Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and The United Kingdom

Investigations Nos. AA1921-197(Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review)

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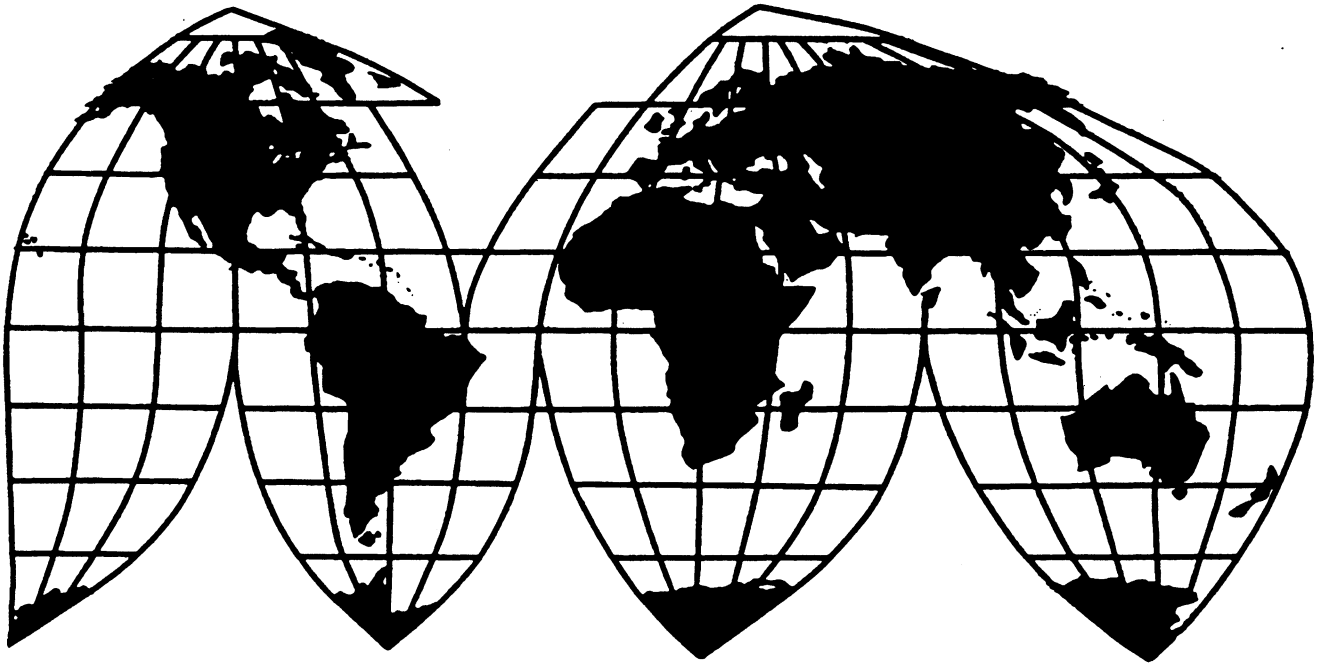

Washington, DC 20436

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Note.–Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

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GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
Aceralia	Aceralia Productos Largos, SA
AHMSA	Altos Hornos de Mexico, S.A. de C.V.
AK	AK Steel Corp.
Algoma	Algoma Steel, Inc.
AISI	American Iron and Steel Institute
Armco	Armco, Inc.
ASTM	American Society for Testing and Materials
Atlantique	Sollace Atlantique
ATV	All terrain vehicle
Beautor	Beautor
Bethlehem	Bethlehem Steel Corp.
BHP	Broken Hill Proprietary Co., Ltd.
Blair	Blair Strip Steel Co.
Bremen	Stahlwerke Bremen GmbH
British Steel	British Steel, Inc.
C.i.f.	Cost, insurance, and freight
California	California Steel Industries, Inc.
Cargill	Cargill Ferrous International Div. of Cargill, Inc.
CCC	Continuous Color Coat
CFR	Code of Federal Regulations
Citisteel	Citisteel USA, Inc.
CITT	Canadian International Trade Tribunal
COD	Collect on delivery
COGS	Cost of goods sold
Commerce	U.S. Department of Commerce
Commission/USITC	U.S. International Trade Commission
COMPAS	Commercial Policy Analysis System
Corus	Corus UK Limited
Cosipa	Companhia Siderurgica Paulista
Customs	U.S. Customs Service
CRU	CRU International Ltd.
CSC	China Steel Corp.
CST	Companhia Siderurgica de Tubarao, S.A.
CVRD	Companhia Vale do Rio Doce
Denro	U.S. Denro Steels, Inc.
Dillinger	AG der Dillinger Huttenwerke
DNN	DNN Galvanizing Corp.
Dofasco	Dofasco, Inc.
Dongbu	Dongbu Steel Co., Ltd.
Duferco	Duferco Steel, Inc./Duferco Clabecq
EKO	EKO Stahl GmbH

GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
EU	European Union
EUROFER	European Confederation of Iron and Steel Industries
Fabrique de Fer	Fabrique de Fer de Charleroi
F.o.b.	Freight-on-board
Forsyth	A.J. Forsyth and Co., Ltd.
FR	*Federal Register*
Friedman	Friedman Industries, Inc.
GalvTech	GalvTech
Geneva	Geneva Steel
GDP	Gross Domestic Product
GM	General Motors
Gulf States	Gulf States Steel, Inc.
Haironville	Haironville S.A.
Honda	Honda American Motors Co.
Hoogovens	Hoogovens Stahl BV
HTS	Harmonized Tariff Schedule of the United States
Hyundai	Hyundai Pipe Co., Ltd.
Ilsenburg	Walzewerk Ilsenburg GmbH
IMF	International Monetary Fund
IPSCO	IPSCO Steel, Inc.
Ispat/Inland	Ispat/Inland, Inc
JIT	J.I.T. Steel, Inc.
Kaltwalzwerk	Kaltwalzwerk Brockhaus
Kawasaki	Kawasaki Steel Corp.
Kobe	Kobe Steel, Ltd.
LeTourneau	Le Tourneau, Inc.
Lorraine	Sollac Lorraine
LTFV	Less-than-fair-value
LTV	LTV Steel Co., Inc.
Macsteel	Macsteel Service Centers, U.S.A.
MetalTech	MetalTech
MRM	Manitoba Rolling Mills
NAFTA	North American Free Trade Agreement
National	National Steel Corp.
NexTech	NexTech
Nippon	Nippon Steel Corp.
Nisshin	Nisshin Steel Co., Ltd.
Nissan	Nissan Motor Corp.

GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
NKK	NKK Corp.
Northern	Northern Industries, Inc.
Nucor	Nucor Corp.
OEM	Original Equipment Manufacturer
Paper Cal	Paper Cal Steel Co.
Pohang	Pohang Steel Co.
Pohang Coated	Pohang Coated Steel Co., Ltd.
POI	Period of investigation
Preussag	Preussag International Steel Corp.
Pro-Tec	Pro-Tec Coating Company
R&D	Research and development
Rautaruukki	Rautaruukki Oyj
Rome	Rome Strip Steel Co., Inc.
Rouge	Rouge Steel Co.
SAE	Society of Automotive Engineers
Salzgitter	Salzgitter AG Stahl und Technologie
SDI	Steel Dynamics, Inc.
SG&A	Selling, general, and administrative
Sidex	C.S. Sidex S.A. Galati Romania
Sorevco	Sorevco Co., Inc.
SSAB	SSAB Svenskt Stal AB
SSOX	SSAB Oxelosund AB
SSTP	SSAB Tunnplat AB
Steel Co.	The Steel Co.
Stelco	Stelco, Inc.
Sumitomo	Sumitomo Metal Industries, Ltd.
Theis	Theis Precision Steel Corp.
Thyssen	Thyssen-Krupp Stahl AG
TSUS	Tariff Schedule of the United STates
Tung Ho	Tung Ho Steel Enterprise Corp.
Tuscaloosa	Tuscaloosa Steel Corp.
Union Steel	Union Steel Mfg. Co., Ltd.
Usiminas	Usinas Siderurgica de Minas Gerais, S.A.
USX	U.S. Steel Group, division of USX Corp.
VRA	Voluntary Restraint Agreement
WCI	WCI Steel, Inc.
Weirton	Weirton Steel Corp.
Wheeling-N	Wheeling-Nisshin, Inc.
Wheeling-P	Wheeling-Pittsburgh Steel Corp
WTO	World Trade Organization
Yieh Loong	Yieh Loong Co., Ltd.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review)

CERTAIN CARBON STEEL PRODUCTS FROM AUSTRALIA, BELGIUM, BRAZIL, CANADA, FINLAND, FRANCE, GERMANY, JAPAN, KOREA, MEXICO, NETHERLANDS, POLAND, ROMANIA, SPAIN, SWEDEN, TAIWAN, AND UNITED KINGDOM

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the countervailing duty orders and antidumping duty orders on the following certain carbon steel products from the specified countries would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time:

Country	Cut-to-length plate	Corrosion-resistant
Australia		731-TA-612
Belgium	701-TA-319 731-TA-573	
Brazil	701-TA-320 731-TA-574	
Canada		731-TA-614
Finland	731-TA-576	
France		701-TA-348 731-TA-615
Germany	701-TA-322 731-TA-578	701-TA-349[2] 731-TA-616[2]
Japan		731-TA-617
Korea		701-TA-350 731-TA-618
Mexico	701-TA-325 731-TA-582	
Poland	731-TA-583	
Romania	731-TA-584	
Spain	701-TA-326 731-TA-585	
Sweden	701-TA-327 731-TA-586	
Taiwan	AA1921-197[2]	
United Kingdom	701-TA-328[3] 731-TA-587[3]	

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

[2] Commissioner Askey dissenting.

[3] Chairman Koplan and Commissioner Askey dissenting.

The Commission determines that revocation of the countervailing duty orders and antidumping duty orders on the following certain carbon steel products from the specified countries would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time:

Country	Cut-to-length plate	Cold-rolled
Canada	731-TA-575	
Germany		701-TA-340[4] 731-TA-604[4]
Korea		701-TA-342[4] 731-TA-607[4]
Netherlands		731-TA-608[4]
Sweden		701-TA-231

BACKGROUND

The Commission instituted these reviews on September 1, 1999 (64 F.R. 47862) and determined on December 3, 1999, that it would conduct full reviews (64 F.R. 71494, December 21, 1999). Notice of the scheduling of the Commission's reviews and of public hearings to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on April 18, 2000 (65 F.R. 20833). The hearings were held in Washington, DC, on September 12, 13, and 15, 2000, and all persons who requested the opportunity were permitted to appear in person or by counsel.

[4] Commissioners Bragg and Miller dissenting.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that revocation of the antidumping and countervailing duty orders on cut-to-length steel plate (also "plate") from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time; and that revocation of the antidumping duty order on plate from Canada would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

Based on the record in these reviews, we also determine under Section 751(c) of the Act that revocation of the antidumping and countervailing duty orders on cold-rolled carbon steel flat products ("cold-rolled steel") from Germany, Korea, the Netherlands, and Sweden would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

Based on the record in these reviews, we further determine under section 751(c) of the Act that revocation of the antidumping and countervailing duty orders on corrosion-resistant carbon steel flat products ("corrosion-resistant steel") from Australia, Canada, France, Germany, Japan, and Korea would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[3]

I. BACKGROUND

A. The Original Investigations

On May 12, 1979, the Commission found that a regional industry in the United States consisting of California, Washington, and Oregon was injured or likely to be injured by imports of plate from Taiwan. Subsequently, on June 13, 1979, the Department of Treasury issued an antidumping finding with respect to Taiwan.

In September 1985, the Commission found that an industry in the United States was being injured by reason of subsidized imports of cold-rolled steel from Sweden. On October 11, 1985, the Department of Commerce ("Commerce") published a countervailing duty order with respect to Sweden.

In August 1993, the Commission found that an industry in the United States was materially injured by reason of subsidized imports of plate from Belgium, Brazil, Germany, Mexico, Spain, Sweden, and the United Kingdom. The Commission further found that an industry in the United States was injured or threatened with material injury by reason of imports sold at less than fair value ("LTFV")

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[1] Chairman Koplan and Commissioner Askey dissenting with respect to the United Kingdom. *See* Dissenting Views of Chairman Stephen Koplan and Commissioner Thelma J. Askey. Commissioner Askey dissenting with respect to Taiwan.

[2] Commissioners Bragg and Miller dissenting with respect to Germany, Korea, and the Netherlands. *See* Separate and Dissenting Views of Commissioner Lynn M. Bragg and Separate Views of Commissioner Marcia E. Miller.

[3] Commissioner Askey dissenting with respect to Germany. *See* Concurring and Dissenting Views of Commissioner Thelma J. Askey.

of plate from Belgium, Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom.

Also in August 1993, the Commission found that an industry in the United States was materially injured or threatened with material injury by reason of subsidized imports of cold-rolled steel from Germany and Korea. The Commission further found that an industry in the United States was materially injured or threatened with material injury by reason of LTFV imports of cold-rolled steel from Germany, Korea, and the Netherlands.

Also in August 1993, the Commission found that an industry in the United States was materially injured or threatened with material injury by reason of subsidized imports of corrosion-resistant steel from France, Germany, and Korea. The Commission further found that an industry in the United States was materially injured or threatened with material injury by reasons of LTFV imports of corrosion-resistant steel from Australia, Canada, France, Germany, Japan, and Korea.

Commerce published the countervailing duty orders on August 17, 1993 and the antidumping duty orders on August 19, 1993.

In five-year reviews, the Commission initially determines whether to conduct a full review (which would generally include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review, as follows. First, the Commission determines whether individual responses to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties -- domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (importers, exporters, foreign producers, trade associations, or subject country governments) -- demonstrate a sufficient willingness among each group to participate and provide information requested in a full review.[4] If the Commission finds the responses from both groups of interested parties to be adequate, or if other circumstances warrant, it will determine to conduct a full review.

B. The Five-Year Reviews

On September 1, 1999, the Commission instituted reviews pursuant to section 751(c) of the Act, to determine whether revocation of the countervailing and antidumping duty orders on imports of plate, cold-rolled steel and corrosion-resistant steel from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would likely lead to continuation or recurrence of material injury.[5] The Commission received responses to the notice of institution from companies that produce a substantial proportion of domestic production of plate, cold-rolled, and corrosion-resistant steel. The Commission also received responses from respondent interested parties who are importers, producers, and/or exporters of the subject merchandise with respect to each subject country, with the exception of plate from Poland, Sweden, or Taiwan; cold-rolled steel from Sweden; and corrosion-resistant steel from Australia.

On December 3, 1999, the Commission determined that all individual interested party responses to its notice of institution were adequate, that the domestic interested party group responses were adequate for each of the three types of steel, and that the respondent interested party group responses were adequate for each type of steel and each country, with the exception of plate from Poland, Sweden, or Taiwan; cold-rolled steel from Sweden; and corrosion-resistant steel from Australia. The Commission

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

[5] 64 Fed. Reg. 15783 (Apr. 1, 1999).

determined to conduct full reviews for all orders in these grouped reviews to promote administrative efficiency.[6]

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Products

1. Background

In making its determination under section 751(c), the Commission defines "the domestic like product" and the "industry."[7] The Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[8] In a section 751(c) review, the Commission must also take into account "its prior injury determinations."[9]

2. Like Product Arguments

Domestic producers argue that the definition for each of the domestic like products should be expanded beyond the scope of subject merchandise to include microalloy steels, consisting of steel products containing levels of alloying elements above those defined by the Harmonized Tariff Schedules of the United States ("HTS") as "nonalloy steel."[10] In the years since the HTS definitions were set out, advances in technology and metallurgy have given rise to new steel compositions such as high strength low alloy, cold-rolled motor lamination, and interstitial-free steels. These products are created through the inclusion of alloy elements in excess of the HTS levels, yet domestic producers assert that the products are recognized by both producers and consumers as carbon steel.[11] Domestic producers note that members of the American Iron and Steel Institute ("AISI") consistently report microalloy products as carbon steel products.[12] Recent carbon steel cases have included microalloy products in both the scope of subject merchandise and in the domestic like products.[13] Domestic producers claim that microalloy steels are so closely intertwined with conventional carbon steels that domestic producers are

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[6] *See* Explanation of Commission Determinations on Adequacy, Staff Report, Confidential Version ("CR") at Appendix A, Staff Report, Public Version ("PR") at Appendix A.

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(10). *See* NEC Corp. v. Department of Commerce, slip op. 98-164 at 8 (Ct. Int'l Trade, Dec. 15, 1998); Nippon Steel Corp. v. United States, 19 Ct. Int'l Trade 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991). *See also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[9] 19 U.S.C. § 1675a(a)(1)(a).

[10] Domestic producers have also argued that the records of the 1993 investigations are "ambiguous" as to whether microalloy products were in fact treated as part of the like product in those investigations. Domestic Producers' Common Issues Prehearing Brief at 9 and n.6. We find the domestic producers' proffered evidence that these microalloy products were included in any of the domestic like products of those investigations unconvincing.

[11] Domestic Producers' Common Issues Prehearing Brief at 10-11.

[12] Domestic Producers' Common Issues Prehearing Brief at 11.

[13] Domestic Producers' Common Issues Prehearing Brief at 12.

unable to segregate data on microalloy steels from data on carbon steels, and have included data on microalloy steels in their responses to questionnaires in these investigations.[14] Respondent parties in favor of revocation have varied in their response to the suggested expanded like product. Some respondent parties have accepted the expanded definition,[15] some have opposed it,[16] and others have noted that "microalloy steel" is not a term of art in the industry.[17]

3. Whether Microalloy Steels Should Be Included in the Domestic Like Products

In five-year reviews, our starting point for any like product analysis is the Commission's determination in the original investigations.[18] In the 1993 original determinations the Commission found domestic like products corresponding to the respective scopes, and each scope included the term "carbon steel." Those 1993 determinations included no discussion of microalloy steels. The Commission made similar determinations regarding domestic like products in the earlier determinations also currently under review. Upon reviewing the Commission's earlier determinations, we find that the microalloy products at issue were not specifically included in any domestic like product defined by the Commission.

A review of the six-factor test typically relied upon by the Commission provides some evidence that microalloy products could be included in each of the three domestic like products at issue. Both domestic producers and subject respondents acknowledge that microalloy and carbon steels are produced in the same facilities, using the same employees and the same equipment, that both types of steel move in similar channels of distribution, and that prices for microalloy steels are closely related to prices for carbon steels.[19] Respondents suggest that sufficient differences in physical characteristics and end uses exist to limit interchangeability and to ensure that customers requiring the performance of microalloy steels will not be satisfied with conventional carbon products.[20]

Microalloy products were not included in the domestic like products in the original determinations and remain outside the scope of these reviews.[21] In the instant reviews, we have not seen

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[14] *See* Producers' Questionnaire Responses of Bethlehem, Ispat/Inland, LTV, National, and U.S. Steel at Part II.

[15] German Group Prehearing Cold-Rolled Brief at 6.

[16] German Plate Respondents' Posthearing Responses to Questions at 26; Swedish Plate Respondent Posthearing Responses to Questions at Attachment 10.

[17] Dutch Prehearing Cold-Rolled Brief at I-2.

[18] In the like product analysis for an investigation, the Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer and producer perceptions; and, where appropriate, (6) price. *See* The Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996). No single factor is dispositive, and the Commission may consider other factors relevant to a particular investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. *See, e.g.*, S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979); Torrington, 747 F. Supp. at 748-49.

[19] Domestic Producers' Prehearing Corrosion Resistant Brief at 10-10; German Group Cold-Rolled Posthearing Question Responses at 6-7.

[20] German Group Cold-Rolled Posthearing Question Responses at 6-7.

[21] For the scope of the subject imports subject to these reviews, *see* CR at PLATE-I-25-I-26, PR at PLATE-I-23-I-25 (plate); CR at COLD-I-13, PR at COLD-I-12 (cold-rolled); and CR at CORROSION-I-

sufficient record evidence to indicate that changes in the marketplace have been sufficiently dramatic to support modification of the domestic like product determinations made in the original investigations, or to warrant a like product that is broader than the scope of the imported products subject to the reviews.

In reaching this conclusion, we also note that the issue of expanding the domestic like products was raised relatively late in the review process. Domestic producers failed to raise the issue in the response to the Notice of Institution, in their Comments on Adequacy, or in their written comments on the draft questionnaires, but raised the issue in their prehearing briefs. Moreover, there is no standard definition of microalloy steels,[22] and the domestic producers did not present their proposed definition, applicable to all three carbon steel flat products in these reviews, until the submission of their posthearing briefs, at which time the Commission's ability to collect additional data or comments on the proposed definition was severely limited.

We therefore do not include microalloys in the domestic like products and find three like products consisting of cut-to-length plate, cold-rolled steel, and corrosion-resistant steel (excluding clad plate), consistent with the Commission's 1993 determinations.[23] [24]

15-I-17, PR at CORROSION-I-14-I-16 (corrosion-resistant).

[22] We note in this regard that there are variations among the definitions of microalloy steels included in both the scope of subject merchandise and in the domestic like products in the recent investigations of plate, hot-rolled steel, and cold-rolled steel. *Compare* Certain Hot-Rolled Steel Products from Brazil, Japan, and Russia, Invs. Nos. 701-TA-384 and 731-TA-806-808 (Preliminary), USITC Pub. No. 3142 at I-2-I-3 (Nov. 1998); Certain Cut-to-Length Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia, Invs. Nos. 701-TA-387-392 and 731-TA-815-822 (Preliminary), USITC Pub. No. 3181 at I-1 (Apr. 1999); 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 and 731-TA-829-840 (Preliminary), USITC Pub. No. 3214 at 5 (July 1999). The domestic producers in these reviews proposed, without explanation, that the microalloy definition from the most recent cold-rolled investigation be applied in the instant reviews to all three products. Domestic Producers' Posthearing Question Responses at Attachment A, pp. 1-2.

[23] Grade X-70 plate was specifically excluded from the scope of the 1993 plate investigations of all countries, and it does not appear that it was included in the 1979 investigation on Taiwan. Therefore it is not included in the domestic like product.

[24] An additional domestic like product issue has been raised by respondent Kern-Liebers, who argues that seat belt retractor steel, or texture rolled carbon steel, should be treated as a domestic like product separate from cold-rolled steel. Kern-Liebers Prehearing Brief at 3-9. Kern-Liebers argued for the same domestic like product breakout in the course of the 1993 investigations. Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, the Republic of Korea (Korea), Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom, Invs. Nos. 701-319-332, 334, 336-42, 344, 347-353, 731-TA-573-579, 581-592, 594-597, 599-609, 612-619 (Final), USITC Pub. No. 2664 at 93-94 (Aug. 1993). We find, however, that respondent has not shown sufficient changes in the product itself or in the market to warrant reconsidering our original like product determination. Even had we been persuaded that sufficient changes had occurred to warrant such a reconsideration, application of the traditional six-factor test would have led us to the same conclusion we made in 1993, namely, that seat belt retractor steel, while in some ways differing from other cold-rolled steel products, is properly included in the one domestic like product consisting of all cold-rolled steel products.

B. Domestic Industries

Section 771(4)(A) of the Act defines the relevant industry as the domestic "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."[25]

1. Cut-to-Length Plate

Two issues were raised in these reviews of the orders covering cut-to-length plate: (1) whether certain processors should be included in the domestic industry; and (2) whether a regional industry analysis is appropriate for Taiwan.

a. Processors

The plate industry is composed of reversing mills (or "sheared plate mills"), Steckel mills, and continuous hot-strip mills. In addition, some steel service centers, which traditionally have served as distributors of plate, also perform a wide range of value-added processing of many steel products, such as uncoiling, flattening, and cutting plate products to length, or flame/plasma cutting plate into non-rectangular shapes. Service centers that flatten and cut coiled plate may purchase the coiled plate from U.S. or foreign mills. The process of producing cut plate from coiled plate is the same whether performed at the steel mill or by a service center.[26]

Respondents from Germany and the United Kingdom requested in their responses to the Commission's notice of institution that the Commission include processors, such as steel service centers, in the definition of the domestic industry, as the Commission did in recent determinations.[27] Domestic producers acknowledge that for the purposes of the most recent plate investigations, the Commission deemed processors to be domestic producers, although it did not do so in the 1993 investigations that form the basis of most of these reviews.[28] They maintain, however, that processors do not actually produce plate, but "simply cut coils to length."[29] They argue that the most significant difference between the operations of processors and those of traditional mills is the level of investment involved, in that processors can purchase adequate equipment for as little as $4 million to $10 million, whereas minimills and integrated mills producing plate require capital investments amounting to hundreds of millions of dollars.[30]

The Commission did not address the issue of processors in the 1993 investigations.[31] The Commission did find the domestic plate industry to include processors in its January 2000 plate investigations, and no party has urged the Commission to find that the facts as they existed in the January 2000 plate investigations have changed.[32] More importantly, no party has challenged the central issue

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[25] 19 U.S.C. § 1677(4)(A).

[26] CR at PLATE-I-29, PR at PLATE-I-26.

[27] CR at PLATE-I-29, PR at PLATE-I-26.

[28] Domestic Producers' Posthearing Plate Brief, Exh.1.

[29] Domestic Producers' Posthearing Plate Brief, Exh.1; Domestic Producers' Posthearing Question Responses, Att. G at 75.

[30] IPSCO's and Weirton's Posthearing Question Responses at CTLP-13.

[31] *See* USITC Pub. 2664 at 216.

[32] *See* USITC Pub. 3273 at 8-10.

that the processing performed by service centers transforms a hot-rolled steel product (coiled plate) into the domestic like product. Domestic producers simply argue that the technical expertise and the investment involved in cutting the coils to length are not adequate to consider the processors to be plate producers. The Commission did not find these arguments to be persuasive in the January 2000 plate case, and, for the reasons stated therein, we include processors within the definition of the domestic industry.[33] Accordingly, we define the domestic industry as the domestic producers of the domestic like product, including processors.

b. Regional Industry

In the 1979 investigation, the Commission determined that a regional plate industry comprised of California, Washington, and Oregon existed and was materially injured by subject imports from Taiwan.[34] In these reviews, the domestic producers maintain that, with respect to the finding on Taiwan, the Commission should not utilize a regional industry analysis, but should determine that a national industry exists. Taiwan has not participated in these reviews. No respondent party argues against a national industry analysis.[35]

Section 771(4)(C) of the Tariff Act of 1930, as amended by the URAA, provides that:

> In appropriate circumstances, the United States, for a particular product market, may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if--
>
> (i) the producers within such market sell all or almost all of their production of the like product in question in that market, and
>
> (ii) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States.
>
> In such appropriate circumstances, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry even if the domestic industry as a whole, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of dumped imports or imports of merchandise benefitting from a countervailable subsidy into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened by material injury, or if the establishment of an industry is being materially retarded, by reason of the dumped imports or imports of merchandise benefitting from a countervailable subsidy.

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[33] *See* Acciai Speciali Terni S.p.A. v. United States, slip op. 00-125 at 12 (Ct. Int'l Trade Oct. 2, 2000) ("[w]here . . . the ITC has addressed similar or identical facts, no statute or case authority prohibits it from drawing upon its previous work in addressing the issue at hand").

[34] USITC Pub. 970 at 4.

[35] Tr. at 261 (Mr. Waite).

> The term "regional industry" means the domestic producers within a region who are treated as a separate industry under this subparagraph.[36]

The Commission has considered the regional industry analysis to be discretionary, based on the language "appropriate circumstances" and "may be treated" found in the statute.[37] The Commission has defined appropriate circumstances on several occasions, focusing on whether "[i]solated or separate geographic markets" exist.[38] The Federal Circuit has reaffirmed that "the ITC's case-by-case approach represents a 'legitimate policy choice [ ] made by the agency in interpreting and applying the statute.' "[39] Importantly, the Act provides that in five-year reviews, the Commission may revisit its original regional industry determination and base its likelihood of injury determination on the original regional industry, another regional industry, or the United States industry as a whole.[40]

As stated above, Taiwan has not participated in these reviews and the participating respondents present no argument on this issue. The domestic producers opine that a regional industry analysis is inappropriate. Further, no party requested that the Commission questionnaires obtain data for a regional industry analysis and the Commission has collected no such data. The plate producers that responded to the Commission's questionnaires have production facilities in Indiana, Maryland, Pennsylvania, California, Minnesota, Delaware, Texas, Arkansas, Utah, Iowa, Michigan, Illinois, Kentucky, Oregon, and Connecticut.[41] Producers as a whole reported nationwide sales.[42] There is no indication that imports from Taiwan, which are currently small, would be concentrated in a particular region. In the other, subsequent original plate investigations now under review, the Commission based its analysis on a

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[36] 19 U.S.C. § 1677(4)(C). The definition of "regional industry" in the last sentence was added and technical language changes were made by the URAA. The URAA also amended the statute to require that Commerce "to the maximum extent possible, direct that duties be assessed only on the subject merchandise of the specific exporters or producers that exported the subject merchandise for sale in the region concerned during the period of investigation." 19 U.S.C. § 1673e(d). Therefore, Commerce will "exclude from the [antidumping duty] order, to the 'maximum extent possible,' those exporters or producers that did not export for sale in the region during the period of investigation." SAA at 189 and 190. Prior to the URAA, the Commission expressed concern that the regional industry analysis only be applied in appropriate circumstances in order to avoid imposing duties on imports sold in the entire national market in cases in which the detrimental impact of the imports was limited to a small segment of that market. *See* Texas Crushed Stone Co. v. United States, 35 F.3d 1535, 1542 (Fed. Cir. 1994), *aff'g* 822 F. Supp.773 (Ct. Int'l Trade 1993).

[37] 19 U.S.C. § 1677(4)(C). *See, e.g.*, Gray Portland Cement and Cement Clinker from Mexico, Inv. No. 731-TA-451 (Final), USITC Pub. No. 2305 at 15 (August 1990) ("Mexico Cement"), *aff'd*, Cemex, S.A. v. United States, 790 F. Supp. 290 (Ct. Int'l Trade 1992), *aff'd*, 989 F.2d 1202 (Fed. Cir. 1993); Rock Salt from Canada, Inv. No. 731-TA-239 (Final), USITC Pub. No. 1798 at 5 (Jan. 1986).

[38] S. Rep. No. 249, 96th Cong., 1st Sess. 82 (1979). *See, e.g.*, Rock Salt, USITC Pub. No. 1798 at 5 (January 1986); Cut-to-Length Carbon Steel Plate from the Federal Republic of Germany, Inv. No. 731-TA-147 (Preliminary Remand), USITC Pub. No. 1550 at 8 (July 1984)("The overriding concern of regional industry analysis is to determine whether a market is isolated and insular.").

[39] Texas Crushed Stone, 35 F.3rd at 1542 (Fed. Cir. 1994), *aff'g* 822 F. Supp. 773 (Ct. Int'l Trade 1993).

[40] 19 U.S.C. § 1675a(a)(8); *see* SAA at 887-88.

[41] CR/PR at Table PLATE-I-3.

[42] CR at PLATE-II-1, PR at PLATE-II-1.

national plate industry.[43] Based on this information, a regional industry analysis for Taiwan would not be appropriate. Accordingly, as with all the countries subject to the 1993 orders, we determine to utilize a national industry analysis with respect to Taiwan.

2. Cold-Rolled Steel

In accordance with our like product definition, we define the domestic industry as the domestic producers of the domestic like product of all cold-rolled steel.

3. Corrosion-Resistant Steel

In accordance with our like product definition, we define the domestic industry as the domestic producers of the domestic like product of all corrosion-resistant steel excluding clad plate.

C. Related Parties

Section 771(4)(B) of the Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or that are themselves importers. Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.[44]

In the 1993 investigations, a number of domestic producers had "some financial relationship with foreign steel companies, either through equity ownership or joint ventures, and to a much lesser extent through importation of subject products."[45] However, the Commission determined not to exclude any of the related parties from any of the industries because it would skew the data in view of the fact that the parties comprised a large portion of the industries and because most of the related producers

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[43] USITC Pub. 2664 at 216.

[44] *See* 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 such 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 producer vis-à-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 interest of the related producer lies in domestic production or importation. *See, e.g.*, Sebacic Acid from the People's Republic of China, Inv. No. 731-TA-653 (Final), USITC Pub. No. 2793, at I-7 - I-8 (July 1994).

[45] USITC Pub. 2664 at 98.

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were actively seeking to impose antidumping or countervailing duties on the very parties to which they were related.[46]

1. Cut-to-Length Plate

In these reviews, two domestic mills are owned by subject foreign producers. CVRD-Rio Doce of Brazil owns 50 percent of California Steel Industries ("California"), while Corus of the United Kingdom owns 100 percent of Tuscaloosa Steel Corporation ("Tuscaloosa").[47] In these reviews, no party argues for exclusion of any related parties, and we find that appropriate circumstances do not exist to exclude either of these producers from the domestic industry.

California accounted for *** percent of domestic production of plate in 1999.[48] In that year, its operating income as a ratio to net sales was *** percent, which is the *** highest of all the producers.[49] However, California *** of the orders and does not import any plate.[50] Based on the small percentage of plate it shipped and the fact that it supports continuation of the orders, we find that appropriate circumstances do not exist to exclude California from the domestic industry.

In 1999, Tuscaloosa accounted for *** percent of domestic production of plate[51] and its operating income as a ratio to net sales was *** percent, which was *** the industry average.[52] Tuscaloosa *** of the orders, ***, and does not import any plate.[53] Tuscaloosa does not seem to have benefitted from, or to be shielded from the effects of subject imports by, its relationship with Corus such that its financial performance *** than that of other domestic producers. The investments in Tuscaloosa's facilities since the orders were imposed indicate a commitment to U.S. production. Thus, we find that appropriate circumstances do not exist to exclude Tuscaloosa from the domestic industry.

Also, given the likely conditions of competition in the domestic industry, we do not find that the related parties have been or are likely to be significantly insulated from import competition if the orders are revoked. Accordingly, inclusion of the related parties would not present a distorted picture of the effects of revocation on the domestic industry as a whole.

2. Cold-Rolled Steel

Theis Precision Steel Corp. ("Theis"), with one production facility in Bristol, Connecticut, is wholly owned by Theis of America, which is wholly owned by Theis Gmbh of Germany.[54] Kern-Liebers, an importer of subject cold-rolled steel from Germany, has argued that Theis should be excluded from the domestic industry on related party grounds, as well as on the grounds that Theis is not truly a domestic producer.[55]

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[46] USITC Pub. 2664 at 98-99.
[47] CR/PR at Overview Table 2, Table PLATE-I-3.
[48] *See* Domestic Producer Questionnaire Responses.
[49] CR/PR at Table PLATE-III-6.
[50] CR/PR at Table PLATE-I-3.
[51] *See* Domestic Producer Questionnaire Responses.
[52] CR/PR at Table PLATE-III-6.
[53] CR/PR at Table PLATE-I-3.
[54] CR/PR at Table COLD-I-3; Theis Prehearing Cold-Rolled Brief at 4.
[55] Kern-Liebers Prehearing Cold-Rolled Brief at 19-20.

In the original investigations, the Commission did not exclude any related parties.[56] Theis is a producer of cold-rolled steel and does not import any cold-rolled steel from its German parent.[57] In the years 1997-99, Theis produced *** short tons per year, accounting for *** of total domestic production.[58] While Theis ***,[59] we find that Theis's primary interest lies in domestic production and that Theis is not shielded from the effects of subject imports by reason of its relation with its German parent. We therefore find that appropriate circumstances do not exist to exclude any related party from the domestic industries in these reviews.

Also, given the likely conditions of competition in the domestic industry, we do not find that the related party has been or is likely to be significantly insulated from import competition if the orders are revoked. Accordingly, inclusion of the related party would not present a distorted picture of the effects of revocation on the domestic industry as a whole.

3. Corrosion-Resistant Steel

Four U.S. producers of corrosion steel are related parties because they are owned by, or are affiliated with, subject country producers/exporters of the subject merchandise: California Steel Industries ("California") is *** percent owned by Kawasaki, USA, a subsidiary of Kawasaki, Japan; Pro Tec is *** percent owned by Kobe, USA, a subsidiary of Kobe, Japan; National Manufacturing is *** percent owned by NKK USA Corporation, a subsidiary of NKK, Japan; and Wheeling-Nisshin is *** percent owned by Nisshin Holding, a subsidiary of Nisshin, Japan.[60] In addition to being affiliated with a subject producer, ***.[61] All of these companies appear to be related parties under Section 771(4)(B)(ii)(II) or (III) of the related parties provision.

California accounted for approximately *** percent of the value of U.S. corrosion-resistant steel shipments in 1999. ***. California reported that ***.[62] According to Kawasaki, California's Japanese affiliate, California ***.[63]

Pro Tec accounted for approximately *** percent of the value of U.S. corrosion-resistant steel shipments in 1999. ***. According to its Japanese affiliate, Kobe, ***.[64]

Wheeling-Nisshin accounted for approximately *** percent of the value of U.S. corrosion-resistant steel shipments in 1999. During the period of review, ***.

National Steel accounted for approximately *** percent of the value of U.S. corrosion-resistant steel shipments in 1999. National Steel reported that it imported *** short tons of corrosion-resistant steel from NKK in 1999. National also exports cold-rolled steel to its joint venture DNN in Canada, which in turn galvanizes the substrate. National, ***.[65] Since imposition of the orders, National has added a $150 million facility that will produce an additional 450,000 tons of exposed galvanized and

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[56] Certain Carbon Steel Products from Austria and Sweden, Invs. Nos. 701-TA-225, 227, 228, 230, and 231 (Final), USITC Pub. No. 1759 at 5 (September 1985); USITC Pub. 2664 at 98-99.

[57] Theis Prehearing Cold-Rolled Brief at 4.

[58] INV Table 10/18/2000.

[59] CR/PR at Table COLD-III-8.

[60] CR/PR at Table CORROSION-1-3.

[61] CR/PR at Table CORROSION-III-3.

[62] Japanese Respondents' Corrosion Prehearing Brief Vol. 2, Exh. 13.

[63] Japanese Respondents' Corrosion Prehearing Brief Vol. 2, Exh. 14.

[64] Japanese Respondents' Corrosion Prehearing Brief Vol. 2, Exh. 16.

[65] CR at CORROSION-III-3, PR at CORROSION-III-1.

galvaneal steel products for the auto industry and operates a Triple G line at National's Granite City Division.[66]

In the original 1993 investigations of corrosion-resistant steel, the Commission did not exclude UPI, which was owned by POSCO, a subject producer, because UPI accounted for a relatively small percentage of total U.S. shipments and its performance indicators were consistent with those of the industry as a whole. The Commission therefore found that including UPI within the domestic industry would not significantly distort the economic data or fail to provide an accurate picture of the domestic industry as a whole.[67] The Commission also determined not to exclude "other related parties" in the 1993 investigations of corrosion-resistant steel.

No party has argued for exclusion of any related parties from the domestic corrosion-resistant steel industry. ***.[68] The related parties' investments in their U.S. facilities since the orders were imposed indicate a commitment to their U.S. production. Moreover, these related parties account for a significant share of U.S. production -- approximately *** percent of the value of U.S. corrosion-resistant shipments in 1999. *** continuation of the orders. It does not appear that the U.S. operations of the related parties are shielded from the effects of subject imports.[69] The foregoing considerations indicate that appropriate circumstances do not exist to exclude any related parties from the corrosion-resistant steel industry.

Also, given the likely conditions of competition in the domestic industry, we do not find that the related parties have been or are likely to be significantly insulated from import competition if the orders are revoked. Accordingly, inclusion of the related parties would not present a distorted picture of the effects of revocation on the domestic industry as a whole.

III. LEGAL STANDARDS

The legal standards discussed below apply to our determinations with respect to the three domestic industries in this proceeding: the plate industry, the cold-rolled steel industry, and the corrosion-resistant steel industry. Our determinations for each industry are found in Sections IV through VI.

A. Cumulation

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in

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[66] Japanese Respondents' Corrosion Prehearing Brief Vol. 2, Exh. 21.

[67] USITC Pub. 2664 at 97-98. UPI submitted its questionnaire too late in this proceeding to be included in the industry data in these reviews.

[68] CR at CORROSION-III-3, PR at CORROSION-III-1.

[69] Operating income for Pro Tec, National, and Wheeling-Nisshin were ***. CR/PR at Table CORROSION-III-7.

which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[70]

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[71] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[72] With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.[73] [74] [75]

The Commission has generally considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[76] Only a

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[70] 19 U.S.C. § 1675a(a)(7).

[71] 19 U.S.C. § 1675a(a)(7).

[72] SAA, H.R. Rep. No. 103-316, vol. I (1994).

[73] For a discussion of the analytical framework of Chairman Koplan and Commissioners Miller and Hillman regarding the application of the "no discernible adverse impact" provision, *see* Malleable Cast Iron Pipe Fittings From Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review). For a further discussion of Chairman Koplan's analytical framework, *see* Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Invs. Nos. 803-TA-13 (Review); 701-TA-249 (Review) and 731-TA-262, 263, and 265 (Review) (Views of Commissioner Stephen Koplan Regarding Cumulation).

[74] For a discussion of the analytical framework employed by Commissioner Bragg to assess cumulation in the context of grouped sunset reviews, *see* Potassium Permanganate from China and Spain, *Separate and Dissenting Views of Chairman Lynn M. Bragg Regarding Cumulation in Sunset Reviews*, Invs. Nos. 731-TA-125-126 (Review), USITC Pub. No. 3245 at 27-30 (Oct. 1999); *see also* Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, *Separate Views of Chairman Lynn M. Bragg Regarding Cumulation*, Invs. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Pub. No. 3290, at 27-32 (Apr. 2000).

[75] Commissioner Askey notes that the Act clearly states that the Commission is precluded from exercising its discretion to cumulate if the imports from a country subject to review are likely to have "no discernible adverse impact on the domestic industry" upon revocation of the order. 19 U.S.C. § 1675a(a)(7). Thus, the Commission must focus on whether the imports will impact the condition of the industry discernibly as a result of revocation, and not solely on whether there will be a small volume of imports after revocation, *i.e.*, by assessing their negligibility after revocation of the order. For a full discussion of her views on this issue, *see* Additional Views of Commissioner Thelma J. Askey in Potassium Permanganate from China and Spain, Invs. Nos. 731-TA-125-126 (Review), USITC Pub. No. 3245 (Oct. 1999).

[76] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports

"reasonable overlap" of competition is required.[77] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are revoked. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[78]

B. Likelihood of Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time If the Orders Are Revoked

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order unless: (1) it makes a determination that dumping is likely to continue or recur; and (2) the Commission makes a determination that revocation of an order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[79] The SAA states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation [of the order] . . . and the elimination of its restraining effects on volumes and prices of imports."[80] Thus, the likelihood standard is prospective in nature.[81] The statute states that "the Commission shall consider that the effects of revocation . . . may not be imminent, but may manifest themselves only over a longer period of time."[82] According to the SAA, a "'reasonably foreseeable time'

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from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. *See, e.g.*, Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[77] *See* Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); Wieland Werke, AG, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); United States Steel Group v. United States, 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd,* 96 F.3d 1352 (Fed. Cir. 1996)).

[78] *See, e.g.*, Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int'l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int'l Trade 1988).

[79] 19 U.S.C. § 1675a(a).

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

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

[82] 19 U.S.C. § 1675a(a)(5).

will vary from case-to-case, but normally will exceed the 'imminent' time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations]."[83] [84]

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked."[85] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order under review, whether the industry is vulnerable to material injury if the order is revoked, and any findings by Commerce regarding duty absorption under section 1675(a)(4) of the Act.[86]

We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties' suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. "In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive."[87] In this case, a number of respondent interested parties did not provide questionnaire responses and/or participate in these reviews. Accordingly, we have relied on the facts available in these reviews, which consist primarily of the evidence in the record from the Commission's original

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

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

[85] 19 U.S.C. § 1675a(a)(1).

[86] 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[87] SAA at 869.

investigations, the information collected by the Commission since the institution of these reviews, and information submitted by the domestic producers and other parties in these reviews.

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider whether the likely volume of subject imports would be significant either in absolute terms or relative to production or consumption in the United States.[88] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[89]

In evaluating the likely price effects of subject imports if the orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with domestic like products and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of domestic like products.[90]

In evaluating the likely impact of imports of subject merchandise if the orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[91] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping or countervailing duty orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.[92]

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[93]

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[88] 19 U.S.C. § 1675a(a)(2).

[89] 19 U.S.C. § 1675(a)(2)(A)-(D).

[90] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[91] 19 U.S.C. § 1675a(a)(4).

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

[93] 19 U.S.C. § 1675a(a)(4).

IV. CUT-TO-LENGTH PLATE

A. Cumulation[94] [95]

The legal standards for considering cumulation are discussed in Section III above.

In these reviews, the statutory requirement for cumulation that all of the cut-to-length plate reviews be initiated on the same day is satisfied. Based on the record, we find that subject imports from each of the 12 countries would be likely to have a discernible adverse impact on the domestic industry if the orders were revoked. We also find that a reasonable overlap of competition between the subject imports and the domestic like product is likely to exist if the orders were revoked. We do not find any significant differences in the conditions of competition among imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, but do find significant differences with respect to imports from Canada. We therefore exercise our discretion to cumulate the likely volume and price effects of subject imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, but do not cumulate the likely volume and price effects of subject imports from Canada.[96]

1. Likelihood of No Discernible Adverse Impact

Because of the conditions of competition and the current condition of the domestic industry, exports from each of the subject countries likely would have a discernible adverse impact on the domestic industry.[97]

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[94] See Separate and Concurring Views of Chairman Stephen Koplan and Commissioner Thelma J. Askey for their discussion of cumulation as it applies to the United Kingdom.

[95] Commissioner Bragg does not join section IV.A of these Views. *See* Separate and Dissenting Views of Commissioner Lynn M. Bragg.

[96] Commissioner Askey dissents with respect to the United Kingdom and Taiwan.

[97] Commissioner Askey dissents concerning imports from Canada and Taiwan. With respect to Canada, she finds that imports of CTL plate from Canada are likely to have no discernible adverse impact on the domestic industry, and, therefore, she is precluded from cumulating imports from Canada with those from the other subject countries. Section IV.D below describes in greater detail the facts upon which she bases this conclusion: only one of the three producers originally subject to the order remains subject to the order and that producer is operating at a high capacity utilization rate; Canadian capacity has declined substantially since the original period of investigation; and Canada is a net importer of CTL plate and its exports are currently very small. Moreover, Stelco's current margin is zero, CR at PLATE-I-19, PR at PLATE-I-18, so the order has not served as a substantial impediment to its imports in recent years.

With respect to Taiwan, she likewise finds that imports of CTL plate from Taiwan are likely to have no discernible adverse impact on the domestic industry and, therefore, she is precluded from cumulating imports from Taiwan with those from the other subject countries. The record from the original investigation contains very little information concerning the industry in Taiwan. There are currently two plate producers in Taiwan, neither of which participated in these reviews, so available current data is also limited. As discussed previously in Section II.B.1.b, that investigation was a regional one, encompassing California, Oregon, and Washington. Accordingly, this review is of an investigation that made an injury finding with respect to only three of the 50 states. Taiwanese producer plate capacity for 1978 is

Relative to the U.S. market, the size of the industry in each of these countries is significant.[98] Each has substantial capacity to produce all types of plate products,[99] and its actual production of subject plate as well as other plate is significant.[100] The majority of the countries export a substantial percentage of their production.[101]

In terms of product mix, the types of plate products manufactured in the subject countries do not differ dramatically from those produced in the United States.[102] Imports from each of the subject countries are likely to be substitutable for, and competitive with, domestically produced plate. Such competition is likely to be on the basis of price, in light of the central importance of price in purchasing decisions.[103] Accordingly, and in light of the weakened condition of the U.S. industry, as discussed below, the likely imports of plate from each of the subject countries would have an adverse impact on the domestic industry.

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unknown and was reportedly 1.2 million short tons in 1999. The home market accounted for an unknown percentage of shipments in 1978 and for 88.1 percent in 1999. CR/PR at Table PLATE-IV-12. Subject plate imports from Taiwan accounted for only 1.1 of the U.S. market prior to the order in 1978 and 0.0 percent in 1999. CR/PR at Table PLATE-I-1. Record data show Taiwanese producer capacity as being relatively high in recent years, at *** short tons, but that the industry's capacity utilization rates were greater than 100 percent during each year of the review period. CR/PR at Table PLATE-IV-12. Exports represented *** percent of production in 1997, *** percent in 1998 and *** percent in 1999. CR/PR at Table PLATE-IV-12. Because the margins on imports from Taiwan have been zero since 1982, CR at PLATE-I-22, PR at PLATE-I-21, there has been relatively little impediment to Taiwan imports since that time. Together, these factors indicate that in the event of revocation, it would be unlikely that there would be sufficient import volume increases from Taiwan such as to have volume and price effects in the market, and, therefore, to have a discernible adverse impact on the domestic industry.

[98] In 1999, the capacity in each subject country was equivalent to over five percent of U.S. consumption, except with regard to Canada. *See* CR/PR at Tables PLATE-IV-3 - 13. Canadian capacity is projected to grow from 2000 to 2002. Canadian Respondent's Posthearing Question Responses, Responses to Commissioner Hillman at 4.

[99] *See* CR/PR at Tables CTL-SUPP-1 - 12.

[100] *See* CR/PR at Tables CTL-SUPP-1 - 12.

[101] *See* CR/PR at Tables PLATE-IV-3 (Belgium), PLATE-IV-4 (Brazil), PLATE-IV-6 (Finland), PLATE-IV-7 (Germany), PLATE-IV-9 (Romania), PLATE-IV-10 (Spain), PLATE-IV-11 (Sweden), PLATE-IV-12 (Taiwan), PLATE-IV-13 (United Kingdom). The record contains no information regarding exports from Poland. Although it appears that Canada and Mexico do not export substantial quantities of subject plate, *see* CR/PR at Tables PLATE-IV-5 (Canada), PLATE-IV-8 (Mexico), subject imports from these countries are likely to have a discernible adverse impact on the domestic industry because of their geographic proximity to the United States, as well as, in the case of Canada, expanding capacity, and in the case of Mexico, the fact that AHMSA is currently under bankruptcy protection, *see* CR at PLATE-IV-7, PR at PLATE-IV-8 an indication that it would have an incentive to maximize plate production and sales.

[102] *See* CR/PR at Tables CTL-SUPP-13 - 24; Domestic Producer Questionnaire Responses.

[103] CR/PR at Table PLATE-II-3. In making this determination as to the subject imports from the United Kingdom, Chairman Koplan and Commissioner Askey do not find that such imports would compete principally on the basis of price.

2. Reasonable Overlap of Competition

In the 1993 investigations, the Commission found that subject imports from each of the subject countries competed with each other and with the domestic like product and cumulated the volume and price effects of those subject imports.[104] The Commission collected data in the 1993 investigations regarding specialized plate products and found that: each of the countries sold at least some of the same commercial grade and/or niche products as all other countries; imports of commercial grade and/or niche products from each country were present in the market with comparable domestic product; and niche products for which there was no comparable domestic production constituted a very small percentage of imports from any one country.[105] The record in these reviews likewise reveals a reasonable overlap in the types of subject plate produced in each subject country and in the United States.[106]

Both U.S. producers and importers generally reported that domestically produced plate products were interchangeable with imported plate products.[107] They also generally reported that imports from subject countries were used interchangeably.[108] Purchasers were asked to compare domestic and subject plate products on the basis of 14 ranking factors and found that the U.S. product was generally comparable to, and sometimes superior to, the subject imports.[109] When asked to list the three most important factors considered when choosing a supplier, purchasers most often ranked price first and quality second.[110]

Both domestic producers and importers ship plate to end users, distributors, and service centers/processors.[111]

The record is mixed regarding current market presence and geographic overlap with the orders in place. However, in light of the importance of sales to steel service centers, which are dispersed throughout the United States and hold sizeable plate inventories, we find it likely that subject imports

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[104] USITC Pub. 2664 at 219. We note that the 1979 investigation only involved Taiwan, which was not involved in the 1993 investigations. However, there is no evidence in the record indicating that the subject plate product produced in Taiwan differs from that which is produced in the other subject countries. *See* State Department Telegram Taipei 003117 (Sept. 29, 2000).

[105] USITC Pub. 2664 at 220.

[106] CR/PR at Tables D-4, CTL-SUPP-13 - 24, Domestic Producers' Questionnaire Responses.

[107] CR/PR at Table PLATE-II-5.

[108] CR/PR at Table PLATE-II-5. With respect to numerous respondents' arguments that their production practices emphasize specialty plate products, we note that they continue to produce commodity plate in significant quantities such that there is a reasonable overlap of competition with the domestic like product. *See* Tables D-4, CTL-SUPP-1 - 12. The Belgian producer Duferco Clabecq, S.A., argues that its imports of *** do not compete with the vast majority of domestic plate production. *See, e.g.,* Duferco Clabecq's Prehearing Plate Brief at 33. However, the fact that Duferco is exporting only niche products while subject to the antidumping and countervailing duty orders is not necessarily indicative of its behavior in the event of revocation of those orders. We note that a significant percentage of the plate products that Duferco manufactures are standard products that likely would compete closely with domestic plate. CR/PR at Table CTL-SUPP-1.

[109] *See* CR/PR at Table PLATE-II-8. Purchasers reported no comparisons of the subject imports to each other.

[110] CR/PR at Table PLATE-II-3.

[111] CR at PLATE-II-1, PR at PLATE-II-I.

from each subject country would be simultaneously present in the U.S. market as a whole and in the same geographical markets as other subject imports and the domestic like product.[112]

We therefore find that there likely would be a reasonable overlap of competition between the subject imports from Belgium, Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom and the domestic like product, and among the subject imports from those countries themselves, if the orders were revoked.[113]

3. Other Considerations

As noted above, we do not find any significant differences in the conditions of competition among subject imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, but do find such significant differences as pertains to Canada.[114] In addition, the antidumping duty order originally applied to three significant producers of plate in Canada. However, only one major plate mill, Stelco, remains subject to the order.[115] It has rarely exported significant quantities of subject plate to any country, including the United States.[116] In addition, virtually all the *** plate that Stelco produces is used in its home market.[117] Stelco accounted for a minority of subject imports from Canada during the original investigations,[118] and its capacity is significantly below aggregate Canadian capacity during the original investigations.[119]

Canada is a net importer of plate, with much of its imports originating in the United States.[120] On an absolute tonnage basis, imports of U.S. plate into Canada are double the level of imports of Canadian plate into the United States, even including imports from the non-subject Canadian producers. On a market percentage basis, imports of U.S. plate into Canada are more than 15 times the level of

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[112] *See* CR/PR at Table PLATE-IV-1; *see* CR at PLATE-II-1, PR at PLATE-II-I (producers and importers reported nationwide sales).

[113] Chairman Koplan and Commissioner Askey dissenting with respect to the United Kingdom.

[114] Chairman Koplan and Commissioner Askey also find significant differences as pertains to the United Kingdom. *See* Separate and Concurring Views of Chairman Stephen Koplan and Commissioner Thelma J. Askey.

[115] CR at PLATE-IV-3 - 4, PR at PLATE-IV- 6.

[116] Canadian Respondent's Posthearing Question Responses, Responses to Commissioner Askey at 1; *see* Canadian Respondent's Posthearing Question Responses, Responses to Staff at 8; Canadian Respondent's Prehearing Plate Brief at 4. An anomalous year was 1992, in which Stelco exported *** short tons to the United States. Canadian Respondent's Posthearing Question Responses, Responses to Staff at 11.

[117] CR/PR at Table CTL-SUPP-3.

[118] Canadian Respondent's Posthearing Question Responses, Responses to Staff at 11.

[119] 1993 CR at I-160; *compare* 1993 CR/PR at Table 59 *with* CR/PR at Table PLATE-IV-5.

[120] Canadian Respondent's Prehearing Plate Brief at 16, Table 2; *see* Canadian Respondent's Posthearing Plate Brief at 6. There is evidence in the record that plate prices are slightly higher in Canada than in the United States. Canadian Respondent's Posthearing Question Responses, Responses to Staff at 12; *see also* Canadian Respondent's Posthearing Question Responses, Exh. 1 (Stelco's total shipments exceeding production in 1997, January-March 1999 and January-March 2000); Canadian Respondent's Prehearing Plate Brief at 14.

Canadian plate imported into the United States.[121] The record also indicates that demand for plate in Canada is strong and that Canada has antidumping duty orders in place against several countries.[122]

Thus, based on the record in these reviews, we determine not to exercise our discretion to cumulate subject imports from Canada with other subject imports.[123] [124]

B. Conditions of Competition[125] [126]

Domestic demand for plate generally parallels the U.S. economy. Demand for plate has increased since the 1993 investigations. Plate products are used in industrial and agricultural equipment,

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[121] Canadian Respondent's Posthearing Plate Brief at 6.

[122] Canadian Respondent's Prehearing Plate Brief at 14; Canadian Respondent's Posthearing Plate Brief at 6-8; CR at PLATE-IV-4, PR at PLATE-IV-6.

[123] With respect to the United Kingdom, although Corus is the only subject producer to own a U.S. plate manufacturing facility – Tuscaloosa – we do not find that this fact sufficiently distinguishes the United Kingdom from the other subject countries such that cumulation would not be warranted. Corus (then British Steel) acquired full ownership and control of Tuscaloosa in 1991, prior to the original investigations. United Kingdom Producer's Prehearing Plate Brief at 5. Although Corus has expanded Tuscaloosa's operations since the time of the original investigations, Tuscaloosa's 1999 share of domestic plate production (*** percent), *see* Domestic Producer Questionnaire Responses, was roughly the same as its share of domestic plate production during 1992 (*** percent), 1993 CR at Table 12, the last full year of the original investigations. In the original investigations, imports from the Untied Kingdom, cumulated with other subject imports, were found to have caused material injury. USITC Pub. 2664 at 219-20. Moreover, Corus has experienced difficulties with high sterling-euro exchange rates, such that it has posted recent losses on its hot-rolled steel operations. *See* Corus Group plc Interim Report for the Six Months to 1 April 2000. This, together with significant excess capacity, indicates that Corus is not substantially different than the other subject countries in having the ability and incentive to increase shipments to the U.S. market in the event of revocation.

[124] Chairman Koplan and Commissioner Askey also exercise their discretion not to cumulate the United Kingdom and do not join the preceding footnote.

[125] Commissioner Bragg joins the remainder of section IV.

[126] We note that data on the cut-to-length plate industry that do not include microalloys are not available. We requested such data through our questionnaires. Certain domestic producers indicated that they were unable to supply segregated data in their questionnaire responses. We must therefore rely on the industry data provided, keeping in mind that the industry does not correspond precisely to the one producing the domestic like product that we have found. We are also mindful that the comparisons between the data on the industry in the original determinations and the data gathered in these reviews may be somewhat distorted, as a result of the certain domestic producers' inability to segregate microalloy products from the domestic like product in their questionnaire responses in these reviews. Given the domestic producers' own uncertainty as to the inclusion of microalloy products in the questionnaire responses in the 1993 investigations, we are satisfied that the comparisons are sufficiently valid to indicate the magnitude of the changes in the industry, including apparent consumption. Domestic Producers' Common Issues Prehearing Brief at Exh. 1. We note further that the domestic industry data in these reviews include processors, which were not included in the 1979 or 1993 investigations, although coverage of processors is less than that of the mills.

construction, and transportation.[127] Apparent U.S. consumption was 8.6 million short tons in 1978, but declined to 5.0 million short tons in 1992. It climbed from 6.6 million short tons in 1997 to its near-1978 high of 8.2 million short tons in 1998, then fell to 6.0 million short tons in 1999. In January-March 1999 apparent U.S. consumption was 1.6 million short tons, as it was in January-March 2000.[128]

There have been closures of domestic mills and additional capacity added since the 1993 investigations. Overall industry capacity has increased from 7.0 million short tons in 1992[129] to 8.3 million short tons in 1999.[130] Inland Steel closed its plate mill in 1995. Bethlehem Steel absorbed Lukens in June 1998 to consolidate its position as the largest U.S. plate producer, but has had to reduce capacity (closing the Sparrows Point plate mill in October 1998 and idling one of its Burns Harbor plate mills in September 2000). U.S. Denro revived a shuttered U.S. Steel plate mill in Texas in 1997, and IPSCO commissioned a new Steckel plate mill in 1998. Several producers have replaced conventional reversing mills with Steckel or Steckel-like mills (e.g., Geneva, pre-merger Lukens, and Oregon Steel).[131] In addition, Gulf States' mill closed.[132] New IPSCO and Nucor plate mills with a combined capacity of 2.3 million tons are scheduled to come on line by early 2001.[133] Some of the additional capacity utilizes new Steckel-mill technology. Steckel mills are similar to reversing mills, except that they have heated coilers at both ends of the mill, permitting them to produce long pieces of coiled plate, as well as cut-to-length plate.[134] The domestic industry has a high ratio of fixed to total costs such that it must produce large volumes of plate to operate profitably.[135]

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[127] CR at PLATE-II-1, PR at PLATE-II-1. More specifically, subject plate is used in the production of ships and barges, storage tanks, heavy machinery, bridges, railcars, machine parts, pressure vessels, and offshore drilling platforms. CR at PLATE-II-18, PR at PLATE-II-13.

[128] CR/PR at Table PLATE-I-1. We note that the consumption figures are somewhat understated. All of the major mill producers are represented, *see* CR at PLATE-I-30, PR at PLATE-I-27, CR/PR at Table PLATE-I-3; CR at PLATE-III-1, PR at PLATE-III-1, as are many of the largest processors. While the response rate for processors is somewhat less than the rate in the January 2000 plate investigations, *see* CR at PLATE-I-30 n.45, PR at PLATE-I-27 n.45, we find that the data are adequate to permit us to evaluate the likely effect of revocation of the orders.

We also note that the volatile trend in demand during the current period of review appears to reflect in part the buildup and subsequent sale from inventories during 1998 and 1999. *See* Domestic Producers' Prehearing Plate Brief at 64-66.

[129] 1993 CR/PR at Table 15.

[130] CR/PR at Table PLATE-III-1.

[131] CR at OVERVIEW-12-15, PR at OVERVIEW-26; *Certain Cut-to-Length Plate from France, India, Indonesia, Italy, Japan, and Korea*, Investigations Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final), USITC Pub. 3273 (Jan. 2000) at III-1; Final Comments of the Domestic Interested Parties (Plate) at 2.

[132] CR at PLATE-II-3, PR at PLATE-II-2; http://www.bethsteel.com/pubaffairs/may29nr98.html.

[133] CR at PLATE-II-2, PR at PLATE-II-2; Domestic Producers' Prehearing Plate Brief, Exhs. 35-36.

[134] CR at PLATE-I-28, PR at PLATE-I-26. Respondents argue that the use of Steckel mills strengthens the domestic industry's position because it enables it to produce non-plate products. *See* Joint Respondents' Prehearing Plate Brief at 34. The domestic industry argues that it is inefficient to produce non-plate products on Steckel mills. *See* Domestic Producers' Posthearing Question Responses, Exh. 3.

[135] *See* CR at PLATE-II-38, PR at PLATE-II-32.

Cut-to-length plate is a commodity product that is sold primarily on the basis of price.[136] Service centers handle over 50 percent of the plate sold in the U.S. market.[137] The number of service centers has decreased in the 1990s. These consolidated service centers are more sophisticated than their smaller predecessors, with greater control over buying patterns and increased ability to purchase cut-to-length plate from non-U.S. sources.[138] The consolidation of service centers has increased their pricing leverage and increased the potential for large import buys, thus increasing price competition in the U.S. market.[139]

The domestic industry producing cut-to-length plate has also been materially injured or threatened with material injury by recent waves of imports from a number of suppliers throughout the world. As a result, in 1997, while suspension agreements were signed with China, Russia, South Africa, and Ukraine. In January 2000, antidumping and countervailing duty orders were issued against France, India, Indonesia, Italy, Japan, and Korea.[140]

Based on the record evidence, we find that these conditions of competition in the U.S. cut-to-length plate market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we find that current conditions of competition in the domestic cut-to-length plate market provide us with a basis upon which to assess the likely effects of revocation of the antidumping and countervailing duty orders within the reasonably foreseeable future.

C. Revocation of the Orders on Subject Plate Imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom Is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time[141] [142] [143]

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[136] *See* CR/PR at Table PLATE-II-3 (purchasers generally ranked price as the most important factor considered when choosing a supplier).

[137] Domestic Producers' Prehearing Plate Brief at 27, *citing* Domestic Producers' Questionnaire Responses and Importers' Questionnaire Responses.

[138] *See* Domestic Producers' Posthearing Plate Brief at 28 & Exhs. 3, 12; Domestic Producers' Prehearing Plate Brief at 131-34.

[139] *See* CR at PLATE-II-1, PR at PLATE-II-1 (the consolidation of service centers increased the potential for large import buys and rapid import expansion because many service centers have a corporate relationship with foreign steel mills).

[140] *See* Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 (Dec. 1997); Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, Invs. Nos. 701-TA-387-391 (Final) & 731-TA-816-821 (Final), USITC Pub. 3273 (Jan. 2000).

[141] Chairman Koplan joins in this discussion with respect to Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and Taiwan, but not with respect to the United Kingdom. *See* Dissenting Views of Chairman Stephen Koplan and Commissioner Thelma J. Askey.

[142] Commissioner Askey joins in this discussion with respect to Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, and Sweden, but not with respect to Taiwan or the United Kingdom. *See* Dissenting Views of Chairman Stephen Koplan and Commissioner Thelma J. Askey for her analysis with respect to the United Kingdom.

[143] Because the interim data for 1999 and 2000 cover only limited three-month periods, we have placed less emphasis on interim period comparisons.

1. Likely Volume of Subject Imports

The legal standards for considering the likely volume of subject imports are discussed in Section III above.

In the 1979 determination regarding plate from Taiwan, the Commission found the volume of subject imports from Taiwan increased rapidly from the first shipment of approximately 1,000 tons in December 1977 to a total of 91,000 tons in 1978, with a commensurate increase in market penetration.[144] In the 1993 determinations, the Commission found that the cumulated volume of plate was significant in terms of both absolute volume and market share. Although the four Commissioners joining in the majority opinion used different combinations of cumulated countries in their analyses, the volume of cumulated imports as a percentage of domestic consumption considered by each Commissioner was relatively high, reaching its peak in 1992. The absolute volumes of cumulated imports considered by each Commissioner decreased between 1990 and 1991, before increasing again in 1992.[145] Cumulated subject import levels declined significantly in 1993 and have fluctuated since that time at levels well below those present in 1992.[146] [147] [148]

The record shows that, on a cumulative basis in these reviews, the excess capacity of the subject countries greatly exceeds the volume of total subject imports in the 1993 investigations.[149] Cumulated capacity to produce subject plate in ten of the subject countries (excluding Poland) was 11.5 million short tons for 1999. Excess subject capacity in that year was 1.8 million short tons.[150] Cumulated

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[144] CR/PR at Table PLATE-I-1, USITC Pub. 970 at 5.

[145] USITC Pub. 2664 at 237.

[146] CR/PR at Table S-1.

[147] Chairman Koplan does not include the United Kingdom in his analysis of the volume effects of the cumulated imports, but the conclusions discussed apply to the volume effects of the other 10 cumulated countries.

[148] Commissioner Askey does not include Taiwan and the United Kingdom in her volume analysis, but she notes that the discussion and conclusions set forth in this section apply to the other nine cumulated countries.

[149] The cumulated volume of all subject imports was 787,626 short tons in 1992. CR/PR at Table PLATE-I-1.

[150] *See* CR/PR at Tables PLATE-II-1, PLATE-IV-3 - 4, PLATE-IV-6 - 13. We note that the data reported show Sweden reported the same figures for its capacity as its production, *see* CR/PR at Table PLATE-IV-11, and that Spain's production exceeded its capacity in 1999, CR/PR at Table PLATE-IV-10, as did Taiwan's in 1997 and 1999. CR/PR at Table PLATE-IV-12.

With respect to Taiwan, we evaluated its capacity to produce subject plate based upon its highest production level during the period of review, which significantly exceeded reported capacity. *See* CR/PR at Table PLATE-IV-12. Based on this production level, Taiwan had over *** short tons of excess capacity in 1999. CR/PR at Table PLATE-IV-12. As pertains to Poland, we note there was substantial excess capacity in the 1993 investigations. *See* 1993 CR/PR at Table 86 (capacity in 1992 was *** short tons while production was only *** short tons). In view of the fact that current data regarding Poland's capacity to produce subject plate appear to be incomplete, *see* CR at PLATE-IV-8, PR at PLATE-IV-9, we rely upon data from the original investigations regarding Poland. Accordingly, we find that Polish subject producers are likely operating at approximately 50 percent capacity. We therefore find that significantly more tonnage from Poland would be added to the cumulated total. We also note that although Poland had planned a reduction in capacity to between 10 and 100 million metric

capacity to produce both subject and non-subject plate was 13.4 million short tons. Excess total capacity was 1.9 million short tons.[151] [152] Shifting between the production of non-subject and subject plate is not difficult.[153] [154] [155]

With the exception of Mexico, all cumulated countries export substantial quantities of their production.[156] Moreover, there are also a number of barriers to importation of subject plate in other countries.[157] [158] [159] Brazilian plate is currently subject to antidumping findings in Canada and Mexico and

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tons in the 1993 investigations, 1993 CR at I-210, there is no evidence in the record to indicate that such a reduction has occurred or, if so, to what extent.

[151] *See* CR/PR at Tables PLATE-IV-3 - 4, PLATE-IV-6 - 13, CTL-SUPP-1 - 2, CTL-SUPP-4 - 12. In response to questions from several Commissioners, the Brazilian respondents reported 1999 capacity to produce both subject and nonsubject plate that was actually lower than subject capacity alone as reported in their questionnaire responses. We were unable to resolve this apparent discrepancy and have relied on the questionnaire responses.

[152] Commissioner Bragg relies on the figure reported in the response to the Commissioners' questions with respect to Brazilian capacity to produce subject and nonsubject plate.

[153] CR at PLATE-II-4, PR at PLATE-II-3 (firms producing plate on hot strip mills or Steckel mills have the option of producing hot-rolled coils in sheet thicknesses); Tr. at 255-56 (Mr. Heller). Moreover, altering the chemical composition of the subject plate enables production of non-subject microalloy steels or non-subject grade X-70 plate. *See also* CR at PLATE-IV-2, PR at PLATE-IV-2 (Belgium ***); CR at PLATE-IV-3, PR at PLATE-IV-2-3 (Brazil ***); CR at PLATE-IV-6, PR at PLATE-IV-6 (Germany ***); CR at PLATE-IV-7, PR at PLATE-IV-7 (Mexico ***); CR at PLATE-IV-10, PR at PLATE-IV-8(Romania ***); CR at PLATE-IV-11, PR at PLATE-IV-11 (Sweden ***); CR at PLATE-IV-14, PR at PLATE-IV-12 (United Kingdom ***).

[154] While importers reported no inventories of subject plate, CR/PR at Table PLATE-IV-2 n.1, the cumulated subject foreign producers have reported significant end-of-period inventories. Excluding Poland, there were 1,097,642 short tons in subject foreign producers' inventories in 1997, 1,009,785 short tons in 1998, and 949,568 short tons in 1999. CR/PR at Tables PLATE-IV-3 - 4, 6 - 13.

[155] Several European respondents argue that the EU is effectively their home market and that strengthened integration in the EU means that they are increasingly focused on the European market, making them less likely to export to the United States upon revocation. The European Community was in existence for some time prior to the original investigations, although further steps at integration and expansion have taken place since the original investigations. While these steps could have the potential to reduce to some degree exports of EU countries to the United States compared to the original investigation, we are not convinced that there has been a shift of such a fundamental nature as to make significant exports to the United States unlikely. With respect to the adoption of a common currency, we believe it is too early to judge its likely effects on trade outside the EU.

[156] *See* CR/PR at Tables PLATE-IV-3 - 4, 6 - 13.

[157] We note that we have considered domestic producers' arguments regarding global cartels. However, we did not rely upon any alleged global cartel activity in reaching our determinations.

[158] Vice Chairman Okun does not join in the preceding footnote. *See* Additional Views of Vice Chairman Deanna Tanner Okun.

[159] Commissioner Hillman does not joint in footnote 157. She notes that the Commission's administrative record includes the recent publication *GLOBAL STEEL TRADE: Structural Problems and Future Solutions* (U.S. Department of Commerce, Washington, DC, July 2000), which seeks to identify causes of the so-called "Steel Import Crisis" and offers possible solutions. Among other things, the

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a countervailing finding in Mexico.[160] Plate from Finland is currently subject to an ongoing antidumping investigation in Canada.[161] Plate from Romania is subject to an antidumping finding in the European Union ("EU").[162] Plate from Spain is subject to antidumping and countervailing findings in Canada.[163]

In addition, all subject producers providing information to the Commission indicated that they produce a range of subject plate products that would be likely to compete with each other's products and the domestic product in the U.S. market.[164]

The recent imposition in the United States of antidumping and countervailing duty orders on cut-to-length plate from other countries makes it likely that the former purchasers of those products will seek new sources of low-priced plate. This demand for low-priced plate likely would be satisfied by the subject countries if the orders were revoked.

As argued by respondents, improved demand conditions in a number of the subject countries may suggest a decreased level of cumulated imports upon revocation compared to the levels from the original investigations.[165] Nevertheless, the combination of factors described above – significant capacity, and excess capacity, to produce both subject and non-subject plate products, foreign plate inventories, significant exports by most subject producers (indicating that exporting is an important part of these producers' businesses), and barriers to exporting to third countries – as well as the incentive for steel producers to increase sales to maximize the use of available capacity and the role of the increasingly consolidated service centers in seeking out sources of low-cost supplies, indicates that the cumulated volume of subject imports likely will be significant upon revocation. In addition, as a result of the price-sensitive nature of the plate market,[166] and the weakened condition of the domestic industry (described below), even a relatively modest amount of subject imports would have a significant effect on U.S. prices and the U.S. industry.

Accordingly, we find that the volume of cumulated subject imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom likely would be significant within a reasonably foreseeable time if the orders are revoked.

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publication reviews and elaborates upon long-standing allegations by U.S. steel producers and others that there exist trade-limiting arrangements between Japanese, EU, and Korean steel producers. These allegations are routinely denied by the foreign steelmakers and governments. Commissioner Hillman has carefully considered this information, but finds that she is not in a position to reach a conclusion on the existence or effect of the alleged trade-limiting agreements.

[160] CR at PLATE-IV-3, PR at PLATE-IV-8-9

[161] CR at PLATE-IV-5, PR at PLATE-IV-7.

[162] CR at PLATE-IV-10, PR at PLATE-IV-11.

[163] CR at PLATE-IV-11, PR at PLATE-IV- 11.

[164] CR/PR at Tables D-4, CTL-SUPP-13 - 14, 16 - 24.

[165] We do not find convincing respondents' claims that privatization of some subject country companies since the original investigations lessens the likelihood of significant exports to the United States. As with state-owned companies, profit-maximizing privately-owned firms may likely find it in their interests to seek additional sales in export markets.

[166] *See, e.g.,* CR at PLATE-II-21, PR at PLATE-II-15; Tr. at 76 (Mr. Dunham) ("plate is an extremely price sensitive commodity product"); 100 (Mr. Tulloch) ("a modest surge of dumped plate will cause severe price disruptions").

2. Likely Price Effects of Subject Imports

The legal standards for considering the likely price effects of subject imports are discussed in Section III above.

In the 1979 investigation of Taiwan, the Commission found that there was substantial underselling as well as price suppression by the subject imports from that country.[167] In the 1993 investigations, the Commission found that there had been significant price underselling by the cumulated subject imports, noting that there was underselling in commercial grade plate products as well as declining unit values in twelve niche products. The Commission also found significant price depression or suppression and evidence of adverse price effects, in that unit production costs had risen steadily while market prices had been declining, resulting in a cost/price squeeze.[168]

In these reviews, the available pricing data indicate that domestic prices are falling or, at best, have stabilized at low levels.[169] While the domestic industry was able to effect some price increases in early 2000, it was not able to collect more recent announced increases.[170] Because of the minimal levels of subject imports during the period of review, we have little data with which to compare the current U.S. prices of subject imported and domestically-produced plate.

As we observed above, however, domestic and subject imported plate are generally interchangeable and purchases are based largely on price competition. It follows, therefore, that highly competitive prices are essential to obtain sales and increase market share. Moreover, both producers and importers tend to sell on a spot basis, frequently negotiated transaction by transaction. Even to the extent that contracts are employed, many are for less than three months.[171] Given these facts, and in view of the findings in the original investigations, we find that the significant increased volumes of subject plate imports likely would undersell domestic plate products to a significant degree and have significant price suppressing and depressing effects within a reasonably foreseeable time.[172] [173] [174]

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[167] USITC Pub. 970 at 6.

[168] USITC Pub. 2664 at 240-41.

[169] *See* CR/PR at Tables PLATE-IV-1 - 4.

[170] *See* Tr. at 78 (Mr. Dunham); *see also* Tr. at 147 (Mr. Navetta), 153 (Mr. Tulloch).

[171] CR at PLATE-V-3 - 4, PR at PLATE-V-3.

[172] In reaching our conclusion on likely price effects, we have weighed all the pertinent evidence on price and taken into account Commerce's duty absorption findings on Belgium, 63 Fed. Reg. 2959, 2964 (June 20, 1998) and Sweden, 62 Fed. Reg. 46947 (Sept. 5, 1997), although we note that a CIT decision (SKF USA Inc., et al. v. United States, No. 99-08-00473, slip op. 00-28 (Ct. Int'l Trade Mar. 22, 2000)) calls into question the validity of Commerce's duty absorption findings with respect to transition orders. However, we do not rely on the duty absorption findings in making our determination that significant price effects are likely upon revocation of the orders.

[173] Vice Chairman Okun does not join in the conclusion in the preceding footnote. Notwithstanding the referenced CIT decision, she finds that the statute requires her to take into account Commerce's duty absorption findings in making her determination. Nonetheless, she notes that her findings with respect to likely price effects upon revocation of the orders would be the same with or without consideration of Commerce's findings.

[174] Section 752(a)(6) of the Act states that the Commission may consider the magnitude of the margin of dumping in making its determination in a five-year review investigation. 19 U.S.C. § 1675(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year review investigations as "the dumping margin or margins determined by the administering authority

3. Likely Impact of Subject Imports[175]

The legal standards for considering the likely impact of subject imports are discussed in Section III above.

In the 1979 investigation of plate from Taiwan, the Commission found that the dumped plate had resulted in lost sales by the domestic industry.[176] In the 1993 investigations of plate from the remaining subject countries, the Commission found that domestic capacity utilization had decreased, profitability

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under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). *See also* SAA at 887. Commerce found the following dumping margins: Belgium, 6.75 to 27.50 percent; Brazil, 42.08 to 75.54 percent; Canada, 0 to 68.70 percent; Finland, 40.36 percent; Germany, 36.00 percent; Mexico, 49.25 percent; Poland, 61.98 percent; Romania, 75.04 percent; Spain, 105.61 percent; Sweden, 24.23 percent; Taiwan, 34.00 percent; and the United Kingdom, 109.22 percent. *See* Commerce's Decision Memorandum, unpublished, found at http://ia.ita.doc.gov/frn/summary/belgium/00-8693-1.txt; 65 Fed. Reg. 18052 (Apr. 6, 2000); 65 Fed. Reg. 47383 (Aug. 2, 2000); 65 Fed. Reg. 18054 (Apr. 6, 2000); 65 Fed. Reg. 18056 (Apr. 6, 2000).

Although the statute does not expressly define the "magnitude of the net countervailable subsidy" to be used by the Commission in five-year reviews, it states that "[t]he administering authority shall provide to the Commission the net countervailable subsidy that is likely to prevail if the order is revoked or the suspended investigation is terminated." 19 U.S.C. § 1675a(b)(3). In its final five-year review determinations, Commerce determined the magnitude of the following subsidies that are likely to prevail if the countervailing duty order is revoked as: Belgium, 1.05 to 23.15 percent; Brazil, 5.44 to 48.64 percent; Germany, 0.51 to 14.84 percent; Mexico, 20.25 to 25.87 percent; Spain, 36.86 percent; Sweden, 4.27 percent; and the United Kingdom, 1.05 to 23.15 percent. *See* 65 Fed. Reg. 18066 (Apr. 6, 2000); 65 Fed. Reg. 18065 (Apr. 6, 2000); 65 Fed. Reg. 47407 (Aug. 2, 2000); 65 Fed. Reg. 18067 (Apr. 6, 2000); 65 Fed. Reg. 18307 (Apr. 7, 2000); 65 Fed. Reg. 18309 (Apr. 7, 2000).

In five-year reviews concerning countervailing duty orders, the Commission is required to consider "information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement." 19 U.S.C. § 1675a(b)(6). In its final five-year review determination, Commerce found that Brazil's countervailable program falls within the definition of an export subsidy under Article 3.1(a) of the Subsidies Agreement, 65 Fed. Reg. at 18066 (Apr. 6, 2000); that benefits provided by Mexico's Bancomext Export Loans and PITEX Duty-Free Imports for Companies That Export programs fall within the purview of Article 3.1(a) and that the remaining Mexican programs fall within the definition of "direct forgiveness of debt" for purposes of Article 6.1(d), 65 Fed. Reg. at 18069 (Apr. 6, 2000); and that the programs at issue in the reviews of Belgium, Germany, Spain, Sweden, and the United Kingdom do not fall within the definition of an export subsidy under Article 3.1(a). 65 Fed Reg. at 18067 (Apr. 6, 2000), 18307 (Apr. 7, 2000), 18308 (Apr. 7, 2000), 18310 (Apr. 7, 2000), 47409 (Aug. 2, 2000).

[175] We note that data for certain domestic plate producers may reflect the production and sales of products outside the scope of these reviews. These producers indicated that they were unable to supply data that did not also include microalloy plate. We must therefore rely on the industry data provided, keeping in mind that the industry does not correspond precisely to the one producing the domestic like product that we have found.

[176] USITC Pub. 970 at 6-7.

had fallen, and that the cumulated subject imports increased their share of a declining domestic market while the domestic industry's market share decreased.[177]

The record indicates that the state of the domestic industry improved somewhat following the imposition of the subject orders, but began to decline following multiple rounds of unfairly traded plate imports.[178] In these reviews, a number of indicators of the condition of the domestic industry were positive even at the beginning of the period of review. Production increased between 1997 and 1998,[179] U.S. shipments increased during the same period,[180] as did gross profits[181] and operating income.[182] Petitioners suggested that capacity has increased by approximately the rate demand has increased.[183]

However, these indicators declined noticeably toward the end of the review period, and the domestic industry remains in a weakened state, due at least in part to the effects of dumped and subsidized imports from non-subject countries that resulted in the imposition of orders during the period

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[177] USITC Pub. 2664 at 243-44.

[178] *See, e.g.,* Domestic Interested Parties Prehearing Brief, Vol. IV-A, Exhibit 24.

[179] Production increased from 5.8 million short tons in 1997 to 6.8 million short tons in 1998, then fell to 5.5 million short tons in 1999. It was 1.2 million short tons in January-March 1999 and 1.6 million short tons in January-March 2000. CR/PR at Table PLATE-III-1.

[180] U.S. shipments increased from 5.5 million short tons in 1997 to 6.5 million short tons in 1998, then fell to 5.4 million short tons in 1999. U.S. shipments were 1.3 million in January-March 1999 and 1.5 million in January-March 2000. CR/PR at Table PLATE-III-2.

[181] Gross profits increased from $163.0 million in 1997 to $227.1 million in 1998, then fell to a loss of $95.8 million in 1999. It was a loss of $25.2 million in January-March 1999 and was $317,000 in January-March 2000. CR/PR at Table PLATE-III-5.

[182] Operating income rose from $89.7 million in 1997 to $134.3 million in 1998, then fell to an operating loss of $177.1 million in 1999. There were operating losses of $46.0 million in January-March 1999 and $17.1 million in January-March 2000. CR/PR at Table PLATE-III-5.

[183] Tr. at 131-32 (Mr. Schagrin). However, capacity utilization declined from 78.5 percent in 1997 to 75.1 percent in 1998, then further to 66.1 percent in 1999. It was 59.2 percent in January-March 1999 and 72.3 percent in January-March 2000. CR/PR at Table PLATE-III-1.

of review.[184] [185] [186] Operating income is falling, capacity utilization is low, production is down, inventories are higher,[187] and production and related workers have decreased, as have their hours worked.[188] Capital expenditures have also steadily declined.[189] Although the imposition of duties on imports from six countries in 2000 should help to ameliorate the industry's condition to some degree, we nevertheless conclude that the domestic industry, having faced successive waves of unfairly traded imports in recent years, is in a "weakened state" as contemplated by the statute's vulnerability criterion.[190]

As discussed above, revocation of the antidumping and countervailing duty orders at issue likely would lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic like product and significantly suppress or depress U.S. prices. In addition, the volume and price effects of the cumulated subject imports likely would have a significant adverse impact on the domestic industry and likely would cause the domestic industry to lose market share.

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[184] In reaching our determination that the industry is vulnerable, we have considered, but have not relied upon, the industry analysis presented by the domestic producers, which relies on indicators pertaining to the overall steel industry and not to this particular industry. We realize that in certain practical matters it is difficult to separate an industry from the larger commercial entity to which it belongs; yet our statutory mandate is clear, and we must reach our determination based on the state of the industry as defined in 19 U.S.C. § 1677(4)(A). Furthermore, we find that the analysis does not adequately represent the attenuated relationship between this industry and certain larger indicators, such as stock prices.

[185] Vice Chairman Okun and Commissioner Hillman do not join the preceding footnote. While they also did not rely on Professor Kothari's analysis in finding the domestic industry vulnerable, they note that there may be instances where particular indicia that are not severable from the industry as defined in 19 U.S.C. § 1677(4)(A) may nonetheless be relevant in assessing vulnerability. However, they do not find Professor Kothari's reliance on the stock market performance probative of the vulnerability of the domestic industry, inasmuch as factors other than the current condition of the industry may impact any individual company's or sector's stock performance.

[186] Commissioner Bragg does not join footnote 184. Although Commissioner Bragg did not rely upon Professor Kothari's analysis in finding the domestic industry vulnerable, she notes that his analysis does corroborate a finding of vulnerability.

[187] Inventories were 390,001 short tons in 1997, 467,710 short tons in 1998, and 403,893 short tons in 1999. They numbered 363,296 in January-March 1999 and 381,134 in January-March 2000. CR/PR at Table PLATE-III-3.

[188] Production and related workers increased from 8,021 in 1997 to 8,337 in 1998 then decreased to 6,558 in 1999. They numbered 6,535 in January-March 1999 and 6,746 in January-March 2000. Their hours worked increased from 17.1 million in 1997 to 17.8 million in 1998, then declined to 13.4 million in 1999. Hours worked numbered 3.3 million in January-March 1999 and 3.6 million in January-March 2000. CR/PR at Table PLATE-III-4.

[189] Capital expenditures fell from $97.3 million in 1997 to $94.0 million in 1998, then fell further to $82.9 million in 1999. They were $16.5 million in January-March 1999 and $9.0 million in January-March 2000. CR/PR at Table PLATE-III-9.

[190] 19 U.S.C. § 1675a(1)(C). *See* SAA at 885 ("The term 'vulnerable' relates to susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury. . . . If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order.").

The price and volume declines likely would have a significant adverse impact on the production, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the orders will result in commensurate employment declines for domestic firms.

Accordingly, based on the record in these reviews, we conclude that, if the antidumping and countervailing duty orders are revoked, subject imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would be likely to enter the U.S. market in sufficient quantities and at prices below those of the domestic product so as to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.[191]

D. Revocation of the Order on Subject Imports from Canada Is Not Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

As explained above, two of the three major Canadian producers to which the antidumping duty order applied – IPSCO and Algoma – are no longer subject to the order, leaving only Stelco as a major producer subject to the order.[192] As a result, overall subject Canadian capacity is significantly lower than its level as reported in the 1993 investigations.[193] While Stelco has plans to expand capacity by 2002, the expanded capacity will still be well below 1992 subject capacity.[194]

In general, Stelco has not historically been a significant exporter of plate to the United States (or to other markets).[195] Stelco accounted for a small percentage of subject imports from Canada in 1990 and 1991, and approximately *** percent in 1992.[196] Nearly all (*** percent) of its shipments of subject plate went to the home market in 1999 and the remaining *** percent was consumed internally.[197] Since

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[191] In making this determination, we have considered, but have not relied upon, the probabilistic model presented by respondent producers. We find the model's usefulness to be limited by its time frame (*i.e.* while the orders were in place) such that it is not particularly probative in light of the analysis of the likely future conditions in the market required by statute.

[192] *See* IV.A.3 *supra*.

[193] *See* 1993 CR/PR at Table 59 (Canadian capacity was *** short tons in 1992).

[194] Stelco's capacity for subject plate is projected to be a little over *** tons in 2001, with total capacity to produce both subject and non-subject plate of *** tons. *See* Canadian Respondent's Posthearing Question Responses, Responses to Commissioner Hillman at 4; CR/PR at Table CTL-SUPP-3. We are mindful of the fact that there is some potential that the other *** tons of capacity could be shifted to produce the subject merchandise. Even if this occurred, volumes imported into the United States are not likely to be significant in view of the fact that Stelco, as explained above, has not historically been a large exporter of plate to the United States.

[195] Canadian Respondent's Prehearing Plate Brief at 5.

[196] Canadian Respondent's Posthearing Question Responses, Responses to Staff at 11; Canadian Respondent's Posthearing Plate Brief, Exh. 1 at 8.

[197] CR/PR at Table PLATE-IV-5. We note further that although Stelco produces non-subject, microalloyed plate, it has shipped virtually none to the United States during the review period. *See* CR/PR at Table CTL-SUPP-3 (Canada shipped *** short tons of microalloyed plate to the United States in 1998 and *** short tons in 1999).

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the antidumping duty order went into effect in 1993, Stelco has exported a total of only *** tons to the United States, for an average annual export of fewer than *** tons.[198]

As discussed above, the amount of plate demanded in Canada exceeds the supply of Canadian-produced plate. This deficit likely will increase because Canada has recently imposed antidumping duty orders on a number of countries[199] that accounted for a significant amount of consumption in Canada.[200] This indicates that Stelco is likely to remain focused on supplying its home market.

In view of the above facts, we find that likely future levels of subject imports from Canada will not be significant. The probable volumes will likely be too small to affect domestic prices significantly. In the absence of significant volume or price effects, we find that the likely impact on the domestic plate industry from subject imports from Canada, in the event of revocation, will not be significant. We therefore find that subject imports from Canada would not lead to continuation or recurrence of material injury within a reasonably foreseeable time if the order were revoked.

E. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on imports of cut-to-length plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would be likely to lead to continuation or recurrence of material injury to the domestic cut-to-length plate industry within a reasonably foreseeable time.[201] We also determine that revocation of the antidumping duty order on imports of cut-to-length plate from Canada would not be likely to lead to continuation or recurrence of material injury to the domestic cut-to-length plate industry within a reasonably foreseeable time.

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[198] Canadian Respondent's Prehearing Plate Brief at 6; CR/PR at Table PLATE-IV-5. We note that official import data likely include data of non-subject Canadian producers.

[199] Canada currently has antidumping duty orders on imports of plate from Brazil, China, Finland, India, Indonesia, Italy, Korea, Mexico, Russia, South Africa, Spain, Thailand, and Ukraine. CR at PLATE-IV-4, PR at PLATE-IV-6; Canadian Respondent's Prehearing Plate Brief at 15.

[200] The subject countries exported 137,000 tons of plate into Canada in 1998 and 71,000 tons in 1999. Canadian Respondent's Prehearing Plate Brief at 16.

[201] Chairman Koplan and Commissioner Askey dissenting with respect to the United Kingdom. Commissioner Askey dissenting with respect to Taiwan.

V. COLD-ROLLED FLAT CARBON STEEL PRODUCTS[202] [203]

A. Cumulation

The legal standards for considering cumulation are discussed in Section III above.

In these reviews, the statutory requirement that all cold-rolled steel reviews be initiated on the same day is satisfied. Based on the available information regarding the capacity and exports of the industries in Germany, Korea, the Netherlands, and Sweden and their current exports to the United States, we find that subject imports from all four countries would be likely to have a discernible adverse impact on the domestic industry if the orders were revoked. We also find that a reasonable overlap of competition between the subject imports and the domestic like product is likely to exist if the orders were revoked. We do not find any significant differences in the conditions of competition among the subject countries. Therefore, we have exercised our discretion to cumulate subject imports from Germany, Korea, the Netherlands, and Sweden.

1. Likelihood of No Discernible Adverse Impact

Subject imports from German, Korea, the Netherlands, and Sweden have remained in the U.S. market in the years since the orders were imposed.[204] The continuing presence of these subject imports in the domestic market indicates that subject foreign producers continue to have the contacts and channels of distribution necessary to compete in the U.S. market.

The cold-rolled steel industries in each of the four subject countries devote considerable resources to export markets. In 1999, the percentage of total shipments exported ranged from *** percent in Germany to *** percent in Sweden.[205] While capacity utilization rates have topped *** percent in each of the subject countries during the period of review, there appears to be some available excess capacity in each country. As recently as 1999, for example, there were *** million short tons of available excess capacity in Korea alone.[206]

We are mindful that the volume of subject imports was small even during the original investigations, and that volume has fallen further still. Yet in the context of this particular industry, and given the conditions noted above, we find that the current level of subject imports from each country is nonetheless high enough so that a likelihood exists that even a small post-revocation increase would have a discernible adverse impact on the domestic industry.[207]

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[202] Commissioner Bragg does not join Section V of this opinion. *See* Separate and Dissenting Views of Commissioner Lynn M. Bragg.

[203] Commissioner Miller does not join Section V of this opinion. *See* Separate Views of Commissioner Marcia E. Miller.

[204] CR/PR at Table COLD-I-1.

[205] CR/PR at Tables COLD-IV-3 through COLD-IV-6.

[206] CR/PR at Tables COLD-IV-3 through COLD-IV-6. Furthermore, some subject German producers have close ties to domestic importers or to major service centers. Domestic Producers' Posthearing Cold-Rolled brief at Exh. 13.

[207] Commissioner Askey notes that these small volume increases are likely to result in discernible adverse effects on domestic prices, such that subject imports would have a discernible adverse impact on the domestic industry.

2. Reasonable Overlap of Competition

In the original investigation in 1985 involving Sweden, the Commission majority cumulated subject imports of subsidized cold-rolled steel products from Sweden with subsidized cold-rolled steel imports from Austria and with dumped imports from Korea already subject to a dumping order.[208] In the original 1993 investigations involving Germany, Korea, and the Netherlands, Chairman Newquist cumulated subject imports from Germany, Korea, and the Netherlands along with subject imports from Belgium, Brazil, Canada, France, and Japan to reach a determination that cumulated imports threatened the domestic industry.[209] Vice Chairman Watson did not cumulate subject imports from Germany with any other subject imports in reaching a determination that subject imports from Germany threatened the domestic industry.[210] Commissioner Rohr did not cumulate subject imports from Korea, the Netherlands, or Germany when determining that subject imports from each of those countries threatened the domestic industry.[211] Commissioner Nuzum cumulated subject imports from Germany, Korea, and the Netherlands with subject imports from Belgium, Brazil, France, Italy, and Spain in determining that the cumulated subject imports threatened the U.S. industry.[212]

With limited exceptions, domestic producers overwhelmingly find domestically-produced cold-rolled steel to be interchangeable with subject imports from each of the four countries and similarly find subject imports to be interchangeable with each other.[213] Importers also generally find the subject imports to be interchangeable with the domestic like product and with each other.[214] Purchasers frequently found domestic cold-rolled steel to be comparable to imported cold-rolled steel from each of the subject countries with respect to a number of product characteristics.[215]

Domestic producers sell cold-rolled steel throughout the United States.[216] A majority of subject imports from Germany entered the United States through the Great Lakes region, while a majority of subject imports from Korea entered the United States through the Gulf Cost region. Subject imports from Sweden entered primarily through the East and Great Lakes region. Over ninety percent of subject imports from the Netherlands entered through the West region. While the primary regions of entry varied, subject imports from each of the four countries entered each of the four regions during the period of review.[217]

In 1999, 63 percent of domestically-produced cold-rolled steel was sold directly to end users, with the remaining 37 percent sold to distributors and service centers.[218] Subject imports from the Netherlands were also generally sold directly to end users in 1999, while sales to distributors and service centers accounted for *** percent of all shipments from the Netherlands.[219] Only *** percent of subject

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[208] USITC Pub. 1759 at 11.

[209] USITC Pub. 2664 at 269, 302 (Additional and Dissenting Views of Chairman Newquist).

[210] USITC Pub. 2664 at 83 n.1 and 133-135.

[211] USITC Pub. 2664 at 83 n.1, 133-135, 135 n.389, and 156-159 (Additional and Dissenting Views of Commissioner David B. Rohr).

[212] USITC Pub. 2664 at 352 (Additional and Dissenting Views of Commissioner Janet A. Nuzum).

[213] CR/PR at Table COLD-II-4.

[214] CR/PR at Table COLD-II-4.

[215] CR/PR at Table COLD-II-7.

[216] CR at COLD-II-1, PR at COLD-II-1.

[217] Official Commerce statistics.

[218] INV Table X-4, 10/04/2000.

[219] INV Table X-6, 10/04/2000.

imports from Germany were sold to distributors or service centers in 1999, while the share of subject imports from Korea sold to that market was *** percent in 1999.[220]

Subject imports from each of the four countries were present in the market throughout the entire period of review. Subject imports from Korea were present in the U.S. market in 38 of 39 quarters in the period of review. Subject imports from the other three countries were present in every quarter.[221]

Parties in favor of revocation have pointed out several notable differences in product type and channel of distribution between recent subject imports. Subject imports from the Netherlands have consisted primarily of full-hard steel, a semi-finished product, while Korea is the only other subject country which exports full-hard to the U.S., and Korean imports of full-hard are modest.[222] Subject imports from Germany and the Netherlands are largely sold by contract to a few major customers, while the Korean product is sold mainly to distributors.[223]

We note the existence of these stated differences, but do not find them sufficiently significant to prevent us from concluding that there is likely to be a reasonable overlap of competition. In a five-year review, the proper focus is on likely post-revocation behavior, and the composition of current imports, affected by the discipline of an antidumping or countervailing duty order, is not necessarily indicative of likely post-revocation competition. While current subject imports may be specialized or limited to a particular market, subject producers in each of the four countries possess the ability to produce, and do in fact produce, a broad range of subject cold-rolled products. For example, while the Dutch producer sells primarily full-hard cold-rolled steel in the United States, it produces and exports other products to a variety of *** in third countries.[224] German group producers sell primarily by contract to original equipment manufacturer ("OEM") customers,[225] but have ties to major U.S. service centers, indicating they could be active in sales to service centers and distributors as well as OEMs.[226] Subject imports from Korea currently are considerably less likely to be sold directly to end users, but subject Korean producers service OEM clients in other markets and presumably could do so in the United States as well.[227] Therefore, we find that there would likely be a reasonable overlap of competition between the subject imports and the domestic like product, and among the subject imports themselves, if the orders were revoked.

3. Other Considerations

The volume and price trends varied for subject imports from all four countries. The volume of subject imports from each country was significantly lower in the years 1997-1999 than during the high points of the original investigations.[228] We note that three of the four subject countries are members of the European Union, and, according to Dutch and German respondents, are essentially integrated into one large European market. Producers in each of the subject countries are technologically advanced, capable of producing a wide variety of products and capable of competing for even high-end customers

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[220] INV Table X-6, 10/04/2000.
[221] Official Commerce statistics.
[222] Dutch Prehearing Cold-Rolled Brief at 15-16.
[223] Dutch Prehearing Cold-Rolled Brief at 18, German Group Prehearing Cold-Rolled Brief at 25-26.
[224] Dutch Posthearing Cold-Rolled Brief at A-3.
[225] German Group Prehearing Cold-Rolled Brief at 25.
[226] Domestic Producers' Posthearing Cold-Rolled Brief at Exhibit 13.
[227] *See, e.g.*, Korean Group Prehearing Cold-Rolled Brief at 10 (sales to automotive manufacturers).
[228] CR/PR at Table COLD-I-1.

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such as original equipment manufacturers. We note that widely varying projections for growth in Europe and Asia have been presented by both sides, but in general the forecasts agree that some modest rate of growth in both markets is likely.

We therefore find that subject imports from these countries would compete in the U.S. market under similar conditions of competition. Based on the foregoing, we therefore exercise our discretion to cumulate subject imports from Germany, Korea, the Netherlands, and Sweden in these reviews.

B. Conditions of Competition

The legal standards for considering the conditions of competition are discussed in Section III above.

We find that these conditions are likely to prevail in the reasonably foreseeable future and thus provide an adequate basis by which to assess the likely effects of revocation within the reasonably foreseeable future.

Cold-rolled steel is used in a variety of applications, primarily automotive, appliance, construction, and container.[229] Demand for cold-rolled steel is closely tied to demand in the general economy.[230] In general, there are no potential substitute products for cold-rolled steel, although thin-gauge hot-rolled steel has been suggested as a possible substitute in limited applications.[231]

Domestic demand for cold-rolled steel products has increased significantly since the original investigations. In 1984, the final year of the investigation regarding subject imports from Sweden, total apparent domestic consumption was 16.3 million tons. By 1992, the final year of the investigations regarding Germany, Korea, and the Netherlands, total apparent domestic consumption neared 28.5 million tons. By 1999, total apparent domestic consumption reached 37.8 million tons. Total apparent domestic consumption increased 6.6 percent in the first quarter of 2000 over the same time period in 1999.[232]

In the years since the original determinations a fundamental change in demand has affected the level of demand for cold-rolled steel and the end uses for which it is produced. Improvements in galvanizing technology and subsequent drops in cost have combined to significantly increase demand for corrosion-resistant steel, a downstream product requiring cold-rolled steel as its major input. The shift has been most notable in the automotive market. In 1989, approximately 52 percent of the steel consumed in an automobile's fabrication was cold-rolled steel, while 20 percent was galvanized. By 2000, only 14 percent is typically cold-rolled steel, while galvanized products account for 58 percent of

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[229] CR at COLD-I-14, PR at COLD-I-13.

[230] CR at COLD-II-1, PR at COLD-II-1.

[231] CR at COLD-II-12, PR at COLD-II-8.

[232] CR/PR at Table COLD-I-1. We are mindful that the comparisons between the data on the industry in the original determinations and the industry data gathered in these reviews may be somewhat distorted, as a result of the domestic producers' inability to segregate microalloy products from the domestic like product in their questionnaire responses in these reviews. Given the domestic producers' own uncertainly as to the inclusion of microalloy products in the questionnaire responses in the 1993 investigations, we find it likely that the comparisons are sufficiently valid to indicate the magnitude of the change in the industry, including apparent consumption. Domestic Producers' Common Issues Prehearing Brief at Exh. 1.

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all steel.[233] While overall demand for cold-rolled steel has grown, a significant portion of the increase has been for the substrate for more profitable downstream products.[234]

Significant consolidation has occurred among major purchasers of cold-rolled steel, and the consolidation has occurred among both end users and distributors. The 1990s have seen a number of high-profile automobile mergers, resulting in fewer, larger nameplates by the end of the decade. Furthermore, these merged firms are increasingly centralizing their purchasing and favor the increased use of international standards.[235] A similar trend has occurred among appliance manufacturers, another major consumer of cold-rolled steel.[236]

Similarly, the number of service centers has dropped in the 1990s, from approximately 7,000 in 1993 to 3,000 today.[237] These consolidated service centers are more sophisticated than their smaller predecessors, with greater control over buying patterns and increased ability to purchase cold-rolled steel from non-U.S. sources.[238]

Purchasers report that their purchasing patterns have not changed significantly in recent years. Prior to purchasing, most buyers contact a limited number of suppliers. A large majority of responding purchasers indicate that they change suppliers only infrequently, and when they do change it is prompted by a variety of factors, including price, quality, availability, delivery, and a desire to rationalize supplier base. A majority of responding purchasers do not rely on multiple suppliers.[239] So far, e-commerce appears to have had little effect on the market for cold-rolled steel.[240]

When choosing a supplier, a majority of buyers named quality as the most important factor in the selection process. Quality was cited as the second most important factor more often than any other named factor, while availability and delivery time were also important considerations.[241] All responding purchasers considered quality to be a very important factor in the purchase decision, while a large majority also named availability, consistency, and reliability of supply as very important factors.[242] Purchasers most often named price as the third most important factor.[243]

As domestic demand has increased, the capacity of domestic producers has similarly increased. In 1992, the last full year under investigation in the 1993 determinations, total domestic cold-rolled production capacity was 34.4 million tons.[244] By 1997 total domestic cold-rolled production capacity was 38.6 million tons, up 12 percent in five years. Production capacity continued to increase in the period of review, increasing 6.4 percent between 1997 and 1999. Production capacity was 10.5 million short tons in the first quarter of 2000, compared to 10.1 million tons in the first quarter of 1999.[245]

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[233] Dutch Posthearing Cold-Rolled Brief at A-4.
[234] Joint Respondents' Prehearing Economic Cold-Rolled Brief at 6-7. ***. Id.
[235] Domestic Producers' Posthearing Cold-Rolled Brief at 14.
[236] Domestic Producers' Posthearing Cold-Rolled Brief at 15.
[237] Domestic Producers' Posthearing Cold-Rolled Brief at 15.
[238] Domestic Producers' Posthearing Cold-Rolled Brief at 15.
[239] CR at COLD-II-13, PR at COLD-II-8.
[240] CR at COLD-II-13, PR at COLD-II-8-II-9.
[241] CR/PR at Table COLD-II-2.
[242] CR/PR at Table COLD-II-2.
[243] CR PR at Table COLD-II-2.
[244] USITC Pub. 2664 at Table 15.
[245] CR/PR at Table COLD-III-1.

