, and nonsubject sources are discussed below.

Purchaser questionnaires show some differences among purchasers in the factors that would determine the degree of substitutability between U.S.-produced and foreign-produced CSSSHP. Some purchasers suggest that price is far and away the primary determinant of their supplier. Others, with more specialized end uses, suggest that substitution away from present sources would be unlikely at any price. When purchasers were asked to rank the most important characteristics used in choosing a supplier, a wide variety of responses was given. Overall, two-thirds of purchasers suggested that price was one of the top three characteristics considered. However, price was rarely the most important characteristic according to these purchasers.

The characteristic most frequently cited to be of prime importance was the quality of the product, with 12 out of 30 responding purchasers giving this response.[43] Following this, range of supply was cited by 6 purchasers, with price cited by 5. The characteristics most frequently cited as the second most important to purchasers were price (cited by 10 purchasers) and availability (by 9). As the third most important characteristic, delivery aspects were cited by 8 purchasers, price by 7, and reliability of supply by 6. Purchasers were also asked to assess 14 specific product factors according to their importance. The ratings of these factors are shown in table II-1. Product quality and consistency were judged by nearly all purchasers, both of hot- and cold-finished CSSSHP, to be very important. Reliability of supply was judged as very important by nearly as many purchasers. Following these three factors were a group of other factors including availability, delivery time, lowest price, and product range.

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[42] Questionnaire data on this subject obtained from importers of Japanese CSSSHP are reported in table I-2. The Japanese respondents view the reported percentages as low (see their prehearing brief, p. 67). The petitioners view the reported percentages as an upper bound.

[43] A handful of other purchasers indicated that quality-related factors, such as customer approval, appearance on approved manufacturer lists, and meeting specifications were the most important characteristics in determining their supplier.

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Table II-1
Importance to purchasers of various product features, by finishing process

(In *percent of responding purchasers*)

Product feature	Importance of feature					
	Hot-finished			Cold-finished		
	Very important	Somewhat important	Not important	Very important	Somewhat important	Not important
Availability	58	38	0	56	39	6
Delivery terms	21	63	17	28	61	11
Delivery time	46	46	8	56	44	0
Discounts offered	29	63	8	39	56	6
Lowest price	50	46	4	44	56	0
Min. qty. requirements	21	63	17	11	72	17
Packaging	26	65	9	44	50	6
Product consistency	87	13	0	94	6	0
Product quality	92	8	0	88	12	0
Product range	58	42	0	50	44	6
Reliability of supply	79	21	0	83	11	6
Technical support/service	29	54	17	39	50	11
Transportation network	17	65	17	25	56	19
U.S. transportation costs	14	59	27	6	63	31

Source: Compiled from data submitted in response to Commission questionnaires

Comparisons of Domestic CSSSHP and Subject Imports[44]

A significant number of CSSSHP are produced to well-known specifications. For firms purchasing these products, there may be little or no physical difference whether the product originates in the United States or in Japan. Other purchasers demand products produced to stricter specifications, ones which some producers may have difficulty meeting (as was testified to be the case for super-hot-finished boiler tubing, which was reported to be available from Japan but not the United States). Other differences in factors affecting purchasing decisions have been noted throughout the investigation. Chief among these is product range. Firms also mentioned pricing, quality, and lead time as affecting the decision whether to purchase product domestically or from Japan.

[44] Also see app. E.

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Product Range

An area of disagreement is whether or not domestic producers have the capability of producing certain categories of product at all. On this subject, respondents, importers, and purchasers have identified a number of alleged production deficiencies throughout both stages of the investigation.[45] Some of the areas identified refer to complete domestic incapability, while others refer to a perceived lack of viability or competitiveness. The most common assertion has been that certain size categories of CSSSHP are unavailable domestically. Some suggested that hot-finished CSSSHP above 3 inches outside diameter and cold-finished CSSSHP above 4 inches outside diameter are essentially unavailable domestically. Others stated that the lack of U.S. capability only applies to the range from 3 inches to 8 (or maybe 10) inches in outside diameter.[46] Further assertions were made regarding the inability of the domestic industry to produce special chemistry requirements. In particular, *** claimed that the *** it obtains from Japanese sources are *** and are unavailable from domestic sources.[47] Others claim that the 446 specification isn't produced in the United States. Boiler tube manufacturers claim that the super-hot-finished boiler tubes they depend on cannot be produced to acceptable standards domestically. Certain light walled products are also claimed to be unavailable domestically. The tables in appendix E present data obtained from U.S. producers and importers on shipments in specific categories that can be used to help assess the degree of product overlap between U.S. production and foreign production.[48]

The extent of the domestic coverage shortfall has been disputed throughout the proceedings by petitioners. In particular, they have disputed that hot-finished product between 3 and 6 inches cannot be produced. In the hearing, representatives from American Extruded and ALTX testified that their size capabilities range up to 6 inches and 5.5 inches, respectively.[49] They also dispute Plymouth's special chemistry claims. The evidence appears to suggest that in terms of the size dispute, claims of domestic incapability have been overstated by some in the sense that there are domestic hot-finishers actively seeking business in sizes up to 6 inches and above 10 inches.[50] However, it is well documented that domestic capability in the 3 inch to 6 inch range is suspect in the eyes of many purchasers and others in the industry.[51] In particular, American Extruded is not always viewed as a viable supplier. Questions still linger, too, about the effect of the ALTech bankruptcy and the extent to which ALTX will be able to improve the competitive position at those facilities.

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[45] When purchasers were asked whether any products were unavailable from U.S. sources, 65 percent responded affirmatively. Purchasers were asked to report the percentage of their purchases unavailable domestically. The responses varied widely. In general, though, responses to this question were too sparse to enable an overall percentage to be calculated. See the prehearing brief of the Japanese respondents, pp. 64-66 for a selection of purchaser comments emphasizing domestic deficiencies.

[46] Postconference brief, Japanese respondents, et. al, p. 28, and telephone interviews with *** (November 19, 1999) and *** (November 19, 1999), both CSSSHP purchasers.

[47] ***.

[48] However, the categories in app. E do not necessarily correspond exactly to the claimed domestic incapabilities.

[49] Hearing transcript, pp. 24, 29.

[50] International Extruded, an extruder specializing in the largest sizes (and temporarily out of the market at present) can apparently produce down to 6 or 8 inch outside diameters. However, a number of firms have stated that it does not actively seek general business below 10 inches because of the inefficiency of its press in such sizes.

[51] Responses to Commission questionnaires, telephone interviews, hearing testimony, and respondents' party briefs.

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U.S. producers have capabilities in some products that are not shared by Japanese imports. One domestic hollow product purchaser reported that at least some domestic cold tubing finishers use a "bright annealing" process that increases the shine of the steel surface. While this is chiefly a cosmetic enhancement, many purchasers specify product of this sort and are willing to pay a premium to obtain it. One domestic redraw hollow purchaser, ***, noted that *** is only produced by ***. This product was reported to account for approximately *** percent of this firm's purchases.

Other Considerations

A number of firms have noted that Japanese pricing is generally lower than domestic pricing. Among purchasers, many acknowledge that price competitiveness is an important consideration in their purchase of Japanese product and a couple have indicated that instances of relative price aggressiveness have occurred over the period examined.[52] Japanese pricing behavior is not necessarily identical across producers. ***, for example, has been identified as a firm with relatively high prices. ***, on the other hand, is an example of a firm that purchasers see as competing more aggressively on price.[53]

The importer questionnaire responses indicated that sellers of Japanese CSSSHP view their product as having a uniquely high level of product quality. Among other responses, it was suggested that Japanese CSSSHP experience fewer quality rejections, meet customer specifications to closer tolerances, have an image of high reliability to customers, and have received formal qualification from major customers such as Exxon.[54] Domestic redraw hollow purchasers are generally ***. The petitioners have suggested that the combination of the claimed higher Japanese quality and allegedly lower sales prices of Japanese CSSSHP should be inconsistent in a relatively competitive market. Further, they asserted that there are essentially no quality differences in most CSSSHP for which there are offerings from both countries. All CSSSHP are sold to specifications, either industry standard or purchaser stipulated, and purchasers claim that any CSSSHP meeting these specifications are interchangeable with other CSSSHP meeting the same specifications.

U.S. producers have a significant advantage in time from product order to product delivery, with most delivery times ranging from 1 to 12 weeks. Imports from Japan, on the other hand, typically take 13-26 weeks. It is generally acknowledged that this faster response time enables domestic producers to win a small proportion of orders, even in the absence of comparable prices. U.S. product is also favored by (apparently) a small percentage of purchasers because of domestic content requirements.

Purchasers were asked to compare the performance of domestic, subject, and nonsubject producers in terms of several product characteristics. The results are shown in tables II-2 (hot-finished) and II-3 (cold-finished). (The relative importance of these factors for hot- and cold-finished purchasers was shown previously, in table II-1.) The story told by these tables is essentially a mix of the stories of those advanced by the petitioners and those advanced by the respondents. Japanese product range and Japanese price are very clearly preferred to their U.S. counterparts. No purchaser suggested that U.S. producers have lower prices and only one suggested that their product range was superior. Also, the availability, consistency, and quality of Japanese products are preferred by many purchasers, but many purchasers do not perceive major differences between the two sources. The same conclusion applies to the reliability of supply (to a lesser degree) and, only for cold-finished product, to technical support and service. U.S. delivery times are overwhelmingly preferred to those for the Japanese product. For other characteristics, not much distinguishes the two sources.

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[52] Some of the purchasers that discuss Japanese pricing are also quick to note that nonsubject pricing is generally lower than domestic pricing, and is as competitive or more competitive than Japanese.

[53] One purchaser, ***, indicated that this producer was especially aggressive during 1998. This is consistent with a big increase in the volume of shipments reported by this firm in its foreign producer questionnaire.

[54] Compare this to the statement of ***, in the section on market leadership.

Table II-2
Purchaser comparisons of hot-finished product features, by country of origin

(In *number of responding purchasers*)

Product feature	Comparison between product sources[1]								
	United States versus Japan			United States versus nonsubject			Japan versus nonsubject		
	Superior	Compar-able	Inferior	Superior	Compar-able	Inferior	Superior	Compar-able	Inferior
Availability	3	8	9	5	7	15	6	19	0
Delivery terms	6	12	1	7	19	1	2	20	3
Delivery time	17	3	0	23	3	1	6	17	2
Discounts offered	0	15	0	1	23	3	0	21	4
Lowest price	0	4	15	1	8	20	2	12	12
Minimun qty. requirements	2	13	3	5	20	3	3	19	3
Packaging	0	16	3	0	24	4	5	20	0
Product consistency	0	13	7	2	20	6	12	13	0
Product quality	0	11	9	3	16	9	13	12	0
Product range	1	5	14	3	5	20	13	11	1
Reliability of supply	2	12	7	4	16	9	8	17	0
Technical support/service	2	15	3	9	15	4	6	19	0
Transportation network	1	17	2	0	27	1	1	23	1
U.S. transportation costs	0	16	3	0	24	4	0	24	1

[1] Purchasers comparing nonsubject product to product from other sources may have used nonsubject individually, in groups, or as a whole. This tends to create variation in comparisons using nonsubject countries that would not be present in comparsions using only the United States and Japan. It also explains why the number of comparisons using nonsubject countries is higher than those using the United States and Japan only.

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

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Table II-3
Purchaser comparisons of cold-finished product features, by country of origin

(In *number of responding purchasers*)

Product feature	Comparison between product sources[1]								
	United States versus Japan			United States versus nonsubject			Japan versus nonsubject		
	Superior	Compa-rable	Inferior	Superior	Compar-able	Inferior	Superior	Compar-able	Inferior
Availability	1	6	9	4	10	10	9	11	3
Delivery terms	6	8	1	7	17	1	2	17	3
Delivery time	13	2	1	19	4	2	5	17	6
Discounts offered	0	10	2	0	23	2	1	20	2
Lowest price	0	2	14	0	12	17	10	3	10
Minimum qty. requirements	3	9	4	5	17	3	5	17	1
Packaging	1	11	4	0	22	3	3	20	0
Product consistency	0	9	8	3	19	3	9	12	2
Product quality	0	9	8	4	18	3	10	11	2
Product range	0	5	12	3	11	11	14	6	3
Reliability of supply	2	8	6	2	17	6	8	13	2
Technical support/service	2	8	4	8	13	4	8	13	2
Transportation network	0	15	2	1	22	1	3	19	1
U.S. transportation costs	0	15	2	0	17	6	0	22	1

[1] Purchasers comparing nonsubject product to product from other sources may have used nonsubject individually, in groups, or as a whole. This tends to create variation in comparisons using nonsubject countries that would not be present in comparsions using only the United States and Japan. It also explains why the number of comparisons using nonsubject countries is higher than those using the United States and Japan only.

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

II-19

Comparisons of Nonsubject Imports with Domestic CSSSHP and Subject Imports

The available evidence suggests that nonsubject imports from certain countries are comparable in many respects with Japanese imports. That is, they share many of the characteristics by which Japanese imported CSSSHP can be distinguished from domestic CSSSHP (see tables II-2 and II-3). These characteristics include product range, pricing tactics, sales terms, and time from order to delivery. However, for many of these characteristics, nonsubject CSSSHP imports do not differ from U.S. products to the same extent as do imports from Japan. The countries for which these generalizations apply are principally European. Other countries, including some from Asia, supply imports which are principally competitive in the lower end of the market.

Product Range

Most firms report that the range and quality of European-produced CSSSHP are very comparable to the Japanese CSSSHP range. While questionnaire responses of those domestic producers supporting the petition have not conceded any major differences between U.S. and subject or U.S. and nonsubject imports, many (but not all) importers and purchasers of CSSSHP have reported gaps in the U.S. ability to supply certain CSSSHP. They have indicated that the main alternative to imports of Japanese CSSSHP in these gaps is imports from European (and sometimes other) producers. For instance, Thomas Maternowski of the Maryland plant of Plymouth testified in the conference that in the absence of Japanese hot-finished redraw hollows, his cold-finishing plant would be forced to rely upon the Swedish affiliate of Sandvik Canada, its most direct competitor, for its special chemistry redraw hollows. It was asserted that Sandvik Sweden had made it clear that whatever supply it could produce would be earmarked for Sandvik Canada. As implied in this scenario, several other purchasers of CSSSHP have stated a belief that an antidumping duty against Japanese CSSSHP would be very much in the interest of the nonsubject foreign affiliates of some of the U.S. producers.

As noted by respondents in their prehearing brief, the Commission's purchaser questionnaire asked purchasers to identify the most competitive alternative to their Japanese purchases (if they had purchased Japanese product). While there is some indication that the question wasn't perfectly understood by all of those providing responses,[55] the results may nonetheless be informative, suggesting that purchasers perceive nonsubject CSSSHP to be a generally more competitive alternative to Japanese CSSSHP than domestically produced product. The following tabulation presents the unweighted responses, by finishing process.

Most competitive source	Hot-finished percent	Cold-finished percent
U.S. sources for most purchases	18	11
U.S. sources for many purchases	9	6
U.S. sources for some purchases	9	6
U.S. sources for few purchases	50	61
No alternative	14	17

[55] For example, the responses of ***, along with an ***, suggested that it wasn't necessarily apparent that nonsubject imports were to be taken as the implicit alternative to domestic product. Others provided answers apparently inconsistent with their market position. For example, *** suggested that there is no alternative source for these purchases. ***. ***.

II-20

For both hot- and cold-finished purchases, a large majority of purchasers reported either that U.S. sources were most competitive for few of their Japanese purchases or that there were no alternatives to their Japanese purchases. Curiously, few purchasers reported the middle choices ("many" or "some"), as the United States was the source of the most competitive alternative to most Japanese purchases for the next most frequent group.

A few firms report that there are a few specifications for which nonsubject product is not a good substitute for Japanese product. One domestic purchaser indicated that there are certain specialty alloys that are not available from nonsubject sources.[56] Another, ***, indicated in its questionnaire that some thin-wall tubing is not available from sources outside Japan. *** identified a case for which certain CSSSHP is available from a nonsubject source, but not from Japan. It reported that for its main product line, there is no important competition from Japanese CSSSHP. Rather, the main competition comes from ***.

Other Considerations

U.S. producers hold the same advantage over both subject and nonsubject imports with respect to lead time from order to delivery, but several importers of CSSSHP from Japan report that European imports have an advantage relative to subject imports. *** reported that nonsubject imports are sold at a price advantage relative to domestic CSSSHP and that they (nonsubject imports) are sold with less favorable payment terms than imports from Japan. *** reported that the nonsubject importers provide longer payment terms than domestic producers. *** reported that nonsubject countries can provide CSSSHP imports with longer lengths than U.S. CSSSHP, but that these countries lag behind Japan in terms of sales support. Some purchasers and importers (***) reported that Japanese CSSSHP held a quality advantage over nonsubject products. *** reported that many nonsubject imports are comparable to imports from Japan. That firm also stated that this only holds for European CSSSHP, not CSSSHP from Korea, India, and other sources. Several purchasers have noted that Korean and Indian CSSSHP are priced below CSSSHP of Japanese, European, or domestic producers.[57] Others have indicated that for certain products, European prices are lower than Japanese. This is borne out for cold-finished products by table II-3. ***, in particular, is reported to be a low price cold-finished producer. The increase in nonsubject imports volumes in the latter part of 1999 and the first quarter of 2000 is consistent with nonsubject sources being highly competitive against the Japanese, whether for reasons of product range or pricing similarities.

[56] Telephone interview with ***, November 19, 1999.

[57] Postconference brief, Japanese respondents, annex O.

II-21

ELASTICITY ESTIMATES

This section discusses the elasticity estimates that are used in the COMPAS analysis that is presented in appendix F. Estimates were presented in the prehearing staff report and parties were encouraged to comment on these estimates in their posthearing briefs. Only the Japanese respondents commented on those estimates. Their comments dealt only with the elasticity of substitution. Staff incorporated the methodology suggested by respondents for computing an overall elasticity of substitution, but arrived at a different value for this elasticity.

Supply Elasticity[58]

The domestic supply elasticity for CSSSHP measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of CSSSHP. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced CSSSHP. Analysis of these factors earlier indicates that overall the U.S. industry is likely to be able to greatly increase or decrease shipments to the U.S. market; an estimate in the range of 1.5 to 3 is used in the COMPAS analysis. Analysis of the factors determining the nonsubject supply elasticity suggested that this value should be somewhat higher. An estimate in the range of 2 to 4 is used.

U.S. Demand Elasticity

The U.S. demand elasticity for CSSSHP measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of CSSSHP. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of CSSSHP in the production of any downstream products. Based on the available information, the aggregate demand for CSSSHP is likely to be inelastic; a range of -1/3 to -2/3 is used in the COMPAS analysis.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[59] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (availability, sales terms, discounts, promotions, etc.). Based on available information, an elasticity of substitution in the range of 2.5 to 5 between U.S.-produced CSSSHP and Japanese CSSSHP was proposed in the prehearing staff report, for those sectors where competition is strong between the two nations. While it is not necessarily the case that adjusting the overall substitution elasticity is the ideal method for dealing with sectors of weak or non-existent

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

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

II-22

competition, respondents proposed such a methodology designed for precisely that purpose.[60] With this methodology, a weighted average of sector specific substitution elasticities serves to form the overall elasticity of substitution. Staff has utilized this methodology to compute a point elasticity estimate between Japan and the United States of 2.1 overall (1.6 for hot-finished product, 2.2 for cold-finished). Based on this point estimate, high and low estimates were used that were 30 percent above and below (respectively) the point estimate. The sector-specific estimates made by staff are shown in table II-4 for hot- and cold-finished CSSSHP.[61] These were weighted by the value of U.S. shipments by domestic producers to form aggregate hot- and cold-finished estimates.[62] The estimate for all CSSSHP was computed in the same manner. Where appropriate a weighted average of hot- and cold-finished sector estimates were used to obtain an overall estimate. In cases where competition between hot-finished product from one source and cold-finished product from another may be important, independent overall elasticity estimates were made.

Substitution elasticities between subject and nonsubject products and between domestic and nonsubject products were computed as multiples of the domestic/subject elasticity. For the subject/nonsubject elasticity, the domestic/subject elasticity was multiplied by 1.5. For the domestic/nonsubject elasticity, the domestic/subject elasticity was multiplied by 0.8.

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[60] In the prehearing staff report, staff proposed an analysis that explicitly treated sectors of noncompetition different from other sectors. While staff views this approach as preferable in principle, this complicates the analysis and intepretation, and requires sector-by-sector information (which is substantially unavailable in this case) on the degree of nonsubject competition with subject imports and domestic products. Additionally, preliminary efforts indicate that an approach with separate sector treatment is unlikely to yield significantly different outcomes than one using the substitution elasticity to proxy noncompetition.

[61] Some of the estimates are the same as provided by respondents. This should not necessarily be taken to imply staff agreement with the reasons for the estimates given by respondents. For example, respondents cite ***. Staff views this as overstating whatever effect may exist. However, staff does view the relative lack of U.S. competitiveness in the larger size ranges as a significant issue, so that its estimate for that sector is the same as that presented by respondents.

[62] In their posthearing brief, Japanese respondents used quantities of imports of Japanese CSSSHP within each sector to weight the sector elasticities. However, since the issue being dealt with is the effect of dumping on the U.S. industry, it is more appropriate to use domestic industry data to develop the weights. Since the COMPAS model deals in values rather than quantities, values are preferred to quantities as weights. The difference in weighting schemes, by itself, resulted in an increase in the overall elasticity estimate (compared to that given by the respondents) from 0.9 to 1.3. The rest of the increase is due to different judgements about sector specific elasticities.

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Table II-4
Sector substitution elasticities

Sector	Hot-finished	Cold-finished	All CSSSHP
Heat exchanger	0.00	3.75	3.75
Boiler	0.50	3.75	2.00
Duplex	0.00	0.50	0.29
Redraws	1.00	1.00	1.50
Hollow bar	2.50	2.50	2.50
A268 pipe	0.00	2.00	2.00
A312 pipe	2.50	0.00	2.50
Other	0.00	1.00	1.00
Overall (weighted average)	1.62	2.23	2.08

II-24

PART III: CONDITION OF THE U.S. INDUSTRY

Information on capacity, production, shipments, inventories, and employment is presented in this section of the report, and is based on the questionnaire responses of 15 firms that accounted for almost all known U.S. production of CSSSHP during 1999. Additional U.S. industry data presented on a semi-annual basis are presented in appendix C, tables C-6 through C-8.

U.S. PRODUCERS

In addition to the seven producing petitioners, 11 other firms have been identified as domestic producers of CSSSHP.[1] The following tabulation, compiled from questionnaire responses, shows firms that produced CSSSHP during the period of investigation and their parent companies:

Producing firm	Parent company
Hot-finished	
ALTech/ALTX	***
American Extruded	***
PEXCO	***
International Extruded	***
Cold-finished	
ALTech/ALTX	***
DMV	***
Dynamic	***
Greenville	***
Handy & Harman	***
Kaiser	***
Plymouth	***
Salem	***
Sandvik	***
Superior	***
Timken	***
Uniform	***

Table III-1, compiled from firms completing the Commission's questionnaires, presents U.S. producers of CSSSHP, plant locations, shares of reported production of specified products, and positions on the petition.

[1] Including Tube Methods, Inc., whose operations are in Bridgeport, PA and ***. This firm reported production of ***. The firm ***. Additional producers identified during the final phase of this investigation included the Plymouth extrusion facility at Hopkinsville, KY (produced *** tons of CSSSHP during 1999), and CSM, a toll extruder in Coldwater, MI. CSM ***.

III-1

Table III-1
CSSSHP: U.S. producers, plant locations, shares of production in 1999, and positions on the petition

Firm	Location of production facilities	Share (*percent*) of reported production of CSSSHP in 1999			Position on petition
		Hot	Cold	CSSSHP	
Hot-finished:					
ALTech/ALTX[1]	Watervliet, NY	***	NA	([2])	Petitioner
American Extruded	Beaver Falls, PA	***	NA	***	Petitioner
International Extruded[3]	Buffalo, NY	***	NA	***	***
PEXCO[4]	Clarks Summit, PA	***	NA	***	Petitioner
Timken	Canton & Wooster, OH	***	NA	([2])	***
Other[5]	Michigan	***	NA	([2])	([6])
Cold-finished:					
ALTech/ALTX	Watervliet, NY	NA	***	***	Petitioner
DMV	Houston, TX	NA	***	***	Petitioner
Dynamic	Koppel, PA	NA	***	***	***
Greenville	Clarksville, AR	NA	***	***	***
Handy & Harman	Norristown, PA Camden, DE	NA	***	***	***
Kaiser	Irvine, CA	NA	***	***	***
Plymouth	W. Monroe, LA Salisbury, MD	NA	***	***	***
Salem	Greenville, PA	NA	***	***	Petitioner
Sandvik	Clarks Summit, PA	NA	***	***	Petitioner
Superior	Radnor, PA	NA	***	***	***
Timken	Canton & Wooster, OH	NA	***	***	***
Other[7]	Kentucky & Pennsylvania	NA	***	***	([6])

[1] ALTech Specialty Steel Corp. ceased production of CSSSHP, its production assets and facility were sold to Tubacex America in September 1999, and the firm is now operating as ALTX.
[2] Included in cold-finished share.
[3] International Extruded will begin closing its Buffalo facility on ***, and will close the plant by *** (June 20, 2000, submission of Baker & Hostetler, p. 1). The firm will move the 12,000 ton press and other key assets to a Houston pipe facility of the former Cameron Forged Products Co., which was acquired by Wyman Gordon in 1994 (*American Metal Market*, April 24, 2000, p. 6). International Extruded's CSSSHP production is expected to resume at its Houston facility in January 2001 (July 26, 2000, telephone interview with ***).
[4] Per its joint venture agreement, PEXCO sells ***. June 28, 2000, revision to PEXCO's producers' questionnaire response, III-7, p. 20.
[5] Includes the Plymouth facility at Hopkinsville, KY, with reported production of *** during 1999.
[6] Not available.
[7] Includes Tube Methods and Uniform with estimated 1999 production of *** tons for Tube Methods and *** tons for Uniform Tubes.

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

III-2

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Data for U.S. producers of hot- and cold-finished CSSSHP are shown in table III-2. The rise in hot-finished capacity is attributed to *** during 1997-99. With the exception of ***, all producers stated that they produced other products in addition to CSSSHP on their equipment.

Table III-2
CSSSHP: U.S. production capacity, production, and capacity utilization, by types, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

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

Data on U.S. producers' shipments of CSSSHP are shown in table III-3. Cold-finished CSSSHP accounted for approximately 70 percent of U.S. producers' U.S. shipments during 1999. U.S. producers' U.S. shipments by specific categories of CSSSHP are presented in appendix E.

U.S. PRODUCERS' IMPORTS AND PURCHASES

Data on U.S. producers' imports and purchases of CSSSHP are presented in tables III-4 (summary) and III-5 (by firms). In general, U.S. producers reported that they imported or purchased imports in order to supplement product lines, or because product types were not domestically available. Data relating to the question of exclusion of related parties as proposed by petitioners are presented in appendix C, tables C-4 through C-8.[2]

Data relating to U.S. producers' sourcing (shares in percent, based on quantity) of raw materials (billets, bars, and/or redraw hollows) for their U.S. CSSSHP production are presented in the following tabulation:

Source	Hot-finished	Cold-finished
Captively produced	***	***
U.S. produced	***	***
Foreign produced	80.3	66.5

U.S. PRODUCERS' INVENTORIES

Table III-6 presents U.S. producers' end-of-period inventories of CSSSHP.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-7 presents employment data for production and related workers producing CSSSHP.

[2] Counsel for petitioner argued that *** should be excluded from the domestic industry as the firms have purchased substantial quantities of CSSSHP from Japan, and have been sheltered from the injurious effects of LTFV imports (July 6, 2000, prehearing brief of Collier, Shannon, pp. 28-37).

III-3

Table III-3
CSSSHP: U.S. producers' shipments, by types, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
	Quantity (*short tons*)				
HOT-FINISHED:					
Open-market shipments–End users[1]	***	***	***	***	***
Redrawers	***	***	***	***	***
Total open-market shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Total U.S. shipments	9,403	9,000	5,761	1,338	2,531
Export shipments	2,164	3,254	3,008	680	788
Total shipments	11,567	12,254	8,769	2,018	3,319
COLD-FINISHED:					
Open-market U.S. shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Total U.S. shipments	7,816	7,326	7,425	1,766	2,302
Export shipments	560	827	724	258	117
Total shipments	8,376	8,153	8,149	2,023	2,419
TOTAL CSSSHP:[2]					
Open-market U.S. shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Total U.S. shipments	13,176	11,826	10,959	2,501	4,060
Export shipments	2,724	4,081	3,732	938	905
Total shipments	15,900	15,907	14,691	3,439	4,965
	Value (*1,000 dollars*)				
HOT-FINISHED:					
Open-market shipments–End users [1]	***	***	***	***	***
Redrawers	***	***	***	***	***
Total open-market shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Total U.S. shipments	51,037	45,097	26,149	6,122	11,434
Export shipments	11,395	15,431	13,346	3,157	3,394
Total shipments	62,432	60,528	39,495	9,279	14,828
COLD-FINISHED:					
Open-market U.S. shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Total U.S. shipments	108,660	99,538	95,389	23,041	32,031
Export shipments	6,568	7,275	6,171	2,082	956
Total shipments	115,228	106,814	101,560	25,123	32,987

–Continued on next page.

Table III-3--*Continued*
CSSSHP: U.S. producers' shipments, by types, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
	Value (*1,000 dollars*)				
TOTAL CSSSHP:[2]					
Open-market U.S. shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Total U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Unit value (*per short ton*)				
HOT-FINISHED:					
Open-market shipments– End users [1]	$***	$***	$***	$***	$***
Redrawers	***	***	***	***	***
Total open-market shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Average U.S. shipments	5,428	5,011	4,539	4,576	4,517
Export shipments	5,266	4,742	4,437	4,643	4,307
Average total shipments	5,398	4,939	4,504	4,598	4,467
COLD-FINISHED:					
Open-market U.S. shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Average U.S. shipments	13,902	13,587	12,847	13,051	13,915
Export shipments	11,729	8,799	8,522	8,079	8,174
Average total shipments	13,757	13,101	12,463	12,417	13,637
TOTAL CSSSHP:[2]					
Open-market U.S. shipments	***	***	***	***	***
Captive U.S. shipments	***	***	***	***	***
Average U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Average total shipments	***	***	***	***	***

[1] Shipments of hot-finished CSSSHP to end users include product sold for mechanical and structural applications, and for machining into fabricated parts (e.g., flanges). June 13, 2000, telephone interview with Alan Luberda; Collier Shannon.

[2] Total CSSSHP is a combination of hot- and cold-finished products, with adjustments for shipments of redraw hollows to avoid double counting.

[3] Not applicable.

Note.-- Because of rounding, figures may not add to the totals shown. Unit values are calculated from the unrounded figures.

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

III-5

Table III-4
CSSSHP: U.S. producers' imports and non-import purchases, by sources, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table III-5
CSSSHP: U.S. producers' imports from nonsubject sources and non-import purchases from Japan, by firms, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table III-6
CSSSHP: U.S. producers' end-of-period inventories, by types, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

III-6

Table III-7
CSSSHP: Average number of production and related workers, hours worked, wages paid to such employees, and hourly wages, by types, 1997-99, January-March 1999, and January-March 2000

Item				January-March	
	1997	1998	1999	1999	2000
HOT-FINISHED:					
PRWs (*number*)	202	191	157	164	168
Hours worked (*1,000*)	368	345	209	75	76
Wages paid (*1,000 dollars*)	7,318	6,962	4,385	1,185	1,375
Hourly wages	$19.90	$20.16	$20.98	$15.72	$18.09
Productivity (*short tons/1,000 hrs.*)	***	***	***	***	***
Unit labor costs (*per short ton*)	$***	$***	$***	$***	$***
COLD-FINISHED:					
PRWs (*number*)	862	809	788	778	837
Hours worked (*1,000*)	1,191	1,128	1,146	286	332
Wages paid (*1,000 dollars*)	15,694	15,203	17,109	4,278	5,395
Hourly wages	$13.18	$13.47	$14.92	$14.93	$16.26
Productivity (*short tons/1,000 hrs.*)	***	***	***	***	***
Unit labor costs (*per short ton*)	$***	$***	$***	$***	$***
TOTAL CSSSHP:					
PRWs (*number*)	1,064	1,000	945	942	1,005
Hours worked (*1,000*)	1,559	1,474	1,355	362	408
Wages paid (*1,000 dollars*)	23,012	22,165	21,494	5,463	6,770
Hourly wages	$14.76	$15.04	$15.86	$15.10	$16.60

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

III-7

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

U.S. IMPORTERS

Questionnaires were sent to 47 firms believed to be importers of CSSSHP, based on information provided in the petition and by the U.S. Customs Service. In addition, importer questionnaires were sent to the 15 firms that received the producers' questionnaire. Twenty-one identified importers and three U.S. producers responded with completed importers' questionnaires.[1] In general, U.S. importers of CSSSHP are trading companies that are unrelated to the manufacturers/exporters in Japan, and unrelated distributors. *** firms (***) accounted for more than half of CSSSHP imports from Japan during 1997-March 2000. U.S. importers and their shares of CSSSHP imports from Japan during 1997-99 are presented in table IV-1.

Table IV-1
CSSSHP: Importers and shares of imports from Japan, by types, 1997-99

* * * * * * *

U.S. IMPORTS

Imports of CSSSHP are classified in discrete tariff subheadings in the HTS.[2] However, because of Commerce's exclusions (coupling stock and API line pipe) from the scope of this investigation, and reported misclassifications of OCTG as subject products, parties have taken differing positions on the Commission's use of official Commerce statistics for measuring imports of CSSSHP. Respondents have argued that certified questionnaire responses of U.S. importers provide a more accurate source of data for measuring imports.[3] Petitioners oppose the wholesale exclusion of the alleged OCTG from the import data and support the "presumption of correctness" of official Commerce statistics.[4] Data reported by U.S. importers relating to imports of CSSSHP from Japan[5] that were misclassified as subject product, or are excluded from the scope of this investigation, are presented in table IV-2.

---

[1] Of the 28 questionnaires sent to importers of CSSSHP from Japan, 16 firms responded to the questionnaire, 6 firms responded that they did not import CSSSHP, and 6 firms did not respond to the questionnaire. Firms that did not respond included ***. Eight of 19 firms identified as importers of CSSSHP from nonsubject sources did not respond to the Commission's questionnaires.

[2] Hot-finished HTS numbers include 7304.49.0005, 7304.49.0015, 7304.49.0045, and 7304.49.0060. Cold-finished HTS numbers include 7304.41.3005, 7304.41.3015, 7304.41.3045, 7304.41.6005, and 7304.41.6015.

[3] July 6, 2000, prehearing brief of Wilmer, Cutler, p. 4.

[4] July 25, 2000, submission of Collier, Shannon, p. 1.

[5] U.S. importers of CSSSHP from nonsubject countries did not report any exclusions or misclassifications in their questionnaire responses.

