

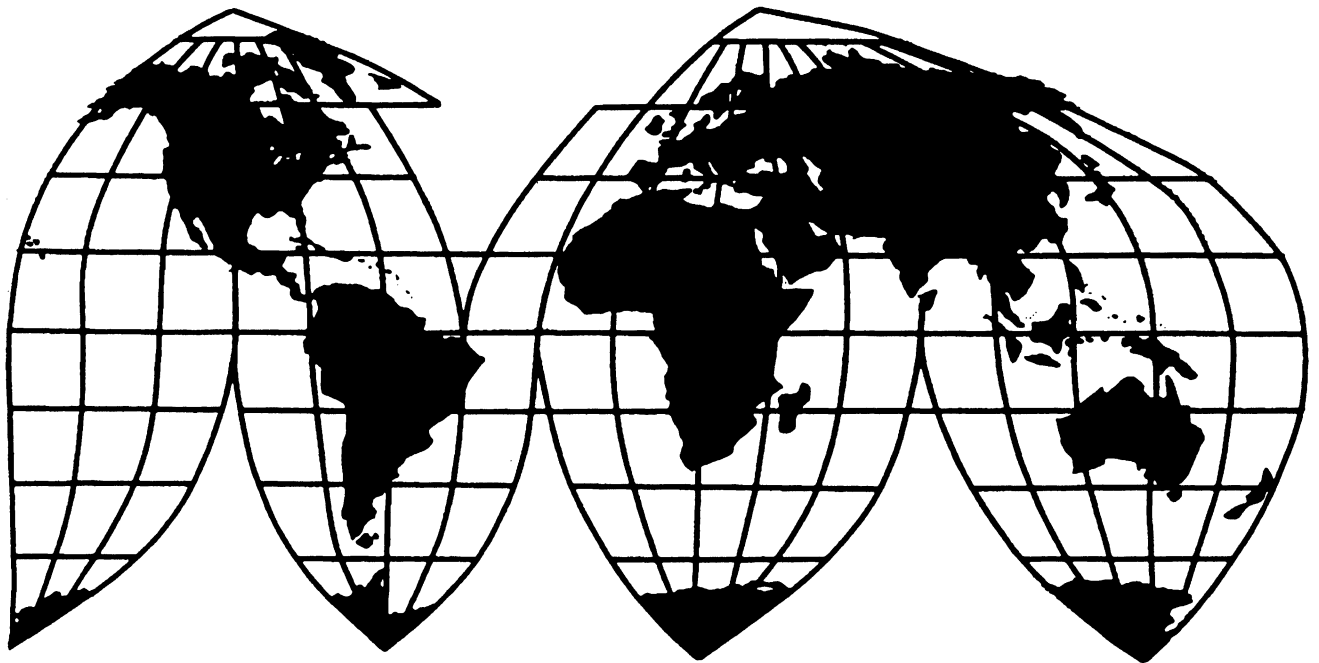
# **Certain Cold-Rolled Steel Products From Australia, India, Japan, Sweden, and Thailand**

Investigations Nos. 731-TA-965, 971-972, 979, and 981 (Final)

Publication 3536

September 2002

**U.S. International Trade Commission**



Washington, DC 20436

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**NOTE**

**Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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



**UNITED STATES INTERNATIONAL TRADE COMMISSION**

**CERTAIN COLD-ROLLED STEEL PRODUCTS FROM  
AUSTRALIA, INDIA, JAPAN, SWEDEN, AND THAILAND**

**Investigations Nos. 731-TA-965, 971-972, 979, and 981 (Final)**

**DETERMINATIONS**

On the basis of the record<sup>1</sup> developed in the subject investigations, the United States International Trade Commission determines,<sup>2</sup> pursuant to section 735(b) of the Tariff Act of 1930 (the Act),<sup>3</sup> that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from Australia, India, Japan, Sweden, and Thailand of certain cold-rolled steel products, provided for in headings 7209, 7210, 7211, 7212, 7225, and 7226 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

**BACKGROUND**

The Commission instituted these investigations effective September 28, 2001, following receipt of petitions filed with the Commission and Commerce by Bethlehem Steel Corporation, Bethlehem, PA; LTV Steel Co., Inc., Cleveland, OH; National Steel Corporation, Mishawaka, IN;<sup>4</sup> Nucor Corporation, Charlotte, NC; Steel Dynamics Inc., Butler, IN; United States Steel LLC, Pittsburgh, PA; WCI Steel, Inc., Warren, OH; and Weirton Steel Corporation, Weirton, WV.

The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of certain cold-rolled steel products from Australia, India, Japan, Sweden, and Thailand were being sold at LTFV within the meaning of section 733(b) of the Act.<sup>5</sup> Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of June 3, 2002 (67 FR 38291). The hearing was held in Washington, DC, on July 18, 2002, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

<sup>2</sup> Commissioner Lynn M. Bragg dissenting.

<sup>3</sup> 19 U.S.C. § 1673d(b).

<sup>4</sup> National Steel Corporation is not a petitioner with respect to Japan.

<sup>5</sup> 19 U.S.C. § 1673b(b).





**CERTAIN COLD-ROLLED STEEL PRODUCTS FROM  
AUSTRALIA, INDIA, JAPAN, SWEDEN, AND THAILAND**

**Investigations Nos. 731-TA-965, 971-972, 979, and 981 (Final)**

**VIEWS OF THE COMMISSION**

Based on the record in these investigations, we find that an industry in the United States is not materially injured or threatened with material injury by reason of imports of certain cold-rolled steel products from Australia, India, Japan, Sweden, and Thailand that are sold in the United States at less than fair value (“LTFV”).<sup>1 2</sup>

**I. DOMESTIC LIKE PRODUCT AND INDUSTRY**

**A. In General**

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”<sup>3</sup> Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Act”), defines the relevant domestic industry as the “producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>4</sup> In turn, the Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . .”<sup>5</sup>

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<sup>1</sup> Commission rule 209.68(b) provides that final party comments “containing new factual information shall be disregarded.” 19 C.F.R. § 209.68(b); see also 19 U.S.C. § 1677m(g). The following final comments filed on August 23, 2002, and August 26, 2002, contain new factual information to be disregarded:

**Final Comments of August 23, 2002, to be disregarded:**

Bethlehem, et al.: Paragraph beginning at the bottom of page 1 and continuing to the top of page 2.

Nucor, et al.: Page 14, section D in its entirety and fn. 73.

AGS: Page 6, last sentence of fn. 10.

Sandvik and Uddeholm (Sweden): Bottom of page 2, and all information concerning the Andren statement.

Spain: Exhibits 2 and 3.

**Exclusion Comments of August 26, 2002, to be disregarded:**

Bethlehem, et al.: Table 1, column related to anticipated consumption in 2003.

Nucor, et al.: Footnotes 4-8 and information obtained from article cited in footnotes 4-8; Part III in its entirety on pages 3-4; part IV in its entirety and notes 9-12.

AK Steel: Entire brief except first paragraph on page 1.

AGS (Germany): Page 2, last sentence of middle paragraph.

Sidmar (Belgium): Footnotes 6 and 7, sections 1 and 2 on pages 3-5 and attachment.

<sup>2</sup> Commissioner Bragg dissenting. See her Dissenting Views.

<sup>3</sup> 19 U.S.C. § 1677(4)(A).

<sup>4</sup> 19 U.S.C. § 1677(4)(A).

<sup>5</sup> 19 U.S.C. § 1677(10).

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.<sup>6</sup> No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.<sup>7</sup> The Commission looks for clear dividing lines among possible like products and disregards minor variations.<sup>8</sup> Although the Commission must accept the determination of the Department of Commerce (“Commerce”) as to the scope of the imported merchandise that has been found to be subsidized or sold at LTFV, the Commission determines what domestic product is like the imported articles Commerce has identified.<sup>9</sup>

## B. Product Description

Commerce’s final determinations defined the imported merchandise within the scope of these investigations as follows:

cold-rolled (cold-reduced) flat-rolled carbon-quality steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances, both in coils, 0.5 inch wide or wider, (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally oscillated coils), and also in straight lengths, which, if less than 4.75 mm in thickness having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular or other shape and include products of either rectangular or non-rectangular cross-section.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of

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

<sup>7</sup> See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

<sup>8</sup> Nippon Steel, 19 CIT at 455; Torrington, 747 F. Supp. at 748-749; see also S. Rep. No. 96-249 at 90-91 (1979) (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

<sup>9</sup> Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (Commission may find single like product corresponding to several different classes or kinds defined by Commerce); Torrington, 747 F. Supp. at 748-752 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of this investigation, regardless of definitions in the HTSUS, are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight, and; (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium (also called columbium), or 0.15 percent of vanadium, or 0.15 percent of zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded.<sup>10</sup>

As defined above, the scope of these investigations covers a range of cold-rolled steel products.<sup>11</sup>

In cases such as the present one, where the domestically manufactured merchandise corresponding to the scope comprises a continuum of similar products, the Commission generally does not consider each item of merchandise to be a separate domestic like product that is only “like” its counterpart in the scope, but considers the continuum itself to constitute the domestic like product.<sup>12</sup>

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<sup>10</sup> See Appendix I—Scope of the AD/CVD Investigations on Certain Cold-Rolled Steel Products of Commerce’s final LTFV determination concerning Australia (67 Fed. Reg. 47509, 47510 (July 19, 2002)), included in Appendix A of the final Staff Report in these investigations. Commerce’s Appendix I includes a fuller statement of the scope of these investigations. Commerce subsequently published clerical corrections to the exclusion descriptions of porcelain enameling sheet and texture-rolled steel strip. 67 Fed. Reg. 52934 (Aug. 14, 2002). See also, Commerce’s Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea (July 9, 2002). 67 Fed. Reg. 47509 (July 19, 2002). The subject merchandise is also described in the Staff Report in these investigations, INV-Z-127 (Aug. 14, 2002) (hereinafter “PR,” public version of the report, and “CR,” confidential version, i.e., containing business proprietary information) at I-17 and I-23 (Commerce’s scope, U.S. tariff treatment, physical characteristics, manufacturing processes, and uses), and references cited therein.

<sup>11</sup> Forty-seven products are excluded from the scope of these investigations. See preceding note. In the preliminary phase of the investigations, Commerce identified 36 excluded products. See, 67 Fed. Reg. 31181 (May 9, 2002) and 67 Fed. Reg. 47509 (July 19, 2002).

<sup>12</sup> Certain Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela, Inv. Nos. 701-TA-368-371 (Final), USITC Pub. 3075 (Nov. 1997) at 7.

### C. Domestic Like Product Issues

In the preliminary phase of these investigations, the Commission found a single domestic like product, certain cold-rolled steel, corresponding to the description of the scope of the subject merchandise.<sup>13</sup> The Commission considered like product issues with respect to two specific types of cold-rolled steel, texture-rolled carbon steel and certain wood bandsaw steel, and found that both properly were included in the one domestic like product of certain cold-rolled steel.<sup>14</sup>

Petitioners and the Association of Cold-Rolled Strip Steel Producers (“ACRSSP”) support the finding of one like product consisting of all certain cold-rolled steel. Respondents Sandvik Steel Company (“Sandvik”), Bohler-Uddeholm AG and Bohler-Uddeholm Strip Steel LLC (“Uddeholm”) and the Association of German Specialty Cold Rolled Strip Producers (“AGS”) argue that hardened and tempered cold-rolled strip steel is a separate domestic like product;<sup>15</sup> respondents Kern-Leibers USA Inc. (“Kern-Leibers”) and AGS assert that texture-rolled steel is a separate domestic like product;<sup>16</sup> and BHP Steel Limited, New Zealand Steel Limited, and BHP Steel Americas LLC (“BHP”) argue that strapping steel is a separate domestic like product.<sup>17</sup>

As discussed below, we find that there is one domestic like product consisting of all certain cold-rolled steel products.

#### 1. Hardened and Tempered Cold-Rolled Strip

Sandvik, Uddeholm, and AGS argue that hardened and tempered cold-rolled strip steel is a separate domestic like product. They assert, among other things, that production of hardened and tempered articles requires heat treatment processes on a special line and that there are differences in physical characteristics, end uses, channels of distribution, customer perceptions, and prices between hardened and tempered strip and other cold-rolled steel articles.<sup>18</sup> The ACRSSP argues that hardened

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<sup>13</sup> Certain Cold-Rolled Steel Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, The Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, Inv. Nos. 701-TA-422-425 and 731-TA-964-983 (Preliminary), USITC Pub. 3471 (Nov. 2001) (hereinafter “Preliminary Determinations”) at 5.

<sup>14</sup> Preliminary Determinations at 5-6. In response to requests in the preliminary phase investigations for exclusion of certain products from the investigation, the Commission explained that the scope of subject merchandise is determined by Commerce, not the Commission, and that the Commission does not have authority to exclude from its determination products that are within the scope. Preliminary Determinations at 5, and 5, n.20.

<sup>15</sup> Sandvik, Uddeholm and AGS’ Prehearing Brief at 5-16, Posthearing Brief at 2-10; AGS’ Prehearing Brief at 2, Posthearing Brief at 2. Uddeholm does not repeat its arguments made in the preliminary phase of these investigations that wood bandsaw steel is a separate like product. Commerce excluded certain grades of wood bandsaw steel from the scope at the time of the preliminary phase investigations, and excluded an additional grade of wood bandsaw steel from the scope in its final scope determination. 67 Fed. Reg. 47509, 47514. Two grades of wood bandsaw steel exported by Uddeholm to the United States remain in the scope. CR at I-18, n.29, and PR at I-16, n.29.

<sup>16</sup> Kern-Leibers’ Prehearing Brief at 3-12; AGS’ Prehearing Brief at 3, Posthearing Brief at 2.

<sup>17</sup> Australian and New Zealand Respondents’ Prehearing Brief at 11, n.12.

<sup>18</sup> They contend that hardened and tempered product is generally sold directly to end users, is recognized by producers and consumers as unique, cannot be substituted by other cold-rolled strip in applications requiring

(continued...)

and tempered steel strip is not a separate domestic like product, but rather is part of the continuum of certain cold-rolled steel products.<sup>19</sup>

As noted above, where the domestically manufactured merchandise is made up of a continuum of similar products, the Commission generally does not consider each item of merchandise to be a separate domestic like product that is only “like” its counterpart in the scope. Although hardened and tempered strip is a specialty item that may be at the high end of the cold-rolled steel continuum with respect to certain factors in the Commission’s traditional analysis, we find that, on balance, there is not a sufficiently clear dividing line between cold-rolled hardened and tempered strip and other cold-rolled articles. Steel hardness exists along a continuum,<sup>20</sup> and there is an overlap of uses between certain cold-rolled hardened and tempered strip articles and other cold-rolled articles on the continuum.<sup>21</sup> Although the additional hardening and tempering steps may occur at facilities separate from those at which the other steps in production of the finished product occur, hardened and tempered steel products are otherwise produced in the same facilities as other cold-rolled steels using the same workers and processes.<sup>22 23</sup> Whereas certain hardened and tempered steels have distinct physical characteristics and

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<sup>18</sup> (...continued)

hardened and tempered strip, and is priced at multiples of the average price of cold-rolled strip generally. Sandvik and Uddeholm’s Prehearing Brief at 5-16, Posthearing Brief at 2-10; AGS’ Prehearing Brief at 2-3.

<sup>19</sup> ACRSSP’s Prehearing Brief and Posthearing Brief (see individual page citations, *infra*).

<sup>20</sup> Furnace treatments can be used to produce annealed steel, intermediate hardness steel, or hardened and tempered steel. ACRSSP’s Prehearing Brief at 9. Hardening and tempering are not the only ways in which the cold-rolled steel is heat treated or hardened. Unrelated to the hardening and tempering processes, the cold-rolling process itself hardens steel. Also, annealing, another heat treatment process, generally follows cold-rolling. The objective of annealing is to make steel that has been hardened by rolling more formable. Most cold-rolled products are annealed at temperatures of about 1250° F. CR at I-21, and PR at I-18. After annealing, the product is rolled on a temper mill to produce the desired hardness, flatness, and surface quality. CR at I-22, and PR at I-18. Although this is referred to as a “temper” mill, and one of its purposes is to produce desired hardness, that process, too, is unrelated to the hardening and tempering processes at issue here. The *hardening* that is at issue here involves increasing the temperature of the steel to about 1700° F then rapidly reducing the temperature. *Id.* In the *tempering* process that follows hardening, in which some of the strength and hardness produced in hardening are sacrificed to impart greater ductility, the steel is re-heated to about 800° F. *Id.* Not all steel strip that has been hardened is subsequently tempered by the cold-rolled manufacturer.

<sup>21</sup> ACRSSP’s Prehearing Brief at 6; Posthearing Brief at 9-10 and Attachment (Responses to Questions from the Commissioners and Staff) at 2. They claim, for example, that hardened products, tempered products, and other cold-rolled products are used in the production of handsaws, circular saws, spring applications, washers, and other types of blades and cutting instruments.

<sup>22</sup> Theis Precision Steel manufactures cold-rolled hardened and tempered products and other cold-rolled products in the same facilities with the same employees; Thompson Steel previously manufactured hardened and tempered products and other cold-rolled products in the same facilities, then moved its hardening and tempering operations to a separate facility because of space limitations. ACRSSP’s Prehearing Brief at 9-10. It is not contested that hardening and tempering operations require a costly dedicated line that is about 100 yards in length. See, e.g., George Deyman notes of July 15, 2002 meeting with certain respondents concerning hardened and tempered product (indicating that the special furnace would cost \*\*\*). An overlap even with respect to the special equipment used in hardening and tempering is shown by use of the special line in production of certain products other than hardened and tempered product; e.g., it is used in bluing and stress relieving other cold-rolled products. ACRSSP’s Posthearing Brief at 12. Bluing and stress relieving are heat treatments. In stress relieving, steel is heated to a temperature below the critical range to relieve stresses induced by flattening or other operations such as cold working, shearing, or gas cutting. It is not intended to alter the microstructure or mechanical properties significantly. USS, The Making, Shaping, and Treating of Steel (Pittsburgh, PA: Herbick & Held, 1985) at 884. Steel can be heat

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customer perceptions when compared with commodity or other products at the low and medium range of the cold-rolled products continuum, such distinctions are blurred when the hardened and tempered product is compared to other specialty products. Similarly, distinctions on the basis of price diminish at the high end of the continuum.<sup>24</sup>

Accordingly, we find that, while hardened and tempered strip is distinguished from other cold-rolled items to the extent that it is subjected to special heat treatment processes on large, expensive equipment with only limited other uses, other aspects of the production are similar to those for other cold-rolled steel products. Additionally, although the item has particular physical characteristics and end uses, is distributed primarily to end users, and has a price premium, there is not a clear distinction between this category of steel products and the continuum of many different cold-rolled steels with unique specifications, processes, and end uses.<sup>25</sup> Thus, on balance, we find that hardened and tempered strip is not a separate domestic like product.

## 2. Texture-Rolled Carbon Steel

Kern-Liebers and AGS argue that texture-rolled carbon steel is a separate domestic like product. Kern-Liebers asserts that texture-rolled carbon steel is the only cold-rolled steel product that goes through a heat treating process known as patenting before it is cold-rolled and then is rolled in a mill with many more rollers than are commonly used in cold rolling, and that these processes result in a higher tensile strength than other cold-rolled steel, as well as differences in terms of cleanliness, inclusion level, microstructures, and surface finish necessary to conform to performance criteria of the Federal Motor Vehicle Safety Standards for seat belt life, output and endurance.<sup>26</sup> Kern-Liebers also asserts that the patenting and rolling processes require different equipment and workers, that other cold-rolled products cannot be used in the place of texture-rolled carbon steel, and that the article is perceived by customers as a unique specialty product, is sold primarily to end users for manufacture of seat belt springs, and is sold at prices higher than those for other cold-rolled steel products.

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<sup>22</sup> (...continued)

treated to form a uniform blue or black coating of oxide to provides some degree of protection and aesthetic properties. *Id.* at 1133. Other production equipment used to produce cold-rolled hardened and tempered strip that also is used to produce other cold-rolled products includes cold-rolling mills, annealing furnaces, and slitting lines. ACRSSP's Prehearing Brief at 9.

<sup>23</sup> ACRSSP's Prehearing Brief at 11-12.

<sup>24</sup> Showing overlap with respect to prices, Theis Precision Steel and Thompson Steel Company submitted invoices showing prices for certain cold-rolled products that are not hardened and tempered that are significantly higher than prices for certain hardened and tempered products. ACRSSP's Posthearing Brief at 14; Exhibit 1, ¶ 11; Exhibits 1-A, 1-B; Exhibit 2, ¶ 5; Exhibits 2-A, 2-B.

<sup>25</sup> See also Certain Flat-Rolled Carbon Steel Products from Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom, Invs. 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 (August 1993) at 92-93 (the Commission finding, for similar reasons, that a narrower product, hardened carbon steel, with a minimum carbon content of 0.6 percent, was in the same domestic like product as all cold-rolled steel, despite differences in final production processes, physical characteristics, and customer perceptions).

<sup>26</sup> Kern-Liebers' Prehearing Brief at 6.

We find that, while this item is distinguished from other cold-rolled items to the extent it is heat treated prior to being cold-rolled, other aspects of its production are similar to those for other cold-rolled steel products.<sup>27</sup> Additionally, although the item has particular physical characteristics and end uses,<sup>28</sup> is distributed primarily to end users, and has a price premium, we do not perceive a clear distinction between this narrow, specialized steel and the continuum of many different cold-rolled steels each with

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<sup>27</sup> Concerning the overlap of manufacturing processes between texture-rolled and other cold-rolled steel, Theis notes that, although its own patenting line is used only for the texture-rolled steel, it has been and can be used to produce carbon band saw steel. ACRSSP's Posthearing Brief at Exhibit 1 (Testimony of David Giapponi, Theis Manager of Operations). Theis also explains 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. It asserts that the manufacturing employees used to produce texture-rolled steel are also used to produce all other cold-rolled steel that Theis produces.

Concerning manufacture of the product, the Commission stated in the 1993 determination that "[t]his steel is distinguished from other high carbon steels to the extent that it is heat treated prior to being cold-rolled. However, most other production processes, facilities, and workers are the same for this and other types of cold-rolled steel." Certain Flat-Rolled Carbon Steel Products, USITC Pub. 2664, at 93-94. The Commission also found that "[s]eat belt retractor steel is produced in the same manufacturing facilities used to produce other hardened carbon steels, high carbon steels, and cold-rolled steels." USITC Pub. 2664, at 94, n.62. The record in these investigations supports the same finding.

<sup>28</sup> Domestic producers contend that the texture-rolled steel, including that manufactured by the domestic industry, is not used only in seat belt retractors, but also in the production of various automotive and non-automotive springs, and it is used in tape measure retractors, hose reels, vacuum cleaner retractors, clock mechanisms and starter recoil springs. ACRSSP's Posthearing Brief at Exhibit 1 (Testimony of David Giapponi, Theis' Manager of Operations).

some unique specifications, processes, and end uses.<sup>29 30 31</sup> Accordingly, we find that texture-rolled carbon steel is not a separate domestic like product.<sup>32</sup>

### 3. Strapping Steel

Respondent BHP argues in a footnote to its prehearing brief, as an alternative to requesting that imports from Australia not be cumulated, that a product it shipped in very small quantities during the period examined, strapping steel, be considered a separate domestic like product. BHP contends that this item has unique physical characteristics, dimensions and mechanical properties, that other cold-rolled items are not interchangeable for its use in heavy packaging, that it is supplied to different end users and

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<sup>29</sup> The Commission's finding in the 1993 determination is instructive in this regard.

Like other specialized high and hardened carbon steels (as well as specialized lower carbon steels), it has particular end uses, is primarily distributed to end users, and has a price premium reflecting the considerably greater energy usage required to produce these steels. While this product, like other types of specialized high carbon steel such as band saw steel, is near the upper boundary of the continuum of high carbon steels, we do not perceive a clear distinction between this narrow, specialized steel and the continuum of many different specialized cold-rolled steels with unique specifications, processes and end uses.

Certain Flat-Rolled Carbon Steel Products, USITC Pub. 2664, at 94. See also determinations in subsequent five-year reviews, 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, 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), USITC Pub. 3364 (Nov. 2000) at 7, n.24, and in the preliminary determinations in these investigations, USITC Pub. 4371 (Nov. 2001) at 2.

<sup>30</sup> To the extent Kern-Liebers asserts that there is no U.S. production of texture-rolled product, that assertion is contradicted by the statement on behalf of domestic producers that the product is produced in the United States. See Giapponi affidavit. If Kern-Liebers is requesting a domestic like product even narrower than all texture-rolled carbon steel, to include only that steel which conforms to standards for seat belt retractor steel, we find that the bases for rejecting the request are even greater than those stated above given the similarities, and absence of a clear dividing line, between seat belt retractor steel and other texture-rolled carbon steel. Moreover, if there is no domestic production of the texture-rolled product used in seat belt retractors, as Kern-Liebers claims, in the absence of a product that is "like" the subject imports, the "domestic like product" is the product "most similar in characteristics and uses with" the subject imports. 19 U.S.C. § 1677(10). As the Commission found in the preliminary phase of these investigations with respect to a cold-rolled item that was not produced in the United States, the product most similar in characteristics and uses with the product alleged not to be produced in the United States is certain cold-rolled steel products. See USITC Pub. 3471 at 5-6, n.21.

<sup>31</sup> Kern-Liebers also argues that, because texture-rolled carbon steel is excluded from the products subject to the President's Section 201 safeguard remedy (Proclamation No. 7529, 67 Fed. Reg. 10551 (2002), Exclusion X-205), including the product in the single domestic like product in these investigations, or subjecting it to import relief, would be inconsistent with the goal sought to be achieved by its exclusion from the Section 201 relief. Kern-Liebers' Prehearing Brief at 11-12. The Commission has stated repeatedly that it does not have authority to "exclude" from its antidumping and countervailing duty determinations products that are included within the scope. See Preliminary Determinations, USITC Pub. 3471 at 5, n.20; see also Softwood Lumber from Canada, Inv. Nos. 701-TA-414 (Final) and 731-TA-928 (Final), USITC Pub. 3509 (May 2002) at 28-29.

<sup>32</sup> See also Kern-Liebers v. United States, 19 CIT 87, 92 (1995) (the court finding, with respect to this specific product and arguments indistinguishable from those made here, that "the distinctions drawn by Kern-Liebers constitute 'minor differences' and do not merit a separate like product determination," and concluding that "the Commission's determination that seat belt retractor steel was within the upper range of the continuum of cold-rolled steel products is supported by substantial evidence").



distributors than other cold-rolled steel, and that it costs more than cold-rolled items with similar chemistry and dimensions.<sup>33</sup>

The Petitioners argue that strapping steel is not a separate domestic like product and assert that BHP's request should be denied for the reasons that formed the basis for the Commission's denial of the same request in the 1993 cold-rolled carbon steel investigation.<sup>34</sup>

We find, as did the Commission in the 1993 investigations, that, although strapping steel may be thought of as a "packing product" made with particular specifications, any differences between that item and other cold-rolled articles do not provide a clear dividing line.<sup>35</sup> Strapping steel is interchangeable with other cold-rolled flat products that meet the required certification standard.<sup>36</sup> Strapping steel falls somewhere in the middle of the continuum of low to high carbon steel products, is produced in the same facilities and by the same workers, is sold through the same distribution channels, and is sold at prices similar to those of other specialized cold-rolled carbon steel products.<sup>37</sup> There is no new information on this record that would warrant a determination contrary to the one in the 1993 investigation concerning strapping steel. Accordingly, we find that strapping steel is not a separate domestic like product.

#### **4. Conclusion**

While the record indicates some variations in characteristics and uses, channels of distribution, manufacturing processes, and pricing between and among the above mentioned individual types and grades of cold-rolled steel, more importantly, we find those variations are outweighed by broad similarities. Any differences do not constitute clear dividing lines among individual items, particularly given the spectrum of widely varying products that constitute cold-rolled steel products. Accordingly, we find the domestic like product to be certain cold-rolled steel products, coextensive with the scope of these investigations.

#### **D. Domestic Industry and Related Parties**

##### **1. In General**

Section 771(4) of the Act defines the relevant industry as "the producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes the major proportion of that product."<sup>38</sup> In defining the domestic industry, the Commission's general practice has been to include in the industry all of the domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.<sup>39</sup> Based on our domestic like product determination, we determine that there is a single domestic industry consisting of all U.S. producers of certain cold-rolled steel products.

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<sup>33</sup> Australian and New Zealand Respondents' Prehearing Brief at 11, n.12.

<sup>34</sup> Bethlehem, et al. Prehearing Brief at 13.

<sup>35</sup> Certain Flat-Rolled Carbon Steel Products, USITC Pub. 2664, at 94.

<sup>36</sup> Certain Flat-Rolled Carbon Steel Products, USITC Pub. 2664, at 94.

<sup>37</sup> Certain Flat-Rolled Carbon Steel Products, USITC Pub. 2664, at 94.

<sup>38</sup> 19 U.S.C. § 1677(4)(A).

<sup>39</sup> See United States Steel Group v. United States, 873 F. Supp. 673, 681-684 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996).

## 2. Related Parties

We must further determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 19 U.S.C. § 1677(4)(B). That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers. Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.<sup>40</sup>

CSI is half owned by Kawasaki, a Japanese producer and exporter of subject merchandise, and half owned by CIA Vale do Rio Doce, a Brazilian firm.<sup>41</sup> CSN is wholly owned by subject producer CSN of Brazil.<sup>42</sup> National is \*\*\* by NKK, a Japanese producer of subject merchandise.<sup>43</sup> Duferco Farrell ("Duferco") is owned by Duferco Investment Services, which is also the majority owner of Duferco La Louviers SA, a subject producer in Belgium.<sup>44</sup> Ispat Inland is wholly owned by Ispat International, N.V., a Netherlands firm that is the parent company of Ispat Industries, an Indian producer of the subject merchandise.<sup>45</sup> Theis is wholly owned by F.G. Theis Kaltwalzwerke, a German firm.<sup>46</sup> Thomas Steel Strip is owned by the Corus Group, which is also the parent of the sole producer of cold-rolled steel in the Netherlands, Corus Staal BV.<sup>47</sup> UPI is one-half owned by Pohang Iron & Steel Co. Ltd. (POSCO), a Korean producer of subject steel products.<sup>48</sup> These eight firms may be related parties under the related parties provision of the statute.<sup>49</sup> Consequently, we consider whether "appropriate

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<sup>40</sup> Sandvik AB v. United States, 721 F. Supp. 1322, 1331-1332 (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 related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.*, whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producers vis-a-vis the rest of the industry, *i.e.*, whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission also has considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016 (Feb. 1997) at 14 n.81.

<sup>41</sup> CR and PR at Table III-1.

<sup>42</sup> Id.

<sup>43</sup> Id.

<sup>44</sup> Duferco La Louviere did not respond to the Commission's foreign producer questionnaire, but is identified in Iron and Steel Works of the World as 75-percent owned by Duferco Investment SA.

<sup>45</sup> CR at VII-19, and PR at VII-7; and CR and PR at Table III-1.

<sup>46</sup> CR and PR at Table III-1.

<sup>47</sup> \*\*\*.

<sup>48</sup> CR and PR at Table III-1.

<sup>49</sup> 19 U.S.C. § 1677(4)(B)(ii)(II), (III). Although each related party in the subject countries is not necessarily an exporter of subject merchandise, we assume that all are for purposes of our analysis.

circumstances” exist to exclude any of these companies from the domestic industry.<sup>50</sup> CSN accounted for \*\*\* percent of total domestic production in 2001, Duferco for \*\*\* percent, Ispat Inland for \*\*\* percent, National for \*\*\* percent, Theis for \*\*\* percent, Thomas Strip for \*\*\* percent, and UPI for \*\*\* percent.<sup>51</sup> None of these domestic producers directly imported certain cold-rolled steel from subject countries during the period examined.<sup>52</sup>

None of these producers appears to operate in a manner different from other domestic producers as a result of its relationship with the foreign producer or importer parent. Although the financial performance of \*\*\* exceeded the industry average during all or most of the period examined,<sup>53</sup> there is no indication that this relatively better performance resulted from their related party status. All of these four producers except \*\*\*, which, as noted, accounted for only \*\*\* percent of domestic production in 2001, support the petition.<sup>54</sup> The financial performance of \*\*\* was consistently weaker than that of the remainder of the industry. \*\*\*, and \*\*\* support the petition.<sup>55</sup> \*\*\* the petition, but as noted, \*\*\*, it accounted for \*\*\* percent of total domestic production in 2001, and its financial performance was \*\*\* the industry average.<sup>56</sup> Accordingly, the interests of all these related party firms appear to be those of domestic producers.

Only one producer, \*\*\*, was the importer of record of subject merchandise during the period, importing \*\*\* short tons of cold-rolled steel from Japan in \*\*\* and \*\*\* short tons in 2001.<sup>57</sup> Although \*\*\* is a related party on that basis, we find that appropriate circumstances do not exist to exclude \*\*\* from the domestic industry. The financial performance of \*\*\* was worse than the industry average in 2000, 2001, and the interim 2002 period,<sup>58</sup> it supports the petition,<sup>59</sup> and its subject imports were an insignificant percentage of the company’s total production.<sup>60</sup> Accordingly, the interests of \*\*\* appear to be those of a domestic producer.

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<sup>50</sup> Because CSI did not respond to the Commission’s producer questionnaire in these final phase investigations, its data are not among the industry data summarized in the report, and, therefore, the issue of whether to exclude CSI from the domestic industry is moot.

<sup>51</sup> CR and PR at Table III-1.

<sup>52</sup> CR and PR at Table III-11. \*\*\*. CR and PR at Table III-11. \*\*\*. CR and PR at Tables III-1 and III-11. The record indicates that three other producers, \*\*\*, also purchased subject imports during the period examined.

These companies would be “related parties” if their purchases of subject imports were so large as to amount to “direct or indirect control” of an importer or exporter of subject imports during the period examined. Certain Cut-to-Length Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia, Invs. Nos. 701-TA-387-392 (Preliminary) and 731-TA-815-822 (Preliminary), USITC Pub. 3181 (Apr. 1999) at 12. The quantities of purchases of each of these firms do not appear large enough to warrant such a finding, nor is there any other basis for such a finding. See CR and PR at Table III-11. Consequently, we do not find that these companies are related parties on the basis of their purchases.

<sup>53</sup> CR and PR at Table VI-7.

<sup>54</sup> CR and PR at Table III-1.

<sup>55</sup> CR and PR at Table III-1.

<sup>56</sup> CR at III-25 (no imports), and PR at III-17; CR and PR at Table III-1 (\*\*\*) petition, share of domestic production); and CR and PR at Tables VI-2 and VI-7 (financial performance).

<sup>57</sup> CR at III-25, n.33, and PR at III-17, n.33.

<sup>58</sup> CR and PR at Table VI-7.

<sup>59</sup> CR and PR at Table III-1.

<sup>60</sup> CR at III-25, n.33 and PR at III-17, n.33; and CR and PR at Tables III-11.

For these reasons, we do not find that appropriate circumstances exist to exclude any domestic producer from the domestic industry. Accordingly, we define a single domestic industry in these investigations, encompassing all U.S. producers of certain cold-rolled steel products.

## **II. NEGLIGIBLE IMPORTS**

Imports from a subject country corresponding to a domestic like product that account for less than three percent of all such merchandise imported into the United States during the most recent twelve months for which data are available preceding the filing of the petition shall be deemed negligible.<sup>61</sup> The statute further provides that imports from a single country which comprise less than three percent of total imports of such merchandise may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries in the aggregate accounts for more than seven percent of the volume of all such merchandise imported into the United States.<sup>62</sup>

In the case of countervailing duty investigations involving developing countries, the statute further provides that the negligibility limits are four percent and nine percent, rather than three percent and seven percent.<sup>63</sup> The statute defines “developing country” as any country so designated by the U.S. Trade Representative (“USTR”).<sup>64</sup>

The Commission is authorized to make “reasonable estimates on the basis of available statistics” of pertinent import levels for purposes of deciding negligibility.<sup>65</sup>

Under the statute, the applicable period for determining negligibility is the most recent 12-month period prior to the filing of the petition for which data are available, which, in these investigations, is September 1, 2000 through August 31, 2001.

### **A. The Antidumping Investigations**

Negligibility is an issue for eleven of the twenty subject countries that are individually below the three percent negligibility threshold during the relevant twelve-month period: Australia with an import share at \*\*\* percent of total imports, Germany at \*\*\* percent, India at \*\*\* percent, the Netherlands at \*\*\* percent, New Zealand at \*\*\* percent, Spain at \*\*\* percent,<sup>66</sup> Sweden at \*\*\* percent, Taiwan at \*\*\* percent, Thailand at \*\*\* percent, Turkey at \*\*\* percent, and Venezuela at \*\*\* percent.<sup>67</sup> However, the combined import share of these eleven countries is 12.8 percent and, thus, exceeds the seven percent

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<sup>61</sup> 19 U.S.C. § 1677(24)(A)(i).

<sup>62</sup> 19 U.S.C. § 1677(24)(A)(ii).

<sup>63</sup> 19 U.S.C. § 1677(24)(B).

<sup>64</sup> 19 U.S.C. § 1677(36)(A).

<sup>65</sup> 19 U.S.C. § 1677(24)(C). See also The Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103-316, Vol. 1 at 186 (1994) (“SAA”).

<sup>66</sup> Imports from Spain are for calendar year 2001 and have been adjusted to exclude imports preliminarily found by Commerce to be outside the scope of these investigations based on the importer’s efforts to have the imports reclassified. Memorandum INV-Z-139 at IV-3, n.4; and PR at Table IV-3, n.4.

<sup>67</sup> Memorandum INV-Z-134 at Table IV-3, and PR at Table IV-3.

statutory negligibility threshold.<sup>68</sup> Accordingly, none of the subject imports from these countries are negligible for purposes of these antidumping investigations.

## **B. The Countervailing Duty Investigations**

The petition included countervailing duty allegations against four countries: Argentina, Brazil, France, and Korea. France (\*\*% percent of total imports) and Korea (\*\*% percent) exceed the applicable negligibility level on an individual basis.<sup>69</sup> Argentina and Brazil have been designated developing countries by the U.S. Trade Representative,<sup>70</sup> but each exceeds the four percent individual-country negligibility level for developing countries: Argentina with a \*\*% percent share of total imports, and Brazil with an \*\*% percent share of total imports.<sup>71</sup> Therefore, none of the subject imports from these countries are negligible for purposes of these countervailing duty investigations.