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Domestic production also has increased. In 1992, the domestic industry produced 26.6 million tons, utilizing 77.2 percent of its capacity.[246] In 1997, production was 31.6 million tons and capacity utilization was 81.7 percent. Both overall production and the capacity utilization rate rose faster than production capacity in the period of investigation. By 1999, total production was 35.4 million tons and capacity utilization reached 86.0 percent.[247] Both production and capacity utilization were greater in the first quarter of 2000 than in the same time period in 1999.[248]

Domestic producers dominate the domestic market for cold-rolled steel. In 1984, the domestic industry's share of total consumption was 78.9 percent. In the years 1990-1992, covering the investigations on Germany, Korea, and the Netherlands, the domestic producers' share of the U.S. market never fell below 92.9 percent. In more recent years, the share remained high, increasing from 90.1 percent in 1997 to 92.3 percent in 1999. Domestic producers' share of total domestic consumption was 95.6 percent in the first quarter of 2000, compared to 92.1 percent in the same period in 1999.[249]

Most domestic production is captively consumed by domestic producers or related parties in the production of downstream products.[250] Domestic producers of cold-rolled steel are also significant producers of galvanized steel. In recent years, as the demand for cold-rolled steel in the merchant market has been steady, demand for galvanizing substrate has increased steadily. The amount of domestically-produced cold-rolled steel consumed captively or by related-party galvanizers increased by nearly 20 percent between 1997 and 1999, rising from 18.5 million tons to 22.2 million.[251] Production for internal consumption or transfer to related parties increased 6.4 percent between the first quarter of 1999 and the first quarter of 2000.[252] The percentage of total cold-rolled shipments that were consumed captively or by related-party galvanizers increased from 51.8 percent in 1992 to 58.9 percent in 1997, to 63.0 percent in 1999.[253]

While a growing majority of domestically produced cold-rolled steel is captively consumed or transferred to related parties, commercial sales account for over one-third of all production.[254] Sixty-three percent of all commercial sales are to end users, such as OEMs, and the remaining 36.8 percent is sold to distributors or service centers.[255]

A majority of domestic producers sell their cold-rolled steel by contract.[256] These contracts tend to cover a time period between six months and one year.[257] A majority of producers indicate that these

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[246] USITC Pub. 2664 at Table 15.

[247] CR/PR at Table COLD-III-1.

[248] CR/PR at Table COLD-III-1.

[249] CR/PR at Table COLD-I-1.

[250] The captive production provision, 19 U.S.C. § 1677(7)(c)(iv), does not apply to five-year reviews, but we consider the fact that there is a significant degree of captive production as a condition of competition. *See, e.g.*, Magnesium from Canada, USITC Pub. 3324 at 11, n.72; Electrolytic Manganese Dioxide from Greece and Japan, Invs. Nos. 731-TA-406-08 (Review), USITC Pub. 3296 at 15, n.90 (May 2000); Sebacic Acid from China, Inv. No. 731-TA-653 (Review), USITC Pub. 3189 at 7, n.26 (May 1999).

[251] CR/PR at Table COLD-III-2.

[252] CR/PR at Table COLD-III-11.

[253] USITC Pub. 2664 at Table 9; CR/PR at Table COLD-III-2.

[254] CR/PR at Table COLD-III-11.

[255] INV Table X-4, 10/04/2000.

[256] CR at COLD-V-3, PR at COLD-V-2.

[257] CR at COLD-V-3, PR at COLD-V-2-V-3.

sales contracts fix both price and quantity for the duration of the contract.[258] Domestic producers have indicated that these contracts may in fact give little protection to producers, and that purchasers do not hesitate to request price concessions when spot market prices fall.[259] Several respondents claim that purchasers do not routinely renege on contracts.[260]

C. Revocation of the Orders on Subject Cold-Rolled Imports from Germany, Korea, the Netherlands, and Sweden Is Not Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time[261]

1. Likely Volume of Subject Imports

The legal standards for considering the likely volume of subject imports are discussed in Section III above.

In its original determination regarding Sweden, the Commission based its determination in part on increased market penetration.[262] In its original determinations that a threat of material injury existed from subject imports from Germany, Korea, and the Netherlands, the Commission did not find then-current significant volume effects, but found that imports threatened such effects.[263] Recent volumes of subject imports have been well below the levels found in 1992 to not be significant.[264]

We find it likely that the volume of subject imports will in fact increase to some extent upon revocation. Nonetheless, we do not find that the likely increased volume of subject imports will be significant.

Cumulated foreign capacity to produce subject cold-rolled steel was approximately 24.7 million tons in 1999, and excess capacity was approximately 2.4 million tons.[265] Capacity in 1999 to produce all cold-rolled steel, both subject and non-subject, was approximately 28.2 million tons, with approximately 2.6 million tons excess.[266] Although standing alone these figures may appear relatively large, the figures are less significant when considered in the context of the relatively larger size of overall U.S. cold-rolled consumption of nearly 38 million tons in 1999. These figures also indicate that the subject foreign producers' capacity utilization was relatively high, around 90 percent.[267] Foreign inventories of cold-

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[258] CR at COLD-V-3, PR at COLD-V-3.

[259] Domestic Producers' Posthearing Response to Questions at Exhibits 17-20.

[260] *See, e.g.*, General Motors Prehearing Brief at 4; Theis Posthearing Brief at 2; German Group Response to Posthearing Questions at 17.

[261] Because the interim data for 1999 and 2000 cover only limited three-month periods, we have relied principally on data covering full-year periods, and have placed particular weight on 1999 data, the most recent full-year period for which data were available.

[262] USITC Pub. 1759 at 19.

[263] USITC Pub. 2664 at 119.

[264] CR/PR at Table COLD-I-1.

[265] CR/PR at Tables COLD-IV-3 through COLD-IV-6.

[266] Tables CRS-SUPP-1 through CRS-SUPP-3.

[267] True capacity in the subject countries has been a contested issue in these investigations, but it still appears that capacity utilization rates in the subject countries are relatively high. Domestic producers have pointed out several potential discrepancies in the reported capacity data. In general, we do not believe we have the basis to reject respondents' reported capacity. However, we do not necessarily accept that ***, as suggested by the questionnaire response of the subject Swedish producer. *See, e.g.*,

rolled steel were relatively low.[268] Further, we find that important conditions of competition will likely act to restrain the likely increase in subject imports upon revocation and to mute the effects of those increases on the domestic industry.

World-wide economic conditions likely to exist in the reasonably foreseeable future are significantly better than those existing at the time of the original determinations. In the early 1990s the world economy was still recovering from recession, and demand was weak in most markets. Now, although the variety of economic forecasts presented to us in the course of this investigation agree on little, it seems likely that subject producers will have at least modest growth in their local markets to absorb some excess capacity.[269] Overall these subject producers have tended to concentrate on their home markets rather than exports, and we find that this is likely to continue.[270]

The shift in demand, away from cold-rolled steel and to corrosion-resistant steel, has not occurred solely in the U.S. market. Non-U.S. customers of subject producers are likewise demanding more corrosion-resistant steel.[271] Subject foreign producers, like domestic producers, have a strong incentive to produce for this more profitable downstream market whenever possible. Subject producers are already devoting considerable resources to such downstream production and the trend is likely to continue in the reasonably foreseeable future.[272] This will decrease the availability of cold-rolled steel for export.

There are few barriers to subject imports in other countries.[273] [274] [275] Mexico maintains an antidumping order on cold-rolled imports from Germany, but the order does not restrict imports for automotive applications, and cold-rolled steel for automotive applications is the only subject German product imported into Mexico.[276] Three of the four subject countries are members of the EU and claim

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CR/PR at Table COLD-IV-6.

[268] CR/PR at Tables COLD-IV-2 through COLD-IV-6.

[269] *See, e.g.*, Respondents' Joint Prehearing Cold-Rolled Economic Brief at 18-20 (***).

[270] CR/PR at Tables COLD-IV-3 through COLD-IV-6. *See also* Dutch Prehearing Cold-Rolled Brief at 34.

[271] Dutch Posthearing Cold-Rolled Brief at 12; German Group Prehearing Cold-Rolled Brief at 17.

[272] In 1999, *** percent of total shipments in Germany were for captive production or internal transfers, up from *** percent in 1992. In the Netherlands in 1999, *** percent of total shipments were for captive production or internal transfers. In Korea, captive production accounted for *** percent of all shipments. CR/PR at Tables COLD-IV-3 through COLD-IV-5.

[273] We note that we have considered domestic producers' arguments regarding global cartels. However, we did not rely upon any alleged global cartel activity in reaching our determinations.

[274] Vice Chairman Okun does not join in the preceding footnote. *See* Additional Views of Vice Chairman Deanna Tanner Okun.

[275] Commissioner Hillman does not joint in footnote 273. She notes that the Commission's administrative record includes the recent publication *GLOBAL STEEL TRADE: Structural Problems and Future Solutions* (U.S. Department of Commerce, Washington, DC, July 2000), which seeks to identify causes of the so-called "Steel Import Crisis" and offers possible solutions. Among other things, the publication reviews and elaborates upon long-standing allegations by U.S. steel producers and others that there exist trade-limiting arrangements between Japanese, EU, and Korean steel producers. These allegations are routinely denied by the foreign steelmakers and governments. Commissioner Hillman has carefully considered this information, but finds that she is not in a position to reach a conclusion on the existence or effect of the alleged trade-limiting agreements.

[276] German Group Prehearing Cold-Rolled Brief at 36-37.

that the overall EU market is in fact their home market.[277] Home-market inventories are ***.[278] The level of subject import end-of-period inventories held by U.S. importers in both 1999 and in the first quarter of 2000 were *** relative to the U.S. market.[279]

Subject imports have never captured significant portions of the U.S. market, even before the imposition of the instant antidumping and countervailing duty orders.[280] In the original period of investigation, cumulated subject imports never accounted for more than 2.4 percent of total domestic consumption.[281] In the recent period of review cumulated subject imports have never accounted for more than 1.2 percent of total domestic consumption or 2.6 percent of total commercial sales. The original and current levels of subject imports are low, domestic producers dominate the U.S. market, the amount of excess capacity in the subject countries is relatively small, and the available capacity most likely in large part will be devoted to production of downstream products.

Therefore, we find that the volume of subject imports upon revocation of the orders is not likely to be significant in the context of the particular conditions of competition in this industry.

2. Likely Price Effects of Subject Imports

The legal standards for considering the likely price effects of subject imports are discussed in Section III above.

In its original determination regarding Sweden, the Commission relied on the existence of underselling by subject imports.[282] In its original threat determinations regarding Germany, Korea, and the Netherlands, the Commission majority found that cumulated subject imports did not have then-current significant price suppressing or depressing effects on the industry, but found that imports threatened such effects.[283]

Pricing data collected in the course of these five-year reviews yields a mixed picture on pricing. Forty-one of the quarterly pricing comparisons showed underselling by subject imports, while 46 showed

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[277] *See, e.g.*, Dutch Prehearing Cold-Rolled Brief at 12; German Group Prehearing Cold-Rolled Brief at 21. These respondents argue that the EU is effectively their home market and that strengthened integration in the EU means that they are increasingly focused on the European market, making them less likely to export to the United States upon revocation. The European Community was in existence for some time prior to the original investigations, although further steps at integration and expansion have taken place since the original investigations. While these steps could have the potential to reduce to some degree exports of EU countries to the United States compared to the original investigation, we are not convinced that there has been a shift of such a fundamental nature as to make significant exports to the United States unlikely. With respect to the adoption of a common currency, we believe it is too early to judge its likely effects on trade outside the EU.

[278] CR/PR at Tables COLD-IV-3 through COLD-IV-6.

[279] CR/PR at Table COLD-IV-2.

[280] Indeed, even at the height of the Asian economic crisis, with the won substantially devalued relative to the U.S. dollar, Korean imports never exceeded *** percent of total domestic apparent consumption in the United States. Korean Prehearing Cold-Rolled Brief at 7.

[281] CR/PR at Table COLD-I-1.

[282] USITC Pub. 1759 at 19.

[283] USITC Pub. 2664 at 126.

overselling.[284] The recent period has shown a fairly persistent decline in domestic prices during the period of investigation, with an increase in the first quarter of 2000.

Subject imports are currently sold via contracts and spot market sales, and we find it likely that this would continue upon revocation. As noted in the description of the conditions of competition for this industry, we have taken note of the domestic industry's claims about the scant protection provided even by long-term contracts with sophisticated purchasers. Most of the domestic industry's commercial sales are by contract, and most contracts fix both price and quantity.[285] While the domestic producers provided some examples of the effects of prices in the open market on contract negotiations and renegotiations, the full extent of those contractual problems in the context of the overall market was not quantified.[286] On balance, we find it possible that spot prices, including import prices, could have price effects even on the domestic industry's contract business, but also that contracts do provide some measure of insulation from spot market price fluctuations.

Additionally, purchasers consistently rank price as the third most important factor, well behind quality, and they also put significant weight on delivery reliability and service and change suppliers infrequently.[287] Given the likely modest increase in subject imports upon revocation, it is unlikely that subject imports will compete successfully for significant shares of the domestic industry's contract business.

Therefore, we find that the modest additional volumes of subject imports would not be likely to have significant price suppressing and depressing effects within a reasonably foreseeable time.[288] [289]

3. Likely Impact of Subject Imports

The legal standards for considering the likely impact of subject imports are discussed in Section III above.

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[284] CR/PR at Tables COLD-V-4 and COLD-V-5.

[285] CR at COLD-V-3, PR at COLD-V-2-V-3.

[286] In the recent cold-rolled investigation, the Commission found that only 18 percent of contracts were renegotiated during their term. USITC Pub. 3283 at V-8.

[287] CR/PR at Table COLD-II-2 and CR at COLD-II-13, PR at COLD-II-

[288] In reaching our conclusion on likely price effects, we have considered the likely dumping and countervailing duty margins, as well as the nature of the subsidies. Commerce has found the following antidumping margins likely to prevail upon revocation: Germany, 20.64 to 23.54 percent; Korea, 14.40 percent; and the Netherlands, 19.32 percent. Commerce has found the following countervailing duty margins likely to prevail upon revocation: Germany, 0.55 percent; Korea, 3.95 percent; and Sweden, 8.77 percent. CR at COLD-I-1 through COLD-I-6; PR at COLD-I-1 through COLD-I-8.

[289] In reaching our conclusion on likely price effects, we have weighed all the pertinent evidence on price and taken into account Commerce's duty absorption findings on Korea (65 Fed. Reg. 24,180 (Apr. 25, 2000)), although we note that a CIT decision (SKF USA Inc., et al. v. United States, CIT No. 99-08-00473, Slip Op. 00-28 (Mar. 22, 2000)) calls into question the validity of Commerce's duty absorption findings with respect to transition orders. We also note that, in the course of an administrative review for the 8/1/95-7/31/96 period, Commerce made duty absorption findings on the sole Dutch producer, finding that the producer absorbed duties in 84.3 percent of its transactions. 63 Fed. Reg. 20574, 20575 (Apr. 27, 1998) (Netherlands). However, this finding was not reported as part of its final sunset review order. 65 Fed. Reg. 47377 (Aug. 2, 2000). Commerce's findings would not, in any event, outweigh other evidence indicating the unlikelihood of significant effects on price.

In its original determination regarding Sweden, the Commission found that subject imports had materially injured the domestic industry.[290] In the original threat determinations regarding Germany, Korea, and the Netherlands, the Commission majority did not find that the subject imports had yet caused any discernible adverse impact on the domestic industry, but also found that imports threatened to have a negative impact.[291]

The position of the domestic industry has improved markedly since the most recent original determinations.[292] In 1992, a majority of domestic producers reported operating losses on total cold-rolled operations, and operating income was negative.[293] In light of the industry's then-current state, Commissioners found subject imports to represent a threat to the industry's ability to undertake much-needed investments.[294]

From that perspective, the domestic industry appears to have benefitted from the imposition of the orders. Since 1993, the industry has both modernized existing capacity and added needed additional capacity as well.[295] Other indicators also improved. Even as the industry was adding new capacity, production was increasing significantly, and capacity utilization rose steadily through 1997-1999 and in the first quarter of 2000 relative to the same time period in 1999.[296] Impressive productivity gains were made in this period as well.[297] The domestic industry had positive operating income in the years 1997-1999, and the slowdown in operating income in 1999 appeared to have been reversed by early 2000.[298] The drop in operating income on commercial sales alone was more significant, and the industry as a whole had negative operating income on commercial sales alone in 1999, although operating income on commercial sales was positive in the first quarter of 2000.[299]

While the state of the domestic industry apparently improved between the imposition of the most recent orders and the current period of investigation, the domestic industry's position is weaker at the end of the period of investigation than it was at the beginning. Prices and AUVs for cold-rolled steel have fallen throughout the period, even as demand as risen.[300] Improvements in productivity and falling costs of production have not been sufficient to offset the drop in price. As income has fallen, the domestic industry's capital expenditures have fallen in each recent year.[301] In light of these facts, we find

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[290] USITC Pub. 1759 at 19.

[291] USITC Pub. 2664 at 131.

[292] We note that segregated data on the cold-rolled steel industry (excluding microalloys) is not available. Producers' Questionnaire Responses of Bethlehem, Ispat/Inland, LTV, National, and U.S. Steel at Part II. We requested such data through our questionnaires. Domestic producers indicated that they were unable to supply segregated data and instead supplied data that included microalloy products outside the domestic like product. Domestic Producers' Posthearing Responses to Questions at Attachment G, p.65. We therefore rely on the industry data provided, but note that the industry does not correspond precisely to the one producing the domestic like product cold-rolled steel.

[293] USITC Pub. 2664 at Table 35.

[294] USITC Pub. 2664 at 135.

[295] Domestic Producers' Prehearing Cold-Rolled Brief at 49-50.

[296] CR/PR at Table COLD-III-1.

[297] CR/PR at Table COLD-III-6.

[298] CR/PR at Table COLD-III-12.

[299] CR/PR at Table COLD-III-8.

[300] CR/PR at Tables COLD-III-11 and COLD-III-7.

[301] CR/PR at Table COLD-III-14.

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that the domestic industry is in a "weakened state" as contemplated by the statute's vulnerability criterion.[302] [303] [304]

Nonetheless, we do not find a likelihood of recurrence or continuation of material injury by these subject imports.[305] As we have noted above, neither the likely volume nor the likely price effects upon revocation are likely to be significant. A significant and growing majority of domestic production is consumed for captive production and does not face import competition. Even in recent years, with some weakening of prices and profits, the domestic industry has still had adequate access to capital and has continued to undertake improvements and expansions.[306]

D. Conclusion

Therefore, we find that the revocation of the antidumping and countervailing duty orders on cold-rolled steel imports from Germany, Korea, the Netherlands, and Sweden is not likely to lead to continuation or recurrence of material injury to the U.S. cold-rolled steel industry within a reasonably foreseeable time.[307]

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[302] 19 U.S.C. § 1675a(1)(C). *See* SAA at 885 ("The term 'vulnerable' relates to susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury . . . . If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order.").

[303] In reaching our determination that the industry is vulnerable, we have considered, but have not relied upon, the industry analyses prepared by Professor Kothari and presented by the domestic producers, which rely on indicators pertaining to the overall steel industry and not to this particular industry. We realize that in certain practical matters it is difficult to separate an industry from the larger commercial entity to which it belongs. Yet our statutory mandate is clear, and we must reach our determination based on the state of the industry as defined in 19 U.S.C. § 1677(4)(A). Furthermore, we find that the analyses do not adequately represent the attenuated relationship between this industry and certain larger indicators, such as stock prices.

[304] Vice Chairman Okun and Commissioner Hillman do not join the preceding footnote. While they also did not rely on Professor Kothari's analysis in finding the domestic industry vulnerable, they note that there may be instances where particular indicia that are not severable from the industry as defined in 19 U.S.C. § 1677(4)(A) may nonetheless be relevant in assessing vulnerability. However, they do not find Professor Kothari's reliance on the stock market performance probative of the vulnerability of the domestic industry, inasmuch as factors other than the current condition of the industry may impact any individual company's or sector's stock performance.

[305] In making this determination, we have considered, but have not relied upon, the econometric model prepared by Professor Prusa and presented by respondent producers. We find the model's usefulness to be limited by its time frame (i.e., while the orders were in place) such that it is not particularly probative in light of the analyses of the market required by statute.

[306] Domestic Producers' Prehearing Cold-Rolled Brief at 50.

[307] Commissioners Bragg and Miller dissenting with respect to Germany, Korea, and the Netherlands. *See* Separate and Dissenting Views of Commissioner Lynn M. Bragg and Separate and Concurring Views of Commissioner Marcia E. Miller.

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VI. CORROSION-RESISTANT STEEL

A. Cumulation[308]

The legal standards for cumulation are discussed in Section III above.

In these reviews, the statutory requirement that all corrosion-resistant steel reviews be initiated on the same day is satisfied. Based on the available information regarding the capacity and exports of the industries in Australia, Canada, France, Germany, Japan, and Korea as well as their current exports to the United States, we find that subject imports from all six countries would be likely to have a discernible adverse impact on the domestic industry if the orders were revoked. The volume and price trends varied for subject imports from all six countries but none was distinct from all others. We also find that a reasonable overlap of competition between the subject imports and the domestic like product is likely to exist if the orders were revoked. We do not find any significant differences in the conditions of competition among the subject countries. We, therefore, have exercised our discretion to cumulate subject imports from Australia, Canada, France, Germany, Japan, and Korea.[309]

1. Likelihood of No Discernible Adverse Impact

Subject imports from Australia, Canada, France, Germany, Japan, and Italy have remained in the U.S. market in the years since the orders were imposed.[310] The continuing presence of these subject imports in the domestic market indicates that subject foreign producers continue to have the contacts and channels of distribution necessary to compete in the U.S. market.

The corrosion-resistant steel industries in the subject countries devote considerable resources to export markets.[311] While capacity utilization rates have topped *** percent in each of the subject countries during the period of review, there appears to be available excess capacity in each country. [312]

We are mindful that the volume of subject imports has decreased from the time the orders were imposed. Yet in the context of this particular industry, including its weakened condition, we find that a likelihood exists that even a small post-revocation increase would have a discernible adverse impact on the domestic industry.

2. Reasonable Overlap of Competition[313] [314]

In the original investigations, the majority of the Commission cumulated all subject imports, based on a reasonable overlap of competition. The record in these reviews provides no reason to depart

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[308] Commissioner Bragg does not join section VI.A of these Views. *See* Separate and Dissenting Views of Commissioner Lynn M. Bragg.

[309] Commissioner Askey dissenting with respect to Germany. *See* Concurring and Dissenting Views of Commissioner Thelma J. Askey.

[310] CR/PR at Table CORROSION-I-1.

[311] CR/PR at Tables CORROSION-IV-2, 3, 4, 5, 6, and 7.

[312] CR/PR at Table CORROSION-IV-6.

[313] For Commissioner Askey's analysis of reasonable overlap of competition, see her concurring and dissenting views.

[314] Commissioner Askey joins this section except as it pertains to Germany.

from the prior overlap of competition findings concerning subject imports of corrosion-resistant steel from Australia, Canada, France, Germany, Japan, and Korea.

In these reviews, the record indicates that domestically produced and imported corrosion-resistant steel are essentially fungible products. Both share the same essential chemical and physical properties.[315] U.S. mills producing and selling corrosion-resistant steel reported that domestically produced and imported products are used interchangeably.[316] Additionally, a majority of importers also reported that domestically produced and imported corrosion-resistant steel are broadly interchangeable.[317] Purchasers frequently reported that domestic corrosion-resistant steel and imports from each subject country were comparable with respect to a number of product and sales characteristics.[318]

The record also indicates that the channels of distribution for domestic and imported corrosion-resistant steel are similar. The vast majority of U.S. produced and imported corrosion-resistant steel was sold to distributors, service centers/converters, and manufacturers/end users. Both the domestic and imported product are used in the automotive, industrial and construction industries, with about 40 percent of corrosion-resistant steel being used by the automotive industry.[319]

The issue of whether subject imports and the domestic product are sold in the same geographic markets is less easy to evaluate, given that U.S. imports of the subject corrosion-resistant steel from Australia and France have been in very small quantities recently. However, as just noted, most imported and domestic corrosion-resistant steel is used in the same sectors. In the original investigations, the Commission found that the subject imports competed directly with each other and the domestic like product throughout most of the United States.[320] Imports from each of the subject countries have been simultaneously present in the U.S. market since the imposition of the orders.

We, therefore, find that there would likely be a reasonable overlap of competition between the subject imports and the domestic like product, and among the subject imports themselves, if the orders are revoked.

We have taken into account other significant conditions of competition that are likely to prevail if the orders were revoked in evaluating whether to cumulate imports. We find that subject imports from each of these countries would compete in the U.S. market under similar conditions of competition.[321] Therefore, based on the foregoing, we exercise our discretion to cumulate subject imports from Australia, Canada, France, Germany, Japan, and Korea in these reviews.

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[315] CR at CORROSION-I-16-17, PR at CORROSION-I-17.

[316] CR at CORROSION-II-18, PR at CORROSION-II-13 .

[317] CR at CORROSION-II-18-19, PR at CORROSION-II-13.

[318] CR/PR at Table CORROSION -II-8.

[319] CR/PR at CORROSION-II-1.

[320] USITC Pub. 2664 at 173.

[321] We do not agree with the Japanese respondents' claim that their significant investments in U.S. affiliate corrosion-resistant steel producers sufficiently distinguishes them from the producers in other subject countries. Significant Japanese affiliate presence existed prior to the original investigations, but this did not cause the Japanese companies to participate in the U.S. market in a significantly different way than the other subject producers. We do not believe that the situation is fundamentally different today. While some of the affiliate firms have expanded their operations since the original investigations, nearly all of the Japanese investment cited in Table 7 of the Japanese respondents' corrosion-resistant prehearing brief occurred prior to the original investigations. *See* Japanese Respondents' Prehearing Corrosion-Resistant Brief at Table 7 and pp. 35-51.

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B. Conditions of Competition[322] [323]

The legal standards for conditions of competition are discussed in Section III above.

In performing our analysis under the statute, we have taken into account the following conditions of competition in the U.S. market for corrosion-resistant steel.

Corrosion-resistant steel is used to prolong the useful life of end products where the product is visible or exposed to weather or other corroding agents.[324] Corrosion-resistant steel is used principally in motor vehicle body panels, construction products for buildings and roads, contractors' products and appliances.[325] Most corrosion-resistant steel products are made by (1) hot-dipping and (2) electrolytic galvanizing processes.[326]

Demand for corrosion-resistant steel depends mainly on the level of demand in the automotive and construction industries which use most of it.[327] Since the original investigations, demand for hot-dipped corrosion-resistant steel has grown significantly faster than demand for electrogalvanized corrosion-resistant steel. The higher demand for hot-dipped corrosion-resistant steel is due in part to new technologies that allow manufacturers to combine the cost advantages of hot-dipped steel with the aesthetic advantages of electrogalvanized steel.[328] Although parties indicated that a shift to microalloy steels was occurring, the record does not contain any information that indicates the extent to which any such shift has occurred for corrosion-resistant steel.

Because imported corrosion-resistant steel and the domestic product are broadly interchangeable,[329] price is an important factor in purchasing decisions. Although purchasers most often listed quality as the most important purchase factor, both price and quality were listed most often as the second most important purchase factor.[330] Moreover, price competition has increased with the consolidation of purchasing power in the automobile industry, the reduced number of service centers, and the adoption and application of international standards, all of which increase the ease with which imports compete with the domestic like product.[331]

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[322] Commissioner Bragg joins the remainder of section VI.

[323] We note that data on the corrosion-resistant steel industry that excludes microalloy is not available. Domestic producers indicated that they were unable to supply segregated data.

We are also mindful that the comparisons between the data on the industry in the original determinations and the data gathered in these reviews may be somewhat distorted, as a result of the domestic producers' inability to segregate microalloy products from the domestic like product in their questionnaire responses in these reviews. Given the domestic producers' own uncertainty as to the inclusion of microalloy products in the questionnaire responses in the 1993 investigations, we are satisfied that the comparisons are sufficiently valid to indicate the magnitude of the changes in the industry, including apparent consumption. Domestic Producers' Common Issues Prehearing Brief at Exh. 1.

[324] CR at CORROSION-I-18, PR at CORROSION-I-17.

[325] CR at CORROSION-I-19, PR at CORROSION-I-17.

[326] CR at CORROSION-I-19, PR at CORROSION-I-17.

[327] CR at CORROSION-II-14, PR at CORROSION-II-10.

[328] CR at CORROSION-II-14-15, PR at CORROSION-II-10.

[329] CR at CORROSION-II-18-19, PR at CORROSION-II-13.

[330] CR/PR at Table CORROSION-II-7.

[331] CR/PR at CORROSION-II-1.

Purchasers report that their purchasing patterns have not changed significantly in recent years. Prior to purchasing, most buyers contact a limited number of suppliers. A large majority of responding purchasers indicate that they change suppliers only infrequently, and when they do change it is prompted by a variety of factors, including price, quality, availability, delivery, and a desire to rationalize supplier base.[332] So far, e-commerce appears to have had little effect on the market for the corrosion-resistant steel industry.[333]

A majority of domestic producers sell their corrosion-resistant steel mainly by contract, but also on the spot market.[334] A majority of producers indicate that these sales contracts fix both price and quantity for the duration of the contract.[335] Domestic producers use contracts of varying durations, ranging from three months to one year.[336] Domestic producers have indicated that these contracts in fact give little protection to producers, and that purchasers do not hesitate to request price concessions when spot market prices fall.[337] Several purchasers claim that they do not reopen the terms of the contract.[338]

Since the original investigations and during the period of review, apparent consumption of corrosion-resistant steel has increased.[339] In 1992, apparent U.S. consumption of corrosion-resistant steel was 13.6 million tons.[340] In 1997-1999, apparent consumption of corrosion-resistant steel increased by 12.1 percent, from 17.8 million tons to 19.9 million tons.[341]

Domestic producers dominate the market for corrosion-resistant steel. In 1992, U.S. producers' share of apparent consumption was 82.7 percent.[342] Although greater than it was in 1992, U.S. producers' share of apparent consumption decreased slightly during the period of review, from 91.2 percent in 1997 to 90.2 percent in 1999. The subject imports' market share in 1992 was 14.4 percent.[343] During the period of review, subject imports' market share was 3.0 percent in 1997, and 3.8 percent in 1999.[344]

During the time of the original investigation, twenty-two domestic firms produced corrosion-resistant steel. During the period of review, twenty domestic firms reported producing corrosion-resistant steel.[345] Since the original investigations, these producers have made significant investments to

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[332] CR/PR at CORROSION-I.

[333] CR at CORROSION-II-16, PR at CORROSION-II-11.

[334] CR at CORROSION-V- 4., PR at CORROSION-V-2

[335] CR at CORROSION-V- 3, 4, PR at CORROSION-V-2, 3.

[336] CR at CORROSION-V- 4, PR at CORROSION-V-3.

[337] Domestic Producers' Posthearing Response to Questions at Exhibits 17-20.

[338] CR at CORROSION-V-3, PR at CORROSION-V-2-3.

[339] CR at CORROSION-II-14, Table CORROSION-I-5, PR at CORROSION-II-10, Table CORROSION-I-5.

[340] CR at CORROSION-II-13, PR at CORROSION-II-10.

[341] CR at CORROSION-II-14, Table CORROSION-I-5, PR at CORROSION-II-10, Table CORROSION-I-5.

[342] USITC Pub. 2664 at 170.

[343] USITC Pub. 2664 at 188.

[344] CR/PR at Table CORROSION-I-5. Subject imports market share was 4.2 percent in interim 1999 compared with 3.7 in interim 2000. CR/PR at Table CORROSION-I-5.

[345] CR at CORROSION-II-14, Table CORROSION-I-5, PR at CORROSION-II-10, Table CORROSION-I-5.

add capacity and improve existing capacity. As a result, U.S. capacity increased from 15.0 million tons in 1992 to 21.7 million tons in 1999.[346]

Corrosion-resistant steel production is technologically complex and capital intensive. As a result, the high costs associated with operating and maintaining a corrosion-resistant steel plant require manufacturers to sustain high capacity utilization rates to stay profitable.[347] During the original investigations, U.S. capacity utilization dropped from 82.1 percent in 1990 to 69.7 percent in 1991, and then increased in 1992 to 76.4 percent.[348] During the period of review, U.S. capacity utilization fell from 91.6 percent in 1997 to 87.3 percent in 1999, but increased to 90.8 percent in interim 2000 compared to 84.1 percent in interim 1999.[349]

At present, each of the six major Japanese producers owns or is affiliated with a domestic producer. Those affiliates represented *** percent of U.S. capacity in 1999. [350]

Based on the record evidence, we find that these conditions of competition in the U.S. corrosion-resistant-steel market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we find that current conditions in the domestic corrosion-resistant market provide us with a basis upon which to assess the likely effects of revocation of the antidumping and countervailing duty orders within the reasonably foreseeable future.

C. Revocation of the Orders On Subject Imports of Corrosion-Resistant Steel is Likely to Lead to the Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time. [351] [352]

1. Likely Volume of Subject Imports[353]

The legal standards for likely volume of subject imports are discussed in Section III above.

During the period examined in the original investigations, cumulated volumes from Australia, Canada, France, Germany, Japan, and Korea decreased slightly from 1.5 million short tons in 1990 to 1.4 million short tons in 1991, and then increased sharply to 1.9 million tons in 1992.[354] The increase in cumulated subject imports corresponded to a significant increase in market share for the subject imports. Cumulated imports increased in market share from 11.7 percent in 1990 to 12.3 percent in 1991, and increased further to 14.4 percent in 1992.[355] Upon issuance of the orders, subject imports fell

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[346] CR/PR at CORROSION-II-2.

[347] USITC Pub. 2664 at 19, Petitioners' Posthearing Br. at 9.

[348] USITC Pub. 2664 at 170.

[349] CR at CORROSION-II-3, PR at CORROSION-II-2.

[350] *Compare* Japanese Respondents' Corrosion-Resistant Hearing Br. at 6 *with* CR/PR Table C-3.

[351] Because the interim data for 1999 and 2000 cover only limited 3-month periods, we have relied principally on data covering full-year periods, and have placed particular weight on 1999 data, which is the most recent full-year period for which data were available.

[352] Commissioner Askey dissenting with respect to Germany. *See* Concurring and Dissenting Views of Commissioner Thelma J. Askey.

[353] Commissioner Askey joins this section although she dissents with respect to imports from Germany. She notes that while some of the figures in the section change slightly if German imports are subtracted, that overall trends remain the same.

[354] USITC Pub. 2664 at 188 n.223.

[355] USITC Pub. 2664 at 188 n.224.

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substantially and have been at levels significantly below the pre-order level during the period of review.[356]

Several factors support the conclusion that subject import volume is likely to be significant if the orders are revoked. First, there is considerable capacity to produce corrosion-resistant steel in the subject countries. In 1999 estimated corrosion-resistant steel production capacity for the subject countries was *** million short tons.[357] Total production capacity in the subject countries was greater than U.S. apparent consumption for 1999 of *** short tons, a total even more significant considering that additional capacity of 5.1 million tons currently used to produce non-subject corrosion-resistant steel (such as microalloy) can also be used to produce the subject merchandise.[358]

Although all responding subject producers reported relatively high capacity utilization rates, there is still substantial excess capacity in the subject countries.[359] Moreover, given the high fixed costs associated with corrosion-resistant steel production, there is an incentive to maximize and sustain the utilization of available capacity.[360] Furthermore, in 1999, subject producers' inventories of the subject merchandise were fairly substantial at ***.[361] There is a particular incentive to produce and sell more corrosion-resistant steel because it is among the highest value-added carbon steel products and therefore can earn higher returns than many other carbon steel products.[362] [363]

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[356] CR/PR at Table CORROSION-IV-1; Supplementary Memorandum INV-X-225, Table S-3.

[357] CR/PR at Table CORROSION-II-1. This figure includes the 1992 production capacity figures for Australia since Australian subject producers failed to provide any information concerning their production of corrosion-resistant steel in this review. However, even without including the earlier production capacity figures for Australia, the production capacity for the other subject countries would be *** short tons. CR/PR at Table CORROSION-II-1.

[358] CR at CORROSION-IV-5, 6; Supplemental Memorandum INV-X 1999 at Tables CORROSION IV-4, 5,6,and 7; Supplemental Memorandum INV-X-229 at Tables RES-SUPP 2, 3, 4, 5, and 6.

[359] CR/PR at Table CORROSION-IV-1, 2, 3, 4, 5, and 6. In 1999, excess capacity to produce subject product was *** tons, and excess capacity to produce all corrosion-resistant product was 3.0 million tons. *Id.*

[360] USITC Pub. 2664 at 19, Petitioners' Posthearing Br. at 9.

[361] CR/PR at Tables CORROSION-IV-1, 2, 3, 4, 5, 6.

[362] Japanese subject producers argue that they would not have an incentive to export large volumes of low-priced imports to the United States because to do so would harm their U.S. affiliates. However, since corrosion-resistant steel is produced in several grades and is generally formulated to customer specifications, Japanese producers could readily ship grades of subject merchandise that supplement, rather than compete with, corrosion-resistant steel produced by their U.S. affiliates. Indeed, Japanese subject producers concede that they already do. Japanese Respondents' Corrosion-Resistant Posthearing Br. at 9. We note that the significant presence of U.S. affiliates of Japanese producers during the original investigation did not prevent imports from Japan from capturing between 6 and 7 percent of the U.S. market and, together with the other subject imports, causing injury to the domestic industry. 1993 Staff Report at Table 107.

[363] Commissioner Bragg notes that each of the subject Japanese producers has a relationship with an affiliated producer of corrosion-resistant steel in the United States. CR and PR at CORROSION-IV-6. She recognizes that an individual Japanese producer with an established physical presence in the United States is unlikely to engage in export behavior to the detriment of its affiliated U.S. production operations. In her view, however, such rationalization of production within a family of affiliated companies, in and of itself, says nothing about the likely behavior of Japanese imports as a whole in the

At the time of the original investigations, producers in the cumulated subject countries exported a substantial portion of their corrosion-resistant steel production. Likewise, as of 1999, producers in all subject countries continued to rely heavily on their export markets. Indeed, this is reflected in the increasing share of the U.S. market captured during the period of review, notwithstanding imposition of the orders.[364]

Subject producers' demonstrated export capability and their substantial excess capacity, together with the incentive to utilize production capacity due to high fixed production costs, indicate that they are likely to commence significant exports to the United States upon revocation of the antidumping and countervailing duty orders.[365] [366] [367] [368] Consequently, we conclude that cumulated subject imports would likely increase to a significant level and would regain significant U.S. market share if the orders are revoked.[369]

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event of revocation, nor does it provide an indication of the likely impact of Japanese imports on unaffiliated producers (whether U.S. or foreign-owned) within the domestic industry.

[364] In 1999, the percentages of total production of corrosion-resistant steel exported by the subject countries were: Canada, 12.3 percent; France, 42.8 percent; Germany, 33.2 percent; Japan 26.8 percent; and Korea, 37.4 percent. CR/PR at Table CORROSION-II-1. Although there no current percentages available for Australia, in 1992, Australia exported *** percent of its total production of corrosion-resistant steel. CR at CORROSION-II-7.

[365] We note that we have considered domestic producers' arguments regarding global cartels. However, we did not rely upon any alleged global cartel activity in reaching our determinations.

[366] Vice Chairman Okun does not join in the preceding footnote. *See* Additional Views of Vice Chairman Deanna Tanner Okun.

[367] Commissioner Hillman does not joint in footnote 365. She notes that the Commission's administrative record includes the recent publication *GLOBAL STEEL TRADE: Structural Problems and Future Solutions* (U.S. Department of Commerce, Washington, DC, July 2000), which seeks to identify causes of the so-called "Steel Import Crisis" and offers possible solutions. Among other things, the publication reviews and elaborates upon long-standing allegations by U.S. steel producers and others that there exist trade-limiting arrangements between Japanese, EU, and Korean steel producers. These allegations are routinely denied by the foreign steelmakers and governments. Commissioner Hillman has carefully considered this information, but finds that she is not in a position to reach a conclusion on the existence or effect of the alleged trade-limiting agreements.

[368] Several European respondents argue that the EU is effectively their home market and that strengthened integration in the EU means that they are increasingly focused on the European market, making them less likely to export to the United States upon revocation. The European Community was in existence for some time prior to the original investigations, although further steps at integration and expansion have taken place since the original investigations. While these steps could have the potential to reduce to some degree exports of EU countries to the United States compared to the original investigation, we are not convinced that there has been a shift of such a fundamental nature as to make significant exports to the United States unlikely. With respect to the adoption of a common currency, we believe it is too early to judge its likely effects on trade outside the EU.

[369] Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review investigation. 19 U.S.C. § 1675a(a)(6). The statute defines the magnitude of dumping" to be used by the Commission in the five year review investigations as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). Commerce expedited its reviews of

2. Likely Price Effects of Cumulated Subject Imports

The legal standard for likely price effects of subject imports is discussed in Section III. In the original investigations, the Commission found that the market was relatively insensitive to price, but also indicated that price was an important factor for purchasers. The Commission found price suppression and/or price depression based on import prices which were falling at a greater rate than domestic prices, together with increasing import volumes and confirmed lost sales and revenue allegations.[370]

Pricing trends over the current review period differ among the several products, although in general prices were somewhat lower in 1999 than in 1997. The pricing data show a mixture of under- and over-selling by subject imports even with the orders in place.[371]

Subject imports are currently sold via contracts and spot market sales, and we find it likely that this would continue upon revocation. In both the contract and spot markets, given the general interchangeability of the subject imports with the domestic like product, price is an important factor in purchasing decisions.[372] We further find that prices in the spot market could affect prices in the domestic industry's contract business, but that contracts do provide some measure of insulation from spot market price fluctuations.[373] On balance, the increased sales of subject imports that we have found above would likely be achieved by means of aggressive pricing, which would result in significant effects on domestic prices, as occurred before the imposition of the orders.[374] [375]

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the antidumping order on corrosion-resistant from all subject countries. It assigned sunset margins as follows: Australia, 24.96 percent; Canada, 11.71 to 22.70 percent; France, 29.41 percent; Germany, 10.02 percent; Japan, 36.41 percent; and Korea, 17.70. 65 FR 18063, 18604 (Aug. 2, 2000). Although the statute does not expressly define the "magnitude of the net countervailable subsidy" to be used by the Commission in five-year reviews, it states that "[t]he administering authority shall provide to the Commission the net countervailable subsidy that is likely to prevail if the order is revoked or the suspended investigation is terminated." 19 U.S.C. § 1675a(b)(3). In its final five-year review determinations, Commerce found likely subsidy rates as follows: France, 15.13 percent, Germany, 0.54 percent, and Korea, 0.54 percent. 65 FR 18063, 18604 (Aug. 2, 2000).

In five-year reviews concerning countervailing duty orders the Commission is required to consider "information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement." 19 U.S.C. § 1675a(b)(6). In its final determinations, Commerce identified nine programs which provided countervailable subsidies to French subject producers, some of which fall within the definition of an export subsidy under Article 6.1 of the Subsidies Agreement, 65 FR 18063, 18604 (Aug. 2, 2000), and 10 programs which provided countervailable subsidies to Korean subject producers, some of which fall within the definition of an exports subsidy under Article 3.1(a) of the Subsidies Agreement. 65 FR 18973, 18975 (Apr. 10, 2000).

[370] USITC Pub. 2664 at 190-191.

[371] CR at CORROSION-V-7, PR at CORROSION-V-7.

[372] According to purchaser questionnaires, price (along with quality) was the second most important factor in purchasing decisions. CR/PR at Table CORROSION-II-2.

[373] Commissioner Bragg finds that spot market prices may impact contract prices for the domestic industry, both during contract renegotiations as well as during the life of the contract at the purchaser's request.

[374] In reaching our conclusion on likely price effects, we have weighed all the pertinent evidence on price and taken into account Commerce's duty absorption findings on France (65 FR 18604 (Aug. 2,

For the foregoing reasons, we find that revocation of the antidumping and countervailing duty orders would likely lead to significant underselling by the cumulated subject imports of the domestic like product, as well as significant price depression and suppression, within a reasonably foreseeable time.

3. Likely Impact of Cumulated Subject Imports

The legal standards for likely impact of subject imports are discussed in Section III above.

In the 1993 determinations, the Commission found that the increasing volume of the lower-priced subject imports, and the significant market share accounted for by those imports, depressed prices and caused the U.S. industry to suffer lost market share,[376] reduced capacity utilization,[377] and growing financial losses despite increasing apparent consumption.[378] [379] The domestic industry's capital expenditures and research and development expenses also declined, particularly during the latter part of the period examined, undermining the industry's attempts to respond to the demands of the market place.[380]

The imposition of the orders had a positive effect on the domestic industry's performance. The domestic industry had an operating *** margin of *** percent in 1992.[381] By 1997, four years after imposition of the orders, with a dramatic decrease in subject imports in the U.S. market, the domestic

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2000)), Germany (65 FR 47407, 47409 (Aug. 2, 2000)), and Korea (65 FR 18973, 18975 (Apr. 10, 2000). although we note that a CIT decision (SKF USA Inc., et al. v. United States, CIT No. 99-08-00473, Slip Op. 00-28 (March 22, 2000)) calls into question the validity of Commerce's duty absorption findings with respect to transition orders. However, we do not rely on the duty absorption findings in making our determination that significant price effects are likely upon revocation of the orders.

[375] Vice Chairman Okun does not join in the conclusion in the preceding footnote. Notwithstanding the referenced CIT decision, she finds that the statute requires her to take into account Commerce's duty absorption findings in making her determination. Nonetheless, she notes that her findings with respect to likely price effects upon revocation of the orders would be the same with or without consideration of Commerce's findings.

[376] U.S. producers' share of domestic consumption fell throughout the period of investigation, declining from 85.6 percent in 1990 to 85.0 percent in 1991 and to 82.7 percent in 1992. USITC Pub. 2664 at 170.

[377] From 1990-1991, domestic capacity utilization for corrosion-resistant steel products fell from 82.1 percent to 69.7 percent, and then increased in 1992 to 76.4 percent. USITC Pub. 2664 at 170.

[378] USITC Pub. 2664 at 191.

[379] During the original investigations, U.S. consumption of corrosion-resistant steel experienced an overall increase, increasing from 12.8 million tons in 1990 to 13.6 million tons in 1992. USITC Pub. 2664 at 169.

[380] Research and development expenditures declined during the period, from $26.38 million in 1990 to $22.16 million in 1991, and $20.23 million in 1992. Capital expenditures for the corrosion-resistant steel industry also experienced a decline, dropping from $557 million in 1990 to $541 million in 1991, to $246 million in 1992. USITC Pub. 2664 at 171.

[381] 1993 Staff Report at Table 31.

industry had an operating *** margin of *** percent. [382] At the same time, the domestic industry was able to increase capital expenditures as well as its research and development expenses.[383]

Nonetheless, based on the most recent data available, we find that the domestic industry is currently vulnerable to material injury if the orders are revoked. While net sales volumes and values increased from 1997 through 1999, operating income decreased continuously from 1997 to 1999, by a total of ***.[384] Capacity utilization levels *** percent in 1997 to*** percent in 1999.[385] Per-short-ton sales values and COGS for the combined domestic producers decreased for the same period but unit sales values decreased more than the decline in total unit costs.[386] Operating *** margins dropped from *** percent to *** percent.[387] While this level of operating income might not generally suggest vulnerability, corrosion-resistant products are an important profit center for the domestic industry because they are among the highest value-added carbon steel products. The level of profits earned on this product therefore may have a particularly important impact on the ability of firms to remain in operation and to

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[382] CR/PR at Table CORROSION-III-7.

[383] In 1997, the domestic industry's capital expenditures was to *** compared to $246 million in 1992. Research and development expenditures was $24.0 million in 1997 compared with $20.23 million in 1992. CR/PR at Table CORROSION-III-10, USITC Pub. 2664 at 171.

[384] CR at CORROSION-III-6, CORROSION-III-13, Table CORROSION-III-6, PR at CORROSION-III-4, Table CORROSION-III-6.

[385] CR/PR at Table CORROSION-III-1.

[386] CR at CORROSION-III-6, CORROSION-III-13, Table CORROSION-III-6, Table CORROSION-III-7, PR at CORROSION-III-4, Table CORROSION-III-6.

[387] CR at CORROSION-III-6, Table CORROSION-III-7, PR at CORROSION-III-4, Table CORROSION-III-7. Both net sales values and volume increased from interim 1999 to interim 2000. *Id.*

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make necessary investments. Based on the foregoing, we conclude that the domestic industry is in a "weakened state" as contemplated by the statute's vulnerability criterion.[388] [389] [390] [391] [392]

As discussed above, revocation of the antidumping and countervailing duty orders would likely lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic like product and significantly suppress or depress U.S. prices. In addition, the volume and price effects of the cumulated subject imports would have a significant adverse impact on the domestic industry and would likely cause the domestic industry to lose market share.

The price and volume declines would likely have a significant adverse impact on the production, shipment, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the orders will result in commensurate employment declines for domestic firms.

Accordingly, based on the record in these reviews, we conclude that, if the antidumping and countervailing duty orders are revoked, subject imports from Australia, Canada, France, Germany, Japan, and Korea would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.[393]

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[388] 19 U.S.C. § 1675a(1)(C). See SAA at 885 ("The term "vulnerable' relates to susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury . . . . If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order.").

[389] In reaching our determination that the industry is vulnerable, we have considered, but have not relied upon, the industry analysis presented by the domestic producers, which relies on indicators pertaining to the overall steel industry and not to this particular industry. We realize that in certain practical matters it is difficult to separate an industry from the larger commercial entity to which it belongs. Yet our statutory mandate is clear, and we must reach our determination based on the state of the industry as defined in 19 U.S.C. § 1677(4)(A). Furthermore, we find that the analysis does not adequately represent the attenuated relationship between this industry and certain larger indicators, such as stock prices.

[390] Vice Chairman Okun and Commissioner Hillman do not join the preceding footnote. While they also did not rely on Professor Kothari's analysis in finding the domestic industry vulnerable, they note that there may be instances where particular indicia that are not severable from the industry as defined in 19 U.S.C. § 1677(4)(A) may nonetheless be relevant in assessing vulnerability. However, they do not find Professor Kothari's reliance on the stock market performance probative of the vulnerability of the domestic industry, inasmuch as factors other than the current condition of the industry may impact any individual company's or sector's stock performance.

[391] Commissioner Bragg does not join footnote 389. Although Commissioner Bragg did not rely upon Professor Kothari's analysis in finding the domestic industry vulnerable, she noted that his analysis does corroborate a finding of vulnerability.

[392] In making this determination, we have considered, but have not relied upon, the econometric model presented by respondent producers. We find the model's usefulness to be limited by its time frame (*i.e.* while the orders were in place) such that it is not particularly probative in light of the analysis of the likely future conditions in the market required by statute.

[393] Commissioner Askey dissenting with respect to Germany.

D. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on imports of corrosion-resistant flat-rolled steel products from Australia, Canada, France, Germany, Japan, and Korea would be likely to lead to continuation or recurrence of material injury to the domestic corrosion-resistant steel industry within a reasonably foreseeable time.[394]

VII. CONCLUSION

For the foregoing reasons, we conclude:

with respect to cut-to-length plate, that revocation of the antidumping and countervailing duty orders on cut-to-length plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time; and that revocation of the antidumping duty order on Canada would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time;[395]

with respect to cold-rolled steel, that revocation of the antidumping and countervailing duty orders on cold-rolled carbon steel flat products from Germany, Korea, the Netherlands, and Sweden would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time;[396]

with respect to corrosion-resistant steel, that revocation of the antidumping and countervailing duty orders on corrosion-resistant carbon steel flat products from Australia, Canada, France, Germany, Japan, and Korea would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[397]

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[394] Commissioner Askey dissenting with respect to Germany.

[395] Chairman Koplan and Commissioner Askey dissenting with respect to the United Kingdom. *See* Dissenting Views of Chairman Stephen Koplan and Commissioner Thelma J. Askey. Commissioner Askey dissenting with respect to Taiwan.

[396] Commissioners Bragg and Miller dissenting with respect to Germany, the Netherlands and Korea. *See* Separate and Dissenting Views of Commissioner Lynn M. Bragg and Separate Views of Commissioner Marcia E. Miller.

[397] Commissioner Askey dissenting with respect to Germany. *See* Concurring and Dissenting Views of Commissioner Thelma J. Askey.

DISSENTING VIEWS OF CHAIRMAN STEPHEN KOPLAN AND COMMISSIONER THELMA J. ASKEY IN CUT-TO-LENGTH CARBON STEEL PLATE FROM THE UNITED KINGDOM INV. NOS. 701-TA-328 & 731-TA-587 (REVIEW)

We concur with our colleagues' findings with respect to the domestic like product and the domestic industry. However, for the reasons discussed below, we determine that revocation of the antidumping duty order on cut-to-length carbon steel plate ("plate") from the United Kingdom would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. CUMULATION

In sunset reviews, the statute states that the Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise if those imports are "likely to have no discernible adverse impact on the domestic industry" upon revocation of the order covering those imports.[1] The Commission does have the discretion to cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews were initiated on the same day if those imports would be likely to compete with each other and with the domestic like product within a reasonably foreseeable time if the orders are revoked.[2]

We have considered whether the subject imports from the subject countries are likely to have a "discernible adverse impact" on the domestic industry upon revocation of the orders. For the reasons set forth in the *Views of the Commission*, we find that the likely imports from the United Kingdom will have a discernible adverse impact on the domestic industry.

In this case, the reviews of the orders covering plate from all subject countries were initiated on the same day. The relevant inquiry then is whether there would likely be competition among the domestic and subject merchandise within the reasonably foreseeable future, even if none currently exists. We find, for the reasons discussed in the *Views of the Commission,* that there is likely to be a reasonable overlap of competition among the subject imports from the United Kingdom and between those subject imports and the domestic merchandise upon revocation of the order.

However, our cumulation analysis in a five-year review encompasses more than an examination of whether there would likely be a reasonable overlap of competition. We also have examined the overall similarities and differences in the conditions of competition that likely would prevail if the orders under review are revoked in assessing whether it is appropriate for us to exercise our discretion to cumulate subject imports from each country.

There is currently one producer of plate in the United Kingdom, Corus.[3] In 1999, British Steel merged with Hoogovens to form Corus Group. The operations of the former British Steel are now conducted by Corus UK, a wholly-owned subsidiary of Corus Group.[4] Corus UK, in turn, fully owns Tuscaloosa Steel, a significant U.S. domestic plate producer.[5] Corus, then known as British Steel,

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[1] Section 752(a)(7) of the Act, 19 U.S.C. § 1675a(a)(7).

[2] 19 U.S.C. § 1675a(a)(7).

[3] CR at PLATE-IV-14, PR at PLATE-IV-13. The only other UK producer of plate, Spartan Redheugh, ceased production in 2000 and is in liquidation. *Id.* at n. 37.

[4] CR at PLATE-IV-14, PR at PLATE-IV-13.

[5] CR and PR at Table PLATE-I-3.

somewhat limited in the range of products it produced, British Steel spent over 250 million dollars expanding and upgrading Tuscaloosa Steel's production facilities, making it a fully integrated domestic plate producer.[6] In addition, any imports from the United Kingdom by Corus, the sole U.K. producer, likely would enter the East Coast or the Gulf Coast, both of which are key markets for Tuscaloosa Steel. These conditions of competition position Corus very differently from all other subject producers given that no other subject producer in any subject country has such a relationship with a domestic producer.[7] Corus' participation in the domestic market is likely to be altered by its relationship with -- and significant investment in -- Tuscaloosa Steel. Based on the foregoing, we have not exercised our discretion to cumulate subject imports from the United Kingdom with subject imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden and Taiwan.

II. REVOCATION OF THE ANTIDUMPING DUTY ORDER COVERING IMPORTS OF CARBON STEEL PLATE FROM THE UNITED KINGDOM IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

The record in this sunset review indicates that the volume of subject imports from the United Kingdom in the reasonably foreseeable future is not likely to be significant if the order is revoked. Subject plate imports from the United Kingdom were not significant during the original period of investigation, accounting for a mere 0.4 percent of the U.S. market in 1992.[8] Current conditions in the markets in both the United States and the United Kingdom do not suggest that the likely volume of subject imports from the United Kingdom would be significantly greater than it was in 1992 if the order was revoked.[9] First, as mentioned above, Corus' subsidiary, Tuscaloosa Steel, is now a fully integrated domestic plate producer. Tuscaloosa Steel has ***, which suggest that any increased sales in the U.S. by the Corus Group would come first from Tuscaloosa's domestic production, not subject imports.[10]

Moreover, Corus currently is operating at a relatively high capacity utilization rate.[11] Historically, *** percent of Corus' plate is sold in the United Kingdom and Europe; the remaining ***.[12] A Canadian antidumping order against plate exports from the United Kingdom was revoked following the conclusion of a five-year sunset review in 1999.[13] Corus pointed out that its exports to Canada did not increase

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[6] CR at PLATE-II-16, PR at PLATE-II-12.

[7] *See* CR and PR at Table PLATE-I-3.

[8] CR and PR at Table PLATE-I-1.

[9] In 1999, there were no subject imports from the United Kingdom. CR and PR at Table PLATE-I-1.

[10] *See* CR and PR at Table PLATE-III-6; Corus' Foreign Producer Questionnaire. Products available from Corus' operations in the United Kingdom but not produced at Tuscaloosa Steel are high-strength structural steels at extreme widths and thicknesses, and are produced only in response to an order. Orders are not made on the basis of price, but rather quality performance, delivery performance, and reliability. CR at PLATE-II-17, PR at PLATE-II-12.

[11] ***. CR at PLATE-IV-14, PR at PLATE-IV-13; CR/PR at TABLE IV-13.

[12] CR and PR at Table PLATE-IV-14. We note that the decline in the value of the euro relative to the pound sterling has not significantly altered this fact. Corus provided its export data for 1997 through 1999 broken out by country of destination. Those data show that, in 1999, Corus shipped about *** of its exports to the EU. Corus' Response to September 18, 2000 questions from the ITC (Sept. 29, 2000), at 9.

[13] CR at PLATE-IV-14, PR at PLATE-IV-14.

significantly following the revocation of the Canadian plate dumping order on the U.K.[14] This reflects the fact that Corus is currently operating at a relatively high rate of capacity utilization and is focused on its home market and the European market.[15] For these reasons, we do not believe it is likely that Corus will ship a significant volume of subject plate to the United States if the order is revoked.

The anticipated likely level of subject imports are not likely to cause significant price effects in the domestic market. Indeed, in importing plate, Corus is not likely to establish prices to undermine the competitive situation of Tuscaloosa Steel in its sales of plate products.[16] Moreover, with its relatively high capacity utilization, Corus does not have an incentive to price aggressively to increase its sales to the United States.

Finally, the likely low level of subject imports and the absence of a significant effect on domestic prices are not likely to materially contribute to any injury experienced by the domestic plate industry.

For the foregoing reasons, we determine that revocation of the antidumping duty order on cut-to-length carbon steel plate from the United Kingdom would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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[14] CR at PLATE-II-17, PR at PLATE-II-12.

[15] *See* CR and PR at Table PLATE-IV-13.

[16] *See* Prehearing brief of Bethlehem Steel Corp., LTV Steel Company, Inc., Ispat Inland Inc., U.S. Steel Group, and AK Steel Corporation at Exhibit 25 (*World Steel Dynamics,* October 28, 1999 article stating "plate producers, led by Tuscaloosa Steel, have tried to implement a price increase for late November 1999 shipments.")

ADDITIONAL VIEWS OF VICE CHAIRMAN DEANNA TANNER OKUN

I join in the Views of the Commission in all of these reviews. I write separately to discuss several aspects where my analysis differs from the majority. Specifically, I set forth my views on the assessment of generalized information relating to the domestic industry, and of my analysis of the significance of the allegations of cartel-like or anti-competitive behavior made in these reviews.

As a general matter, I believe that it would be contrary to the intent of Congress in drafting the statute for the Commission to ignore more generalized information that affects the domestic industry merely because it includes, but is not necessarily exclusive to, the particular industry that corresponds to our domestic like product definition. This issue has arisen in these reviews, including in the assessment of Professor Kothari's analysis of the vulnerability of the domestic industries. As noted earlier, I disagree with the view that the statute mandates a rejection of Professor Kothari's analysis because it includes information on the overall flat-rolled steel industry.[1] I am mindful that the statute requires a determination based on the state of the industry as defined in 19 U.S.C. § 1677(4)(A). However, I do not believe that the statute precludes assessment of evidence relating to the impact of imports on the domestic industry merely because the evidence relates to overall operations of any particular company. I can envision situations where it may be impossible to separate information with respect to an industry as defined in 19 U.S.C. § 1677(4)(A) from the larger commercial entity to which it belongs. For example, it would not be unusual for evidence to be presented with respect to a company's (as opposed to an industry as defined in 19 U.S.C. § 1677(4)(A)) inability to raise capital or investment. Yet, the statute directs me to assess the impact of imports on an industry's ability to raise capital and its investment. I do not believe that the statute requires, or even permits me to ignore evidence of a company's inability to raise capital to expand or continue operations or attract investment merely because it happens to produce other products. Instead, I would attempt to ascertain that the evidence also relates to the industry in question.

I have also considered the record evidence of cartel-like or anti-competitive behavior in my analysis. In an industry where both the domestic and the foreign producers often produce numerous steel products in addition to the subject products, the evidence presented regarding global overcapacity to produce steel products should be given weight in evaluating whether subject producers have the incentive to export to the United States market and how capacity utilization projections are reported.

Moreover, the statute directs me, in evaluating the likely volume of imports if the existing orders are revoked, to consider, *inter alia*, the existence of barriers to the importation into countries other than the United States.[2] Significantly, the statute does not distinguish between tariff and non-tariff barriers to trade. Credible evidence of cartel-like or anti-competitive behavior is an important consideration in these reviews because the industries in many of the subject countries remain export-oriented.

In support of their arguments, the Domestic Interested Parties presented detailed examples of anti-competitive behavior by steel manufacturers in the subject countries (both individually and collectively) as well as anti-competitive behavior among and within both subject and nonsubject countries. For example, *RESTRAINED TRADE: Cartels in Japan's Basic Materials Industry* discusses

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[1] While I did not rely on Professor Kothari's analysis in making my determination, I did not do so because of his reliance on indicators pertaining to the overall steel industry, but rather because I disagreed with his reliance on stock prices in assessing the vulnerability of the industry. As I stated in the majority opinion, I believe that factors other than the current condition of the domestic industry may impact any individual company or sector's stock price.

[2] Section 752 (a)(2)(C); 19 U.S.C. §1675a(2)(C).

the role of Japanese steel industry "cohesion" in maintaining relatively high domestic prices while resisting price-based competition from imports.[3] This information is placed in the context of recent global steel trends in *Japan's Steel Cartel and the 1998 Steel Export Surge*.[4] Domestic Interested Parties also provide a historical -- if dated -- overview of market controls in Western Europe and their implications for international trade in *Steel and the State: Government Intervention and the Steel's Structural Crisis*,[5] which they update somewhat through press articles and decisions by the Commission of the European Communities.[6] They also provide examples of home market dominance in Brazil and Korea[7] and trade barriers in China and India.[8]

The Domestic Interested Parties also submitted for the record a recent report prepared by the Department of Commerce,[9] identifying a number of market forces that contributed to the so-called "Steel Import Crisis," including weak Asian demand; currency depreciation; strong U.S. demand; and external shocks (such as the GM strike). Importantly, the report also identifies a more fundamental, long-term problem: global overcapacity. It contends that market-distorting practices, whether government-mandated, government-encouraged, or simply government-tolerated, hinder adjustments to market forces such as those noted above. It distinguishes four principal market-distorting practices: direct government assistance; apparent coordination among steel producers; unsound banking practices; and import barriers.[10] Importantly, it examines in depth the national and international markets of several of the industries subject to these reviews.[11]

GLOBAL STEEL TRADE bluntly asserts that Japan's major structural problem is its noncompetitive steel market. It cites as evidence the static nature of relative production by the top five Japanese manufacturers (production shares have remained virtually unchanged for 25 years); high and stable domestic prices; and a history of international price discrimination. Thus, the Japanese market is

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[3] *RESTRAINED TRADE: Cartels in Japan's Basic Materials Industries* by Mark Tilton (Cornell University Press, Ithaca and London, publication date not provided), pp. 177, 180-183. Exhibit 9 of Volume I of the Prehearing Brief of Domestic Interested Parties.

[4] *Japan's Steel Cartel and the 1998 Steel Export Surge* by Mark Tilton (Japan Information Access Program, Washington, DC, Oct. 23, 1998), pp. 9-12. Exhibit 11 of Volume I of the Prehearing Brief of Domestic Interested Parties. Other recent descriptions of the state of the Japanese steel industry appear in a selective presentation of Japanese press articles in Exhibits 12 and 13 of Volume I of the Prehearing Brief of Domestic Interested Parties.

[5] *Steel and the State: Government Intervention and the Steel's Structural Crisis* by Thomas Howell, William Noellert, Jesse Kreier, and Alan Wolff (Westview Press, Boulder and London, publication date not provided), pp. 77, 95-108. Exhibit 18 of Volume I of the Prehearing Brief of Domestic Interested Parties.

[6] *See generally* Exhibits 16-22 of Volume I of the Prehearing Brief of Domestic Interested Parties.

[7] *See generally* Exhibits 23-26 of Volume I of the Prehearing Brief of Domestic Interested Parties, citing the June 17, 1999, Securities and Exchange Commission filing of Pohang Iron & Steel Co., Ltd., of Korea, as well as press articles from *Seoul Yonhap* and *Metal Bulletin*.

[8] *See generally* Exhibits 27-41 of Volume I of the Prehearing Brief of Domestic Interested Parties, citing national, regional, and international press commentary describing, *inter alia*, price floors, import duty increases, cartelization, and import substitution.

[9] *GLOBAL STEEL TRADE: Structural Problems and Future Solutions* (U.S. Department of Commerce, Washington, DC, July 2000).

[10] *GLOBAL STEEL TRADE* at 37.

[11] *See also* testimony by Robert S. LaRussa, Undersecretary for International Trade, U.S. Department of Commerce. Plate transcript at 31-47.

portrayed as a high-priced domestic profit sanctuary, wherein Japanese manufacturers garner revenue to fund R&D (thus maintaining global competitiveness) or to sustain low-priced exports (thus maintaining efficient production practices).[12]

In addition to the cooperative practices, *GLOBAL STEEL TRADE* identifies import barriers that allow the maintenance of a high-priced domestic profit sanctuary. Purportedly, these barriers contribute to the very small import penetration of the Japanese steel market (less than 10 percent). These barriers include a distribution system that is dominated by trading companies related to the Big Five integrated producers; implied or stated "refusal to deal" with customers that seek to diversify their supply arrangements; onerous product certification; and international agreements with EU producers (the so-called "East of Burma" agreement) and the dominant Korean producer, POSCO.[13]

GLOBAL STEEL TRADE focuses on two primary distortions in the Korean market: purportedly unsound bank lending practices and the dominance of a single domestic producer, POSCO. Unsound lending practices, according to the analysis provided, led to overinvestment and excess capacity among the Korean *chaebol*. The report notes that integrated producer POSCO originally achieved its dominant position (accounting for 50-70 percent of Korean steel production) through government support. However, because of its strong position it did not require excessive lending, and so avoided many of the difficulties faced by other Korean producers.[14]

GLOBAL STEEL TRADE identifies several potential distortions in the Brazilian steel market. The report characterizes the Brazilian steel industry as "oligopolistic" and cites determinations by CADE that the steel industry has engaged in cartel-like behavior. It also notes apparent market segmentation as well as a substantial degree of cross-ownership.[15] *GLOBAL STEEL TRADE* contends that certain market factors make it difficult to export to Brazil, and identifies as import barriers certain taxes and tariffs, the import licensing system, and the "captive" nature of the distribution network.[16]

At the hearing, I asked Respondent Interested Parties to respond to these allegations.[17] Respondent Interested Parties presented some arguments at the hearing, noting the age of many of the allegations, challenging the reliability of the assertions, and questioning the conclusions drawn by the Domestic Interested Parties.[18] [19] [20] Some Respondent Interested Parties supplemented their arguments

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[12] *GLOBAL STEEL TRADE* at 65-72.

[13] *GLOBAL STEEL TRADE* at 73-75; 80-84.

[14] *GLOBAL STEEL TRADE* at 87-93.

[15] *GLOBAL STEEL TRADE* at 98-101.

[16] *GLOBAL STEEL TRADE* at 102-103.

[17] Cold-rolled transcript at 299; Corrosion-resistant transcript at 297; Plate transcript at 304.

[18] *See, e.g.*, testimony of Peter Ammon, economic minister of the German Embassy: "We take issue with the assertions made by the U.S. producers that there is an illegal steel cartel in the European Union. The EU and German competition authorities are quite conscientious in performing their duty to ensure that the market in European remain free and competitive. Indeed, we are not aware of any evidence that the German producers of the products subject to these five-year-review proceedings are engaged in any anti-competitive conduct." Cold-rolled transcript at 212.

[19] *See, e.g.* testimony of Robert Litan, Vice President and Director of Economic Studies at Brookings Institute: "We, of course, vigorously deny there's any cartel, but let's suppose hypothetically that there is a cartel. It would imply that prices abroad are higher than they are here. Well, if you took off the orders, what incentive would there be for the producers who are now at capacity to sell at lower prices in the United States? So the cartel allegation doesn't make any sense and doesn't justify or doesn't explain why they'd sell here." Corrosion-resistant transcript at

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with written submissions, contesting the validity of the characterizations of certain national,[21] regional,[22] or international steel markets, explaining observed trade patterns,[23] or questioning potential market distorting practices in the United States.[24]

Although numerous papers have been written over the years about anti-competitive practices in the steel industry and global overcapacity, the Department of Commerce study was one of the most comprehensive U.S. Government reports on the subject of which I am aware. Therefore, I do not discount the report simply as "an election year political document."[25]

In conclusion, I have taken into consideration the information on the record that I find responsive to the Commission's statutory factors. I have carefully appraised the details provided in the record and the extent to which certain broader characterizations regarding the flat-rolled steel industry may reflect market conditions for the subject merchandise. I am aware of the disputed nature of some of the characterizations contained in the record, and that some of the information may portray historical, rather than current or likely, market conditions. I have also analyzed the competing incentives that certain anti-competitive practices might have, i.e., simultaneously making the home or regional market more attractive in terms of market prices (assuming that imports into the market in question can be limited) and encouraging the retention or expansion of capacity that might otherwise be considered redundant. Accordingly, when analyzing such issues as the availability of export markets other than the United States, I have based my conclusions on the record as a whole, considering carefully the information and arguments provided by all parties.

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[20] *See, e.g.* testimony of Richard O. Cunningham, Esquire, Steptoe & Johnson, L.L.P.: "This cartel stuff has a -- particularly this east of Burma and all of that stuff has a 25-year history. I started doing international trade work in steel in 1975. Shortly thereafter these exact same allegations were raised in at trade case by the U.S. specialty steel industry, and were investigated by the Office of the U.S. Trade Representative, and found no trade diversion." Plate transcript at 307.

[21] The Brazilian Plate Respondents, for instance, report that the CADE finding of cartel-like violations of Brazilian antitrust laws has been suspended pending judicial review, argue that there is no artificial market segmentation or other barriers to importation, and state that Brazil has not contributed to any overcapacity in plate production. Response of USIMINAS and COSIPA at exhibit 9.

[22] The Finnish Plate Respondents, for instance, noted that the European Commission has implemented an "activist antitrust policy against illegal cartels" in the steel sector; that the EU is reducing customs duties on steel imports; and that the EU only maintains quantitative restrictions on steel imports from Russia, Ukraine, and Kazakhstan. Response of Rautaruukki Oyj at 20-22.

[23] The Swedish Plate Respondents, for instance, attribute any decline in plate exports to Japan following EU membership to the size and openness of the European market, the distance between Japan and Europe, and changing product mix. Posthearing Brief of SSAB at Attachment 1.

[24] *Subsidies to the U.S. Steel Industry* (The American Institute for International Steel, Washington, DC, Nov. 1999) pp. 1-6, appears in the Posthearing Brief of German Plate Respondents at Appendix 2.

[25] Korean Cold-Rolled Respondents's Posthearing Brief at 12.

SEPARATE AND DISSENTING VIEWS OF COMMISSIONER LYNN M. BRAGG

Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom
Inv. Nos. AA-1921-197 (Review); 701-TA-231, 319-320, 322, 325-328, 340, 342, 348-350 (Review); and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, 614-618 (Review)

I join in the majority's discussion of the background (section I), domestic like product and industry (section II), and legal standards (section III), in these grouped reviews. Except as otherwise noted, I also join in the majority's discussion of the orders on cut-to length plate (section IV) and the orders on corrosion-resistant steel (section VI). I do not, however, join in the majority's discussion of the orders on cold-rolled steel (section V).

Because my analysis of cumulation with respect to the orders on cut-to-length plate and corrosion-resistant steel differs from that of the majority, and because I render affirmative determinations with respect to the orders on cold-rolled steel from Germany, Korea, and the Netherlands, I provide my separate and dissenting views below.

CUT-TO-LENGTH PLATE: *Cumulation*

To begin, I note that based upon the record in these reviews, I join the Commission majority in finding that, under section 751(c) of the Tariff Act of 1930, as amended, revocation of the antidumping and countervailing duty orders on certain carbon steel cut-to-length plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, the United Kingdom, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time; and that revocation of the antidumping duty order on cut-to-length plate from Canada would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. I provide the following separate views to detail my cumulation analysis for these grouped sunset reviews.

Cumulation–

As an initial matter, I note that a majority of the Commission cumulated subject imports from Belgium, Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom, in the original (1993) investigations. The antidumping finding on subject imports from Taiwan, however, resulted from an affirmative determination rendered by the Commission in 1979 (following an investigation of subject imports from Taiwan alone).

I further note that no respondent party has participated in these reviews with respect to the order on Poland or with respect to the finding on Taiwan. Finally, I note that I have joined the Commission majority in finding the domestic cut-to-length plate industry to be in a vulnerable condition (*see* section IV.C.3). I have considered the domestic industry's vulnerability in my assessment of the likelihood of no discernible adverse impact (discussed below).

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1. Analytical Framework

As set forth in previous views,[1] in considering whether to cumulate subject imports in a sunset review, I first assess: (1) whether the reviews were initiated on the same day; and (2) the likely reasonable overlap of competition among subject imports and between subject imports and the domestic like product, in the event the orders are revoked.

If, as a result of the foregoing assessment, I determine that subject imports are amenable to cumulation, I then proceed to examine whether the statutory exception precludes cumulation of such imports that are otherwise amenable to cumulation–*i.e.* I examine whether such imports, when considered individually, are likely to have no discernible adverse impact on the domestic industry.[2]

2. Likelihood of a Reasonable Overlap of Competition

I first note that many of the respondents in these grouped reviews contend that there is no reasonable overlap of competition among subject imports and between subject imports and the domestic like product because certain subject producers allegedly focus their cut-to-length plate production on either non-subject or "specialty" cut-to-length plate products. Upon review of the record, I find these arguments unpersuasive; rather, I am satisfied that producers in each of the subject countries focus their cut-to-length plate production on commodity-grade, subject plate products.[3] In addition, I find that most of the cut-to-length plate products classified by respondents as "specialty" products are actually commodity-grade products.[4]

Turning to the specific factors for assessing the likelihood of a reasonable overlap of competition, the record indicates a relatively high degree of substitutability between U.S.-produced cut-to-length plate and imported cut-to-length plate from the various subject countries.[5] The record also indicates that, in general, domestically-produced and imported cut-to-length plate continue to be sold in similar channels of distribution and similar geographical markets (*i.e.* throughout the United States).[6] In addition, although subject imports from some of the subject countries were not present in the U.S. market throughout the period reviewed, it is likely that imports from each of the subject countries would be present in the U.S. market in the event of revocation.[7]

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[1] *See* Separate Views of Chairman Lynn M. Bragg Regarding Cumulation in Sunset Reviews, Potassium Permanganate from China and Spain, Inv. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 at 27-30 (October 1999); Separate Views of Chairman Lynn M. Bragg Regarding Cumulation, Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Inv. Nos. 701-TA-269 and 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Pub. 3290 at 27-32 (April 2000).

[2] In instances where I find that subject imports from more than one subject country are likely to have no discernible adverse impact, I then consider whether these individual countries for which I have made a likely no discernible adverse impact finding are, in the aggregate, likely to have no discernible adverse impact on the domestic industry.

[3] Confidential Report ("CR") and Public Report ("PR") at Tables CTL-SUPP-13 through CTL-SUPP-24.

[4] CR and PR at Tables CTL-SUPP-13 through CTL-SUPP-24.

[5] CR and PR at Table PLATE-II-5.

[6] CR and PR at PLATE-II-1.

[7] CR and PR at Table PLATE-I-1 and Table PLATE-IV-1.

In sum, I find that in the event of revocation, there is likely to be a reasonable overlap of competition among subject imports from each of the subject countries and between subject imports and the domestic like product.

3. Likelihood of No Discernible Adverse Impact

There are several important, distinctive conditions of competition in these grouped reviews for this product which influence the analysis of whether imports from any individual subject country are likely to have no discernible adverse impact on the domestic industry. The record indicates that: (1) the domestic industry is currently particularly vulnerable; (2) subject imports and the domestic like product are generally substitutable, commodity products which compete, in large part, on the basis of price; (3) most cut-to-length plate producers have some ability to shift production resources between subject and non-subject products, so that total available capacity is an important element for this industry; (4) each of the subject producers, with the exception of the sole subject Canadian producer, exports a significant portion of its cut-to-length plate production (thus indicating an ability to readily shift sales of production from third country markets to the United States; in addition, most subject countries currently posses considerable inventories of subject merchandise); and (5) the orders had a significant restraining effect on the volume of subject imports from the subject countries. In this context, even a relatively small volume of subject imports would be likely to have a discernible adverse impact on the domestic industry. I set forth my country-specific analyses below.

Belgium: In 1999, Belgium possessed approximately *** tons of excess capacity for subject merchandise and *** tons of excess capacity for all cut-to-length plate production (subject and nonsubject).[8] In addition, Belgian producers' inventories of subject merchandise were *** tons at the end of the interim period (January-March 2000).[9] Together, total unused capacity plus end-of-period inventories are equivalent to roughly *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[10] Finally, I note that Commerce has determined that revocation of the CVD order on Belgium would likely result in a subsidization rate of 23.15 percent for Cockerill; 1.05 percent for Industeel (formerly Fabrique de Fer); and 5.92 percent for all others.[11]

Although the Belgian producers claim that they focus their production on nonsubject specialty plate products, the record indicates that most of their production focuses on subject commodity-grade plate products.[12] The record also indicates that the Belgian producers are highly export-oriented.[13] Thus, in the event of revocation, Belgian producers would have the ability and incentive to increase capacity utilization for the export of subject commodity-grade plate to the United States, as well as to ship from existing inventories to the U.S. market. Based upon the foregoing, I find that in the event of revocation, likely import volumes from Belgium will have a discernible adverse impact on the domestic cut-to-length plate industry.

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[8] CR and PR at Table PLATE-IV-3 and Table CTL-SUPP-1.

[9] CR and PR at Table PLATE-IV-3.

[10] *See* CR and PR at Table CTL-SUPP-1, Table PLATE-IV-3, and Table C-1.

[11] CR and PR at Table PLATE-I-1.

[12] CR and PR at Table CTL-SUPP-13 (I infer that the shipment data are sufficiently indicative of production trends).

[13] CR and PR at Table PLATE-IV-3.

Brazil: In 1999, Brazil had approximately *** tons of excess capacity for all cut-to-length plate production (subject and nonsubject).[14] In addition, Brazilian producers' inventories of subject merchandise were *** tons at the end of interim 2000.[15] Together, these sums are equivalent to *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[16] Finally, I note that Commerce has determined that revocation of the CVD order on Brazil would likely result in a subsidization rate of 5.44 percent for Usiminas; 48.64 percent for Cosipa; and 23.10 percent for all others.[17] Based upon the foregoing, I find that in the event of revocation, likely import volumes from Brazil will have a discernible adverse impact on the domestic cut-to-length plate industry.

Canada: In 1999, Canada had approximately *** tons of excess capacity for subject merchandise and *** tons of excess capacity for all cut-to-length plate production (subject and nonsubject).[18] Canadian producers' inventories of subject merchandise were *** tons at the end of interim 2000.[19] The record indicates, however, that plate demand in Canada currently exceeds home market supply and that Canada has recently imposed antidumping duties on a number of countries that accounted for a significant volume of plate imports into Canada.[20] The record therefore indicates that the sole subject Canadian producer has no incentive to increase the volume of its subject exports to the United States.

I also note that Commerce import statistics indicate that Canada exported *** tons of cut-to-length plate into the United States in 1999.[21] However, the sole Canadian subject producer reported having exported only *** tons of subject imports into the United States 1999.[22] Upon review, it appears that most of the imports reported by Commerce are attributable to imports into the United States by nonsubject Canadian producers. In addition, Commerce's statistics include nonsubject X-70 plate, and thus overstate the volume of subject Canadian imports into the United States.[23] Based upon the foregoing, I find that in the event of revocation, likely import volumes from Canada will not have a discernible adverse impact on the domestic cut-to-length plate industry.

Finland: In 1999, Finland had *** tons of excess capacity for all cut-to-length plate production (subject and nonsubject).[24] The Finnish producer's inventories of subject merchandise were *** tons at

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[14] CR and PR at Table CTL-SUPP-2. Importantly, during 1999, subject merchandise represented *** percent of the Brazilian producers' total cut-to-length plate production. *Id.*

[15] CR and PR at Table PLATE-IV-4.

[16] *See* CR and PR at Table CTL-SUPP-2, Table PLATE-IV-4, and Table C-1.

[17] CR and PR at PLATE-I-8.

[18] CR and PR at Table PLATE-IV-5 and Table CTL-SUPP-3. Importantly, in 1999, subject merchandise represented only *** percent of the Canadian producer's total cut-to-length plate production. CR and PR at Table CTL-SUPP-3.

[19] CR and PR at Table PLATE-IV-5.

[20] CR at PLATE-IV-4, PR at PLATE-IV-6; Canadian Respondents' Prehearing Brief at 16.

[21] CR and PR at Table C-1.

[22] CR and PR at Table PLATE-IV-5.

[23] CR and PR at Table C-1.

[24] CR and PR at Table CTL-SUPP-4. Importantly, in 1999, subject merchandise represented *** percent of the Finnish producer's total cut-to-length plate production. *Id.*

the end of interim 2000.[25] Together, these sums are equivalent to *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[26] The record also indicates that the Finnish producer exports the overwhelming majority of its cut-to-length plate production.[27] The Finnish producer therefore has the ability and incentive to increase its capacity utilization for export to the United States, as well as to ship from existing inventories to the U.S. market. Based upon the foregoing, I find that in the event of revocation, likely import volumes from Finland will have a discernible adverse impact on the domestic cut-to-length plate industry.

Germany: In 1999, Germany had *** tons of excess capacity for subject merchandise and *** tons of excess capacity for all cut-to-length plate production (subject and nonsubject).[28] German producers' inventories of subject merchandise were *** tons at the end of interim 2000.[29] Together, total unused capacity plus end-of-period inventories are equivalent to roughly *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[30] Finally, I note that Commerce has determined that revocation of the CVD order on Germany would likely result in a subsidization rate of 0.80 percent for Ilsenburg; 0.77 percent for Preussag; 0.51 percent for Thyssen; and 14.84 percent for all others.[31] Based upon the foregoing, I find that in the event of revocation, likely import volumes from Germany will have a discernible adverse impact on the domestic cut-to-length plate industry.

Mexico: In 1999, Mexico had *** tons of excess capacity for subject merchandise.[32] Mexican producers' inventories of subject merchandise were *** tons at the end of interim 2000.[33] Together, these sums are equivalent to roughly *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[34] I also note that Commerce import statistics indicate that Mexico exported *** tons of cut-to-length plate into the United States in 1999.[35] However, the sole Mexican producer reported having exported only *** tons of subject imports into the United States 1999.[36] Finally, I note that Commerce has determined that revocation of the CVD order on Mexico would likely result in a subsidization rate of 25.87 percent for AHMSA and 20.25 percent for all others.[37]

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[25] CR and PR at Table PLATE-IV-6.

[26] *See* CR and PR at Table CTL-SUPP-4, Table PLATE-IV-6, and Table C-1.

[27] CR and PR at Table PLATE-IV-6.

[28] CR and PR at Table PLATE-IV-7 and Table CTL-SUPP-5.

[29] CR and PR at Table PLATE-IV-7.

[30] *See* CR and PR at Table CTL-SUPP-5, Table PLATE-IV-7, and Table C-1.

[31] CR and PR at PLATE-I-8.

[32] CR and PR at Table PLATE-IV-8 and Table CTL-SUPP-6.

[33] CR and PR at Table PLATE-IV-8.

[34] *See* CR and PR at Table CTL-SUPP-6, Table PLATE-IV-8, and Table C-1.

[35] CR and PR at Table C-1.

[36] CR and PR at Table PLATE-IV-8.

[37] CR and PR at PLATE-I-9.

Arguably, because Commerce's import statistics include nonsubject plate, the volume of Mexican subject imports into the United States may be overstated.[38] However, this explanation is contradicted by the fact that over the course of the period reviewed Mexico produced only *** tons of nonsubject plate.[39] In any event, based upon my review of the record, I am satisfied that in the event of revocation, likely import volumes from Mexico will have a discernible adverse impact on the domestic cut-to-length plate industry.[40]

Poland: I again note that the Commission did not receive any questionnaire response from any Polish subject producer. However, the publication *Iron and Steel Works of the World* indicates that, in 1998, Poland produced 1,774,720 tons of cut-to-length plate.[41] During the period reviewed, Poland exported 4,312 tons of subject cut-to-length plate to the United States in 1997; 477 tons in 1998; and 71 tons in 1999.[42] At the time of the original investigations, Poland's peak exports of subject merchandise to the U.S. market were 24,605 tons.[43] Based upon all of the foregoing, I infer that likely import volumes from Poland will have a discernible adverse impact on the domestic cut-to-length plate industry if the order were revoked.

Romania: In 1999, Romania had approximately *** tons of excess capacity for all cut-to-length plate production (subject and nonsubject).[44] The Romanian producer's inventories of subject merchandise were *** tons at the end of interim 2000.[45] Together, these sums are equivalent to roughly *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[46] Based upon all of the foregoing, I find that in the event of revocation, likely import volumes from Romania will have a discernible adverse impact on the domestic cut-to-length plate industry.

Spain: In 1999, Spain had no excess production capacity for subject merchandise and *** tons of excess capacity for all cut-to-length plate production (subject and nonsubject).[47] Although this amounts to only a small percentage of 1999 apparent U.S. consumption and 1999 U.S. production, the record indicates that the Spanish producer's inventories of subject merchandise were *** tons at the end of interim 2000.[48] Together, total unused capacity plus end-of-period inventories are equivalent to roughly *** percent of U.S. production during 1999, as well as *** percent of apparent U.S.

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[38] CR and PR at Table C-1.

[39] CR and PR at Table CTL-SUPP-6.

[40] I note that I would have reached the same conclusion even if the record had clearly indicated that the entire volume of cut-to-length plate imports into the United States from Mexico in 1999, as reported by Commerce, was comprised of nonsubject merchandise.

[41] CR and PR at PLATE-IV-8.

[42] CR and PR at Table C-1.

[43] CR and PR at Table PLATE-I-1.

[44] CR and PR at Table CTL-SUPP-8.

[45] CR and PR at Table PLATE IV-9. Importantly, in 1999, subject merchandise represented *** percent of the Romanian producer's total cut-to-length plate production. CR and PR at Table CTL-SUPP-8.

[46] *See* CR and PR at Table CTL-SUPP-8, Table PLATE-IV-9, and Table C-1.

[47] CR and PR at Table PLATE IV-10 and Table CTL-SUPP-9.

[48] CR and PR at Table PLATE IV-10.

consumption that year.[49] The record also indicates that the Spanish producer exports a substantial portion of its production (as much as *** percent during the period reviewed).[50] The Spanish producer therefore has the ability and incentive to ship from inventories to the U.S. market, should the orders be revoked. Finally, I note that Commerce has determined that revocation of the CVD order on Spain would likely result in a subsidization rate of 36.86 percent for all producers/exporters.[51] Based upon my review of the record, I am satisfied that in the event of revocation, likely import volumes from Spain will have a discernible adverse impact on the domestic cut-to-length plate industry.

Sweden: In 1999, Sweden had no excess capacity for any cut-to-length plate production.[52] In addition, the Swedish producer held no inventories of subject merchandise at the end of interim 2000.[53] However, the record also indicates that the Swedish producer exports the overwhelming majority of its production.[54] I also note that at the time of the original investigations, Sweden exported to the United States as much as *** tons of subject merchandise.[55] This is equivalent to roughly *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[56] In contrast, Sweden exported only a very small volume of cut-to-length plate into the United States during the period reviewed.[57]

It thus appears that the orders on subject imports from Sweden have had a significant restraining effect. Finally, I note that Commerce has determined that revocation of the CVD order on Sweden would likely result in a subsidization rate of 4.27 percent for all producers/exporters.[58] Based upon all of the foregoing, I find that in the event of revocation, import volumes from Sweden will likely revert to pre-order levels (given the marked export orientation of the Swedish producer), and that this will have a discernible adverse impact on the domestic cut-to-length plate industry.

Taiwan: I again note that the Commission did not receive any questionnaire response from any subject producer in Taiwan. During 1999, Taiwan had approximately *** tons of excess capacity for subject merchandise.[59] Taiwan producers' inventories of subject merchandise were *** tons at the end of interim 2000.[60] Together, these sums are equivalent to roughly *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[61] The record also indicates that

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[49] *See* CR and PR at Table CTL-SUPP-5, Table PLATE-IV-7, and Table C-1.

[50] CR and PR at Table PLATE IV-10.

[51] CR and PR at PLATE-I-9.

[52] CR and PR at Table PLATE IV-11 and Table CTL-SUPP-10.

[53] CR and PR at Table PLATE IV-11.

[54] CR and PR at Table PLATE IV-11

[55] CR and PR at Table PLATE-I-1.

[56] *See* CR and PR at Table PLATE-I-1 and Table C-1.

[57] CR and PR at Table C-1.

[58] CR and PR at PLATE-I-10.

[59] CR and PR at Table PLATE IV-12. In 1999, Taiwan was operating at *** percent capacity utilization. *Id.* However, in 1998, Taiwan's capacity utilization was as high as ***. *Id.* Consequently, I rely upon the 1998 figure as Taiwan's peak capacity utilization rate for purposes of my analysis.

[60] CR and PR at Table PLATE IV-12.

[61] *See* CR and PR at Table PLATE-IV-12 and Table C-1.

Taiwan exports a substantial portion of its total shipments (as much as *** percent during the period reviewed).[62] Based upon all of the foregoing, I find that in the event of revocation, likely import volumes from Taiwan will have a discernible adverse impact on the domestic cut-to-length plate industry.

United Kingdom: In 1999, the United Kingdom had approximately *** tons of excess capacity for all cut-to-length plate production (subject and nonsubject).[63] The U.K. producer's inventories of subject merchandise were *** tons at the end of interim 2000.[64] Together, these sums are equivalent to roughly *** percent of U.S. production during 1999, as well as *** percent of apparent U.S. consumption that year.[65] Finally, I note that Commerce has determined that revocation of the CVD order on the United Kingdom would likely result in a subsidization rate of 23.15 percent for Glynwed Steels and 1.05 percent for all others.[66] Based upon all of the foregoing, I find that in the event of revocation, likely import volumes from the United Kingdom will have a discernible adverse impact on the domestic cut-to-length plate industry.[67]

4. Conclusion

Based upon the foregoing analysis, I find that revocation of the orders on subject imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, considered individually, would be likely to have a discernible adverse impact on the domestic cut-to-length plate industry. I also find that revocation of the order on subject imports from Canada would be likely to have no discernible adverse impact on the domestic cut-to-length plate industry. I therefore join my colleagues in a cumulative analysis of the likely volume and price effects of subject imports from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, as well as an individual country analysis with respect to likely imports from Canada (*see* section IV.C).

CORROSION-RESISTANT STEEL: *Cumulation*

To begin, I note that based upon the record in these reviews, I join the Commission majority in finding that, under section 751(c) of the Tariff Act of 1930, as amended, revocation of the antidumping

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[62] CR and PR at Table PLATE IV-12.

[63] CR and PR at Table PLATE IV-13 and Table CTL-SUPP-12. Importantly, in 1999, subject merchandise represented *** percent of the U.K. producer's total cut-to-length plate production.

[64] CR and PR at Table PLATE IV-13.

[65] *See* CR and PR at Table CTL-SUPP-12, Table PLATE-IV-13, and Table C-1.

[66] CR and PR at PLATE-I-10.

[67] I note that the sole subject U.K. producer has a relationship with an affiliated producer of cut-to-length plate in the United States. CR and PR at PLATE-IV-6. I recognize that an individual U.K. producer with an established physical presence in the United States is unlikely to engage in export behavior to the detriment of its affiliated U.S. production operations. In my view, however, such rationalization of production within a family of affiliated companies, in and of itself, says nothing about the likely behavior of U.K. imports as a whole in the event of revocation, nor does it provide an indication of the likely impact of U.K. imports on unaffiliated producers within the domestic industry.

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and countervailing duty orders on certain corrosion-resistant carbon steel products from Australia, Canada, France, Germany, Japan, and Korea, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. I provide the following separate views to detail my cumulation analysis for these grouped sunset reviews.

Cumulation–

As an initial matter, I note that a majority of the Commission cumulated subject imports from Australia, Canada, France, Germany, Japan, and Korea, in the original (1993) investigations. I further note that no respondent party has participated in these reviews with respect to the order on Australia. Finally, I note that I have joined the Commission majority in finding the domestic corrosion-resistant steel industry to be in a vulnerable condition (*see* section VI.C.3). I have considered the domestic industry's vulnerability in my assessment of the likelihood of no discernible adverse impact (discussed below).

1. Analytical Framework

I refer to the discussion of my analytical framework set forth above in the context of the grouped sunset reviews of the orders covering cut-to-length plate.

2. Likelihood of a Reasonable Overlap of Competition

The record in these reviews indicates that domestically produced and imported corrosion-resistant steel products are fungible. U.S. producers and importers alike reported that subject imports are broadly interchangeable with the domestic like product,[68] and both share the same essential chemical and physical properties.[69] The record also indicates that the channels of distribution for domestic and imported corrosion-resistant steels are similar.[70] Finally, nothing in the record suggests that if the orders are revoked, subject imports would not again compete with each other and with domestic corrosion-resistant steel, both simultaneously and in the same geographic markets.

Based upon the foregoing, I find that there is likely to be a reasonable overlap of competition among subject imports from each of the subject countries, and between subject imports and the domestic like product, if the orders were revoked.

3. Likelihood of No Discernible Adverse Impact

Australia: Again, I note that no respondent party has participated in these reviews with respect to the order on Australia (notwithstanding the Commission's requests for information); as a result, the Commission has only limited information with respect to the corrosion-resistant steel industry in Australia. Upon review of the record, I infer that producers in Australia will, at a minimum, revert to pre-order export behaviors resulting in a discernible adverse impact on the domestic industry if the order is revoked. I note in this regard that during 1992, the last full year prior to imposition of the orders,

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[68] CR at CORROSION-II-18 and CORROSION-II-19; PR at CORROSION-II-12 and CORROSION-II-13.

[69] CR at CORROSION-I-16, PR at CORROSION-I-15.

[70] *See* CR and PR at CORROSION-II-1.

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subject imports from Australia totaled *** short tons, which is the equivalent of roughly *** percent of U.S. production in 1999, as well as almost *** percent of U.S. consumption that year.[71]

Canada: In 1999, unused subject capacity coupled with reported end-of-period inventories for Canadian producers amounted to *** short tons, which was equivalent to roughly *** percent of U.S. production and almost *** percent of U.S. consumption that year.[72] During 1992, the last year prior to imposition of the orders, subject imports from Canada totaled *** short tons; in comparison, during 1999 Canada exported *** short tons of corrosion-resistant steel to the United States.[73] Finally, I note that based upon the pricing data collected in these reviews, quarterly pricing comparisons indicate a 100 percent incidence of underselling by subject imports from Canada, even with the order in place.[74] In light of the foregoing, I find that likely import volumes from Canada will have a discernible adverse impact on the domestic industry in the event of revocation.

France: In 1999, unused subject capacity coupled with reported end-of-period inventories for French producers amounted to *** short tons, which was equivalent to roughly *** percent of U.S. production and *** percent of U.S. consumption that year.[75] During 1992, the last year prior to imposition of the orders, subject imports from France totaled *** short tons; in comparison, during 1999 France exported *** short tons of corrosion-resistant steel to the United States.[76] Total exports to all countries accounted for between *** percent and *** percent of French production during the period of review.[77] Finally, I note that Commerce has determined that revocation of the CVD order on France would likely result in a subsidization rate of 15.13 percent.[78] Based upon the foregoing, I find that likely import volumes from France will have a discernible adverse impact on the domestic industry in the event of revocation.

Germany: In 1999, unused subject capacity coupled with reported end-of-period inventories for German producers amounted to *** short tons, which was equivalent to roughly *** percent of U.S. production and *** percent of U.S. consumption that year.[79] During 1992, the last year prior to imposition of the orders, subject imports from Germany totaled *** short tons; in comparison, during 1999 Germany exported *** short tons of corrosion-resistant steel to the United States.[80] Total exports to all countries accounted for between *** percent and *** percent of German production during the period of review.[81] Finally, I note that Commerce has determined that revocation of the CVD order on

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[71] CR and PR at Table CORROSION-I-1 and Table C-3.

[72] CR and PR at Table CORROSION-IV-3 (as amended, *see* INV-X-232 (Nov. 1, 2000)) and Table C-3.

[73] CR and PR at Table CORROSION-I-1 and Table CORROSION-IV-3 (as amended, *see* INV-X-232 (Nov. 1, 2000)).

[74] CR and PR at Table CORROSION-V-6.

[75] CR and PR at Table CORROSION-IV-4 and Table C-3.

[76] CR and PR at Table CORROSION-I-1 and Table C-3.

[77] CR and PR at Table CORROSION-IV-4.

[78] CR and PR at CORROSION-I-1.

[79] CR and PR at Table CORROSION-IV-5 and Table C-3.

[80] CR and PR at Table CORROSION-I-1 and Table C-3.

[81] CR and PR at Table CORROSION-IV-5.

Germany would likely result in a subsidization rate of 0.54 percent.[82] Based upon the foregoing, I find that likely import volumes from Germany will have a discernible adverse impact on the domestic industry in the event of revocation.

Japan: In 1999, unused subject capacity coupled with reported end-of-period inventories for Japanese producers amounted to *** short tons, which was equivalent to roughly *** percent of U.S. production and *** percent of U.S. consumption that year.[83] During 1992, the last year prior to imposition of the orders, subject imports from Japan totaled *** short tons; in comparison, during 1999, Japan exported *** short tons of corrosion-resistant steel to the United States.[84] Total exports to all countries accounted for between *** percent and *** percent of Japanese production during the period of review.[85] Based upon the foregoing, I find that likely import volumes from Japan will have a discernible adverse impact on the domestic industry in the event of revocation.[86]

Korea: In 1999, unused subject capacity coupled with reported end-of-period inventories for Korean producers amounted to *** short tons, which was equivalent to *** percent of U.S. production and *** percent of U.S. consumption that year.[87] During 1992, the last year prior to imposition of the orders, subject imports from Korea totaled *** short tons; in comparison, during 1999, Korea exported *** short tons of corrosion-resistant steel to the United States.[88] Total exports to all countries accounted for between *** percent and *** percent of Korean production during the period of review.[89] Finally, I note that Commerce has determined that revocation of the CVD order on Korea would likely result in a subsidization rate of 0.54 percent.[90] Based upon the foregoing, I find that likely import volumes from Korea will have a discernible adverse impact on the domestic industry in the event of revocation.

4. Conclusion

Based upon the foregoing analysis, I find that revocation of the orders on subject imports from Australia, Canada, France, Germany, Japan, and Korea, considered individually, would be likely to have a discernible adverse impact on the domestic corrosion-resistant steel industry. I therefore join my

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[82] CR at CORROSION-I-6, PR at CORROSION-I-1.

[83] CR and PR at Table CORROSION-IV-6 and Table C-3.

[84] CR and PR at Table CORROSION-I-1 and Table C-3.

[85] CR and PR at Table CORROSION-IV-6.

[86] I note that each of the subject Japanese producers has a relationship with an affiliated producer of corrosion-resistant steel in the United States. CR and PR at CORROSION-IV-6. I recognize that an individual Japanese producer with an established physical presence in the United States is unlikely to engage in export behavior to the detriment of its affiliated U.S. production operations. In my view, however, such rationalization of production within a family of affiliated companies, in and of itself, says nothing about the likely behavior of Japanese imports as a whole in the event of revocation, nor does it provide an indication of the likely impact of Japanese imports on unaffiliated producers (whether U.S. or foreign-owned) within the domestic industry.

[87] CR and PR at Table CORROSION-IV-7 (as amended, *see* INV-X-232 (Nov. 1, 2000)) and Table C-3.

[88] CR and PR at Table CORROSION-I-1 and CORROSION-IV-7 (as amended, *see* INV-X-232 (Nov. 1, 2000)).

[89] CR and PR at Table CORROSION-IV-7 (as amended, *see* INV-X-232 (Nov. 1, 2000)).

[90] CR and PR at CORROSION-I-6.

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colleagues in a cumulative analysis of the likely volume and price effects of subject imports from all six subject countries in these grouped reviews (*see* section VI.C).

COLD-ROLLED STEEL:

Definitions of the Domestic Like Product and Industry–

I join in the majority's discussion of the domestic like product (section II.A), wherein we define a single domestic like product (*i.e.* cold-rolled steel) commensurate with the scopes and consistent with the original determinations. I therefore exclude from this definition microalloy products that lie outside the scopes, and I include seat belt retractor steel. I further join in the majority's discussion of the domestic industry (section II.B), wherein we define the domestic industry as all domestic producers of cold-rolled steel.

With regard to related parties, I also join in the majority's discussion finding that appropriate circumstances do not exist to exclude Theis Precision Steel Corporation from the definition of the domestic industry (section II.C.2). In addition, I note that UPI is a related party by virtue of its partial ownership by Pohang, a Korean steelmaker subject to this review.[91] Two other firms, ***, are potentially related parties because they imported subject merchandise from ***.[92] However, the Commission did not timely receive data from any of these producers, and none of these firms is included in the industry data compiled in these reviews. The issue is thus moot with respect to whether these firms are included or excluded from the domestic industry. Finally, I note that the Commission did not exclude any domestic producer as a related party in the original investigations.[93] Based on the record developed in these reviews, I determine that appropriate circumstances do not exist to exclude any U.S. producer from the domestic industry; accordingly, I define the domestic industry as all U.S. producers of the domestic like product.

Cumulation–

To begin, I note that a majority of the Commission cumulated subject imports from Germany, Korea, and the Netherlands, in the original (1993) investigations. The countervailing duty order on subject imports from Sweden, however, resulted from an affirmative determination rendered by the Commission in 1985 (following an investigation of subject imports from Sweden and Austria).

In addition, as I discuss later in these views, I find the domestic cold-rolled steel industry to be in a vulnerable condition. I note that I have considered the domestic industry's vulnerability in my assessment of the likelihood of no discernible adverse impact (discussed below).

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[91] CR and PR at Table COLD-I-3.

[92] CR and PR at Table III-4.

[93] Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, and 347-353 (Final) and 731-TA-573-579, 581-592, 594-597, 599-609, and 612-619 (Final), USITC Pub. 2664 at 98 (August 1993) ("Original Determination").

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1. Analytical Framework

I refer to the discussion of my analytical framework set forth above in the context of the grouped sunset reviews of the orders covering cut-to-length plate.

2. Likelihood of a Reasonable Overlap of Competition

The Dutch respondents argue that because subject imports from the Netherlands are comprised largely of full-hard steel, the Commission should find there is not likely to be a reasonable overlap of competition as there are *** imports of full-hard steel from either Germany or Sweden, and *** are in much smaller volumes. In addition, the Dutch product is sold only to ***, while imports from ***.

Significantly, however, subject imports from the Netherlands are comprised of more than just full-hard steel; moreover, the relevant inquiry is what the likely import mix will be in the event of revocation, and not how export behaviors in the subject countries may have adjusted to the existence of the orders.