IV-1

Table IV-2
CSSSHP: Summary of U.S. importers reported exclusions and misclassifications of imports from Japan, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Exclusions

*** have reported exclusions of CSSSHP imports as ***.[6] [7] Reported exclusions accounted for *** percent of total imports of CSSSHP during 1997-March 2000.

Misclassifications

With respect to misclassified imports, *** and Sumitomo America have reported that certain of their Customs entries consisted of OCTG that were misclassified as subject products.[8] Reported misclassifications accounted for a low of *** percent of total imports of CSSSHP during 1998, a high of *** percent during 1999, and an overall *** percent during 1997-March 2000.
***

***.[9] ***'s misclassification *** and accounted for approximately *** percent of total imports of CSSSHP during that year.
***

In November 1999, Sumitomo America informed Customs of its misclassification of entries of OCTG as subject CSSSHP ***. Sumitomo America submitted documentation to Customs and the Commission regarding *** entries that occurred during 1997-99.[10] Customs has indicated that it has reviewed documentation for the random sample and found that the entries would have been classified as OCTG at the time of importation.[11] Firm-by-firm data regarding reported CSSSHP exclusions and misclassfications of imports are presented in table IV-3.

Table IV-3
CSSSHP: Detail of U.S. importers' reported exclusions and misclassifications of imports from Japan, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

---

[6] Data submitted by ***.

[7] U.S. importers of CSSSHP from nonsubject sources did not report any imports of excluded products under the subject HTS numbers.

[8] U.S. importers of CSSSHP from nonsubject sources did not report any imports of OCTG products as having been misclassified under the subject HTS numbers. ***.

[9] July 14, 2000, submission of ***; and July 28, 2000, submission of ***.

[10] June 7, 2000, questionnaire response of Sumitomo America (exhibit 1); principally, July 10 and July 27, 2000, submissions of Sumitomo America to Customs.

[11] ***.

IV-2

Data discrepancies continue between U.S. imports of CSSSHP from Japan as reported by importers in their questionnaire responses, and official Commerce statistics as adjusted.[12] Therefore, U.S. import data reported in this section of the report were compiled from official Commerce statistics, adjusted for the exclusions and misclassifications noted above. Data regarding U.S. imports of CSSSHP are presented in table IV-4. Data relating to imports of CSSSHP based on official statistics as proposed by petitioners, and imports based on questionnaire responses as proposed by respondents, are presented in appendix C.

Table IV-4
CSSSHP: U.S. imports, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table IV-5 presents U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares. Data relating to apparent U.S. consumption of CSSSHP based on official statistics as proposed by petitioners, and imports based on questionnaire responses as proposed by respondents, are presented in appendix C.

Table IV-5
CSSSHP: U.S. producers' U.S. shipments, U.S. imports, and U.S. consumption, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

[12] Data regarding CSSSHP from Japan reported in the Commission's importers' (imports) and foreign producers' (exports to the United States) questionnaires were significantly lower than official statistics, adjusted, as follows:

Item	1997	1998	1999	1997-99
Official Commerce statistics	13,203	21,847	17,597	52,647
Official statistics, adjusted for reported exclusions and misclassifications	***	***	***	***
Importers' questionnaire responses	6,413	15,149	11,485	33,047
Foreign producers' questionnaire responses	7,977	16,434	10,198	34,609
Japanese export statistics	8,997	17,633	11,919	38,549
Japanese export statistics, adjusted for reported exclusions	***	***	***	***

IV-3

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Stainless steel bars/billets are the stock material for all hot-finished CSSSHP. These, in turn, become the stock material for cold-finishing. Since 1997, between 43 and 47 percent of the cost of CSSSHP came from raw material cost.[1] Stainless steel bar prices (and indeed, the prices of all stainless steel products) depend in large part on the cost of the materials used to produce stainless steel bar. The largest raw material component of the cost of new stainless steel generally is nickel, with chromium also having important effects. Between the first quarter of 1997 and the fourth quarter of 1998, nickel prices dropped from $3.65 to $1.80 per pound, a drop of over 50 percent. Chromium prices dropped from $0.57 per pound to $0.34 per pound in the second quarter of 1999. By the first quarter of 2000, however, prices of both elements had increased substantially, with the price of nickel exceeding its price in the first quarter of 1997.[2] Using the nickel and chromium requirements for grades 304 and 316, a sample nickel/chromium cost of producing a ton of CSSSHP was computed and is presented in table V-1.[3] This cost fell by $299 from the first quarter of 1997 to the fourth quarter of 1998 for grade 304. For the 316 grade, which uses more nickel, the cost decline was greater, $400 over the same time period.

While nickel and chromium prices appear to have played a role in the general decline of CSSSHP prices through 1999, a more precise measure of the impact of the stainless steel market on CSSSHP is the prices of the billets/bars used by hot-finishers and the redraw hollows used by cold-finishers. To this end, U.S. producers were requested to provide quarterly data on prices of these two inputs. Differences in grade composition (and other factors) make a comparison of prices between firms within a given time period problematic. However, if these factors are fairly constant over time for each firm, changes over time can be informative. The price ranges and changes over time of these CSSSHP input prices are also given in table V-1. Generally, the billet/bars and redraw hollow prices fall at the same time as nickel and chromium prices fall. However, the former drop by larger dollar values, and do not seem to recover at all, in contrast to the path of nickel/chromium prices, in the final three quarters considered.[4]

---

[1] See table VI-4.

[2] These prices were obtained from *** and reflect prices on the London Metal Exchange.

[3] As noted in *Part I*, austenitic grades of stainless steel contain much more nickel then either ferritic or martensitic grades. The latter two steel types typically contain less than 1 percent of nickel by weight. Grade 304 contains at least 8 percent nickel and 18 percent chromium by weight. Grade 316 contains 10 percent nickel, 16 percent chromium, and 2 percent molybdenum by weight.

[4] ***.

V-1

Table V-1
CSSSHP: Input prices, by quarter, January 1997-March 2000

Period	Constructed cost of nickel and chromium in CSSSHP, by grade (*dollars per ton*)[1]		Producer reported input cost range (*dollars per ton*)				Average cumulative change in cost of producer-reported inputs[2]	
			Billets/Bars		Redraw hollows			
	Grade 304	Grade 316	Min.	Max.	Min.	Max.	*Percent*	*Dollars per ton*
1997:								
January-March	$743	$951	$***	$***	$***	$***	-	-
April-June	742	941	***	***	***	***	-6.33	-$357
July-September	679	862	***	***	***	***	-8.99	-476
October-December	624	792	***	***	***	***	-12.36[3]	-550[3]
1998:								
January-March	563	705	***	***	***	***	-12.84	-580
April-June	540	675	***	***	***	***	-12.45	-529
July-September	469	582	***	***	***	***	-18.50	-875
October-December	444	551	***	***	***	***	-20.59	-1,027
1999:								
January-March	475	602	***	***	***	***	-22.31	-1,109
April-June	516	660	***	***	***	***	-23.46	-1,166
July-September	614	790	***	***	***	***	-22.47	-1,084
October-December	725	940	***	***	***	***	-22.37	-1,012
2000:								
January-March	850	1,110	***	***	***	***	-20.20	-1,053

[1] Nickel/chromium cost component of CSSSHP constructed by summing cost of nickel and chromium required to produce one ton of stainless steel of specified grade and adjusting for (unweighted) average scrap output in CSSSHP production as reported by U.S. producers. Scrap is assumed to obtain 86 percent of value of primary inputs in resale, roughly consistent with recent history. This computation does not adjust for any scrap generated in earlier production stages.

[2] Using only data from U.S. producers reporting for all quarters over the period examined. This consists of *** billet/bar purchasers and 5 redraw hollow purchasers. The averages reported are unweighted averages.

[3] Averages for the fourth quarter of 1997 exclude data reported by *** as its reported prices that quarter were "an anomaly" due to purchasing only a small quantity of very specialized material according to ***.

Source: *** and compiled from data submitted in response to Commission questionnaires.

V-2

Transportation Costs to the U.S. Market

Transportation costs for CSSSHP from Japan to the United States (excluding U.S. inland costs) are estimated to be approximately 3.1 percent of the total cost for CSSSHP, with a range of 1.1 percent to 3.5 percent for specific CSSSHP categories. These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.

U.S. Inland Transportation Costs

Transportation costs from the production facility to the location of the purchaser are a small to moderate percentage of the overall price of CSSSHP. However, because the price per ton varies across the final products, there is some degree of variation in these costs, with most domestic producers and most importers reporting that 1 to 6 percent of the delivered price of CSSSHP is accounted for by transportation expenses.[5] U.S. producers tended to report lower costs, typically less than 4 percent, and averaging 1.6 percent. Importers' average reported transportation costs were 3.2 percent.[6] Generally, cold-finished CSSSHP should be expected to have lower transportation cost percentages than hot-finished CSSSHP because of the higher value per ton for cold-finished product. This effect is not evident from the reported data, however.

Exchange Rates

The value of the Japanese yen relative to the U.S. dollar has fluctuated somewhat since 1997, but has not exhibited any strong trend. Quarterly data reported by the International Monetary Fund indicate that the nominal value of the Japanese yen depreciated 13.4 percent relative to the U.S. dollar from January-March 1997 to July-September 1998 (figure V-1). The real value of the Japanese yen depreciated 10.9 percent vis-a-vis the U.S. dollar in that time period. In the subsequent three quarters, the yen returned to roughly its January-March 1997 values. In the last two quarters of 1999 and the first quarter of 2000, the yen appreciated further, to 13 percent above the January-March 1997 value in nominal terms in the latter period, and 6.8 percent in real terms.

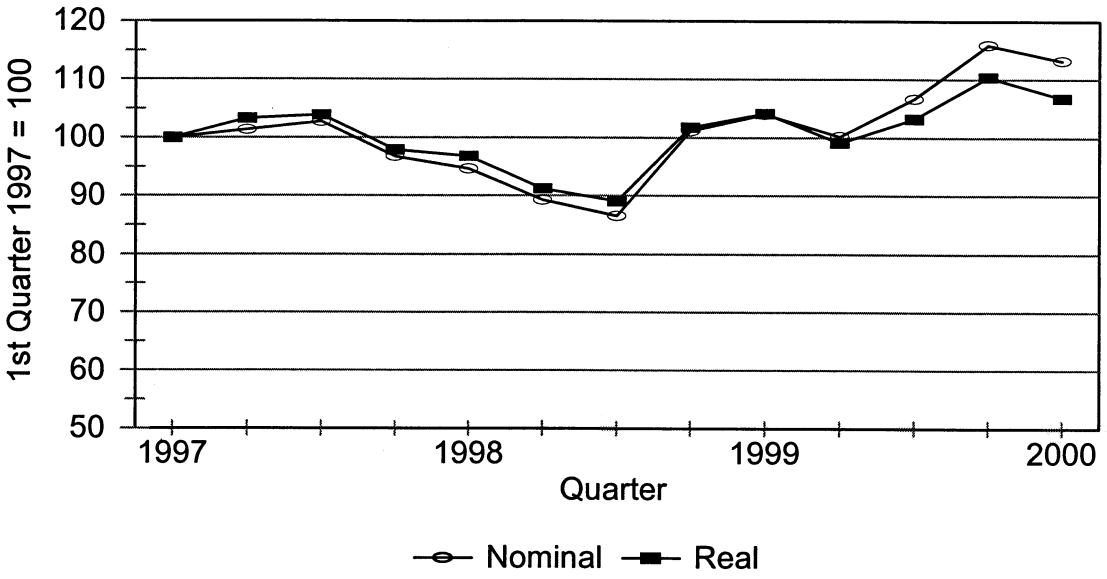
---

[5] One importer reported U.S. transportation costs of 10 percent.

[6] There appeared to be some problems in how the questionnaire item on transportation costs was interpreted by responding firms. As evidence of this, purchasers tended to report that U.S. transportation costs were lower for Japanese product than for U.S. product, just the opposite of the averages computed from the questionnaires of domestic producers and importers.

V-3

Figure V-1
Exchange rates: Indices of the nominal and real exchange rates of the Japanese yen relative to the U.S. dollar, by quarters, January 1997-March 2000



Source: International Monetary Fund, *International Financial Statistics*, June 2000.

PRICING PRACTICES

Pricing Methods

Pricing methods in the CSSSHP market vary according to the type of seller and the product category. Importers almost exclusively negotiate the price for their CSSSHP on a transaction-by-transaction basis. Only two importers reported that set prices were used. Domestic producers also sell a great deal of their CSSSHP on a transaction-by-transaction basis, but a greater number of domestic producers report using internal price schedules or cost engineering analysis as the basis for the negotiations. Price lists were used in a few instances. Most of the CSSSHP sold commercially is sold on a spot basis. Only a handful of domestic producers sell any CSSSHP by contract. For these sellers between 5 and 30 percent of their output is sold by contract. A relatively small number of importers sell exclusively by contract. These tend not to be the among the largest volume importers. All of the other importers report that they sell only on a spot basis. Contracts generally run from six months to one year, though one firm (***) did report utilizing shorter contracts, and one firm (***) longer contracts.

Sales Terms and Discounts

Most sellers of imported CSSSHP and most sellers of domestically produced CSSSHP reported similar terms of sale, typically 1/2 10, net 30 days. Prices are typically quoted f.o.b. plant/port. Only one of the domestic firms, ***, reported quoting delivered prices. All other reporting purchasers indicated that prices are f.o.b. Somewhat more variety exists among import price quotes, with two instances of

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c.i.f. (***) and several importers using delivered price quotations. F.o.b. pricing was the most commonly reported form of pricing among importers, as well, however.[7]

Discount policies differ by firm. Some have no discount policy while others use multiple discounting methods. In the domestic industry, several firms offer quantity discounts and/or discounts based on yearly volume. A slightly smaller number offer discounts to distributors. A few domestic firms and the majority of importers provide no discounts or base discounts on market conditions and the specifics of the transaction. Discounts range from 3 percent to 7.5 percent in most cases or up to 10 cents per pound. None of the importers of Japanese CSSSHP revealed the size of typical discounts, although a few mentioned that the discounts they do give are usually based on order quantity or yearly volume.

PRICE DATA

In its questionnaires, the Commission requested U.S. producers, importers of Japanese CSSSHP, and purchasers to provide quarterly data for the total quantity and value of specific CSSSHP that were shipped to/from unrelated customers in the U.S. market. Data were requested for the period January 1997-March 2000. The products for which pricing data were requested are as follows:

Product 1.-- Hot-finished pipe, ASTM A-312, grade 304/304L, 3 inch schedule 40.

Product 2.-- Hot-finished pipe, ASTM A-312, grade 316/316L, 2 inch schedule 40.

Product 3.-- Cold-finished tube, ASTM A-213, grade 304/304L, ¾ inch outside diameter by 0.049 inch average wall thickness.

Product 4.-- Cold-finished tube, ASTM A-213, grade 304/304L, ½ inch outside diameter by 0.065 inch average wall thickness.

Product 5.-- Cold-finished tube, ASTM A-213, grade 316/316L, ¾ inch outside diameter by 0.065 inch average wall thickness.

Product 6.-- Hollow bar, grade 304/304L, 2 inch outside diameter by ¼ to ⅝ inch average wall thickness.

Product 7.-- Hollow bar, grade 316/316L, 2 inch outside diameter by ¼ to ⅝ inch average wall thickness.

Product 8.-- Redraw hollow, grade 316/316L, 2 inch outside diameter by 0.188 inch average wall thickness.

Product 9.-- Redraw hollow, grade 304/304L, 1.660 inch outside diameter by 0.140 inch average wall thickness.

Because of the sparseness of the data provided in response to the Commission's questionnaire (as reported in the prehearing staff report), producers and importers (but not purchasers) were requested to provide additional pricing data for five of the products, products 3, 4, 5, 8, and 9. The requests expanded

[7] *** quotes prices both delivered and f.o.b. port.

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the definitions of these products by asking for information on ranges of average wall thicknesses, and, for products 8 and 9, outside diameters about those given in the original specifications. The expanded product definitions are as follows:

Product 3.-- Cold-finished tube, ASTM A-213, grade 304/304L, ¾ inch outside diameter by 0.044 to 0.054 inch average wall thickness.

Product 4.-- Cold-finished tube, ASTM A-213, grade 304/304L, ½ inch outside diameter by 0.058 to 0.072 inch average wall thickness.

Product 5.-- Cold-finished tube, ASTM A-213, grade 316/316L, ¾ inch outside diameter by 0.058 to 0.072 inch average wall thickness.

Product 8.-- Redraw hollow, grade 316/316L, 1.84 to 2.16 inch outside diameter by 0.173 to 0.203 inch average wall thickness.

Product 9.-- Redraw hollow, grade 304/304L, 1.53 to 1.79 inch outside diameter by 0.129 to 0.151 inch average wall thickness.

Ten U.S. producers and 13 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Fourteen purchasers provided usable pricing data. The pricing and quantity data provided by these firms for shipments to distributors of products 1-7 are presented in tables V-2 through V-8. End user pricing and quantity data for products 8 and 9 are presented in tables V-9 and V-10. The pricing data are also presented graphically in figures V-2 through V-10. (Data for end user pricing of products 3 and 5 are presented in appendix G). Pricing data reported by U.S. producers for products 1, 2, and 6-9 accounted for approximately *** percent of the quantity (*** percent of the value) of U.S. producers' shipments of hot-finished CSSSHP from January 1997 to March 2000. Pricing data for these products reported by importers of CSSSHP from Japan accounted for roughly 7.1 percent of the quantity of imports (7.7 percent of the value) of Japanese hot-finished CSSSHP, as computed from adjusted official Commerce statistics. Pricing data reported by U.S. producers for products 3-5 accounted for approximately 3.9 percent of the quantity (2.8 percent of the value) of U.S. producers' shipments of cold-finished CSSSHP, while that reported by importers of Japanese CSSSHP accounted for only 0.6 percent of the quantity (1.0 percent of the value) of imports from Japan (using official Commerce statistics, as adjusted) of cold-finished CSSSHP. Pricing data reported by purchasers accounts for a smaller proportion of shipments by U.S. producers, 4.5 percent (4.5 percent by value) for hot-finished , and 0.6 percent (0.4 percent by value) for cold-finished. Purchaser-reported data, on the other hand, accounted for 11.7 percent of hot-finished imports from Japan using official Commerce statistics, as adjusted, and 12.5 percent of the value of those shipments. For cold-finished imports from Japan the reported pricing data accounted for only 0.3 percent of the quantity and 0.5 percent of the value of imports from Japan. Prices reported by suppliers were f.o.b. prices, while those reported by purchasers were delivered prices. As such, the levels of prices are not directly comparable to one another. The pricing data is presented together, however, to facilitate the examination of common trends.

V-6

Table V-2
Product 1: Weighted-average sales and purchase prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

Table V-3
Product 2: Weighted-average sales and purchase prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

Table V-4
Product 3: Weighted-average sales and purchase prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

Table V-5
Product 4: Weighted-average sales and purchase prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

Table V-6
Product 5: Weighted-average sales and purchase prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

Table V-7
Product 6: Weighted-average sales and purchase prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

V-7

Table V-8
Product 7: Weighted-average sales and purchase prices and quantities of domestic and imported product 7 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

Table V-9
Product 8: Weighted-average sales and purchase prices and quantities of domestic and imported product 8 and margins of underselling/(overselling), sales to end users, by quarters, January 1997-March 2000

* * * * * * *

Table V-10
Product 9: Weighted-average sales and purchase prices and quantities of domestic and imported product 9 and margins of underselling/(overselling), sales to end users, by quarters, January 1997-March 2000

* * * * * * *

Figure V-2
CSSSHP: Weighted-average prices of domestic and imported product 1

* * * * * * *

Figure V-3
CSSSHP: Weighted-average prices of domestic and imported product 2

* * * * * * *

Figure V-4
CSSSHP: Weighted-average prices of domestic and imported product 3

* * * * * * *

Figure V-5
CSSSHP: Weighted-average prices of domestic and imported product 4

* * * * * * *

V-8

Figure V-6
CSSSHP: Weighted-average prices of domestic and imported product 5

* * * * * * *

Figure V-7
CSSSHP: Weighted-average prices of domestic and imported product 6

* * * * * * *

Figure V-8
CSSSHP: Weighted-average prices of domestic and imported product 7

* * * * * * *

Figure V-9
CSSSHP: Weighted-average prices of domestic and imported product 8

* * * * * * *

Figure V-10
CSSSHP: Weighted-average prices of domestic and imported product 9

* * * * * * *

Pricing data coverage is relatively sparse for most of the products, in part because of the wide range of specification possibilities within the category of CSSSHP.[8] In particular, this appears to be the case for the two redraw hollow products, products 8 and 9. Another reason for the sparse data coverage is that a few of the domestic producing firms specialize in less common CSSSHP specifications. For these firms, there was little or no production of the relatively generic products for which pricing was obtained. While no domestic sales were reported for product 1 in the prehearing staff report, *** subsequently provided pricing data for this product. (***).

[8] The additional pricing data gathered since the prehearing staff report improved coverage moderately, more so for the two redraw hollow products than for the cold-finished tubing. For the latter group of products, most of the products sold in the new range were the products specified in the original specification. In the redraw hollow category, one importer originally reported products encompassing a wider range than that requested in the later pricing data request. Thus, for some quarters, product 9 coverage is worse than reported in the prehearing report.

V-9

Six of the nine products are typically hot-finished CSSSHP. The bulk of the reported domestic data for the six hot-finished products came from ***. ***. Pricing information on imports from Japan of the two redraw hollow products came ***. The other 11 domestic firms (including ***) produce cold-finished CSSSHP. Seven of these provided pricing data covering at least one of the cold-finished products. Importers were specialized in hot- or cold-finished sales to varying degrees, but there was much more overlap between the two types of products among importers than among domestic producers.

As would be suggested by the preponderance of distributors among purchasers discussed in *Part II*, a great majority of the sales reported by suppliers in products 1-7 tended to go to distributors. For many of the products, no end use sales were reported. This feature was even more starkly apparent with the pricing data provided by purchasers. With the exception of the two redraw hollow products, no end user purchases were reported at all. One reason for the preponderance of sales to distributors in the pricing data is that end-user sales seldom consist of standardized products, the type of products for which data have been collected in this investigation.

Sales of redraw hollows are more generally made directly to end users, redrawers in this case, than the other pricing products. The only apparent exception to this is that ***. *** .[9] ***.

Price Comparisons and Trends

In general, the prices for the products examined fell over the period at issue, although not necessarily by the same amount for all products. Additionally, prices of CSSSHP imported from Japan fell slightly more than those for U.S.-produced product during this time. There is broad (but not universal) price underselling on the part of Japanese products, at margins of up to about *** in some cases.[10]

Alone among the products, sales quantities for product 1 (see table V-2) were higher for sales of Japanese CSSSHP than for U.S. CSSSHP, both in the supplier and in the purchaser data. Prices (shown in table V-2 and figure V-3), both U.S. and Japanese, fluctuated relatively little from quarter to quarter but showed definite downward trends. This is particularly evident for Japanese prices, as the margins of underselling rose throughout the period examined in both the supplier and purchaser data sets. By the third quarter of 1999, these margins exceeded *** percent.

Prices of product 2 (table V-3 and figure V-3) also exhibit a distinct downward trend. The major supplier price drop occurred from the second to third quarter of 1998.[11] Japanese quantities were generally somewhat higher in later periods (through the third or fourth quarter of 1999) than in earlier ones, while domestic quantities dipped during 1998 and early 1999. Domestic producer prices, fluctuating little, fell by *** percent over the period from nearly $*** per linear foot to just over $*** per linear foot. Prices of Japanese imports were less stable, but also fell, ranging from roughly $*** to $*** in 1997 to roughly $*** to $*** in 1999. A similar pattern is apparent in the purchaser data. However, the two data sets are characterized by different implications in terms of underselling. In the supplier data, overselling occurred in 9 of the 13 quarters. Overselling only occurred once (in ***) in the purchaser data. The reason for the differences can be traced both to higher prices for U.S. purchasers than for U.S. sales and to lower prices for Japanese purchases than Japanese sales.

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[9] ***.

[10] This is somewhat different than the picture presented in the prehearing staff report. The change results both from obtaining additional data and excluding certain problematic data, and is reinforced by the use in this report of purchaser questionnaire data.

[11] However, the purchaser data indicate that Japanese prices had fallen earlier than that.

V-10

Table V-4 shows that U.S. producers' sales quantities to distributors of the first cold-finished product, product 3, ranging from *** pounds to *** pounds, were larger (in the supplier data) than the sales of that product imported from Japan in each of the quarters. This disparity is not evident in the purchaser data, however. In most cases, prices (table V-4 and figure V-4) fell from year to year, although not by as much as some other products.[12] Margins of underselling, after the second quarter of 1997, were fairly large throughout the period (about *** to *** percent) with the exceptions of two quarters in which Japanese quantities were quite small in the supplier data. From 1998 on, margins remained relatively stable.

Quantities of sales of Japanese CSSSHP for the second cold-finished product, product 4 (shown in table V-5), although still smaller than U.S. quantities in the supplier data, were more comparable to the latter than was the case for product 3. Again, such a pattern does not appear in the purchaser data. With the exception of quarters with Japanese quantities under 1,000 pounds, underselling generally occurred. The largest margins occurred in late 1997 and 1998. The underselling margins were almost always higher in the supplier data than in the purchaser data, with margins of up to *** percent in the former compared to no higher than *** percent in the latter. U.S. prices (table V-5 and figure V-5) dropped most noticeably from 1998 to 1999, while Japanese prices fell more steadily throughout the period examined.

Product 5 prices (the final cold-finished product) fell slightly less over the period of investigation than product 4 prices, as seen in table V-6 and figure V-6. Underselling was evident in both data sets, occurring in 10 of 13 quarters in the supplier data and all 8 quarters of purchaser data. In both data sets the two quarters with the greatest underselling margins were the first and fourth quarters of 1999, with margins from *** percent to *** percent. U.S. prices show different trends in the two data sets. In the supplier data, prices fell steadily from above $*** per pound in 1997 to $*** per pound by the first quarter of 2000. In the purchaser data, U.S. prices remain strong through the second quarter of 1999. Japanese prices show a general downward trend throughout the period. In both data sets, U.S. quantities far exceeded Japanese quantities. Sales quantities for the U.S. producers were highest in 1998 and the first quarter of 1999. Japanese quantities were also relatively strong in these quarters.

The next two products are hollow bars. U.S. product 6 prices (table V-7 and figure V-7) ranged from $*** to $*** per pound, while prices of products imported from Japan ranged from $*** to $*** per pound. U.S. prices varied throughout the period, and (excluding the first and last quarters) showed only a modest, if any, decline overall.[13] Japanese prices, on the other hand, showed a steadier decline. It is difficult to discern any clear trend in U.S. prices over the period.[14] Underselling occurred in 8 of 11 quarters in the supplier data and in 7 of 11 quarters in the producer data. In both data sets, the margins of underselling generally rose over the period. In those periods with the largest margins in the producer data set (the second and fourth quarters of 1999), reported purchaser prices were much lower than reported supplier prices and quantities were much higher. During 1998, Japanese and U.S. quantities moved in opposite directions in roughly equal amounts in both data sets.

Data for product 7 (table V-8 and figure V-8) are particularly sparse. This contrasts with the data reported in the prehearing staff report for this product. In the earlier report, data from *** were included, but they have been excluded here (and in the tables for products 1 and 6) because of ***. Sales from this firm accounted for almost all reported imports from Japan for product 7. Pricing tables with data from

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[12] U.S. purchaser prices were strong through the end of 1998.

[13] U.S. weighted-average producer prices were lowest overall in 1998.

[14] The price dropped *** in the second quarter of 1997. The *** sold during first quarter of that year, however, leads to questions about how meaningfully this event should be viewed. The price also dropped substantially in the first quarter of 2000.

V-11

this firm included are presented in appendix G. Prices for domestic sales were quite variable, ranging from $*** to $*** per pound. U.S. producer prices remained relatively constant over the period, with some noticeable quarterly fluctuations in 1999. In the purchaser data, prices were generally lower (from either source) after the second quarter of 1998 than before that quarter. Margins in the purchaser data can only be computed in 5 quarters, but generally show overselling. U.S. quantities were lower following mid-1998 than they had been in most of the earlier quarters.[15]

Pricing data for products 8 and 9, the two redraw hollow products, seen in tables V-9 and V-10 and figures V-9 and V-10, respectively, are relatively sparse.[16] The supplier data that are available show that U.S. quantities peaked in the first half of 1998. The first Japanese imports of product 8 appear in the following quarter. For the next three quarters, U.S. quantities dropped substantially, before rebounding after the first quarter of 1999. Purchaser data show a similar pattern in terms of U.S. purchases (but not Japanese). When comparisons are possible, underselling is shown by supplier data. In the purchaser data, general overselling switches to general underselling in 1999. For reasons not understood, purchaser prices are much higher than supplier prices throughout the period, regardless of the CSSSHP source.

The discrepancy between supplier and purchaser reported prices is not as evident for product 9 as for product 8 (at least for Japanese sales). In all cases, prices clearly fall over the period, generally in a more steady manner than for product 8. Underselling appears in 3 of the 5 quarters of supplier data, and in every quarter of purchaser data, with margins of up to *** percent in the latter. There are several quarters in which quantity trends for the U.S. product in the supplier data are not reflected in the purchaser data. This is particularly true between the third quarter of 1997 and the end of 1998. Many of these quarters seem to be those with the highest margins of overselling.

LOST SALES AND LOST REVENUES

The Commission requested U.S. producers of CSSSHP in the preliminary investigation to report any instances of lost sales or revenues they experienced due to competition from imports of CSSSHP from Japan during January 1996-June 1999. No allegations of lost sales or lost revenues were provided with the petition. The petitioners stated that the history of antidumping proceedings in the stainless steel industry made purchasers very reluctant to reveal the details of competing price offers. Some (mostly incomplete) allegations, however, were brought forth in the questionnaire responses. These are discussed below. The Commission requested that lost sales or revenues allegations be made (or be made complete) in the questionnaire for this final phase of the investigation. In the current questionnaires, five domestic producers stated that since January 1, 1997 they had reduced prices to avoid losing sales to Japanese CSSSHP. Five stated that they had lost sales to Japan and three more indicated that they were not sure whether sales had been lost. No producer, however, provided any specific lost revenue allegations and only one, ***, provided lost sales allegations. The three lost sales allegations provided by this firm did not include the name (or any other contact information) of the customer, making verification impossible.[17]

---

[15] While it is difficult to discern anything about Japanese quantities from the data shown in table V-8, the quantities shown for product 7 in app. G show that slightly higher Japanese import quantities were sold in 1998 than in other years.

[16] This condition exists despite the fact that additional data were obtained in the request expanding the definition of this product.

[17] See below for a discussion of lost sales allegations provided, by this firm and two others, subsequent to the submission of questionnaires.

V-12

In the preliminary investigation, five U.S. producers reported that they had to either reduce prices or roll back announced price increases. The largest number of allegations (approximately 170 specific allegations) were made by *** for 1996-98, but information was insufficient to permit verification.[18] In its final phase questionnaire (***), it provided no new allegations but indicated that allegations for 1999 were available upon request. A staff request to this firm for these allegations and information that would assist in the verification of the 1997-98 allegations was fulfilled in a inadequate manner.[19] Nonetheless, verification was attempted where feasible for its allegations against ***. Of eight purchasers contacted, one set of allegations was confirmed, one was partially confirmed and partially denied, and three sets of allegations were denied. The remainder of the purchasers did not have enough information to confirm or deny the allegations. The confirmed allegations amounted to lost sales of $***. One firm that was unable to confirm or deny the specific allegations involving itself indicated that ***.[20]

In the preliminary phase of the investigation, *** provided information in response to lost sales allegation requests that were generally quite vague. As a result, verification was not performed for most of the information provided.[21] Nonetheless, verification was attempted in both phases of the investigation for a few of the less vague allegations made by ***. In the first of these, ***. A second lost sale allegation was made by *** against ***. In this allegation ***.[22] ***. *** also alleged that *** purchased ***. *** indicated that its purchases of this product were at a prices of approximately $*** per pound during these years.[23] It also reported that domestic producers were not competitive in price at that time with imports from any source. Finally, *** alleged that ***. Numerous unsuccessful attempts have been made to contact this firm for verification.

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[18] This firm did not provide contact information in the original investigation and did not filter out sales lost to non-Japanese sources, despite a request to do both of these (telephone interview with ***).

[19] In the request, ***.

[20] Telephone interview with ***.

[21] *** provided19 bullet points on the *** with its questionnaire in the preliminary phase. In general, the degree of specificity in the bullet point entries, while variable, was minimal. None provided complete information in the format requested by the Commission for its lost sales or lost revenues allegations, and most were incomplete in a number of respects so as to make verification impossible or meaningless. A single bullet point (of the 19) contained both a domestic price and a Japanese price. Only 4 contained a Japanese price. Just 2 made a specific reference to the quantity at issue. On all but 3 bullet points, the time period involved was not specified or was so broad that a specific quarter could be identified. In many cases, the bullet points referred to general circumstances over two or more years. In a few cases, no importer or Japanese supplier was identified, and in nine cases it was not at all clear which domestic manufacturer was supposed to have borne the brunt of the Japanese activity. In seven cases, a group of purchasers were named, making it impossible to precisely assign the specific effect (when there was a specific effect mentioned) to a given purchaser. In the preliminary phase questionnaire, no contact names were provided. In that phase, staff informed *** that most of the information was too vague to usefully verify and requested contact information. *** provided three names at that time, only one of which was applicable to an allegation with sufficient specificity (telephone interviews with ***). In the current phase of the investigation, *** provided no lost sales or lost revenues information in response to a questionnaire item requesting it to provide complete information on these issues. In the posthearing briefs, *** reported seven "lost sales" items, all lacking in specificity, and most dealing with Japanese companies turning back orders or not quoting in 1999 and 2000 (petitioners' posthearing brief, exhibit 12.) A week later, the original "lost sales allegations" (the "Japanese influence in the U.S. market within the last 18 months" information from the preliminary phase questionnaire) were resubmitted in correspondence with staff (letter to staff from ***, July 25, 2000). Staff reiterated that most of the information in this submission was inadequate for verification in separate July 26, 2000 conversations with ***.

[22] Telephone interview with ***, July 20, 2000.

[23] Telephone interview with ***, July 26, 2000.

V-13

*** made one allegation with enough specificity to verify. In this allegation, ***.

*** made an allegation of lost sales of *** during 1998. This quantity had been ***.

In the petitioners' posthearing brief *** revealed the purchaser in one of its lost sales allegations.[24] In this allegation, ***.[25] ***.

[24] Exhibit 13. In previous allegations, *** had been unwilling to reveal purchasers.

[25] No specific comparison was made between ***.

V-14

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

BACKGROUND

Twelve producers,[1] which together accounted for the vast majority of all U.S. production of CSSSHP during the period reviewed, provided financial data.[2] Four producers[3] mainly produced hot-finished products and the remaining eight producers[4] produced cold-finished products.[5]

The producers were requested to provide the results of operations for both trade sales (market sales) and company transfers (intracompany sales and/or internal consumption) combined. No producer reported company transfers.

The questionnaire data of one producer, Sandvik, were verified with official records at their corporate facilities. Sandvik's verification adjustments were incorporated in this final report. The financial data of Sandvik were changed to ***.