## **III. CUMULATION**

For purposes of evaluating the volume and price effects for a determination of material injury by reason of the subject imports, section 771(7)(G)(i) of the Act requires the Commission to assess cumulatively the volume and effect of imports of the subject merchandise from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like products in the U.S. market.<sup>72</sup> In assessing whether subject imports compete with each other and with the domestic like product,<sup>73</sup> the Commission has generally considered four factors, including:

- (1) the degree of fungibility between the subject imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.<sup>74</sup>

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<sup>68</sup> Memorandum INV-Z-134 at Table IV-3, and PR at Table IV-3.

<sup>69</sup> Memorandum INV-Z-134 at Table IV-3, and PR at Table IV-3.

<sup>70</sup> 63 Fed. Reg. at 29948 (June 2, 1998).

<sup>71</sup> Memorandum INV-Z-134 at Table IV-3, and PR at Table IV-3.

<sup>72</sup> 19 U.S.C. § 1677(7)(G)(i).

<sup>73</sup> The SAA expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” SAA, H.R. Rep. 103-316, vol. I at 848 (1994), citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int’l Trade 1988), aff’d, 859 F.2d 915 (Fed. Cir. 1988).

<sup>74</sup> See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986) at 8 n.29, aff’d sub nom. Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int’l Trade), aff’d, 859 F.2d 915 (Fed. Cir. 1988).

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.<sup>75</sup> Only a “reasonable overlap” of competition is required.<sup>76</sup>

The threshold for cumulation is satisfied in that the petition was filed with respect to imports from all subject countries on the same day. We first address country-specific arguments on cumulation. We conclude there is a reasonable overlap of competition among the subject imports and with the domestic like product for all subject imports, except with respect to Australia.

#### **A. Australia**

Virtually all subject imports from Australia are full-hard steel,<sup>77</sup> a substrate form of cold-rolled steel, that enter the United States through the West region.<sup>78</sup> Importantly, the subject imports from Australia entering the United States through the West region were sold entirely on the open market to two end user customers located in the West region, \*\*\* and \*\*\*.<sup>79</sup> This establishes that imports of full-hard steel from Australia entering the United States through the West region in fact remained in the West region, and were not sold in other geographic regions.

Full-hard steel supply in the West region generally is limited,<sup>80</sup> and overlap in the West region between the Australian product, other subject imports, and the domestic like product is very limited. Although 53.6 percent of U.S. production is of full-hard steel,<sup>81</sup> only \*\*\* percent of U.S. producers’ full-hard shipments in 2001 were commercial shipments,<sup>82</sup> and only \*\*\* percent of domestic producers’ shipments of all certain cold-rolled steel products were in the West region in 2001.<sup>83</sup> We find, therefore, that the record does not establish a reasonable overlap of competition between the domestic like product and the subject merchandise from Australia.<sup>84 85</sup>

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<sup>75</sup> See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

<sup>76</sup> See Goss Graphic System, Inc. v. United States, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); Wieland Werke, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”).

<sup>77</sup> Memorandum INV-Z-134 at Table C-8, and PR at Table C-8; and CR and PR at Table IV-7C.

<sup>78</sup> In 2001, \*\*\* percent of subject imports from Australia were full-hard steel, and \*\*\* percent of subject imports from Australia were to the West region. Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5. See also Australian Respondent’s Posthearing Brief at 1.

<sup>79</sup> Australian and New Zealand Respondents’ Posthearing Brief at 5.

<sup>80</sup> See, e.g. Hearing Transcript at 242-243 (testimony of Mr. Catterlin).

<sup>81</sup> CR and PR at Tables C-1 and C-3 (total domestic cold-rolled steel production was 33.1 million short tons in 2001, of which total full-hard steel production accounted for 17.7 million short tons).

<sup>82</sup> CR and PR at Table C-3; and Memorandum INV-Z-134 at Table C-8, and PR at Table C-8. Total U.S. shipments of full-hard steel were 17.6 million short tons in 2001, while commercial shipments were \*\*\* short tons in 2001.

<sup>83</sup> Australian and New Zealand Respondents’ Prehearing Brief at 24-25.

<sup>84</sup> We also find that the extent of overlap of competition between the imports from Australia and the domestic like product was further limited during the period examined by the significant reduction of production at UPI, a West Coast producer of the full-hard product, following a fire at UPI’s facilities. CR at VI-3, n.4, and PR at VI-3, n.4. Much of the full-hard steel from Korea was purchased by POSCO’s affiliate, UPI, in response to a May 31, 2001 fire  
(continued...)

## **B. The Netherlands**

Subject imports from the Netherlands included a variety of types of cold-rolled steel, including not only full-hard steel but also substantial volumes of the common products for which the Commission collected pricing data.<sup>86</sup> Sales of cold-rolled steel from the Netherlands were dispersed throughout the United States,<sup>87</sup> were sold to both end users and distributors,<sup>88</sup> and were present in the market throughout the period examined.<sup>89</sup> The majority of imports from the Netherlands were concentrated in the two HTS statistical classifications that account for the majority of subject imports.<sup>90</sup> Moreover, while Corus asserts, as noted above, that its exports to the United States other than full-hard were “in many instances” custom-tailored to meet end users’ individual requirements,<sup>91</sup> it does not allege that there is no overlap of competition with respect to that production or the other instances in which production was not custom tailored.

## **C. New Zealand**

While imports from New Zealand entered the West region exclusively, the product mix of imports from New Zealand, unlike imports from Australia, was not limited to full-hard steel; subject

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<sup>84</sup> (...continued)

that curtailed UPI’s captive production until February 2002. CR and PR at Tables III-4 and III-11.

<sup>85</sup> Moreover, there is a very limited degree of fungibility between cold-rolled steel from Australia and cold-rolled steel from the other subject countries. As indicated above, nearly all subject imports from Australia were of full-hard steel. No other country has the same degree of concentration. CR and PR at Tables C-8, IV-7C (between January 1999 and March 2002, full-hard steel accounted for \*\*\* percent of subject imports from Australia, while full-hard steel accounted for \*\*\* percent of subject imports from the Netherlands and \*\*\* percent of subject imports from Korea). Further, Australia was, along with Spain, one of only two subject suppliers of cold-rolled steel for which there were no reported sales of the common varieties of cold-rolled steel for which the Commission collected price data. CR at V-5, and PR at V-6. Second, imports from Australia were concentrated geographically in the West region (99.7 percent), and virtually absent from the geographic markets of the East, Gulf, and Great Lakes through which more than 80 percent of subject imports entered. Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5. Only one small-volume supplier, New Zealand, had a comparable level of regional concentration on the West Coast. *Id.* Third, 100 percent of imports from Australia were sold directly to end users. Only Spain and Germany had a similar concentration in end user sales, and neither of those suppliers sold any cold-rolled steel to galvanizers (which accounted for \*\*\* percent of Australia’s end user sales). CR and PR at Table III-7. Thus, even though imports from Australia were present throughout the period examined (Memorandum INV-Z-134 at Table IV-6, and PR at Table IV-6), the record does not establish a reasonable overlap of competition between Australia and the other subject countries.

<sup>86</sup> CR at V-4, and PR at V-3.

<sup>87</sup> Subject imports from the Netherlands entered the United States not only through the West (73.6 percent) but also through the Great Lakes (20.9 percent) and the East (5.4 percent). Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5.

<sup>88</sup> In 2001, \*\*\* percent of subject imports from the Netherlands were sold to distributors and \*\*\* percent were sold to end users. CR and PR at Table III-7.

<sup>89</sup> Subject imports from the Netherlands entered the United States in every month except one between January 1999 and March 2002. Memorandum INV-Z-134 at Table IV-6, and PR at Table IV-6.

<sup>90</sup> CR at IV-4, and PR at IV-3.

<sup>91</sup> Corus acknowledges that \*\*\* percent of its shipments during the period examined have been of full-hard steel. The Netherlands Respondents’ Prehearing Brief at 8.

imports from New Zealand, instead, were of “commodity-grade cold-rolled annealed sheet products.”<sup>92</sup> Moreover, channels of distribution for subject imports from New Zealand were not limited to sales to end users, \*\*\*, but, as was the case for most other countries, were in significant part sales to distributors.<sup>93</sup> Thus, we find a reasonable overlap of competition between the subject imports from New Zealand and the remaining subject imports and with the domestic like product.

#### D. Russia

The Russian producer’s argument that imports from Russia should not be cumulated with imports from the other subject countries is focused primarily on the Comprehensive Steel Agreement between Commerce and the Ministry of Trade of the Russian Federation, signed on July 12, 1999, which it asserts severely limits the volume of imports from Russia through 2004.<sup>94</sup> The Commission has previously concluded that, when it finds that the criteria it traditionally examines indicate a reasonable overlap of competition between subject imports that are under quantitative restrictions, on the one hand, and imports from other subject countries and the domestic like product, on the other, cumulation is warranted.<sup>95</sup> The record establishes that, notwithstanding the 1999 agreement, subject imports from Russia continued to enter the U.S. market in competition with the domestic like product and imports from other subject countries. The Russian producer does not establish that the traditional cumulation factors are inapplicable.

#### E. Spain

Subject imports from Spain were geographically dispersed and present in the U.S. market throughout much of the period examined.<sup>96</sup> The Spanish respondents argue essentially that their volume of imports is too insignificant to permit meaningful overlap of competition or, therefore, cumulation.<sup>97</sup> The significance of the volume of imports from Spain is addressed in the Negligibility discussion, *supra*. On balance, we find that the criteria for cumulation are met with regard to the subject imports from Spain.

#### F. Subject Countries Other Than Australia

We next examine the traditional cumulation factors with respect to imports from the subject countries other than Australia.

*Fungibility.* A majority of domestic producers reported that the U.S. cold-rolled products and each individual country’s subject imports are always or frequently interchangeable.<sup>98</sup> A majority of importers reported that the U.S. cold-rolled products and subject imports from 17 of the 19 subject

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<sup>92</sup> Australian and New Zealand Respondents’ Prehearing Brief at 24-25.

<sup>93</sup> See CR and PR at Table III-7.

<sup>94</sup> Russian Respondent’s Prehearing Brief at 1-5 (arguing as well that the Section 201 safeguard remedy also limits its imports).

<sup>95</sup> See *Honey from Argentina and China*, Inv. Nos. 701-TA-402, 731-TA-892-893 (Final), USITC Pub. 3470 (Nov. 2001) at 15, n.96.

<sup>96</sup> Memorandum INV-Z-134 at Tables IV-5 (imports entered through all regions except the West) and IV-6 (imports entered in 24 of 39 months), and PR at Tables IV-5 and IV-6.

<sup>97</sup> E.g., Spanish Respondents’ Posthearing Brief at 1-2.

<sup>98</sup> CR and PR at Table II-6.



countries other than Australia are always or frequently interchangeable, and a majority reported that imports from the other two subject countries, Russia and Sweden, are always, frequently, or sometimes interchangeable.<sup>99</sup> Although the scope of these investigations covers a wide variety of cold-rolled products, classifiable under 46 HTSUS statistical categories, 70 percent of the subject imports enter the United States under two statistical reporting numbers; these two classifications also account for a majority of the subject imports from 17 of the 19 subject countries and for nearly half of the subject imports from one of the other two countries.<sup>100</sup> Inclusion under specific tariff classifications is by no means determinative of fungibility; however, the concentration of subject imports in these, among the many subject classifications, is indicative of a degree of commonality among the subject imports.

Information from purchasers on direct comparisons between domestic and subject imported products also indicates that overall the domestic and subject imported products generally are comparable in quality, but that the U.S. product is likely to be considered inferior to German and Japanese cold-rolled steel, somewhat inferior to Belgian, French, and Korean cold-rolled steel, and superior to Russian, South African, and Turkish cold-rolled steel.<sup>101</sup> Purchasers viewed U.S. mills as generally comparable to most foreign suppliers in terms of availability (somewhat superior to subject imports from Argentina, Belgium, Brazil, China, India, Russia, and South Africa; somewhat inferior to subject imports from France, the Netherlands, and Sweden).<sup>102</sup> Importers reported that their average lead time, between order and delivery, was 102 days, whereas domestic producers reported their average lead time is 48 days.<sup>103</sup>

*Geographic Overlap.* Cold-rolled steel products produced in the United States are shipped nationwide.<sup>104</sup> Subject imports from 13 of the 19 subject countries other than Australia entered every region during the period examined.<sup>105</sup> Imports from five of the subject countries—the Netherlands, South Africa, Spain, Turkey, and Venezuela—entered three of the four regions.<sup>106</sup> Only New Zealand entered a single region, the West region, during the period examined.<sup>107</sup> The West region was also an important entry point for imports from several of the other subject countries, including Belgium, China, Japan, Korea, the Netherlands, Taiwan, and Thailand.<sup>108</sup>

Subject imports from India and Venezuela also were geographically concentrated, albeit to a lesser extent; 89.2 percent of subject imports from India and 95.0 percent of subject imports from Venezuela were shipped into the Gulf region.<sup>109</sup> Again, however, the Gulf region was an important entry

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<sup>99</sup> CR and PR at Table II-6.

<sup>100</sup> Memorandum INV-Z-134 at Table IV-4, and PR at Table IV-4.

<sup>101</sup> CR and PR at Table II-5; and CR at II-13 through II-15, and PR at II-9 through II-11. There were no comparisons for Spain and Venezuela.

<sup>102</sup> CR and PR at Table II-5; CR at II-13 through II-15, and PR at II-9 through II-11.

<sup>103</sup> CR at II-10, and PR at II-6 (based on U.S. producers' reported increases in lead time over the period).

<sup>104</sup> Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5. Shipments to the West region are limited however, and estimated at about \*\*\* percent of total domestic producers' commercial shipments. Australian and New Zealand Respondents' Prehearing Brief at 24-25.

<sup>105</sup> Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5.

<sup>106</sup> Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5.

<sup>107</sup> Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5.

<sup>108</sup> Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5.

<sup>109</sup> Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5.

point for other subject imports, including Argentina, Brazil, China, Japan, Korea, Russia, South Africa, Thailand, Turkey and Venezuela.<sup>110</sup>

*Channels of Distribution.* A large share of domestically produced merchandise is consumed internally or transferred to affiliates for extensive downstream processing. Of the commercial shipments by U.S. producers, about 63 percent are sold to end users (such as appliance and automotive manufacturers), and the remainder to distributors/service centers.<sup>111</sup> Subject imports were sold largely to distributors/service centers,<sup>112</sup> although subject imports from Germany and Spain were sold largely or exclusively to end users.<sup>113</sup>

*Simultaneous Presence.* Domestically produced certain cold-rolled steel was present throughout the United States during the period examined.<sup>114</sup> Imports from 9 of the 19 subject countries other than Australia entered in each of the 39 months of the period examined; imports from another 4 countries entered in more than 30 of the 39 months covered.<sup>115</sup> Imports from Argentina and India entered in 29 of the 39 months; Turkey, 26 of the 39 months; Venezuela and Spain, 24 of the 39 months; and Thailand 19 of the 39 months.<sup>116</sup> Accordingly, imports from each subject country other than Thailand entered in at least a majority of the months of the period examined.

## G. Conclusion

For all subject imports except those from Australia, consideration of the four factors traditionally addressed in a cumulation analysis shows that there is a reasonable overlap of competition among the subject imports and between the subject imports and the domestic like product. Many respondents have argued that their products are not fungible because their imports are concentrated in a few product categories. These categories, however, include the same HTSUS classifications for a significant percentage of imports from each country. Both producers and importers agree there is in general at least a fair amount of interchangeability among domestic products and subject imports. In terms of geographic overlap there is some variation, especially regarding India, New Zealand, and Venezuela. The record indicates, however, that there was a reasonable overlap of competition geographically, including in regions in which the concentrated subject imports entered. We also find that there was a reasonable overlap among the subject imports and the domestic like product in terms of channels of distribution. Regarding simultaneous presence, we find that subject imports from most countries were present for most of the period. Accordingly, we find that there is a reasonable overlap of competition among all subject countries and between the subject imports and the domestic like product, except Australia.

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<sup>110</sup> Memorandum INV-Z-134 at Table IV-5, and PR at Table IV-5.

<sup>111</sup> CR and PR at Table III-7.

<sup>112</sup> CR and PR at Table III-7.

<sup>113</sup> CR and PR at Table III-7.

<sup>114</sup> CR at IV-18, and PR at IV-15.

<sup>115</sup> Memorandum INV-Z-134 at Table IV-6, and PR at Table IV-6.

<sup>116</sup> Id.

#### **IV. CONDITIONS OF COMPETITION**

Several conditions of competition pertinent to the certain cold-rolled steel products industry are relevant to our analysis.<sup>117</sup> The following three sections address (1) the statute's captive production provision, (2) other conditions of competition, and (3) the President's recent import remedy under Section 201 of the Trade Act of 1974.

##### **A. Captive Production**

The domestic industry captively consumes a significant share of its production of the domestic like product in the manufacture of downstream articles.<sup>118</sup> Thus, we have considered whether the statutory captive production provision requires us to focus our analysis primarily on the merchant market when assessing market share and the factors affecting the financial performance of the domestic industry.<sup>119</sup> The Petitioners argue that the provision is met; respondents argue that the provision is not met.<sup>120</sup>

We examine the individual criteria of the provision as follows. We find that the threshold provision of the captive production provision has been met, because domestic producers internally transfer significant production of the domestic like product for captive consumption and sell significant production of the domestic like product in the merchant market. Internal consumption accounted for 48.0 percent of the volume of U.S. producers' U.S. shipments in 2001, commercial shipments accounted for

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<sup>117</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>118</sup> CR and PR at Table III-5.

<sup>119</sup> The captive production provision, 19 U.S.C. § 1677(7)(C)(iv), provides:

- (iv) CAPTIVE PRODUCTION—If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that—
- (I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product,
  - (II) the domestic like product is the predominant material input in the production of that downstream article, and
  - (III) the production of the domestic like product sold in the merchant market is not generally used in the production of that downstream article,

then the Commission, in determining market share and the factors affecting financial performance set forth in clause (iii), shall focus primarily on the merchant market for the domestic like product.

<sup>120</sup> E.g., Bethlehem, et al. Prehearing Brief at 23-38; Joint Respondents' Prehearing Brief at Exhibit 6; see also Nucor, et al. Prehearing Brief at 24 (arguing that the captive production provision is met but asserting that there would not be a significant difference between application of the provision, and recognition that internal consumption is an important condition of competition).

37.2 percent, and transfers to related parties accounted for 14.9 percent.<sup>121</sup> We find that the first statutory criterion is met in that virtually none of the certain cold-rolled steel transferred for processing entered the merchant market for the domestic like product. Instead, it was processed into downstream articles.<sup>122</sup> All firms that internally transferred cold-rolled steel reported that all of the captive consumption was used in the production of downstream products in 2001, primarily coated products (71.8 percent) and tin mill products (\*\*\*) percent).<sup>123</sup>

We also find that the second statutory criterion has been met, as certain cold-rolled steel is the predominant material input for the relevant downstream articles. Cold-rolled steel in 2001 accounted for 65 to 95 percent of the raw material costs of the downstream product.<sup>124</sup>

Consideration of the third factor,<sup>125</sup> whether the domestic like product sold in the merchant market is not generally used in the production of the downstream article produced from internal transfers, requires us first to determine whether those domestic producers' transfers of the domestic like product to related entities constitute internal transfers as opposed to merchant market sales.

We find that certain transfers to related parties more closely resemble captive production and that other transfers to related parties more closely resemble merchant market sales. First, we find domestic producers' transfers of the domestic like product to related parties for toll production of downstream products to be in the nature of internal transfers and, therefore, we include them among captive production. Under tolling arrangements, the cold-rolled steel is not sold to, and title never passes to, the toller. The record in these investigations indicates that the toller obtains its substrate exclusively from the tollee and the tollee retains the marketing rights to the downstream product. Accordingly, we do not treat these toll transfers as merchant market sales.

We also find that transfers to \*\*\* from its joint venture parent, \*\*\*, and transfers to \*\*\* from its joint venture parent, \*\*\*, are more in the nature of internal transfers than merchant market sales and, therefore, include the transfers within captive production. These transfers are distinguished from other related party transfers in that: (1) the domestic cold-rolled producer parent in each case retains the marketing rights to the downstream product produced by the joint venture from the cold-rolled steel,<sup>126</sup> (2) the joint venture parents are the sole source of the cold-rolled product purchased, and (3) prices for

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<sup>121</sup> CR and PR at Table III-6. We find the internal transfers and the merchant market sales to be significant both prior to and following our findings apportioning related party transfers between captive production and merchant market sales.

<sup>122</sup> CR at III-18, and PR at III-13.

<sup>123</sup> CR and PR at Table III-8; and CR at III-18, and PR at III-13. The minor changes in these percentages that would result from inclusion of a portion of the related party transfers in captive consumption do not affect our finding that this factor is met.

<sup>124</sup> CR at III-18, and PR at III-13. The minor changes in these percentages that would result from inclusion of a portion of the related party transfers in captive consumption do not affect our finding that this factor is met.

<sup>125</sup> See Certain Hot Rolled Steel Products From Japan, Inv. No. 731-TA-807, USITC Pub. 3202 (June 1999) at 31-35, 37-38, in which Commissioners Hillman, Miller, and Koplan elaborated on their interpretation of the third captive production factor.

<sup>126</sup> Memorandum INV-Z-139 at Table III-9, and PR at Table III-9. Although the domestic producer retains the marketing rights for the downstream product, \*\*\* retains title.

the cold-rolled product are not based on the market price.<sup>127</sup> In contrast, we find that related party transfers in which one or more of these factors is absent are more akin to merchant market sales than to captive consumption and, therefore, we view such sales as part of the merchant market. The related party transfers included as merchant market sales are \*\*\* transfers to \*\*\*, \*\*\* transfers to \*\*\*, and \*\*\* transfers to \*\*\*.<sup>128</sup> On this basis, we find that 15.3 percent of the domestic like product sold in the merchant market in 2001 is used in the production of coated and tin mill products, the products that account for \*\*\* percent of cold-rolled steel that is internally consumed.<sup>129</sup> Given that more than 84 percent of the cold-rolled products sold in the merchant market is not used to produce coated and tin mill products, we find that the third factor of the captive production provision is met; *i.e.*, the domestic like product sold in the merchant market is not generally used in the production of the principal downstream articles produced captively, *i.e.*, coated and tin mill products.<sup>130</sup>

Because we conclude that all the elements of the captive production provision are met, we focus primarily on the merchant market for the domestic like product in determining market share and the factors affecting financial performance, although we note these factors with respect to the whole market as well.

## **B. Other Conditions of Competition**

We view the recent global remedy on steel announced by the President under Section 201 of the Trade Act of 1974 to be the most important condition of competition with respect to these investigations. Accordingly, we address that factor in a separate section following this discussion of other conditions of competition.

The principal known end uses of certain cold-rolled steel products are in the appliance, automotive, construction, and container industries.<sup>131</sup> Consequently, demand for certain cold-rolled steel products is largely a function of demand for the downstream products. Cold-rolled steel purchasers were divided regarding demand trends, with most indicating no change or a decrease in demand for their products over the period examined. The majority of producers and importers reported decreasing or fluctuating demand, with changes in the overall economy being the most common reason reported.<sup>132</sup>

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<sup>127</sup> Memorandum INV-Z-139 at Table III-9, and PR at Table III-9.

<sup>128</sup> See Memorandum INV-Z-139 at Table III-9, and PR at Table III-9.

<sup>129</sup> The 15.3 percent is derived by dividing domestic producers' commercial shipments to galvanizers (\*\*\* short tons) by domestic producers' total commercial shipments (\*\*\*), where commercial shipments to galvanizers are (1) estimated U.S. producers' commercial shipments to unrelated galvanizers (1,190,855 short tons), plus (2) \*\*\* transfers \*\*\*, and \*\*\* transfers to \*\*\*), and where total commercial shipments are (1) U.S. producers' U.S. commercial shipments to unrelated customers (12,151,578 short tons), plus (2) \*\*\* transfers to \*\*\*, and \*\*\* transfers to \*\*\* (as above), plus (3) \*\*\* transfers to \*\*\*, plus (4) other (*i.e.*, for neither galvanized products nor tin plate) (\*\*\*) short tons).

<sup>130</sup> In Certain Hot-Rolled Steel Products From Japan, Inv. No. 731-TA-807, USITC Pub. 3202 (June 1999) at 31-35, the Commission found that the third criterion was met when between 3.7 percent and 17.7 percent of the merchant market sales were to make the downstream article; in Certain Hot-Rolled Steel Products from Argentina and South Africa, Inv. Nos. 701-TA-404 (Final) and 731-TA-898 and 905 (Final), USITC Pub. 3446 at 16, the Commission found that the third criterion was met when the share of merchant market transfers devoted to producing the downstream article was between 2.6 percent and 22.4 percent.

<sup>131</sup> CR at II-1, II-6; and PR at II-1, II-4-5.

<sup>132</sup> CR at II-6, and PR at II-4-5.

Apparent U.S. consumption in the merchant market was essentially unchanged between 1999 and 2000, decreased by 13.0 percent between 2000 and 2001, and then decreased by 0.3 percent between the first six months of 2001 and the same period in 2002.<sup>133 134</sup> Total apparent U.S. consumption, including internal transfers, decreased by 0.6 percent between 1999 to 2000, decreased by 10.2 percent between 2000 and 2001, and then increased by 7.0 percent between the first six months of 2001 and the first six months of 2002.<sup>135</sup>

The domestic industry supplied more than 81 percent of the merchant market and more than 91 percent of the total market throughout the period examined, with a merchant market low of 81.7 percent in 2001 and a merchant market high of 89.0 percent in the first six months of 2002, and with a total market low of 91.9 percent in 2001 and a total market high of 95.6 percent in the first six months of 2002.<sup>136 137</sup>

During the period examined, the U.S. cold-rolled steel industry restructured significantly. Since January 1999, Gulf States Steel ceased operations; Bethlehem, National, and Wheeling operated under Chapter 11 of the U.S. Bankruptcy Code; the operating assets of Heartland Steel and LTV were purchased by new owners (CSN and ISG, respectively); a purchase of operating assets of Acme Steel, which had ceased operations, is pending in bankruptcy court; and Cold Metal Products recently announced its intention to file for Chapter 11 bankruptcy and to close its Indianapolis and Youngstown plants.<sup>138 139</sup>

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<sup>133</sup> Views Addendum Table 1. Import data relied upon in this regard in these Views generally are based on adjusted official import statistics for all countries except Germany, India, and the Netherlands, for which foreign producers' reported exports to the United States are used, as imports from those three countries are believed to have entered under HTS statistical reporting numbers other than those considered for the adjusted official import totals used for the other countries. See CR at IV-20, and PR at IV-16.

<sup>134</sup> Views Addendum Table 1. Apparent U.S. consumption in the merchant market remained essentially unchanged from 1999 to 2000 at 18.2 million short tons; however, it declined by 13.0 percent between 2000 and 2001 to 15.8 million short tons, and declined 0.3 percent between the first six months of 2001 and the first six months of 2002, from 6.94 million short tons in the first six months of 2001 to 6.92 million short tons during that period in 2002.

<sup>135</sup> Views Addendum Table 3. Apparent U.S. consumption in the total market declined from 39.8 million short tons in 1999 to 35.6 million short tons in 2001, and increased from 16.1 million short tons in the first half of 2001 to 17.2 million short tons in the first half of 2002.

<sup>136</sup> Views Addendum Tables 1 and 3.

<sup>137</sup> Nonsubject imports supplied between 4.4 percent and 2.8 percent of the merchant market in the period, peaking in 2000, and held between 2.0 percent and 1.2 percent of the total market, peaking in 2000. Views Addendum Tables 1 and 3.

<sup>138</sup> CR at III-4, and PR at III-1, III-4. Investments, especially by AK, Nucor, Duferco, and Bethlehem, initially contributed to increased domestic capacity, which rose by 4.0 percent between 1999 and 2000. In 2001, however, the idling of LTV's Cleveland Works, which followed the sale of its East Chicago Works to US Steel (and US Steel's closure of its Fairless Hills mill), and a fire at UPI's cold-reduction mill, all contributed to lower domestic capacity, which fell by 2.4 percent in 2001 compared with 2000. CR and PR at Tables III-2 and III-4. Although domestic capacity declined further in the first quarter of 2002, by 11.2 percent compared to the first quarter of 2001, cold-rolled production resumed in May 2002 at the former LTV Cleveland Works, by International Steel Group. CR at III-4, n.10, and PR at III-4, n.10.

<sup>139</sup> We note that generally these producers produce more than cold-rolled steel and that the bankruptcies pertain to the companies as a whole, not merely to their cold-rolled operations. See, e.g., Joint Respondents' Posthearing Brief at Exhibit 6.

In June 1999, the Commission and Commerce instituted antidumping and/or countervailing duty investigations of certain cold-rolled steel products from Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela, most of which are also subject countries in these investigations.<sup>140</sup> Between October and December 1999, the deposit of provisional antidumping and/or countervailing duties, or the posting of a bond, was required on subject imports from those countries in connection with those earlier investigations.<sup>141</sup> The provisional measures were lifted following the Commission's negative determinations between March and July of 2000.<sup>142</sup>

Antidumping duty and/or countervailing duty orders were in place with respect to certain cold-rolled steel from Germany, Korea, the Netherlands, and Sweden throughout most of the period examined. The order on Sweden, which was issued in 1985, and the orders on Germany, Korea, and the Netherlands, which were issued in 1993,<sup>143</sup> were revoked in December of 2000 (effective January 1, 2000), following the Commission's determination in its five-year review of the orders that material injury was not likely to continue or recur if the orders were revoked.<sup>144</sup> <sup>145</sup> Accordingly, there have been no antidumping or countervailing duty orders in effect on cold-rolled steel products since the end of 2000, and the provisional measures were ended in mid-year 2000.

We also note the existence of an agreement signed on July 12, 1999, between Commerce and the Ministry of Trade of the Russian Federation. This agreement limits subject imports from Russia to approximately half the level of 1998 imports.<sup>146</sup>

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<sup>140</sup> 64 Fed. Reg. 31018 (June 9, 1999) (Commission institution); 64 Fed. Reg. 34194 (June 25, 1999) (Commerce initiation).

<sup>141</sup> USITC Pub. 3283 at I-3 - I-4. Customs was instructed by Commerce to impose these provisional measures following Commerce's affirmative preliminary determinations with respect to those countries.

<sup>142</sup> 65 Fed. Reg. 15008 (March 20, 2000) (Argentina, Brazil, Japan, Russia, South Africa, Thailand); 65 Fed. Reg. 31348 (May 17, 2000) (Turkey, Venezuela); 65 Fed. Reg. 44076 (July 17, 2000) (China, Indonesia, Slovakia, Taiwan). Any continuation of the suspension of liquidation would have been under court order, not by reason of the determinations of Commerce or the Commission. Countries subject to the current investigations but not subject to the 1999-2000 Cold-Rolled investigations are Australia, Belgium, France, Germany, India, Korea, the Netherlands, New Zealand, Spain, and Sweden.

<sup>143</sup> Certain Carbon Steel Products From Austria and Sweden, Invs. Nos. 701-TA-225, 231, USITC Pub. No. 1759 (Sep. 1985). Certain Flat-Rolled Carbon Steel Products From Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom, Invs. Nos. 701-TA-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 (Aug. 1993).

<sup>144</sup> Notice of Revocation, 65 Fed. Reg. 78467 (Dec. 15, 2000). 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, 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), USITC Pub. 3364 (Nov. 2000).

<sup>145</sup> Commissioner Miller made an affirmative determination in the five-year reviews with respect to Germany, Korea, and the Netherlands. See USITC Pub. 3364 (Nov. 2000), Separate Views of Commissioner Marcia E. Miller on Cold-Rolled Carbon Steel Flat Products.

<sup>146</sup> 65 Fed. Reg. 5500 (Feb. 4, 2000). Unlike a suspension agreement, this comprehensive agreement limits subject imports from Russia notwithstanding a negative determination by the Commission regarding subject imports from Russia.

The record demonstrates that price and non-price factors are important in purchasing decisions for cold-rolled steel. Quality was ranked first among purchasing factors by 55 responding purchasers, compared to 22 for price. Availability, traditional supplier, and delivery were ranked first among purchasing factors by 10, 10, and 3 responding purchasers, respectively.<sup>147</sup> Information from purchasers on direct comparisons between domestic and subject imported products indicates that overall the domestic and subject imported products generally are comparable in quality, but that the U.S. product is likely to be considered inferior to German and Japanese cold-rolled steel, somewhat inferior to Belgian, French, and Korean cold-rolled steel, and superior or comparable to Russian, South African, and Turkish steel.<sup>148</sup> Purchasers viewed U.S. mills as generally comparable to most foreign suppliers in terms of availability (somewhat superior to subject imports from Argentina, India, Russia, South Africa, and Turkey; somewhat inferior to subject imports from Australia, France, the Netherlands, and Sweden).<sup>149</sup> Importers reported that their average lead time, between order and delivery, was 102 days, whereas domestic producers reported an average lead time of 48 days.<sup>150</sup>

The majority of domestic production is captively consumed or transferred to related parties.<sup>151</sup> Of the remainder, approximately 63 percent of merchant market sales by U.S. producers are made directly to end users, while the remaining 37 percent are made to distributors or service centers.<sup>152</sup> In contrast, approximately 75 percent of subject imports is sold to distributors or service centers, while the remaining 25 percent is sold directly to end users.<sup>153</sup>

Approximately 55 percent of sales by U.S. producers and 52 percent of sales by importers were on a contract basis, with the remainder on a spot basis.<sup>154</sup> Contract terms are fairly similar for U.S. producers and importers. Both typically fix both price and quantity, and generally do not contain meet-or-release provisions.<sup>155</sup> The “vast majority” of purchasers reported that they change suppliers only infrequently.<sup>156</sup> While contract prices are generally “locked in” and therefore lag behind spot prices for a period, the record also indicates that spot prices do have some impact on contract prices. Spot prices impact contract prices in the cold-rolled market when new contracts are negotiated, expired contracts are renegotiated, or an executory contract contains a meet-or-release provision. There is also some evidence on this record of sellers demanding price increases or buyers demanding price concessions under executory contracts when spot prices differ significantly from contract prices.<sup>157</sup> Petitioners contend that

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<sup>147</sup> CR and PR at Table II-2; and CR at II-9, and PR at II-6.

<sup>148</sup> CR and PR at Table II-5; and CR at II-13 through II-15, and PR at II-9 through II-11. There were no comparisons for Spain and Venezuela.

<sup>149</sup> CR and PR at Table II-5; and CR at II-13 through II-15, and PR at II-9 through II-11.

<sup>150</sup> CR at II-10, and PR at II-6.

<sup>151</sup> In 1999, 61.6 percent of U.S. producers’ domestic shipments was captively consumed or transferred to related parties, 59.9 percent in 2000, and 62.8 percent in 2001. CR and PR at Table III-5.

<sup>152</sup> CR at III-15 and Table I-7; and PR at III-10 and Table I-7.

<sup>153</sup> CR and PR at Table III-7.

<sup>154</sup> CR at V-3, and PR at V-2-3.

<sup>155</sup> CR at V-3, and PR at V-2-3.

<sup>156</sup> CR at II-8, and PR at II-5.

<sup>157</sup> *E.g.*, Bethlehem, et al. Prehearing Brief at 38-44; Nucor, et al. Posthearing Brief at 17; Joint Respondents’ Posthearing Brief at Exhibits 8 and 9; Hearing Transcript at 84, 145-146.



the majority of contracts remained in place in 2002 at low prices that were negotiated in the fourth quarter of 2001.<sup>158</sup>

### **C. The Section 201 Safeguard Remedy**

In 2001, the Commission conducted a safeguard investigation of steel products (Inv. No. TA-201-73) that included the cold-rolled products subject to these investigations. On October 22, 2001, the Commission determined that carbon and alloy steel flat products, including slabs, plate, hot-rolled, cold-rolled, and coated products, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.<sup>159 160</sup> The Commission announced its remedy recommendations on December 7, 2001, and transmitted its recommendations to the President on December 19, 2001.<sup>161</sup>

On March 5, 2002, the President issued a Presidential Proclamation imposing safeguard duties for a period not to exceed three years and one day.<sup>162</sup> With respect to flat products, including cold-rolled steel, the President announced tariffs of 30 percent *ad valorem* in the first year, 24 percent *ad valorem* in the second year, and 18 percent *ad valorem* in the third year of the safeguard period.<sup>163</sup> The President exempted a number of countries from the safeguard measures; Argentina, India, South Africa, Thailand, Turkey, and Venezuela are subject to the current investigations but, as developing countries, are not subject to the Section 201 safeguard measures. In granting exemptions to developing countries from the safeguard measures, the President stated that the exclusionary status would be revoked for developing countries, in full or in part, if a surge in imports from exempted countries were to undermine the effectiveness of the safeguard measure. On July 18, 2002, Commerce announced proposed rules regarding a steel import licensing and surge monitoring system.<sup>164</sup>

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<sup>158</sup> Nucor, et al. Posthearing Brief at 25-28. We note that during the first half of 2002, the spot market prices for cold-rolled steel increased more rapidly (10.7 percent) than U.S. producers' open market average selling prices, which were essentially unchanged (-0.5 percent) (Memorandum INV-Z-134 at Table J-3 and Purchasing Magazine, Joint Respondents' Posthearing Brief at Exhibit 8) and that over half of domestic producers' cold-rolled sales were under contract (CR at V-3, and PR at V-2).

<sup>159</sup> See 66 Fed. Reg. 67304, December 28, 2001. See also, USITC Press Release, October 23, 2001.

<sup>160</sup> The Commission reached affirmative determinations under section 202(b) of the Trade Act of 1974 that the following products were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat of serious injury, to the domestic industries producing like or directly competitive articles: (a) certain carbon flat-rolled steel, including carbon and alloy steel slabs; plate (including cut-to-length plate and clad plate); hot-rolled steel (including plate in coils); cold-rolled steel (other than grain-oriented electrical steel); and corrosion-resistant and other coated steel; (b) carbon and alloy hot-rolled bar and light shapes; (c) carbon and alloy cold-finished bar; (d) carbon and alloy rebar; (e) carbon and alloy welded tubular products (other than oil country tubular goods); (f) carbon and alloy flanges, fittings, and tool joints; (g) stainless steel bar and light shapes; and (h) stainless steel rod. The Commissioners were equally divided with respect to their determinations regarding (a) carbon and alloy tin mill products, (b) stainless steel wire, (c) tool steel, and (d) stainless steel fittings. See, Presidential Steel Products Proclamation of March 5, 2002.

<sup>161</sup> See Steel, Inv. No. TA-201-73, USITC Pub. 3479, December 2001.

<sup>162</sup> See Presidential Proclamation 7529 of March 5, 2002, 67 Fed. Reg. 10553 (March 7, 2002).

<sup>163</sup> See Annex to Proclamation 7529, 67 Fed. Reg. 10553.