According to the Dutch respondents, imports of full-hard steel from the Netherlands accounted for between *** percent of total Dutch imports in 1997 and 1998, declining to *** percent in 1999 and increasing to *** percent during the first three months of 2000; more importantly, in 1992, prior to imposition of the order, imports of full-hard steel from the Netherlands accounted for only *** percent of total Dutch imports.[94] Finally, I note that producers and importers overwhelmingly indicated that subject imports are interchangeable with each other and with the domestic like product.[95]

Based upon my review of the record, I am satisfied that subject imports from each of the four countries are interchangeable with each other and with the domestic like product, and that if the orders are revoked subject imports will again simultaneously compete with each other and with the domestic like product, in the same geographic markets and channels of distribution. Consequently, I find there is likely to be a reasonable overlap of competition among subject imports and between subject imports and the domestic like product in the event of revocation.

3. Likelihood of No Discernible Adverse Impact

With respect to Sweden, the record indicates that the sole Swedish producer of cold-rolled steel operated at *** percent capacity utilization throughout the period of review; in addition, the Swedish producer's end-of-period inventories remained below *** of U.S. production throughout the period of review.[96] Moreover, in the extreme and unlikely event the Swedish producer exported 100 percent of its production to the U.S. market, this volume would be equivalent to only *** percent of U.S. production in 1999, as well as *** percent of U.S. commercial shipments that year.[97] Finally, I note that Commerce has determined that the likely rate of subsidization in the event the CVD order on Sweden is revoked is 8.77 percent.[98]

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[94] Post-Hearing Brief of Hoogovens Staal BV and Hoogovens Steel USA at A-30.

[95] CR and PR at Table COLD-II-4.

[96] *See* CR and PR at Table COLD-IV-6 and Table C-2.

[97] *See* CR and PR at Table COLD-III-2, Table COLD-IV-6 and Table C-2.

[98] CR and PR at COLD-I-6.

Although roughly *** percent of Swedish production of cold-rolled steel is exported,[99] I find that the foregoing data indicate that revocation of the CVD order on Sweden would be likely to have no discernible adverse impact on the domestic industry. My negative determination with respect to Sweden stems naturally from this finding.

With respect to Germany, Korea, and the Netherlands, however, I find that revocation of each of these orders would likely result in a discernible adverse impact on the domestic industry. First, I note that unused subject capacity in each country during 1999 was equivalent to significant shares of U.S. production that year; specifically: unused subject capacity in Germany during 1999 was equivalent to *** percent of U.S. production that year; unused subject capacity in Korea during 1999 was equivalent to *** percent of U.S. production that year; and, unused subject capacity in the Netherlands during 1999 was equivalent to *** percent of U.S. production that year.[100]

The foregoing comparisons are with respect to total U.S. production, and not merely merchant market shipments by domestic producers. If comparisons are made solely to U.S. commercial shipments, the percentages would be as follows: total unused cold-rolled capacity in Germany during 1999 was equivalent to *** percent of U.S. commercial shipments that year; total unused cold-rolled capacity in Korea during 1999 was equivalent to *** percent of U.S. commercial shipments that year; and, total unused cold-rolled capacity in the Netherlands during 1999 was equivalent to *** percent of U.S. commercial shipments that year.[101]

Finally, if end-of-period inventories in these three countries are also considered as being available for export to the United States, the foregoing percentages would be higher still for each of the three countries.[102] Based upon all the foregoing, I find that if the orders are revoked, likely import volumes from each of these three countries, considered individually, would be likely to have a discernible adverse impact on the domestic industry.

4. Conclusion

As a result of the foregoing findings, I have engaged in a separate analysis of likely imports from Sweden, and a cumulative analysis with respect to likely imports from Germany, Korea, and the Netherlands, in the event the orders are revoked.

Conditions of Competition–

1. Captive Production

Although the domestic industry internally transfers a significant portion of its production of cold-rolled steel for the production of downstream articles, I note that I have previously determined that the captive production provision of the statute does not apply in the context of sunset reviews.[103] Nevertheless, I have considered captive production as a condition of competition in assessing whether

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[99] CR and PR at Table COLD-IV-6.

[100] *See* CR and PR at Tables COLD-IV-3 through COLD-IV-5, and Table C-2.

[101] *See* CR and PR at Tables COLD-IV-3 through COLD-IV-5, and Table COLD-III-11.

[102] *See* CR and PR at Tables COLD-IV-3 through COLD-IV-5.

[103] *See, e.g.,* Sebacic Acid from China, Inv. No. 731-TA-653 (Review), USITC Pub. 3189, at 7 n.26 (May 1999).

revocation of the orders under review would be likely to result in continuation or recurrence of material injury.

2. Other Conditions of Competition

Demand for cold-rolled steel depends largely on the level of demand in the automotive, appliance, construction, and container industries, and has increased substantially since imposition of the orders in 1985 and 1993, with apparent U.S. consumption increasing by roughly *** percent between 1992 and 1999 alone.[104] Total production capacity for the domestic industry similarly has increased substantially,[105] as new capacity has been added and the efficiency of existing capacity has been improved in order to remain competitive.[106] Notwithstanding these increases in capacity, the rate of capacity utilization by the domestic industry increased steadily since 1992.[107]

With regard to supply, subject import volumes from each of the four countries declined following imposition of the respective orders. The share of the U.S. market supplied by domestic producers increased since the orders were imposed in 1985 and 1993, reaching a high of *** percent in interim 2000.[108] The share of the U.S. market captured by subject and nonsubject imports alike declined during the period of review.[109]

Domestic producers and importers usually reported subject imports and the domestic like product to be broadly interchangeable, and differences other than price usually are not a significant factor in their sales of cold-rolled steel.[110] More than half of responding purchasers reported purchasing on either a daily or weekly basis, and most contact multiple suppliers before making a purchase.[111] It is likely that the importance of price to purchasing decisions will only magnify with the development and more widespread acceptance of e-commerce as a vehicle for consummating sales within this industry.[112]

The use of published price lists is rare, with the majority of responding producers and importers indicating that prices are determined on a transaction-by-transaction basis.[113] Contracts for domestic producers are typically of six to twelve months in duration, with some as short as three months.[114] Even where price terms may be specified, contracts may not shield producers from negative pricing pressures in the market.[115] In addition, the increasing use of life-of-the-part contracts and partnering agreements, wherein price terms may be downwardly flexible, exposes producers to negative pricing pressures in the market.[116]

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[104] *See* CR at COLD-II-10 and Table COLD-I-1; PR at COLD-II-7 and Table COLD-I-1.

[105] *See* CR and PR at Table COLD-I-1.

[106] *See, e.g.,* Hearing Transcript at 68-69 (Sept. 12, 2000) (Wilhelm).

[107] CR and PR at COLD-II-2.

[108] CR and PR at Table COLD-I-1.

[109] CR and PR at Table COLD-I-1.

[110] CR at COLD-II-15 and COLD-II-16; PR at COLD-II-10 and COLD-II-11.

[111] CR COLD-II-13; PR at COLD-II-9.

[112] *See* CR at COLD-II-12; PR at COLD-II-8 to COLD-II-9.

[113] CR and PR at COLD-V-2.

[114] CR at COLD-V-3; PR at COLD-V-2 to COLD-V-3.

[115] Hearing Transcript at 79 (Sept. 12, 2000) (Eckstein).

[116] CR at COLD-V-4; PR at COLD-V-3.

Likelihood of Continuation or Recurrence of Material Injury–

Before turning to my analysis of the likely volume, price effects, and impact, if the orders under review are revoked, there are several preliminary matters to address. First, I note that segregated data on the domestic cold-rolled steel industry (as defined above) are not available, as some domestic producers have indicated they were unable to supply segregated data. As a result, I must rely on the industry data provided, keeping in mind that the data do not correspond precisely to the industry producing the domestic like product in these reviews. I am also mindful of the fact that comparisons between the data for the domestic industry in the original determinations and the data gathered in these reviews may be somewhat distorted, as a result of the domestic producers' inability to segregate microalloy products from the domestic like product in their questionnaire responses in these reviews. Nevertheless, I am satisfied that such comparisons are sufficiently valid to indicate the magnitude of changes in the industry, including apparent consumption.

Second, I note that Commerce reported that it had made an affirmative duty absorption finding with regard to one Korean producer of cold-rolled steel.[117] In addition, during the course of an administrative review, Commerce made an affirmative duty absorption finding with regard to the sole Dutch producer of cold-rolled steel;[118] however, this latter finding was not reported by Commerce as part of its final sunset review order.[119] In any event, I have not relied on any duty absorption findings in reaching my determinations, particularly with respect to likely price effects in the event of revocation.

Third, because the interim data for 1999 and 2000 cover only limited three-month periods, I have relied principally on data covering full-year periods, and have placed particular weight on 1999 data, which is the most recent full-year period for which data are available in these reviews.

Fourth, I note that I have considered the arguments presented by domestic producers regarding global cartels. I further note, however, that I did not rely upon any alleged global cartel activity in reaching my determinations.

Finally, I note that in March 2000, I determined that the domestic cold-rolled steel industry was materially injured by reason of cumulated subject imports from twelve countries.[120] Unfortunately, though not surprisingly, the record in these reviews indicates that there has not been a significant improvement in the condition of domestic cold-rolled steel producers since I rendered my affirmative determinations; indeed, there is some indication that conditions have worsened since the Commission majority rendered its negative determinations earlier this year.[121] In any event, based on the record in these reviews I find the domestic cold-rolled steel industry to be vulnerable to material injury. In this

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[117] 65 Fed. Reg. 24180 (Apr. 25, 2000) (Korea).

[118] 63 Fed. Reg. 20574, 20575 (Apr. 27, 1998) (Netherlands).

[119] 65 Fed. Reg. 47377 (Aug. 2, 2000).

[120] *See Dissenting Views of Chairman Lynn M. Bragg* in Certain Cold-Rolled Steel Products from Argentina, Brazil, Japan, Russia, South Africa, and Thailand, Inv. Nos. 701-TA-393 and 731-TA-829-830, 833-834, 836, and 838, USITC Pub. 3283 at 29-40 (Final) (March 2000). The Commission rendered staggered determinations with respect to the six remaining countries subject to those investigations. *See Dissenting Views of Chairman Lynn M. Bragg* in Certain Cold-Rolled Steel Products from Turkey and Venezuela, Inv. Nos. 731-TA-839-840, USITC Pub. 3297 at 13-14 (Final) (May 2000); and *Dissenting Views of Commissioner Lynn M. Bragg* in Certain Cold-Rolled Steel Products from China, Indonesia, Slovakia, and Taiwan, Inv. Nos. 731-TA-831-832, 835, and 837, USITC Pub. 3320 at 13-14 (Final) (July 2000).

[121] *See, e.g.,* Exhibit 38 to Domestic Producers' Submission of New Information (October 24, 2000) (indicating that Midwest prices for cold-rolled steel sheet have declined roughly 16 percent in the past six months).

regard, I note the significant decline in the industry's operating performance between 1997 and 1999, as well as the fact that the number of domestic producers posting operating losses increased from *** in 1997 to *** in 1999.[122] I also note that the pricing data collected in these reviews indicate uniformly declining price levels for U.S. producers during the period of review; moreover, eight out of ten comparisons indicate a price decline of about *** percent or greater.[123]

In finding the domestic industry to be vulnerable, I have considered the analysis prepared by Professor Kothari and presented by the domestic producers; however, I have not relied upon this analysis because it is based upon indicators pertaining to the overall steel industry and thus is not specific to the cold-rolled steel industry as defined above. Still, I do consider Professor Kothari's analysis to afford corroborative value to my finding of vulnerability, given the close relationship between the cold-rolled steel industry as defined in these reviews and the U.S. steel industry as a whole.

1. Sweden

Likely Volume: As noted in the discussion of no discernible adverse impact, the sole producer of subject cold-rolled steel in Sweden operated at *** percent capacity utilization throughout the period of review; in addition, this producer's end-of-period inventories remained *** throughout the period of review. Consequently, the *** by which the Swedish producer could increase exports to the U.S. market would be to redirect exports from other markets. Swedish cold-rolled exports are not subject to any penalty tariff or nontariff barriers in any third country markets,[124] and there is no indication on the record of any incentive for the Swedish producer to attempt to redirect its exports to the United States in the event of revocation. Thus, notwithstanding the fact that roughly *** percent of Swedish production of cold-rolled steel is exported,[125] I find that the record in these reviews indicates that revocation of the CVD order on Sweden would not be likely to result in a significant volume of imports into the U.S. market.

Likely Price Effects: The pricing data collected in these reviews indicate that subject imports from Sweden undersold the domestic like product in 5 out of 6 quarterly pricing comparisons.[126] This data, however, accounted for 4.1 percent of U.S. commercial shipments and 8.0 percent of subject imports from Sweden in 1999. The average unit value of subject imports from Sweden far exceeded that of both imports from any other source (whether subject or nonsubject) in 1997, 1998, 1999, and interim 2000, as well as the AUV of U.S. commercial shipments during each of those periods.[127] Perhaps this is a function of the relatively small volume of imports from Sweden, compared to imports from any other source (whether subject or nonsubject) during each of those periods. In any event, I have determined that revocation of the CVD order on Sweden would not result in a significant volume of imports, and I further determine based on the record that any imports from Sweden that do enter the United States following revocation are not likely to cause significant negative price effects in the U.S. market.

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[122] CR and PR at Table COLD-III-7 and Table C-2.

[123] CR and PR Tables COLD-V-2 and COLD-V-3.

[124] CR at COLD-IV-4, PR at COLD-IV-5.

[125] CR and PR at Table COLD-IV-6.

[126] CR and PR at Table COLD-V-4.

[127] CR and PR at Table C-2.

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Likely Impact: As noted, I have found that revocation of the CVD order on Sweden would be likely to result in no discernible adverse impact on the domestic industry. I therefore find that if the order on Sweden were revoked, any volume of imports from Sweden, either in absolute terms or relative to U.S. production or consumption, would not result in a significant adverse impact on the domestic industry.

2. Germany, Korea, and the Netherlands

Likely Volume: Standing alone, cumulative unused capacity in Germany, Korea, and the Netherlands, during 1999, was equivalent to *** percent of U.S. production and *** percent of U.S. commercial shipments that year.[128] If the end-of-period inventories of subject producers in these three countries are also considered available for export to the United States and therefore included in the 1999 comparisons, these percentages would increase to *** percent of U.S. production and *** percent of U.S. commercial shipments that year.[129] In addition, I note that almost all of the subject producers in these three countries are sophisticated market participants who are long-established exporters of cold-rolled steel products.[130] Based upon the foregoing, I find that absent the restraining effects of the orders, subject producers in Germany, Korea, and the Netherlands, would direct significant volumes of exports to the U.S. market within a reasonably foreseeable time.

Likely Price Effects: First, I note that with regard to the CVD orders on Germany and Korea, Commerce has indicated that the likely rate of subsidization in the event of revocation is 0.55 percent for Germany, and 3.95 percent for Korea.[131]

Second, the pricing data collected in these reviews indicate that subject imports from Germany, Korea, and the Netherlands, undersold the domestic like product in 37 out of 81 quarterly pricing comparisons, for an incidence of underselling of 45.7 percent.[132] The collected data account for 4.1 percent of U.S. commercial shipments in 1999; 9.5 percent of subject imports from Germany; 48.2 percent of subject imports from Korea; and 12.9 percent of subject imports from the Netherlands.[133] With regard to Korea and the Netherlands, I find significant the fact that subject imports evidenced a preponderance of underselling even with the orders in place.[134]

With regard to Germany, the *** prices reflected in the data may be due to the *** volumes exported to the United States during the period of review.[135] In its original threat determination, the Commission found that imports of cold-rolled steel from Germany were likely to enter the U.S. market at prices that would have a suppressing or depressing effect on U.S. price levels; the Commission based this conclusion on record evidence of a preponderance of underselling by subject German imports, as well as

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[128] *See* CR and PR at Tables COLD-III-1, COLD-III-2, and COLD-IV-3 through COLD-IV-5.

[129] *See* CR and PR at Tables COLD-III-1, COLD-III-2, and COLD-IV-3 through COLD-IV-5.

[130] *See* CR at COLD-IV-1 to COLD-IV-4, PR at COLD-IV-1 to COLD-IV-5.

[131] CR and PR at COLD-I-1 and COLD-I-6.

[132] CR and PR at Tables COLD-V-4 and COLD-V-5.

[133] CR at COLD-V-5; PR at COLD-V-4.

[134] *See* CR and PR at Tables COLD-V-4 and COLD-V-5.

[135] CR at COLD-V-6; PR at COLD-V-5.

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a declining trend in average price levels for German imports.[136] Although actual pricing data for German imports does not evidence a preponderance of underselling during the period of review, the record does indicate that the average unit value of subject imports from Germany declined by roughly *** percent between 1997 and 1999, exceeding the *** percent decline in the average unit value of U.S. shipments during the same period.[137]

As I noted in discussing the relevant conditions of competition, sales contracts in this industry tend not to shield domestic producers from downward pricing pressures. The availability of low-priced imports may impact a producer either at the time of a contract renegotiation (which for many producers occurs within one year of entering into the underlying contract), or during the life of the contract at the request of the purchaser (notwithstanding the absence of a meet-or-release provision); indeed, this latter phenomenon may be expressly provided for, as in a life-of-the-part contract. Against this backdrop, and in light of the general decline in U.S. price levels as well as the pricing behavior evidenced by subject imports during the period of review and the original investigations, I find that revocation of the orders on Germany, Korea, and the Netherlands, would likely result in significant price suppression or depression in the U.S. market within a reasonably foreseeable time.

Finally, I note that the respondent parties introduced an econometric study conducted by Professor Prusa which purports to demonstrate that there is no evidence of a causal connection between subject imports and domestic prices for cold-rolled steel in these reviews.[138] During the public hearing, I identified three broad concerns regarding the probative value of Professor Prusa's study.[139] Despite an assurance by Professor Prusa that he would respond to my concerns in writing,[140] none of the respondents' post-hearing submissions contains a direct response by Professor Prusa to my questions. In my view, this failure to respond directly to my questions is unfortunate.[141] I continue to harbor the

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[136] Original Determination, USITC Pub. 2664 at 134 (August 1993).

[137] *See* CR and PR at Table C-2.

[138] Hearing Transcript at 225 (Sept. 12, 2000) (Prusa).

[139] Hearing Transcript at 265-267 (Sept. 12, 2000). Specifically, I asked the following three questions: (1) why is modeling that is based upon data that are drawn from a period during which the orders are in effect probative of the likely effects of revocation; (2) why is it reasonable to extrapolate a finding regarding nonsubject imports to subject imports, and to what extent does such an analysis fail to account for differences among producers in subject and nonsubject countries; and (3) by attributing price declines for cold-rolled steel in part to conditions in the corrosion-resistant steel industry, and by also attributing price declines for corrosion-resistant steel in part to prices for cold-rolled steel, does the analysis constitute an example of circular reasoning.

[140] Hearing Transcript at 267 (Sept. 12, 2000) (Prusa).

[141] I note that in response to a written question posed by Commission staff, Professor Prusa did address the representativeness of the three-year time period encompassed by his data set. Response of Joint Respondents to Commission Written Questions at III-1 to III-6 (Sept. 29, 2000) (submited by *Sharretts, Paley, Carter & Blauvelt* on behalf of the Joint Respondents). Professor Prusa's response does not, however, address my concerns. I continue to question why his conclusion that subject imports are not significant in setting U.S. price levels during a period in which the orders are in place provides any guidance as to the likely effect of subject imports in the event the orders are revoked. Furthermore, to the extent Professor Prusa concludes that nonsubject imports (which are not subject to additional duties) similarly are not significant in setting U.S. price levels, and that therefore revocation of the orders will not result in significant negative price effects, I find that Professor Prusa has failed to address the extent to which potential differences among producers in subject and nonsubject countries may render such an extrapolation invalid. I note in this regard that during the hearing I suggested to Professor Prusa specific examples of such potential differences among producers. Hearing Transcript at 266 (Sept. 12, 2000).

concerns I expressed during the hearing; indeed, based upon these concerns I find that Professor Prusa's study holds neither probative nor persuasive value for assisting me in answering the question posed by the statute–*i.e.* whether revocation of the orders under review would be likely to result in continuation or recurrence of material injury to the domestic cold-rolled steel industry. Consequently, I have disregarded Professor Prusa's study in reaching my determinations in these reviews.

Likely Impact: First, as discussed above, I find the domestic cold-rolled steel industry to be in a vulnerable condition. Between 1997 and 1999, even as the domestic industry's per-unit cost of goods sold declined from *** to ***, the industry's operating margin declined from *** percent to *** percent (a function of declining price levels). The number of firms posting operating losses increased from *** in 1997 to *** in 1999, and the number of production and related workers in this industry declined *** percent during this period.

Against this backdrop, I note that I have determined that revocation of the orders on Germany, Korea, and the Netherlands, would likely result in an influx of significant import volumes at prices that would likely have significant negative price effects in the U.S. market. I further determine that these imports would have a significant adverse impact on the domestic industry's production, shipments, sales, market share, and revenues. These reductions in production, shipments, sales, market share, and revenues, would further result in a significant decline in the domestic industry's profitability and ability to raise capital and maintain necessary capital investments.

Conclusion–

For the foregoing reasons, I determine that revocation of the CVD order on Sweden would not be likely to result in material injury to the domestic cold-rolled steel industry within a reasonably foreseeable time. I further determine that revocation of the orders on Germany, Korea, and the Netherlands, would be likely to result in continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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SEPARATE VIEWS OF COMMISSIONER MARCIA E. MILLER ON COLD-ROLLED CARBON STEEL FLAT PRODUCTS

Based on the record in these five year reviews, I determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the antidumping duty orders on cold-rolled carbon steel flat products from Germany, Korea, and the Netherlands, and the countervailing duty orders on Germany and Korea, would lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. I find that revocation of the countervailing duty order with respect to Sweden would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Cumulation

A. No Discernible Adverse Impact from Sweden

I find that subject imports from Sweden are likely to have no discernible adverse impact on the domestic industry if the order is revoked, and therefore, do not cumulate likely subject cold-rolled steel from Sweden with likely subject cold-rolled steel from Germany, Korea, and the Netherlands. During the original investigation period, 1982-1984, subject imports from Sweden accounted for only 0.4 percent of the U.S. market.[1] Subject imports remained low during the review period, and in 1999 were 1.0 percent of total imports and 0.1 percent of the U.S. market.[2] Production capacity in Sweden, at *** short tons, is small relative to the production of any other subject country.[3] Capacity has declined considerably since the original investigation, when Sweden's total capacity was *** short tons.[4] SSTP, the only known Swedish producer of cold-rolled steel, reports operating at *** capacity. SSTP has exported about *** percent of its production in recent years, with about *** remaining in the European Union.[5] The small capacity of the Swedish industry, combined with its emphasis on Europe as an export market, suggests that cold-rolled steel from Sweden would not represent more than a small fraction of total U.S. consumption. Thus, I find that subject imports from Sweden are likely to have no discernible adverse impact on the domestic producers of cold-rolled steel in the reasonably foreseeable future.

I do not find that subject imports from Germany, Korea, and the Netherlands are likely to have no discernible adverse impact on the domestic industry if the orders are revoked. All three countries individually maintain significant levels of cold-rolled steel production capacity. The subject cold-rolled steel is a fungible product, and all three countries are known to produce a full range of cold-rolled products. However, for the reasons discussed below, I exercise my discretion to cumulate the subject imports from Germany, Korea, and the Netherlands.

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[1] CR/PR at Table COLD-I-1.

[2] CR/PR at Table COLD-I-1 and Table COLD-IV-6.

[3] *Compare*, CR/PR at Tables COLD-IV-6 and COLD-IV-5.

[4] CR/PR at Table COLD-II-1.

[5] CR/PR at Table COLD-IV-6; CR at p. COLD-IV-4, PR at p. COLD-IV-5.

B. Cumulation of Imports from Germany, Korea, and the Netherlands

The threshold criterion for cumulation in these reviews is satisfied because all were initiated on the same day. In the original investigations, there was no consistent approach to cumulation.[6]

In these current reviews, producers found the subject imports to be interchangeable with U.S cold-rolled steel as well as the other subject imports. Importers and purchasers noted some limitations among the subject imports and compared to the U.S. product, although most agreed that there is general interchangeability among all cold-rolled steel from all sources.[7] Although U.S. ports of entry show little overlap between Germany, Korea, and the Netherlands, cold-rolled steel from each entered at least in some volume in each of four marketing regions during 1997-1999. During the original investigations, a similar geographic overlap was found.[8] Further, subject imports from all three countries were present throughout the review period as well as during the original investigation period.

The record suggests some differences in the type of cold-rolled steel sold and the channels of distribution, when comparing the subject countries and U.S. product. Cold-rolled steel from Germany and the Netherlands is sold in the contract market, while that from Korea has been sold in the spot market. U.S. producers sell in both markets.[9] Cold-rolled steel from the Netherlands has been composed largely of full-hard steel, which also enters from Korea, but at more limited volumes.[10] Production capacity in the three countries also varies, but all countries are technologically advanced, have similar capabilities to produce a full-range of products, and sell to OEM customers throughout the world.

Taking into account these factors, I find that, if the orders are revoked, subject imports from Germany, Korea, and the Netherlands would likely compete under similar conditions of competition, given the general fungibility of cold-rolled steel and the known ability of each of these countries to produce and export a full range of cold-rolled steel products. Therefore, I exercise my discretion to cumulate subject imports in these reviews.

II. Conditions of Competition

In evaluating the impact of subject imports on the domestic industry if an antidumping or countervailing duty order is revoked, the statute directs the Commission to evaluate all of the relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[11] Discussed below are the conditions of competition that weigh significantly in my determination that revocation of the orders is likely to lead to continuation or recurrence of material injury to the cold-rolled steel industry within a reasonably foreseeable time.

Domestic demand for cold-rolled steel products, which is tied to demand in the general economy, has increased significantly since the original investigations. In 1992, total apparent domestic

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[6] USITC Pub. No. 2664.

[7] CR/PR at Tables COLD-II-4 and COLD-II-7.

[8] USITC Pub. No. 2664 at pp. 103-104.

[9] CR at p. COLD-V-3, PR at p. COLD-V-2. Dutch Prehearing Cold-Rolled Brief at 18; German Group Prehearing Cold-Rolled Brief at 25-26.

[10] Dutch Prehearing Cold-Rolled Brief at 15-16.

[11] 19 U.S.C. § 1675a(a)(4)

consumption neared 28.5 million tons. By 1999, total apparent domestic consumption reached 37.8 million tons.[12]

As domestic demand has increased, the capacity of domestic producers has similarly increased. In 1992, total domestic cold-rolled production capacity was 34.4 million tons.[13] By 1997, domestic cold-rolled capacity was 38.6 million tons, a 12 percent increase in five years. Production capacity continued to be added during the period of review, increasing 6.4 percent between 1997 and 1999.[14]

While there are few potential substitute products for cold-rolled steel in its primary end uses,[15] improvements in galvanizing technology and cost declines since the original determinations have significantly increased demand for corrosion-resistant steel, a downstream product requiring cold-rolled steel as its major input. The shift has been most notable in the automotive market. In 1989, approximately 52 percent of the steel consumed in an automobile's fabrication was cold-rolled steel, while 20 percent was galvanized. By 2000, only 14 percent of such steel is typically cold-rolled steel, while galvanized products account for 58 percent.[16]

Most domestic production of cold-rolled steel is captively consumed by domestic producers or related parties in the production of downstream products, including corrosion-resistant steel.[17] The amount of domestically-produced cold-rolled steel consumed captively or by related-party galvanizers increased by nearly 20 percent between 1997 and 1999, rising from 18.6 million tons to 22.2 million.[18] The percentage of total cold-rolled shipments that were consumed captively or by related-party galvanizers increased from 51.8 percent in 1992 to 63.0 percent in 1999.[19]

While a growing volume of domestically produced cold-rolled steel is captively consumed, commercial sales remain an important market for the domestic industry, accounting for over one-third of all production.[20] More importantly, in considering competition with the three subject countries, 63 percent of all domestic commercial sales are to end users, such as OEMs, and the remaining 37 percent is sold to distributors or service centers.[21] Subject cold-rolled steel from Germany, Korea, and the Netherlands either already competes in the U.S. OEM market, or competes in this market in the home market and third countries.

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[12] CR/PR at Table COLD-I-1. I am mindful that the comparisons between the industry evidence in the original determinations and the industry evidence gathered in these reviews may be somewhat distorted, as a result of the domestic producers' inability to segregate microalloy products from the domestic like product in their questionnaire responses in these reviews. Given the domestic producers' own uncertainly as to the inclusion of microalloy products in the questionnaire responses in the 1993 investigations, I find it likely that the comparisons are sufficiently valid to indicate the magnitude of the change in the industry, including apparent consumption. Domestic Producers' Common Issues Prehearing Brief at Exh. 1.

[13] USITC Pub. No. 2664 at Table 15.

[14] CR/PR at Table COLD-III-1.

[15] CR at p. COLD-II-12, PR at p. COLD-II-8.

[16] Dutch Posthearing Cold-Rolled Brief at A-4.

[17] I do not find that the captive production provision, 19 U.S.C. § 1677(7)(c)(iv), applies to five-year reviews.

[18] CR/PR at Table COLD-III-11.

[19] USITC Pub. 2664 at Table 9; CR at Table COLD-III-2, PR at Table COLD-III-2.

[20] CR/PR at Table COLD-III-11.

[21] OINV Table COLD-X-4, 10/04/2000.

In recent years, major purchasers have undergone significant consolidation, most notably in the automotive and appliance industries.[22] [23] Similarly, steel service centers have also merged, with the total number of establishments falling from about 7,000 in 1993 to 3,000 today.[24] These consolidated service centers exercise greater control over buying patterns and an increased ability to purchase cold-rolled steel from a wider range of non-U.S. sources.[25]

Most domestic producers sell their cold-rolled steel by contract, which generally fix both price and quantity.[26] These contracts generally are from six months to one year in duration.[27] Producers contend that despite the contracts, they have little protection from requests for price concessions when spot market prices fall.[28] Domestic producers have submitted contracts which suggest that sales contracts with some of the largest purchasers may be somewhat one-sided, granting purchasers the ability to terminate contracts with little cause.[29] Several respondents disagree with the petitioners' claims, arguing that purchasers do not routinely request changes to contracts.[30]

III. Whether Revocation of the Orders on Subject Cold-Rolled Steel from Germany, Korea, and the Netherlands is Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Germany, Korea, and the Netherlands

I determine that revocation of the antidumping and countervailing duty orders on cold-rolled steel from Germany, Korea, and the Netherlands would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

The subject countries in these reviews have argued that the size of their home markets and other export markets will limit the likely volumes that would enter the U.S. market if the orders are revoked. Further, they have argued that they do not compete with the U.S. producers, primarily given the volume of U.S. internal consumption by the domestic industry. However, even with the orders in place, imports from these three countries have accounted for seven percent of total imports.[31] Further, Germany, Korea, and the Netherlands compete in the U.S. market in a manner distinct from many other third country sources that export mostly commodity-grade cold-rolled steel. Germany and the Netherlands compete in the automotive sector in the European Union, and Germany is active in the automotive sector in the United States, as well. Producers in the Netherlands also sell in a manner similar to much of the commercial market sales of the U.S. producers, that is, through long-term purchasing patterns and contract sales. While Korea has competed in the spot market during the review period, it sells to OEMs in third countries and in its home market, where it also ships a substantial portion of its cold-rolled steel

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[22] Domestic Producers' Posthearing Cold-Rolled Brief at 14.

[23] Domestic Producers' Posthearing Cold-Rolled Brief at 15.

[24] Domestic Producers' Posthearing Cold-Rolled Brief at 15.

[25] Domestic Producers' Posthearing Cold-Rolled Brief at 15.

[26] CR at p. COLD-V-3, PR at p. COLD-V-3.

[27] CR at p. COLD-V-3, PR at p. COLD-V-3.

[28] Domestic Producers' Posthearing Response to Questions at Exhibits 17-20.

[29] Domestic Producers' Posthearing Response to Questions at Attachment B, p.2.

[30] *See, e.g.*, General Motors Prehearing Brief at 4; Theis Posthearing Brief at 2; German Group Response to Posthearing Questions at 17.

[31] Derived from CR/PR at Table COLD-I-1.

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to automotive and other OEM customers. Finally, I note that at least one major U.S. purchaser of cold-rolled steel, General Motors, has indicated that it will consider subject imports as viable sources if the orders are revoked.

The record in these reviews shows relatively high capacity in each of the three countries, although all reported capacity utilization rates for all cold-rolled steel in 1999 that were well below rates in 1997.[32] Cumulated inventories have increased, finishing the period higher in 1999 than in 1997.[33] Producers in all three countries have established distribution systems in the U.S. market, through affiliated companies, and have the ability to increase exports through these networks. Given the nature of competition in this market and the fungibility of cold-rolled steel, a relatively small increase in the volume of cumulated subject imports would be significant. Based on these facts, I find that subject import volumes are likely to be significant if the orders are revoked.

In the original investigations, subject imports from Germany, Korea, and the Netherlands were found to threaten the domestic industry with price suppressing or depressing effects.[34] Pricing comparisons for the review period were limited, but showed mixed under- and overselling. As discussed in the Conditions of Competition section, even long-term contracts, which typically set price and volume, may not prevent purchasers from requesting price adjustments based on changes in prices in the spot market.[35] The domestic industry argued that prices in the U.S. market have fallen this year, continuing a trend that is seen in price data throughout the review period.[36] Given the history of price suppression and depression and some underselling by subject imports even with the orders in place, I conclude that the cumulated subject imports would likely undersell the domestic cold-rolled steel and significantly suppress or depress prices if the orders are revoked.[37]

In the original threat determinations regarding Germany, Korea, and the Netherlands, the Commission majority found that the subject imports presented an imminent threat of material injury to the domestic industry. The condition of the domestic industry has improved in several respects since the 1993 investigations. In 1992, a majority of domestic producers reported operating losses on total cold-rolled operations, and operating income was negative, which the Commission found threatened the domestic industry's ability to undertake much-needed investments.[38] Since 1993, the industry has both modernized existing capacity and added new capacity.[39] Production increased significantly, productivity improved, and capacity utilization rose steadily throughout the review period.[40] Productivity improvements, however, occurred concurrent with declines in production and related workers and hours

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[32] CR/PR at Tables COLD CRS-SUPP-1, -2, and -3.

[33] CR/PR at Table COLD-IV-2.

[34] USTIC Pub. No. 2664 at pp. 134, 159, 301, and 388.

[35] Posthearing Brief of the Domestic Producers, Exhibits 17-20.

[36] CR/PR at Tables COLD F-1 - F-10; CR at p. COLD-V-6, PR at p. COLD-V-4-5.

[37] In reaching my conclusion on likely price effects, I have taken into account Commerce's duty absorption findings on Korea (65 *Fed. Reg.* 24,180 (Apr. 25, 2000)), although I note that a CIT decision (*SKF USA Inc., et al. v. United States*, CIT No. 99-08-00473, Slip Op. 00-28 (Mar. 22, 2000)) calls into question the validity of Commerce's duty absorption findings with respect to transition orders.

[38] USITC Pub. No. 2664 at p. 135.

[39] Domestic Producers' Prehearing Cold-Rolled Brief at 49-50.

[40] CR/PR at Tables COLD-III-1 and COLD III-6. In 1992, the domestic industry produced 26.6 million tons of cold-rolled steel, utilizing 77.2 percent of its capacity. In 1997, production was 31.6 million tons and capacity utilization was 81.7 percent. By 1999, total production was 35.4 million tons and capacity utilization reached 86.0 percent.

worked.[41] Although the domestic industry reported positive operating income in 1997-1999, operating income margins trended downward, with the industry showing operating profit of only 0.4 percent for total sales, and a loss of 0.6 percent for commercial sales, in 1999.[42] Domestic prices and average unit values also fell during the period, and a decrease in cost of goods sold was not enough for the industry to offset the declining prices.[43] As income fell, the domestic industry reduced its capital expenditures in each year of the review period.[44] Based on these facts, I find that the domestic industry is in a vulnerable state.

I find that revocation of the orders is likely to lead to significant volumes of cumulated subject imports and to significant price effects, and therefore, that the subject imports are likely to have a significant adverse impact on the domestic industry's production, sales, market share, and profitability. I conclude that revocation of the orders on cold-rolled steel from Germany, Korea, and the Netherlands would be likely to lead to continuation or recurrence of material injury to the domestic cold-rolled steel industry within a reasonably foreseeable time.

B. Sweden

In 1984, the final year of the original investigation period, subject imports from Sweden totaled 67,000 short tons, and accounted for 0.4 percent of the U.S. market. During the review period, such imports were well below that level, ranging from 15,826 short tons to 27,853 short tons.[45] Sweden's current capacity to produce cold-rolled steel is *** short tons, a 25 percent decline from the level during the original investigation. Further, the sole Swedish producer reports operating at *** capacity.[46] I find that the likely volume of subject imports from Sweden should the countervailing duty order be revoked will not be significant in light of the low capacity levels and the *** capacity utilization rates. I further find that the small volume of likely subject imports from Sweden would not be likely to have significant price effects in the domestic market. Thus, I find that the subject imports from Sweden would not be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time if the order is revoked.

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[41] CR/PR at Table COLD-III-6.

[42] CR/PR at Tables COLD-III-7 and COLD-III-11.

[43] CR/PR at Table COLD-III-7 and Tables F-1-F-10.

[44] CR/PR at Table COLD-III-14.

[45] CR/PR at Table COLD-I-1.

[46] CR/PR at Table COLD-IV-6.

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CONCURRING AND DISSENTING VIEWS OF COMMISSIONER THELMA J. ASKEY

Section 751(d) of the Tariff Act of 1930, as amended, requires the Department of Commerce to revoke an antidumping duty or countervailing duty order in a five-year ("sunset") review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the Commission determines that material injury would be likely to continue or recur within a reasonably foreseeable time.[1] Based on the record in these five-year reviews, I determine that revocation of the antidumping duty and countervailing duty orders covering certain corrosion-resistant carbon steel flat products ("corrosion-resistant steel") from Germany would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I write separately to explain my determination for Germany in this proceeding. However, I concur with my colleagues with respect to their findings concerning the domestic like product, the domestic industry and related parties, conditions of competition, and the finding that revocation of the orders on subject imports from Australia, Canada, France, Japan, and Korea would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. Accordingly, I join the Commission's views on these issues, as well their discussion of the legal standards governing the Commission's cumulation and causation analysis in sunset reviews.

I. Cumulation

A. General

In sunset reviews, the Commission has the discretion to cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews were initiated on the same day if those imports would be likely to compete with each other and with the domestic like product within a reasonably foreseeable time if the orders are revoked.[2] Thus, in five-year reviews, the relevant inquiry is whether there would likely be competition among the domestic and subject merchandise within the reasonably foreseeable future, even if none currently exists. Because of the prospective nature of five-year reviews and the discretionary nature of the cumulation decision, the Commission has also examined other conditions of competition that are likely to prevail upon revocation when deciding whether to cumulate in sunset reviews.

Although cumulation is discretionary in sunset reviews, the statute unambiguously states that the Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise if those imports are "likely to have no discernible adverse impact on the domestic industry" upon revocation of the order covering those imports.[3] As can be seen, the statute does not direct the Commission to focus its discernibility analysis solely on the likely volume levels of the imports; instead, the statute expressly directs the Commission to assess whether the subject imports will have a discernible adverse "impact" on the industry upon revocation. Accordingly, when I assess whether I am permitted to cumulate the subject imports in sunset reviews, I first focus on whether the imports will impact the

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[1] 19 U.S.C. §§ 1675(d)(2), 1675a(a)(1).

[2] 19 U.S.C. § 1675a(a)(7).

[3] Section 752(a)(7) of the Act, 19 U.S.C. § 1675a(a)(7).

condition of the industry in a discernible way as a result of revocation, and not simply on whether there will be a small (i.e., negligible) volume of imports after revocation.[4]

In this case, the reviews of the orders covering corrosion-resistant steel from Australia, Canada, France, Germany, Japan, and Korea were initiated on the same day. Accordingly, I must first assess whether subject imports from these countries are likely to have a "discernible adverse impact" on the domestic industry upon revocation of the orders. If I find that imports from any of these countries are not likely to have a discernible adverse impact on the domestic industry upon revocation of the order, then I am precluded from cumulating the imports from that country with those of the other subject countries. If I find that they are likely to have a discernible adverse impact on the industry upon revocation of the order, I must then consider whether it is appropriate to exercise my discretion to cumulate the subject countries.

B. Discernible Adverse Impact

In accordance with the statute, I have considered whether imports from each of the subject countries, Australia, Canada, France, Germany, Japan, and Korea, would be likely to have a discernible adverse impact on the industry upon revocation of the orders. I concur with my colleagues in finding that subject imports from each of the subject countries are likely to have a discernible adverse impact on the domestic industry if the orders are revoked, as discussed in Section VI.A.1 of the Views of the Commission.

C. Reasonable Overlap of Competition

1. Australia, Canada, France, Japan, and Korea

I find that the record evidence indicates that the subject imports from Australia, Canada, France, Japan, and Korea are likely to compete with one another and the domestic merchandise upon revocation of the orders. In these reviews, the record indicates that domestically produced and imported corrosion-resistant steel from these subject countries are generally substitutable products. Each shares the same essential chemical and physical properties.[5] U.S. mills producing and selling corrosion-resistant steel reported that domestically produced and imported products are used interchangeably.[6] Additionally, a majority of importers also reported that domestically produced and imported corrosion-resistant steel are broadly interchangeable.[7] The record also indicates that the channels of distribution for domestic and imported corrosion-resistant steel are the same. The vast majority of both U.S. produced and imported corrosion-resistant steel was sold to distributors, service centers/converters, and manufacturers/end users in a nationwide market with competition occurring on a national basis. Both the domestic and imported

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[4] I discussed the rationale for my approach in more detail in my Additional Views in Potassium Permanganate from China and Spain, Invs. Nos. 731-TA-125-126 (Review), USITC Pub. 3245, at 31 (Oct. 1999). I also further explained my views in Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Invs. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 & 379-380 (Review), USITC Pub. 3290, at 36-37 (Apr. 2000).

[5] CR at CORROSION-I-16, PR at CORROSION-I-15.

[6] CR at CORROSION-II-18, PR at CORROSION-II-12.

[7] CR at CORROSION-II-18-19, PR at CORROSION-II-12-13.

product are used in the automotive, industrial and construction industries.[8] With respect to simultaneous presence, imports from the subject countries have been present in the U.S. market since the imposition of the orders.

Accordingly, I find that there is likely to be a reasonable overlap of competition among the subject imports from Australia, Canada, France, Japan, and Korea, and the domestic like product if the orders covering these orders were revoked.[9] I therefore cumulate the subject imports from these countries for purposes of my analysis in these reviews.

2. Germany

However, I exercise my discretion not to cumulate German imports in this review due to a variety of factors that together indicate that subject imports from Germany are or would be in a different competitive position in the market than imports from the other subject countries. These factors include the following:

First, German imports are largely directed at the automotive original equipment manufacturers ("OEMs") market,[10] while the majority of other imports are directed at a variety of corrosion-resistant steel markets, such as the industrial and construction markets.[11] Also, the relatively low current margins in place against German imports relative to those of the majority of other countries and producers within each country further distinguish these imports since the lower current margins function as less of a deterrent to current imports, making a change in German import behavior in the event of revocation less likely than for other countries.[12] Moreover, German producers have high capacity utilization rates and are focused on their domestic market and on other EU countries. While some of these factors are true of certain other subject countries as well, taken together in comparing German current and likely imports with those of the other subject countries, I find these differences to be significant.

Based on the foregoing, I exercise my discretion with respect to subject imports from Germany and do not cumulate them with the subject imports from Australia, Canada, France, Japan and Korea.

II. REVOCATION OF THE ANTIDUMPING DUTY AND COUNTERVAILING DUTY ORDERS COVERING CERTAIN CORROSION-RESISTANT CARBON STEEL FLAT PRODUCTS FROM GERMANY ARE NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

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[8] CR and PR at CORROSION-II-1.

[9] I do not find that there are any other conditions of competition that would support my exercising my discretion not to cumulate these countries in this review.

[10] CR at CORROSION-IV-4-5, PR at CORROSION-IV-5-6. See also Appendix G (showing corrosion price comparisons with the vast majority of German pricing data appearing in Table G-11, which represents sales to automotive end users). Automotive industry purchasers make up 40 percent of domestic consumption. CR and PR at CORROSION-II-1.

[11] *See, e.g.*, CR at CORROSION-IV-2, PR at CORROSION-IV-1; Appendix G (available pricing data shows Japanese and Korean producers selling overwhelmingly to distributors and to end users other than automotive end users).

[12] *See* CR at CORROSION-I-10-13, PR at CORROSION-I-9-12

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A. Likely Volume of the Subject Imports from Germany

In evaluating the likely volume of imports of subject merchandise if an antidumping duty or countervailing duty order is revoked, the statute directs the Commission to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[13] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[14]

As directed by the statute, I have considered the Commission's previous findings and record concerning the volume of subject imports. During the original period of investigation, cumulated subject imports shares' of domestic apparent consumption were 11.7 percent in 1990, 12.3 percent in 1991, and 14.4 percent in 1992.[15] In its original determination, the Commission found that "the volume effect of LTFV and subsidized cumulated imports of corrosion-resistant products was significant."[16] Subject import volumes from Germany were 161,712 short tons in 1990, 137,767 in 1991 and 189,192 in 1992, which corresponded, respectively, to shares of domestic apparent consumption of 1.3 percent, 1.2 percent and 1.4 percent.[17]

During the period reviewed, German subject import volumes were 54,869 short tons in 1997, 21,557 short tons in 1998 and 34,434 short tons in 1999, which corresponded, respectively, to shares of domestic apparent consumption of 0.3 percent, 0.1 percent and 0.2 percent.[18] The record indicates that German producers are currently operating at high rates of capacity utilization, leaving relatively little unused capacity available.[19] While some German producers indicate their intention to *** corrosion capacity in the coming years, the record indicates that German producers are devoting an increasing share of their capacity to producing nonsubject microalloy corrosion-resistant steel, limiting the likely effects of capacity increases on the domestic industry.[20]

Moreover, inventories as a percentage of production ranged between *** and *** percent during the period reviewed and the record contains no indication that inventories are likely to increase.[21] In addition, although German producers face an antidumping order on corrosion-resistant plate in Canada,

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[13] 19 U.S.C. § 1675a(a)(2).

[14] 19 U.S.C. § 1675a(a)(2)(A)-(D).

[15] CR and PR at Table CORROSION-I-1.

[16] Certain Flat-Rolled Carbon Steel Products From Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan the Republic of Korea (Korea), Mexico, The Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom, Inv. Nos. 701-319-332, 334, 336-342, 344, 347-353, 731-TA-573-579, 581-592, 594-597, 599-609 and 612-619 (Final) USITC Pub. 2664 (July, 1993) at 188 ("Original Determination - Corrosion"). In its opinion, the Commission noted that while various Commissioners cumulated different combinations of countries, their conclusions were the same with respect to volume. *Id.*

[17] CR and PR at Table CORROSION-I-1.

[18] CR and PR at Table CORROSION-I-1.

[19] CR and PR at Table CORROSION-IV-5. Capacity utilization rates were between *** and *** percent in 1997-98 and increased to *** percent in the interim period. *Id.*

[20] CR at CORROSION-IV-4-5, PR at CORROSION-IV-5-6.

[21] CR and PR at Table CORROSION-IV-5.

the orders' likely effects are limited because the order exempts shipments to the automotive industry.[22] Further, EU corrosion-resistant steel producers currently benefit from quantitative import restrictions on corrosion-resistant steel from Russia, Ukraine and Kazakhstan.[23] Finally, with respect to product shifting, as indicated above, it appears that German producers are increasingly shifting their subject corrosion-resistant production to nonsubject microalloy production. Consistent with these factors, I note that German subject import volumes were similar during the original investigation and current review periods. In other words, even with the orders in place, there has not been a significant change in German import patterns, further suggesting that it is unlikely that German import volumes would be significant if the orders were removed.

Accordingly, based on the record in this review, I conclude that the volume of German subject imports would not be likely to be significant within a reasonably foreseeable time if the orders are revoked.

B. Likely Price of the Subject Imports from Germany

In evaluating the likely price effects of subject imports if the antidumping duty or countervailing duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with the domestic like product, and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of the domestic like product.[24]

As directed by the statute, I have considered the Commission's previous findings and record concerning price competition. In the original determination, the Commission found that the industry was relatively insensitive to price and that it placed greater weight on volume effects than on price effects for its impact analysis, although the Commission noted that this did not mean that the prices of the dumped and subsidized imports were having no effect on the industry.[25]

I find that revocation of the orders on Germany would not be likely to have significant adverse effects on domestic prices. As previously stated, the record indicates that German subject producers are only likely to import relatively small volumes of corrosion-resistant steel to the United States upon revocation of the orders because German producers, in response to customer demand, are shifting to microalloy products, which are outside the scope of these reviews.[26] Additionally, the vast majority of subject merchandise from Germany is sold primarily to a limited segment of the market, to automotive OEMs.[27] Moreover, the record indicates that for product 15, the only product for which complete price comparisons to domestic merchandise are available, the subject imports oversold the domestic product in every quarterly comparison, with margins ranging from *** to *** percent.[28] Given the limited segment of the market to which most German subject merchandise is presently sold and the current high

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[22] CR at CORROSION-IV-5, PR at CORROSION-IV-6.

[23] CR at CORROSION-IV-5, PR at CORROSION-IV-6.

[24] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[25] Original Determination - Corrosion at 189.

[26] CR at CORROSION-IV-5, PR at CORROSION-IV-5.

[27] CR at CORROSION-IV-5, PR at CORROSION-IV-5.

[28] CR and PR at Table G-11.

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overselling margins, it is unlikely that revocation would lead to significant price effects in the market, particularly since that record evidence suggests that price may not be the primary consideration for automotive OEM purchasers.[29]

In sum, I find that revocation of the orders on imports from Germany likely would not have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time.

C. Likely Impact of the Subject Imports from Germany

In evaluating the likely impact of imports of subject merchandise if the antidumping duty or countervailing duty order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[30] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[31]

As directed by the statute, I have considered the Commission's previous findings and record. In its original determination, the Commission found the significant and increasing volume and the price suppressing effects of the cumulated imports to have had an adverse impact on the domestic industry.[32]

I find that revocation of the orders covering Germany are not likely to have a significant adverse impact on the domestic industry. While the domestic industry's financial indicators have been declining during the period reviewed,[33] I conclude that because the record of these reviews indicates that the subject imports from Germany are not likely to have significant adverse volume and price effects on the domestic industry within the reasonably foreseeable future if the orders were revoked, revocation is unlikely to have a significant negative impact on the industry. Specifically, I find that the subject imports would not be likely to have a significant impact on the industry's cash flow, inventories, employment, wages, growth, ability to raise capital, investment or development efforts within a reasonably foreseeable time if the orders were revoked. Further, I find that revocation of the orders would not be likely to lead to a significant reduction in domestic producers' output, sales, market share, profits, productivity, ability to raise capital, or return on investments within a reasonably foreseeable time.

In sum, I conclude that revocation of the orders on the subject imports from Germany would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

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[29] *See* German Mills' Prehearing Brief at 46-47.

[30] 19 U.S.C. § 1675a(a)(4).

[31] 19 U.S.C. § 1675a(a)(4).

[32] Original Determination - Corrosion at 191.

[33] For example, between 1997 and 1999, the domestic industry's operating margins declined from $1.1 million to $0.6 million, its gross profits declined from $1.4 million to $1.0 million, its capacity utilization declined from 91.9 percent to 87.3 percent and its operating margins declined from 10.5 percent to 5.9 percent. CR and PR at Table C-3.

CONCLUSION

Therefore, I find that revocation of the antidumping and countervailing duty orders covering the subject imports from Germany would not be likely to lead to the continuation or recurrence of material injury within a reasonably foreseeable time.

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INTRODUCTION AND GENERAL OVERVIEW

INTRODUCTION AND GENERAL OVERVIEW

BACKGROUND

On September 1, 1999, the Commission gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted reviews to determine whether revocation of the antidumping/ countervailing duty orders on certain carbon steel products[1] from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective December 3, 1999, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the reviews is provided in overview table 1.[2]

The Original Investigations

On October 25, 1978, the Treasury Department instituted an antidumping investigation on imports of plate from Taiwan in conjunction with its administration of the Trigger Price Mechanism, a program established to monitor prices at which certain steel mill products enter the United States .[3] On February 14, 1979, Treasury published a dumping finding with respect to plate from Taiwan.[4] The Commission instituted investigation AA1921-197 on February 26, 1979[5] and made its final determination on May 12, 1979. The Commission found that the U.S. industry that was injured or likely to be injured was a regional industry consisting of domestic producers in California, Washington, and Oregon.[6] Treasury issued an antidumping duty order on June 13, 1979.

On December 19, 1984, a petition was filed on behalf of USX and Chaparral Steel with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of subsidized imports of cold-rolled products from Sweden. Following affirmative final determinations of subsidization by Commerce and injury by the Commission, Commerce published a countervailing duty order with respect to Sweden on October 11, 1985.

On June 30, 1992, petitions were filed with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of subsidized imports of: plate from Belgium, Brazil, Germany, Mexico, Spain, Sweden, and the United Kingdom;[7] cold-rolled products from

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[1] The term "certain carbon steel products" includes cut-to-length carbon steel plate (report pages marked "plate"and referred to as "plate"), cold-rolled carbon steel flat products (report pages marked "cold" and referred to as "cold-rolled"), and corrosion-resistant carbon steel flat products (report pages marked "corrosion" and referred to as "corrosion-resistant").

[2] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct an expedited or full review may also be found at the web site.

[3] *See* 43 FR 49375, October 25, 1978.

[4] *See* 44 FR 9639, February 14, 1979.

[5] *See* 44 FR 11854, March 2, 1979.

[6] The domestic industry argued in its response to the notice of institution that the Commission should find one national industry with respect to the review on plate from Taiwan.

[7] The petition was filed by Bethlehem, Geneva, Gulf States, Ispat/Inland, Lukens, Sharon, and USX.

Overview table 1
Background and scheduling information related to the reviews

Effective date	Action	*Federal Register* citation[1]
June 13, 1979	Treasury's antidumping duty order on plate from Taiwan	44 FR 33877
October 11, 1985	Commerce's countervailing duty order on cold-rolled from Sweden	50 FR 41547
August 17, 1993	Commerce's countervailing duty order on plate from Belgium	58 FR 43749
August 17, 1993	Commerce's countervailing duty order on plate from Brazil	58 FR 43751
August 17, 1993	Commerce's countervailing duty order on corrosion-resistant from France	58 FR 43759
August 17, 1993	Commerce's countervailing duty order on plate, cold-rolled, and corrosion-resistant from Germany	58 FR 43756
August 17, 1993	Commerce's countervailing duty order on cold-rolled and corrosion-resistant from Korea	58 FR 43752
August 17, 1993	Commerce's countervailing duty order on plate from Mexico	58 FR 43755
August 17, 1993	Commerce's countervailing duty order on plate from Spain	58 FR 43761
August 17, 1993	Commerce's countervailing duty order on plate from Sweden	58 FR 43758
August 17, 1993	Commerce's countervailing duty order on plate from the United Kingdom	58 FR 43748
August 19, 1993	Commerce's antidumping duty order on corrosion-resistant products from Australia	58 FR 44161
August 19, 1993	Commerce's antidumping duty order on plate from Belgium	58 FR 44164
August 19, 1993	Commerce's antidumping duty order on plate from Brazil	58 FR 44164
August 19, 1993	Commerce's antidumping duty order on plate and corrosion-resistant from Canada	58 FR 44162
August 19, 1993	Commerce's antidumping duty order on plate from Finland	58 FR 44165
August 19, 1993	Commerce's antidumping duty order on corrosion-resistant from France	58 FR 44169
August 19, 1993	Commerce's antidumping duty order on plate, cold-rolled, and corrosion-resistant from Germany	58 FR 44170
August 19, 1993	Commerce's antidumping duty order on corrosion-resistant from Japan	58 FR 44163
August 19, 1993	Commerce's antidumping duty order on cold-rolled and corrosion-resistant from Korea	58 FR 44159

Table continued on next page.

Overview table 1–Continued
Background and scheduling information related to the reviews

Effective date	Action	*Federal Register* citation[1]
August 19, 1993	Commerce's antidumping duty order on plate from Mexico	58 FR 44165
August 19, 1993	Commerce's antidumping duty order on cold-rolled from Netherlands	58 FR 44172
August 19, 1993	Commerce's antidumping duty order on plate from Poland	58 FR 44166
August 19, 1993	Commerce's antidumping duty order on plate from Romania	58 FR 44167
August 19, 1993	Commerce's antidumping duty order on plate from Spain	58 FR 44167
August 19, 1993	Commerce's antidumping duty order on plate from Sweden	58 FR 44168
August 19, 1993	Commerce's antidumping duty order on plate from the United Kingdom	58 FR 44168
September 1, 1999	Commission's institution of reviews	64 FR 47862
December 3, 1999	Commission's decision to conduct full reviews	64 FR 71494 December 21, 1999
April 6, 2000	Commerce's final results of expedited reviews of countervailing duty orders on plate from Belgium, Brazil, and Mexico	65 FR 18065
April 6, 2000	Commerce's final results of expedited review of antidumping duty order on plate from Taiwan	65 FR 18043
April 6, 2000	Commerce's final results of expedited reviews of antidumping duty orders on plate from Brazil, Finland, Germany, Mexico, Poland, Spain, Sweden, and the United Kingdom	65 FR 18054
April 6, 2000	Commerce's final results of expedited reviews of antidumping duty orders on cold-rolled and corrosion-resistant from Korea	65 FR 18044
April 6, 2000	Commerce's final results of expedited review of antidumping duty order on corrosion-resistant from Germany	65 FR 18051
April 6, 2000	Commerce's final results of expedited review of countervailing duty order on corrosion-resistant from France	65 FR 18063
April 6, 2000	Commerce's final results of expedited review of antidumping duty order on corrosion-resistant from Australia	65 FR 18049
April 6, 2000	Commerce's final results of expedited review of antidumping duty order on cold-rolled from Germany	65 FR 18046

Table continued on next page.

Overview table 1–Continued
Background and scheduling information related to the reviews

Effective date	Action	*Federal Register* citation[1]
April 6, 2000	Commerce's final results of expedited review of antidumping duty order on corrosion-resistant from France	65 FR 18050
April 7, 2000	Commission's scheduling of the reviews	65 FR 20833 April 18, 2000
April 7, 2000	Commerce's final results of expedited reviews of countervailing duty orders on plate from Spain, Sweden, and the United Kingdom	65 FR 18305
April 7, 2000	Commerce's final results of expedited review of antidumping duty order on plate from Belgium	65 FR 18292
April 7, 2000	Commerce's final results of expedited review of countervailing duty order on cold-rolled from Sweden	65 FR 18304
April 10, 2000	Commerce's final results of expedited reviews of countervailing duty orders on cold-rolled and corrosion-resistant from Korea	65 FR 18973
August 2, 2000	Commerce's final results of full reviews of countervailing duty orders on plate, cold-rolled, and corrosion-resistant from Germany	65 FR 47407
August 2, 2000	Commerce's final results of full reviews of antidumping duty orders on plate from Canada and Romania	65 FR 47382
August 2, 2000	Commerce's final results of full reviews of antidumping duty orders on corrosion-resistant from Canada and Japan	65 FR 47379
August 2, 2000	Commerce's final results of full review of antidumping duty order on cold-rolled from the Netherlands	65 FR 47377
September 12, 2000 (cold-rolled) September 13, 2000 (corrosion) September 15, 2000 (plate)	Dates of the Commission's hearings[2]	65 FR 20833
November 2, 2000	Date of the Commission's votes	Not applicable
November 20, 2000	Commission's determinations transmitted to Commerce	Not applicable

[1] The date of the *Federal Register* notice is the same as the effective date unless otherwise noted.
[2] App. B is contains lists of witnesses who appeared at the hearings.

Source: *Federal Register* notices.

Germany and Korea;[8] and corrosion-resistant products from France, Germany, and Korea.[9] The petitions further alleged that an industry in the United States was materially injured by reason of dumped imports of: plate from Belgium, Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom; cold-rolled products from Germany, Korea, and the Netherlands; and corrosion-resistant products from Australia, Canada, France, Germany, Japan, and Korea. Following affirmative final determinations of subsidization and sales at LTFV by Commerce and injury by the Commission, Commerce published the countervailing duty orders on August 17, 1993 and the antidumping duty orders on August 19, 1993. The scope of the orders is discussed in Part I of Chapters one to three in the section entitled *The Subject Product*. The following tabulation presents the investigation numbers and countries involved in these reviews.

Investigation No.	Product & country
Plate	
AA1921-197	Carbon steel plate from Taiwan
701-TA-319	Cut-to-length carbon steel plate from Belgium
701-TA-320	Cut-to-length carbon steel plate from Brazil
701-TA-322	Cut-to-length carbon steel plate from Germany
701-TA-325	Cut-to-length carbon steel plate from Mexico
701-TA-326	Cut-to-length carbon steel plate from Spain
701-TA-327	Cut-to-length carbon steel plate from Sweden
701-TA-328	Cut-to-length carbon steel plate from the United Kingdom
731-TA-573	Cut-to-length carbon steel plate from Belgium
731-TA-574	Cut-to-length carbon steel plate from Brazil
731-TA-575	Cut-to-length carbon steel plate from Canada
731-TA-576	Cut-to-length carbon steel plate from Finland
731-TA-578	Cut-to-length carbon steel plate from Germany
731-TA-582	Cut-to-length carbon steel plate from Mexico
731-TA-583	Cut-to-length carbon steel plate from Poland
731-TA-584	Cut-to-length carbon steel plate from Romania
731-TA-585	Cut-to-length carbon steel plate from Spain
731-TA-586	Cut-to-length carbon steel plate from Sweden
731-TA-587	Cut-to-length carbon steel plate from the United Kingdom

Table continued on next page.

[8] The petition was filed by Armco, Bethlehem, Gulf States, Ispat/Inland, LTV, National, Sharon, USX, and WCI.

[9] The petition was filed by Armco, Bethlehem, Geneva, Gulf States, Ispat/Inland, LTV, Lukens, National, Sharon, USX, and WCI.

Investigation No.	Product & country
Cold-rolled	
701-TA-231	Cold-rolled carbon steel flat products from Sweden
701-TA-340	Cold-rolled carbon steel flat products from Germany
701-TA-342	Cold-rolled carbon steel flat products from Korea
731-TA-604	Cold-rolled carbon steel flat products from Germany
731-TA-607	Cold-rolled carbon steel flat products from Korea
731-TA-608	Cold-rolled carbon steel flat products from the Netherlands
Corrosion-resistant	
701-TA-348	Corrosion-resistant carbon steel flat products from France
701-TA-349	Corrosion-resistant carbon steel flat products from Germany
701-TA-350	Corrosion-resistant carbon steel flat products from Korea
731-TA-612	Corrosion-resistant carbon steel flat products from Australia
731-TA-614	Corrosion-resistant carbon steel flat products from Canada
731-TA-615	Corrosion-resistant carbon steel flat products from France
731-TA-616	Corrosion-resistant carbon steel flat products from Germany
731-TA-617	Corrosion-resistant carbon steel flat products from Japan
731-TA-618	Corrosion-resistant carbon steel flat products from Korea

Statutory Criteria and Organization of the Report

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

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury–

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the*

[10] Certain transition rules apply to the scheduling of reviews (such as these) involving antidumping and countervailing duty orders and suspensions of investigations that were in effect prior to January 1, 1995 (the date the WTO Agreement entered into force with respect to the United States). Reviews of these transition orders will be conducted over a three-year transition period running from July 1, 1998, through June 30, 2001. Transition reviews must be completed not later than 18 months after institution.

subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

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

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

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

Information obtained during the course of the reviews that relates to the above factors is presented throughout this report. The report is divided into this overview and three chapters covering the three products. A summary of data collected in the reviews, by type of steel product, is presented in appendix C. Additional tables are presented in appendix D. Exchange rate graphs are presented in appendix E, pricing tables for cold-rolled products are presented in appendix F, pricing tables for corrosion-resistant products are presented in appendix G, and modeling results are presented in appendix H. Responses by U.S. producers, importers, purchasers, and producers of the product in subject countries to a series of questions concerning the significance of the existing countervailing duty and antidumping duty orders and the likely effects of their revocation were transmitted to the Commission in a separate memorandum.

U.S. MARKET PARTICIPANTS

U.S. Producers

Producer questionnaires were sent to 105 companies. Forty firms provided data in response to the questionnaire, 27 firms indicated that they did not produce the subject steel products, and the remaining 39 firms failed to respond. A complete listing of producers that submitted data in response to the Commission's questionnaire, along with information on foreign ownership and the types of certain carbon steel products produced, is presented in overview table 2.

A description of significant changes that have occurred in the domestic industry since 1979, by firm, is presented in overview table 3. This information was compiled from questionnaire responses.

U.S. Importers

Importer questionnaires were sent to 270 importers of products that fall within the scope of these reviews. Fifty affirmative responses and 80 negative responses were received. Importers of certain carbon steel products are located throughout the United States.

Overview table 2
Responding U.S. producers, their foreign ownership (if any), and types of certain carbon steel products produced

U.S. producer[1]	Foreign ownership	Plate	Cold-rolled	Corrosion-resistant
Mills				
AK			✔	✔
Bethlehem		✔	✔	✔
Blair			✔	
California	Kawasaki (Japan) CVRD (Brazil)	✔	✔	✔
Citisteel		✔		
Denro	Jindal (India)	✔		
GalvTech				✔
Geneva		✔		
Gulf States		✔	✔	✔
Ispat/Inland	Ispat (Netherlands)		✔	✔
IPSCO	IPSCO (Canada)	✔		
Le Tourneau		✔		
LTV			✔	✔
MetalTech				✔
National	NKK (Japan)	✔	✔	✔
NexTech				✔
North Star		✔		
Nucor			✔	✔
Oregon		✔		
PDM		✔		
Pro-Tec	Kobe (Japan)			✔
Rome			✔	
Rouge			✔	✔
Steel Co.			✔	

Table continued on next page.

Overview table 2–Continued
Responding U.S. producers, their foreign ownership (if any), and types of certain carbon steel products produced

U.S. producer	Foreign ownership	Plate	Cold-rolled	Corrosion-resistant
Theis	Theis (Germany)		✔	
Tuscaloosa	Corus (UK)	✔		
UPI	Pohang (Korea)		✔	✔
USX		✔	✔	✔
WCI			✔	✔
Weirton			✔	✔
Wheeling-N	Nisshin (Japan)			✔
Wheeling-P			✔	✔
Processors				
Cargill		✔		
Friedman		✔		
JIT	Mitsui (Japan)	✔	✔	✔
Northern		✔		
Olympic		✔		
O'Neal		✔		
Paper Cal (TX, MN)	IPSCO (Canada)	✔		
Primary		✔		

[1] ***.

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

Overview table 3
Changes in the U.S. industry since 1979

* * * * * * *

FOREIGN PRODUCERS

A complete listing of foreign producers that submitted data in response to the Commission's questionnaires, including the types of certain carbon steel products they produce, is presented in overview table 4.

Overview table 4
Responding foreign producers, by country, and types of certain carbon steel products produced

Foreign producer[1]	Plate	Cold-rolled	Corrosion-resistant
Belgium			
Duferco	✔		
Industeel	✔		
Brazil			
Cosipa	✔		
Usiminas	✔		
Canada			
DNN			✔
Dofasco			✔
Sorevco			✔
Stelco	✔		✔
Finland			
Rautaruukki	✔		
France			
Atlantique			✔
Beautor			
Haironville			✔
Lorraine			

Table continued on next page.

Overview table 4–Continued
Responding foreign producers, by country, and types of certain carbon steel products produced

Foreign producer[1]	Plate	Cold-rolled	Corrosion-resistant
Germany			
Bremen	✔	✔	✔
Dillinger	✔		
EKO		✔	✔
Kaltwalzwerk		✔	
Salzgitter	✔	✔	✔
Thyssen	✔	✔	✔
Japan			
Kawasaki			✔
Kobe			✔
Nippon			✔
Nisshin			✔
NKK			✔
Sumitomo			✔
Korea			
Dongbu		✔	✔
Hyundai		✔	✔
Pohang		✔	✔
Pohang Coated			✔
Union Steel		✔	✔
Mexico			
AHMSA	✔		
Netherlands			
Hoogovens		✔	

Table continued on next page.

Overview table 4–Continued
Responding foreign producers, by country, and types of certain carbon steel products produced

Romania			
Sidex	✔		
Spain			
Aceralia	✔		
Sweden			
SSAB	✔	✔	
United Kingdom			
Corus	✔		

[1] The Commission did not receive responses from producers in Australia, Poland, or Taiwan.

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

CHAPTER ONE

CUT-TO-LENGTH PLATE

PART I: OVERVIEW

This chapter presents information pertaining to the Commission's reviews involving the countervailing and antidumping duty orders on plate from Belgium, Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom. A summary of the data collected in these reviews is presented in appendix table C-1. U.S. industry data are based on questionnaire responses of 20 firms that account for over 100 percent of U.S. commercial shipments of plate in 1999, as reported by AISI.[1] Available comparative data from the original investigations and the current sunset reviews are presented in table PLATE-I-1.

NATURE AND EXTENT OF COUNTERVAILABLE SUBSIDIZED SALES

Commerce's Final Results of Its Reviews

Belgium

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Belgium. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The original and sunset margins are shown in the tabulation below:[2]

Type of steel	Producer/exporter	Original net countervailable subsidy *(percent)*	Sunset net countervailable subsidy *(percent)*
Plate	Cockerill	23.15	23.15
Plate	Industeel (formerly Fabrique de Fer)	([1])	1.05
Plate	All others	5.92	5.92

[1] No rate specified.

[1] ***.

[2] Original countervailing duty order, 58 FR 43749, August 17, 1993; amended countervailing duty order, 62 FR 37880, July 15, 1997; final sunset review determination, 65 FR 18066, April 6, 2000.

Table PLATE-I-1
Comparative data on the U.S. market and industry from the original investigations and current reviews

(Quantity=***short tons***; value=***1,000 dollars***; unit values, unit labor costs, and unit financial data are ***per short ton***)

Item	1976	1977	1978	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
U.S. consumption quantity: Amount	6,787,000	7,388,000	8,634,000	5,633,000	4,757,000	4,965,000	6,627,268	8,222,194	6,001,329	1,555,540	1,626,234
Producers' share[1]	82.6	79.3	76.3	84.9	85.4	84.1	83.6	79.4	89.8	83.5	93.2
Importer's share:[1]											
Belgium	(2)	(2)	(2)	2.0	1.8	1.0	0.0	0.1	0.1	0.0	0.2
Brazil	(2)	(2)	(2)	0.9	1.4	0.9	0.1	0.0	0.0	0.1	0.0
Canada	(2)	(2)	(2)	1.6	1.6	3.7	0.8	0.9	1.1	1.2	0.9
Finland	(2)	(2)	(2)	1.5	1.2	0.9	0.0	0.0	0.0	0.0	0.0
Germany	(2)	(2)	(2)	1.1	0.8	0.4	0.2	0.0	0.0	0.0	0.1
Mexico	(2)	(2)	(2)	0.7	0.4	1.2	0.0	0.6	1.2	3.1	0.0
Poland	(2)	(2)	(2)	0.5	0.8	0.5	0.1	0.0	0.0	0.0	0.0
Romania	(2)	(2)	(2)	0.6	0.8	0.4	0.0	0.0	0.0	0.0	0.0
Spain	(2)	(2)	(2)	1.2	1.5	1.1	0.0	0.0	0.0	0.0	0.0
Sweden	(2)	(2)	(2)	1.6	1.4	1.8	0.0	0.0	0.0	0.0	0.0
Taiwan	0	(3)	1.1	(2)	(2)	(2)	0.0	0.0	0.0	0.0	0.0
United Kingdom	(2)	(2)	(2)	0.8	0.7	0.4	0.0	0.2	0.0	0.1	0.0
Subtotal	0	(3)	1.1	(2)	(2)	(2)	1.2	1.9	2.6	4.6	1.2
All other countries	18.1	21.3	23.7	(2)	(2)	(2)	15.3	18.7	7.6	11.9	5.6
Total imports	18.1	21.3	24.8	15.1	14.6	15.9	16.4	20.6	10.2	16.5	6.8

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Item	1976	1977	1978	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
U.S. consumption value: Amount	(2)	(2)	(2)	2,554,000	2,056,000	1,952,000	2,885,058	3,566,250	2,196,369	597,944	596,742
Producers' share[1]	(2)	(2)	(2)	85.9	86.4	85.8	86.2	81.8	91.2	85.1	94.5
Importer's share:[1] Belgium	(2)	(2)	(2)	2.0	1.8	1.0	0.0	0.1	0.2	0.0	0.2
Brazil	(2)	(2)	(2)	0.8	1.3	0.8	0.1	0.0	0.0	0.1	0.0
Canada	(2)	(2)	(2)	1.4	1.5	3.2	0.8	0.9	1.1	1.3	0.9
Finland	(2)	(2)	(2)	1.4	1.1	0.9	0.0	0.0	0.0	0.0	0.0
Germany	(2)	(2)	(2)	1.0	0.8	0.6	0.1	0.0	0.0	0.0	0.1
Mexico	(2)	(2)	(2)	0.6	0.3	1.0	0.0	0.5	1.0	2.6	0.0
Poland	(2)	(2)	(2)	0.4	0.6	0.4	0.1	0.0	0.0	0.0	0.0
Romania	(2)	(2)	(2)	0.5	0.7	0.3	0.0	0.0	0.0	0.0	0.0
Spain	(2)	(2)	(2)	1.1	1.3	0.9	0.0	0.0	0.0	0.0	0.0
Sweden	(2)	(2)	(2)	1.6	1.4	1.7	0.0	0.0	0.0	0.0	0.0
Taiwan	(2)	(2)	(2)	(2)	(2)	(2)	0.0	0.0	0.0	0.0	0.0
United Kingdom	(2)	(2)	(2)	0.7	0.6	0.4	0.0	0.3	0.0	0.1	0.0
Subtotal	(2)	(2)	(2)	(2)	(2)	(2)	1.1	1.9	2.4	4.0	1.3
All other countries	(2)	(2)	(2)	(2)	(2)	(2)	12.7	16.3	6.4	10.9	4.2
Total imports	(2)	(2)	(2)	14.1	13.6	14.2	13.8	18.2	8.8	14.9	5.5
U.S. imports from-- Belgium:											
Quantity	(2)	(2)	(2)	114,073	87,654	48,951	66	8,051	8,591	335	2,876
Value	(2)	(2)	(2)	51,827	36,953	18,760	33	4,046	3,537	160	1,111
Unit value	(2)	(2)	(2)	$454	$422	$383	$507	$503	$412	$477	$386

Table continued on next page.

Item	1976	1977	1978	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
Brazil:											
Quantity	(2)	(2)	(2)	52,680	67,481	46,380	4,172	1,430	1,358	1,276	270
Value	(2)	(2)	(2)	21,512	26,920	16,295	2,357	801	553	518	128
Unit value	(2)	(2)	(2)	$408	$399	$351	$565	$560	$407	$406	$474
Canada:											
Quantity	(2)	(2)	(2)	92,674	76,936	184,227	55,815	76,005	66,955	19,072	15,252
Value	(2)	(2)	(2)	36,329	29,810	62,607	24,211	32,248	24,798	7,506	5,629
Unit value	(2)	(2)	(2)	$392	$387	$340	$434	$424	$370	$394	$369
Finland:											
Quantity	(2)	(2)	(2)	83,287	55,648	46,875	34	1,024	28	10	0
Value	(2)	(2)	(2)	36,591	22,587	18,020	29	387	11	4	0
Unit value	(2)	(2)	(2)	$439	$406	$384	$848	$378	$411	$428	--
Germany:											
Quantity	(2)	(2)	(2)	59,479	38,482	20,665	10,716	2,512	1,296	250	1,649
Value	(2)	(2)	(2)	26,736	17,207	11,172	3,990	1,623	594	111	782
Unit value	(2)	(2)	(2)	$450	$447	$541	$372	$646	$458	$446	$474
Mexico:											
Quantity	(2)	(2)	(2)	41,520	19,343	59,993	225	50,366	74,696	48,910	33
Value	(2)	(2)	(2)	15,143	6,505	19,331	98	16,968	21,757	15,277	21
Unit value	(2)	(2)	(2)	$365	$336	$322	$434	$337	$291	$312	$631

Table continued on next page.

Item	1976	1977	1978	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
Poland:											
Quantity	(2)	(2)	(2)	25,546	38,357	24,605	4,312	477	71	55	0
Value	(2)	(2)	(2)	9,521	13,309	7,427	1,544	167	23	17	0
Unit value	(2)	(2)	(2)	$373	$347	$302	$358	$351	$321	$310	--
Romania:											
Quantity	(2)	(2)	(2)	31,650	36,428	18,078	56	620	348	0	0
Value	(2)	(2)	(2)	12,476	14,578	6,656	21	166	114	0	0
Unit value	(2)	(2)	(2)	$394	$400	$368	$387	$267	$327	--	--
Spain:											
Quantity	(2)	(2)	(2)	68,136	69,560	54,054	0	446	356	10	0
Value	(2)	(2)	(2)	28,367	26,871	18,377	0	191	191	7	0
Unit value	(2)	(2)	(2)	$416	$386	$340	--	$427	$538	$763	--
Sweden:											
Quantity	(2)	(2)	(2)	91,269	68,337	89,741	123	0	188	0	52
Value	(2)	(2)	(2)	41,200	29,479	33,968	27	0	90	0	17
Unit value	(2)	(2)	(2)	$451	$431	$379	$220	--	$478	--	$325
Taiwan:											
Quantity	0	1,000	91,000	(2)	(2)	(2)	0	223	0	0	16
Value	0	(2)	(2)	(2)	(2)	(2)	0	55	0	0	7
Unit value	--	(2)	(2)	(2)	(2)	(2)	--	$247	--	--	$454

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Item	1976	1977	1978	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
United Kingdom:											
Quantity	(2)	(2)	(2)	43,489	34,869	21,276	781	18,726	2,706	1,875	27
Value	(2)	(2)	(2)	18,287	13,224	7,672	336	11,545	924	584	14
Unit value	(2)	(2)	(2)	$421	$379	$361	$430	$617	$342	$312	$523
All other countries:											
Quantity	(2)	(2)	(2)	(2)	(2)	(2)	1,013,763	1,535,882	455,645	184,866	90,570
Value	(2)	(2)	(2)	(2)	(2)	(2)	365,158	581,574	140,573	64,947	24,917
Unit value	(2)	(2)	(2)	(2)	(2)	(2)	$360	$379	$309	$351	$275
All countries:											
Quantity	1,231,000	1,574,000	2,145,000	850,203	694,817	787,626	1,090,064	1,695,762	612,238	256,657	110,746
Value	(2)	(2)	(2)	361,215	279,174	277,410	397,805	649,771	193,165	89,132	32,627
Unit value	(2)	(2)	(2)	$425	$402	$352	$365	$383	$316	$347	$295
U.S. producers'-- Capacity quantity	11,778,000	11,346,000	11,852,000	7,413,000	7,347,000	6,958,000	7,338,833	9,090,730	8,367,246	2,100,783	2,199,719
Production quantity	(2)	(2)	(2)	4,915,000	4,219,000	4,342,000	5,763,807	6,830,947	5,534,481	1,243,413	1,589,384
Capacity utilization[1]	(2)	(2)	(2)	66.3	57.4	62.4	78.5	75.1	66.1	59.2	72.3
U.S. shipments: Quantity	5,606,000	5,859,000	6,588,000	4,783,000	4,062,000	4,177,000	5,537,204	6,526,432	5,389,091	1,298,883	1,515,488
Value	(2)	(2)	(2)	2,192,000	1,776,000	1,675,000	2,487,253	2,916,479	2,003,204	508,812	564,115
Unit value	(2)	(2)	(2)	$458	$437	$401	$449	$447	$372	$392	$372
Ending inventory quantity	194,000	249,000	216,000	222,000	231,000	243,000	390,001	467,710	403,893	363,296	381,134
Inventories/total shipments[1]	3.5	4.2	3.3	4.6	5.5	5.6	6.8	6.9	7.2	6.8	5.9
Production workers	13,800	14,600	14,600	3,743	3,557	3,515	8,021	8,337	6,558	6,535	6,746

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Item	1976	1977	1978	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
Hours worked (*1,000 hours*)	27,000	28,400	29,200	7,785	7,340	7,331	17,086	17,835	13,401	3,300	3,597
Wages paid (*1,000 dollars*)	(2)	(2)	(2)	(2)	(2)	(2)	378,451	401,639	301,881	73,019	82,221
Hourly wages	(2)	(2)	(2)	$25.08	$26.04	$27.27	$22.15	$22.52	$22.53	$22.12	$22.86
Productivity (*tons/1,000 hours*)	(2)	(2)	(2)	600	600	600	333	379	409	369	435
Net sales: Quantity	(2)	(2)	(2)	4,688,000	3,990,000	4,073,000	5,010,162	5,929,487	4,532,809	1,047,213	1,292,487
Value	1,168,007	1,335,913	1,640,085	2,183,000	1,770,000	1,652,000	2,260,302	2,664,135	1,738,319	425,634	482,604
Unit value	(2)	(2)	(2)	(2)	(2)	(2)	$451	$449	$384	$406	$373
COGS	(2)	(2)	(2)	1,890,000	1,663,000	1,660,000	2,097,346	2,436,994	1,834,144	450,816	482,287
Gross profit or (loss)	(2)	(2)	(2)	293,000	107,000	(9,000)	162,956	227,141	(95,825)	(25,182)	317
Operating income or (loss)	(31,635)	(42,228)	39,716	211,000	29,000	(84,000)	89,650	134,291	(177,067)	(46,031)	(17,085)
Unit COGS	(2)	(2)	(2)	$403	$416	$408	$419	$411	$405	$430	$373
Unit operating income or (loss)	(2)	(2)	(2)	(2)	(2)	(2)	$17.89	$22.65	$(39.06)	$(43.96)	$(13.22)
COGS/sales[1]	(2)	(2)	(2)	86.6	93.9	100.5	92.8	91.5	105.5	105.9	99.9
Operating income or (loss)/sales[1]	(2.7)	(3.2)	2.4	9.7	1.6	(5.1)	4.0	5.0	(10.2)	(10.8)	(3.5)

[1] In *percent*.
[2] Comparable data not available.
[3] Less than 0.1 percent.

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

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

Brazil

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Brazil. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The original and sunset margins are shown in the tabulation below:[3]

Type of steel	Producer/exporter	Original net countervailable subsidy *(percent)*	Sunset net countervailable subsidy *(percent)*
Plate	Usiminas	5.44	5.44
Plate	Cosipa	48.64	48.64
Plate	All others	23.10	23.10

Germany

On August 2, 2000, Commerce announced the final results of its expedited sunset review of plate from Germany. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The original and sunset margins are shown in the tabulation below:[4]

Type of steel	Producer/exporter[1]	Original net countervailable subsidy *(percent)*	Sunset net countervailable subsidy *(percent)*
Plate	Ilsenburg	0.80	0.80
Plate	Preussag	1.72	0.77
Plate	Thyssen	0.51	0.51
Plate	Country-wide (Dillinger)	14.84	14.84

[1] Commerce stated that "Although Salzgitter is a successor-in-interest for both Ilsenburg and Preussag, without an appropriate review, we cannot discern the appropriate rate for the successor. Therefore, for Ilsenburg and Preussag, we are reporting the rates for the original investigation, as adjusted. The country-wide rate applies to Dillinger, and TKS (Thyssen Krupp Stahl AG) is the successor-in-interests of Thyssen." 65 FR 47409, August 2, 2000.

[3] Countervailing duty order, 58 FR 43751, August 17, 1993; final sunset review determination, 65 FR 18065, April 6, 2000.

[4] Countervailing duty order, 58 FR 43756, August 17, 1993; final sunset review determination, 65 FR 47407, August 2, 2000.

Mexico

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Mexico. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The original and sunset margins are shown in the following tabulation:[5]

Type of steel	Producer/exporter	Original net countervailable subsidy *(percent)*	Sunset net countervailable subsidy *(percent)*
Plate	AHMSA	([1])	25.87
Plate	All others	20.25	20.25

[1] Not specified.

Spain

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Spain. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The original and sunset margins are shown in the tabulation below:[6]

Type of steel	Producer/exporter	Original net countervailable subsidy *(percent)*	Sunset net countervailable subsidy *(percent)*
Plate	All producers/exporters	36.82	36.86

Sweden

On April 7, 2000, Commerce announced the final results of its expedited sunset review of plate from Sweden. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The original and sunset margins are shown in the following tabulation:[7]

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[5] Countervailing duty order, 58 FR 43755, August 17, 1993; final sunset review determination, 65 FR 18067, April 6, 2000.

[6] Countervailing duty order, 58 FR 43761, August 17, 1993; final sunset review determination, 65 FR 18067, April 6, 2000.

[7] Countervailing duty order, 58 FR 43758, August 17, 1993; final sunset review determination, 65 FR 18307, April 7, 2000.

Type of steel	Producer/exporter	Original net countervailable subsidy *(percent)*	Sunset net countervailable subsidy *(percent)*
Plate	All producers/exporters	4.27	4.27

United Kingdom

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from the United Kingdom. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The original and sunset margins are shown in the following tabulation:[8]

Type of steel	Producer/exporter	Original net countervailable subsidy *(percent)*	Sunset net countervailable subsidy *(percent)*
Plate	Glynwed Steels Ltd.	0.73	23.15
Plate	All other producers/exporters	12.00	1.05

Administrative Reviews of the Countervailing Duty Orders

Commerce did not conduct any administrative reviews on exporters of plate from Spain and the United Kingdom. Results of administrative reviews on producers/exporters of subject merchandise from Belgium, Brazil, Germany, Mexico, and Sweden are presented below.

Belgium

Commerce completed one administrative review of producers/exporters of subject merchandise. A review for December 7, 1992-December 31, 1993 was terminated.[9] The results of the one completed administrative review are presented in the tabulation below:

Producer/ exporter	Period of review	Date review results issued	Countervailable net subsidy *(percent)*
Fabrique de Fer (now Industeel)	1/1/96-12/31/96	April 13, 1999 (64 FR 18001)[1]	0.69
All others			5.92[2]

[1] Amended administrative review, 64 FR 12982, March 16, 1999.
[2] Rate from duty order.

[8] Countervailing duty order, 58 FR 43748, August 17, 1993; final sunset review determination, 65 FR 18309, April 7, 2000.

[9] 59 FR 56056, November 10, 1994.

Brazil

Commerce initiated one administrative review of producers/exporters of subject merchandise. The review covered the period January 1, 1994-December 31, 1994, but was terminated.[10]

Germany

Commerce initiated one administrative review of subject merchandise from Germany. However, this review, for the period December 7, 1992-December 31, 1993, was terminated.[11]

Mexico

Commerce initiated five administrative reviews, but four were terminated before completion. Terminated reviews were for the periods December 7, 1992-December 31, 1993; January 1, 1994-December 31, 1994; January 1, 1995-December 31, 1995; and January 1, 1996-December 31, 1996.[12] The results of the one completed review are shown in the following tabulation:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
AHMSA	1/1/97-12/31/97	March 13, 2000 (65 FR 13368)	10.42
All others			20.25

Sweden

Commerce completed four countervailing duty order administrative reviews. A review for calender year 1995 was terminated.[13] Results of the completed reviews are shown in the following tabulation:

Producer/ exporter	Period of review	Date review results issued	Net countervailable subsidy *(percent)*
All companies	12/7/92-4/5/94	February 12, 1996 (61 FR 5381)	2.98
All companies	4/6/93-8/16/93	February 12, 1996 (61 FR 5381)	0.00
All companies	8/17/93-12/31/93	February 12, 1996 (61 FR 5381)	2.98
SSAB	1/1/94-12/31/94	April 7, 1997 (62 FR 16549)	1.91
All companies			2.98

[10] 60 FR 65284, December 19, 1995.

[11] 60 FR 4592, January 24, 1995.

[12] 59 FR 66939, December 28, 1994; 61 FR 2492, January 16, 1996; 61 FR 68239, December 27, 1996; and 62 FR 63920, December 3, 1997, respectively.

[13] 61 FR 64066, December 3, 1996.

NATURE AND EXTENT OF SALES AT LTFV

Commerce's Final Results of Its Reviews

Belgium

On April 7, 2000, Commerce announced the final results of its expedited sunset review of plate from Belgium. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce made a duty absorption finding with respect to Fabrique de Fer (now Industeel). The original and sunset margins are shown in the following tabulation:[14]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Plate	Forges de Clabecq, S.A.	6.78	6.78
Plate	Industeel (formerly Fabrique de Fer)	13.31	27.50 [1]
Plate	All others	6.84	6.75

[1] Commerce's Decision Memorandum, unpublished, found at *http://ia.ita.doc.gov/frn/summary/belgium/00-8693-1.txt,* retrieved August 11, 2000.

Brazil

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Brazil. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the tabulation below:[15]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Plate	Usiminas/Cosipa	([1])	42.08 [2]
Plate	Cosipa	109.00	([1])
Plate	Usiminas	42.08	([1])
Plate	All others	75.54	75.54

[1] Not specified.

[2] Because of Usiminas' high level of ownership of Cosipa, Commerce collapsed Usiminas and Cosipa into one entity for the purpose of calculating their dumping margin in the most recent administrative review, and therefore in the final results of its expedited sunset review.

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[14] Amended final determination of sales at LTFV and antidumping duty order, 58 FR 44164, August 19, 1993; final sunset review determination, 65 FR 18292, April 7, 2000.

[15] Antidumping duty order, 58 FR 44164, August 19, 1993; final sunset review determination, 65 FR 18052, April 6, 2000.

Canada

On August 2, 2000, Commerce announced the final results of its full sunset review of plate from Canada. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. The original and sunset margins are shown in the following tabulation:[16]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Plate	IPSCO	0.06 [1, 2]	([3])
Plate	Stelco	68.70	68.70
Plate	All others	61.88	61.88

[1] *De minimis* margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

[2] As a result of an appeal to the U.S.-Canada Binational Panel under Article 1904 of the U.S.-Canada Free Trade Agreement, Commerce amended its final determination of LTFV margins. 60 FR 49582, September 26, 1995.

[3] The order was revoked with respect to IPSCO, 60 FR 49582, September 26, 1995.

Finland

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Finland. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the following tabulation:[17]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Plate	Rautaruukki	32.80	40.36
Plate	All others	32.80	40.36

Germany

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Germany. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the following tabulation:[18]

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[16] Antidumping duty order, 58 FR 44162, August 19, 1993; final sunset review determination, 65 FR 47383, August 2, 2000.

[17] Amended final determination of sales at LTFV and antidumping duty order, 58 FR 44165, August 19, 1993; final sunset review determination, 65 FR 18054, April 6, 2000.

[18] Amended final determination of sales at LTFV and antidumping duty order, 58 FR 44170, August 19, 1993; final sunset review determination, 65 FR 18056, April 6, 2000.

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Plate	Dillinger	36.00	36.00
Plate	All others	36.00	36.00

Mexico

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Mexico. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the tabulation below:[19]

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Plate	AHMSA	49.25	49.25
Plate	All others	49.25	49.25

Poland

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Poland. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the following tabulation:[20]

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Plate	All producers/exporters	61.98	61.98

Romania

On August 2, 2000, Commerce announced the final results of its full sunset review of plate from Romania. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the following tabulation:[21]

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[19] Antidumping duty order, 58 FR 44165, August 19, 1993; final sunset review determination, 65 FR 18052, April 6, 2000.

[20] Antidumping duty order, 58 FR 44166, August 19, 1993; final sunset review determination, 65 FR 18054, April 6, 2000.

[21] Antidumping duty order, 58 FR 44167, August 19, 1993; final sunset review determination, 65 FR 47382, August 2, 2000.

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Plate	Metalexportimport, S.A.	75.04	75.04
Plate	All others	75.04	75.04

Spain

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Spain. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the tabulation below:[22]

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Plate	Ensidesa	105.61	105.61
Plate	All others	105.61	105.61

Sweden

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Sweden. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. According to Commerce's unpublished Decision Memorandum, there were no duty absorption determinations. However, Commerce's *Federal Register* notices regarding the administrative review for August 1, 1995-July 31, 1996, found duty absorption on all sales.[23] The original and sunset margins are shown in the following tabulation:[24]

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Plate	SSAB	24.23	24.23
Plate	All others	24.23	24.23

[22] Antidumping duty order, 58 FR 44167, August 19, 1993; final sunset review determination, 65 FR 18056, April 6, 2000.

[23] Final results of administrative review, 62 FR 46947, September 5, 1997; for more detail, *see also* the results of preliminary determination, 62 FR 26473, May 14, 1993.

[24] Antidumping duty order, 58 FR 44168, August 19, 1993; final sunset review determination, 65 FR 18054, April 6, 2000.

Taiwan

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from Taiwan. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the tabulation below:[25]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Plate	CSC	34.00	34.00
Plate	All others	34.00	34.00

United Kingdom

On April 6, 2000, Commerce announced the final results of its expedited sunset review of plate from the United Kingdom. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the following tabulation:[26]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Plate	British Steel	109.22	109.22
Plate	All others	109.22	109.22

Administrative Reviews of the Antidumping Duty Orders

Commerce did not conduct any administrative reviews on producers/exporters of plate from Poland, Spain, or the United Kingdom. The results of administrative reviews on producers/exporters of subject merchandise from Belgium, Brazil, Canada, Finland, Germany, Mexico, Romania, Sweden, and Taiwan are presented below.

Belgium

Commerce completed only one administrative review of producers/exporters of subject merchandise. Commerce determined that Fabrique de Fer (now Industeel) had absorbed antidumping

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[25] *See* "Notice of Withholding of Appraisement and Determination of Sales at Less Than Fair Value," 44 FR 9639, February 14, 1979, and Treasury Decision 79-166 as published in 44 FR 33877, June 13, 1979; final sunset review determination, 65 FR 18054, April 6, 2000.

[26] Antidumping duty order, 58 FR 44168, August 19, 1993; final sunset review determination, 65 FR 18056, April 6, 2000.

duties on 100 percent of its sales during this period.[27] A review for the period August 1, 1996 through July 31, 1997 was terminated.[28] The results of the completed administrative review are presented in the tabulation below:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Fabrique de Fer (now Industeel)	8/1/95-7/31/96	March 20, 1998 (63 FR 13261)[1]	13.75
All others			6.84

[1] Original administrative review 63 FR 2959, January 20, 1998.

Brazil

Commerce completed two administrative reviews of producers/exporters of subject merchandise. A review for the period August 1, 1996 through July 31, 1997 was terminated.[29] The results of the completed administrative reviews are presented in the following tabulation:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
CST	8/1/94-7/31/95	April 15, 1997 (62 FR 18486)	0.0
All others			75.54[1]
Cosipa	8/1/95-7/31/96	April 27, 1998 (63 FR 20570)[2]	11.70
Usiminas			11.70
All others			36.00

[1] Rate from antidumping duty order.
[2] Original administrative review 63 FR 12744, March 16, 1998.

Canada

Commerce completed 5 administrative reviews on subject merchandise from Canada. These are shown in the following tabulation:

[27] 63 FR 2959, 2964, June 20, 1998.

[28] 63 FR 10589, March 4, 1998.

[29] 62 FR 4200, August 6, 1998.

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Algoma	2/4/93-7/31/94	March 28, 1996 (61 FR 13815)	1.82
MRM			0.02[1]
Stelco			0.92
All others			61.88
Algoma	8/1/94-7/31/95	April 15, 1997 (62 FR 18448)[2]	0.37[1]
Stelco			0.00[1]
All others			61.88
Algoma	8/1/95-7/31/96	May 16, 1998 (63 FR 27258)[3]	0.44
MRM			0.00
Stelco			0.35
All others			61.88
Algoma	8/1/96-7/31/97	February 16, 1999 (64 FR 7622)	0.23[1]
Forsyth			68.70
MRM			0.00
Stelco			0.00
All others			61.88
MRM	8/1/97-7/31/98	February 24, 2000 (65 FR 9243)	0.00
Stelco			0.00
All others			61.88

[1] *De minimis* margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

[2] Review initiated on IPSCO on September 8, 1994, but terminated on November 25, 1994. 59 FR 60605, November 25, 1994.

[3] Amended results.

Finland

Commerce completed three administrative reviews of producers/exporters of subject merchandise. The review for the period August 1, 1996-July 31, 1997 was terminated.[30] The results of completed reviews are shown in the tabulation below:

[30] 63 FR 5501, February 3, 1998.

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Rautaruukki	2/4/93-7/31/94	January 29, 1996 (61 FR 2792)	0.00
All others			32.25
Rautaruukki	8/1/94-7/31/95	April 15, 1997 (62 FR 18468)	24.95
All others			32.80
Rautaruukki	8/1/95-7/31/96	January 20, 1998 (63 FR 2952)	0.0
All others			40.36

Germany

Commerce completed two administrative reviews of producers/exporters of subject merchandise. Reviews for periods August 1, 1995-July 31, 1996 and August 1, 1996-July 31, 1997 were rescinded by Commerce because of an absence of entries into the United States.[31] The results of completed reviews are shown in the following tabulation:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Dillinger	2/4/93-7/31/94	May 24, 1996 (61 FR 26159)[1]	2.61
All others			19.32
Dillinger	8/1/94-7/31/95	April 15, 1997 (62 FR 18389)	3.00
All others			36.00

[1] Amended notice. Original administrative review 61 FR 13834, March 28, 1996.

Mexico

Commerce completed two administrative reviews of exporters/producers of subject merchandise. Reviews for the periods August 1, 1995-July 31, 1996 and August 1, 1998-July 31, 1999 were terminated.[32] The results of the completed reviews are shown in the following tabulation:

[31] 62 FR 13595, March 21, 1997 and 63 FR 4429, January 29, 1998.

[32] 62 FR 26472, May 14, 1997 and 65 FR 6359, February 9, 2000, respectively.

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
AHMSA	8/1/96-7/31/97	January 4, 1999 (64 FR 76)	49.25
All others			49.25
AHMSA	8/1/97-7/31/98	February 18, 2000 (65 FR 8338)	2.64
All others			49.25

Romania

Commerce completed one administrative review of subject merchandise from Romania. The results of the review are shown in the tabulation below:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Windmill	8/1/97-7/31/98	January 12, 2000 (65 FR 1849)	21.07
All others			75.04

Sweden

Commerce completed three administrative reviews of subject merchandise. In the review for August 1, 1995-July 31, 1996, Commerce found duty absorption on all sales. The results of the reviews are shown in the tabulation below:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
SSAB	2/4/93-7/31/94	May 18, 1998 (63 FR 27260)[1]	7.25
All others			24.23
SSAB	8/1/94-7/31/95	April 15, 1997 (62 FR 18396)	24.23
All others			24.23
SSAB	8/1/95-7/31/96	September 5, 1997 (62 FR 46947)[2]	34.00
All others			24.23

[1] Amended results.

[2] Commerce found duty absorption on all sales; *see also* results of preliminary determination, 62 FR 26473, May 14, 1993. Commerce's unpublished Decision Memorandum states there were no duty absorption determinations.

Taiwan

Commerce completed three administrative reviews of exporters/producers of subject merchandise. The results of the review are shown in the tabulation below:

Producer/ exporter[1]	Period of review	Date review results issued	Margin *(percent)*
CSC	2/14/79-5/31/80	October 1, 1981 (46 FR 48280)	19.97
CSC	6/1/80-5/31/81	March 31, 1982 (47 FR 13547)	19.97
CSC	6/1/81-5/31/82	September 23, 1983 (48 FR 43366)	0.00

[1] CSC was the only known exporter to the United States.

COUNTERVAILING/ANTIDUMPING DUTIES COLLECTED

Table PLATE-I-2 presents the actual amount of customs duties collected under the antidumping and countervailing duty orders from 1994 to 1999.

Table PLATE-I-2
Actual duties collected and imports from subject countries, fiscal years 1994-99[1]

(In dollars)

Item	1994	1995	1996	1997	1998	1999
Countervailing						
Belgium						
Duties collected	1,348,801	353,804	481,417	191,005	(3)	258,305
Imports	23,157,392	6,047,947	8,253,752	3,265,058	(3)	4,363,272
Brazil						
Duties collected	(2)	46,778	(3)	14,345	463,354	7,427
Imports	(2)	794,355	(3)	62,102	2,000,232	43,305
Germany						
Duties collected	47,332	14,782	(3)	4,901	361,696	310,730
Imports	318,952	99,909	(3)	33,027	2,439,203	2,132,380
Mexico						
Duties collected	(3)	6,521	4,805	7,332	13,963	(3)
Imports	(3)	36,676	23,731	36,212	68,954	(3)

Table continued on next page.

Table PLATE-I-2--Continued
Actual duties collected and imports from subject countries, fiscal years 1994-99[1]

(In dollars)

Item	1994	1995	1996	1997	1998	1999
Countervailing--Continued						
Spain						
Duties collected	(2)	(2)	(2)	(2)	(2)	(2)
Imports	(2)	(2)	(2)	(2)	(2)	(2)
Sweden						
Duties collected	(2)	15,885	699	(2)	(3)	(2)
Imports	(2)	372,033	17,914	(2)	(3)	(2)
United Kingdom						
Duties collected	(3)	(3)	(3)	***	4,482	210,953
Imports	(3)	(3)	(3)	***	52,955	1,757,696
Antidumping						
Belgium						
Duties collected	1,574,269	410,367	(3)	221,530	(3)	(3)
Imports	23,082,667	6,051,013	(3)	3,267,327	(3)	(3)
Brazil						
Duties collected	(2)	(3)	(3)	***	(3)	(3)
Imports	(2)	(3)	(3)	***	(3)	(3)
Canada						
Duties collected	514,539	460,448	332,812	171,194	266,406	151,093
Imports	1,146,625	727,997	6,844,192	11,525,638	6,416,960	5,765,893
Finland						
Duties collected	(3)	(3)	(3)	(2)	(3)	299
Imports	(3)	(3)	(3)	(2)	(3)	13,467
Germany						
Duties collected	117,158	36,230	(3)	6,036	907,173	366,657
Imports	325,441	100,640	(3)	59,075	2,681,789	2,191,979
Mexico						
Duties collected	(3)	17,199	11,687	***	33,959	(3)
Imports	(3)	39,393	23,731	***	68,954	(3)

Table continued on next page.

Table PLATE-I-2--Continued
Actual duties collected and imports from subject countries, fiscal years 1994-99[1]

(In dollars)

Item	1994	1995	1996	1997	1998	1999
Antidumping–Continued						
Poland						
Duties collected	(2)	(2)	(2)	(2)	(2)	(3)
Imports	(2)	(2)	(2)	(2)	(2)	(3)
Romania						
Duties collected	(2)	(2)	(2)	(2)	(2)	(3)
Imports	(2)	(2)	(2)	(2)	(2)	(3)
Spain						
Duties collected	(3)	(2)	(2)	(2)	(2)	(2)
Imports	(3)	(2)	(2)	(2)	(2)	(2)
Sweden						
Duties collected	(3)	(3)	(3)	(2)	(2)	(2)
Imports	(3)	(3)	(3)	(2)	(2)	(2)
Taiwan						
Duties collected	(2)	(2)	(2)	(2)	(2)	(2)
Imports	(2)	(2)	(2)	(2)	(2)	(2)
United Kingdom						
Duties collected	(3)	(3)	(3)	***	84,382	2,096,690
Imports	(3)	(3)	(3)	***	92,859	1,919,695

[1] The federal fiscal year is October 1-September 30.
[2] Case number not listed in Customs Report for this year (indicates 0 duties/imports).
[3] Business proprietary information; not divulged by Customs.

Source: Customs Annual Report, Part A.

THE SUBJECT PRODUCT

The imported plate subject to the antidumping and countervailing duty orders under review, as defined by Commerce, is

> "hot-rolled carbon steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of

rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness as currently classifiable in the HTS under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Included are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which have been "worked after rolling")--for example, products which have been beveled or rounded at the edges. Excluded is grade X-70 plate. These HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive."[33]

Plate as defined above does not include either microalloyed steel or X-70 plate, which were included in the recently completed plate investigations.[34]

With respect to subject merchandise from Taiwan:

Subject plate from Taiwan is defined as:

"Hot-rolled carbon steel plate, 0.1875 inch or more in thickness, over eight inches in width, not in coils, not pickled, not coated, or plated with metal, not clad, nor pressed or stamped to non-rectangular shape. Such merchandise was classifiable under Tariff Schedules of the United States Annotated item number 607.6615." [35]

These imports are currently classifiable under the HTS item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, and 7211.14.0045. This product definition could include X-70 steel (primarily used to produce pipe and tube products), if such steel is made to specifications that would qualify it as carbon steel as opposed to alloy steel. Thus, the product definition for Taiwan may be at variance with the product definition for cut-to-length plate specified in the other duty orders.

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[33] 65 FR 16171, March 27, 2000; 65 FR 18043, 18052, 18054-6, 18065, and 18067, April 6, 2000; 65 FR 18292, 18304, 18307, and 18309, April 7, 2000.

[34] *See Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea* (investigations Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final)), USITC publication 3273, January 2000, pp. 4-5.

[35] 65 FR 18043, April 6, 2000.