OPERATIONS ON CIRCULAR SEAMLESS STAINLESS STEEL HOLLOW PRODUCTS

The results of the U.S. producers' operations producing all types of CSSSHP are presented in table VI-1. For financial data of all CSSSHP (hot-finished plus cold-finished), net sales quantities, net sales values, and COGS were adjusted for the hot-finished materials purchased from domestic producers by cold-finished producers in order to eliminate possible double-counting. Financial information for the hot-finished producers are presented in table VI-1A, while data for the cold-finished producers are shown in table VI-1B. Per-unit financial analysis is also presented in the same manner (combined, hot-finished, and cold-finished) because, unlike industries in which fluctuations in financial results reflect changes in the unit selling prices and costs for virtually the same products, in the CSSSHP industry, differences in product mix play a major role in the fluctuations of sales values and total costs. For instance, the selling prices of products with much smaller diameters are much higher than those of products with bigger diameters since smaller diameter products are much more costly to manufacture and the unit values and costs are calculated on the basis of weight (per short ton), not length (per foot). For all CSSSHP, net sales volumes and operating income levels increased from 1997 to 1998 while net sales values declined. Those financial indicators all decreased from 1998 to 1999. However, the financial indicators for interim 2000 all improved from interim 1999.

---

[1] The producers with fiscal year ends other than December 31 are ***.

[2] ***.

[3] ***.

[4] ***.

[5] ***.

VI-1

Table VI-1
Results of operations of U.S. producers in the production of all CSSSHP, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table VI-1A
Results of operations of U.S. producers in the production of hot-finished CSSSHP, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table VI-1B
Results of operations U.S. producers in the production of cold-finished CSSSHP, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

The per-unit financial data for all CSSSHP as well as hot-finished and cold-finished products are presented in table VI-2. As shown in table VI-2, average per-ton selling prices and costs of cold-finished products are considerably higher than those of hot-finished products.

Table VI-2
Results of operations of U.S. producers in the production of CSSSHP, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

The results of operations by individual firms are presented in table VI-3. Three producers had positive operating incomes for all periods, and *** suffered operating losses ***. Average operating income margins increased from 1997 to 1998 and decreased in 1999, but increased considerably from interim 1999 to interim 2000.

Table VI-3
Results of U.S. producers (by firm) in the production of CSSSHP, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

VI-2

Selected per-unit cost data of producers on their CSSSHP operations are presented in table VI-4. Product mix may have a significant impact on the average per-ton values. Raw materials, direct labor costs, and factory overhead continuously decreased from 1997 through 1999 except for a significant increase in factory overhead in 1999, which resulted in a higher COGS and total costs in 1999. All components of COGS in interim 2000 decreased from interim 1999. SG&A expenses[6] decreased from 1997 to 1998 and increased from 1998 to 1999, while SG&A in interim 2000 decreased substantially from interim 1999. Total unit costs decreased from 1997 to 1998, but increased in 1999, while total unit costs decreased from interim 1999 to interim 2000.

Table VI-4
Unit costs of U.S. producers in the production of CSSSHP, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

A variance analysis is not presented for this case since selling prices, sales revenues, and total costs were largely affected by product mix rather than by the fluctuations of selling prices and costs, as previously described.

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

The U.S. producers' capital expenditures and R&D expenses, together with the value of their fixed assets[7] are presented in table VI-5. Capital expenditures increased substantially in 1998 from 1997, due mainly to ***, and decreased in 1999. They increased somewhat in interim 2000 from interim 1999.

*** producers reported R&D expenses. Aggregated R&D expenses decreased over the annual periods, while they increased in interim 2000 from interim 1999. The original cost and book value of fixed assets increased steadily over the periods except a decline of book value in 1999.

CAPITAL AND INVESTMENT

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

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[6] ***.

[7] ***.

VI-3

Table VI-5
Capital expenditures, R&D expenses, and assets utilized by U.S. producers in their production of CSSSHP, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
	Value (*$1,000*)				
Capital expenditures:					
Hot-finished	***	***	***	***	***
Cold-finished	***	***	***	***	***
Total	6,435	16,035	7,024	3,023	3,923
R&D expenses:					
Hot-finished	***	***	***	***	***
Cold-finished	***	***	***	***	***
Total	***	***	***	***	***
Fixed assets:					
Hot-finished:					
Original cost	***	***	***	***	***
Book value	***	***	***	***	***
Cold-finished:					
Original cost	***	***	***	***	***
Book value	***	***	***	***	***
Total					
Original cost	134,034	147,829	150,541	148,819	157,082
Book value	70,779	77,482	72,450	75,393	76,684

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

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PART VII: THREAT CONSIDERATIONS

Section 771(7)(F)(I) of the Act (19 U.S.C. § 1677(7)(F)(I)) provides that--

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*
>
> *(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,*
>
> *(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission*

---

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider [these factors] . . . as a whole in making a determination of 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 under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

VII-1

under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

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 appendix H. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" dumping findings/remedies in third-country markets; and any other threat indicators, if applicable, follows.

THE INDUSTRY IN JAPAN

The Commission sent foreign producer's questionnaires to all known producers of CSSSHP in Japan. Tables VII-1 and VII-2 present data for capacity, production and shipments of CSSSHP for the following nine responding Japanese producers: Kawaski, Kobe, Kuze Bellows, Nippon, NKK, Sanyo, Sumikin, Sumitomo Metal, and Tokyo Seimitsu.

Table VII-1
CSSSHP: Manufacturers/exporters in Japan, and shares of production and exports to the United States, by types, 1997-March 2000

* * * * * * *

Data regarding exports of CSSSHP to the United States, by specific categories of products are presented in table E-4 of appendix E.

---

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

VII-2

Table VII-2
CSSSHP: Japan's capacity, production, shipments, and inventories, 1997-99, January-March 1999, January-March 2000, and projected 2000-01

Item	Actual experience					Projections	
	1997	1998	1999	January-March		2000	2001
				1999	2000		
	Quantity (*short tons*)						
HOT-FINISHED:							
Capacity	82,177	82,107	75,847	18,498	18,362	73,846	75,526
Production	74,483	75,790	63,197	14,921	15,053	65,198	71,635
End of period inventories	2,295	2,271	1,698	1,579	1,572	1,736	1,835
Shipments:							
Internal consumption	8,494	7,896	6,887	1,612	1,348	6,193	6,804
Home market	24,240	22,618	16,627	3,907	5,660	22,908	23,180
Exports to–							
The United States	5,287	12,206	6,561	1,678	234	831	4,455
All other markets	9,589	7,127	9,397	3,333	1,974	11,883	11,619
Total exports	14,876	19,333	15,958	5,011	2,208	12,714	16,074
Total shipments	47,610	49,847	39,472	10,530	9,216	41,815	46,058
COLD-FINISHED:							
Capacity	43,912	44,045	43,641	10,779	11,132	43,619	44,721
Production	40,412	38,019	35,230	7,615	8,608	33,950	35,536
End of period inventories	2,908	2,467	2,568	2,334	2,950	2,180	1,962
Shipments:							
Internal consumption	1,901	1,007	1,023	255	392	1,200	0
Home market	21,874	20,916	18,224	3,869	4,750	19,250	20,440
Exports to–							
The United States	2,689	4,227	3,637	926	334	1,143	2,742
All other markets	13,775	12,311	12,250	2,702	2,747	12,644	13,267
Total exports	16,464	16,538	15,887	3,628	3,081	13,787	16,009
Total shipments	40,239	38,461	35,134	7,752	8,223	34,237	36,449
TOTAL CSSSHP:							
Capacity	89,203	88,628	80,107	20,275	20,129	80,888	83,108
Production	80,046	79,947	67,244	15,841	16,350	69,609	74,889
End of period inventories	5,203	4,738	4,266	3,913	4,522	3,911	3,797
Shipments:							
Internal consumption	10,395	8,903	7,910	1,867	1,740	7,393	6,804
Home market	46,114	43,534	34,852	7,777	10,411	42,158	43,584
Exports to–							
The United States	7,977	16,434	10,198	2,604	568	1,974	7,197
All other markets	23,364	19,437	21,647	6,034	4,721	24,527	24,586
Total exports	31,341	35,871	31,845	8,638	5,289	26,501	31,783
Total shipments	87,850	88,308	74,607	18,282	17,440	76,052	82,171

–Continued on next page.

VII-3

Table VII-2--Continued
CSSSHP: Japan's capacity, production, shipments, and inventories, 1997-99, January-March 1999, January-March 2000, and projected 2000-2001

Item	Actual experience					Projections	
	1997	1998	1999	January-March		2000	2001
				1999	2000		
HOT-FINISHED:	Ratios and shares (percent)						
Capacity utilization	90.6	90.2	83.9	78.1	81.2	86.1	90.1
Inventories to production	3.1	3.0	2.7	2.6	2.6	2.7	2.6
Inventories to total shipments	4.8	4.6	4.3	3.7	4.3	4.2	4.0
Share of total shipments-- Internal consumption[1]	17.8	16	17.4	15.3	14.6	14.8	14.8
Home market	50.9	45.4	42.1	37.1	61.4	54.8	50.3
Exports to-- The United States	11.1	24	16.6	15.9	2.5	2.0	9.7
All other markets	20.1	14.3	23.8	31.7	21.4	28.4	25.2
All export markets	31.2	38.8	40.4	47.6	24.0	30.4	34.9
COLD-FINISHED:							
Capacity utilization	92.0	86.3	80.7	70.6	77.3	77.8	79.5
Inventories to production	7.2	6.5	7.3	7.7	8.6	6.4	5.5
Inventories to total shipments	7.2	6.4	7.3	7.5	9.0	6.4	5.4
Share of total shipments-- Internal consumption[1]	4.7	3	2.9	3.3	4.8	3.5	0.0
Home market	54.4	54.4	51.9	49.9	57.8	56.2	56.1
Exports to-- The United States	6.7	11	10.4	11.9	4.1	3.3	7.5
All other markets	34.2	32.0	34.9	34.9	33.4	36.9	36.4
All export markets	40.9	43.0	45.2	46.8	37.5	40.3	43.9
TOTAL CSSSHP:							
Capacity utilization	89.7	90.2	83.9	78.1	81.2	86.1	90.1
Inventories to production	6.5	5.9	6.3	6.2	6.9	5.6	5.1
Inventories to total shipments	5.9	5.4	5.7	5.4	6.5	5.1	4.6
Share of total shipments-- Internal consumption[1]	11.8	10	10.6	10.2	10.0	9.7	8.3
Home market	52.5	49.3	46.7	42.5	59.7	55.4	53.0
Exports to-- The United States	9.1	19	13.7	14.2	3.3	2.6	8.8
All other markets	26.6	22.0	29.0	33.0	27.1	32.3	29.9
Total Exports	35.7	40.6	42.7	47.2	30.3	34.8	38.7

Note.--Because of rounding, figures may not add to the totals shown. Ratios and shares are calculated from the unrounded data. Part-year inventory ratios are annualized.

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

VII-4

U.S. IMPORTERS' INVENTORIES

Table VII-3 presents U.S. importers' reported end-of-period inventories of imports of CSSSHP from Japan.

Table VII-3
CSSSHP: U.S. importers' end-of-period inventories of imports from Japan, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March	
				1999	2000
HOT-FINISHED:					
Inventories (*short tons*)	***	***	***	***	***
Ratio to imports (*percent*)	***	***	***	***	***
COLD-FINISHED:					
Inventories (*short tons*)	***	***	***	***	***
Ratio to imports (*percent*)	***	***	***	***	***
TOTAL CSSSHP:					
Inventories (*short tons*)	1,359	1,332	1,461	1,743	1,313
Ratio to imports (*percent*)	20.0	9.0	13.0	16.8	18.3

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

U.S. IMPORTERS' CURRENT ORDERS

In response to a question on whether importers had imported or arranged for importation of CSSSHP from Japan for delivery after March 31, 2000, 3 firms reported that a total of *** short tons were scheduled for delivery.

DUMPING IN THIRD COUNTRIES AND THE POTENTIAL FOR PRODUCT SHIFTING

In response to a request for information regarding antidumping findings or remedies in any WTO-member countries, all but one manufacturer/exporter in Japan reported that CSSSHP from Japan was not subject to such findings or remedies. *** reported that "all pipe and tube" have been the subject of trade remedies in Indonesia since September 13, 1999.[3]

---

[3] May 31, 2000, foreign producer questionnaire response of ***, section II-5, p. 3. Counsel for Japanese respondents has reported that on July 13, 2000, Indonesia imposed provisional antidumping duties on welded pipe for the oil and gas sector (August 1, 2000, submission of Deirdre Maloney; Wilmer, Cutler). The Anti-Dumping Committee of Indonesia has informed the Commission that the initiation of its antidumping proceeding was based on HTS headings 7304 (seamless tubes, pipes and hollow profiles, including stainless steel), 7306 and 7307 (other

(continued...)

VII-5

With respect to the question of the potential for product-shifting, certain pipe and tube products from Japan are subject to antidumping duty orders in the United States: carbon and alloy OCTG since August 1995,[4] and certain small- and large-diameter seamless carbon and alloy steel standard, line, and pressure pipe since June 2000.[5] Information provided by CSSSHP manufacturers in Japan indicates that five of the nine responding firms produce products other than CSSSHP on the same equipment and machinery used in the production of CSSSHP. Data regarding such production for 1999 is presented below:

* * * * * * *

[3] (...continued)
tubes, pipes and hollow profiles, including welded). The Committee indicated that to date, "provisional measures have been applied on welded pipes only. The investigation is still on going and a decision will be taken whether to include seamless pipe at the definitive stage, should measures be imposed." August 8, 2000, submission of the Komite Anti Dumping Indonesia, Ministry of Industry and Trade of the Republic of Indonesia.

[4] 60 FR 41048, August 11, 1995.

[5] 65 FR 39360, June 26, 2000.

APPENDIX A

FEDERAL REGISTER NOTICES

A-1

action will not affect any site, structure or object. No sites that are eligible for listing in the National Register of Historic Places or that may be scientifically, culturally or historically significant will be affected. Based on this information, I conclude that the selected action will not cause loss or destruction of significant scientific, cultural or historic resources. (EA, page 4)

• *Consideration for the degree to which the action may affect threatened or endangered species, or its critical habitat.* No threatened, endangered species is known to exist in the areas considered under this land exchange. There is no habitat within the project area that is viewed as critical habitat for threatened or endangered species, as documented in the biological assessment. There is the potential for sensitive species to benefit from the protection of acres of potential habitat. (EA, Page 4)

• *Consideration of whether the action violates or threatens to violate federal, state, or local laws or requirements imposed for the protection of the environment.* This land exchange does not violate nor threaten to violate any federal, state or local laws, regulations or requirements for protection of the environment.

Findings Required by Other Laws and Regulations

Executive Orders 11988 and 11990

The Forest Service has evaluated the proposed exchange in accordance with EO 11988 Floodplains and EO 11990 Wetlands and is in compliance. There are no floodplains or wetlands involved.

Endangered Species Act

The Biological Assessment/Biological Evaluation concluded the land exchange would have "No Effect" on any threatened, endangered or sensitive species.

National Historic Preservation Act

Heritage resource inventories have been completed on the federal parcels and the Colorado State Historic Preservation Officer has concurred with a finding of No Effect.

White River National Forest Land and Resource Management Plan

The land exchange is in compliance with the White River National Forest Land and Resource Management Plan as described on pages 2–3 of the EA.

CERCLA, Comprehensive Environmental Response, Compensation, and Liability Act

Field examinations of the Federal and non-Federal parcels considered for exchange have been completed. No evidence was found that hazardous or potentially hazardous substances or petroleum products have been used, stored, released or disposed on any parcel.

Implementation Date

Implementation of this decision may occur immediately.

Administrative Review or Appeal Opportunities

Since the decision notice was approved by the Secretary of Agriculture pursuant to the provisions of 36 CFR 215.2, this decision is not subject to the overall requirements of 36 CFR 215 and thus, cannot be appealed. The requirements of 36 CFR 215 apply only to forest service line officers.

Additional Information and Contact Person

For additional information concerning this decision, contact: Allan Grimshaw, Aspen Ranger District, White River National Forest, 806 West Hallam St., Aspen, Colorado 81611, 970/925–3445.

Dated: June 15, 2000.

Anne Keys,

Deputy Under Secretary, Natural Resources and Environment.

[FR Doc. 00–17581 Filed 7–11–00; 8:45 am]

BILLING CODE 3410–11–M

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–853]

Notice of Final Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products From Japan

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

EFFECTIVE DATE: July 12, 2000.

FOR FURTHER INFORMATION CONTACT: Constance Handley at (202) 482–0631 or Charles Riggle at (202) 482–0650, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce (the Department) regulations refer to the regulations codified at 19 CFR part 351 (April 1999).

Final Determination

We determine that circular seamless stainless steel hollow products from Japan are being sold in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins are shown in the *Suspension of Liquidation* section of this notice.

Case History

The preliminary determination in this investigation was issued on April 21, 2000. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan,* 65 FR 25305 (May, 1, 2000) (*Preliminary Determination*). On May 31, 2000, case briefs were filed by Plymouth Tube Company (Plymouth Tube) and the petitioners.[1] Sumitomo Metal Industries, Ltd. (SMI) and the petitioners submitted rebuttal briefs on June 5, 2000. A hearing was held on June 26, 2000.

On May 31, 2000, SMI, Kawasaki Steel Corporation (Kawasaki) and Mitsui Tubular Products Inc., requested that the Department issue to the Customs Service a clarification which would allow certain shipments of proprietary grade oil country tubular goods (OCTG), which have been excluded from the scope of the investigation, to enter without suspension of liquidation.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum" (*Decision Memorandum*) from Holly A. Kuga, Acting Deputy Assistant Secretary, Group II, Import Administration, to Troy H. Cribb, Acting Assistant Secretary for Import Administration, dated July 5, 2000, which is hereby adopted by this notice.

A list of the issues which parties have raised and to which we have responded, all of which are in the *Decision*

[1] The petitioners include Altx, Inc., American Extruded Products, PMAC Ltd, DMV Stainless USA, Inc., Salem Tube Inc., Sandvik Steel Co., International Extruded Products LLC, Pennsylvania Extruded Company (Pexco) and the United Steel Workers of America, AFL–CIO/CLC.

Memorandum, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room B–099 of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the World Wide Web at *http://ia.ita.doc.gov.* The paper copy and electronic version of the Decision Memorandum are identical in content.

Scope of Investigation

The scope of the investigation has been amended since the preliminary determination. For a description of the scope of this investigation, see the "Scope of Investigation" section, as well as item 2 in the "Discussion of the Issues" section, of the Decision Memorandum, which is on file in B–099 and available on the Web at *http://ia.ita.doc.gov.*

Period of Investigation

The period of investigation (POI) is October 1, 1998, through September 30, 1999.

Facts Available

In the preliminary determination, the Department based the dumping margins for the mandatory respondents, SMI and Sanyo Special Tube (Sanyo), on facts otherwise available pursuant to section 776(a)(2)(A) of the Act. For the final determination, the use of facts otherwise available continues to be necessary because the record does not contain company-specific information. Sanyo failed to respond to the Department's questionnaire, nor did it provide any indication that it was unable to do so. SMI responded to the Department's questionnaire, but failed to respond to all of the supplemental questionnaires and subsequently withdrew all of its questionnaire responses from the record. *See Memorandum from Constance Handley to the File, re: Return of Sumitomo Metal Industries Questionnaire Responses*, dated May 12, 2000. Therefore, the Department found that both Sanyo and SMI failed to cooperate by not acting to the best of their ability. As a result, pursuant to section 776(b) of the Act, the Department used an adverse inference in selecting from the facts available. Specifically, the Department assigned to the mandatory respondents the highest margin alleged in the petition. We continue to find this margin corroborated, pursuant to section 776(c) of the Act, for the reasons discussed in the *Preliminary Determination*. No interested parties have objected to the use of adverse facts available for the mandatory respondents in this investigation, nor to the Department's choice of facts available. In addition, the Department has left the "All Others Rate" unchanged from the preliminary determination.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend all entries of circular seamless stainless steel hollow products from Japan, that are entered, or withdrawn from warehouse, for consumption on or after May 1, 2000, the date of publication of our preliminary determination. The Customs Service shall require a cash deposit or bond equal to the dumping margin, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

Manufacturer/exporter	Margin (percent)
Sanyo Special Tube	156.81
Sumitomo Metal Industries	156.81
All Others	62.14

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing the Customs Service to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: July 5, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

Appendix I—Issues in Decision Memo

Comments and Responses

1. Ultra-high purity 316L Redraw Hollows

2. Scope Exclusion

[FR Doc. 00–17645 Filed 7–11–00; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–824]

Certain Corrosion-Resistant Carbon Steel Flat Products From Japan: Notice of Initiation of Changed Circumstances Review of the Antidumping Orders and Intent To Revoke Order in Part

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

ACTION: Notice of initiation and preliminary results of changed circumstances antidumping duty review, and intent to revoke order in part.

SUMMARY: In accordance with 19 CFR 351.216(b), Toyo Ink America ("TIA") requested a changed circumstances review of the antidumping order on Certain Corrosion-Resistant Carbon Steel Flat Products from Japan with respect to "doctor blades." Domestic producers of the like product have expressed no interest in continuation of the order with respect to doctor blades. In response to TIA's request, the Department of Commerce ("the Department") is initiating a changed circumstances review and issuing a notice of intent to revoke in part the antidumping duty order on certain corrosion-resistant carbon steel flat products from Japan. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: July 12, 2000.

FOR FURTHER INFORMATION CONTACT: Brandon Farlander or Rick Johnson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0182, (202) 482–3818, respectively.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations as codified at 19 CFR. part 351 (1999).

SUPPLEMENTARY INFORMATION:

A-588-853
Investigation
Public Document
GRP II Off. 5: CH

MEMORANDUM TO: Troy H. Cribb
Acting Assistant Secretary
for Import Administration

FROM: Holly A. Kuga
Acting Deputy Assistant Secretary
for Group II, Import Administration

SUBJECT: Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Circular Seamless Stainless Steel Hollow Products from Japan

Summary

We have analyzed the comments and rebuttal comments of interested parties in the antidumping duty investigation covering circular seamless stainless steel hollow products from Japan. We recommend that you approve the position we have developed in the Discussion of the Issues section of this memorandum.

Background

On May 1, 2000, the Department of Commerce (the Department) published the preliminary determination in the antidumping duty investigation of circular seamless stainless steel hollow products from Japan. The period of investigation (POI) is October 1, 1998, through September 30, 1999. We invited parties to comment on the preliminary determination.

Scope of Investigation[1]

The scope of this investigation covers seamless stainless steel hollow products, including pipes, tubes, redraw hollows, and hollow bars, of circular cross section, containing 10.5 percent or more by weight chromium, regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade or intended use. Common

[1] In their case brief, filed May 31, 2000, Altx, Inc., American Extruded Products, PMAC Ltd, DMV Stainless USA, Inc., Salem Tube Inc., Sandvik Steel Co., International Extruded Products LLC, Pennsylvania Extruded Company (PEXCO) and the United Steel Workers of America, AFL-CIO/CLC (the petitioners) requested a change to the scope clarifying the OCTG exemption. This change is reflected in the current scope.

specifications for the subject seamless stainless steel hollow products include, but are not limited to American Society for Testing and Materials (ASTM)-A-213, ASTM-A-268, ASTM-A-269, ASTM-A-270, ASTM-A-271, ASTM-A-312, ASTM-A-376, ASTM-A-498, ASTM-A-511, ASTM-A-632, ASTM-A-731, ASTM-A-771, ASTM-A-789, ASTM-A-790, ASTM-A-826 and their proprietary or foreign equivalents.

The merchandise covered by this investigation is found in the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7304.10.50.20, 7304.10.50.50, 7304.10.50.80, 7304.41.30.05, 7304.41.30.15,7304.41.30.45, 7304.41.60.05, 7304.41.60.15, 7304.41.60.45, 7304.49.00.05, 7304.49.00.15, 7304.49.00.45, 7304.49.00.60. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Excluded from the scope of the investigation are finished oil country tubular goods (OCTG) certified to a proprietary (non-API) specification if such OCTG products are (1) not certified, marked or otherwise warranted or qualified for use as a non-OCTG product; (2) produced to a common OCTG casing, tubing or drill pipe size as found in the standard size tables of API specifications 5CT and 5D, or produced to standard VTI sizes for deep-water temperature-controlled tubing; (3) rated for a minimum yield strength of not less than 85,000 psi and a minimum tensile strength of not less than 100,000 psi, as noted on the mill certificate or other relevant sales documentation; (4) continuously stenciled with the appropriate proprietary OCTG specification, size (e.g., outside diameter and weight), minimum yield and tensile strength, and the phrase "OCTG," "oil country tubular goods" or a similar phrase, with such information also written on the entry documents; (5) not marked or otherwise certified as meeting a specification other than an API or proprietary OCTG specification whether or not also marked, warranted or certified to an OCTG specification; and (6) not used in any application other than a down-hole, OCTG application.

Also excluded from the scope of the investigation are finished OCTG certified to an American Petroleum Institute (API) specification 5D or 5CT if such OCTG products are (1) not certified, marked or otherwise warranted or qualified for use as a non-OCTG product; (2) produced to a common OCTG casing, tubing or drill pipe size as found in the standard size tables of API specifications 5CT and 5D, or produced to standard VTI sizes for deep-water temperature-controlled tubing; (3) designated with the appropriate API OCTG specification and the phrase "OCTG", "oil country tubular goods" or a similar phrase on the entry documents; (4) not marked or otherwise certified as meeting a specification other than an API OCTG specification; and (5) not used in any application other than a down-hole, OCTG application.

Any OCTG products marked, certified or otherwise warranted for non-OCTG use, or actually used in a non-OCTG application, are within the scope of this investigation.

Also excluded from the scope of this investigation is OCTG coupling stock that (1) is entered within the same entry as matching (complementary) sizes and matching grades of exempted

OCTG, or (2) is entered with documentation linking the entered OCTG coupling stock products to another entry of matching sizes and grades of OCTG, and (3) is actually used in the production of OCTG couplings or other OCTG accessories. All coupling stock that does not have such "Mother - Child Traceability" remains within the scope of the investigation, and coupling stock that is traceable remains within the scope if used in an application other than the production of OCTG couplings or accessories.

Line pipe marked, produced, warranted, or certified only to API or proprietary line pipe specifications and used in a pipeline application is excluded from the scope of the investigation. Line pipe products are included in the scope if (1) marked, produced, warranted, or certified to one of the covered seamless stainless steel hollow products specifications listed above (or their proprietary or foreign equivalents), whether or not also certified to an API, proprietary, or foreign line pipe specification, or (2) they are used in an application other than in an oil or gas pipeline.

Also excluded are hollow drill bars and rods, classifiable under item number 7228.80 of the HTSUS.

With regard to the excluded OCTG products, OCTG coupling stock, and line pipe used in oil or gas pipeline applications, the Department will not instruct Customs to require end-use certification until such time as petitioner or other interested parties provide a reasonable basis to believe or suspect that imports of these products are not being used for their intended purpose of OCTG or oil or gas line pipe. If such information is provided, we will require end-use certification only for the product(s) (or specification(s)) for which the evidence demonstrates such new use. For example, if, based on evidence provided by petitioner, the Department finds a reasonable basis to believe or suspect that seamless pipe produced to a proprietary specification is being used in a non-OCTG application, we will require end-use certifications for imports of that specification. Normally we will require only the importer of record to certify to the end use of the imported merchandise. If it later proves necessary for adequate implementation, we may also require producers who export such products to the United States to provide such certification on invoices accompanying shipments to the United States.

Class or Kind

In the course of this investigation, SMI and the American Boiler Manufacturers Association (ABMA) have argued that the scope of the investigation should be divided into two classes or kinds of merchandise, hot-finished SSHP and cold-finished SSHP. In our preliminary determination, we treated all SSHP as one class or kind of merchandise.

In determining whether merchandise covered by an investigation constitutes more than one class or kind, the Department normally refers to the following criteria: (1) general physical characteristics; (2) ultimate use; (3) expectations of the ultimate purchaser; (4) channels of trade; and (5) manner of advertising and display. See Notice of Final Determination of Sales at Less Than Fair Value; Stainless Steel Sheet and Strip from the United Kingdom, 64 FR 30688, 30706

(June 8, 1999) (SSSS from the U.K.). As revealed by the following application of these criteria to the merchandise at issue, the Department properly considers this merchandise to constitute a single class or kind.

As its name implies, the most important physical characteristic of stainless steel is its resistance to corrosion. This resistance to corrosion is brought about by the addition of chromium; it is the presence of this element that allows a steel to be defined as "stainless." The scope of the order adopts the HTSUS definition of stainless steel as being one which contains 10.5 percent or more of chromium. This is the key physical characteristic of stainless steel hollow products, whether hot- or cold-finished.

Further, the ASTM book of standards shows that both hot- and cold-finished SSHP may be produced to the same grades and specifications. For products over one inch in diameter, there is also an overlap in the dimensions to which hot- and cold-finished SSHP are produced.

The end-use of the product and the expectations of the end user are also similar. The ASTM book of standards shows that both hot- and cold-finished SSHP may be used in a wide range of overlapping types of applications, such as boiler tubing, heat-exchanger tubing and pipes for general service. The primary reason ultimate users choose a stainless steel product over other steel products is for its anti-corrosive properties, which are the same for both hot- and cold-finished SSHP.

With regard to advertising and channels of distribution, all parties agree that there is significant overlap for both hot- and cold-finished products.

Further, treating hot- and cold-finished SSHP as one class or kind of merchandise is consistent with recent Department precedent. Numerous other orders on stainless steel products include cold-finished and hot-finished products within the same class or kind. See, e.g., SSSS from the U.K. and Stainless Steel Bar From Japan: Final Results of Antidumping Administrative Review, 65 FR 13717 (March 14, 2000). Recent cases involving pipe have also treated hot- and cold-finished products as a single class or kind. See, e.g., Notice of Final Determinations of Sales at Less Than Fair Value: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan; and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan and the Republic of South Africa, 65 FR 25907 (May 4, 2000), and Small Diameter Circular Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Germany: Final Results of Antidumping Duty Administrative Review, 63 FR 13217 (March 18, 1998). Therefore, in this final determination, we have continued to treat hot- and cold- finished SSHP as a single class or kind of merchandise.

Discussion of the Issues

1. Ultra-high purity 316L Redraw Hollows

Plymouth Tube Company (Plymouth Tube) requests that ultra-high purity 316L redraw hollows (316L redraw hollows) be excluded from the scope of the investigation because it claims there is no U.S. industry producing this product and because ultra-high purity redraw hollows are a distinct and different product from the SSHP covered in this investigation.

According to Plymouth Tube, it has tried to purchase ultra-high purity 316L redraw hollows from a U.S. producer, but it has been unable to do so. To support its contention, Plymouth Tube described and documented its correspondence with Sandvik/PEXCO in which the two companies failed to come to an agreement after Sandvik/PEXCO stated it could not guarantee Plymouth Tube's chemistry requirements on an order of only 20,000 lbs. per month. Plymouth Tube claims there is no evidence to indicate that Sandvik/PEXCO could have met Plymouth Tube's requirements even at a higher rate of consumption.

Using criteria outlined in Diversified Products Corp. v. United States, 572 F. Supp. 883 (CIT 1983) (Diversified Products), Plymouth Tube argues that ultra-high purity redraw hollows differ from the other covered products With regard to physical characteristics, Plymouth Tube states that ultra-high purity redraw hollows differ from standard 316L redraw hollows in that they have significantly lower levels of manganese, copper and tin. The ultimate use of the merchandise is, according to Plymouth Tube, to produce ultra-high purity cold-finished tubes for use in the semiconductor industry. Plymouth Tube states that this industry demands ultra-high purity tubes to be suitable for use in its production process and, to the best of its knowledge, would not accept tubes produced from standard purity redraw hollows. Finally, Plymouth Tube states that while the channels of trade are similar for ultra-high purity redraw hollows and other types of redraw hollows, Plymouth Tube markets its ultra-high purity cold finished tubing through special brochures directed exclusively at the semiconductor industry.

The petitioners object to excluding ultra-high purity 316L redraw hollows from the scope of the investigation. First, the petitioners argue, ultra-high purity 316L redraw hollows clearly fit into the scope description.

The petitioners point out that the scope, as published in the preliminary determination, covers all seamless stainless steel hollow products regardless of production process, industry specification, grade, or intended use. Citing to Wheatland Tube Co. v. United States, 161 F. 3d 1365 (Fed. Cir. 1998), the petitioners argue that because the description of the merchandise is unambiguous, it is unnecessary for the Department to do a Diversified Products analysis.

Second, the petitioners point out that the statute does not require the Department to consider the domestic availability of a particular product within the scope when considering a scope request. See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon

Steel Flat Products from Argentina, 58 FR 37062, 37070-1 (July 9, 1993). In any event, the petitioners state that Sandvik/PEXCO makes the product required by Plymouth Tube. According to the petitioners, the fact that the sale did not take place due to a disagreement over quantity does not mean that Sandvik/PEXCO is incapable of producing the product.

DOC Position: We agree with the petitioners, and we have not excluded ultra-high purity 316L redraw hollows from the scope of this investigation. It is the Department's view that it should give "ample deference to the petitioners" on the definition of the product for which they seek relief under the antidumping law. See Eckstrom Industries, Inc. v. United States, 27 F. Supp. 2d 217, 223 (CIT 1998). In this case, the petitioners have expressly stated that they intend the scope to include ultra-high purity 316L redraw hollows.

Furthermore, Plymouth Tube filed scope comments on December 13, 1999, in which it admitted (at 2) that ultra-high purity redraw hollows "come within the literal terms of the petition and the Department's scope decision." As described above, the scope of this investigation covers seamless stainless steel hollow products, including pipes, tubes, redraw hollows, and hollow bars . . . regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade or intended use. As a consequence, it is unnecessary to do a Diversified Products analysis.

Finally, both the Department and the International Trade Commission have determined that all products described in the scope of the investigation constitute a single like product, and that the petitioners manufacture products that fit into the like product description. Section 732(c)(4)(A) of the Tariff Act of 1930, as amended, states that the Department will determine that a petition has been filed on behalf of the industry if the domestic producers or workers who support the petition account for: (1) at least 25 percent of the total production of the **domestic like product**; and (2) more than 50 percent of the production of the **domestic like product** produced by that portion of the industry expressing support for, or opposition to, the petition (emphasis added). There is no statutory requirement that the petitioners produce all products covered by the scope. In other words, while the petitioners are required to produce the domestic like product, they need not produce every permutation or model of the domestic like product. Notwithstanding this, evidence on the record indicates that there is a domestic producer that may be able to make the exact merchandise that Plymouth Tube wants excluded.

Therefore, since the ultra-high purity 316L redraw hollows clearly meet the definition of covered merchandise, and the petitioners have specifically stated that the petition covers this merchandise, we continue to include ultra-high purity 316L redraw hollows in the scope of the investigation.

2. OCTG Scope Exclusion

The petitioner requested that the scope be amended to differentiate between the requirements for OCTG made to API 5D or 5CT specifications and OCTG made to proprietary specifications. In

short, API grades 5D and 5CT would not have to have a minimum tensile strength of 85,000 psi, and would not have to have the information relating to yield and tensile strength stenciled along the length of the pipe.