<sup>164</sup> 67 Fed. Reg. 47338 (July 18, 2002). See also CR at I-7, n.14; and PR at I-6, n.14.

Certain cold-rolled products also are excluded from the President's Section 201 relief regardless of source. The product exclusions were announced on March 5, 2002, and in subsequent announcements through August 22, 2002.<sup>165</sup> The volume of cold-rolled imports accounted for by the excluded products is estimated to be 220,000 to 236,000 short tons.<sup>166</sup> In announcing the exclusions, USTR noted that approximately one-half were for the sole use of US Steel companies and the other half were for products for which there were no objections from the domestic industry and/or domestic producers could not meet the needs of the end user.<sup>167</sup>

The Section 201 investigation and the President's remedy fundamentally altered the U.S. market for many steel products, including cold-rolled steel. While we do not discount that the pendency of the cold-rolled investigations also affected subject import volumes, the record shows that the Section 201 relief was the overwhelming factor in the sharp decline in subject imports during the most recent period examined.

First, taking into account the reported average 102-day lag between import orders and their arrival in the United States,<sup>168</sup> monthly data show a correlation between the sharp decline in subject imports and key events in the Section 201 proceedings. Following the Commission's announcement of its Section 201 remedy recommendations on December 7, 2001, subject imports in March 2002 (approximately 102 days later) declined to 73,522 short tons, as compared to 161,542 short tons in March 2001 and 156,394 short tons in the preceding month of February 2002. Following the President's announcement on March 5, 2002, of the 30-percent additional tariff on cold-rolled imports, subject imports in June 2002 (approximately 102 days later) declined to 8,409 short tons, as compared to 185,523 short tons in June 2001.<sup>169</sup> Commerce announced its preliminary antidumping duty margins in this case on May 9, 2002, but by that time subject imports had already dropped to minimal levels in the U.S. market (34,012 short tons in April 2002 and 12,095 short tons in May 2002).<sup>170</sup>

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<sup>165</sup> Commerce and USTR announced product exclusions encompassing 727 products, of which approximately 160 were cold-rolled products. See 67 Fed. Reg. 10558 (Mar. 7, 2002), 67 Fed. Reg. 16484 (Apr. 5, 2002), 67 Fed. Reg. 46221 (Jul. 12, 2002); USTR's June 7, 17, 29, and July 11, 18, and August 12, 22 announcements of exclusions; see also 67 Fed. Reg. 56183 (Aug. 30, 2002) (regarding notices of June 7, 17, and 29, and July 11); Nucor, et al. Final Comments (Aug. 24, 2001) at 2.

<sup>166</sup> See Bethlehem, et al. comments on Section 201 exclusions (Aug. 26, 2002) at 2 (estimating volume of excluded subject imports, based on 2001 subject imports, at \*\*\* short tons); Japan, Brazil, and Thailand Respondents' comments on Section 201 exclusions (Aug. 26, 2002) at 3 (estimating volume of excluded subject imports, based on 2001 subject imports, at \*\*\* short tons).

<sup>167</sup> Joint Respondents' Final Comments (Aug. 26, 2002), at Ex. 1 (citing to USTR website).

<sup>168</sup> CR at II-10, and PR at II-6; see also Nucor, et al. Posthearing Brief at 7 (describing the lead time for subject imports as approximately three months).

<sup>169</sup> Monthly Commerce import statistics, compiled August 22, 2002.

<sup>170</sup> Commerce announced its preliminary countervailing duty margins on March 4, 2002. However, these margins pertained to only four subject countries, were *de minimis* for Argentina and, for the other three countries, ranged from a high of 12.58 percent for USIMINAS/COSIPA of Brazil, to 0.55 percent for POSCO of Korea. CR at I-12, and PR at I-11.

Second, hot-rolled steel and coated steel imports, which are also subject to the Section 201 tariff increase of 30 percent but not to pending antidumping and countervailing duty investigations, showed similar declines following the imposition of Section 201 relief. An examination of quarterly data shows the following:<sup>171</sup>

	January-March 2002	April-June 2002	Change
	Quantity ( <i>short tons</i> )		Percent
Cold-rolled	380,071	54,516	-85.7
Hot-rolled	379,534	159,548	-58.0
Coated	365,206	92,666	-74.6

Further, the spot prices of cold-rolled, hot-rolled and coated steel, imports of which are all subject to the 30-percent tariff, exhibited similar trends and similar dramatic increases in the wake of the Section 201 relief:<sup>172 173</sup>

	June 2000	June 2001	June 2002
	Value ( <i>per short ton</i> )		
Hot-rolled	\$325	\$240	\$340
Cold-rolled	430	340	435
Coated	440	360	445

<sup>171</sup> These data are all reported in short tons. Compiled from official Commerce statistics, these data, for cold-rolled steel, are for countries subject to these investigations, and, for hot-rolled and coated, are for countries covered by the Section 201 relief, and in the case of hot-rolled steel, the data exclude imports from Korea pursuant to an exclusion request granted to POSCO, although the exclusion was not country-specific.

<sup>172</sup> Nucor, et al. Posthearing Brief, Ex. 11 at 3. (Source: *Purchasing Magazine* Transaction Pricing Service).

<sup>173</sup> We note that an economic analysis provided by the Petitioners suggests that there is “no obvious correlation” between the extent of price change for eight steel items and whether the item is subject to a section 201 remedy. The Impact of Steel Import Relief on U.S. and World Steel Prices: A Survey of Some Counterintuitive Results by Peter Morici, Ph.D. (University of Maryland, July 2002), Exhibit 11 of Posthearing Brief of Nucor, et al., at 2. Dr. Morici examines price data for hot-rolled, cold-rolled, and galvanized sheet, as well as coiled plate; and long products such as rebar, cold-finished bar, beams, and wire rod. He observes that rebar, cold-finished bar, and coiled plate show modest price increases despite safeguard relief, unlike hot-rolled, cold-rolled, and galvanized sheet (Morici at 2). Each of these products, however, is distinct. Rebar is subject to only 15 percent duties and, as Dr. Morici notes, most of the major exporters were exempted (Morici at 8). Cold-finished bar is also distinct, given the exemptions for NAFTA suppliers (Morici at 7, noted in passing). In addition, respondents point out that available domestic capacity in the cold-finished bar industry has limited the price response to Section 201 tariffs. Joint Respondents’ Posthearing Brief at 7-8. Coiled plate, although a form of hot-rolled steel, is not part of the hot-rolled/cold-rolled/corrosion resistant integrated production process. Although coiled plate prices showed less of an increase in 2002 than other forms of flat-rolled steel, price levels in general for this steel item were less volatile. Finally, Dr. Morici notes that beam prices have increased even though beams are not subject to a safeguard action (Morici at 3). We note, however, that two of the largest foreign sources of beams, Japan and Korea, have been subject to antidumping/countervailing duty orders since the summer of 2000. Certain Structural Steel Beams from China, Germany, Luxembourg, Russia, South Africa, Spain, and Taiwan, Invs. Nos. 731-TA-935-936 and 938-942 (Final), USITC Pub. 3522 (June 2002) at 13. Thus, on balance, we find the price data for hot-rolled, cold-rolled, and galvanized sheet more probative for our analysis of the effects of the Section 201 relief than the additional steel items contained in the Morici study.

Finally, 79 of 94 purchasers responding in these investigations said that the Section 201 tariffs had reduced subject import volumes, leading, *inter alia*, to higher prices, supply shortages, and some broken or renegotiated contracts.<sup>174 175</sup>

We therefore conclude that the Section 201 relief is having a major impact in the U.S. market for cold-rolled steel and was the overwhelming factor in the sharp decline in subject imports during the most recent period examined.

## V. NO MATERIAL INJURY BY REASON OF CUMULATED SUBJECT IMPORTS

### A. In General

In the final phase of antidumping duty and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the imports under investigation.<sup>176</sup> In making this determination, the Commission must consider the volume of imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.<sup>177</sup> The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”<sup>178</sup> In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.<sup>179</sup> No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>180</sup>

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<sup>174</sup> CR at II-3, and PR at II-2-3; and Purchasers’ Questionnaire Responses. We recognize, however, that 70 out of 93 purchasers also stated that the pendency of these investigations also has affected cold-rolled prices over the period (CR at II-4, and PR at II-3) but still find that the Section 201 relief had a major impact, notwithstanding any effect from these investigations. In this regard, we note that Petitioners have stated that, among other factors, “Section 201 relief has been a significant factor in improved market conditions for the industry, . . .” Bethlehem, et al. Prehearing Brief at 50-51.

<sup>175</sup> We recognize that another sharp decline in subject import volumes occurred between December 2001 (when subject import volumes were the highest of any month of the entire period examined) and January 2002, following both the filing of the petitions and the Commission’s affirmative injury vote in the Section 201 investigation on October 22, 2001. As noted above, we do not discount the pendency of these investigations, and find that both the pending investigations and the Section 201 investigation had an impact on subject import volumes. Nonetheless, subject imports declined even more dramatically to their lowest levels of the period examined in June 2002, following the Commission’s Section 201 remedy recommendations and the President’s announcement of the actual remedy. The record therefore shows that the Section 201 relief fundamentally altered the U.S. market for cold-rolled steel and was the most significant factor in the decline of subject imports during the most recent period examined.

<sup>176</sup> 19 U.S.C. §§ 1671d(b) and 1673d(b).

<sup>177</sup> 19 U.S.C. § 1677(7)(B)(i). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each [such] factor . . . [a]nd explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B). See also *Angus Chemical Co. v. United States*, 140 F.3d 1478 (Fed. Cir. 1998).

<sup>178</sup> 19 U.S.C. § 1677(7)(A).

<sup>179</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>180</sup> 19 U.S.C. § 1677(7)(C)(iii).

Further, the Commission is given discretion by the statute to look to the time period that provides probative, reliable data “in as contemporaneous a time frame as possible.”<sup>181 182</sup> The statute allows the Commission to reduce the weight accorded to data for the period after the filing of the petition upon considering whether any change in the volume, price effects, or impact of imports since the filing of the petition is related to the pendency of the investigation.<sup>183</sup> The presumption that such change is related to the pendency of the investigation is rebuttable.<sup>184</sup>

We have collected data in these investigations through June 2002.<sup>185</sup> We find, as discussed above, strong evidence on the record that the Section 201 relief was a major factor in the sharp decline in subject imports, notwithstanding any effects attributable to the pendency of the petition, and do not find persuasive Petitioners’ analysis that purported to isolate the effects on the cold-rolled market of the current investigation and the Section 201 relief.<sup>186</sup> We therefore reject Petitioners’ arguments to accord less weight to subject import declines and domestic market improvements that occurred in 2002.<sup>187</sup>

For the reasons discussed below, we determine that the domestic certain cold-rolled steel industry is not materially injured by reason of the cumulated subject imports.

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<sup>181</sup> See Saarstahl, AG v. United States, 858 F. Supp. 196, 200-201 (Ct. Int’l Trade 1994), discussing CHR. Bjelland Seafoods v. United States, 16 CIT 945, 956 (1992).

<sup>182</sup> Petitioners and Respondents both cite recent remands by the Court of International Trade in Altx, Inc. v. United States to support their respective views regarding the appropriate period of time upon which the Commission should focus. Posthearing Brief of Nucor, et al. at 5-6, Australian and New Zealand Posthearing Brief, Annex 1 at 1-2. These investigations, however, differ from Certain Seamless Stainless Steel Hollow Products from Japan in that a watershed event, namely the Section 201 action on flat-rolled steel, clearly altered the conditions of competition in the U.S. market. Therefore, our analysis of the record includes the entire period for which data were collected, but distinguishes between events that occurred prior to the Section 201 action and events that occurred afterward.

<sup>183</sup> 19 U.S.C. § 1677(7)(I).

<sup>184</sup> SAA at 854.

<sup>185</sup> The Commission went to great lengths to collect the most recent data possible for use in its deliberations and determinations, including data through June 2002. Moreover, in response to arguments of parties at the hearing on July 18, 2002, a supplemental questionnaire was sent to U.S. producers on July 24, 2002, requesting second-quarter trade and financial data for 2001 and 2002. Responses were requested by August 2, 2002. In consideration that most supplemental (half-year and second-quarter) data were received by the Commission and parties after the due date for posthearing briefs (July 25, 2002), the Commission granted parties an additional opportunity to file comments addressing data for the periods January-June 2002 and/or April-June 2002. On August 22, 2002, following the August 22, 2002, announcement by the Department of Commerce and the Office of the U.S. Trade Representative concerning the seventh and final list of Section 201 safeguard exclusions, the Commission re-opened the record to incorporate this new information and granted parties an additional opportunity to comment on the Section 201 safeguard exclusion announcements that occurred subsequent to the filing of their posthearing briefs.

<sup>186</sup> See Nucor, et al. Prehearing Brief at 13-16, Exhibit 2. We discuss this analysis in the portion of our views entitled “Price Effects of the Subject Imports.”

<sup>187</sup> See, e.g., Nucor, et al. Prehearing Brief at 13-16 and Exhibit 2; Bethlehem, et al. Prehearing Brief at 49-52; Nucor, et al. Posthearing Brief at 4-8; Bethlehem, et al. Posthearing Brief, Answers to Chairman Okun's Questions, at A-15-A-19; and hearing transcript at 158-159.

## B. Volume of the Cumulated Subject Imports

Section 771(7)(C)(i) of the Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”<sup>188</sup>

In evaluating the significance of subject import volume, we have considered the volume and market penetration of subject imports throughout the period examined. As discussed below, the absolute volume of subject imports decreased slightly from 1999 to 2001, although subject imports gained market share over the same period. This was followed, however, by a sharp decline in both the volume and market penetration of subject imports in the first half of 2002, compared with the first half of 2001.

The quantity of cumulated subject imports decreased from 2.48 million short tons in 1999 to 1.68 million short tons in 2000, then increased to 2.40 million short tons in 2001, slightly below the 1999 level. The share of apparent U.S. consumption accounted for by the cumulated subject imports in the merchant market similarly declined from 13.6 percent in 1999 to 9.2 percent in 2000, then increased to 15.2 percent in 2001 as apparent U.S. consumption declined.<sup>189</sup> In the total market, including captive consumption, subject imports’ market share decreased from 6.2 percent in 1999 to 4.2 percent in 2000, then increased to 6.7 percent in 2001.<sup>190</sup> As a ratio to U.S. production, the volume of subject imports on a cumulative basis was 6.6 percent in 1999, 4.5 percent in 2000, and 7.3 percent in 2001.<sup>191</sup>

As discussed above, we find that the imposition of 30 percent tariffs pursuant to Section 201 was the overwhelming factor in the decline in subject import volume in 2002, notwithstanding the pendency of these investigations.

Specifically, the volume of cumulated subject imports declined significantly in the first half of 2002 to 460,875 short tons, compared with a volume of 1.04 million short tons in the first half of 2001.<sup>192</sup> The share of the merchant market accounted for by the subject imports similarly dropped to 6.7 percent in the first half of 2002, compared with a share of 15.0 percent in the first half of 2001.<sup>193</sup> The cumulated subject imports accounted for a 2.6 percent share of the total market, including captive consumption, in the first half of 2002, compared with a 6.2 percent share in the first half of 2001.<sup>194</sup> We note that the decline in subject imports accelerated in the second quarter of 2002. After declining to 373,566 short tons in the first quarter of 2002, compared with 467,909 short tons in the first quarter of 2001, the

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<sup>188</sup> 19 U.S.C. § 1677(7)(C)(i).

<sup>189</sup> Views Addendum Table 1.

<sup>190</sup> CR and PR at Table IV-8C. The decrease in volume and market share in 2000 followed Commerce’s imposition of preliminary duties in the 1999-2000 cold-rolled steel investigations, and the increase in volume and market share in 2001 followed the lifting of those preliminary duties and the lifting of final orders on cold-rolled imports from many of the subject countries beginning in March 2000. We note that a substantial portion of the increase in imports from Korea in 2001 were of full-hard steel imported by UPI due to the fire at its mill. UPI purchased \*\*\* short tons of cold-rolled steel from Korea in 2001 and \*\*\* short tons in the first quarter of 2002. CR and PR at Table III-11; and CR at III-25, and PR III-17.

<sup>191</sup> Compare Views Addendum Table 1 with Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>192</sup> Views Addendum Table 1.

<sup>193</sup> Views Addendum Table 1.

<sup>194</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

quantity of cumulated subject imports dropped to a mere 54,514 short tons in the second quarter of 2002, compared with 556,010 short tons in the second quarter of 2001.<sup>195</sup>

The cumulated subject imports accounted for 1.7 percent of the open market in the second quarter of 2002, as compared to 16.9 percent in the second quarter of 2001. The cumulated subject imports accounted for a 0.6 percent share of the total market, including captive consumption, in the second quarter of 2002, compared with a 7.0 percent share in the second quarter of 2001.<sup>196 197</sup> In the first half of 2002, the volume of such imports was equivalent to 2.7 percent of U.S. production, compared to 7.0 percent in the first half of 2001.<sup>198</sup>

Accordingly, while we recognize the higher subject import volumes earlier in the period, we find that the present volume of subject imports is not significant, in absolute terms or relative to domestic consumption or production.

### **C. Price Effects of the Cumulated Subject Imports**

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

- (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
- (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.<sup>199</sup>

The majority of domestic producers' and importers' sales (55 and 52 percent, respectively) are made by contracts. While contracts typically fix both price and quantity, there is evidence of flexibility during the term of a contract when spot prices differ significantly from contract prices.<sup>200</sup> A significant portion of the subject imports compete with the domestic like product in certain important portions of the merchant market, such as for sales to domestic distributors.<sup>201</sup> Most U.S. purchasers reported that U.S.-produced cold-rolled steel and subject imports are used in the same applications, although there were

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<sup>195</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>196</sup> Memorandum INV-Z-134 at Tables J-1 and J-2, and PR at Tables J-1 and J-2.

<sup>197</sup> The most recent monthly data for cumulated subject imports in June 2002 was 8,407 short tons compared with June 2001 imports of 180,793 short tons.

<sup>198</sup> Compare Views Addendum Table 1 with Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>199</sup> 19 U.S.C. § 1677(7)(C)(ii).

<sup>200</sup> Bethlehem, et al. Prehearing Brief at 38-44; Nucor, et al. Posthearing Brief at 17; Joint Respondents' Posthearing Brief at Exhibits 8 and 9; Hearing Transcript at 84, 145-146.

<sup>201</sup> CR and PR at Table III-7; and CR at III-14, and PR at III-9. Reported U.S. shipments of imports were equivalent to 29.2 percent of U.S. producers' commercial shipments to distributors, and 16.8 percent of commercial shipments to container manufacturers (though only three subject countries are really active in the latter category). However, reported U.S. shipments of imports were equivalent to only 8.9 percent and 5.7 percent, respectively, of U.S. producers' commercial shipments to galvanizers and to "other" end users. Furthermore, reported U.S. shipments of imports were equivalent to only 3.0 percent and 0.3 percent, respectively, of U.S. producers' commercial shipments to automotive and appliance end users. Id.

exceptions for several countries.<sup>202</sup> As noted above, quality, price, and supply considerations are important factors in purchasing decisions.<sup>203</sup> A substantial majority of purchasers identified U.S. mills as price leaders in the U.S. market.<sup>204</sup>

The Commission collected pricing data on two products sold to distributors and to end users.<sup>205</sup> Of the 455 possible quarterly price comparisons between U.S.-produced cold-rolled steel and subject imports, subject imports undersold domestic products in 296 quarters and oversold domestic products in 159 quarters.<sup>206</sup> While the data show more instances of underselling than overselling, most of the underselling occurred earlier in the period examined, prior to the imposition of Section 201 relief.<sup>207</sup>

The questionnaire pricing data show prices declining through 2001, after increasing in the first half of 2000, as the market share of subject imports in the U.S. market increased markedly from the lower levels in 2000.<sup>208 209</sup> However, in 2002, with the imposition of Section 201 relief, prices began to

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<sup>202</sup> CR and PR at Table II-3.

<sup>203</sup> Quality was ranked first among purchasing factors by 55 responding purchasers, compared to 22 for price. Availability, traditional supply channels, and delivery, all supply considerations, also were ranked first among purchasing factors by 23 responding purchasers. CR and PR at Table II-2. Information from purchasers on direct comparisons between domestic and subject imported products indicates that overall the domestic and subject imported products generally are comparable in quality, but that U.S. product is likely to be considered inferior to German and Japanese cold-rolled steel, somewhat inferior to Belgian, French, and Korean cold-rolled steel, and superior to Russian, South African, and Turkish steel. CR and PR at Table II-5 (there were no comparisons for Spain and Venezuela). In terms of delivery time, the domestic industry had a clear advantage over the subject imports, based on purchaser characterizations as well as questionnaire data indicating that import lead times (102 days) were more than twice those of domestic lead times (48 days). CR and PR at Table II-5; and CR at II-13 through II-15 (purchaser views), and PR at II-9 through II-11; CR at II-10 (lead times), and PR at II-6. Purchasers viewed U.S. mills as generally comparable to most foreign suppliers in terms of availability: somewhat superior to subject imports from Argentina, India, Russia, and South Africa; somewhat inferior to subject imports from Australia, France, the Netherlands, and Sweden. CR and PR at Table II-5; and CR at II-13 through II-15, and PR at II-9 through II-11.

<sup>204</sup> The number of purchasers reporting price leadership by domestic firms were 34 for US Steel; 20 for Nucor; 15 for AK Steel; 9 for LTV; 8 for CSI; 7 for UPI; 6 for Bethlehem; and 1-2 for nine smaller domestic mills. Price leadership by U.S. mills in general was reported by 2 firms and by minimills in general by 1 purchaser. In contrast, two firms reported subject import price leadership by Korea or a Korean firm, and one each reported price leadership by Brazil, a Chinese firm, a New Zealand firm, and a Japanese firm (reported by 1 purchaser each). Questionnaire responses of U.S. purchasers.

<sup>205</sup> CR and PR at Tables V-1 and V-2. Information on a third product was requested but the information obtained did not permit price comparisons for any subject country. CR at V-5, and PR at V-6.

<sup>206</sup> CR at V-5, and PR at V-6. No comparable pricing data were reported for Spain.

<sup>207</sup> For both products 1 and 2 underselling margins were greater in 1999 than in 2002. CR and PR at Tables V-3 and V-4; and CR at V-10, V-13, and PR at V-9, V-12. *E.g.*, the average margin of underselling was 9.1 percent in 1999 compared with overselling of 4.0 percent in 2002; average underselling for sales to end users was 24.8 percent in 1999 compared with 1.5 percent in 2002. *See* CR at V-10, V-13, and PR at V-9, V-12.

<sup>208</sup> Reported U.S. prices for product 1 sold to service centers and end users declined 17.7 percent and 25.6 percent, respectively, during 1999-2001 while prices for product 2 declined 22.9 percent and 21.7 percent during the same period. CR and PR at App. H.

<sup>209</sup> Petitioners, based on an econometric analysis, assert that subject imports are the most important factor in the decline in domestic cold-rolled prices during the period examined. Nucor, et al. Posthearing Brief at Exhibit 3. While the Petitioners' updated analysis includes data through April 2002, it does not specifically measure the effect  
(continued...)



recover.<sup>210</sup> Reportedly, spot prices for cold-rolled steel jumped dramatically to \$435 per ton in June 2002, as compared to \$340 per ton in June 2001, and were even higher, at \$525 per ton, in July 2002.<sup>211</sup> The pricing data collected by the Commission also show rising prices in the first half of 2002, although not to the highest levels of the period examined.<sup>212</sup> We attribute this to the fact that, although some contracts have been renegotiated as a result of the sharp increase in spot prices, many contracts continue to be honored at the price levels negotiated at the end of 2001 when prevailing market prices were significantly lower.<sup>213 214</sup>

More than half of affected purchasers have reported supply problems (more than one-quarter have been placed on allocation) since March 2002, and 80 of 91 purchasers responding have received notices of price increases since that time.<sup>215</sup> We note that the closure of LTV's production facilities in December 2001 temporarily reduced the available supply of domestically produced cold-rolled steel. LTV had commercial shipments in 2001 of \*\*\* short tons.<sup>216</sup> The record in these investigations suggests that this disruption in domestic supply temporarily contributed to rising U.S. prices, in conjunction with the withdrawal of subject imports from the market following the Section 201 action.<sup>217</sup> In April 2002, however, ISG purchased the steelmaking assets of the former LTV, and began production of cold-rolled

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<sup>209</sup> (...continued)

of the pendency of these investigations and the Section 201 remedy. Consequently, we do not find this analysis probative in assessing present material injury given the overwhelming impact of the Section 201 remedy on U.S. market conditions and the sharp decline in subject imports during 2002.

<sup>210</sup> Petitioners indicate that observed increases in the prices of subject imports were due to the filing of the petitions and not to the threat and application of the Section 201 tariffs. They contend that the price of imported cold-finished bar increased by much less than the price of cold-rolled sheet despite also being subject to a similar Section 201 tariff and that a comparison to a similar increase in the price of hot-rolled steel imports is not appropriate as it also is impacted by the filing of the petition on cold-rolled steel. (The Differential Impact of Title VII and Section 201 on the Cold-Rolled Industry, Dr. Seth Kaplan and Dr. David A. Riker (Charles Rivers Associates, Washington, DC) in Prehearing Brief of Nucor, et al. at Exhibit 2, at 1-3). However, Respondents point out that available domestic capacity in the cold-finished bar industry has limited the price response to the Section 201 tariffs while the limited capacity of domestic cold-rolled producers has caused prices in this market to respond more to the Section 201 tariffs. Respondents' Joint Posthearing Brief at 7-8. Petitioners also argue that inclusion in the current investigations essentially "determined" whether imports of cold-rolled steel decreased or increased between September 2001 and April 2002. Prehearing Brief of Nucor, et al. at Exhibit 2, at 5 and 9. We do not find this analysis convincing, however, given the substantial volume of nonsubject imports accounted for by NAFTA partners Canada and Mexico (not subject to these investigations but also exempted from the Section 201 tariff). Finally, we place little weight on the comparison of subject and nonsubject import volumes for countries covered by the safeguard action, in light of the very small volume of nonsubject imports. With respect to the comparison of subject and nonsubject imports not covered by the safeguard action, we note that none of the subject countries was aware that it was not covered by the Section 201 tariff until President Bush's announcement on March 5, 2002. (Prehearing Brief of Nucor, et al., Exhibit 2, at 9).

<sup>211</sup> Respondents' Joint Final Comments of August 23, 2002 at 7.

<sup>212</sup> CR and PR at Tables H-1 and H-2. The price of U.S. product 1 sold to service centers and end users rose 7.2 percent and 2.7 percent, respectively, between the fourth quarter of 2001 and the second quarter of 2002. The price of U.S. product 2 sold to service centers and end users rose 15.1 percent and 9.8 percent, respectively, between the fourth quarter of 2001 and the second quarter of 2002. CR and PR at Tables H-3 and H-4.

<sup>213</sup> Hearing Transcript at 64, 79-80, 115.

<sup>214</sup> New contract negotiations will take place in the fall of 2002. Hearing Transcript at 147.

<sup>215</sup> CR at II-3 through II-4, PR at II-2.

<sup>216</sup> CR and PR at Table III-6.

<sup>217</sup> See, e.g., CR and PR at Table II-8.

steel in May 2002.<sup>218</sup> Subject imports, in contrast, as prices continued to rise, declined substantially throughout the second quarter of 2002, and presently are far below their levels of 1999-2001 as a result of the Section 201 action.

Finally, we note that the domestic producers made no lost sales or lost revenue allegations in the preliminary phase of these investigations and that only one of the limited lost revenue allegations made by domestic producers in these final phase investigations was confirmed.<sup>219</sup>

Based on the foregoing, although subject imports which entered the market earlier in the period examined continue to have an effect on the industry's contract prices negotiated before the Section 201 relief was effective, subject imports currently entering the market are not suppressing current domestic prices to a significant degree. Thus, we find that subject imports are not adversely affecting domestic prices to a significant degree based on the current volume of subject imports and the increase in domestic prices in 2002.

#### **D. Impact of the Cumulated Subject Imports on the Domestic Industry**

In examining the impact of the subject imports on the domestic industry, we consider all relevant economic factors that bear on the state of the industry in the United States.<sup>220</sup> These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."<sup>221 222</sup>

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<sup>218</sup> CR at III-4, n.10, PR at III-4, n.10.

<sup>219</sup> CR at V-14 and Memorandum INV-Z-134 at V-18, and PR at V-6.

<sup>220</sup> 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." *Id.* at 885.).

<sup>221</sup> 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851, 885; Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 (Feb. 1999) at 25, n.148.

<sup>222</sup> The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). The margins in Commerce's final determinations are as follows:

<i>India:</i>	153.56 percent for Ispat Industries and all others. 67 Fed. Reg. 47518 (July 19, 2002).
<i>Japan:</i>	115.22 percent for Kawasaki Steel and Nippon Steel, 112.56 percent for all others. 67 Fed. Reg. 47520 (July 19, 2002).
<i>Sweden:</i>	40.54 percent for SSAB Svenskt Stal, AB Sandvik Steel, and all others. 67 Fed. Reg. 47522 (July 19, 2002).
<i>Thailand:</i>	142.78 percent for Thai Cold-Rolled Steel Sheet, and 127.44 percent for all others. 67 Fed. Reg. 47521 (July 19, 2002).

From 2000 to 2001, the U.S. industry incurred heavy financial losses, which are likely attributable to declining sales values and a steep drop in prices during a period when demand declined dramatically and low-priced subject imports gained U.S. market share.<sup>223</sup> However, in 2002, with the imposition of Section 201 relief and the resulting dramatic decline in subject imports, the industry's condition began to improve as prices rose and shipments increased.<sup>224</sup> Section 201 relief was imposed to remedy serious injury to the industry caused by imports of flat-rolled steel products, including cold-rolled steel, during the period examined, and after the relief was imposed, the record shows its positive effects. Subject imports have declined to levels too small to have a material adverse effect on the domestic industry. A detailed discussion of the evolving condition of the domestic industry over the period, particularly following the imposition of Section 201 relief, follows.

Apparent U.S. consumption of certain cold-rolled steel products in the merchant market declined from 18.2 million short tons in both 1999 and 2000 to 15.8 million short tons in 2001, then declined slightly in the first half of 2002 to 6.92 million short tons, compared with consumption of 6.94 million short tons in the first half of 2001.<sup>225</sup> Apparent U.S. consumption in the total market, including captive consumption, declined slightly from 39.8 million short tons in 1999 to 39.6 million short tons in 2000, then declined to 35.6 million short tons in 2001. In the first half of 2002, apparent U.S. consumption increased to 17.2 million short tons, compared with 16 million short tons in the first half of 2001.<sup>226</sup>

Domestic producers' share of the quantity of apparent U.S. consumption in the merchant market increased from 82.9 percent in 1999 to 85.9 percent in 2000, and then declined to 81.7 percent in 2001.<sup>227</sup> In the first half of 2002, however, domestic producers' share of the merchant market increased substantially to 89.0 percent, compared with a share of 81.2 percent in the first half of 2001.<sup>228</sup> The domestic producers' share of the merchant market in the second quarter of 2002, following the President's announcement of the Section 201 remedy, was 92.5 percent, compared with a 79.4 percent share in the second quarter of 2001.<sup>229</sup> Domestic producers' share of the quantity of apparent U.S. consumption in the total market, including captive consumption, increased from 92.2 percent in 1999 to

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<sup>223</sup> A group of petitioners argued that a "natural experiment" which occurred during the period examined demonstrates that unfairly traded imports caused prices to decline and the financial performance of the domestic industry to deteriorate. The "natural experiment," according to Petitioners, was the previous antidumping/countervailing duty case on cold-rolled imports, filed in late June 1999, and the subsequent drop in imports and improvement in domestic producer prices and financial performance from late 1999 to early 2000, followed by a return of imports, and a decline in prices and in domestic industry profitability after the Commission's negative injury determination in that case in the spring of 2000. Nucor, et al. Prehearing Brief at 1, 17-20. We have considered how market conditions, including the previous and pending Title VII cases and the more recent Section 201 relief, affected trends in import volumes and prices, and industry performance throughout the entire period examined. However, with respect to Petitioner's "natural experiment" theory, we would expect any pending Title VII case to inject some uncertainty into the market. The fluctuations and uncertainty that occur in the market during such a period do not in and of themselves prove that, prior to the filing of a case, imports are causing material injury.

<sup>224</sup> The Petitioners, as noted previously, stated that the Section 201 relief has been a "significant factor" in improved market conditions for the industry. Bethlehem, et al. Prehearing Brief at 50-51.

<sup>225</sup> Views Addendum Table 1.

<sup>226</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>227</sup> Views Addendum Table 1.

<sup>228</sup> Views Addendum Table 1.

<sup>229</sup> Memorandum INV-Z-134 at Table J-2, and PR at Table J-2

93.6 percent in 2000, and then declined to 91.9 percent in 2001.<sup>230</sup> In the first half of 2002, however, domestic producers' share of the total market increased substantially to 95.6 percent, compared with a share of 91.9 percent in the first half of 2001.<sup>231</sup> The domestic producers' share of the total market in the second quarter of 2002, following the President's announcement of the Section 201 remedy, was 97.2 percent, compared with a 91.6 percent share in the second quarter of 2001.<sup>232</sup>

The industry's production capacity increased from 43.6 million short tons in 1999 to 45.2 million short tons in 2000, then declined to 44.1 million short tons in 2001, slightly above the 1999 capacity level.<sup>233</sup> In the first six months of 2002, capacity declined by 3.7 percent, nearly all of that decline occurring in the first quarter of 2002.<sup>234</sup> At the same time, domestic production, which had declined from 37.4 million short tons in 1999 to 33.1 million short tons in 2001, increased in the first half of 2002 to 16.8 million short tons, compared with production of 14.8 million short tons in the first half of 2001.<sup>235</sup> All of the production increase occurred in the second quarter of 2002.<sup>236</sup> Concomitantly, capacity utilization increased to a period high of 89.9 percent in the second quarter of 2002, compared with a rate of 73.5 percent in the second quarter of 2001. This followed capacity utilization rates of 85.8 percent in 1999, 83.1 percent in 2000, 75.1 percent in 2001, and 80.2 percent in the first quarter of 2002, compared with a first quarter 2001 utilization rate of 73.1 percent.<sup>237</sup>

Similar trends are noted with respect to various other performance and financial indicators for the domestic industry. As a result of declining sales volume, low capacity utilization, and lower prices in 2001, the industry's operating losses grew from a loss of \$153 million in 1999 to a loss of over \$2 billion in 2001, then declined to a loss of \$688 million in the first half of 2002, compared with a loss of \$926 million in the first half of 2001. In the second quarter of 2002, the industry's operating loss declined to \$204 million, compared with a loss of \$447 million in the second quarter of 2001.<sup>238</sup> The industry's operating loss as a percent of net sales similarly declined in the second quarter of 2002 to 6.1 percent compared to 16.4 percent in the second quarter of 2001.<sup>239</sup>

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<sup>230</sup> Views Addendum Table 3.

<sup>231</sup> Views Addendum Table 3.

<sup>232</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>233</sup> CR and PR at Table C-1.

<sup>234</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>235</sup> CR and PR at Table C-1; and Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>236</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>237</sup> CR and PR at Table C-1; and Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>238</sup> CR and PR at Table C-1; and Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>239</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1. For the total market, the industry's operating loss as a percent of net sales was 1.2 percent in 1999, 1.7 percent in 2000, and 18.8 percent in 2001. It was 16.7 percent in the first quarter of 2002, compared with 16.5 percent in the first quarter of 2001. Operating loss as a percent of net sales for the first half of 2002 was 11.1 percent, compared with 16.8 percent in the first half of 2001.

The number of production and related workers and wages paid each increased from 1999 to 2000, but declined from 2000 to 2001.<sup>240</sup> In the first half of 2002, compared with the first half of 2001, the number of production and related workers and hours worked declined, while wages paid increased. Hourly wages and productivity also increased each year during the period examined, including in the first half of 2002.<sup>241</sup>

Industry capital expenditures reported in the questionnaires declined from 1999 to 2000, then increased in 2001, albeit to a level below the 1999 level, then increased in the first six months of 2002 compared with the first six months of 2001.<sup>242</sup>

As indicated above, following the imposition of Section 201 relief, subject import volumes declined to minimal levels, and therefore we do not find the current volume of subject imports to be significant. Nor do we find that subject imports currently in the market are having significant adverse price effects, given their minimal presence in the U.S. market. Accordingly, we do not find that the present condition of the domestic industry is attributable in any material respect to the current subject imports, and we therefore do not find that any material injury currently being experienced by the domestic industry is by reason of the subject imports.<sup>243</sup>

## **VI. NO THREAT OF MATERIAL INJURY BY REASON OF CUMULATED SUBJECT IMPORTS**

Section 771(7)(F) of the Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether “further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted.”<sup>244</sup> The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether dumped or subsidized imports are imminent and whether

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<sup>240</sup> The number of production and related workers increased from 29,983 in 1999 to 30,469 in 2000 and then declined to 28,071 in 2001. Hours worked decreased from 68.3 million in 1999 to 67.6 million in 2000, and declined to 59.2 million in 2001. Wages paid increased only slightly from \$1.825 billion in 1999 to \$1.828 billion in 2000, and then declined to \$1.620 billion in 2001. Productivity, as measured by short tons per thousand hours, increased from 546.6 in 1999 to 554.5 in 2000, and then increased to 558.2 in 2001. CR and PR at Table III-14.

<sup>241</sup> Hourly wages increased from \$26.74 in 1999 to \$27.03 in 2000 and then to \$27.38 in 2001. CR and PR at Table III-5.

<sup>242</sup> CR and PR at Table C-1; and Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>243</sup> Vice Chairman Hillman and Commissioner Miller find that, on the facts of this case, any remaining injury to the industry that may have been attributable to the subject imports is the lingering effect of past injury. In light of the President’s decision to impose Section 201 tariffs on the bulk of imports subject to these investigations, basing a present material injury determination on the lingering effects of that injury would be inconsistent with the remedial purpose of the antidumping and countervailing duty statute. See *Gerald Metals Inc. v. United States*, 132 F.3d 716, 723 (Fed. Cir. 1997); *Chaparral Steel Co. v. United States*, 901 F.2d 1097, 1103-04 (Fed. Cir. 1990); *CHR Bjelland Seafoods v. United States*, 16 CIT 945, 956 (1992).