With respect to subject merchandise from Brazil:

As a result of a scope ruling on the subject merchandise from Brazil, profile slabs have been determined to be within the scope of the order.[36]

With respect to subject merchandise from Canada:

Also excluded is cut-to-length carbon steel plate meeting the following criteria: (1) 100 percent dry steel plates, virgin steel, no scrap content (free of Cobalt-60 and other radioactive nuclides); (2) 0.290 inches maximum thickness, plus 0.0, minus 0.030 inches; (3) 48.00 inches wide, plus 0.05, minus 0.0 inches; (4) 10 foot lengths, plus 0.5, minus 0.0 inches; (5) flatness, plus/minus 0.5 inches over 10 feet; (6) AISI 1006; (7) tension leveled; (8) pickled and oiled; and (9) carbon content, 0.03 to 0.08 (max).[37]

With respect to subject merchandise from the United Kingdom:

As a result of a changed circumstances review with respect to the United Kingdom, the order was revoked for shipments of plate with a maximum thickness of 80 mm in steel grades BS 7191, 355 EMZ, as amended by Sable Offshore Energy Project specification XB MOO Y 15 0001, types 1 and 2.[38]

U.S. Tariff Treatment

The column 1-general, or normal trade relations, rates of duty for plate range from 1.4 to 2.6 percent *ad valorem*. These duty rates are being reduced in annual stages as a result of the Uruguay Round Agreement and will be eliminated as of January 1, 2004. Subject imports qualifying for NAFTA preferential treatment from Canada are free of duty and from Mexico are subject to duty rates ranging from 1.0 to 1.9 percent *ad valorem* (these rates will be eliminated in stages by January 1, 2003).

Physical Characteristics and Uses

Plate can be made in a variety of widths, thicknesses, and shapes in order to be incorporated into other products or to be further processed into products. Plate is used in welded load-bearing and structural applications, such as bridge-work; machine parts (e.g., the body of the machine or its frame); transmission towers and light poles; buildings; mobile equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); and heavy transportation equipment, such as railroad cars (especially tank cars) and ships. Plate also is used in the production of tanks, sills, floors, OEM parts, offshore drilling rigs, pipes, petrochemical plant and machinery, and various fabricated pieces. Plate can also be used in utility applications and in pressure vessels. Floor plate, which has patterns in relief, is generally included within the scope of these reviews. In certain applications, such as construction products or storage tanks, concrete and fiberglass can substitute for plate.

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[36] 65 FR 18052, April 6, 2000. *See also* 62 FR 30569, June 4, 1997.

[37] 65 FR 18290, April 7, 2000.

[38] 65 FR 18056, April 6, 2000. *See* 64 FR 46343, August 25, 1999.

Manufacturing Processes and Facilities

Plate is made from hot-rolled non-alloy steel.[39] Most plate is hot-rolled on a reversing mill (also called a "sheared plate mill").[40] Plate also is rolled in "Steckel mills" and in continuous hot-strip mills. Steckel mills are like reversing mills except with heated coilers at both ends of the mill. This allows Steckel mills to produce long pieces, coiled plate, as well as cut-to-length.

Hot-strip mills produce mostly hot-rolled sheet, that is, product less than 0.1875 inch (4.75 mm) thick, and are usually limited to product no wider than 72 inches (1828.8 mm). In contrast, a sheared plate mill is somewhat flexible with regard to the slab width used to produce a given plate width. A Steckel mill or continuous hot-strip mill must have a slab slightly wider than the width of the plate to be produced and has the advantage of being able to roll longer, heavier slabs than could be used on a sheared plate mill.

Reversing mills produce plate ranging from 0.187 inches to 20 inches (4.75 mm to 508 mm) in thickness and from 48 inches to 154 inches (1,219 mm to 3,912 mm) in width, while plate produced on a Steckel mill typically ranges from 0.187 inches to 0.750 inches (4.75 mm to 19.1 mm) in thickness and 48 inches to 96 inches (1,219 mm to 2,438 mm) in width. A reversing mill is preferred for producing steel for welded load-bearing and structural applications.

Plate producers may have several types of mills at a single steel facility. In such facilities, the reversing plate mill is usually separated from the hot-strip mill and employs different production workers.

Steel service centers traditionally have served as distributors of plate, and therefore typically do not have plate mills. Some service centers also perform a wide range of value-added processing of many steel products, such as uncoiling, flattening, and cutting plate products to length or flame/plasma cutting plate into non-rectangular shapes. Service centers that process coiled plate into cut lengths or non-rectangular shapes may purchase the coiled plate from U.S. or foreign mills. The process of producing plate from coiled plate is the same whether performed at the steel mill or by a service center. Respondents from Germany and the United Kingdom requested in their responses to the Commission's notice of institution that the Commission include processors, such as steel service centers, in its definition of the domestic industry, as it did in recent determinations.

Like Product Issues

In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of this review, the petitioners contend that there should be only one like product, cut-to-length carbon steel plate, as defined by the Commission in its 1993 determinations. The petitioners state that the definition should apply to imports from Taiwan because the products are essentially the same, only the titles are different.[41] The petitioners "urge the

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[39] Hot-rolled non-alloy steel is produced in three distinct stages that include (1) melting or refining steel, (2) casting steel into semi-finished forms, and (3) hot-rolling semi-finished forms into flat-rolled steel mill products.

[40] For a detailed description of the plate manufacturing process, *see Certain Cut-To-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea (investigations Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final))*, USITC publication 3273, January 2000, p. I-4.

[41] The definitions of plate and alloy steel in the 1978 TSUS differ from those in the HTS. Under the TSUS, plates were defined as "flat rolled products whether or not corrugated or crimped, in coils or cut to length, 0.1875

(continued...)

Commission to subsume "carbon steel plate" within "cut-to-length plate," and define a single domestic like product for purposes of this review {of} cut-to-length plate."[42] Petitioners also request that the Commission expand the definition of the like product to include microalloyed products currently considered to be "carbon steel products" by the domestic industry.[43] [44]

U.S. MARKET PARTICIPANTS

U.S. Producers

Twenty-two firms reported producing plate in the United States during the period of these reviews compared to 12 during the first plate investigation and 12 during the second series of investigations.[45] Table PLATE-I-3 presents data on plate producers, their positions on revocation, locations of production facilities, parent firms, and related foreign producers.

U.S. Importers

Twenty-three firms reported imports of plate during the period of review. Data on U.S. producers' imports of plate are presented in Part III.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table PLATE-I-4 presents apparent U.S. consumption for the review period and table PLATE-I-5 presents U.S. market shares for the same period.

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[41] (...continued)
inch (4.7625 mm) or more in thickness and, if not cold rolled, over 8 inches (203.2 mm) in width, or if cold rolled, over 12 inches (304.8mm(in width." TSUSA (1978), 3rd Supplement, September 5, 1978, p. 388. In the HTS, however, the thickness is slightly different (by tenths of a millimeter) but the width starts at 5.9 inches (150 mm) compared with a TSUS minimum of 8 inches. The HTS also specifies a width which the plate cannot exceed, 49.213 inches (1250 mm), but the TSUS did not specify a width limitation.

The definition of alloy steel also differs slightly between the TSUS and the HTS. This therefore affects the definition of non-alloy steel under these tariff systems. Both the TSUS and HTS specified the same amounts by weight of aluminum, cobalt, manganese, silicon, and tungsten in their definition of other alloy steel. The amounts for chromium, copper, lead, and nickel, however, vary between the TSUS and the HTS. The TSUS did not specify the amounts of boron, molybdenum, niobium, titanium, vandium, zirconium, carbon, or nitrogen separately as did the HTS, but put these elements in a basket category.

[42] Domestic, response to notice of institution, vol. II, p. 6, October 21, 1999, and additional information in a letter, November 2, 1999.

[43] Domestic prehearing brief, August 28, 2000, pp. 7-17, and vol. III, pp. 7-8.

[44] Data provided by domestic producers for plate include microalloy products. Because microalloy is not included the scope of the reviews, import data presented in this report do not include microalloy products.

[45] The Commission received questionnaire responses from seven non-toll processors, ***. Another producer, ***, only reported toll processing. To avoid double counting, toll processor data are presented separately in app. D.

Table PLATE-I-3
Responding U.S. producers, position on revocation, locations of production facilities, parent firms, and related foreign producers

U.S. producer	Position on revocation	Location(s) of production facilities	Parent firm	Related foreign producers of plate
Bethlehem	***	Burns Harbor, IN Sparrows Point, MD Coatesville/ Conshohocken, PA	None	None
California	***	Fontana, CA	*** Kawasaki (USA) (DE) *** CVRD (NY)	Kawasaki (Japan)
Cargill	***	Edina, MN	None	None
Citisteel	***	Claymont, DE	Citic USA Holdings (DE)	None
Denro	***	Baytown, TX	*** Jindal Enterprises (TX) *** Saw Pipes USA (TX)	Jindal (India)
Friedman	***	Houston, TX Lonestar, TX Hickman, AR	None	None
Geneva	***	Vineyard, UT	None	None
Gulf States	***	Gadsden, AL	GSS Holding (USA)	None
IPSCO	***	Muscatine, IA	*** IPSCO (Canada)	IPSCO (Canada)
JIT	***	Tulare, CA	Mitsui (USA)	Mitsui (Japan)
Le Tourneau	***	Longview, TX	Rowan Companies (TX)	None

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Table PLATE-I-3--Continued
Responding U.S. producers, position on revocation, locations of production facilities, parent firms, and related foreign producers

U.S. producer	Position on revocation	Location(s) of production facilities	Parent firm	Related foreign producers of plate
National	***	Ecorse, MI Granite City, IL Portage, IN	*** NKK USA Corp. (NY)	NKK (Japan)
Northern	***	Crestwood, IL	None	None
North Star	***	Calvert City, KY Wilton, IA	*** Cargill (MN)	None
Olympic	***	Milford, CT	None	None
O'Neal	***	Birmingham, AL	None	None
Oregon	***	Portland, OR	None	None
Paper Cal	***	Houston, TX St. Paul, MN	*** IPSCO	IPSCO (Canada)
PDM	***	Stockton, CA	Pitt-Des Moines	None
Primary	***	Middletown, CT Chicago, IL	Primac USA	None
Tuscaloosa	***[1]	Tuscaloosa, AL	*** Corus America Holdings (IL)	Corus (UK)
USX	***	Gary, IN Fairless Hills, PA Dravosburg, PA Fairfield, AL	None	None

[1] ***.
Source: Compiled from data submitted in response to Commission questionnaires

Table PLATE-I-4
Plate: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
	Quantity *(short tons)*				
U.S. producers' shipments	5,537,204	6,526,432	5,389,091	1,298,883	1,515,488
U.S. imports from –					
Belgium	66	8,051	8,591	335	2,876
Brazil	4,172	1,430	1,358	1,276	270
Canada	55,815	76,005	66,955	19,072	15,252
Finland	34	1,024	28	10	0
Germany	10,716	2,512	1,296	250	1,649
Mexico	225	50,366	74,696	48,910	33
Poland	4,312	477	71	55	0
Romania	56	620	348	0	0
Spain	0	446	356	10	0
Sweden	123	0	188	0	52
Taiwan	0	223	0	0	16
United Kingdom	781	18,726	2,706	1,875	27
Subtotal	76,300	159,880	156,593	71,791	20,176
All others	1,013,763	1,535,882	455,645	184,866	90,570
Total imports	1,090,064	1,695,762	612,238	256,657	110,746
Apparent consumption	6,627,268	8,222,194	6,001,329	1,555,540	1,626,234

Table continued on next page.

Table PLATE-I-4–Continued
Plate: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
	Value *(1,000 dollars)*				
U.S. producers' shipments	2,487,253	2,916,479	2,003,204	508,812	564,115
U.S. imports from –					
Belgium	33	4,046	3,537	160	1,111
Brazil	2,357	801	553	518	128
Canada	24,211	32,248	24,798	7,506	5,629
Finland	29	387	11	4	0
Germany	3,990	1,623	594	111	782
Mexico	98	16,968	21,757	15,277	21
Poland	1,544	167	23	17	0
Romania	21	166	114	0	0
Spain	0	191	191	7	0
Sweden	27	0	90	0	17
Taiwan	0	55	0	0	7
United Kingdom	336	11,545	924	584	14
Subtotal	32,647	68,197	52,592	24,185	7,709
All others	365,158	581,574	140,573	64,947	24,917
Total imports	397,805	649,771	193,165	89,132	32,627
Apparent consumption	2,885,058	3,566,250	2,196,369	597,944	596,742

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

Table PLATE-I-5
Plate: U.S. market shares, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Quantity *(short tons)*		
Apparent consumption	6,627,268	8,222,194	6,001,329	1,555,540	1,626,234
			Value *(1,000 dollars)*		
Apparent consumption	2,885,058	3,566,250	2,196,369	597,944	596,742
			Share of quantity *(percent)*		
U.S. producers' shipments	83.6	79.4	89.8	83.5	93.2
U.S. imports from –					
Belgium	0.0	0.1	0.1	0.0	0.2
Brazil	0.1	0.0	0.0	0.1	0.0
Canada	0.8	0.9	1.1	1.2	0.9
Finland	0.0	0.0	0.0	0.0	0.0
Germany	0.2	0.0	0.0	0.0	0.1
Mexico	0.0	0.6	1.2	3.1	0.0
Poland	0.1	0.0	0.0	0.0	0.0
Romania	0.0	0.0	0.0	0.0	0.0
Spain	0.0	0.0	0.0	0.0	0.0
Sweden	0.0	0.0	0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0	0.0
United Kingdom	0.0	0.2	0.0	0.1	0.0
Subtotal	1.2	1.9	2.6	4.6	1.2
All others	15.3	18.7	7.6	11.9	5.6
Total imports	16.4	20.6	10.2	16.5	6.8

Table continued on next page.

Table PLATE-I-5–Continued
Plate: U.S. market shares, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
	Share of value *(percent)*				
U.S. producers' shipments	86.2	81.8	91.2	85.1	94.5
U.S. imports from –					
Belgium	0.0	0.1	0.2	0.0	0.2
Brazil	0.1	0.0	0.0	0.1	0.0
Canada	0.8	0.9	1.1	1.3	0.9
Finland	0.0	0.0	0.0	0.0	0.0
Germany	0.1	0.0	0.0	0.0	0.1
Mexico	0.0	0.5	1.0	2.6	0.0
Poland	0.1	0.0	0.0	0.0	0.0
Romania	0.0	0.0	0.0	0.0	0.0
Spain	0.0	0.0	0.0	0.0	0.0
Sweden	0.0	0.0	0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0	0.0
United Kingdom	0.0	0.3	0.0	0.1	0.0
Subtotal	1.1	1.9	2.4	4.0	1.3
All others	12.7	16.3	6.4	10.9	4.2
Total imports	13.8	18.2	8.8	14.9	5.5

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

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

BUSINESS CYCLE

The U.S. industry producing plate follows a business cycle tied closely to that of the general economy; in particular, plate products are used in industrial and agricultural equipment, construction, and transportation.

MARKET SEGMENTS

Producers and importers ship plate to end users, distributors, and service centers/processors. U.S. producers and importers, as a whole, reported nationwide sales, though most individual firms reported that their sales were concentrated in particular regions. Most producers reported that the bulk of their sales were at distances of 101 to 1,000 miles from their plant. Only a small proportion of sales were at distances greater than 1,000 miles. Importers tended to sell closer to their ports of entry, with 6 importers reporting that 50 percent or more of their sales were within 100 miles of the port of entry and 6 reporting that 50 percent or more of their sales were 101 to over 1,000 miles from the port of entry.

Domestic producers argued that the consolidation of service centers has changed the market considerably. They noted that this change "intensified {service center} pricing leverage, reduced supply, reduced inventory, and increased the potential for large import buys, all of which have the effect of increasing price competition in this market sector."[1] Further, they noted that imports could rapidly expand because many of the service centers are tied to foreign steel mills.[2]

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Based on available information, U.S. producers of plate are likely to respond to changes in price with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is constrained by small levels of inventories, the low share of shipments which are exported, and the existence of somewhat limited production alternatives, but is improved by a somewhat low level of capacity utilization.

Industry Capacity

Both capacity and production decreased irregularly between the initial investigations and 1999. U.S. production capacity was 11.8 million tons in 1978, 7.0 million tons in 1992, and 8.4 million tons in 1999.[3] Production decreased irregularly from 6.6 million tons in 1978[4] to 4.3 million tons in 1992 and

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[1] Plate TR, p. 88.

[2] Domestic posthearing brief, p. 28.

[3] U.S. production capacity numbers fluctuated during the period of investigation, increasing from 7.3 million tons in 1997 to 9.1 million tons in 1998, and then settling back down to 8.4 million tons in 1999.

[4] A production figure for 1978 is not available. Total shipments are used as a proxy.

5.5 million tons in 1999.[5] Two new plate mills are scheduled to come on line later this year (Nucor and IPSCO).[6] U.S. producers' capacity utilization rates fell from 78.5 percent in 1997 to 66.1 percent in 1999. Domestic capacity utilization in interim 2000 was 72.3 percent. In 1992, the U.S. producers' capacity utilization rate was 62.4 percent.

Questions were raised at the hearing regarding the possible price-depressing effect of companies like Nucor and IPSCO bringing on line new minimills.[7] IPSCO responded that "new capacity being brought on-line by companies like Nucor and IPSCO does not necessarily increase total domestic capacity. It is part of the normal evolution of an industry that technological leaders like the steel minimills invest in new capacity with lower costs, while other firms shut down older capacity with higher costs. Since the new capacity is at least partially offset by the retirement of older capacity, there is not necessarily a significant net increase in total industry capacity that would be likely to depress prices."[8] The recent loss in capacity is demonstrated by the September 2000 closing of Gulf States' mill and earlier closings of Bethlehem plate mills in Sparrows Point, MD and Coatesville, IN.[9]

Export Markets

Nine of 15 responding U.S. producers indicated that they exported plate during the period of investigation, although exports accounted for only 3.9 percent of total shipments in 1999. The export markets reported include NAFTA members Canada and Mexico, as well as ***. U.S. producers' export shipments increased by 28.5 percent from 171,000 tons in 1997 to 220,000 tons in 1999. In the interim periods, export shipments increased by 104.8 percent from 43,000 tons in interim 1999 to 88,000 tons in interim 2000. Domestic producers' exports were 136,000 tons in 1992. The few U.S. producers that accounted for exports noted either not selling overseas or difficulty in shifting their sales between the United States and alternative country markets. Producers noted issues such as foreign price levels, exchange rates, government subsidies to foreign mills, freight handling and costs, loading, credit, and a global oversupply of plate. *** noted selling plate to Canada and Mexico, but its exports were primarily niche market products that cannot be produced in those countries.

Inventories

U.S. producers' inventories of plate increased relative to shipments between the initial investigations and these investigations, rising from 5.6 percent of total shipments in 1992 to 6.8 percent of total shipments in 1997, 6.9 percent in 1998, and 7.2 percent in 1999. The apparent increase in inventories is more likely due to the decrease in consumption. Inventories fell between 1998 and 1999, but shipments fell at a faster rate. Domestic inventories fell to 5.9 percent of total shipments in interim 2000, on an annual basis. The German mills' posthearing brief noted that, despite strong overall

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[5] U.S. production numbers behaved similarly to those of capacity during the period of investigation, increasing from 3.8 million tons in 1997 to 4.5 million tons in 1998, then decreasing to 3.4 million tons in 1999. Since hot strip mills for light plate also are used for the production of hot-rolled sheet in coils, plate capacity numbers for producers using this production route are derived from their actual production numbers.

[6] Domestic prehearing brief, p. 70.

[7] Plate TR, pp. 145-146, 152-153, and 173-174.

[8] IPSCO response to Commission's questions, pp. CTLP-1-2.

[9] See, e.g., *http://www.bethsteel.com/pubaffairs/may29nr98.html* and *http://www.gadsdentimes.com/gss106.html.*

consumption so far this year, supply outpaced demand so inventories increased in the first half of 2000; however, these inventories should decrease in the second half of 2000.[10]

Production Alternatives

The process route used to produce plate significantly affects producers' technical ability to shift production in response to changing markets. Firms producing plate on plate mills cannot switch this equipment to other products, as these rolling mills are designed to produce plate exclusively. Firms that produce plate on either hot strip mills or Steckel mills have the option of producing hot-rolled coils in sheet thicknesses as an alternative. With respect to upstream facilities such as steelmaking and casting equipment, many firms may be able to put these to use making semifinished products to be shaped into other finished products including hot-rolled sheet.

However, market conditions for other steel products may restrict the economic ability of producers to profitably produce these other products. The most common alternative, hot-rolled sheet, has been subject to several recent suspension agreements and price declines.

Subject Import Supply

Information concerning supply from foreign producers is presented in table PLATE-II-1.

Foreign Demand

The IMF's September 2000 *World Economic Outlook (Advance Copy)* estimated real GDP growth for certain economies and regions as a whole. It forecasted world economic growth to be 4.7 percent in 2000 and 4.2 percent in 2001 under the assumption that "imbalances in the global economy are resolved in an orderly fashion."[11] This does not include the effect of higher oil prices on the world market. The IMF estimates that GDP growth in industrialized countries would decrease by 0.2 percent for a $5 per barrel increase in the price of oil (about 20 percent above *World Economic Outlook* baseline).[12] The IMF's projected growth figures and yearly rates of growth of certain countries and regions since 1992 are presented in table PLATE-II-2. The IMF also published "harder landing" estimates of real GDP growth for the United States, the Euro Area, and Japan along with other more general areas.[13]

A September 2000 forecast by Bethlehem about the global economy predicted that "Canada and Mexico are expected to continue to achieve solid growth as neighbors of the U.S. The cyclical recovery in Europe is in full swing with growth in 2000 the strongest since 1990. In South America, the recession

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[10] "A Bethlehem Steel View of Plates," September 11, 2000.

[11] *World Economic Outlook (Advance Copy)*, p. 9.

[12] However, at the hearing representatives of the German, Mexican, and Canadian plate producers mentioned that the plate industry would stand to benefit from this through oil companies undertaking large projects such as oil pipelines, revamping refineries, exploration, etc. Plate TR, p. 296.

[13] *World Economic Outlook (Advance Copy)*, p. 46. This scenario is one in which the U.S. economy experiences greater-than-expected inflationary pressure in late 2000 and, over the same period, growth in U.S. domestic demand is stronger than the original baseline. This might cause the Federal Reserve to tighten monetary policy more than currently anticipated and, early in 2001, causes financial markets to "fundamentally reevaluate" the prospects for the U.S. economy, consequently causing a fall of about 20 percent in the U.S. stock market and a recession.

Table PLATE-II-1
Plate: Factors indicating subject producers' ability to increase sales to the United States

Country	Firms providing foreign producer Q	Capacity 1992	Capacity 1999[1]	Capacity utilization rate 1999	Production 1992	Production 1999
	(number)	*(1,000 tons/year)*	*(1,000 tons/year)*	*(percent)*	*(1,000 tons)*	*(1,000 tons)*
Belgium	1	***	***	***	***	***
Brazil	2	***	***	***	***	***
Canada	1	***	***	***	***	***
Finland	1	***	***	***	***	***
Germany [3]	4	3,516	2,444	88.6	2,499	2,166
Mexico	1	***	***	***	***	***
Poland	(2)	1,142	(2)	(2)	627	(2)
Romania	1	***	***	***	***	***
Spain	1	***	***	***	***	***
Sweden	1	***	***	***	***	***
Taiwan	(2)	(2)	(2)	(2)	(2)	(2)
United Kingdom	1	***	***	***	***	***
See footnotes at end of table.						

Table PLATE-II-1--Continued
Plate: Factors indicating subject producers' ability to increase sales to the United States

Country	Inventories to total shipments 1999	Production exported to the U.S. 1999	Production exported 1999	Alternative markets	Other information such as expected capacity changes or joined the EU
	(percent)	*(percent)*	*(percent)*		
Belgium	***	***	***	***	Using euro.
Brazil	***	***	***	***	*** reduced capacity, Canada reimposed antidumping duties on Brazilian plate in June 2000; Mexico maintains duties on Brazilian plate, Mercosur member.
Canada	***	***	***	***	*** plans a modest increase to produce subject and nonsubject goods for the Canadian market; NAFTA member.
Finland	***	***	***	***	Using euro, under an antidumping order in Canada since 1999, recently increased its cold-rolled and galvanizing capacity
Germany	7.1	0.0	39.2	EU	*** investing in treatment to move capacity to nonsubject plate; *** recently formed merger, reducing capacity; *** shut down all plate capacity December 31, 1999; using euro.
Mexico	***	***	***	***	Joined NAFTA; under antidumping order in Canada.
Poland	(2)	(2)	(2)	(2)	Applied for EU membership; market access agreement with EU.
Romania	***	***	***	***	Subject to 5.7 percent EU antidumping duty; applied for EU membership; market access agreement with EU.
Spain	***	***	***	***	Aceralia is shifting capacity to produce nonsubject plate; using euro; Canadian antidumping duties not revoked in 1999.
Sweden	***	***	***	***	Joined EU in 1995
Taiwan	(2)	(2)	(2)	(2)	(2)
United Kingdom	***	***	***	***	Short term capacity reduction; Corus at *** percent in 1999 and *** percent in interim 2000, but other producer has shut down

[1] As reported by the foreign producers.
[2] Data not available.
[3] The German mills noted that 1999 was unusual and should not be used as a comparison year due to the impact of the Russian and Asian economic crises and the end-of-year cessation of plate production by one mill.

Source: Compiled from data submitted in response to Commission questionnaires in pre- and posthearing briefs.

Table PLATE-II-2
IMF *World Economic Outlook* GDP growth estimates and projections, in percent, 1993-2001

Country:	Actual							Projections	
	1993	1994	1995	1996	1997	1998	1999	2000	2001
Australia	3.8	5.0	4.4	4.0	3.9	5.2	4.4	4.0	3.4
Belgium	-1.5	3.0	2.5	1.0	3.5	2.7	2.3	3.3	2.9
Brazil	4.9	5.9	4.2	2.7	3.6	-0.1	1.0	4.0	4.5
Canada	2.3	4.7	2.8	1.5	4.4	3.3	4.5	4.7	2.8
Finland	-1.1	4.0	3.8	4.0	6.3	5.0	3.6	4.1	3.5
France	-0.9	2.1	1.8	1.1	2.0	3.2	2.9	3.5	3.5
Germany	-1.1	2.3	1.7	0.8	1.4	2.1	1.6	2.9	3.3
Japan	0.3	0.6	1.5	5.0	1.6	-2.5	0.2	1.4	1.8
Korea	5.5	8.3	8.9	6.8	5.0	-6.7	10.7	7.0	6.5
Mexico	2.0	4.5	-6.2	5.1	6.8	4.9	3.5	6.5	4.8
Netherlands	0.8	3.2	2.3	3.0	3.8	3.7	3.5	3.8	3.4
Poland	3.8	5.2	7.0	6.0	6.8	4.8	4.1	5.0	5.5
Romania	1.5	3.9	7.1	3.9	-6.1	-5.4	-3.2	1.3	3.0
Spain	-1.2	2.3	2.7	2.4	3.8	4.0	3.7	3.7	3.4
Sweden	-2.2	4.1	3.7	1.1	2.0	3.0	3.8	3.9	3.2
Taiwan	6.3	6.5	6.0	5.7	6.8	4.7	5.5	6.2	6.0
U.K.	2.3	4.4	2.8	2.6	3.5	2.6	2.1	3.1	2.8
U.S.	1.3	3.0	2.3	3.0	3.2	2.5	2.9	3.9	2.9
Region:									
EU	-0.4	2.8	2.4	1.7	2.6	2.7	2.4	3.4	3.3
Euro Area	-0.8	2.4	2.3	1.5	2.3	2.7	2.4	3.5	3.4
Asia	9.3	9.6	9.0	8.3	6.5	4.1	5.9	6.7	6.6

Sources: IMF *World Economic Outlook (Advance Copy)*, October 2000 (for Canada, France, Germany, Japan, United Kingdom, United States, and Regions; and Brazil, Mexico, Poland, and Romania 1998-2001), and May 2000 (for the remainder).

is over thanks to a strong U.S. economy. In Asia, the outlook continues to improve due to stronger global economic growth and moderately healthier finances."[14] A representative of Dillinger testified at the hearing that "{t}he European industries that purchase plate are also quite healthy."[15] According to data from EUROFER, consumption of quarto plate in the EU has risen almost 20 percent since 1996 and the market share of foreign imports is at a 7-year low.[16] However, domestic producers submitted that an industry analyst stated recently that "demand for steel is weakening in Asia."[17]

Belgium

Duferco pointed to the fact that it is a new entity, as of November 1997, with a focus on slabs and higher-valued products, concentrating its efforts in the EU via long-term contracts with longstanding customers.[18] ***.[19] Further, Duferco stated that *** of Duferco's plate from Belgium, and that *** of the imports were ***, which is only produced domestically by ***.[20] Usinor[21] indicated that it *** effective July 1, 2000, and that *** to the United States are through Duferco.[22] Usinor also indicated that ***.[23] Domestic producers noted that Usinor is ***.[24]

Brazil

The Brazilian respondents pointed to the fact that they are the only producers of plate in South America, they enjoy the benefits of Mercosur, and their home market demand has enjoyed unprecedented growth in recent quarters.[25] *Brazil Watch* recently noted "With few exceptions, everything is on track for sustained growth. A look at a wide range of numbers mid-September provides an almost uniformly positive outlook... Industrial production, edging up earlier in the year against weak base months in 1999, continues to grow against stronger second quarter of 1999."[26] Further, for Usiminas and Cosipa, less than *** percent of their plate sales in 2000 will be export sales. *American Metal Market* stated, "Brazil's two largest flat-rolled makers... have greatly cut back flat-rolled exports this year to supply a

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[14] "A Bethlehem Steel View of Plates," September 11, 2000.

[15] Plate TR, p. 220.

[16] German mills' response to Commission's questions, pp. 22-23.

[17] *American Metal Market Special Report: Flat-Rolled Steel*, September 6, 2000.

[18] Duferco's posthearing brief, p. 2.

[19] Ibid., p. 12.

[20] Ibid., pp. 36-37, and Duferco's response to Commission's questions, p. 15.

[21] Formerly Fabrique de Fer.

[22] Usinor's posthearing brief, pp. 1-2.

[23] Ibid., p. 6.

[24] Domestic posthearing brief, exh. 6.

[25] Brazilian posthearing brief, pp. 1, 5.

[26] *Brazil Watch*, September 18 - October 9, 2000, p. 1.

rekindled domestic market, in particular, increased auto sales."[27] Respondents also argued that the June 2000 Canadian decision to impose duties was not due to a large volume of imports from Brazil since the imports from Brazil were two-tenths of a percent away from being negligible and would only have represented one-tenth of a percent of 1998 U.S. apparent consumption.[28]

Domestic producers argued that ***.[29] Usiminas replied that the hot-rolling lines are increasingly being used for its newly-added and higher value-added cold-rolled and galvanized products, which are not subject to restraints.[30] The domestic producers have also noted import barriers in Brazil that restrict the flow of steel into Brazil through import tariffs, an import licensing system, "captive" distribution channels, market segmentation, cartel-like behavior, and cross-ownership.[31] The Brazilians have suggested that Commerce's report falls short of proving the allegations, and that Commerce has been forced to admit that Brazil has taken positive steps toward structural reform.[32]

Canada

Stelco stated that its exports have never been more than a few hundred tons per year of non-subject alloy plate to the United States.[33] It also stated that the Canadian industry is likely to perform substantially better over the foreseeable future than the U.S. industry.[34] Further, Stelco noted that the recent CITT antidumping finding will result in the exclusion of 137,000 tons of foreign plate from the Canadian market,[35] and that Canada is a net importer of plate.[36] Domestic producers pointed to Algoma's statement on September 13, 2000 that it was cutting steel production by 15 percent and laying off workers. Algoma attributed the reductions to "adverse market conditions" created by steel imports which affected both demand and pricing.[37]

Finland

Rautaruukki noted that it installed a new galvanizing line with a capacity of 450,000 tons per year this year, and it would be irrational to divert production of hot-rolled steel from the higher-value products to commodity-grade plate for shipment to the United States.[38] It also claimed that it does not compete head-to-head with commodity plate sold in the merchant market because it focuses on

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[27] *American Metal Market*, September 14, 2000. The article also noted that automobile production is up 24 percent in the first half of the year.

[28] Brazilian posthearing brief, p. 2.

[29] Domestic prehearing brief, p. 6.

[30] Brazilian posthearing brief, pp. 6-7.

[31] *Global Steel Trade*, pp. 98-106.

[32] Brazilian response to Commission's questions, exh. 9.

[33] Canadian posthearing brief, p. 2. Alloy plate is "not covered under any order."

[34] Ibid., p. 3.

[35] Ibid., p. 4.

[36] Ibid., p. 6.

[37] Domestic posthearing brief, p. 16.

[38] Finnish posthearing brief, p. 7.

prefabricated plate products which command higher prices.[39] Rautaruukki stated that 87 percent of its cut-to-length plate sales went to the EU in 1999 (94 to 97 percent if Europe as a whole is considered). Domestic producers noted that Rautaruukki is very export-oriented, with *** percent of its production going to export.[40]

Germany

The German respondents noted that despite the economic crises in Russia and Asia in 1998, the German plate producers did not increase their exports to third countries, but instead focused on maintaining the demand from their customer base in the EU.[41] In reply, domestic producers noted that in 1999, as exports of nonsubject German plate fell by 26 percent, exports to the United States of nonsubject German plate increased by 27 percent.

Further, the Germans noted that in 1998, as the result of a sunset review on carbon plate, Canada revoked the antidumping duty order on imports from Germany. Since that time, the German producers have not significantly increased their shipments to Canada.[42] The respondents also stated that, since 1993, their exports outside the European Community have dropped by 50 percent, and their capacity has dropped by 33 percent due to physical capacity closures (and will decline an additional 7 percent in 2001).[43] In addition, the German mills noted that they focus on special-quality steel products such as pressure vessel plate, line pipe plate, etc., while *** of U.S. production is of commodity-type plate.[44]

Mexico

AHMSA has argued that the following conditions of competition have changed since 1993. For example, it now functions as a fully privatized enterprise, rather than a newly-privatized one; its current business plan is not export-dependent; Mexico has a healthy economy; Mexican plate prices are significantly higher than U.S. prices; Mexico has a supply deficit for plate; and AHMSA closed its U.S. distribution affiliate, GANAHMSA.[45] Further, it noted its end-user inventory is already sold and its distributor inventory that is not sold is earmarked for just-in-time delivery.[46] However, domestic producers suggested that many companies *** of the same product.[47]

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[39] Ibid., p. 9.

[40] Domestic prehearing brief, vol. IV, p. 97.

[41] German mills' posthearing brief, p. 10.

[42] The German producers also point to the fact that they were not included among the countries in the recent Canadian antidumping inquiry. German mills' posthearing brief, p. 9.

[43] Ibid., pp. 3, 5.

[44] German mills' response to Commission's questions, pp. 11-12.

[45] Mexican posthearing brief, pp. 2-3.

[46] Ibid., pp. 5-6.

[47] Domestic posthearing brief, exh. 6.

Poland

Currently, the Polish government is struggling to meet the EU entry requirements, which include privatization of all steel plants by 2001 and reduction of the labor force, though it has enjoyed preferential access to the EU steel market for about 10 years. However, Poland has been struggling to attract investors. Since 1992, Polish crude steel capacity utilization has never exceeded 80 percent.[48] U.S. producers note that, "in the face of declining sales opportunities in the home and traditional export markets, Polish producers have powerful incentives to divert more cut-to-length plate to the United States."[49] The CITT in 2000 noted that the Polish plate producers in the fourth quarter of 1999 were offering plate at prices below the prices charged by the countries under investigation.[50]

Romania

Sidex contended that the virtual cessation of exports of plate to the United States is not due to the antidumping duty orders, but rather a symptom of the transition period caused by the change of political and economic regimes in December 1989.[51] Further, it contended the EU is the market of choice for Romania given the preferential duties it receives and Romania's continuing bid for accession to membership in the EU. Its shipments to the EU will only increase. It claims that with its exit from the U.S. market in 1993, it has had to develop other markets for its products, including galvanized strip which it makes in the same mill. Sidex also argues that as its privatization process proceeds, its capacity and production should decrease like most formerly state-owned companies.[52] Domestic producers noted that the ***.[53]

Spain

Aceralia's capacity utilization figures reflect its normal practice of ***.[54] It has filled close to *** percent of its order book for the fourth quarter of 2000 and *** percent through the first quarter of 2001. The domestic producers' prehearing brief noted that Aceralia is expanding its capacity, but Aceralia has responded that this is additional capacity of the hot strip mill, not of the plate mill (all of Aceralia's plate is produced in a discrete plate mill), and the intended capacity expansion is to increase cold-rolled sheet production so as to reduce the dependency on imports to produce cold-rolled.[55] Over *** percent of Aceralia's plate was sold in Spain in 1999, and another *** percent was sold to other EU

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[48] Domestic prehearing brief, pp. 105-107.

[49] Ibid., p. 47.

[50] Ibid., p. 108.

[51] Romanian posthearing brief, p. 3.

[52] Romanian prehearing brief, pp. 10-11.

[53] Domestic posthearing brief, exh. 6.

[54] Spanish posthearing brief, pp. 2-3.

[55] Domestic prehearing brief, pp. 112-113, and Spanish posthearing brief, pp. 4-5.

members.[56] Aceralia was privatized in 1997, which it claims changed its marketing of products; it now focuses "on establishing long-term customer relationships, with ownership of many of its distributors/customers."[57] Although the CITT maintained the antidumping and countervailing duty orders on Spain in 1998, Aceralia argues that the conditions of competition have changed since then. The review period for that inquiry was 1996 to 1998, ending precisely at the peak of the Asian financial crisis, which depressed production factors such as capacity utilization, and at a time of a "weakening of demand for carbon plate in Europe."[58] The U.S. producers noted that Aceralia's Gijon, Asturias facility ***, so Aceralia's assertion that capacity has decreased relates purely to the product mix between subject and nonsubject plate.[59]

Sweden

All subject plate produced by SSAB during the period of review was "made to order," and as a result, it maintains no inventory of subject plate.[60] SSAB has noted that only 13 percent of SSAB's steel production is plate.[61] It is now focusing on higher value-added specialty plate, such as alloy plate or high strength sheet.[62, 63] Domestic producers note, however, that there is no basis to conclude, based on SSAB's description, that this plate is nonsubject.[64] SSAB's focus since it was privatized in 1994 is on profit maximization rather than alternative goals such as full employment.[65] Domestic producers noted that SSAB's plate production is *** the company's overall production.[66]

Taiwan

Although there have not been many imports from Taiwan since the original investigation, U.S. producers asserted that Taiwan imports have reestablished a U.S. market presence despite the existence

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[56] Spanish posthearing brief, p. 6.

[57] Ibid., p. 9.

[58] Spanish response to Commission's questions, p. 11.

[59] Domestic posthearing brief, exh. 6.

[60] Swedish prehearing brief, p. 20.

[61] Ibid., p. 7.

[62] Ibid., pp. 14, 22.

[63] At the time of the original investigations, SSAB was predominantly a carbon steel maker, but it is now mostly a high strength sheet and alloy cut-to-length steel maker. Swedish posthearing brief, p. 2. SSAB's 1999 Annual Report states that, "As one of the medium-sized steel companies we decided, as early as the end of the 1980s, on a definite niche strategy, i.e., to achieve a leading position within a few well-defined, not too large, market segments." The Annual Report also indicates that SSAB maintains standard sheet and plate production to strengthen its market share in Sweden by offering a full range of products. Swedish prehearing brief, exh. 12.

[64] Domestic posthearing brief, exh. 6.

[65] Swedish prehearing brief, pp. 13-14.

[66] Domestic posthearing brief, exh. 6.

of the order, and Taiwan plate producers are aggressively export-oriented.[67] The two major plate producers in Taiwan have added crude steel capacity. Yieh Loong is planning to construct a heavy plate mill with a capacity of 1.5 million tons per year. Tung Ho, one of the two major Taiwan plate producers, has targeted its new plate production to the export market and anticipates earning "significant" revenues from plates.[68]

United Kingdom

Corus argued that its purchase in 1991 and subsequent expansion of Tuscaloosa would prevent it from exporting to the United States. It stated that Tuscaloosa can serve virtually all of the U.S. market that Corus U.K. might otherwise seek to serve, especially since Tuscaloosa is not currently running at full capacity. Further, Corus' business plans are to service the U.S. market via Tuscaloosa as evidenced by Corus' investment of more than $350 million recently in Tuscaloosa to make it a fully integrated plate producer. It further stated its intention to service the EU through Corus U.K.[69] Also, over *** percent of Corus U.K.'s shipments are consumed internally or shipped to other members of the EU.[70] IPSCO noted, however, that Corus produces a broader range of products in the United Kingdom than at Tuscaloosa, so that Corus will still be a part of the U.S. market.[71, 72] Corus had noted beforehand, though, that the products not produced at Tuscaloosa are high-strength structural steels at extreme widths and thicknesses, and are produced only in response to an order. Orders are not made on the basis of price, but rather quality performance, delivery performance, and reliability. Corus U.K. has built relationships with its customers in the EU based on these factors, but not in the United States.[73] IPSCO believes that Corus would begin dumping in the United States if the orders were lifted, since Corus did not file an entry of appearance to support continuation of the orders, while the Canadian-owned IPSCO did; and that Corus' non-entry into the Canadian market after revocation of its antidumping order is not relevant due to the disparity between the Canadian and U.S. plate markets.[74] U.S. producers also note that Corus recently announced second quarter operating losses of $141 million in its carbon steel operations, noting "subdued U.K. demand."[75] It should also be noted that the euro has been weakening with respect to the pound sterling recently, which may reduce Corus's ability to ship to continental Europe.

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[67] Domestic prehearing brief, p. 55.

[68] Ibid., pp. 122-124.

[69] Corus prehearing brief, pp. 14-15, and Corus response to Commission's questions, pp. 2-3.

[70] Corus prehearing brief, p. 2.

[71] In addition, Weirton alleges that there have been rumors that Corus' U.S. facilities may be sold.

[72] Weirton posthearing brief, p. 8.

[73] Corus prehearing brief, exh. 6.

[74] IPSCO response to Commission's questions, p. 8.

[75] Domestic posthearing brief, p. 15.

Privatization

IPSCO, Bethlehem, and USX have replied to respondents' claims that privatization is a changed condition of competition by suggesting that privatization will not change the behavior of subject foreign producers. They stated that the incentive to maintain full capacity by dumping excess tonnage at marginal cost remains.[76] Further, Bethlehem and USX contended that respondents' behavior would have already changed since *** subject companies were privatized before imposition of the order.[77]

Emphasis on Higher Value-Added Products

IPSCO noted that any emphasis on higher value-added product could be undone by the removal of the order. It asserts that any unused capacity figures provided by respondents might reflect longer times and more complicated processes required to make the specialty products.[78] Also, it asserts that a possible reason for producing these products instead could be the inability to ship commodity grade plate to the United States.[79] Bethlehem and USX added that "plate capacity is fungible, and capacity which is currently dedicated to non-subject plate could easily be re-dedicated to production of subject cut-to-length plate in the event that the demand for non-subject plate softens."[80]

U.S. Demand

Demand Characteristics

The overall demand for plate depends upon the demand for a variety of end-use applications, including the production of ships and barges, storage tanks, heavy machinery, bridges, railcars, machine parts, pressure vessels, and off-shore drilling platforms. Most responding U.S. producers and importers reported that overall demand was steady or had increased since the orders were issued. Increased demand was generally attributed to U.S. economic growth. Overall apparent consumption of plate increased by 24.1 percent from 6.6 million tons in 1997 to 8.2 million tons in 1998, but then fell by 27.0 percent to 6.0 million tons in 1999. Apparent consumption increased between interim 1999 and interim 2000 by 4.5 percent, from 1.56 million tons to 1.63 million tons. Apparent consumption in 1992 was 5.0 million tons.

Producers and importers were asked to identify any anticipated changes in future demand for plate. Most producers and importers reported that they did not anticipate any significant changes and that they expected demand to be stable.[81]

About half of the responding purchasers reported that demand for their final products incorporating plate had changed since the years of the orders while half said that demand had not

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[76] IPSCO response to Commission's questions, p. 7, and domestic posthearing brief, p. 9.

[77] Domestic posthearing brief, exh. 4.

[78] IPSCO response to Commission's questions, p. 7.

[79] Ibid., p. 7.

[80] Domestic posthearing brief, exh. 6.

[81] *** reported that domestic demand is expected to grow. Both ***.

changed. Of those reporting changes, about two-thirds reported increases in demand for their final products while the remaining one-third reported declines.[82]

World Steel Dynamics Price Track #63 dated October 28, 1999 reported that bridge building and oil drilling are the strong areas for plate, while machinery and railcar sectors were still weak.[83] Respondent SSAB submitted a September 2000 presentation of Bethlehem which included forecasts for various plate-using industries. The forecast of output growth by sector for 2000 are: farm, +2.4 percent; construction, +12.9 percent; metalworking, -0.5 percent; general industrial, +0.5 percent; and electrical, +0.3 percent. Also presented was the following outlook with respect to the plate industry: the second half of 2000 will start slower than the first half, but build as the year progresses; producers are trying to find profitability between light flat products and plate; supply currently exceeds demand, specifically on commodity grades (A-36 and A-572) and sizes (3/16" to 2"), thus pricing has become competitive; cut-to-length and coil plate shipments combined should remain between 11 and 12 million tons in 2001; new capacity (Nucor and IPSCO) will be over 2 million tons; overcapacity in plate domestically will cause producers to re-evaluate product strategies and consider further consolidation; e-commerce will bring about changes; and cut plate imports will increase slightly, while coil plate imports will remain constant. The forecast also predicted that growth in the "steel-intensive" sectors of the economy will slow to 2.4 percent per year.

Substitute Products

Most purchasers (23 of 28) reported that there were no other products that could be substituted for plate. The 5 that reported possible substitutes named roll formed shapes and castings, coil, and prestressed/precast concrete structural components.

Cost Share

The cost share of plate in end products varies widely depending on the specific end use and product but may account for a significant percentage. Some end-use products and the cost share of plate in these products, as reported by purchasers, are as follows: construction equipment, 0.5 to 1 percent; transformers, 2 percent; railcars, 14 to 17 percent; prefabricated metal buildings, 20 percent; equipment and machine parts, 50 percent; concrete mixers, 65 percent; and farm cultivator parts, 84 percent.[84]

E-commerce

Four of 13 responding producers noted that they either just began selling on the internet or plan to do so. No importers reported selling over the internet. One purchaser has bought 40 tons over the internet in 2000, and another replied that about 2 percent of its purchases were via e-commerce. For a more comprehensive treatment of this issue, see Part COLD-II.

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[82] Increased demand was specifically reported for pick-up trucks, sport utility vehicles, and railcars while decreased demand was reported for tank cars and offshore drilling.

[83] Domestic prehearing brief, exh. 25.

[84] It should be noted that these percentages seem high and apparently relate to the cost share of the part that goes into the end use, rather than the end use itself.

SUBSTITUTABILITY ISSUES

Purchase Factors

Most purchasers reported that they buy plate daily or weekly. Before making a purchase, most purchasers contact between 2 and 4 suppliers. Purchasers generally reported that they do not change suppliers frequently; a few reported that although they generally keep the same suppliers, the percentage purchased from each varies over time.

When asked to list the 3 most important factors considered when choosing a supplier, purchasers most often ranked price first (table PLATE-II-3). Quality and availability were also listed as important factors. Purchasers were also asked to rate 14 factors as very important, somewhat important, or not important (table PLATE-II-4). The factors most often rated as "very important" were availability, product quality, reliability of supply, product consistency, and delivery time.

Table PLATE-II-3
Plate: Most important factors considered when selecting a supplier (figures indicate the number of purchaser responses in each category)[1]

Factor	First	Second	Third
Quality	9	7	5
Price	12	6	8
Traditional supplier	0	0	1
Availability	4	7	5
Range of supplier's product line	0	0	1
Delivery	1	7	4
Service	1	0	1
Prearranged contracts	2	0	0
Other[2]	1	0	2

[1] Ten firms reported more than the top three factors; other factors included relationship with mills, price, range of size and grades, transportation issues, payment terms, location, terms and frequencies of deliveries, quality, flatness and surface finish, and on time delivery. Also, some firms reported more than one factor per ranking.
[2] "Other" includes consignment program for first factor and payment terms and past experience for third factor.

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

Table PLATE-II-4
Plate: Overall importance of factors in purchase decisions

Factor	Very important	Somewhat important	Not important
Availability	23	0	0
Delivery terms	11	9	3
Delivery time	18	4	0
Discounts offered	9	10	4
Lowest price	14	8	1
Minimum quantity requirements	6	13	4
Packaging	3	13	7
Product consistency	20	3	0
Product quality	23	0	0
Product range	7	12	4
Reliability of supply	23	0	0
Technical support/service	12	10	1
Transport network	8	11	4
U.S. transport costs	9	14	0
Source: Compiled from data submitted in response to Commission questionnaires.			

Comparisons of Domestic Products and Subject Imports

U.S. producers and importers generally reported that domestically produced plate products were interchangeable with imported plate products (table PLATE-II-5).[85] *** also replied that 60 to 70 percent of U.S. plate production could be substituted for by subject imports, but the remainder could not, due to quick delivery requirements.

Three U.S. producers reported lead times of 3 to 5 days while 9 reported lead times of 25 to 84 days. Three importers reported lead times of 1 to 7 days, one importer reported 30 days, and 6 reported 95 to 150 days.

Similarly, almost all U.S. producers and importers reported that differences other than price between U.S.-produced plate and subject imports were not significant factors in their firms' sales (table PLATE-II-6).[86] Such factors quoted by importers in their responses were: internal quality, dimensional tolerances and thickness specifications, flatness, shape, surface quality, rustiness, product range, technical support, reliability of delivery, and lead times. Producers and importers were also asked whether price differences are a significant factor in the firm's sales of plate; responses are summarized in

[85] However, ***. *** stated that U.S. plate typically commands a price premium over imported product due to availability and condition of the steel.

[86] ***, an importer, noted that lead times from *** are longer than those for domestic plate.

table PLATE-II-7. *** added that there are no significant differences in price after taking into account the cost of holding large inventories. Further, *** noted that Belgian steel is sold into a market where size range and specification are much more important than price.

Purchasers were asked to compare plate products produced in the United States to plate products produced in other countries on the basis of the 14 purchase factors discussed earlier. A summary of purchaser responses for all subject countries is shown in table PLATE-II-8.[87]

Comparisons of Imports from Subject Countries

Producers and importers generally reported that imports from subject countries were used interchangeably (table PLATE-II-5).

Comparisons of Domestic Products and Subject Imports to Nonsubject Imports

Based on quantity, the U.S. market share of nonsubject imports increased from 12.7 percent of total consumption in 1997 to 16.3 percent in 1998, then fell to 6.4 percent in 1999. Nonsubject import share was 8.8 percent in interim 2000. U.S. producers' and importers' comparisons between domestic products and subject imports to nonsubject imports are shown in tables PLATE-II-5 through PLATE-II-7.[88] When asked about significant price differences between countries' products, *** reported that nonsubject plate (e.g., from China, Indonesia, Russia, or Ukraine) is sold at a lower price due to it being a lower quality product.

Purchasers were asked to compare domestic and subject imports to nonsubject imports on 14 market characteristics. Only 1 comparison between the United States and a nonsubject plate producer was made (Japan).[89] A summary of the responses comparing domestic and Japanese plate is shown in table PLATE-II-8. There were no comparisons between subject and nonsubject plate producers made by more than 1 purchaser.

ECONOMIC MODELING

COMPAS Estimates

The elasticity estimates and exogenous growth in demand and supply estimates discussed in this section were used in the economic modeling analysis performed by staff and presented in appendix H.

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[87] Although Japan is not subject to the plate antidumping order, 3 purchasers compared U.S. plate to Japanese plate. Their replies are also shown in table PLATE-II-8.

[88] ***, an importer, stated that imports from subject countries are higher quality and provide better technical support compared to nonsubject countries such as China, Indonesia, Russia, and Ukraine.

[89] One response each was received comparing U.S. plate to that of China, Korea, Russia, and South Africa.

Table PLATE-II-5
Plate: Interchangeability between country pairs

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Belgium	11	0	6	2
U.S. vs. Brazil	13	0	6	1
U.S. vs. Canada	12	0	7	1
U.S. vs. Finland	11	0	5	1
U.S. vs. Germany	12	0	7	1
U.S. vs. Mexico	12	0	6	1
U.S. vs. Poland	11	0	6	1
U.S. vs. Romania	11	0	6	1
U.S. vs. Spain	11	0	5	1
U.S. vs. Sweden	11	0	5	1
U.S. vs. Taiwan	12	0	6	1
U.S. vs. United Kingdom	11	0	6	1
U.S. vs. nonsubject	12	0	8	0
Belgium vs. Brazil	10	0	6	0
Belgium vs. Canada	10	0	7	0
Belgium vs. Finland	10	0	5	0
Belgium vs. Germany	10	0	6	0
Belgium vs. Mexico	10	0	6	0
Belgium vs. Poland	10	0	6	0
Belgium vs. Romania	10	0	6	0
Belgium vs. Spain	10	0	5	0
Belgium vs. Sweden	10	0	5	0
Belgium vs. Taiwan	10	0	6	0
Belgium vs. United Kingdom	10	0	6	0
Belgium vs. nonsubject	10	0	4	1

Table continued on next page.

Table PLATE-II-5–Continued
Plate: Interchangeability between country pairs

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Brazil vs. Canada	10	0	7	0
Brazil vs. Finland	10	0	5	0
Brazil vs. Germany	10	0	6	0
Brazil vs. Mexico	11	0	6	0
Brazil vs. Poland	10	0	6	0
Brazil vs. Romania	10	0	6	0
Brazil vs. Spain	10	0	5	0
Brazil vs. Sweden	10	0	5	0
Brazil vs. Taiwan	11	0	6	0
Brazil vs. United Kingdom	11	0	6	0
Brazil vs. nonsubject	11	0	4	1
Canada vs. Finland	10	0	6	0
Canada vs. Germany	10	0	7	0
Canada vs. Mexico	10	0	7	0
Canada vs. Poland	10	0	7	0
Canada vs. Romania	10	0	7	0
Canada vs. Spain	10	0	6	0
Canada vs. Sweden	10	0	6	0
Canada vs. Taiwan	10	0	7	0
Canada vs. United Kingdom	10	0	7	0
Canada vs. nonsubject	10	0	5	1
Finland vs. Germany	10	0	6	0
Finland vs. Mexico	10	0	6	0
Finland vs. Poland	10	0	6	0
Finland vs. Romania	10	0	6	0

Table continued on next page.

Table PLATE-II-5–Continued
Plate: Interchangeability between country pairs

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Finland vs. Spain	10	0	5	0
Finland vs. Sweden	10	0	5	0
Finland vs. Taiwan	10	0	6	0
Finland vs. United Kingdom	10	0	6	0
Finland vs. nonsubject	10	0	4	1
Germany vs. Mexico	10	0	6	0
Germany vs. Poland	10	0	6	0
Germany vs. Romania	10	0	6	0
Germany vs. Spain	10	0	5	0
Germany vs. Sweden	10	0	5	0
Germany vs. Taiwan	10	0	6	0
Germany vs. United Kingdom	10	0	6	0
Germany vs. nonsubject	10	0	4	1
Mexico vs. Poland	10	0	6	0
Mexico vs. Romania	10	0	6	0
Mexico vs. Spain	10	0	5	0
Mexico vs. Sweden	10	0	5	0
Mexico vs. Taiwan	10	0	6	0
Mexico vs. United Kingdom	10	0	6	0
Mexico vs. nonsubject	11	0	4	1
Poland vs. Romania	10	0	6	0
Poland vs. Spain	10	0	5	0
Poland vs. Sweden	10	0	5	0
Poland vs. Taiwan	10	0	6	0
Poland vs. United Kingdom	10	0	6	0

Table continued on next page.

Table PLATE-II-5–Continued
Plate: Interchangeability between country pairs

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Poland vs. nonsubject	10	0	4	1
Romania vs. Spain	10	0	5	0
Romania vs. Sweden	10	0	5	0
Romania vs. Taiwan	10	0	6	0
Romania vs. United Kingdom	10	0	6	0
Romania vs. nonsubject	10	0	4	1
Spain vs. Sweden	10	0	5	0
Spain vs. Taiwan	10	0	6	0
Spain vs. United Kingdom	10	0	6	0
Spain vs. nonsubject	10	0	4	1
Sweden vs. Taiwan	10	0	6	0
Sweden vs. United Kingdom	10	0	6	0
Sweden vs. nonsubject	10	0	4	1
Taiwan vs. United Kingdom	11	0	6	0
Taiwan vs. nonsubject	11	0	4	1
United Kingdom vs. nonsubject	10	0	4	1
Source: Compiled from data submitted in response to Commission questionnaires				

Table PLATE-II-6
Plate: Existence of differences other than price between domestic and imported products

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Belgium	1	10	2	3
U.S. vs. Brazil	1	12	0	3
U.S. vs. Canada	1	11	0	4
U.S. vs. Finland	1	10	1	3
U.S. vs. Germany	1	11	0	3
U.S. vs. Mexico	1	11	0	3
U.S. vs. Poland	1	10	0	3
U.S. vs. Romania	1	10	0	3
U.S. vs. Spain	1	10	0	3
U.S. vs. Sweden	1	10	1	3
U.S. vs. Taiwan	1	11	0	3
U.S. vs. United Kingdom	1	10	0	3
U.S. vs. nonsubject	1	11	5	2
Belgium vs. Brazil	1	9	0	2
Belgium vs. Canada	1	9	0	3
Belgium vs. Finland	1	9	0	2
Belgium vs. Germany	1	9	0	2
Belgium vs. Mexico	1	9	0	2
Belgium vs. Poland	1	9	0	2
Belgium vs. Romania	1	9	0	2
Belgium vs. Spain	1	9	0	2
Belgium vs. Sweden	1	9	1	2
Belgium vs. Taiwan	1	9	0	2
Belgium vs. United Kingdom	1	9	0	2
Belgium vs. nonsubject	1	9	1	1

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Table PLATE-II-6–Continued
Plate: Existence of differences other than price between domestic and imported products

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Brazil vs. Canada	1	9	0	3
Brazil vs. Finland	1	9	0	2
Brazil vs. Germany	1	9	0	2
Brazil vs. Mexico	1	10	0	2
Brazil vs. Poland	1	9	0	2
Brazil vs. Romania	1	9	0	2
Brazil vs. Spain	1	9	0	2
Brazil vs. Sweden	1	9	0	2
Brazil vs. Taiwan	1	10	0	2
Brazil vs. United Kingdom	1	10	0	2
Brazil vs. nonsubject	1	10	1	1
Canada vs. Finland	1	9	0	3
Canada vs. Germany	1	9	0	3
Canada vs. Mexico	1	9	0	3
Canada vs. Poland	1	9	0	3
Canada vs. Romania	1	9	0	3
Canada vs. Spain	1	9	0	3
Canada vs. Sweden	1	9	1	3
Canada vs. Taiwan	1	9	0	3
Canada vs. United Kingdom	1	9	0	3
Canada vs. nonsubject	1	9	1	2
Finland vs. Germany	1	9	0	2
Finland vs. Mexico	1	9	0	2
Finland vs. Poland	1	9	0	2
Finland vs. Romania	1	9	0	2

Table continued on next page.

Table PLATE-II-6–Continued
Plate: Existence of differences other than price between domestic and imported products

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Finland vs. Spain	1	9	0	2
Finland vs. Sweden	1	9	1	2
Finland vs. Taiwan	1	9	0	2
Finland vs. United Kingdom	1	9	0	2
Finland vs. nonsubject	1	9	1	1
Germany vs. Mexico	1	9	0	2
Germany vs. Poland	1	9	0	2
Germany vs. Romania	1	9	0	2
Germany vs. Spain	1	9	0	2
Germany vs. Sweden	1	9	1	2
Germany vs. Taiwan	1	9	0	2
Germany vs. United Kingdom	1	9	0	2
Germany vs. nonsubject	1	9	1	1
Mexico vs. Poland	1	9	0	2
Mexico vs. Romania	1	9	0	2
Mexico vs. Spain	1	9	0	2
Mexico vs. Sweden	1	9	1	2
Mexico vs. Taiwan	1	10	0	2
Mexico vs. United Kingdom	1	10	0	2
Mexico vs. nonsubject	1	10	1	1
Poland vs. Romania	1	9	0	2
Poland vs. Spain	1	9	0	2
Poland vs. Sweden	1	9	1	2
Poland vs. Taiwan	1	9	0	2
Poland vs. United Kingdom	1	9	0	2

Table continued on next page.

Table PLATE-II-6–Continued
Plate: Existence of differences other than price between domestic and imported products

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Poland vs. nonsubject	1	9	1	1
Romania vs. Spain	1	9	0	2
Romania vs. Sweden	1	9	1	2
Romania vs. Taiwan	1	9	0	2
Romania vs. United Kingdom	1	9	0	2
Romania vs. nonsubject	1	9	1	1
Spain vs. Sweden	1	9	1	2
Spain vs. Taiwan	1	9	0	2
Spain vs. United Kingdom	1	9	0	2
Spain vs. nonsubject	1	9	1	1
Sweden vs. Taiwan	1	9	1	2
Sweden vs. United Kingdom	1	9	1	2
Sweden vs. nonsubject	1	9	2	1
Taiwan vs. United Kingdom	1	9	0	2
Taiwan vs. nonsubject	1	9	1	1
United Kingdom vs. nonsubject	1	9	1	1
Source: Compiled from data submitted in response to Commission questionnaires				

Table PLATE-II-7
Plate: Whether price differences between countries are significant in firms' sales of plate

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Belgium	10	0	2	4
U.S. vs. Brazil	11	0	2	2
U.S. vs. Canada	11	0	2	3
U.S. vs. Finland	10	0	2	2
U.S. vs. Germany	11	0	2	2
U.S. vs. Mexico	10	0	2	2
U.S. vs. Poland	10	0	2	2
U.S. vs. Romania	10	0	2	2
U.S. vs. Spain	10	0	2	2
U.S. vs. Sweden	10	0	2	2
U.S. vs. Taiwan	10	0	2	2
U.S. vs. United Kingdom	10	0	2	2
U.S. vs. nonsubject	10	0	6	3
Belgium vs. Brazil	9	0	2	1
Belgium vs. Canada	9	0	2	2
Belgium vs. Finland	9	0	2	1
Belgium vs. Germany	9	0	2	1
Belgium vs. Mexico	9	0	2	1
Belgium vs. Poland	9	0	2	1
Belgium vs. Romania	9	0	2	1
Belgium vs. Spain	9	0	2	1
Belgium vs. Sweden	9	0	2	1
Belgium vs. Taiwan	9	0	2	1
Belgium vs. United Kingdom	9	0	2	1
Belgium vs. nonsubject	9	0	3	0

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Table PLATE-II-7–Continued
Plate: Whether price differences between countries are significant in firms' sales of plate

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Brazil vs. Canada	9	0	2	2
Brazil vs. Finland	9	0	2	1
Brazil vs. Germany	9	0	2	1
Brazil vs. Mexico	9	0	2	1
Brazil vs. Poland	9	0	2	1
Brazil vs. Romania	9	0	2	1
Brazil vs. Spain	9	0	2	1
Brazil vs. Sweden	9	0	2	1
Brazil vs. Taiwan	9	0	2	1
Brazil vs. United Kingdom	9	0	2	1
Brazil vs. nonsubject	9	0	3	0
Canada vs. Finland	9	0	2	1
Canada vs. Germany	9	0	2	2
Canada vs. Mexico	9	0	2	2
Canada vs. Poland	9	0	2	2
Canada vs. Romania	9	0	2	2
Canada vs. Spain	9	0	2	2
Canada vs. Sweden	9	0	2	2
Canada vs. Taiwan	9	0	2	2
Canada vs. United Kingdom	9	0	2	2
Canada vs. nonsubject	9	0	3	1
Finland vs. Germany	9	0	2	1
Finland vs. Mexico	9	0	2	1
Finland vs. Poland	9	0	2	1
Finland vs. Romania	9	0	2	1

Table continued on next page.

Table PLATE-II-7–Continued
Plate: Whether price differences between countries are significant in firms' sales of plate

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Finland vs. Spain	9	0	2	1
Finland vs. Sweden	9	0	2	1
Finland vs. Taiwan	9	0	2	1
Finland vs. United Kingdom	9	0	2	1
Finland vs. nonsubject	9	0	3	0
Germany vs. Mexico	9	0	2	1
Germany vs. Poland	9	0	2	1
Germany vs. Romania	9	0	2	1
Germany vs. Spain	9	0	2	1
Germany vs. Sweden	9	0	2	1
Germany vs. Taiwan	9	0	2	1
Germany vs. United Kingdom	9	0	2	1
Germany vs. nonsubject	9	0	3	0
Mexico vs. Poland	9	0	2	1
Mexico vs. Romania	9	0	2	1
Mexico vs. Spain	9	0	2	1
Mexico vs. Sweden	9	0	2	1
Mexico vs. Taiwan	9	0	2	1
Mexico vs. United Kingdom	9	0	2	1
Mexico vs. nonsubject	9	0	3	0
Poland vs. Romania	9	0	2	1
Poland vs. Spain	9	0	2	1
Poland vs. Sweden	9	0	2	1
Poland vs. Taiwan	9	0	2	1
Poland vs. United Kingdom	9	0	2	1
Poland vs. nonsubject	9	0	3	0

Table continued on next page.

Table PLATE-II-7–Continued
Plate: Whether price differences between countries are significant in firms' sales of plate

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
Romania vs. Spain	9	0	2	1
Romania vs. Sweden	9	0	2	1
Romania vs. Taiwan	9	0	2	1
Romania vs. United Kingdom	9	0	2	1
Romania vs. nonsubject	9	0	3	0
Spain vs. Sweden	9	0	2	1
Spain vs. Taiwan	9	0	2	1
Spain vs. United Kingdom	9	0	2	1
Spain vs. nonsubject	9	0	3	0
Sweden vs. Taiwan	9	0	2	1
Sweden vs. United Kingdom	9	0	2	1
Sweden vs. nonsubject	9	0	3	0
Taiwan vs. United Kingdom	9	0	2	1
Taiwan vs. nonsubject	9	0	3	0
United Kingdom vs. nonsubject	9	0	3	0
Source: Compiled from data submitted in response to Commission questionnaires				

Table PLATE-II-8
Plate: Comparison of U.S. product with product from other countries,[1] as reported by U.S. purchasers

Factor	Belgium			Brazil			Canada			Finland			Germany			Mexico		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
	Number of firms responding																	
Availability	2	0	0	2	0	0	1	4	0	4	0	0	1	0	0	0	1	0
Delivery terms	0	2	0	2	0	0	1	4	0	1	3	0	1	0	0	1	0	0
Delivery time	1	1	0	2	0	0	1	4	0	3	1	0	1	0	0	1	0	0
Discounts offered	1	0	1	0	0	1	1	4	0	0	1	2	0	0	1	0	0	1
Lowest price	1	0	1	0	0	2	1	3	1	0	1	3	0	0	1	0	0	1
Minimum quantity requirements	1	1	0	0	1	1	1	4	0	0	4	0	1	0	0	0	1	0
Packaging	1	1	0	1	0	0	1	4	0	1	2	0	1	0	0	0	1	0
Product consistency	2	0	0	1	1	0	0	5	0	2	2	0	1	0	0	0	1	0
Product quality	1	1	0	1	1	0	0	5	0	2	2	0	1	0	0	0	1	0
Product range	2	0	0	2	0	0	2	3	0	4	0	0	1	0	0	1	0	0
Reliability of supply	2	0	0	2	0	0	1	4	0	4	0	0	1	0	0	0	1	0
Technical support/service	2	0	0	2	0	0	1	4	0	4	0	0	1	0	0	0	1	0
Transportation network	1	0	0	1	0	0	1	4	0	1	2	0	1	0	0	1	0	0
U.S. transportation costs	2	0	0	0	1	0	2	3	0	3	0	0	0	0	1	1	0	0
Other[2]	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0

See footnotes at end of table.

Table PLATE-II-8--Continued
Plate: Comparison of U.S. product with product from other countries,[1] as reported by U.S. purchasers

Factor	Poland			Romania			Spain			Sweden			Japan		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
	Number of firms responding														
Availability	2	0	0	1	0	0	1	0	0	0	1	0	3	0	0
Delivery terms	1	1	0	1	0	0	1	0	0	0	1	0	2	1	0
Delivery time	2	0	0	1	0	0	1	0	0	0	1	0	2	1	0
Discounts offered	0	1	1	0	1	0	0	1	0	0	1	0	0	1	1
Lowest price	0	0	2	0	1	0	0	1	0	1	0	0	0	1	1
Minimum quantity requirements	1	1	0	1	0	0	0	1	0	0	1	0	2	1	0
Packaging	1	1	0	1	0	0	0	1	0	0	1	0	2	1	0
Product consistency	2	0	0	1	0	0	0	1	0	0	1	0	0	3	0
Product quality	2	0	0	1	0	0	1	0	0	0	0	1	0	3	0
Product range	2	0	0	1	0	0	1	0	0	0	1	0	3	0	0
Reliability of supply	2	0	0	1	0	0	1	0	0	0	1	0	3	0	0
Technical support/service	2	0	0	1	0	0	1	0	0	0	1	0	3	0	0
Transportation network	1	0	0	1	0	0	1	0	0	0	1	0	3	0	0
U.S. transportation costs	2	0	0	1	0	0	1	0	0	0	1	0	1	2	0
Other[2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] No purchasers compared Taiwan or United Kingdom plate with U.S. plate. No other nonsubject countries' plate was compared with U.S. plate by more than one purchaser.
[2] Other includes a response for "inside sales/service."

Note.--S = U.S. superior, C = U.S. and other country comparable, I = U.S. inferior.

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

U.S. Supply Elasticity[90]

On the basis of information relating to cost structure, capacity utilization, the importance of export markets, and the flexibility of shifting production between plate and other products, an elasticity in the range of 5 to 10 was suggested in the prehearing report. Domestic producer IPSCO responded that this high elasticity implies that most harm to the domestic industry would occur because of quantity declines and suggested an elasticity in the range of 1 to 3, contending that price declines as well as

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

volume effects have both been significant in the past.[91] However, due to its high fixed costs, the steel industry relies heavily on running near full capacity, so that any volume effects would make them "particularly susceptible to profit erosion."[92] Further, the increased use of Steckel mills in recent years has increased the possibility for production alternatives to a limited extent. Therefore, the elasticity of domestic supply used in the modeling simulations is 3 to 7.

Elasticity of Foreign Supply

The import supply elasticity measures the response in imports to a change in the U.S. market price. The prehearing report suggested an import supply elasticity estimate of 10 or greater. IPSCO disagreed with this estimate for the elasticity of nonsubject foreign supply, arguing that it should be considerably lower (in the range of 1 to 3), since a large portion of nonsubject imports are under antidumping and/or countervailing duty orders or are regulated under suspension agreements. IPSCO agreed with the staff estimate in the prehearing report, however, for the elasticity of subject country supply, noting that there is enormous excess global capacity in plate, and exports from these countries to non-U.S. markets have generally fallen off in the past year.[93] The foreign respondents disagreed with the import supply elasticity in general, noting that it should be in the range of 1 to 3. They noted that the foreign producers have directed their efforts to developing home and third country markets, and that almost all have succeeded in building strong and growing home markets. Also, subject producers have shifted their product mixes to higher value-added products to service these markets. They noted that prices in foreign markets are comparable to or higher than those in the United States. Fourth, they argued that privatization of the plate industry has made the foreign producers less inclined to push high volumes of commodity plate into the U.S. market. Finally, they agreed with IPSCO with respect to the 1997 and 2000 duties placed on other countries' plate.[94]

With the increased number of duties and import limits due to suspension agreements on nonsubject plate, staff agrees with counsel for both sides and will use an estimate of 1 to 3 for nonsubject foreign supply. Based on capacity utilization rates from the foreign producers questionnaire responses, capacity utilization is high, and home market consumption has increased in most subject countries, but utilization rates would be lower if based on data submitted by the domestic producers. There also has been a shift toward higher value-added products in most subject countries. Further, there is more incentive for subject EU member countries to ship within the EU since there are lower transportation costs, no currency risks (except for Sweden and the United Kingdom), and no barriers to trade. However, the subject countries could still shift to producing commodity plate on any excess capacity they may have. As a result, the following subject foreign supply elasticity estimates were used in the COMPAS analysis: 3 to 7 for the 6 countries within the EU, and 4 to 8 for Brazil, Canada, Mexico, and Romania. Estimates of 10 to 20 were used for the supply elasticity of Poland and Taiwan. Testimony and exports to third countries suggest that U.S. importers may be able to increase shipments significantly from these countries.

U.S. Demand Elasticity

The U.S. demand elasticity for plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of this product. Based on information about substitute products and

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[91] IPSCO's prehearing brief, p. I-20.

[92] Domestic cold-rolled posthearing brief, p. 20.

[93] IPSCO's prehearing brief, p. I-21.

[94] Respondents' joint economic report, pp. 66-67.

cost shares, the prehearing report suggested a demand elasticity in the range of -0.25 to -0.75. Due to the lack of substitutes for plate and its relatively small cost share in final products, domestic producer IPSCO suggests that demand elasticity should be in the lower portion of this range, between -0.2 and -0.4.[95] However, responses from questionnaires relating to cost shares do not support this level, and 6 of 29 purchasers did note some substitute products. Therefore, there does not seem to be a strong case for lowering the original estimate.

Substitution Elasticity

The substitution elasticity is a measure of the degree to which domestically-produced plate and imported products from subject countries are substitutable across a range of possible uses. Based on the information relating to product range, quality, availability, degree of interchangeability, and other factors, the prehearing report proposed that the elasticity of substitution falls in the 3 to 5 range for all 12 countries. IPSCO disagreed with this estimate, noting that it should be higher (in the range of 5 to 7), because of the interchangeable nature of the product and two prior econometric studies of the industry. A 1989 study estimated the elasticity of substitution of steel to be 7.5 and the 1992 antidumping investigation of circular welded pipes and tubes used an estimate of 4.75 to 5.91.[96] Due to the increased focus on specialty plate made in subject countries for specific purposes, the lower end of the estimate from 1992 should be decreased. However, there is still the possibility of producing commodity-type plate on the same mills, so the prehearing suggestion should be increased on the high end. Therefore, the range of elasticity of substitution used in the COMPAS analysis is 3 to 6.

Exogenous Growth in Demand

As discussed previously, most U.S. producers and importers of plate did not expect any significant changes in demand. Approximately half of the purchasers responded that demand for their products had changed since 1992, with two-thirds saying that demand had increased, and one-third saying that demand had declined. Based on available information, the estimate for the exogenous change in demand for plate was suggested to be in the range of -2 to +3 percent per year.

Domestic producer IPSCO claimed that it is inappropriate to include assumptions about industry growth, so growth estimates should be excluded from the simulation. However, it also suggested that the possibility for negative growth should be included in order to assess domestic industry vulnerability in case of a cyclical downturn.[97] The sunset COMPAS model simulates zero, low, and high growth scenarios. Therefore, in using the original estimates, both of IPSCO's concerns are addressed, and a simulation with growth is provided.

Exogenous Growth in Supply

Based on available information, exogenous growth in supply for plate was suggested to be in the range of -5 to +5 percent per year in the prehearing report. U.S. producers reported that U.S. plate supply is expected to remain fairly stable, with mills using their capacity to produce finished plate or for downstream purposes. Thus, capacity could increase or decrease depending on demand for plate vis-a-vis other downstream products. The original estimate was used in the modeling.

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[95] IPSCO's prehearing brief, p. I-19.

[96] Ibid., p. I-21.

[97] Ibid., pp. I-21-22.

COMPAS Results

This analysis uses a nonlinear partial equilibrium model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used for the analysis of trade policy changes in both partial and general equilibrium. Based on the discussion earlier, staff has selected a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity, demand elasticity, and substitution elasticities) in the U.S. plate market. The model uses these estimates along with data on market shares and Commerce's estimation of the likely level of dumping and subsidy that will recur or continue.[98] Subject countries were grouped into three categories based on their estimated elasticities of foreign supply: EU, non-EU, and Poland and Taiwan. Commerce's "all others" rate was used to estimate the dumping and countervailing duty margins. The analysis uses the most recent one-year period, 1999, as the base year. The model results suggest the possible effects of revocation of the antidumping and countervailing duty orders on the domestic plate industry over a one-year time period only, i.e., from 1999 to 2000.[99] The possible effects over a longer time period are not part of this modeling exercise. Finally, the model does not assume that all of the dumping and countervailing duty margins will be passed forward to U.S. prices of the subject imports.

The model simulates zero growth, low growth, and high growth scenarios. Based on staff's estimates and the dumping and countervailing duty margins provided by Commerce, the modeling results indicate that in a market with zero growth there would be a 0.3 to 1.2 percent decline from the current (i.e., fair) levels in U.S. prices in the event that the dumping and subsidization of subject plate recurs or continues.[100] The model results indicate that there would be a decrease of between 1.8 and 8.2 percent from the current quantity levels of U.S. producers. Finally, revenues of U.S. plate producers would decline by 2.2 to 9.2 percent from current levels if dumping and subsidization recurred or continued.

The high growth scenario used an estimate of 3-percent growth. Under these conditions, the U.S. plate market would notice a decline in prices of between 0.6 and 1.7 percent from current levels if the orders were revoked. Also, U.S. producers would notice a change in quantity of between -5.2 and +1.5 percent from current levels. Given these changes, revenues of U.S. plate producers would change by -6.5 to +0.6 percent (from current levels) if dumping and subsidization recurred or continued.

Given the maturity of the plate market, in the low growth scenario the market was estimated to have contracted 2 percent. Under these circumstances, the change in price due to the revocation of the antidumping and countervailing duty orders ranged between a decrease of 0.7 percent and an increase of 0.2 percent. Similarly, quantities sold by U.S. plate producers would decrease by 4.2 to 10.2 percent. With these estimates, U.S. producers' revenues would decline by 4.0 to 10.8 percent if the orders were lifted.

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[98] IPSCO suggested that the appropriate market shares to be used are those from 1990-92, since the U.S. economy had only begun its recovery in 1992, and it was a time of depressed demand. Also, IPSCO noted that VRAs were still in effect in 1990-91 and expired in 1992, which had a dampening effect on imports at that time. IPSCO prehearing brief, pp I-23-25. However, the administrative review antidumping duty levels are relatively low on many of the countries. Further, most of the world outside of the United States was suffering from depressed demand throughout at least the first portion of 1999, leading to possible increases in exports to the United States. Therefore, 1999 import shares were used in the analysis, except for Taiwan, which last exported to the United States during 1998.

[99] The model results presented in this report estimate the effects of the revocation of the antidumping and countervailing duty orders for plate from the 12 subject countries as they existed in 1999. The predicted results are for 2000.

[100] See app. H for model results.

Other Submitted Models

Both domestic producers and respondents submitted their own economic models. Domestic producers used a COMPAS-type model with linear demand and supply curves and respondents submitted a "probabilistic COMPAS" model. A review of their work was transmitted to the Commission in a separate memorandum.

PART III: CONDITION OF THE U.S. INDUSTRY

Information in this part of the report is based upon the questionnaire responses of 20 firms that are believed to account for approximately 100 percent of U.S. commercial shipments of plate in 1999 based on AISI data. The respondent plate producers represented in this section are: ***.[1]

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

Data on capacity, production, and capacity utilization for plate are presented in table PLATE-III-1. From 1997 to 1999 capacity increased by 14.0 percent, production decreased by 4.0 percent, and capacity utilization decreased by 12.4 percentage points. For the period between January-March 1999 and January-March 2000, capacity increased by 4.7 percent, production increased by 27.8 percent, and capacity utilization increased by 13.1 percentage points.

Table PLATE-III-1
Plate: U.S. producers' capacity, production, and capacity utilization, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Capacity (*short tons*)	7,338,833	9,090,730	8,367,246	2,100,783	2,199,719
Production (*short tons*)	5,763,807	6,830,947	5,534,481	1,243,413	1,589,384
Capacity utilization (*percent*)	78.5	75.1	66.1	59.2	72.3
Source: Compiled from data submitted in response to Commission questionnaires.					

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

Table PLATE-III-2 presents data on U.S. producers' domestic shipments, company transfers, and export shipments.

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of plate increased 3.6 percent from 1997 to 1999, and further increased 4.9 percent from January-March 1999 to January-March 2000 (table PLATE-III-3).

U.S. PRODUCERS' IMPORTS

One U.S. producer reported imports of plate during the period of review. ***.

[1] ***.

Table PLATE-III-2
Plate: 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)*		
Commercial shipments	5,228,499	6,028,716	4,943,781	1,143,565	1,457,531
Internal shipments	308,705	497,716	445,310	155,318	57,957
U.S. shipments	5,537,204	6,526,432	5,389,091	1,298,883	1,515,488
Export shipments	171,328	227,108	220,092	42,725	87,507
Total	5,708,532	6,753,540	5,609,183	1,341,608	1,602,995
			Value *(1,000 dollars)*		
Commercial shipments	2,352,568	2,705,376	1,847,791	453,033	544,215
Internal shipments	134,685	211,103	155,413	55,779	19,900
U.S. shipments	2,487,253	2,916,479	2,003,204	508,812	564,115
Export shipments	78,063	103,684	80,474	16,170	31,467
Total	2,565,316	3,020,163	2,083,678	524,982	595,582
			Unit value *(per short ton)*		
Commercial shipments	$449.95	$448.75	$373.76	$396.16	$373.38
Internal shipments	436.29	424.14	349.00	359.13	343.36
U.S. shipments	449.19	446.87	371.71	391.73	372.23
Export shipments	455.63	456.54	365.64	378.47	359.59
Total	449.38	447.20	371.48	391.31	371.54

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

Table PLATE-III-3
Plate: U.S. producers' end-of-period inventories, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Inventories (*short tons*)	390,001	467,710	403,893	363,296	381,134
Ratio to production (*percent*)	6.8	6.8	7.3	7.3	6.0
Ratio to U.S. shipments (*percent*)	7.0	7.2	7.5	7.0	6.3
Ratio to total shipments (*percent*)	6.8	6.9	7.2	6.8	5.9
Source: Compiled from data submitted in response to Commission questionnaires.					

U.S. PRODUCERS' PURCHASES

*** was the only producer to report purchases of plate over the period of these reviews. ***.

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

Table PLATE-III-4 presents data on the U.S. producers employment, wages, and productivity.

Table PLATE-III-4
Average number of production and related workers producing plate, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Production and related workers	8,021	8,337	6,558	6,535	6,746
Hours worked (*1,000*)	17,086	17,835	13,401	3,300	3,597
Wages paid (*$1,000*)	378,451	401,639	301,881	73,019	82,221
Hourly wages	$22.15	$22.52	$22.53	$22.12	$22.86
Productivity (*short tons/1,000 hours*)	333.0	378.8	408.5	369.2	434.9
Unit labor costs (*per short ton*)	$66.53	$59.45	$55.14	$59.93	$52.56
Source: Compiled from data submitted in response to Commission questionnaires.					

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

Twelve producers of plate[2] provided financial data. Approximately *** percent of plate products in 1999 were either internally consumed or transferred to related companies.

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

Operations on Plate

The results of the 12 responding U.S. producers' operations producing plate are presented in table PLATE-III-5. Per-short-ton sales values for the combined firms decreased continuously from 1997 to 1999, while unit COGS for the combined firms also decreased for the same period. Operating income per short ton for the combined firms increased somewhat from 1997 to 1998 and declined substantially from 1998 to 1999. For the interim periods, per-short-ton net sales values decreased in interim 2000 (by $33), but by less than the decline in unit COGS (by $57) and SG&A expenses (by $7), resulting in a considerably lower operating loss (improved by $31) in interim 2000 compared to interim 1999. In summary, net sales volume and values increased from 1997 to 1998 and decreased from 1998 to 1999. For the interim periods, both net sales values and volume increased from interim 1999 to interim 2000. Operating income and per-unit profitability show exactly the same pattern as net sales volume and values for the entire period. The results of operations by firm are presented in table PLATE-III-6. Four producers had an operating income for all periods.

Selected cost data of the producers on their operations for the subject products are presented in table PLATE-III-7. Total unit COGS and total unit cost (COGS and SG&A expenses combined) decreased continuously from 1997 to 1999. Direct labor costs decreased from 1997 to 1998 while raw material costs (down) and factory overhead (up) moved in the opposite direction between 1998 and 1999. SG&A expenses increased continuously from 1997 through 1999. Total unit costs decreased by $6 from 1997 to 1998 and decreased again in 1999 from 1998, by $4. For the interim periods, labor costs and factory overhead decreased significantly in interim 2000 compared to interim 1999, while material costs decreased slightly for the same period. SG&A expenses decreased in interim 2000. Overall total unit costs fell by almost $63 in interim 2000, due to a significant decline of $56 in fabrication costs (labor and factory overhead combined).

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

Table PLATE-III-5
Results of operations of U.S. producers in the production of plate, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
	Quantity (*short tons*)				
Commercial sales	4,930,017	5,753,465	4,403,988	1,016,386	1,270,557
Internal consumption	***	***	***	***	***
Related company transfers	***	***	***	***	***
Total net sales	5,010,162	5,929,487	4,532,809	1,047,213	1,292,487
	Value (*$1,000*)				
Commercial sales	2,224,180	2,589,426	1,693,128	413,229	475,028
Internal consumption	***	***	***	***	***
Related company transfers	***	***	***	***	***
Total net sales	2,260,302	2,664,135	1,738,319	425,634	482,604
COGS	2,097,346	2,436,994	1,834,144	450,816	482,287
Gross profit	162,956	227,141	(95,825)	(25,182)	317
SG&A expenses	73,306	92,850	81,242	20,849	17,402
Operating income (loss)	89,650	134,291	(177,067)	(46,031)	(17,085)
Interest expense	47,699	76,782	61,537	16,140	14,580
Other expense	11,773	17,282	27,236	3,875	9,813
Other income items	6,200	6,610	7,373	2,876	4,245
Net income (loss)	36,378	46,837	(258,467)	(63,170)	(37,233)
Depreciation/amortization	105,895	135,501	93,611	28,536	22,039
Cash flow	142,273	182,338	(164,856)	(34,634)	(15,194)
	Number of firms reporting				
Operating losses	3	1	6	6	5
Data	11	12	12	12	12

Table continued on next page.

Table PLATE-III-5--Continued
Results of operations of U.S. producers in the production of plate, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
	Value (*per short ton*)				
Net sales	$451	$449	$383	$406	$373
COGS	419	411	405	430	373
Gross profit	33	38	(21)	(24)	0
SG&A expenses	15	16	18	20	13
Operating income (loss)	18	23	(39)	(44)	(13)
	Ratio to net sales (*percent*)				
COGS	92.8	91.5	105.5	105.9	99.9
Gross profit	7.2	8.5	(5.5)	(5.9)	0.1
SG&A expenses	3.2	3.5	4.7	4.9	3.6
Operating income (loss)	4.0	5.0	(10.2)	(10.8)	(3.5)

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

Table PLATE-III-6
Results of operations of U.S. producers (by firm) in the production of plate, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

A variance analysis showing the effects of prices and volume on the producers' net sales of plate, and of costs and volume on their total cost, is shown in table PLATE-III-8. The information for this variance analysis is derived from table PLATE-III-5. This analysis is more effective when the product involved is a homogeneous product with no variation in product mix within a firm and between firms. The analysis is summarized at the bottom of the table. Operating income increased by $45 million in 1998 from 1997 and decreased by $311 million in 1999 from 1998. The analysis shows that the substantial decrease in operating income between 1997 and 1999 was attributable mainly to lower average prices (price variance). From 1997 to 1999, the negative effect of decreasing unit sales values (negative $307 million) was not overcome by positive (favorable) effects of decreasing costs and expenses ($48 million).

Table PLATE-III-7
Results (per short ton) of operations of U.S. producers in the production of plate, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
COGS:	Value (*per short ton*)				
Raw materials	$169	$171	$156	$159	$157
Direct labor	70	66	66	75	61
Factory overhead	179	175	183	197	155
Total COGS	419	411	405	430	373
SG&A expenses:					
Selling expenses	5	4	5	6	4
G&A expenses	10	11	13	14	10
Total SG&A expenses	15	16	18	20	13
Total cost	433	427	423	450	387

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

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, are presented in table PLATE-III-9. Capital expenditures of all producers combined decreased continuously from 1997 through 1999, while R&D expenses combined decreased in 1999 compared to 1998. Capital expenditures and R&D expenses in interim 2000 decreased compared to interim 1999.[3]

The original cost and book value of productive facilities for cut-to-length plate products[4] decreased in 1999 from 1998 while those values for interim 2000 increased from interim 1999.

[3] ***.

[4] ***.

Table PLATE-III-8
Variance analysis of operations of U.S. producers in the production of plate between fiscal years 1997-99 and between January-March 1999 and January-March 2000

Item	Between fiscal years			Jan.-Mar.
	1997-99	1997-98	1998-99	1999-2000
	Value (*$1,000*)			
Net sales:				
Price variance	(306,628)	(10,914)	(298,285)	(42,720)
Volume variance	(215,355)	414,747	(627,531)	99,690
Total net sales variance	(521,983)	403,833	(925,816)	56,970
Cost of sales:				
Cost variance	63,373	45,198	28,821	74,117
Volume variance	199,829	(384,846)	574,029	(105,588)
Total cost variance	263,202	(339,648)	602,850	(31,471)
Gross profit variance	(258,781)	64,185	(322,966)	25,499
SG&A expenses:				
Expense variance	(14,920)	(6,093)	(10,263)	8,330
Volume variance	6,984	(13,451)	21,871	(4,883)
Total SG&A variance	(7,936)	(19,544)	11,608	3,447
Operating income variance	(266,717)	44,641	(311,358)	28,946
Summarized as:				
Price variance	(306,628)	(10,914)	(298,285)	(42,720)
Net cost/expense variance	48,453	39,105	18,559	82,447
Net volume variance	(8,542)	16,450	(31,632)	(10,781)

Note.--Unfavorable variances are shown in parentheses; all others are favorable.

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

Table PLATE-III-9
Capital expenditures, R&D expenses, and assets utilized by U.S. producers in their production of plate, 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	97,343	94,006	82,860	16,514	8,964
R&D expenses	***	***	***	***	***
Productive facilities:					
Original cost	2,612,215	2,640,160	2,463,658	2,329,102	2,501,151
Book value	1,264,615	1,385,373	1,295,782	1,255,914	1,290,045
Source: Compiled from data submitted in response to Commission questionnaires.					

PART IV: U.S. IMPORTS AND THE INDUSTRIES IN BELGIUM, BRAZIL, CANADA, FINLAND, GERMANY, MEXICO, POLAND, ROMANIA, SPAIN, SWEDEN, TAIWAN, AND THE UNITED KINGDOM

U.S. IMPORTS

According to official Commerce statistics, U.S. imports of plate from subject countries increased by 105.2 percent from 1997 to 1999, then decreased 71.9 percent from January-March 1999 to January-March 2000. U.S. imports of plate from nonsubject sources decreased by 55.1 percent from 1997 to 1999, then further decreased by 51.0 percent from January-March 1999 to January-March 2000. Imports from nonsubject countries accounted for 93.0 percent of total imports in 1997 and 74.4 percent in 1999. Data on U.S. imports of plate are presented in table PLATE-IV-1.[1]

U.S. IMPORTERS' INVENTORIES

U.S. importers' inventories of plate are presented in table PLATE-IV-2.

THE INDUSTRIES IN BELGIUM, BRAZIL, CANADA, FINLAND, GERMANY, MEXICO, POLAND, ROMANIA, SPAIN, SWEDEN, TAIWAN, AND THE UNITED KINGDOM

Belgium

There are two producers of plate in Belgium. Counsel provided data on behalf of Duferco and Industeel,[2] which reported they accounted for *** percent of Belgium production of plate in 1999, and *** percent of such exports to the United States. Table PLATE-IV-3 presents the Belgian mills' data.

Forges de Clabecq, the largest producer of plate in Belgium, went bankrupt in January 1997. Its assets were purchased by a new company, Duferco Clabecq, in November 1997, and production started in February 1998. The new management implemented several changes: ***

* * * * * * *

Plate accounted for between *** percent of the Belgian mills' total sales in the most recent fiscal year.[3] Capacity to produce plate in 2000 ***. Approximately *** percent of Duferco's plate production on the equipment used to produce subject material is ***. Industeel reported that ***. In 1999, over *** percent of Duferco's total sales were sold in Europe. Export markets other than the United States include ***. Belgian plate is currently not subject to any penalty tariff or non-tariff barriers in any country. EU

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[1] Data for plate are provided for in HTS headings 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, and 7211.14.0045.

[2] Fabrique de Fer changed its name on July 1, 2000 to Usinor Industeel. Industeel is *** percent owned by Usinor of France.

[3] Duferco also reported that plate accounted for *** percent of its total sales in the first 6 months of the current fiscal year.

Table PLATE-IV-1
Plate: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Source	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Quantity *(short tons)*		
Belgium	66	8,051	8,591	335	2,876
Brazil	4,172	1,430	1,358	1,276	270
Canada	55,815	76,005	66,955	19,072	15,252
Finland	34	1,024	28	10	0
Germany	10,716	2,512	1,296	250	1,649
Mexico	225	50,366	74,696	48,910	33
Poland	4,312	477	71	55	0
Romania	56	620	348	0	0
Spain	0	446	356	10	0
Sweden	123	0	188	0	52
Taiwan	0	223	0	0	16
United Kingdom	781	18,726	2,706	1,875	27
Subtotal	76,300	159,880	156,593	71,791	20,176
All others	1,013,763	1,535,882	455,645	184,866	90,570
Total	1,090,064	1,695,762	612,238	256,657	110,746
			Value *(1,000 dollars)*		
Belgium	33	4,046	3,537	160	1,111
Brazil	2,357	801	553	518	128
Canada	24,211	32,248	24,798	7,506	5,629
Finland	29	387	11	4	0
Germany	3,990	1,623	594	111	782
Mexico	98	16,968	21,757	15,277	21
Poland	1,544	167	23	17	0
Romania	21	166	114	0	0
Spain	0	191	191	7	0
Sweden	27	0	90	0	17

Table continued on next page.

Table PLATE-IV-1--Continued
Plate: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Source	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Value *(1,000 dollars)*		
Taiwan	0	55	0	0	7
United Kingdom	336	11,545	924	584	14
Subtotal	32,647	68,197	52,592	24,185	7,709
All others	365,158	581,574	140,573	64,947	24,917
Total	397,805	649,771	193,165	89,132	32,627
			Unit value *(per short ton)*		
Belgium	$507.17	$502.51	$411.74	$476.81	$386.23
Brazil	564.96	560.19	407.00	406.41	474.02
Canada	433.77	424.29	370.36	393.56	369.05
Finland	848.26	378.06	411.39	428.24	0.00
Germany	372.32	645.90	458.11	446.42	474.19
Mexico	434.23	336.90	291.28	312.34	631.15
Poland	358.10	350.76	320.50	310.36	0.00
Romania	386.73	267.36	327.02	0.00	0.00
Spain	0.00	427.49	538.14	763.22	0.00
Sweden	219.97	0.00	478.38	0.00	324.96
Taiwan	0.00	246.82	0.00	0.00	454.24
United Kingdom	430.38	616.53	341.57	311.51	523.46
Subtotal	427.88	426.55	335.85	336.88	382.09
All others	360.20	378.66	308.51	351.32	275.12
Average	364.94	383.17	315.51	347.28	294.61
			Share of quantity *(percent)*		
Belgium	0.0	0.5	1.4	0.1	2.6
Brazil	0.4	0.1	0.2	0.5	0.2
Canada	5.1	4.5	10.9	7.4	13.8
Finland	0.0	0.1	0.0	0.0	0.0

Table continued on next page.

Table PLATE-IV-1--Continued
Plate: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Source	Calendar year			January-March	
	1997	1998	1999	1999	2000
Share of quantity *(percent)*					
Germany	1.0	0.1	0.2	0.1	1.5
Mexico	0.0	3.0	12.2	19.1	0.0
Poland	0.4	0.0	0.0	0.0	0.0
Romania	0.0	0.0	0.1	0.0	0.0
Spain	0.0	0.0	0.1	0.0	0.0
Sweden	0.0	0.0	0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0	0.0
United Kingdom	0.1	1.1	0.4	0.7	0.0
Subtotal	7.0	9.4	25.6	28.0	18.2
All others	93.0	90.6	74.4	72.0	81.8
Total	100.0	100.0	100.0	100.0	100.0
Share of value *(percent)*					
Belgium	0.0	0.6	1.8	0.2	3.4
Brazil	0.6	0.1	0.3	0.6	0.4
Canada	6.1	5.0	12.8	8.4	17.3
Finland	0.0	0.1	0.0	0.0	0.0
Germany	1.0	0.2	0.3	0.1	2.4
Mexico	0.0	2.6	11.3	17.1	0.1
Poland	0.4	0.0	0.0	0.0	0.0
Romania	0.0	0.0	0.1	0.0	0.0
Spain	0.0	0.0	0.1	0.0	0.0
Sweden	0.0	0.0	0.0	0.0	0.1
Taiwan	0.0	0.0	0.0	0.0	0.0
United Kingdom	0.1	1.8	0.5	0.7	0.0
Subtotal	8.2	10.5	27.2	27.1	23.6
All others	91.8	89.5	72.8	72.9	76.4
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official Commerce statistics.

Table PLATE-IV-2
Plate: U.S. importers' end-of-period inventories of imports, by sources, 1997-99, January-March 1999, and January-March 2000

Source	Calendar year			January-March	
	1997	1998	1999	1999	2000
Imports from nonsubject sources:[1]					
Inventories (*short tons*)	72,472	89,292	46,019	83,800	21,318
Ratio to imports (*percent*)	19.1	8.6	22.8	28.4	42.5
Ratio to U.S. shipments of imports (*percent*)	18.6	9.5	19.1	28.5	17.6
Imports from all sources:					
Inventories (*short tons*)	72,472	89,292	46,019	83,800	21,318
Ratio to imports (*percent*)	16.7	7.9	15.9	22.5	14.9
Ratio to U.S. shipments of imports (*percent*)	16.3	8.7	14.0	22.5	10.0

[1] No inventories of imports from subject sources were reported.

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

producers of plate currently benefit from quantitative import restrictions on plate from Russia, Ukraine, and Kazakhstan. These agreements will not terminate until December 3, 2001. EU antidumping duties were recently imposed on imports of plate from China, India, and Romania.

Table PLATE-IV-3
Plate: Data for producers in Belgium, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Brazil

There are two producers of plate in Brazil. Counsel provided data on behalf of both Brazilian plate producers, which reported they accounted for 100 percent of Brazilian production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-4 are for Cosipa and Usiminas.

The Government of Brazil began privatizing Cosipa and Usiminas in 1993 and 1991, respectively. By 1997, nearly all the shares of Cosipa and Usiminas had been transferred to private parties.[4] In July 1998, Usiminas ***. ***. Cosipa reported that from 1991 to 1994 ***.

Plate accounted for between *** percent of the Brazilian mills' total sales in the most recent fiscal year. The Brazilian mills reported that demand in Brazil for plate *** in 1999 due to the devaluation of the Brazilian currency and other effects of the Brazilian economic crisis. Usiminas reported ***. Both companies reported that the antidumping and countervailing duty orders had no significant effect on their capacity, production, or export markets. Export markets other than the United States include ***. Brazilian plate is currently subject to antidumping findings in Canada and Mexico, and a countervailing finding in Mexico. In January 1995, the Mercosur countries adopted a 12 percent import tariff on plate. At the end of 1997, the Brazilian government, in reaction to the Asian crisis, adopted a temporary import tariff of 15 percent on all industrial products, including steel. This tariff is scheduled to revert back to 12 percent at the end of 2000.

Table PLATE-IV-4
Plate: Data for producers in Brazil, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Canada

There are three significant producers of plate in Canada and the order originally applied to all three. Stelco is the only Canadian producer still subject to the order. IPSCO was excluded pursuant to a September 1995 remand determination that lowered its margin to *de minimis*; Commerce revoked the order in January 1999 on Algoma; and Commerce issued a preliminary determination in August 1999 stating its intent to revoke the order on MRM.[5] Counsel provided data on behalf of Stelco, which reported it accounted for *** percent of Canadian production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-5 are for Stelco.

Stelco's plate mill recently ***.[6]

Plate accounted for *** percent of Stelco's total sales in the most recent fiscal year. Stelco reported ***. Stelco reported that the antidumping and countervailing duty orders had no significant effect on its capacity, production, or export markets. Export markets other than the United States include ***. Canadian plate is currently not subject to any penalty tariff or non-tariff barriers in any country. Canada currently has antidumping orders on imports of plate from Brazil, China, Finland, India, Indonesia, Italy, Korea, Mexico, Russia, South Africa, Spain, Thailand, and Ukraine.

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[4] Brazilian prehearing brief, p. 13.

[5] Stelco's prehearing brief reported that MRM is a bar producer which has the ability to produce small amounts of flat bar, the widest dimensions of which are within the definition of subject product.

[6] Stelco prehearing brief, p. 7.

Table PLATE-IV-5
Plate: Data for producers in Canada, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Finland

There is one producer of plate in Finland. Counsel provided data on behalf of Rautaruukki, which reported it accounted for 100 percent of Finnish production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-6 are for Rautaruukki.

State ownership of Rautaruukki dropped from *** percent in 1994 to *** percent in 1999, and the Finnish government has announced it is considering a proposal to reduce its ownership to zero.[7] Rautaruukki is currently completing an investment program begun in 1995. The final stages are expected to be completed in 2000. The investments are expected to raise cost-efficiency, broaden product range, and improve production quality. Most of the investment is dedicated to value-added products, making less capacity available for commodity grades of plate.

Plate accounted for *** percent of Rautaruukki's total sales in the most recent fiscal year. Rautaruukki reported ***. Rautaruukki reported that the antidumping and countervailing duty orders had no significant effect on its capacity, production, or export markets. Finland's entry into the EU in 1995 provided it with unrestricted access to many of its traditional export markets. In 1999, *** percent of Rautaruuki's exports of plate were to EU countries.[8] Export markets other than the United States include ***. Finnish plate is currently subject to an ongoing antidumping investigation in Canada. EU producers of plate currently benefit from quantitative import restrictions on plate from Russia, Ukraine, and Kazakstan. These agreements will not terminate until December 3, 2001. EU antidumping duties were recently imposed against imports of plate from China, India, and Romania.

Table PLATE-IV-6
Plate: Data for producers in Finland, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Germany

There are four producers of plate in Germany. Counsel provided data on behalf of all four German producers, which reported they accounted for *** percent of German production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-7 are for Bremen, Dillinger, Salzgitter, and Thyssen.

In 1995, Salzgitter, under its name at the time, Preussag, merged with Ilsenburg, located in the former German Democratic Republic. After modernization of the Ilsenburg plate production facility, Preussag shut down its existing plate mill, which had an annual capacity of 450,000 metric tons. In April

[7] Finnish prehearing brief, pp. 11-12.

[8] Ibid., p. 6.

2000, Salzgitter ***. In 1993, Krupp and Hoesch merged to form Krupp Hoesch Stahl, which merged with Thyssen in 1997 to form Thyssen Krupp Hoesch. In 1994 and 1999, ***. In 1995, Salzgitter shut down its plate mill in Salzgitter, Germany. Bremen ceased production of all cut plate on December 31, 1999.[9]

Plate accounted for between *** percent of the German mills' total sales in the most recent fiscal year. They produce plate according to purchase order and do not produce for inventory.[10] The German mills reported ***. The German mills reported that the antidumping and countervailing duty orders had no significant effect on their capacity, production, or export markets. Subsequent to the orders, the creation and enlargement of the EU has greatly increased Germany's access to other European markets. The European Monetary Union has further encouraged intra-EU trade by eliminating currency disparities. The majority of the German mills' exports go to ***. EU producers of plate currently benefit from quantitative import restrictions on plate from Russia, Ukraine, and Kazakhstan. These agreements will not terminate until December 3, 2001. European antidumping duties were recently imposed on imports of plate from China, India, and Romania. German plate is currently not subject to any penalty tariff or non-tariff barriers in any country.

Table PLATE-IV-7
Plate: Data for producers in Germany, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Mexico

There is one producer of plate in Mexico. Counsel provided data on behalf of AHMSA, which reported it accounted for 100 percent of Mexican production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-8 are for AHMSA.

In early 1999, AHMSA filed for a suspension of payments (similar to a bankruptcy proceeding in the United States) and it is now focused on paying its creditors and attaining liquidity to run its business. Plate accounted for *** percent of AHMSA's total sales in the most recent fiscal year. ***. AHMSA reports the orders had little effect on its capacity, production, or export markets. Its plate capacity has remained unchanged since the orders went into effect in 1993, and it reportedly has no plans to increase capacity.[11] AHMSA reports that from 1997 through 1999 Mexican domestic consumption of plate *** AHMSA's domestic shipments.[12] AHMSA has ***. GANAHMSA, AHMSA's affiliated sales office in the United States, was permanently closed in January 2000.[13] Current export markets other than the United States include ***. AHMSA's plate is currently not subject to any penalty tariff or non-tariff barriers in any country. Mexico currently has antidumping duty orders on imports of plate from Brazil,

[9] German mills prehearing brief, pp. 19-20.