SMI agrees with the petitioners' clarification of the OCTG exclusion as it applies to API grades, and requests that the Department direct the Customs Service to apply the revised criteria to all pending entries immediately after the final determination.

DOC Position: We have adopted the petitioners' scope revisions, and will instruct the Customs Service to release bonds posted and refund any cash deposits made on all merchandise that is not subject to any antidumping duty order resulting from this investigation.

Recommendation

Based on our analysis of the comments received, we recommend adopting the above positions. If this recommendation is accepted, we will publish the final determination in the Federal Register.

AGREE____ DISAGREE____

_____
Troy H. Cribb
Acting Assistant Secretary
for Import Administration

_____
Date

General information concerning the Commission may also be obtained by accessing its Internet server (http://www.usitc.gov).

Issued: May 5, 2000.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–11732 Filed 5–9–00; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–859 (Final)]

Circular Seamless Stainless Steel Hollow Products From Japan

AGENCY: United States International Trade Commission.

ACTION: Scheduling of the final phase of an antidumping investigation.

SUMMARY: The Commission hereby gives notice of the scheduling of the final phase of antidumping investigation No. 731–TA–859 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the Act) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of less-than-fair-value imports from Japan of circular seamless stainless steel hollow products. [1]

[1] For purposes of this investigation, Commerce has defined the subject merchandise as "pipes, tubes, redraw hollows, and hollow bars, of circular cross-section, containing 10.5 percent or more by weight chromium, regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade or intended use. Common specifications for the subject circular seamless stainless steel hollow products include, but are not limited to, ASTM–A–213, ASTM–A–268, ASTM–A–269, ASTM–A–270, ASTM–A–271, ASTM–A–312, ASTM–A–376, ASTM–A–498, ASTM–A–511, ASTM–A–632, ASTM–A–731, ASTM–A–771, ASTM–A–789, ASTM–A–790, ASTM–A–826 and their proprietary or foreign equivalents."

Excluded from the scope of the investigation are: (1) finished oil country tubular goods ("OCTG") certified to American Petroleum Institute standards 5CT or 5D or to a proprietary OCTG specification; (2) OCTG coupling stock with "mother-child traceability'; (3) line pipe marked, produced, warranted, or certified only to API or proprietary line pipe specifications and used in a pipeline application; and (4) hollow drill bars and rods. Additional explanation of scope exclusions is presented in Commerce's preliminary notice of sales at LTFV (65 FR 25306, May 1, 2000).

The products subject to this investigation are covered by statistical reporting numbers 7304.10.5020; 7304.10.5050; 7304.10.5080; 7304.41.3005; 7304.41.3015; 7304.41.3045; 7304.41.6005; 7304.41.6015; 7304.41.6045; 7304.49.0005; 7304.49.0015; 7304.49.0045; and 7304.49.0060; of the Harmonized Tariff Schedule of the United States (HTS). The statistical reporting numbers are provided for convenience; the written description of the subject products is controlling.

For further information concerning the conduct of this phase of the investigation, 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: April 28, 2000.

FOR FURTHER INFORMATION CONTACT: Diane J. Mazur (202–205–3184), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION:

Background

The final phase of this investigation is being scheduled as a result of an affirmative preliminary determination by the Department of Commerce that imports of circular seamless stainless steel hollow products from Japan 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 investigation was requested in a petition filed on October 26, 1999, by Altx, Inc., Watervliet, NY; American Extruded Products Corp., Beaver Falls, PA; DMV Stainless USA, Inc., Houston, TX; Salem Tube, Inc., Greenville, PA; Sandvik, Steel Co., Scranton, PA; International Extruded Products LLC d/b/a Wyman-Gordon Energy Products—IXP Buffalo, Buffalo, NY; and United Steelworkers of America, AFL–CIO/CLC, Pittsburgh, PA.

Participation in the Investigation 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 this investigation 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 investigation 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 investigation.

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 this investigation available to authorized applicants under the APO issued in the investigation, 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 investigation. A party granted access to BPI in the preliminary phase of the investigation 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 this investigation will be placed in the nonpublic record on June 29, 2000, and a public version will be issued thereafter, pursuant to section 207.22 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with the final phase of this investigation beginning at 9:30 a.m. on July 12, 2000, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before July 5, 2000. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on July 7, 2000, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written Submissions

Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is July 6, 2000. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is July 19, 2000; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before July 19, 2000. On August 10, 2000, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before August 14, 2000, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

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

Authority: This investigation is 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: May 4, 2000.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–11731 Filed 5–9–00; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Inv. No. 337–TA–414]

In the Matter of Certain Semiconductor Memory Devices and Products Containing Same; Notice of Commission Determination To Extend the Target Date for Completion of the Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to extend the target date for completion of the above-captioned investigation by 45 days, or until Monday, June 26, 2000.

FOR FURTHER INFORMATION CONTACT: Clara Kuehn, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205–3012. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202–205–1810. General information concerning the Commission may also be obtained by accessing its Internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION: The Commission ordered the institution of this investigation on September 18, 1998, based on a complaint filed on behalf of Micron Technology, Inc., 8000 South Federal Way, Boise, Idaho 83707–0006 ("complainant"). The notice of investigation was published in the **Federal Register** on September 25, 1998. 63 FR 51372 (1998).

The presiding administrative law judge (ALJ) issued his final initial determination (ID) on November 29, 1999, concluding that there was no violation of section 337. He found that: (a) Complainant failed to establish the requisite domestic industry showing for any of the three patents at issue; (b) all asserted claims of the patents are invalid; (c) none of the asserted claims of the patents are infringed; and (d) all of the patents are unenforceable for inequitable conduct. On February 1, 2000, the Commission determined to review the final ID in its entirety and two procedural issues. The notice of the Commission decision to review the final ID was published in the **Federal Register** on February 7, 2000. 65 FR 5890 (2000). On February 15, 2000, respondents, complainant, and the Commission investigation attorney (IA) filed written submissions on the issues under review. Responsive submissions were filed on February 22, 2000.

On April 4, 2000, complainant Micron and respondents Mosel Vitelic, Inc. and Mosel Vitelic Corp. (collectively "Mosel") filed a joint motion to terminate the investigation by settlement and vacate the ID. The IA filed a response to the joint motion on April 14, 2000. The joint motion is currently pending before the Commission. The Commission determined that, given the pending joint motion, the target date for completion of the investigation should be extended until Monday, June 26, 2000. The previous target date for completion of this investigation was May 11, 2000.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in sections 201.14, 210.6, and 210.51(a) of the Commission's Rules of Practice and Procedure (19 CFR 201.14, 210.6, and 210.51(a)).

Copies of the public version of all nonconfidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone 202–205–2000.

By order of the Commission.

Issued: May 4, 2000.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–11730 Filed 5–9–00; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: United States International Trade Commission.

TIME AND DATE: May 15, 2000 at 2 p.m.

PLACE: Room 101, 500 E Street S.W., Washington, DC 20436, Telephone: (202) 205–2000.

STATUS: Open to the public.

MATTERS TO BE CONSIDERED:

1. Agenda for future meeting: none.
2. Minutes.
3. Ratification List.
4. Inv. No. 731–TA–841 (Final)(Certain Non-Frozen Concentrated Apple Juice from China)—briefing and vote. (The Commission will transmit its determination to the Secretary of Commerce on May 22, 2000.)
5. Inv. No. 731–TA–429 (Review) (Mechanical Transfer Presses from Japan)—briefing and vote. (The Commission will transmit its

Pursuant to section 751(c)(2) and 751 (c)(6) of the Act, the Department intends to initiate the next five-year review of these orders not later than March 2005.

Dated: April 25, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00–10802 Filed 4–28–00; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–603; A–421–701; A–401–601]

Revocation of Antidumping Duty Orders: Brass Sheet and Strip From the Republic of Korea, the Netherlands, and Sweden

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

ACTION: Notice of revocation of antidumping duty orders: Brass sheet and strip from the Republic of Korea, the Netherlands, and Sweden.

SUMMARY: Pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"), the United States International Trade Commission ("the Commission") determined that revocation of the antidumping duty orders on brass sheet and strip from the Republic of Korea ("Korea"), the Netherlands, and Sweden are not likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time (65 FR 20832 (April 18, 2000)). Therefore, pursuant to section 751(d)(2) of the Act and 19 CFR 351.222(i)(1), the Department of Commerce ("the Department") is revoking the antidumping duty orders on brass sheet and strip from Korea, the Netherlands, and Sweden. Pursuant to section 751(c)(6)(A)(iv) of the Act and 19 CFR 351.222(i)(2), the effective date of revocation is January 1, 2000.

EFFECTIVE DATE: January 1, 2000.

FOR FURTHER INFORMATION CONTACT: Eun W. Cho or Carole Showers, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW, Washington, DC 20230; telephone: (202) 482–1698 or (202) 482–3217, respectively.

On February 1, 1999, the Department initiated, and the Commission instituted, sunset reviews (64 FR 4840 and 64 FR 4892, respectively) of the antidumping duty orders on brass sheet and strip from Korea, the Netherlands, and Sweden, pursuant to section 751(c) of the Act. As a result of the reviews, the Department found that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping and notified the Commission of the magnitude of the margins likely to prevail were the antidumping orders revoked.[1]

On April 18, 2000, the Commission determined, pursuant to section 751(c) of the Act, that revocation of the antidumping duty orders on brass sheet and strip from Korea, the Netherlands, and Sweden would not likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. (*see*, Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, 65 FR 20832 (April 18, 2000) and USITC Publication 3290, Investigations Nos. 701–TA–269 & 270 (Review), and 731–TA–311–317 and 379–380 (Review) (April 2000)).

Scope

Imports covered by this order are brass sheet and strip, other than leaded and tin brass sheet and strip, from Korea, the Netherlands, and Sweden. The chemical composition of the products under order is currently defined in the Copper Development Association ("CDA") 200 Series or the Unified Numbering System ("UNS") C20000 series. This order does not cover products the chemical composition of which are defined by other CDA or UNS series. The physical dimensions of the products covered by this order are brass sheet and strip of solid rectangular cross section over 0.006 inch (0.15 millimeter) through 0.188 inch (4.8 millimeters) in gauge, regardless of width. Coiled, wound-on-reels (traverse-wound), and cut-to-length products are included. The merchandise subject to this order is currently classifiable under item numbers 7409.21.00.50, 7409.21.00.75, 7409.21.00.90, 7409.29.00.50, 7409.29.00.75, and 7409.29.0090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this order is dispositive.

[1] See Final Results of Expedited Sunset Reviews: Brass Sheet and Strip from Brazil, France, and Korea, 64 FR 48351 (September 3, 1999); Final Results of Full Sunset Review: Brass Sheet and Strip from the Netherlands, 65 FR 735 (January 6, 2000); and Final Results of Expedited Sunset Review: Brass Sheet and Strip from Sweden, 64 FR 49444 (September 13, 1999).

Determination

As a result of the determination by the Commission that revocation of these antidumping duty orders is not likely to lead to continuation or recurrence of material injury to an industry in the United States, the Department, pursuant to section 751(d)(2) of the Act and 19 CFR 351.222(i)(1), is revoking the antidumping duty orders on brass sheet and strip from Korea, the Netherlands, and Sweden. Pursuant to section 751(c)(6)(A)(iv) of the Act and 19 CFR 351.222(i)(2)(ii), this revocation is effective January 1, 2000.

The Department will instruct the U.S. Customs Service to discontinue the suspension of liquidation and collection of cash deposits rate on entries of the subject merchandise entered or withdrawn from warehouse on or after January 1, 2000 (the effective date). The Department will complete any pending administrative reviews of these orders and will conduct administrative reviews of subject merchandise entered prior to the effective date of revocation in response to appropriately filed requests for review.

Dated: April 25, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00–10803 Filed 4–28–00; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–853]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products From Japan

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

EFFECTIVE DATE: May 1, 2000.

FOR FURTHER INFORMATION CONTACT: Charles Riggle at (202) 482–0650 or Constance Handley at (202) 482–0631, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise

indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (April 1999).

Preliminary Determination

We preliminarily determine that circular seamless stainless steel hollow products (SSHP) from Japan are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the *Suspension of Liquidation* section of this notice.

Case History

On October 26, 1999, the Department received a petition on SSHP from Japan filed in proper form by Altx, Inc., American Extruded Products, PMAC Ltd, DMV Stainless USA, Inc., Salem Tube Inc., Sandvik Steel Co., International Extruded Products LLC and the United Steel Workers of America, AFL–CIO/CLC. On November 9, 1999, Pennsylvania Extruded Company (Pexco) joined as a co-petitioner in the case.

This investigation was initiated on November 15, 1999. *See Initiation of Antidumping Duty Investigation: Circular Seamless Stainless Steel Hollow Products from Japan (Initiation Notice),* 64 FR 63285 (November 19, 1999). Since the initiation of the investigation, the following events have occurred:

On December 22, 1999, the Department selected the following companies as mandatory respondents in the investigation: Sanyo Special Tube Company Ltd. (Sanyo) and Sumitomo Metal Industries Ltd. (SMI). *See Selection of Respondents,* below. On December 29, 1999, the Department issued the antidumping questionnaires to each of the selected respondents. On February 28, March 3, March 8, and March 15, 2000, the Department issued supplemental questionnaires to SMI. SMI responded to the section A supplemental questionnaire on March 6, 2000, however, it did not respond to any of the other supplemental questionnaires.

On December 10, 1999, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of the products subject to this antidumping investigation are materially injuring the U.S. industry. *See Circular Seamless Stainless Steel Hollow Products from Japan,* 64 FR 71496 (December 21, 1999).

Period of Investigation

The period of investigation (POI) is October 1, 1998, through September 30, 1999. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.,* October 1999).

Scope of Investigation [1]

The scope of this investigation covers seamless stainless hollow products, including pipes, tubes, redraw hollows, and hollow bars, of circular cross section, containing 10.5 percent or more by weight chromium, regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade or intended use. Common specifications for the subject seamless stainless steel hollow products include, but are not limited to, ASTM–A–213, ASTM–A–268, ASTM–A–269, ASTM–A–270, ASTM–A–271, ASTM–A–312, ASTM–A–376, ASTM–A–498, ASTM–A–511, ASTM–A–632, ASTM–A–731, ASTM–A–771, ASTM–A–789, ASTM–A–790, ASTM–A–826 and their proprietary or foreign equivalents.

The merchandise covered by this petition is found in the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7304.10.50.20, 7304.10.50.50, 7304.10.50.80, 7304.41.30.05, 7304.41.30.15,7304.41.30.45, 7304.41.60.05, 7304.41.60.15, 7304.41.60.45, 7304.49.00.05, 7304.49.00.15, 7304.49.00.45, 7304.49.00.60. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Excluded from the scope of the investigation are finished oil country tubular goods certified to American Petroleum Institute (API) standard 5CT or 5D or to a proprietary OCTG specification if such OCTG products are (1) not certified, marked or otherwise warranted or qualified for use as a non-OCTG product; (2) produced to a common OCTG casing, tubing or drill pipe size as found in the standard size tables of API specifications 5CT and 5D, or produced to standard VIT sizes for deep-water temperature-controlled tubing; (3) rated for a minimum yield strength of not less than 85,000 psi and a minimum tensile strength of not less than 100,000 psi, as noted on the mill certificate or other relevant sales documentation; (4) continuously stenciled with the appropriate API and/or proprietary OCTG specification, size (*e.g.,* outside diameter and weight), minimum yield and tensile strength, and the phrase "OCTG," "oil country tubular goods" or a similar phrase, with such information also written on the entry documents; (5) not marked or otherwise certified as meeting a specification other than an API or proprietary OCTG specification whether or not also marked, warranted or certified to an OCTG specification; and (6) not used in any application other than a down-hole, OCTG application. Any OCTG products marked, certified or otherwise warranted for non-OCTG use, or actually used in a non-OCTG application, are within the scope of this investigation.

Also excluded from the scope of this investigation is OCTG coupling stock that (1) is entered within the same entry as matching (complimentary) sizes and matching grades of exempted OCTG, or (2) is entered with documentation linking the entered OCTG coupling stock products to another entry of matching sizes and grades of OCTG, and (3) is actually used in the production of OCTG couplings or other OCTG accessories. All coupling stock that does not have such "Mother-Child Traceability" remains within the scope of the investigation, and coupling stock that is traceable remains within the scope if used in an application other than the production of OCTG couplings or accessories.

Line pipe marked, produced, warranted, or certified only to API or proprietary line pipe specifications and used in a pipeline application is excluded from the scope of the investigation. Line pipe products are included in the scope if (1) marked, produced, warranted, or certified to one of the covered seamless stainless steel hollow products specifications listed above (or their proprietary or foreign equivalents), whether or not also certified to an API, proprietary, or foreign line pipe specification, or (2) are used in an application other than in an oil or gas pipeline.

Also excluded are hollow drill bars and rods, classifiable under item number 7228.80 of the HTSUS.

With regard to the excluded OCTG products, OCTG coupling stock, and line pipe used in oil or gas pipeline applications, the Department will not instruct Customs to require end-use certification until such time as petitioner or other interested parties provide a reasonable basis to believe or suspect that imports of these products are not being used for their intended purpose of OCTG or oil or gas line pipe

[1] On March 28, 2000, the petitioners requested that the scope of the investigation be amended to exclude certain products. This change is reflected in the current scope.

is occurring. If such information is provided, we will require end-use certification only for the product(s) (or specification(s)) for which the evidence demonstrates such new use. For example, if, based on evidence provided by petitioner, the Department finds a reasonable basis to believe or suspect that seamless pipe produced to a proprietary specification is being used in a non-OCTG application, we will require end-use certifications for imports of that specification. Normally we will require only the importer of record to certify to the end use of the imported merchandise. If it later proves necessary for adequate implementation, we may also require producers who export such products to the United States to provide such certification on invoices accompanying shipments to the United States.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion, when faced with a large number of exporters/producers, to limit its examination to a reasonable number of such companies if it is not practicable to examine all companies. Where it is not practicable to examine all known producers/exporters of subject merchandise, this provision permits the Department to investigate either: (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume of the subject merchandise that can be reasonably examined.

Upon consideration of the resources available to the Department, we determined that it was not practicable to examine all known producers/exporters of the subject merchandise. Instead, because there were numerous producers/exporters of the subject merchandise during the POI, we selected as mandatory respondents the two with the greatest export volume, Sanyo and SMI. Together, they accounted for more than 50 percent of all known exports of the subject merchandise during the POI from Japan. For a more detailed discussion of respondent selection in this investigation, *see Respondent Selection Memorandum,* dated December 22, 1999.

Facts Available

Sanyo did not respond to the Department's questionnaire. Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested, subject to sections 782(c)(1) and (e) of the Act; (C) significantly impedes a proceeding under the antidumping statute; or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination. Because Sanyo failed to respond to our questionnaire, pursuant to section 776(a)(2)(A) of the Act, we resorted to facts otherwise available to determine the dumping margins for this company.

SMI responded to sections A through D of the Department's questionnaire, but did not respond to the Department's requests for information necessary to correct the deficiencies in its responses. For a detailed discussion of this issue, *see Memorandum from Constance Handley to Holly Kuga, Re: Use of Facts Available,* dated April 13, 2000.

Because SMI did not fully respond to our requests for information, without which we are unable to perform an analysis of its pricing practices or costs, we preliminarily determine that the use of facts available is appropriate, in accordance with section 776(a)(2)(A) of the Act.

Section 776(b) of the Act provides that the Department may use an inference adverse to the interests of a party that has failed to cooperate by not acting to the best of its ability to comply with the Department's requests for information. *See also* Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 103–316 at 870 (1994) (SAA). Failure by Sanyo to respond to the Department's antidumping questionnaire constitutes a failure to act to the best of its ability to comply with a request for information, within the meaning of section 776 of the Act. Because Sanyo failed to act to the best of its ability to respond to the Department's request for information, the Department has preliminarily determined that, in selecting from among the facts otherwise available, an adverse inference is warranted for Sanyo.

Likewise, SMI's failure to respond to the preponderance of the requests for information, constitutes a failure to act to the best of its ability. SMI did not provide the requested information even after being granted additional time when it failed to make a timely response. Therefore, the Department has preliminarily determined that, in selecting from among the facts otherwise available, an adverse inference is warranted for SMI.

Because we were unable to calculate margins for the respondents, consistent with Department practice, we assigned to Sanyo and SMI the highest margin from the proceeding, which is the highest margin alleged in the petition. *See, e.g., Notice of Preliminary Determinations of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Argentina, Japan and Thailand,* 64 FR 60410, 60414 (November 5, 1999). *See Initiation Notice.*

Section 776(b) states that an adverse inference may include reliance on information derived from the petition. *See also* SAA at 829–831. Section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) in using the facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal.

The SAA clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value (*see* SAA at 870). The SAA also states that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation (*see* SAA at 870).

We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose. *See Import Administration AD Investigation Initiation Checklist,* dated November 15, 1999, for a discussion of the margin calculations in the petition. In addition, in order to determine the probative value of the margins in the petition for use as adverse facts available for purposes of this determination, we examined evidence supporting the calculations in the petition. In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the export price (EP) and normal value (NV) calculations on which the margins in the petition were based.

Our review of the EP and NV calculations indicated that the information in the petition has

probative value, as certain information included in the margin calculations in the petition is from public sources concurrent, for the most part, with the POI (*e.g.*, international freight and insurance, customs duty, interest rates). However, with respect to certain other data included in the margin calculations of the petition (*e.g.*, gross United States and home market unit prices), neither the respondents nor other interested parties provided the Department with further relevant information, and the Department is aware of no other independent source of information that would enable it to further corroborate the remaining components of the margin calculation in the petition. The implementing regulation for section 776 of the Act, codified at 19 CFR 351.308(c) states, "[t]he fact that corroboration may not be practicable in a given circumstance will not prevent the Secretary from applying an adverse inference as appropriate and using the secondary information in question." Additionally, we note that the SAA at 870 specifically states that, where "corroboration may not be practicable in a given circumstance," the Department may nevertheless apply an adverse inference. Accordingly, we find, for purposes of this preliminary determination, that this information is corroborated to the extent practicable.

All Others Rate

Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-averaged dumping margins established for all exporters and producers individually investigated are zero or *de minimis* or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated. Our recent practice under these circumstances has been to assign, as the "all others" rate, the simple average of the margins in the petition. We have done so in this case. *See, e.g., Notice of Final Determinations of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Argentina, Japan and Thailand,* 65 FR 5520, 5528 (February 4, 2000).

Suspension of Liquidation

For entries of SSHP from Japan, we are directing the U.S. Customs Service to suspend liquidation of those entries that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We are also instructing the Customs Service to require a cash deposit or the posting of a bond equal to the dumping margin, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

Manufacturer/exporter	Margin (percent)
Sanyo Special Tube	156.81
Sumitomo Metal Industries	156.81
All Others	62.14

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final antidumping determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. The deadline for that ITC determination would be the later of 120 days after the date of the preliminary determination or 45 days after the date of our final determination.

Public Comment

Case briefs must be submitted no later than 30 days after the publication of this notice in the **Federal Register**. Rebuttal briefs must be filed within five business days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by any interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 10 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If this investigation proceeds normally, we will make our final determination no later than 75 days after the date of issuance of this preliminary determination.

This determination is published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: April 21, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00–10691 Filed 4–28–00; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–848]

Notice of Extension of Time Limit for Preliminary Results of Administrative Antidumping Review and New Shipper Reviews: Freshwater Crawfish Tail Meat From the People's Republic of China

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

EFFECTIVE DATE: May 1, 2000.

FOR FURTHER INFORMATION CONTACT: Jacqueline Arrowsmith or Maureen Flannery, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone: (202) 482–4052 or (202) 482–3020, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, codified at 19 CFR part 351 (1999).

Background

In accordance with 19 CFR § 351.213(b)(2), the Department received requests from the following companies that we conduct an administrative review of their sales: Huaiyin Foreign Trade Corp. (30); Huaiyin Foreign Trade Corp. (5); Huaiyin Foreign Trade Corp.; Yancheng Baolong Biochemical Products Co., Ltd.; Qingdao Rirong Foodstuff Co., Ltd.; Lianyungang Haiwang Aquatic Products Co., Ltd.; Yancheng Haiteng Aquatic Products and Foods Co., Ltd.; and Yancheng Foreign Trade Corp. Petitioner in the proceeding, the Crawfish Processors Alliance, also requested an administrative review of the following:

APPENDIX B

LIST OF WITNESSES

B-1

CALENDAR OF PUBLIC HEARINGS

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

Subject: Circular Seamless Stainless Steel Hollow Products from Japan

Inv. No.: 731-TA-859 (F)

Date and Time: July 12, 2000 - 9:30 a.m.

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

OPENING REMARKS

Petitioners (**David A. Hartquist**, Collier Shannon Scott, PLLC)
Respondents (**John D. Greenwald**, Wilmer, Cutler & Pickering)

In Support of the Imposition of Antidumping Duties:

Collier Shannon Scott, PLLC
Washington, DC
on behalf of

Petitioner Companies

Tom Andriola, Vice President and General Manager, Sandvik Steel Company

Melvin L. Gephardt, President, DMV Stainless USA, Incorporated

Arthur Hinze, Chief Operating Officer, American Extruded Products

Edward Nuzzaci, President, Sandvik Steel Company and
Chairman of the Managing Committee, Pennsylvania Extruded Tube Company

Stanley Peak, Director of Operations, American Extruded Products

Fred Prossen, Vice President and Chief Financial Officer, ALTX, Incorporated

Michael Rhoades, Inside Sales Manager, Salem Tube

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In Support of the Imposition of Antidumping Duties-Continued:

Michael T. Kerwin, Economic Consultant, Georgetown Economic Services, LLC

Laura Beltrami, Economic Consultant, Georgetown Economic Services, LLC

David A. Hartquist)
Jeffrey S. Beckington)–OF COUNSEL
R. Alan Luberda)

In Opposition to the Imposition of Antidumping Duties:

Wilmer, Cutler & Pickering
Washington, DC
on behalf of

Japanese Respondents

Thomas M. Curran, Vice President, Handy & Harmon

Bill Bootz, National Sales Manager, TA Chen International Corporation

Bernard A. Szatkowski, Sales/Application Engineer, Szatkowski & Associates

John D. Greenwald)
)–OF COUNSEL
Leonard M. Shambon)

Baker & McKenzie
Washington, DC
on behalf of

MC Tubular Products, Incorporated ("MC Tubular")

Mike Christopher, General Manager, Specialty Pipe and Tube

Thomas Peele–OF COUNSEL

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In Opposition to the Imposition of Antidumping Duties-Continued:

American Boiler Manufacturers Association ("ABMA")

Russell N. Mosher, President, ABMA

Gerry Johnson, Project Procurement Manager, Babcock & Wilcox Company

David Breckinridge, General Manager, Pressure Parts Manufacturing, Alstom Power

William McDaniel, Director of Public Affairs, Alstom Power

Domenic Canonico, Consultant, Alstom Power

CLOSING REMARKS

Petitioners (**David A. Hartquist**, Collier Shannon Scott, PLLC)
Respondents (**John D. Greenwald**, Wilmer, Cutler & Pickering)

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APPENDIX C

SUMMARY DATA

C-1

SUMMARY TABLES

Summary and comparative tables relating to CSSSHP are presented in appendix C as follows:

Table C-1--OFFICIAL STATS, ADJ.
CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					January-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	10.9	25.0	-11.3	48.7
Producers' share (1)	***	***	***	***	***	-8.4	-9.4	1.1	2.3
Importers' share (1):--Japan	***	***	***	***	***	3.4	13.5	-10.1	-21.1
Other sources	***	***	***	***	***	4.9	-4.1	9.0	18.8
Total imports	***	***	***	***	***	8.4	9.4	-1.1	-2.3
U.S. consumption value:									
Amount	***	***	***	***	***	-11.1	3.9	-14.5	34.4
Producers' share (1)	***	***	***	***	***	-4.6	-7.1	2.6	5.3
Importers' share (1):--Japan	***	***	***	***	***	2.9	9.7	-6.8	-11.8
Other sources	***	***	***	***	***	1.6	-2.6	4.2	6.5
Total imports	***	***	***	***	***	4.6	7.1	-2.6	-5.3
U.S. imports from--									
Japan--Quantity	***	***	***	***	***	26.8	95.6	-35.2	-38.0
Value	***	***	***	***	***	4.8	65.9	-36.8	-36.7
Unit value	$5,016	$4,253	$4,145	$3,809	$3,885	-17.4	-15.2	-2.5	2.0
Ending inventory quantity	1,359	1,332	1,461	1,743	1,313	7.5	-2.0	9.7	-24.7
Other sources--Quantity	16,860	19,058	20,865	3,955	8,715	23.8	13.0	9.5	120.4
Value	103,466	99,696	96,128	22,085	35,130	-7.1	-3.6	-3.6	59.1
Unit value	$6,137	$5,231	$4,607	$5,585	$4,031	-24.9	-14.8	-11.9	-27.8
Ending inventory quantity	2,534	2,536	2,478	2,642	2,639	-2.2	0.1	-2.3	-0.1
All sources--Quantity	***	***	***	***	***	24.9	42.7	-12.5	44.2
Value	***	***	***	***	***	-3.4	18.2	-18.2	22.0
Unit value	$5,734	$4,750	$4,439	$4,731	$4,001	-22.6	-17.2	-6.6	-15.4
Ending inventory quantity	3,893	3,868	3,939	4,385	3,952	1.2	-0.6	1.8	-9.9
U.S. producers':									
Average Capacity quantity	***	***	***	***	***	-2.5	-0.3	-2.3	4.3
Production quantity	***	***	***	***	***	-11.4	5.7	-16.2	73.8
Capacity utilization (1)	42.8	45.4	38.9	31.4	52.3	-3.9	2.6	-6.5	20.9
U.S. shipments--Quantity	13,177	11,827	10,959	2,501	4,060	-16.8	-10.2	-7.3	62.3
Value	***	***	***	***	***	-19.6	-11.5	-9.2	51.4
Unit value	***	***	***	***	***	-3.3	-1.3	-2.0	-6.7
Export shipments:--Quantity	2,724	4,081	3,732	938	905	37.0	49.8	-8.5	-3.5
Value	***	***	***	***	***	8.7	26.4	-14.0	-17.0
Unit value	***	***	***	***	***	-20.7	-15.6	-6.0	-14.0
Ending inventory quantity	2,111	2,626	2,854	2,436	4,979	35.2	24.4	8.7	104.4
Inventories/total shipments (1)	13.3	16.5	19.4	17.7	25.1	6.2	3.2	2.9	7.4
Production workers	1,064	1,000	945	942	1,005	-11.2	-6.0	-5.5	6.6
Hours worked (1,000s)	1,559	1,474	1,355	362	408	-13.0	-5.4	-8.0	12.7
Wages paid ($1,000s)	23,012	22,165	21,494	5,463	6,770	-6.6	-3.7	-3.0	23.9
Hourly wages	$14.76	$15.04	$15.86	$15.10	$16.60	7.4	1.9	5.4	10.0
Productivity (tons per 1,000 hours)	***	***	***	***	***	1.8	11.8	-8.9	54.2
Unit labor costs	***	***	***	***	***	5.5	-8.9	15.8	-28.7
Net sales:--Quantity	***	***	***	***	***	-13.8	6.3	-18.9	43.3
Value	***	***	***	***	***	-18.9	-2.7	-16.7	32.6
Unit value	$8,889	$8,138	$8,362	$8,325	$7,708	-5.9	-8.5	2.8	-7.4
Cost of goods sold (COGS)	***	***	***	***	***	-20.9	-5.3	-16.4	26.9
Gross profit or (loss)	***	***	***	***	***	-4.9	16.2	-18.2	71.2
SG&A expenses	***	***	***	***	***	-6.5	-5.5	-1.1	3.6
Operating income or (loss)	***	***	***	***	***	-2.0	57.3	-37.7	290.5
Capital expenditures	6,435	16,035	7,024	3,023	3,923	9.1	149.2	-56.2	29.8
Unit COGS	***	***	***	***	***	-8.2	-10.9	3.1	-11.4
Unit SG&A expenses	***	***	***	***	***	8.5	-11.1	22.0	-27.7
Unit operating income or (loss)	***	***	***	***	***	13.8	48.0	-23.1	172.6
COGS/sales (1)	***	***	***	***	***	-2.1	-2.4	0.3	-3.8
Operating income or (loss)/sales (1)	***	***	***	***	***	0.9	2.6	-1.7	6.0