<sup>244</sup> 19 U.S.C. § 1677(7)(F)(ii).

material injury by reason of imports would occur unless an order is issued.<sup>245</sup> In making our determination, we considered all statutory factors that are relevant to these investigations.<sup>246 247</sup>

### A. Cumulation for Purposes of Threat

Cumulation for threat is treated in section 771(7)(H) of the Act.<sup>248</sup> This provision permits the Commission, to the extent practicable, to assess cumulatively the volume and effect of imports for purposes of conducting its threat analysis.<sup>249</sup> The limitations concerning what imports are eligible for cumulation and the exceptions to cumulation are applicable to cumulation for threat as well as to cumulation for present material injury. In addition, the Commission also considers whether the imports are increasing at similar rates in the same markets, whether the imports have similar margins of underselling, and the probability that imports will enter the United States at prices that would have a depressing or suppressing effect on domestic prices of that merchandise.<sup>250</sup> In addition, likely different conditions of competition among the subject imports also may be relevant to this issue.<sup>251</sup>

For the reasons stated in our determination on cumulation for purposes of our current material injury analysis, we do not cumulate subject imports from Australia with those from other subject countries for purposes of our threat analysis. We exercise our discretion to cumulate imports from the remaining nineteen countries in two separate groups: imports from those countries that are subject to the Section 201 remedy and imports from the developing countries that are excluded. We find application of the Section 201 remedy to be a highly significant condition of competition that is likely to influence pricing and volume trends among subject countries and therefore provides a meaningful basis for distinguishing between the two subject import groups. Accordingly, we cumulate the thirteen subject countries that are covered by the Section 201 remedy, namely, Belgium, Brazil, China, France, Germany,

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<sup>245</sup> 19 U.S.C. § 1677(7)(F)(ii).

<sup>246</sup> 19 U.S.C. § 1677(7)(F)(i). Statutory threat factor (VII) is inapplicable because these investigations do not involve imports of both raw and processed agricultural products.

Factor I requires the Commission to consider information presented by Commerce regarding the nature of a countervailable subsidy and whether the subsidy is one described in Article 3 or 6.1 of the Subsidies Agreement. 19 U.S.C. § 1677(7)(F)(i)(I). Argentina, Brazil, France and Korea are subject to countervailing duty investigations. Commerce has not yet issued final determinations with respect to those four countries. In its preliminary determinations, Commerce described the nature of the subsidies but did not expressly identify any subsidy programs as ones described in Articles 3 or 6.1 of the Subsidy Agreement. See 67 Fed. Reg. 9670 (Mar. 4, 2002) (Argentina); 67 Fed. Reg. 9652 (Brazil); 67 Fed. Reg. 9662 (Mar. 4, 2002) (France); 67 Fed. Reg. 9685 (Mar. 4, 2002) (Korea). Certain of the subsidies preliminarily found to be countervailable appear to be ones described in Section 3 or 6.1 of the Subsidies Agreement. Id.

<sup>247</sup> The foreign producer data in these investigations generally covered the vast majority of subject production of cold-rolled steel, with the exception of India, Russia, and Sweden. Regarding Russia, we note that reported data does cover the \*\*\* of subject imports from Russia during the period examined. CR and PR at Tables VII-1 and VII-16, n.1.

<sup>248</sup> 19 U.S.C. § 1677(7)(H).

<sup>249</sup> See Kern-Liebers v. United States, 19 CIT 87, 103-04 (1995).

<sup>250</sup> See 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).

<sup>251</sup> See Certain Structural Steel Beams from Japan, Inv. No. 731-TA-853 (Final), USITC Pub. 3308 (June 2000).

Japan, Korea, the Netherlands, New Zealand, Russia, Spain, Sweden, and Taiwan. We separately cumulate subject imports from Argentina, India, South Africa, Thailand, Turkey, and Venezuela, the six countries that are not subject to the Section 201 remedy.

## **B. Statutory Threat Factors: Thirteen Subject Countries Subject To Section 201 Remedy**

The record indicates a significant decline in the volume and market penetration of cumulated subject imports from Belgium, Brazil, China, France, Germany, Japan, Korea, the Netherlands, New Zealand, Russia, Spain, Sweden, and Taiwan in the first half of 2002, following the Commission's remedy recommendations and the President's announcement of actual remedies under Section 201. As discussed above with respect to the cumulated subject imports from nineteen countries, although subject imports declined after the filing of the petition in these investigations, we find that Section 201 relief was a major factor in the sharp decline in subject imports.

These cumulated subject imports declined from a volume of \*\*\* short tons in 1999 to \*\*\* short tons in 2000, then increased to \*\*\* short tons in 2001. Then, in the first half of 2002, these subject imports declined dramatically to \*\*\* short tons, compared with \*\*\* short tons in the first half of 2001.<sup>252</sup>

As a share of the merchant market, these imports increased from \*\*\* percent in 1999 to \*\*\* percent in 2001 but held only \*\*\* percent of the merchant market in the first half of 2002, compared with a share of \*\*\* percent in the first half of 2001.<sup>253</sup> In the second quarter of 2002 alone, the share held by these cumulated subject imports in the merchant sector was only \*\*\* percent, compared with a \*\*\* percent share in the second quarter of 2001.<sup>254</sup>

The record shows that producers in the subject countries have some excess capacity, some ability to shift exports from other markets to the United States and to shift production from other products to increase subject imports to the United States.<sup>255</sup> Similarly, the cold-rolled steel industries in the thirteen subject countries maintained inventories of 2.8-3.3 million short tons in their home countries between 1999 and 2001, with levels of 2.3 million short tons at the end of June 2002.<sup>256</sup> As a ratio to shipments, however, inventories fluctuated modestly between 3.8 percent and 4.0 percent between 1999 and 2001, and declined to 3.5 percent in the first half of 2002.<sup>257</sup> U.S. inventories from the thirteen subject countries increased from \*\*\* short tons in 1999 to \*\*\* short tons in 2000, then fell to \*\*\* short tons in 2001. As of March 2002 (the last period for which data are available), such U.S. inventories were only

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<sup>252</sup> Views Addendum Table 2.

<sup>253</sup> Views Addendum Table 2.

<sup>254</sup> Memorandum INV-Z-134 at Table J-2, and PR at Table J-2.

<sup>255</sup> The cold-rolled steel industries in the thirteen subject countries increased capacity marginally between 1999 and 2001, but operated at relatively high levels of capacity utilization throughout this period. Views Addendum Table 4. Subject capacity increased from 88.2 million short tons in 1999 to 89.1 million short tons in 2001. Capacity utilization was 84.5 percent in 1999, 92.3 percent in 2000, and 88.8 percent in 2001. Through June 2002, subject capacity utilization was 86.0 percent. Exports accounted for 18.2-19.6 percent of total shipments between 1999 and 2001, and for 17.4 percent in the first half of 2002. Views Addendum Table 4.

<sup>256</sup> Views Addendum Table 4.

<sup>257</sup> Views Addendum Table 4.

\*\*\* short tons.<sup>258</sup> We find it unlikely that these countries would increase subject imports to the United States in light of the additional significant tariffs to which these imports will be subject under the Section 201 remedy for the imminent future.<sup>259 260</sup>

We take into account the product exclusions from the Section 201 relief that have been announced to date. These exclusions total approximately \*\*\* - 236,000 short tons,<sup>261</sup> representing 9.4 percent of 2001 imports and 1.5 percent of 2001 open market consumption. We therefore do not find that these excluded products are likely to be injurious. Moreover, approximately 40,000 to 100,000 short tons of the excluded articles likely represent products as to which the domestic industry had no objection to the exclusion, in part because a number of the excluded products are not made by U.S. producers.<sup>262</sup>

We conclude that it is unlikely that subject imports will increase to significant levels in light of the nature and magnitude of the subject import declines in 2002 in response to the Section 201 remedy, the availability of other markets to the subject producers, and the availability of additional capacity in the United States to supply demand.<sup>263</sup> Because we do not believe that there is a likelihood of substantially increased import volumes, we conclude it is likely that the subject imports will continue not to have significant price effects in the imminent future.

Finally, the record indicates an improving condition for the industry. While the financial performance of individual producers has varied, and the industry overall remains in a loss position, the 2002 data indicates that the Section 201 remedy is providing the industry with the relief necessary to improve its position.<sup>264</sup> Increases in U.S. producers' prices announced toward the end of the period will facilitate the industry's move toward a healthier position, within the context of the average 48-day lead

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<sup>258</sup> Views Addendum Table 6.

<sup>259</sup> As stated above, the rates are 30 percent *ad valorem* in the first year of the safeguards remedy, 24 percent in the second year and 18 percent in the third year.

<sup>260</sup> Petitioners assert that producers in certain subject countries (China, the Netherlands, and Taiwan) subject to recent antidumping duties on hot-rolled flat products have an enhanced incentive to shift their hot-rolled production to cold-rolled production for export to the United States. Bethlehem, et al. Prehearing Brief at 77-78. We do not find this argument persuasive given that cold-rolled imports are subject to the 30 percent Section 20 tariff.

<sup>261</sup> See Bethlehem, et al. comments on Section 201 exclusions (Aug. 26, 2002) at 2 (estimating volume of excluded subject imports, based on 2001 subject imports, at 236,000 short tons); Japan, Brazil, and Thailand Respondents' comments on Section 201 exclusions (Aug. 26, 2002) at 3 (estimating volume of excluded subject imports, based on 2001 subject imports, at \*\*\* short tons).

<sup>262</sup> The Commerce data base shows exclusion requests, apart from the exclusions granted on March 5, 2002, as to which the domestic industry had no objection, of approximately 40,000 short tons. In addition, according to US Steel, most of the exclusions granted as of July 9, 2002 were not objectionable, which, including all the March 5 exclusions, would bring the total non-objectionable exclusions to about 100,000 short tons. See Joint Respondents' Posthearing Brief at 39 (citing statement of July 8, 2002, by CEO of US Steel, that effect of Section 201 exclusions already granted has been minimal because most have been for products they do not make in the United States).

<sup>263</sup> In making this finding, we have considered dumping findings and antidumping remedies in other countries against the same class of merchandise. See 19 U.S.C. § 1677(7)(F)(iii)(I). Exports of cold-rolled steel from six of the cumulated subject countries are subject to antidumping duties, a safeguard measure, or a suspension agreement: Belgium (exports to Canada), Brazil (to Argentina, Canada, and Mexico), France (to China and Hungary), Japan (to China and EU), Korea (to Canada, China, and EU), and Russia (to Argentina, Canada, Colombia, Egypt, Mexico, Philippines, South Africa, Thailand, and Venezuela). CR at VII-45, and PR at VII-14.

<sup>264</sup> Memorandum INV-Z-134 at Table K-1, and PR at Table K-1.



time, as will new contracts negotiated after contracts based on earlier conditions of competition expire.<sup>265</sup> The industry also is characterized by the recent and imminent expansion of capacity at new and efficient production facilities.<sup>266 267</sup>

Accordingly, we find that material injury by reason of the cumulated subject imports will not occur absent issuance of antidumping and countervailing duty orders against the subject imports. We therefore conclude that the domestic cold-rolled steel industry is not threatened with material injury by reason of the subject imports from Belgium, Brazil, China, France, Germany, Japan, Korea, the Netherlands, New Zealand, Russia, Spain, Sweden, and Taiwan.

### **C. Statutory Threat Factors: Six Subject Countries Not Subject To Section 201 Remedy**

Although Argentina, India, South Africa, Thailand, Turkey, and Venezuela represent six of the twenty countries subject to these investigations, the cold-rolled steel industries in these countries accounted for less than 12 percent of total subject capacity, production, shipments, and inventories throughout the period 1999-2001 and the first half of 2002.<sup>268</sup> Four of the six countries (India, Thailand, Turkey, and Venezuela) were among the eleven individually negligible sources of subject imports.<sup>269</sup> Combined, the six countries exempted from the safeguard action on flat-rolled steel accounted for only \*\*\* percent of the U.S. open market between 1999 and 2001, and only \*\*\* percent in January-June 2002. These countries accounted for \*\*\* percent or less of the total U.S. market during the same time period.<sup>270</sup>

The record indicates that the volume and market penetration of cumulated subject imports from Argentina, India, South Africa, Taiwan, Turkey, and Venezuela declined following announcement of the Commission's remedy recommendations and the President's actual remedy under Section 201. Specifically, subject import volume from the six countries exempted from the safeguard action on flat-rolled steel fell from \*\*\* short tons in 1999 to \*\*\* short tons in 2000, then partially recovered to \*\*\* short tons in 2001, a net decline of \*\*\* percent. In the first half of 2002, subject import volume from the six exempted countries was \*\*\* short tons, \*\*\*-percent lower than during the first half of 2001.<sup>271</sup> Although these countries are excluded from the Section 201 remedies announced by the President on March 5, 2002, the President stated that the exclusionary status would be revoked for developing countries, in full or in part, if a surge in imports from exempted countries were to undermine the

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<sup>265</sup> CR and PR at Table III-4.

<sup>266</sup> \*\*\*. ISG is restarting cold-rolled production at former LTV facilities in Cleveland, OH, East Chicago, IN, and Hennepin, IL. CR at III-4, n.10, and PR at III-4, n.10.

<sup>267</sup> We note that Commerce has preliminarily found 2 countervailable programs in Brazil, 2 in France, and 13 in Korea, with margins ranging from 8.22 percent to 12.58 percent in Brazil, 1.32 percent in France, and 0.32 percent to 7.00 percent in Korea. CR and PR at Table I-7.

<sup>268</sup> Memorandum INV-Z-134 at Appendix L, and PR at Appendix L.

<sup>269</sup> Memorandum INV-Z-134 at Table IV-3, and PR at Table IV-3.

<sup>270</sup> Views Addendum Tables 2 and 3.

<sup>271</sup> Views Addendum Table 2.

effectiveness of the safeguard measure.<sup>272</sup> On July 18, 2002, Commerce announced proposed rules regarding a steel import licensing and surge monitoring system.<sup>273</sup>

The cold-rolled steel industries in the six subject countries increased capacity from 8.4 million short tons in 1999 to 10.5 million short tons in 2001. Capacity utilization was 82.7 percent in 1999, 77.2 percent in 2000, and 76.2 percent in 2001. Through June 2002, subject capacity utilization was 76.0 percent. Exports accounted for 27.9 to 29.5 percent of total shipments between 1999 and 2001, and for 27.3 percent in the first half of 2002.<sup>274</sup> In addition, the cold-rolled steel industries in the six subject countries maintained inventories of 384,643 to 554,697 short tons in their home countries between 1999 and 2001, with levels remaining at 360,002 short tons at the end of June 2002.<sup>275</sup> As a ratio to shipments, inventories fluctuated between 5.5 percent and 7.0 percent between 1999 and 2001, but declined to 4.7 percent in the first half of 2002.<sup>276</sup> U.S. inventories from the six subject countries increased from \*\*\* short tons in 1999 to \*\*\* short tons in 2001. As of March 2002 (the latest period for which data are available), however, such U.S. inventories were only \*\*\* short tons.<sup>277</sup>

We recognize that subject imports from these cumulated countries do not face the same immediate barrier as do imports from those countries covered by the Section 201 remedy. We conclude that it is unlikely that subject imports from these countries will increase to significant levels in light of their current and historically very low levels, the Section 201 monitoring measures applied to these countries,<sup>278</sup> the availability of other markets to the subject producers, the relatively low share of production exported to the United States by these countries during the period examined, and the availability of additional capacity in the United States to supply demand.<sup>279</sup> We also find that the likelihood of a shift of production to cold-rolled products from these countries is diminished by the fact that virtually all carbon and alloy steel flat products are covered by the Section 201 remedy while imports of all flat products from these six countries are excluded from Section 201 tariffs.<sup>280</sup>

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<sup>272</sup> The Presidential Proclamation imposing the Section 201 remedy provides that the safeguard measures shall not apply to imports from a developing country that is a member of the World Trade Organization (WTO) -- as long as that country's share of total imports of the product, based on imports during a recent representative period, does not exceed 3 percent, provided that imports that are the product of all such countries with less than 3 percent of import share collectively account for not more than 9 percent of total imports of the product. If I determine that a surge in imports of a product described in paragraph 7 of a developing country WTO member undermines the effectiveness of the pertinent safeguard measure, the safeguard measure shall be modified to apply to such product from such country.

Proclamation 7529 of March 5, 2002 at ¶ 12 (67 Fed. Reg. at 10555).

<sup>273</sup> 67 Fed Reg. 47338 (July 18, 2002).

<sup>274</sup> Views Addendum Table 5.

<sup>275</sup> Views Addendum Table 5.

<sup>276</sup> Views Addendum Table 5.

<sup>277</sup> Views Addendum Table 6.

<sup>278</sup> See Proclamation 7529 of March 5, 2002 at ¶ 12 (67 Fed. Reg. at 10555).

<sup>279</sup> CR and PR at Table VII-1. In making this finding, we have considered dumping findings and antidumping remedies in other countries against the same class of merchandise. See 19 U.S.C. § 1677(7)(F)(iii)(I). Exports of cold-rolled steel from Turkey are subject to antidumping duties, a safeguard measure, or a suspension agreement in Canada, China, and the EU. CR at VII-45, and PR at VII-14.

<sup>280</sup> Petitioners assert that certain subject producers (Argentina, India, South Africa, and Thailand) subject to recent antidumping duties on hot-rolled flat products have an enhanced incentive to shift their hot-rolled production to cold-rolled flat products.  
(continued...)

Even if imports from all six excluded countries were to return to their 2001 levels of approximately \*\*\* short tons, this would amount to only \*\*\* percent of the U.S. open market share in 2001 and only \*\*\* percent of the total market.<sup>281</sup> As discussed above, subject imports in general did not have significant price-depressing or -suppressing effects on the domestic like product at the end of the period examined. Because we find that import volumes from these six developing countries will not increase to a significant level, give their relative size and historic presence in the U.S. market, we conclude it is likely that these subject imports will continue not to have significant price effects in the imminent future.

Finally, the record indicates an improving condition for the industry. While the financial performance of individual producers has varied, and the industry overall remains in a loss position, the 2002 data indicates that the Section 201 remedy is providing the industry with the relief necessary to improve its position.<sup>282</sup> Increases in U.S. producers' prices announced toward the end of the period will facilitate the industry's move toward a healthier position, within the context of the average 48-day lead time, as will new contracts negotiated as long term arrangements based on earlier conditions of competition expire. The industry also is characterized by the recent and imminent expansion of capacity at new and efficient production facilities.<sup>283</sup>

Accordingly, we find that material injury by reason of the cumulated subject imports will not occur absent issuance of antidumping and countervailing duty orders against the subject imports. We therefore conclude that the domestic cold-rolled steel industry is not threatened with material injury by reason of the subject imports from Argentina, India, South Africa, Taiwan, Turkey, and Venezuela.

## **VII. NO MATERIAL INJURY BY REASON OF SUBJECT IMPORTS FROM AUSTRALIA<sup>284</sup>**

### **A. Volume of the Subject Imports from Australia**

The quantity of subject imports from Australia increased from 4,184 short tons in 1999 to 68,893 short tons in 2000, then decreased to 53,497 short tons in 2001. In the first six months of 2002, subject imports from Australia declined to 6,507 short tons, compared with 22,685 short tons in the first six months of 2001.<sup>285</sup> The share of apparent U.S. consumption in the merchant market accounted for by subject imports from Australia increased from less than 0.05 percent in 1999 to 0.4 percent in 2000, then declined to 0.3 percent in 2001.<sup>286</sup> In the first six months of 2002, subject imports from Australia as a share of apparent merchant market consumption declined to 0.1 percent, compared with a share of 0.3

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<sup>280</sup> (...continued)

rolled production for export to the United States. Bethlehem, et al. Prehearing Brief at 77-78. We do not find this argument persuasive given the low level of imports from Argentina, India, South Africa, and Thailand during the period examined.

<sup>281</sup> Views Addendum Tables 2 and 3.

<sup>282</sup> Memorandum INV-Z-134 at Tables J-1 and J-2, and PR at Tables J-1 and J-2.

<sup>283</sup> \*\*\*. ISG is restarting cold-rolled production at former LTV facilities in Cleveland, OH, East Chicago, IN, and Hennepin, IL. CR at III-4, n.10, and PR at III-4, n.10.

<sup>284</sup> See discussion of material injury "In General" at section V.A. supra.

<sup>285</sup> Views Addendum Table 1.

<sup>286</sup> Views Addendum Table 1.

percent in the first six months of 2001.<sup>287</sup> In the total market, including captive consumption, the share of the market held by subject imports from Australia increased from less than 0.05 percent in 1999 to 0.2 percent in both 2000 and 2001.<sup>288</sup> In the first six months of 2002, subject imports from Australia decreased to less than 0.05 percent of the total market, compared with 0.1 percent in the first six months of 2001.<sup>289</sup> Similarly, subject imports from Australia as a percent of domestic production were less than 0.05 percent in 1999, 0.2 percent in both 2000 and 2001, and less than 0.05 percent in the first six months of 2002.<sup>290</sup>

As with the cumulated subject imports, cold-rolled imports from Australia declined sharply in 2002 following the Commission's remedy recommendation and the President's imposition of relief under Section 201.<sup>291</sup> After declining to 6,505 short tons in the first quarter of 2002, compared with 12,912 short tons in the first quarter of 2001, the quantity of subject imports from Australia dropped to a mere 2 short tons in the second quarter of 2002, compared with 9,772 short tons in the second quarter of 2001.<sup>292</sup> As in our analysis of the cumulated subject imports, we do not give less weight to post-petition data, given our finding that the Section 201 relief was a significant condition of competition that occurred in the most recent period examined and was a major factor in the decline in imports from Australia in 2002, notwithstanding any restraining effect of the pending investigation.

In evaluating the significance of subject import volume, we have considered the very low levels of imports from Australia throughout the period, the increase in the volume and market penetration of subject imports from Australia from 1999 to 2000, the decrease in the volume and market penetration of the subject imports from 2000 to 2001, as well as the sharp decline in the volume and market penetration in the first half of 2002, compared with the first half of 2001, and the second quarter of 2002, compared with the second quarter of 2001. We also considered, as discussed in our cumulation analysis, the limited competition between subject imports from Australia and the domestic like product. Virtually all imports from Australia are full-hard steel sold on the open market in the West region. By contrast, while 53.6 percent of U.S. production of cold-rolled steel is full-hard, most of that is internally consumed. Only \*\*\* percent of U.S. producers' shipments of full-hard steel in 2001 were on the open market. In addition, only a very small percent, \*\*\* percent in 2001, of U.S. producers' total commercial shipments are to the West region.<sup>293</sup>

In light of the low and declining levels of subject imports from Australia and the lack of meaningful competition with the domestic like product, we find that the volume of subject imports from Australia is not significant, either in absolute terms or relative to domestic consumption or production.

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<sup>287</sup> Views Addendum Table 1.

<sup>288</sup> Views Addendum Table 3.

<sup>289</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>290</sup> CR and PR at Table C-1.

<sup>291</sup> The lead time for imports from Australia is \*\*\* days, \*\*\* the average for all subject imports. BHP Foreign Producer Questionnaire Response.

<sup>292</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>293</sup> See, e.g., Memorandum INV-Z-134 at Table C-8, and PR at Table C-8; and Australian and New Zealand Respondents' Prehearing Brief at 24-25.

## **B. Price Effects of the Subject Imports From Australia**

As discussed above, the competition between the domestic like product and the subject imports from Australia is very limited. Although there is a moderate to high degree of interchangeability between the domestic and Australian products,<sup>294</sup> the record indicates that the domestic producers were not able to supply full-hard steel in the quantities required by purchasers in the West region.<sup>295</sup> In that regard, a majority of responding purchasers viewed the domestic product as inferior to the Australian product in terms of availability.<sup>296</sup> Purchasers also viewed U.S. mills as somewhat inferior to the suppliers of the Australian product in terms of packaging, product consistency, product quality, product range, technical support/service, and transportation cost.<sup>297</sup> However, the domestic industry had an advantage over the subject imports with respect to lead times.<sup>298</sup> Purchasers viewed U.S. mills as less restrictive in terms of minimum quantity requirements, and somewhat superior in terms of their transportation network.<sup>299</sup>

No pricing data were provided to the Commission comparing subject imports from Australia with the domestic like product. However, the average unit value of imports of full-hard steel from Australia was \*\*\* the average unit value of U.S. producers' shipments of full-hard steel throughout the period examined.<sup>300</sup> Moreover, there were no allegations of lost sales or lost revenues with respect to subject imports from Australia.<sup>301</sup> We therefore find no adverse price effects by reason of subject imports from Australia.

## **C. Impact of the Subject Imports from Australia on the Domestic Industry**

We incorporate here all but the concluding paragraph of section V.D., *supra*, concerning the impact of the cumulated subject imports on the domestic industry.

We find that subject imports from Australia are not having a significant adverse impact on the domestic industry producing certain cold-rolled steel products, given the insignificant and declining volume of subject imports from Australia during the period examined, the absence of significant price effects,<sup>302</sup> and the attenuated competition between subject imports from Australia and the domestic like product. Accordingly, we determine that the domestic cold-rolled industry is not materially injured by reason of subject imports from Australia.

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<sup>294</sup> CR and PR at Table II-6.

<sup>295</sup> Australian and New Zealand Respondents' Posthearing Brief at 6-10.

<sup>296</sup> CR and PR at Table II-5.

<sup>297</sup> CR and PR at Table II-5; *see also* CR and PR at Table II-4 regarding relative importance of these factors to purchasers.

<sup>298</sup> CR and PR at Table II-5; CR at II-13 through II-15, PR at II-9 through II-11; and CR at II-10 (lead times), and PR at II-6.

<sup>299</sup> CR and PR at Table II-5; *see also* CR and PR at Table II-4 regarding relative importance of these factors to purchasers.

<sup>300</sup> Memorandum INV-Z-134 at Table C-8, and PR at Table C-8.

<sup>301</sup> CR and PR at Tables V-7 and V-8.

<sup>302</sup> We find that any effects the subject imports may have had on the domestic industry earlier in the period examined were not significant, and that any effects had diminished by the end of June 2002.

### VIII. NO THREAT OF MATERIAL INJURY BY REASON OF SUBJECT IMPORTS FROM AUSTRALIA

The record indicates low volumes and market penetration throughout the period and a significant decline in the volume and market penetration of subject imports from Australia in the first half of 2002, following the Commission's announced remedy recommendation and the President's imposition of the Section 201 remedy. Although subject imports from Australia declined after the filing of the petition in these investigations, we find that, as for the other subject imports, the Section 201 proceedings were a major factor in the decline.

The quantity of subject imports from Australia increased from 4,184 short tons in 1999 to 68,893 short tons in 2000, then decreased to 53,497 short tons in 2001. In the first six months of 2002, subject imports from Australia declined to 6,507 short tons, compared with 22,685 short tons in the first six months of 2001.<sup>303</sup> The share of U.S. apparent consumption in the merchant market accounted for by subject imports from Australia increased from less than 0.05 percent in 1999 to 0.4 percent in 2000, and then declined to 0.3 percent in 2001.<sup>304</sup> In the first six months of 2002, subject imports from Australia as a share of apparent merchant market consumption declined to 0.1 percent, compared with a share of 0.3 percent in the first six months of 2001.<sup>305</sup> In the total market, including captive consumption, the share of the market held by subject imports from Australia increased from less than 0.05 percent in 1999 to 0.2 percent in both 2000 and 2001. In the first six months of 2002, the market share of subject imports from Australia decreased to less than 0.05 percent, compared with 0.1 percent in the first six months of 2001.<sup>306</sup> Similarly, subject imports from Australia as a percent of domestic production were less than 0.05 percent in 1999, 0.2 percent in both 2000 and 2001, and less than 0.05 percent in the first six months of 2002.<sup>307</sup> After declining to 6,505 short tons in the first quarter of 2002, compared with 12,912 short tons in the first quarter of 2001, the quantity of subject imports from Australia dropped to a mere 2 short tons in the second quarter of 2002, compared with 9,772 short tons in the second quarter of 2001.<sup>308</sup>

Although the record shows that the Australian producer has excess capacity and some ability to shift exports from other markets to the United States,<sup>309</sup> we find it unlikely that it will do so in the near future in light of the Section 201 remedy, as already reflected in the sharp decline in the volume of those imports in 2002.<sup>310</sup> We conclude that it is unlikely that the volume of subject imports from Australia will

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<sup>303</sup> Views Addendum Table 1.

<sup>304</sup> Views Addendum Table 1.

<sup>305</sup> Views Addendum Table 1.

<sup>306</sup> Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>307</sup> CR and PR at Table C-1.

<sup>308</sup> CR and PR at Table IV-7C; and Memorandum INV-Z-134 at Table J-1, and PR at Table J-1.

<sup>309</sup> Memorandum INV-Z-134 at Table L-3, and PR at Table L-3. BHP Australia's capacity utilization rate was \*\*\* percent in the first half of 2002. BHP's domestic market shipments accounted for \*\*\* (over \*\*\* percent) of its total shipments. BHP Australia held less than \*\*\* percent of its total shipment volume in inventory and had \*\*\* U.S. inventory. Memorandum INV-Z-134 at Table L-3, and PR at Table L-3; and Views Addendum Table 6.

<sup>310</sup> As stated above, the tariff rates are 30 percent ad valorem in the first year of the safeguards remedy, 24 percent in the second year and 18 percent in the third year.

increase to significant levels in light of the nature and magnitude of the subject import declines in 2002 in response to the Section 201 remedy, and the availability of other markets to the subject producer.<sup>311</sup>

As discussed above, the subject imports from Australia did not have significant price-depressing or price-suppressing effects on the domestic like product during the period examined. Because we do not find that there is a likelihood of substantially increased import volumes, we conclude it is unlikely that the subject imports will have significant adverse price effects in the imminent future.

Finally, the record indicates an improving condition for the industry. While the financial performance of individual producers has varied, and the industry overall remains in a loss position, the 2002 data indicates that the Section 201 remedy is providing the industry with the relief necessary to improve its position.<sup>312</sup> Increases in U.S. producers' prices announced toward the end of the period will facilitate the industry's move toward a healthier position, within the context of the average 48-day lead time, as will new contracts negotiated after contracts based on earlier market conditions expire.<sup>313</sup> The industry also is characterized by the recent and imminent expansion of capacity at new and efficient production facilities.<sup>314</sup>

Based on the above, we find that material injury by reason of subject imports from Australia will not occur absent issuance of an antidumping order against those subject imports. We therefore conclude that the domestic certain cold-rolled steel industry is not threatened with material injury by reason of subject imports from Australia.

## **CONCLUSION**

For the foregoing reasons, we determine that the domestic certain cold-rolled steel products industry is neither materially injured nor threatened with material injury by reason of subject imports from Australia, India, Japan, Sweden, and Thailand that are sold in the United States at less than fair value.

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<sup>311</sup> In making this finding, we have considered that there is no indication that the Australian merchandise is subject to antidumping or countervailing duties, safeguard measures, or suspension agreements in any other country. CR at VII-45, and PR at VII-14. BHP Australia sold its full-hard steel to only two customers, \*\*\* for processing into galvanized sheet. Australian and New Zealand Respondents' Prehearing Brief at 1. Subsequent to the Section 201 remedy action on flat-rolled steel (including cold-rolled), Pinole Point's domestic galvanizing facility was closed.

<sup>312</sup> Memorandum INV-Z-134 at Table K-1, and PR at Table K-1.

<sup>313</sup> CR and PR at Table III-4.

<sup>314</sup> \*\*\*. CR and PR at Table III-4. ISG is restarting the former LTV facilities in Cleveland, OH, East Chicago, IN, and Hennepin, IL. CR at III-4, n.10, and PR at III-4, n.10.

## Cold-Rolled Steel

Views Addendum Table 1

Cold-rolled steel: Summary data concerning the U.S. open market, 1999-2001, January-March 2001, January-March 2002, January-June 2001, and January-June 2002

Item	Reported data							Period changes				
	Calendar year			January-March		January-June		Calendar year			Jan.-Mar.	Jan.-Jun.
	1999	2000	2001	2001	2002	2001	2002	1999-01	1999-00	2000-01	2001-02	2001-02
	<b>Quantity (short tons)</b>							<b>Percent</b>				
U.S. open-market consumption	18,161,041	18,159,494	15,799,631	4,026,569	3,608,151	6,939,061	6,920,214	-13.0	0.0	-13.0	-10.4	-0.3
U.S. producers <sup>1</sup> :												
U.S. commercial shipments	14,099,991	14,853,305	12,151,578	3,228,587	2,934,124	5,280,943	5,768,314	-13.8	5.3	-18.2	-9.1	9.2
U.S. company transfers <sup>1</sup>	953,804	754,684	751,798	184,426	186,903	354,505	392,509	-21.2	-20.9	-0.4	1.3	10.7
Total U.S. shipments	15,053,795	15,607,989	12,903,376	3,413,013	3,121,027	5,635,448	6,160,823	-14.3	3.7	-17.3	-8.6	9.3
U.S. imports from:												
Argentina	130,830	***	136,984	35,871	0	66,327	0	4.7	***	***	-100.0	-100.0
Belgium	303,864	255,786	168,845	15,031	363	51,663	9,301	-44.4	-15.8	-34.0	-97.6	-82.0
Brazil	***	***	***	***	***	116,825	15,816	***	***	***	***	-86.5
China	55,655	45,907	92,743	12,219	37,216	33,908	37,216	66.6	-17.5	102.0	204.6	9.8
France	***	***	106,245	32,020	24,920	60,657	30,716	***	***	***	-22.2	-49.4
Germany <sup>2</sup>	***	***	***	***	***	***	***	***	***	***	***	***
India <sup>2,3</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Japan	***	***	***	***	***	132,564	75,714	***	***	***	***	-42.9
Korea	***	***	***	***	***	179,839	59,384	***	***	***	***	-67.0
The Netherlands <sup>2</sup>	***	***	***	***	***	***	***	***	***	***	***	***
New Zealand	27,422	29,409	23,175	5,370	5,438	11,567	5,438	-15.5	7.2	-21.2	1.3	-53.0
Russia	415,866	262,246	295,545	60,691	105,410	139,922	105,410	-28.9	-36.9	12.7	73.7	-24.7
South Africa	85,474	27,419	89,221	47	24,233	28,682	24,233	4.4	-67.9	225.4	51,685.0	-15.5
Spain <sup>4</sup>	1,226	593	333	103	106	235	128	-72.8	-51.6	-43.8	2.9	-45.7
Sweden	***	***	***	***	***	15,899	4,289	***	***	***	***	-73.0
Taiwan	80,605	20,842	98,388	9,795	9,478	18,904	9,495	22.1	-74.1	372.1	-3.2	-49.8
Thailand	73,475	6,039	22,889	8,434	0	18,513	0	-68.8	-91.8	279.0	-100.0	-100.0
Turkey	85,291	37,989	67,200	17,568	1,778	47,330	1,778	-21.2	-55.5	76.9	-89.9	-96.2
Venezuela	58,495	9,566	52,737	21,089	18,443	30,581	18,443	-9.8	-83.6	451.3	-12.5	-39.7
Subtotal	2,478,687	1,675,934	2,401,109	467,909	373,566	1,041,544	460,857	-3.1	-32.4	43.3	-20.2	-55.8
Australia	4,184	68,893	53,497	12,912	6,505	22,685	6,507	1,178.5	1,546.5	-22.3	-49.6	-71.3
All other sources	624,375	806,678	441,649	132,735	107,053	239,385	292,027	-29.3	29.2	-45.3	-19.3	22.0
Total imports	3,107,246	2,551,505	2,896,255	613,556	487,124	1,303,613	759,391	-6.8	-17.9	13.5	-20.6	-41.7
	<b>Ratios (percent)</b>							<b>Percentage points</b>				
Producers' share:												
U.S. commercial shipments	77.6	81.8	76.9	80.2	81.3	76.1	83.4	-0.7	4.2	-4.9	1.1	7.3
U.S. company transfers <sup>1</sup>	5.3	4.2	4.8	4.6	5.2	5.1	5.7	-0.5	-1.1	0.6	0.6	0.6
Total U.S. shipments	82.9	85.9	81.7	84.8	86.5	81.2	89.0	-1.2	3.1	-4.3	1.7	7.8
Importers' share:												
Argentina	0.7	***	0.9	0.9	0.0	1.0	0.0	0.1	***	***	-0.9	-1.0
Belgium	1.7	1.4	1.1	0.4	( <sup>5</sup> )	0.7	0.1	-0.6	-0.3	-0.3	-0.4	-0.6
Brazil	***	***	***	***	***	1.7	0.2	***	***	***	***	-1.5
China	0.3	0.3	0.6	0.3	1.0	0.5	0.5	0.3	-0.1	0.3	0.7	0.0
France	***	***	0.7	0.8	0.7	0.9	0.4	***	***	***	-0.1	-0.4
Germany <sup>2</sup>	***	***	***	***	***	***	***	***	***	***	***	***
India <sup>2,3</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Japan	***	***	***	***	***	1.9	1.1	***	***	***	***	-0.8
Korea	***	***	***	***	***	2.6	0.9	***	***	***	***	-1.7
The Netherlands <sup>2</sup>	***	***	***	***	***	***	***	***	***	***	***	***
New Zealand	0.2	0.2	0.1	0.1	0.2	0.2	0.1	0.0	0.0	0.0	0.0	-0.1
Russia	2.3	1.4	1.9	1.5	2.9	2.0	1.5	-0.4	-0.8	0.4	1.4	-0.5
South Africa	0.5	0.2	0.6	( <sup>5</sup> )	0.7	0.4	0.4	0.1	-0.3	0.4	0.7	-0.1
Spain <sup>4</sup>	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	0.0	0.0	0.0	0.0	0.0
Sweden	***	***	***	***	***	0.2	0.1	***	***	***	***	-0.2
Taiwan	0.4	0.1	0.6	0.2	0.3	0.3	0.1	0.2	-0.3	0.5	0.0	-0.1
Thailand	0.4	( <sup>5</sup> )	0.1	0.2	0.0	0.3	0.0	-0.3	-0.4	0.1	-0.2	-0.3
Turkey	0.5	0.2	0.4	0.4	( <sup>5</sup> )	0.7	( <sup>5</sup> )	0.0	-0.3	0.2	-0.4	-0.7
Venezuela	0.3	0.1	0.3	0.5	0.5	0.4	0.3	0.0	-0.3	0.3	0.0	-0.2
Subtotal	13.6	9.2	15.2	11.6	10.4	15.0	6.7	1.5	-4.4	6.0	-1.3	-8.4
Australia	( <sup>5</sup> )	0.4	0.3	0.3	0.2	0.3	0.1	0.3	0.4	0.0	-0.1	-0.2
All other sources	3.4	4.4	2.8	3.3	3.0	3.5	4.2	-0.6	1.0	-1.6	-0.3	0.8
Total imports	17.1	14.1	18.3	15.2	13.5	18.8	11.0	1.2	-3.1	4.3	-1.7	-7.8

<sup>1</sup> \*\*\*

<sup>2</sup> Foreign producers' reported exports to U.S. used as U.S. imports.

<sup>3</sup> For the January-March periods six Indian firms reported data; however, for the January-June periods only three firms reported data.