[10] Ibid., p. 46, ftn. 207.

[11] Mexican prehearing brief, p. 7.

[12] Mexican prehearing brief, pp. 2-3.

[13] Ibid., p. 8.

Russia, and Ukraine, and a countervailing duty order on imports of plate from Brazil. Imports of plate into Mexico from other countries are subject to tariffs ranging from 0 to 13 percent.[14]

Table PLATE-IV-8
Plate: Data for producers in Mexico, 1997-99, January-March 1999, and January-March 2000

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Poland

Reportedly, there are six Polish producers of plate. The Commission did not receive any questionnaire responses from these companies. The companies[15] and their recent capacity and production of plate, according to the *Iron and Steel Works of the World*, 13th edition, 1999, are shown in the following tabulation:

Plate type	Company	1999 capacity *(short tons)*	1999 production *(short tons)*
Heavy plate	Huta Batory SA	198,416	149,800
Heavy plate	Huta Czestochowa	1,322,773	(1)
Heavy plate	Huta Labedy	(2)	(2)
Heavy plate	Huta Pokoj SA	220,462	(1)
Medium (3 mm and over) and heavy plate (5 mm-12 mm)	Huta im Tadeusza Sendzimira	(1)	369,936[3]
Medium plates (3 mm-20 mm)	Huta Stalowa Wola Zaklad Hutniczy Ltd.	33,069	25,353

[1] Not available.
[2] Not available. Huta Labedy produces universal mill plate.
[3] This production is believed to be cut from coils produced on a hot strip mill. According to *Iron and Steel Works of the World*, 10th edition, 1991, Huta im Tadeusza Sendzimira produced 184,086 short tons of medium plate (2 mm - 4.75 mm) and 185,188 short tons of heavy plate (5 mm - 12 mm).

[14] Ibid., p. 10.

[15] Domestic response to notice of institution, exh. 5, vol. II, October 21, 1999. The original Commission investigation obtained information from Huta Batory, Huta Czestochowa, and Huta Pokoj, which exported through Stalexport.

Poland's production of medium and heavy plate for 1994-98 is shown in the following tabulation:[16]

Year	Production of heavy plates (greater than 4.75 mm) *(1,000 short tons)*
1994	1,137
1995	1,358
1996	1,195
1997	1,302
1998	1,175

Huta Czestochowa is, reportedly, the largest producer of plate in Poland.[17] In 1994, Huta Czestochowa modernized its production technology with a universal continuous caster from Voest-Alpine Industrieanlagenbau GmbH, and in 1995 it undertook modernization of its plate finishing mill.[18]

As part of Poland's efforts to join the EU, Poland must privatize significant parts of its economy. Since the early 1990s, Poland's state-owned steel companies have been turned into joint stock companies. In 1999, Hoogovens and Austria's Voest Alpine Stahl gave up negotiations to invest jointly in Huta Stali steel plant, part of Huta im Tadeusza Sendzimira, because agreement could not be reached with the Polish Government on coordinating their investment with a strategy for the privatization of Huta Katowice steel company.[19] Future privatization efforts in steel will be one focus area of Poland's new Treasury Minister, but may run into difficulties because of political problems stemming from recent privatization efforts in other industries.[20] However, in 1999, Poland divided the Huta Katowice works into 3 divisions: long products, flat products, and steelmaking. In September 2000, Corus agreed to buy a 31-percent share of the long products division of Huta Katowice SA, and Danieli SpA of Italy, a major producer of steelmaking and rolling machinery, agreed to purchase an initial 20-percent stake in the flat products division, with a planned increase to 40 percent in mid-2001.[21]

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[16] Compiled from Metallurgical Chamber of Industry and Commerce chart entitled "Product mix for hot rolled flat products," in "Situation in the Polish Steel Industry, 1998," found at Internet address *http://www.hiph.com/pl/pps98_en_hut.htm,* retrieved September 27, 2000.

[17] Domestic prehearing brief, vol. IV, p. 105.

[18] Huta Czestochowa, "Development," found at Internet address *http://www.hcz.com.pl/English/-Development.htm,* retrieved September 28, 2000.

[19] The Warsaw Voice, "Huta Sendzimira Privatization Won't be Stopped," found at Internet address *http://www.warsawvoice.com.pl/v536/Busi05.html,* retrieved September 29, 2000.

[20] The Warsaw Voice, "Exit W'sacz, Enter Chronowski," found at Internet address *http://www.warsawvoice.com.pl/v618/Business00.html,* retrieved September 29, 2000.

[21] AMM.com-Steel News, "Corus May Lift Polish Investment Plan," found at Internet address *http://www.amm.com/subscrib/2000/sep/inside3/0920stal.htm,* retrieved October 3, 2000.

In June 1997, a Canadian investigation into alleged dumping of hot-rolled carbon plate by Poland was terminated.[22] In that investigation, Huta Czestochowa was the only known Polish exporter, and imports from Poland were deemed negligible (less than 3 percent of total product imports).

Romania

There is one producer of plate in Romania. Counsel provided data on behalf of Sidex, which reported it accounted for 100 percent of Romanian production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-9 are for Sidex.

Sidex is currently undergoing a privatization process that is expected to be completed in 2000. ***. Plate accounted for *** percent of Sidex' total sales in the most recent fiscal year. Sidex reported ***. Sidex reported that the U.S. antidumping duty order had no major effect on it. Current export markets other than the United States include ***. Romanian plate is subject to an antidumping finding in the EU.

Table PLATE-IV-9
Plate: Data for producers in Romania, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Spain

There is one producer of plate in Spain. Counsel provided data on behalf of Aceralia, which reported it accounted for 100 percent of Spanish production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-10 are for Aceralia.

At the time of the original investigations the only producer of plate in Spain was Ensidesa. In 1993, Ensidesa merged with another state-owned steel company to create C.S.I. In 1997, C.S.I. was privatized and Aceralia was created.[23] ***.

In 1999, plate accounted for *** percent of Aceralia's total sales. Aceralia ***. Aceralia reported that the antidumping and countervailing duty orders had no significant effect on its capacity, production, or export markets. In 1998, *** percent of Aceralia's sales were in its domestic market and *** percent were to other European countries. Export markets other than the United States include ***. Spanish plate is subject to antidumping and countervailing findings in Canada. EU antidumping duties were recently imposed on imports of plate from China, India, and Romania. The EU has agreements with Russia and Ukraine establishing quantitative limits on imports of plate from those countries.

Table PLATE-IV-10
Plate: Data for producers in Spain, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

[22] Canada Customs and Revenue Agency, "Termination and Preliminary Determination–Certain Hot Rolled Carbon Steel Plate," statement of reasons, June 27, 1997, found at Internet address *http://www.ccra-adrc.gc.ca/customs/business/sima.ad1139p-e.html*, retrieved September 28, 2000.

[23] Aceralia's largest shareholder is the ARBED Group.

Sweden

There is one producer of plate in Sweden. Counsel provided data on behalf of SSOX and SSTP (sister companies owned by SSAB), which reported they accounted for 100 percent of Swedish production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-11 are for SSOX and SSTP.

The government of Sweden was the dominant owner of SSAB until February 1994.[24] Since 1993, ***. During the period of review, SSAB reported that all plate was produced to order, and it therefore maintained no inventories of plate.[25]

Plate accounted for *** total sales in the most recent fiscal year. SSAB reported ***. The antidumping and countervailing duty orders reportedly had no significant effect on SSAB's production, capacity, or export markets. Subsequent to the orders, Sweden became a member of the EU, which gave it greater access to other European markets. From 1996 to 1999, *** percent of SSAB's total sales were to the Scandanavian market and *** percent were to North America. Export markets other than the United States include ***. Swedish plate exports are not subject to any penalty tarriff or nontarriff barriers in any countries. EU producers of plate currently benefit from quantitative import restrictions on plate from Russia, Ukraine, and Kazakhstan. These agreements will not terminate until December 3, 2001. EU antidumping duties were recently imposed on imports of plate from China, India, and Romania.

Table PLATE-IV-11
Plate: Data for producers in Sweden, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Taiwan

There are two producers of plate in Taiwan: CSC, the largest steel company in Taiwan, and Tung Ho. In 1998, Taiwan Iron Manufacture Corp. produced hot-rolled steel plate, ***. The Commission did not receive a questionnaire response from these companies.

***.[26] However, according to CSC's annual report for 1999, CSC's production of steel plate totaled 1.1 million tons in 1999, or 11.1 percent of its total steel production volume.[27] Data on Taiwan's plate production is presented in table PLATE-IV-12.

* * * * * * *[28]

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[24] Swedish prehearing brief, p. 13.

[25] Ibid., p. 20.

[26] U.S. Department of State telegram, No. 003117, American Institute of Taiwan, Taipei, September 29, 2000.

[27] CSC, Operation Report 1999, "Production and Sales," found at Internet address *http://www.csc.com.tw/html_e/annual/an_88/an_8805e.htm,* retrieved September 9, 2000.

[28] U.S. Department of State telegram, No. 003117, American Institute of Taiwan, Taipei, September 29, 2000.

In December 1999, CSC purchased a 22.5 percent stake in Yieh Loong, a hot-rolled and cold-rolled steel producer, thus forming a "strategic alliance" with CSC gaining the "actual operating right" of its operating partner.[29] Under the alliance, CSC will hold a domestic market share of 84 percent for hot-rolled steel, including both sheet and plate. In June 2000, CSC purchased another 23.72 percent stake in Yieh Loong.[30] In May 1999, Yieh Loong was planning construction of a new steelworks that would include a heavy plate mill with a capacity of 1.7 million tons per year.[31] ***.[32] ***.[33]

In May 2000, CSC unveiled plans for a massive restructuring.[34] In its steel businesses, the company plans backward and forward integration in Taiwan's steel industry, as well as finding a second production site and expanding overseas. CSC also plans to expand into other industries, such as electronics, energy, and services.

Tung Ho began trial production of 1,100,200 tons of steel plates to be exported from its Miaoli Works in December 1998 and at that time anticipated "significant" revenues from plates.[35] The Miaoli Works produces beam blanks, blooms, H-beams, and plates, with a steel making capacity of 716,000 tons per year.[36]

Table PLATE-IV-12
Plate: Data for producers in Taiwan, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

United Kingdom

There is currently one producer of plate in the United Kingdom.[37] Counsel provided data on behalf of Corus, which reported it accounted for *** percent of British production of plate in 1999 and *** percent of such exports to the United States. The data presented in table PLATE-IV-13 are for Corus.

In 1999, British Steel merged with Hoogovens to form Corus Group. The operations of the former British Steel are now conducted by Corus UK, a wholly-owned subsidiary of Corus Group. In 1997 ***.

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[29] Taiwan Headlines, "Yieh Loong, China Steel Combinations Approved," found at Internet address *http://www.taiwanheadlines.gov.tw/20000203/20000203b5.html,* retrieved September 9, 2000.

[30] "China Steel Buys 271 Mln Yieh Loong Rights Shrs for 2.71 Bln Twd," *AFX-Asia*, cited in domestic prehearing brief, exh. 61, vol. IV-A, August 28, 2000.

[31] "Yieh Loong Project Could Get Approval Soon–ASIA," *Metal Bulletin*, May 20, 1999, cited in domestic prehearing brief, exh. 61, vol. IV-A, August 28, 2000.

[32] U.S. Department of State telegram, No. 003117, American Institute of Taiwan, Taipei, September 29, 2000.

[33] Ibid.

[34] Taipei Times online edition, "China Steel Unveils Plans for Massive Restructuring," May 15, 2000, found at Internet address *http://www.taipeitimes.com/news/2000/05/15/print/0000036137,* retrieved September 9, 2000.

[35] "Tung Ho Conducts Trial Production of Thick Steel Plates," China Economic News Service, and Tung Ho Annual Report 1998, cited in domestic prehearing brief, exh. 61, vol. IV-A, August 28, 2000.

[36] Tung Ho website, "Miaoli Works," found at Internet address, *http://www.ths.com.tw/PlantEg/Miao-li/miaoliinfo.html,* retrieved September 22, 2000.

[37] The only other UK producer of plate, Spartan Redheugh, ceased production in 2000 and is in liquidation.

Plate accounted for *** percent of Corus' total sales in the most recent fiscal year. Corus reported ***. The antidumping and countervailing duty orders reportedly have had no significant effect on Corus' production, capacity, or export markets. Corus reported that the revocation of the orders would not affect its exports to the United States, since the plate needs of its U.S. customers are now being met by its subsidiary, Tuscaloosa. *** percent of Corus' plate is sold in the United Kingdom and Europe; the remaining *** percent is sold in ***. A Canadian antidumping order against plate exports from the United Kingdom was revoked following the conclusion of a 5-year sunset review in 1999. EU producers of plate currently benefit from quantitative import restrictions on plate from Russia, Ukraine, and Kazakstan. These agreements will not terminate until December 3, 2001. EU antidumping duties were recently imposed on imports of plate from China, India, and Romania.

Table PLATE-IV-13
Plate: Data for producers in the United Kingdom, 1997-99, January-March 1999, and January-March 2000

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PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Producers reported that raw material costs accounted for 38.5 percent of COGS in 1999. Integrated producers' raw materials usually include iron ore, scrap, and alloys. Electric furnace steelmakers use raw materials that typically include steel scrap, alloys, and iron units such as pig iron and direct-reduced iron. Most steel service centers do not produce their own hot-rolled steel and therefore purchase hot-rolled steel in coils for processing into plate, as well as other products.[1]

Inland U.S. Transportation Costs

The approximate percentage of the total delivered cost of plate that is accounted for by inland transportation costs for U.S. producers is on average 6 percent for the 11 responses. Responses ranged from 4 to 8.5 percent. Ten importers reported that, on average, 7.8 percent of total delivered cost is accounted for by transportation costs with a range of 2 to 15 percent. U.S. producers reported that the majority of deliveries were arranged by the purchaser. However, the importers reported that the majority of deliveries were arranged by the foreign producer.[2]

Importers tend to ship plate products inland distances of less than 100 miles more often than U.S. producers. Questionnaire responses indicate that, on average, 29 percent of U.S. producer shipments are for distances less than 100 miles, and importers report 45 percent of their shipments are for distances less than 100 miles. In contrast, 62 percent of U.S. producer shipments are for distances of 101 to 1,000 miles, while 50 percent of importer shipments fall into this category.

Transportation Costs to the U.S. Market

Transportation costs to the United States for plate from the 12 subject countries (excluding U.S. inland costs) are shown below. These estimates are derived from 1999 official import data for HTS subheadings 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, and 7211.14.0045, and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.

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[1] For a detailed description of the plate manufacturing process, *see Certain Cut-to-Length Steel Plate from France, India, Indonesia, Italy, Japan, and Korea, investigations Nos. 701-TA-387-391 (Final) and 731-TA-816-821 (Final)*, USITC publication 3273, January 2000, p. I-4.

[2] Eight of the 12 U.S. producers reported that purchasers arrange transportation. Eight of the 12 importers reported that foreign producers arrange transportation.

Country	Percent of total cost
Belgium	8.6
Brazil	2.1
Canada	4.0
Finland	0.0
Germany	3.6
Mexico	11.4
Poland	4.8
Romania	11.0
Spain	3.3
Sweden	3.5
Taiwan	----
United Kingdom	14.2

Tariff Rates

Normal trade relations rates of duty for plate range from 1.4 to 2.6 percent *ad valorem*. As a result of the Uruguay Round Agreement, these duty rates are being reduced and will be eliminated as of January 1, 2004.

PRICING PRACTICES

Methods of arriving at prices for plate vary among producers but are relatively consistent among importers. Most U.S. producers use transaction-by-transaction negotiation. In addition to this method, several producers use combinations of pricing methods. This includes 3 producers that offer quarterly pricing, 2 producers that offer published price lists, 1 producer that offers individual discounts, and 1 who uses a customer/location matrix. All 12 responding importers reported using transaction-by-transaction negotiations solely as their means of pricing. Typical sales terms for U.S. producers consist of 1/2 or 3/4 10 net 30. Of the 13 responses, 5 importers offer 1/2 10 net 30, 5 offer 3/4 10 net 30, and 3 offer net 30. Importers reported using mainly net 30 terms.[3] Many producers and importers will quote prices by various methods. The most common method of price quotation by producers and importers is on an f.o.b. basis. Eight of the 13 U.S. producers indicated they quote on a f.o.b. mill basis, 3 on a delivered basis, and 2 on both an f.o.b. and delivered basis. Of the 6 importers who responded to this

[3] Of the 6 importer responses, 5 offer net 30 and 1 offers ½ 10 net 30.

question, 3 quote on an f.o.b. port basis, 2 on a delivered basis, and 1 reported quoting on both an f.o.b. and delivered basis.

Few producers and importers indicated that they have set discount policies other than payment terms. Of the 14 responding importers, 11 had no discount policy, 2 used transaction-by-transaction negotiations to issue discounts, and 1 had cash discounts for prompt payment. For U.S. producers, an array of answers was given and often a producer will use a variety of discount methods. Out of 13 responses, 5 offer volume discounts, 3 reported their pricing is based in response to the competitive market, 2 noted they offer item discounts, 2 offer annual discounts, 2 responded that pricing is conducted on a transaction-by-transaction basis, 1 uses quarterly discounts, and 1 offers "foreign-fighter" discounts, with some using multiple discount methods. Four producers responded that they do not use discount policies.

Twelve of 13 responding U.S. producers sell both on a spot and contract basis and 1 sells on only a spot basis (***); 4 importers reported selling only on a spot basis. Out of 12 U.S. producers who responded that they sell on both a contract and spot basis, 7 had a majority of their sales on a spot basis, 4 had a majority of their sales on a contract basis, and 1 was split 50/50. Sixty-seven percent of all U.S. producer sales were based on spot sales while the remaining 33 percent were based on contract sales.

For those who sell plate on a contract basis it is difficult to compare U.S. producers to importers because of the lack of reported data from the importers. However, for U.S. producers, 41 percent of all contract durations are for less than 3 months, 12 percent are for approximately 6 months, 46 percent are for approximately 1 year, and 1 percent are for longer than 1 year. Out of 9 U.S. producer responses, 5 have a majority of their contracts being 3 months in duration and the remaining 4 have the majority of their contracts with a duration of 1 year.

Contract renegotiations occur for 3 U.S. producers every 90 days, for 2 every 270 days, and for 1 every 365 days. One producer responded that it used 4 methods, renegotiating on a monthly, quarterly, semi-annual, and annual basis. For the 9 responding U.S. producers, 8 stated that their contracts fix both quantity and price. Concerning meet or release provisions, 5 of the 8 U.S. producers do not include meet or release provisions in the document. The sole responding importer renegotiates every 90 days, fixes both price and quantity, and does include meet or release provisions in its contracts.

Standard quantity requirements are not necessary for 3 of the 9 U.S. producers. Another three of the 9 U.S. producers state that it varies based on the customer or negotiation, 2 have a required minimum of a truckload, and 1 U.S. producer has a 20,000 lb minimum order requirement. The 1 responding importer stated that the standard quantity requirement depends on the customer. Concerning a question related to price premiums for sub-minimum shipments, producers and importers either usually do not allow sub-minimum shipments or do not charge price premiums. One U.S. producer charges a 5 percent price premium for sub-minimum shipments. When asked if prices vary during the duration of the contract in response to changes in the spot price, 6 of the 9 responding U.S. producers and 1 responding importer stated that prices do not change. Average lead time between a customer's order and the date of delivery for U.S. producers' sales of plate is 34 days.

Producers, importers, and purchasers were asked if there have been individual influences on the U.S. market price of plate since the imposition of the orders. Geneva was mentioned by at least 1 firm in each of the 3 categories as exerting a continuous influence on price. Purchasers mentioned Bethlehem and IPSCO at least twice as having an influence on price. Both purchasers and importers mentioned Gulf States, Jindal, and Oregon twice as the primary influences on price. ***, a purchaser of plate, reported that, "IPSCO had a tremendous impact on the market with their introductory prices. They also claim to have lower production costs than any other domestic producer." In addition to IPSCO, *** also stated the Geneva and Jindal had lowered market prices in 1998 and 1999. *** stated that IPSCO and Nucor have been price leaders as well. *** reported that in 1999, California increased prices 30 percent

as a result of the imposition of restrictions on foreign material. *** reported that the former USSR in 1998 had low plate prices. *** reported that IPSCO and many importers were price leaders.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly quantity and value data between January 1997 and March 2000 for the following products:

Product 1 -- Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 0.5" through 0.99" in thickness.

Product 2 -- Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 60" to 70" in width, 0.1875" through 0.249" in thickness.

Product 3 -- Hot-rolled carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, sheared edge, not cleaned or oiled, in cut lengths, over 72" through 120" in width, 0.5" through 1.5" in thickness.

Product 4 -- Hot-rolled carbon steel plate, SAE 1045, no ASTM specification, trimmed edge, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 1" through 1.5" in thickness.

Ten U.S. producers and 1 importer provided usable pricing data for sales of the requested products. Pricing data reported by U.S. producers accounted for 12.1 percent of U.S. commercial shipments of plate products in 1999. The import pricing data accounted for 37.5 percent of imports from Belgium, and no data were received on imports from Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, or the United Kingdom.

Price Trends

Weighted average f.o.b. prices and quantities of domestic products 1, 2, 3, and 4 sold to distributors and end users from January 1997 to March 2000 decreased as shown in tables PLATE-V-1 through PLATE-V-4.

Price Comparisons

Overall, there were 10 quarterly price comparisons between U.S.-produced plate products and imports from Belgium. Subject imports oversold domestic products in all of the 10 quarters. Tables PLATE-V-1 and PLATE-V-2 provide price, quantity, and overselling information by product and channel of distribution for the 2 products for which data are comparable. Tables PLATE-V-3 and PLATE-V-4 display quarterly domestic price and quantity data (by channel of distribution) for which there are no comparable import data. The *** prices reflected in the Belgian data may be due to the *** volumes imported to the United States.

Although no pricing data were received from Canada on the four specific pricing products, Stelco, the only Canadian producer still subject to the order, has submitted pricing data from a *World Steel Dynamics* February 2000 report showing that domestic and Canadian prices have mostly moved

together since 1981, and, since 1995, Canadian plate prices have been slightly above domestic plate prices.[4, 5] The German respondents noted that, since the second quarter of 1999, import prices of heavy plate have been rising and have far exceeded the U.S. price for comparable domestically produced cut-to-length plate.[6]

Table PLATE-V-1
Plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] sold to distributors and margins of (overselling), by quarters, January 1997-March 2000

Period	United States		Belgium		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$414.96	66,179	-	-	-
Apr.-June	392.53	71,652	-	-	-
July-Sept.	405.60	73,228	-	-	-
Oct.-Dec.	394.13	80,737	-	-	-
1998:					
Jan.-Mar.	397.81	113,762	-	-	-
Apr.-June	406.94	114,471	-	-	-
July-Sept.	399.34	95,453	-	-	-
Oct.-Dec.	366.97	59,710	***	***	***
1999:					
Jan.-Mar.	329.68	55,039	***	***	***
Apr.-June	308.31	68,524	***	***	***
July-Sept.	302.61	65,259	***	***	***
Oct.-Dec.	304.25	61,116	***	***	***
2000:					
Jan.-Mar.	298.48	65,320	***	***	***

[1] Product 1 -- Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 0.5" through 0.99" in thickness.

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

[4] Canadian prehearing brief, exh. 5.

[5] These are general plate prices and include more than just subject products.

[6] German mills' posthearing brief, p. 8, and German mills' response to Commission's questions, p. 14.

Table PLATE-V-2
Plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] sold to distributors and margins of (overselling), by quarters, January 1997-March 2000

Period	United States		Belgium		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$440.86	31,215	-	-	-
Apr.-June	436.18	42,680	-	-	-
July-Sept.	431.78	32,028	-	-	-
Oct.-Dec.	432.46	29,723	-	-	-
1998:					
Jan.-Mar.	430.71	48,755	-	-	-
Apr.-June	433.21	56,063	-	-	-
July-Sept.	436.69	47,058	-	-	-
Oct.-Dec.	401.32	25,307	-	-	-
1999:					
Jan.-Mar.	364.81	27,125	-	-	-
Apr.-June	339.16	31,988	***	***	***
July-Sept.	329.07	30,409	***	***	***
Oct.-Dec.	332.06	28,101	***	***	***
2000:					
Jan.-Mar.	343.06	33,051	***	***	***

[1] Product 3 -- Hot-rolled carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, sheared edge, not cleaned or oiled, in cut lengths, over 72" through 120" in width, 0.5" through 1.5" in thickness.

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

Table PLATE-V-3
Plate: Weighted-average f.o.b. prices and quantities of domestic products 1[1]and 2[2] sold to distributors and end users, by quarters, January 1997-March 2000

Period	Product 1 sold to end users		Product 2 sold to distributors		Product 2 sold to end users	
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)
1997:						
Jan.-Mar.	$432.13	14,741	$406.10	9,738	***	***
Apr.-June	435.32	15,465	380.41	12,009	***	***
July-Sept.	439.26	15,694	377.29	8,501	***	***
Oct.-Dec.	404.41	13,600	386.30	7,532	***	***
1998:						
Jan.-Mar.	429.26	16,541	402.04	8,170	***	***
Apr.-June	443.40	17,433	390.66	9,868	***	***
July-Sept.	433.85	13,208	391.63	8,427	***	***
Oct.-Dec.	419.87	12,588	371.57	6,000	***	***
1999:						
Jan.-Mar.	367.39	15,832	317.07	7,281	***	***
Apr.-June	342.42	13,540	305.76	6,983	***	***
July-Sept.	347.23	10,150	317.98	3,169	***	***
Oct.-Dec.	348.14	12,110	319.10	2,334	***	***
2000:						
Jan.-Mar.	338.68	12,734	339.92	2,687	***	***

[1] Product 1 -- Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 0.5" through 0.99" in thickness.

[2] Product 2 -- Hot-rolled carbon steel plate, ASTM A-36 or equivalent as rolled, sheared edge, not heat treated, not cleaned or oiled, in cut lengths, 60" to 70" in width, 0.1875" through 0.249" in thickness.

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

Table PLATE-V-4
Plate: Weighted-average f.o.b. prices and quantities of domestic products 3[1] and 4[2] sold to distributors and end users, by quarters, January 1997-March 2000

Period	Product 3 sold to end users		Product 4 sold to distributors		Product 4 sold to end users	
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)
1997:						
Jan.-Mar.	$489.19	13,644	***	***	***	***
Apr.-June	479.92	17,508	***	***	***	***
July-Sept.	480.35	16,263	***	***	***	***
Oct.-Dec.	485.66	15,887	***	***	***	***
1998:						
Jan.-Mar.	482.34	22,693	***	***	***	***
Apr.-June	474.93	19,336	***	***	***	***
July-Sept.	475.16	14,408	***	***	***	***
Oct.-Dec.	455.27	15,950	***	***	***	***
1999:						
Jan.-Mar.	431.89	17,385	***	***	***	***
Apr.-June	428.44	16,534	***	***	***	***
July-Sept.	428.41	18,511	***	***	***	***
Oct.-Dec.	401.30	17,179	***	***	-	-
2000:						
Jan.-Mar.	364.99	24,483	***	***	***	***

[1] Product 3 -- Hot-rolled carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, sheared edge, not cleaned or oiled, in cut lengths, over 72" through 120" in width, 0.5" through 1.5" in thickness.

[2] Product 4 -- Hot-rolled carbon steel plate, SAE 1045, no ASTM specification, trimmed edge, not cleaned or oiled, in cut lengths, over 72" through 96" in width, 1" through 1.5" in thickness.

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

CHAPTER TWO

COLD-ROLLED

PART I: OVERVIEW

This chapter presents information pertaining to the Commission's reviews involving the countervailing and antidumping duty orders on cold-rolled from Germany, Korea, the Netherlands, and Sweden. A summary of the data collected in these reviews is presented in appendix table C-2. U.S. industry data are based on questionnaire responses of 17 firms that account for 87 percent of U.S. commercial shipments of cold-rolled in 1999, as reported by AISI. Available comparative data from the original investigations and the current sunset reviews are presented in table COLD-I-1.[1]

NATURE AND EXTENT OF COUNTERVAILABLE SUBSIDIZED SALES

Commerce's Final Results of Its Reviews

Germany

On August 2, 2000, Commerce announced the final results of its full sunset review for cold-rolled from Germany. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of countervailable subsidized sales. The original and sunset margins are shown in the tabulation below:[2]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Cold-rolled	Country-wide	0.85	0.55

Korea

On April 10, 2000, Commerce announced the final results of its expedited sunset review for cold-rolled from Korea. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of countervailable subsidized sales. The original and sunset margins are shown in the tabulation below:[3]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset net countervailable subsidy *(percent)*
Cold-rolled	Country-wide	3.95[1]	3.95

[1] Pursuant to a remand from the U.S. Court of International Trade, Commerce recalculated the original countervailable net subsidy and found a country-wide rate of 1.45 percent and filed this with the Court. Commerce has not issued a Federal Register notice in this matter. See Commerce, *Final Results of Redetermination Remand Pursuant to Laclede Steel Co., et al., v. United States*, unpublished, June 19, 2000.

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[1] ***.

[2] Countervailing duty order, 58 FR 43756, August 17, 1993, amended 58 FR 44322, August 20, 1993; final sunset review determination, 65 FR 47407, August 2, 2000.

[3] Countervailing duty order, 58 FR 43752, August 17, 1993, amended 58 FR 45096, August 26, 1993; final sunset review determination, 65 FR 18973, April 10, 2000.

Table COLD-I-1
Comparative data on the U.S. market and industry from the original investigations and current reviews

(Quantity=***short tons***; value=***1,000 dollars***; unit values, unit labor costs, and unit financial data are ***per short ton***)

Item	1982	1983	1984	1990	1991	1992	1997	1998	1999	Jan.-Mar. 1999	Jan.-Mar. 2000
U.S. consumption quantity: Amount	12,143,000	15,313,000	16,301,000	28,620,000	25,370,000	28,481,000	34,267,441	36,404,716	37,847,492	9,238,128	9,844,836
Producers' share[1]	87.0	84.9	78.9	93.0	92.9	93.1	90.8	90.1	92.3	92.1	95.6
Importer's share:[1] Germany	3.3	2.0	2.4	1.1	1.0	1.2	0.1	0.2	0.1	0.1	0.1
Korea	0.5	1.2	2.3	0.4	0.4	0.6	0.0	0.7	0.3	0.6	0.5
Netherlands	(2)	(2)	(2)	0.5	0.6	0.6	0.2	0.3	0.1	0.1	0.0
Sweden	(3)	(3)	0.4	(2)	(2)	(2)	0.1	0.0	0.1	0.1	0.0
Subtotal	(2)	(2)	(2)	(2)	(2)	(2)	0.5	1.2	0.6	0.9	0.7
All other countries	(2)	(2)	(2)	(2)	(2)	(2)	8.7	8.7	7.1	6.9	3.7
Total imports	13.2	15.3	21.2	7.0	7.1	6.9	9.2	9.9	7.7	7.9	4.4
U.S. consumption value: Amount	(2)	(2)	(2)	11,620,000	10,243,000	11,257,000	15,435,894	15,647,599	15,277,695	3,755,717	4,132,956
Producers' share[1]	(2)	(2)	(2)	91.1	91.2	91.4	90.6	90.4	92.9	92.6	95.4
Importer's share:[1] Germany	(2)	(2)	(2)	1.6	1.3	1.5	0.2	0.2	0.2	0.1	0.2
Korea	(2)	(2)	(2)	0.5	0.5	0.6	0.0	0.5	0.3	0.5	0.4
Netherlands	(2)	(2)	(2)	0.6	0.6	0.6	0.2	0.3	0.1	0.1	0.0
Sweden	(2)	(2)	(2)	(2)	(2)	(2)	0.2	0.1	0.2	0.2	0.1
Subtotal	(2)	(2)	(2)	(2)	(2)	(2)	0.6	1.2	0.7	1.0	0.8
All other countries	(2)	(2)	(2)	(2)	(2)	(2)	8.8	8.4	6.4	6.5	3.8
Total imports	(2)	(2)	(2)	8.9	8.8	8.6	9.4	9.6	7.1	7.4	4.6

Table continued on next page.

Item	1982	1983	1984	1990	1991	1992	1997	1998	1999	Jan.-Mar. 1999	Jan.-Mar. 2000
U.S. imports from-- Germany:											
Quantity	396,000	309,000	396,000	322,280	247,326	335,533	47,554	59,595	52,654	4,675	13,542
Value	146,000	113,000	155,000	183,375	130,371	166,315	31,527	37,492	30,042	4,000	9,129
Unit value	$368	$366	$391	$569	$527	$495	$663	$629	$571	$856	$674
Korea:											
Quantity	66,000	191,000	382,000	119,089	111,127	172,639	3,656	246,828	116,977	58,321	49,952
Value	24,000	61,000	133,000	54,907	49,802	72,633	2,706	85,834	39,941	19,882	18,077
Unit value	$369	$319	$350	$461	$448	$421	$740	$348	$341	$341	$362
Netherlands:											
Quantity	(2)	(2)	(2)	156,206	153,441	172,441	84,476	101,010	34,348	12,604	3,640
Value	(2)	(2)	(2)	70,368	65,302	71,881	38,569	43,639	12,895	4,728	1,371
Unit value	(2)	(2)	(2)	$450	$426	$417	$457	$432	$375	$375	$377
Sweden:											
Quantity	1,000	8,000	67,000	(2)	(2)	(2)	26,270	15,826	27,853	9,636	3,275
Value	(2)	2,000	24,000	(2)	(2)	(2)	25,894	21,852	26,362	7,306	5,190
Unit value	$508	$314	$363	(2)	(2)	(2)	$986	$1,381	$946	$758	$1,585
Subtotal:											
Quantity	(2)	(2)	(2)	(2)	(2)	(2)	161,956	423,259	231,831	85,236	70,409
Value	(2)	(2)	(2)	(2)	(2)	(2)	98,696	188,817	109,240	35,917	33,766
Unit value	(2)	(2)	(2)	(2)	(2)	(2)	$609	$446	$471	$421	$480

Table continued on next page.

Item	1982	1983	1984	1990	1991	1992	1997	1998	1999	Jan.-Mar. 1999	Jan.-Mar. 2000
All other countries:											
Quantity	(2)	(2)	(2)	(2)	(2)	(2)	2,994,177	3,171,223	2,673,656	641,967	363,132
Value	(2)	(2)	(2)	(2)	(2)	(2)	1,354,166	1,314,579	974,215	243,011	155,693
Unit value	(2)	(2)	(2)	(2)	(2)	(2)	$452	$415	$364	$379	$429
All countries:											
Quantity	1,599,000	2,341,000	3,456,000	1,991,428	1,793,490	1,979,297	3,156,133	3,594,482	2,905,487	727,203	433,541
Value	598,000	773,000	1,239,000	1,032,510	898,982	972,988	1,452,861	1,503,396	1,083,455	278,928	189,459
Unit value	$374	$330	$359	$518	$501	$492	$460	$419	$373	$384	$437
U.S. producers'-- Capacity quantity	16,505,000	16,126,000	15,206,000	33,172,000	33,409,000	34,428,000	38,640,136	40,333,184	41,130,136	10,121,034	10,504,034
Production quantity	8,463,000	11,300,000	10,680,000	27,254,000	23,679,000	26,589,000	31,564,684	33,359,372	35,370,165	8,590,534	9,471,670
Capacity utilization[1]	51.3	70.1	70.2	82.2	70.9	77.2	81.7	82.7	86.0	84.9	90.2
U.S. shipments: Quantity	8,099,000[4]	10,221,000[4]	9,834,000[4]	26,629,000	23,576,000	26,502,000	31,111,308	32,810,234	34,942,005	8,510,925	9,411,295
Value	3,579,000	4,525,000	4,635,000	10,587,000	9,344,000	10,284,000	13,983,033	14,144,203	14,194,240	3,476,789	3,943,497
Unit value	$442	$443	$471	$398	$396	$388	$449	$431	$406	$409	$419
Ending inventory quantity	678,000	929,000	975,000	2,122,000	1,975,000	1,813,000	1,903,039	2,020,644	2,081,759	2,052,408	2,020,134
Inventories/total shipments[1]	8.4[5]	9.1[5]	9.9[5]	8.0	8.5	6.9	6.1	6.1	5.9	6.0	5.3
Production workers	26,609	31,424	31,384	13,227	11,502	12,254	24,915	24,869	23,264	23,463	24,140
Hours worked (*1,000 hours*)	51,628	63,330	63,116	27,319	23,266	24,957	54,863	54,868	52,907	13,510	13,809
Wages paid (*1,000 dollars*)	790,000	921,000	978,000	675,275	615,582	689,962	1,393,785	1,478,804	1,381,112	344,766	371,622
Hourly wages	$15.31	$14.54	$15.50	$24.72	$26.46	$27.65	$25.47	$27.03	$26.22	$25.60	$27.03
Productivity (*tons/1,000 hours*)	154.7	169.6	159.6	900	900	900	575.3	608.0	668.5	635.8	685.9

Table continued on next page.

Item	1982	1983	1984	1990	1991	1992	1997	1998	1999	Jan.-Mar. 1999	Jan.-Mar. 2000
Net sales:											
Quantity	(2)	(2)	(2)	24,713,000	21,706,000	24,560,000	31,455,836	33,099,690	35,363,057	8,631,846	9,515,707
Value	***	***	4,791,000	11,044,000	9,084,000	10,125,000	14,189,632	14,463,714	14,350,228	3,529,883	3,953,164
Unit value	(2)	(2)	(2)	(2)	(2)	(2)	$451	$437	$406	$409	$415
COGS	***	***	4,562,000	10,165,000	9,052,000	10,042,000	12,721,212	13,403,275	13,580,906	3,359,590	3,660,538
Gross profit or (loss)	***	***	229,000	880,000	32,000	83,000	1,468,420	1,060,439	769,322	170,293	292,626
Operating income or (loss)	***	***	46,000	378,000	(447,000)	(397,000)	868,899	374,760	55,979	(1,656)	114,365
Unit COGS	(2)	(2)	(2)	$411	$417	$409	$404	$405	$384	$389	$385
Unit operating income or (loss)	(2)	(2)	(2)	(2)	(2)	(2)	$27.62	$11.32	$1.58	$(0.19)	$12.02
COGS/sales[1]	***	***	95.2	92.0	99.6	99.2	89.7	92.7	94.6	95.2	92.6
Operating income or (loss)/sales[1]	***	***	1.0	3.4	(4.9)	(3.9)	6.1	2.6	0.4	-0.0	2.9

[1] In *percent*.
[2] Comparable data not available.
[3] Less than 0.1 percent.
[4] Inventories/domestic shipments.

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

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

Sweden

On April 6, 2000, Commerce announced the final results of its expedited sunset review for cold-rolled from Sweden. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of countervailable subsidized sales. The original and sunset margins are shown in the tabulation below:[4]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset net countervailable subsidy *(percent)*
Cold-rolled	All producers/exporters[1]	8.77	8.77

[1] Except Surahammer Bruk AB, which was excluded from the order.

Administrative Reviews of the Countervailing Duty Orders

Commerce did not conduct any countervailing duty order reviews on producers/exporters from Germany. The results of its administrative reviews on Korea and Sweden follow.

Korea

Commerce initiated two countervailing duty order administrative reviews on producers/exporters of subject merchandise from Korea, but these reviews were terminated before completion. The reviews covered January 1, 1997-December 31, 1997, and January 1, 1998-December 31, 1998.[5]

Sweden

Commerce completed seven countervailing duty order administrative reviews on producers/exporters of subject merchandise from Sweden. The results of these reviews are presented in the following tabulation:

[4] Countervailing duty order, 50 FR 41546, October 11, 1985; final sunset review determination, 65 FR 18063, April 6, 2000.

[5] 63 FR 69045, December 15, 1998, and 65 FR 6162, February 8, 2000, respectively.

Producer/ exporter	Period of review	Date review results issued	Net countervailable subsidy *(percent)*
Country-wide rate	3/20/85-12/31/85	August 1, 1989 (54 FR 31714)	4.58
Country-wide rate	1/1/87-12/31/87	September 18, 1991 (56 FR 47185)	2.55
Country-wide rate	1/1/89-1/12/89	January 14, 1992 (57 FR 1452)	2.56
Country-wide rate	1/1/91-12/31/91	February 11, 1994 (59 FR 6620)	4.27
SSAB	1/1/93-12/31/93	February 12, 1996 (61 FR 5378)	2.98
Country-wide rate			2.98
SSAB	1/1/94-12/31/94	April 7, 1997 (62 FR 16549)	1.91
Country-wide rate			2.98[1]
SSAB	1/1/97-12/31/97	October 22, 1999 (64 FR 57038)	0.72
Country-wide			2.98[1]

[1] Rate established in administrative review for period January 1, 1993-December 31, 1993. 61 FR 5378, February 12, 1996.

NATURE AND EXTENT OF SALES AT LTFV

Commerce's Final Results of Its Reviews

Germany

On April 6, 2000, Commerce announced the final results of its expedited sunset review for cold-rolled products from Germany. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The amended original and sunset margins are shown in the tabulation below:[6]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Cold-rolled	Thyssen	20.64[1]	20.64
Cold-rolled	Klöckner Stahl AG	23.54	23.54
Cold-rolled	All others	20.64[1]	21.66

[1] Amended.

[6] Antidumping duty order, 58 FR 44170, August 19, 1993; final sunset review determination, 65 FR 18046, April 6, 2000. Amended final determination of sales at LTFV, 65 FR 58044, September 27, 2000.

Korea

On April 6, 2000, Commerce announced the final results of its expedited sunset review for cold-rolled from Korea. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. In its administrative review for August 1, 1997-July 31, 1998, Commerce found that there was duty absorption. The original and sunset margins are shown in the tabulation below:[7]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Cold-rolled	Pohang	14.44	14.40
Cold-rolled	All others	14.44	14.40

Netherlands

On August 2, 2000, Commerce announced the final results of its full sunset review for cold-rolled from the Netherlands. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the following tabulation:[8]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Cold-rolled	Hoogovens	20.19	19.32
Cold-rolled	All others	20.19	19.32

Administrative Reviews of the Antidumping Duty Orders

The result of Commerce's administrative reviews on producers/exporters of subject merchandise with respect to antidumping duty orders from Germany, Korea, and the Netherlands follow.

[7] Antidumping duty order, 58 FR 44159, August 19, 1993; final sunset review determination, 65 FR 18044, April 6, 2000; amended final determination of sales at LTFV, 58 FR 41083, August 2, 1993.

[8] Antidumping duty order, 58 FR 44172, August 19, 1993; final sunset review determination, 65 FR 47377, August 2, 2000.

Germany

Commerce completed only one antidumping duty administrative review of producers/exporters of subject merchandise. A review for the period August 1, 1994 through July 31, 1995 was terminated.[9] In the one administrative review completed, Commerce did not make any duty absorption determinations; the final results of the review are presented in the tabulation below:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Thyssen	8/18/93-7/31/94	December 19, 1995 (61 FR 65264)	5.88
All others			19.03

Korea

Commerce completed 5 antidumping duty order administrative reviews of producers/exporters from Korea. In its administrative review for August 1, 1997-July 31, 1998, Commerce found that there was duty absorption. The results are presented in the following tabulation:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Dongbu	2/4/93-7/31/94	April 26, 1996 (61 FR 18547)	6.07
Union Steel			1.08
All others			14.44
Dongbu	8/1/94-7/31/95	August 19, 1996 (62 FR 18404)	0.10[1]
The POSCO Group[2]			0.09[1]
Union Steel			0.15[1]
All others			14.44
Dongbu	8/1/95-7/31/96	April 27, 1998 (63 FR 20572)[3]	1.21
The POSCO Group			5.72
All others			17.70
Dongbu	8/1/96-7/31/97	March 16, 1999 (64 FR 12927)	([4])
The POSO Group			0.00
Union Steel			([4])
All others			14.40

[9] 62 FR 3902, February 2, 1996.

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Dongbu	8/1/97-7/31/98	April 25, 2000 (65 FR 24182)[5]	0.00
The POSCO Group[6]			0.10[1]
Union Steel			0.00
All others			14.44

[1] *De minimis* margin (i.e., margin is less than 0.5 percent); therefore no cash deposit was required to be paid to Customs.

[2] Amended results, 62 FR 33587, June 20, 1997.

[3] Amended results. Original final results announced in 63 FR 13170, March 18, 1998.

[4] No U.S. entries for the period of review.

[5] Amended final administrative review results for Dongbu and the POSCO Group; original final results announced in 65 FR 13359, March 13, 2000.

[6] Duty absorption occurred during the period through respondent's U.S. affiliate (POSCO); the percentage of the U.S. affiliate's sales with dumping margins was 1.16 percent. 65 FR 24180, April 25, 2000.

Netherlands

Commerce completed 5 antidumping duty order administrative reviews on producers/exporters of subject merchandise from the Netherlands. During these reviews, Commerce made one duty absorption determination. The results are shown in following tabulation:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Hoogovens	8/18/93-7/31/94	September 13, 1996 (61 FR 48465)[1]	5.54
All others			19.32
Hoogovens	8/1/94-7/31/95	June 13, 1997 (61 FR 32294)	4.94
All others			19.32
Hoogovens[2]	8/1/95-7/31/96	April 27, 1998 (63 FR 20574)	4.32
All others			19.32
Hoogovens	8/1/96-7/31/97	March 10, 1999 (64 FR 11825)	0.92
All others			19.32
Hoogovens[3]	8/1/97-7/31/98	March 13, 2000 (65 FR 13362)	0.26[4]
All others			19.32

[1] Amended notice.

[2] Commerce found that Hoogovens absorbed antidumping duties on 84.3 percent of its U.S. sales. 63 FR 20574, April 27, 1998.

[3] Commerce determined a *de minimis* margin (i.e., margin less than 0.5 percent, which does not require a cash deposit to be paid to Customs) and therefore concluded that duties were not being absorbed by Hoogovens.

[4] *De minimis* margin.

COUNTERVAILING/ANTIDUMPING DUTIES COLLECTED

Table COLD-I-2 presents the actual amount of customs duties collected under the antidumping and countervailing duty orders from 1994 to 1999.

Table COLD-I-2
Actual duties collected and imports from subject countries, fiscal years 1994-99[1]

(In dollars)

Item	1994	1995	1996	1997	1998	1999
Countervailing						
Germany						
Duties collected	1,032,246	300,927	98,814	127,216	174,192	187,113
Imports	121,440,625	35,403,117	11,625,202	14,913,122	20,493,190	22,013,373
Korea						
Duties collected	157,759	112,527	41,942	11,532	2,098,776	1,804,333
Imports	3,993,898	2,848,803	1,061,828	291,949	53,133,574	45,679,318
Sweden						
Duties collected	(2)	(2)	(2)	***	(2)	(2)
Imports	(2)	(2)	(2)	***	(2)	(2)
Antidumping						
Germany						
Duties collected	22,382,401	6,444,508	963,822	1,338,579	1,521,933	1,481,050
Imports	122,341,292	35,909,478	11,692,787	15,014,703	20,556,587	22,085,697
Korea						
Duties collected	577,340	406,428	(2)	***	2,644,581	759,375
Imports	3,998,944	2,814,602	(2)	***	53,106,426	45,679,867
Netherlands						
Duties collected	(2)	(2)	(2)	***	(2)	(2)
Imports	(2)	(2)	(2)	***	(2)	(2)

[1] The federal fiscal year is October 1-September 30.
[2] Business proprietary information; not divulged by Customs.

Source: Customs Annual Report, Part A.

THE SUBJECT PRODUCT

The imported product subject to the antidumping order under review, as defined by Commerce, is

> "Cold-rolled (cold-reduced) carbon steel flat-rolled products, of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished or coated with plastics or other nonmetallic substances, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the Harmonized Tariff Schedule ("HTS") under item numbers 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0090, 7209.17.0030, 7209.17.0060, 7209.17.0090, 7209.18.1530, 7209.18.1560, 7209.18.2550, 7209.18.6000, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7210.90.9000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7215.50.0015, 7215.50.0060, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090. Included in this order are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which have been "worked after rolling")--for example, products which have been beveled or rounded at the edges. Excluded from this review is certain shadow mask steel, i.e., aluminum-killed, cold-rolled steel coil that is open-coil annealed, has a carbon content of less than 0.002 percent, is of 0.003 to 0.012 inch in thickness, 15 to 30 inches in width, and has an ultra flat, isotropic surface."[10]

Cold-rolled, as defined above, does not include microalloyed steel which was included in the recently completed cold-rolled steel products investigations.[11]

With respect to subject merchandise from Sweden:

These products include cold-rolled carbon steel flat-rolled products whether or not corrugated or crimped and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal and not clad; over 12 inches in width and of any thickness; whether or not in coils.[12]

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[10] 65 FR 18044, April 6, 2000. Commerce's notices regarding these investigations with respect to Germany cited obsolete HTS subheadings. See also 65 FR 16168 and 161176, March 27, 2000; 65 FR 18044-46, April 6, 2000; and 65 FR 18973, April 10, 2000.

[11] *See, Certain Cold-Rolled Steel Products From Argentina, Brazil, Japan, Russia, South Africa, and Thailand* (investigations Nos. 701-TA-393 and 731-TA-829-830, 833-834, 836, and 838 (Final)), USITC publication 3283, March 2000, pp. I-6-I-11.

[12] 65 FR 18304, April 7, 2000. Commerce's notices regarding these investigations with respect to Sweden cited (continued...)

U.S. Tariff Treatment

The column 1-general, or normal trade relations, rates of duty for cold-rolled steel range from 0.4 to 3.0 percent *ad valorem*. These duty rates are being reduced in annual stages as a result of the Uruguay Round Agreement and will be eliminated as of January 1, 2004. Subject imports qualifying for NAFTA preferential treatment from Canada are free of duty and from Mexico are subject to duty rates ranging from free to 2.2 percent *ad valorem* (these rates will be eliminated in stages by January 1, 2003).

Physical Characteristics and Uses

Cold-rolled is used in a variety of applications including automotive, construction, container, appliance, and electrical equipment manufacturing. A large portion of cold-rolled is not sold on the open market, but is used internally or transferred to affiliates for production of downstream products including corrosion-resistant steel, tin plate, and other products. Cold-rolled that is not further processed is used for such applications as panels in electrical equipment and appliances, or for certain body parts in automobiles, where surface finish or strength-to-weight ratio is important but resistance to corrosion is not. Cold-rolled is also used for automotive transmission and seat belt components, and serves as a material for utensils, cutting tools, and cutlery.

Manufacturing Process and Facilities

The raw material input for cold-rolled is hot-rolled steel sheet in coils. The input hot-rolled steel is pickled, that is cleaned in a bath of sulfuric or hydrochloric acid to remove surface oxide (scale) formed during hot-rolling. The pickled steel is then processed through a cold-rolling mill, which is typically a continuous (or tandem) mill having four to six roll stands, and which reduces the thickness of the hot-rolled material by 30 to 90 percent. The cold-rolling process hardens steel so that it usually must be subjected to a controlled heating and cooling process (annealed) to make it more formable. At this stage, the material is considered "full hard" cold-rolled sheet. Full hard cold-rolled sheet is used as an input in certain continuous coating processes.

There are two basic annealing processes: batch and continuous. In a batch annealing process, coils of cold-rolled sheets are stacked on a base. Covers are places over the stacks to contain the annealing atmosphere, usually hydrogen, which is needed to prevent oxidation of the steel. The annealing furnace is then lowered over the covered stacks. Heating and re-cooling of the sheet may take five or six days. Continuous annealing involves uncoiling the steel and processing it through an annealing furnace continuously, thereby reducing the annealing time to a matter of minutes and achieving greater uniformity of results.

After the steel has been annealed, it is rolled on a temper mill to produce the desired hardness, flatness, and surface quality. Temper rolling of annealed product is required to reduce the tendency of the steel to develop surface distortions during fabrication. Temper rolling involves very light reduction in thickness and should not be confused with cold-rolling.

Cold-rolled that is used as a substrate for hot-dipped galvanized steel is usually not annealed or temper rolled because those operations are done on the continuous galvanizing lines. Product that is

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[12] (...continued)
obsolete HTS subheadings.

used as a substrate for electrolytically galvanized steel or for tin plate is usually annealed and temper rolled.

Like Product Issues

In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of these reviews, all parties except Kern-Liebers either agreed with or did not contest the Commission's definition of like product.[13] In their prehearing and posthearing briefs, domestic parties argued that the Commission's definition of the domestic like product should be expanded to include microalloyed product considered by the industry to be included in carbon steel.[14] [15]

Kern-Leibers argues the product it imports, steel for seat belt retractor springs, should be a separate like product.[16] The company argues that a comparable steel is only produced by one U.S. company, an affiliate of a German company that is not a party to the reviews, and therefore the U.S. company should be excluded from consideration as part of the U.S. domestic industry.[17] However, Kern-Leibers' comments were primarily based on its knowledge of subject imported seat belt retractor springs, rather than on domestically produced seat belt retractor springs.

Physical Characteristics and Uses[18]

The cold-rolled steel in question is a texture-rolled carbon steel that is made into springs for seat belt retractors. Seat belt retractor springs must conform to the performance criteria of the Federal Motor Vehicle Safety Standard No. 209, Seat Belt Assemblies.[19] Kern-Liebers argues that seat belt retractor steel differs from other cold-rolled steel products in chemical composition, cleanliness and inclusion levels, microstructure, and tensile strength;[20] the domestic producer argues that it is one of many steel products in a continuum.[21] Seat belt retractor steel is "simply one of several end use applications for texture-rolled steel, which is a type of cold-rolled steel."[22]

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[13] Korean response to notice of institution, October 21, 1999, p. 10; Hoogovens' response to notice of institution, October 21, 1999, p. 11; and German mills' prehearing brief, pp. 5-6.

[14] Domestic prehearing brief, vol. I, pp. 7-17, and vol. III, pp. 7-8; domestic posthearing brief, vol. I, p. 11, and vol. II, pp. 19-22.

[15] Data provided by domestic producers for cold-rolled include microalloy products. Because microalloy is not included the scope of the reviews, import data presented in this report do not include microalloy products.

[16] Kern-Liebers' response to notice of institution, October 21, 1999, pp. 6-14; comments concerning adequacy, November 12, 1999; and comments on proposed questionnaires, April 20, 2000.

[17] Kern-Liebers' comments on proposed questionnaires, April 20, 2000, p. 2.

[18] ***.

[19] 49 CFR 571.209.

[20] Kern-Liebers' response to notice of institution, October 21, 1999, p. 7. For detailed produce specifications of Kern Liebers' imported seat belt retractor steel, see Kern-Liebers' comments on proposed questionnaires, April 20, 2000.

[21] Theis' prehearing brief, p. 9.

[22] Statement of Richmond W. Glover, President, Theis, cold-rolled TR, p. 91. See also Theis' prehearing brief, p. 12.

Interchangeability

Kern-Liebers argues that seat belt retractor steel, because of its cost due to its being hardened and tempered, is not commercially interchangeable with other cold-rolled steel products.[23] The domestic producer argues that texture rolled steel used in seat belt retractor springs is used in other applications, and the limited interchangeability of texture-rolled steel is "consistent with other instances of limited interchangeability common across the spectrum of cold-rolled products."[24]

Manufacturing Process and Facilities

Kerns-Liebers contends that the facilities used to manufacture subject imported seat belt retractor steel, as well as the process, are different from those used to produce other cold-rolled steel products.[25] Subject imported seat belt retractor steel is subject to a "patenting" process to obtain a sorbitic microstructure and a tensile strength of approximately 1,250 N/mm^2 (181.3 kpsi).[26] The patenting process requires a patenting processing furnace as a continuous patenting system. After the patenting process, imported seat belt retractor steel is subjected to an 80 percent roll reduction, creating a tensile strength of up to 2,600 N/mm^2 (377 kpsi). Seat belt retractor steel is rolled on a 20-roll Senzimir-type rolling mill to produce the tensile strength.

In contrast, Kern-Liebers notes, other cold-rolled steel reportedly is not subjected to a "patenting" process and from the annealed state is subjected to a roll reduction of only 50 to 60 percent, resulting in a tensile strength of only 600 N/mm^2 (87 kpsi). Other cold-rolled steel generally also requires annealing and temper rolling. Further, other cold-rolled steel does not use a patenting processing furnace, and is typically rolled in a mill with only 4 rolls, which reportedly does not produce a tensile strength as high as may be required of seat belt retractor steel.

The domestic producer states that it uses the same manufacturing equipment, including 20-roll mills, to produce both seat belt retractor steel as well as other types of cold-rolled steel.[27] Further, the same production workers are used to produce texture-rolled steel and other cold-rolled steel.[28] Indeed, the company argues that texture-rolled steel "undergoes many of the same manufacturing steps used to produce other cold-rolled steels, including rolling, annealing, rerolling, slitting, edging and/or deburring."[29]

Channels of Distribution

Kerns-Liebers argues that seat belt retractor steel, whether imported or produced domestically, is sold by the steel manufacturer directly to the spring manufacturer. In contrast, other cold-rolled steel may be consumed by the cold-rolled producer itself to produce corrosion-resistant steel or sold on the open market or through steel service centers. The domestic producer argues that other texture-rolled

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[23] Kern-Liebers' response to notice of institution, October 21, 1999, pp. 8-9.

[24] Theis,'prehearing brief, p. 13.

[25] Kern-Liebers' response to notice of institution, October 21, 1999, pp. 8-9.

[26] N/mm^2 is newtons (a metric measure of force) per millimeter squared.

[27] Theis' prehearing brief, p. 14.

[28] Ibid.

[29] Ibid.

steel for measuring tape steel, spring mechanisms, and band saw products are also sold directly to end users, as are other types of cold-rolled.[30]

Customer and Producer Perceptions

Kerns-Liebers argues that seat belt retractor steel is produced to the specifications of seat belt retractor spring manufacturers in order to meet the performance requirements established in the Federal Motor Vehicle Safety Standard No. 209, Seat Belt Assemblies. Further, seat belt retractor steel is more expensive than other cold-rolled steel flat products, is more costly to produce because of more steps in the manufacturing process, and has a limited market in volume and number of seat belt retractor spring manufacturers. The domestic producer argues that within the cold-rolled continuum, there are numerous "scope products that are produced to specifications for particular end uses."[31]

Price

Seat belt retractor steel was reportedly approximately twice as expensive as other cold-rolled steel during the original investigation.[32] The difference in price is due to the high strength and durability standards required of seat belt retractor steel that require more complex operations and quality controls. The domestic producer argues that it sells steel for power springs and other stamped parts for ***.[33] ***. Theis states that texture-rolled steel for seat belt retractor springs is "on the high end of the pricing spectrum for cold-rolled steel, {and that} the price is comparable to other high carbon steels produced to exacting specifications, including hardened and tempered steel used for power spring and miscellaneous parts."[34]

U.S. MARKET PARTICIPANTS

U.S. Producers

Nineteen firms reported producing cold-rolled in the United States over the period of these reviews compared to 14 in the first cold-rolled investigation and 21 during the second series of investigations. Table COLD-I-3 presents data on cold-rolled producers, their positions on revocation, locations of production facilities, parent firms, and related foreign producers.

U.S. Importers

Thirty-one firms reported imports of cold-rolled during the period of review. Data on U.S. producers' imports of cold-rolled are presented in Part III.

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[30] Theis' prehearing brief, pp. 13-14.

[31] Theis' prehearing brief, p. 15.

[32] Kern-Liebers' response to notice of institution, October 21, 1999, p. 9.

[33] Theis' prehearing brief, p. 15.

[34] Statement of Richmond W. Glover, President, Theis, cold-rolled TR, p. 93.

Table COLD-I-3
Responding U.S. producers, position on revocation, locations of production facilities, parent firms, and related foreign producers

U.S. producer	Position on revocation	Location(s) of production facilities	Parent firm	Related foreign producers of cold-rolled
AK	***	Middletown, OH Ashland, KY Rockport, IN	AK Holding Co. (OH)	None
Bethlehem	***	Burns Harbor, IN Sparrows Point, MD Coatesville/ Conshohocken, PA	None	None
Blair	***	New Castle, PA	None	None
California	***	Fontana, CA	*** Kawasaki (USA) (DE) *** CVRD (NY)	Kawasaki (Japan)
Gulf States	***	Gadsden, AL	GSS Holding (USA)	None
Ispat/Inland	***	East Chicago, IN	Ispat International (Netherlands)	Ispat Sidbec (Canada) Ispat Karmet (Kazakhstan)
JIT	***	Tulare, CA	Mitsui (USA)	Mitsui (Japan)
LTV	***	Cleveland, OH E. Chicago, IN Hennepin, IL	LTV Corp. (OH)	None
National	***	Ecorse, MI Granite City, IL Portage, IN	*** NKK USA Corp. (NY)	NKK (Japan)
Nucor	***	Berkeley, SC Blytheville, AR Crawfordsville, IN	None	None
Rome	***	Rome, NY	None	None
Rouge	***	Dearborn, MI	Rouge Industries (MI)	None

Table continued on next page.

Table COLD-I-3--Continued
Responding U.S. producers, position on revocation, locations of production facilities, parent firms, and related foreign producers

U.S. producer	Position on revocation	Location(s) of production facilities	Parent firm	Related foreign producers of cold-rolled
Steel Co.	***	Chicago, IL	None	None
Theis	***	Bristol, CT	Theis of America ***	Theis (Germany) Theis (Spain) Paturle Adiers (France)
UPI	***	Pittsburg, CA	USX *** Pohang ***	Pohang (Korea)
USX	***	Gary, IN Fairless Hills, PA Dravosburg, PA Fairfield, AL	None	None
WCI	***	Warren, OH	Renco Steel Holdings (OH)	None
Weirton	***	Weirton, WV	None	None
Wheeling-P	***	Wheeling, WV	None	None
Source: Compiled from data submitted in response to Commission questionnaires				

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table COLD-I-4 presents apparent U.S. consumption for the review period and table COLD-I-5 presents U.S. market shares for the same period.

Table COLD-I-4
Cold-rolled: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Quantity *(short tons)*		
U.S. producers' shipments	31,111,308	32,810,234	34,942,005	8,510,925	9,411,295
U.S. imports from –					
Germany	47,554	59,595	52,654	4,675	13,542
Korea	3,656	246,828	116,977	58,321	49,952
Netherlands	84,476	101,010	34,348	12,604	3,640
Sweden	26,270	15,826	27,853	9,636	3,275
Subtotal	161,956	423,259	231,831	85,236	70,409
All others	2,994,177	3,171,223	2,673,656	641,967	363,132
Total imports	3,156,133	3,594,482	2,905,487	727,203	433,541
Apparent consumption	34,267,441	36,404,716	37,847,492	9,238,128	9,844,836
			Value *(1,000 dollars)*		
U.S. producers' shipments	13,983,033	14,144,203	14,194,240	3,476,789	3,943,497
U.S. imports from –					
Germany	31,527	37,492	30,042	4,000	9,129
Korea	2,706	85,834	39,941	19,882	18,077
Netherlands	38,569	43,639	12,895	4,728	1,371
Sweden	25,894	21,852	26,362	7,306	5,190
Subtotal	98,696	188,817	109,240	35,917	33,766
All others	1,354,166	1,314,579	974,215	243,011	155,693
Total imports	1,452,861	1,503,396	1,083,455	278,928	189,459
Apparent consumption	15,435,894	15,647,599	15,277,695	3,755,717	4,132,956

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

Table COLD-I-5
Cold-rolled: U.S. market shares, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Quantity *(short tons)*		
Apparent consumption	34,267,441	36,404,716	37,847,492	9,238,128	9,844,836
			Value *(1,000 dollars)*		
Apparent consumption	15,435,894	15,647,599	15,277,695	3,755,717	4,132,956
			Share of quantity *(percent)*		
U.S. producers' shipments	90.8	90.1	92.3	92.1	95.6
U.S. imports from –					
Germany	0.1	0.2	0.1	0.1	0.1
Korea	0.0	0.7	0.3	0.6	0.5
Netherlands	0.2	0.3	0.1	0.1	0.0
Sweden	0.1	0.0	0.1	0.1	0.0
Subtotal	0.5	1.2	0.6	0.9	0.7
All others	8.7	8.7	7.1	6.9	3.7
Total imports	9.2	9.9	7.7	7.9	4.4
			Share of value *(percent)*		
U.S. producers' shipments	90.6	90.4	92.9	92.6	95.4
U.S. imports from –					
Germany	0.2	0.2	0.2	0.1	0.2
Korea	0.0	0.5	0.3	0.5	0.4
Netherlands	0.2	0.3	0.1	0.1	0.0
Sweden	0.2	0.1	0.2	0.2	0.1
Subtotal	0.6	1.2	0.7	1.0	0.8
All others	8.8	8.4	6.4	6.5	3.8
Total imports	9.4	9.6	7.1	7.4	4.6

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

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

BUSINESS CYCLE

The U.S. industry producing cold-rolled follows a business cycle tied closely to that of the general economy; in particular, large volumes of these cold-rolled steel products are used in automobiles, appliances, construction, and to produce corrosion-resistant material.

MARKET SEGMENTS

Cold-rolled is used internally by U.S. producers, and is sold to service centers/converters and manufacturers/end users. Domestic producers argued that the consolidation of service centers will permit the rapid expansion of cold-rolled imports should the orders be lifted, especially because some are tied to foreign producers.[1] Domestic producers also noted that there has been a push toward centralization of purchasing in the automotive industry and a move to international standards, both of which will increase the ease with which imports could compete with domestic cold-rolled.[2] Furthermore, there has also been consolidation in the appliance manufacturing segment.[3]

Twelve U.S. producers reported where they sell; 3 reported selling primarily in the East/Midwest but also reported selling nationwide, 8 reported selling mainly in the East/Midwest, and 2 reported selling mainly in the West. Eight importers reported where they sell; 5 reported selling nationwide,[4] 1 reported selling to the East/Midwest, and 3 reported selling at ports in the East, West, and Gulf coasts.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Based on available information, U.S. producers of cold-rolled are likely to respond to changes in price with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is constrained by a moderately high rate of capacity utilization, relatively low levels of inventories, the small share of shipments which are exported, and the lack of significant production alternatives.

Industry Capacity

Both capacity and production increased between the initial investigations and 1999. U.S. producers' capacity utilization rates rose from 70.2 percent in 1984 and 77.2 percent in 1993 to 81.7 percent in 1997 and 86.0 percent in 1999. Producers' capacity utilization in interim 2000 was 90.2 percent. Yearly capacity utilization rates increased despite the addition of new capacity during the period of review.

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[1] Domestic posthearing brief, p. 13.

[2] Ibid., p. 14.

[3] Ibid., p. 15.

[4] One of these reported selling to all major areas including the East, the West, the Gulf, and the Great Lakes areas.

U.S. producers report that U.S. cold-rolled supply is expected to continue to increase. *** reported that cold-rolled production is estimated to increase by *** percent between 1999 and 2000. *** reported that cold-rolled capacity is expected to increase by *** million tons from 1999 to 2000. Cold-rolled capacity increased from 9.5 million tons in interim 1999 to 9.8 million tons in interim 2000. Respondents noted that *** in 2000-01.[5]

Export Markets

Ten of 13 U.S. producers indicated that they exported during the period of investigation, with export shipments reported to Canada, Mexico, ***. U.S. producers' export shipments rose from 228,000 tons in 1992 to 248,570 tons in 1997 and 265,752 tons in 1999, or approximately 0.8 percent of total shipments.

Inventories

Inventories as a ratio of total shipments fell from 6.9 percent in 1992 to 6.1 percent in 1997 and 5.9 percent in 1999. In interim 2000, inventories fell to 5.3 percent of total shipments. Although inventories increased in absolute terms, so did production and shipments. Since shipments rose faster than inventories, the ratio has been declining.

Production Alternatives

Eight of 16 U.S. producers reported that they produce other products not subject to the reviews using the same equipment and workers as their cold-rolled production. These other products include hot-rolled steel products, which are used as an input for cold-rolled, coated carbon steel products and tin mill sheet, which are both downstream products that use cold-rolled as an input, and alloy plate which is not a cold-rolled product. While producers may be able to use some of their cold-rolled as a substrate for other products, their ability to do so is constrained by technical and engineering capabilities (such as galvanizing capacity), as well as the profitability of those options. Presently there are antidumping orders on tin mill plate and those in the corrosion-resistant portion of these reviews.

Subject Import Supply

Information on subject foreign producers is contained in table COLD-II-1.

Foreign Demand

The IMF's September *World Economic Outlook (Advance Copy)* has estimated real GDP growth for certain economies and regions as a whole. It forecasted world economic growth to be 4.7 percent in 2000 and 4.2 percent in 2001 under the assumption that "imbalances in the global economy are resolved in an orderly fashion."[6] This does not include the effect of higher oil prices on the world market. The IMF estimates that GDP growth in industrialized countries would decrease by 0.2 percent for a $5 per

[5] *** producer's questionnaire, p. 40B, and respondents' joint economic report, table 2.

[6] *World Economic Outlook (Advance Copy)*, p. 9.

Table COLD-II-1
Cold-rolled: Factors indicating subject producers' ability to increase sales to the United States

Country	Firms providing foreign producer Q	Capacity 1984 or 1992	Capacity 1999[1]	Capacity utilization rate 1999	Production 1984 or 1992	Production 1999
	(number)	*(1,000 tons/year)*	*(1,000 tons/year)*	*(percent)*	*(tons)*	*(tons)*
Germany	5	8,272	8,465	92.5	6,439,000	7,831,682
Korea	4	***	13,311	90.5	***	12,050,193
Netherlands	1	***	***	***	***	***
Sweden	1	***	***	***	***	***

Table COLD-II-1--continued
Cold-rolled: Factors indicating subject producers' ability to increase sales to the United States

Country	Inventories to total shipments 1999	Production exported to the U.S. 1999	Production exported	Alternative markets	Other information such as expected capacity change or the Asian economic crisis
	(percent)	*(percent)*	*(percent)*		
Germany	7.2	0.6	15.8	EU, Japan	Using euro; under antidumping order in Mexico, but not for automotive steel.
Korea	0.7	1.1	22.4	China, Asia, Japan, EU, Mexico	Imports to the United States increased in 1998 because of the Asian crisis; privatizing Pohang, Korea's largest producer.
Netherlands	***	***	***	***	Using euro.
Sweden	***	***	***	***	Joined EU.

[1] As reported by the foreign producers.

Source: Compiled from data submitted in response to Commission questionnaires and in pre- and posthearing briefs.

barrel increase in the price of oil (about 20 percent above *World Economic Outlook* baseline). The IMF projected growth figures and yearly rates of growth of certain countries and regions since 1992 can be

found in Part PLATE-II. The IMF also published "harder landing" estimates of real GDP growth for the United States, the Euro Area, and Japan along with other more general areas.[7]

The Korean respondents stated that CRU has projected that, for the subject countries, increased demand for cold-rolled during the period through 2004 will exceed the projected growth in production capacity. Domestic producers claimed that CRU data indicate that there was significant global excess capacity for traded cold-rolled in 1998, and this will not change in the foreseeable future.[8] U.S. producers also alleged that East Asian cold-rolled coil prices are threatening to slip; general pricing for sheet in Asia has turned around since May, dropping up to $70 per (metric) ton. Also, they stated that general sheet markets have "continued to weaken" for the last month, and that Nippon is going to cut back production of steel sheets by 4,000 tons per month starting in October because "steel demand in Asia was beginning to turn downward."[9]

Germany

The German respondents noted a number of changed conditions of competition from 1993 to the present particular to their country; i.e., the reunification of Germany is complete and the economy healthy; the cold-rolled industry has consolidated into 4 major producers, rather than a handful of fragmented ones; there is economic growth instead of recession; and there is a more fully integrated EU with one currency. As a result, German cold-rolled production is now more focused, with *** percent of production staying in Germany in 1999 (up from *** percent in 1992), and *** percent being shipped elsewhere in the EU (down from *** percent in 1992).[10] U.S. producers responded that intra-EU trade in iron and steel has not increased much since the imposition of the orders. The ratio of intra-EU trade to extra-EU trade for 1990-92 was 44.6 percent, whereas in 1996 to 1998, it was 47.0 (in 1998 alone, it was 42.3 percent).[11]

German respondents noted that microalloy production is up as a percentage of total production on their cold-rolled lines, from *** percent in 1992 to *** percent in 1999.[12] In addition, German respondents stated that inventories of German cold-rolled in the United States are consistent with historical levels, and are maintained solely to meet the just-in-time needs of their contract customers, not to be sold on the spot market. Inventories in Germany are consistent with historical levels, lower at the end of August 2000 than a year prior; and stocks in German steel service centers are at 2.3 months, the lowest level in 3½ years.[13] German cold-rolled imports have declined in the mid-1990s due to customer

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[7] Ibid., p. 46. This is a scenario in which the U.S. economy experiences greater-than-expected inflationary pressure in late 2000 and growth in U.S. domestic demand is stronger than the original baseline. This might cause the Federal Reserve to tighten monetary policy more than currently anticipated and, early in 2001, would cause financial markets to "fundamentally reevaluate" the prospects for the U.S. economy, consequently causing a fall of about 20 percent in the U.S. stock market and a recession.

[8] Domestic posthearing brief, p. 12 and exh. 1.

[9] Ibid., pp. 18-9.

[10] German mills' posthearing brief, p. 5.

[11] Domestic posthearing brief, exh. 2.

[12] German mills' prehearing brief, p. 17.

[13] German mills' posthearing brief, p. 7.

demand for corrosion-resistant carbon and microalloy steel.[14] Further, German respondents testified at the hearing that switching from long-standing customers in the EU to get a short-term profit in the United States would be "economic suicide."[15]

Korea

The Korean respondents pointed mainly to four conditions of competition the Commission found in the most recent cold-rolled investigations and claimed that these conditions still hold true. These conditions are that the majority of domestic production is consumed internally and therefore shielded from competition, customer-supplier relationships are stable and influenced by factors other than price, competition is limited due to long-term contracts, and that the U.S. industry dominates the domestic market for cold-rolled. They also noted that there have been fundamental changes in the Korean industry since the original investigation. They stated that the Korean economy is booming, especially in the automobile and appliance markets, which combined account for approximately *** percent of Korean domestic sales.[16] The Korean respondents replied to domestic producers' claims that Korea does not have growing third country markets by noting that domestic producers' argument is contradicted by Korea's pattern of trade.[17] U.S. producers noted that there is no guarantee that other Asian markets will necessarily absorb all of Korea's production.[18]

Netherlands

Hoogovens, the sole producer of cold-rolled in the Netherlands, recently merged with British Steel. Hoogovens contended that the cold-rolled that it ships to the United States is a different product than that typically sold in the U.S. merchant market. During the period of review, between *** percent of the cold-rolled Hoogovens sold to the United States was unfinished "full-hard" cold-rolled.[19] It noted that imports from the Netherlands increased the year after the antidumping duty order was imposed and, beginning in 1995, imports began to decline concurrent with decreases in the antidumping margins, even when the margins dropped to *de minimis* levels.[20] Domestic producers stated that the decrease in imports from the Netherlands since the imposition of the order was due to the imposition of the antidumping duty

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[14] Ibid., p. 9.

[15] Cold-rolled TR, p. 239.

[16] Korean posthearing brief, p. 11.

[17] Exports to the EU from Korea were *** tons in 1998, *** tons in 1999, and over *** tons in the first half of 2000. Exports to China were *** tons in 1999 and are over *** tons in the first half of 2000. Further, the shortfall between Chinese production and consumption of cold-rolled is predicted to grow from 4.5 million tons in 1999 to almost 5.6 million tons in 2004. Korean respondents do agree with domestic producers' claim that China has an import licensing system, but they note that the system applies equally to all countries and has not restricted the volume of Korean exports to China. Korean posthearing brief, pp. 12-13. Domestic producers replied that China's steel industry is rapidly expanding its capacity and improving its quality. Domestic posthearing brief, exh. 2. Korea also notes the large amount of exports to Japan, which rose from *** tons in 1992 to *** tons in 1999. Korean posthearing brief, p. 14.

[18] Domestic posthearing brief, p. 6.

[19] Dutch posthearing brief, p. 6.

[20] Ibid., pp. 2-3.

order and its revocation would remove a "significant obstacle to imports from the Netherlands."[21] Specifically, domestic producers pointed out that Dutch imports remained high until Commerce discovered Hoogovens was reimbursing its U.S. affiliate for the antidumping duties in 1995.[22] Domestic producers state that the Netherlands is export-oriented because it exports *** percent of its shipments.[23] Hoogovens replied that the EU is its home market, since *** percent of its non-U.S. exports are shipped within the EU.[24]

Hoogovens also argued that it has been shifting its production toward corrosion-resistant, thus decreasing the amount of cold-rolled available to export.[25] Hoogovens noted that coated steel has been an increasingly important part of the steel industry, a "major market shift, in which the significant majority of cold-rolled steel now supports coated steel products."[26] It contended that the reason for this is a combination of greater demand for rust resistance in the auto sector, increased use of steel in exposed construction applications, and reductions in the cost of galvanizing. Hoogovens maintained that it would not be able to supply the U.S. automotive sector because it lacks the kind of resources auto manufacturers would need; i.e., ***, a minimum of 12 months (or 24 to 36 for safety-related parts) to test each part, the technical personnel to carry the tests out on-site, "early vendor involvement" in the design phase, extensive on-site inventories, and just-in-time deliveries.[27]

Sweden

Domestic producers stated that SSAB is ***.[28] They also stated that general steel prices in Sweden have not recovered to their 1998 levels.[29]

Cartel Behavior

Domestic producers have alleged that there are "anticompetitive private restraints between the European integrated mills, on the one hand, and integrated mills in Japan and Korea, on the other hand; EU governmental restrictions on steel imports; and informal pressure by European integrated mills on mills in Eastern Europe to moderate their exports to the EU."[30]

The Netherlands claimed it has no knowledge of barriers on shipments to Japan, Russia, Brazil, and Korea because it does not ship to those countries. It also noted that domestic producers stated during

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[21] Domestic prehearing brief, vol. II, p. 10.

[22] Ibid., vol. II, p. 48.

[23] Domestic posthearing brief, p. 12.

[24] Dutch prehearing brief, exh. 1.

[25] In 1992, the ratio of Dutch cold-rolled to galvanized sales was *** to *** percent. In 1999, it was *** to *** percent. Dutch posthearing brief, p. 12.

[26] In 1991, coated steel accounted for 46.6 percent of total consumption in the EU. In 1999, the figure had reached 65.6 percent, and it is forecasted to climb above 70 percent before 2004. Ibid., p. A-30.

[27] Dutch posthearing brief, response to Commission's questions, pp. A-3-4.

[28] Domestic posthearing brief, p. 10.

[29] Ibid., exh. 6.

[30] Ibid., exh. 2.

the hearing that the United Kingdom was not involved in the alleged cartel activities; Hoogovens is now part of the Corus Group, which is headquartered in London.[31]

Domestic producers also noted that Commerce's *Global Steel Trade* report states that Pohang occupies a monopolistic position in the Korean steel market and has been found by the Korean Free Trade Commission to be engaging in monopolistic pricing practices.[32] The Korean respondents agreed that Pohang holds a dominant market position, but stated that Korea's government feels the concerns over monopolization can be addressed by divestiture of its interest in Korean distributors, low and soon-to-be-zero tariffs on imported steel, Korea's proximity to the large Japanese steel industry, and Japan's already large participation in the Korean market.[33] The Korean respondents noted the privatization of Pohang is planned to soon be complete, with foreign ownership at 41.86 percent in June 2000.[34] The last 6.84 percent of the government's holdings were to be sold in the form of depository receipts on September 28, 2000, but the sale was reduced to 4.6 percent because of bearish sentiment on Wall Street.[35]

U.S. Demand

Demand Characteristics

Demand for cold-rolled depends on the level of demand in the appliance, automotive, construction, container, and other industries in which it is used. Six of 11 responding U.S. producers and 8 of 14 responding importers reported that demand has increased since the orders were put into place. U.S. producers and importers were asked what factors affected demand both in the United States and in other countries. Factors reported include the GM strike, the strong economy, housing starts, increased capacity for galvanized sheet that require cold-rolled sheet as its input, shifts from cold-rolled to corrosion-resistant material, shifts within cold-rolled from carbon steel to microalloy product, the shift of auto production from overseas to transplant factories in the United States, and recovery of demand in Korea. Overall apparent consumption of cold-rolled increased by 10.4 percent from 1997 to 1999, and increased from 28.5 million tons in 1992 to 37.8 million tons in 1999.

Producers and importers were asked what they expected of future U.S. demand. Five of 11 producers reported that demand would be flat, while 3 estimated that demand would fall,[36] 2 reported that it depends on the economy, and 1 reported expecting demand to increase. Nine importers responded; 3 each reported that demand would increase, would remain stable, or would move with the economy; 1 reported there would be a shift from cold-rolled to corrosion-resistant; and 1 reported only on growth outside the United States.

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[31] Ibid., p. A-11.

[32] *Global Steel Trade*, p. 91.

[33] Ibid., p. 93.

[34] Korean posthearing brief, response to Commission's questions, p. 11.

[35] See, e.g., *http://www.FinanceAsia.com/Articles/9C54C8A6-950E-11D4-8C130008C72B383C.cfm*, and *http://www2.marketwatch.com/news/article.asp?doctype=2005&value=Posco&query=Posco&searchoption=boolean&property=word&display=Posco&source=htx/http2_mw&guid={08C01E6B-B7D2-4E9A-9CE3-76BAAD39794D}*.

[36] One of these reported that demand would be flat or fall.

Eight of 15 responding purchasers reported that demand for their final products incorporating cold-rolled has changed. All but 1 of these reported increased demand since the order.[37] ***.[38] National expects steel demand in the construction market to ***. In addition, a February 2000 report from the Freedonia Group predicted the market for major appliances will grow at an average rate of 3.3 percent per year through 2003.[39, 40] However, domestic producers submitted that the USX "order book is off somewhere in the 20 percent range, so {it} see{s} the business softening up and falling rapidly."[41] *Purchasing Magazine* reported "growing pessimism about the economy and fourth quarter demand for steel."[42]

Substitute Products

Eighteen of 25 responding purchasers reported that there are no other products that could be substituted for cold-rolled in their end uses. Reported possible substitute products include thin gauge hot-rolled steel products, galvanized steel products, wood, and other products.

Cost Share

Cold-rolled may be used in various products. Some of these products include automotive parts, furniture, appliances, containers, tubing, agricultural and industrial equipment, and galvanized steel sheets. Depending on the product, cold-rolled can account for a relatively high percentage of the cost of the component. Eighteen firms reported cost shares that range from 5 percent to 91 percent, depending on the end use. For the most common products mentioned, the cost shares for auto parts ranged from 20 to 70 percent and furniture/furniture parts uses ranged from 26 to 91 percent.[43]

E-commerce

Domestic producers argued that the advent of e-commerce will allow suppliers to reach a broader base of customers cheaply and instantaneously, creating downward pressure on spot cold-rolled prices. They noted that a recent report in *World Steel Dynamics* described one effect of this as possibly "increas{ing} the volatility of steel prices as most buyers and sellers globally are sharing the same information and impressions about near term outlook. Pricing 'death spirals' may occur even when underlying steel demand is rising (as in 1995)."[44] However, the authors noted that e-commerce might also "reduce the amplitude of price swings as more buyers are willing to step in more quickly" when

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[37] The one that did not report demand growth reported that demand followed demand in the construction industry.

[38] Respondents' joint economic report, p. 2.

[39] Ibid., p. 3.

[40] These predictions for the automotive, construction, and appliance market also apply, possibly even in a more direct fashion, to the corrosion-resistant industry.

[41] Cold-rolled TR, p. 80.

[42] "U.S. steel buyers are growing pessimistic," *Purchasing Magazine,* August 10, 2000.

[43] Three firms reported that 100 percent of the cost of galvanized product was accounted for by cold-rolled and 1 reported that 100 percent of the cost of auto parts was accounted for by cold-rolled.

[44] "E-commerce in Steel" presentation to Steel Success Strategies XV, *World Steel Dynamics*, June 20, 2000.

prices decline or refuse to buy when prices rise. Also among the possibilities, the presenters noted that e-commerce may reduce inventory in the system, accelerate cost cutting efforts, boost the "pricing power" of medium-sized and smaller customers, make the steel industry more "buyer-centered," make the industry's pricing structure more transparent, intensify cost reduction efforts, and increase apprehension on the part of investors about the profit outlook for established steel mills and middleman companies.[45] This is a relatively new phenomenon. Six of 14 responding producers noted that they either just started selling a small amount via the internet, are testing the internet, or are thinking about doing so.[46] One importer reported it is expecting to sell via the internet in 2001. No purchaser has reported buying via the internet.

SUBSTITUTABILITY ISSUES

Purchase Factors

Nine of 26 responding purchasers reported that they buy cold-rolled daily; 9 others reported weekly purchases.[47] Their purchasing patterns have not changed significantly during the last three years. Before making a purchase, 18 of 25 purchasers contact between 1 to 5 suppliers with 4 of these contacting only one supplier.[48] Twenty-one of 25 responding purchasers reported that they change suppliers only infrequently and then on the basis of factors such as moving production, price, quality, availability, delivery, service, and rationalization of supplier base. In addition, 6 purchasers reported that they purchased from multiple suppliers and some of these reported shifting the amount purchased among these based on factors such as price, quality, and lead time.

When asked to list the three most important factors considered when choosing a supplier, quality was ranked first most often. Price was the most frequently ranked third factor (see table COLD-II-2). Purchasers were also asked to rank 14 factors that go into their purchasing decision as very, somewhat, and not important. Quality was rated very important by all 25 responding purchasers. Availability, product consistency, and reliability of supply were all rated as very important by 22 purchasers and delivery time was rated as very important by 21 purchasers. A full description of purchasers' responses is in table COLD-II-3.

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[45] Ibid.

[46] *** has sold the most, *** percent, while *** noted selling ***. *** has sold prime excess and mill overruns, starting in May 2000, amounting to less than *** percent of sales. *** has started to use different web sites to test the internet, and *** reportedly is thinking about it.

[47] Of the remaining 8, 2 reported monthly purchases, 3 reported irregular purchases, 2 reported annual contracts, and 1 reported that it ***.

[48] The remaining suppliers reported contacting 6 (reported by 2), 8, 10, and 30 purchasers. Where purchasers provided a range, the midpoint of the range is reported.

Table COLD-II-2
Cold-rolled: Most important factors considered when selecting a supplier (figures indicate the number of purchaser responses in each category)[1]

Factor	First	Second	Third
Quality	17	6	1
Price	4	4	11
Supplier's product line	2	1	1
Traditional supplier	2	0	1
Availability	1	5	6
Delivery/lead time	0	5	5
Service	0	3	0
Other[2]	0	2	1

[1] Four firms reported more than the top three factors; other factors included delivery performance, freight costs, prearranged contracts, range of size and qualities, and annual contracts. In addition, 1 reported all factors are equally important.
[2] "Other" includes prearranged contracts and application for second factor, and reliability for third factor.

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

Table COLD-II-3
Cold-rolled: Overall importance of factors in purchase decisions

Factor	Very important	Somewhat important	Not important
Availability	23	3	0
Delivery terms	12	13	1
Delivery time	22	4	0
Discounts offered	10	8	4
Lowest price	17	9	0
Minimum quantity requirements	7	15	4
Packaging	11	11	4
Product consistency	23	3	0
Product quality	26	0	0
Product range	4	21	1
Reliability of supply	23	3	0
Technical support/service	8	18	0
Transport network	7	14	4
U.S. transport costs	12	12	1
Source: Compiled from data submitted in response to Commission questionnaires.			

Comparisons of Domestic Products and Subject Imports

The average reported lead times for U.S. producers generally ranged from 4 to 101 days, with 8 of the 11 reporting average lead times between 35 and 70 days. Importers' average lead times ranged from 1 day to 180 days with 10 of 17 responding importers reporting 105 to 150 days.[49]

U.S. producers and importers usually reported that domestically produced and imported products are broadly interchangeable (table COLD-II-4).[50] Two importers indicated that cold-rolled from subject countries is not interchangeable with domestically produced cold-rolled. These reported that Sweden produces *** which is only available from one U.S. producer, and that, of the subject countries, only Germany and the United States produce ***.[51] The majority of the U.S. producers and importers reported that differences other than price between U.S.-produced and subject imports usually are not a significant factor in their firms' sales of cold-rolled steel products (table COLD-II-5).[52] Of the three

[49] Where producers or importers reported a range for delivery, the midpoint is used.

[50] The U.S. producer that reported products from some countries were not interchangeable did not explain why.

[51] In addition, 3 importers reported that some nonsubject cold-rolled was not interchangeable with U.S. or subject imports.

[52] Such factors include quality, availability, transportation network, product range, technical support, etc.

Table COLD-II-4
Cold-rolled: Interchangeability between country pairs

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Germany	13	0	8	1
U.S. vs. Korea	14	0	6	0
U.S. vs. Netherlands	11	1	5	0
U.S. vs. Sweden	12	0	4	1
U.S. vs. nonsubject	9	0	5	4
Germany vs. Korea	12	0	5	0
Germany vs. Netherlands	10	1	4	0
Germany vs. Sweden	11	0	4	0
Germany vs. nonsubject	8	0	2	1
Korea vs. Netherlands	10	1	5	0
Korea vs. Sweden	11	0	5	0
Korea vs. nonsubject	9	0	3	1
Netherlands vs. Sweden	10	1	4	0
Netherlands vs. nonsubject	7	0	2	1
Sweden vs. nonsubject	6	0	2	1

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

importers that reported there were differences other than price, 1 reported that *** and provides better services; another reported that ***; and the third firm which reported differences for *** cold-rolled contradicted itself, reporting that there might be no differences between U.S. and *** product.

U.S. producers and importers were asked if price differences between countries were a significant factor in the firm's sales. For most country pairs, both U.S. producers and importers reported that price was a significant factor (table COLD-II-6).

Purchasers were also asked to compare cold-rolled produced in the United States to cold-rolled produced in other countries on the basis of 14 purchase factors. The results of these comparisons are shown in table COLD-II-7. No purchasers compared product from subject countries with other subject imports based on the 14 factors requested.

Table COLD-II-5
Cold-rolled: Existence of differences other than price between domestic and imported products

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Germany	0	12	1	5
U.S. vs. Korea	0	13	2	2
U.S. vs. Netherlands	0	11	1	2
U.S. vs. Sweden	0	11	1	2
U.S. vs. nonsubject	0	8	6	2
Germany vs. Korea	0	10	0	2
Germany vs. Netherlands	0	10	0	2
Germany vs. Sweden	0	10	1	2
Germany vs. nonsubject	0	7	1	0
Korea vs. Netherlands	0	10	0	2
Korea vs. Sweden	0	10	1	2
Korea vs. nonsubject	0	8	1	0
Netherlands vs. Sweden	0	10	1	2
Netherlands vs. nonsubject	0	7	1	0
Sweden vs. nonsubject	0	7	1	0

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

Table COLD-II-6
Cold-rolled: Whether price differences between countries are a significant factor in firms' sales of cold-rolled

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Germany	10	2	1	5
U.S. vs. Korea	11	1	3	1
U.S. vs. Netherlands	10	1	2	1
U.S. vs. Sweden	10	1	1	1
U.S. vs. nonsubject	6	1	3	6
Germany vs. Korea	9	1	1	1
Germany vs. Netherlands	8	1	1	1
Germany vs. Sweden	8	1	1	1
Germany vs. nonsubject	5	1	0	1
Korea vs. Netherlands	8	1	1	1
Korea vs. Sweden	8	1	1	1
Korea vs. nonsubject	5	1	0	1
Netherlands vs. Sweden	5	0	1	1
Netherlands vs. nonsubject	5	1	0	1
Sweden vs. nonsubject	5	1	0	1
Source: Compiled from data submitted in response to Commission questionnaires.				

Table COLD-II-7
Cold-rolled: Comparison of U.S. product with product from other countries,[1] as reported by U.S. purchasers

Factor	Germany			Korea			Sweden			Japan		
	S	C	I	S	C	I	S	C	I	S	C	I
	Number of firms responding											
Availability	0	2	0	2	2	1	1	1	0	2	2	1
Delivery terms	0	2	0	0	4	1	1	1	0	2	3	0
Delivery time	1	1	0	4	1	0	1	1	0	3	2	0
Discounts offered	0	1	0	0	5	0	0	2	0	0	3	1
Lowest price	1	1	0	0	3	2	0	1	1	1	4	0
Minimum qty requirements	0	1	0	4	1	0	1	0	1	3	1	0
Packaging	0	1	0	0	4	1	0	2	0	0	3	2
Product consistency	0	2	0	0	4	1	0	0	2	0	3	2
Product quality	0	2	0	0	4	1	0	0	2	0	3	2
Product range	0	2	0	2	3	0	0	2	0	0	5	0
Reliability of supply	0	2	0	1	3	1	0	2	0	1	3	1
Technical support/service	0	2	0	3	2	0	0	2	0	2	3	0
Transportation network	1	1	0	3	2	0	0	2	0	1	4	0
U.S. transportation costs	1	1	0	3	1	1	1	1	0	1	4	0

[1] No purchasers compared Dutch cold-rolled with U.S. cold-rolled. No other nonsubject countries' cold-rolled was compared with U.S. cold-rolled by more than one purchaser.

Note.--S = U.S. superior, C = U.S. and other country comparable, I = U.S. inferior.

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

Comparisons of Domestic Products and Subject Imports to Nonsubject Imports

Based on quantity, the market share of nonsubject imports decreased from 9.3 percent of total U.S. consumption in 1997 to 7.7 percent 1999. U.S. producers, importers, and purchasers' comparisons of domestic products and subject imports to nonsubject imports are in tables COLD-II-4-6.

ECONOMIC MODELING

COMPAS Estimates

The elasticity estimates and exogenous growth in demand and supply estimates discussed in this section were used in the economic modeling analysis performed by staff and presented in appendix H.

U.S. Supply Elasticity

The domestic supply elasticity for cold-rolled measures the sensitivity of the quantity supplied by the U.S. industry to a change in the U.S. market price of these products. On the basis of information relating to cost structure, capacity utilization, the small market share of exports, and the limited flexibility of shifting production between cold-rolled and other products, it is likely that the elasticity falls in the range of 2 to 4.

Elasticity of Foreign Supply

The import supply elasticity measures the response in imports to a changing U.S. price. The prehearing report contained an estimate that the import supply elasticity is 10 or greater for subject and nonsubject countries. The respondents' joint economic report replied that this estimate is too high and suggested that it be lower, in the 1 to 3 range for subject countries. The reason for this suggestion is the *** capacity utilization of the subject producers, the premium placed on traditional customers which purchase cold-rolled, galvanized, and other steel products, and the generally positive economic outlook in Asia and Europe, ***.[53] The Korean respondents also noted that *** percent of their production is captively consumed and that they maintain long-term contracts with Korean automakers.[54] Although the foreign capacity utilization numbers are contested by domestic producers, the substantial home market consumption (including the increasing use of cold-rolled to make corrosion-resistant) and general outlook for demand in the home and third countries suggest that U.S. importers are not able to increase shipments as significantly as previously suggested. Therefore, the elasticity of subject foreign supply used in the COMPAS analysis is in the range of 2 to 4. The elasticity of nonsubject foreign supply used is between 10 and 20.

U.S. Demand Elasticity

The U.S. demand elasticity for cold-rolled measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of this product. Based on information about substitute products and cost shares, it is likely that this elasticity is in the range of -0.25 to -0.75.

Substitution Elasticity

The substitution elasticity is a measure of the degree to which domestically-produced cold-rolled and imported products from Germany, Korea, the Netherlands, and Sweden mostly are substitutable across a range of possible uses. Based on the information relating to product range, quality, availability,

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[53] Respondents' joint economic report, pp. 11-12.

[54] Korean prehearing brief, p. 10.

degree of interchangeability, and other factors, the prehearing report proposed that the elasticity of substitution falls in the 3 to 5 range for all 4 countries. Domestic producers referenced this estimate in their brief, and therefore appear to agree with the estimate. Respondents, however, believe that it should be decreased to between 1 and 3. Their reasons are that *** percent of domestic shipments are consumed internally and therefore not subject to any import substitution, a *** of domestic cold-rolled production is sold under long-term contracts, and quality and other variables such as on-time delivery and reliability are at least as important as price in selecting vendors.[55] The shift toward corrosion-resistant products, mostly made with captively consumed cold-rolled, should lower the original estimate. Thus, it is likely that the elasticity of substitution lies between 2 and 4.

Exogenous Growth in Demand

As discussed previously, U.S. producers and importers of cold-rolled did not have the same expectations of demand growth. Some reported that demand would increase while others reported that it would be stable or fall. Based on available information, exogenous growth in demand for cold-rolled is likely be in the range of -2 to +4 percent per year.

Exogenous Growth in Supply

U.S. producers reported that U.S. cold-rolled supply is expected continue to increase. *** reported that cold-rolled production is expected to increase by 2.9 percent between 1999 and 2000. Based on available information, exogenous growth in supply for cold-rolled is likely to be in the range of 1 to 4 percent per year.

COMPAS Results

This analysis uses the same model described in chapter PLATE-II. The model simulates zero growth, low growth, and high growth scenarios. Based on staff's estimates and the dumping and subsidy margins provided by Commerce, the modeling results indicate that in all three scenarios, the main driving force behind the changes in revenue would be demand growth. In the high and zero growth scenarios, the price never declined by more than a negligible amount and quantities never decreased by more than 0.2 percent off of the market growth estimate of 0 or 4 percent. Under the low growth scenario, the market was estimated to have decreased 2 percent. Under these circumstances, the change in price due to the revocation of the antidumping and countervailing duty orders ranged between a decrease of 0.6 and 1.3 percent. Similarly, quantities sold by U.S. cold-rolled producers would decrease by 1.2 to 1.9 percent. With these estimates, U.S. producers' revenues might decline by 2.2 to 3.3 percent if the orders were lifted. The reason for these results is the low relative current market share of the 4 subject countries. As domestic producer IPSCO has noted in its plate prehearing brief, staff has noted difficulties in other investigations in using market shares when orders are in effect and market shares are zero or close to zero, as is the case in this review.[56]

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[55] Respondents' joint economic report, p. 12.

[56] IPSCO plate prehearing brief, p. I-23.

Other Submitted Models

Respondents submitted an economic analysis using econometric techniques. A review of this was transmitted to the Commission in a separate memorandum.

PART III: CONDITION OF THE U.S. INDUSTRY

Information in this part of the report is based upon the questionnaire responses of 17 firms that are believed to account for 87 percent of U.S. commercial shipments of cold-rolled. The respondent cold-rolled producers represented in this section are: ***.[1]

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

Data on capacity, production, and capacity utilization for cold-rolled are presented in table COLD-III-1. During the period from 1997 to 1999, capacity to produce cold-rolled increased by 6.4 percent while production increased by 12.1 percent, and capacity utilization increased by 4.3 points. For the period between January-March 1999 and January-March 2000, capacity increased by 3.8 percent, production increased by 10.3 percent, and capacity utilization increased by 5.3 percentage points.

Table COLD-III-1
Cold-rolled: U.S. producers' capacity, production, and capacity utilization, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Capacity (*short tons*)	38,640,136	40,333,184	41,130,136	10,121,034	10,504,034
Production (*short tons*)	31,564,684	33,359,372	35,370,165	8,590,534	9,471,670
Capacity utilization (*percent*)	81.7	82.7	86.0	84.9	90.2
Source: Compiled from data submitted in response to Commission questionnaires.					

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

Table COLD-III-2 presents data on the U.S. producers' domestic shipments, company transfers, and export shipments during the review period.

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of cold-rolled increased from 1997 to 1999, and decreased from January-March 1999 to January-March 2000 (table COLD-III-3).

[1] ***.

Table COLD-III-2
Cold-rolled: 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)*		
Commercial shipments	12,634,374	12,445,649	12,750,410	3,144,193	3,673,640
Internal shipments	18,476,934	20,364,585	22,191,595	5,366,732	5,737,655
U.S. shipments	31,111,308	32,810,234	34,942,005	8,510,925	9,411,295
Export shipments	248,570	215,585	265,752	64,244	81,486
Total	31,359,878	33,025,819	35,207,757	8,575,169	9,492,781
			Value *(1,000 dollars)*		
Commercial shipments	6,050,932	5,653,781	5,438,635	1,336,336	1,607,339
Internal shipments	7,932,101	8,490,422	8,755,605	2,140,453	2,336,158
U.S. shipments	13,983,033	14,144,203	14,194,240	3,476,789	3,943,497
Export shipments	172,399	198,985	217,829	58,058	54,819
Total	14,155,432	14,343,188	14,412,069	3,534,847	3,998,316
			Unit value *(per short ton)*		
Commercial shipments	$478.93	$454.28	$426.55	$425.02	$437.53
Internal shipments	429.30	416.92	394.55	398.84	407.16
U.S. shipments	449.45	431.09	406.22	408.51	419.02
Export shipments	693.56	923.00	819.67	903.71	672.74
Total	451.39	434.30	409.34	412.22	421.20

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

U.S. PRODUCERS' IMPORTS

Four U.S. producers–***[2]–reported imports of cold-rolled over the period of these reviews. Data on U.S. producers' imports are presented in table COLD-III-4.

U.S. PRODUCERS' PURCHASES

Nine U.S. producers–***–reported purchases of cold-rolled over the period of these reviews. ***. ***. Table COLD-III-5 presents data on their purchases.

[2] ***.

Table COLD-III-3
Cold-rolled: U.S. producers' end-of-period inventories, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Inventories (*short tons*)	1,903,039	2,020,644	2,081,759	2,052,408	2,020,134
Ratio to production (*percent*)	6.0	6.1	5.9	6.0	5.3
Ratio to U.S. shipments (*percent*)	6.1	6.2	6.0	6.0	5.4
Ratio to total shipments (*percent*)	6.1	6.1	5.9	6.0	5.3
Source: Compiled from data submitted in response to Commission questionnaires.					

Table COLD-III-4
Cold-rolled: U.S. producers' imports, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table COLD-III-5
Cold-rolled: U.S. producers' purchases, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

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

Table COLD-III-6 presents data on the U.S. producers' employment, wages, and productivity.

Table COLD-III-6
Average number of production and related workers producing cold-rolled, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Production and related workers	24,915	24,869	23,264	23,463	24,140
Hours worked (*1,000*)	54,863	54,868	52,907	13,510	13,809
Wages paid (*$1,000*)	1,393,785	1,478,804	1,381,112	344,766	371,622
Hourly wages	$25.47	$27.03	$26.22	$25.60	$27.03
Productivity (*short tons/1,000 hours*)	575.3	608.0	668.5	635.8	685.9
Unit labor costs (*per short ton*)	$44.46	$44.61	$39.20	$40.35	$39.43
Source: Compiled from data submitted in response to Commission questionnaires.					

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

Sixteen producers of cold-rolled[3] provided financial data. A significant share (approximately 63 percent in terms of sales volume) of production of cold-rolled in fiscal year 1999 was internally consumed and/or transferred to related companies for production of downstream products.

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

Operations on Cold-Rolled (Commercial Sales Only)

The results of the 16 responding U.S. producers' cold-rolled commercial sales are presented in table COLD-III-7. Net sales values and operating income decreased continuously from 1997 to 1999, even though sales volume increased somewhat from 1998 to 1999. For the interim periods, both net sales values and volume increased from interim 1999 to interim 2000 and operating income and per-unit profitability also increased for the same period. Per-short-ton sales values for the combined firms decreased continuously from 1997 to 1999, while COGS for the combined firms also decreased for the same period. Operating income per short ton for the combined firms decreased continuously from 1997 to 1999. However, for the interim periods, per-short-ton net sales values increased in interim 2000 (by $9) from interim 1999 and there was a decline in total unit cost by $6, resulting in a higher operating margin (by $15) in interim 2000 compared to interim 1999.

The results of operations by firm are presented in table COLD-III-8. Four producers had an operating income for all periods while one producer had an operating loss for all periods.

Selected cost data of the producers on their operations for the subject products are presented in table COLD-III-9. Total unit COGS decreased over the entire period. Raw material costs decreased from 1998 to 1999. Direct labor costs remained the same level while factory overhead declined continuously over time. For the interim periods, while material costs increased somewhat in interim 2000, labor costs and factory overhead decreased in interim 2000 compared to interim 1999. SG&A expenses decreased slightly in interim 2000.[4]

A variance analysis showing the effects of prices and volume on the producers' net trade sales of cold-rolled steel products, and of costs and volume on their total cost, is shown in table COLD-III-10. The information for this variance analysis is derived from table COLD-III-7. The analysis is summarized at the bottom of the table. Operating income decreased by $402 million between 1997 and 1999. The analysis indicates that the substantial decrease in operating income between 1997 and 1999 resulted mainly from lower average prices (price variance). From 1997 to 1999, the negative effect of decreasing unit sales values (negative $675 million) was not overcome by the positive effects of decreasing costs and expenses ($268 million) and increasing sales volume ($6 million).

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

[4] ***.