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

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

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

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Table C-1A--OFFICIAL STATS.
CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			January-March		Period changes			January-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	43,240	52,732	49,421	11,993	15,404	14.3	21.9	-6.3	28.4
Producers' share (1)	30.5	22.4	22.2	20.9	26.4	-8.3	-8.0	-0.3	5.5
Importers' share (1):--Japan	30.5	41.4	35.6	46.2	17.1	5.1	10.9	-5.8	-29.1
Other sources	39.0	36.1	42.2	33.0	56.6	3.2	-2.8	6.1	23.6
Total imports	69.5	77.6	77.8	79.1	73.6	8.3	8.0	0.3	-5.5
U.S. consumption value:									
Amount	***	***	***	***	***	-10.0	3.4	-13.0	24.9
Producers' share (1)	***	***	***	***	***	-4.9	-6.7	1.7	8.3
Importers' share (1):--Japan	***	***	***	***	***	3.8	9.0	-5.2	-17.1
Other sources	***	***	***	***	***	1.1	-2.3	3.4	8.9
Total imports	***	***	***	***	***	4.9	6.7	-1.7	-8.3
U.S. imports from--									
Japan--Quantity	13,203	21,847	17,597	5,537	2,629	33.3	65.5	-19.5	-52.5
Value	58,497	88,569	63,044	19,277	9,536	7.8	51.4	-28.8	-50.5
Unit value	$4,430	$4,054	$3,583	$3,482	$3,628	-19.1	-8.5	-11.6	4.2
Ending inventory quantity	1,359	1,332	1,461	1,743	1,313	7.5	-2.0	9.7	-24.7
Other sources--Quantity	16,860	19,058	20,865	3,955	8,715	23.8	13.0	9.5	120.4
Value	103,466	99,696	96,128	22,085	35,130	-7.1	-3.6	-3.6	59.1
Unit value	$6,137	$5,231	$4,607	$5,585	$4,031	-24.9	-14.8	-11.9	-27.8
Ending inventory quantity	2,534	2,536	2,478	2,642	2,639	-2.2	0.1	-2.3	-0.1
All sources--Quantity	30,063	40,904	38,462	9,491	11,344	27.9	36.1	-6.0	19.5
Value	161,962	188,264	159,172	41,362	44,666	-1.7	16.2	-15.5	8.0
Unit value	$5,387	$4,603	$4,138	$4,358	$3,937	-23.2	-14.6	-10.1	-9.6
Ending inventory quantity	3,893	3,868	3,939	4,385	3,952	1.2	-0.6	1.8	-9.9
U.S. producers':									
Average Capacity quantity	***	***	***	***	***	-2.5	-0.3	-2.3	4.3
Production quantity	***	***	***	***	***	-11.4	5.7	-16.2	73.8
Capacity utilization (1)	42.8	45.4	38.9	31.4	52.3	-3.9	2.6	-6.5	20.9
U.S. shipments--Quantity	13,177	11,827	10,959	2,501	4,060	-16.8	-10.2	-7.3	62.3
Value	***	***	***	***	***	-19.6	-11.5	-9.2	51.4
Unit value	***	***	***	***	***	-3.3	-1.3	-2.0	-6.7
Export shipments:--Quantity	2,724	4,081	3,732	938	905	37.0	49.8	-8.5	-3.5
Value	***	***	***	***	***	8.7	26.4	-14.0	-17.0
Unit value	***	***	***	***	***	-20.7	-15.6	-6.0	-14.0
Ending inventory quantity	2,111	2,626	2,854	2,436	4,979	35.2	24.4	8.7	104.4
Inventories/total shipments (1)	13.3	16.5	19.4	17.7	25.1	6.2	3.2	2.9	7.4
Production workers	1,064	1,000	945	942	1,005	-11.2	-6.0	-5.5	6.6
Hours worked (1,000s)	1,559	1,474	1,355	362	408	-13.0	-5.4	-8.0	12.7
Wages paid ($1,000s)	23,012	22,165	21,494	5,463	6,770	-6.6	-3.7	-3.0	23.9
Hourly wages	$14.76	$15.04	$15.86	$15.10	$16.60	7.4	1.9	5.4	10.0
Productivity (tons per 1,000 hours)	***	***	***	***	***	33.6	12.9	18.3	96.2
Unit labor costs	***	***	***	***	***	-21.0	-10.3	-12.0	-41.3
Net sales:--Quantity	***	***	***	***	***	-13.8	6.3	-18.9	43.3
Value	***	***	***	***	***	-18.9	-2.7	-16.7	32.6
Unit value	$8,889	$8,138	$8,362	$8,325	$7,708	-5.9	-8.5	2.8	-7.4
Cost of goods sold (COGS)	***	***	***	***	***	-20.9	-5.3	-16.4	26.9
Gross profit or (loss)	***	***	***	***	***	-4.9	16.2	-18.2	71.2
SG&A expenses	***	***	***	***	***	-6.5	-5.5	-1.1	3.6
Operating income or (loss)	***	***	***	***	***	-2.0	57.3	-37.7	290.5
Capital expenditures	6,435	16,035	7,024	3,023	3,923	9.1	149.2	-56.2	29.8
Unit COGS	***	***	***	***	***	-8.2	-10.9	3.1	-11.4
Unit SG&A expenses	***	***	***	***	***	8.5	-11.1	22.0	-27.7
Unit operating income or (loss)	***	***	***	***	***	13.8	48.0	-23.1	172.6
COGS/sales (1)	***	***	***	***	***	-2.1	-2.4	0.3	-3.8
Operating income or (loss)/sales (1)	***	***	***	***	***	0.9	2.6	-1.7	6.0

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

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

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

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Table C-1B--QUESTIONNAIRES
CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					January-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	15.9	19.5	-3.0	60.8
Producers' share (1)	***	***	***	***	***	-10.0	-8.8	-1.2	0.3
Importers' share (1):--Japan	***	***	***	***	***	7.8	15.2	-7.4	-17.1
Other sources	***	***	***	***	***	2.2	-6.4	8.6	16.8
Total imports	***	***	***	***	***	10.0	8.8	1.2	-0.3
U.S. consumption value:									
Amount	***	***	***	***	***	-8.3	5.2	-12.9	54.0
Producers' share (1)	***	***	***	***	***	-5.9	-7.6	1.7	-0.8
Importers' share (1):--Japan	***	***	***	***	***	5.3	9.8	-4.5	-7.7
Other sources	***	***	***	***	***	0.6	-2.2	2.7	8.5
Total imports	***	***	***	***	***	5.9	7.6	-1.7	0.8
U.S. shipments of imports from--									
Japan--Quantity	***	***	***	***	***	63.7	116.1	-24.2	-30.2
Value	***	***	***	***	***	24.1	73.6	-28.5	-10.8
Unit value	$6,219	$4,995	$4,711	$3,928	$5,021	-24.2	-19.7	-5.7	27.8
Ending inventory quantity	1,359	1,332	1,461	1,743	1,313	7.5	-2.0	9.7	-24.7
Other sources--Quantity	17,020	17,506	20,701	3,584	8,119	21.6	2.9	18.3	126.5
Value	106,424	105,340	99,070	19,707	37,733	-6.9	-1.0	-6.0	91.5
Unit value	$6,253	$6,017	$4,786	$5,498	$4,648	-23.5	-3.8	-20.5	-15.5
Ending inventory quantity	2,534	2,536	2,478	2,642	2,639	-2.2	0.1	-2.3	-0.1
All sources--Quantity	***	***	***	***	***	33.9	35.9	-1.4	60.2
Value	***	***	***	***	***	2.1	20.6	-15.4	56.3
Unit value	$6,243	$5,543	$4,759	$4,834	$4,717	-23.8	-11.2	-14.1	-2.4
Ending inventory quantity	3,893	3,868	3,939	4,385	3,952	1.2	-0.6	1.8	-9.9
U.S. producers':									
Average Capacity quantity	***	***	***	***	***	-2.5	-0.3	-2.3	4.3
Production quantity	***	***	***	***	***	-11.4	5.7	-16.2	73.8
Capacity utilization (1)	42.8	45.4	38.9	31.4	52.3	-3.9	2.6	-6.5	20.9
U.S. shipments--Quantity	13,177	11,827	10,959	2,501	4,060	-16.8	-10.2	-7.3	62.3
Value	***	***	***	***	***	-19.6	-11.5	-9.2	51.4
Unit value	***	***	***	***	***	-3.3	-1.3	-2.0	-6.7
Export shipments:--Quantity	***	***	***	***	***	37.0	49.8	-8.5	-3.5
Value	***	***	***	***	***	8.7	26.4	-14.0	-17.0
Unit value	$6,594	$5,564	$5,229	$5,587	$4,807	-20.7	-15.6	-6.0	-14.0
Ending inventory quantity	2,111	2,626	2,854	2,436	4,979	35.2	24.4	8.7	104.4
Inventories/total shipments (1)	13.3	16.5	19.4	17.7	25.1	6.2	3.2	2.9	7.4
Production workers	1,064	1,000	945	942	1,005	-11.2	-6.0	-5.5	6.6
Hours worked (1,000s)	1,559	1,474	1,355	362	408	-13.0	-5.4	-8.0	12.7
Wages paid ($1,000s)	23,012	22,165	21,494	5,463	6,770	-6.6	-3.7	-3.0	23.9
Hourly wages	$14.76	$15.04	$15.86	$15.10	$16.60	7.4	1.9	5.4	10.0
Productivity (tons per 1,000 hours)	***	***	***	***	***	1.8	11.8	-8.9	54.2
Unit labor costs	***	***	***	***	***	5.5	-8.9	15.8	-28.7
Net sales:--Quantity	***	***	***	***	***	-13.8	6.3	-18.9	43.3
Value	***	***	***	***	***	-18.9	-2.7	-16.7	32.6
Unit value	$8,889	$8,138	$8,362	$8,325	$7,708	-5.9	-8.5	2.8	-7.4
Cost of goods sold (COGS)	***	***	***	***	***	-20.9	-5.3	-16.4	26.9
Gross profit or (loss)	***	***	***	***	***	-4.9	16.2	-18.2	71.2
SG&A expenses	***	***	***	***	***	-6.5	-5.5	-1.1	3.6
Operating income or (loss)	***	***	***	***	***	-2.0	57.3	-37.7	290.5
Capital expenditures	6,435	16,035	7,024	3,023	3,923	9.1	149.2	-56.2	29.8
Unit COGS	***	***	***	***	***	-8.2	-10.9	3.1	-11.4
Unit SG&A expenses	***	***	***	***	***	8.5	-11.1	22.0	-27.7
Unit operating income or (loss)	***	***	***	***	***	13.8	48.0	-23.1	172.6
COGS/sales (1)	***	***	***	***	***	-2.1	-2.4	0.3	-3.8
Operating income or (loss)/sales (1)	***	***	***	***	***	0.9	2.6	-1.7	6.0

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

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

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

Table C-2--OFFICIAL STATS., ADJ.
Hot-finished CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			January-March		Period changes			anuary-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	6.4	34.1	-20.7	62.3
Producers' share (1)	***	***	***	***	***	-15.9	-10.7	-5.2	3.6
Importers' share (1):--Japan	***	***	***	***	***	8.4	19.7	-11.4	-24.0
Other sources	***	***	***	***	***	7.6	-9.0	16.6	20.4
Total imports	***	***	***	***	***	15.9	10.7	5.2	-3.6
U.S. consumption value:									
Amount	***	***	***	***	***	-20.3	8.9	-26.8	48.6
Producers' share (1)	***	***	***	***	***	-13.5	-7.1	-6.4	6.3
Importers' share (1):--Japan	***	***	***	***	***	8.9	17.8	-8.8	-18.4
Other sources	***	***	***	***	***	4.6	-10.6	15.2	12.2
Total imports	***	***	***	***	***	13.5	7.1	6.4	-6.3
U.S. imports from--									
Japan--Quantity	***	***	***	***	***	52.0	170.0	-43.7	-33.6
Value	***	***	***	***	***	24.4	130.4	-46.0	-34.2
Unit value	$4,387	$3,744	$3,589	$3,300	$3,272	-18.2	-14.7	-4.1	-0.9
Ending inventory quantity	640	645	797	987	652	24.5	0.8	23.6	-33.9
Other sources--Quantity	10,775	11,429	13,488	2,340	5,848	25.2	6.1	18.0	149.9
Value	62,170	52,094	54,494	10,670	20,394	-12.3	-16.2	4.6	91.1
Unit value	$5,770	$4,558	$4,040	$4,560	$3,488	-30.0	-21.0	-11.4	-23.5
Ending inventory quantity	1,267	1,268	1,239	1,321	1,319	-2.2	0.1	-2.3	-0.1
All sources--Quantity	***	***	***	***	***	33.6	57.2	-15.0	54.9
Value	***	***	***	***	***	-2.9	21.4	-20.0	36.3
Unit value	$5,339	$4,122	$3,880	$3,908	$3,440	-27.3	-22.8	-5.9	-12.0
Ending inventory quantity	1,907	1,913	2,036	2,308	1,971	6.8	0.3	6.4	-14.6
U.S. producers':									
Average Capacity quantity	28,049	28,810	26,215	7,709	7,674	-6.5	2.7	-9.0	-0.5
Production quantity	11,566	12,262	8,778	2,023	4,001	-24.1	6.0	-28.4	97.8
Capacity utilization (1)	41.2	42.6	33.5	26.2	52.1	-7.8	1.3	-9.1	25.9
U.S. shipments--Quantity	9,403	9,000	5,761	1,338	2,531	-38.7	-4.3	-36.0	89.2
Value	51,037	45,097	26,149	6,122	11,434	-48.8	-11.6	-42.0	86.8
Unit value	$5,428	$5,011	$4,539	$4,576	$4,517	-16.4	-7.7	-9.4	-1.3
Export shipments:--Quantity	2,164	3,254	3,008	680	788	39.0	50.4	-7.6	15.9
Value	***	***	***	***	***	17.1	35.4	-13.5	7.5
Unit value	***	***	***	***	***	-15.7	-9.9	-6.4	-7.2
Ending inventory quantity	***	***	***	***	***	950.0	400.0	110.0	9,907.1
Inventories/total shipments (1)	***	***	***	***	***	0.2	0.1	0.2	8.6
Production workers	202	191	157	164	168	-22.3	-5.5	-17.8	2.4
Hours worked (1,000s)	368	345	209	75	76	-43.2	-6.1	-39.5	0.8
Wages paid ($1,000s)	7,318	6,962	4,385	1,185	1,375	-40.1	-4.9	-37.0	16.0
Hourly wages	$19.90	$20.16	$20.98	$15.72	$18.09	5.5	1.3	4.1	15.1
Productivity (tons per 1,000 hours)	31.4	35.5	42.0	26.8	52.6	33.6	12.9	18.3	96.2
Unit labor costs	$633	$568	$500	$586	$344	-21.0	-10.3	-12.0	-41.3
Net sales:--Quantity	11,680	12,406	8,493	1,982	3,171	-27.3	6.2	-31.5	60.0
Value	63,851	62,222	38,741	9,459	14,179	-39.3	-2.6	-37.7	49.9
Unit value	$5,467	$5,015	$4,562	$4,772	$4,471	-16.6	-8.3	-9.0	-6.3
Cost of goods sold (COGS)	59,272	55,877	36,381	8,859	12,870	-38.6	-5.7	-34.9	45.3
Gross profit or (loss)	4,579	6,345	2,360	599	1,309	-48.4	38.6	-62.8	118.4
SG&A expenses	2,649	2,367	1,717	458	530	-35.2	-10.6	-27.5	15.8
Operating income or (loss)	1,930	3,978	643	142	779	-66.7	106.1	-83.8	449.0
Capital expenditures	1,135	8,962	2,194	884	1,674	93.3	689.5	-75.5	89.3
Unit COGS	$5,075	$4,504	$4,284	$4,470	$4,058	-15.6	-11.2	-4.9	-9.2
Unit SG&A expenses	$227	$191	$202	$231	$167	-10.9	-15.9	6.0	-27.6
Unit operating income or (loss)	$165	$321	$76	$72	$246	-54.1	94.1	-76.4	243.1
COGS/sales (1)	92.8	89.8	93.9	93.7	90.8	1.1	-3.0	4.1	-2.9
Operating income or (loss)/sales (1)	3.0	6.4	1.7	1.5	5.5	-1.4	3.4	-4.7	4.0

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

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

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

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Table C-2A--OFFICIAL STATS.
Hot-finished CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					anuary-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	28,126	36,822	30,935	6,877	10,404	10.0	30.9	-16.0	51.3
Producers' share (1)	33.4	24.4	18.6	19.5	24.3	-14.8	-9.0	-5.8	4.9
Importers' share (1):--Japan	28.3	44.5	37.8	46.5	19.5	9.5	16.3	-6.7	-27.1
Other sources	38.3	31.0	43.6	34.0	56.2	5.3	-7.3	12.6	22.2
Total imports	66.6	75.6	81.4	80.5	75.7	14.8	9.0	5.8	-4.9
U.S. consumption value:									
Amount	143,776	155,965	115,813	26,413	37,996	-19.4	8.5	-25.7	43.9
Producers' share (1)	35.5	28.9	22.6	23.2	30.1	-12.9	-6.6	-6.3	6.9
Importers' share (1):--Japan	21.3	37.7	30.4	36.4	16.2	9.1	16.4	-7.3	-20.2
Other sources	43.2	33.4	47.1	40.4	53.7	3.8	-9.8	13.7	13.3
Total imports	64.5	71.1	77.4	76.8	69.9	12.9	6.6	6.3	-6.9
U.S. imports from--									
Japan--Quantity	7,948	16,393	11,686	3,199	2,025	47.0	106.2	-28.7	-36.7
Value	30,569	58,774	35,170	9,622	6,168	15.1	92.3	-40.2	-35.9
Unit value	$3,846	$3,585	$3,010	$3,008	$3,045	-21.7	-6.8	-16.1	1.2
Ending inventory quantity	640	645	797	987	652	24.5	0.8	23.6	-33.9
Other sources--Quantity	10,775	11,429	13,488	2,340	5,848	25.2	6.1	18.0	149.9
Value	62,170	52,094	54,494	10,670	20,394	-12.3	-16.2	4.6	91.1
Unit value	$5,770	$4,558	$4,040	$4,560	$3,488	-30.0	-21.0	-11.4	-23.5
Ending inventory quantity	1,267	1,268	1,239	1,321	1,319	-2.2	0.1	-2.3	-0.1
All sources--Quantity	18,723	27,822	25,174	5,539	7,873	34.5	48.6	-9.5	42.1
Value	92,739	110,868	89,664	20,291	26,562	-3.3	19.5	-19.1	30.9
Unit value	$4,953	$3,985	$3,562	$3,664	$3,374	-28.1	-19.5	-10.6	-7.9
Ending inventory quantity	1,907	1,913	2,036	2,308	1,971	6.8	0.3	6.4	-14.6
U.S. producers':									
Average Capacity quantity	28,049	28,810	26,215	7,709	7,674	-6.5	2.7	-9.0	-0.5
Production quantity	11,566	12,262	8,778	2,023	4,001	-24.1	6.0	-28.4	97.8
Capacity utilization (1)	41.2	42.6	33.5	26.2	52.1	-7.8	1.3	-9.1	25.9
U.S. shipments--Quantity	9,403	9,000	5,761	1,338	2,531	-38.7	-4.3	-36.0	89.2
Value	51,037	45,097	26,149	6,122	11,434	-48.8	-11.6	-42.0	86.8
Unit value	$5,428	$5,011	$4,539	$4,576	$4,517	-16.4	-7.7	-9.4	-1.3
Export shipments:--Quantity	2,164	3,254	3,008	680	788	39.0	50.4	-7.6	15.9
Value	***	***	***	***	***	17.1	35.4	-13.5	7.5
Unit value	***	***	***	***	***	-15.7	-9.9	-6.4	-7.2
Ending inventory quantity	***	***	***	***	***	950.0	400.0	110.0	9,907.1
Inventories/total shipments (1)	***	***	***	***	***	0.2	0.1	0.2	8.6
Production workers	202	191	157	164	168	-22.3	-5.5	-17.8	2.4
Hours worked (1,000s)	368	345	209	75	76	-43.2	-6.1	-39.5	0.8
Wages paid ($1,000s)	7,318	6,962	4,385	1,185	1,375	-40.1	-4.9	-37.0	16.0
Hourly wages	$19.90	$20.16	$20.98	$15.72	$18.09	5.5	1.3	4.1	15.1
Productivity (tons per 1,000 hours)	31.4	35.5	42.0	26.8	52.6	33.6	12.9	18.3	96.2
Unit labor costs	$633	$568	$500	$586	$344	-21.0	-10.3	-12.0	-41.3
Net sales:--Quantity	11,680	12,406	8,493	1,982	3,171	-27.3	6.2	-31.5	60.0
Value	63,851	62,222	38,741	9,459	14,179	-39.3	-2.6	-37.7	49.9
Unit value	5,467	5,015	4,562	4,772	4,471	-16.6	-8.3	-9.0	-6.3
Cost of goods sold (COGS)	59,272	55,877	36,381	8,859	12,870	-38.6	-5.7	-34.9	45.3
Gross profit or (loss)	4,579	6,345	2,360	599	1,309	-48.4	38.6	-62.8	118.4
SG&A expenses	2,649	2,367	1,717	458	530	-35.2	-10.6	-27.5	15.8
Operating income or (loss)	1,930	3,978	643	142	779	-66.7	106.1	-83.8	449.0
Capital expenditures	1,135	8,962	2,194	884	1,674	93.3	689.5	-75.5	89.3
Unit COGS	$5,075	$4,504	$4,284	$4,470	$4,058	-15.6	-11.2	-4.9	-9.2
Unit SG&A expenses	$227	$191	$202	$231	$167	-10.9	-15.9	6.0	-27.6
Unit operating income or (loss)	$165	$321	$76	$72	$246	-54.1	94.1	-76.4	243.1
COGS/sales (1)	92.8	89.8	93.9	93.7	90.8	1.1	-3.0	4.1	-2.9
Operating income or (loss)/sales (1)	3.0	6.4	1.7	1.5	5.5	-1.4	3.4	-4.7	4.0

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

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

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

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Table C-2B--QUESTIONNAIRES
Hot-finished CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					anuary-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	11.8	32.5	-15.6	65.3
Producers' share (1)	***	***	***	***	***	-16.7	-10.2	-6.4	3.3
Importers' share (1):--Japan	***	***	***	***	***	11.3	17.1	-5.8	-20.3
Other sources	***	***	***	***	***	5.4	-6.9	12.3	17.0
Total imports	***	***	***	***	***	16.7	10.2	6.4	-3.3
U.S. consumption value:									
Amount	***	***	***	***	***	-14.7	17.2	-27.2	72.8
Producers' share (1)	***	***	***	***	***	-14.8	-9.1	-5.7	2.1
Importers' share (1):--Japan	***	***	***	***	***	10.8	14.9	-4.1	-13.4
Other sources	***	***	***	***	***	4.1	-5.7	9.8	11.3
Total imports	***	***	***	***	***	14.8	9.1	5.7	-2.1
U.S. shipments of imports from--									
Japan--Quantity	***	***	***	***	***	88.6	170.5	-30.3	-35.5
Value	***	***	***	***	***	43.9	128.6	-37.0	-13.9
Unit value	$5,135	$4,340	$3,919	$3,193	$4,260	-23.7	-15.5	-9.7	33.4
Ending inventory quantity	640	645	797	987	652	24.5	0.8	23.6	-33.9
Other sources--Quantity	11,913	13,458	14,858	2,588	5,932	24.7	13.0	10.4	129.2
Value	64,827	66,738	60,036	11,046	23,645	-7.4	2.9	-10.0	114.1
Unit value	$5,442	$4,959	$4,041	$4,268	$3,986	-25.7	-8.9	-18.5	-6.6
Ending inventory quantity	1,267	1,268	1,239	1,321	1,319	-2.2	0.1	-2.3	-0.1
All sources--Quantity	***	***	***	***	***	41.3	54.0	-8.2	58.3
Value	***	***	***	***	***	5.4	34.3	-21.5	67.8
Unit value	$5,362	$4,676	$3,998	$3,805	$4,034	-25.4	-12.8	-14.5	6.0
Ending inventory quantity	1,907	1,913	2,036	2,308	1,971	6.8	0.3	6.4	-14.6
U.S. producers':									
Average Capacity quantity	28,049	28,810	26,215	7,709	7,674	-6.5	2.7	-9.0	-0.5
Production quantity	11,566	12,262	8,778	2,023	4,001	-24.1	6.0	-28.4	97.8
Capacity utilization (1)	41.2	42.6	33.5	26.2	52.1	-7.8	1.3	-9.1	25.9
U.S. shipments--Quantity	9,403	9,000	5,761	1,338	2,531	-38.7	-4.3	-36.0	89.2
Value	51,037	45,097	26,149	6,122	11,434	-48.8	-11.6	-42.0	86.8
Unit value	$5,428	$5,011	$4,539	$4,576	$4,517	-16.4	-7.7	-9.4	-1.3
Export shipments:--Quantity	2,164	3,254	3,008	680	788	39.0	50.4	-7.6	15.9
Value	***	***	***	***	***	17.1	35.4	-13.5	7.5
Unit value	***	***	***	***	***	-15.7	-9.9	-6.4	-7.2
Ending inventory quantity	***	***	***	***	***	950.0	400.0	110.0	9,907.1
Inventories/total shipments (1)	***	***	***	***	***	0.2	0.1	0.2	8.6
Production workers	202	191	157	164	168	-22.3	-5.5	-17.8	2.4
Hours worked (1,000s)	368	345	209	75	76	-43.2	-6.1	-39.5	0.8
Wages paid ($1,000s)	7,318	6,962	4,385	1,185	1,375	-40.1	-4.9	-37.0	16.0
Hourly wages	$19.90	$20.16	$20.98	$15.72	$18.09	5.5	1.3	4.1	15.1
Productivity (tons per 1,000 hours)	31.4	35.5	42.0	26.8	52.6	33.6	12.9	18.3	96.2
Unit labor costs	$633	$568	$500	$586	$344	-21.0	-10.3	-12.0	-41.3
Net sales:--Quantity	11,680	12,406	8,493	1,982	3,171	-27.3	6.2	-31.5	60.0
Value	63,851	62,222	38,741	9,459	14,179	-39.3	-2.6	-37.7	49.9
Unit value	$5,467	$5,015	$4,562	$4,772	$4,471	-16.6	-8.3	-9.0	-6.3
Cost of goods sold (COGS)	59,272	55,877	36,381	8,859	12,870	-38.6	-5.7	-34.9	45.3
Gross profit or (loss)	4,579	6,345	2,360	599	1,309	-48.4	38.6	-62.8	118.4
SG&A expenses	2,649	2,367	1,717	458	530	-35.2	-10.6	-27.5	15.8
Operating income or (loss)	1,930	3,978	643	142	779	-66.7	106.1	-83.8	449.0
Capital expenditures	1,135	8,962	2,194	884	1,674	93.3	689.5	-75.5	89.3
Unit COGS	$5,075	$4,504	$4,284	$4,470	$4,058	-15.6	-11.2	-4.9	-9.2
Unit SG&A expenses	$227	$191	$202	$231	$167	-10.9	-15.9	6.0	-27.6
Unit operating income or (loss)	$165	$321	$76	$72	$246	-54.1	94.1	-76.4	243.1
COGS/sales (1)	92.8	89.8	93.9	93.7	90.8	1.1	-3.0	4.1	-2.9
Operating income or (loss)/sales (1)	3.0	6.4	1.7	1.5	5.5	-1.4	3.4	-4.7	4.0

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

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

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

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Table C-3--OFFICIAL STATS., ADJ.
Cold-finished CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					anuary-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	4.8	9.6	-4.4	27.4
Producers' share (1)	***	***	***	***	***	-4.0	-6.1	2.2	0.9
Importers' share (1):--Japan	***	***	***	***	***	-1.2	1.4	-2.6	-14.9
Other sources	***	***	***	***	***	5.2	4.7	0.4	14.0
Total imports	***	***	***	***	***	4.0	6.1	-2.2	-0.9
U.S. consumption value:									
Amount	***	***	***	***	***	-9.0	0.2	-9.2	25.0
Producers' share (1)	***	***	***	***	***	-2.2	-5.3	3.2	6.5
Importers' share (1):--Japan	***	***	***	***	***	-0.4	1.8	-2.2	-7.4
Other sources	***	***	***	***	***	2.5	3.5	-1.0	0.9
Total imports	***	***	***	***	***	2.2	5.3	-3.2	-6.5
U.S. imports from--									
Japan--Quantity	***	***	***	***	***	-0.2	15.8	-13.8	-47.5
Value	***	***	***	***	***	-11.4	12.5	-21.2	-40.5
Unit value	***	***	***	***	***	-11.2	-2.9	-8.6	13.5
Ending inventory quantity	***	***	***	***	***	-7.6	-4.5	-3.3	-12.6
Other sources--Quantity	6,085	7,629	7,377	1,615	2,868	21.2	25.4	-3.3	77.6
Value	41,296	47,602	41,634	11,415	14,736	0.8	15.3	-12.5	29.1
Unit value	$6,786	$6,240	$5,644	$7,069	$5,139	-16.8	-8.1	-9.6	-27.3
Ending inventory quantity	422	489	486	470	501	15.2	15.9	-0.6	6.6
All sources--Quantity	***	***	***	***	***	12.1	21.3	-7.6	25.5
Value	***	***	***	***	***	-3.9	14.2	-15.8	6.0
Unit value	***	***	***	***	***	-14.2	-5.8	-8.9	-15.5
Ending inventory quantity	***	***	***	***	***	0.8	3.1	-2.2	-5.2
U.S. producers':									
Average Capacity quantity	***	***	***	***	***	3.6	-4.8	8.8	11.2
Production quantity	***	***	***	***	***	6.2	5.3	0.8	50.3
Capacity utilization (1)	45.3	50.1	46.4	38.9	52.6	1.1	4.8	-3.7	13.7
U.S. shipments--Quantity	7,816	7,326	7,425	1,766	2,302	-5.0	-6.3	1.4	30.4
Value	108,660	99,538	95,389	23,041	32,031	-12.2	-8.4	-4.2	39.0
Unit value	$13,902	$13,587	$12,847	$13,051	$13,915	-7.6	-2.3	-5.4	6.6
Export shipments:--Quantity	560	827	724	258	117	29.3	47.6	-12.4	-54.6
Value	6,568	7,275	6,171	2,082	956	-6.0	10.8	-15.2	-54.1
Unit value	$11,729	$8,799	$8,522	$8,079	$8,174	-27.3	-25.0	-3.2	1.2
Ending inventory quantity	***	***	***	***	***	34.3	24.0	8.3	47.7
Inventories/total shipments (1)	***	***	***	***	***	9.6	6.9	2.7	7.1
Production workers	862	809	788	778	837	-8.6	-6.1	-2.6	7.5
Hours worked (1,000s)	1,191	1,128	1,146	286	332	-3.7	-5.2	1.6	15.8
Wages paid ($1,000s)	15,694	15,203	17,109	4,278	5,395	9.0	-3.1	12.5	26.1
Hourly wages	$13.18	$13.47	$14.92	$14.93	$16.26	13.2	2.2	10.8	8.9
Productivity (tons per 1,000 hours)	***	***	***	***	***	10.3	11.2	-0.8	29.8
Unit labor costs	***	***	***	***	***	2.6	-8.0	11.6	-16.1
Net sales:--Quantity	***	***	***	***	***	-5.1	-1.3	-3.8	18.6
Value	***	***	***	***	***	-10.8	-5.0	-6.1	21.0
Unit value	***	***	***	***	***	-6.1	-3.8	-2.4	2.1
Cost of goods sold (COGS)	***	***	***	***	***	-14.2	-7.0	-7.8	14.1
Gross profit or (loss)	***	***	***	***	***	11.7	7.7	3.7	61.6
SG&A expenses	***	***	***	***	***	2.7	-3.8	6.8	1.1
Operating income or (loss)	***	***	***	***	***	30.9	32.5	-1.2	257.8
Capital expenditures	***	***	***	***	***	-8.9	33.5	-31.7	5.1
Unit COGS	***	***	***	***	***	-9.6	-5.8	-4.1	-3.7
Unit SG&A expenses	***	***	***	***	***	8.2	-2.6	11.0	-14.7
Unit operating income or (loss)	***	***	***	***	***	37.9	34.2	2.7	201.8
COGS/sales (1)	***	***	***	***	***	-3.3	-1.8	-1.5	-4.9
Operating income or (loss)/sales (1)	***	***	***	***	***	2.0	1.6	0.3	6.7

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

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

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

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Table C-3A--OFFICIAL STATS.
Cold-finished CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					anuary-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	19,156	20,408	20,713	5,718	5,773	8.1	6.5	1.5	1.0
Producers' share (1)	40.8	35.9	35.8	30.9	39.9	-5.0	-4.9	-0.0	9.0
Importers' share (1):--Japan	27.4	26.7	28.5	40.9	10.5	1.1	-0.7	1.8	-30.4
Other sources	31.8	37.4	35.6	28.2	49.7	3.8	5.6	-1.8	21.4
Total imports	59.2	64.1	64.2	69.1	60.1	5.0	4.9	0.0	-9.0
U.S. consumption value:									
Amount	177,883	176,935	164,897	44,111	50,136	-7.3	-0.5	-6.8	13.7
Producers' share (1)	61.1	56.3	57.8	52.2	63.9	-3.2	-4.8	1.6	11.7
Importers' share (1):--Japan	15.7	16.8	16.9	21.9	6.7	1.2	1.1	0.1	-15.2
Other sources	23.2	26.9	25.2	25.9	29.4	2.0	3.7	-1.7	3.5
Total imports	38.9	43.7	42.2	47.8	36.1	3.2	4.8	-1.6	-11.7
U.S. imports from--									
Japan--Quantity	5,255	5,454	5,911	2,338	603	12.5	3.8	8.4	-74.2
Value	27,927	29,795	27,875	9,655	3,368	-0.2	6.7	-6.4	-65.1
Unit value	$5,315	$5,463	$4,716	$4,130	$5,583	-11.3	2.8	-13.7	35.2
Ending inventory quantity	719	687	664	756	661	-7.6	-4.5	-3.3	-12.6
Other sources--Quantity	6,085	7,629	7,377	1,615	2,868	21.2	25.4	-3.3	77.6
Value	41,296	47,602	41,634	11,415	14,736	0.8	15.3	-12.5	29.1
Unit value	$6,786	$6,240	$5,644	$7,069	$5,139	-16.8	-8.1	-9.6	-27.3
Ending inventory quantity	422	489	486	470	501	15.2	15.9	-0.6	6.6
All sources--Quantity	11,340	13,082	13,288	3,953	3,471	17.2	15.4	1.6	-12.2
Value	69,223	77,397	69,509	21,070	18,105	0.4	11.8	-10.2	-14.1
Unit value	$6,104	$5,916	$5,231	$5,331	$5,216	-14.3	-3.1	-11.6	-2.1
Ending inventory quantity	1,141	1,176	1,150	1,226	1,162	0.8	3.1	-2.2	-5.2
U.S. producers':									
Average Capacity quantity	***	***	***	***	***	3.6	-4.8	8.8	11.2
Production quantity	***	***	***	***	***	6.2	5.3	0.8	50.3
Capacity utilization (1)	45.3	50.1	46.4	38.9	52.6	1.1	4.8	-3.7	13.7
U.S. shipments--Quantity	7,816	7,326	7,425	1,766	2,302	-5.0	-6.3	1.4	30.4
Value	108,660	99,538	95,389	23,041	32,031	-12.2	-8.4	-4.2	39.0
Unit value	$13,902	$13,587	$12,847	$13,051	$13,915	-7.6	-2.3	-5.4	6.6
Export shipments:--Quantity	560	827	724	258	117	29.3	47.6	-12.4	-54.6
Value	6,568	7,275	6,171	2,082	956	-6.0	10.8	-15.2	-54.1
Unit value	$11,729	$8,799	$8,522	$8,079	$8,174	-27.3	-25.0	-3.2	1.2
Ending inventory quantity	***	***	***	***	***	34.3	24.0	8.3	47.7
Inventories/total shipments (1)	***	***	***	***	***	9.6	6.9	2.7	7.1
Production workers	862	809	788	778	837	-8.6	-6.1	-2.6	7.5
Hours worked (1,000s)	1,191	1,128	1,146	286	332	-3.7	-5.2	1.6	15.8
Wages paid ($1,000s)	15,694	15,203	17,109	4,278	5,395	9.0	-3.1	12.5	26.1
Hourly wages	$13.18	$13.47	$14.92	$14.93	$16.26	13.2	2.2	10.8	8.9
Productivity (tons per 1,000 hours)	***	***	***	***	***	10.3	11.2	-0.8	29.8
Unit labor costs	***	***	***	***	***	2.6	-8.0	11.6	-16.1
Net sales:--Quantity	***	***	***	***	***	-5.1	-1.3	-3.8	18.6
Value	***	***	***	***	***	-10.8	-5.0	-6.1	21.0
Unit value	***	***	***	***	***	-6.1	-3.8	-2.4	2.1
Cost of goods sold (COGS)	***	***	***	***	***	-14.2	-7.0	-7.8	14.1
Gross profit or (loss)	***	***	***	***	***	11.7	7.7	3.7	61.6
SG&A expenses	***	***	***	***	***	2.7	-3.8	6.8	1.1
Operating income or (loss)	***	***	***	***	***	30.9	32.5	-1.2	257.8
Capital expenditures	***	***	***	***	***	-8.9	33.5	-31.7	5.1
Unit COGS	***	***	***	***	***	-9.6	-5.8	-4.1	-3.7
Unit SG&A expenses	***	***	***	***	***	8.2	-2.6	11.0	-14.7
Unit operating income or (loss)	***	***	***	***	***	37.9	34.2	2.7	201.8
COGS/sales (1)	***	***	***	***	***	-3.3	-1.8	-1.5	-4.9
Operating income or (loss)/sales (1)	***	***	***	***	***	2.0	1.6	0.3	6.7