<sup>4</sup> Data for Spain have been adjusted to exclude nonsubject imports.

<sup>5</sup> Less than 0.05 percent.

Note.—Because of rounding, figures may not add to the totals shown; shares are calculated from the unrounded figures. Except as noted imports are DOC (adjusted) for 1999-2001 and the January-March periods and unadjusted DOC for the January-June periods.

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



Determinations and Views of the Commission

Views Addendum Table 2

Cold-rolled steel: Summary data concerning the U.S. open market, 1999-2001, January-March 2001, January-March 2002, January-June 2001, and January-June 2002

Item	Reported data							Period changes				
	Calendar year			January-March		January-June		Calendar year			Jan.-Mar.	Jan.-Jun.
	1999	2000	2001	2001	2002	2001	2002	1999-01	1999-00	2000-01	2001-02	2001-02
	Quantity (short tons)							Percent				
U.S. open-market consumption	18,161,041	18,159,494	15,799,631	4,026,569	3,608,151	6,939,061	6,920,214	-13.0	0.0	-13.0	-10.4	-0.3
U.S. producers':												
U.S. commercial shipments	14,099,991	14,853,305	12,151,578	3,228,587	2,934,124	5,280,943	5,768,314	-13.8	5.3	-18.2	-9.1	9.2
U.S. company transfers <sup>1</sup>	953,804	754,684	751,798	184,426	186,903	354,505	392,509	-21.2	-20.9	-0.4	1.3	10.7
Total U.S. shipments	15,053,795	15,607,989	12,903,376	3,413,013	3,121,027	5,635,448	6,160,823	-14.3	3.7	-17.3	-8.6	9.3
U.S. imports from:												
Belgium	303,864	255,786	168,845	15,031	363	51,663	9,301	-44.4	-15.8	-34.0	-97.6	-82.0
Brazil	***	***	***	***	***	116,825	15,816	***	***	***	***	-86.5
China	55,655	45,907	92,743	12,219	37,216	33,908	37,216	66.6	-17.5	102.0	204.6	9.8
France	***	***	106,245	32,020	24,920	60,657	30,716	***	***	***	-22.2	-49.4
Germany <sup>2</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Japan	***	***	***	***	***	132,564	75,714	***	***	***	***	-42.9
Korea	***	***	***	***	***	179,839	59,384	***	***	***	***	-67.0
The Netherlands <sup>2</sup>	***	***	***	***	***	***	***	***	***	***	***	***
New Zealand	27,422	29,409	23,175	5,370	5,438	11,567	5,438	-15.5	7.2	-21.2	1.3	-53.0
Russia	415,866	262,246	295,545	60,691	105,410	139,922	105,410	-28.9	-36.9	12.7	73.7	-24.7
Spain <sup>3</sup>	1,226	593	333	103	106	235	128	-72.8	-51.6	-43.8	2.9	-45.7
Sweden	***	***	***	***	***	15,899	4,289	***	***	***	***	-73.0
Taiwan	80,605	20,842	98,388	9,795	9,478	18,904	9,495	22.1	-74.1	372.1	-3.2	-49.8
Subtotal (13)	***	***	***	***	***	***	***	***	***	***	***	***
Argentina	130,830	***	136,984	35,871	0	66,327	0	4.7	***	***	-100.0	-100.0
India <sup>2 4</sup>	***	***	***	***	***	***	***	***	***	***	***	***
South Africa	85,474	27,419	89,221	47	24,233	28,682	24,233	4.4	-67.9	225.4	51,685.0	-15.5
Thailand	73,475	6,039	22,889	8,434	0	18,513	0	-68.8	-91.8	279.0	-100.0	-100.0
Turkey	85,291	37,989	67,200	17,568	1,778	47,330	1,778	-21.2	-55.5	76.9	-89.9	-96.2
Venezuela	58,495	9,566	52,737	21,089	18,443	30,581	18,443	-9.8	-83.6	451.3	-12.5	-39.7
Subtotal (6)	***	***	***	***	***	***	***	***	***	***	***	***
Australia	4,184	68,893	53,497	12,912	6,505	22,685	6,507	1,178.5	1,546.5	-22.3	-49.6	-71.3
All other sources	624,375	806,678	441,649	132,735	107,053	239,385	292,027	-29.3	29.2	-45.3	-19.3	22.0
Total imports	3,107,246	2,551,505	2,896,255	613,556	487,124	1,303,613	759,391	-6.8	-17.9	13.5	-20.6	-41.7
	Ratios (percent)							Percentage points				
Producers' share:												
U.S. commercial shipments	77.6	81.8	76.9	80.2	81.3	76.1	83.4	-0.7	4.2	-4.9	1.1	7.3
U.S. company transfers <sup>1</sup>	5.3	4.2	4.8	4.6	5.2	5.1	5.7	-0.5	-1.1	0.6	0.6	0.6
Total U.S. shipments	82.9	85.9	81.7	84.8	86.5	81.2	89.0	-1.2	3.1	-4.3	1.7	7.8
Importers' share:												
Belgium	1.7	1.4	1.1	0.4	( <sup>5</sup> )	0.7	0.1	-0.6	-0.3	-0.3	-0.4	-0.6
Brazil	***	***	***	***	***	1.7	0.2	***	***	***	***	-1.5
China	0.3	0.3	0.6	0.3	1.0	0.5	0.5	0.3	-0.1	0.3	0.7	0.0
France	***	***	0.7	0.8	0.7	0.9	0.4	-0.2	-0.0	-0.2	-0.1	-0.4
Germany <sup>2</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Japan	***	***	***	***	***	1.9	1.1	***	***	***	***	-0.8
Korea	***	***	***	***	***	2.6	0.9	***	***	***	***	-1.7
The Netherlands <sup>2</sup>	***	***	***	***	***	***	***	***	***	***	***	***
New Zealand	0.2	0.2	0.1	0.1	0.2	0.2	0.1	-0.0	0.0	-0.0	0.0	-0.1
Russia	2.3	1.4	1.9	1.5	2.9	2.0	1.5	-0.4	-0.8	0.4	1.4	-0.5
Spain <sup>3</sup>	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	0.0	0.0	0.0	0.0	0.0
Sweden	***	***	***	***	***	0.2	0.1	***	***	***	***	-0.2
Taiwan	0.4	0.1	0.6	0.2	0.3	0.3	0.1	0.2	-0.3	0.5	0.0	-0.1
Subtotal (13)	***	***	***	***	***	***	***	***	***	***	***	***
Argentina	0.7	***	0.9	0.9	0.0	1.0	0.0	0.1	***	***	-0.9	-1.0
India <sup>2 4</sup>	***	***	***	***	***	***	***	***	***	***	***	***
South Africa	0.5	0.2	0.6	( <sup>5</sup> )	0.7	0.4	0.4	0.1	-0.3	0.4	0.7	-0.1
Thailand	0.4	( <sup>5</sup> )	0.1	0.2	0.0	0.3	0.0	-0.3	-0.4	0.1	-0.2	-0.3
Turkey	0.5	0.2	0.4	0.4	( <sup>5</sup> )	0.7	( <sup>5</sup> )	-0.0	-0.3	0.2	-0.4	-0.7
Venezuela	0.3	0.1	0.3	0.5	0.5	0.4	0.3	0.0	-0.3	0.3	-0.0	-0.2
Subtotal (6)	***	***	***	***	***	***	***	***	***	***	***	***
Australia	( <sup>5</sup> )	0.4	0.3	0.3	0.2	0.3	0.1	0.3	0.4	-0.0	-0.1	-0.2
All other sources	3.4	4.4	2.8	3.3	3.0	3.4	4.2	-0.6	1.0	-1.6	-0.3	0.8
Total imports	17.1	14.1	18.3	15.2	13.5	18.8	11.0	1.2	-3.1	4.3	-1.7	-7.8

<sup>1</sup> \*\*\*

<sup>2</sup> Foreign producers' reported exports to U.S. used as U.S. imports.

<sup>3</sup> Data for Spain have been adjusted to exclude nonsubject imports.

<sup>4</sup> For the January-March periods six Indian firms reported data; however, for the January-June periods only three firms reported data.

<sup>5</sup> Less than 0.05 percent.

Note.--Because of rounding, figures may not add to the totals shown; shares are calculated from the unrounded figures. Except as noted imports are DOC (adjusted) for 1999-2001 and the January-March periods and unadjusted DOC for the January-June periods.

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

*Cold-Rolled Steel*

**Views Addendum Table 3**  
**Cold-rolled steel: Summary data concerning the U.S. market, 1999-2001, January-March 2001, January-March 2002, January-June 2001, and January-June 2002**

Item	Reported data							Period changes				
	Calendar year			January-March		January-June		Calendar year			Jan.-Mar.	Jan.-Jun.
	1999	2000	2001	2001	2002	2001	2002	1999-01	1999-00	2000-01	2001-02	2001-02
	<b>Quantity (short tons)</b>							<b>Percent</b>				
U.S. open-market consumption	39,842,746	39,620,695	35,582,831	9,064,987	8,557,919	16,096,141	17,222,158	-10.7	-0.6	-10.2	-5.6	7.0
U.S. producers	36,735,500	37,069,190	32,686,576	8,451,431	8,070,795	14,792,528	16,462,767	-11.0	0.9	-11.8	-4.5	11.3
U.S. imports from:												
Belgium	303,864	255,786	168,845	15,031	363	51,663	9,301	-44.4	-15.8	-34.0	-97.6	-82.0
Brazil	***	***	***	***	***	116,825	15,816	***	***	***	***	-86.5
China	55,655	45,907	92,743	12,219	37,216	33,908	37,216	66.6	-17.5	102.0	204.6	9.8
France	***	***	106,245	32,020	24,920	60,657	30,716	***	***	***	-22.2	-49.4
Germany <sup>1</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Japan	***	***	***	***	***	132,564	75,714	***	***	***	***	-42.9
Korea	***	***	***	***	***	179,839	59,384	***	***	***	***	-67.0
The Netherlands <sup>1</sup>	***	***	***	***	***	***	***	***	***	***	***	***
New Zealand	27,422	29,409	23,175	5,370	5,438	11,567	5,438	-15.5	7.2	-21.2	1.3	-53.0
Russia	415,866	262,246	295,545	60,691	105,410	139,922	105,410	-28.9	-36.9	12.7	73.7	-24.7
Spain <sup>2</sup>	1,226	593	333	103	106	235	128	-72.8	-51.6	-43.8	2.9	-45.7
Sweden	***	***	***	***	***	15,899	4,289	***	***	***	***	-73.0
Taiwan	80,605	20,842	98,388	9,795	9,478	18,904	9,495	22.1	-74.1	372.1	-3.2	-49.8
Subtotal (13)	***	***	***	***	***	***	***	***	***	***	***	***
Argentina	130,830	***	136,984	35,871	0	66,327	0	4.7	***	***	-100.0	-100.0
India <sup>1,3</sup>	***	***	***	***	***	***	***	***	***	***	***	***
South Africa	85,474	27,419	89,221	47	24,233	28,682	24,233	4.4	-67.9	225.4	51,685.0	-15.5
Thailand	73,475	6,039	22,889	8,434	0	18,513	0	-68.8	-91.8	279.0	-100.0	-100.0
Turkey	85,291	37,989	67,200	17,568	1,778	47,330	1,778	-21.2	-55.5	76.9	-89.9	-96.2
Venezuela	58,495	9,566	52,737	21,089	18,443	30,581	18,443	-9.8	-83.6	451.3	-12.5	-39.7
Subtotal (6)	***	***	***	***	***	***	***	***	***	***	***	***
Australia	4,184	68,893	53,497	12,912	6,505	22,685	6,507	1,178.5	1,546.5	-22.3	-49.6	-71.3
All other sources	624,375	806,678	441,649	132,735	107,053	239,385	292,027	-29.3	29.2	-45.3	-19.3	22.0
Total imports	3,107,246	2,551,505	2,896,255	613,556	487,124	1,303,613	759,391	-6.8	-17.9	13.5	-20.6	-41.7
	<b>Ratios (percent)</b>							<b>Percentage points</b>				
Producers' share:	92.2	93.6	91.9	93.2	94.3	91.9	95.6	-0.3	1.4	-1.7	1.1	3.7
Importers' share:												
Belgium	0.8	0.6	0.5	0.2	( <sup>4</sup> )	0.3	0.1	-0.3	-0.1	-0.2	-0.2	-0.3
Brazil	***	***	***	***	***	0.7	0.1	***	***	***	***	-0.6
China	0.1	0.1	0.3	0.1	0.4	0.2	0.2	0.1	0.0	0.1	0.3	0.0
France	***	***	0.3	0.4	0.3	0.4	0.2	***	***	***	-0.1	-0.2
Germany <sup>1</sup>	***	***	***	***	***	***	***	***	***	***	***	***
Japan	***	***	***	***	***	0.8	0.4	***	***	***	***	-0.4
Korea	***	***	***	***	***	1.1	0.3	***	***	***	***	-0.8
The Netherlands <sup>1</sup>	***	***	***	***	***	***	***	***	***	***	***	***
New Zealand	0.1	0.1	0.1	0.1	0.1	0.1	( <sup>4</sup> )	0.0	0.0	0.0	0.0	-0.1
Russia	1.0	0.7	0.8	0.7	1.2	0.9	0.6	-0.2	-0.4	0.2	0.6	-0.3
Spain <sup>2</sup>	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	0.0	0.0	0.0	0.0	0.0
Sweden	***	***	***	***	***	0.1	( <sup>4</sup> )	***	***	***	***	-0.1
Taiwan	0.2	0.1	0.3	0.1	0.1	0.1	0.1	0.1	-0.2	0.2	0.0	-0.1
Subtotal (13)	***	***	***	***	***	***	***	***	***	***	***	***
Argentina	0.3	***	0.4	0.4	0.0	0.4	0.0	0.1	***	***	-0.4	-0.4
India <sup>1,3</sup>	***	***	***	***	***	***	***	***	***	***	***	***
South Africa	0.2	0.1	0.3	( <sup>4</sup> )	0.3	0.2	0.1	0.0	-0.1	0.2	0.3	0.0
Thailand	0.2	( <sup>4</sup> )	0.1	0.1	0.0	0.1	0.0	-0.1	-0.2	0.1	-0.1	-0.1
Turkey	0.2	0.1	0.2	0.2	( <sup>4</sup> )	0.3	( <sup>4</sup> )	0.0	-0.1	0.1	-0.2	-0.3
Venezuela	0.1	( <sup>4</sup> )	0.1	0.2	0.2	0.2	0.1	0.0	-0.1	0.1	0.0	-0.1
Subtotal (6)	***	***	***	***	***	***	***	***	***	***	***	***
Australia	( <sup>4</sup> )	0.2	0.2	0.1	0.1	0.1	( <sup>4</sup> )	0.2	0.2	0.0	-0.1	-0.1
All other sources	1.6	2.0	1.2	1.5	1.3	1.5	1.7	-0.3	0.5	-0.8	-0.2	0.2
Total imports	7.8	6.4	8.1	6.8	5.7	8.1	4.4	0.3	-1.4	1.7	-1.1	-3.7

<sup>1</sup> Foreign producers' reported exports to U.S. used as U.S. imports.

<sup>2</sup> Data for Spain have been adjusted to exclude nonsubject imports.

<sup>3</sup> For the January-March periods six Indian firms reported data; however, for the January-June periods only three firms reported data.

<sup>4</sup> Less than 0.05 percent.

Note.—Because of rounding, figures may not add to the totals shown; shares are calculated from the unrounded figures. Except as noted imports are DOC (adjusted) for 1999-2001 and the January-March periods and unadjusted DOC for the January-June periods.

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

**Views Addendum Table 4**

**Cold-rolled steel: Summary data for producers in 13 countries,<sup>1</sup> 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

Item	Actual experience					Projections	
	Calendar year			January-June		Calendar year	
	1999	2000	2001	2001	2002	2002	2003
	<b>Quantity (short tons)</b>						
Capacity	88,152,610	90,076,853	89,107,718	44,650,147	45,747,462	90,031,118	90,197,973
Production	74,479,935	83,161,926	79,139,718	40,173,036	39,328,882	80,501,915	81,099,606
Ending inventory	2,818,923	3,322,195	3,142,154	3,115,828	2,769,457	3,160,968	3,233,264
Shipments:							
Internal consumption/ company transfers	37,619,425	42,809,556	42,349,676	21,321,088	21,438,705	44,069,226	44,472,611
Home market	22,361,984	23,670,990	22,485,445	11,729,608	11,376,854	23,067,575	22,484,060
Exports to:							
United States	1,844,351	1,499,038	1,975,361	810,618	246,989	571,605	632,782
All other sources	12,597,069	14,676,816	12,496,132	6,512,965	6,643,287	12,787,638	13,432,027
Total exports	14,441,420	16,175,854	14,471,493	7,323,583	6,890,276	13,359,243	14,064,809
Total shipments	74,422,829	82,656,399	79,306,614	40,374,279	39,705,835	80,496,044	81,021,480
	<b>Ratios and shares (percent)</b>						
Capacity utilization	84.5	92.3	88.8	90.0	86.0	89.4	89.9
Inventories/production	3.8	4.0	4.0	3.9	3.5	3.9	4.0
Inventories/shipments	3.8	4.0	4.0	3.9	3.5	3.9	4.0
Share of total shipments:							
Internal consumption/ company transfers	50.5	51.8	53.4	52.8	54.0	54.7	54.9
Home market	30.0	28.6	28.4	29.1	28.7	28.7	27.8
Exports to:							
United States	2.5	1.8	2.5	2.0	0.6	0.7	0.8
All other sources	16.9	17.8	15.8	16.1	16.7	15.9	16.6
Total exports	19.4	19.6	18.2	18.1	17.4	16.6	17.4
<sup>1</sup> Belgium, Brazil, China, France, Germany, Japan, Korea, the Netherlands, New Zealand, Russia, Spain, Sweden, and Taiwan. Source: Compiled from data submitted in response to Commission questionnaires.							

Views Addendum Table 5

Cold-rolled steel: Summary data for producers in 6 countries,<sup>1</sup> 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003

Item	Actual experience					Projections	
	Calendar year			January-June		Calendar year	
	1999	2000	2001	2001	2002	2002	2003
	<b>Quantity (short tons)</b>						
Capacity	8,439,662	10,476,223	10,476,223	4,893,036	4,954,723	10,477,223	10,537,891
Production	6,975,807	8,085,323	7,981,196	3,827,835	3,767,210	9,044,217	9,726,212
Ending inventory	384,643	554,697	443,946	510,303	360,002	468,815	461,484
Shipments:							
Internal consumption/ company transfers	2,063,227	2,297,083	2,360,776	1,068,778	1,086,757	2,700,782	2,662,156
Home market	2,872,940	3,386,753	3,343,918	1,614,420	1,705,437	3,937,635	4,690,686
Exports to:							
United States	359,258	241,155	322,935	169,355	18,925	106,209	240,523
All other sources	1,685,958	1,958,621	2,065,202	1,001,367	1,028,913	2,270,429	2,153,634
Total exports	2,045,216	2,199,776	2,388,137	1,170,722	1,047,838	2,376,638	2,394,157
Total shipments	6,981,383	7,883,612	8,092,831	3,853,920	3,840,032	9,015,055	9,746,999
	<b>Ratios and shares (percent)</b>						
Capacity utilization	82.7	77.2	76.2	78.2	76.0	86.3	92.3
Inventories/production	5.5	6.9	5.6	6.7	4.8	5.2	4.7
Inventories/shipments	5.5	7.0	5.5	6.6	4.7	5.2	4.7
Share of total shipments:							
Internal consumption/ company transfers	29.6	29.1	29.2	27.7	28.3	30.0	27.3
Home market	41.2	43.0	41.3	41.9	44.4	43.7	48.1
Exports to:							
United States	5.1	3.1	4.0	4.4	0.5	1.2	2.5
All other sources	24.1	24.8	25.5	26.0	26.8	25.2	22.1
Total exports	29.3	27.9	29.5	30.4	27.3	26.4	24.6
<sup>1</sup> Argentina, India, South Africa, Thailand, Turkey, and Venezuela.							
Source: Compiled from data submitted in response to Commission questionnaires.							

**Views Addendum Table 6**  
**Cold-rolled steel: U.S. importers' end-of-period inventories of imports, 1999-2001, January-March 2001,**  
**and January-March 2002**

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**CERTAIN COLD-ROLLED STEEL PRODUCTS FROM  
AUSTRALIA, INDIA, JAPAN, SWEDEN, AND THAILAND**

**Investigations Nos. 731-TA-965, 971-972, 979, and 981 (Final)**

**DISSENTING VIEWS OF COMMISSIONER LYNN M. BRAGG**

Based upon the record in these final phase investigations, I find that an industry in the United States is materially injured by reason of imports of certain cold-rolled steel products from Australia, India, Japan, Sweden, and Thailand, that have been found to be sold in the United States at less than fair value (“LTFV”). I therefore dissent from the negative determination rendered by the Commission.

Before proceeding to a discussion of my separate injury analysis, I offer these general observations. Upon review, I find that the record before the Commission clearly demonstrates that the domestic industry producing certain cold-rolled steel products has experienced material injury over the period of investigation (“POI”) as a result of the depressed pricing levels that prevailed in the U.S. market; the question presented in this case is solely one of causation. Upon further review, I find that the predominant cause of material injury to the domestic industry are the significant negative price effects of subject imports in the U.S. market which reflect the significant incidence of underselling evident on the record. Importantly, the significant negative price effects of subject imports are pervasive and remain evident even in the most recent data available on the record. My injury analysis is driven by these significant negative price effects, and it is by virtue of these price effects that I find that both the absolute volume of subject imports, and the increase in subject import volume over most of the POI, are also significant; finally, I find that the domestic industry suffered a significant adverse impact as a result of the significant negative price effects attributable to low-priced subject imports.

I also raise two collateral points that are addressed in further detail below: first, my determination rests on an analytically consistent evaluation of the entire POI, which ensures a balanced perspective and understanding of the role of subject imports in the U.S. market and of the condition and performance of the domestic industry. Second, I do not view the recent imposition of a section 201 safeguard remedy as being relevant to my analysis, except to the extent that such remedy masks the injurious presence of subject imports in the U.S. market. Accordingly, I do not reject compelling evidence of present material injury by reason of subject imports simply because the most recent data available on the record indicate some interim improvement in the performance of the domestic industry, particularly since the most recent data reflect in part the impact of the filing of the petitions in these investigations and the imposition of provisional duties.

**I. DOMESTIC LIKE PRODUCT**

**A. General Framework**

To determine whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”<sup>1</sup> Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Act”), defines the relevant domestic industry as the “producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major

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<sup>1</sup> 19 U.S.C. § 1677(4)(A).

proportion of the total domestic production of the product.”<sup>2</sup> In turn, the Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation...”<sup>3</sup>

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.<sup>4</sup> No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.<sup>5</sup> The Commission looks for clear dividing lines among possible like products, and disregards minor variations.<sup>6</sup> Although the Commission must accept the determination of the Department of Commerce (“Commerce”) as to the scope of the imported merchandise allegedly subsidized or sold at less than fair value, the Commission determines what domestic product is like the imported articles Commerce has identified.<sup>7</sup>

## **B. Product Description**

The scope of these investigations as defined by Commerce covers a range of cold-rolled steel products.<sup>8</sup> The term “cold-rolling” refers to a process in which the product is fed into a rolling mill at ambient temperature; cold-rolling can be performed for a variety of reasons, including a desire to reduce product thickness, or a need to impart either specific mechanical properties or surface texture.<sup>9</sup> Cold-rolled steel products are used in a variety of applications including automotive, construction, container,

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<sup>2</sup> *Id.*

<sup>3</sup> 19 U.S.C. § 1677(10).

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

<sup>5</sup> *See, e.g., S. Rep. No. 96-249*, at 90-91 (1979).

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

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

<sup>8</sup> A full statement of the scope of these investigations is contained in Appendix I to Commerce’s final LTFV determination concerning Australia. *See* 67 Fed. Reg. 47,509, 47,510 (July 19, 2002) (Appendix I—Scope of the AD/CVD Investigations on Certain Cold-Rolled Steel Products); *see also* Confidential Report (“CR”) at Appendix A and Public Report (“PR”) at Appendix A. Commerce subsequently published clerical corrections to the exclusion descriptions of porcelain enameling sheet and texture-rolled steel strip. *See* 67 Fed. Reg. 52,934 (August 14, 2002); *see also* CR/PR at Appendix A.

<sup>9</sup> CR at I-20; PR at I-17.



appliance, and electrical equipment manufacturing; cold-rolled steel is also used for automotive transmission and seat belt components, and serves as a material for utensils, cutting tools, and cutlery.<sup>10</sup>

### **C. Domestic Like Product**

I note that in the Preliminary Determination, I joined a unanimous Commission in defining a single domestic like product comprised of the continuum of all certain cold-rolled steel products falling within the scope.<sup>11</sup> Upon review, I remain satisfied that there exists a sufficient range of broadly similar product falling within the scope to constitute a continuum comprised of different cold-rolled steels with unique specifications, production processes, and end-uses. Respondent parties variously argue that the Commission should define (1) texture rolled carbon steel (also referred to as “seat belt retractor steel”), (2) hardened and tempered strip steel, and (3) strapping steel, as separate domestic like products. I find, however, that any such minor variations in chemical or physical characteristics, or production processes, are insufficient to distinguish these three products from the continuum of cold-rolled steel products. Accordingly, I define a single domestic like product coterminous with the scope of these investigations.

## **II. DOMESTIC INDUSTRY AND RELATED PARTIES**

### **A. Domestic Industry**

The domestic industry is defined as “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.”<sup>12</sup> In defining the domestic industry, the Commission’s general practice has been to include in the industry all domestic production of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.<sup>13</sup> Based upon the foregoing like product definition, I define the domestic industry as all U.S. producers of certain cold-rolled steel products included within the scope of these investigations.

### **B. Related Parties**

I must further determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Act. That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.<sup>14</sup> Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each case.<sup>15</sup>

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<sup>10</sup> CR at I-22 to I-23; PR at I-19.

<sup>11</sup> Certain Cold-Rolled Steel Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, The Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, Invs. Nos. 701-TA-422-425 and 731-TA-964-983 (Preliminary), USITC Pub. 3471 at 3-6 (November 2001) (“Preliminary Determination”).

<sup>12</sup> 19 U.S.C. § 1677(4)(A).

<sup>13</sup> See United States Steel Group v. United States, 873 F. Supp. 673, 681-84 (Ct. Int’l Trade 1994), *aff’d*, 96 F. 3d 1352 (Fed. Cir. 1996).

<sup>14</sup> 19 U.S.C. § 1677(4)(B).

<sup>15</sup> 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

(continued...)

Although none of the parties has argued for the exclusion of a domestic producer as a related party, several related party issues are raised on the record in these investigations. First, based upon their respective foreign ownership interests, the question arises whether CSI, Ispat Inland, Theis, or UPI are related parties. Even if I were to treat these producers as related parties, I find that appropriate circumstances do not exist to exclude any of these four producers from the domestic industry. CSI did not provide information in these final phase investigations and thus the question of exclusion is rendered moot. With respect to Ispat Inland, Theis, and UPI, it does not appear that these three firms specially benefitted from any related party status, and with respect to Ispat Inland and UPI it appears that the primary interests of these two producers lie in domestic production. In addition, National Steel is a related party by virtue of being majority-owned by the Japanese producer NKK; however, I also find that appropriate circumstances do not exist to exclude National Steel from the domestic industry because it does not appear to have specially benefitted from its related party status and because National Steel appears primarily focused on domestic production.

Second, the question arises whether any domestic producer should be excluded as a related party on the basis of its purchases of subject imports. \*\*\* each purchased subject imports during the POI. However, \*\*\* each purchased \*\*\* amounts of subject imports, and \*\*\*. With respect to \*\*\*, its purchases of subject imports \*\*\*; moreover, \*\*\* does not appear to have specially benefitted from its purchases of subject imports and the firm appears primarily focused on domestic production. Accordingly, I find that appropriate circumstances do not exist to exclude \*\*\* from the domestic industry.

### III. NEGLIGIBLE IMPORTS

Because the scope definition (and in particular the list of excluded products) in these final phase investigations differs from the scope as defined in the preliminary phase, I revisit the issue of negligibility.

Imports from a subject country corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.<sup>16</sup> The statute further provides that imports from a single country which comprise less than 3 percent of total imports of such merchandise may not be considered negligible if there are several countries subject to investigation

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<sup>15</sup> (...continued)

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

<sup>16</sup> 19 U.S.C. § 1677(24)(A)(i)(I). In this case data collected to measure negligibility are for the period from September 1, 2000 through August 31, 2001. *See* CR/PR at Table IV-3. All references in these dissenting views to the Confidential and Public Reports include the additions and corrections contained in Memorandum INV-Z-134 (August 21, 2002), Memorandum INV-Z-136 (August 21, 2002), and Memorandum INV-Z-139 (August 23, 2002).

with negligible imports and the sum of such imports from all those countries in the aggregate accounts for more than 7 percent of the volume of all such merchandise imported into the United States.<sup>17</sup> By operation of law, a finding of negligibility terminates the Commission's investigation(s) with respect to such imports.<sup>18</sup>

In the case of countervailing duty investigations involving developing countries, the statute further provides that the negligibility thresholds are 4 percent individually and 9 percent in the aggregate.<sup>19</sup> The statute defines a "developing country" as any country so designated by the U.S. Trade Representative.<sup>20</sup>

**A. The Antidumping Investigations**

Negligibility is an issue for 11 of the 20 subject countries because they fall below the 3 percent negligibility threshold: Australia (\*\*\*) percent of total imports during the relevant 12 month period); Germany (\*\*\*) percent); India (\*\*\*) percent); the Netherlands (\*\*\*) percent); New Zealand (\*\*\*) percent); Spain (\*\*\*) percent); Sweden (\*\*\*) percent); Taiwan (\*\*\*) percent); Thailand (\*\*\*) percent); Turkey (\*\*\*) percent); and Venezuela (\*\*\*) percent).<sup>21</sup> However, the combined import share of these 11 subject countries is 12.8 percent, thus exceeding the 7 percent aggregate negligibility threshold. Accordingly, subject imports from these 11 countries are not negligible for purposes of a present material injury analysis.

**B. The Countervailing Duty Investigations**

The petition included countervailing duty allegations against four countries: Argentina, Brazil, France, and Korea. Argentina and Brazil each have been designated a developing country by the U.S. Trade Representative.<sup>22</sup> Argentina accounted for \*\*\* percent of total imports during the relevant 12 month period, and Brazil accounted for \*\*\* percent; thus, Argentina and Brazil each exceed the applicable 4 percent negligibility threshold.<sup>23</sup> France accounted for \*\*\* percent of total imports and Korea accounted for \*\*\* percent; thus, France and Korea each exceed the applicable 3 percent negligibility threshold.<sup>24</sup> Accordingly, subject imports from these four countries are not negligible for purposes of a present material injury analysis.

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<sup>17</sup> 19 U.S.C. § 1677(24)(A)(ii).

<sup>18</sup> 19 U.S.C. § 1671b(a)(1); 19 U.S.C. § 1673b(a)(1).

<sup>19</sup> 19 U.S.C. § 1677(24)(B).

<sup>20</sup> 19 U.S.C. § 1677(36)(A).

<sup>21</sup> See CR/PR at Table IV-3. I note that I rely on official Commerce statistics as adjusted for microalloy steel products and excluded products based on data submitted in response to Commission questionnaires.

<sup>22</sup> 63 Fed. Reg. at 29,948 (June 2, 1998).

<sup>23</sup> See CR/PR at Table IV-3.

<sup>24</sup> See *id.*

## IV. CUMULATION

### A. General Framework

For purposes of evaluating the volume and price effects for a determination of material injury by reason of subject imports, Section 771(7)(G)(i) of the Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with domestic like products in the United States market.<sup>25</sup> In assessing whether subject imports compete with each other and with the domestic like product,<sup>26</sup> the Commission has generally considered four factors, including:

- (1) the degree of fungibility among the subject imports from different countries and between subject imports and the domestic like product;
- (2) the presence of sales or offers to sell in the same geographical markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.<sup>27</sup>

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.<sup>28</sup> Only a “reasonable overlap of competition” is required.<sup>29</sup> None of the four statutory exceptions to cumulation are present in the instant investigations.<sup>30</sup>

### B. Analysis

In the Preliminary Determination, I joined a unanimous Commission in finding a reasonable overlap of competition among all subject imports and between all subject imports and the domestic like product; as a result, I also joined in cumulating imports from all 20 subject countries for purposes of my injury analysis.<sup>31</sup> Upon review, I find that the record in these final phase investigations continues to support a cumulative analysis of material injury.

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<sup>25</sup> 19 U.S.C. § 1677(7)(G)(i).

<sup>26</sup> The Uruguay Round Agreements Act, Statement of Administrative Action (“SAA”), H.R. Doc. No. 103-316, Vol. 1 at 178 (1994), states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition” (*citing Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898, 902 (Ct. Int’l Trade 1988), *aff’d*, 859 F.2d 915 (Fed. Cir. 1988)).

<sup>27</sup> See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff’d*, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int’l Trade 1988), *aff’d*, 859 F.2d 915 (Fed. Cir. 1988).

<sup>28</sup> See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct’ Int’l Trade 1989).

<sup>29</sup> SAA at 178.

<sup>30</sup> See 19 U.S.C. § 1677(7)(G)(ii).

<sup>31</sup> Preliminary Determination, USITC Pub. 3471 at 9-13.

*Fungibility.* Between January 1999 and March 2002, about 72.7 percent of imports from the subject countries entered the United States under just two of the enumerated HTS classification numbers for certain cold-rolled steel products.<sup>32</sup> More specifically, a majority of imports from 17 of the 20 subject countries falls under these two HTS statistical reporting numbers; with respect to the remaining three countries, about 40 percent of subject imports from Australia, 45 percent of subject imports from Japan, and 24 percent of subject imports from Sweden, were entered under these two HTS statistical reporting numbers.<sup>33</sup>

In addition, imports from each of the 20 subject countries were considered “always” interchangeable with the domestic like product by a vast majority of U.S. producers, and with the exception of subject imports from Russia, at least half of the U.S. importers reported that imports from each of the 19 other subject countries were either “always” or “frequently” interchangeable with the domestic product.<sup>34</sup> Similarly, a vast majority of U.S. producers indicated there were “never” any differences in product characteristics or sales conditions between imports from each of the 20 subject countries and the domestic like product, while in the aggregate, fully half of the U.S. importers reported that there were only “sometimes” or “never” any differences in product characteristics or sales conditions between imports and the domestic like product.<sup>35</sup>

Finally, a majority of reporting U.S. purchasers of cold-rolled steel indicated that they “always” or “usually” purchased the least expensive product available on the market,<sup>36</sup> and at least half of the responding purchasers indicated that they used domestically produced cold-rolled steel in the same applications as imports purchased from 15 of the subject countries.<sup>37</sup>

*Geographic Overlap.* Domestically produced cold-rolled steel products are shipped nationwide.<sup>38</sup> Subject imports have a similar presence in the United States market; specifically, imports from 15 of the subject countries entered all four regions of the U.S. market, while imports from 4 other

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<sup>32</sup> CR at IV-13; PR at IV-9. The two HTS statistical reporting numbers referred to are 7209.16.0090 and 7209.17.0090.

<sup>33</sup> See CR/PR at Table IV-4.

<sup>34</sup> CR/PR at Table II-6. In the case of subject imports from Russia, 7 U.S. importers found them to be “always” or “frequently” interchangeable with the domestic like product, while 8 U.S. importers found them to be “sometimes” interchangeable and 1 U.S. importer found them “never” interchangeable. See *id.*

<sup>35</sup> CR/PR at Table II-7. At least half of the U.S. importers reported that there were only “sometimes” or “never” any differences in product characteristics or sales conditions between subject imports from Brazil, China, India, Korea, New Zealand, Russia, South Africa, Spain, Taiwan, Thailand, Turkey, and Venezuela, on the one hand, and the domestic like product on the other; however, a majority of responding U.S. importers reported that there were “always” or “frequently” differences in production characteristics or sales conditions between subject imports from Argentina, Australia, Belgium, France, Germany, Japan, The Netherlands, and Sweden, on the one hand, and the domestic like product on the other. See *id.*

<sup>36</sup> Ten of 96 responding purchasers reported that they “always” bought the least expensive product available on the market, and 43 firms reported that they “usually” bought the least expensive product. CR at II-9, PR at II-6.

<sup>37</sup> A majority of responding purchasers indicated that they did not use domestically produced cold-rolled steel in the same applications as subject imports from New Zealand, Russia, Spain, Thailand, and Venezuela. See CR/PR at Table II-3.

<sup>38</sup> CR at IV-13, PR at IV-13.

subject countries entered three out of the four regions during the POI.<sup>39</sup> Imports from the remaining subject country, *i.e.* New Zealand, entered exclusively in the West region.<sup>40</sup>

*Channels of Distribution.* A substantial share of domestically-produced cold-rolled steel is not sold on the open market but is used internally or transferred to related firms for the production of downstream products;<sup>41</sup> of open market sales during 2001, almost two-thirds was sold to end users with the remainder sold to distributors.<sup>42</sup> Imports from 15 of the subject countries were also sold to both end users and distributors during 2001, while subject imports from \*\*\* were sold exclusively to end users and subject imports from \*\*\* were sold exclusively to distributors.<sup>43</sup>

*Simultaneous Presence.* Domestically produced cold-rolled steel products were present in the U.S. market throughout the POI, while imports from 13 of the subject countries each entered the United States during nearly all of the 39 months for which data were collected.<sup>44</sup> For six of the seven remaining countries, subject imports entered the United States in at least half of the 39 months, while in the case of Thailand subject imports entered the United States in 19 out of 39 months (*i.e.* 48.7 percent of the POI).<sup>45</sup>

*Conclusion.* I note that various respondents argue against cumulating subject imports from Australia, the Netherlands, New Zealand, and Spain, based upon allegations of limited fungibility, geographic overlap, channels of distribution, and presence in the U.S. market; in addition, the Russian respondent argues against cumulation because imports from Russia are capped under the Comprehensive Steel Agreement entered into between Russia and the United States.<sup>46</sup>

Just as the domestic like product is comprised of a continuum of broadly similar products that may have different specifications, production processes, and end-uses, so too are subject imports comprised of a range of different types of cold-rolled steel; thus, it is not unexpected to find that not all types of cold-rolled steel are currently imported from each of the 20 subject countries. Nevertheless, the concentration of subject imports entered under just two HTS statistical reporting numbers is indicative of the commonality among subject imports. In addition, the degree of interchangeability reported between the domestic product and subject imports, the degree of similarity in product characteristics and sales conditions reported for both the domestic product and subject imports, and the degree of similarity in

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<sup>39</sup> See CR/PR at Table IV-5. The four regions of the U.S. market are the East, Gulf, Great Lakes, and West regions.