Table COLD-III-7
Results of operations of U.S. producers in the production of cold-rolled–commercial sales only, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
	Quantity (*short tons*)				
Net sales	12,820,289	12,573,313	13,022,598	3,203,521	3,739,998
	Value (*$1,000*)				
Net sales	6,240,922	5,875,098	5,664,032	1,396,976	1,664,936
COGS	5,643,645	5,497,825	5,448,139	1,354,643	1,566,271
Gross profit	597,277	377,273	215,893	42,333	98,665
SG&A expenses	230,301	248,014	250,750	63,198	68,132
Operating income (loss)	366,976	129,259	(34,857)	(20,865)	30,533
Interest expense	76,343	75,838	112,265	25,519	35,814
Other expense	26,969	16,559	96,137	18,025	46,697
Other income items	32,641	21,145	65,833	10,763	43,027
Net income (loss)	296,305	58,007	(177,426)	(53,646)	(8,951)
Depreciation/amortization	347,005	334,909	349,382	86,980	96,012
Cash flow	643,310	392,916	171,956	33,334	87,061
	Value (*per short ton*)				
Net sales	$487	$467	$435	$436	$445
COGS	440	437	418	423	419
Gross profit	47	30	17	13	26
SG&A expenses	18	20	19	20	18
Operating income (loss)	29	10	(3)	(7)	8
	Ratio to net sales (*percent*)				
COGS	90.4	93.6	96.2	97.0	94.1
Gross profit	9.6	6.4	3.8	3.0	5.9
SG&A expenses	3.7	4.2	4.4	4.5	4.1
Operating income (loss)	5.9	2.2	(0.6)	(1.5)	1.8
	Number of firms reporting				
Operating losses	3	5	8	9	6
Data	16	16	16	16	16

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

Table COLD-III-8
Results of operations of U.S. producers (by firm) in the production of cold-rolled–commercial sales only, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table COLD-III-9
Results (per short ton) of operations of U.S. producers in the production of cold-rolled–commercial sales only, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
COGS:	**Value (*per short ton*)**				
Raw materials	$163	$163	$155	$154	$161
Direct labor	65	65	65	65	63
Factory overhead	212	209	199	204	195
Total COGS	440	437	418	423	419
SG&A expenses:					
Selling expenses	5	5	5	6	4
G&A expenses	13	14	15	14	14
Total SG&A expenses	18	20	19	20	18
Total cost	458	457	438	443	437
Source: Compiled from data submitted in response to Commission questionnaires.					

Table COLD-III-10
Variance analysis of operations of U.S. producers in the production of cold-rolled–commercial sales only, between fiscal years 1997-99 and between January-March 1999 and January-March 2000

Item	Between fiscal years			Jan.-Mar.
	1997-99	1997-98	1998-99	1999-2000
	Value (*$1,000*)			
Net sales:				
Price variance	(675,374)	(245,596)	(421,002)	34,016
Volume variance	98,484	(120,228)	209,936	233,944
Total net sales variance	(576,890)	(365,824)	(211,066)	267,960
Cost of sales:				
Cost variance	284,565	37,098	246,141	15,227
Volume variance	(89,059)	108,722	(196,455)	(226,855)
Total cost variance	195,506	145,820	49,686	(211,628)
Gross profit variance	(381,384)	(220,004)	(161,380)	56,332
SG&A expenses:				
Expense variance	(16,815)	(22,150)	6,126	5,649
Volume variance	(3,634)	4,437	(8,862)	(10,583)
Total SG&A variance	(20,449)	(17,713)	(2,736)	(4,934)
Operating income variance	(401,833)	(237,717)	(164,116)	51,398
Summarized as:				
Price variance	(675,374)	(245,596)	(421,002)	34,016
Net cost/expense variance	267,750	14,949	252,267	20,876
Net volume variance	5,791	(7,070)	4,619	(3,494)

Note.--Unfavorable variances are shown in parentheses; all others are favorable.

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

Operations on Cold-Rolled (Commercial Sales, Internal Consumption, and Transfers)

The results of the U.S. producers' commercial sales, internal consumption, and related company transfers for cold-rolled operations are presented in table COLD-III-11. A significant share (approximately 63 percent in terms of sales volume) of production of cold-rolled in 1999 was internally consumed and/or transferred to related companies for production of downstream products. The producers were requested to value the transfers at fair market value. Typically, G&A expenses are assigned to the transfers in the same proportion as the percentage of G&A expenses to commercial sales. The purpose is to present the estimated profitability based on the total actual shipments and total actual related costs. This, in effect, is a projection of the profitability of all shipments, including transfers.

The producers were requested to estimate the per-unit sales value, COGS, and SG&A expenses of the transfers based on the commercial sales data unless there were any actual differences in the per-unit COGS between the commercial sales and transfers. If there were any actual differences in the per-unit COGS between the commercial sales and transfers, due to any product mix, physical, or quality differences, producers were requested to adjust the per-unit value of the transfers using these actual COGS differences based on the per-unit value of commercial sales. SG&A expenses were allocated to these combined commercial and transfer sales proportionally, i.e., using the same per-ton expense for transfers as for commercial sales.

Total sales quantities increased continuously from 1997 through 1999. However, sales values decreased from 1998 to 1999 due to the decline in unit value per short ton over the period. Therefore, operating income decreased for the same period. However, both sales volume and values increased in interim 2000, which resulted in an operating income in interim 2000 compared to a small operating loss in interim 1999. The results of combined operations on commercial and transfer sales by firm are presented in table COLD-III-12. Five producers had an operating income for all periods.

Table COLD-III-13 presents a comparison of per-unit net sales values, per-unit operating income (loss), and operating margins between commercial sales, internal consumption, and related company transfers.

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, are presented in table COLD-III-14. Capital expenditures decreased continuously from 1997 to 1999 while R&D expenses remained at almost the same level for the same period. The original cost of productive facilities decreased substantially in 1998 from 1997 while book value increased for the same period.[5]

[5] ***.

Table COLD-III-11
Results of operations of U.S. producers in the production of cold-rolled–commercial and transfers, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
	Quantity (*short tons*)				
Commercial sales	12,820,289	12,573,313	13,022,599	3,203,521	3,739,998
Internal consumption	14,241,107	15,365,130	16,458,523	3,958,465	4,322,923
Related company transfers	4,394,440	5,161,247	5,881,935	1,469,860	1,452,786
Total sales	31,455,836	33,099,690	35,363,057	8,631,846	9,515,707
	Value (*$1,000*)				
Commercial sales	6,240,922	5,875,098	5,664,032	1,396,976	1,664,936
Internal consumption	6,075,589	6,434,512	6,359,694	1,562,929	1,703,868
Related company transfers	1,873,121	2,154,104	2,326,502	569,978	584,360
Total sales	14,189,632	14,463,714	14,350,228	3,529,883	3,953,164
COGS	12,721,212	13,403,275	13,580,906	3,359,590	3,660,538
Gross profit	1,468,420	1,060,439	769,322	170,293	292,626
SG&A expenses	599,521	685,679	713,343	171,949	178,261
Operating income	868,899	374,760	55,979	(1,656)	114,365
	Value (per short ton)				
Net sales	$451	$437	$406	$409	$415
COGS	404	405	384	389	385
Gross profit	47	32	22	20	31
SG&A expenses	19	21	20	20	19
Operating income	28	11	2	0	12
	Ratio to net sales (*percent*)				
COGS	89.7	92.7	94.6	95.2	92.6
Gross profit	10.3	7.3	5.4	4.8	7.4
SG&A expenses	4.2	4.7	5.0	4.9	4.5
Operating income	6.1	2.6	0.4	0.0	2.9

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

Table COLD-III-12
Results of operations of U.S. producers (by firm) in the production of cold-rolled–commercial and transfers, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table COLD-III-13
Comparison of per-unit net sales values, per-unit operating income (loss), and operating margin of operations of U.S. producers in the production of cold-rolled–commercial, internal consumption, and related company transfers, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
Per-ton net sales value:	Value (*per short ton*)				
Commercial sales	$487	$467	$435	$436	$445
Internal consumption	427	419	386	395	394
Related transfers	426	417	396	388	402
Total	451	437	406	409	415
Per-ton operating income:					
Commercial sales	29	10	(3)	(7)	8
Internal cons/transfers	27	12	4	4	15
Total	28	11	2	0	12
Operating margin:	Ratio to net sales (*percent*)				
Commercial sales	5.9	2.2	(0.6)	(1.5)	1.8
Internal cons/transfers	6.3	2.9	1.0	0.9	3.7
Total	6.1	2.6	0.4	0.0	2.9

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

Table COLD-III-14
Capital expenditures, R&D expenses, and assets utilized by U.S. producers in their production of cold-rolled, 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	479,540	472,936	434,136	86,948	60,321
R&D expenses	16,062	15,902	16,220	3,830	4,593
Productive facilities:					
Original cost	7,592,560	7,178,956	7,687,970	7,295,001	7,864,125
Book value	3,511,096	3,872,592	4,056,874	3,896,188	4,073,452
Source: Compiled from data submitted in response to Commission questionnaires.					

PART IV: U.S. IMPORTS AND THE INDUSTRIES IN GERMANY, KOREA, THE NETHERLANDS, AND SWEDEN

U.S. IMPORTS

According to official Commerce statistics, U.S. imports from subject sources increased by 43.1 percent from 1997 to 1999, then decreased by 17.4 percent from January-March 1999 to January-March 2000. U.S. imports of cold-rolled from nonsubject sources decreased by 10.7 percent from 1997 to 1999 then decreased by 43.4 percent from January-March 1999 to January-March 2000. Imports from nonsubject countries accounted for 92.9 percent of total imports in 1999. Data on U.S. imports of cold-rolled are presented in table COLD-IV-1.[1]

U.S. IMPORTERS' INVENTORIES

U.S. importers' inventories of cold-rolled are presented in table COLD-IV-2. Inventories of imports were reported from ***.

THE INDUSTRIES IN GERMANY, KOREA, THE NETHERLANDS, AND SWEDEN

Germany

The Commission received data on behalf of five German producers which reported that they accounted for *** percent of German production of cold-rolled in 1999, and *** percent of such exports to the United States.[2] The data presented in table COLD-IV-3 are for Bremen, Kaltwalzwerk, EKO, Salzgitter, and Thyssen.

In 1989, Salzgitter, under its firm name at the time, Preussag, acquired the previously state-owned company Stalwerke Peine-Salzgitter with the coated sheet division, Salmax. In 1995, Preussag merged with Walswerk, Ilsenburg, located in the former German Democratic Republic. Salzgitter ***. Capacity utilization ***. In 1993, Krupp and Hoesch merged to form Krupp Hoesch Stahl, which later in 1997 merged with Thyssen to form Thyssen Krupp Stahl. In response to increased demand for corrosion-resistant, Thyssen Krupp Stahl ***. EKO, located in the former German Democratic Republic, was privatized in 1995 with Cockerill Sambre acquiring 60 percent ownership. Cockerill has subsequently been purchased by Usinor.

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[1] Data for cold-rolled are provided for in HTS subheadings 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0090, 7209.17.0030, 7209.17.0060, 7209.17.0090, 7209.18.1530, 7209.18.1560, 7209.18.2550, 7209.18.6000, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000.

[2] Other German producers of cold-rolled are small rerollers like Ewald Giebel, Hille & Muller Kaltwalzserk, Trierer Walzwerk, and Wickeder Westfalenstahl. German mills prehearing brief, vol. II, p. 7, ftn. 4.

Table COLD-IV-1
Cold-rolled: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Source	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Quantity *(short tons)*		
Germany	47,554	59,595	52,654	4,675	13,542
Korea	3,656	246,828	116,977	58,321	49,952
Netherlands	84,476	101,010	34,348	12,604	3,640
Sweden	26,270	15,826	27,853	9,636	3,275
Subtotal	161,956	423,259	231,831	85,236	70,409
All others	2,994,177	3,171,223	2,673,656	641,967	363,132
Total	3,156,133	3,594,482	2,905,487	727,203	433,541
			Value *(1,000 dollars)*		
Germany	31,527	37,492	30,042	4,000	9,129
Korea	2,706	85,834	39,941	19,882	18,077
Netherlands	38,569	43,639	12,895	4,728	1,371
Sweden	25,894	21,852	26,362	7,306	5,190
Subtotal	98,696	188,817	109,240	35,917	33,766
All others	1,354,166	1,314,579	974,215	243,011	155,693
Total	1,452,861	1,503,396	1,083,455	278,928	189,459
			Unit value *(per short ton)*		
Germany	$662.99	$629.12	$570.56	$855.61	$674.10
Korea	740.16	347.75	341.45	340.91	361.89
Netherlands	456.56	432.03	375.43	375.16	376.51
Sweden	985.68	1380.71	946.47	758.22	1,584.67
Subtotal	609.40	446.10	471.20	421.38	479.57
All others	452.27	414.53	364.38	378.54	428.75
Average	460.33	418.25	372.90	383.56	437.00

Table continued on next page.

Table COLD-IV-1--Continued
Cold-rolled: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Source	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Share of quantity *(percent)*		
Germany	1.5	1.7	1.8	0.6	3.1
Korea	0.1	6.9	4.0	8.0	11.5
Netherlands	2.7	2.8	1.2	1.7	0.8
Sweden	0.8	0.4	1.0	1.3	0.8
Subtotal	5.1	11.8	8.0	11.7	16.2
All others	94.9	88.2	92.0	88.3	83.8
Total	100.0	100.0	100.0	100.0	100.0
			Share of value *(percent)*		
Germany	2.2	2.5	2.8	1.4	4.8
Korea	0.2	5.7	3.7	7.1	9.5
Netherlands	2.7	2.9	1.2	1.7	0.7
Sweden	1.8	1.5	2.4	2.6	2.7
Subtotal	6.8	12.6	10.1	12.9	17.8
All others	93.2	87.4	89.9	87.1	82.2
Total	100.0	100.0	100.0	100.0	100.0
Source: Compiled from official Commerce statistics.					

Table COLD-IV-2
Cold-rolled: U.S. importers' end-of-period inventories of imports, by sources, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

The German mills report that, in 1999, two-thirds of cold-rolled production was captively consumed in the production of corrosion-resistant and *** percent of production was microalloy cold-rolled.[3] The majority of German exports of cold-rolled to the United States are made by ***.[4] ***.[5]

Cold-rolled accounted for between *** percent of the German mills' total sales in the most recent fiscal year. The German mills reported ***. The German mills reported that the antidumping and countervailing duty orders had no significant effect on their capacity, production, or export markets. Subsequent to the orders, the creation and enlargement of the EU has greatly increased Germany's access to other European markets. The majority of the German mills' exports go to ***. German cold-rolled exports are subject to an antidumping finding in Mexico; however, the order does not encompass shipments of cold-rolled to the Mexican automotive industry (the only significant Mexican customer of the German mills). EU producers of cold-rolled currently benefit from quantitative import restrictions on cold-rolled from Russia, Ukraine, and Kazakstan.

Table COLD-IV-3
Cold-rolled: Data for producers in Germany, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Korea

There are four producers of cold-rolled in Korea. Counsel provided data on behalf of the four Korean cold-rolled producers, which collectively reported that they accounted for *** percent of Korean production of cold-rolled in 1999 and *** percent of such exports to the United States. The data presented in table COLD-IV-4 are for Dongbu, Hyundai, Pohang, and Union Steel.

Hyundai started production of cold-rolled in 1999. Dongbu's Asan factory started production of cold-rolled in February 1999. This factory is meant to replace Dongbu's Seoul factory slated for permanent shutdown in June 2000. Cold-rolled accounted for between *** percent of the Korean mills' total sales in the most recent fiscal year. The Korean mills reported that no products are produced on the same equipment used to produce cold-rolled. The antidumping and countervailing duty orders reportedly had no significant effect on the Korean mills' production, capacity, or export markets. Export markets other than the United States include ***. Korea has a tariff of 8 percent on imports of cold-rolled.

Table COLD-IV-4
Cold-rolled: Data for producers in Korea, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

[3] German mills' prehearing brief, p. 34.

[4] Ibid., p. 10, ftn. 18.

[5] Ibid., p. 36.

Netherlands

There is one producer of cold-rolled in the Netherlands. Counsel provided data on behalf of Hoogovens, which accounted for 100 percent of Dutch production of cold-rolled in 1999 and *** percent of such exports to the United States. The data presented in table COLD-IV-5 are for Hoogovens.

In 1999, Hoogovens merged with British Steel to form Corus Group. The merger had no affect on Hoogovens' operations. Cold-rolled accounted for *** percent of Hoogovens' total sales in the most recent fiscal year. Hoogovens reported that ***. The antidumping duty order reportedly had no significant effect on Hoogovens' production, capacity, or export markets. A majority of Hoogovens' exports go to other European markets. Hoogovens' cold-rolled is not subject to any penalty tariff or nontariff barriers in any country.

Table COLD-IV-5
Cold-rolled: Data for producers in Netherlands, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Sweden

There is one producer of cold-rolled in Sweden. Counsel provided data on behalf of SSTP (a wholly owned subsidiary of SSAB), which accounted for 100 percent of Swedish production of cold-rolled in 1999 and *** percent of such exports to the United States. The data presented in table COLD-IV-6 are for SSTP.

Cold-rolled accounted for *** percent of SSTP's total sales in the most recent fiscal year. ***. The countervailing duty order reportedly had no significant impact on SSAB's production, capacity, or export markets. Subsequent to the order, Sweden became a member of the EU, which gave it greater access to other European markets. Export markets other than the United States include ***. Swedish cold-rolled exports are not subject to any penalty tariff or nontariff barriers in any countries.

Table COLD-IV-6
Cold-rolled: Data for producers in Sweden, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Producers reported that raw material costs accounted for 37.1 percent of COGS in 1999. Integrated producers' raw material purchases may include iron ore, scrap, and alloys. Electric furnace steelmakers use raw materials that typically include steel scrap, alloys, and iron units such as pig iron and direct-reduced iron. Most steel service centers do not produce their own hot-rolled steel and therefore purchase hot-rolled steel in coils for processing into plate, as well as other products.

Inland U.S. Transportation Costs

Inland transportation costs generally account for a small share of the delivered price of cold-rolled. For U.S. producers, estimates ranged from 2 to 8 percent with 5 of 13 responding producers reporting inland transportation costs of 3 percent.[1] Importers estimated that U.S. inland transportation costs for shipments of imports from all 4 subject countries generally fell within a range of 1 to 20 percent with 8 of the 16 responding importers reporting inland transportation costs of 10 to 15 percent.[2]

U.S. producers tend to ship cold-rolled longer inland distances than do importers. Seven of the 14 responding U.S. producers shipped the majority of their product less than 100 miles, and 7 reported shipping a majority between 101 and 1,000 miles.[3] Twelve of 16 importers shipped the majority of their product distances less than 100 miles, while 6 shipped the majority between 101 and 1,000 miles.[4]

Transportation Costs to the U.S. Market

Transportation costs for cold-rolled carbon steel flat products from the four subject countries to the United States (excluding U.S. inland costs) are shown below. These estimates are derived from 1999 official import data for HTS subheadings 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0090, 7209.17.0030, 7209.17.0060, 7209.17.0090, 7209.18.1530, 7209.18.1560, 7209.18.2550, 7209.18.6000, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7210.90.9000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, and 7212.40.5000, and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.

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[1] When producers reported a range, the midpoint of the range was used.

[2] When importers reported a range, the midpoint of the range was used.

[3] One of these shipped 50 percent between 101 and 1,000 miles.

[4] This includes 2 firms that reported shipping half under 100 miles and the other half 101 to 1,000 miles.

Country	Percent of total cost
Germany	8.5
Korea	12.4
Netherlands	17.5
Sweden	5.4

Tariff Rates

The normal trade relations rates of duty for cold-rolled steel range from 0.4 to 3.8 percent *ad valorem.*

PRICING PRACTICES

Methods of arriving at prices for cold-rolled vary. The use of published price lists is rare. The majority of producers and importers indicated that pricing is determined by transaction-by-transaction negotiations. Six of the 14 responding producers and 12 of the 19 responding importers reported transaction-by-transaction negotiations, and contracts were reported by 4 U.S. producers and 4 importers.[5] Many producers and importers will quote prices by various methods. The most common method of price quotation by producers and importers is on an f.o.b. basis. Of the 14 responding U.S. producers, 7 indicated they quote on an f.o.b. basis, 1 stated that it quotes on an f.o.b. freight-equalized basis, 4 indicated that they quote both on an f.o.b. basis and a delivered basis, and 2 reported quoting on a delivered basis. Among the 9 responding importers, 5 reported quoting on an f.o.b. basis, 2 reported selling on a delivered basis, 1 reported quoting on both an f.o.b. and delivered basis, and 1 reported quoting on an ex-dock duty paid basis.

Half of the producers but few importers indicated that they have a set discount policy. Most reported that their firm provides competitive pricing to meet market conditions. Volume and early payment are the most common type of discount, when offered.

Both U.S. producers and importers sell cold-rolled either by contract or on a spot basis; however, 13 of 14 responding U.S. producers reported selling on both a contract and a spot basis.[6] Eight of the 13 reported selling mainly on contract, 4 sold mainly on spot, and 1 sold half on contract and half on spot. In contrast, of the 9 responding importers, 3 sold only on contract, 5 sold only on spot, and 1 sold mainly, ***, on contract.

U.S. producers' contracts tend to be 6 months to 1 year in length, while the lengths of importer contracts vary more between importers. Only 1 of the 13 responding U.S. producers and 2 of the 5

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[5] Other methods include price lists, price matrices, cost markup, prices based on competition, discounts from price list to meet competition, multiyear contracts with annual price adjustments, market influence compared to capacity utilization, and price list with negotiations. Some firms reported more than one sales method.

[6] *** only sells on a contract basis.

responding importers sold all their products in contracts of 3 months or less.[7] Three domestic producers sold mainly using contracts of 3 to 6 months; 5 sold mainly using contracts of up to a year in duration.[8] Two importers reported that most of their contracts were for 1 year, and 1 reported most of its contracts were for longer than 1 year. Nine of 14 responding U.S. producers and 5 of 6 responding importers reported that both prices and quantities are usually fixed during the contract period.[9] Four of the 5 remaining U.S. producers and the 1 remaining importer reported that price was fixed. One U.S. producer reported that quantity was fixed.

As with corrosion-resistant, cold-rolled is often sold to the automotive sector via life-of-the-part contracts and partnering agreements. Respondents contend that this shields the domestic market from competition and changing suppliers occurs infrequently.[10] It gives the auto manufacturer stability of price and delivery time, and gives the cold-rolled manufacturer an approximate quantity for a certain time period. Domestic producers stated, though, that contracts do not fix the quantity, the price is downwardly flexible, and, if the domestic producer opts not to lower prices in a time of generally declining prices, then the domestic producer will be ineligible to bid on the automotive purchaser's platform for the following year.[11]

Purchasers were asked to identify a specific source, either domestic, subject import, or nonsubject import, that tends to be a price leader in the spot or contract market. Five of 21 responding purchasers stated that there were price leaders. Price leadership cited by purchasers included U.S. minimills that have lowered their prices to gain market share, which has affected both spot and contract prices, all domestic mills because they have announced increases in spot and contract prices, and AK, Nucor, and SDI, whose construction of new lines has prompted reductions of both spot and contract prices to increase their U.S. market share.[12]

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly quantity and value data between January 1997 and March 2000 for the following products:

> **Product 5** -- Cold-rolled carbon steel sheet, in coils CS Type B or CS (formerly commercial quality) (ASTM A-366 or equivalent), regular or matte finished, 40" to under 60" in width, 0.019" to under 0.022" in thickness.

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[7] This includes one that reported selling only on a spot basis.

[8] In addition, 2 domestic producers reported that half of their contracts were between 3 and 6 months in length and the other half were over 6 months to a year.

[9] However, U.S. producers noted that purchasers have come to them to request price decreases within contract periods. Prices are based upon quantity estimates, but those quantities are not written into the contract. Domestic posthearing brief, p. 16 and exh. 3.

[10] Korean prehearing brief, p. 6.

[11] Domestic posthearing brief, p. 16 and exh. 3.

[12] No purchaser specifically mentioned importers as price leaders; however, the responses of 2 firms not listed above may include importers. One firm reported that any steel entering the market affects the price and 1 reported that influences come and go.

Product 6 -- Cold-rolled carbon steel sheet, in coils, CS Type B or CS (formerly commercial quality) (ASTM A-366 or equivalent), regular or matte finished, 40" to under 60" in width, 0.044" to under 0.060" in thickness.

Product 7 -- Cold-rolled carbon steel sheet, in coils, drawing steel DS Type B (formerly DQSK) (ASTM A-620 or equivalent), not interstitial free, 40" to under 60" in width, 0.030" to under 0.070" in thickness.

Product 8 -- Cold-rolled carbon steel sheet, in coils, drawing steel DS Type B (formerly DQSK) (ASTM A-620 or equivalent), not interstitial free, 60" to 72.75" in width, 0.023" to under 0.028" in thickness.

Product 9 -- Cold-rolled full hard carbon steel sheet, in coils, CS (formerly commercial quality), 40" through under 60" in width, 0.029" to under 0.062" in thickness.

Twelve U.S. producers and 7 importers provided usable pricing data for sales of the requested products (table COLD-V-1). Data were provided by 3 importers from Korea, 2 from Germany, 1 from the Netherlands, and 1 from Sweden. Pricing data reported by U.S. producers accounted for 4.1 percent of U.S. commercial shipments of cold-rolled in 1999. The import pricing data accounted for 9.5 percent of imports from Germany, 48.2 percent from Korea, 12.9 percent from the Netherlands, and 8.0 percent from Sweden.

Table COLD-V-1
Cold-rolled: Pricing data (products) reported for customer categories, by country of origin

Country	Customer type	
	Distributors	End users
United States	5, 6, 7, 8, 9	5, 6, 7, 8, 9
Germany	8	6, 7, 8
Korea	5, 6, 8, 9	5, 6
Netherlands	7	9
Sweden	5, 6, 7	-

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

Price Trends

Weighted-average prices and margins of underselling/overselling for U.S.-produced and imported cold-rolled are shown in tables F-1 through F-10 in appendix F on a quarterly basis for January 1997-March 2000. Tables COLD-V-2 and COLD-V-3 summarize price trends by channel of distribution, country, and product. Domestic producers submitted data from *American Metal Market* and *Metal Bulletin* regarding the price of merchant market cold-rolled (sheet and coil, respectively) since

January 2000. Both series showed a brief increase through March, then a general trend downward beginning in April 2000, flattening out around $390 per ton for both August and September 2000.

Price Comparisons

Overall, there were 87 quarterly price comparisons between U.S.-produced cold-rolled and imports from Germany, Korea, the Netherlands, and Sweden. Subject imports undersold domestic products in 41 quarters, and oversold domestic products in 46 quarters. Tables COLD-V-4 and COLD-V-5 provide summaries of underselling/overselling information by channel of distribution and by country for the five products for which data were collected. The *** prices reflected in the German data may be due to the *** volumes imported to the United States from 1997 to 2000.

Table COLD-V-2
Cold-rolled: Summary of weighted averages of pricing products sold to distributors, by country

Country	Product 5				Product 6			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	$537.95	$423.91	18.7	13	$460.93	$373.12	12.6
Korea	8	***	***	(5.8)	10	***	***	11.9
Sweden	2	***	***	8.4	3	***	***	22.6
	Product 7				Product 8			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	$474.70	$416.52	5.1	13	***	$415.25	***
Germany	-	-	-	-	5	***	***	(150.2)
Netherlands	7	***	***	2.0	-	-	-	-
Sweden	1	***	-	-	-	-	-	-
	Product 9							
	Number of quarters	High price	Low price	Percent reduction in price[1]				
United States	13	***	$352.25	***				
Korea	5	***	***	(0.8)				

[1] Based on the earliest quarter and the latest quarter of data provided. If price increased over the period, the increase is reported in parenthesis.

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

Table COLD-V-3
Cold-rolled: Summary of weighted averages of pricing products sold to end users, by country

Country	Product 5				Product 6			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	$570.61	$435.20	16.3	13	$465.82	$368.10	12.4
Germany	-	-	-	-	3	***	***	(4.2)
Korea	7	***	***	(32.5)	7	***	***	(46.3)
Sweden	-	-	-	-	-	-	-	-
	Product 7				Product 8			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	$513.59	$449.18	10.8	13	$504.34	$452.88	9.9
Germany	13	***	***	13.8	4	***	***	(182.1)
	Product 9							
	Number of quarters	High price	Low price	Percent reduction in price[1]				
United States	13	***	$346.95	***				
Netherlands	12	***	***	21.3				

[1] Based on the earliest quarter and the latest quarter of data provided. If price increased over the period, the increase is reported in parenthesis.

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

Table COLD-V-4
Cold-rolled: Summary of underselling/overselling for sales to distributors, by country and period

Country and period	Number of quarters of underselling	Number of quarters of overselling	Average margin of underselling/(overselling)
Germany:			
1997	0	1	***
1998	0	1	***
1999	0	2	***
2000 (Jan.-Mar.)	0	1	***
Subtotal	0	5	***
Korea:			
1997	0	2	(20.4)
1998	6	3	6.5
1999	5	4	5.4
2000 (Jan.-Mar.)	1	2	(6.6)
Subtotal	12	11	3.8
Netherlands:			
1997	-	-	-
1998	2	1	***
1999	3	0	***
2000 (Jan.-Mar.)	1	0	***
Subtotal	6	1	***
Sweden:			
1997	0	1	***
1998	3	0	***
1999	2	0	***
2000 (Jan.-Mar.)	0	0	-
Subtotal	5	1	***

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

Table COLD-V-5
Cold-rolled: Summary of underselling/overselling for sales to end users, by country and period

Country and period	Number of quarters of underselling	Number of quarters of overselling	Average margin of underselling/(overselling)
Germany:			
1997	1	4	***
1998	0	4	***
1999	0	8	***
2000 (Jan.-Mar.)	0	3	***
Subtotal	1	19	***
Korea:			
1997	-	-	-
1998	4	0	***
1999	7	1	***
2000 (Jan.-Mar.)	0	2	***
Subtotal	11	3	***
Netherlands:			
1997	2	2	***
1998	1	3	***
1999	4	0	***
2000 (Jan.-Mar.)	-	-	-
Subtotal	7	5	***

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

CHAPTER THREE

CORROSION-RESISTANT

PART I: OVERVIEW

This chapter presents information pertaining to the Commission's reviews involving the countervailing and antidumping duty orders on corrosion-resistant from Australia, Canada, France, Germany, Japan, and Korea. A summary of the data collected in these reviews is presented in appendix table C-3. U.S. industry data are based on questionnaire responses of 18 firms that account for *** percent of U.S. commercial shipments of corrosion-resistant in 1999, as reported by AISI. Available comparative data from the original investigations and the current sunset reviews are presented in table CORROSION-I-1.[1]

NATURE AND EXTENT OF COUNTERVAILABLE SUBSIDIZED SALES

Commerce's Final Results of Its Reviews

France

On April 6, 2000, Commerce announced the final results of its expedited sunset review for corrosion-resistant from France. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of countervailable subsidized sales. The original and sunset margins are shown in the tabulation below:[2]

Type of steel	Producer/exporter	Original countervailable net subsidy *(percent)*	Sunset countervailable net subsidy *(percent)*
Corrosion-resistant	Usinor	([1])	15.13
Corrosion-resistant	Country-wide	15.13	15.13

[1] No rate specified at that time for Usinor. Final countervailing duty determination, 58 FR 37304, July 9, 1993, and countervailing duty order and amendment of final countervailing duty determination, 58 FR 43759, August 17, 1993.

Germany

On August 2, 2000, Commerce announced the final results of its expedited full review for corrosion-resistant from Germany. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of countervailable subsidized sales. The original and sunset margins are shown in the following tabulation:[3]

Type of steel	Producer/exporter	Original countervailable net subsidy *(percent)*	Sunset countervailable net subsidy *(percent)*
Corrosion-resistant	Country-wide	0.54	0.54

[1] ***.

[2] 65 FR 18063, April 6, 2000.

[3] Countervailing duty order, 58 FR 43756, August 17, 1993; final sunset review determination, 65 FR 47407, August 2, 2000.

Table CORROSION-I-1
Comparative data on the U.S. market and industry from the original investigations and current reviews

(Quantity=***short tons***; value=***1,000 dollars***; unit values, unit labor costs, and unit financial data are ***per short ton***)

Item	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
U.S. consumption quantity: Amount	12,795,000	11,489,000	13,562,000	17,776,625	18,318,059	19,934,889	4,842,739	5,221,135
Producers' share[1]	85.6	85.0	82.7	91.2	91.7	90.2	90.2	91.1
Importer's share:[1] Australia	0.9	1.3	1.4	0.0	0.0	0.0	0.0	0.0
Canada	1.4	2.1	3.4	2.2	2.2	1.8	1.8	1.9
France	0.5	0.6	0.7	0.0	0.0	0.0	0.0	0.0
Germany	1.3	1.2	1.4	0.3	0.1	0.2	0.1	0.2
Japan	6.6	6.0	6.1	0.1	0.2	0.2	0.4	0.1
Korea	1.0	1.1	1.4	0.3	0.8	1.6	1.9	1.4
Subtotal	(2)	(2)	(2)	3.0	3.3	3.8	4.2	3.7
All other countries	(2)	(2)	(2)	5.8	4.9	6.0	5.6	5.2
Total imports	14.4	15.0	17.3	8.8	8.3	9.8	9.8	8.9
U.S. consumption value: Amount	7,786,000	6,801,000	7,826,000	10,896,245	10,880,352	11,031,334	2,709,624	2,853,385
Producers' share[1]	84.1	84.0	81.7	91.5	91.9	90.8	90.7	91.4
Importer's share:[1] Australia	1.1	1.4	1.4	0.0	0.0	0.0	0.0	0.0
Canada	1.3	1.9	3.0	2.0	1.9	1.7	1.7	2.0
France	0.5	0.6	0.7	0.0	0.0	0.0	0.0	0.0
Germany	1.4	1.2	1.5	0.3	0.1	0.2	0.1	0.3
Japan	7.6	6.9	7.2	0.2	0.2	0.3	0.5	0.2

Table continued on next page.

Item	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
Korea	1.2	1.2	1.5	0.4	0.9	1.5	1.8	1.3
Subtotal	(2)	(2)	(2)	2.9	3.2	3.8	4.1	3.8
All other countries	(2)	(2)	(2)	5.6	4.9	5.4	5.2	4.8
Total imports	15.9	16.0	18.3	8.5	8.1	9.2	9.3	8.6
U.S. imports from-- Australia:								
Quantity	121,230	147,624	183,782	636	82	39	7	3
Value	82,377	94,020	112,968	524	111	100	34	21
Unit value	$680	$637	$615	$824	$1,359	$2,561	$4,550	$7,044
Canada:								
Quantity	180,030	245,091	451,082	393,986	397,529	356,620	87,429	101,629
Value	102,188	132,391	234,752	215,365	208,575	192,081	45,840	56,593
Unit value	$568	$540	$520	$547	$525	$539	$524	$557
France:								
Quantity	59,087	70,786	94,523	5,677	2,478	4,121	744	142
Value	36,666	40,776	53,306	3,725	1,890	2,377	646	150
Unit value	$621	$576	$564	$656	$763	$577	$868	$1,063
Germany:								
Quantity	161,712	137,767	189,192	54,869	21,557	34,434	5,022	12,825
Value	106,892	84,820	119,055	33,776	16,060	21,071	3,319	7,458
Unit value	$661	$616	$629	$616	$745	$612	$661	$582
Japan:								
Quantity	838,598	681,563	824,743	24,269	34,182	49,248	19,293	6,437
Value	591,512	468,218	562,349	21,908	27,159	35,961	13,405	5,387
Unit value	$705	$687	$682	$903	$795	$730	$695	$837

Table continued on next page.

Item	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
Korea:								
Quantity	124,220	124,897	193,513	58,658	154,984	309,989	91,268	72,777
Value	89,731	83,030	119,120	42,580	97,667	166,010	49,053	38,512
Unit value	$722	$665	$616	$726	$630	$536	$537	$529
Subtotal								
Quantity	(2)	(2)	(2)	538,095	610,812	754,451	203,763	193,812
Value	(2)	(2)	(2)	317,878	351,463	417,600	112,297	108,122
Unit value	(2)	(2)	(2)	$591	$575	$554	$551	$558
All other countries:								
Quantity	(2)	(2)	(2)	1,030,237	906,203	1,198,894	270,821	271,313
Value	(2)	(2)	(2)	612,252	532,307	595,013	141,015	137,096
Unit value	(2)	(2)	(2)	$594	$587	$496	$521	$505
All countries:								
Quantity	1,833,207	1,715,875	2,327,953	1,568,332	1,517,014	1,953,345	474,584	465,125
Value	1,234,621	1,087,726	1,432,527	930,130	883,770	1,012,613	253,312	245,218
Unit value	$673	$634	$615	$593	$583	$518	$534	$527
U.S. producers'-- Capacity quantity	13,752,000	14,258,000	14,983,000	18,325,094	19,870,392	21,725,474	5,367,688	5,499,048
Production quantity	11,288,000	9,941,000	11,450,000	16,777,451	17,747,333	18,960,113	4,512,512	4,995,781
Capacity utilization[1]	82.1	69.7	76.4	91.6	89.3	87.3	84.1	90.8

Table continued on next page.

Item	1990	1991	1992	1997	1998	1999	Jan.-Mar 1999	Jan.-Mar. 2000
U.S. shipments: Quantity	10,962,000	9,774,000	11,235,000	16,208,293	16,801,045	17,981,544	4,368,155	4,756,010
Value	6,551,000	5,714,000	6,393,000	9,966,115	9,996,582	10,018,721	2,456,312	2,608,167
Unit value	$599	$589	$575	$615	$595	$557	$562	$548
Ending inventory quantity	1,398,000	1,376,000	1,409,000	1,511,463	1,845,068	2,123,546	1,830,900	2,159,200
Inventories/total shipments[1]	12.8	14.2	12.6	9.1	10.7	11.5	10.1	11.0
Production workers	10,129	9,680	9,942	23,318	24,074	22,879	23,220	23,183
Hours worked (*1,000 hours*)	20,366	19,025	20,113	48,468	50,251	49,057	12,608	12,318
Wages paid (*1,000 dollars*)	512,376	516,930	564,673	1,247,703	1,323,641	1,307,644	339,085	339,763
Hourly wages	$25.16	$27.17	$28.08	$25.74	$26.34	$26.66	$26.89	$27.58
Productivity (*tons/1,000 hour*)	500	400	500	346	353	387	358	406
Net sales: Quantity	10,789,000	9,526,000	11,048,000	16,637,652	17,380,151	18,614,348	4,526,215	4,940,750
Value	6,513,000	5,615,000	6,312,000	10,224,465	10,348,910	10,393,878	2,551,360	2,718,153
Unit value	(2)	(2)	(2)	$615	$595	$558	$564	$550
COGS	5,780,000	5,357,000	5,959,000	8,810,259	9,062,220	9,383,494	2,301,761	2,549,953
Gross profit or (loss)	733,000	258,000	353,000	1,414,206	1,286,690	1,010,384	249,599	168,200
Operating income or (loss)	447,000	(28,000)	77,000	1,070,501	895,383	617,421	151,713	72,288
Unit COGS	$536	$562	$539	$530	$521	$504	$509	$516
Unit operating income or (loss)	(2)	(2)	(2)	$64.34	$51.52	$33.17	$33.52	$14.63
COGS/sales[1]	88.7	95.4	94.4	86.2	87.6	90.3	90.2	93.8
Operating income or (loss)/sales[1]	6.9	(0.5)	1.2	10.5	8.7	5.9	5.9	2.7

[1] In *percent*.
[2] Comparable data not available.

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

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

Korea

On April 10, 2000, Commerce announced the final results of its expedited sunset review for corrosion-resistant from Korea. Commerce found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of countervailable subsidized sales. The original and sunset margins are shown in the tabulation below:[4]

Type of steel	Producer/exporter	Original countervailable net subsidy *(percent)*	Sunset countervailable net subsidy *(percent)*
Corrosion-resistant	Country-wide	2.69[1]	0.54

[1] Pursuant to a remand from the U.S. Court of International Trade, Commerce recalculated the original countervailable net subsidy and found a country-wide rate of 1.15 percent and filed this with the Court. Commerce has not issued a Federal Register notice in this matter. *See* Commerce, *Final Results of Redetermination Remand Pursuant to Laclede Steel Co., et al., v. United States*, unpublished, June 19, 2000.

Administrative Reviews of the Countervailing Duty Orders

Commerce initiated no reviews on the orders on France and Germany. Commerce initiated and later rescinded a review of the order on Korea for the period January 1, 1997-December 31, 1997.[5]

NATURE AND EXTENT OF SALES AT LTFV

Commerce's Final Results of Its Reviews

Australia

On April 6, 2000, Commerce announced the final results of its expedited sunset review for corrosion-resistant from Australia. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the tabulation below:[6]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Corrosion-resistant	BHP	24.96	24.96
Corrosion-resistant	All others	24.96	24.96

[4] Countervailing duty order, 58 FR 43752, August 17, 1993; final sunset review determination, 65 FR 18973, April 10, 2000.

[5] 65 FR 6162, February 8, 2000.

[6] Antidumping duty order, 58 FR 44161, August 19, 1993; final sunset review determination, 65 FR 18049, April 6, 2000.

Canada

On August 2, 2000, Commerce announced the final results of its full sunset review for corrosion-resistant from Canada. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce found duty absorption in its administrative reviews for August 1, 1995-July 31, 1996 and August 1, 1997-July 31, 1998. The original and sunset margins are shown in the following tabulation:

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Corrosion-resistant	Dofasco[1]	11.71[2]	11.71
Corrosion-resistant	Stelco	28.27[3]	22.70
Corrosion-resistant	All others	22.29[3]	18.71

[1] Commerce "collapsed" Sorevco into Dofasco, which has a 50-percent ownership interest in Sorevco. 65 FR 18286, April 7, 2000.

[2] Amended results, 60 FR 49582, September 26, 1995.

[3] Antidumping duty order, 58 FR 44162, August 19, 1993.

France

On April 6, 2000, Commerce announced the final results of its expedited sunset review for corrosion-resistant from France. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the tabulation below:[7]

Type of steel	Producer/exporter	Original margin *(percent)*	Sunset margin *(percent)*
Corrosion-resistant	Usinor	29.41	29.41
Corrosion-resistant	All others	29.41	29.41

Germany

On April 6, 2000, Commerce announced the final results of its expedited sunset review for corrosion-resistant from Germany. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The amended original and sunset margins are shown in the following tabulation:[8]

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[7] As the result of a determination by the U.S. Court of International Trade, Commerce recalculated the final margins that appeared in the original antidumping duty order (58 FR 44169, August 19, 1993), 61 FR 51274, October 1, 1996; final sunset review determination, 65 FR 18050, April 6, 2000.

[8] Antidumping duty order, 58 FR 44170, August 19, 1993; final sunset review determination, 65 FR 18051, April

(continued...)

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Corrosion-resistant	Thyssen	10.02[1]	10.02
Corrosion-resistant	All others	10.02[1]	10.02

[1] Amended.

Japan

On August 2, 2000, Commerce announced the final results of its full sunset review for corrosion-resistant from Japan. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce has not issued a duty absorption determination with respect to this order. The original and sunset margins are shown in the following tabulation:

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Corrosion-resistant	Nippon	36.41[1]	36.41
Corrosion-resistant	Kawasaki	36.41[1]	36.41
Corrosion-resistant	All others	36.41[1]	36.41

[1] Antidumping duty order, 58 FR 44163, August 19, 1993.

Korea

On April 6, 2000, Commerce announced the final results of its expedited sunset review for corrosion-resistant from Korea. Commerce found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. Commerce found that duties were absorbed in the administrative reviews for August 1, 1995-July 31, 1996 and August 1, 1997-July 31, 1998. The original and sunset margins are shown in the following tabulation:[9]

Type of steel	Producer/exporter	Original margin (percent)	Sunset margin (percent)
Corrosion-resistant	POSCO	17.70	17.70
Corrosion-resistant	All others	17.70	17.70

[8] (...continued)
6, 2000; amended final determination of sales at LTFV, 65 FR 58044, September 27, 2000.

[9] Amended final determination of sales at LTFV, 58 FR 41083, August 2, 1993; antidumping duty order, 58 FR 44159, August 19, 1993; final sunset review determination, 65 FR 18044, April 6, 2000.

Administrative Reviews of the Antidumping Duty Orders

Commerce did not conduct any administrative reviews on producers/exporters of subject corrosion-resistant from France or Germany. However, the antidumping order on Germany was partially revoked with respect to corrosion-resistant steel flat products that are deep-drawing carbon steel strip roll-clad on both sides with aluminum, in specific dimensions.[10] The results of administrative reviews on producers/exporters of subject merchandise from Australia, Canada, Japan, and Korea are presented below.

Australia

Commerce completed two antidumping duty order administrative reviews of producers/exporters from Australia. The results of the reviews are shown in following tabulation:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
BHP	2/4/93-7/31/94	August 2, 1996 (61 FR 40399)[1]	39.05
All others			24.96
BHP	8/1/94-7/31/95	August 27, 1996 (61 FR 44039)	39.05
All others			24.96

[1] Amended notice.

Canada

Commerce conducted 5 antidumping duty order administrative reviews of producers/exporters from Canada. Commerce found duty absorption in its administrative reviews for August 1, 1995-July 31, 1996 and August 1, 1997-July 31, 1998. The results of the reviews are shown in the tabulation below:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
CCC	2/4/93-7/31/94	March 28, 1996 (61 FR 13815)	1.96
Dofasco			1.65
Stelco			0.19 [1]
All others			18.71

[10] *See* section on product description for corrosion-resistant and 64 FR 51292, September 22, 1999.

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
CCC	8/1/94-7/31/95	August 19, 1996 (62 FR 44015)[2]	1.31
Dofasco			0.59
Stelco			0.55
All others			18.71
CCC[3]	8/1/95-7/31/96	May 18, 1998 (63 FR 27258)[4]	0.54
Dofasco[3]			0.72
Stelco[3]			1.55
All others			18.71
CCC	8/1/96-7/31/97	January 13, 1999 (63 FR 2173)	2.26
Dofasco			0.98
Stelco			2.73
All others			18.71
CCC[5]	8/1/97-7/31/98	April 7, 2000 (65 FR 18287)[6]	1.01
Dofasco			[1]0.20
National			5.65
Stelco[5]			4.24
All others			18.71

[1] *De minimis* margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

[2] Amended final results. Original final results announced April 15, 1997 (62 FR 18448).

[3] Commerce found that duties were absorbed on 2.72 percent of CCC's U.S. sales; 16.05 percent of Dofasco's U.S. sales; and 16.50 percent of Stelco's sales. 63 FR 12725, March 16, 1998.

[4] Amended final results. Original final results announced March 16, 1998 (63 FR 12725).

[5] Commerce found that duties were absorbed on 20.38 percent of CCC's U.S. sales and 22.63 percent of Stelco's sales. 65 FR 9243, February 24, 2000.

[6] Amended final results. Original final results announced February 24, 2000 (65 FR 9243).

Japan

Since the issuance of the antidumping duty order, two administrative reviews have been completed with regard to subject imports from Japan. A review for the sixth period of review was rescinded.[11] The antidumping duty order has been partially revoked four times: (1) with regard to a three-layered product (a zinc alloy layer, followed by a layer of chromate, and a final layer of silicate)

[11] 65 FR 14534, March 17, 2000.

having specific dimensions;[12] (2) with regard to corrosion-resistant steel flat products with certain dimensions and coatings used by a domestic producer of rubber seals and metal inserts for ball bearings;[13] (3) with regard to two products: (a) steel coil with an aluminum alloy lining and (b) steel coil with a polytetrafluorethylene (PTFE) lead-based lining;[14] and (4) doctor blades.[15] The results of reviews are shown in the following tabulation:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Nippon	6/30/96-7/1/97	March 16, 1999 (64 FR 12959)	12.51
All others			36.41
Nippon	6/30/96-7/1/97	February 23, 2000 (65 FR 8935)	2.47
Kawasaki			1.61
All others			36.41

Korea

Commerce completed 5 antidumping duty order administrative reviews of producers/exporters from Korea. Commerce found that duties were absorbed in the administrative reviews for August 1, 1995-July 31, 1996 and August 1, 1997-July 31, 1998. The results of the reviews are shown in the following tabulation:

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Dongbu	2/4/93-7/31/94	April 26, 1996 (61 FR 18547)	1.50
Union Steel			10.74
All others			17.70
Dongbu	8/1/94-7/31/95	August 19, 1996 (62 FR 18404)	0.00
The POSCO Group[1]			0.09[2]
Union Steel			1.09
All others			17.70

[12] *See* section on product description for corrosion-resistant and 62 FR 66848, December 12, 1997.
[13] *See* section on product description for corrosion-resistant and 64 FR 14862, March 29, 1999.
[14] *See* section on product description for corrosion-resistant and 64 FR 57032, October 22, 1999.
[15] *See* section on product description for corrosion-resistant and 65 FR 53983, September 6, 2000.

Producer/ exporter	Period of review	Date review results issued	Margin *(percent)*
Dongbu[3]	8/1/95-7/31/96	April 27, 1998 (63 FR 20572)[4]	0.60
The POSCO Group[3]			1.46
Union Steel[3]			0.39[2]
All others			17.70
Dongbu	8/1/96-7/31/97	March 16, 1999 (64 FR 12927)	1.49
The POSCO Group			0.16[2]
Union Steel			0.14[2]
All others			17.70
Dongbu[5]	8/1/97-7/31/98	April 25, 2000 (65 FR 24182)[6]	1.42
The POSCO Group[5]			0.68
Union Steel			0.14[2]
All others			17.70

[1] Amended results, 62 FR 33587, June 20, 1997.

[2] *De minimis* margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.

[3] Duty absorption occurred during the period through respondents' U.S. affiliates; the percentage of U.S. affiliates' sales with dumping margins for Dongbu was 5.82 percent, for the POSCO Group was 14.64 percent, and for Union Steel was 8.99 percent. 63 FR 13170, March 18, 1998.

[4] Amended results. Original final results announced March 18, 1998 (63 FR 13170).

[5] Duty absorption occurred during the period through respondents' U.S. affiliates; the percentage of U.S. affiliates' sales with dumping margins for Dongbu was 20.68 percent and for the POSCO Group was 6.85 percent. 65 FR 24180, April 25, 2000.

[6] Amended final administrative review results for Dongbu and the POSCO Group. *See* original final results, 65 FR 13359, March 13, 2000.

COUNTERVAILING/ANTIDUMPING DUTIES COLLECTED

Table CORROSION-I-2 presents the actual amount of customs duties collected under the antidumping and countervailing duty orders from 1994 to 1999.

Table CORROSION-I-2
Actual duties collected and imports from subject countries, fiscal years 1994-99[1]

(In dollars)

Item	1994	1995	1996	1997	1998	1999
Countervailing						
France						
Duties collected	15,245	(3)	(2)	***	(2)	12,007
Imports	100,791	(3)	(2)	***	(2)	79,416
Germany						
Duties collected	643,792	575,820	181,334	207,122	81,713	86,545
Imports	107,223,039	95,970,080	30,222,344	34,476,873	13,618,902	14,652,180
Korea						
Duties collected	1,215,246	932,317	1,059,907	968,208	1,778,339	3,840,096
Imports	45,176,419	34,658,649	39,052,997	35,992,865	66,109,258	142,754,507
Antidumping						
Australia						
Duties collected	1,192,730	862,109	(2)	(2)	(2)	(3)
Imports	4,778,567	3,453,966	(2)	(2)	(2)	(3)
Canada						
Duties collected	23,028,488	19,520,759	9,288,723	1,811,813	1,287,254	965,192
Imports	186,991,440	163,136,442	152,700,268	175,026,585	187,161,844	149,219,382
France						
Duties collected	45,510	(3)	(2)	***	(2)	31,691
Imports	115,508	(3)	(2)	***	(2)	80,435
Germany						
Duties collected	4,510,798	4,015,952	1,266,587	1,445,101	569,719	603,838
Imports	107,915,294	96,075,417	30,301,135	34,571,808	13,629,662	14,603,636
Japan						
Duties collected	20,256,341	13,954,988	8,343,201	5,163,838	4,589,791	3,525,541
Imports	55,732,292	38,605,700	22,914,589	14,182,473	12,605,854	13,002,832
Korea						
Duties collected	7,994,621	6,126,741	4,996,775	1,198,848	336,882	417,364
Imports	45,200,962	34,614,357	39,105,621	34,760,407	66,104,497	142,944,587

[1] The federal fiscal year is October 1-September 30.
[2] Case number not listed in Customs Report for this year (indicates 0 duties/imports).
[3] Business proprietary information; not divulged by Customs.

Corrosion I-13

Source: Customs Annual Report, Part A.

THE SUBJECT PRODUCT

The imported product subject to the antidumping order under review, as defined by Commerce, are

> "Flat-rolled carbon steel products, of rectangular shape, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating, in coils (whether or not in successively superimposed layers) and of a width of 0.5 inch or greater, or in straight lengths which, if of a thickness less than 4.75 millimeters, are of a width of 0.5 inch or greater and which measures at least 10 times the thickness or if of a thickness of 4.75 millimeters or more are of a width which exceeds 150 millimeters and measures at least twice the thickness, as currently classifiable in the HTS under item numbers 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7212.60.0000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090. Included in this order are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which have been "worked after rolling")--for example, products which have been beveled or rounded at the edges. Excluded from this review are: flat rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel"), whether or not painted, varnished or coated with plastics or other nonmetallic substances in addition to the metallic coating; clad products in straight lengths of 0.1875 inch or more in composite thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness; and certain clad stainless flat-rolled products, which are three-layered corrosion-resistant carbon steel flat-rolled products less than 4.75 millimeters in composite thickness that consist of a carbon steel flat-rolled product clad on both sides with stainless steel in a 20%-60%-20% ratio."[16]

As a result of a scope ruling, steel coils having a thickness of 0.8 mm and a width of 2,000 mm, electrolytically coated with zinc, are within the scope of the order (63 FR 29700, June 1, 1998). The HTS item numbers are provided for convenience and customs purposes. The written descriptions are dispositive.

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[16] 65 FR 18044, April, 2000. A number of Commerce notices regarding these investigations cited obsolete HTS subheadings. See also 65 FR 16169 and 161176, March 27, 2000; 65 FR 18044, 18049-18051, and 18063, April 6, 2000; 65 FR 18286, April 7; and 65 FR 18973, April 10, 2000.

With respect to subject merchandise from Germany:

The order was revoked with respect to corrosion-resistant deep drawing steel. This product was defined as certain

> "corrosion-resistant deep-drawing carbon steel strip, roll-clad on both sides with aluminum (AlSi) foils in accordance with St3 LG as to EN 10139/10140. The merchandise's chemical composition encompasses a core material of U St 23 (continuous casting) in which carbon is less than 0.08%; manganese is less than 0.30%; phosphorous is less than 0.20%; sulfur is less than 0.015%; aluminum is less than 0.01%; and the cladding material is a minimum of 99% aluminum with silicon/copper/iron of less than 1%. The products are in strips with thicknesses of 0.07mm to 4.0mm (inclusive) and widths of 5mm to 800mm (inclusive). The thickness ratio of aluminum on either side of steel may range from 3%/94%/3% to 10%/80%/10%."[17]

With respect to subject merchandise from Japan:

Excluded are certain corrosion-resistant carbon steel flat products meeting the following specifications:

> "(1) Widths ranging from 10 mm (0.394 inches) through 100 mm (3.94 inches); (2) thicknesses, including coatings, ranging from 0.11 mm (0.004 inches) through 0.60 mm (0.024 inches); and (3) a coating that is from 0.003 mm (0.00012 inches) through 0.005 mm (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99 percent zinc, 0.5 percent cobalt, and 0.5 percent molybdenum, followed by a layer consisting of chromate, or three evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum followed by a layer consisting of chromate, and finally, a layer consisting of silicate."[18]

Also excluded are certain electrolytic zinc-coated steel coiled rolls meeting the following specifications:

> "widths ranging from 10 millimeters (0.394 inches) through 100 millimeters (3.94 inches); thicknesses, including coatings, ranging from 0.11 millimeters (0.004 inches) through 0.60 millimeters (0.024 inches); and a coating that is from 0.003 millimeters (0.00012 inches) through 0.005 millimeters (0.000196 inches) in thickness and that is comprised of three evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum, followed by a layer consisting of chromate, and finally a layer consisting of silicate."[19]

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[17] 64 FR 51292, September 22, 1999.
[18] 65 FR 47381, August 2, 2000.
[19] 62 FR 66848, December 22, 1997.

Also excluded are certain corrosion-resistant carbon steel flat products meeting the following specifications:

> "(1) widths ranging from 10 millimeters (0.394 inches) through 100 millimeters (3.94 inches); (2) thicknesses, including coatings, ranging from 0.11 millimeters (0.004 inches) through 0.60 millimeters (0.024 inches); and (3) a coating that is from 0.003 millimeters (0.00012 inches) through 0.005 millimeters (0.000196 inches) in thickness and that is comprised of either two evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum, followed by a layer consisting of chromate, or three evenly applied layers, the first layer consisting of 99% zinc, 0.5% cobalt, and 0.5% molybdenum followed by a layer consisting of chromate, and finally a layer consisting of silicate. This steel has been used in the manufacture of rubber seals and metal inserts for ball bearings."[20]

Also excluded are

> "(1) certain products meeting the requirements of SAE standard 792 for Bearing and Bushing Alloys, and (2) certain products meeting the requirements of SAE standard 783 for Bearing and Bushing Alloys. This merchandise covers: (1) Carbon steel flat products measuring 1.84 mm in thickness and 43.6 mm or 16.1 mm in width consisting of carbon steel coil (SAE 1008) clad with an aluminum alloy that is balance aluminum, 20% tin, 1% copper, 0.3% silicon, 0.15% nickel, less than 1% other materials and meeting the requirements of SAE standard 783 for Bearing and Bushing Alloys; and (2) carbon steel flat products measuring 0.97 mm in thickness and 20 mm in width consisting of carbon steel coil (SAE 1008) with a two-layer lining, the first layer consisting of a copper-lead alloy powder that is balance copper, 9% to 11% tin, 9% to 11% lead, less than 1% zinc, less than 1% other materials and meeting the requirements of SAE standard 792 for Bearing and Bushing Alloys, the second layer consisting of 45% to 55% lead, 38% to 50% PTFE, 3% to 5% molybdenum disulfide and less than 2% other materials. The merchandise under review is currently classifiable under subheading 7212.50.00 of the HTS."[21]

Commerce has also revoked the order in part with respect to "doctor blades."[22] These doctor blades are specified as

> "carbon steel coil or strip, plated with nickel phosphorous, having a thickness of 0.1524 millimeters (0.006 inches), a width between 31.75 millimeters (1.25 inches) and 50.80 millimeters (2.00 inches), a core hardness between 580 to 630 HV, and a surface hardness between 900-990 HV; the carbon steel coil or strip consists of the following identified in percentage by weight: 0.90% to 1.05% carbon; 0.15% to 0.35% silicon; 0.30% to 0.50% manganese; less than or equal to 0.03% of phosphorous; less than or equal to 0.006% sulfur; other elements representing 0.24%; and the remainder of iron."[23]

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[20] 64 FR 14861, March 29, 1999.
[21] 64 FR 57032, October 22, 1999.
[22] 65 FR 53983, September 6, 2000.
[23] Ibid.

U.S. Tariff Treatment

The column 1-general, or normal trade relations, rates of duty for corrosion-resistant range from 0.4 to 3.0 percent *ad valorem*. These duty rates are being reduced in annual stages as a result of the Uruguay Round Agreement and will be eliminated as of January 1, 2004. Subject imports qualifying for NAFTA preferential treatment from Canada are free of duty and from Mexico are subject to duty rates ranging from free to 2.2 percent *ad valorem* (these rates will be eliminated in stages by January 1, 2003).

Physical Characteristics and Uses

Corrosion-resistant is used to prolong the useful life of end products in areas where the product is visible or exposed to weather or other corroding agents. In addition, corrosion-resistant provides improved aesthetics, and reduced final product cost, and enhances downstream forming operations. Corrosion-resistant is used principally in motor vehicle body panels, construction products for buildings and roads, contractors' products, and appliances. Corrosion-resistant is also used in a variety of other products.

The principal corrosion-resistant products are (1) hot-dipped and (2) electrolytic galvanized steel. Galvanizing is the process of coating a steel substrate with zinc. These products include galvanized carbon sheet and galvanized high-strength sheet. Hot-dip galvanized steel generally does not have as smooth a surface as electrolytic galvanized steel; however, ongoing improvements in the quality of hot-dipped galvanized steel are moving it towards parity with electrolytic galvanized steel. Electrolytic galvanized steel has a smooth surface that makes it suitable for painting, and the coating thickness of this type of corrosion-resistant steel reduces problems when spot welding.

A number of corrosion-resistant products are trademarked and licensed to corrosion-resistant producers worldwide. The principal zinc-aluminum alloy coated sheet steel is Galvalume®, a coating of 55 percent zinc, 45 percent aluminum, and negligible amounts of silicon. Galfan® is a 95 percent zinc, 5 percent aluminum coated steel. Galvaneal® is carbon steel sheet coated with zinc on both sides, having a fully alloyed iron-zinc boundary layer.

Aluminum coated steels are steels with a coating of either pure aluminum or of 90 percent aluminum and 10 percent silicon alloy. These steels are not only corrosion-resistant but also resist high temperatures and have heat reflectivity. Aluminum coated steels are used in fire doors, insulation, ventilation systems, building cladding, and motor vehicle exhaust systems.

Clad sheets are specialized corrosion-resistant products engineered to achieve specific performance requirements. They are used primarily in pressure vessels for petroleum, chemical, paper, and food industries, in applications utilizing the corrosion- and heat-resistant properties of the cladding material (stainless steel or nickel-based alloys, for example). Using clad plate reduces costs by using a thin layer of expensive corrosion-resistant material, usually stainless steel or nickel.

Corrosion-resistant may be further coated with films or paints. Films provide temporary protection and a base for painting, and include acrylics, polyester, plastisol, polyvinylidene flouride coatings, or thermolaminations. Painted corrosion-resistant products are used for color and aesthetic appeal, additional corrosion-resistance, and for safety to reduce reflectivity of light on surfaces. Painted corrosion-resistant products also reduce costs to manufacturers by reducing their painting operations. New paint coatings include flexible primer and topcoats to allow more deformation when forming coated products.

Manufacturing Processes and Facilities

For corrosion-resistant steel products, there are seven alternative processes for applying coatings. These processes include immersion in a bath of molten metal or metal alloy ("hot-dipping"); the cathodic deposition of the coating by electrolysis of a solution of metallic salts (electrolytic plating); sherardizing, chromizing, or calorizing, whereby the products to be coated are heated first and then impregnated or diffused with the coating in powder form (zinc, chromium, and aluminum, respectively); spraying the molten coating metal in atomized form; sputtering, a coating process by cathode vaporization; coating with painting, surface printing, or coating with ceramics or plastics; and cladding, where there is a molecular interpenetration of the surface (similar to welding) in contact with another metal such as chromium, nickel, stainless steel, copper, or titanium.

Like Product Issues

In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of this review, no parties requested that the Commission find more than one domestic like product.[24] However, the domestic producers have requested that the Commission include microalloyed products that the domestic industry considers to be carbon steel in the domestic like product.[25] [26]

U.S. MARKET PARTICIPANTS

U.S. Producers

Twenty firms reported producing corrosion-resistant in the United States over the period of these reviews compared to 22 during the 1993 investigations. Table CORROSION-I-3 presents data on corrosion-resistant producers, their positions on revocation, locations of production facilities, parent firms, and related foreign producers.

U.S. Importers

Twenty-two firms reported imports of corrosion-resistant during the period of review. Data on U.S. producers' imports of corrosion-resistant are presented in Part III.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table CORROSION-I-4 presents apparent U.S. consumption for the review period and table CORROSION-I-5 presents U.S. market shares for the same period.

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[24] French response to notice of institution, October 21, 1999, p. 10; Korean response to notice of institution, October 21, 1999, p. 9; CCC response to notice of institution, October 21, 1999, p. 4; Japanese prehearing briefs, p. 2; and German prehearing brief, pp. 5-6. Dofasco, Sorevco, and Stelco did not comment on this issue.

[25] Domestic prehearing brief, August 28, 2000, vol. I, pp. 7-17, and vol. III, pp. 7-8.

[26] Data provided by domestic producers for corrosion-resistant include microalloy products. Because microalloy is not included the scope of the reviews, import data presented in this report do not include microalloy products.

Table CORROSION-I-3
Responding U.S. producers, position on revocation, locations of production facilities, parent firms, and related foreign producers

U.S. producer	Position on revocation	Location(s) of production facilities	Parent firm	Related foreign producers of corrosion-resistant
AK	***	Middletown, OH Ashland, KY Rockport, IN	AK Holding Co. (OH)	None
Bethlehem	***	Burns Harbor, IN Sparrows Point, MD Coatesville/ Conshohocken, PA	None	None
California	***	Fontana, CA	*** Kawasaki USA (DE) *** CVRD (NY)	Kawasaki (Japan)
GalvTech	***	Pittsburgh, PA	None	None
Gulf States	***	Gadsden, AL	GSS Holding (USA)	None
Ispat/Inland	***	East Chicago, IN	Ispat International (Netherlands)	None
JIT	***	Tulare, CA	Mitsui (USA)	Mitsui (Japan)
LTV	***	Cleveland, OH E. Chicago, IN Hennepin, IL	LTV Corp. (OH)	None
MetalTech	***	Pittsburgh, PA	None	None
National	***	Ecorse, MI Granite City, IL Portage, IN	*** NKK USA Corp. (NY)	NKK (Japan)
NexTech	***	Turtle Creek, PA	None	None

Table continued on next page.

Table CORROSION-I-3--Continued
Responding U.S. producers, position on revocation, locations of production facilities, parent firms, and related foreign producers

U.S. producer	Position on revocation	Location(s) of production facilities	Parent firm	Related foreign producers of corrosion-resistant
Nucor	***	Berkeley, SC Blytheville, AR Crawfordsville, IN	None	None
Pro-Tec	***	Leipsic, OH	*** USS Galvanizing (DE) *** Kobe Coating (DE)	Kobe (Japan)
Rouge	***	Dearborn, MI	Rouge Industries (MI)	None
UPI	***	Pittsburg, CA	USX *** Pohang ***	Pohang (Korea)
USX	***	Gary, IN Fairless Hills, PA Dravosburg, PA Fairfield, AL	None	None
WCI	***	Warren, OH	Renco Steel Holdings (OH)	None
Weirton	***	Weirton, WV	None	None
Wheeling-N	***	Follansbee, WV	*** Nisshin Holding (NY) *** Wheeling-P (WV)	Nisshin (Japan)
Wheeling-P	***	Wheeling, WV	None	None

Source: Compiled from data submitted in response to Commission questionnaires

Table CORROSION-I-4
Corrosion-resistant: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
	Quantity *(short tons)*				
U.S. producers' shipments	16,208,293	16,801,045	17,981,544	4,368,155	4,756,010
U.S. imports from –					
Australia	636	82	39	7	3
Canada	393,986	397,529	356,620	87,429	101,629
France	5,677	2,478	4,121	744	142
Germany	54,869	21,557	34,434	5,022	12,825
Japan	24,269	34,182	49,248	19,293	6,437
Korea	58,658	154,984	309,989	91,268	72,777
Subtotal	538,095	610,812	754,451	203,763	193,812
All others	1,030,237	906,203	1,198,894	270,821	271,313
Total imports	1,568,332	1,517,014	1,953,345	474,584	465,125
Apparent consumption	17,776,625	18,318,059	19,934,889	4,842,739	5,221,135
	Value *(1,000 dollars)*				
U.S. producers' shipments	9,966,115	9,996,582	10,018,721	2,456,312	2,608,167
U.S. imports from –					
Australia	524	111	100	34	21
Canada	215,365	208,575	192,081	45,840	56,593
France	3,725	1,890	2,377	646	150
Germany	33,776	16,060	21,071	3,319	7,458
Japan	21,908	27,159	35,961	13,405	5,387
Korea	42,580	97,667	166,010	49,053	38,512
Subtotal	317,878	351,463	417,600	112,297	108,122
All others	612,252	532,307	595,013	141,015	137,096
Total imports	930,130	883,770	1,012,613	253,312	245,218
Apparent consumption	10,896,245	10,880,352	11,031,334	2,709,624	2,853,385

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

Table CORROSION-I-5
Corrosion-resistant: U.S. market shares, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Quantity *(short tons)*		
Apparent consumption	17,776,625	18,318,059	19,934,889	4,842,739	5,221,135
			Value *(1,000 dollars)*		
Apparent consumption	10,896,245	10,880,352	11,031,334	2,709,624	2,853,385
			Share of quantity *(percent)*		
U.S. producers' shipments	91.2	91.7	90.2	90.2	91.1
U.S. imports from –					
Australia	0.0	0.0	0.0	0.0	0.0
Canada	2.2	2.2	1.8	1.8	1.9
France	0.0	0.0	0.0	0.0	0.0
Germany	0.3	0.1	0.2	0.1	0.2
Japan	0.1	0.2	0.2	0.4	0.1
Korea	0.3	0.8	1.6	1.9	1.4
Subtotal	3.0	3.3	3.8	4.2	3.7
All others	5.8	4.9	6.0	5.6	5.2
Total imports	8.8	8.3	9.8	9.8	8.9
			Share of value *(percent)*		
U.S. producers' shipments	91.5	91.9	90.8	90.7	91.4
U.S. imports from –					
Australia	0.0	0.0	0.0	0.0	0.0
Canada	2.0	1.9	1.7	1.7	2.0
France	0.0	0.0	0.0	0.0	0.0
Germany	0.3	0.1	0.2	0.1	0.3
Japan	0.2	0.2	0.3	0.5	0.2
Korea	0.4	0.9	1.5	1.8	1.3
Subtotal	2.9	3.2	3.8	4.1	3.8
All others	5.6	4.9	5.4	5.2	4.8
Total imports	8.5	8.1	9.2	9.3	8.6

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

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

BUSINESS CYCLE

The U.S. industry producing corrosion-resistant follows a business cycle tied closely to that of the general economy; in particular, large volumes of these corrosion-resistant products are used in automobiles and construction. The steel industry has seen seven consecutive years of increasing consumption in the United States and corrosion-resistant products are reported to be a growing share of steel products consumed.

MARKET SEGMENTS

Corrosion-resistant is used internally by U.S. producers and is sold to distributors, service centers/converters, and manufacturers/end users. Larger manufacturers may opt to purchase directly from the mills instead of purchasing through a service center or distributor. Sectors that use corrosion-resistant products include the automotive, industrial, furniture, and construction industries. The automotive industry accounts for almost 40 percent of all domestic corrosion-resistant consumption.[1] Nearly 20 percent of shipments are sold to the construction industry. Steel service centers and distributors purchase around 24 percent of domestic corrosion-resistant.[2] Domestic producers noted that the consolidation of service centers will permit the rapid expansion of corrosion-resistant imports should the orders be lifted, especially because some are tied to foreign producers.[3] As with cold-rolled, there has been a push toward centralization of purchasing in the automotive industry and a move to international standards, both of which will increase the ease with which imports could compete with domestic corrosion-resistant.[4] Furthermore, there has also been consolidation in the metal building industry, with metal builders having gone from 6 or 7 down to 2.[5]

Sixteen U.S. producers reported where they sell: 6 reported selling nationwide, 9 reported selling in the East/Midwest, and 1 reported selling mainly in the West. Three importers reported selling nationwide, 7 reported selling to the East/Midwest (1 of these also reported selling to the Southwest and 1 in the Gulf Coast), 1 reported selling mainly in the West, and 1 reported selling mainly in the Southeast.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Based on available information, U.S. producers of corrosion-resistant are likely to respond to changes in price with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is constrained by a somewhat high level of capacity utilization, moderate levels of

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[1] AISI data, AIS-16c, as included in Japanese posthearing brief, exh. 8.

[2] Japanese prehearing brief, exh. 3.

[3] Domestic posthearing brief, p. 25.

[4] Ibid., pp. 10-11.

[5] Ibid., p. 12.

inventories, the low share of shipments which are exported, and the limited existence of possible production alternatives using the same equipment and workers.

Industry Capacity

Both capacity and production increased between the initial investigation and 1999. U.S. galvanizing capacity increased from 15.0 million tons in 1992 to 21.7 million tons in 1999. Growth of galvanizing line capacity in the United States is expected to be 8 percent in 1999-2002, with demand from the automotive, construction, and appliance markets driving the growth.[6] Various sources note that there is overcapacity in the U.S. market, with a large number of new coating lines either being installed or in the early stages of start-up.[7] U.S. producers' capacity utilization rates fell from 91.6 percent in1997 to 87.3 percent in 1999, but have increased to 90.8 percent in interim 2000. Yearly capacity utilization rates declined because capacity has been increased faster than the increase in production. In 1992, U.S. producers' capacity utilization was at 76.4 percent.

Export Markets

Nine of 14 U.S. producers indicated that they exported during the period of investigation. The export markets reported included Canada, Mexico, and ***. U.S. producers' export shipments accounted for less than 3 percent of shipments in 1999, and increased between 1997 and 1999, and from first quarter 1999 to the same period in 2000. U.S. exports of corrosion-resistant were 235,000 tons in 1992, 324,000 tons in 1997, and 550,000 tons in 1999. All producers noted at least some difficulty in the ability to shift their sales between the United States and alternative country markets. Producers noted issues such as pricing, packaging, contracts, exchange rates, tariffs, transportation, and a global oversupply of corrosion-resistant steel products.

Inventories

U.S. producers' inventories fell relative to shipments between the initial investigations and these reviews, falling from 12.6 percent of total shipments in 1992 to 9.1 percent in 1997, and then rising back to 11.5 percent in 1999. Domestic inventories fell to 11.0 percent of total shipments in interim 2000, on an annual basis. However, with the growth of the corrosion-resistant industry, this translates to 1.41 million tons at the end of1992, 1.51 million tons at the end of 1997, 2.12 million tons at the end of 1999, and 2.16 million tons at the end of first quarter 2000.

Production Alternatives

Seven of 17 U.S. producers reported that they produce other products (such as cold-rolled, hot-rolled, tin mill, and electrical products) using the same equipment and workers as their corrosion-resistant production.[8] However, products such as hot-rolled and cold-rolled are upstream products used

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[6] *See* American Metal Markets online, *http://www.amm.com/SUBSCRIB/1999/special/030199-8.htm.*

[7] *See*, e.g., *Automotive Steel*, November 19, 1999, *http://www.newsteel.com/2000/NS0003f2.htm*, or *http://www.amm.com/SUBSCRIB/2000/Feb/top/0210tp01.htm.*

[8] *** noted that, although it does not use the same machinery and equipment to produce other goods, it has
(continued...)

in the manufacture of corrosion-resistant. A galvanizing line, which typically has significant fixed costs, cannot be used to produce steel products other than corrosion-resistant sheet. Also, the markets for tin mill and electrical steel are not that large. Although some corrosion-resistant producers could stop their production process before galvanization and prepare the cold-rolled for sale, there would have to be enough profit in this to cover the idle time of the galvanizing line.

Subject Import Supply

Information concerning foreign producers is contained in table CORROSION-II-1.

Table CORROSION-II-1
Corrosion-resistant: Factors indicating subject producers' ability to increase sales to the United States

Country	Firms providing foreign producer Q	Capacity 1992	Capacity 1999[1]	Capacity utilization rate 1999	Production 1992	Production 1999
	(number)	*(1,000 tons/year)*	*(1,000 tons/year)*	*(percent)*	*(1,000 tons)*	*(1,000 tons)*
Australia	0	***	(2)	(2)	***	(2)
Canada	3	***	***	***	***	***
France	4	***	***	***	***	***
Germany	4	4,565	***	***	3,852	***
Japan	6	12,037	***	***	10,355	***
Korea	5	3,139	***	***	2,944	***
See footnotes at end of table.						

[8] (...continued)
shifted workers to corrosion-resistant production based on volume needs.

Table CORROSION-II-1--continued
Corrosion-resistant: Factors indicating subject producers' ability to increase sales to the United States

Country	Inventories to total shipments 1999	Production exported to the U.S. 1999	Production exported 1999	Alternative markets	Other information such as expected capacity changes, or the Asian economic crisis
	(percent)	*(percent)*	*(percent)*		
Australia	(2)	(2)	(2)	(2)	(2)
Canada	***	***	***	***	NAFTA member, won dumping case against U.S. suppliers in 1994, however duties were lifted in 1999 for automotive steel; *** added capacity of *** tons this year ***.
France	***	***	***	***	Using euro; *** is adding *** percent to its capacity in 2000; Turkey might start antidumping proceedings.
Germany	***	***	***	***	Using euro; *** are adding capacity between 2000 and 2002, for a total of at least *** tons; anti-dumping order in Canada; Turkey might start antidumping proceedings.
Japan	***	***	***	***	Asian economic crisis; *** has a new galvanizing line whose opening will add *** tons of capacity, and is shutting down an older one; antidumping order in Canada.
Korea	***	***	***	***	Asian economic crisis; *** added a new mill in 1999 with *** tons capacity, and *** increased its capacity in 1999 by ***. *** will add *** tons in 2000; antidumping order in Canada.

[1] As reported by the foreign producers.
[2] Data not available.

Source: Compiled from data submitted in response to Commission questionnaires and in pre- and posthearing briefs.

Foreign Demand

The IMF's September *World Economic Outlook (Advance Copy)* has estimated real GDP growth for certain economies and regions as a whole. It forecasted world economic growth to be 4.7 percent in 2000 and 4.2 percent in 2001 under the assumption that "imbalances in the global economy are resolved in an orderly fashion."[9] This does not include the effect of higher oil prices on the world market. The IMF estimates that GDP growth in industrialized countries would decrease by 0.2 percent for a $5 per barrel increase in the price of oil. The IMF projected growth figures and yearly rates of growth of certain countries and regions since 1992 can be found in Part PLATE-II. The IMF also published "harder landing" estimates of real GDP growth for the United States, the Euro Area, and Japan along with other more general areas.[10]

Weirton noted that dumping will continue if the orders are lifted, citing an analysis of current economic conditions and world steel markets performed by Dr. Robert Blecker which indicates that the large and open U.S. market will remain the world's dumping ground, since U.S. growth rates still exceed those of the industrialized subject countries.[11] The other domestic producers suggested similar recent phenomena: the European market is weakening, the Asian "recovery" has run its course with "some traders fearing a return to the crisis levels of last year, and demand in the Canadian market is weakening.[12] Respondents have argued, however, that there is no reason to foresee a slowdown in growth.[13]

Australia

U.S. producers noted that in 1992, BHP had *** and *** percent of its shipments were for export. Further, in April 2000, BHP sold the corrosion-resistant production facilities that it built in California City, WA in 1994 after the orders were imposed.[14]

Canada

Canadian mills stated that they, along with U.S. mills, are members of AISI and the Auto/Steel Partnership, and have a joint marketing agreement to serve the integrated North American market.[15] U.S. producers noted that this has not changed since the original investigation, because the U.S.-Canada Free Trade Agreement went into effect in 1989, and that the markets are distinct since Canada maintains an

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[9] *World Economic Outlook (Advance Copy)*, p. 9.

[10] Ibid., p. 46. This scenario is one in which the U.S. economy experiences greater-than-expected inflationary pressure in late 2000 and growth in U.S. domestic demand is stronger than the original baseline. This might cause the Federal Reserve to tighten monetary policy more than currently anticipated and, early in 2001, would cause financial markets to "fundamentally reevaluate" the prospects for the U.S. economy, consequently causing a fall of about 20 percent in the U.S. stock market and a recession.

[11] Weirton's posthearing brief, p. 2.

[12] Domestic posthearing brief, pp. 15-6, and domestic prehearing brief, vol. II, exh. 7.

[13] *See*, e.g., French response to Commission's questions, pp. 12-19c.

[14] Domestic posthearing brief, p. 9.

[15] Canadian posthearing brief, p. 1.

antidumping order on some corrosion-resistant from the United States.[16] Canada also has argued that despite a negligible dumping margin, imports from Canada have not increased.[17] Further, they noted that National is one of the principal exporters of corrosion-resistant from Canada.[18] The Canadian mills also pointed to an instance in 1998 and 1999 when Stelco bought "coating time" from Bethlehem to supply the Canadian automotive industry.[19] With respect to microalloy products, they stated that all their microalloy production is subject merchandise and has been reported as such.[20]

The domestic producers stated that the volume and market share of Canadian imports, like other subject imports, declined significantly as a result of the orders.[21] Also, price is an important consideration, as ***.[22] The domestic producers averred that the record shows that ***.[23]

France

French respondents noted that demand in France is so strong that it has become a net importer of corrosion-resistant, and that it only exports a minimal quantity of microalloy to the United States even though it is not under an antidumping order.[24] They claimed that demand is high due to French and EU economies growing so swiftly, the automotive and appliance industries switching to the more durable corrosion-resistant products, and mandatory recycling laws being expected to result in millions of tons of additional demand for corrosion-resistant each year.[25] The French respondents also noted there are no barriers to 97 percent of their shipments, which are consumed within the EU, including France.[26] Further, the French stated that they do not have an existing channel of distribution because Usinor sold its indirect minority interest in Edgcomb Metals to Macsteel in June 2000 and "ended Usinor's ownership interest in any of the 3 U.S. service centers owned during the POI."[27] The French also replied that they maintain long-term contracts with longstanding partners through joint R&D efforts and technological cooperation and sharing.[28] France further noted that only two of four corrosion-resistant producers want to export to the United States, with their exports being small quantities of "niche" products, much like they did before the order was imposed and as is occurring presently, as evidenced by the high average unit values of French imports.[29]

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[16] Domestic posthearing brief, pp. 2-3.

[17] Canadian posthearing brief, p. 2.

[18] Ibid., p. 5.

[19] Ibid., p. 15.

[20] Canadian response to Commission's questions, p. 1.

[21] Domestic posthearing brief, p. 3.

[22] Ibid., p. 4

[23] Corrosion-resistant TR, p. 37.

[24] French posthearing brief, p. 2.

[25] Ibid., pp. 3-4.

[26] Ibid., p. 4.

[27] Ibid., p. 8.

[28] French response to Commission's questions, p. 21

[29] French prehearing brief, p. 27, and French response to Commission's questions, pp. 7-8.

Domestic producers noted that at the time of the original investigation when French producers engaged in injurious behavior, France was operating at *** percent of capacity, its exports to third countries accounted for *** percent of its exports, and there already existed a customs union in the EU.[30] They stated that the French producers are still export-oriented and that massive additional capacity will be coming on-line through 2002.[31]

Germany

German respondents averred that alloy demand has grown since the beginning of the shift in the late 1980s and early 1990s, to the point where it now accounts for 40 percent of Thyssen's total corrosion-resistant steel production, up from 15 percent in 1990.[32] German respondents also pointed to the statement of Duane Dunham of Bethlehem that "the marketplace really does decide what is it that {steel producers} need to do to meet {automotive designers'} needs."[33] Germany maintained that its focus is on the EU, noting that from 1995 to 1999, shipments of all corrosion-resistant (including microalloy) to the EU excluding Germany increased by *** percent whereas exports to the United States increased by *** percent.[34] As with cold-rolled, the German respondents noted a number of changed conditions of competition that are particular to their country. Such factors include the fact that the reunification of Germany is complete and the economy healthy; the corrosion-resistant industry has consolidated into 4 major producers; there is economic growth instead of recession; and there is a more fully integrated EU with one currency. As a result, German corrosion-resistant production is now more focused on the EU, with *** percent of production staying in Germany in 1999 (down from *** percent in 1992), and *** percent being shipped elsewhere in the EU (up from *** percent in 1992).[35] Germany further noted that its demand is so high that it has had to turn away new customers, delay plant maintenance, and import steel from U.S. mills for export to the EU.[36]

The domestic producers replied that the shift toward microalloy products is not supported by German data. They noted that the growth of microalloy shipments to the United States far outpaced the growth of the same in both Germany and the EU. In 1992, microalloy steel accounted for *** percent of German shipments to the United States, *** percent of its home shipments, and *** percent of its shipments to the EU. In 1999, microalloy accounted for *** percent of its shipments to the United States, but *** percent of its home market shipments and shipments to the EU.[37] U.S. producers noted that intra-EU trade in iron and steel has not increased since the imposition of the orders. The ratio of intra-EU trade to extra-EU trade for 1990-92 was 44.6 percent, whereas in 1996 to 1998, it was 47.0 (in 1998 alone, it was 42.3 percent).[38]

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[30] Domestic posthearing brief, p. 7.

[31] Ibid., p. 8.

[32] Corrosion-resistant TR, p. 240, and German mills' posthearing brief, p. 5.

[33] Corrosion-resistant TR, p. 122.

[34] German mills' posthearing brief, pp. 6-7.

[35] Ibid., p. 9.

[36] Ibid., p. 10.

[37] Domestic posthearing brief, p. 6.

[38] Domestic cold-rolled posthearing brief, exh. 2.

Japan

Japanese respondents noted that they have less incentive to ship to the United States than they did in the prior investigation. This is due to the fact that they have substantial investments in U.S. affiliates to produce corrosion-resistant products. Therefore, for commodity products, it would be more profitable to compete in the local Asian market than with U.S. producers.[39] Domestic producers responded that Japanese producers will favor home market mills over their U.S. joint ventures.[40] Further, investment in U.S. hot-rolled and cold-rolled production facilities (i.e., National and California) have not prevented Japanese producers from selling to the United States at LTFV.[41] The Japanese respondents also noted that in 1992-93, domestic auto manufacturers notified the Commission that they were in the process of certifying domestic corrosion-resistant producers, and that once that certification was complete, the U.S. producers would be the primary supply source. Therefore, they stated that they only supply a small quantity of corrosion-resistant to the United States for automotive uses, mainly specialized products not available from U.S. producers.[42] They provided a side-by side comparison of the products produced by their joint ventures, imported by the related firms, and produced by the related firms in Japan noting these different products.[43] Further, the Japanese respondents suggested that they "cannot compete as well on such geographically-based criteria as ability to meet just-in-time delivery practices, NAFTA origin rules, enhanced service and technical cooperation."[44]

The Japanese respondents noted that they expect to increase exports of corrosion-resistant to China, especially for the Chinese automobile industry, because it is a growing market and they enjoy strategic advantages that proximity provides.[45] Weirton noted that China will not soon absorb Japan's and Korea's exports. It noted that respondents did not deny that China had a steel import substitution program.[46] Japan suggested non-tariff barriers should have little effect, and added that ***.[47] Weirton pointed to testimony, however, that Japan's exports to China are based totally on the "market situation" and the fact that China currently does not produce such products, and a 1999 article that stated that China has established the objective of improving the quality of Chinese production and reducing China's need for imports.[48] In testimony during the plate hearing, respondent Dillinger testified that it used to ship to China, but China has now installed new plate capacity, so Dillinger can't ship there any longer. Weirton stated that this will "soon be no different" for corrosion-resistant.[49]

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[39] Japanese prehearing brief, p. 30.

[40] Weirton's posthearing brief, p. 1.

[41] Ibid., p. 7.

[42] Japanese posthearing brief, pp. 2-4. Japanese respondents also pointed to the letter sent by Honda noting that the cooperative agreements between Japanese and U.S. producers in joint ventures have led to technology transfer from Japan to the United States to meet the needs of the auto industry. Ibid., p. 6.

[43] Ibid., app. B.

[44] Ibid., p. 11.

[45] Ibid., exh. C.

[46] Weirton's posthearing brief, p. 4.

[47] Japanese posthearing brief, exh. C.

[48] Weirton's posthearing brief, p. 4.

[49] Ibid., pp. 3-4.

Korea

Korean producers noted that they have highly profitable domestic and third country markets for their production of corrosion-resistant.[50] Korean producers said at the hearing that production in corrosion-resistant demand sectors is up, with automobile production up by 33 percent from 1993 to 1999 and 14 percent this year, and appliance manufacturing up from 33.3 million units in 1998 to a projected 56 million units in 2000.[51] Korean respondents also noted increasing exports to China, from *** tons in 1992 to *** tons in 1999, and the investment in Chinese automobile and appliance joint ventures.[52] They stated that despite mostly *de minimis* margins during the recent past, the Korean market share of the U.S. market is *** percent, as compared to *** percent in 1992.[53] The domestic producers noted that Korea is export-oriented, as *** percent of its shipments were for export in 1999. Also, they stated that Korea's existing channels of distribution would make it likely that Korean imports would have an adverse impact on the domestic market.[54]

Cartel Behavior

Domestic producers have alleged that there are "anticompetitive private restraints between the European integrated mills, on the one hand, and integrated mills in Japan and Korea, on the other hand; EU governmental restrictions on steel imports; and informal pressure by European integrated mills on mills in Eastern Europe to moderate their exports to the EU."[55] Domestic producers also presented evidence that transportation costs can't be the only reason for this, due to the amount of trade from Japan to the East Coast, and from the EU to the West Coast.[56]

The French set forth that "no government agency, administrative body, or court has ever determined that there is a cartel relating to {corrosion-resistant} or any other flat-rolled carbon steel product."[57] German respondents stated that the majority of the domestic producers' claims are "supported by 'evidence' of events occurring in the 1970s through 1991, all of which had been presented in the original investigation and that new evidence is not strictly related to subject merchandise or comes from sources that were "provided to the Commerce Department by U.S. steel producers."[58] Further, they noted that EU and German antitrust authorities would be pursuing these companies if there were anticompetitive arrangements.[59] They also noted that location and transportation costs are the reason for the low flow of imports between Asia and Europe. Japanese respondents stated that the domestic producers' claims are based on unsupported anecdotes from unidentified persons and apparent arrangements among steel producers were denied under oath by representatives of every respondent

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[50] Korean posthearing brief, pp. 1, 10.

[51] Corrosion-resistant TR, p. 252.

[52] Korean posthearing brief, p. 11.

[53] Ibid., p. 6.

[54] Domestic posthearing brief, p. 8.

[55] Domestic cold-rolled posthearing brief, exh. 2.

[56] Corrosion-resistant TR, p. 56.

[57] French posthearing brief, p. 11.

[58] German response to Commission's questions, pp. 9-11.

[59] Ibid., p. 10.

producer. Further, they contended that import penetration is high among various steel products and there are no "distribution restrictions."[60] See chapter COLD-II for a discussion of Korea's cartel behavior.

U.S. Demand

Demand Characteristics

Demand for corrosion-resistant depends mainly on the level of demand in the automotive and construction industries in which much of it is used. Fourteen of 15 responding producers, 9 of 10 responding importers, and 18 of 24 responding purchasers reported that demand has increased since 1993. Nine of 14 producers and 10 of 12 importers agreed that demand changes are tied mainly to the strong U.S. economy, in particular the automotive and construction industries. One U.S. producer, 1 importer, and 4 purchasers reported that demand has remained steady, whereas only 2 purchasers noted decreased demand. Overall, apparent consumption of corrosion-resistant increased by 12.1 percent from 1997 to 1999, from 17.8 million tons to 19.3 million tons. Apparent consumption increased by 7.8 percent between the interim periods, from 4.84 million tons in the first quarter of 1999 to 5.22 million tons in the first quarter of 2000. In 1992, apparent U.S. consumption of corrosion-resistant was 13.2 million tons.

Seven of 21 responding purchasers reported that demand for their final products incorporating corrosion-resistant has increased since 1993, resulting in a corresponding increase in purchases of those products. Twelve purchasers reported that demand had not changed, and 1 reported that demand had declined.

Since the original investigations, demand for hot-dipped corrosion-resistant has grown significantly faster than demand for electrogalvanized corrosion-resistant. Beginning about 10 years ago, Usinor in France and other steelmakers developed new technologies such as better air knives, improved induction furnaces, dual zinc pots, and improved hot bridles, that allowed the production of better hot-dipped corrosion-resistant. This new hot-dipped combines the advantages of hot-dipped steel with the aesthetic advantages of electrogalvanized steel.[61]

Eight of 12 responding U.S. producers[62] expect growth in demand in the near future.[63] Three producers expect growth to flatten out, with 1 stating that demand may fall slightly. *** noted that car and truck demand is expected to fall in 2001 through 2003, which may hurt demand. *** responded that although automotive demand is expected to remain flat, consumption of hot-dipped galvanized is expected to increase by 900,000 tons from 1999 to 2002. Two importers reiterated that corrosion-resistant's growth will depend on the car and construction market, with 1 adding that both appear strong. One importer noted growth of 2 to 5 percent, but another warned of a shift toward microalloy products that may decrease demand. A May 15, 2000 article in American Metal Market online quoted Chris Plummer, managing director at Metal Strategies, Inc., as saying "It may take several quarters before the hot-dipped galvanized market works its way out of over-capacity, but there's lots of potential.

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[60] Japanese posthearing brief, p. 21.

[61] *See*, e.g., French prehearing brief, pp. 3-4.

[62] *** noted that a surge in demand growth could occur if residential steel framed housing and residential roofing shingle fulfill their growth potential, which has yet to occur in the United States, but did not offer opinions on demand growth otherwise. *** noted there is increasing demand in the auto and construction sectors, but it expects flattening out due to raised interest rates and gas prices.

[63] *** noted that it expected growth in demand unless there is a recession.

Residential construction is strong, as is appliances and utility poles. Ultimately, it'll all be realized. Once the excess capacity is absorbed, there'll be a major improvement in pricing."[64] To a question posed at the hearing, the domestic producers responded that the business cycle is essentially unchanged from the time of the original orders to now, except in pricing changes,[65] and the business cycle is more affected by global economic events than in earlier periods.[66] Though the U.S. economy has enjoyed a long period of growth since 1993, growth in the automotive and construction sectors is starting to slow.[67] Domestic producers also submitted numerous articles noting weak domestic demand.[68] Canadian respondents cited an AISI Five-Year Business Plan, which predicts a 25 percent increase in North American steel shipments in 5 years.[69]

Substitute Products

Twenty-three of 29 responding purchasers reported that there are no other products that could be substituted for corrosion-resistant in their end uses. Reported possible substitute products include thin gauge hot-rolled steel products, fiberglass, copper, stainless steel, tin plate, aluminum, and wood.

Cost Share

Corrosion-resistant may be used in various products. Some of these products noted by purchasers include automobiles and automotive parts, furniture, containers, pipework and tubing, building components, and agricultural and industrial equipment. Depending on the product, corrosion-resistant can account for a relatively low or high percentage of the cost of the component. Reported cost shares ranged from 1.5 percent in power tools and motorcycles/ATVs to 90 percent for lumber connectors.

E-commerce

This is a relatively new phenomenon. Eight of 16 responding producers noted that they either just started selling a small amount via the internet, are testing the internet, or are planning or considering doing so.[70] No importers reported selling via the internet. No purchaser has reported buying via the internet. For a more thorough discussion, see Part COLD-II.

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[64] *Http://www.amm.com/SUBSCRIB/2000/may/special/0517-7.htm.*

[65] "Essentially the peaks in the business cycle do not reflect the level of pricing found in peaks from earlier periods. That means that the pricing during subsequent peaks never recovered to the levels found in peaks of earlier periods." Domestic posthearing brief, exh. 4.

[66] Ibid.

[67] Ibid.

[68] Ibid., exh. 6.

[69] Canadian posthearing brief, p. 5.

[70] *** has sold the most, *** percent, while *** noted selling ***. *** has sold prime excess and mill overruns, starting in May 2000, and amounting to less than *** percent of sales. *** is considering using the internet, and *** reported it is planning to use it.

SUBSTITUTABILITY ISSUES

Purchase Factors

Many purchasers reported that they buy corrosion-resistant steel products daily, while others purchase at longer intervals, such as monthly or quarterly. Many purchasers noted that their purchases are consistent throughout the year, while others noted some seasonality in their responses, particularly in reference to summer construction. The purchasing patterns of 27 of the 31 responding purchasers have not changed significantly since the imposition of the antidumping and countervailing duty orders, and 28 of 30 do not expect to change their purchasing patterns in the next two years. Before making a purchase, most purchasers contact between 3 and 5 suppliers. However, 3 purchasers reported contacting only 1 or 0 suppliers, and 1 purchaser reported contacting 10 suppliers. Nine of 28 purchasers expect other suppliers to enter the market, both foreign and domestic, within the next 1 to 3 years. Most purchasers reported that they change suppliers only infrequently and then on the basis of factors such as price, quality, availability, delivery, and service.

When asked to list the 3 most important factors considered when choosing a supplier, quality was ranked first most often. Price was the most frequently ranked second and third factor (see table CORROSION-II-2). Purchasers were also asked to rank 14 factors as very important, somewhat important, and not important in making their purchasing decisions regarding corrosion-resistant. The 29 responding purchasers unanimously rated product consistency, product quality, and supply reliability as very important. The details regarding purchaser responses are summarized in table CORROSION-II-3.

Table CORROSION-II-2
Corrosion-resistant: Most important factors considered when selecting a supplier (figures indicate the number of purchaser responses in each category)[1]

Factor	First	Second	Third
Quality	16	9	4
Price	8	9	10
Traditional supplier	0	0	1
Availability	2	7	5
Supplier's product line	0	2	2
Delivery	1	3	4
Service	0	2	1
Other[2]	3	1	3

[1] Seven firms reported more than the top three factors; other factors included new product development capability, traditional supplier, potential supplier, customer service, handling of quality issues, product size, availability for required delivery in the future, and adherence to approved supplier lists.

[2] "Other" includes location and if the vendor is approved for the first factor, lead time for the second factor, and prearranged contracts, terms, and extension of credit for the third factor.

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

Table CORROSION-II-3
Corrosion-resistant: Overall importance of factors in purchase decisions

Factor	Very important	Somewhat important	Not important
Availability	23	2	0
Delivery terms	24	4	0
Delivery time	25	1	0
Discounts offered	11	6	5
Lowest price	19	15	0
Minimum quantity requirements	6	5	4
Packaging	10	13	0
Product consistency	26	10	0
Product quality	29	19	0
Product range	7	19	1
Reliability of supply	26	3	0
Technical support/service	14	14	1
Transport network	2	21	6
U.S. transport costs	6	18	4
Other:[1]	3	0	0

[1] Two producers listed development capability and one listed interactive customer service.

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

Comparisons of Domestic Products and Subject Imports

The average reported lead times for U.S. producers ranged from 6 to 12 weeks, with an average between 8 and 9 weeks. For the majority of importers, lead times ranged between 2 and 6 months, with an average of 3½ months.[71]

U.S. mills producing and selling corrosion-resistant reported that domestically produced and imported products are used interchangeably. A majority of importers also reported that domestically produced and imported corrosion-resistant are broadly interchangeable. Two importers indicated that product from Korea and nonsubject countries is not generally interchangeable with domestically produced product and product from the other subject countries. *** added that it estimated that subject countries' corrosion-resistant could be substituted for 75 percent of domestically produced corrosion-resistant. Results are provided in table CORROSION-II-4.[72]

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[71] One importer reported that lead times may be as short as 1 week, and another reported lead times of 1 day.

[72] Responses tabulated in tables CORROSION-II-4, 5, and 6 count *** response only as a producer, rather than a producer and an importer.

Table CORROSION-II-4
Corrosion-resistant: Interchangeability between country pairs

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Australia	11	0	7	0
U.S. vs. Canada	12	0	8	0
U.S. vs. France	12	0	8	0
U.S. vs. Germany	12	0	9	0
U.S. vs. Japan	13	0	8	2
U.S. vs. Korea	12	0	9	1
U.S. vs. nonsubject	6	0	6	1
Australia vs. Canada	10	0	6	0
Australia vs. France	10	0	5	0
Australia vs. Germany	10	0	5	0
Australia vs. Japan	11	0	5	0
Australia vs. Korea	10	0	4	1
Australia vs. nonsubject	5	0	2	1
Canada vs. France	11	0	6	0
Canada vs. Germany	11	0	6	0
Canada vs. Japan	11	0	6	0
Canada vs. Korea	9	0	5	1
Canada vs. nonsubject	5	0	3	1
France vs. Germany	11	0	6	0
France vs. Japan	11	0	6	0
France vs. Korea	9	0	5	1
France vs. nonsubject	5	0	2	1
Germany vs. Japan	11	0	6	0
Germany vs. Korea	9	0	5	1
Germany vs. nonsubject	5	0	2	1
Japan vs. Korea	10	0	4	1
Japan vs. nonsubject	5	0	2	1
Korea vs. nonsubject	5	0	1	1

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

The majority of the U.S. producers reported that differences other than price between U.S.-produced and subject imports are not a significant factor in their firms' sales of corrosion-resistant. Replies are tabulated in table CORROSION-II-5.[73] Unlike U.S. producers, responding importers were somewhat split, with some indicating that differences other than price are significant in sales of corrosion-resistant. *** noted that transportation time can be an issue, but most of the time the product is not offered until it arrives at the dock. Similarly, *** said that transportation and lead time are significant distinguishing factors because all of its sales are on a spot basis, produced to order, and take several months to ship from Korea to the United States.

Producers and importers were also asked whether price differences are a significant factor in the firm's sales of corrosion-resistant. Responses are summarized in table CORROSION-II-6. *** added that because of a longer lead time and transportation of the products, there are price differences of approximately 2 to 3 percent between U.S.-produced (high) and Korean (low) corrosion-resistant.

Purchasers were asked to compare corrosion-resistant steel products produced in the United States to corrosion-resistant steel products produced in other countries on the basis of 14 purchase factors. The results of these comparisons are shown in table CORROSION-II-7.

Comparisons of Imports from Subject Countries

Purchasers were asked to compare product from subject countries based on the 14 factors requested. The results are reported in table CORROSION-II-8.

Comparisons of Domestic Products and Subject Imports to Nonsubject Imports

Based on quantity, the market share of nonsubject imports decreased irregularly from 5.6 percent of total U.S. market consumption in 1997 to 4.9 percent in 1998 and 5.4 percent in 1999. Nonsubject imports' market share decreased in the interim periods from 5.2 percent in 1999 to 4.8 percent in 2000. U.S. producers' and importers' comparisons between domestic products and subject imports to nonsubject imports that received more than 1 response are in table CORROSION-II-9. In addition, tables CORROSION-II-4-6 above compared domestic product and subject imports to nonsubject imports on interchangeability, existence of differences other than price, and the significance of price differences in firms' sales.

ECONOMIC MODELING

COMPAS Estimates

The elasticity estimates and exogenous growth in demand and supply estimates discussed in this section were used in the economic modeling analysis performed by staff and presented in appendix H.

[73] Such factors include quality, availability, transportation network, product range, technical support, etc.

Table CORROSION-II-5
Corrosion-resistant: Whether price differences between countries are a significant factor in firms' sales of corrosion-resistant

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Australia	0	11	1	2
U.S. vs. Canada	0	12	1	3
U.S. vs. France	0	12	1	3
U.S. vs. Germany	0	12	1	3
U.S. vs. Japan	0	12	3	3
U.S. vs. Korea	1	12	3	1
U.S. vs. nonsubject	0	6	4	2
Australia vs. Canada	0	11	2	3
Australia vs. France	0	11	1	2
Australia vs. Germany	0	11	1	2
Australia vs. Japan	0	11	1	2
Australia vs. Korea	0	11	2	1
Australia vs. nonsubject	0	6	2	0
Canada vs. France	0	11	2	3
Canada vs. Germany	0	11	2	3
Canada vs. Japan	0	11	2	3
Canada vs. Korea	0	11	3	2
Canada vs. nonsubject	0	6	2	1
France vs. Germany	0	11	1	2
France vs. Japan	0	11	1	2
France vs. Korea	0	11	2	1
France vs. nonsubject	0	6	2	0
Germany vs. Japan	0	11	1	2
Germany vs. Korea	0	11	2	1
Germany vs. nonsubject	0	5	2	0
Japan vs. Korea	0	11	2	1
Japan vs. nonsubject	0	6	2	0
Korea vs. nonsubject	0	6	2	0

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

Table CORROSION-II-6
Corrosion-resistant: Significance of price differences between domestic and imported product for firms' sales

Comparisons	U.S. producers		Importers	
	Firms reporting yes	Firms reporting no	Firms reporting yes	Firms reporting no
U.S. vs. Australia	10	2	1	1
U.S. vs. Canada	10	2	1	3
U.S. vs. France	10	2	1	2
U.S. vs. Germany	10	2	1	2
U.S. vs. Japan	10	2	3	3
U.S. vs. Korea	12	1	2	1
U.S. vs. nonsubject	7	1	2	6
Australia vs. Canada	10	0	1	2
Australia vs. France	9	1	1	1
Australia vs. Germany	9	1	1	1
Australia vs. Japan	9	1	1	1
Australia vs. Korea	10	0	1	1
Australia vs. nonsubject	6	0	1	1
Canada vs. France	9	1	1	2
Canada vs. Germany	9	1	1	2
Canada vs. Japan	9	1	1	2
Canada vs. Korea	10	0	1	2
Canada vs. nonsubject	6	0	1	2
France vs. Germany	9	1	1	1
France vs. Japan	9	1	1	1
France vs. Korea	10	0	1	1
France vs. nonsubject	6	0	1	1
Germany vs. Japan	9	1	1	1
Germany vs. Korea	10	0	1	1
Germany vs. nonsubject	6	0	1	1
Japan vs. Korea	10	0	1	1
Japan vs. nonsubject	6	0	1	1
Korea vs. nonsubject	6	0	1	1

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

Table CORROSION-II-7
Corrosion-resistant: Comparison of U.S. product with product from other countries, as reported by U.S. purchasers

Factor	Australia			Canada			France			Germany			Japan			Korea		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
	Number of firms responding																	
Availability	1	0	0	3	4	0	1	0	0	1	2	0	1	5	2	4	6	0
Delivery terms	1	0	0	2	5	0	1	0	0	1	2	0	4	3	1	6	3	1
Delivery time	1	0	0	4	3	0	1	0	0	2	1	0	5	1	1	7	2	1
Discounts offered	0	1	0	0	6	0	1	0	0	0	2	0	2	5	1	0	8	2
Lowest price	0	0	1	0	6	1	0	1	0	0	1	1	4	1	3	0	5	6
Minimum quantity requirements	0	0	1	1	5	1	0	1	0	1	2	0	0	6	2	2	5	3
Packaging	0	1	0	0	6	1	0	1	0	1	1	1	0	6	2	1	5	4
Product consistency	0	1	0	0	6	1	0	1	0	0	2	1	0	3	5	0	4	6
Product quality	0	1	0	0	6	1	0	1	0	0	2	1	0	3	5	0	5	5
Product range	0	1	0	1	4	2	0	1	0	0	3	0	0	6	2	1	8	1
Reliability of supply	1	0	0	1	6	0	0	1	0	1	2	0	3	3	2	3	5	2
Technical support/service	1	0	0	1	6	0	0	1	0	1	2	0	4	4	0	5	5	0
Transportation network	0	1	0	1	6	0	1	0	0	1	0	0	3	5	0	2	8	0
U.S. transportation costs	0	1	0	4	3	0	0	1	0	1	2	0	1	6	1	2	7	1
Other[1]	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1	0	0

[1] "Other" includes "roll and hold program" for Germany and "interactive customer service" for Japan and Korea.