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

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

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

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Table C-3B--QUESTIONNAIRES
Cold-finished CSSSHP: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(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			January-March		Period changes			anuary-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	7.0	-3.6	10.9	47.4
Producers' share (1)	***	***	***	***	***	-5.6	-1.4	-4.2	-5.9
Importers' share (1):--Japan	***	***	***	***	***	3.3	7.2	-3.9	-8.3
Other sources	***	***	***	***	***	2.3	-5.8	8.0	14.2
Total imports	***	***	***	***	***	5.6	1.4	4.2	5.9
U.S. consumption value:									
Amount	***	***	***	***	***	-8.6	-4.5	-4.3	39.6
Producers' share (1)	***	***	***	***	***	-2.5	-2.6	0.1	-0.3
Importers' share (1):--Japan	***	***	***	***	***	1.9	3.3	-1.4	-3.7
Other sources	***	***	***	***	***	0.6	-0.7	1.3	4.0
Total imports	***	***	***	***	***	2.5	2.6	-0.1	0.3
U.S. shipments of imports from--									
Japan--Quantity	***	***	***	***	***	26.7	35.0	-6.2	-15.0
Value	***	***	***	***	***	4.6	19.8	-12.6	-6.1
Unit value	***	***	***	***	***	-17.4	-11.3	-6.9	10.4
Ending inventory quantity	***	***	***	***	***	-7.6	-4.5	-3.3	-12.6
Other sources--Quantity	5,107	4,048	5,843	996	2,187	14.4	-20.7	44.3	119.6
Value	41,597	38,602	39,034	8,661	14,088	-6.2	-7.2	1.1	62.7
Unit value	$8,145	$9,536	$6,680	$8,696	$6,442	-18.0	17.1	-29.9	-25.9
Ending inventory quantity	422	489	486	470	501	15.2	15.9	-0.6	6.6
All sources--Quantity	***	***	***	***	***	18.8	-0.9	19.9	65.4
Value	***	***	***	***	***	-2.4	2.1	-4.5	40.6
Unit value	***	***	***	***	***	-17.8	3.1	-20.3	-15.0
Ending inventory quantity	***	***	***	***	***	0.8	3.1	-2.2	-5.2
U.S. producers':									
Average Capacity quantity	***	***	***	***	***	3.6	-4.8	8.8	11.2
Production quantity	***	***	***	***	***	6.2	5.3	0.8	50.3
Capacity utilization (1)	45.3	50.1	46.4	38.9	52.6	1.1	4.8	-3.7	13.7
U.S. shipments--Quantity	7,816	7,326	7,425	1,766	2,302	-5.0	-6.3	1.4	30.4
Value	108,660	99,538	95,389	23,041	32,031	-12.2	-8.4	-4.2	39.0
Unit value	$13,902	$13,587	$12,847	$13,051	$13,915	-7.6	-2.3	-5.4	6.6
Export shipments:--Quantity	560	827	724	258	117	29.3	47.6	-12.4	-54.6
Value	6,568	7,275	6,171	2,082	956	-6.0	10.8	-15.2	-54.1
Unit value	$11,729	$8,799	$8,522	$8,079	$8,174	-27.3	-25.0	-3.2	1.2
Ending inventory quantity	***	***	***	***	***	34.3	24.0	8.3	47.7
Inventories/total shipments (1)	***	***	***	***	***	9.6	6.9	2.7	7.1
Production workers	862	809	788	778	837	-8.6	-6.1	-2.6	7.5
Hours worked (1,000s)	1,191	1,128	1,146	286	332	-3.7	-5.2	1.6	15.8
Wages paid ($1,000s)	15,694	15,203	17,109	4,278	5,395	9.0	-3.1	12.5	26.1
Hourly wages	$13.18	$13.47	$14.92	$14.93	$16.26	13.2	2.2	10.8	8.9
Productivity (tons per 1,000 hours)	***	***	***	***	***	10.3	11.2	-0.8	29.8
Unit labor costs	***	***	***	***	***	2.6	-8.0	11.6	-16.1
Net sales:--Quantity	***	***	***	***	***	-5.1	-1.3	-3.8	18.6
Value	***	***	***	***	***	-10.8	-5.0	-6.1	21.0
Unit value	***	***	***	***	***	-6.1	-3.8	-2.4	2.1
Cost of goods sold (COGS)	***	***	***	***	***	-14.2	-7.0	-7.8	14.1
Gross profit or (loss)	***	***	***	***	***	11.7	7.7	3.7	61.6
SG&A expenses	***	***	***	***	***	2.7	-3.8	6.8	1.1
Operating income or (loss)	***	***	***	***	***	30.9	32.5	-1.2	257.8
Capital expenditures	***	***	***	***	***	-8.9	33.5	-31.7	5.1
Unit COGS	***	***	***	***	***	-9.6	-5.8	-4.1	-3.7
Unit SG&A expenses	***	***	***	***	***	8.2	-2.6	11.0	-14.7
Unit operating income or (loss)	***	***	***	***	***	37.9	34.2	2.7	201.8
COGS/sales (1)	***	***	***	***	***	-3.3	-1.8	-1.5	-4.9
Operating income or (loss)/sales (1)	***	***	***	***	***	2.0	1.6	0.3	6.7

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

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

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

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Table C-4

Cold-finished CSSSHP: Summary data concerning NON-RELATED AND RELATED PARTIES, January-June 1998, July-December 1998, January-June 1999, and July-December 1999

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

	Reported data				Period changes		
	1998		1999		1998	2nd '98-	1999
Item	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	1st-2nd	1st '99	1st-2nd
Non-related parties: (1)							
Average capacity quantity	***	***	***	***	1.4	8.0	-3.9
Production quantity	***	***	***	***	-27.4	-13.0	19.4
Capacity utilization (2)	***	***	***	***	-15.7	-7.7	7.8
U.S. shipments:--Quantity	***	***	***	***	-19.6	-6.3	-7.1
Value	***	***	***	***	-23.4	-8.7	-10.8
Unit value	***	***	***	***	-4.8	-2.6	-3.9
Export shipments:--Quantity	***	***	***	***	-62.2	-23.9	83.6
Value	***	***	***	***	-56.5	-26.3	72.1
Unit value	***	***	***	***	14.9	-3.1	-6.3
Ending inventory quantity	***	***	***	***	-30.6	31.0	-23.1
Inventories/total shipments (2)	***	***	***	***	-5.1	42.3	-22.7
Net sales:--Quantity	***	***	***	***	-21.8	-10.7	1.8
Value	***	***	***	***	-21.9	-15.2	-1.0
Unit value	***	***	***	***	-0.1	-5.1	-2.8
Cost of goods sold (COGS)	***	***	***	***	-17.5	-10.4	-5.8
Gross profit or (loss)	***	***	***	***	-45.9	-55.3	80.1
SG&A expenses	***	***	***	***	-11.0	-12.1	9.6
Operating income or (loss)	***	***	***	***	-79.8	-240.6	-108.8
Unit COGS	***	***	***	***	5.5	0.3	-7.5
Unit SG&A expenses	***	***	***	***	13.9	-1.5	7.7
Unit operating income or (loss)	***	***	***	***	-74.2	-257.4	-108.7
COGS/sales (2)	***	***	***	***	4.7	5.0	-4.6
Operating income or (loss)/sales (2)	***	***	***	***	-5.8	-5.3	3.6
Related parties: (3)							
Average capacity quantity	***	***	***	***	0.0	16.5	0.0
Production quantity	***	***	***	***	14.3	32.0	-14.3
Capacity utilization (2)	***	***	***	***	7.2	7.7	-9.3
U.S. shipments:--Quantity	***	***	***	***	10.3	16.6	19.5
Value	***	***	***	***	5.8	-17.9	79.7
Unit value	***	***	***	***	-4.2	-29.6	50.3
Export shipments:--Quantity	***	***	***	***	5726.7	86.5	-95.7
Value	***	***	***	***	703.1	68.0	-84.3
Unit value	***	***	***	***	-86.2	-9.9	262.1
Ending inventory quantity	***	***	***	***	-35.8	83.4	-47.4
Inventories/total shipments (2)	***	***	***	***	-48.5	46.9	-47.0
Net sales:--Quantity	***	***	***	***	29.2	20.7	-12.7
Value	***	***	***	***	4.3	14.8	1.8
Unit value	***	***	***	***	-19.3	-4.9	16.7
Cost of goods sold (COGS)	***	***	***	***	16.0	7.3	-4.4
Gross profit or (loss)	***	***	***	***	-33.6	56.8	26.0
SG&A expenses	***	***	***	***	10.2	15.0	-3.7
Operating income or (loss)	***	***	***	***	-68.0	169.3	60.1
Unit COGS	***	***	***	***	-10.2	-11.1	9.5
Unit SG&A expenses	***	***	***	***	-14.7	-4.7	10.4
Unit operating income or (loss)	***	***	***	***	-75.2	123.2	83.5
COGS/sales (2)	***	***	***	***	8.6	-5.5	-4.9
Operating income or (loss)/sales (2)	***	***	***	***	-9.2	5.5	5.5

(1) Non-related parties include ***. Semi-annual data were not available for ***.

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

(3) Related parties include ***.

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 Commerce statistics.

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Table C-4A
Cold-finished CSSSHP: Summary data concerning RELATED AND NON-RELATED PARTIES, 1997-99, January-March1999, and January-March 2000

(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			
				January-March					January-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
Non-related parties: (1)									
Average capacity quantity	***	***	***	***	***	3.6	-1.8	5.5	14.6
Production quantity	***	***	***	***	***	-14.3	-0.9	-13.6	45.3
Capacity utilization (2)	***	***	***	***	***	-8.3	0.5	-8.8	10.3
U.S. shipments:--Quantity	***	***	***	***	***	-18.9	-4.6	-15.0	22.6
Value	***	***	***	***	***	-21.9	-6.9	-16.2	16.0
Unit value	***	***	***	***	***	-3.8	-2.3	-1.4	-5.3
Export shipments:--Quantity	***	***	***	***	***	-29.5	19.1	-40.8	65.2
Value	***	***	***	***	***	-42.0	-3.7	-39.8	34.6
Unit value	***	***	***	***	***	-17.7	-19.1	1.8	-18.5
Ending inventory quantity	***	***	***	***	***	34.1	26.6	5.9	88.1
Inventories/total shipments (2)	***	***	***	***	***	8.2	3.6	4.6	8.8
Net sales:--Quantity	***	***	***	***	***	-24.6	-4.2	-21.3	42.2
Value	***	***	***	***	***	-28.0	-7.3	-22.4	25.8
Unit value	***	***	***	***	***	-4.6	-3.2	-1.4	-11.6
Cost of goods sold (COGS)	***	***	***	***	***	-28.9	-10.7	-20.4	24.4
Gross profit or (loss)	***	***	***	***	***	-18.8	28.5	-36.8	38.8
SG&A expenses	***	***	***	***	***	-3.8	-0.2	-3.6	7.1
Operating income or (loss)	***	***	***	***	***	-111.2	205.5	-103.7	-272.0
Unit COGS	***	***	***	***	***	-5.7	-6.7	1.1	-12.5
Unit SG&A expenses	***	***	***	***	***	27.6	4.2	22.4	-24.7
Unit operating income or (loss)	***	***	***	***	***	-114.9	219.0	-104.7	-220.9
COGS/sales (2)	***	***	***	***	***	-1.1	-3.3	2.2	-1.0
Operating income or (loss)/sales (2)	***	***	***	***	***	-1.4	2.8	-4.2	2.5
Related parties: (3)									
Average capacity quantity	***	***	***	***	***	3.7	-11.0	16.5	5.8
Production quantity	***	***	***	***	***	58.2	21.0	30.7	57.9
Capacity utilization (2)	***	***	***	***	***	20.9	14.3	6.6	19.7
U.S. shipments:--Quantity	***	***	***	***	***	21.2	-9.4	33.8	41.8
Value	***	***	***	***	***	5.6	-11.2	19.0	75.2
Unit value	***	***	***	***	***	-12.9	-2.0	-11.1	23.6
Export shipments:--Quantity	***	***	***	***	***	2167.3	1085.3	91.3	-95.9
Value	***	***	***	***	***	313.5	139.4	72.8	-95.7
Unit value	***	***	***	***	***	-81.8	-79.8	-9.7	3.6
Ending inventory quantity	***	***	***	***	***	34.4	22.8	9.5	28.6
Inventories/total shipments (2)	***	***	***	***	***	0.5	14.1	-13.6	6.3
Net sales:--Quantity	***	***	***	***	***	33.0	4.4	27.4	-5.2
Value	***	***	***	***	***	16.5	-1.5	18.2	16.2
Unit value	***	***	***	***	***	-12.5	-5.7	-7.2	22.6
Cost of goods sold (COGS)	***	***	***	***	***	12.4	-0.3	12.7	2.4
Gross profit or (loss)	***	***	***	***	***	32.3	-6.4	41.3	72.4
SG&A expenses	***	***	***	***	***	9.5	-7.6	18.4	-4.1
Operating income or (loss)	***	***	***	***	***	61.6	-4.8	69.8	186.5
Unit COGS	***	***	***	***	***	-15.5	-4.5	-11.5	8.1
Unit SG&A expenses	***	***	***	***	***	-17.7	-11.5	-7.0	1.2
Unit operating income or (loss)	***	***	***	***	***	21.5	-8.9	33.3	202.4
COGS/sales (2)	***	***	***	***	***	-2.8	1.0	-3.8	-9.5
Operating income or (loss)/sales (2)	***	***	***	***	***	3.4	-0.3	3.7	11.6

(1) Non-related parties include ***.
(2) "Reported data" are in percent and "period changes" are in percentage points.
(3) Related parties include ***.

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 Commerce statistics.

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Table C-5--OFFICIAL STATS., ADJ.

CSSSHP: Summary data concerning the U.S. market, EXCLUDING RELATED PARTIES, 1997-99, January-March1999, and January-March 2000

(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			
				January-March					January-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	10.9	25.0	-11.3	48.7
Non-related producers' share	***	***	***	***	***	-9.0	-7.5	-1.5	2.6
Related producers' share	***	***	***	***	***	0.6	-1.9	2.5	-0.3
Producers' share (1)	***	***	***	***	***	-8.4	-9.4	1.1	2.3
Importers' share (1):--Japan	***	***	***	***	***	3.4	13.5	-10.1	-21.1
Other sources	***	***	***	***	***	4.9	-4.1	9.0	18.8
Total imports	***	***	***	***	***	8.4	9.4	-1.1	-2.3
U.S. consumption value:									
Amount	***	***	***	***	***	-11.1	3.9	-14.5	34.4
Non-related producers' share	***	***	***	***	***	-7.0	-5.2	-1.9	1.0
Related producers' share	***	***	***	***	***	2.5	-1.9	4.4	4.3
Producers' share (1)	***	***	***	***	***	-4.6	-7.1	2.6	5.3
Importers' share (1):--Japan	***	***	***	***	***	2.9	9.7	-6.8	-11.8
Other sources	***	***	***	***	***	1.6	-2.6	4.2	6.5
Total imports	***	***	***	***	***	4.6	7.1	-2.6	-5.3
U.S. imports from--									
Japan--Quantity	***	***	***	***	***	26.8	95.6	-35.2	-38.0
Value	***	***	***	***	***	4.8	65.9	-36.8	-36.7
Unit value	***	***	***	***	***	-17.4	-15.2	-2.5	2.0
Ending inventory quantity	***	***	***	***	***	7.5	-2.0	9.7	-24.7
Other sources:--Qty.	16,860	19,058	20,865	3,955	8,715	23.8	13.0	9.5	120.4
Value	103,466	99,696	96,128	22,085	35,130	-7.1	-3.6	-3.6	59.1
Unit value	$6,137	$5,231	$4,607	$5,585	$4,031	-24.9	-14.8	-11.9	-27.8
Ending inventory quantity	***	***	***	***	***	-2.2	0.1	-2.3	-0.1
All sources:--Qty.	***	***	***	***	***	24.9	42.7	-12.5	44.2
Value	***	***	***	***	***	-3.4	18.2	-18.2	22.0
Unit value	***	***	***	***	***	-22.6	-17.2	-6.6	-15.4
Ending inventory quantity	***	***	***	***	***	1.2	-0.6	1.8	-9.9
U.S. producers':									
Average capacity quantity	40,452	40,988	39,066	10,993	11,437	-3.4	1.3	-4.7	4.0
Production quantity	17,516	18,161	13,875	3,281	5,829	-20.8	3.7	-23.6	77.7
Capacity utilization (1)	43.3	44.3	35.5	29.8	51.0	-7.8	1.0	-8.8	21.1
U.S. shipments:--Qty.	10,474	9,377	7,681	1,783	3,042	-26.7	-10.5	-18.1	70.6
Value	101,167	89,497	71,736	17,615	24,527	-29.1	-11.5	-19.8	39.2
Unit value	$9,659	$9,544	$9,340	$9,877	$8,062	-3.3	-1.2	-2.1	-18.4
Export shipments:--Qty.	***	***	***	***	***	25.2	44.1	-13.1	20.2
Value	***	***	***	***	***	-3.1	22.1	-20.6	12.2
Unit value	$6,386	$5,410	$4,944	$5,123	$4,781	-22.6	-15.3	-8.6	-6.7
Ending inventory quantity	***	***	***	***	***	36.7	27.7	7.1	261.4
Inventories/total shipments (1)	***	***	***	***	***	3.3	1.4	1.9	10.4
Production workers	601	556	514	534	542	-14.5	-7.5	-7.6	1.4
Hours worked (1,000s)	1,080	982	874	246	268	-19.1	-9.1	-11.0	8.9
Wages paid ($1,000s)	17,539	16,362	15,537	3,973	4,939	-11.4	-6.7	-5.0	24.3
Hourly wages	$16.24	$16.67	$17.78	$16.12	$18.41	9.5	2.6	6.7	14.2
Productivity (tons per 1,000 hours)	16.2	18.5	15.9	13.3	21.7	-2.1	14.1	-14.2	63.2
Unit labor costs	$1,001	$901	$1,120	$1,211	$847	11.8	-10.0	24.3	-30.0
Net sales:--Qty.	12,883	13,736	9,934	2,369	3,821	-22.9	6.6	-27.7	61.3
Value	101,349	98,164	69,657	17,002	24,204	-31.3	-3.1	-29.0	42.4
Unit value	$7,867	$7,146	$7,012	$7,177	$6,334	-10.9	-9.2	-1.9	-11.7
Cost of goods sold (COGS)	91,924	85,593	63,360	15,461	21,589	-31.1	-6.9	-26.0	39.6
Gross profit or (loss)	9,425	12,571	6,297	1,541	2,615	-33.2	33.4	-49.9	69.7
SG&A expenses	6,819	6,528	5,734	1,506	1,652	-15.9	-4.3	-12.2	9.7
Operating income or (loss)	2,606	6,043	563	36	963	-78.4	131.9	-90.7	2613.0
Capital expenditures	3,379	14,377	5,330	2,684	3,308	57.7	325.5	-62.9	23.2
Unit COGS	$7,135	$6,231	$6,378	$6,526	$5,650	-10.6	-12.7	2.4	-13.4
Unit SG&A expenses	$529	$475	$577	$636	$432	9.1	-10.2	21.5	-32.0
Unit operating income or (loss)	$202	$440	$57	$15	$252	-72.0	117.5	-87.1	1582.0
COGS/sales (1)	90.7	87.2	91.0	90.9	89.2	0.3	-3.5	3.8	-1.7
Operating income or (loss)/sales (1)	2.6	6.2	0.8	0.2	4.0	-1.8	3.6	-5.3	3.8

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

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

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

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Table C-5A--OFFICIAL STATS.

CSSSHP: Summary data concerning the U.S. market, EXCLUDING RELATED PARTIES, 1997-99, January-March1999, and January-March 2000

(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			
				January-March					January-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	43,240	52,732	49,421	11,993	15,404	14	22	(6)	28
Non-related producers' share	***	***	***	***	***	-8.7	-6.4	-2.2	4.9
Related producers' share	***	***	***	***	***	0.4	-1.6	2.0	0.6
Producers' share (1)	30.5	22.4	22.2	20.9	26.4	-8.3	-8.0	-0.3	5.5
Importers' share (1):--Japan	30.5	41.4	35.6	46.2	17.1	5.1	10.9	-5.8	-29.1
Other sources--U.S. producers (2).	***	***	***	***	***	-2.2	-9.7	7.5	26.4
Other sources--non-U.S. producers	***	***	***	***	***	5.5	6.8	-1.4	-2.8
Other sources	39.0	36.1	42.2	33.0	56.6	3.2	-2.8	6.1	23.6
Total imports	69.5	77.6	77.8	79.1	73.6	8.3	8.0	0.3	-5.5
U.S. consumption value:									
Amount	***	***	***	***	***	-10.0	3.4	-13.0	24.9
Non-related producers' share	***	***	***	***	***	-7.1	-4.9	-2.3	3.0
Related producers' share	***	***	***	***	***	2.2	-1.8	4.0	5.3
Producers' share (1)	***	***	***	***	***	-4.9	-6.7	1.7	8.3
Importers' share (1):--Japan	***	***	***	***	***	3.8	9.0	-5.2	-17.1
Other sources--U.S. producers (2).	***	***	***	***	***	-0.4	-4.6	4.2	18.1
Other sources--non-U.S. producers	***	***	***	***	***	1.5	2.2	-0.8	-9.2
Other sources	***	***	***	***	***	1.1	-2.3	3.4	8.9
Total imports	***	***	***	***	***	4.9	6.7	-1.7	-8.3
U.S. imports from--									
Japan--Quantity	13,203	21,847	17,597	5,537	2,629	33.3	65.5	-19.5	-52.5
Value	58,497	88,569	63,044	19,277	9,536	7.8	51.4	-28.8	-50.5
Unit value	$4,430	$4,054	$3,583	$3,482	$3,628	-19.1	-8.5	-11.6	4.2
Ending inventory quantity	1,359	1,332	1,461	1,743	1,313	7.5	-2.0	9.7	-24.7
Other sources:--Qty.	16,860	19,058	20,865	3,955	8,715	23.8	13.0	9.5	120.4
Value	103,466	99,696	96,128	22,085	35,130	-7.1	-3.6	-3.6	59.1
Unit value	$6,137	$5,231	$4,607	$5,585	$4,031	-24.9	-14.8	-11.9	-27.8
Ending inventory quantity	2,534	2,536	2,478	2,642	2,639	-2.2	0.1	-2.3	-0.1
All sources:--Qty.	30,063	40,904	38,462	9,491	11,344	27.9	36.1	-6.0	19.5
Value	161,962	188,264	159,172	41,362	44,666	-1.7	16.2	-15.5	8.0
Unit value	$5,387	$4,603	$4,138	$4,358	$3,937	-23.2	-14.6	-10.1	-9.6
Ending inventory quantity	3,893	3,868	3,939	4,385	3,952	1.2	-0.6	1.8	-9.9
U.S. producers':									
Average capacity quantity	40,452	40,988	39,066	10,993	11,437	-3.4	1.3	-4.7	4.0
Production quantity	17,516	18,161	13,875	3,281	5,829	-20.8	3.7	-23.6	77.7
Capacity utilization (1)	43.3	44.3	35.5	29.8	51.0	-7.8	1.0	-8.8	21.1
U.S. shipments:--Qty.	10,474	9,377	7,681	1,783	3,042	-26.7	-10.5	-18.1	70.6
Value	101,167	89,497	71,736	17,615	24,527	-29.1	-11.5	-19.8	39.2
Unit value	$9,659	$9,544	$9,340	$9,877	$8,062	-3.3	-1.2	-2.1	-18.4
Export shipments:--Qty.	***	***	***	***	***	25.2	44.1	-13.1	20.2
Value	***	***	***	***	***	-3.1	22.1	-20.6	12.2
Unit value	$6,386	$5,410	$4,944	$5,123	$4,781	-22.6	-15.3	-8.6	-6.7
Ending inventory quantity	***	***	***	***	***	36.7	27.7	7.1	261.4
Inventories/total shipments (1)	***	***	***	***	***	3.3	1.4	1.9	10.4
Production workers	601	556	514	534	542	-14.5	-7.5	-7.6	1.4
Hours worked (1,000s)	1,080	982	874	246	268	-19.1	-9.1	-11.0	8.9
Wages paid ($1,000s)	17,539	16,362	15,537	3,973	4,939	-11.4	-6.7	-5.0	24.3
Hourly wages	$16.24	$16.67	$17.78	$16.12	$18.41	9.5	2.6	6.7	14.2
Productivity (tons per 1,000 hours)	16.2	18.5	15.9	13.3	21.7	-2.1	14.1	-14.2	63.2
Unit labor costs	$1,001	$901	$1,120	$1,211	$847	11.8	-10.0	24.3	-30.0
Net sales:--Qty.	12,883	13,736	9,934	2,369	3,821	-22.9	6.6	-27.7	61.3
Value	101,349	98,164	69,657	17,002	24,204	-31.3	-3.1	-29.0	42.4
Unit value	$7,867	$7,146	$7,012	$7,177	$6,334	-10.9	-9.2	-1.9	-11.7
Cost of goods sold (COGS)	91,924	85,593	63,360	15,461	21,589	-31.1	-6.9	-26.0	39.6
Gross profit or (loss)	9,425	12,571	6,297	1,541	2,615	-33.2	33.4	-49.9	69.7
SG&A expenses	6,819	6,528	5,734	1,506	1,652	-15.9	-4.3	-12.2	9.7
Operating income or (loss)	2,606	6,043	563	36	963	-78.4	131.9	-90.7	2613.0
Capital expenditures	3,379	14,377	5,330	2,684	3,308	57.7	325.5	-62.9	23.2
Unit COGS	$7,135	$6,231	$6,378	$6,526	$5,650	-10.6	-12.7	2.4	-13.4
Unit SG&A expenses	$529	$475	$577	$636	$432	9.1	-10.2	21.5	-32.0
Unit operating income or (loss)	$202	$440	$57	$15	$252	-72.0	117.5	-87.1	1582.0
COGS/sales (1)	90.7	87.2	91.0	90.9	89.2	0.3	-3.5	3.8	-1.7
Operating income or (loss)/sales (1)	2.6	6.2	0.8	0.2	4.0	-1.8	3.6	-5.3	3.8

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

(2) Includes ***.

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 Commerce statistics.

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Table C-5B--QUESTIONNAIRES
CSSSHP: Summary data concerning the U.S. market, EXCLUDING RELATED PARTIES, 1997-99, January-March1999, and January-March 2000

(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			
				January-March					January-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	12	10	2	82
Non-related producers' share	***	***	***	***	***	-7.3	-4.2	-3.1	-0.8
Related producers' share	***	***	***	***	***	0.1	-1.0	1.2	-1.2
Producers' share (1)	***	***	***	***	***	-7.1	-5.2	-1.9	-2.0
Importers' share (1):--Japan	***	***	***	***	***	1.0	-3.1	4.2	7.5
Other sources	***	***	***	***	***	6.1	8.4	-2.3	-5.6
Total imports	***	***	***	***	***	7.1	5.2	1.9	2.0
U.S. consumption value:									
Amount	***	***	***	***	***	-8.0	3.5	-11.1	63.7
Non-related producers' share	***	***	***	***	***	-5.9	-3.7	-2.2	-3.4
Related producers' share	***	***	***	***	***	1.4	-1.4	2.8	0.8
Producers' share (1)	***	***	***	***	***	-4.4	-5.1	0.7	-2.6
Importers' share (1):--Japan	***	***	***	***	***	0.3	-1.2	1.5	4.4
Other sources	***	***	***	***	***	4.1	6.3	-2.1	-1.8
Total imports	***	***	***	***	***	4.4	5.1	-0.7	2.6
U.S. shipments of imports from--									
Japan--Quantity	***	***	***	***	***	63.7	116.1	-24.2	-30.2
Value	***	***	***	***	***	24.1	73.6	-28.5	-10.8
Unit value	$6,219	$4,995	$4,711	$3,928	$5,021	-24.2	-19.7	-5.7	27.8
Ending inventory quantity	1,359	1,332	1,461	1,743	1,313	7.5	-2.0	9.7	-24.7
Other sources:--Qty.	17,020	17,506	20,701	3,584	8,119	21.6	2.9	18.3	126.5
Value	106,424	105,340	99,070	19,707	37,733	-6.9	-1.0	-6.0	91.5
Unit value	$6,253	$6,017	$4,786	$5,498	$4,648	-23.5	-3.8	-20.5	-15.5
Ending inventory quantity	2,534	2,536	2,478	2,642	2,639	-2.2	0.1	-2.3	-0.1
All sources:--Qty.	***	***	***	***	***	25.2	35.9	-1.4	60.2
Value	***	***	***	***	***	25.2	20.6	-15.4	56.3
Unit value	$6,243	$5,543	$4,759	$4,834	$4,717	-23.8	-11.2	-14.1	-2.4
Ending inventory quantity	3,893	3,868	3,939	4,385	3,952	1.2	-0.6	1.8	-9.9
U.S. producers':									
Average capacity quantity	40,452	40,988	39,066	10,993	11,437	-3.4	1.3	-4.7	4.0
Production quantity	17,516	18,161	13,875	3,281	5,829	-20.8	3.7	-23.6	77.7
Capacity utilization (1)	43.3	44.3	35.5	29.8	51.0	-7.8	1.0	-8.8	21.1
U.S. shipments:--Qty.	10,474	9,377	7,681	1,783	3,042	-26.7	-10.5	-18.1	70.6
Value	101,167	89,497	71,736	17,615	24,527	-29.1	-11.5	-19.8	39.2
Unit value	$9,659	$9,544	$9,340	$9,877	$8,062	-3.3	-1.2	-2.1	-18.4
Export shipments:--Qty.	***	***	***	***	***	25.2	44.1	-13.1	20.2
Value	***	***	***	***	***	-3.1	22.1	-20.6	12.2
Unit value	$6,386	$5,410	$4,944	$5,123	$4,781	-22.6	-15.3	-8.6	-6.7
Ending inventory quantity	***	***	***	***	***	36.7	27.7	7.1	261.4
Inventories/total shipments (1)	***	***	***	***	***	3.3	1.4	1.9	10.4
Production workers	601	556	514	534	542	-14.5	-7.5	-7.6	1.4
Hours worked (1,000s)	1,080	982	874	246	268	-19.1	-9.1	-11.0	8.9
Wages paid ($1,000s)	17,539	16,362	15,537	3,973	4,939	-11.4	-6.7	-5.0	24.3
Hourly wages	$16.24	$16.67	$17.78	$16.12	$18.41	9.5	2.6	6.7	14.2
Productivity (tons per 1,000 hours)	16.2	18.5	15.9	13.3	21.7	-2.1	14.1	-14.2	63.2
Unit labor costs	$1,001	$901	$1,120	$1,211	$847	11.8	-10.0	24.3	-30.0
Net sales:--Qty.	12,883	13,736	9,934	2,369	3,821	-22.9	6.6	-27.7	61.3
Value	101,349	98,164	69,657	17,002	24,204	-31.3	-3.1	-29.0	42.4
Unit value	$7,867	$7,146	$7,012	$7,177	$6,334	-10.9	-9.2	-1.9	-11.7
Cost of goods sold (COGS)	91,924	85,593	63,360	15,461	21,589	-31.1	-6.9	-26.0	39.6
Gross profit or (loss)	9,425	12,571	6,297	1,541	2,615	-33.2	33.4	-49.9	69.7
SG&A expenses	6,819	6,528	5,734	1,506	1,652	-15.9	-4.3	-12.2	9.7
Operating income or (loss)	2,606	6,043	563	36	963	-78.4	131.9	-90.7	2613.0
Capital expenditures	3,379	14,377	5,330	2,684	3,308	57.7	325.5	-62.9	23.2
Unit COGS	$7,135	$6,231	$6,378	$6,526	$5,650	-10.6	-12.7	2.4	-13.4
Unit SG&A expenses	$529	$475	$577	$636	$432	9.1	-10.2	21.5	-32.0
Unit operating income or (loss)	$202	$440	$57	$15	$252	-72.0	117.5	-87.1	1582.0
COGS/sales (1)	90.7	87.2	91.0	90.9	89.2	0.3	-3.5	3.8	-1.7
Operating income or (loss)/sales (1)	2.6	6.2	0.8	0.2	4.0	-1.8	3.6	-5.3	3.8

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

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

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

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Table C-6--OFFICIAL STATS, ADJ.
Total CSSSHP: Summary data concerning the U.S. market, January-June 1998, July-December 1998, January-June 1999, and July-December 1999

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

	Reported data				Period changes		
	1998		1999		1998	2nd '98-	1999
Item	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	1st-2nd	1st '99	1st-2nd
U.S. consumption quantity:							
Amount	***	***	***	***	-2.0	-20.8	17.3
Non-related producers' share	***	***	***	***	-1.5	1.3	-1.7
Related producers' share	***	***	***	***	0.6	2.4	0.1
Producers' share (1)	***	***	***	***	-10.0	4.5	-2.6
Importers' share (1):--Japan	***	***	***	***	10.6	-9.5	-7.8
Other sources	***	***	***	***	-0.7	5.0	10.4
Total imports	***	***	***	***	10.0	-4.5	2.6
U.S. consumption value:							
Amount	***	***	***	***	-9.1	-13.4	20.9
Non-related producers' share	***	***	***	***	-2.3	0.7	-3.4
Related producers' share	***	***	***	***	1.8	-0.7	5.8
Producers' share (1)	***	***	***	***	-7.4	-1.0	0.7
Importers' share (1):--Japan	***	***	***	***	6.9	-13.3	-2.5
Other sources	***	***	***	***	0.5	14.3	1.7
Total imports	***	***	***	***	7.4	1.0	-0.7
U.S. imports from--							
Japan--Quantity	***	***	***	***	33.3	-39.5	-12.5
Value	***	***	***	***	18.3	-52.0	3.0
Unit value	***	***	***	***	-11.2	-20.7	17.7
Other sources:--Quantity	9,715	9,342	8,437	12,428	-3.8	-9.7	47.3
Value	51,889	47,807	59,102	74,031	-7.9	23.6	25.3
Unit value	$5,341	$5,117	$7,005	$5,957	-4.2	36.9	-15.0
All sources:--Quantity	***	***	***	***	12.8	-25.5	21.5
Value	***	***	***	***	2.9	-12.0	19.5
Unit value	***	***	***	***	-8.8	18.1	-1.6
U.S. producers':							
Average capacity quantity	***	***	***	***	-2.7	13.5	-25.6
Production quantity	***	***	***	***	-23.9	-7.7	5.9
Capacity utilization (1)	***	***	***	***	-11.0	-7.4	13.6
U.S. shipments:--Quantity	***	***	***	***	-30.5	-6.2	6.9
Value	***	***	***	***	-24.5	-15.7	23.3
Unit value	***	***	***	***	8.7	-10.2	15.3
Export shipments:--Quantity	***	***	***	***	11.8	-12.6	-1.6
Value	***	***	***	***	0.8	-8.4	-12.3
Unit value	***	***	***	***	-9.8	4.8	-10.9
Ending inventory quantity	***	***	***	***	-33.1	60.0	-38.0
Inventories/total shipments (1)	***	***	***	***	-2.1	10.6	-10.2
Net sales:--Quantity	***	***	***	***	-21.9	-9.6	-1.5
Value	***	***	***	***	-21.1	-8.8	-1.7
Unit value	***	***	***	***	1.0	0.8	-0.3
Cost of goods sold (COGS)	***	***	***	***	-17.0	-8.7	-6.1
Gross profit or (loss)	***	***	***	***	-43.6	-9.6	34.1
SG&A expenses	***	***	***	***	0.5	-3.2	-3.1
Operating income or (loss)	***	***	***	***	-72.6	-25.3	150.8
Unit COGS	***	***	***	***	6.2	0.9	-4.7
Unit SG&A expenses	***	***	***	***	28.6	7.0	-1.7
Unit operating income or (loss)	***	***	***	***	-65.0	-17.3	154.5
COGS/sales (1)	***	***	***	***	4.4	0.1	-4.0
Operating income or (loss)/sales (1)	***	***	***	***	-6.0	-0.6	4.1

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

Note 1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.
Note 2:--This table does not reconcile with full year data presented in table C-1 because semi-annual data were not available for: (1) ***, and (2) purchases of redraw hollows for adjustments to totals.