<sup>40</sup> See *id.*

<sup>41</sup> See CR at III-18, PR at III-12.

<sup>42</sup> See CR/PR at Table III-7.

<sup>43</sup> See *id.*

<sup>44</sup> See CR/PR at IV-18.

<sup>45</sup> See CR/PR at Table IV-6.

<sup>46</sup> Exports of cold-rolled steel produced in Russia to the United States during the POI were limited under The Comprehensive Steel Agreement entered into between the Ministry of Trade of the Russian Federation and the U.S. Department of Commerce on July 12, 1999. CR at VII-29 n.46, PR at VII-9 n.46. In my view, the existence of a quantitative restriction on subject imports does not, in and of itself, demonstrate the absence of a reasonable overlap of competition for those subject imports that do enter the U.S. market; instead, imports that are subject to a quantitative restriction must be evaluated under the Commission's traditional four-factor test in the same manner as all other subject imports. See Honey from Argentina and China, Invs. Nos. 701-TA-402 and 731-TA-892-893 (Final), USITC Pub. 3470 at 15 n.96 (November 2001).

end-uses reported for both the domestic product and subject imports,<sup>47</sup> are all indicative of the commonality between subject imports and the domestic like product. I am therefore satisfied that subject imports are largely fungible for each other and for the domestic like product.

In general, imports from each of the 20 subject countries were sold throughout the U.S. market, were sold through the same channels of distribution as U.S. commercial shipments, and were present in the U.S. market for a majority of the POI; although there are some limited exceptions to these observations, I find that, on balance, no pattern of such exceptions exists on the record for any subject country which would warrant a finding that imports from a subject country do not compete with other subject imports or with the domestic like product.<sup>48</sup>

Based upon all the foregoing, I find that there exists a reasonable overlap of competition among all subject imports, and between all subject imports and the domestic like product, in the U.S. market for cold-rolled steel. Accordingly, I engage in a cumulative analysis of imports from all 20 subject countries for purposes of analyzing material injury to the domestic cold-rolled steel industry.

## **V. CONDITIONS OF COMPETITION**

### **A. Captive Production**

Section 771(7)(C)(iv) of the Act provides that if domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and also sell significant production of the domestic like product in the merchant market, and if three additional conditions (or “prongs”) are satisfied on the record, then the Commission shall focus its analysis of market share and the factors affecting financial performance primarily on the merchant market.<sup>49</sup> During 2001, captive consumption accounted for 48 percent of the reported volume of domestic producers’ U.S. shipments of cold-rolled steel, while roughly 15 percent was transferred to related firms and the remaining 37 percent was sold in the merchant market;<sup>50</sup> accordingly, I find that the threshold criterion of the captive production provision is satisfied.<sup>51</sup>

In previous investigations I have outlined my analytical framework for examining the captive production provision, in which I examine whether the type or category of domestic like product that is internally transferred also enters the merchant market (with respect to the first prong of the provision), and whether the type or category of downstream article produced from internal transfers of the domestic

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<sup>47</sup> The degree of similarity in end-uses is particularly important in establishing the price-based focus of competition in the U.S. market for cold-rolled steel, given that a majority of U.S. purchasers reported that they “always” or “usually” purchase the least expensive product available on the market.

<sup>48</sup> I note that imports from Australia were comprised almost exclusively of full hard steel and were sold to two end-user customers in the West region of the U.S. market. I also note, however, that there are two U.S. producers of full hard steel in the West region competing for sales, and full hard steel imports from Korea and the Netherlands also entered the West region of the U.S. market; in addition, subject imports from Australia, Korea, and the Netherlands, each maintained an almost constant presence in the U.S. market over the POI; *see also infra* n.126.

<sup>49</sup> 19 U.S.C. § 1677(7)(C)(iv).

<sup>50</sup> CR at III-18, PR at III-12.

<sup>51</sup> I need not determine the extent to which transfers to related firms are either captive production or merchant market sales because even if such transfers are excluded from consideration, I find that significant production of the domestic like product is internally transferred and that significant production of the domestic like product is sold in the merchant market.

like product is also produced from merchant market sales of the domestic like product (with respect to the third prong of the provision).<sup>52</sup>

Upon review, I find that the third prong of the captive production provision is not satisfied in these investigations. With respect to U.S. producers' internal transfers of cold-rolled steel, about 72 percent was used to produce coated (galvanized) products in 2001, and with respect to U.S. producers' commercial shipments of cold-rolled steel, about 62 percent was used to produce coated (galvanized) products in 2001.<sup>53</sup> Consequently, I find that both internal transfers and merchant market sales of cold-rolled steel by the domestic industry are "generally used in the production" of the same downstream article and therefore the captive production provision is inapplicable in these investigations.<sup>54</sup>

However, even in circumstances where the captive production provision does not apply, the Commission has exercised its discretion to consider captive production as a relevant condition of competition. I do so in these investigations. As set forth below, I examine both data for the industry as a whole as well as merchant market data, and I find that they are consistent in establishing material injury to the domestic industry by reason of subject imports; the record thus demonstrates that the domestic industry was not insulated from injury by virtue of internal transfers of significant production of the domestic like product.

#### **B. Other Conditions of Competition**

There are a number of conditions of competition pertinent to the analysis of material injury, foremost of which is the fact that U.S. purchasers of cold-rolled steel are sophisticated and experienced participants in a fluid global market for steel products;<sup>55</sup> this fact impacts competition in the U.S. market in two ways.

First, U.S. purchasers of cold-rolled steel have demonstrated the evident ease and speed with which they respond to price differentials that are efficiently communicated in the market by shifting among alternative sources of supply.<sup>56</sup> The record contains a striking example of this behavior in that 10 of the countries subject to the instant investigations were also subject to the Commission's 1999-2000 investigations of cold-rolled steel imports.<sup>57</sup> Between October and December 1999, Commerce issued

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<sup>52</sup> See Certain Hot-Rolled Steel Products from Japan, *Views of Chairman Lynn M. Bragg, Commissioner Carol T. Crawford, and Commissioner Thelma J. Askey Regarding the Captive Production Provision*, Inv. No. 731-TA-807 (Final), USITC Pub. 3202 at 25-30 (June 1999).

<sup>53</sup> CR/PR at Table III-8. Between 1999 and the first quarter of 2002, galvanizers and tin platers accounted for roughly 40 percent of reported purchases of the domestic like product. CR at II-2, PR at II-1.

<sup>54</sup> This is consistent with my examination of the captive production provision in the 1999-2000 investigations of cold-rolled steel imports. See Certain Cold-Rolled Steel Products from Argentina, Brazil, Japan, Russia, South Africa, and Thailand, *Dissenting Views of Chairman Lynn M. Bragg*, Invs. Nos. 701-TA-393 and 731-TA-829-830, 833-834, 836, and 838 (Final), USITC Pub. 3283 at 31 (March 2000).

<sup>55</sup> See, e.g., \*\*\*. CR/PR at V-18; see also Hearing Transcript ("Tr.") at 75-76 (Mr. Mull) (largest U.S. purchaser has access and knowledge of all sources of cold-rolled steel globally).

<sup>56</sup> See *supra* n.47. Indeed, the fact that 20 countries are subject to the instant investigations is indicative of the numerous alternative sources of supply for cold-rolled steel.

<sup>57</sup> See Certain Cold-Rolled Steel Products from Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela, Invs. Nos. 701-TA-393-396 and 731-TA-829-840 (Preliminary), USITC Pub. 3214 (July 1999); Certain Cold-Rolled Steel Products from Argentina, Brazil, Japan,

(continued...)



affirmative preliminary determinations on imports subject to those previous investigations, thereby obligating importers to deposit provisional antidumping and/or countervailing duties (or to post bond).<sup>58</sup> The Commission issued the first of three negative final determinations on March 3, 2000, and as a result the provisional obligations were subsequently lifted;<sup>59</sup> importantly, market participants became aware of the cumulative basis for the Commission's negative determination after March 13, 2000, when the Commission's Views were transmitted to Commerce.<sup>60</sup> Notably, although both total apparent U.S. consumption and apparent U.S. consumption in the merchant market remained at roughly the same levels in 1999 and 2000,<sup>61</sup> the volume of subject imports declined sharply in response to the imposition of provisional duties and then surged once provisional duties were lifted;<sup>62</sup> this clearly demonstrates the responsiveness of U.S. purchasers to price differentials in the market as they shifted roughly constant levels of consumption among alternative sources of supply, as do corresponding changes in the volume of non-subject imports.<sup>63</sup>

A second impact of the sophistication and experience of U.S. purchasers participating in a fluid global steel market is that U.S. purchasers may leverage the ready availability of low-priced imports to exert pricing pressure on the domestic industry; this latter point is elaborated upon below in section VI.B of these dissenting views. Additional pertinent conditions of competition include the following:

*Demand.* Demand for cold-rolled steel depends on the level of demand in the appliance, automotive, construction, container, and other industries in which it is used.<sup>64</sup> With respect to overall demand conditions in the U.S. market over the POI, I note that total apparent U.S. consumption declined by 0.6 percent between 1999 and 2000, and by a further 10.0 percent between 2000 and 2001; interim

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<sup>57</sup> (...continued)

Russia, South Africa, and Thailand, Invs. Nos. 701-TA-393 and 731-TA-829-830, 833-834, 836, and 838 (Final), USITC Pub. 3283 at 31 (March 2000); Certain Cold-Rolled Steel Products from Turkey and Venezuela, Invs. Nos. 731-TA-839-840 (Final), USITC Pub. 3297 (May 2000); Certain Cold-Rolled Steel Products from China, Indonesia, Slovakia, and Taiwan, Invs. Nos. 731-TA-831-832, 835, and 837 (Final), USITC Pub. 3320 (July 2000). Of the 12 countries subject to those previous investigations, only Indonesia and Slovakia are not subject to the instant investigations.

<sup>58</sup> USITC Pub. 3283 (March 2000) at I-3 to I-4.

<sup>59</sup> USITC Pub. 3283 at 1 (Determinations). I note that I rendered affirmative determinations of present material injury in each of those investigations. *See id.* at 29-40, *Dissenting Views of Chairman Lynn M. Bragg*.

<sup>60</sup> USITC Pub. 3283 at I-4.

<sup>61</sup> *See* CR/PR at Tables C-1 and C-2.

<sup>62</sup> Commission staff compiled monthly import volume data for the 10 countries subject to the previous investigations that cover the 34 HTS statistical reporting numbers that are identified at I-19 & n.32 in the Confidential Report and at I-16-17 & n.32 in the Public Report. These data indicate that imports of cold-rolled steel products from the 10 subject countries declined by over 79 percent in volume between the third and fourth quarters of 1999 (reflecting the lagged impact of the pendency of the investigations and the corresponding shift by U.S. purchasers to alternative sources of supply), and then declined by an additional 53 percent in the first quarter of 2000 (reflecting the full impact of provisional duties and the continuing shift by U.S. purchasers to alternative sources of supply); subject import volume more than doubled in the second quarter of 2000, largely as the result of a more than fourfold increase in monthly import volume in June 2000 (which reflects the lag associated with the arrival of imports in the U.S. market for orders placed following the Commission's negative determination in March 2000). *See* Table "CR Steel (34)" (compiled by staff).

<sup>63</sup> *See* CR/PR at Tables IV-2 and J-1; *see also* Tr. at 78 (Mr. Szymanski) (within one business day of Commission's negative vote in March 2000, customers of U.S. Steel were receiving low-priced offers on subject imports).

<sup>64</sup> CR at II-6, PR at II-4.

comparisons indicate a 5.2 percent decline in total apparent U.S. consumption between the first quarter of 2001 and the first quarter of 2002, and a 9.5 percent increase between the second quarter of 2001 and the second quarter of 2002.<sup>65</sup> The U.S. merchant market evidences generally similar trends, with apparent consumption increasing by 1.1 percent between 1999 and 2000, before declining by 13.0 percent between 2000 and 2001; interim comparisons indicate a 10.0 percent decline in apparent U.S. merchant market consumption between the first quarter of 2001 and the first quarter of 2002, as well as a 1.8 percent decline between the second quarter of 2001 and the second quarter of 2002.<sup>66</sup>

Both sets of data indicate relatively flat demand between 1999 and 2000 followed by a sharp drop in demand in 2001 that extended into the first quarter of 2002; only the most recent interim data differ, with total market data indicating an increase in demand in the second quarter of 2002 due to increased internal consumption, in contrast to the merchant market data that indicate slightly declining demand in the second quarter of 2002.

*Non-Subject Imports.* The volume of non-subject imports constituted 21.7 percent of total imports in 1999, increasing to 34.7 percent in 2000 and declining to 15.9 percent in 2001 as subject import volume surged between 2000 and 2001; during the first quarter of 2002 non-subject imports accounted for 21.9 percent of total imports, before increasing to over 77 percent in the second quarter of 2002 as U.S. purchasers shifted to alternative sources of supply in response to the pending investigations and provisional duties associated with the 20 subject countries.<sup>67</sup>

*Interchangeability.* The record indicates that domestically produced and imported cold-rolled steel products are broadly interchangeable<sup>68</sup> and that as a result, competition is largely on the basis of price<sup>69</sup> (although non-price factors such as quality and availability are also important and may limit interchangeability in particular instances).<sup>70</sup>

*Pricing Levels.* Importantly, both total market data and open (“merchant”) market data are consistent in identifying pricing levels as the predominant source of injury to the domestic industry, not declining demand. Specifically, although total apparent U.S. consumption declined by 10.0 percent in volume between 2000 and 2001 (and U.S. shipments by the domestic industry declined by a comparable 11.8 percent in volume), the value of total consumption declined by over 22 percent; between the first quarter of 2001 and the first quarter of 2002, although the volume of total apparent U.S. consumption declined by 5.2 percent (and U.S. shipments by the domestic industry declined by a comparable 4.5 percent in volume), the value of total consumption declined by 10.0 percent.<sup>71</sup> Similarly, although apparent U.S. open market consumption declined by 13.0 percent in volume between 2000 and 2001 (and

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<sup>65</sup> CR/PR at Tables C-1 and J-1. On a semiannual basis, total apparent U.S. consumption increased by 7.2 percent between the first half of 2001 and the first half of 2002. CR/PR at Table J-1.

<sup>66</sup> CR/PR at Tables C-2 and J-2. The merchant market data do not include U.S. producers’ transfers to related firms.

<sup>67</sup> See CR/PR at Tables IV-2 and J-1.

<sup>68</sup> For example, at least half of responding purchasers reported that they used domestically produced cold-rolled steel in the same applications as subject imports from 15 of the 20 countries subject to these investigations. See CR/PR at Table II-3.

<sup>69</sup> For example, a majority of responding purchasers reported that they “always” or “usually” bought the least expensive product available on the market. CR at II-9, PR at II-6.

<sup>70</sup> See CR/PR at Table II-2.

<sup>71</sup> CR/PR at Table C-1.

open market shipments by the domestic industry declined by 18.2 percent in volume reflecting both declining demand and increasing market share captured by subject imports), the value of open market consumption declined by 24.5 percent; between the first quarter of 2001 and the first quarter of 2002, although the volume of apparent U.S. open market consumption declined by 10.0 percent (and open market shipments by the domestic industry declined by a comparable 9.1 percent in volume), the value of open market consumption declined by 16.6 percent.<sup>72</sup>

The foregoing data demonstrate that although declines in U.S. shipments by the domestic industry largely tracked declining demand from the beginning of 2000 through the first quarter of 2002, declines in both were significantly outpaced by the declining value of consumption in the U.S. market; the question thus becomes what led to the low and declining price levels that prevailed over this period. Indeed, even the most recent data on the record indicate that prices remain well below the levels evidenced in 1999 and 2000 and continue to be insufficient to return the domestic industry to profitability.<sup>73</sup> I address this question of causation below in section VI.B of these dissenting views.

*Pricing Practices.* A majority of both U.S. producers and importers each reported transaction-by-transaction negotiations in arriving at price so as to provide competitive pricing that meets market conditions, although contract pricing was also reported as a common means of arriving at a price term.<sup>74</sup> Both U.S. producers and importers sold most of their product on contract; on average, U.S. producers sold 55 percent of their product on contract and 45 percent on the spot market, while importers sold 52 percent of their product on contract and 48 percent on the spot market.<sup>75</sup> Prices and quantities are usually fixed in the contracts, although about 20 percent of responding U.S. producers and importers indicated that the contracts incorporated meet-or-release provisions.<sup>76</sup> A number of domestic industry representatives testified that U.S. producers were pressured to renegotiate contract price terms at customers' requests in order to match declining spot prices in the U.S. market;<sup>77</sup> thus, to the extent that contracts contain meet-or-release provisions and to the extent that price terms are renegotiated, contracts do not insulate U.S. producers from declining price levels in the market. In addition, a number of long-term contracts negotiated by U.S. producers during the latter half of 2001 incorporated price terms that reflected 20-year lows for the industry,<sup>78</sup> as U.S. producers confronted the strategic choice between meeting low-priced import competition or sacrificing sales.<sup>79</sup>

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<sup>72</sup> CR/PR at Table C-2.

<sup>73</sup> See CR/PR at Tables H-1, H-2, H-3, H-4. Even in the second quarter of 2002, the ratio of COGS to sales exceeded 100 percent. CR/PR at Tables J-1 and J-2. See also CR/PR at Tables C-1, C-2, J-1, and J-2 (although the probative value of average unit value data may be limited due to differences in product mix across sources and changes in product mix over time, these data are corroborative in that the average unit values of both total U.S. shipments and open market shipments by the domestic industry remain well below the levels evidenced in 1999 and 2000).

<sup>74</sup> CR at V-2 to V-3, PR at V-2.

<sup>75</sup> CR at V-3, PR at V-2.

<sup>76</sup> See *id.*

<sup>77</sup> Tr. at 64 (Mr. DiMicco); Tr. at 73 (Mr. Walker); Tr. at 84 (Mr. Marchak). Over one half of U.S. producers reported that prices sometimes vary during a contract, while 25 percent of U.S. purchasers reported the same; in contrast, only 1 out of 26 U.S. importers reported that prices vary during a contract. CR at V-3, PR at V-2-3.

<sup>78</sup> Tr. at 75 (Mr. Mull). Long-term contracts generally last from one to two years; see, e.g., Tr. at 64 (Mr. DiMicco).

<sup>79</sup> Tr. at 61 (Mr. DiMicco); Tr. at 72 (Mr. Walker); see also Tr. at 90-91 (Mr. Berra).

*Channels of Distribution.* Roughly 63 percent of the domestic industry's commercial shipments in the U.S. open market were to end users in 2001, with the remaining 37 percent sold to distributors; in contrast, roughly 25 percent of imports from the 20 subject countries were sold to end users in 2001, with the remaining 75 percent sold to distributors.<sup>80</sup>

*Lead Times.* Responding U.S. producers reported that their average lead time (between a customer's order and the date of delivery) for cold-rolled steel was 48 days; in contrast, U.S. importers' average lead time was 102 days.<sup>81</sup>

*Domestic Capacity and Production.* The domestic industry's capacity increased by 3.7 percent between 1999 and 2000, before declining by 2.4 percent between 2000 and 2001; compared to the first quarter of 2001, U.S. capacity declined by 11.2 percent in the first quarter of 2002, and compared to the second quarter of 2001, U.S. capacity declined by 3.9 percent in the second quarter of 2002.<sup>82</sup> Total production by the domestic industry remained roughly constant between 1999 and 2000, before declining by almost 12 percent between 2000 and 2001; compared to the first quarter of 2001, total domestic production declined by 2.5 percent in the first quarter of 2002, and compared to the second quarter of 2001, U.S. production increased by 17.5 percent in the second quarter of 2002.<sup>83</sup> As a result of the foregoing, capacity utilization for the domestic industry declined from 85.8 percent in 1999 to 83.1 percent in 2000, and then to 75.1 percent in 2001; in the first quarter of 2002 the domestic industry's capacity utilization stood at 80.2 percent and in the second quarter of 2002 this increased to 89.9 percent.<sup>84</sup> End-of-period inventories stood at roughly 5 percent of domestic production throughout the POI, and the ratios of end-of-period inventories to U.S. production and to U.S. shipments remained largely the same or declined over the POI.<sup>85</sup>

*Composition of the Domestic Industry.* The Commission collected data from 23 U.S. producers of cold-rolled steel believed to represent over 95 percent of known U.S. production during 1999-2001; these include both basic oxygen furnace mills and electric arc furnace mills, as well as \*\*\*.<sup>86</sup> Since January 1999, two U.S. producers (*i.e.* Acme Steel and Gulf States Steel) ceased operations; three firms (*i.e.* Bethlehem, National, and Wheeling) are operating under Chapter 11 of the U.S. Bankruptcy Code; and two firms (*i.e.* Heartland Steel and LTV) had their operating assets purchased by new owners (in the case of Heartland Steel production operations resumed in July 2001, and in the case of LTV production operations resumed in May 2002.<sup>87</sup> In addition, on August 16, 2002, Cold Metal announced its intention to file for Chapter 11 bankruptcy protection and close its Indianapolis and Youngstown plants.<sup>88</sup>

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<sup>80</sup> CR/PR at Table III-7.

<sup>81</sup> CR at II-10; PR at II-6.

<sup>82</sup> CR/PR at Tables III-2 and J-1. Most of the decline in capacity between the first quarter interim periods is attributable to the closure of LTV in December 2001. CR at III-9 n.14, PR at III-5 n.14.

<sup>83</sup> *See id.*

<sup>84</sup> *See id.*

<sup>85</sup> *See* CR/PR at Tables III-13 and J-1. I note that flat or declining inventory levels are indicative of the domestic industry's choice to meet import competition on the basis of price.

<sup>86</sup> CR/PR at III-1 & Table III-1.

<sup>87</sup> CR at III-4 & nn. 9-10; PR at III-4 & nn. 9-10.

<sup>88</sup> CR at III-4, PR at III-4.

*Production Costs.* The main input in cold-rolled steel is hot-rolled steel; the average unit price of hot-rolled steel increased generally from 1999 to 2000 before declining sharply during 2000, and then leveling off through the remainder of 2001 before increasing sharply in 2002.<sup>89</sup> In contrast to these price movements, the average unit cost of goods sold for U.S. producers increased steadily from 1999 through 2001, before declining somewhat in the first quarter of 2002 and remaining stable in the second quarter of 2002.<sup>90</sup>

*Additional Duties.* As noted, in June 1999 the Commission and Commerce instituted antidumping and/or countervailing duty investigations against 12 countries, 10 of which are subject to the instant investigations.<sup>91</sup> Those prior investigations led to the imposition of provisional duties from October through December 1999; however, the provisional duties were lifted by Commerce following a series of three negative injury determinations rendered by the Commission in March, May, and July 2000.<sup>92</sup>

In addition, antidumping and/or countervailing duty orders were in place with respect to imports from Germany, Korea, the Netherlands, and Sweden, during 1999 and throughout most of 2000.<sup>93</sup> Those orders were subject to a grouped sunset review, in which the Commission rendered negative determinations in November 2000.<sup>94</sup> Commerce revoked those orders in December 2000.<sup>95</sup>

Finally, I note that the instant petitions were filed on September 28, 2001, and that in the preliminary phase the Commission voted to continue these investigations on November 13, 2001; this determination was published on November 19, 2001.<sup>96</sup> Commerce published its preliminary affirmative countervailing duty determinations on March 4, 2002 and its preliminary antidumping duty determinations on May 9, 2002, thereby triggering the imposition of provisional countervailing and antidumping duties, respectively (or the posting of bond).<sup>97</sup>

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<sup>89</sup> CR/PR at V-1.

<sup>90</sup> See CR/PR at Tables C-1, C-2, J-1, and J-2.

<sup>91</sup> Preliminary Determination, USITC Pub. 3471 at 16-17.

<sup>92</sup> 65 Fed. Reg. 15,008 (March 20, 2000) (Argentina, Brazil, Japan, Russia, South Africa, and Thailand); 65 Fed. Reg. 31,348 (May 17, 2000) (Turkey and Venezuela); 65 Fed. Reg. 44,076 (July 17, 2000) (China, Indonesia, Slovakia, and Taiwan). I again note that I rendered affirmative determinations of present material injury in each of those investigations. See USITC Pub. 3283 at 29-40; USITC Pub. 3297 at 13-14; USITC Pub. 3320 at 13-14.

<sup>93</sup> Preliminary Determination, USITC Pub. 3471 at 17. The orders with respect to Sweden had been in place since 1985, and the orders with respect to Germany, Korea, and the Netherlands had been in place since 1993.

<sup>94</sup> 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, 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), USITC Pub. 3364 (November 2000). I note that I rendered affirmative review determinations with respect to the orders covering imports of cold-rolled steel from Germany, Korea, and the Netherlands (each of which is also subject to the instant investigations), and a negative determination with respect to the countervailing duty order on Sweden (which is also subject to the instant investigations); in addition, I note that I found the domestic cold-rolled steel industry to be in a vulnerable condition. See *Separate and Dissenting Views of Commissioner Lynn M. Bragg*, USITC Pub. 3364 at 67, 78-86.

<sup>95</sup> 65 Fed. Reg. 78,467 (December 15, 2000) (notice of revocation).

<sup>96</sup> CR/PR at I-2; 66 Fed. Reg. 57,985 (November 19, 2001).

<sup>97</sup> CR/PR at I-2 and Tables I-6 & I-8.

As a result of all the foregoing, the sole period in the U.S. market free of outstanding orders or provisional duties equates generally with the first quarter of 2001 through the first quarter of 2002.

### C. The 201 Safeguard Relief

On March 5, 2002, the President issued a proclamation imposing temporary steel safeguard duties ranging from 8 percent to 30 percent depending on product category for a period not to exceed three years and a day;<sup>98</sup> with respect to imports of cold-rolled steel, the safeguard relief imposes an additional 30 percent *ad valorem* tariff during the first year of the relief period, declining to 24 percent in the second year and to 18 percent in the third year.<sup>99</sup> Six of the countries subject to the instant investigations are not subject to the additional safeguard duties because they are classified as developing countries; these include Argentina, India, South Africa, Thailand, and Turkey (although the President further stated that the exclusionary status for developing countries would be revoked, in whole or in part, if a surge in imports from exempted countries were to undermine the effectiveness of the safeguard measures).<sup>100</sup> In addition, the President has published several lists of products (including certain cold-rolled steel products) that are specifically excluded from the safeguard relief.<sup>101</sup>

Although some may conclude otherwise, in my view the existence of the 201 safeguard relief is not relevant to the analysis of material injury in these investigations, except to the extent that such relief masks the injurious presence of subject imports in the U.S. market. I base this view on a plain reading of Title VII of the Act together with the Trade Act of 1974, as well as the very different nature and purpose of antidumping and countervailing duties imposed under Title VII of the Act versus duties imposed as global safeguard relief under section 201 of the Trade Act of 1974.

The Statement of Administrative Action accompanying the Uruguay Round Agreements Act states that in determining what action to recommend to the President in a safeguard investigation, the Commission shall take into account any relief provided under other provisions of law, such as preexisting antidumping or countervailing duties.<sup>102</sup> In contrast, neither Title VII nor its legislative history expressly instructs the Commission to take into account any relief provided under other provisions of law when conducting a material injury analysis. I believe that the omission of such instruction in Title VII is purposeful<sup>103</sup> and indicates a legislative intent that the Commission conduct an injury analysis of unfair imports without regard to any preexisting safeguard duty; in my view, if affirmative determinations are otherwise warranted on the record before the Commission, the process intended under the statute would be for the President to evaluate whether any modification(s) to the preexisting safeguard remedy are warranted following the imposition of antidumping and/or countervailing duties.<sup>104</sup>

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<sup>98</sup> Presidential Proclamation 7529 of March 5, 2002 (67 Fed. Reg. 10,553 (March 7, 2002)).

<sup>99</sup> See CR/PR at Table I-3.

<sup>100</sup> See CR at I-7 n.14, PR at I-6 n.14; see also 67 Fed. Reg. 47,338 (July 18, 2002).

<sup>101</sup> See Annex to Proclamation 7529, 67 Fed. Reg. 10,558 (March 7, 2002); 67 Fed. Reg. 16,484 (April 5, 2002); 67 Fed. Reg. 46,221 (July 12, 2002); see also List of Additional Products to be Excluded from the Section 201 Safeguard Measures, Office of the United States Trade Representative (August 22, 2002).

<sup>102</sup> SAA at 294.

<sup>103</sup> See, e.g., 2A Norman J. Singer, *Statutes and Statutory Construction* § 46:06 at 192 (6<sup>th</sup> ed. 2000) (“While every word of a statute must be presumed to have been used for a purpose, it is also the case that every word excluded from a statute must be presumed to have been excluded for a purpose.”).

<sup>104</sup> See 19 U.S.C. § 2254(b).

I believe that this reading of the statutes is most fully consistent with the very different purposes of duties imposed under Title VII, on the one hand, and global safeguard relief, on the other. Antidumping and countervailing duties are remedial and are imposed only to the extent required to negate the unfair pricing of injurious subject imports in the U.S. market. In contrast, a safeguard investigation focuses upon the role of imports in preventing needed restructuring of productive resources in the domestic industry, without regard to whether imports are fairly or unfairly traded;<sup>105</sup> thus, it is not unexpected to find that Title VII does not incorporate reciprocal considerations of preexisting relief, as a safeguard remedy is directed to the broader concern of facilitating efforts by the domestic industry to make a positive adjustment to import competition.<sup>106</sup>

An example of the foregoing distinction is readily evident in these investigations. Although I do not ordinarily consider the magnitude of the margin of dumping to be of particular significance in evaluating the effects of subject imports domestic producers,<sup>107</sup> in this case I note that Commerce's final LTFV margins for India, Japan, Sweden, and Thailand, ranged from 40.54 percent to 153.65 percent, while preliminary LTFV margins for Argentina, Brazil, China, Russia, South Africa, Spain, and Venezuela, ranged from 43.32 percent to 129.85 percent.<sup>108</sup> These margins substantially exceed the 30 percent *ad valorem* tariff imposed during the first year of the safeguard relief period. The failure to fully redress the injurious unfair trade practices evident in these investigations with antidumping and countervailing duties of comparable magnitude can only serve to undermine the ability of the domestic industry to restructure and thereby help perpetuate the condition of the industry that led to the need for 201 relief in the first place.<sup>109</sup>

In any event, even if the impact of the 201 relief is taken into account, the most recent data available on the record in these investigations indicate that the domestic cold-rolled steel industry has yet to achieve profitability and that subject imports are, and continue to be, a cause of material injury to the domestic industry. I turn now to my discussion of causation.

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<sup>105</sup> See, e.g., Steel, Inv. No. TA-201-73, USITC Pub. 3479 (Volume I), *Separate Views on Injury of Commissioner Lynn M. Bragg* at 269-272; *Separate Views on Remedy of Commissioner Lynn M. Bragg* at 517-526.

<sup>106</sup> 19 U.S.C. § 2251.

<sup>107</sup> See *Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China*, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 at 33-36 (June 1996).

<sup>108</sup> CR/PR at Tables I-4 & I-5. With regard to Australia, Commerce's final LTFV margins are 24.06 percent for BHP Limited Steel and 24.06 percent for all others. *Id.* at Table I-4.

<sup>109</sup> 19 U.S.C. § 1677(7)(C)(iii) instructs the Commission, in examining the impact of subject imports on the domestic industry, to evaluate factors affecting domestic prices. The imposition of safeguard relief has had an impact on prices for cold-rolled steel in the U.S. market; as noted, however, in my view the relevant inquiry under this provision is the extent to which temporary and declining safeguard relief masks the injurious presence of subject imports in the U.S. market.

## VI. PRESENT MATERIAL INJURY BY REASON OF LTFV IMPORTS

In the final phase of antidumping or countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.<sup>110</sup> In making this determination, the Commission must consider the volume of imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.<sup>111</sup> The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”<sup>112</sup> In assessing whether the domestic industry is materially injured by reason of subject imports, the Commission considers all relevant economic factors that bear on the state of the industry in the United States; no single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>113</sup>

### A. Volume of Cumulated Subject Imports

Section 771(7)(C)(i) of the Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”<sup>114</sup>

Cumulative subject import volume declined by 33.0 percent between 1999 and 2000 and non-subject import volume increased by 29.0 percent, even as total apparent U.S. consumption declined by 0.6 percent and U.S. open market consumption increased by 1.1 percent; during this period, total production by the domestic industry increased by 0.5 percent while total U.S. shipments increased by 0.9 percent and U.S. open market shipments increased by 5.3 percent.<sup>115</sup> I attribute the diminishing presence of subject imports in the U.S. market over this period to the pendency of the 1999-2000 cold-rolled steel investigations.<sup>116</sup> Specifically, for the 10 countries subject to these investigations that were also subject to the 1999-2000 investigations, the volume of subject imports declined by 57.0 percent between 1999 and 2000 (*i.e.* from \*\*\* short tons to \*\*\* short tons); in contrast, the volume of imports from the other 10 countries subject to these investigations increased by 17.6 percent between 1999 and 2000 (*i.e.* from \*\*\* short tons to \*\*\* short tons).<sup>117</sup> On balance, the \*\*\* short ton decline in import volume from the 10 countries subject to investigation in 1999-2000 more than offset the \*\*\* short ton increase in import volume from the other ten countries.

Between 2000 and 2001, however, cumulative subject import volume increased by 54.5 percent and non-subject import volume declined by 45.3 percent, even as total apparent U.S. consumption declined by 10.0 percent and U.S. open market consumption declined by 13.0 percent; during this period,

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<sup>110</sup> 19 U.S.C. §§ 1671d(b), 1673d(b).

<sup>111</sup> 19 U.S.C. § 1677(7)(B)(i). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each [such] factor . . . [a]nd explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B); *see also* Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

<sup>112</sup> 19 U.S.C. § 1677(7)(A).

<sup>113</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>114</sup> 19 U.S.C. § 1677(7)(C)(i).

<sup>115</sup> CR/PR at Tables C-1 and C-2.

<sup>116</sup> *See* 19 U.S.C. § 1677(7)(I).

<sup>117</sup> *See* CR/PR at Table C-1.



total production by the domestic industry declined by 11.9 percent while total U.S. shipments declined by 11.8 percent and U.S. open market shipments declined by 18.2 percent.<sup>118</sup> As a result of the foregoing, the share of the U.S. open market captured by subject imports increased from 8.8 percent in 2000 to 15.7 percent in 2001, while the share held by the domestic industry declined from 86.5 percent in 2000 to 81.4 percent in 2001.<sup>119</sup> Importantly, data for 2001 are not influenced by the pendency of any investigations, the imposition of any provisional duties, or the existence of any prior orders covering cold-rolled steel imports, and thus they offer the most accurate picture of subject import behavior. I find the 2000-2001 surge in subject import volume, which occurred during a period of declining production and consumption in the U.S. market, to be significant.

Comparing the first quarter of 2001 to the first quarter of 2002, cumulative subject import volume declined by 13.5 percent and non-subject import volume declined by 19.3 percent, even as total apparent U.S. consumption declined by 5.2 percent and U.S. open market consumption declined by 10.0 percent; during this period, total production by the domestic industry declined by 2.5 percent while total U.S. shipments declined by 4.5 percent and U.S. open market shipments declined by 9.1 percent.<sup>120</sup> I attribute the diminishing presence of subject imports in the U.S. market during the first quarter of 2002 to the pendency of the instant investigations.<sup>121</sup>

Comparing the second quarter of 2001 to the second quarter of 2002, cumulative subject import volume declined by 90.4 percent and non-subject import volume increased by 67.7 percent, even as total apparent U.S. consumption increased by 9.5 percent; during this period, total production by the domestic industry increased by 17.5 percent while total U.S. shipments increased by 16.3 percent and U.S. open market shipments increased by 14.4 percent.<sup>122</sup> Importantly, the fact that non-subject import volume increased substantially in the second quarter of 2002 belies respondents' argument that the most recent decline in subject import volume is attributable to the imposition of global safeguard relief in March 2002. I therefore attribute the diminishing presence of subject imports in the U.S. market during the second quarter of 2002 to the pendency of the instant investigations.

In sum, I find the 2000-2001 surge in subject import volume to be significant; moreover, I find the absolute volume of subject imports to be significant in light of the significant negative price effects attributable to subject imports, particularly from January 2000 through the second quarter of 2002.<sup>123</sup> I turn now to my discussion of price effects.

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<sup>118</sup> CR/PR at Tables C-1 and C-2.

<sup>119</sup> CR/PR at Table C-2.

<sup>120</sup> CR/PR at Tables C-1 and C-2.

<sup>121</sup> See 19 U.S.C. § 1677(7)(I). Given the 102-day average lead time associated with imports, it is not surprising to find evidence of a volume effect beginning in the first quarter of 2002 in response to petitions filed at the end of the third quarter of 2001.

<sup>122</sup> CR/PR at Tables J-1 and J-2.

<sup>123</sup> Given the domestic industry's strategic decision to meet price driven competition by subject imports, the absence of a broader volume effect is not unexpected, nor does it indicate the absence of material injury by reason of subject imports. See *supra* n.79.

## **B. Price Effects of Cumulated Subject Imports**

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

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

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.<sup>124</sup>

The Commission collected quarterly pricing data for two representative cold-rolled steel products covering the period January 1999 through June 2002; \*\*\* U.S. producers and 30 importers provided usable pricing data regarding sales of these products.<sup>125</sup> The data account for about 19.6 percent of U.S. commercial shipments; with regard to subject imports, the data coverages are as follows: Argentina (48.8 percent); Belgium (0.2 percent); Brazil (13.4 percent); China (18.3 percent); France (14.0 percent); Germany (8.7 percent); India (29.0 percent); Japan (9.8 percent); Korea (0.5 percent); the Netherlands (90.7 percent); New Zealand (65.4 percent); Russia (37.9 percent); South Africa (57.4 percent); Sweden (28.0 percent); Taiwan (32.5 percent); Thailand (31.6 percent); Turkey (40.3 percent); and Venezuela (64.3 percent).<sup>126</sup>

Quarterly pricing comparisons indicate underselling in 296 out of 455 instances, for a 65.1 percent incidence of underselling; importantly, 77.6 percent of the volume of subject imports of the two products were sold in quarters evidencing underselling, while only 22.4 percent of the volume was sold in quarters that evidenced overselling.<sup>127</sup> Thus, fully three-quarters of the volume of subject imports represented by these two products undersold the domestic like product over the POI.