Note.--S = U.S. superior, C = U.S. and other country comparable, I = U.S. inferior.

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

Table CORROSION-II-8
Corrosion-resistant: Comparison of product from subject countries, as reported by U.S. purchasers

Factor	Canada vs. Germany			Canada vs. Korea			Germany vs. Korea			Japan vs. Korea		
	S	C	I	S	C	I	S	C	I	S	C	I
	Number of firms responding											
Availability	1	0	0	1	0	0	0	1	0	1	4	0
Delivery terms	1	0	0	1	0	0	0	1	0	0	5	0
Delivery time	1	0	0	1	0	0	0	1	0	1	4	0
Discounts offered	0	1	0	0	1	0	0	1	0	0	5	0
Lowest price	0	0	1	1	0	0	1	0	0	0	2	3
Minimum qty requirements	0	1	0	0	1	0	0	1	0	0	5	0
Packaging	1	0	0	1	0	0	0	1	0	0	5	0
Product consistency	0	1	0	0	1	0	0	1	0	1	4	0
Product quality	0	1	0	0	1	0	0	1	0	1	4	0
Product range	0	1	0	0	1	0	0	1	0	2	3	0
Reliability of supply	1	0	0	1	0	0	0	1	0	1	4	0
Technical support/service	1	0	0	1	0	0	0	1	0	0	5	0
Transportation network	1	0	0	1	0	0	0	1	0	0	5	0
U.S. transportation costs	1	0	0	1	0	0	0	1	0	0	5	0

Note.--S = first country superior, C = both countries comparable, I = first country inferior.

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

U.S. Supply Elasticity

The domestic supply elasticity for corrosion-resistant measures the sensitivity of the quantity supplied by the U.S. industry to a change in the U.S. market price of corrosion-resistant. On the basis of information relating to cost structure, capacity utilization, the importance of export markets, and the flexibility of shifting production between plate and other products, an elasticity in the range of 5 to 10 was suggested in the prehearing report.

Domestic producer Weirton responded that this high elasticity implies that most harm to the domestic industry would occur because of quantity declines and suggested an elasticity in the range of 1

Table CORROSION-II-9
Corrosion-resistant: Comparison of U.S. and subject product with product from nonsubject countries, as reported by U.S. purchasers

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

[1] Factor not specified.

Note.--S = first country superior, C = both countries comparable, I = first country inferior.

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

to 3, contending that price declines as well as volume effects have both been significant in the past.[74] However, due to its high fixed costs, the steel industry relies heavily on running near full capacity, so domestic producers have noted elsewhere that any volume effects would make them "particularly

[74] Weirton's prehearing brief, p. 3.

susceptible to profit erosion."[75] Therefore, the elasticity of domestic supply used in the modeling simulations is 3 to 6.

Elasticity of Foreign Supply

The import supply elasticity measures the response in imports to a changing U.S. price. In the prehearing report, staff suggested that the import supply elasticity be 10 or greater. Weirton disagreed with this estimate for the elasticity of nonsubject foreign supply, arguing that it should be considerably lower (in the range of 2 to 5). It noted that there has been only moderate growth in capacity to supply corrosion-resistant at a good quality level in this sector since 1993, since "Corrosion-resistant is a higher-quality product than commodity grade products..."[76] Weirton agreed with the staff estimate, however, for the elasticity of subject country supply, because subject imports would likely rise dramatically if the orders are lifted.[77]

Foreign respondents disagreed with the import supply elasticity in general, noting that it should be in the range of 1 to 3. The reasons, they argued, are as follows: subject producers are operating ***; *** of European shipments are made to the EU; *** of Japanese and Korean shipments are made to Asia; Canadian producers sell to large automotive producers in Canada (the same ones to which the domestic producers sell) and are obligated by the same long-term contractual relationships; there is a favorable economic outlook in North America, Western Europe, and Asia; and, in order to increase shipments to the United States, subject producers would have to decrease shipments to their traditional customers to which they sell more than just corrosion-resistant, and, for some like DaimlerChrysler, in more markets than just one.[78]

Whereas Weirton claims there is not enough supply of good quality corrosion-resistant globally, the other domestic producers note there is excess capacity globally.[79] Since it seems much recent growth globally is occurring in corrosion-resistant, the estimate used in the COMPAS analysis was 5 to 10 for nonsubject foreign supply. Foreign producers' questionnaire responses reported somewhat high capacity utilization, as well as home market/regional consumption; however, other testimony has noted a shift toward focusing on these higher value-added products in most subject countries, with some of this going toward microalloy products. As a whole, data seems to somewhat support respondents' claims. As a result, estimates of the following elasticity estimates were used in the COMPAS analysis: 3 to 6 for Canada, France, Germany, and Japan, 5 to 10 for Korea since its imports are sold on the spot market and can therefore react more quickly to changes in demand, and 10 to 20 for Australia.

U.S. Demand Elasticity

The U.S. demand elasticity for corrosion-resistant measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of corrosion-resistant. Based on information about substitute products and cost shares, staff suggested a preliminary demand elasticity in the range of -0.25 to -0.75. Due to the lack of substitutes for plate and its small cost share in final products, domestic

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[75] Domestic cold-rolled posthearing brief, p. 20.

[76] Weirton's prehearing brief, p. 4.

[77] Ibid.

[78] Respondents' joint prehearing brief, pp. 47-48.

[79] Domestic posthearing brief, p. 22.

producer Weirton suggested that demand elasticity should be in the lower portion of this range, between -0.2 and -0.4.[80] However, evidence from questionnaires relating to cost shares does not support this claim, and 5 of 28 purchasers did note some substitute products. Therefore, there does not seem to be a strong case for lowering the original estimate.

Substitution Elasticity

The substitution elasticity is a measure of the degree to which domestically-produced corrosion-resistant and imported products from Australia, Canada, France, Germany, Japan, and Korea are substitutable across a range of possible uses. Based on the information relating to product range, quality, availability, degree of interchangeability, and other factors, staff proposed in the prehearing report that the elasticity of substitution falls in the 3 to 5 range for all 6 countries. Weirton disagreed with the staff estimate, noting that it should be higher, in the range of 5 to 7, because of the interchangeable nature of the product and two prior econometric studies of the steel industry. In 1989, Dr. Blecker estimated that the elasticity of substitution of steel to be 7.5 and in the 1992 antidumping investigation of circular welded pipes and tubes, an estimate of 4.75 to 5.91 was obtained.[81] These estimates were suggested in the plate portion of this case also. However, as noted earlier, Weirton has observed "Corrosion-resistant is a higher-quality product than commodity grade products..."[82] Thus, the estimate suggested by Weirton is likely too high.

The foreign respondents noted that the original estimate of 3 to 5 is too high, and should be in the range of 2 to 3, based on the following notions: the proportion of U.S. producers' steel sales under long-term contracts to large customers who infrequently change suppliers; quality is more important than price; the movement of large buyers to longer contracts; and the *** average unit values of subject foreign imports compared to domestic shipments.[83] The Japanese respondents observed that, in the original investigation, an estimate of 1 to 1.5 was used due to the percentage of niche products with respect to total imports from Japan, the ***, and the lack of domestic suppliers for the specialized products imported from Japan.[84]

The data gathered in this review do tend to indicate that the elasticity of substitution for products imported from subject countries currently should be slightly decreased from the original staff suggestion. Contract terms have lengthened, purchaser responses note quality as somewhat more important than price,[85] and Japanese imports are of a specialized nature. However, there still is the possibility of producing more standard corrosion-resistant on the same equipment, so staff's prehearing suggestion on the high end should not be decreased as much as the Japanese respondents have suggested. Therefore, the range of elasticity of substitution used in the COMPAS analysis was 2 to 4 for Australia, Canada, France, Germany, and Korea, and 1 to 3 for Japan.

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[80] Weirton's prehearing brief, p. 2.

[81] Ibid.

[82] Ibid., p. 4.

[83] Respondents' joint prehearing brief, p. 49.

[84] Japanese prehearing brief, pp. 129-132.

[85] However, it should be noted that, as domestic producers have stated, once a supplier has been certified, price becomes more of an issue.

Exogenous Growth in Demand

As noted previously, U.S. producers of corrosion-resistant mostly believed that demand will continue to grow in the near future and is linked to growth in the construction and automobile markets. *** noted that consumption of hot-dipped galvanized alone is expected to increase by 900,000 tons in 1999-2002. Importers also reported that demand may be shrinking or growing, with 1 firm reporting growth in demand at 2 to 5 percent per year. Based on available information, exogenous growth in demand for corrosion-resistant is likely to be in the range of -1 to +6 percent per year.

Domestic producer Weirton claimed that it is inappropriate to include assumptions about industry growth, so growth estimates should be excluded from the simulation. However, it continued to assert that the possibility for negative growth should be included in order to assess domestic industry vulnerability just in case of a cyclical downturn.[86] Since nearly all responses received in these reviews point to continued growth, whether that growth is decreasing or accelerating, Weirton's suggestion to use a negative growth estimate appears somewhat questionable. The sunset COMPAS model simulates zero, low, and high growth scenarios. It seems, at worst, the market for corrosion-resistant might stall. This scenario is encapsulated in the zero growth simulation. Therefore, staff used its original estimates.

Exogenous Growth in Supply

U.S. producers reported that corrosion-resistant supply is expected to continue growing. As previously noted, corrosion-resistant producers are bringing more galvanizing capacity online, with 1 estimate being up to eight percent per year from 1998 to 2002. Therefore, based on available information, exogenous growth in supply of corrosion-resistant is estimated to be in the range of 4 to 10 percent.

COMPAS Results

This analysis uses the same model described in chapter PLATE-II. The model simulates zero growth, low growth, and high growth scenarios.[87] Based on staff's estimates and the dumping and subsidy margins provided by Commerce, the modeling results indicate that in a market with zero growth there would be a 0.1 to 0.3 percent decline from the current (i.e., fair) levels in U.S. prices in the event that the dumping and subsidization of subject corrosion-resistant recurs or continues.[88] The model results indicate that there would be a decrease of between 0.4 and 1.6 percent from the current quantity levels of U.S. producers. Finally, revenues of U.S. corrosion-resistant producers would decline by 0.5 to 1.8 percent from current levels if dumping and subsidization recurred or continued.

The high growth scenario used an estimate of 6-percent growth. Under these conditions, the U.S. corrosion-resistant market would notice a decline in prices of between 0.5 and 1.2 percent from current levels if the orders were revoked. Also, U.S. producers would notice a increase in quantity of between 4.6 and 6.3 percent from current levels. Given these changes, revenues of U.S. corrosion-resistant producers would change by +3.8 to +5.3 percent (from current levels) if dumping and subsidization recurred or continued.

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[86] Weirton prehearing brief, pp. 5-6.

[87] The results contained in this section use an elasticity of substitution for Japan of 2 to 4, due to constraints on the way the model is constructed.

[88] See app. H for model results.

Given the use of corrosion-resistant instead of cold-rolled by more end users, in the low growth scenario, the market was estimated to have decreased by 1 percent. Under these circumstances, the decrease in price due to the revocation of the antidumping and countervailing duty orders ranged between 0.7 percent and 1.5 percent. Similarly, quantities sold by U.S. corrosion-resistant producers would decrease by 0.6 to 2.4 percent. With these estimates, U.S. producers' revenues might decline by 1.7 to 3.2 percent if the orders were lifted.

Other Submitted Models

Both petitioners and respondents submitted economic analyses using econometric techniques. A review of these was transmitted to the Commission in a separate memorandum.

PART III: CONDITION OF THE U.S. INDUSTRY

Information in this part of the report is based upon the questionnaire responses of 18 firms that are believed to account for approximately *** percent of 1999 U.S. commercial shipments of corrosion-resistant, as reported by AISI. The respondent corrosion-resistant producers represented in this section are: ***.[1]

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

Data on capacity, production, and capacity utilization for corrosion-resistant are presented in table CORROSION-III-1. During the period from 1997 to 1999 capacity to produce corrosion-resistant increased by 18.6 percent while production increased by 13.0 percent and capacity utilization decreased by 4.3 points. For the period between January-March 1999 and January-March 2000, capacity increased by 2.4 percent, production increased by 10.7 percent, and capacity utilization increased by 6.8 percentage points.

Table CORROSION-III-1
Corrosion-resistant: U.S. producers' capacity, production, and capacity utilization, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Capacity (*short tons*)	18,325,094	19,870,392	21,725,474	5,367,688	5,499,048
Production (*short tons*)	16,777,451	17,747,333	18,960,113	4,512,512	4,995,781
Capacity utilization (*percent*)	91.6	89.3	87.3	84.1	90.8
Source: Compiled from data submitted in response to Commission questionnaires.					

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

Table CORROSION-III-2 presents data on the U.S. producers' domestic shipments, company transfers, and export shipments during the review period.

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of corrosion-resistant increased 40.5 percent from 1997 to 1999, and further increased 17.9 percent from January-March 1999 to January-March 2000 (table CORROSION-III-3).

U.S. PRODUCERS' IMPORTS

*** was the only U.S. producer to report imports of corrosion-resistant over the period of these reviews. ***.

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[1] ***.

Table CORROSION-III-2
Corrosion-resistant: U.S. producers' shipments, by types, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	2000	1999	2000
			Quantity *(short tons)*		
Commercial shipments	***	***	***	***	***
Internal shipments	***	***	***	***	***
U.S. shipments	16,208,293	16,801,045	17,981,544	4,368,155	4,756,010
Export shipments	323,854	458,898	550,175	141,502	172,714
Total	16,532,147	17,259,943	18,531,719	4,509,657	4,928,724
			Value *(1,000 dollars)*		
Commercial shipments	***	***	***	***	***
Internal shipments	***	***	***	***	***
U.S. shipments	9,966,115	9,996,582	10,018,721	2,456,312	2,608,167
Export shipments	209,480	295,175	308,935	88,704	106,144
Total	10,175,595	10,291,757	10,327,656	2,545,017	2,714,312
			Unit value *(per short ton)*		
Commercial shipments	***	***	***	***	***
Internal shipments	***	***	***	***	***
U.S. shipments	$614.88	$595.00	$557.17	$562.32	$548.39
Export shipments	646.83	643.23	561.52	626.88	614.57
Total	615.50	596.28	557.30	564.35	550.71

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

U.S. PRODUCERS' PURCHASES

Four U.S. producers–***–reported purchases of corrosion-resistant over the period of these reviews. ***. Table CORROSION-III-4 presents data on their purchases.

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

Table CORROSION-III-5 presents data on the U.S. producers' employment, wages and productivity during the review period.

Table CORROSION-III-3
Corrosion-resistant: U.S. producers' end-of-period inventories, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Inventories (*short tons*)	1,511,463	1,845,068	2,123,546	1,830,900	2,159,200
Ratio to production (*percent*)	9.0	10.4	11.2	10.1	10.8
Ratio to U.S. shipments (*percent*)	9.3	11.0	11.8	10.5	11.3
Ratio to total shipments (*percent*)	9.1	10.7	11.5	10.1	11.0
Source: Compiled from data submitted in response to Commission questionnaires.					

Table CORROSION-III-4
Corrosion-resistant: U.S. producers' purchases, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table CORROSION-III-5
Average number of production and related workers producing corrosion-resistant, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1997-99, January-March 1999, and January-March 2000

Item	Calendar year			January-March	
	1997	1998	1999	1999	2000
Production and related workers	23,318	24,074	22,879	23,220	23,183
Hours worked (*1,000*)	48,468	50,251	49,057	12,608	12,318
Wages paid (*$1,000*)	1,247,703	1,323,641	1,307,644	339,085	339,763
Hourly wages	$25.74	$26.34	$26.66	$26.89	$27.58
Productivity (*short tons/1,000 hours*)	346.2	353.2	386.5	357.9	405.6
Unit labor costs (*per short ton*)	$74.37	$74.58	$68.97	$75.14	$68.01
Source: Compiled from data submitted in response to Commission questionnaires.					

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

Eighteen producers of corrosion-resistant[2] provided financial data. Approximately *** percent of corrosion-resistant was either internally consumed or transferred to related companies.

The questionnaire data of one producer, National, were verified with official records at its corporate facilities. National's verification adjustments were incorporated in this report. The financial data of National were changed to ***.[3]

Operations on Corrosion-Resistant

The results of the 18 responding U.S. producers' operations producing corrosion-resistant steel products are presented in table CORROSION-III-6. While net sales volume and values increased from 1997 through 1999, operating income decreased continuously from 1997 through 1999. Per-short-ton sales values and COGS for the combined firms decreased from 1997 through 1999. Operating income per short ton for the combined firms decreased for the same period because unit sales values decreased more than the decline in total unit costs. For the interim periods, both net sales values and volume increased from interim 1999 to interim 2000. Per-short-ton net sales values decreased and unit COGS and total unit cost increased in interim 2000 from interim 1999, resulting in a lower operating margin (by $19) in interim 2000 compared to interim 1999. The results of operations by firm are presented in table CORROSION-III-7. Twelve of the 18 producers had an operating income for all periods.

Selected cost data of the producers on their operations for the subject products are presented in table CORROSION-III-8. Total unit COGS decreased from 1997 through 1999. Raw materials and direct labor costs decreased from 1998 to 1999 while factory overhead increased in 1999 from 1998. Total unit costs decreased over the period. For the interim periods, material costs increased in interim 2000 compared to interim 1999, while SG&A expenses decreased slightly in interim 2000. However, due to an increase in material costs (approximately $12), overall total unit costs increased by $6 from interim 1999 to interim 2000, in spite of a small decrease in fabrication costs and SG&A expenses.[4]

A variance analysis showing the effects of prices and volume on the producers' net sales of corrosion-resistant, and of costs and volume on their total cost, is shown in table CORROSION-III-9. The analysis is summarized at the bottom of the table. Operating income decreased by $453 million between 1997 and 1999. The analysis shows that the substantial decrease in operating income between 1997 and 1999 was attributable mainly to lower average prices (price variance). From 1997 to 1999, the negative effect of decreasing unit sales values (negative $1,045 million) was not overcome by positive effects of both decreasing costs and expenses ($465 million) and increasing sales volume ($127 million).

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

[3] Subsequent to the revisions made as a result of verification, National's financial data were revised again ***.

[4] ***.

Table CORROSION-III-6
Results of operations of U.S. producers in the production of corrosion-resistant, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
	Quantity (*short tons*)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Related company transfers	***	***	***	***	***
Total net sales	16,637,652	17,380,151	18,614,348	4,526,215	4,940,750
	Value (*$1,000*)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Related company transfers	***	***	***	***	***
Total net sales	10,224,465	10,348,910	10,393,878	2,551,360	2,718,153
COGS	8,810,259	9,062,220	9,383,494	2,301,761	2,549,953
Gross profit	1,414,206	1,286,690	1,010,384	249,599	168,200
SG&A expenses	343,705	391,307	392,963	97,886	95,912
Operating income (loss)	1,070,501	895,383	617,421	151,713	72,288
Interest expense	131,963	137,125	194,022	45,419	55,501
Other expense	34,657	20,145	27,969	12,014	9,364
Other income items	63,287	48,961	28,223	11,395	19,987
Net income (loss)	967,168	787,074	423,653	105,675	27,410
Depreciation/amortization	451,876	475,091	509,911	129,193	136,716
Cash flow	1,419,044	1,262,165	933,564	234,868	164,126
	Number of firms reporting				
Operating losses	1	1	3	3	5
Data	18	18	18	18	18

Table continued on next page.

Table CORROSION-III-6--Continued
Results of operations of U.S. producers in the production of corrosion-resistant, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
	Value (*per short ton*)				
Net sales	$615	$595	$558	$564	$550
COGS	530	521	504	509	516
Gross profit	85	74	54	55	34
SG&A expenses	21	23	21	22	19
Operating income (loss)	64	52	33	34	15
	Ratio to net sales (*percent*)				
COGS	86.2	87.6	90.3	90.2	93.8
Gross profit	13.8	12.4	9.7	9.8	6.2
SG&A expenses	3.4	3.8	3.8	3.8	3.5
Operating income (loss)	10.5	8.7	5.9	5.9	2.7

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

Table CORROSION-III-7
Results of operations of U.S. producers (by firm) in the production of corrosion-resistant, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

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, are presented in table CORROSION-III-10. Capital expenditures of all producers combined increased substantially in 1998 and then decreased in 1999 compared to the previous years, while R&D expenses combined increased slightly, but continuously from 1997 to 1999.

The original cost and book value of productive facilities for corrosion-resistant continuously increased from 1997 to 1999.[5]

[5] ***.

Table CORROSION-III-8
Results (per short ton) of operations of U.S. producers in the production of corrosion-resistant, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March	
	1997	1998	1999	1999	2000
COGS:	**Value** (*per short ton*)				
Raw materials	$230	$230	$216	$220	$232
Direct labor	71	71	67	70	66
Factory overhead	229	220	222	219	217
Total COGS	530	521	504	509	516
SG&A expenses:					
Selling expenses	4	4	4	4	3
G&A expenses	16	18	17	18	16
Total SG&A expenses	21	23	21	22	19
Total cost	550	544	525	530	536

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

Table CORROSION-III-9
Variance analysis of operations of U.S. producers in the production of corrosion-resistant between fiscal years 1997-99 and between January-March 1999 and January-March 2000

Item	Between fiscal years			Jan.-Mar.
	1997-99	1997-98	1998-99	1999-2000
	Value (*$1,000*)			
Net sales:				
Price variance	(1,045,341)	(331,849)	(689,927)	(66,874)
Volume variance	1,214,754	456,294	734,895	233,667
Total net sales variance	169,413	124,445	44,968	166,793
Cost of sales:				
Cost variance	473,499	141,220	322,251	(37,384)
Volume variance	(1,046,734)	(393,181)	(643,525)	(210,808)
Total cost variance	(573,235)	(251,961)	(321,274)	(248,192)
Gross profit variance	(403,822)	(127,516)	(276,306)	(81,399)
SG&A expenses:				
Expense variance	(8,423)	(32,263)	26,131	10,939
Volume variance	(40,835)	(15,339)	(27,787)	(8,965)
Total SG&A variance	(49,258)	(47,602)	(1,656)	1,974
Operating income variance	(453,080)	(175,118)	(277,962)	(79,425)
Summarized as:				
Price variance	(1,045,341)	(331,849)	(689,927)	(66,874)
Net cost/expense variance	465,077	108,957	348,383	(26,445)
Net volume variance	127,185	47,774	63,583	13,895

Note.--Unfavorable variances are shown in parentheses; all others are favorable.

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

Table CORROSION-III-10
Capital expenditures, R&D expenses, and assets utilized by U.S. producers in their production of corrosion-resistant, 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	690,423	926,420	669,740	122,262	70,485
R&D expenses	23,709	24,861	26,954	6,760	6,963
Productive facilities:					
Original cost	9,033,145	9,381,038	10,217,930	9,671,316	10,128,231
Book value	4,531,684	5,541,958	6,001,185	5,971,933	6,030,823

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

PART IV: U.S. IMPORTS AND THE INDUSTRIES IN AUSTRALIA, CANADA, FRANCE, GERMANY, JAPAN, AND KOREA

U.S. IMPORTS

According to official Commerce statistics, U.S. imports from subject sources increased by 34.4 percent from 1997 to 1999, then decreased by 5.7 percent from January-March 1999 to January-March 2000. U.S. imports of corrosion-resistant from nonsubject sources increased by 17.2 percent from 1997 to 1999 and increased by 0.4 percent from January-March 1999 to January-March 2000. Imports from nonsubject countries accounted for 61 percent of total imports in 1999. Data on U.S. imports of corrosion-resistant are presented in table CORROSION-IV-1.[1]

U.S. IMPORTERS' INVENTORIES

U.S. importers' inventories of corrosion-resistant are presented in table CORROSION-IV-2. Inventories of imports were reported from ***.

THE INDUSTRIES IN AUSTRALIA, CANADA, FRANCE, GERMANY, JAPAN, AND KOREA

Australia

There are two producers of corrosion-resistant in Australia: BHP, the dominant producer of these products, and Palmer Tube Mills, a subsidiary of Smorgon Steel Group, Ltd. BHP produces corrosion-resistant in two BHP Coated Steel division plants. In 1999, BHP's Port Kembla, New South Wales plant had a nominal capacity of 727,325 short tons per year of coated products[2] and the Victoria, New South Wales plant capacity was 870,826 tons per year of coated products. Overall, in 1999, BHP's capacity was 1,598,351 short tons per year of coated products. BHP exports approximately 25 percent of its production with its principal markets being Asia, Latin America, the Middle East, and Europe.

In October 1999, as a result of a review of its steel operations, BHP determined that it would "concentrate on flat products in Australia, New Zealand and Asia, based on the low cost supply of steel from Port Kembla Steelworks and its leading position in coated steel. It will serve primarily building and construction markets using the successful marketing brands of ZINCALUME© steel and COLORBOND© (painted) steel."[3] In implementing this strategy, BHP announced the sale of its U.S. West Coast steel businesses, in May 2000, to IMSA Acero, a subsidiary of Grupo IMSA, S.A., of Mexico, for $234 million. These assets were comprised of BHP's Coated Steel Corporation USA, a producer of coated steel products in Kalama, Washington, and Rancho Cucamonga, California, and

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[1] Data for corrosion-resistant are provided for in HTS headings 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.50.0000.

[2] BHP, *1999 Annual Report*, p. 28

[3] BHP, "BHP Announces Steel Strategy," press release, October 6, 1999, found at Internet address *http://www.bhp.com/default.asp?pag...scentre/pressarchive/19991006a.asp*, retrieved October 2, 2000.

Table CORROSION-IV-1
Corrosion-resistant: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Source	Calendar year			January-March	
	1997	1998	1999	1999	2000
			Quantity *(short tons)*		
Australia	636	82	39	7	3
Canada	393,986	397,529	356,620	87,429	101,629
France	5,677	2,478	4,121	744	142
Germany	54,869	21,557	34,434	5,022	12,825
Japan	24,269	34,182	49,248	19,293	6,437
Korea	58,658	154,984	309,989	91,268	72,777
Subtotal	538,095	610,812	754,451	203,763	193,812
All others	1,030,237	906,203	1,198,894	270,821	271,313
Total	1,568,332	1,517,014	1,953,345	474,584	465,125
			Value *(1,000 dollars)*		
Australia	524	111	100	34	21
Canada	215,365	208,575	192,081	45,840	56,593
France	3,725	1,890	2,377	646	150
Germany	33,776	16,060	21,071	3,319	7,458
Japan	21,908	27,159	35,961	13,405	5,387
Korea	42,580	97,667	166,010	49,053	38,512
Subtotal	317,878	351,463	417,600	112,297	108,122
All others	612,252	532,307	595,013	141,015	137,096
Total	930,130	883,770	1,012,613	253,312	245,218
			Unit value *(per short ton)*		
Australia	$823.92	$1,358.79	$2,561.41	$4,550.07	$7,043.61
Canada	546.63	524.68	538.62	524.32	556.86
France	656.13	762.66	576.89	867.76	1,062.72
Germany	615.58	745.02	611.92	660.93	581.55
Japan	902.70	794.56	730.20	694.80	837.00
Korea	725.90	630.17	535.53	537.46	529.17

Table continued on next page.

Table CORROSION-IV-1--Continued
Corrosion-resistant: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Source	Calendar year			January-March	
	1997	1998	1999	1999	2000
Unit value *(per short ton)*					
Subtotal	590.75	575.40	553.51	551.11	557.87
All others	594.28	587.40	496.30	520.69	505.31
Average	593.07	582.57	518.40	533.75	527.21
Share of quantity *(percent)*					
Australia	0.0	0.0	0.0	0.0	0.0
Canada	25.1	26.2	18.3	18.4	21.8
France	0.4	0.2	0.2	0.2	0.0
Germany	3.5	1.4	1.8	1.1	2.8
Japan	1.5	2.3	2.5	4.1	1.4
Korea	3.7	10.2	15.9	19.2	15.6
Subtotal	34.3	40.3	38.6	42.9	41.7
All others	65.7	59.7	61.4	57.1	58.3
Total	100.0	100.0	100.0	100.0	100.0
Share of value *(percent)*					
Australia	0.1	0.0	0.0	0.0	0.0
Canada	23.2	23.6	19.0	18.1	23.1
France	0.4	0.2	0.2	0.3	0.1
Germany	3.6	1.8	2.1	1.3	3.0
Japan	2.4	3.1	3.6	5.3	2.2
Korea	4.6	11.1	16.4	19.4	15.7
Subtotal	34.2	39.8	41.2	44.3	44.1
All others	65.8	60.2	58.8	55.7	55.9
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official Commerce statistics.

Table CORROSION-IV-2
Corrosion-resistant: U.S. importers' end-of-period inventories of imports, by sources, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Building Products, a manufacturer and distributor of roll-formed steel products on the West Coast. BHP still has a 50-percent interest in the Delta compact steel mill in Ohio.[4]

Palmer Tube Mills' capacity on its new galvanized strip mill in Brisbane, Australia, is unknown. Palmer Tube Mills produces principally corrosion-resistant pipe and tube products, but also galvanized products.[5]

Canada

Counsel provided data on behalf of Dofasco, Sorevco, and Stelco, which reported that they accounted for *** percent of Canadian production of corrosion-resistant in 1999 and *** percent of such exports to the United States. The data presented in table CORROSION-IV-3 are for Dofasco, DNN, Sorevco, and Stelco.

DNN is a joint venture between Dofasco, ***, and National ***, and NKK, ***. In May 1999, Dofasco started production of galvanized at its new joint venture, DoSol Galva, *** percent owned by Dofasco and *** percent owned by Usinor.[6] This line is the first hot dipped galvanizing line in North America capable of producing exposed galvanized. Corrosion-resistant accounted for between *** percent of the Canadian mills' total sales in the most recent fiscal year. Two producers reported that *** produce subject corrosion-resistant. The antidumping duty order reportedly had no significant effect on the Canadian mills' production, capacity, or export markets. Canada currently has antidumping orders on imports of corrosion-resistant from Brazil, Germany, Japan, Korea, and the United States. The order excludes imports of automotive corrosion-resistant.[7]

Table CORROSION-IV-3
Corrosion-resistant: Data for producers in Canada, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

[4] BHP, "BHP Announces Sale of US West Coast Steel Businesses," press release, May 26, 2000, found at Internet address *http://www.bhp.com/default...asp?pag...scentre/pressarchive/2000526a.asp*, retrieved October 2, 2000.

[5] Smorgon Steel Group, Ltd., *1999 Annual Report*, p. 7. The Internet sites of Smorgon Steel Group, Ltd. and Palmer Tube Mills do not define the galvanized products other than pipe and tube that are produced by Palmer Tube Mills.

[6] Canadian prehearing brief, p. 21.

[7] Ibid., p. 4.

France

Counsel provided data on behalf of four French producers, which reported they account for *** percent of French production of corrosion-resistant in 1999 and *** percent of such exports to the United States. The data presented in table CORROSION-IV-4 are for Atlantique, Beautor, Haironville, and Lorraine.

Corrosion-resistant accounted for between *** percent of the French mills' total sales in the most recent fiscal year. ***. The mills do not produce any other products on the same equipment used to produce corrosion-resistant. The antidumping and countervailing duty orders reportedly had no significant impact on the French mill's production, capacity, or export markets. Export markets other than the United States include ***. French corrosion-resistant exports are not subject to any penalty tarriff or nontarriff barriers in any countries.

Table CORROSION-IV-4
Corrosion-resistant: Data for producers in France, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Germany

The Commission received data on behalf of four German producers which reported that they accounted for *** percent of German production of corrosion-resistant in 1999 and *** percent of such exports to the United States.[8] The data presented in table CORROSION-IV-5 are for Bremen, EKO, Salzgitter, and Thyssen.

In 1989, Salzgitter, under its firm name at the time, Preussag, acquired the previously state-owned company Stalwerke Peine-Salzgitter with the coated sheet division, Salmax. In 1995, Preussag merged with Walswerk, Ilsenburg, located in the former German Democratic Republic. Salzgitter increased its corrosion-resistant capacity several times between 1993 and 1999. Salzgitter reports ***. On May 15, 2000, Saltzgitter's electrogalvanizing line was seriously damaged by a fire which also affected the hot dipped line. It currently anticipates ***.[9] Salzgitter has plans to ***. In 1993, Krupp and Hoesch merged to form Krupp Hoesch Stahl, which later in 1997 merged with Thyssen to form Thyssen Krupp Stahl. Thyssen ***. Bremen opened a hot dip galvanizing line in 1994 and has just started to build a new line which can produce hot-rolled pickled coils and hot dipped galvanizng coils. EKO ***.

The German mills reported they have devoted an increasing share of their capacity to producing microalloy corrosion-resistant, increasing from *** percent in 1993 to *** percent in 1999.[10] In 1999, *** percent of German corrosion-resistant shipments was sold in Germany, *** percent in the EU, and *** percent to the United States. Virtually all German exports of corrosion-resistant to the United States

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[8] The only other German producer of corrosion-resistant is ***. German mills' prehearing brief, vol. II, p. 7, ftn. 4.

[9] German mills' prehearing brief, p. 16, ftn. 24.

[10] Ibid., p. 45.

are made by ***.[11] The German mills reported that the U.S. market is supplied from inventories in the United States. ***.[12]

Corrosion-resistant accounted for between *** percent of the German mills' total sales in the most recent fiscal year. The German mills reported ***. The German mills reported that the antidumping and countervailing duty orders had no significant effect on their capacity, production, or export markets. Subsequent to the orders, the creation and enlargement of the EU has greatly increased Germany's access to other European markets. The majority of the German mills' exports go to ***. German corrosion-resistant exports are subject to an antidumping finding in Canada; however, the order does not encompass shipments of corrosion-resistant to the Canadain automotive industry (the only Canadian customer of the German mills). EU producers of corrosion-resistant currently benefit from quantitative import restrictions on corrosion-resistant from Russia, Ukraine, and Kazakstan.

Table CORROSION-IV-5
Corrosion-resistant: Data for producers in Germany, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Japan

Counsel provided data on behalf of six Japanese corrosion-resistant producers, which reported they accounted for *** percent of Japanese production of corrosion-resistant in 1999 and *** percent of such exports to the United States. The data presented in table CORROSION-IV-6 are for Kawasaki, Kobe, Nisshin, Nippon, NKK, and Sumitomo.

Each of the responding Japanese companies is affiliated with a corrosion-resistant producer in the United States: Kawasaki owns 50 percent of California; Kobe owns 50 percent of Pro-Tec; Nisshin owns 64.3 percent of Wheeling-N; NKK owns 53.5 percent of National; Nippon owns 50 percent of I/N Kote; and Sumitomo owns 40 percent of L-SE.[13]

Sumitomo closed one corrosion-resistant line in 1993 and sold another line in September 1997. Nisshin started up a new hot dipped galvanizing line in May 2000, and plans to shut down its 35 year old line in September 2000. Corrosion-resistant accounted for between *** percent of the Japanese mills' total sales in the most recent fiscal year. The Japanese mills reported that *** are produced on the same equipment used to produce corrosion-resistant. The antidumping and countervailing duty orders reportedly had no significant effect on the Japanese mills' production, capacity, or export markets. Export markets other than the United States include ***. Japanese exports of corrosion-resistant are subject to an antidumping finding in Canada (the order excludes automotive corrosion-resistant).

Table CORROSION-IV-6
Corrosion-resistant: Data for producers in Japan, 1997-99, January-March 1999, and January-March 2000

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[11] Ibid., pp. 9-10, 39.

[12] Ibid., p. 42.

[13] Japanese mills' prehearing brief, p. 34.

Korea

Counsel provided data on behalf of five Korean corrosion-resistant producers, which reported that they accounted for *** percent of Korean production of corrosion-resistant in 1999 and *** percent of such exports to the United States. The data presented in table CORROSION-IV-7 are for Dongbu, Hyundai, Pohang, Pohang-Coated, and Union Steel.

Hyundai started production of corrosion-resistant in 1999. Dongbu's A-San factory started production of corrosion-resistant in February 1999. In 1997, ***. Pohang opened a second mill after 1993. Corrosion-resistant accounted for between *** percent of the Korean mills' total sales in the most recent fiscal year. The Korean mills reported that no products are produced on the same equipment used to produce corrosion-resistant. The antidumping and countervailing duty orders reportedly had no significant effect on the Korean mills' production, capacity, or export markets. Export markets other than the United States include ***.

Table CORROSION-IV-7
Corrosion-resistant: Data for producers in Korea, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

*** reported that cold-rolled makes up between 80 and 95 percent of the raw material costs for hot-dipped galvanized corrosion-resistant and 87.9 to 99 percent for electrogalvanized corrosion-resistant.[1] Producers reported that raw material costs accounted for 42.9 percent of COGS. Integrated producers' raw material purchases may include iron ore, scrap, and alloys. Electric furnace steelmakers use raw materials that typically include steel scrap, alloys, and iron units such as pig iron and direct-reduced iron. Most steel service centers do not produce their own hot-rolled steel and therefore purchase hot-rolled steel in coils for processing into plate, as well as other products.

Inland U.S. Transportation Costs

The percentage of the total delivered cost of corrosion-resistant accounted for by inland transportation costs on average is higher for importers. For U.S. producers, estimates generally ranged from 2 to 6 percent with an average of 4 percent derived from 16 responses. Importers' transportation costs for inland shipments of imports fell within a range of one to 17 percent with an average of 7.6 percent, derived from 12 responses. U.S. producers tend to ship corrosion-resistant longer inland distances than importers. Six of the 15 responding U.S. producers shipped the largest portion of their product less than 100 miles; the remaining 9 reported shipping the largest portion between 101 and 1,000 miles. Ten of 14 importers shipped the largest portion of their product less than 100 miles, 3 shipped the largest amount between 101 and 1,000 miles, and 1 shipped all its sales more than 1000 miles.

Transportation Costs to the U.S. Market

Transportation costs for corrosion-resistant from the 6 subject countries to the United States (excluding U.S. inland costs) are shown below. These estimates are derived from 1999 official import data for HTS subheadings 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0090, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.1000, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.50.0000, and 7212.60.0000, and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.

[1] ***.

Country	Percent of total cost
Australia	9.0
Canada	3.0
France	7.1
Germany	8.8
Japan	9.8
Korea	9.1

Tariff Rates

Normal trade relations rates of duty for corrosion-resistant range from 0.4 to 3.0 percent *ad valorem*. As a result of the Uruguay Round Agreement, these duty rates are being reduced and will be eliminated as of January 1, 2004.

PRICING PRACTICES

Methods of arriving at prices for corrosion-resistant vary. The use of published price lists is rare. The majority of producers and importers indicated that pricing is determined by transaction-by-transaction negotiations and contracts.

Typical sales terms for U.S. producers consist of 3/4 10 net 30, but 3 of the 16 producers offer 1/2 10 net 30 and 1 offers 3/4 10 net 25. For the responding importers, 9 of 12 offer net 30, 1 offers net 30 and 3/4 10 net 30, 1 offers net 25, and 1 typically offers COD only. Many producers and importers will quote prices using various methods. All U.S. producers quote on a f.o.b. basis or quote using a combination of f.o.b. and delivered and/or equalized. Eight of the 16 quote using an f.o.b. and delivered basis. Five of the remaining 8 quote f.o.b. their plant or warehouse and 3 quote f.o.b. mill equalized. Of the 12 importers who responded to the question, 6 quote using an f.o.b. basis, 3 quote using delivered, 1 quotes using both f.o.b. and delivered, 1 quotes c.i.f. loaded truck, and 1 quotes using a duty paid basis.

Producers often use a discount policy. Of the 16 responses, 11 producers use quantity discounts, 1 uses both quantity and item discounts, 1 uses item discounts, 2 set their policy on market conditions, and 1 U.S. producer does not use discounts. Of the 9 responding importers, 1 indicated that it uses discounts on a customer-by-customer basis and 8 indicated that no discount policy is used.

Both U.S. producers and importers sell corrosion-resistant either by contract or on a spot basis; however, out of 12 responses, most U.S. producers tend to sell both on contract or spot, with 9 selling mainly on contract and 3 mainly on spot. In contrast, importers tend to sell only on spot or contract, not both. Of the 12 responses, 5 importers sold only on spot, whereas 5 sold only on contract. Two additional importers sold mainly on contract with percentages greater than 80 percent. Several producers noted that spot prices can affect contract prices through seeking to reopen a contract to request price concessions. However, GM has stated that "pricing for these {long-term} contracts {with domestic steel suppliers} is insulated from short-term fluctuations in the spot market price for corrosion-resistant

steel."[2] Nissan said that its long-term contracts have prices established at the beginning of these contracts and "generally remain unchanged for their duration."[3] Honda added, "Contracts with our approved suppliers are long-term, with prices usually negotiated on an annual basis."[4]

Contract terms are fairly similar for those producers and importers that sell on a contract basis with both having a strong majority of their contracts having durations of 1 year. However, U.S. producers on average have slightly more 3-month contracts and use a mixture of contract durations as compared to importers. Out of 15 responses, 5 U.S. producers have a majority of 3-month contracts, 1 had an equal split between 6-month and 1-year contracts, 6 had a majority of 1-year contracts, 1 had the majority of its contracts for longer than 1 year, and some did not have a majority. Out of 8 importer responses, 1 had solely 3-month contracts, 1 had solely 6-month contracts, 5 had solely 1-year contracts, and 1 had contracts that had durations greater than 1 year.

For both producers and importers, half of the contracts have prices fixed and the other half have both prices and quantity fixed. For contract renegotiations, 5 U.S. producers said they renegotiate every 2 to 4 months, 3 said every 8 to 9 months, and 3 said every 12 months. One said it renegotiates either on a 3-month term or on a 12-month term. Honda and Nissan both noted that they usually award contracts to a single supplier for the life of the part (typically 3 to 5 years).[5] GM reported that it recently signed a four-year contract including *** for *** tons of corrosion-resistant worth *** annually.[6] Importers usually renegotiate contracts on an annual basis while 1 of the 6 importer responses stated that contracts are renegotiated on a quarterly basis. Of the 14 responding U.S. producers, 11 said that their contracts do not contain meet-or-release provisions. All 4 responding importers reported that their contracts do not contain meet-or-release provisions. Of the 15 U.S. producer responses, 4 require 20-ton minimums, 5 said they have various requirements, and 6 claim to have no minimum quantity requirements. Concerning minimum standard quantity requirements, importers generally do not require them. In response to changes in spot price, prices vary within the duration of the contract for 6 of the 15 responding U.S. producers. Of the responding importers, all 8 do not vary price within the duration of the contract in correlation to changes in spot price.[7]

An official of Thyssen testified at the hearing that "German mills and domestic mills both sell high-tech, high quality steel pursuant to long-term contracts to automotive customers."[8] Canadian imports are concentrated in the automotive sector and principally sold on a long-term contract basis, though Canadian respondents noted that their corrosion-resistant does not consist primarily of highly specialized products like those of France, Germany, and Japan.[9] Korea, however, ships "primarily to the distributor service sector of the market" and on a spot basis.[10]

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[2] Letter from GM, August 28, 2000, p. 4.

[3] Letter from Nissan, August 25, 2000, p. 2.

[4] Letter from Honda, August 15, 2000, p. 3.

[5] Letter from Honda, August 15, 2000, p. 3, and letter from Nissan, August 25, 2000, p. 2.

[6] Letter from GM, August 28, 2000, p. 4.

[7] However, as with cold-rolled, U.S. producers noted that purchasers have come to them to request price decreases within contract periods. Prices are based upon quantity estimates, but those quantities are not written into the contract. Domestic cold-rolled posthearing brief, p. 16 and exh. 3.

[8] Corrosion-resistant TR, p. 242.

[9] Canadian posthearing brief, p. 3.

[10] Corrosion-resistant TR, p. 271, and Korean posthearing brief and questionnaire response.

Producers, importers, and purchasers were asked if there have been individual influences on the U.S. market price of corrosion-resistant since the imposition of the orders. Of the 13 producer responses, 3 reported that imports influenced price; however only *** was mentioned specifically. One producer reported that Korea affected prices, and one noted Asia and South America. The other 8 responses did not specify any market leadership. Importers did not specify individual firms either, but the majority reported that U.S. firms have been price leaders. No purchasers responded to the question. Although no responses were given in questionnaire data, testimony at the hearing and the domestic producers' posthearing brief has noted that the consolidation of purchasers has created downward pricing pressure.[11]

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly quantity and value data between January 1997 and March 2000 for the following products:

Product 10 -- Hot-rolled galvanized carbon steel plate, in coils, ASTM A-653, DQSK, minimum spangle, G-40 to G-60 coating weight (Z120 to Z180 in metric coating weight), 40" to 70" in width, 0.018" to under 0.020" in thickness.

Product 11 -- Aluminum-zinc alloy-coated carbon steel sheet, in coils, hot-dipped, structural quality, ASTM A-792, grade 50 AZ50, 40" to 49" in width, 0.019" to 0.0219" in thickness. This product has a coating of 55 percent aluminum, 43.5 percent zinc, and 1.5 percent silicon, and has a variety of product names world wide including "Galvalume," "Zincalume," "Aluzink," "Zinkalit," and "Zalutite."

Product 12 -- Aluminized or aluminum-coated carbon steel sheet, in coils, ASTM A-463 type 1, CS type B, T-140 coating, 40" to 50" in width, 0.044" through 0.052" in thickness. This product is hot-dipped, with an aluminum-silicon coating consisting of 5 to 11 percent silicon and the balance aluminum.

Product 13 -- Hot-dipped galvanized carbon steel sheet, in coils, ASTM A-653 structural quality, grade 80, <G60, regular or minimum spangle, not annealed, 40" through 70" in width, 0.018" to under 0.020" in thickness.

Product 14 -- Hot-dipped zinc-iron (galvannealed) carbon steel sheet, in coils, ASTM A-653, A-50 or lower coating, forming steel (DQSK), 40" to 70" in width, 0.022" to under 0.044" in thickness.

Product 15 -- Electrolytically zinc-coated carbon steel sheets, in coils, ASTM A-879, 50-90 grams/square meter per side coating, without organic coating, forming steel, 40" to under 60" in width, 0.022" to under 0.044" in thickness.

Product 16 -- Hot-dipped zinc-iron (galvannealed) carbon steel sheet, in coils, coating weight 45A-45A, 24" to under 40" in width, 0.060" to under 0.085" in thickness.

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[11] See, e.g., corrosion-resistant TR, pp. 320-323.

U.S. producers and importers provided usable pricing data for sales of the requested products (table CORROSION-V-1). Pricing data reported by U.S. producers accounted for *** percent of U.S. commercial shipments of corrosion-resistant in 1999. The import pricing data accounted for 1.8 percent of the total imports from Canada, 6.5 percent from Germany, 4.1 percent from Japan, and 60.6 percent from Korea. No response was received from importers of Australian or French corrosion-resistant with respect to these pricing products. The French producers noted in their prehearing brief that the two French producers that wish to sell in the United States "only wish to export small quantities of 'niche' products (much as they did before the French {corrosion-resistant} orders were imposed."[12]

Table CORROSION-V-1
Corrosion-resistant: Pricing products reported for customer categories, by country of origin

Country	Customer type		
	Automotive	Distributors	End Users
United States	10,13,14,15,16	10,11,12,13,14,15,16	10,11,13,14,15,16
Australia	-	-	-
Canada	16	-	-
France	-	-	-
Germany	15	15	12
Japan	14	12,16	13
Korea	-	10,11,12,13,14,15	10,11,13,15
Source: Compiled from data submitted in response to Commission questionnaires.			

Price Trends

Except for Product 10 sold to end users, which has experienced a price increase, weighted-average f.o.b. prices of domestic products 10, 11, 12, 13, 15, and 16 sold to distributors, end users, and automotive end users have generally decreased from the period of January 1997 to March 2000, as shown in tables CORROSION-G-1 through CORROSION-G-16 found in appendix G. Product 14 sold to end users and automotive end users has also experienced some price increases during the same period as shown in tables CORROSION-G-8 and CORROSION-G-16.

Price Comparisons

Overall, there were 160 quarterly price comparisons between U.S.-produced corrosion-resistant and imports from Canada, Germany, Japan, and Korea. Subject imports undersold domestic products in 74 quarters, and oversold domestic products in 86 quarters. Tables CORROSION-V-2 through

[12] French prehearing brief, p. 27.

CORROSION-V-7 provide summaries of underselling and overselling information by channel of distribution and by country for the 7 products for which data were collected. Tables CORROSION-G-1 through CORROSION-G-14 in appendix G provide quarterly price, quantity, and overselling information for the products for which data are comparable. Tables CORROSION-G-15 and CORROSION-G-16 in appendix G display quarterly domestic pricing and quantity data for which there are no comparable import data.

In their prehearing brief, the Japanese respondents emphasized that the pricing comparisons were calculated only on a small percentage of Japanese corrosion-resistant exports, and ***.[13] In their prehearing brief, the French noted that the "niche" products that they export to the United States presently have higher average unit values.[14] The average unit values over this period of review were $718 per ton in 1997, $1,129 in 1998, $664 in 1999 ($958 in interim 1999), and $1,520 in interim 2000.

[13] Japanese prehearing brief, p. 84.

[14] French prehearing brief, pp. 26-27.

Table CORROSION-V-2
Corrosion-resistant: Summary of weighted-averages of pricing products sold to distributors, by country

Country	Product 10				Product 11			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	***	***	4.4	13	***	***	3.9
Korea	13	***	***	26.1	12	***	***	14.9
	Product 12				**Product 13**			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	***	***	13.1	13	637.73	***	***
Japan	6	***	***	8.2	-	-	-	-
Korea	6	***	***	10.2	12	***	***	23
	Product 14				**Product 15**			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	***	***	22.3	13	***	***	***
Korea	9	***	***	16.9	13	***	***	21.3
Germany	-	-	-	-	1	***	***	-
	Product 16							
	Number of quarters	High price	Low price	Percent reduction in price[1]				
United States	13	***	***	(35.7)				
Japan	3	***	***	(6.7)				

[1] Based on the earliest quarter and the latest quarter of data provided. If price increased over the period, the increase is reported in parenthesis.

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

Table CORROSION-V-3
Corrosion-resistant: Summary of weighted-averages of pricing products sold to automotive end users, by country

Country	Product 14				Product 15			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	***	$612.27	(10.1)	13	$660.48	$573.67	7.1
Germany	-	-	-	-	13	***	***	20.1
Japan	13	***	***	(4.1)	-	-	-	-

	Product 16			
	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	$643.14	$589.30	6.7
Canada	13	***	***	(5.5)

[1] Based on the earliest quarter and the latest quarter of data provided. If price increased over the period, the increase is reported in parenthesis.

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

Table CORROSION-V-4
Corrosion-resistant: Summary of weighted-averages of pricing products sold to end users other than automotive, by country

Country	Product 10				Product 11			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	***	***	1.9	13	***	***	6.1
Korea	13	***	***	29.0	13	***	***	4.4
	Product 13				Product 15			
	Number of quarters	High price	Low price	Percent reduction in price[1]	Number of quarters	High price	Low price	Percent reduction in price[1]
United States	13	***	***	3.4	13	***	***	7.3
Japan	1	***	***	-	-	-	-	-
Korea	13	***	***	29.0	5	***	***	11.8

[1] Based on the earliest quarter and the latest quarter of data provided. If price increased over the period, the increase is reported in parenthesis.

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

Table CORROSION-V-5
Corrosion-resistant: Summary of underselling/overselling for sales to distributors, by country and period

Country and period	Number of quarters of underselling	Number of quarters of overselling	Average margin of underselling/(overselling)
Germany:			
1997	-	-	-
1998	0	1	***
1999	-	-	-
2000 (Jan.-Mar.)	-	-	-
Subtotal	0	1	***
Japan:			
1997	-	-	-
1998	0	4	***
1999	0	4	***
2000 (Jan.-Mar.)	0	1	***
Subtotal	0	9	***
Korea:			
1997	1	13	(11.1)
1998	6	15	(5.5)
1999	12	12	(7.3)
2000 (Jan.-Mar.)	3	3	(1.0)
Subtotal	22	43	(7.0)

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

Table CORROSION-V-6
Corrosion-resistant: Summary of underselling/overselling for sales to automotive end users, by country and period

Country and period	Number of quarters of underselling	Number of quarters of overselling	Average margin of underselling/(overselling)
Canada:			
1997	4	0	***
1998	4	0	***
1999	4	0	***
2000 (Jan.-Mar.)	1	0	***
Subtotal	13	0	***
Germany:			
1997	0	4	***
1998	0	4	***
1999	0	4	***
2000 (Jan.-Mar.)	0	1	***
Subtotal	0	13	***
Japan:			
1997	4	0	***
1998	4	0	***
1999	4	0	***
2000 (Jan.-Mar.)	1	0	***
Subtotal	13	0	***

Source: Compiled from data submitted in response to Commission questionnaires

Table CORROSION-V-7
Corrosion-resistant: Summary of underselling/overselling for sales to end users other than automotive, by country and period

Country and period	Number of quarters of underselling	Number of quarters of overselling	Average margin of underselling/(overselling)
Germany:			
1997	0	1	***
1998	-	-	-
1999	-	-	-
2000 (Jan.-Mar.)	-	-	-
Subtotal	0	1	***
Japan:			
1997	1	0	***
1998	-	-	-
1999	-	-	-
2000 (Jan.-Mar.)	-	-	-
Subtotal	1	0	***
Korea:			
1997	5	8	(1.3)
1998	7	6	5.5
1999	9	5	9.8
2000 (Jan.-Mar.)	4	0	17.7
Subtotal	25	19	7.9

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

APPENDIX A

FEDERAL REGISTER NOTICES AND ADEQUACY STATEMENT

A-1

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. AA1921–197 (Review); 701–TA–231, 319–320, 322, 325–328, 340, 342, and 348–350 (Review); and 731–TA–573–576, 578, 582–587, 604, 607–608, 612, and 614–618 (Review)]

Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; [1] to be assured of consideration, the deadline for responses is October 21, 1999. Comments on the adequacy of responses may be filed with the Commission by November 12, 1999.

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

EFFECTIVE DATE: September 1, 1999.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Elizabeth Haines (202–205–3200), or Vera Libeau (202–205–3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION:

Background.

On the dates listed below, countervailing duty and antidumping

[1] Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

duty orders on the subject imports were issued:

Order date and product/Country	Inv. No.	F.R. cite
6/13/79 Carbon steel plate/Taiwan	AA1921–197	44 F.R. 33877
8/17/93 Cut-to-length carbon steel plate/Belgium	701–TA–319	58 F.R. 43749
8/17/93 Cut-to-length carbon steel plate/Brazil	701–TA–320	58 F.R. 43751
8/17/93 Cut-to-length carbon steel plate/Germany	701–TA–322	58 F.R. 43756
8/17/93 Cut-to-length carbon steel plate/Mexico	701–TA–325	58 F.R. 43755
8/17/93 Cut-to-length carbon steel plate/Spain	701–TA–326	58 F.R. 43761
8/17/93 Cut-to-length carbon steel plate/Sweden	701–TA–327	58 F.R. 43758
8/17/93 Cut-to-length carbon steel plate/United Kingdom	701–TA–328	58 F.R. 43748
8/19/93 Cut-to-length carbon steel plate/Belgium	731–TA–573	58 F.R. 44164
8/19/93 Cut-to-length carbon steel plate/Brazil	731–TA–574	58 F.R. 44164
8/19/93 Cut-to-length carbon steel plate/Canada	731–TA–575	58 F.R. 44162
8/19/93 Cut-to-length carbon steel plate/Finland	731–TA–576	58 F.R. 44165
8/19/93 Cut-to-length carbon steel plate/Germany	731–TA–578	58 F.R. 44170
8/19/93 Cut-to-length carbon steel plate/Mexico	731–TA–582	58 F.R. 44165
8/19/93 Cut-to-length carbon steel plate/Poland	731–TA–583	58 F.R. 44166
8/19/93 Cut-to-length carbon steel plate/Romania	731–TA–584	58 F.R. 44167
8/19/93 Cut-to-length carbon steel plate/Spain	731–TA–585	58 F.R. 44167
8/19/93 Cut-to-length carbon steel plate/Sweden	731–TA–586	58 F.R. 44168
8/19/93 Cut-to-length carbon steel plate/United Kingdom	731–TA–587	58 F.R. 44168
10/11/85 Cold-rolled carbon steel flat products/Sweden	701–TA–231	50 F.R. 41547
8/17/93 Cold-rolled carbon steel flat products/Germany	701–TA–340	58 F.R. 43756
8/17/93 Cold-rolled carbon steel flat products/Korea	701–TA–342	58 F.R. 43752
8/19/93 Cold-rolled carbon steel flat products/Germany	731–TA–604	58 F.R. 44170
8/19/93 Cold-rolled carbon steel flat products/Korea	731–TA–607	58 F.R. 44159
8/19/93 Cold-rolled carbon steel flat products/Netherlands	731–TA–608	58 F.R. 44172
8/17/93 Corrosion-resistant carbon steel flat products/France	701–TA–348	58 F.R. 43759
8/17/93 Corrosion-resistant carbon steel flat products/Germany	701–TA–349	58 F.R. 43756
8/17/93 Corrosion-resistant carbon steel flat products/Korea	701–TA–350	58 F.R. 43752
8/19/93 Corrosion-resistant carbon steel flat products/Australia	731–TA–612	58 F.R. 44161
8/19/93 Corrosion-resistant carbon steel flat products/Canada	731–TA–614	58 F.R. 44162
8/19/93 Corrosion-resistant carbon steel flat products/France	731–TA–615	58 F.R. 44169
8/19/93 Corrosion-resistant carbon steel flat products/Germany	731–TA–616	58 F.R. 44170
8/19/93 Corrosion-resistant carbon steel flat products/Japan	731–TA–617	58 F.R. 44163
8/19/93 Corrosion-resistant carbon steel flat products/Korea	731–TA–618	58 F.R. 44159

The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions

The following definitions apply to these reviews:

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

(2) The *Subject Countries* in these reviews are Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original 1979 antidumping determination concerning carbon steel plate from Taiwan, the Commission found one Domestic Like Product: Carbon steel plate. In its original 1985 countervailing duty determination concerning cold-rolled carbon steel flat products from Sweden, the Commission found one Domestic Like Product: cold-rolled carbon steel sheet. In its original 1993 determinations, the Commission found in the affirmative for four Domestic Like Products: (1) Cut-to-length plate, (2) cold-rolled carbon steel flat products, (3) corrosion-resistant carbon steel flat products other than clad plate, and (4) corrosion-resistant clad plate. One Commissioner defined the Domestic Like Product differently. For purposes of this notice, you should report information separately on each of the following Domestic Like Products: (1) Carbon steel plate, (2) cut-to-length plate, (3) cold-rolled carbon steel flat products, (4) corrosion-resistant carbon steel flat products other than clad plate, and (5) corrosion-resistant clad plate.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original 1979 antidumping determination concerning carbon steel plate from Taiwan, the Commission found one regional Domestic Industry: producers of carbon steel plate located in the west coast States of California, Washington, and Oregon. Certain Commissioners defined the Domestic Industry differently. In its original 1985 countervailing duty determination concerning cold-rolled carbon steel flat products from Sweden, the Commission found one Domestic Industry: producers of cold-rolled carbon steel sheet. In its original 1993 determinations, the Commission found in the affirmative for four Domestic Industries: (1) Producers of cut-to-length plate, (2) Producers of cold-rolled carbon steel flat products, (3) producers of corrosion-resistant carbon steel flat

products other than clad plate, and (4) producers of corrosion-resistant clad plate. One Commissioner defined the Domestic Industry differently. For purposes of this notice, you should report information separately on each of the following Domestic Industries: (1) Producers of carbon steel plate located in California, Washington, and Oregon, (2) producers of cut-to-length plate, (3) producers of cold-rolled carbon steel flat products, (4) producers of corrosion-resistant carbon steel flat products other than clad plate, and (5) producers of corrosion-resistant clad plate.

(5) The *Order Dates* are the dates that the countervailing duty and antidumping duty orders under review became effective. In these reviews, the Order Dates are as shown in the preceding tabulation.

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

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

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

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification

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

Written Submissions

Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is October 21, 1999. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is November 12, 1999. All written submissions must conform with the provisions of §§ 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of §§ 201.6 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. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to Provide Requested Information

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

Information To Be Provided in Response to This Notice of Institution

Please provide the requested information separately for each Domestic Like Product, as defined above, and for each of the products identified by Commerce as Subject Merchandise. If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term "firm" includes any related firms.

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

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

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

(4) A statement of the likely effects of the revocation of the countervailing duty and antidumping duty orders on each Domestic Industry for which you are filing a response in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in § 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely

impact of imports of Subject Merchandise on the Domestic Industry.

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

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in the Subject Countries that currently export or have exported Subject Merchandise to the United States or other countries since the year the petitions were filed. The Subject Merchandise, the Subject Countries, and the years the petitions were filed are listed below:

Subject Merchandise/Subject Country(ies)	Years
Carbon steel plate/Taiwan	1978
Cold-rolled carbon steel flat products/ Sweden	1984
Cut-to-length carbon steel plate/Belgium, Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and United Kingdom	1992
Cold-rolled carbon steel flat products/ Germany, Korea, and Netherlands	1992
Corrosion-resistant carbon steel flat products/Australia, Canada, France, Germany, Japan, and Korea	1992

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information separately on your firm's operations on each product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

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

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

(c) The quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Countries accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Countries; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from the Subject Countries.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

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

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

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

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: August 26, 1999.

Donna R. Koehnke,

Secretary.

[FR Doc. 99–22788 Filed 8–31–99; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. AA1921–197 (Review); 701–TA–231, 319–320, 322, 325–328, 340, 342, and 348–350 (Review); and 731–TA–573–576, 578, 582–587, 604, 607–608, 612, and 614–618 (Review)]

Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determinations to conduct full five-year reviews concerning the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B); a schedule for the reviews will be established and announced at a later date.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules

of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at http://www.usitc.gov/rules.htm.

EFFECTIVE DATE: December 3, 1999.

FOR FURTHER INFORMATION CONTACT: Vera Libeau (202–205–3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION: On December 3, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group responses to its notice of institution (64 FR 47862, September 1, 1999) were adequate with respect to all reviews, and that the respondent interested party group responses were adequate with respect to Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Romania, Spain, and United Kingdom but inadequate with respect to Australia, Poland, Sweden, and Taiwan. The Commission also found that other circumstances warranted conducting full reviews with respect to Australia, Poland, Sweden, and Taiwan.

A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

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

By order of the Commission.

Issued: December 14, 1999.

Donna R. Koehnke,

Secretary.

[FR Doc. 99–32935 Filed 12–20–99; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. AA1921–197 (Review), 701–TA–231, 319–320, 322, 325–328, 340, 342, and 348–350 (Review), and 731–TA–573–576, 578, 582–587, 604, 607–608, 612, and 614–618 (Review)]

Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the countervailing duty and antidumping duty orders on certain carbon steel products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). For further information concerning the conduct of these reviews and rules of general application, consult the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: April 7, 2000.

FOR FURTHER INFORMATION CONTACT: Elizabeth Haines (202–205–3200), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION:

Background

On December 3, 1999, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (64 F.R. 71494, December 21, 1999). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's web site.

Participation in the Reviews 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 these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

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

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews 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 reviews will be placed in the nonpublic record on August 16, 2000, and a public version will be issued thereafter, pursuant to § 207.64 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on September 12, 2000 (cold-rolled), September 13, 2000 (corrosion), and September 15, 2000 (plate) 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 September 7, 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 September 8, 2000, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by § 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written Submissions

Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.65 of the Commission's rules; the deadline for filing is August 28, 2000. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.67 of the Commission's rules. The deadline for filing posthearing briefs is September 22, 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 reviews may submit a written statement of information pertinent to the subject of the reviews on or before September 22, 2000. On October 25, 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 October 27, 2000, but such final comments must not contain new factual information and must otherwise comply with § 207.68 of the Commission's rules. All written submissions must conform with the provisions of § 201.8 of the

Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

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

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

Issued: April 12, 2000.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–9590 Filed 4–17–00; 8:45 am]

BILLING CODE 7020–02–U

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Certain Carbon Steel Products From Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom, Inv. Nos. AA1921-197 (Review); 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review); and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review)

On December 3, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

Cut-to-Length Carbon Steel Plate from Belgium, Brazil, Canada, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom, Inv. Nos. AA1921-197, 701-TA-320, 322, 325-328 and 731-TA-573-576, 578, 582-587 (Review)

The Commission received a joint response, with company-specific information, from Bethlehem Steel Corporation; Gulf States; National Steel Corporation; U.S. Denro Steels, Inc.; and U.S. Steel Group, a unit of USX Corporation, all domestic producers. The Commission determined that the company-specific responses were individually adequate. The Commission determined that the joint response was an adequate domestic interested party group response because the domestic producers account for a significant share of domestic production of the like product.

The Commission received joint responses, with company-specific information, from the following respondent interested parties: Usinas Siderurgicas de Minas Gerais and Companhia Siderurgica Paulista, Brazilian producers; AG der Dillinger Huttenwerke, Salzgitter AG Stahl und Technologie, Stahlwerke Bremen GmbH, and Thyssen Krupp Stahl AG, German producers; and British Steel Limited, a United Kingdom producer, and British Steel, Inc., a U.S. importer of subject merchandise from the United Kingdom. The Commission in addition received individual responses from the following respondent interested parties: the Government of Belgium; Duferco Clabecq, S.A., a Belgian producer; Fabrique de Fer de Charleroi SA, a Belgian producer; Stelco Inc., a Canadian producer and U.S. importer; Rautaruukki Oy, a Finnish producer; Altos Hornos de Mexico, S.A. de C.V., a Mexican producer; Sidex S.A., a Romanian producer; and Aceralia Productos Largos S.A., a Spanish producer. The Commission determined that all of those responses were individually adequate. The Commission did not receive responses from any respondent interested parties with respect to the findings or orders on carbon steel plate from Poland, Sweden, or Taiwan.

The Commission determined that the responses from Belgium, Brazil, Canada, Finland, Germany, Mexico, Romania, Spain, and the United Kingdom were adequate respondent interested party group responses because the respondent producers account for most or all of the production of the subject merchandise in their respective countries. The Commission determined that the respondent interested party group responses from Poland, Sweden, and Taiwan were inadequate.

The Commission determined to conduct full reviews for all findings and orders, based on the responses from domestic interested parties and respondent interested parties in all reviews except those concerning imports from Poland, Sweden, and Taiwan. The Commission determined to conduct full reviews concerning imports from Poland, Sweden, and Taiwan for reasons of administrative efficiency.

Cold-Rolled Carbon Steel Flat Products from Germany, Korea, Netherlands, and Sweden, Inv. Nos. 701-TA-231, 340, 342 and 731-TA-604, 607-608 (Review)

The Commission received a joint response, with company-specific information, from Bethlehem Steel Corporation; Ispat Inland, Inc.; LTV Steel Company, Inc.; National Steel Corporation; and U.S. Steel Group, a unit of USX Corporation, all domestic producers. The Commission determined that the company-specific responses were individually adequate. The Commission determined that the joint response was an adequate domestic interested party group response because the domestic producers account for a significant share of domestic production of the like product.

The Commission received a joint response, with company-specific information, from the following respondent interested parties: Thyssen Krupp Stahl AG, Stahlwerke Bremen Group GmbH, EKO Stahl GmbH, and Salzgitter AG, all German producers; Pohang Iron & Steel Co., Ltd. (POSCO), Union Steel Manufacturing Co., Dongbu Steel Co., Ltd., and Hyundai Pipe Co., Ltd, all Korean producers; and Hoogovens Staal BV and Hoogovens Steel USA, a producer and importer, respectively, of subject merchandise produced in the Netherlands. A response was also received from Kern-Liebers, an importer of subject German merchandise. The Commission determined that all of those responses were individually adequate. The Commission did not receive a response from any respondent interested party with respect to the order on cold-rolled carbon steel flat products from Sweden.

The Commission determined that the responses from Germany, Korea, and the Netherlands were adequate respondent interested party group responses because the respondent producers account for most or all of domestic production in their respective countries. The Commission determined that the respondent interested party group response from Sweden was inadequate.

The Commission determined to conduct full reviews for all orders, based on the responses from domestic interested parties and respondent interested parties in all reviews except the order concerning imports from Sweden. The Commission determined to conduct a full review concerning imports from Sweden for reasons of administrative efficiency.

Corrosion-Resistant Carbon Steel Flat Products from Australia, Canada, France, Germany, Japan, and Korea, Inv. Nos. 701-TA-348-350 and 731-TA-612, 614-618 (Review)

The Commission received a joint response, with company-specific information, from Bethlehem Steel Corporation; LTV Steel Company, Inc.; National Steel Corporation; U.S. Denro Steels, Inc.; AK Steel Corporation; and U.S. Steel Group, a unit of USX Corporation, all domestic producers. The Commission determined that the company-specific responses were individually adequate. The Commission determined that the joint response was an adequate domestic interested party group response because the domestic producers account for a significant share of domestic production of the like product.

The Commission received joint responses, with company-specific information, from the following respondent interested parties: Francosteel Corporation, a French importer, and Usinor, Sollac S.A., a French producer; Thyssen Krupp Stahl AG, Stahlwerke Bremen Group GmbH, EKO Stahl GmbH, and Salzgitter AG, all German producers; Kawasaki Steel Corporation, Kobe Steel, Ltd., Nippon Steel Corp., Nisshin Steel Co. Ltd., NKK Corporation, and Sumitomo Metal Industries, Ltd., all Japanese producers; and Pohang Iron and Steel Co., Ltd., Pohang Coated Steel Co., Ltd., Union Steel Manufacturing Co., Ltd., Dongbu Steel Co., Ltd., and Hyundai Pipe Co., Ltd, all Korean producers. The Commission in addition

received individual responses from the following respondent interested parties: Stelco Inc., a Canadian producer and U.S. importer; Continuous Color Coat, a Canadian producer; Dofasco, Inc., a Canadian producer; and Sorevco, Inc., a Canadian producer. The Commission determined that all of those responses were individually adequate. The Commission did not receive responses from any respondent interested parties with respect to the order on corrosion-resistant steel from Australia.

The Commission determined to conduct full reviews for all orders, based on the responses from domestic interested parties and respondent interested parties in all reviews except the order concerning imports from Australia. The Commission determined to conduct a full review concerning imports from Australia for reasons of administrative efficiency.

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:	Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom (Cold-Rolled)
Invs. Nos.:	AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review)
Date and Time:	September 12, 2000 - 9:30 a.m.

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

Congressional appearances:

The Honorable John D. Rockefeller IV, U.S. Senator, State of West Virginia

The Honorable Evan Bayh, U.S. Senator, State of Indiana

The Honorable Barbara A. Mikulski, U.S. Senator, State of Maryland

The Honorable Ralph Regula, U.S. Congressman, 16th District, State of Ohio

The Honorable Sander M. Levin, U.S. Congressman, 12th District, State of Michigan

The Honorable Amo Houghton, U.S. Congressman, 31st District, State of New York

The Honorable Benjamin L. Cardin, U.S. Congressman, 3rd District, State of Maryland

The Honorable Phil English, U.S. Congressman, 21st District, State of Pennsylvania

The Honorable Stephanie Tubbs Jones, U.S. Congresswoman, 11th District, State of Ohio

OPENING REMARKS

In Support of Continuation (**Robert E. Lighthizer**, Skadden, Arps, Slate, Meagher & Flom LLP)
In Support of Revocation (**Peter O. Suchman**, Powell, Goldstein, Frazer & Murphy LLP)

In Support of the Continuation of the Orders:

Dewey Ballantine LLP
and
Skadden, Arps, Slate, Meagher & Flom LLP
Washington, D.C.
on behalf of

Domestic Producers

Paul Wilhelm, President, U.S. Steel Group, a unit of USX Corporation

George Becker, President, United Steelworkers of America

S.P. Kothari, Professor, MIT Sloan School of Business

Brian Attwood, Vice President-Research, LTV Steel Company Incorporated

John Eckstein, Commercial Manager, Cold-Rolled Sheet, Bethlehem Steel Corporation

Stephen C. Rogers, Vice President, Sales and Marketing, Ispat Inland Incorporated

Steve Szymanski, Manager of Sales, U.S. Steel Group, a unit of USX Corporation

Walter Wilson, Automotive Marketing Manager, National Steel Corporation

David Riker, Senior Associate, Charles River Associates

William Noellert, Economist, Dewey Ballantine LLP

Alan Wm. Wolff)--Dewey Ballantine LLP
Kevin M. Dempsey)--Dewey Ballantine LLP
)–OF COUNSEL
Robert E. Lighthizer)--Skadden, Arps, Slate, Meagher & Flom LLP
Stephen P. Vaughn)--Skadden, Arps, Slate, Meagher & Flom LLP
Jamie L. Boucher)--Skadden, Arps, Slate, Meagher & Flom LLP

In Support of the Continuation of the Orders–Cont'd:

Adduci, Mastriani & Schaumberg, L.L.P.
Washington, D.C.
on behalf of

Theis Precision Steel Corporation

Richmond W. Glover, President and COO

Barbara A. Murphy–OF COUNSEL

In Support of the Revocation of the Orders:

Embassy of the Federal Republic of Germany, Washington, D.C.

Peter Ammon, Minister of Economics

On behalf of

Revocation

John G. Reilly, Vice President, Nathan Associates, Incorporated

Thomas J. Prusa, Rutgers University

Kaye, Scholer, Fierman, Hays & Handler, LLP
Washington, D.C.
on behalf of

Korea

Young Kwan Shin, Team Leader, Sales Planning,
Pohang Iron & Steel Company, Limited

Donald B. Cameron)
)–OF COUNSEL
R. Will Planert)

In Support of the Revocation of the Orders-Cont'd:

Powell, Goldstein, Frazer & Murphy LLP
Washington, D.C.
on behalf of

The Netherlands

Jaap Piso, Commercial Manager, North America, Corus Strip Products (formerly Hoogovens Staal BV), The Netherlands

Parker Stacy, President, Corus Steel USA, Incorporated (formerly Hoogovens Steel USA)

Peter O. Suchman)
Niall P. Meagher)–OF COUNSEL
Elizabeth C. Hafner)

Sharretts, Paley, Carter & Blauvelt, P.C.
New York, NY
on behalf of

Germany

Jochen Ottersbach, Division Manager–Export Sales, Cold Rolled and Coated Products, Thyssen Krupp Stahl

Stefan Gruenhage, Division Manager, Central Sales Service, Thyssen Krupp Stahl

Gail T. Cumins)
)–OF COUNSEL
Ned H. Marshak)

REBUTTAL/CLOSING REMARKS

In Support of Continuation (**Stephen P. Vaughn**, Skadden, Arps, Slate, Meagher & Flom LLP and **Kevin M. Dempsey**, Dewey Ballantine LLP)
In Support of Revocation (**Gail T. Cumins**, Sharretts, Paley, Carter & Blauvelt, P.C.)

CALENDAR OF PUBLIC HEARINGS

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

Subject:	Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and United Kingdom (Corrosion-Resistant)
Invs. Nos.:	AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review)
Date and Time:	September 13, 2000 - 9:30 a.m.

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

Congressional appearances:

The Honorable Max Baucus, U.S. Senator, State of Montana

The Honorable Arlen Specter, U.S. Senator, State of Pennsylvania

The Honorable Peter J. Visclosky, U.S. Congressman, 1st District, State of Indiana

The Honorable Jack Quinn, U.S. Congressman, 30th District, State of New York

The Honorable Robert L. Ehrlich, Jr., U.S. Congressman, 2nd District, State of Maryland

The Honorable Robert W. Ney, U.S. Congressman, 18th District, State of Ohio

The Honorable Sue Myrick, U.S. Congresswoman, 9th District, State of North Carolina

The Honorable Dennis J. Kucinich, U.S. Congressman, 10th District, State of Ohio

The Honorable Patrick J. Toomey, U.S. Congressman, 15th District, State of Pennsylvania

OPENING REMARKS

In Support of Continuation (**Alan Wm. Wolff**, Dewey Ballantine LLP)
In Support of Revocation (**Robert Litan**, Vice President, Brookings Institution)

In Support of the Continuation of the Orders:

Dewey Ballantine LLP
and
Skadden, Arps, Slate, Meagher & Flom LLP
Washington, D.C.
on behalf of

Domestic Producers

Duane Dunham, Chairman and CEO, Bethlehem Steel Corporation

Peter Kelly, Chairman, President and CEO, LTV Corporation

George Becker, President, United Steelworkers of America

Paul Wilhelm, President, U.S. Steel Group, a unit of USX Corporation

Brian Palmer, Vice President, Charles River Associates

John Parsons, Vice President, Charles River Associates

David Althoff, Vice President, Sales and Marketing, Automotive, LTV Steel Company Incorporated

Brian Attwood, Vice President-Research, LTV Steel Company Incorporated

Frank Courtney, Manager, Automotive Marketing, U.S. Steel Group, a unit of USX Corporation

David Leymeister, Regional Sales Manager, SW. Region, Bethlehem Steel Corporation

Stephen C. Rogers, Vice President, Sales and Marketing, Ispat Inland Incorporated

Joseph A. Rutkowski, Executive Vice President, Nucor Corporation

In Support of the Continuation of the Orders-Cont'd:

David Riker, Senior Associate, Charles River Associates

William Noellert, Economist, Dewey Ballantine LLP

Susan Hester, Economist, Dewey Ballantine LLP

Alan Wm. Wolff)--Dewey Ballantine LLP
Kevin M. Dempsey)--Dewey Ballantine LLP
)–OF COUNSEL
Robert E. Lighthizer)--Skadden, Arps, Slate, Meagher & Flom LLP
Stephen P. Vaughn)--Skadden, Arps, Slate, Meagher & Flom LLP
Jamie L. Boucher)--Skadden, Arps, Slate, Meagher & Flom LLP

Schagrin Associates
Washington, D.C.
on behalf of

Domestic Producers

Cynde Vidas, Sales Product Manager - Galvanized Sheet, Weirton Steel Corporation

John Walker, President and COO, Weirton Steel Corporation

Roger B. Schagrin–OF COUNSEL

In Support of the Revocation of the Orders:

On behalf of

Revocation

Robert Litan, Vice President, Brookings Institution

Robert Crandall, Senior Fellow, Brookings Institution

John G. Reilly, Vice President, Nathan Associates, Incorporated

Thomas J. Prusa, Rutgers University

In Support of the Revocation of the Orders-Cont'd:

Clifford Chance Rogers & Wells LLP
Washington, D.C.
on behalf of

Canada

Dennis Martin, Manager, Trade Relations and Market Data, Dofasco

William Silverman)
)–OF COUNSEL
Douglas J. Heffner)

Weil, Gotshal & Manges LLP
Washington, D.C.
on behalf of

France

Jean-Pierre Schires, International Trade Relations Manager, Usinor

Alain Le Grix, Executive Vice-President (Head of Sales), Usinor Steel Corporation

A. Paul Victor)
)–OF COUNSEL
Gregory Husisian)

Sharretts, Paley, Carter & Blauvelt, P.C.
New York, NY
on behalf of

Germany

Jochen Ottersbach, Division Manager–Export Sales, Cold Rolled and Coated Products, Thyssen Krupp Stahl

Stefan Gruenhage, Division Manager, Central Sales Service, Thyssen Krupp Stahl

Gail T. Cumins)
)–OF COUNSEL
Ned H. Marshak)

In Support of the Revocation of the Orders-Cont'd:

Gibson, Dunn & Crutcher LLP
Washington, D.C.
on behalf of

Japan

Takashi Hirose, Group Manager, Coated Sheet Export Department, Export Division, Nippon Steel Corporation, Tokyo, Japan

Joseph H. Price)
Lisa A. Murray)–OF COUNSEL
J. Christopher Wood)

Kaye, Scholer, Fierman, Hays & Handler, LLP
Washington, D.C.
on behalf of

Korea

Young Kwan Shin, Team Leader, Sales Planning, Pohang Iron & Steel Company, Limited

Donald B. Cameron)
)–OF COUNSEL
R. Will Planert)

REBUTTAL/CLOSING REMARKS

In Support of Continuation (**Jamie L. Boucher**, Skadden, Arps, Slate, Meagher & Flom LLP and **Kevin M. Dempsey**, Dewey Ballantine LLP)
In Support of Revocation (**Robert Litan**, Vice President, Brookings Institution)

CALENDAR OF PUBLIC HEARINGS

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

Subject:	Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Netherlands, Poland Romania, Spain, Sweden, Taiwan, and United Kingdom (Plate)
Invs. Nos.:	AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review)
Date and Time:	September 15, 2000 - 9:30 a.m.

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

Congressional appearances:

The Honorable Rick Santorum, U.S. Senator, State of Pennsylvania

The Honorable George V. Voinovich, U.S. Senator, State of Ohio

The Honorable John P. Murtha, U.S. Congressman, 12th District, State of Pennsylvania

The Honorable James C. Greenwood, U.S. Congressman, 8th District, State of Pennsylvania

The Honorable Joseph R. Pitts, U.S. Congressman, 16th District, State of Pennsylvania

The Honorable Robert B. Aderholt, U.S. Congressman, 4th District, State of Alabama

U.S. Department of Commerce

The Honorable Robert S. LaRussa, The Under Secretary for International Trade, U.S. Department of Commerce

OPENING REMARKS

In Support of Continuation (**Robert E. Lighthizer**, Skadden, Arps, Slate, Meagher & Flom LLP)
In Support of Revocation (**Frederick P. Waite**, Holland & Knight LLP)

In Support of the Continuation of the Orders:

Dewey Ballantine LLP
and
Skadden, Arps, Slate, Meagher & Flom LLP
Washington, D.C.
on behalf of

Domestic Producers

Duane Dunham, Chairman and CEO, Bethlehem Steel Corporation

George Becker, President, United Steelworkers of America

Chris Navetta, General Manager, Plate Products, U.S. Steel Group, a unit of USX Corporation

Van Reiner, President, Bethlehem Lukens Plate Division

David Riker, Senior Associate, Charles River Associates

William Noellert, Economist, Dewey Ballantine LLP

Susan Hester, Economist, Dewey Ballantine LLP

Alan Wm. Wolff)--Dewey Ballantine LLP
Kevin M. Dempsey)--Dewey Ballantine LLP
)–OF COUNSEL
Robert E. Lighthizer)--Skadden, Arps, Slate, Meagher & Flom LLP
Stephen P. Vaughn)--Skadden, Arps, Slate, Meagher & Flom LLP
Jamie L. Boucher)--Skadden, Arps, Slate, Meagher & Flom LLP

In Support of the Continuation of the Orders-Cont'd:

Schagrin Associates
Washington, D.C.
on behalf of

Domestic Producers

John Duncan, Senior Vice President - Administration,
Gulf States Steel, Incorporated

Dennis Nolan, Vice President - Business Development,
Geneva Steel

John Tulloch, Senior Vice President and Chief Commercial Officer,
IPSCO Steel, Incorporated

Robert A. Blecker, Economist, American University

Roger B. Schagrin–OF COUNSEL

In Support of the Revocation of the Orders:

Economic Consulting Services, Incorporated
Washington, D.C.
on behalf of

Revocation

Bruce P. Malashevich, President

Bryant Brookes, Senior Economist

Sabina Neumann, Staff Economist

Caterpillar, Incorporated, Peoria, Illinois

Sunit Sachdev, Principal Buyer

In Support of the Revocation of the Orders-Cont'd:

AG der Dillinger Hüttenwerke

Klaus Heller, Director

Willkie Farr & Gallagher
Washington, D.C.
on behalf of

Canada

Denis Boiteau, General Manager-Plate Sales, Stelco Incorporated

Christopher Dunn–OF COUNSEL

White & Case LLP
Washington, D.C.
on behalf of

Belgium

Michael Servais, Sales Representative, Duferco Steel, Incorporated

Lyle B. Vander Schaaf–OF COUNSEL

DeKieffer & Horgan
Washington, D.C.
on behalf of

Germany

Klaus Heller, Director, AG der Dillinger Hüttenwerke

Marc E. Montalbine)
)–OF COUNSEL
Peter L. Sultan)

In Support of the Revocation of the Orders-Cont'd:

O'Melveny & Myers LLP
Washington, D.C.
on behalf of

Mexico

Gonzalo Campos Cervera, Deputy Director for Distributor Sales, AHMSA

Daniel Riojas de la Garza, Controller of Plant Operations, AHMSA

Kermit W. Almstedt–OF COUNSEL

Perkins Coie LLP
Washington, D.C.
on behalf of

Sweden

Kim Capelle, Business Area Manager, SSAB

Thomas V. Vakerics)
)–OF COUNSEL
Mark T. Wasden)

Holland & Knight LLP
Washington, D.C.
on behalf of

Finland

Frederick P. Waite)
)–OF COUNSEL
Kimberly R. Young)

In Support of the Revocation of the Orders-Cont'd:

O'Melveny & Myers LLP
Washington, D.C.
on behalf of

Spain

Peggy A. Clarke–OF COUNSEL

Steptoe & Johnson LLP
Washington, D.C.
on behalf of

United Kingdom

Richard O. Cunningham–OF COUNSEL

Arent Fox Kintner Plotkin & Kahn, PLLC
Washington, D.C.
on behalf of

Romania

John M. Gurley–OF COUNSEL

Barnes, Richardson & Colburn
Washington, D.C.
on behalf of

Belgium

Gunter von Conrad–OF COUNSEL

REBUTTAL/CLOSING REMARKS

In Support of Continuation (**Kevin M. Dempsey**, Dewey Ballantine LLP and **Roger B. Schagrin**, Schagrin Associates)
In Support of Revocation (**Christopher Dunn**, Willkie Farr & Gallagher)

APPENDIX C

SUMMARY DATA

C-1

Table C-1
Plate: 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					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	6,627,268	8,222,194	6,001,329	1,555,540	1,626,234	-9.4	24.1	-27.0	4.5
Producers' share (1)	83.6	79.4	89.8	83.5	93.2	6.2	-4.2	10.4	9.7
Importers' share (1):									
Belgium	0.0	0.1	0.1	0.0	0.2	0.1	0.1	0.0	0.2
Brazil	0.1	0.0	0.0	0.1	0.0	-0.0	-0.0	0.0	-0.1
Canada	0.8	0.9	1.1	1.2	0.9	0.3	0.1	0.2	-0.3
Finland	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0
Germany	0.2	0.0	0.0	0.0	0.1	-0.1	-0.1	-0.0	0.1
Mexico	0.0	0.6	1.2	3.1	0.0	1.2	0.6	0.6	-3.1
Poland	0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.0	-0.0
Romania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0
Sweden	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0
United Kingdom	0.0	0.2	0.0	0.1	0.0	0.0	0.2	-0.2	-0.1
Subtotal	1.2	1.9	2.6	4.6	1.2	1.5	0.8	0.7	-3.4
Other sources	15.3	18.7	7.6	11.9	5.6	-7.7	3.4	-11.1	-6.3
Total imports	16.4	20.6	10.2	16.5	6.8	-6.2	4.2	-10.4	-9.7
U.S. consumption value:									
Amount	2,885,058	3,566,250	2,196,369	597,944	596,742	-23.9	23.6	-38.4	-0.2
Producers' share (1)	86.2	81.8	91.2	85.1	94.5	5.0	-4.4	9.4	9.4
Importers' share (1):									
Belgium	0.0	0.1	0.2	0.0	0.2	0.2	0.1	0.0	0.2
Brazil	0.1	0.0	0.0	0.1	0.0	-0.1	-0.1	0.0	-0.1
Canada	0.8	0.9	1.1	1.3	0.9	0.3	0.1	0.2	-0.3
Finland	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	-0.0	-0.0
Germany	0.1	0.0	0.0	0.0	0.1	-0.1	-0.1	-0.0	0.1
Mexico	0.0	0.5	1.0	2.6	0.0	1.0	0.5	0.5	-2.6
Poland	0.1	0.0	0.0	0.0	0.0	-0.1	-0.0	-0.0	-0.0
Romania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0
Sweden	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0
Taiwan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0
United Kingdom	0.0	0.3	0.0	0.1	0.0	0.0	0.3	-0.3	-0.1
Subtotal	1.1	1.9	2.4	4.0	1.3	1.3	0.8	0.5	-2.8
Other sources	12.7	16.3	6.4	10.9	4.2	-6.3	3.7	-9.9	-6.7
Total imports	13.8	18.2	8.8	14.9	5.5	-5.0	4.4	-9.4	-9.4
U.S. imports from:									
Belgium:									
Quantity	66	8,051	8,591	335	2,876	12,959.3	12,138.5	6.7	759.7
Value	33	4,046	3,537	160	1,111	10,501.9	12,026.0	-12.6	596.4
Unit value	$507.17	$502.51	$411.74	$476.81	$386.23	-18.8	-0.9	-18.1	-19.0
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Brazil:									
Quantity	4,172	1,430	1,358	1,276	270	-67.4	-65.7	-5.0	-78.8
Value	2,357	801	553	518	128	-76.5	-66.0	-31.0	-75.3
Unit value	$564.96	$560.19	$407.00	$406.41	$474.02	-28.0	-0.8	-27.3	16.6
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Canada:									
Quantity	55,815	76,005	66,955	19,072	15,252	20.0	36.2	-11.9	-20.0
Value	24,211	32,248	24,798	7,506	5,629	2.4	33.2	-23.1	-25.0
Unit value	$433.77	$424.29	$370.36	$393.56	$369.05	-14.6	-2.2	-12.7	-6.2
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Finland:									
Quantity	34	1,024	28	10	0	-19.1	2,884.3	-97.3	-100.0
Value	29	387	11	4	0	-60.7	1,230.1	-97.0	-100.0
Unit value	$848.26	$378.06	$411.39	$428.24	(2)	-51.5	-55.4	8.8	(2)
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0

Table continued on next page.

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Table C-1--Continued
Plate: 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					Jan.-Mar.
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. imports from:									
Germany:									
Quantity	10,716	2,512	1,296	250	1,649	-87.9	-76.6	-48.4	560.7
Value	3,990	1,623	594	111	782	-85.1	-59.3	-63.4	601.8
Unit value	$372.32	$645.90	$458.11	$446.42	$474.19	23.0	73.5	-29.1	6.2
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Mexico:									
Quantity	225	50,366	74,696	48,910	33	33,027.8	22,237.2	48.3	-99.9
Value	98	16,968	21,757	15,277	21	22,121.8	17,230.8	28.2	-99.9
Unit value	$434.23	$336.90	$291.28	$312.34	$631.15	-32.9	-22.4	-13.5	102.1
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Poland:									
Quantity	4,312	477	71	55	0	-98.4	-88.9	-85.1	-100.0
Value	1,544	167	23	17	0	-98.5	-89.2	-86.4	-100.0
Unit value	$358.10	$350.76	$320.50	$310.36	(2)	-10.5	-2.0	-8.6	(2)
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Romania:									
Quantity	56	620	348	0	0	526.9	1,017.1	-43.9	0.0
Value	21	166	114	0	0	430.1	672.3	-31.4	0.0
Unit value	$386.73	$267.36	$327.02	(2)	(2)	-15.4	-30.9	22.3	(2)
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Spain:									
Quantity	0	446	356	10	0	(2)	(2)	-20.3	-100.0
Value	0	191	191	7	0	(2)	(2)	0.3	-100.0
Unit value	(2)	$427.49	$538.14	$763.22	(2)	(2)	(2)	25.9	(2)
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Sweden:									
Quantity	123	0	188	0	52	53.5	-100.0	(2)	(2)
Value	27	0	90	0	17	233.8	-100.0	(2)	(2)
Unit value	$219.97	(2)	$478.38	(2)	$324.96	117.5	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Taiwan:									
Quantity	0	223	0	0	16	0.0	(2)	-100.0	(2)
Value	0	55	0	0	7	0.0	(2)	-100.0	(2)
Unit value	(2)	$246.82	(2)	(2)	$454.24	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
United Kingdom:									
Quantity	781	18,726	2,706	1,875	27	246.4	2,297.0	-85.5	-98.5
Value	336	11,545	924	584	14	174.9	3,333.8	-92.0	-97.5
Unit value	$430.38	$616.53	$341.57	$311.51	$523.46	-20.6	43.3	-44.6	68.0
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Subtotal:									
Quantity	76,300	159,880	156,593	71,791	20,176	105.2	109.5	-2.1	-71.9
Value	32,647	68,197	52,592	24,185	7,709	61.1	108.9	-22.9	-68.1
Unit value	$427.88	$426.55	$335.85	$336.88	$382.09	-21.5	-0.3	-21.3	13.4
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Other sources:									
Quantity	1,013,763	1,535,882	455,645	184,866	90,570	-55.1	51.5	-70.3	-51.0
Value	365,158	581,574	140,573	64,947	24,917	-61.5	59.3	-75.8	-61.6
Unit value	$360.20	$378.66	$308.51	$351.32	$275.12	-14.3	5.1	-18.5	-21.7
Ending inventory quantity	72,472	89,292	46,019	83,800	21,318	-36.5	23.2	-48.5	-74.6
All sources:									
Quantity	1,090,064	1,695,762	612,238	256,657	110,746	-43.8	55.6	-63.9	-56.9
Value	397,805	649,771	193,165	89,132	32,627	-51.4	63.3	-70.3	-63.4
Unit value	$364.94	$383.17	$315.51	$347.28	$294.61	-13.5	5.0	-17.7	-15.2
Ending inventory quantity	72,472	89,292	46,019	83,800	21,318	-36.5	23.2	-48.5	-74.6

Table continued on next page.

Table C-1--Continued
Plate: 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					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. producers':									
Average capacity quantity	7,338,833	9,090,730	8,367,246	2,100,783	2,199,719	14.0	23.9	-8.0	4.7
Production quantity	5,763,807	6,830,947	5,534,481	1,243,413	1,589,384	-4.0	18.5	-19.0	27.8
Capacity utilization (1)	78.5	75.1	66.1	59.2	72.3	-12.4	-3.4	-9.0	13.1
U.S. shipments:									
Quantity	5,537,204	6,526,432	5,389,091	1,298,883	1,515,488	-2.7	17.9	-17.4	16.7
Value	2,487,253	2,916,479	2,003,204	508,812	564,115	-19.5	17.3	-31.3	10.9
Unit value	$449.19	$446.87	$371.71	$391.73	$372.23	-17.2	-0.5	-16.8	-5.0
Export shipments:									
Quantity	171,328	227,108	220,092	42,725	87,507	28.5	32.6	-3.1	104.8
Value	78,063	103,684	80,474	16,170	31,467	3.1	32.8	-22.4	94.6
Unit value	$455.63	$456.54	$365.64	$378.47	$359.59	-19.8	0.2	-19.9	-5.0
Ending inventory quantity	390,001	467,710	403,893	363,296	381,134	3.6	19.9	-13.6	4.9
Inventories/total shipments (1)	6.8	6.9	7.2	6.8	5.9	0.4	0.1	0.3	-0.8
Production workers	8,021	8,337	6,558	6,535	6,746	-18.2	3.9	-21.3	3.2
Hours worked (1,000s)	17,086	17,835	13,401	3,300	3,597	-21.6	4.4	-24.9	9.0
Wages paid ($1,000s)	378,451	401,639	301,881	73,019	82,221	-20.2	6.1	-24.8	12.6
Hourly wages	$22.15	$22.52	$22.53	$22.12	$22.86	1.7	1.7	0.0	3.3
Productivity (tons/1,000 hours)	333.0	378.8	408.5	369.2	434.9	22.7	13.8	7.8	17.8
Unit labor costs	$66.53	$59.45	$55.14	$59.93	$52.56	-17.1	-10.6	-7.2	-12.3
Net sales:									
Quantity	5,010,162	5,929,487	4,532,809	1,047,213	1,292,487	-9.5	18.3	-23.6	23.4
Value	2,260,302	2,664,135	1,738,319	425,634	482,604	-23.1	17.9	-34.8	13.4
Unit value	$451.14	$449.30	$383.50	$406.44	$373.39	-15.0	-0.4	-14.6	-8.1
Cost of goods sold (COGS)	2,097,346	2,436,994	1,834,144	450,816	482,287	-12.5	16.2	-24.7	7.0
Gross profit or (loss)	162,956	227,141	(95,825)	(25,182)	317	(3)	39.4	(3)	(3)
SG&A expenses	73,306	92,850	81,242	20,849	17,402	10.8	26.7	-12.5	-16.5
Operating income or (loss)	89,650	134,291	(177,067)	(46,031)	(17,085)	(3)	49.8	(3)	62.9
Capital expenditures	97,343	94,006	82,860	16,514	8,964	-14.9	-3.4	-11.9	-45.7
Unit COGS	$418.62	$411.00	$404.64	$430.49	$373.15	-3.3	-1.8	-1.5	-13.3
Unit SG&A expenses	$14.63	$15.66	$17.92	$19.91	$13.46	22.5	7.0	14.5	-32.4
Unit operating income or (loss)	$17.89	$22.65	($39.06)	($43.96)	($13.22)	(3)	26.6	(3)	69.9
COGS/sales (1)	92.8	91.5	105.5	105.9	99.9	12.7	-1.3	14.0	-6.0
Operating income or (loss)/ sales (1)	4.0	5.0	(10.2)	(10.8)	(3.5)	-14.2	1.1	-15.2	7.3

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

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Table C-2
Cold-rolled: 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					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	34,267,441	36,404,716	37,847,492	9,238,128	9,844,836	10.4	6.2	4.0	6.6
Producers' share (1)	90.8	90.1	92.3	92.1	95.6	1.5	-0.7	2.2	3.5
Importers' share (1):									
Germany	0.1	0.2	0.1	0.1	0.1	0.0	0.0	-0.0	0.1
Korea	0.0	0.7	0.3	0.6	0.5	0.3	0.7	-0.4	-0.1
Netherlands	0.2	0.3	0.1	0.1	0.0	-0.2	0.0	-0.2	-0.1
Sweden	0.1	0.0	0.1	0.1	0.0	-0.0	-0.0	0.0	-0.1
Subtotal	0.5	1.2	0.6	0.9	0.7	0.1	0.7	-0.6	-0.2
Other sources	8.7	8.7	7.1	6.9	3.7	-1.7	-0.0	-1.6	-3.3
Total imports	9.2	9.9	7.7	7.9	4.4	-1.5	0.7	-2.2	-3.5
U.S. consumption value:									
Amount	15,435,894	15,647,599	15,277,695	3,755,717	4,132,956	-1.0	1.4	-2.4	10.0
Producers' share (1)	90.6	90.4	92.9	92.6	95.4	2.3	-0.2	2.5	2.8
Importers' share (1):									
Germany	0.2	0.2	0.2	0.1	0.2	-0.0	0.0	-0.0	0.1
Korea	0.0	0.5	0.3	0.5	0.4	0.2	0.5	-0.3	-0.1
Netherlands	0.2	0.3	0.1	0.1	0.0	-0.2	0.0	-0.2	-0.1
Sweden	0.2	0.1	0.2	0.2	0.1	0.0	-0.0	0.0	-0.1
Subtotal	0.6	1.2	0.7	1.0	0.8	0.1	0.6	-0.5	-0.1
Other sources	8.8	8.4	6.4	6.5	3.8	-2.4	-0.4	-2.0	-2.7
Total imports	9.4	9.6	7.1	7.4	4.6	-2.3	0.2	-2.5	-2.8
U.S. imports from:									
Germany:									
Quantity	47,554	59,595	52,654	4,675	13,542	10.7	25.3	-11.6	189.7
Value	31,527	37,492	30,042	4,000	9,129	-4.7	18.9	-19.9	128.2
Unit value	$662.99	$629.12	$570.56	$855.61	$674.10	-13.9	-5.1	-9.3	-21.2
Ending inventory quantity	19,330	17,542	18,837	14,638	18,155	-2.6	-9.2	7.4	24.0
Korea:									
Quantity	3,656	246,828	116,977	58,321	49,952	3,099.9	6,651.9	-52.6	-14.4
Value	2,706	85,834	39,941	19,882	18,077	1,376.1	3,072.2	-53.5	-9.1
Unit value	$740.16	$347.75	$341.45	$340.91	$361.89	-53.9	-53.0	-1.8	6.2
Ending inventory quantity	0	15,971	5,955	5,324	1,905	(2)	(2)	-62.7	-64.2
Netherlands:									
Quantity	84,476	101,010	34,348	12,604	3,640	-59.3	19.6	-66.0	-71.1
Value	38,569	43,639	12,895	4,728	1,371	-66.6	13.1	-70.5	-71.0
Unit value	$456.56	$432.03	$375.43	$375.16	$376.51	-17.8	-5.4	-13.1	0.4
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Sweden:									
Quantity	26,270	15,826	27,853	9,636	3,275	6.0	-39.8	76.0	-66.0
Value	25,894	21,852	26,362	7,306	5,190	1.8	-15.6	20.6	-29.0
Unit value	$985.68	$1,380.71	$946.47	$758.22	$1,584.67	-4.0	40.1	-31.5	109.0
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Subtotal:									
Quantity	161,956	423,259	231,831	85,236	70,409	43.1	161.3	-45.2	-17.4
Value	98,696	188,817	109,240	35,917	33,766	10.7	91.3	-42.1	-6.0
Unit value	$609.40	$446.10	$471.20	$421.38	$479.57	-22.7	-26.8	5.6	13.8
Ending inventory quantity	19,330	33,513	24,792	19,962	20,060	28.3	73.4	-26.0	0.5
Other sources:									
Quantity	2,994,177	3,171,223	2,673,656	641,967	363,132	-10.7	5.9	-15.7	-43.4
Value	1,354,166	1,314,579	974,215	243,011	155,693	-28.1	-2.9	-25.9	-35.9
Unit value	$452.27	$414.53	$364.38	$378.54	$428.75	-19.4	-8.3	-12.1	13.3
Ending inventory quantity	24,094	39,606	19,602	32,456	22,865	-18.6	64.4	-50.5	-29.6
All sources:									
Quantity	3,156,133	3,594,482	2,905,487	727,203	433,541	-7.9	13.9	-19.2	-40.4
Value	1,452,861	1,503,396	1,083,455	278,928	189,459	-25.4	3.5	-27.9	-32.1
Unit value	$460.33	$418.25	$372.90	$383.56	$437.00	-19.0	-9.1	-10.8	13.9
Ending inventory quantity	43,424	73,119	44,394	52,418	42,925	2.2	68.4	-39.3	-18.1

Table continued on next page.