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

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Table C-6A--OFFICIAL STATS
Total CSSSHP: Summary data concerning the U.S. market, January-June 1998, July-December 1998, January-June 1999, and July-December 1999

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

	Reported data				Period changes		
	1998		1999		1998	2nd '98-	1999
Item	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	1st-2nd	1st '99	1st-2nd
U.S. consumption quantity:							
Amount	***	***	***	***	0.9	-14.0	8.5
Non-related producers' share	***	***	***	***	-1.6	0.6	-1.0
Related producers' share	***	***	***	***	0.4	1.6	0.6
Producers' share (1)	***	***	***	***	-10.2	2.0	-0.4
Importers' share (1):--Japan	***	***	***	***	11.8	-3.7	-12.0
Other sources	***	***	***	***	-1.6	1.7	12.4
Total imports	***	***	***	***	10.2	-2.0	0.4
U.S. consumption value:							
Amount	***	***	***	***	-8.1	-7.0	11.7
Non-related producers' share	***	***	***	***	-2.4	-0.2	-2.4
Related producers' share	***	***	***	***	1.6	-1.4	6.5
Producers' share (1)	***	***	***	***	-7.6	-3.3	3.3
Importers' share (1):--Japan	***	***	***	***	7.5	-7.4	-8.5
Other sources	***	***	***	***	0.1	10.7	5.2
Total imports	***	***	***	***	7.6	3.3	-3.3
U.S. imports from--							
Japan--Quantity	9,208	12,639	9,968	7,629	37.3	-21.1	-23.5
Value	40,329	48,240	34,718	25,701	19.6	-28.0	-26.0
Unit value	$4,380	$3,817	$3,483	$3,369	-12.9	-8.8	-3.3
Other sources:--Quantity	9,715	9,342	8,437	12,428	-3.8	-9.7	47.3
Value	51,889	47,807	59,102	74,031	-7.9	23.6	25.3
Unit value	$5,341	$5,117	$7,005	$5,957	-4.2	36.9	-15.0
All sources:--Quantity	18,923	21,981	18,406	20,056	16.2	-16.3	9.0
Value	92,217	96,047	93,820	99,732	4.2	-2.3	6.3
Unit value	$4,873	$4,370	$5,097	$4,973	-10.3	16.7	-2.4
U.S. producers':							
Average capacity quantity	***	***	***	***	-2.7	13.5	-25.6
Production quantity	***	***	***	***	-23.9	-7.7	5.9
Capacity utilization (1)	***	***	***	***	-11.0	-7.4	13.6
U.S. shipments:--Quantity	***	***	***	***	-30.5	-6.2	6.9
Value	***	***	***	***	-24.5	-15.7	23.3
Unit value	***	***	***	***	8.7	-10.2	15.3
Export shipments:--Quantity	***	***	***	***	11.8	-12.6	-1.6
Value	***	***	***	***	0.8	-8.4	-12.3
Unit value	***	***	***	***	-9.8	4.8	-10.9
Ending inventory quantity	***	***	***	***	-33.1	60.0	-38.0
Inventories/total shipments (1)	***	***	***	***	-2.1	10.6	-10.2
Net sales:--Quantity	***	***	***	***	-21.9	-9.6	-1.5
Value	***	***	***	***	-21.1	-8.8	-1.7
Unit value	***	***	***	***	1.0	0.8	-0.3
Cost of goods sold (COGS)	***	***	***	***	-17.0	-8.7	-6.1
Gross profit or (loss)	***	***	***	***	-43.6	-9.6	34.1
SG&A expenses	***	***	***	***	0.5	-3.2	-3.1
Operating income or (loss)	***	***	***	***	-72.6	-25.3	150.8
Unit COGS	***	***	***	***	6.2	0.9	-4.7
Unit SG&A expenses	***	***	***	***	28.6	7.0	-1.7
Unit operating income or (loss)	***	***	***	***	-65.0	-17.3	154.5
COGS/sales (1)	***	***	***	***	4.4	0.1	-4.0
Operating income or (loss)/sales (1)	***	***	***	***	-6.0	-0.6	4.1

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

Note 1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.
Note 2:--This table does not reconcile with full year data presented in table C-1A because semi-annual data were not available for: (1) ***, and (2) purchases of redraw hollows for adjustments to totals.

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

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Table C-7--OFFICIAL STATS, ADJ.
HOT-finished CSSSHP: Summary data concerning the U.S. market, January-June 1998, July-December 1998, January-June 1999, and July-December 1999

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

	Reported data				Period changes		
	1998		1999		1998	2nd '98-	1999
Item	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	1st-2nd	1st '99	1st-2nd
U.S. consumption quantity:							
Amount	***	***	***	***	-7.8	-28.2	30.4
Producers' share (1)	***	***	***	***	-12.6	3.6	-4.0
Importers' share (1):--Japan	***	***	***	***	16.0	-12.7	-12.4
Other sources	***	***	***	***	-3.4	9.1	16.4
Total imports	***	***	***	***	12.6	-3.6	4.0
U.S. consumption value:							
Amount	***	***	***	***	-14.8	-36.0	35.8
Producers' share (1)	***	***	***	***	-12.1	5.7	-7.5
Importers' share (1):--Japan	***	***	***	***	13.7	-19.8	-0.9
Other sources	***	***	***	***	-1.7	14.1	8.4
Total imports	***	***	***	***	12.1	-5.7	7.5
U.S. imports from--							
Japan--Quantity	***	***	***	***	39.0	-47.4	-15.8
Value	***	***	***	***	27.9	-66.9	30.1
Unit value	***	***	***	***	-8.0	-36.9	54.5
Other sources:--Quantity	6,235	5,194	4,782	8,706	-16.7	-7.9	82.0
Value	28,730	23,363	21,019	33,474	-18.7	-10.0	59.3
Unit value	$4,608	$4,498	$4,395	$3,845	-2.4	-2.3	-12.5
All sources:--Quantity	***	***	***	***	9.4	-31.5	37.3
Value	***	***	***	***	1.3	-40.9	50.4
Unit value	***	***	***	***	-7.4	-13.7	9.5
U.S. producers':							
Average capacity quantity	***	***	***	***	-4.6	14.9	-37.9
Production quantity	***	***	***	***	-29.6	-17.5	9.8
Capacity utilization (1)	***	***	***	***	-12.8	-10.2	19.9
U.S. shipments:--Quantity	***	***	***	***	-43.2	-15.3	8.5
Value	***	***	***	***	-43.1	-20.9	1.7
Unit value	***	***	***	***	0.3	-6.5	-6.3
Export shipments:--Quantity	***	***	***	***	23.6	-21.1	12.0
Value	***	***	***	***	14.0	-17.9	-2.2
Unit value	***	***	***	***	-7.8	4.1	-12.7
Ending inventory quantity	***	***	***	***	800.0	22.2	63.6
Inventories/total shipments (1)	***	***	***	***	0.2	0.1	0.1
Net sales:--Quantity	***	***	***	***	-29.8	-17.8	1.9
Value	***	***	***	***	-32.2	-20.7	-5.9
Unit value	***	***	***	***	-3.4	-3.5	-7.7
Cost of goods sold (COGS)	***	***	***	***	-29.8	-18.0	-7.7
Gross profit or (loss)	***	***	***	***	-51.0	-50.0	26.3
SG&A expenses	***	***	***	***	3.9	-20.5	-21.3
Operating income or (loss)	***	***	***	***	-71.6	-90.4	569.5
Unit COGS	***	***	***	***	0.1	-0.3	-9.4
Unit SG&A expenses	***	***	***	***	48.1	-3.3	-22.8
Unit operating income or (loss)	***	***	***	***	-59.5	-88.4	557.0
COGS/sales (1)	***	***	***	***	3.2	3.1	-1.8
Operating income or (loss)/sales (1)	***	***	***	***	-4.8	-3.1	2.6

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

Note 1.--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 Commerce statistics.

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Table C-7A--OFFICIAL STATS

HOT-finished CSSSHP: Summary data concerning the U.S. market, January-June 1998, July-December 1998, January-June 1999, and July-December 1999

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

	Reported data				Period changes		
	1998		1999		1998	2nd '98-	1999
Item	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	1st-2nd	1st '99	1st-2nd
U.S. consumption quantity:							
Amount	***	***	***	***	-2.1	-24.3	24.2
Producers' share (1)	***	***	***	***	-13.0	2.1	-2.5
Importers' share (1):--Japan	***	***	***	***	17.9	-8.3	-13.6
Other sources	***	***	***	***	-5.0	6.2	16.1
Total imports	***	***	***	***	13.0	-2.1	2.5
U.S. consumption value:							
Amount	***	***	***	***	-11.8	-28.1	20.4
Producers' share (1)	***	***	***	***	-12.3	2.3	-3.8
Importers' share (1):--Japan	***	***	***	***	15.0	-10.3	-9.1
Other sources	***	***	***	***	-2.7	8.0	12.9
Total imports	***	***	***	***	12.3	-2.3	3.8
U.S. imports from--							
Japan--Quantity	***	***	***	***	47.1	-35.9	-13.1
Value	***	***	***	***	31.4	-44.3	-10.6
Unit value	***	***	***	***	-10.7	-13.1	2.8
Other sources:--Quantity	6,235	5,194	4,782	8,706	-16.7	-7.9	82.0
Value	28,730	23,363	21,019	33,474	-18.7	-10.0	59.3
Unit value	$4,608	$4,498	$4,395	$3,845	-2.4	-2.3	-12.5
All sources:--Quantity	***	***	***	***	16.2	-26.2	28.1
Value	***	***	***	***	4.8	-30.2	26.5
Unit value	***	***	***	***	-9.8	-5.4	-1.3
U.S. producers':							
Average capacity quantity	***	***	***	***	-4.6	14.9	-37.9
Production quantity	***	***	***	***	-29.6	-17.5	9.8
Capacity utilization (1)	***	***	***	***	-12.8	-10.2	19.9
U.S. shipments:--Quantity	***	***	***	***	-43.2	-15.3	8.5
Value	***	***	***	***	-43.1	-20.9	1.7
Unit value	***	***	***	***	0.3	-6.5	-6.3
Export shipments:--Quantity	***	***	***	***	23.6	-21.1	12.0
Value	***	***	***	***	14.0	-17.9	-2.2
Unit value	***	***	***	***	-7.8	4.1	-12.7
Ending inventory quantity	***	***	***	***	800.0	22.2	63.6
Inventories/total shipments (1)	***	***	***	***	0.2	0.1	0.1
Net sales:--Quantity	***	***	***	***	-29.8	-17.8	1.9
Value	***	***	***	***	-32.2	-20.7	-5.9
Unit value	***	***	***	***	-3.4	-3.5	-7.7
Cost of goods sold (COGS)	***	***	***	***	-29.8	-18.0	-7.7
Gross profit or (loss)	***	***	***	***	-51.0	-50.0	26.3
SG&A expenses	***	***	***	***	3.9	-20.5	-21.3
Operating income or (loss)	***	***	***	***	-71.6	-90.4	569.5
Unit COGS	***	***	***	***	0.1	-0.3	-9.4
Unit SG&A expenses	***	***	***	***	48.1	-3.3	-22.8
Unit operating income or (loss)	***	***	***	***	-59.5	-88.4	557.0
COGS/sales (1)	***	***	***	***	3.2	3.1	-1.8
Operating income or (loss)/sales (1)	***	***	***	***	-4.8	-3.1	2.6

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

Note 1.--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 Commerce statistics.

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Table C-8--OFFICIAL STATS, ADJ.
COLD-finished CSSSHP: Summary data concerning the U.S. market, January-June 1998, July-December 1998, January-June 1999, and July-December 1999

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

	Reported data				Period changes		
	1998		1999		1998	2nd '98-	1999
Item	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	1st-2nd	1st '99	1st-2nd
U.S. consumption quantity:							
Amount	***	***	***	***	8.9	-9.0	0.9
Producers' share (1)	***	***	***	***	-6.2	4.2	1.6
Importers' share (1):--Japan	***	***	***	***	2.6	-2.9	-1.9
Other sources	***	***	***	***	3.5	-1.3	0.4
Total imports	***	***	***	***	6.2	-4.2	-1.6
U.S. consumption value:							
Amount	***	***	***	***	-3.3	7.1	12.9
Producers' share (1)	***	***	***	***	-4.1	-9.1	6.7
Importers' share (1):--Japan	***	***	***	***	1.4	-5.8	-4.0
Other sources	***	***	***	***	2.7	14.9	-2.7
Total imports	***	***	***	***	4.1	9.1	-6.7
U.S. imports from--							
Japan--Quantity	***	***	***	***	20.2	-18.3	-6.8
Value	***	***	***	***	3.9	-24.3	-19.1
Unit value	***	***	***	***	-13.5	-7.4	-13.2
Other sources:--Quantity	3,480	4,148	3,655	3,722	19.2	-11.9	1.8
Value	23,158	24,443	38,083	40,557	5.5	55.8	6.5
Unit value	$6,655	$5,892	$10,419	$10,898	-11.5	76.8	4.6
All sources:--Quantity	***	***	***	***	19.6	-14.5	-1.6
Value	***	***	***	***	4.9	25.5	0.7
Unit value	***	***	***	***	-12.3	46.8	2.3
U.S. producers':							
Average capacity quantity	***	***	***	***	0.9	10.9	-2.5
Production quantity	***	***	***	***	-14.0	6.2	1.5
Capacity utilization (1)	***	***	***	***	-7.9	-1.9	1.8
U.S. shipments:--Quantity	***	***	***	***	-9.3	3.3	5.5
Value	***	***	***	***	-11.1	-13.4	32.4
Unit value	***	***	***	***	-2.0	-16.1	25.5
Export shipments:--Quantity	***	***	***	***	-25.0	31.1	-43.5
Value	***	***	***	***	-23.0	17.1	-31.2
Unit value	***	***	***	***	2.8	-10.7	21.7
Ending inventory quantity	***	***	***	***	-33.6	60.3	-38.6
Inventories/total shipments (1)	***	***	***	***	-11.8	17.9	-20.2
Net sales:--Quantity	***	***	***	***	-6.1	2.6	-5.4
Value	***	***	***	***	-11.2	-0.8	0.6
Unit value	***	***	***	***	-5.4	-3.3	6.3
Cost of goods sold (COGS)	***	***	***	***	-4.6	-2.1	-5.1
Gross profit or (loss)	***	***	***	***	-39.6	8.2	35.7
SG&A expenses	***	***	***	***	-0.6	2.6	1.6
Operating income or (loss)	***	***	***	***	-73.4	26.4	125.7
Unit COGS	***	***	***	***	1.6	-4.6	0.3
Unit SG&A expenses	***	***	***	***	5.9	0.0	7.4
Unit operating income or (loss)	***	***	***	***	-71.7	23.2	138.6
COGS/sales (1)	***	***	***	***	6.0	-1.2	-4.9
Operating income or (loss)/sales (1)	***	***	***	***	-7.0	0.8	4.8

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

Note 1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.
Note 2:--This table does not reconcile with full year data presented in table C-3 because semi-annual data were not available for ***.

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

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Table C-8A--OFFICIAL STATS.
COLD-finished CSSSHP: Summary data concerning the U.S. market, January-June 1998, July-December 1998, January-June 1999, and July-December 1999

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

	Reported data				Period changes		
	1998		1999		1998	2nd '98-	1999
Item	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	1st-2nd	1st '99	1st-2nd
U.S. consumption quantity:							
Amount	***	***	***	***	6.9	4.4	-12.0
Producers' share (1)	***	***	***	***	-5.5	-0.3	6.1
Importers' share (1):--Japan	***	***	***	***	1.3	6.7	-11.5
Other sources	***	***	***	***	4.2	-6.4	5.4
Total imports	***	***	***	***	5.5	0.3	-6.1
U.S. consumption value:							
Amount	***	***	***	***	-4.1	13.6	6.4
Producers' share (1)	***	***	***	***	-3.7	-11.3	8.9
Importers' share (1):--Japan	***	***	***	***	0.7	-0.9	-8.9
Other sources	***	***	***	***	3.0	12.1	0.1
Total imports	***	***	***	***	3.7	11.3	-8.9
U.S. imports from--	***	***	***	***	11.9	29.0	-40.9
Japan--Quantity	2,574	2,880	3,716	2,195	11.9	29.0	-40.9
Value	14,926	14,869	16,146	9,103	-0.4	8.6	-43.6
Unit value	$5,799	$5,163	$4,345	$4,147	-11.0	-15.8	-4.6
Other sources:--Quantity	3,480	4,148	3,655	3,722	19.2	-11.9	1.8
Value	23,158	24,443	38,083	40,557	5.5	55.8	6.5
Unit value	$6,655	$5,892	$10,419	$10,898	-11.5	76.8	4.6
All sources:--Quantity	6,054	7,028	7,371	5,917	16.1	4.9	-19.7
Value	38,084	39,313	54,229	49,660	3.2	37.9	-8.4
Unit value	$6,291	$5,594	$7,357	$8,393	-11.1	31.5	14.1
U.S. producers':							
Average capacity quantity	***	***	***	***	0.9	10.9	-2.5
Production quantity	***	***	***	***	-14.0	6.2	1.5
Capacity utilization (1)	***	***	***	***	-7.9	-1.9	1.8
U.S. shipments:--Quantity	***	***	***	***	-9.3	3.3	5.5
Value	***	***	***	***	-11.1	-13.4	32.4
Unit value	***	***	***	***	-2.0	-16.1	25.5
Export shipments:--Quantity	***	***	***	***	-25.0	31.1	-43.5
Value	***	***	***	***	-23.0	17.1	-31.2
Unit value	***	***	***	***	2.8	-10.7	21.7
Ending inventory quantity	***	***	***	***	-33.6	60.3	-38.6
Inventories/total shipments (1)	***	***	***	***	-11.8	17.9	-20.2
Net sales:--Quantity	***	***	***	***	-6.1	2.6	-5.4
Value	***	***	***	***	-11.2	-0.8	0.6
Unit value	***	***	***	***	-5.4	-3.3	6.3
Cost of goods sold (COGS)	***	***	***	***	-4.6	-2.1	-5.1
Gross profit or (loss)	***	***	***	***	-39.6	8.2	35.7
SG&A expenses	***	***	***	***	-0.6	2.6	1.6
Operating income or (loss)	***	***	***	***	-73.4	26.4	125.7
Unit COGS	***	***	***	***	1.6	-4.6	0.3
Unit SG&A expenses	***	***	***	***	5.9	0.0	7.4
Unit operating income or (loss)	***	***	***	***	-71.7	23.2	138.6
COGS/sales (1)	***	***	***	***	6.0	-1.2	-4.9
Operating income or (loss)/sales (1)	***	***	***	***	-7.0	0.8	4.8

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

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis.
Note 2:--This table does not reconcile with full year data presented in table C-3A because semi-annual data were not available for ***.

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

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Table C-9
CSSSHP: Comparative data concerning apparent consumption, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					anuary-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
HOT: (Quantity)									
Apparent consumption (Qty.):									
Official stats.	28,126	36,822	30,935	6,877	10,404	10.0	30.9	-16.0	51.3
Official stats., Adjusted	***	***	***	***	***	6.4	34.1	-20.7	62.3
Imports, Questionnaires	***	***	***	***	***	13.6	32.3	-14.1	62.3
Shipments of imports, Quest.	***	***	***	***	***	11.8	32.5	-15.6	65.3
Market shares, U.S.:									
Official stats.	33.4	24.4	18.6	19.5	24.3	-14.8	-9.0	-5.8	4.9
Official stats., Adjusted	***	***	***	***	***	-15.9	-10.7	-5.2	3.6
Imports, Questionnaires	***	***	***	***	***	-17.7	-10.6	-7.1	3.8
Shipments of imports, Quest.	***	***	***	***	***	-16.7	-10.2	-6.4	3.3
Market shares, Japan:									
Official stats.	28.3	44.5	37.8	46.5	19.5	9.5	16.3	-6.7	-27.1
Official stats., Adjusted	***	***	***	***	***	8.4	19.7	-11.4	-24.0
Imports, Questionnaires	***	***	***	***	***	12.2	18.9	-6.7	-24.1
Shipments of imports, Quest.	***	***	***	***	***	11.3	17.1	-5.8	-20.3
Market shares, All other:									
Official stats.	38.3	31.0	43.6	34.0	56.2	5.3	-7.3	12.6	22.2
Official stats., Adjusted	***	***	***	***	***	7.6	-9.0	16.6	20.4
Imports, Questionnaires	***	***	***	***	***	5.5	-8.3	13.7	20.3
Shipments of imports, Quest.	***	***	***	***	***	5.4	-6.9	12.3	17.0
COLD: (Quantity)									
Apparent consumption (Qty.):									
Official stats.	19,156	20,408	20,713	5,718	5,773	8.1	6.5	1.5	1.0
Official stats., Adjusted	***	***	***	***	***	4.8	9.6	-4.4	27.4
Imports, Questionnaires	***	***	***	***	***	10.2	-1.7	12.0	43.8
Shipments of imports, Quest.	***	***	***	***	***	7.0	-3.6	10.9	47.4
Market shares, U.S.:									
Official stats.	40.8	35.9	35.8	30.9	39.9	-5.0	-4.9	-0.0	9.0
Official stats., Adjusted	***	***	***	***	***	-4.0	-6.1	2.2	0.9
Imports, Questionnaires	***	***	***	***	***	-6.9	-2.4	-4.6	-4.6
Shipments of imports, Quest.	***	***	***	***	***	-5.6	-1.4	-4.2	-5.9
Market shares, Japan:									
Official stats.	27.4	26.7	28.5	40.9	10.5	1.1	-0.7	1.8	-30.4
Official stats., Adjusted	***	***	***	***	***	53.7	48.5	5.2	-3.6
Imports, Questionnaires	***	***	***	***	***	5.2	9.0	-3.8	-10.0
Shipments of imports, Quest.	***	***	***	***	***	3.3	7.2	-3.9	-8.3
Market shares, All other:									
Official stats.	31.8	37.4	35.6	28.2	49.7	3.8	5.6	-1.8	21.4
Official stats., Adjusted	***	***	***	***	***	5.2	4.7	0.4	14.0
Imports, Questionnaires	***	***	***	***	***	1.7	-6.7	8.4	14.6
Shipments of imports, Quest.	***	***	***	***	***	2.3	-5.8	8.0	14.2
TOTAL: (Quantity)									
Apparent consumption (Qty.):									
Official stats.	43,240	52,732	49,421	11,993	15,404	14.3	21.9	-6.3	28.4
Official stats., Adjusted	***	***	***	***	***	10.9	25.0	-11.3	48.7
Imports, Questionnaires	***	***	***	***	***	18.7	20.0	-1.1	57.1
Shipments of imports, Quest.	***	***	***	***	***	15.9	19.5	-3.0	60.8
Market shares, U.S.:									
Official stats.	30.5	22.4	22.2	20.9	26.4	-8.3	-8.0	-0.3	5.5
Official stats., Adjusted	***	***	***	***	***	-8.4	-9.4	1.1	2.3
Imports, Questionnaires	***	***	***	***	***	-10.9	-9.2	-1.7	0.9
Shipments of imports, Quest.	***	***	***	***	***	-10.0	-8.8	-1.2	0.3
Market shares, Japan:									
Official stats.	30.5	41.4	35.6	46.2	17.1	5.1	10.9	-5.8	-29.1
Official stats., Adjusted	***	***	***	***	***	3.4	13.5	-10.1	-21.1
Imports, Questionnaires	***	***	***	***	***	9.1	17.2	-8.2	-20.2
Shipments of imports, Quest.	***	***	***	***	***	7.8	15.2	-7.4	-17.1
Market shares, All other:									
Official stats.	39.0	36.1	42.2	33.0	56.6	3.2	-2.8	6.1	23.6
Official stats., Adjusted	***	***	***	***	***	4.9	-4.1	9.0	18.8
Imports, Questionnaires	***	***	***	***	***	1.9	-8.0	9.9	19.2
Shipments of imports, Quest.	***	***	***	***	***	2.2	-6.4	8.6	16.8

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Table C-9--Continued
CSSSHP: Comparative data concerning apparent consumption, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					anuary-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
HOT: (Value)									
Apparent consumption (Val..):									
Official stats.	143,776	155,965	115,813	26,413	37,996	-19.4	8.5	-25.7	43.9
Official stats., Adjusted	***	***	***	***	***	-20.3	8.9	-26.8	48.6
Imports, Questionnaires	***	***	***	***	***	-14.1	16.1	-25.9	68.8
Shipments of imports, Quest.	***	***	***	***	***	-14.7	17.2	-27.2	72.8
Market shares, U.S.:									
Official stats.	35.5	28.9	22.6	23.2	30.1	-12.9	-6.6	-6.3	6.9
Official stats., Adjusted	***	***	***	***	***	-13.5	-7.1	-6.4	6.3
Imports, Questionnaires	***	***	***	***	***	-16.4	-9.7	-6.7	3.0
Shipments of imports, Quest.	***	***	***	***	***	-14.8	-9.1	-5.7	2.1
Market shares, Japan:									
Official stats.	21.3	37.7	30.4	36.4	16.2	9.1	16.4	-7.3	-20.2
Official stats., Adjusted	***	***	***	***	***	8.9	17.8	-8.8	-18.4
Imports, Questionnaires	***	***	***	***	***	12.5	17.7	-5.2	-17.8
Shipments of imports, Quest.	***	***	***	***	***	10.8	14.9	-4.1	-13.4
Market shares, All other:									
Official stats.	43.2	33.4	47.1	40.4	53.7	3.8	-9.8	13.7	13.3
Official stats., Adjusted	***	***	***	***	***	4.6	-10.6	15.2	12.2
Imports, Questionnaires	***	***	***	***	***	3.9	-8.0	11.9	14.9
Shipments of imports, Quest.	***	***	***	***	***	4.1	-5.7	9.8	11.3
COLD: (Value)									
Apparent consumption (Val.):									
Official stats.	177,883	176,935	164,897	44,111	50,136	-7.3	-0.5	-6.8	13.7
Official stats., Adjusted	***	***	***	***	***	-9.0	0.2	-9.2	25.0
Imports, Questionnaires	***	***	***	***	***	-6.2	-4.1	-2.2	37.6
Shipments of imports, Quest.	***	***	***	***	***	-8.6	-4.5	-4.3	39.6
Market shares, U.S.:									
Official stats.	61.1	56.3	57.8	52.2	63.9	-3.2	-4.8	1.6	11.7
Official stats., Adjusted	***	***	***	***	***	-2.2	-5.3	3.2	6.5
Imports, Questionnaires	***	***	***	***	***	-4.2	-3.0	-1.3	0.7
Shipments of imports, Quest.	***	***	***	***	***	-2.5	-2.6	0.1	-0.3
Market shares, Japan:									
Official stats.	15.7	16.8	16.9	21.9	6.7	1.2	1.1	0.1	-15.2
Official stats., Adjusted	***	***	***	***	***	-0.4	1.8	-2.2	-7.4
Imports, Questionnaires	***	***	***	***	***	2.4	4.4	-2.0	-5.8
Shipments of imports, Quest.	***	***	***	***	***	1.9	3.3	-1.4	-3.7
Market shares, All other:									
Official stats.	23.2	26.9	25.2	25.9	29.4	2.0	3.7	-1.7	3.5
Official stats., Adjusted	***	***	***	***	***	2.5	3.5	-1.0	0.9
Imports, Questionnaires	***	***	***	***	***	1.8	-1.4	3.3	5.2
Shipments of imports, Quest.	***	***	***	***	***	0.6	-0.7	1.3	4.0
TOTAL: (Value)									
Apparent consumption (Val.):									
Official stats.	***	***	***	***	***	-10.0	3.4	-13.0	24.9
Official stats., Adjusted	***	***	***	***	***	-11.1	3.9	-14.5	34.4
Imports, Questionnaires	***	***	***	***	***	-6.3	4.7	-10.5	50.7
Shipments of imports, Quest.	***	***	***	***	***	-8.3	5.2	-12.9	54.0
Market shares, U.S.:									
Official stats.	***	***	***	***	***	-4.9	-6.7	1.7	8.3
Official stats., Adjusted	***	***	***	***	***	-4.6	-7.1	2.6	5.3
Imports, Questionnaires	***	***	***	***	***	-7.3	-8.0	0.7	0.2
Shipments of imports, Quest.	***	***	***	***	***	-5.9	-7.6	1.7	-0.8
Market shares, Japan:									
Official stats.	***	***	***	***	***	3.8	9.0	-5.2	-17.1
Official stats., Adjusted	***	***	***	***	***	2.9	9.7	-6.8	-11.8
Imports, Questionnaires	***	***	***	***	***	6.2	11.8	-5.6	-10.8
Shipments of imports, Quest.	***	***	***	***	***	5.3	9.8	-4.5	-7.7
Market shares, All other:									
Official stats.	***	***	***	***	***	1.1	-2.3	3.4	8.9
Official stats., Adjusted	***	***	***	***	***	1.6	-2.6	4.2	6.5
Imports, Questionnaires	***	***	***	***	***	1.1	-3.8	4.9	10.6
Shipments of imports, Quest.	***	***	***	***	***	0.6	-2.2	2.7	8.5

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

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

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Table C-10
CSSSHP: Comparative data concerning imports, 1997-99, January-March 1999, and January-March 2000

(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			January-March		Period changes			January-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
TOTAL CSSSHP:									
QUANTITY (short tons)--									
Imports from Japan :									
Official stats.	13,203	21,847	17,597	5,537	2,629	33.3	65.5	-19.5	-52.5
Official stats., Adjusted	***	***	***	***	***	26.8	95.6	-35.2	-38.0
Imports, Questionnaires	***	***	***	***	***	79.1	136.2	-24.2	-39.3
Shipments of imports, Quest.	***	***	***	***	***	63.7	116.1	-24.2	-30.2
Imports from all other:									
Official stats.	16,860	19,058	20,865	3,955	8,715	23.8	13.0	9.5	120.4
Official stats., Adjusted	16,860	19,058	20,865	3,955	8,715	23.8	13.0	9.5	120.4
Imports, Questionnaires	16,447	16,276	20,327	3,399	7,991	23.6	-1.0	24.9	135.1
Shipments of imports, Quest.	17,020	17,506	20,701	3,584	8,119	21.6	2.9	18.3	126.5
Total CSSSHP imports:									
Official stats.	30,063	40,904	38,462	9,491	11,344	27.9	36.1	-6.0	19.5
Official stats., Adjusted	***	***	***	***	***	24.9	42.7	-12.5	44.2
Imports, Questionnaires	***	***	***	***	***	39.2	37.5	1.2	55.0
Shipments of imports, Quest.	***	***	***	***	***	33.9	35.9	-1.4	60.2
VALUE (dollars; landed, duty-paid)--									
Imports from Japan :									
Official stats.	58,497	88,569	63,044	19,277	9,536	7.8	51.4	-28.8	-50.5
Official stats., Adjusted	***	***	***	***	***	4.8	65.9	-36.8	-36.7
Imports, Questionnaires	***	***	***	***	***	36.0	94.0	-29.9	-28.4
Shipments of imports, Quest.	***	***	***	***	***	24.1	73.6	-28.5	-10.8
Imports from all other:									
Official stats.	103,466	99,696	96,128	22,085	35,130	-7.1	-3.6	-3.6	59.1
Official stats., Adjusted	103,466	99,696	96,128	22,085	35,130	-7.1	-3.6	-3.6	59.1
Imports, Questionnaires	92,968	86,477	89,799	17,236	34,753	-3.4	-7.0	3.8	101.6
Shipments of imports, Quest.	106,424	105,340	99,070	19,707	37,733	-6.9	-1.0	-6.0	91.5
Total CSSSHP imports:									
Official stats.	161,962	188,264	159,172	41,362	44,666	-1.7	16.2	-15.5	8.0
Official stats., Adjusted	***	***	***	***	***	-3.4	18.2	-18.2	22.0
Imports, Questionnaires	***	***	***	***	***	7.9	21.9	-11.5	50.1
Shipments of imports, Quest.	***	***	***	***	***	2.1	20.6	-15.4	56.3
UNIT VALUE--									
Imports from Japan :									
Official stats.	$4,430	$4,054	$3,583	$3,482	$3,628	-19.1	-8.5	-11.6	4.2
Official stats., Adjusted	5,016	4,253	4,145	3,809	3,885	-17.4	-15.2	-2.5	2.0
Imports, Questionnaires	5,810	4,773	4,411	3,922	4,624	-24.1	-17.9	-7.6	17.9
Shipments of imports, Quest.	6,219	4,995	4,711	3,928	5,021	-24.2	-19.7	-5.7	27.8
Imports from all other:									
Official stats.	6,137	5,231	4,607	5,585	4,031	-24.9	-14.8	-11.9	-27.8
Official stats., Adjusted	6,137	5,231	4,607	5,585	4,031	-24.9	-14.8	-11.9	-27.8
Imports, Questionnaires	5,653	5,313	4,418	5,071	4,349	-21.8	-6.0	-16.9	-14.2
Shipments of imports, Quest.	6,253	6,017	4,786	5,498	4,648	-23.5	-3.8	-20.5	-15.5
Total CSSSHP imports:									
Official stats.	5,387	4,603	4,138	4,358	3,937	-23.2	-14.6	-10.1	-9.6
Official stats., Adjusted	5,734	4,750	4,439	4,731	4,001	-22.6	-17.2	-6.6	-15.4
Imports, Questionnaires	5,697	5,053	4,415	4,543	4,398	-22.5	-11.3	-12.6	-3.2
Shipments of imports, Quest.	6,243	5,543	4,759	4,834	4,717	-23.8	-11.2	-14.1	-2.4
SHARE OF TOTAL, QTY. (%)--									
Imports from Japan :									
Official stats.	43.9	53.4	45.8	58.3	23.2	1.8	9.5	-7.7	-35.2
Official stats., Adjusted	***	***	***	***	***	0.6	13.3	-12.7	-27.4
Imports, Questionnaires	***	***	***	***	***	8.1	20.2	-12.1	-27.9
Imports from all other:									
Official stats.	56.1	46.6	54.2	41.7	76.8	-1.8	-9.5	7.7	35.2
Official stats., Adjusted	***	***	***	***	***	-0.6	-13.3	12.7	27.4
Imports, Questionnaires	***	***	***	***	***	-8.1	-20.2	12.1	27.9
SHARE OF TOTAL, VAL. (%)--									
Imports from Japan :									
Official stats.	***	***	***	***	***	3.5	10.9	-7.4	-25.3
Official stats., Adjusted	***	***	***	***	***	2.7	12.7	-10.0	-18.6
Imports, Questionnaires	***	***	***	***	***	7.5	16.9	-9.5	-20.7
Imports from all other:									
Official stats.	***	***	***	***	***	-3.5	-10.9	7.4	25.3
Official stats., Adjusted	***	***	***	***	***	-2.7	-12.7	10.0	18.6
Imports, Questionnaires	***	***	***	***	***	-7.5	-16.9	9.5	20.7