An examination of period-by-period changes in the incidence of underselling is also probative of the behavior of subject imports. For 1999, out of 148 total quarterly pricing comparisons there were 130 instances of underselling, for an 87.8 percent incidence of underselling; this declined in 2000, with only 65 out of 131 comparisons (*i.e.* 49.6 percent) evidencing underselling.<sup>128</sup> In 2001, the incidence of underselling increased to 79 out of 137 comparisons (*i.e.* 57.7 percent), and remained roughly the same during the first six months of 2002, for which there were 22 out of 39 instances of underselling (*i.e.* 56.4

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<sup>124</sup> 19 U.S.C. § 1677(7)(C)(ii).

<sup>125</sup> Each of these products can have a range of product characteristics that can influence the price charged. CR at V-4, PR at V-3.

<sup>126</sup> CR at V-4 to V-5, PR at V-3. No comparable pricing data were reported for Australia and Spain; however, I again note that over 40 percent of subject imports from Australia, and over 50 percent of subject imports from Spain, were classified under the two primary HTS statistical reporting numbers that account for roughly 70 percent of cumulative subject imports. CR/PR at Table IV-4. Although the probative value of average unit value (“AUV”) data may be limited due to differences in product mix across sources and changes in product mix over time, I note that here the AUV of subject imports from Australia was \*\*\* that of the domestic industry’s U.S. shipments in both 2000 and 2001; this is true for both the domestic industry’s total U.S. shipments as well as U.S. merchant market shipments. *See* CR/PR at Tables C-1 and C-2. Again I note that virtually all subject imports from Australia were comprised of full-hard steel. *See supra* n.48.

<sup>127</sup> *Id.*

<sup>128</sup> *See* CR/PR at Tables V-3 and V-4.

percent). This latter point is significant in that it belies respondents' argument that the behavior of subject imports has changed dramatically as a result of the imposition of safeguard relief in March 2002; rather, it appears that the preponderance of underselling by subject imports has ebbed and flowed in response to the pendency of unfair trade investigations.

The insufficiency of pricing levels in the U.S. market has been established, with declines in the value of U.S. consumption far outpacing declines in demand;<sup>129</sup> this insufficiency is reflected in the fact that for both total market operations and merchant market operations, at no time during the POI did the domestic industry achieve positive operating income, and in particular the fact that for 2001 and the first half of 2002, the domestic industry's cost of goods sold has exceeded its net sales.<sup>130</sup> It has also been established that contracts do not entirely insulate domestic producers from price declines in the spot market,<sup>131</sup> as purchasers leverage the availability of predominantly lower-priced subject imports on the spot market into price concessions by U.S. producers.<sup>132</sup> This reflects the broad interchangeability of subject imports and the domestic like product, and the price driven focus of competition in the market.<sup>133</sup> As a result, I find that underselling by subject imports is significant, and as outlined below, has led to significant price depression and significant price suppression in the U.S. market over the POI.

In general, U.S. prices for sales to distributors increased modestly from the first quarter of 1999 through the second quarter of 2000, after which the impact of the Commission's negative determinations in March 2000 began to be felt in the U.S. market for cold-rolled steel and U.S. prices plummeted through the first quarter of 2002; although prices increased in the second quarter of 2002 they remain below the levels evidenced at the beginning of the POI.<sup>134</sup> With regard to sales to end users, U.S. prices either declined modestly or remained flat from the first quarter of 1999 through the second quarter of 2000, before plummeting through the first quarter of 2002; although prices increased in the second quarter of 2002 they remain below the levels evidenced at the beginning of the POI.<sup>135</sup>

I also note that the record evidences a progressive deterioration in the profitability of the domestic industry, as marginal increases in the cost of goods sold during certain quarters were coupled with vastly greater declines in net sales values from 1999 through the first quarter of 2002;<sup>136</sup> even in the second quarter of 2002, notwithstanding increased demand and substantially declining subject import

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<sup>129</sup> See *supra* section V.B.

<sup>130</sup> CR/PR at Tables C-1, C-2, J-1, J-2, K-1, K-2, and K-3.

<sup>131</sup> See *supra* section V.B.

<sup>132</sup> This is not a recent phenomena in the U.S. market for cold-rolled steel. See *Dissenting Views of Chairman Lynn M. Bragg*, USITC Pub. 3283 at 35 (noting that because of the broad interchangeability between subject imports and the domestic like product, the availability of low-priced subject imports provided leverage with which contract prices could be renegotiated downward).

<sup>133</sup> See *supra* section V.B.

<sup>134</sup> See CR/PR at Tables H-1 and H-3.

<sup>135</sup> See CR/PR at Tables H-2 and H-4.

<sup>136</sup> For total market operations, the domestic industry's operating margin declined from negative 1.2 percent in 1999 to negative 1.7 percent in 2000, and to negative 18.8 percent in 2001; in the first quarter of 2002 the domestic industry's operating margin was negative 16.7 percent and in the second quarter of 2002 it was negative 6.1 percent. CR/PR at Tables C-1 and K-2. For merchant market operations, the domestic industry's operating margin was 0.1 percent in 1999 and 0.0 percent in 2000, declining to negative 15.0 percent in 2001; in the first quarter of 2002 the domestic industry's operating margin was negative 12.5 percent and in the second quarter of 2002 it was negative 4.2 percent. CR/PR at Tables C-2 and K-1.

volumes, the ratio of COGS/sales remained above 100 percent for both the domestic industry's total market operations and its merchant market operations.<sup>137</sup>

Based upon all the foregoing, I find that subject imports that significantly undersold the domestic like product have caused significant price depression in the U.S. market, particularly from mid-2000 through the first quarter of 2002.<sup>138</sup> I further find that even during the most recent period for which data are collected on the record (*i.e.* the second quarter of 2002), the availability of predominantly lower-priced subject imports continued to exert significant negative price effects in the form of significant price suppression, even as demand rebounded and U.S. shipments by the domestic industry increased sharply.<sup>139</sup> I turn now to a more detailed discussion of the significant adverse impact on the domestic industry caused by subject imports.

### C. Impact of Cumulated Subject Imports

In examining the impact of the subject imports on the domestic industry, the Commission considers all relevant economic factors that bear on the state of the industry in the United States.<sup>140</sup> These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."<sup>141 142</sup>

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<sup>137</sup> See CR/PR at Tables K-1 and K-2.

<sup>138</sup> In this regard, I reject the results of the econometric analysis of Dr. Thomas Prusa, which suggest that U.S. prices for cold-rolled steel are not a function of subject import prices, but are instead a function of both hot-rolled steel prices and demand for downstream products such as galvanized steel. First, given the commonality in factors of production, a correlation between hot-rolled and cold-rolled prices is not surprising; however, I believe Dr. Prusa's results confuse correlation with causation. Even if hot-rolled steel is the primary cost component in the production of cold-rolled steel, I believe that the relevant inquiry is movement in the entire cost of goods sold; in this case, notwithstanding declines in the price of hot-rolled steel from early 2000 through the end of 2001 (*see* CR/PR Figure V-1), I note that the domestic industry's unit COGS increased modestly from 1999 through 2001, for both total market operations as well as merchant market operations. *See* CR/PR at Tables C-1 and C-2. Second, with regard to galvanized steel, I have already demonstrated that declines in pricing levels far outpaced declines in the demand for cold-rolled steel over the POI.

<sup>139</sup> *See* CR/PR at Tables J-1 and J-2. Both total U.S. shipments and U.S. open market shipments by the domestic industry increased sharply; although total U.S. consumption also increased sharply, U.S. open market consumption remained essentially flat. *See id.*

<sup>140</sup> 19 U.S.C. § 1677(7)(C)(iii). *See also* SAA at 181 and 215 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." *Id.* at 885.).

<sup>141</sup> 19 U.S.C. § 1677(7)(C)(iii). *See also* SAA at 181 and 215.

<sup>142</sup> The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). Commerce's final LTFV margins are as follows: Australia (24.06 percent); India (153.65 percent); Japan (112.56 percent to 115.22 percent); Sweden (40.54 percent); Thailand (127.44 percent to 142.78 percent). CR/PR at Table I-4. In addition, Commerce's preliminary LTFV margins with respect to the remaining 15 subject countries are as follows: Argentina (43.46 percent); Belgium (11.66 percent); Brazil (43.34 percent); China (129.85 percent); France (5.17 percent); Germany (8.47 percent); Korea (5.25 percent to 19.03 percent); The Netherlands (6.38 percent); New Zealand (7.10  
(continued...)

As noted, the domestic industry experienced declining revenues as a result of significant price depression caused by subject imports, particularly from mid-2000 through the first quarter of 2002, followed by significant price suppression caused by subject imports in the second quarter of 2002; the impact of these significant negative price effects far exceeded the impact of declining demand over the latter portion of the POI, causing a progressive increase in the magnitude of operating losses sustained by the domestic industry over this period. The significant adverse impact of subject imports is reflected in the fact that the number of surviving domestic producers posting operating losses (based on total market operations) increased from 8 out of 20 in 1999 and 2000, to 16 out of 21 in 2001, and to 17 out of 21 in the first quarter of 2002; this figure declined to 11 out of 18 in the second quarter of 2002.<sup>143</sup> With respect to open market operations, the number of domestic producers posting operating losses increased from 9 out of 20 in 1999 and 2000, to 16 out of 21 in 2001, and to 17 out of 21 in the first quarter of 2002; this figure declined to 13 out of 18 in the second quarter of 2002.<sup>144</sup> Since January 1999, two U.S. producers have ceased operations, three firms are operating under Chapter 11 bankruptcy protection, and two firms had their operating assets purchased by new owners; on August 16, 2002, an additional U.S. producer announced its intention to file for Chapter 11 bankruptcy protection and close two plants.<sup>145</sup> All the foregoing are indicative of the domestic industry's negative cash flow in 2001 and 2002,<sup>146</sup> as well as the inability of the domestic industry to raise sufficient capital over the POI.

Other indicia of the significant adverse impact of subject imports on the domestic industry include general declines in capacity utilization, production, U.S. shipments, U.S. market share, and the number of production workers, particularly between 2000 and 2001 and extending into the first quarter of 2002; notwithstanding improvement in certain of the performance indicia during the second quarter of 2002, the domestic industry remains unprofitable due to the continuing availability of predominantly lower-priced subject imports in the U.S. market.<sup>147</sup>

Based upon all the foregoing, I find that subject imports have had a significant adverse impact on the domestic cold-rolled steel industry.

## VII. CRITICAL CIRCUMSTANCES

Commerce has rendered final determinations that critical circumstances exist with respect to subject imports from Australia and India.<sup>148</sup> Because I find that a domestic industry is materially injured by reason of these imports, I must further determine whether these imports "are likely to undermine

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<sup>142</sup> (...continued)  
percent); Russia (137.33 percent); South Africa (43.32 percent); Spain (46.20 percent); Taiwan (3.15 percent to 16.80 percent); Turkey (7.70 percent); Venezuela (72.81 percent). CR/PR at Table I-5.

Again I note that I do not ordinarily consider the magnitude of the margin of dumping to be of particular significance in evaluating the effects of subject imports on domestic producers. *See Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China*, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 at 33-36 (June 1996).

<sup>143</sup> CR/PR at Tables VI-5 and K-2.

<sup>144</sup> CR/PR at Tables VI-1 and K-1.

<sup>145</sup> *See supra* section V.B.

<sup>146</sup> CR/PR at Table VI-1.

<sup>147</sup> *See* CR/PR at Tables C-1, C-2, J-1, J-2, K-1, K-2; *see also supra* section V-B.

<sup>148</sup> 67 Fed. Reg. 47,509 (July 19, 2002) (Australia); 67 Fed. Reg. 47,518 (July 19, 2002) (India).

seriously the remedial effect” of antidumping duty orders covering such imports.<sup>149</sup> Upon review, I render negative critical circumstances determinations with respect to both Australia and India.

In the case of Australia, although a comparison of the two months preceding the filing of the petition (*i.e.* August and September 2001) versus the following two month period (*i.e.* October and November 2001) indicates a 50 percent increase in subject import volume from Australia, a three month comparison indicates no change in import volume and both five and six month comparisons indicate a 12 percent decline in import volume.<sup>150</sup> Moreover, the absolute volume of imports from Australia that entered after the filing of the petition accounted for less than one half of one percent of both apparent U.S. consumption and U.S. production, as well as only about 2 percent of cumulative subject imports during this period.<sup>151</sup> Finally, the record indicates no U.S. inventories of the Australian product over the POI.<sup>152</sup> Based upon all the foregoing, I find that imports from Australia that are subject to a critical circumstances determination are not likely to undermine seriously the remedial effect of an antidumping duty order.

In the case of India, a comparison of the two months preceding the filing of the petition versus the following two month period indicates a 91 percent decline in subject import volume from India, while a three month comparison indicates a 96 percent decline; however, a five month comparison indicates a 45 percent increase and a six month comparison indicates a 32 percent increase in import volume.<sup>153</sup> Nonetheless, the absolute volume of subject imports from India that entered after the filing of the petition were minuscule, accounting for substantially less than one half of one percent of both apparent U.S. consumption and U.S. production, and only about 0.2 percent of cumulative subject imports during this period.<sup>154</sup> Finally, the record indicates only minimal U.S. inventories of the Indian product over the POI.<sup>155</sup> Based upon all the foregoing, I find that imports from India that are subject to a critical circumstances determination are not likely to undermine seriously the remedial effect of an antidumping duty order.

## VIII. CONCLUSION

Based upon all the foregoing, I find that the record in these investigations contains compelling evidence of price-driven material injury to the domestic industry by reason of cumulated subject imports. I therefore dissent from the negative determinations rendered by the Commission majority, and I find that the domestic industry producing certain cold-rolled steel products is materially injured by reason of LTFV imports from Australia, India, Japan, Sweden, and Thailand.

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<sup>149</sup> 19 U.S.C. § 1673d(b)(4)(A)(i). The statute further provides that in making this determination, the Commission shall consider, among other factors it considers relevant: (I) the timing and volume of the imports; (II) a rapid increase in inventories of the imports; and (III) any other circumstances indicating that the remedial effect of the antidumping duty order will be seriously undermined. 19 U.S.C. § 1673d(b)(4)(A)(ii).

<sup>150</sup> See CR/PR at Table I-9.

<sup>151</sup> See CR/PR at Tables I-9, C-1, and J-1.

<sup>152</sup> CR/PR at Table VII-24.

<sup>153</sup> See CR/PR at Table I-9.

<sup>154</sup> See CR/PR at Tables I-9, C-1, and J-1.

<sup>155</sup> CR/PR at Table VII-24.

## PART I: INTRODUCTION

### BACKGROUND

These investigations were instituted in response to petitions filed with the U.S. International Trade Commission (Commission) and the U.S. Department of Commerce (Commerce) on September 28, 2001, by Bethlehem Steel Corporation (Bethlehem), Bethlehem, PA; LTV Steel Co., Inc. (LTV), Cleveland, OH; National Steel Corporation (National), Mishawaka, IN;<sup>1</sup> Nucor Corporation (Nucor), Charlotte, NC; Steel Dynamics, Inc. (SDI), Butler, IN; United States Steel LLC (US Steel), Pittsburgh, PA; WCI Steel, Inc. (WCI), Warren, OH; and Weirton Steel Corporation (Weirton), Weirton, WV.<sup>2</sup>

The petitions allege that an industry in the United States is materially injured, and threatened with material injury, by reason of imports from Argentina, Brazil, France, and Korea of certain cold-rolled steel products (cold-rolled steel)<sup>3</sup> that are alleged to be subsidized by the Governments of Argentina, Brazil, France, and Korea; and by reason of imports of cold-rolled steel from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela that are alleged to be sold in the United States at less than fair value (LTFV). Information relating to the background of these investigations is presented in table I-1.

### PREVIOUS AND RELATED INVESTIGATIONS

#### Recent Title VII Investigations

Since 1980, the Commission has conducted 84 investigations (33 countervailing duty (CVD) and 51 antidumping) of cold-rolled steel under Title VII of the Act, which resulted in the imposition of 10 duty orders (7 CVD and 3 antidumping).<sup>4</sup> Table I-2 presents information on previous investigations under Title VII concerning the subject countries.

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<sup>1</sup> National is not a petitioner with respect to Japan.

<sup>2</sup> Weirton is not a petitioner with respect to the Netherlands.

<sup>3</sup> A full statement of the scope of these investigations and, thus, of the products subject to investigation is contained in Appendix I—Scope of the AD/CVD Investigations on Certain Cold-Rolled Steel Products (67 FR 47510, July 19, 2002) of Commerce’s final LTFV determination concerning Australia (67 FR 47509, July 19, 2002) and is presented in app. A. Commerce subsequently issued clerical corrections to the exclusion descriptions of porcelain enameling sheet and texture rolled steel strip (SORBITEX). See, 67 FR 52934, August 14, 2002.

See also, Commerce’s *Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea*, July 9, 2002.

<sup>4</sup> With the exception of India, the subject countries previously have been involved in at least one investigation, and duty orders involved Brazil, Germany, Korea, the Netherlands, Spain, and Sweden.

In March 2000, the Commission made negative CVD and antidumping determinations with respect to imports of certain cold-rolled steel from six countries: Argentina, Brazil, Japan, Russia, South Africa, and Thailand.<sup>5</sup> All of these countries are subject countries in the current investigations.

Table I-1

## Cold-rolled steel: Chronology of investigations Nos. 701-TA-422-425 and 731-TA-964-983

Date	Action
September 28, 2001	Petitions filed with Commerce and the Commission; Commission institutes investigations Nos. 701-TA-422-425 and 731-TA-964-983 (Preliminary) <sup>1</sup>
October 19, 2001	Commission's conference
October 26, 2001	Commerce publishes notice of initiation in the <i>Federal Register</i> <sup>2</sup>
November 13, 2001	Commission votes to continue investigations
November 19, 2001	Commission publishes determinations in the <i>Federal Register</i> <sup>3</sup>
March 4, 2002	Commerce publishes preliminary countervailing duty determinations in the <i>Federal Register</i> <sup>4</sup>
May 9, 2002	Commerce publishes preliminary antidumping determinations in the <i>Federal Register</i> <sup>5</sup>
June 3, 2002	Commission publishes notice of the scheduling of final phase investigations in the <i>Federal Register</i> <sup>6</sup>
July 18, 2002	Commission's hearing <sup>7</sup>
July 19, 2002	Commerce's final antidumping duty determinations for non-extended investigations <sup>8</sup>
August 8, 2002	Commission publishes notice of a revised schedule in the <i>Federal Register</i> <sup>9</sup>
August 22, 2002	Commission reopens record to accept the final list of safeguard exclusions and to allow Parties to comment on these exclusions <sup>10</sup>
August 27, 2002	Commission's vote on non-extended investigations
September 5, 2002	Commission's determinations transmitted to Commerce for non-extended investigations
September 23, 2002	Scheduled date of Commerce's final countervailing duty and antidumping duty determinations for extended investigations <sup>11</sup>
October 16, 2002	Scheduled date of Commission's vote on extended investigations
October 28, 2002	Scheduled date of transmittal of Commission's determinations and views to Commerce for extended investigations
<p><sup>1</sup> 66 FR 51069, October 5, 2001.  <sup>2</sup> 66 FR 54198, October 26, 2001.  <sup>3</sup> 66 FR 57985, November 19, 2001.  <sup>4</sup> See, table I-8 for listing of <i>Federal Register</i> citations.  <sup>5</sup> See, table I-6 for listing of <i>Federal Register</i> citations.  <sup>6</sup> 67 FR 38291, June 3, 2002, presented in app. A.  <sup>7</sup> A list of witnesses appearing at the hearing is presented in app. B.  <sup>8</sup> Presented in app. A. Non-extended investigations include five countries: Australia, India, Japan, Sweden, and Thailand.  <sup>9</sup> 67 FR 51598, August 8, 2002, presented in app. A. The notice revised dates for the closing of the record and final party comments.  <sup>10</sup> 67 FR 55273, August 28, 2002, presented in app. A.  <sup>11</sup> Extended investigations include 15 countries: Argentina, Belgium, Brazil, China, France, Germany, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Taiwan, Turkey, and Venezuela.</p>	
Source: Various <i>Federal Register</i> notices.	

<sup>5</sup> See, *Certain Cold-Rolled Steel Products From Argentina, Brazil, Japan, Russia, South Africa, and Thailand*, Invs. Nos. 701-TA-393 (Final) and 731-TA-829-830, 833-834, 836, and 838 (Final), USITC Pub. 3283, March 2000.



**Table I-2**  
**Cold-rolled steel: Previous investigations under Title VII**

Source	Date	Invs. Nos.	Report number	Result
Argentina	1985	731-TA-175 (F)	USITC 1637	Negative
	1993	731-TA-597 (F)	USITC 2664	Negative
	2000	731-TA-829 (F)	USITC 3283	Negative
Australia	1992	731-TA-598 (P)	USITC 2549	Negative
Austria	1985	701-TA-230 (F)	USITC 1759	Affirmative; revoked 5/7/1986
	1985	731-TA-224 (F)	No report issued	Terminated 8/19/1985
	1993	701-TA-336 (F)	USITC 2664	Negative
	1993	731-TA-599 (F)	USITC 2664	Negative
Belgium	1980	731-TA-18 (F)	No report issued	Petition withdrawn 3/21/1980
	1982	701-TA-102 (P)	USITC 1221	Negative
	1982	731-TA-68 (P)	USITC 1221	Negative
	1993	701-TA-337 (F)	USITC 2664	Negative
	1993	731-TA-600 (F)	USITC 2664	Negative
Brazil	1982	701-TA-103 (P)	USITC 1221	Negative
	1984	701-TA-207 (F)	USITC 1538	Affirmative; revoked 9/6/1985
	1984	731-TA-154 (F)	USITC 1579	Negative
	1993	701-TA-338 (F)	USITC 2664	Negative
	1993	731-TA-601 (F)	USITC 2664	Negative
	2000	701-TA-393 (F)	USITC 3283	Negative
	2000	731-TA-830 (F)	USITC 3283	Negative
Canada	1993	731-TA-602 (F)	USITC 2664	Negative
China	2000	731-TA-831 (F)	USITC 3283	Negative
Czechoslovakia	1985	731-TA-225 (F)	No report issued	Petition withdrawn 6/4/1985
Finland	1985	731-TA-227 (P)	No report issued	Petition withdrawn 1/18/1985
France	1980	731-TA-20 (F)	No report issued	Petition withdrawn 10/8/1980
	1982	701-TA-104 (F)	No report issued	Terminated 11/2/1982
	1982	701-TA-69 (F)	No report issued	Terminated 11/2/1982
	1993	701-TA-339 (F)	USITC 2664	Negative
	1993	731-TA-603 (F)	USITC 2664	Negative
Germany	1980	731-TA-19 (F)	No report issued	Petition withdrawn 3/21/1980
	1982	731-TA-109 (F)	No report issued	Terminated 11/2/82
	1982	731-TA-74 (F)	No report issued	Terminated 11/2/82
	1985	731-TA-226 (F)	No report issued	Terminated 8/14/85
	1993	701-TA-340 (F)	USITC 2664	Affirmative; revoked 1/1/2000
	1993	731-TA-604 (F)	USITC 2664	Affirmative; revoked 1/1/2000
	2000	701-TA-340 (R)	USITC 3364	Negative
	2000	731-TA-604 (R)	USITC 3364	Negative
Indonesia	1999	701-TA-394 (P)	USITC 3214	Negative
	2000	731-TA-832 (F)	USITC 3283	Negative
Italy	1980	731-TA-21 (F)	No report issued	Petition withdrawn 3/21/1980
	1982	701-TA-105 (F)	No report issued	Terminated 11/2/1982
	1982	731-TA-70 (F)	No report issued	Terminated 11/2/1982
	1993	701-TA-341 (F)	USITC 2664	Negative
	1993	731-TA-605 (F)	USITC 2664	Negative
Table continued.				

**Table I-2--Continued**  
**Cold-rolled steel: Previous investigations under Title VII**

Source	Date	Invs. Nos.	Report number	Result
Japan	1993	731-TA-606 (F)	USITC 2664	Negative
	2000	731-TA-833 (F)	USITC 3283	Negative
Korea	1982	701-TA-17 (P)	USITC 1261	Negative
	1983	701-TA-218 (F)	USITC 1634	Affirmative; revoked 10/10/1985
	1993	701-TA-342 (F)	USITC 2664	Affirmative; revoked 1/1/ 2000
	1993	731-TA-607 (F)	USITC 2664	Affirmative; revoked 1/1/2000
	2000	701-TA-342 (R)	USITC 3364	Negative
	2000	731-TA-607 (R)	USITC 3364	Negative
Luxembourg	1982	701-TA-106 (P)	USITC 1221	Negative
The Netherlands	1980	731-TA-23 (F)	No report issued	Petition withdrawn 3/21/1980
	1982	731-TA-72 (F)	No report issued	Terminated 9/8/1982
	1982	731-TA-99 (F)	No report issued	Terminated 9/8/1982
	1993	731-TA-608 (F)	USITC 2664	Affirmative; revoked 1/1/2000
	2000	731-TA-608 (R)	USITC 3364	Negative
New Zealand	1992	701-TA-343 (P)	USITC 2549	Negative
Romania	1985	731-TA-228 (F)	No report issued	Terminated 7/19/1985
Russia	2000	731-TA-834 (F)	USITC 3283	Negative
Slovakia	2000	731-TA-835 (F)	USITC 3283	Negative
South Africa	1984	731-TA-176 (F)	No report issued	Petition withdrawn 1/18/1985
	2000	731-TA-836 (F)	USITC 3283	Negative
Spain	1982	701-TA-157 (F)	USITC 1331	Affirmative; revoked 8/21/1985
	1984	701-TA-177 (F)	No report issued	Petition withdrawn 1/18/1985
	1993	701-TA-344 (F)	USITC 2664	Negative
	1993	731-TA-609 (F)	USITC 2664	Negative
Sweden	1985	701-TA-231 (F)	USITC 1759	Affirmative; revoked 1/1/2000
	2000	701-TA-231 (R)	USITC 3364	Negative
Taiwan	1992	701-TA-345 (P)	USITC 2549	Negative
	1993	731-TA-610 (F)	USITC 2664	Negative
	2000	731-TA-837 (F)	USITC 3283	Negative
Thailand	1999	701-TA-395 (P)	USITC 3214	Negative
	2000	731-TA-838 (F)	USITC 3283	Negative
Turkey	2000	731-TA-839 (F)	USITC 3283	Negative
United Kingdom	1980	731-TA-24 (F)	No report issued	Petition withdrawn 3/21/1980
	1982	701-TA-108 (P)	USITC 1221	Negative
	1982	731-TA-73 (P)	USITC 1221	Negative
	1992	701-TA-346 (P)	USITC 2549	Negative
	1992	731-TA-611 (P)	USITC 2549	Negative
Venezuela	1985	701-TA-232 (F)	No report issued	Terminated 7/19/1985
	1999	701-TA-396 (P)	USITC 3214	Negative
	2000	731-TA-840 (F)	USITC 3283	Negative

Source: Cited Commission publications.

## Five-Year Review Investigations

In November 2000, the Commission made negative five-year review determinations with respect to imports of cold-rolled steel from four countries: Germany, Korea, the Netherlands, and Sweden.<sup>6</sup> Following the Commission's negative review determinations, there are currently no outstanding duty orders on cold-rolled steel products.

## Safeguard Investigations

In 1984, the Commission determined that carbon and alloy sheet and strip were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industries producing such articles, and recommended quantitative restrictions of imports for a period of 5 years.<sup>7</sup> President Reagan determined that import relief under section 201 was not in the national interest.<sup>8</sup>

In 2001, the Commission conducted a safeguard investigation of steel products (Inv. No. TA-201-73) that included the cold-rolled products subject to these investigations. On October 22, 2001, the Commission determined that carbon and alloy steel flat products (including slabs, plates, hot-rolled, cold-rolled, and coated products) were being imported into the United States in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.<sup>9</sup> <sup>10</sup> The Commission transmitted its import relief recommendations to the President on December 19, 2001.<sup>11</sup>

On March 5, 2002, President Bush issued a proclamation imposing temporary safeguard duties ranging from 8 percent to 30 percent, depending on the product category, for a period not to exceed three

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<sup>6</sup> See, *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*, 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), USITC Pub. 3364, November 2000. See also, Commerce's related revocation of antidumping and CVD orders, 65 FR 78467, December 15, 2000.

<sup>7</sup> See, *Carbon and Alloy Steel Products*, Inv. No. TA-201-51, USITC Pub. 1553, July 1984, pp. 1, 3.

<sup>8</sup> See, 49 FR 36813, Sept. 20, 1984. At the President's direction, quantitative limitations under voluntary restraint agreements (VRAs) for a 5-year period ending September 30, 1989, were negotiated. In July 1989, the VRAs were extended for 2½ years until March 31, 1992.

<sup>9</sup> See, 66 FR 67304, December 28, 2001. See also, USITC Press Release, October 23, 2001.

<sup>10</sup> The Commission reached affirmative determinations under section 202(b) of the Trade Act of 1974 that the following products were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat of serious injury, to the domestic industries producing like or directly competitive articles: (a) certain carbon flat-rolled steel, including carbon and alloy steel slabs; plate (including cut-to-length plate and clad plate); hot-rolled steel (including plate in coils); cold-rolled steel (other than grain-oriented electrical steel); and corrosion-resistant and other coated steel; (b) carbon and alloy hot-rolled bar and light shapes; (c) carbon and alloy cold-finished bar; (d) carbon and alloy rebar; (e) carbon and alloy welded tubular products (other than oil country tubular goods); (f) carbon and alloy flanges, fittings, and tool joints; (g) stainless steel bar and light shapes; and (h) stainless steel rod. The Commissioners were equally divided with respect to their determination regarding (a) carbon and alloy tin mill products and (b) stainless steel wire.

<sup>11</sup> See, *Steel*, Inv. No. TA-201-73, USITC Pub. 3479, December 2001.

years and one day.<sup>12</sup> Table I-3 presents information on the safeguard measures imposed on steel products. As required by U.S. law and international trade rules, the level of relief is reduced periodically throughout the duration of the measure, and some products<sup>13</sup> and countries were excluded from the relief.<sup>14</sup> The relief is reflected in subchapter III of chapter 99 of the HTS (subheadings 9903.72.30-9903.78.13 and U.S. note 11).

**Table I-3**  
**Steel: Safeguard measures imposed on March 20, 2002**

Products	Measures
Flat products (other than slab)	Tariff of 30 percent <i>ad valorem</i> on imports of plate, hot-rolled sheet, cold-rolled sheet, and coated sheet in the first year, 24 percent <i>ad valorem</i> in the second year, and 18 percent in the third year
Slab	Imports of slab are subject to a tariff-rate quota (TRQ). The in-quota trigger quantity is set at 5.4 million short tons at the regular rate of duty, with an over-quota tariff of 30 percent <i>ad valorem</i> for the first year; 5.9 million short tons with an over-quota tariff of 24 percent for the second year; and 6.4 million short tons with an over-quota tariff of 18 percent for the third year
Tin mill products	Tariff of 30 percent <i>ad valorem</i> on imports of tin mill products, 24 percent in the second year, and 18 percent in the third year
Hot-rolled bar and cold-finished bar	Tariff of 30 <i>ad valorem</i> percent on imports of hot-rolled bar and cold-finished bar, 24 percent in the second year, and 18 percent in the third year.
Rebar	Tariff of 15 percent <i>ad valorem</i> on imports of rebar, 12 percent in the second year, and 9 percent in the third year
Certain welded tubular products	Tariff of 15 percent <i>ad valorem</i> on imports of certain welded tubular products, 12 percent in the second year, and 9 percent in the third year
Carbon and alloy fittings and flanges	Tariff of 13 percent <i>ad valorem</i> on imports of carbon and alloy fittings and flanges, 10 percent in the second year, and 7 percent in the third year
Stainless steel bar	Tariff of 15 percent <i>ad valorem</i> on imports of stainless steel bar, 12 percent in the second year, and 9 percent in the third year
Stainless steel rod	Tariff of 15 percent <i>ad valorem</i> on imports of stainless steel rod, 12 percent in the second year, and 9 percent in the third year
Stainless steel wire	Tariff of 8 <i>ad valorem</i> percent on imports of stainless steel wire, 7 percent in the second year, and 6 percent in the third year
Source: 67 FR 10553 (March 7, 2002).	

<sup>12</sup> See, Presidential Proclamation 7529 of March 5, 2002 (67 FR 10553, March 7, 2002).

<sup>13</sup> The President's proclamation of March 5, 2002, contained a list of products excluded from relief. See, Annex to Proclamation 7529 (67 FR 10558, March 7, 2002). Two subsequent notices were published containing additional products excluded from relief. See, 67 FR 16484 (April 5, 2002) and 67 FR 46221 (July 12, 2002). Additional product exclusion lists were announced on August 12, 2002, and August 22, 2002, and will be published in the *Federal Register*. The deadline for establishing new product exclusions for 2002 is August 31, 2002.

<sup>14</sup> A number of countries were exempted from the safeguard measures because of international commitments under bilateral free trade agreements, NAFTA, and the WTO. Countries subject to the current investigations but not subject to the safeguard measures are Argentina, India, South Africa, Thailand, Turkey, and Venezuela. On July 18, 2002, Commerce announced proposed rules regarding a steel import licensing and surge monitoring system. In granting exemptions to the safeguard measures, President Bush stated that the exclusionary status would be revoked for developing countries, in full or part, if a surge in imports from exempted countries were to undermine the effectiveness of the safeguard measure. See, 67 FR 47338 (July 18, 2002).

## ORGANIZATION OF THE REPORT

Information on the subject merchandise, CVD and antidumping margins, and the domestic like product is presented in Part I. Information on conditions of competition and other economic factors is presented in Part II. Information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment, is presented in Part III. Information on the volume of imports of the subject merchandise is presented in Part IV. Part V presents data on prices in the U.S. market. Part VI presents information on the financial experience of U.S. producers. Information on the subject country foreign producers and on U.S. importers' inventories is presented in Part VII.

## SUMMARY OF DATA PRESENTED IN THE REPORT

A summary of data collected in these investigations is presented in appendix C.<sup>15 16</sup> Except as noted, U.S. industry data are based on questionnaire responses of 23 firms accounting for over 95 percent of known domestic production of cold-rolled steel for the period January 1999 to March 2002, the period for which data were collected in these investigations.<sup>17</sup>

U.S. imports are based on official Commerce statistics, adjusted to exclude products specifically excluded from the scope of these investigations and to include microalloy steel. Domestic like product issues are addressed in appendix D. Product comparisons between pairs of subject countries are presented in appendix E. Appendix F presents additional import data used to derive the adjusted figures.<sup>18</sup> Appendix G presents information on exchange rates. Appendix H presents price data for domestic and subject imported products. Appendix I presents U.S. producers' statements on the effects of subject imports on their existing development and production efforts, growth, investment, and ability to raise capital.

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<sup>15</sup> Table C-1 presents summary data on cold-rolled steel. Table C-2 presents summary data on "open market" shipments of cold-rolled steel.

<sup>16</sup> The Commission requested additional data on full hard steel, hardened and tempered carbon-quality (hardened and tempered) steel, microalloy steel, strapping steel, and texture rolled carbon (TRC) steel. Tables C-3 through C-7 present information on U.S. production, U.S. shipments, U.S. imports, and apparent U.S. consumption for these products.

<sup>17</sup> Through supplemental questionnaires, U.S. producers were asked to provide supplemental trade and financial data for the second quarter of 2001/2002 and the first half of 2001/2002, and foreign producers were asked to provide supplemental data for the first half of 2001/2002. Supplemental trade data are presented in app. J, supplemental financial data are presented in app. K, and supplemental foreign producer data are presented in app. L.

<sup>18</sup> Table F-1 presents unadjusted official import statistics of Commerce. Table F-2 presents imports of microalloy steel. Table F-3 presents imports of excluded products. *See also*, Part IV of this report for a further discussion of import data adjustments.

## THE NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

### Final Determinations of Sales at LTFV

On July 19, 2002, Commerce published its final determinations of sales at LTFV with respect to Australia, India, Japan, Sweden, and Thailand. Information on Commerce's final LTFV determinations is presented in table I-4.

**Table I-4**

**Cold-rolled steel: Commerce's final LTFV margins for non-extended investigations, by sources<sup>1</sup>**

Source	Company-specific weighted-average margins		All other or country-wide weighted-average margins
	Firm	Percent <i>ad valorem</i>	Percent <i>ad valorem</i>
Australia <sup>2</sup>	BHP Limited Steel	24.06	24.06
India <sup>3</sup>	Ispat Industries	153.65	153.65
Japan <sup>4</sup>	Kawasaki Steel	115.22	112.56
	Nippon Steel	115.22	
Sweden <sup>5</sup>	SSAB Svenskt Stal	40.54	40.54
	AB Sandvik Steel	40.54	
Thailand <sup>6</sup>	Thai Cold-Rolled Steel Sheet	142.78	127.44

<sup>1</sup> Commerce's period of investigation was July 1, 2000, through June 30, 2001.  
<sup>2</sup> 67 FR 47509, July 19, 2002. Commerce made an affirmative critical circumstances determination with respect to imports from Australia.  
<sup>3</sup> 67 FR 47518, July 19, 2002. Commerce made an affirmative critical circumstances determination with respect to imports from India.  
<sup>4</sup> 67 FR 47520, July 19, 2002.  
<sup>5</sup> 67 FR 47522, July 19, 2002.  
<sup>6</sup> 67 FR 47521, July 19, 2002.

Source: Various *Federal Register* notices of July 19, 2002.

### Preliminary Determinations of Sales at LTFV

Information on Commerce's preliminary LTFV margins is presented in table I-5. A list of *Federal Register* citations for Commerce's preliminary determinations of sales at LTFV along with the anticipated date of Commerce's final LTFV determinations for the 15 subject countries that had their investigations extended is presented in table I-6. The period of Commerce's LTFV investigations was July 1, 2000, through June 30, 2001. Commerce is scheduled to issue its final LTFV determinations for extended investigations on or before September 23, 2002.

**Table I-5**  
Cold-rolled steel: Commerce's preliminary LTFV margins for extended investigations, by sources<sup>1</sup>

Source	Company-specific weighted-average margins		All other or country-wide weighted-average margins
	Firm	Percent <i>ad valorem</i>	Percent <i>ad valorem</i>
Argentina <sup>2</sup>	Siderar	43.46	43.46
Belgium	Sidmar	11.66	11.66
Brazil	USIMINAS	43.34	43.34
	COSIPA	43.34	
China	Pangang Group	129.85	129.85
France <sup>2</sup>	Usinor	5.17	5.17
Germany <sup>2</sup>	Thyssen Krupp Stahl	8.47	8.47
Korea	Dongbu Steel	19.03	13.84
	Pohang Iron and Steel	5.25	
The Netherlands	Corus Staal	6.38	6.38
New Zealand	BHP New Zealand Steel	7.10	7.10
Russia	( <sup>3</sup> )	( <sup>3</sup> )	137.33
South Africa	Isacor	43.32	43.32
Spain	Layde	46.20	46.20
Taiwan	China Steel	3.15	3.15
	Kao Hsing Chang Iron & Steel	16.80	
	Ton Yi Industrial	16.80	
Turkey <sup>2</sup>	Borcelik	7.70	7.70
Venezuela	Sidor	72.81	72.81

<sup>1</sup> Commerce's period of investigation was July 1, 2000, through June 30, 2001.  
<sup>2</sup> Amended preliminary determination.  
<sup>3</sup> Commerce only issued a country-wide margin for this country.