Table C-2--Continued
Cold-rolled: 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					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. producers':									
Average capacity quantity	38,640,136	40,333,184	41,130,136	10,121,034	10,504,034	6.4	4.4	2.0	3.8
Production quantity	31,564,684	33,359,372	35,370,165	8,590,534	9,471,670	12.1	5.7	6.0	10.3
Capacity utilization (1)	81.7	82.7	86.0	84.9	90.2	4.3	1.0	3.3	5.3
U.S. shipments:									
Quantity	31,111,308	32,810,234	34,942,005	8,510,925	9,411,295	12.3	5.5	6.5	10.6
Value	13,983,033	14,144,203	14,194,240	3,476,789	3,943,497	1.5	1.2	0.4	13.4
Unit value	$449.45	$431.09	$406.22	$408.51	$419.02	-9.6	-4.1	-5.8	2.6
Export shipments:									
Quantity	248,570	215,585	265,752	64,244	81,486	6.9	-13.3	23.3	26.8
Value	172,399	198,985	217,829	58,058	54,819	26.4	15.4	9.5	-5.6
Unit value	$693.56	$923.00	$819.67	$903.71	$672.74	18.2	33.1	-11.2	-25.6
Ending inventory quantity	1,903,039	2,020,644	2,081,759	2,052,408	2,020,134	9.4	6.2	3.0	-1.6
Inventories/total shipments (1)	6.1	6.1	5.9	6.0	5.3	-0.2	0.0	-0.2	-0.7
Production workers	24,915	24,869	23,264	23,463	24,140	-6.6	-0.2	-6.5	2.9
Hours worked (1,000s)	54,863	54,868	52,907	13,510	13,809	-3.6	0.0	-3.6	2.2
Wages paid ($1,000s)	1,393,785	1,478,804	1,381,112	344,766	371,622	-0.9	6.1	-6.6	7.8
Hourly wages	$25.47	$27.03	$26.22	$25.60	$27.03	2.9	6.1	-3.0	5.6
Productivity (tons/1,000 hours)	575.3	608.0	668.5	635.8	685.9	16.2	5.7	10.0	7.9
Unit labor costs	$44.46	$44.61	$39.20	$40.35	$39.43	-11.8	0.3	-12.1	-2.3
Net sales:									
Quantity	31,455,836	33,099,690	35,363,057	8,631,846	9,515,707	12.4	5.2	6.8	10.2
Value	14,189,632	14,463,714	14,350,228	3,529,883	3,953,164	1.1	1.9	-0.8	12.0
Unit value	$451.10	$436.97	$405.80	$408.94	$415.44	-10.0	-3.1	-7.1	1.6
Cost of goods sold (COGS)	12,721,212	13,403,275	13,580,906	3,359,590	3,660,538	6.8	5.4	1.3	9.0
Gross profit or (loss)	1,468,420	1,060,439	769,322	170,293	292,626	-47.6	-27.8	-27.5	71.8
SG&A expenses	599,521	685,679	713,343	171,949	178,261	19.0	14.4	4.0	3.7
Operating income or (loss)	868,899	374,760	55,979	(1,656)	114,365	-93.6	-56.9	-85.1	(3)
Capital expenditures	479,540	472,936	434,136	86,948	60,321	-9.5	-1.4	-8.2	-30.6
Unit COGS	$404.42	$404.94	$384.04	$389.21	$384.68	-5.0	0.1	-5.2	-1.2
Unit SG&A expenses	$19.06	$20.72	$20.17	$19.92	$18.73	5.8	8.7	-2.6	-6.0
Unit operating income or (loss)	$27.62	$11.32	$1.58	($0.19)	$12.02	-94.3	-59.0	-86.0	(3)
COGS/sales (1)	89.7	92.7	94.6	95.2	92.6	5.0	3.0	2.0	-2.6
Operating income or (loss)/ sales (1)	6.1	2.6	0.4	(0.0)	2.9	-5.7	-3.5	-2.2	2.9

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.
(3) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

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Table C-3
Corrosion-resistant: 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					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	17,776,625	18,318,059	19,934,889	4,842,739	5,221,135	12.1	3.0	8.8	7.8
Producers' share (1)	91.2	91.7	90.2	90.2	91.1	-1.0	0.5	-1.5	0.9
Importers' share (1):									
Australia	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0
Canada	2.2	2.2	1.8	1.8	1.9	-0.4	-0.0	-0.4	0.1
France	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0
Germany	0.3	0.1	0.2	0.1	0.2	-0.1	-0.2	0.1	0.1
Japan	0.1	0.2	0.2	0.4	0.1	0.1	0.1	0.1	-0.3
Korea	0.3	0.8	1.6	1.9	1.4	1.2	0.5	0.7	-0.5
Subtotal	3.0	3.3	3.8	4.2	3.7	0.8	0.3	0.5	-0.5
Other sources	5.8	4.9	6.0	5.6	5.2	0.2	-0.8	1.1	-0.4
Total imports	8.8	8.3	9.8	9.8	8.9	1.0	-0.5	1.5	-0.9
U.S. consumption value:									
Amount	10,896,245	10,880,352	11,031,334	2,709,624	2,853,385	1.2	-0.1	1.4	5.3
Producers' share (1)	91.5	91.9	90.8	90.7	91.4	-0.6	0.4	-1.1	0.8
Importers' share (1):									
Australia	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	-0.0
Canada	2.0	1.9	1.7	1.7	2.0	-0.2	-0.1	-0.2	0.3
France	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	-0.0
Germany	0.3	0.1	0.2	0.1	0.3	-0.1	-0.2	0.0	0.1
Japan	0.2	0.2	0.3	0.5	0.2	0.1	0.0	0.1	-0.3
Korea	0.4	0.9	1.5	1.8	1.3	1.1	0.5	0.6	-0.5
Subtotal	2.9	3.2	3.8	4.1	3.8	0.9	0.3	0.6	-0.4
Other sources	5.6	4.9	5.4	5.2	4.8	-0.2	-0.7	0.5	-0.4
Total imports	8.5	8.1	9.2	9.3	8.6	0.6	-0.4	1.1	-0.8
U.S. imports from:									
Australia:									
Quantity	636	82	39	7	3	-93.9	-87.1	-52.2	-58.9
Value	524	111	100	34	21	-80.9	-78.8	-9.9	-36.3
Unit value	$823.92	$1,358.79	$2,561.41	$4,550.07	$7,043.61	210.9	64.9	88.5	54.8
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Canada:									
Quantity	393,986	397,529	356,620	87,429	101,629	-9.5	0.9	-10.3	16.2
Value	215,365	208,575	192,081	45,840	56,593	-10.8	-3.2	-7.9	23.5
Unit value	$546.63	$524.68	$538.62	$524.32	$556.86	-1.5	-4.0	2.7	6.2
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
France:									
Quantity	5,677	2,478	4,121	744	142	-27.4	-56.3	66.3	-81.0
Value	3,725	1,890	2,377	646	150	-36.2	-49.3	25.8	-76.7
Unit value	$656.13	$762.66	$576.89	$867.76	$1,062.72	-12.1	16.2	-24.4	22.5
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Germany:									
Quantity	54,869	21,557	34,434	5,022	12,825	-37.2	-60.7	59.7	155.4
Value	33,776	16,060	21,071	3,319	7,458	-37.6	-52.5	31.2	124.7
Unit value	$615.58	$745.02	$611.92	$660.93	$581.55	-0.6	21.0	-17.9	-12.0
Ending inventory quantity	12,701	11,824	20,731	11,667	15,280	63.2	-6.9	75.3	31.0
Japan:									
Quantity	24,269	34,182	49,248	19,293	6,437	102.9	40.8	44.1	-66.6
Value	21,908	27,159	35,961	13,405	5,387	64.1	24.0	32.4	-59.8
Unit value	$902.70	$794.56	$730.20	$694.80	$837.00	-19.1	-12.0	-8.1	20.5
Ending inventory quantity	1,429	10,950	5,608	11,158	1,233	292.4	666.3	-48.8	-88.9
Korea:									
Quantity	58,658	154,984	309,989	91,268	72,777	428.5	164.2	100.0	-20.3
Value	42,580	97,667	166,010	49,053	38,512	289.9	129.4	70.0	-21.5
Unit value	$725.90	$630.17	$535.53	$537.46	$529.17	-26.2	-13.2	-15.0	-1.5
Ending inventory quantity	4,376	15,051	41,825	50,873	33,436	855.8	243.9	177.9	-34.3

Table continued on next page.

Table C-3--Continued
Corrosion-resistant: 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					Jan.-Mar.
	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. imports from:									
Subtotal:									
Quantity	538,095	610,812	754,451	203,763	193,812	40.2	13.5	23.5	-4.9
Value	317,878	351,463	417,600	112,297	108,122	31.4	10.6	18.8	-3.7
Unit value	$590.75	$575.40	$553.51	$551.11	$557.87	-6.3	-2.6	-3.8	1.2
Ending inventory quantity	18,506	37,825	68,164	73,698	49,949	268.3	104.4	80.2	-32.2
Other sources:									
Quantity	1,030,237	906,203	1,198,894	270,821	271,313	16.4	-12.0	32.3	0.2
Value	612,252	532,307	595,013	141,015	137,096	-2.8	-13.1	11.8	-2.8
Unit value	$594.28	$587.40	$496.30	$520.69	$505.31	-16.5	-1.2	-15.5	-3.0
Ending inventory quantity	31,838	39,565	53,028	33,732	47,826	66.6	24.3	34.0	41.8
All sources:									
Quantity	1,568,332	1,517,014	1,953,345	474,584	465,125	24.5	-3.3	28.8	-2.0
Value	930,130	883,770	1,012,613	253,312	245,218	8.9	-5.0	14.6	-3.2
Unit value	$593.07	$582.57	$518.40	$533.75	$527.21	-12.6	-1.8	-11.0	-1.2
Ending inventory quantity	50,344	77,390	121,192	107,430	97,775	140.7	53.7	56.6	-9.0
U.S. producers':									
Average capacity quantity	18,325,094	19,870,392	21,725,474	5,367,688	5,499,048	18.6	8.4	9.3	2.4
Production quantity	16,777,451	17,747,333	18,960,113	4,512,512	4,995,781	13.0	5.8	6.8	10.7
Capacity utilization (1)	91.6	89.3	87.3	84.1	90.8	-4.3	-2.2	-2.0	6.8
U.S. shipments:									
Quantity	16,208,293	16,801,045	17,981,544	4,368,155	4,756,010	10.9	3.7	7.0	8.9
Value	9,966,115	9,996,582	10,018,721	2,456,312	2,608,167	0.5	0.3	0.2	6.2
Unit value	$614.88	$595.00	$557.17	$562.32	$548.39	-9.4	-3.2	-6.4	-2.5
Export shipments:									
Quantity	323,854	458,898	550,175	141,502	172,714	69.9	41.7	19.9	22.1
Value	209,480	295,175	308,935	88,704	106,144	47.5	40.9	4.7	19.7
Unit value	$646.83	$643.23	$561.52	$626.88	$614.57	-13.2	-0.6	-12.7	-2.0
Ending inventory quantity	1,511,463	1,845,068	2,123,546	1,830,900	2,159,200	40.5	22.1	15.1	17.9
Inventories/total shipments (1)	9.1	10.7	11.5	10.1	11.0	2.3	1.5	0.8	0.8
Production workers	23,318	24,074	22,879	23,220	23,183	-1.9	3.2	-5.0	-0.2
Hours worked (1,000s)	48,468	50,251	49,057	12,608	12,318	1.2	3.7	-2.4	-2.3
Wages paid ($1,000s)	1,247,703	1,323,641	1,307,644	339,085	339,763	4.8	6.1	-1.2	0.2
Hourly wages	$25.74	$26.34	$26.66	$26.89	$27.58	3.5	2.3	1.2	2.6
Productivity (tons/1,000 hours)	346.2	353.2	386.5	357.9	405.6	11.7	2.0	9.4	13.3
Unit labor costs	$74.37	$74.58	$68.97	$75.14	$68.01	-7.3	0.3	-7.5	-9.5
Net sales:									
Quantity	16,637,652	17,380,151	18,614,348	4,526,215	4,940,750	11.9	4.5	7.1	9.2
Value	10,224,465	10,348,910	10,393,878	2,551,360	2,718,153	1.7	1.2	0.4	6.5
Unit value	$614.54	$595.44	$558.38	$563.69	$550.15	-9.1	-3.1	-6.2	-2.4
Cost of goods sold (COGS)	8,810,259	9,062,220	9,383,494	2,301,761	2,549,953	6.5	2.9	3.5	10.8
Gross profit or (loss)	1,414,206	1,286,690	1,010,384	249,599	168,200	-28.6	-9.0	-21.5	-32.6
SG&A expenses	343,705	391,307	392,963	97,886	95,912	14.3	13.8	0.4	-2.0
Operating income or (loss)	1,070,501	895,383	617,421	151,713	72,288	-42.3	-16.4	-31.0	-52.4
Capital expenditures	690,423	926,420	669,740	122,262	70,485	-3.0	34.2	-27.7	-42.3
Unit COGS	$529.54	$521.41	$504.10	$508.54	$516.11	-4.8	-1.5	-3.3	1.5
Unit SG&A expenses	$20.66	$22.51	$21.11	$21.63	$19.41	2.2	9.0	-6.2	-10.2
Unit operating income or (loss)	$64.34	$51.52	$33.17	$33.52	$14.63	-48.4	-19.9	-35.6	-56.3
COGS/sales (1)	86.2	87.6	90.3	90.2	93.8	4.1	1.4	2.7	3.6
Operating income or (loss)/ sales (1)	10.5	8.7	5.9	5.9	2.7	-4.5	-1.8	-2.7	-3.3

(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. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

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APPENDIX D

SUPPLEMENTAL DATA

D-1

Table D-1
Corrosion-resistant flat: U.S. producers' capacity, production, and capacity utilization, by product, 1997-99, January-March 1999, and January-March 2000

* * * * * * *

D-3

APPENDIX E

EXCHANGE RATE GRAPHS

E-1

Demonstrated in figure E-1 below are the movements of the nominal and real exchange rates of the countries subject to these investigations, relative to the U.S. dollar. The graphs have been indexed so that the year the first antidumping/countervailing duty order went into effect is indexed to 100.[1]

Figure E-1
Exchange rates: Indices of the nominal and real exchange rates between subject country currencies and the U.S. dollar, by years, from the imposition of the antidumping/countervailing duty orders to 1999

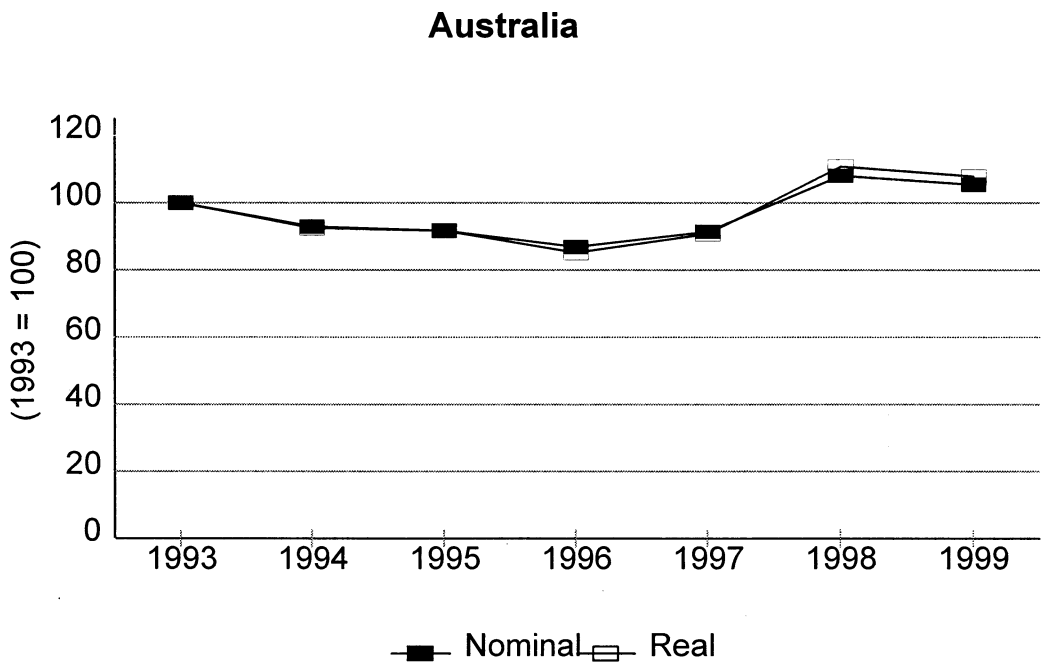
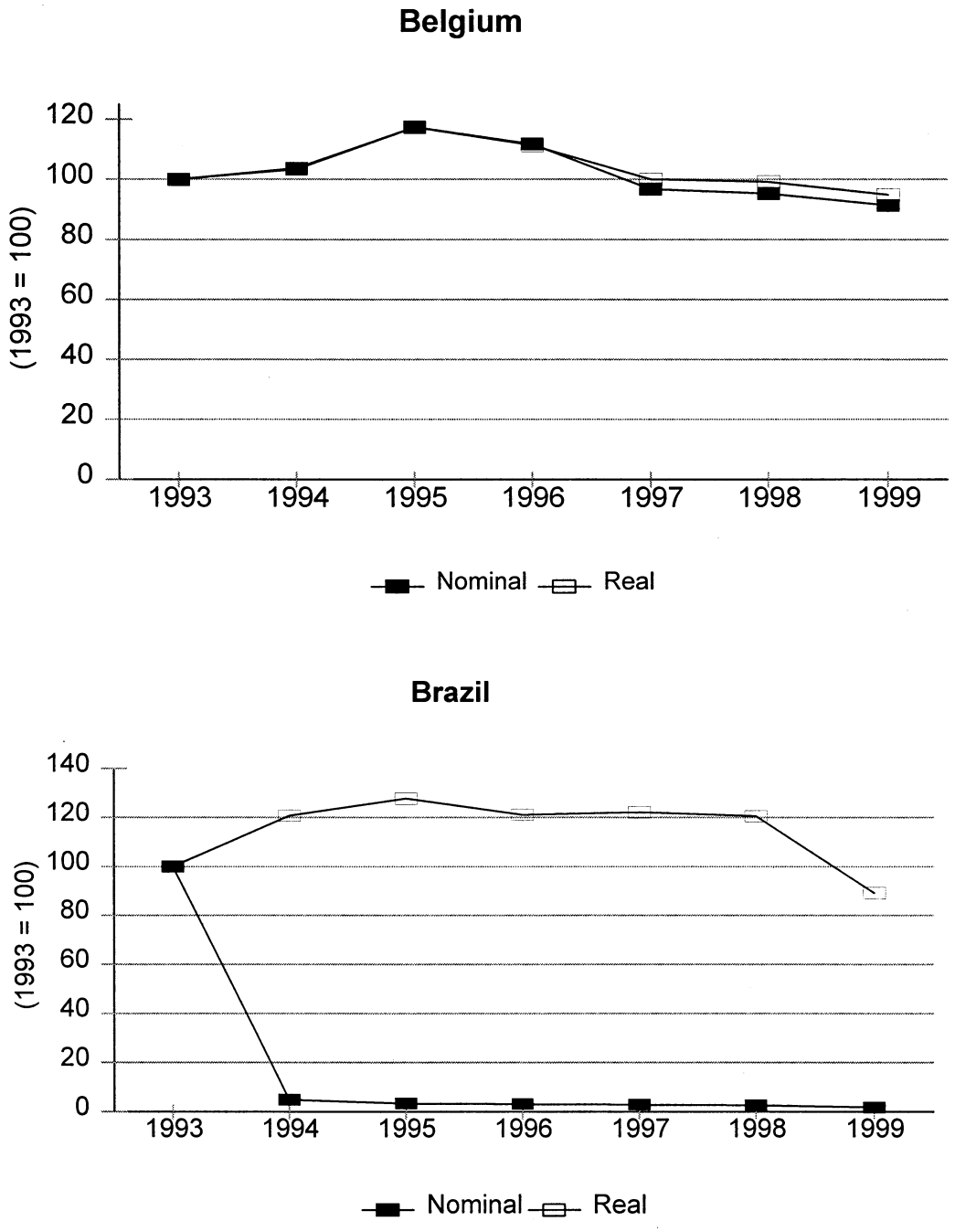


Figure continued on next page.

[1] Data are unavailable for Taiwan for the period 1979-82. Therefore, its index year is set to 1983. Also, only nominal exchange rate data are provided for Taiwan due to data limitations.

E-3

Figure E-1 – Continued



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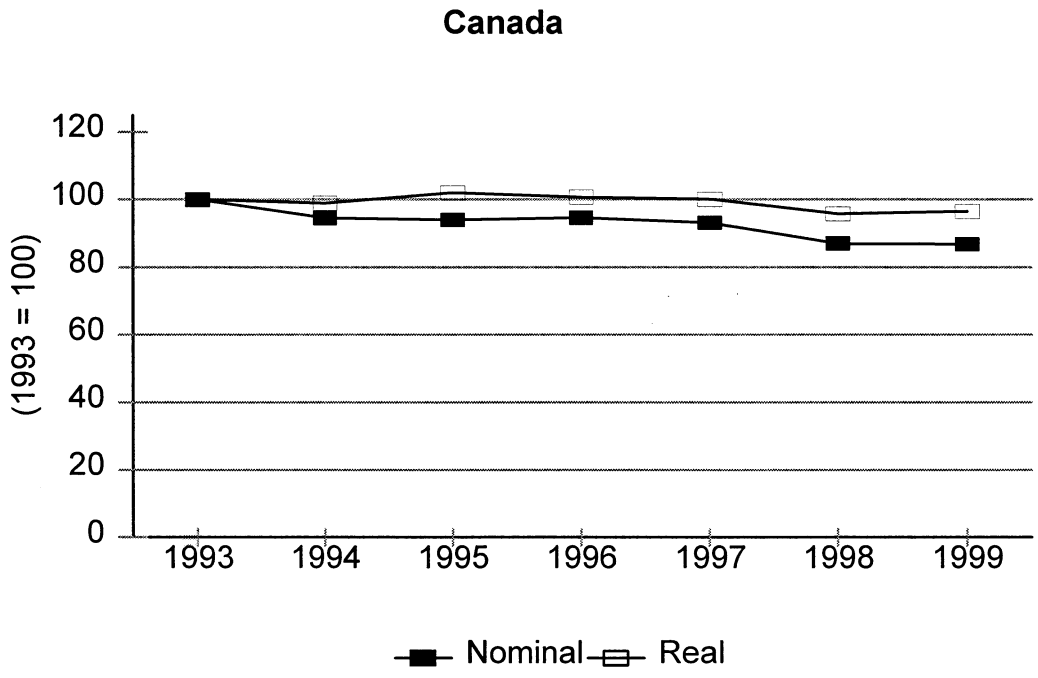
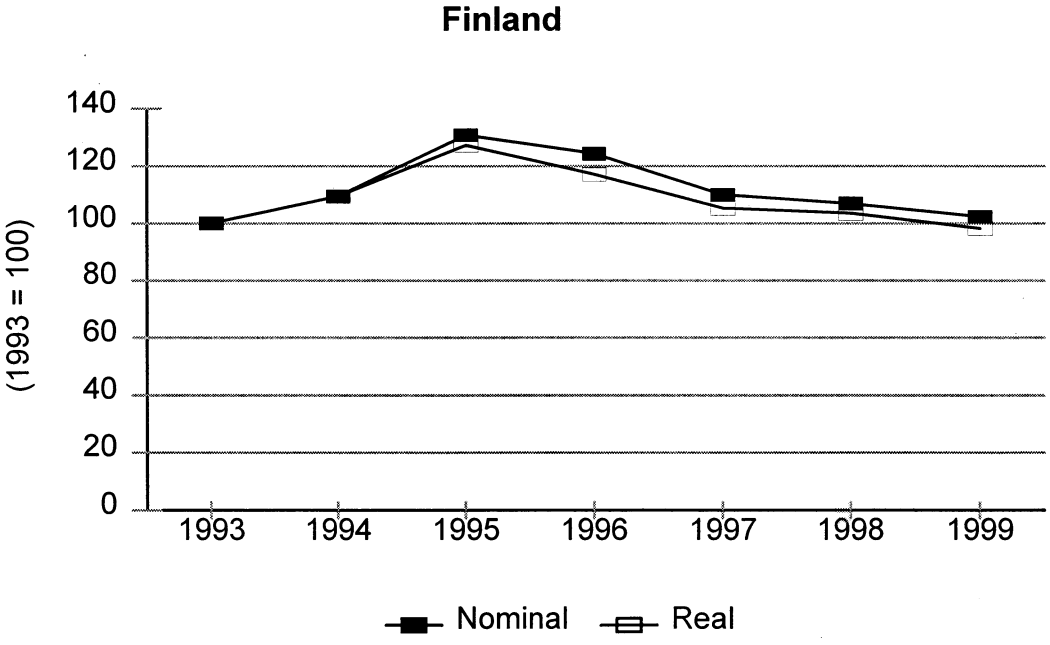
E-4

Figure E-1 – Continued





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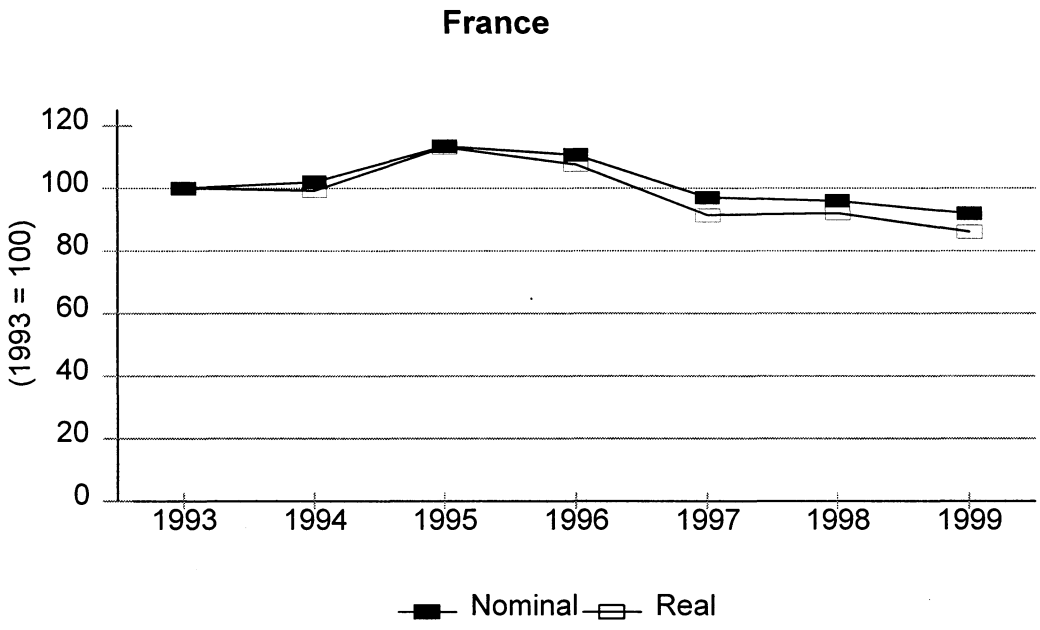
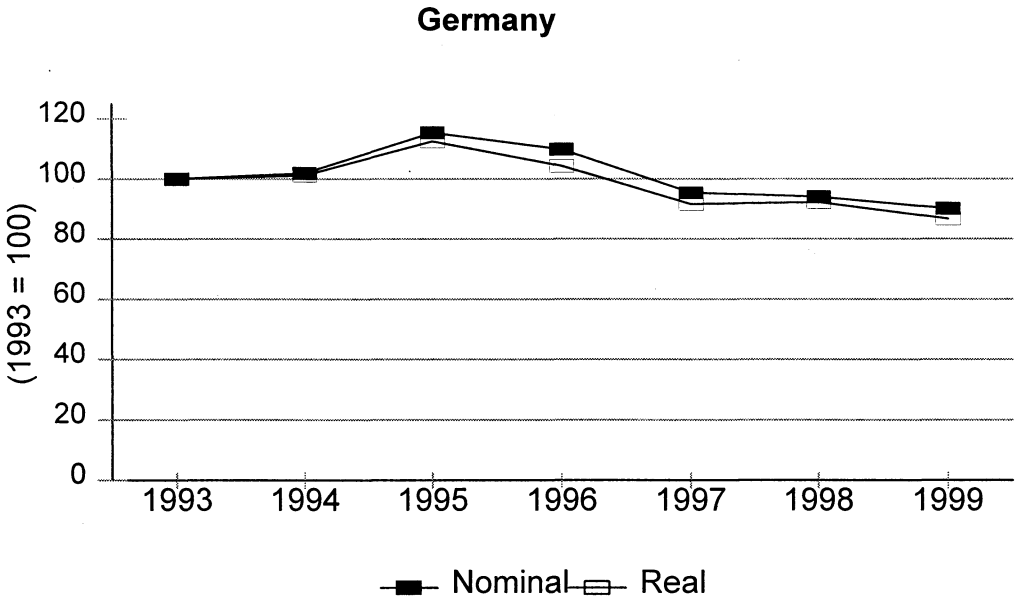
E-5

Figure E-1 – Continued





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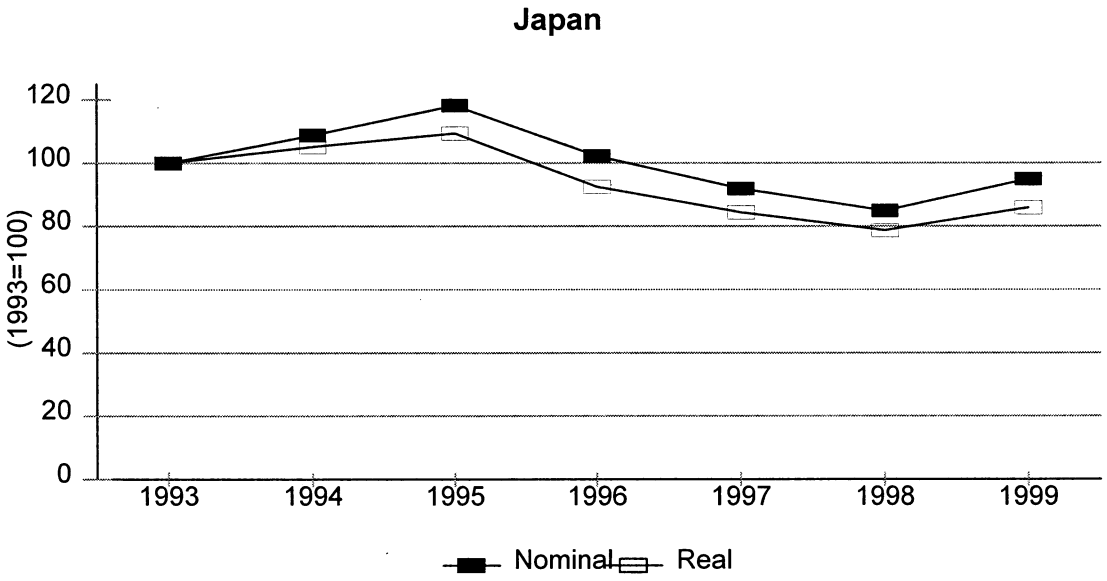
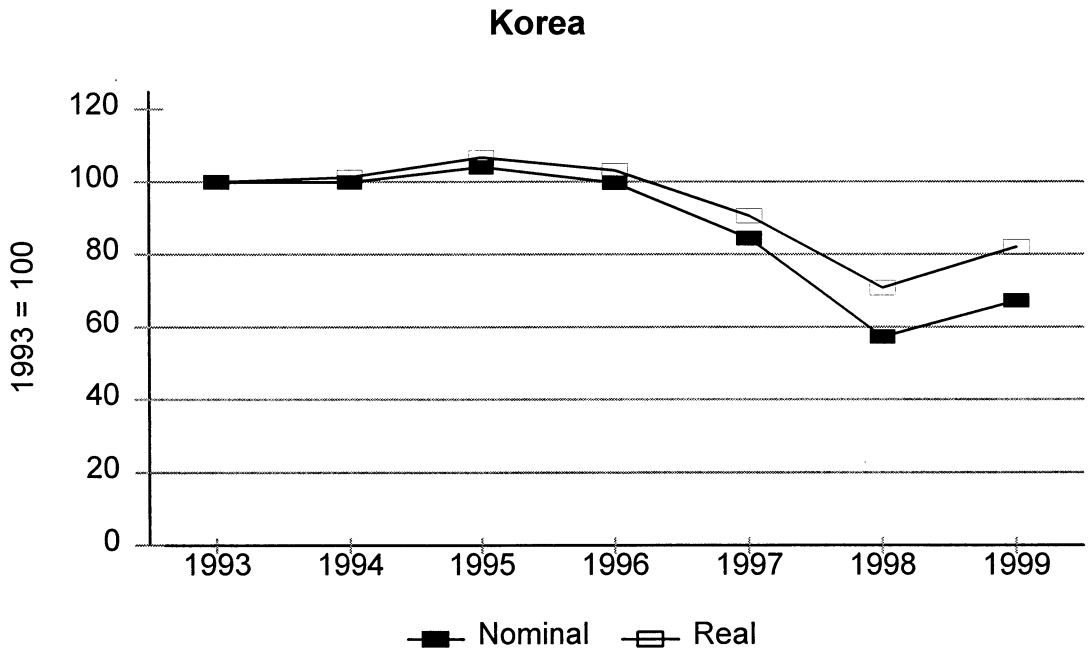
E-6

Figure E-1 – Continued





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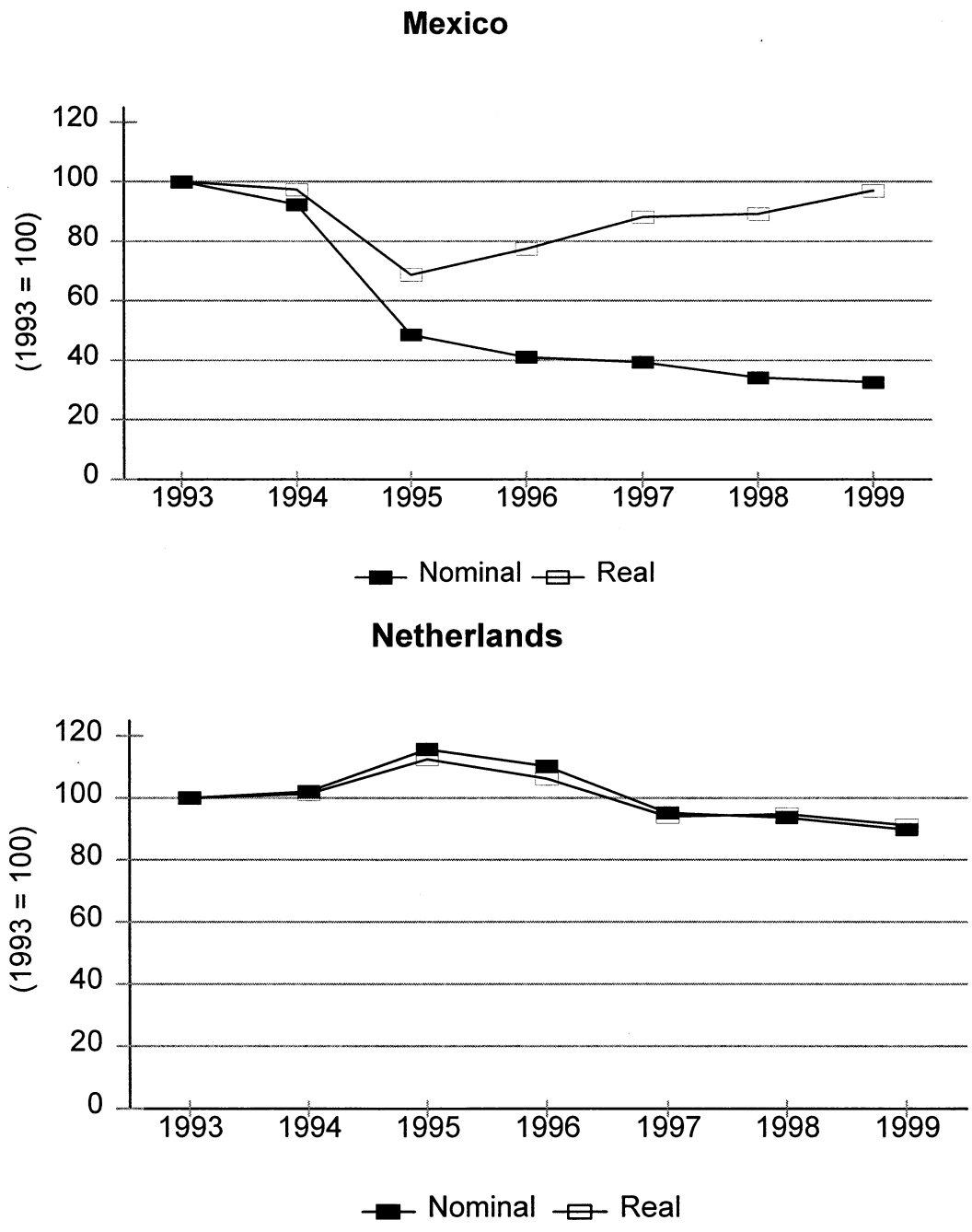
E-7

Figure E-1 – Continued



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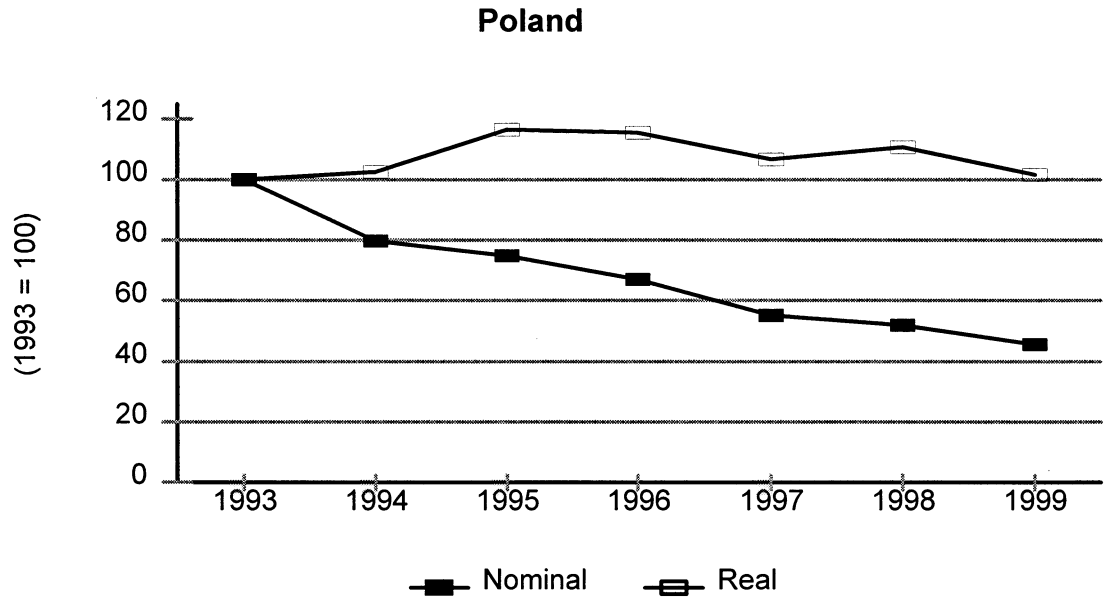
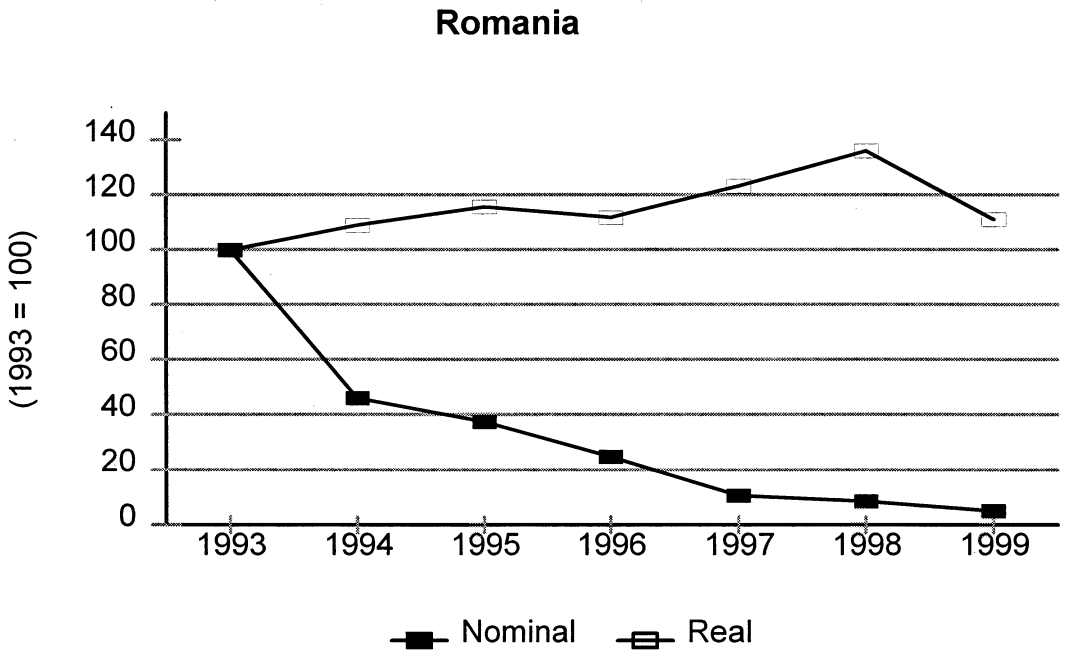
E-8

Figure E-1 – Continued





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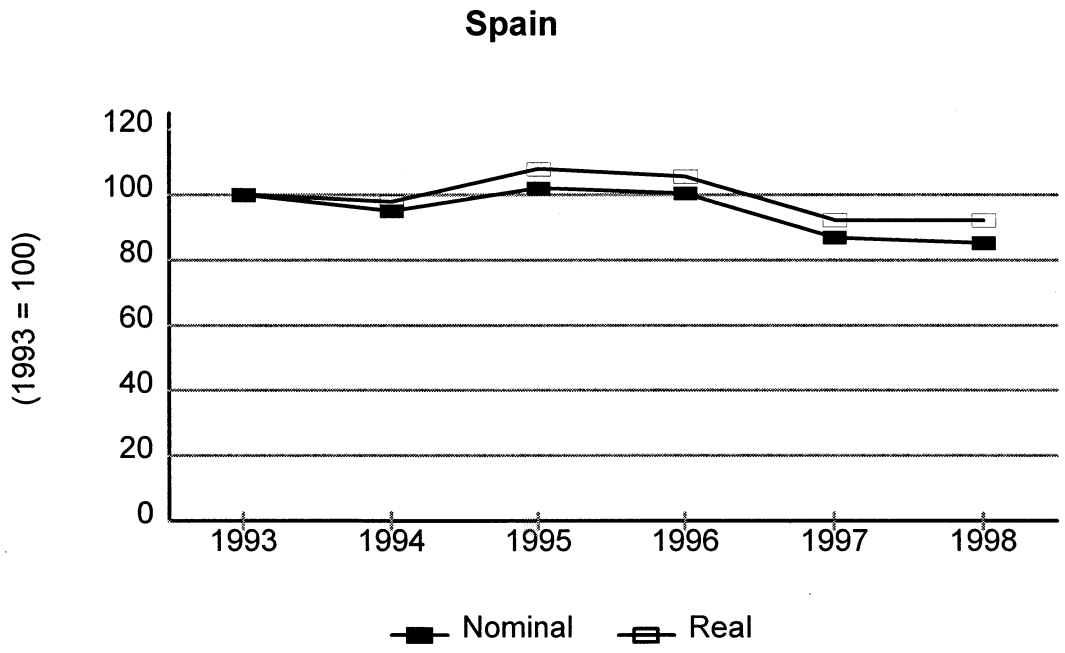
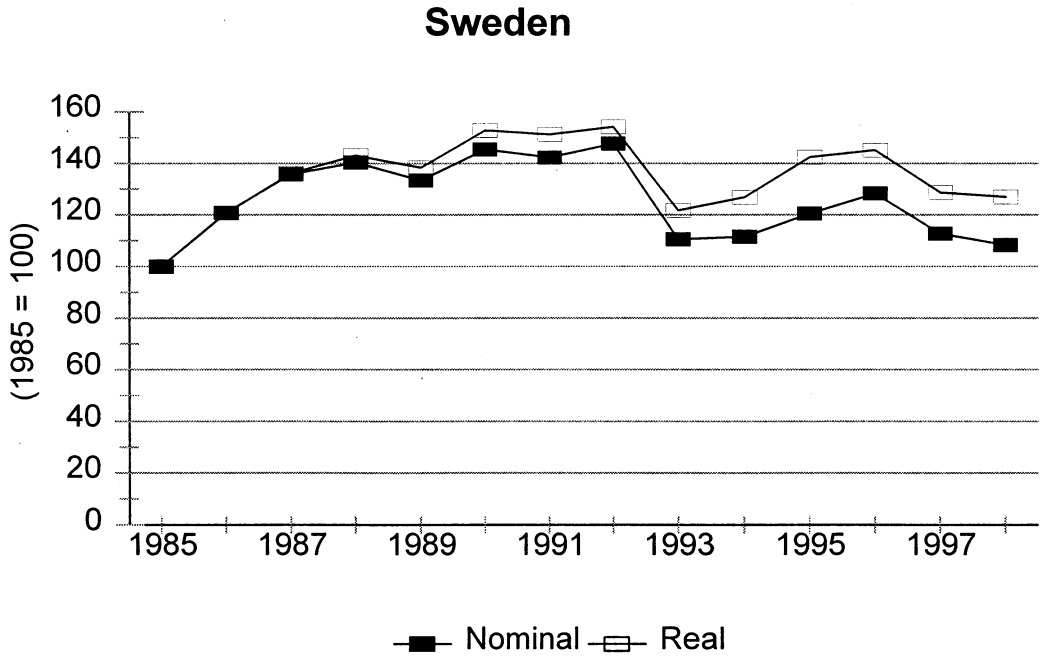
E-9

Figure E-1 – Continued





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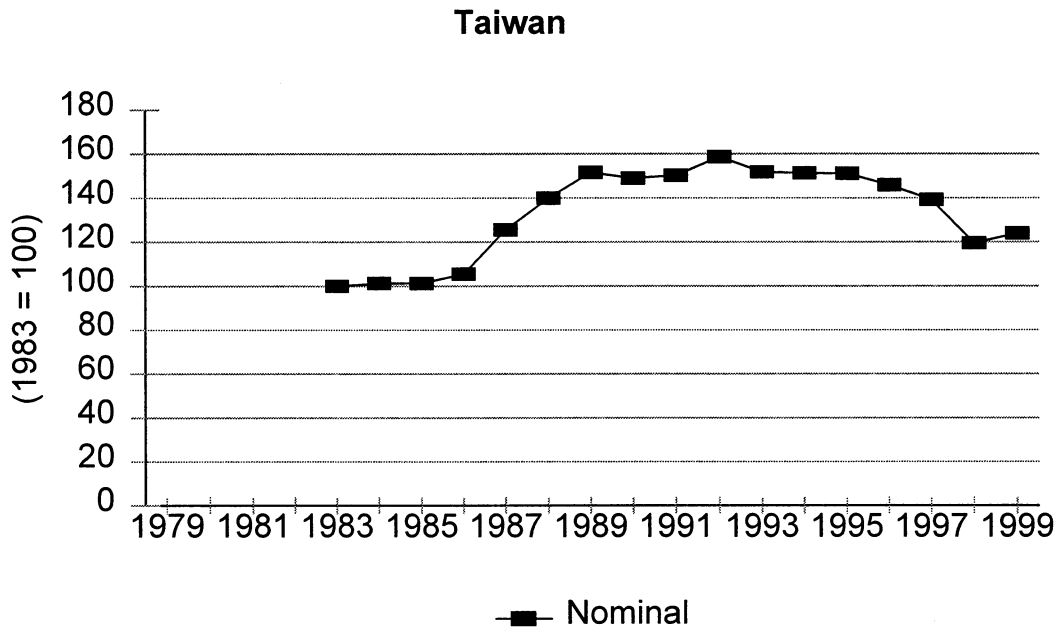
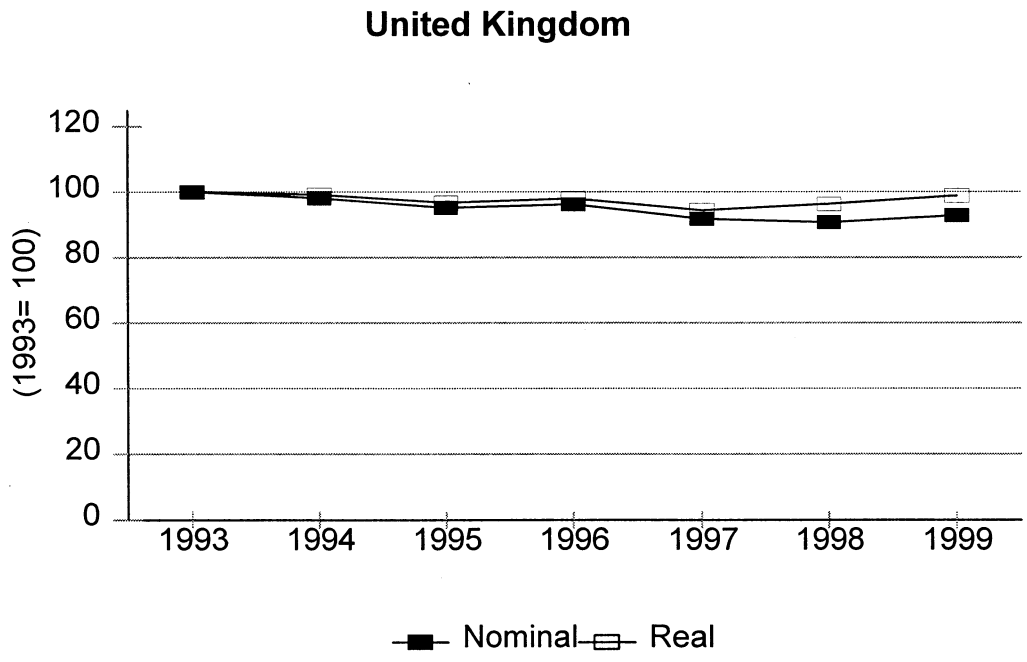
E-10

Figure E-1 – Continued





Source: IMF, *International Financial Statistics,* 1985-2000, and St. Louis Federal Reserve Bank, *http://www.stls.frb.org/fred/data/exchange/extaus*.

E-11

APPENDIX F

COLD-ROLLED PRICING TABLES

F-1

Table F-1
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 5[1] sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Sweden		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:								
Jan.-Mar.	$537.95	17,137	-	-	-	-	-	-
Apr.-June	515.84	18,793	-	-	-	-	-	-
July-Sept.	509.16	13,827	-	-	-	-	-	-
Oct.-Dec.	510.16	15,708	-	-	-	-	-	-
1998:								
Jan.-Mar.	497.35	17,840	-	-	-	-	-	-
Apr.-June	536.37	15,794	***	***	***	-	-	-
July-Sept.	528.22	13,965	***	***	***	-	-	-
Oct.-Dec.	521.44	9,619	***	***	***	***	***	***
1999:								
Jan.-Mar.	487.79	11,831	***	***	***	***	***	***
Apr.-June	472.05	15,290	***	***	***	-	-	-
July-Sept.	437.57	14,124	***	***	***	-	-	-
Oct.-Dec.	423.91	14,963	***	***	***	-	-	-
2000:								
Jan.-Mar.	437.09	11,510	***	***	***	-	-	-

[1] Product 5 -- Cold-rolled carbon steel sheet, in coils CS Type B or CS (formerly commercial quality) (ASTM A-366 or equivalent), regular or matte finished, 40" to under 60" in width, 0.019" to under 0.022" in thickness.

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

F-3

Table F-2
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 5[1] sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$554.26	8,365	-	-	-
Apr.-June	570.61	7,974	-	-	-
July-Sept.	566.98	8,559	-	-	-
Oct.-Dec.	543.52	7,941	-	-	-
1998:					
Jan.-Mar.	497.82	7,145	-	-	-
Apr.-June	497.91	7,595	-	-	-
July-Sept.	484.80	7,323	***	***	***
Oct.-Dec.	459.92	7,913	***	***	***
1999:					
Jan.-Mar.	435.20	8,293	***	***	***
Apr.-June	458.82	11,499	***	***	***
July-Sept.	447.42	17,099	***	***	***
Oct.-Dec.	450.36	15,602	***	***	***
2000:					
Jan.-Mar.	464.17	13,495	***	***	***

[1] Product 5 -- Cold-rolled carbon steel sheet, in coils CS Type B or CS (formerly commercial quality) (ASTM A-366 or equivalent), regular or matte finished, 40" to under 60" in width, 0.019" to under 0.022" in thickness.

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

F-4

Table F-3
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 6[1] sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Sweden		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:								
Jan.-Mar.	$460.93	61,350	-	-	-	-	-	-
Apr.-June	452.71	76,005	-	-	-	***	***	***
July-Sept.	451.83	75,400	***	***	***	-	-	-
Oct.-Dec.	439.91	70,396	***	***	***	-	-	-
1998:								
Jan.-Mar.	431.61	90,288	-	-	-	***	***	***
Apr.-June	432.92	88,955	***	***	***	***	***	***
July-Sept.	425.31	64,831	***	***	***	-	-	-
Oct.-Dec.	399.89	49,849	***	***	***	-	-	-
1999:								
Jan.-Mar.	373.12	67,552	***	***	***	-	-	-
Apr.-June	378.65	62,857	***	***	***	-	-	-
July-Sept.	384.67	75,617	***	***	***	-	-	-
Oct.-Dec.	386.86	103,220	***	***	***	-	-	-
2000:								
Jan.-Mar.	402.79	99,751	***	***	***	-	-	-

[1] Product 6 -- Cold-rolled carbon steel sheet, in coils, CS Type B or CS (formerly commercial quality) (ASTM A-366 or equivalent), regular or matte finished, 40" to under 60" in width, 0.044" to under 0.060" in thickness.

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

F-5

Table F-4
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 6[1] sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Germany			Korea		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:								
Jan.-Mar.	$465.82	20,944	-	-	-	-	-	-
Apr.-June	463.29	22,545	-	-	-	-	-	-
July-Sept.	453.10	18,044	-	-	-	-	-	-
Oct.-Dec.	450.45	19,223	-	-	-	-	-	-
1998:								
Jan.-Mar.	429.84	27,673	-	-	-	-	-	-
Apr.-June	433.63	23,990	-	-	-	-	-	-
July-Sept.	411.90	18,727	-	-	-	***	***	***
Oct.-Dec.	402.19	14,012	-	-	-	***	***	***
1999:								
Jan.-Mar.	368.27	19,842	-	-	-	***	***	***
Apr.-June	370.73	18,366	-	-	-	***	***	***
July-Sept.	368.10	22,162	***	***	***	***	***	***
Oct.-Dec.	389.13	24,997	***	***	***	***	***	***
2000:								
Jan.-Mar.	408.06	29,233	***	***	***	***	***	***

[1] Product 6 -- Cold-rolled carbon steel sheet, in coils, CS Type B or CS (formerly commercial quality) (ASTM A-366 or equivalent), regular or matte finished, 40" to under 60" in width, 0.044" to under 0.060" in thickness.

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

F-6

Table F-5
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 7[1] sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Sweden			Netherlands		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:								
Jan.-Mar.	$472.56	94,507	-	-	-	-	-	-
Apr.-June	474.70	96,647	-	-	-	-	-	-
July-Sept.	469.26	84,319	-	-	-	-	-	-
Oct.-Dec.	458.00	96,746	-	-	-	-	-	-
1998:								
Jan.-Mar.	448.41	116,341	-	-	-	-	-	-
Apr.-June	447.07	114,131	-	-	-	***	***	***
July-Sept.	438.78	90,837	-	-	-	***	***	***
Oct.-Dec.	416.52	83,620	-	-	-	***	***	***
1999:								
Jan.-Mar.	432.57	136,179	-	-	-	-	-	-
Apr.-June	419.86	109,444	***	***	***	***	***	***
July-Sept.	431.09	136,755	-	-	-	***	***	***
Oct.-Dec.	432.40	154,558	-	-	-	***	***	***
2000:								
Jan.-Mar.	448.57	148,591	-	-	-	***	***	***

[1] Product 7 -- Cold-rolled carbon steel sheet, in coils, drawing steel DS Type B (formerly DQSK) (ASTM A-620 or equivalent), not interstitial free, 40" to under 60" in width, 0.030" to under 0.070" in thickness.

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

F-7

Table F-6
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 7[1] sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Germany		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$513.59	91,277	***	***	***
Apr.-June	482.97	108,384	***	***	***
July-Sept.	482.48	100,231	***	***	***
Oct.-Dec.	482.60	104,229	***	***	***
1998:					
Jan.-Mar.	473.35	113,830	***	***	***
Apr.-June	477.03	97,585	***	***	***
July-Sept.	471.24	76,084	***	***	***
Oct.-Dec.	469.86	85,185	***	***	***
1999:					
Jan.-Mar.	449.18	117,787	***	***	***
Apr.-June	451.16	120,282	***	***	***
July-Sept.	465.33	106,833	***	***	***
Oct.-Dec.	465.28	120,172	***	***	***
2000:					
Jan.-Mar.	457.94	128,273	***	***	***

[1] Product 7 -- Cold-rolled carbon steel sheet, in coils, drawing steel DS Type B (formerly DQSK) (ASTM A-620 or equivalent), not interstitial free, 40" to under 60" in width, 0.030" to under 0.070" in thickness.

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

F-8

Table F-7
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 8[1] sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Germany		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	***	***	***	***	***
Apr.-June	***	***	-	-	-
July-Sept.	$498.09	2,798	-	-	-
Oct.-Dec.	481.83	3,612	-	-	-
1998:					
Jan.-Mar.	471.70	2,688	***	***	***
Apr.-June	461.82	2,176	-	-	-
July-Sept.	454.33	1,591	-	-	-
Oct.-Dec.	415.25	1,110	-	-	-
1999:					
Jan.-Mar.	427.94	2,249	-	-	-
Apr.-June	424.36	2,106	-	-	-
July-Sept.	427.06	3,343	***	***	***
Oct.-Dec.	430.42	3,770	***	***	***
2000:					
Jan.-Mar.	422.15	5,147	***	***	***

[1] Product 8 -- Cold-rolled carbon steel sheet, in coils, drawing steel DS Type B (formerly DQSK) (ASTM A-620 or equivalent), not interstitial free, 60" to 72.75" in width, 0.023" to under 0.028" in thickness.

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

F-9

Table F-8
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 8[1] sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Germany		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$502.55	5,253	-	-	-
Apr.-June	504.34	4,151	***	***	***
July-Sept.	500.30	3,828	-	-	-
Oct.-Dec.	501.39	3,961	-	-	-
1998:					
Jan.-Mar.	497.30	5,695	-	-	-
Apr.-June	493.53	5,402	-	-	-
July-Sept.	494.03	5,158	-	-	-
Oct.-Dec.	494.11	6,365	-	-	-
1999:					
Jan.-Mar.	480.91	6,063	-	-	-
Apr.-June	483.66	6,114	-	-	-
July-Sept.	476.55	5,603	***	***	***
Oct.-Dec.	468.23	5,799	***	***	***
2000:					
Jan.-Mar.	452.88	6,455	***	***	***

[1] Product 8 -- Cold-rolled carbon steel sheet, in coils, drawing steel DS Type B (formerly DQSK) (ASTM A-620 or equivalent), not interstitial free, 60" to 72.75" in width, 0.023" to under 0.028" in thickness.

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

F-10

Table F-9
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic and imported product 9[1] sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	***	***	-	-	-
Apr.-June	$412.51	24,456	-	-	-
July-Sept.	***	***	-	-	-
Oct.-Dec.	399.08	19,744	-	-	-
1998:					
Jan.-Mar.	394.44	16,956	-	-	-
Apr.-June	398.52	15,462	***	***	***
July-Sept.	388.34	18,484	***	***	***
Oct.-Dec.	382.18	12,078	***	***	***
1999:					
Jan.-Mar.	386.43	11,675	***	***	***
Apr.-June	352.25	13,767	-	-	-
July-Sept.	360.54	18,394	-	-	-
Oct.-Dec.	373.89	17,031	-	-	-
2000:					
Jan.-Mar.	400.40	10,448	***	***	***

[1] Product 9 -- Cold-rolled full hard carbon steel sheet, in coils, CS (formerly commercial quality), 40" through under 60" in width, 0.029" to under 0.062" in thickness.

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

F-11

Table F-10
Cold-rolled: Weighted-average f.o.b. prices and quantities of domestic product 9[1] sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Netherlands		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	***	***	***	***	***
Apr.-June	***	***	***	***	***
July-Sept.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
1998:					
Jan.-Mar.	***	***	***	***	***
Apr.-June	***	***	***	***	***
July-Sept.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
1999:					
Jan.-Mar.	***	***	***	***	***
Apr.-June	$346.95	39,179	***	***	***
July-Sept.	354.55	39,669	***	***	***
Oct.-Dec.	361.19	55,783	***	***	***
2000:					
Jan.-Mar.	371.77	85,399	-	-	-

[1] Product 9 -- Cold-rolled full hard carbon steel sheet, in coils, CS (formerly commercial quality), 40" through under 60" in width, 0.029" to under 0.062" in thickness.

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

F-12

APPENDIX G

CORROSION-RESISTANT PRICING TABLES

G-1

Table G-1
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 10 sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

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Table G-2
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 10 sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

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Table G-3
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 11 sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

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Table G-4
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 11 sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

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Table G-5
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 12 sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

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Table G-6
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 12 sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

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G-3

Table G-7
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 13[1] sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$609.50	1,701	-	-	-
Apr.-June	614.47	2,124	***	***	***
July-Sept.	590.13	1,852	***	***	***
Oct.-Dec.	637.73	2,052	***	***	***
1998:					
Jan.-Mar.	606.52	1,456	***	***	***
Apr.-June	616.96	1,546	***	***	***
July-Sept.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
1999:					
Jan.-Mar.	***	***	***	***	***
Apr.-June	***	***	***	***	***
July-Sept.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2000:					
Jan.-Mar.	***	***	***	***	***

[1] Product 13 -- Hot-dipped galvanized carbon steel sheet, in coils, ASTM A-653 structural quality, grade 80, <G60, regular or minimum spangle, not annealed, 40" through 70" in width, 0.018" to under 0.020" in thickness.

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

Table G-8
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 13 sold to end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

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G-4

Table G-9
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 14[1] sold to automotive end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Japan		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$612.27	15,596	***	***	***
Apr.-June	616.86	19,061	***	***	***
July-Sept.	622.84	17,304	***	***	***
Oct.-Dec.	631.41	24,742	***	***	***
1998:					
Jan.-Mar.	677.82	33,610	***	***	***
Apr.-June	747.10	35,918	***	***	***
July-Sept.	767.95	34,184	***	***	***
Oct.-Dec.	***	***	***	***	***
1999:					
Jan.-Mar.	756.01	63,527	***	***	***
Apr.-June	753.42	63,124	***	***	***
July-Sept.	696.56	72,917	***	***	***
Oct.-Dec.	674.94	84,772	***	***	***
2000:					
Jan.-Mar.	674.16	98,023	***	***	***

[1] Product 14 -- Hot-dipped zinc-iron (galvannealed) carbon steel sheet, in coils, ASTM A-653, A-50 or lower coating, forming steel (DQSK), 40" to 70" in width, 0.022" to under 0.044" in thickness.

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

G-5

Table G-10
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 14[1] sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	***	***	-	-	-
Apr.-June	***	***	-	-	-
July-Sept.	***	***	-	-	-
Oct.-Dec.	***	***	-	-	-
1998:					
Jan.-Mar.	$541.00	1,872	***	***	***
Apr.-June	548.74	1,216	***	***	***
July-Sept.	536.77	2,277	***	***	***
Oct.-Dec.	520.97	2,976	***	***	***
1999:					
Jan.-Mar.	***	***	***	***	***
Apr.-June	***	***	***	***	***
July-Sept.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2000:					
Jan.-Mar.	***	***	***	***	***

[1] Product 14 -- Hot-dipped zinc-iron (galvannealed) carbon steel sheet, in coils, ASTM A-653, A-50 or lower coating, forming steel (DQSK), 40" to 70" in width, 0.022" to under 0.044" in thickness.

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

G-6

Table G-11
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 15[1] sold to automotive end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Germany		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$653.16	146,421	***	***	***
Apr.-June	638.81	173,604	***	***	***
July-Sept.	639.90	161,502	***	***	***
Oct.-Dec.	645.27	181,110	***	***	***
1998:					
Jan.-Mar.	641.15	142,679	***	***	***
Apr.-June	641.34	114,616	***	***	***
July-Sept.	640.56	108,064	***	***	***
Oct.-Dec.	660.48	128,393	***	***	***
1999:					
Jan.-Mar.	629.24	189,263	***	***	***
Apr.-June	627.64	158,659	***	***	***
July-Sept.	573.67	137,039	***	***	***
Oct.-Dec.	609.59	138,447	***	***	***
2000:					
Jan.-Mar.	606.86	146,993	***	***	***

[1] Product 15 -- Electrolytically zinc-coated carbon steel sheets, in coils, ASTM A-879, 50-90 grams/square meter per side coating, without organic coating, forming steel, 40" to under 60" in width, 0.022" to under 0.044" in thickness.

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

G-7

Table G-12
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 15[1] sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Germany			Korea		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:								
Jan.-Mar.	$675.38	16,199	-	-	-	***	***	***
Apr.-June	649.55	15,770	-	-	-	***	***	***
July-Sept.	642.48	10,929	-	-	-	***	***	***
Oct.-Dec.	657.19	10,155	-	-	-	***	***	***
1998:								
Jan.-Mar.	650.89	11,789	***	***	***	***	***	***
Apr.-June	647.70	14,442	-	-	-	***	***	***
July-Sept.	639.09	12,641	-	-	-	***	***	***
Oct.-Dec.	658.12	13,799	-	-	-	***	***	***
1999:								
Jan.-Mar.	***	***	-	-	-	***	***	***
Apr.-June	***	***	-	-	-	***	***	***
July-Sept.	***	***	-	-	-	***	***	***
Oct.-Dec.	***	***	-	-	-	***	***	***
2000:								
Jan.-Mar.	***	***	-	-	-	***	***	***

[1] Product 15 -- Electrolytically zinc-coated carbon steel sheets, in coils, ASTM A-879, 50-90 grams/square meter per side coating, without organic coating, forming steel, 40" to under 60" in width, 0.022" to under 0.044" in thickness.

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

Table G-13
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 15 sold to end users other than automotive and margins of underselling/(overselling), by quarters, January 1997-March 2000

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Table G-14
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 16[1] sold to automotive end users and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Canada		
	Price (*per ton*)	Quantity (*tons*)	Price (*per ton*)	Quantity (*tons*)	Margin (*percent*)
1997:					
Jan.-Mar.	$635.19	9,245	***	***	***
Apr.-June	640.99	7,964	***	***	***
July-Sept.	641.33	9,106	***	***	***
Oct.-Dec.	643.14	12,057	***	***	***
1998:					
Jan.-Mar.	634.21	12,663	***	***	***
Apr.-June	631.49	13,117	***	***	***
July-Sept.	623.98	10,984	***	***	***
Oct.-Dec.	625.71	11,688	***	***	***
1999:					
Jan.-Mar.	591.12	12,663	***	***	***
Apr.-June	590.28	11,442	***	***	***
July-Sept.	589.30	11,683	***	***	***
Oct.-Dec.	591.08	12,230	***	***	***
2000:					
Jan.-Mar.	592.42	13,415	***	***	***

[1] Product 16 -- Hot-dipped zinc-iron (galvannealed) carbon steel sheet, in coils, coating weight 45A-45A, 24" to under 40" in width, 0.060" to under 0.085" in thickness.

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

Table G-15
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported product 16 sold to distributors and margins of underselling/(overselling), by quarters, January 1997-March 2000

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Table G-16
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic product 10, 12, and 13 sold to automotive end users, by quarters, January 1997-March 2000

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G-9

Table G-17
Corrosion-resistant: Weighted-average f.o.b. prices and quantities of domestic and imported products 14 and 16 sold to end users, by quarters, January 1997-March 2000

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G-10

APPENDIX H

MODELING RESULTS

H-1

This section presents the modeling results for plate, cold-rolled, and corrosion-resistant. There are difficulties with using the COMPAS model when baseline import market shares are zero or close to zero, as is the case for many of the individual countries in these investigations.[1] Therefore, for each product, all subject countries were modeled simultaneously. The model requires that the substitution elasticity input for all sources is identical although staff has estimated different elasticities for several countries as previously discussed in this report.

Plate

The following model estimates the effects of antidumping and countervailing duty order revocation using elasticities and market growth estimates from Part PLATE-II, Commerce margins, market shares, and tariff and transportation costs obtained from Customs data for plate. The results examine the potential changes in price quantity and revenue for various producers under the range of different elasticity scenarios.

[1] The most significant problem relates to measuring the effects of policy changes as percentage changes from baseline levels. When the baseline value of the import market share is zero or close to zero, it is no longer possible to estimate changes in import levels as a percentage of baseline values.

H-3

Model inputs, plate:

Market Segments	Shares	Duties	Trans
Domestic	90.74%	0.0%	0.0%
EU	0.20%	40.28%	9.0%
Non-EU	2.17%	66.25%	7.9%
Poland & Taiwan	0.004%	40.76%	4.8%
Non-Subject	6.89%	0.0%	0.0%

Growth Rates:		
Aggregate Demand	-2.0%	3.0%
Domestic Supply	-5.0%	5.0%
EU Supply	-5.0%	5.0%
Non-EU Supply	-5.0%	5.0%
P&T Supply	5.0%	10.0%
Non-Subject Supply	-5.0%	5.0%

Elasticity ranges	lo	hi
Substitution	3	6
Demand	-0.25	-0.75
Domestic Supply	3	7
EU Supply	3	7
Non-EU Supply	4	8
P&T Supply	10	20
Non-Subject Supply	1	3

H-4

Plate: Zero Growth Scenarios

Scenario #1:
Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.7%	-2.1%	-2.8%	89.2%
EU	-15.2%	56.9%	33.1%	0.3%
Non-EU	-24.4%	121.8%	67.7%	3.7%
P&T	-22.6%	106.5%	59.9%	0.0%
Non-Subject	-1.1%	-1.1%	-2.1%	6.8%
Industry	-1.5%	0.4%	-1.2%	

Scenario #2:
Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.4%	-3.0%	-3.4%	88.7%
EU	-20.1%	87.7%	50.0%	0.3%
Non-EU	-29.7%	175.4%	93.6%	4.2%
P&T	-25.0%	126.8%	70.1%	0.0%
Non-Subject	-0.7%	-2.2%	-2.9%	6.8%
Industry	-1.6%	0.4%	-1.2%	

Scenario #3:
Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.5%	-1.5%	-2.0%	89.2%
EU	-15.0%	57.9%	34.2%	0.3%
Non-EU	-24.3%	123.4%	69.2%	3.7%
P&T	-22.5%	108.5%	61.6%	0.0%
Non-Subject	-0.7%	-0.7%	-1.5%	6.8%
Industry	-1.3%	1.0%	-0.3%	

Scenario #4:
Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.3%	-2.3%	-2.6%	88.7%
EU	-20.0%	89.1%	51.2%	0.3%
Non-EU	-29.6%	177.5%	95.3%	4.3%
P&T	-25.0%	128.9%	71.7%	0.0%
Non-Subject	-0.6%	-1.7%	-2.2%	6.8%
Industry	-1.5%	1.1%	-0.4%	

Scenario #5:
High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.3%	-3.8%	-5.0%	87.5%
EU	-11.1%	80.4%	60.4%	0.3%
Non-EU	-18.4%	201.2%	145.9%	5.4%
P&T	-19.2%	218.8%	157.7%	0.0%
Non-Subject	-1.6%	-1.6%	-3.3%	6.8%
Industry	-2.0%	0.5%	-1.5%	

Scenario #6:
High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.0%	-7.0%	-8.0%	85.0%
EU	-16.4%	156.8%	114.6%	0.4%
Non-EU	-24.7%	378.2%	260.2%	8.0%
P&T	-22.7%	310.6%	217.3%	0.0%
Non-Subject	-1.5%	-4.4%	-5.8%	6.6%
Industry	-2.3%	0.6%	-1.7%	

Scenario #7:
High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.0%	-3.0%	-4.0%	87.5%
EU	-10.9%	81.9%	62.2%	0.3%
Non-EU	-18.2%	204.2%	148.9%	5.4%
P&T	-19.0%	223.7%	162.1%	0.0%
Non-Subject	-1.3%	-1.3%	-2.6%	6.7%
Industry	-1.7%	1.3%	-0.4%	

Scenario #8:
High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.9%	-6.0%	-6.8%	85.0%
EU	-16.3%	159.6%	117.3%	0.4%
Non-EU	-24.6%	383.7%	264.9%	8.0%
P&T	-22.7%	317.0%	222.5%	0.0%
Non-Subject	-1.3%	-3.8%	-5.0%	6.6%
Industry	-2.2%	1.7%	-0.5%	

H-5

Plate: Low Growth Scenarios

Scenario #1:
Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	0.2%	-4.3%	-4.0%	89.2%
EU	-14.6%	54.9%	32.2%	0.3%
Non-EU	-24.1%	120.4%	67.3%	3.7%
P&T	-22.7%	108.7%	61.3%	0.0%
Non-Subject	0.4%	-4.6%	-4.3%	6.8%
Industry	-0.6%	-1.9%	-2.4%	

Scenario #2:
Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-5.1%	-5.1%	88.7%
EU	-20.0%	85.1%	48.2%	0.3%
Non-EU	-29.6%	172.3%	91.6%	4.3%
P&T	-25.1%	125.8%	69.1%	0.0%
Non-Subject	-0.0%	-5.0%	-5.1%	6.7%
Industry	-1.2%	-1.7%	-2.9%	

Scenario #3:
Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	0.3%	-4.0%	-3.7%	89.2%
EU	-14.5%	55.3%	32.7%	0.3%
Non-EU	-24.0%	121.0%	67.9%	3.7%
P&T	-22.7%	109.4%	62.0%	0.0%
Non-Subject	0.5%	-4.5%	-4.1%	6.8%
Industry	-0.5%	-1.6%	-2.1%	

Scenario #4:
Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	0.1%	-4.5%	-4.5%	88.7%
EU	-19.9%	86.1%	49.1%	0.3%
Non-EU	-29.6%	173.9%	92.9%	4.3%
P&T	-25.1%	127.3%	70.3%	0.0%
Non-Subject	0.4%	-4.7%	-4.6%	6.7%
Industry	-1.1%	-1.2%	-2.3%	

Scenario #5:
High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.3%	-6.0%	-6.3%	87.5%
EU	-10.5%	79.2%	60.4%	0.3%
Non-EU	-18.0%	202.4%	148.0%	5.5%
P&T	-19.1%	227.5%	165.1%	0.0%
Non-Subject	-0.4%	-5.4%	-5.9%	6.7%
Industry	-1.1%	-1.7%	-2.8%	

Scenario #6:
High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.6%	-9.1%	-9.6%	84.9%
EU	-16.3%	155.1%	113.5%	0.4%
Non-EU	-24.6%	377.1%	259.8%	8.1%
P&T	-22.8%	313.1%	219.1%	0.0%
Non-Subject	-0.9%	-7.6%	-8.4%	6.5%
Industry	-1.9%	-1.5%	-3.4%	

Scenario #7:
High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.2%	-5.6%	-5.8%	87.5%
EU	-10.4%	80.0%	61.3%	0.3%
Non-EU	-17.9%	204.0%	149.7%	5.5%
P&T	-19.0%	230.2%	167.5%	0.0%
Non-Subject	-0.3%	-5.3%	-5.5%	6.7%
Industry	-0.9%	-1.3%	-2.2%	

Scenario #8:
High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.5%	-8.2%	-8.7%	84.9%
EU	-16.2%	157.4%	115.7%	0.4%
Non-EU	-24.5%	381.6%	263.6%	8.1%
P&T	-22.7%	318.3%	223.3%	0.0%
Non-Subject	-0.7%	-7.0%	-7.7%	6.5%
Industry	-1.8%	-0.6%	-2.4%	

H-6

Plate: High Growth Scenarios

Scenario #1:
Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.3%	1.0%	-0.3%	89.2%
EU	-15.4%	60.4%	35.6%	0.3%
Non-EU	-24.5%	125.5%	70.2%	3.6%
P&T	-22.8%	110.9%	62.8%	0.0%
Non-Subject	-2.0%	3.0%	1.0%	6.9%
Industry	-2.2%	3.5%	1.4%	

Scenario #2:
Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.7%	0.0%	-0.7%	88.7%
EU	-20.1%	92.1%	53.4%	0.3%
Non-EU	-29.7%	181.2%	97.8%	4.2%
P&T	-25.1%	132.5%	74.2%	0.0%
Non-Subject	-1.2%	1.4%	0.2%	6.8%
Industry	-1.9%	3.5%	1.6%	

Scenario #3:
Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.0%	1.9%	0.8%	89.2%
EU	-15.2%	61.8%	37.2%	0.3%
Non-EU	-24.3%	127.8%	72.4%	3.6%
P&T	-22.7%	113.7%	65.2%	0.0%
Non-Subject	-1.5%	3.5%	1.9%	6.8%
Industry	-1.9%	4.4%	2.5%	

Scenario #4:
Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.6%	0.8%	0.2%	88.7%
EU	-20.0%	93.7%	54.9%	0.3%
Non-EU	-29.6%	183.6%	99.7%	4.2%
P&T	-25.0%	135.0%	76.2%	0.0%
Non-Subject	-1.0%	2.0%	1.0%	6.8%
Industry	-1.7%	4.3%	2.6%	

Scenario #5:
High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.9%	-0.6%	-2.5%	87.5%
EU	-11.4%	83.4%	62.4%	0.3%
Non-EU	-18.6%	203.5%	147.2%	5.3%
P&T	-19.3%	221.4%	159.2%	0.0%
Non-Subject	-2.4%	2.6%	0.1%	6.8%
Industry	-2.6%	3.7%	1.0%	

Scenario #6:
High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.3%	-4.0%	-5.3%	85.1%
EU	-16.5%	161.1%	118.0%	0.4%
Non-EU	-24.7%	384.1%	264.7%	7.8%
P&T	-22.8%	317.3%	222.3%	0.0%
Non-Subject	-1.9%	-0.6%	-2.5%	6.6%
Industry	-2.6%	3.7%	1.0%	

Scenario #7:
High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.6%	0.4%	-1.2%	87.6%
EU	-11.1%	85.4%	64.7%	0.3%
Non-EU	-18.3%	207.4%	151.2%	5.3%
P&T	-19.2%	227.8%	165.0%	0.0%
Non-Subject	-2.0%	3.0%	1.0%	6.8%
Industry	-2.3%	4.7%	2.4%	

Scenario #8:
High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.2%	-2.9%	-4.0%	85.1%
EU	-16.3%	164.2%	121.0%	0.4%
Non-EU	-24.5%	390.2%	270.0%	7.8%
P&T	-22.7%	324.4%	228.1%	0.0%
Non-Subject	-1.7%	0.1%	-1.5%	6.6%
Industry	-2.4%	4.9%	2.4%	

H-7

Cold-Rolled

The following model estimates the effects of antidumping and countervailing duty order revocation using elasticities and market growth estimates from Part COLD-II, Commerce margins, market shares, and tariff and transportation costs obtained from Customs data for cold-rolled. The results examine the potential changes in price quantity and revenue for various producers under the range of different elasticity scenarios.

Model inputs, cold-rolled:

Market Segments	Shares	Duties	Trans
Domestic	92.87%	0.0%	0.0%
Germany	0.13%	24.1%	8.5%
Korea	0.29%	18.4%	12.4%
Netherlands	0.08%	19.3%	17.5%
Sweden	0.07%	8.8%	5.4%
Non-Subject	6.56%	0.0%	0.0%

Growth Rates:		
Aggregate Demand	-2.0%	4.0%
Domestic Supply	1.0%	4.0%
Germany Supply	1.0%	4.0%
Korea Supply	1.0%	4.0%
Netherlands Supply	1.0%	4.0%
Sweden Supply	1.0%	10.0%
Non-Subject Supply	1.0%	4.0%

Elasticity ranges	lo	hi
Substitution	2	4
Demand	-0.25	-0.75
Domestic Supply	2	4
Germany Supply	2	4
Korea Supply	2	4
Netherlands Supply	2	4
Sweden Supply	2	4
Non-Subject Supply	10	20

H-8

Cold-Rolled: Zero Growth Scenarios

Scenario #1:
Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-0.1%	-0.1%	92.8%
Germany	-9.6%	22.1%	10.4%	0.1%
Korea	-7.3%	16.2%	7.7%	0.3%
Netherlands	-7.4%	16.4%	7.8%	0.1%
Sweden	-4.0%	8.2%	4.0%	0.1%
Non-Subject	-0.0%	-0.1%	-0.1%	6.6%
Industry	-0.1%	0.0%	-0.1%	

Scenario #2:
Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-0.1%	-0.1%	92.8%
Germany	-12.5%	30.5%	14.2%	0.1%
Korea	-9.6%	22.2%	10.5%	0.3%
Netherlands	-9.7%	22.4%	10.5%	0.1%
Sweden	-5.2%	11.1%	5.3%	0.1%
Non-Subject	-0.0%	-0.1%	-0.1%	6.6%
Industry	-0.1%	0.0%	-0.1%	

Scenario #3:
Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-0.0%	-0.1%	92.8%
Germany	-9.6%	22.2%	10.5%	0.1%
Korea	-7.3%	16.3%	7.8%	0.3%
Netherlands	-7.3%	16.4%	7.8%	0.1%
Sweden	-3.9%	8.3%	4.0%	0.1%
Non-Subject	-0.0%	-0.1%	-0.1%	6.6%
Industry	-0.1%	0.0%	-0.0%	

Scenario #4:
Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-0.1%	-0.1%	92.8%
Germany	-12.5%	30.6%	14.2%	0.1%
Korea	-9.6%	22.3%	10.5%	0.3%
Netherlands	-9.7%	22.4%	10.6%	0.1%
Sweden	-5.2%	11.2%	5.4%	0.1%
Non-Subject	-0.0%	-0.1%	-0.1%	6.6%
Industry	-0.1%	0.1%	-0.0%	

Scenario #5:
High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-0.1%	-0.1%	92.8%
Germany	-6.5%	30.5%	22.0%	0.2%
Korea	-5.0%	22.2%	16.2%	0.3%
Netherlands	-5.0%	22.4%	16.3%	0.1%
Sweden	-2.7%	11.1%	8.2%	0.1%
Non-Subject	-0.0%	-0.2%	-0.2%	6.5%
Industry	-0.1%	0.0%	-0.1%	

Scenario #6:
High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-0.2%	-0.2%	92.7%
Germany	-9.6%	49.1%	34.8%	0.2%
Korea	-7.3%	35.1%	25.2%	0.4%
Netherlands	-7.4%	35.4%	25.4%	0.1%
Sweden	-4.0%	17.1%	12.5%	0.1%
Non-Subject	-0.0%	-0.3%	-0.3%	6.5%
Industry	-0.1%	0.0%	-0.1%	

Scenario #7:
High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-0.1%	-0.1%	92.8%
Germany	-6.5%	30.6%	22.1%	0.2%
Korea	-4.9%	22.3%	16.2%	0.3%
Netherlands	-5.0%	22.4%	16.3%	0.1%
Sweden	-2.7%	11.2%	8.2%	0.1%
Non-Subject	-0.0%	-0.2%	-0.2%	6.6%
Industry	-0.1%	0.0%	-0.0%	

Scenario #8:
High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	-0.1%	-0.2%	92.7%
Germany	-9.6%	49.1%	34.9%	0.2%
Korea	-7.3%	35.1%	25.3%	0.4%
Netherlands	-7.4%	35.4%	25.4%	0.1%
Sweden	-3.9%	17.2%	12.6%	0.1%
Non-Subject	-0.0%	-0.2%	-0.2%	6.5%
Industry	-0.1%	0.0%	-0.0%	

H-9

Cold-Rolled: Low Growth Scenarios

Scenario #1:
Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.3%	-1.7%	-3.0%	92.9%
Germany	-10.7%	20.1%	7.2%	0.1%
Korea	-8.5%	14.3%	4.6%	0.3%
Netherlands	-8.5%	14.4%	4.6%	0.1%
Sweden	-5.2%	6.5%	1.0%	0.1%
Non-Subject	-0.5%	-3.4%	-3.9%	6.5%
Industry	-1.3%	-1.7%	-3.0%	

Scenario #2:
Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.7%	-1.9%	-2.6%	92.8%
Germany	-13.1%	28.1%	11.3%	0.1%
Korea	-10.2%	20.0%	7.7%	0.3%
Netherlands	-10.3%	20.1%	7.8%	0.1%
Sweden	-5.9%	9.1%	2.7%	0.1%
Non-Subject	-0.2%	-2.9%	-3.1%	6.5%
Industry	-0.8%	-1.8%	-2.6%	

Scenario #3:
Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.1%	-1.2%	-2.3%	92.8%
Germany	-10.5%	20.6%	8.0%	0.1%
Korea	-8.3%	14.9%	5.4%	0.3%
Netherlands	-8.3%	15.0%	5.4%	0.1%
Sweden	-5.0%	7.0%	1.7%	0.1%
Non-Subject	-0.4%	-2.6%	-3.0%	6.5%
Industry	-1.1%	-1.2%	-2.3%	

Scenario #4:
Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.6%	-1.6%	-2.2%	92.8%
Germany	-13.0%	28.5%	11.7%	0.1%
Korea	-10.1%	20.4%	8.1%	0.3%
Netherlands	-10.2%	20.5%	8.2%	0.1%
Sweden	-5.8%	9.5%	3.1%	0.1%
Non-Subject	-0.2%	-2.5%	-2.7%	6.5%
Industry	-0.7%	-1.5%	-2.2%	

Scenario #5:
High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.3%	-1.6%	-2.9%	92.8%
Germany	-7.7%	28.3%	18.5%	0.2%
Korea	-6.1%	20.2%	12.8%	0.3%
Netherlands	-6.2%	20.4%	12.9%	0.1%
Sweden	-3.9%	9.4%	5.1%	0.1%
Non-Subject	-0.6%	-4.6%	-5.1%	6.5%
Industry	-1.3%	-1.7%	-3.0%	

Scenario #6:
High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.7%	-1.9%	-2.6%	92.8%
Germany	-10.2%	46.3%	31.4%	0.2%
Korea	-7.9%	32.6%	22.1%	0.4%
Netherlands	-8.0%	32.8%	22.2%	0.1%
Sweden	-4.6%	15.0%	9.7%	0.1%
Non-Subject	-0.2%	-3.8%	-4.0%	6.5%
Industry	-0.7%	-1.8%	-2.6%	

Scenario #7:
High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.1%	-1.2%	-2.2%	92.9%
Germany	-7.4%	28.9%	19.3%	0.2%
Korea	-5.9%	20.8%	13.6%	0.3%
Netherlands	-6.0%	20.9%	13.7%	0.1%
Sweden	-3.7%	9.9%	5.8%	0.1%
Non-Subject	-0.5%	-3.6%	-4.1%	6.4%
Industry	-1.1%	-1.2%	-2.3%	

Scenario #8:
High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.7%	-1.6%	-2.2%	92.8%
Germany	-10.1%	46.7%	31.9%	0.2%
Korea	-7.9%	33.0%	22.5%	0.4%
Netherlands	-7.9%	33.3%	22.7%	0.1%
Sweden	-4.5%	15.4%	10.2%	0.1%
Non-Subject	-0.2%	-3.3%	-3.5%	6.5%
Industry	-0.7%	-1.5%	-2.2%	

H-10

Cold-Rolled: High Growth Scenarios

Scenario #1:
Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	3.9%	3.9%	92.8%
Germany	-9.4%	26.6%	14.6%	0.1%
Korea	-7.2%	20.6%	11.9%	0.3%
Netherlands	-7.2%	20.7%	12.0%	0.1%
Sweden	-5.2%	15.5%	9.5%	0.1%
Non-Subject	-0.0%	3.9%	3.9%	6.6%
Industry	-0.1%	4.0%	4.0%	

Scenario #2:
Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	3.9%	3.9%	92.8%
Germany	-12.4%	35.3%	18.5%	0.1%
Korea	-9.5%	26.8%	14.8%	0.3%
Netherlands	-9.6%	27.0%	14.8%	0.1%
Sweden	-6.0%	17.5%	10.5%	0.1%
Non-Subject	-0.0%	3.9%	3.9%	6.6%
Industry	-0.1%	4.0%	3.9%	

Scenario #3:
Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	4.0%	3.9%	92.8%
Germany	-9.4%	26.6%	14.7%	0.1%
Korea	-7.2%	20.6%	11.9%	0.3%
Netherlands	-7.2%	20.7%	12.0%	0.1%
Sweden	-5.2%	15.5%	9.6%	0.1%
Non-Subject	-0.0%	3.9%	3.9%	6.6%
Industry	-0.1%	4.0%	4.0%	

Scenario #4:
Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	3.9%	3.9%	92.8%
Germany	-12.4%	35.4%	18.6%	0.1%
Korea	-9.5%	26.8%	14.8%	0.3%
Netherlands	-9.6%	27.0%	14.9%	0.1%
Sweden	-6.0%	17.6%	10.5%	0.1%
Non-Subject	-0.0%	3.9%	3.9%	6.6%
Industry	-0.1%	4.1%	4.0%	

Scenario #5:
High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.1%	3.9%	3.8%	92.8%
Germany	-6.4%	34.9%	26.3%	0.2%
Korea	-4.9%	26.5%	20.4%	0.3%
Netherlands	-4.9%	26.7%	20.5%	0.1%
Sweden	-3.5%	19.4%	15.2%	0.1%
Non-Subject	-0.0%	3.8%	3.8%	6.5%
Industry	-0.1%	4.0%	3.9%	

Scenario #6:
High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	3.8%	3.8%	92.7%
Germany	-9.4%	54.1%	39.5%	0.2%
Korea	-7.2%	39.8%	29.7%	0.4%
Netherlands	-7.2%	40.1%	29.9%	0.1%
Sweden	-4.5%	24.6%	19.0%	0.1%
Non-Subject	-0.0%	3.7%	3.7%	6.5%
Industry	-0.1%	4.0%	3.9%	

Scenario #7:
High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	3.9%	3.9%	92.8%
Germany	-6.4%	35.0%	26.4%	0.2%
Korea	-4.8%	26.5%	20.4%	0.3%
Netherlands	-4.9%	26.7%	20.5%	0.1%
Sweden	-3.4%	19.4%	15.3%	0.1%
Non-Subject	-0.0%	3.8%	3.8%	6.6%
Industry	-0.1%	4.0%	4.0%	

Scenario #8:
High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.0%	3.9%	3.8%	92.7%
Germany	-9.4%	54.1%	39.6%	0.2%
Korea	-7.2%	39.8%	29.8%	0.4%
Netherlands	-7.2%	40.1%	30.0%	0.1%
Sweden	-4.5%	24.6%	19.1%	0.1%
Non-Subject	-0.0%	3.8%	3.8%	6.5%
Industry	-0.1%	4.1%	4.0%	

H-11

Corrosion-Resistant

The following model estimates the effects of antidumping and countervailing duty order revocation using elasticities and market growth estimates from Part CORROSION-II, Commerce margins, market shares, and tariff and transportation costs obtained from Customs data for corrosion-resistant. The results examine the potential changes in price quantity and revenue for various producers under the range of different elasticity scenarios.

Model inputs, corrosion-resistant:

Market Segments	Shares	Duties	Trans
Domestic	91.07%	0.0%	0.0%
Australia	0.00%	25.0%	9.0%
Canada	1.63%	18.7%	3.0%
France	0.02%	44.5%	7.1%
Germany	0.16%	10.6%	8.8%
Japan	0.23%	36.4%	9.8%
Korea	1.42%	18.2%	9.1%
Non-Subject	5.48%	0.0%	0.0%

Growth Rates:		
Aggregate Demand	-1.0%	6.0%
Domestic Supply	4.0%	10.0%
Australia Supply	4.0%	10.0%
Canada Supply	4.0%	10.0%
France Supply	4.0%	10.0%
Germany Supply	4.0%	10.0%
Japan Supply	4.0%	10.0%
Korea Supply	4.0%	10.0%
Non-Subject Supply	4.0%	10.0%

Elasticity ranges	lo	hi
Substitution	2	4
Demand	-0.25	-0.75
Domestic Supply	3	6
Australia Supply	10	20
Canada Supply	3	6
France Supply	3	6
Germany Supply	3	6
Japan Supply	3	6
Korea Supply	5	10
Non-Subject Supply	5	10

H-12

Corrosion: Zero Growth Scenarios

Scenario #1:
Zero Growth, Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.2%	-0.6%	-0.8%	90.7%
Australia	-15.9%	39.8%	17.6%	0.0%
Canada	-9.7%	21.4%	9.6%	1.8%
France	-19.0%	50.8%	22.2%	0.0%
Germany	-5.6%	11.1%	4.8%	0.2%
Japan	-16.0%	40.1%	17.8%	0.3%
Korea	-10.6%	23.8%	10.7%	1.6%
Nonsubject	-0.1%	-0.7%	-0.9%	5.5%
Industry	-0.6%	0.1%	-0.4%	

Scenario #2:
Zero Growth, Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.1%	-0.8%	-0.9%	90.6%
Australia	-17.1%	44.1%	19.4%	0.0%
Canada	-11.9%	27.4%	12.3%	1.8%
France	-23.1%	67.1%	28.6%	0.0%
Germany	-6.8%	14.0%	6.2%	0.2%
Japan	-19.4%	52.4%	22.8%	0.3%
Korea	-12.2%	28.2%	12.6%	1.6%
Nonsubject	-0.1%	-0.9%	-1.0%	5.5%
Industry	-0.6%	0.2%	-0.5%	

Scenario #3:
Zero Growth, Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.1%	-0.4%	-0.5%	90.7%
Australia	-15.8%	40.2%	18.0%	0.0%
Canada	-9.6%	21.7%	10.0%	1.8%
France	-18.9%	51.2%	22.6%	0.0%
Germany	-5.5%	11.3%	5.2%	0.2%
Japan	-15.9%	40.5%	18.1%	0.3%
Korea	-10.5%	24.1%	11.1%	1.6%
Nonsubject	-0.1%	-0.5%	-0.5%	5.5%
Industry	-0.5%	0.4%	-0.1%	

Scenario #4:
Zero Growth, Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.1%	-0.5%	-0.6%	90.6%
Australia	-17.1%	44.5%	19.8%	0.0%
Canada	-11.8%	27.8%	12.6%	1.8%
France	-23.0%	67.6%	29.0%	0.0%
Germany	-6.8%	14.3%	6.5%	0.2%
Japan	-19.4%	52.8%	23.2%	0.3%
Korea	-12.1%	28.6%	13.0%	1.6%
Nonsubject	-0.1%	-0.6%	-0.6%	5.5%
Industry	-0.6%	0.4%	-0.1%	

H-13

Corrosion: Zero Growth Scenarios

Scenario #5:
Zero Growth, High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.4%	-1.1%	-1.4%	90.2%
Australia	-13.8%	77.1%	52.6%	0.0%
Canada	-7.2%	31.7%	22.2%	2.0%
France	-14.1%	79.6%	54.2%	0.0%
Germany	-4.2%	16.0%	11.1%	0.2%
Japan	-11.9%	61.7%	42.5%	0.3%
Korea	-8.5%	39.1%	27.3%	1.8%
Nonsubject	-0.3%	-1.4%	-1.6%	5.4%
Industry	-0.7%	0.2%	-0.5%	

Scenario #6:
Zero Growth, High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.3%	-1.5%	-1.8%	89.9%
Australia	-15.9%	94.6%	63.7%	0.0%
Canada	-9.8%	47.0%	32.6%	2.2%
France	-19.0%	126.8%	83.6%	0.0%
Germany	-5.7%	23.0%	16.0%	0.2%
Japan	-16.0%	95.8%	64.4%	0.4%
Korea	-10.6%	52.7%	36.5%	1.9%
Nonsubject	-0.2%	-1.8%	-2.0%	5.4%
Industry	-0.7%	0.2%	-0.5%	

Scenario #7:
Zero Growth, High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.3%	-0.8%	-1.1%	90.2%
Australia	-13.8%	77.9%	53.3%	0.0%
Canada	-7.2%	32.1%	22.6%	2.0%
France	-14.1%	80.1%	54.7%	0.0%
Germany	-4.1%	16.3%	11.5%	0.2%
Japan	-11.8%	62.1%	43.0%	0.3%
Korea	-8.4%	39.5%	27.8%	1.8%
Nonsubject	-0.2%	-1.0%	-1.2%	5.4%
Industry	-0.6%	0.4%	-0.1%	

Scenario #8:
Zero Growth, High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.2%	-1.2%	-1.5%	89.9%
Australia	-15.9%	95.4%	64.4%	0.0%
Canada	-9.7%	47.4%	33.1%	2.2%
France	-19.0%	127.5%	84.3%	0.0%
Germany	-5.6%	23.3%	16.4%	0.2%
Japan	-16.0%	96.4%	65.0%	0.4%
Korea	-10.6%	53.2%	37.0%	1.9%
Nonsubject	-0.1%	-1.5%	-1.6%	5.4%
Industry	-0.6%	0.5%	-0.2%	

H-14

Corrosion: Low Growth Scenarios

Scenario #1:
Low Growth, Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.8%	-1.2%	-2.9%	90.7%
Australia	-16.3%	36.2%	14.0%	0.0%
Canada	-11.0%	20.4%	7.1%	1.8%
France	-20.0%	49.1%	19.3%	0.0%
Germany	-7.0%	10.2%	2.5%	0.2%
Japan	-17.1%	38.7%	15.0%	0.3%
Korea	-11.5%	21.7%	7.7%	1.6%
Nonsubject	-1.3%	-2.2%	-3.4%	5.4%
Industry	-2.1%	-0.5%	-2.6%	

Scenario #2:
Low Growth, Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.9%	-1.6%	-2.5%	90.7%
Australia	-17.3%	41.3%	16.8%	0.0%
Canada	-12.5%	26.2%	10.4%	1.8%
France	-23.5%	65.1%	26.3%	0.0%
Germany	-7.5%	13.0%	4.4%	0.2%
Japan	-19.9%	50.7%	20.6%	0.3%
Korea	-12.6%	26.4%	10.5%	1.6%
Nonsubject	-0.6%	-2.2%	-2.8%	5.4%
Industry	-1.4%	-0.6%	-2.1%	

Scenario #3:
Low Growth, Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.5%	-0.3%	-1.8%	90.7%
Australia	-16.2%	37.9%	15.5%	0.0%
Canada	-10.7%	21.4%	8.4%	1.8%
France	-19.8%	50.4%	20.6%	0.0%
Germany	-6.7%	11.2%	3.7%	0.2%
Japan	-16.8%	39.9%	16.3%	0.3%
Korea	-11.3%	23.0%	9.1%	1.6%
Nonsubject	-1.1%	-1.2%	-2.2%	5.4%
Industry	-1.8%	0.4%	-1.5%	

Scenario #4:
Low Growth, Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.8%	-0.9%	-1.8%	90.7%
Australia	-17.3%	42.4%	17.8%	0.0%
Canada	-12.4%	26.9%	11.2%	1.8%
France	-23.4%	66.2%	27.2%	0.0%
Germany	-7.4%	13.7%	5.2%	0.2%
Japan	-19.9%	51.7%	21.5%	0.3%
Korea	-12.5%	27.3%	11.3%	1.6%
Nonsubject	-0.6%	-1.5%	-2.1%	5.4%
Industry	-1.3%	-0.0%	-1.3%	

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Corrosion: Low Growth Scenarios

Scenario #5:
Low Growth, High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.9%	-1.6%	-3.4%	90.3%
Australia	-14.4%	69.9%	45.4%	0.0%
Canada	-8.5%	30.3%	19.2%	2.0%
France	-15.2%	76.8%	49.8%	0.0%
Germany	-5.6%	15.0%	8.5%	0.2%
Japan	-13.0%	59.4%	38.6%	0.3%
Korea	-9.5%	35.8%	22.9%	1.8%
Non-subject	-1.5%	-3.2%	-4.6%	5.4%
Industry	-2.2%	-0.5%	-2.6%	

Scenario #6:
Low Growth, High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.1%	-2.3%	-3.3%	90.0%
Australia	-16.1%	88.9%	58.5%	0.0%
Canada	-10.4%	45.1%	30.0%	2.2%
France	-19.5%	123.1%	79.5%	0.0%
Germany	-6.3%	21.7%	14.0%	0.2%
Japan	-16.5%	92.7%	60.9%	0.4%
Korea	-11.0%	49.5%	33.0%	1.9%
Non-subject	-0.8%	-3.4%	-4.2%	5.4%
Industry	-1.5%	-0.6%	-2.1%	

Scenario #7:
Low Growth, High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.6%	-0.7%	-2.3%	90.3%
Australia	-14.3%	72.4%	47.8%	0.0%
Canada	-8.3%	31.4%	20.6%	2.0%
France	-15.0%	78.3%	51.6%	0.0%
Germany	-5.3%	16.0%	9.8%	0.2%
Japan	-12.8%	60.8%	40.2%	0.3%
Korea	-9.3%	37.3%	24.6%	1.8%
Non-subject	-1.2%	-2.1%	-3.3%	5.4%
Industry	-1.9%	0.4%	-1.5%	

Scenario #8:
Low Growth, High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.0%	-1.6%	-2.6%	89.9%
Australia	-16.1%	90.6%	60.0%	0.0%
Canada	-10.3%	46.1%	31.1%	2.2%
France	-19.4%	124.5%	80.9%	0.0%
Germany	-6.2%	22.5%	14.8%	0.2%
Japan	-16.4%	94.0%	62.2%	0.4%
Korea	-11.0%	50.7%	34.2%	1.9%
Non-subject	-0.7%	-2.7%	-3.3%	5.4%
Industry	-1.4%	0.0%	-1.3%	

H-16

Corrosion: High Growth Scenarios

Scenario #1:
High Growth, Low Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.4%	5.8%	4.3%	90.7%
Australia	-16.1%	46.0%	22.5%	0.0%
Canada	-10.5%	28.3%	14.9%	1.8%
France	-19.4%	58.4%	27.6%	0.0%
Germany	-6.6%	17.8%	10.0%	0.2%
Japan	-16.5%	47.5%	23.1%	0.3%
Korea	-11.1%	30.2%	15.7%	1.6%
Nonsubject	-1.0%	5.0%	3.9%	5.4%
Industry	-1.8%	6.4%	4.7%	

Scenario #2:
High Growth, Low Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.8%	5.4%	4.6%	90.7%
Australia	-17.2%	51.4%	25.4%	0.0%
Canada	-12.2%	34.7%	18.2%	1.8%
France	-23.2%	75.8%	35.1%	0.0%
Germany	-7.3%	20.7%	11.9%	0.2%
Japan	-19.6%	60.6%	29.1%	0.3%
Korea	-12.4%	35.2%	18.4%	1.6%
Nonsubject	-0.5%	4.9%	4.3%	5.4%
Industry	-1.2%	6.3%	5.1%	

Scenario #3:
High Growth, Low Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.2%	6.5%	5.2%	90.7%
Australia	-16.0%	47.4%	23.8%	0.0%
Canada	-10.3%	29.2%	15.9%	1.8%
France	-19.2%	59.5%	28.8%	0.0%
Germany	-6.3%	18.5%	11.0%	0.2%
Japan	-16.3%	48.4%	24.2%	0.3%
Korea	-11.0%	31.2%	16.8%	1.6%
Nonsubject	-0.9%	5.8%	4.9%	5.4%
Industry	-1.5%	7.2%	5.6%	

Scenario #4:
High Growth, Low Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.7%	6.0%	5.2%	90.7%
Australia	-17.2%	52.4%	26.2%	0.0%
Canada	-12.1%	35.3%	18.9%	1.8%
France	-23.1%	76.7%	35.9%	0.0%
Germany	-7.2%	21.4%	12.6%	0.2%
Japan	-19.5%	61.4%	29.9%	0.3%
Korea	-12.3%	36.0%	19.2%	1.6%
Nonsubject	-0.5%	5.5%	5.0%	5.4%
Industry	-1.1%	6.9%	5.7%	

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Corrosion: High Growth Scenarios

Scenario #5:
High Growth, High Substitution, Low Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.6%	5.4%	3.8%	90.3%
Australia	-14.1%	81.9%	56.2%	0.0%
Canada	-8.0%	38.4%	27.3%	2.0%
France	-14.6%	86.5%	59.2%	0.0%
Germany	-5.2%	22.5%	16.2%	0.2%
Japan	-12.4%	68.5%	47.5%	0.3%
Korea	-9.1%	44.8%	31.7%	1.8%
Nonsubject	-1.2%	4.0%	2.8%	5.4%
Industry	-1.8%	6.5%	4.6%	

Scenario #6:
High Growth, High Substitution, Low Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.9%	4.7%	3.7%	90.0%
Australia	-15.9%	102.1%	69.9%	0.0%
Canada	-10.0%	54.2%	38.7%	2.2%
France	-19.1%	135.8%	90.7%	0.0%
Germany	-6.1%	29.7%	21.8%	0.2%
Japan	-16.1%	104.0%	71.1%	0.4%
Korea	-10.8%	59.5%	42.3%	1.9%
Nonsubject	-0.7%	3.6%	3.0%	5.4%
Industry	-1.3%	6.3%	5.0%	

Scenario #7:
High Growth, High Substitution, High Demand, and Low Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-1.3%	6.1%	4.7%	90.3%
Australia	-14.0%	84.0%	58.3%	0.0%
Canada	-7.8%	39.3%	28.4%	2.0%
France	-14.4%	87.8%	60.7%	0.0%
Germany	-5.0%	23.4%	17.3%	0.2%
Japan	-12.2%	69.6%	48.9%	0.3%
Korea	-8.9%	46.1%	33.1%	1.8%
Nonsubject	-1.0%	4.9%	3.9%	5.4%
Industry	-1.6%	7.2%	5.6%	

Scenario #8:
High Growth, High Substitution, High Demand, and High Supply

	Price	Quantity	Revenue	Mkt Share
Domestic	-0.8%	5.3%	4.4%	90.0%
Australia	-15.9%	103.7%	71.3%	0.0%
Canada	-10.0%	55.1%	39.6%	2.2%
France	-19.0%	137.1%	92.0%	0.0%
Germany	-6.0%	30.4%	22.6%	0.2%
Japan	-16.0%	105.2%	72.2%	0.4%
Korea	-10.7%	60.6%	43.3%	1.9%
Nonsubject	-0.6%	4.3%	3.7%	5.4%
Industry	-1.2%	6.9%	5.7%	

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