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Table C-10--Continued
CSSSHP: Comparative data concerning imports, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					anuary-March
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
HOT:									
QUANTITY (short tons)--									
Imports from Japan :									
Official stats.	7,948	16,393	11,686	3,199	2,025	47.0	106.2	-28.7	-36.7
Official stats., Adjusted	***	***	***	***	***	52.0	170.0	-43.7	-33.6
Imports, Questionnaires	***	***	***	***	***	99.5	187.1	-30.5	-45.5
Shipments of imports, Quest.	***	***	***	***	***	88.6	170.5	-30.3	-35.5
Imports from all other:									
Official stats.	10,775	11,429	13,488	2,340	5,848	25.2	6.1	18.0	149.9
Official stats., Adjusted	10,775	11,429	13,488	2,340	5,848	25.2	6.1	18.0	149.9
Imports, Questionnaires	11,170	12,104	14,217	2,369	5,761	27.3	8.4	17.5	143.2
Shipments of imports, Quest.	11,913	13,458	14,858	2,588	5,932	24.7	13.0	10.4	129.2
Total HOT imports:									
Official stats.	18,723	27,822	25,174	5,539	7,873	34.5	48.6	-9.5	42.1
Official stats., Adjusted	***	***	***	***	***	33.6	57.2	-15.0	54.9
Imports, Questionnaires	***	***	***	***	***	46.2	55.1	-5.8	54.3
Shipments of imports, Quest.	***	***	***	***	***	41.3	54.0	-8.2	58.3
VALUE (dollars; landed, duty-paid)--									
Imports from Japan :									
Official stats.	30,569	58,774	35,170	9,622	6,168	15.1	92.3	-40.2	-35.9
Official stats., Adjusted	***	***	***	***	***	24.4	130.4	-46.0	-34.2
Imports, Questionnaires	***	***	***	***	***	57.1	151.8	-37.6	-33.0
Shipments of imports, Quest.	***	***	***	***	***	43.9	128.6	-37.0	-13.9
Imports from all other:									
Official stats.	62,170	52,094	54,494	10,670	20,394	-12.3	-16.2	4.6	91.1
Official stats., Adjusted	62,170	52,094	54,494	10,670	20,394	-12.3	-16.2	4.6	91.1
Imports, Questionnaires	55,841	53,115	52,157	9,464	21,531	-6.6	-4.9	-1.8	127.5
Shipments of imports, Quest.	64,827	66,738	60,036	11,046	23,645	-7.4	2.9	-10.0	114.1
Total HOT imports:									
Official stats.	92,739	110,868	89,664	20,291	26,562	-3.3	19.5	-19.1	30.9
Official stats., Adjusted	***	***	***	***	***	-2.9	21.4	-20.0	36.3
Imports, Questionnaires	***	***	***	***	***	9.6	34.9	-18.8	61.9
Shipments of imports, Quest.	***	***	***	***	***	5.4	34.3	-21.5	67.8
UNIT VALUE--									
Imports from Japan :									
Official stats.	$3,846	$3,585	$3,010	$3,008	$3,045	-21.7	-6.8	-16.1	1.2
Official stats., Adjusted	4,387	3,744	3,589	3,300	3,272	-18.2	-14.7	-4.1	-0.9
Imports, Questionnaires	4,810	4,218	3,788	3,101	3,813	-21.2	-12.3	-10.2	23.0
Shipments of imports, Quest.	5,135	4,340	3,919	3,193	4,260	-23.7	-15.5	-9.7	33.4
Imports from all other:									
Official stats.	5,770	4,558	4,040	4,560	3,488	-30.0	-21.0	-11.4	-23.5
Official stats., Adjusted	5,770	4,558	4,040	4,560	3,488	-30.0	-21.0	-11.4	-23.5
Imports, Questionnaires	4,999	4,388	3,669	3,995	3,737	-26.6	-12.2	-16.4	-6.4
Shipments of imports, Quest.	5,442	4,959	4,041	4,268	3,986	-25.7	-8.9	-18.5	-6.6
Total HOT imports:									
Official stats.	4,953	3,985	3,562	3,664	3,374	-28.1	-19.5	-10.6	-7.9
Official stats., Adjusted	5,339	4,122	3,880	3,908	3,440	-27.3	-22.8	-5.9	-12.0
Imports, Questionnaires	4,950	4,306	3,711	3,573	3,750	-25.0	-13.0	-13.8	4.9
Shipments of imports, Quest.	5,362	4,676	3,998	3,805	4,034	-25.4	-12.8	-14.5	6.0
SHARE OF TOTAL, QTY. (%)--									
Imports from Japan :									
Official stats.	42.5	58.9	46.4	57.8	25.7	4.0	16.5	-12.5	-32.0
Official stats., Adjusted	***	***	***	***	***	4.3	22.4	-18.1	-29.6
Imports, Questionnaires	***	***	***	***	***	9.5	22.3	-12.7	-30.5
Imports from all other:									
Official stats.	57.5	41.1	53.6	42.2	74.3	-4.0	-16.5	12.5	32.0
Official stats., Adjusted	***	***	***	***	***	-4.3	-22.4	18.1	29.6
Imports, Questionnaires	***	***	***	***	***	-9.5	-22.3	12.7	30.5
Total HOT imports:									
Official stats.	62.3	68.0	65.5	58.4	69.4	3.2	5.7	-2.6	11.0
Official stats., Adjusted	***	***	***	***	***	4.1	6.1	-1.9	4.7
Imports, Questionnaires	***	***	***	***	***	3.3	8.5	-5.2	-0.4
SHARE OF TOTAL, VAL. (%)--									
Imports from Japan :									
Official stats.	33.0	53.0	39.2	47.4	23.2	6.3	20.1	-13.8	-24.2
Official stats., Adjusted	***	***	***	***	***	7.2	23.0	-15.8	-22.6
Imports, Questionnaires	***	***	***	***	***	11.0	22.0	-11.0	-24.0
Imports from all other:									
Official stats.	67.0	47.0	60.8	52.6	76.8	-6.3	-20.1	13.8	24.2
Official stats., Adjusted	***	***	***	***	***	-7.2	-23.0	15.8	22.6
Imports, Questionnaires	***	***	***	***	***	-11.0	-22.0	11.0	24.0
Total HOT imports:									
Official stats.	57.3	58.9	56.3	49.1	59.5	-0.9	1.6	-2.6	10.4
Official stats., Adjusted	***	***	***	***	***	0.2	1.5	-1.3	6.2
Imports, Questionnaires	***	***	***	***	***	0.9	6.1	-5.2	4.4

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Table C-10--Continued
CSSSHP: Comparative data concerning imports, 1997-99, January-March 1999, and January-March 2000

(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			
				January-March					January-March
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
COLD:									
QUANTITY (short tons)--									
Imports from Japan :									
Official stats.	5,255	5,454	5,911	2,338	603	12.5	3.8	8.4	-74.2
Official stats., Adjusted	***	***	***	***	***	-0.2	15.8	-13.8	-47.5
Imports, Questionnaires	***	***	***	***	***	46.2	54.4	-5.3	-22.4
Shipments of imports, Quest.	***	***	***	***	***	26.7	35.0	-6.2	-15.0
Imports from all other:									
Official stats.	6,085	7,629	7,377	1,615	2,868	21.2	25.4	-3.3	77.6
Official stats., Adjusted	6,085	7,629	7,377	1,615	2,868	21.2	25.4	-3.3	77.6
Imports, Questionnaires	5,277	4,172	6,110	1,030	2,230	15.8	-20.9	46.5	116.5
Shipments of imports, Quest.	5,107	4,048	5,843	996	2,187	14.4	-20.7	44.3	119.6
Total COLD imports:									
Official stats.	11,340	13,082	13,288	3,953	3,471	17.2	15.4	1.6	-12.2
Official stats., Adjusted	***	***	***	***	***	12.1	21.3	-7.6	25.5
Imports, Questionnaires	***	***	***	***	***	25.5	3.0	21.8	57.0
Shipments of imports, Quest.	***	***	***	***	***	18.8	-0.9	19.9	65.4
VALUE (dollars; landed, duty-paid)--									
Imports from Japan :									
Official stats.	27,927	29,795	27,875	9,655	3,368	-0.2	6.7	-6.4	-65.1
Official stats., Adjusted	***	***	***	***	***	-11.4	12.5	-21.2	-40.5
Imports, Questionnaires	***	***	***	***	***	13.9	33.8	-14.9	-22.2
Shipments of imports, Quest.	***	***	***	***	***	4.6	19.8	-12.6	-6.1
Imports from all other:									
Official stats.	41,296	47,602	41,634	11,415	14,736	0.8	15.3	-12.5	29.1
Official stats., Adjusted	41,296	47,602	41,634	11,415	14,736	0.8	15.3	-12.5	29.1
Imports, Questionnaires	37,127	33,362	37,642	7,772	13,222	1.4	-10.1	12.8	70.1
Shipments of imports, Quest.	41,597	38,602	39,034	8,661	14,088	-6.2	-7.2	1.1	62.7
Total COLD imports:									
Official stats.	69,223	77,397	69,509	21,070	18,105	0.4	11.8	-10.2	-14.1
Official stats., Adjusted	***	***	***	***	***	-3.9	14.2	-15.8	6.0
Imports, Questionnaires	***	***	***	***	***	5.5	4.3	1.1	35.0
Shipments of imports, Quest.	***	***	***	***	***	-2.4	2.1	-4.5	40.6
UNIT VALUE--									
Imports from Japan :									
Official stats.	$5,315	$5,463	$4,716	$4,130	$5,583	-11.3	2.8	-13.7	35.2
Official stats., Adjusted	5,690	5,528	5,053	4,921	5,583	-11.2	-2.9	-8.6	13.5
Imports, Questionnaires	7,420	6,432	5,777	6,166	6,178	-22.1	-13.3	-10.2	0.2
Shipments of imports, Quest.	7,833	6,949	6,470	6,071	6,706	-17.4	-11.3	-6.9	10.4
Imports from all other:									
Official stats.	6,786	6,240	5,644	7,069	5,139	-16.8	-8.1	-9.6	-27.3
Official stats., Adjusted	6,786	6,240	5,644	7,069	5,139	-16.8	-8.1	-9.6	-27.3
Imports, Questionnaires	7,036	7,997	6,161	7,546	5,929	-12.4	13.7	-23.0	-21.4
Shipments of imports, Quest.	8,145	9,536	6,680	8,696	6,442	-18.0	17.1	-29.9	-25.9
Total COLD imports:									
Official stats.	6,104	5,916	5,231	5,331	5,216	-14.3	-3.1	-11.6	-2.1
Official stats., Adjusted	6,317	5,949	5,419	6,176	5,216	-14.2	-5.8	-8.9	-15.5
Imports, Questionnaires	7,158	7,251	6,019	6,954	5,982	-15.9	1.3	-17.0	-14.0
Shipments of imports, Quest.	8,034	8,284	6,601	7,639	6,496	-17.8	3.1	-20.3	-15.0
SHARE OF TOTAL, QTY. (%)--									
Imports from Japan :									
Official stats.	46.3	41.7	44.5	59.1	17.4	-1.9	-4.7	2.8	-41.8
Official stats., Adjusted	***	***	***	***	***	-4.7	-1.9	-2.7	-24.2
Imports, Questionnaires	***	***	***	***	***	5.3	15.8	-10.6	-21.7
Imports from all other:									
Official stats.	53.7	58.3	55.5	40.9	82.6	1.9	4.7	-2.8	41.8
Official stats., Adjusted	***	***	***	***	***	4.7	1.9	2.7	24.2
Imports, Questionnaires	***	***	***	***	***	-5.3	-15.8	10.6	21.7
Total COLD imports:									
Official stats.	37.7	32.0	34.5	41.6	30.6	-3.2	-5.7	2.6	-11.0
Official stats., Adjusted	***	***	***	***	***	-4.1	-6.1	1.9	-4.7
Imports, Questionnaires	***	***	***	***	***	-3.3	-8.5	5.2	0.4
SHARE OF TOTAL, VAL. (%)--									
Imports from Japan :									
Official stats.	40.3	38.5	40.1	45.8	18.6	-0.2	-1.8	1.6	-27.2
Official stats., Adjusted	***	***	***	***	***	-3.0	-0.6	-2.4	-14.5
Imports, Questionnaires	***	***	***	***	***	2.6	9.3	-6.7	-16.1
Imports from all other:									
Official stats.	59.7	61.5	59.9	54.2	81.4	0.2	1.8	-1.6	27.2
Official stats., Adjusted	***	***	***	***	***	3.0	0.6	2.4	14.5
Imports, Questionnaires	***	***	***	***	***	-2.6	-9.3	6.7	16.1
Total COLD imports:									
Official stats.	42.7	41.1	43.7	50.9	40.5	0.9	-1.6	2.6	-10.4
Official stats., Adjusted	***	***	***	***	***	-0.2	-1.5	1.3	-6.2
Imports, Questionnaires	***	***	***	***	***	-0.9	-6.1	5.2	-4.4

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

C-28

APPENDIX D

QUESTIONNAIRE COMMENTS ON PRODUCT COMPARISONS

D-1

CHARACTERISTICS AND USES COMPARISONS

The Commission's questionnaires in this investigation requested comments regarding the differences and similarities in the physical/metallurgical characteristics and uses of hot- and cold-finished CSSSHP. The following comments were received:

PRODUCERS:

***

"Physical–Hot finished SSHP has a rough OD and ID. Dimensional control is not as good as cold finished. Hot finished is limited to larger sizes and heavier walls than cold finish.

Metallurgical–Hot finished SSHP is only available in a hot worked or annealed temper. Cold finished is available in a range of annealed and cold worked tempers."

***

"From a metallurgical standpoint, there is no difference between a hot-finished and a cold-finished product. The material composition, as well as the mechanical and corrosion properties, is the same. The difference is that a cold-finished product can be produced with a smaller diameter, thinner wall and better surface finish than a hot-finished product. Better tolerances can be achieved in the cold-finish process."

***

"Cold-finished products have tighter tolerances and less machining "clean-up stock" than hot-finished."

***

"We use hot finish or cold finish interchangeably. Hot finish tends to have a rougher surface finish but our process allows us to use either."

***

"The chemistries of the hot and cold finished CSSSHP are essentially the same. In many pipe and mechanical tube applications either hot or cold finished product can be used. However, when better dimensional tolerances, surface finish or controlled grain structure are required then the cold finished product is preferred. When diameters less than about 1.25" and long lengths are required, as an example, in a heat exchanger, then the CSSSHP can only be produced by a cold finishing process. In general, one cannot produce hot finished CSSSHP in diameters of less than about 1.25 inches."

***

"For redraw purposes, the only difference is wall tolerances. Typically cold finish has better wall tolerances than hot finished."

D-3

***

"Cold–Tolerance control, better surface condition, less machining for end user. Requirement for aerospace.

Hot–Rough surface, wider range of tolerance: Not suitable for some applications."

***

"The products we manufacture are only cold-finished. The tolerances required by our customers and the sizes they require are not available in hot finished SSSH. We use hot finished redraw hollows as our feedstock."

***

"Hot finish and cold finish products can be very similar physically and metallurgically. They share a common process method up to the point of completing a hot finished CSSSHP. The specifications that govern cold finish products generally require a tighter tolerance on the OD dimensions and wall thickness, however, improvements in extrusion techniques have narrowed the traditional gap between the two types of products allowing hot finish products to be sold for cold finish applications. The primary difference is found in the surface appearance of CF products. They tend to be smoother given the methods to create them. The process also has the ability to increase the physical properties of the product to a unique customer need through cold working."

***

"Major difference between hot finished and cold finished products is the consistency and tighter dimensional tolerances of the end product."

IMPORTERS:

***

"In general cold finished CSSSHP covers small diameter range typically less than 1", and hot finished covers large diameter products. Cold finished has tighter size tolerance, which customers request, than hot finished. Because of size difference and its tolerance, it is not likely interchangeable. Also surface condition of cold finish is much better than hot finish."

***

"There are not much similarities between hot-finished products and cold-finished products. In general, cold finished tubings are chosen for the following reasons: 1) Dimension (smaller sizes, thinner wall), 2) length (longer length), 3) tolerance (tight tolerance), 4) surface finish (better, smoother), and 5) strength. And hot finished products cannot provide them as much as cold finished products."

D-4

***

"There is no similarity in the physical/metallurgical characteristics and used between hot and cold finished. Generally speaking, each users's specific specification determines the material to be either hot finished or cold finished. Also depending on the requirements such as size, length, dimensional tolerance, finish surface condition, chemistry, mechanical properties, etc. Pipe mill will advise users whether material will be hot finished or cold finished. Cold finished will be more stringent on every factor mentioned above."

***

"Our principal imported product is pipe. Generally price is a major determining factor. Our distributor customers seldom specify HF or CD (cold drawn); just A-312. The end user seldom specifies HF or CD."

***

"Dimensions, lengths, wall thickness tolerances and surface finish differentiates cold versus hot finishes. Basically, cold-finished CSSSHP can be used for anything a hot-finished CSSSHP application, but cannot be done vice versa. Cold finished CSSSHP are usually smaller in diameter, thinner wall thickness with much severe dimension and thickness tolerances. Usually surface finish on cold-finished CSSSHP are processed for surface smoothness while hot-finished are usually as is. Cold-finished CSSSHP are usually higher strength than hot finished CSSSHP."

***

"The differences between the dimensions, lengths, tolerances, surface finish and strength of hot-finished and cold-finished CSSSHP lead to differences in physical characteristics and end uses. CSSSHP is always ordered to a specific specification with specific outside diameter and wall thickness. Virtually all products that are cold-finished cannot be produced in hot-finished form for the following reasons: because of size, finish, tolerance or chemical content. Hot-finished, with very few exceptions, is used by customers who have some room for wider tolerances in their specification and want to reduce their costs. Hot-finished is used because it is always priced well below any comparable cold-finished product."

***

"Hot finished will always be used over cold finished if sizes and specification match. Cold will generally only be used when hot is not available. Generally, hot will be 1" NV (1.315"OD) and larger, but most of hot will be in the range of 3"NB through 8"NB where there is limited U.S. production. Cold is generally smaller than 1"NB and in very light wall thickness."

D-5

***

"Both hot finish and cold finish have wrought structures (as opposed to cast structure). They are both covered by ASTM/ASME specifications.

HF items are generally larger outside diameter and heavier wall thickness. CF items are generally smaller or thinner wall. CF items have a smoother surface both OD and ID and have tighter dimensional tolerances than HF. Also, CF work-hardens the tube which is sometimes a desirable state to keep the final product for increased strength.

A typically CF item cannot be made by HF due to the more severe tolerance requirements, smoother surface requirements or simply that the finished size cannot be achieved (irrespective of tolerance) by HF.

If an item can be made by either HF or CF and stay in compliance with spec., then either product usually will suffice technically. However, it is important to note that there is a very narrow range of products that are produced competitively both HF and CF."

D-6

MANUFACTURING COMPARISONS

The Commission's questionnaires in this investigation requested comments regarding the differences and similarities in the manufacturing processes of hot- and cold-finished CSSSHP. The following comments were received:

***

"Hot finished SSHP is made by hot extrusion or hot rotary piercing. Equipment is very capital intensive with high throughput capacity. Production inputs are billet (drilled for extrusion), energy to preheat the billet, and skilled labor to operate the equipment. Cold finished SSHP is made by cold pilgering or cold drawing. Equipment is less capital intensive with much smaller throughput capacity than hot equipment. Production inputs are hot SSHP, and skilled labor to operate the equipment. Secondary operations, such as cleaning, annealing, cutting, straightening, and finishing are required to produce marketable product."

***

"Cold reduction provides additional drawing and annealing to provide longer lengths, closer tolerances, lighter walls and bright-annealed product instead of a hot finish pickled and annealed product."

***

"Our hot-finished products are hot-extruded from bar. After extrusion the product is "finished" by straightening, pickling, cutting, deburring, and inspection/packing. The cold finishing is a continuation of that process, where a hot-finished tube is further reduced through pilgering or cold drawing. After the size reduction and annealing, a similar finishing operation is performed, including straightening, cutting, and inspection. The equipment for this finishing could be the same or similar, depending on the respective size range."

***

"The input product for hot processing of CSSSHP is usually a round solid, a bar or a billet. The input product for cold processing is usually a hot product.

The heat treating (annealing) furnaces, the pickle facilities, straightening equipment, cut off equipment, inspection facilities and the shipping facilities for both products are essentially the same.

The skill requirements of labor for manufacturing hot product and cold product require a relatively high degree of training. However, the production of cold product to the smaller sizes requires more care and accuracy. In general, for those operations on equipment that is dedicated to either hot products or cold products the skilled labor for one is usually not interchanged with the other. For the operations as shown in the above paragraph, the skilled labor is exactly the same."

***

"Our manufacturing process begins with a hot finished redraw hollow which we cold draw. for our purposes, the hot finished production process and cold finished process are entirely separate."

D-7

***

"The cold finished product will utilize the same equipment as the hot finished but will also require either a draw, sink, or pilger reduction operation. There may be times when the cold finished will also require an additional thermal and straightening operation."

***

"Cold-finished process begins with the sizing (reducing) of a tube hollow (either hot or cold finished) finished CSSSHP. It is then heat treated to regain the optimum mechanical characteristics and to comply to the ordering specification. The product is then finished (straightening, pickling, cutting, deburring, and inspection/packaging). Skilled and experienced operators are normally required as equipment output can vary based on size, grade and eccentricity."

***

"Additional thermal treatment required to soften material prior to cold-finishing."

D-8

COMPETITION COMPARISONS

The Commission's questionnaires in this investigation requested comments regarding competition between hot- and cold-finished CSSSHP. The following comments were received:

***

"No knowledge of product competition–supply of cold-finished products in some cases due to an inability to manufacture requested sizes as hot-finished."

***

"We will buy either and therefore price availability is the determining factor."

***

"The competition between hot and cold finished product begins with the *** pipe size up to the *** pipe size and essentially all tubing sizes between these two diameters. Boiler tubing is one strong area of competition. Hot product generally is lower priced but cold product has advantages. Distribution channels are essentially the same for both processes."

***

"Products do not compete. Cold finish is a refinement process of hot finish."

***

"We compete with other producers of cold finished stainless tubing. We do <u>not</u> compete with hot finished products."

***

"In terms of size, the two products have their greatest overlap in sizes between approximately 1.315" OD and 2.875" OD. The three major markets for this size range are pipe and tubing, hollow bar, and redraw hollows. The cold finishing process is a value adding function. Specifications aside for the moment, individual customers will decide if the difference in appearance and tighter tolerance is worth the added cost in a market with rationally priced products. All cold finishing operations add cost to the final product hence the expected higher selling price for CF products."

***

"Main competition is in the pipe product group. Some sizes 1" SCH 10, 1" SCH 40, 2" SCH10, and 2" SCH40 can be made either hot or cold. Price is a major selling factor."

D-9

***

"Normally hot finished is less expensive to produce as it has less manufacturing operations. Most hot finished can be replaced by cold finished. Example: 2" SCH 40 pipe per ASTM A-312. There are few exceptions, where the specification limits the choice to use (or supply) hot finished versus cold finished. Many times the tube manufacturer themselves influence HF vs CF. This may be a simple matter of equipment or technology."

***

"In general, if a hot finished SSHP will provide satisfactory performance in service, the lower price will dictate its use. Where dimensional control, small size, smooth surface requirements, mechanical properties or other conditions require the use of cold finished SSHP, hot finished cannot compete."

***

"A cold-finished product can substitute any of our hot-finished products. The customer does not typically specify hot or cold but size and specification. It is the producers' choice what production process to use in order to make the product to specification."

***

"Hot finished and cold finished CSSSHP are not interchangeable. Even though cold finished CSSSHP could be used for hot finished applications, nobody in their right mind would use a more expensive item for a lower priced project. However, hot finished cannot be used for cold finished applications because of the requirements of tolerance."

***

"Hot finished and cold finished CSSSHP are produced to, inventoried, distributed and used for specific end use applications that are generally determined by strict engineering design criteria. There is little interchangeability and customers perceive the products as different."

***

"Hot finished and cold finished CSSSHP have distinct end use differences and are specifically identified as such in the customers specifications. The price difference between hot and cold finished is considerable. There would be little or no interchangeability due to the customer perception of them as separate and of course, the cost difference."

***

"If hot finished tubes meet the end use application and design criteria it is impossible for cold finished tubes to be competitive due to the higher cost required to produce the cold finished product. Vice-versa, if a cold finished product is specified to meet the end use and design criteria then hot finished is not acceptable. There is very little interchangeability and customers perceive the products as different."

D-10

***

"There is a very narrow range of products that are produced competitively in both HF and CF. For some producers, 3/4" nominal bore (1.050" OD) and over, and SCH 40 and over, can be made by HF to ASTM specs. Several makers can now also produce 3/4-6" nb SCH 10 as HF. Almost everyone produces by HF from 1 ½" SCH 40 and up. Thus, only 3/4-1 ½" nb SCH 40 - XXH and 3/4-6" nb SCH 10 could be considered as an overlap area where HF and CF compete. Above this range the premium for CF becomes prohibitive. Below this range, the product cannot be made to spec by HF.

If a size can be made to spec as HF, then it is generally accepted and has a significant cost advantage (10-50%) vs the manufacturers that can only make it by CF. If it cannot be made to spec as HF, then CF is the only option. There are many typically HF sizes that can be made as CF, but they are not cost competitive as a CF product."

***

"As there is little interchangeability, there is no competition between hot and cold finished products. And cold finished products are more expensive than hot finished. The customers and users will not use cold finished products if the end usage allows hot finished products."

D-11

SUBSTITUTABILITY

The Commission's purchasers' questionnaires in this investigation requested comments regarding the substitutability of hot- and cold-finished CSSSHP. The following comments were received:

***

"Cold finish can always be substituted for hot finish. Hot finish may not be substituted for cold finish, as a general rule, as tolerances and specifications may not overlap."

***

"We do not buy cold finished if hot is available due to higher prices of cold, unless hot is not available. We do not use cold finished as norm."

***

"Most typically cold finish sizes cannot be made in spec. as hot finish. Most typically HF items are not made as CF, as CF is cost prohibitive. For the narrow range of items available as HF & CF, they can usually be substituted."

***

"Sometimes customer will not allow us to use hot finish."

***

"Can always use cold finish. Hot finish can be used as long as the technical requirements meet the specification."

***

"We buy hot finished tubes whenever possible. The cold finished tubes are used where we use thin wall and small diameter tubes. If hot finished tube meet our requirements and our customer does not object, we use super HF."

***

"Depends on the use of the heat exchanger we are fabricating."

***

"Semi-conductor and medical have far superior surface requirement than produced by hot finish products."

D-12

***

"Users are looking for close tolerances, light walls, long lengths to certain specifications and chemistries. These cannot be met in a hot finished product. If the user could get these requirements in hot finish product they wouldn't order cold finish."

***

"Tolerances of hot finished do not/can not meet specifications. Whenever hot finished tubing can meet our specifications we will always specify hot finished because cost to produce/price is lower."

***

"Cold can always be substituted for hot. Hot only if it meets the tolerances of cold."

***

"Cold products are produced to stricter dimensions, including very small OD, very thin wall thicknesses and very strict dimensional allowances that hot finished product cannot meet."

D-13

APPENDIX E

ADDITIONAL INFORMATION REGARDING HOT- AND COLD-FINISHED PRODUCTS

E-1

Table E-1
CSSSHP: Summary of U.S. producers' U.S. shipments and U.S. shipments of imports, by product categories, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table E-2
CSSSHP: Summary of U.S. producers' U.S. shipments, U.S. shipments of imports, by size, 1997-98, January-March 1999, and January-March 2000

* * * * * * *

Table E-3
CSSSHP: U.S. producers' U.S. shipments, U.S. shipments of imports, by product categories and size, 1997-98, January-March 1999, and January-March 2000

* * * * * * *

Table E-4
CSSSHP: Quantity of U.S. producers' U.S. shipments, U.S. shipments of imports, by product categories and size, 1997-98, January-March 1999, and January-March 2000

* * * * * * *

Table E-5
CSSSHP: Quantity of exports from Japan to the United States, by product categories and size, 1997-98, January-March 1999, and January-March 2000

* * * * * * *

E-3

APPENDIX F

COMPAS PRESENTATION

F-1

ASSUMPTIONS

The COMPAS model[1] is a supply and demand model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used extensively for the analysis of trade policy changes both in partial and general equilibrium. Based on the discussion contained in *Part II* of this report, the staff selects a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity, demand elasticity, and substitution elasticity) in the U.S. CSSSHP market. The model uses these estimates with data on market shares, Commerce's estimated margins of dumping, transportation costs, and current tariffs to analyze the likely effect of unfair pricing of subject imports on the U.S. domestic like product industry. Dumping margins were computed as a weighted average of Commerce's margins, using the Sumitomo and Sanyo margins of 156.81 percent and the all others margin of 62.14 percent. Weights were computed using the ratio of the reported export quantities of these two firms from their questionnaire responses to the appropriate quantities of imports from Japan. Since different sets of data are used to express imports from Japan in this report, different overall dumping margins are used with the different data sets.

FINDINGS[2]

Estimated effects of the LTFV imports on the U.S. CSSSHP using adjusted official statistics industry are as follows: 11.3 percent to 25.3 percent reduction in revenue, 7.2 percent to 16.1 percent reduction in output, and 3.0 percent to 11.0 percent reduction in price. Estimated effects by finishing process are shown in the following tabulation for estimations made using these adjusted official statistics.

Finish	Reduction in revenue	Reduction in output	Reduction in price
Hot	11.6 to 25.3	7.4 to 16.1	3.0 to 11.0
Cold	11.3 to 14.8	7.2 to 9.2	3.0 to 6.2
Overall	13.8 to 19.7	8.8 to 12.4	3.6 to 8.4

More detailed effects of the dumping and and the full range of scenarios are shown in table F-1 for the CSSSHP industry taken as a whole. Table F-2 shows the estimated effects of dumping on the U.S. industry under various import data scenarios (the adjusted data used in the main sections of the report, official import data, and questionnaire data[3]) for the CSSSHP industry taken as a whole, and for the hot- and cold-finished industries considered separately. In table F-1, the COMPAS estimates suggest that in only three of the scenarios would the effect of dumping be less than the total elimination of Japanese

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

[2] Estimates are based on 1999 data. Commerce's period of investigation for the antidumping duty investigations was October 1998-September 1999.

[3] The unit values for the adjusted data and for the official data were increased by *** percent in an attempt to more closely capture prices paid by purchasers.

F-3

Table F-1
CSSSHP: COMPAS–The effects of LTFV pricing on imports

* * * * * * *

Table F-2
CSSSHP: COMPAS results with various data assumptions

* * * * * * *

imports.[4] In this table, it is also seen that the effects of dumping on nonsubject imports are larger than those on the domestic CSSSHP industry. This is a feature that is consistent throughout all estimations, although not shown in table F-2. As shown in table F-2, the estimated effects are largest for each industry definition when official statistics are used. This suggests that for these cases, the effect of lower implied margins (compared to those obtained using adjusted or questionnaire data) is dominated by the larger implied market share. Using the questionnaire data, the effects are greater than using adjusted data for hot-finished, lower for cold-finished, and nearly identical for the combination of the two. Similarly, due to higher Japanese market share in the hot-finished sector, the estimated effects of dumping are stronger in the hot-finished sector than in the cold-finished sector, despite a smaller elasticity of substitution in the estimations for the hot-finished sector.

[4] In all of the reported estimations, a number of scenarios exhibit larger effects than obtained through the total elimination of imports from Japan (the "But-for Imports" column in the tables). These are artifacts of the model and should be ignored.

F-4

APPENDIX G

ADDITIONAL PRICING DATA

G-1

This appendix presents pricing data complementary to that presented in *Part V*. First, data are presented on end user prices and quantities for products 3 and 5 provided by U.S. producers. No data on sales to end users were reported by Japanese importers and none were reported by purchasers. With the exception of the redraw hollow products (for which end user sales predominate), sales to end users were reported in none of the other products by U.S. producers. For products 3 and 5, however, reported sales quantities to end users by U.S. producers were roughly comparable to quantities of sales to distributors. Contrary to expectations, however, these reported prices for these sales do not exhibit systematic premiums over the distributor prices reported in *Part V*. Data for end user pricing is presented in tables G-1 and G-2. In these tables, sales prices to distributors reported by U.S. producers and importers of Japanese CSSSHP are presented for comparison to end user prices.

Data are also presented for products 1, 6, and 7 that includes the data provided by ***. This data was included in the data reported in the prehearing staff report, but staff since became aware that the prices reported by this firm ***.[1] [2] ***. Pricing data including this firm are presented in tables G-3 through G-5.

Table G-1
Product 3: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

Table G-2
Product 5: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), sales to distributors, by quarters, January 1997-March 2000

* * * * * * *

Table G-3
Product 1: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), * data included, sales to distributors, by quarters, January 1997-March 2000**

* * * * * * *

[1] ***.

[2] ***.

G-3

Table G-4
Product 6: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), * data included, sales to distributors, by quarters, January 1997-March 2000**

* * * * * * *

Table G-5
Product 7: Weighted-average f.o.b. prices and quantities of domestic and imported product 7 and margins of underselling/(overselling), * data included, sales to distributors, by quarters, January 1997-March 2000**

* * * * * * *

G-4

APPENDIX H

EFFECTS OF IMPORTS ON PRODUCERS' EXISTING DEVELOPMENT AND PRODUCTION EFFORTS, GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL

H-1

The Commission requested U.S. producers to indicate whether they purchased the assets/facilities of another CSSSHP producer since 1997, and to report the condition and production capability of the assets/facilities purchased and the investments needed to upgrade the purchased assets/facilities. Producers were also requested to indicate whether the scale of capital investments undertaken has been influenced by the presence of imports of CSSSHP from Japan, and any actual or potential negative effects on their return on investment, 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 the scale of capital investments as a result of imports of CSSSHP from Japan. (Questions III-8, 9, 10, and 11). Their responses are as follows:

Purchased Assets/Facilities

* * * * * * *

The following producers responded "No" to this question: ***.

Scale of Capital Investments

* * * * * * *

Actual Negative Effects

* * * * * * *

Anticipated Negative Effects

* * * * * * *

H-3