Source: Various *Federal Register* notices of May 9, 2002.

Table I-6

**Cold-rolled steel: Federal Register citations for Commerce's preliminary LTFV determinations and anticipated date of final LTFV determinations for extended investigations, by sources**

Source	Commerce's investigation No.	Federal Register citation	Federal Register publication date	Anticipated date of final determination
Argentina: <sup>1</sup>				
Determination	A-357-816	67 FR 31181	05/09/2002	09/23/2002
Amended		67 FR 41693	06/19/2002	
Belgium	A-423-811	67 FR 31195	05/09/2002	09/23/2002
Brazil	A-351-834	67 FR 31200	05/09/2002	09/23/2002
China: <sup>2</sup>				
Determination	A-570-872	67 FR 31235	05/09/2002	09/23/2002
Postponement		67 FR 31235	06/20/2002	
France:				
Determination	A-427-822	67 FR 31204	05/09/2002	09/23/2002
Amended		67 FR 37387	05/29/2002	
Postponement		67 FR 40911	06/14/2002	
Germany:				
Determination	A-428-834	67 FR 31212	05/09/2002	09/23/2002
Amended		67 FR 37385	05/29/2002	
Korea: <sup>2</sup>				
Determination	A-580-848	67 FR 31225	05/09/2002	09/23/2002
Postponement		67 FR 43582	06/28/2002	
The Netherlands: <sup>2</sup>				
Determination	A-421-810	67 FR 31268	05/09/2002	09/23/2002
Postponement		67 FR 43280	06/27/2002	
New Zealand	A-614-803	67 FR 31231	05/09/2002	09/23/2002
Russia: <sup>2</sup>				
Determination	A-821-815	67 FR 37387	05/09/2002	09/23/2002
Postponement		67 FR 41694	06/19/2002	
South Africa <sup>1</sup>	A-791-814	67 FR 31243	05/09/2002	09/23/2002
Spain:				
Determination	A-469-812	67 FR 31248	05/09/2002	09/23/2002
Postponement		67 FR 40269	06/12/2002	
Taiwan <sup>1</sup>	A-583-839	67 FR 31255	05/09/2002	09/23/2002
Turkey:				
Determination	A-489-810	67 FR 31264	05/09/2002	09/23/2002
Amended		67 FR 41695	06/19/2002	
Postponement		67 FR 41955	06/20/2002	
Venezuela	A-307-822	67 FR 31273	05/09/2002	09/23/2002
<sup>1</sup> Commerce made a negative preliminary critical circumstances determination. <sup>2</sup> Commerce made affirmative preliminary critical circumstances determinations with respect to firms in these countries, except for Dongbu Steel Co., Ltd., of Korea.				
Source: Cited Federal Register notices.				



## Preliminary CVD Determinations

Net subsidy rates and other information on Commerce's preliminary CVD determinations is presented in table I-7. A list of *Federal Register* citations for Commerce's preliminary CVD determinations along with the anticipated date of Commerce's final CVD determinations is presented in table I-8. Commerce is scheduled to issue its final CVD determinations on or before September 23, 2002.<sup>19</sup>

**Table I-7**  
Cold-rolled steel: Commerce's preliminary CVD margins for extended investigations, by sources

Country/firm	CVD net subsidy rate	Number of programs preliminarily determined to be—			
		Countervailable	Not countervailable	Not used	No determination
<b>Argentina:<sup>1</sup></b>					
Siderar	0.01	1	2	4	0
All others	0.00				
<b>Brazil:<sup>2</sup></b>					
USIMINAS/COSIPA	12.58	2	0	1	2
CSN	8.22				
All others	11.90				
<b>France:<sup>2</sup></b>					
Usinor	1.32	2	6	6	0
All others	1.32				
<b>Korea:<sup>3</sup></b>					
Dongbu	2.84	13	3	4	0
Hysco	0.32				
POSCO	0.55				
Union	7.00				
All others	2.84				
<sup>1</sup> Commerce found <i>de minimis</i> CVD margins for Siderar and all other producers/exporters in Argentina. The period of investigation was July 1, 2000 through June 30, 2001. <sup>2</sup> The period of investigation was calendar year 2000. <sup>3</sup> Commerce found <i>de minimis</i> CVD margins for Hysco and POSCO. The period of investigation was calendar year 2000.					
Source: <i>Federal Register</i> notices.					

<sup>19</sup> All of the final CVD determinations were aligned with their respective countries' final LTFV determinations, which have all been extended by Commerce.

Table I-8

Cold-rolled steel: *Federal Register* citations for Commerce's preliminary CVD determinations and anticipated date of final CVD determinations for extended investigations, by sources<sup>1</sup>

Source	Commerce's investigation No.	<i>Federal Register</i> citation	<i>Federal Register</i> publication date	Anticipated date of final determination
Argentina	A-357-817	67 FR 9670	03/04/2002	09/23/2002
Brazil	A-351-835	67 FR 9652	03/04/2002	09/23/2002
France	A-427-823	67 FR 9662	03/04/2002	09/23/2002
Korea	A-580-849	67 FR 9685	03/04/2002	09/23/2002

<sup>1</sup> All final CVD determinations were aligned with their respective final LTFV determinations.

Source: Cited *Federal Register* notices.

## Argentina

Commerce preliminarily determined that one program conferred subsidies upon Siderar. The program, *Zero Tariff Turnkey Bill*, involved a Government of Argentina program that allowed for the importation of new merchandise and equipment without the payment of import duties. The program was found to confer a net countervailable subsidy of 0.01 percent *ad valorem*.<sup>20</sup>

## Brazil

Commerce preliminarily determined that two programs conferred subsidies upon Usinor. The first program, *Equity Infusions Into CSN, USIMINAS, and COSIPA*, was found to confer a net countervailable subsidy of 11.27 percent *ad valorem* for USIMINAS/COSIPA, and a net subsidy of 7.44 percent *ad valorem* for CSN. A second program, *"Presumed" Tax Credit for the Program of Social Integration (PIS) and the Social Contributions of Billings (COFINS) on Inputs Used in Exports*, was found to confer a net countervailable subsidy of 1.31 percent *ad valorem* for USIMINAS/COSIPA, and a net subsidy of 0.78 percent *ad valorem* for CSN.<sup>21</sup>

## France

Commerce preliminarily determined that two programs conferred subsidies upon Usinor. The first program, *Fonds d'Intervention Sidérurgique (FIS) Bonds*, involved a Government of France equity infusion for Usinor in 1988. This program was found to confer a net countervailable subsidy of 1.13 percent *ad valorem*. A second program, *Investment/Operating Subsidies*, was found to confer a net countervailable subsidy of 0.19 percent *ad valorem*.<sup>22</sup>

<sup>20</sup> The CVD margin for Siderar and all other producers/exporters in Argentina was found to be *de minimis*. Therefore, Commerce made a negative preliminary CVD determination. See, 67 FR 9670, March 4, 2002.

<sup>21</sup> See, 67 FR 9652, March 4, 2002.

<sup>22</sup> See, 67 FR 9662, March 4, 2002.

## Korea

Commerce preliminarily determined that 13 programs conferred subsidies upon Dongbu, Hysco, POSCO, and Union. These programs were found to confer net countervailable subsidies of 2.84 percent *ad valorem* for Dongbu, 0.32 percent *ad valorem (de minimis)* for Hysco, 0.55 percent *ad valorem (de minimis)* for POSCO, 7.00 percent *ad valorem* for Union, and 2.84 percent *ad valorem* for all other producers and exporters in Korea.<sup>23</sup>

### Critical Circumstances

Petitioners alleged that critical circumstances exist with respect to imports from Argentina, Australia, China, India, Korea, the Netherlands, Russia, South Africa, and Taiwan. On April 10, 2002, Commerce made preliminary determinations that critical circumstances do exist for imports from Australia, China, India, the Netherlands, and Russia. With respect to imports from Korea, Commerce preliminarily determined that critical circumstances exist for imports produced or exported from Pohang Iron and Steel Co., Ltd. (POSCO) and all other Korean producers/exporters except Dongbu Steel Co., for which it made a preliminary negative critical circumstances determination. Commerce also made preliminary determinations that critical circumstances do not exist with respect to imports from Argentina, South Africa, and Taiwan.<sup>24</sup>

On July 19, 2002, Commerce made a final determination that critical circumstances do exist with respect to imports from Australia and India.<sup>25</sup> Should the Commission find that a domestic industry is materially injured by reason of these imports, it must further determine whether they “are likely to undermine seriously the remedial effect of the antidumping order to be issued.”<sup>26</sup> Affirmative critical circumstances determinations by the Commission would impose antidumping duties retroactively on cold-rolled steel that entered on or after February 8, 2002, which is 90 days prior to Commerce’s publication of its preliminary determinations. Table I-9 presents monthly U.S. imports from Australia and India from April 2001 to March 2002.

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<sup>23</sup> See, 67 FR 9685, March 4, 2002.

<sup>24</sup> See, Commerce fact sheet, April 29, 2002. See also, *Federal Register* notices of Commerce’s preliminary determinations for each of these countries.

<sup>25</sup> See, 67 FR 47509, July 19, 2002 (Australia), and 67 FR 47518, July 19, 2002 (India).

<sup>26</sup> 19 U.S.C. § 1673d(b)(4)(A)(i). The statute further provides that in making this determination, the Commission shall consider, among other factors it considers relevant: (I) the timing and volume of the imports; (II) a rapid increase in inventories of the imports; and (III) any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined. 19 U.S.C. § 1673d(b)(4)(A)(ii).

**Table I-9**  
**Cold-rolled steel: Monthly U.S. imports from Australia and India, by sources, April 2001-March 2002<sup>1</sup>**

Month	Australia	India
	<b>Quantity (short tons)</b>	
<b>2001:</b>		
April	135	192
May	4,907	105
June	4,730	20
July	5,097	456
August	5,817	378
September	4,465	80
October	5,490	37
November	9,942	2
December	0	0
<b>2002:</b>		
January	2	1,424
February	6,503	42
March	0	115
Total	47,090	2,850
	<b>Value (\$1,000)</b>	
<b>2001:</b>		
April	96	114
May	1,678	109
June	1,585	22
July	1,674	194
August	1,829	132
September	1,392	65
October	1,755	40
November	3,150	3
December	0	0
<b>2002:</b>		
January	9	496
February	1,989	31
March	0	82
Total	15,157	1,286
<sup>1</sup> Petitions were filed on September 28, 2002.		
Source: Compiled from official Commerce statistics.		

## THE SUBJECT PRODUCT

### Scope

Commerce has defined the imported product subject to the scope of its investigations as—

*...cold-rolled (cold-reduced) flat-rolled carbon-quality steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances, both in coils, 0.5 inch wide or wider, (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally oscillated coils), and also in straight lengths, which, if less than 4.75 mm in thickness having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular or other shape and include products of either rectangular or non-rectangular cross-section.*

*Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum.*

*Steel products included in the scope of this investigation, regardless of definitions in the HTSUS, are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight, and; (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium (also called columbium), or 0.15 percent of vanadium, or 0.15 percent of zirconium. All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded.*

*All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded.<sup>27</sup>*

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<sup>27</sup> A full statement of the scope of these investigations and, thus, of the products subject to investigation is contained in Appendix I—Scope of the AD/CVD Investigations on Certain Cold-Rolled Steel Products (67 FR 47510, July 19, 2002) of Commerce's final LTFV determination concerning Australia (67 FR 47509, July 19, 2002) and is presented in app. A. Commerce subsequently issued clerical corrections to the exclusion descriptions of porcelain enameling sheet and texture-rolled steel strip (SORBITEX). See, 67 FR 52934, August 14, 2002.

(continued...)

Forty-seven products are outside of and/or specifically excluded from the scope of these investigations as set forth in Commerce's notice of initiation.<sup>28</sup>

Counsel for manufacturers/exporters in two subject countries argued for additional exclusions from the scope of these investigations: hardened and tempered steel from Germany and Sweden,<sup>29</sup> and TRC steel<sup>30</sup> and specialty steels from Germany.

### U.S. Tariff Treatment

The merchandise subject to these investigations is typically imported under the following Harmonized Tariff Schedule of the United States (HTS) statistical reporting 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.<sup>31 32</sup>

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<sup>27</sup> (...continued)

See also, Commerce's *Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea*, July 9, 2002.

<sup>28</sup> For a list of excluded products, see, 67 FR 47509, July 19, 2002 (app. A).

<sup>29</sup> Counsel for Uddeholm noted that one grade of wood bandsaw steel (a type of hardened and tempered steel), UHB 15, fell outside the definition of the excluded wood bandsaw steel products and therefore should be excluded along with the other wood bandsaw steel products already excluded from these investigations (see, postconference brief of Uddeholm, pp. 1-3). The Commission denied that request noting, *inter alia*, that Commerce not the Commission determines scope. This grade of wood bandsaw steel is now excluded from these investigations. See, Commerce's final LTFV determination on Australia (67 FR 47509, July 19, 2002) in app. A.

Counsels for AB Sandvik Steel Company (Sandvik), Böhler-Uddeholm AG, and Böhler-Uddeholm Strip Steel LLC (Uddeholm), and the Association of German Specialty Cold-Rolled Steel Strip Producers (AGS), argue that all hardened and tempered strip steel should be a separate domestic like product. Although several hardened and tempered products are excluded from these investigations, there is no exclusion for all hardened and tempered steels. See, prehearing brief of Sandvik and Uddeholm, pp. 2-17, and prehearing brief of AGS, pp. 2-3

<sup>30</sup> Counsels for Kern-Liebers USA Inc. (Kern-Liebers) and AGS argue that TRC steel used in producing seat belt retractor springs should be a separate domestic like product. See, prehearing brief of Kern-Liebers, pp. 3-11, and prehearing brief of AGS, pp. 3-6.

<sup>31</sup> Although the HTS subheadings are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

<sup>32</sup> In its final scope appendix (67 FR 47510, July 19, 2002), Commerce identified 46 HTS statistical reporting numbers for which subject merchandise may be classified, including statistical reporting numbers under subheadings 7225 (flat-rolled products of other alloy steel of a width of 600 mm or more) and 7226 (flat-rolled products of other alloy steel of a width of less than 600 mm). However, respondents argue that by using all 46 HTS statistical reporting numbers contained in Commerce's scope appendix, the Commission overstated the quantity of imports in its prehearing report since merchandise entering under subheadings 7225 and 7226 consists of mostly nonsubject products. See, respondents' joint prehearing brief, exh. 45. Petitioners agree with that position and with the import

(continued...)

The column 1-general (normal trade relations) rates of duty in chapter 72 for the subject products, applicable to the 20 countries subject to investigation, range from 0.5 percent to 1.3 percent *ad valorem*. These duty rates became effective January 1, 2002, and are subject to annual phased reductions pursuant to concessions granted by the United States during the Uruguay Round of Multilateral Trade Negotiations. These duty rates are scheduled to be eliminated as of January 1, 2004.<sup>33</sup>

### Physical Characteristics

Steel is generally defined as a combination of carbon and iron that is usefully malleable as first cast, and in which iron predominates, by weight, over each of the other contained elements, and the carbon content is 2 percent or less, by weight. Carbon steel includes most common grades of steel and is generally less expensive to produce than the various grades of alloy steels, due primarily to the cost of the alloying elements. The chemical composition of carbon steel has traditionally been defined as:

*steel for which no minimum content is specified or required for aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, vanadium, or zirconium, or any other element added to obtain a desired alloying effect; when the specified minimum for copper does not exceed 0.40 percent; and when the maximum content specified for any of the following elements does not exceed the percentages noted: manganese 1.65, silicon 0.60, and copper 0.60.*<sup>34</sup>

The subject merchandise covers products recognized by the marketplace as cold-rolled carbon steel flat products, including a range of carbon steels that have been modified through the addition of small amounts of alloying elements (micro-alloyed).<sup>35</sup> The HTS does not contain a definition of carbon steel; it does, however contain a definition of alloy steel that recognizes that small amounts of alloying elements may be present in nonalloy steel.<sup>36</sup>

The term “cold-rolling” refers to a process in which the product is fed into a rolling mill at ambient temperature. Cold-rolling can be performed for a variety of reasons, including a desire to reduce product thickness or a need to impart specific mechanical properties or impart surface texture. Cold-rolled steel is flat, usually rectangular in shape, and usually produced in coils.

<sup>32</sup> (...continued)

data methodology as set out in respondents’ prehearing brief. See, petitioners’ (Bethlehem, National, and US Steel) joint posthearing brief, exh. B, p. B-8 (and subsequent table). Therefore, import data throughout this report are based on official statistics of Commerce in accordance with this agreed-upon methodology and consist of imports entering under the 34 carbon steel statistical reporting numbers, adjusted to include microalloy steel and to exclude products specifically excluded from the scope of the investigations.

<sup>33</sup> See, Annex to Presidential Proclamation 6763 of December 23, 1994, implementing U.S. commitments under the Uruguay Round Agreements, 60 FR 1007, 1614 (January 4, 1995).

<sup>34</sup> AISI, “Instructions for Reporting Steel Shipment Statistics,” Revised May, 1978. A similar definition is given in USS, *The Making, Shaping, and Treating of Steel* (Pittsburgh, PA: Herbeck & Held, 1985), p. 1277; and in Iron and Steel Society, *Steel Products Manual, Sheet Steel*, February 1996, p. 3.

<sup>35</sup> Six U.S. producers, \*\*\*, reported production of microalloy steel.

<sup>36</sup> Although the scope refers to “carbon-quality” steel products, the maximum threshold levels of most of the elements named in the definition exceed the HTS thresholds delineating alloy from non-alloy steel.

### Manufacturing Process<sup>37</sup>

The manufacturing processes for cold-rolled steel products are summarized below.<sup>38</sup> There is no significant difference in the production process for carbon (including microalloyed) steel in the United States and in the subject countries.<sup>39</sup>

The raw material input for cold-rolled steel is hot-rolled steel. Hot-rolled steel is cleaned, or pickled, in a bath of sulfuric or hydrochloric acid to remove surface oxide (scale) formed during hot-rolling. The cleaned (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 30-90 percent. The cold-rolling process hardens steel, so that it usually must be heat treated in an annealing furnace to make it more formable.

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 placed over the stacks to contain the annealing atmosphere, which serves to prevent oxidation of the steel. The annealing furnace is then lowered over the covered stacks. The process involves the heating and re-cooling of the sheet, a process that takes several, and as many as 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. Most cold-rolled products are annealed at temperatures of about 1250° F.

Hardened and tempered steel is produced by taking the steel that has been cold-rolled and subjecting it to a continuous heat treatment that raises the temperature of the steel to about 1700° F, reducing the temperature rapidly (hardening), then re-heating the steel (tempering) to about 800° F to create a high strength steel. The purpose of tempering is to improve the ductility of the steel at the expense of some of the strength and hardness produced at the hardening stage.<sup>40</sup>

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 slight reduction in thickness and should not be confused with cold rolling.

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<sup>37</sup> A discussion of the cold-rolled flat products manufacturing process can be found in USS, *The Making, Shaping, and Treating of Steel* (Pittsburgh, PA: Herbeck & Held, 1985), pp. 1099-1118.

<sup>38</sup> In general, there are three distinct stages in steelmaking that precede the cold-rolling stage: (1) melting and refining steel, (2) casting steel into semi-finished forms, and (3) hot-rolling semi-finished forms into flat-rolled hot-rolled carbon steel mill products. For a further description of the production and refining of steel, see *Certain Hot-Rolled Steel Products from Brazil, Japan, and Russia*, USITC Pub. 3142, November 1998, pp. 5-6; *Steel Industry Annual Report*, USITC Pub. 2436, September 1991, fig. 2-2; also, *Certain Flat-Rolled Carbon Steel Products (Preliminary)*, USITC Pub. 2549, August 1992, pp. I-28-30.

<sup>39</sup> Based on Richard Serjeantson (ed.), *Iron and Steel Works of the World* (Surrey, England: Metal Bulletin Books, Ltd., 12th edition, 1997).

<sup>40</sup> USS, *Making, Shaping, and Treating of Steel* (Pittsburgh, PA: Herbeck & Held, 1985), pp. 1258-1262; and exh. 2 accompanying the hearing testimony of Peter Frosini, Sandvik Steel Co., July 18, 2002.



Cold-rolled steel 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.<sup>41</sup> Product that is used as a substrate for electrolytically galvanized steel or for tin plate is usually annealed and temper rolled.

Other products can be made using the same equipment used in cold rolling. Eight U.S. producers made corrosion-resistant carbon strip, alloy steel strip, cold-rolled stainless steel, hot-rolled tin plate, hot-rolled steel, and/or non-grain oriented silicon steel using the same equipment used in producing cold-rolled carbon steel.<sup>42</sup>

### Uses

Cold-rolled steel products are used in a variety of applications including automotive, construction, container, appliance, and electrical equipment manufacturing. A large portion of cold-rolled steel is not sold on the open market but is used internally or transferred to related firms for production of downstream products including corrosion-resistant steel, tin plate, and other products. Cold-rolled steel that is not further processed is used for such applications as panels in electrical equipment and appliances, or for body parts in automobiles, where surface finish or strength-to-weight ratio is important but resistance to corrosion is not. Cold-rolled steel is also used for automotive transmission and seat belt components, and serves as a material for utensils, cutting tools, and cutlery.<sup>43</sup>

### DOMESTIC LIKE PRODUCT ISSUES

In making its injury determinations the Commission first determines the domestic like product. The Act defines “domestic like product” as “a product that is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”<sup>44</sup> In the preliminary phase of these investigations, the Commission found that “there is one domestic like product consisting of all certain cold-rolled steel products” corresponding to the description of the scope of the subject merchandise as defined by Commerce.<sup>45</sup> Appendix D presents information on both imported and domestically produced cold-rolled steel products, as well as information related to the Commission’s domestic like product determination.<sup>46</sup>

<sup>41</sup> Cold-rolled product that has not been annealed is known in the industry as “full hard” steel.

<sup>42</sup> See, questionnaire responses of \*\*\*. Most of these products are made in the cold-rolling mills, but tin plate hot-rolled and hot-rolled steel are produced on “upstream” equipment in the hot-rolling section of the steel mill.

<sup>43</sup> American Iron and Steel Institute, *Shipments of Steel Products by Market Classification*, report AIS 16C Year 2000.

<sup>44</sup> 19 U.S.C. § 1677(10).

<sup>45</sup> *Certain Cold-Rolled Steel Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, Invs. Nos. 701-TA-422-425 and 731-TA-964-983 (Preliminary), USITC Pub. 3471, November 2001, p. 5.

<sup>46</sup> In determining what constitutes the like or directly competitive domestic product, the Commission traditionally has taken into account such factors as (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions; (5) common manufacturing facilities and production employees; and where appropriate, (6) price.



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

### **BUSINESS CYCLE**

The U.S. industry producing cold-rolled steel follows a business cycle tied closely to that of the general economy; in particular, large volumes of cold-rolled steel are used in automobiles and appliances.

### **MARKET SEGMENTS**

Cold-rolled steel is used internally by U.S. producers and also is sold to service centers/converters and manufacturers/end users. U.S. producers' internal consumption and transfers to related firms accounted for close to 60 percent of U.S. cold-rolled steel shipments in 1999 through 2001. Steel service centers generally perform four different functions. The first function is to act as brokers between the buyer and the domestic or foreign mill. In this situation, the service centers do not take possession of the product but have it shipped directly to the buyer. Second, service centers can act as buying brokers, buying product on a customer's behalf. In this situation, the service centers take possession of the product, store it in their storage facilities, and ship to the customer on an as-needed basis. Third, the service centers can act as distributors; in that role, service centers buy, inventory, and resell products that are typically of commercial quality. Finally, service centers may act as processors that purchase domestic or foreign products; perform further processing such as forming, slitting, or cutting to length; and then resell the products.

Larger manufacturer/end users may opt to purchase directly from the mills instead of purchasing through a service center. Cold-rolled steel is used in the automotive, appliance, container, furniture, and construction industries. Commission staff sent questionnaires to over 300 purchasers. All purchasers listed by the importers and producers in their preliminary questionnaires were sent questionnaires, as well as other purchasers requested by parties.<sup>1</sup> Over 100 purchaser questionnaires were received. Ninety-three purchasers reported their use of cold-rolled product; a number reported using it in more than one way. Sixteen purchasers reported that they were automotive producers, 6 were appliance manufacturers, 32 were distributors/service centers, 7 were galvanizers, 1 was a tin plater, and 41 were other users. While galvanizers and tin platers made up a relatively small number of the purchasers responding to the questionnaire, they consumed 6.8 million short tons of cold-rolled steel, 39.9 percent of the domestic product reported during 1999 through the first quarter of 2002. All other responding purchasers consumed/purchased 10.3 million short tons of domestic cold-rolled steel during the same period. Overall, galvanizers and tin platers consumed 37.8 percent of cold-rolled steel purchases (including imports) reported in the purchaser questionnaire, and other purchasers consumed/purchased 62.2 percent, during 1999 through first quarter 2002.

Nearly all of the subject countries shipped at least some subject cold-rolled steel to each of the four major regions (East, Gulf, Great Lakes, and West) of the United States. However, in many cases subject countries' shipments tended to be concentrated in specific regions. Twenty U.S. producers reported regions in which they sold. Most sold in more than one region, with all 20 reporting selling in the Midwest, 17 selling on the East Coast, 12 selling on the West Coast, and 11 selling on the Gulf Coast.

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<sup>1</sup> Some of the purchasers listed by the producers or importers were not contacted because the information on their location was incomplete, incorrect, or out of date, or because they had gone out of business.

## EFFECTS OF THE RECENT SAFEGUARD TARIFFS

Producers and importers were asked to report the impact of the recent section 201 tariffs. Nineteen producers responded, with a number reporting more than one change; 5 reported that the section 201 tariffs had little or no effect, 12 reported increased prices, 5 reported reduced imports, 3 reported reduced supply/allocations/increased lead times, 1 reported increased U.S. supply/reopening mills, 1 reported that the preliminary cold-rolled steel investigations had a greater impact than the section 201 tariffs, and 1 reported increased importing of downstream products to avoid the duty. Thirty-nine importers responded to the question, many giving more than one response: 35 reported increased prices; 22 reported reduced availability/allocations; none reported increased U.S. production; 3 reported that they had become less competitive relative to imports of the downstream product that they produced or moving production of their downstream product offshore; 2 each reported decreased production and stopping importing; and 1 reported that no contracts were available. Importers were also asked if the section 201 duties will affect their level of imports: 31 of the 43 responding importers reported that they anticipated one or more changes (29 reported imports would be reduced or eliminated, 2 reported changes affecting their customers, and 1 did not know what changes would occur).

Purchasers were asked if they had received notices of price increases from either domestic or import suppliers since March 2002: 80 reported that they had received notices of price increases, 11 reported that they had not. Purchasers were asked how the 201 remedy had affected product availability. Of the 94 responding purchasers, 12 reported no effect or adequate availability;<sup>2</sup> 2 other purchasers reported adequate supply but increased price, and 1 additional purchaser reported no difficulty getting product yet. The remaining 79 purchasers<sup>3</sup> reported one or more problems including: 39 reported tight supplies or they can't get product;<sup>4</sup> 2 others reported they could not get specific materials from any source; 20 reported being on allocation,<sup>5</sup> and 2 more reported that they may go on allocation in the future; 9 reported increased lead times/delivery delays;<sup>6</sup> 9 reported that supply problems from cold-rolled steel had caused problems in their production products; 4 reported that they could not get imports;<sup>7</sup> 2 reported being forced on to the spot market; 2 reported difficulty getting product at an acceptable price;<sup>8</sup>

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<sup>2</sup> One of these reported domestic availability has been adequate.

<sup>3</sup> Most firms did not specify if domestic or import firms were the source of the reported problem.

<sup>4</sup> Five of these reported problems getting domestic material, 1 reported difficulty getting import product, and 3 reported difficulty getting product from all sources. The remaining answers did not specify where they had trouble getting material.

<sup>5</sup> Ten of these reported that domestic firms had put them on allocation. The others did not report who put them on allocation.

<sup>6</sup> Three of these reported domestic firms had increased lead times. The others did not report who had increased lead times.

<sup>7</sup> In addition, 2 reported that the 201 alone would not have eliminated imports, but the dumping case has eliminated imports.

<sup>8</sup> One of these reported that it was domestic product that could not be purchased at acceptable prices.

2 reported being forced to accept price increases;<sup>9</sup> 1 reported a broken contract by a domestic firm; and 1 reported suppliers had stopped supplying certain customers.<sup>10</sup>

Purchasers were asked if the current antidumping/countervailing duty investigations have affected the price of the cold-rolled steel they purchased: 70 reported that they had affected prices and 23 reported that they had not. When asked if the antidumping/countervailing duty investigations had any effect on supply or availability, 68 purchasers reported that they had and 26 reported no effect: 30 reported tight supply; 28 reported imports were reduced or eliminated; 8 reported allocations; 3 reported purchasers were having problems competing in the market; and 2 reported product was not available and increased lead times (a number reported more than one effect).

## **SUPPLY AND DEMAND CONSIDERATIONS**

### **U.S. Supply**

Based on available information, U.S. producers of cold-rolled steel are likely to respond to changes in price with moderate changes in the quantity shipped to the U.S. market. In general, supply responsiveness would be constrained by a moderately high rate of capacity utilization, relatively low levels of inventories, the small share of shipments which is exported, and the lack of significant production alternatives. The 201 duties on hot-rolled steel reduced the likelihood that producers can purchase imported hot-rolled steel to increase their production of cold-rolled steel, and may reduce supply responsiveness.

### **Industry Capacity**

Both capacity and production increased during 1999 to 2000 and both fell from 2000 to 2001. Yearly capacity utilization rates declined consistently between 1999 and 2001, regardless of increased production and capacity in 2000 and falling production and capacity in 2001. U.S. producers' capacity utilization rates declined from 85.8 percent in 1999 to 75.1 percent in 2001. In the January-March interim periods, capacity utilization increased from 73.1 percent in the 2001 period to 80.2 percent in the 2002 period.

### **Export Markets**

U.S. producers' export shipments were small compared to their shipments to the U.S. market. The percentage of the quantity of U.S. producers' export shipments relative to their total shipments increased from 1.3 percent in 1999 to 1.5 percent in 2001.

### **Inventories**

U.S. producers' inventories were relatively low during the period examined. The ratio of inventories to total shipments fell from 5.7 percent in 1999 to 5.4 percent in 2001. During the interim

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<sup>9</sup> One of these reported that domestic suppliers had broken the contract, the other did not state who broke the contract.

<sup>10</sup> Also, 1 reported spot prices above contract prices for domestic product and 1 reported that it would increase the material available.

periods of 2001 and 2002, the ratio of inventories to total shipments declined from 5.7 percent (first quarter of 2001) to 4.6 percent in the first quarter of 2002.

### Production Alternatives

Thirteen of 21 responding U.S. producers reported that they produce other products using the same equipment and workers as used in their cold-rolled steel production. These other products include stainless cold-rolled sheet, corrosion-resistant steel products, galvanized steel products, hot-rolled steel products, tin mill sheet products, alloy steel, silicon electrical sheet, pre-plated strip, and stainless steel sheet.

### Imports

Table II-1 provides the available information on production, capacity utilization rates, inventories, sales in home market (including internal consumption), and exports to the United States for each of the subject countries.<sup>11</sup> In general, producers in most of the subject countries are likely to be able to increase shipments to the United States to a limited extent due to the existence of strong home markets. The U.S. market, however, is a small share of most countries' exports.<sup>12</sup>

Table II-1

**Cold-rolled steel: Subject countries' production, capacity utilization rate, inventories as a share of total shipments in 1999 and 2001, home market share of total shipments in 2001, and U.S. share of total exports, 1999 and 2000**

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## U.S. Demand

### Demand Characteristics

Demand for cold-rolled steel depends on the level of demand in the appliance, automotive, construction, container, and other industries in which it is used. Thirty-five of 81 responding U.S. purchasers reported that demand for their product had changed. However, 36 purchasers reported specific changes that had occurred: 26 reported demand had fallen, 7 reported demand had increased, 2 reported fluctuating demand, and 1 reported that the auto sector was strong but other sectors were not. Eight of 38 responding importers and 5 of 20 responding producers reported that demand has increased since January 1, 1999. Two U.S. producers and 7 importers indicated that demand has remained steady; 13 U.S. producers and 15 importers reported falling demand; and 6 importers reported fluctuating

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<sup>11</sup> The German respondents report that their inventory levels are irrelevant because the only cold-rolled steel imported from Germany is made to order. German respondents' prehearing brief, p. 15.

<sup>12</sup> If the EU rather than the individual countries within the EU were considered to be the home market, the share of all exports the European countries sell to the United States would be higher.

demand.<sup>13</sup> Fifteen U.S. producers and 26 importers reported reasons for changes in demand, including changes in the overall economy reported by 10 producers and 14 importers and changes in demand in various sectors of the economy reported by 3 producers and 8 importers.<sup>14</sup>

### Substitute Products

Eighteen of 22 responding U.S. producers, 16 of 30 responding importers, and 19 of 90 responding purchasers indicated that various products may be substituted under certain conditions for cold-rolled steel. The most common reported substitutes were hot-rolled steel sheets, aluminum, plastics, stainless steel products, and other steel products.

### Cost Share

Cold-rolled steel is used in various products including automotive parts, furniture, appliances, containers, tubing, agricultural and industrial equipment, and galvanized steel sheets. Depending on the product, cold-rolled steel can account for a relatively high percentage of the cost of the components. Reported cost shares varied widely, with most ranging from 15 percent to 80 percent, depending on the end use.

## SUBSTITUTABILITY ISSUES

### Purchase Factors

Many purchasers, 38 of 99 responding, reported that they buy cold-rolled steel daily, 25 purchased weekly, 21 monthly, and 15 less often. Before making a purchase, 56 purchasers reported contacting 3 to 4 suppliers, 27 reported contacted 1 to 2 suppliers, and 16 contacted 5 or more suppliers. The vast majority of purchasers reported that they change suppliers only infrequently.

When asked to list the three most important factors considered when choosing a supplier, quality was ranked first and second most often. Price was the most frequently ranked third factor. Other frequently mentioned factors include availability, delivery, and traditional supplier (table II-2).

**Table II-2**  
Cold-rolled steel: Most important factors considered when selecting a cold-rolled steel supplier

Factors	First	Second	Third
Quality	55	31	4
Price	22	29	37
Availability	10	14	20
Delivery	3	9	17
Traditional supplier	10	7	11
Other	3	6	8

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

<sup>13</sup> Two importers reported other changes in demand.

<sup>14</sup> Other reasons for changes in demand were reported by 2 producers and 4 importers.

Seventy-eight of the 99 responding purchasers required some form of certification or prequalification. Of the 67 purchasers reporting the share of their purchases that require prequalification, 51 require it of all their purchases and the remaining 16 require prequalification for 5 percent to 99 percent of their purchases.

Purchasers were asked what factors determined the quality of cold-rolled steel. Many firms reported a number of different factors used to determine quality. The most commonly-mentioned factor was surface finish, reported by 55 purchasers; this was followed by consistency, reported by 42; gauge, 31, formability, 28; ASTM or other standard specifications, 27; flatness, 19; delivery, 15; price, 10; size, 6; availability, 4; lead time, 3; technical support, 2; and other, 19.

### **Factors Affecting Purchasing Decisions**

Purchasers were asked to report if cold-rolled steel from different countries was used in the same applications as the U.S. product. A summary of the answers can be found in table II-3. Purchasers were asked how often they bought from one source when a less expensive product was available from another source. Ten of 96 responding firms reported that they always bought the least expensive product, 43 usually, 38 sometimes, and 5 never. Purchasers were asked to explain their reason for purchasing from one source when a less expensive source was available. Thirty-five reported that they did not. Three reported that they generally did not, 23 cited lead times, 21 quality/performance, 12 reported availability, 10 reported reliability of supply, 9 reported stocking programs/minimum orders, 8 reported long-term relationships, 7 each reported technical support and known/certified supplier/product, 3 reported purchases on a contract which may have higher prices than the spot price, 2 each reported preferences for U.S. product and multiple supplier customers deciding the source, and 4 reported other factors.

Purchasers were asked to report the importance of 14 factors in their decisions to purchase cold-rolled steel (table II-4). Purchasers were asked for country-by-country comparisons on the same 14 purchase factors. Table II-5 shows comparisons of U.S. product with subject countries' product. Comparisons between subject countries pairs are in appendix E, table E-1. Pairs are only reported if more than one purchaser reported data for the pair.

Responding U.S. producers reported that their average lead time (between a customer's order and the date of delivery) for cold-rolled steel was 48 days.<sup>15</sup> Importers' average lead time was 102 days.<sup>16</sup> Producers and importers were asked to report whether or not the domestic and imported products were used interchangeably and/or differed in product characteristics or sales conditions. Table II-6 summarizes the producer and importer responses regarding the degree of interchangeability of products from the subject countries with U.S. product. Table II-7 summarizes the responses to differences other than price by country of origin. Subject country pairs' interchangeability and differences other than price are reported in appendix E, table E-2.

Purchasers, importers, and producers were asked to report the 10 most important factors affecting the price of cold-rolled steel. The 4 most important factors they reported are summarized in table II-8.

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<sup>15</sup> Only U.S. producers whose lead times had increased were asked to respond to the question on lead time.

<sup>16</sup> All U.S. importers were requested to respond to the question on lead time.



**Table II-3**  
**Cold-rolled steel: U.S. product used in the same applications as subject countries' product, as reported by purchasers**

Sources	Used in same application as U.S. product	
	Yes	No
Argentina	2	2
Australia	2	1
Belgium	3	3
Brazil	5	1
China	4	3
France	3	1
Germany	6	4
India	1	1
Japan	20	5
Korea	13	3
The Netherlands	2	1
New Zealand	0	1
Russia	3	4
South Africa	2	1
Spain	0	1
Sweden	4	1
Taiwan	6	1
Thailand	0	3
Turkey	5	1
Venezuela	0	1

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

**Table II-4**  
**Cold-rolled steel: Importance of purchase factors, as reported by purchasers**

<b>Factors</b>	<b>Very important</b>	<b>Somewhat important</b>	<b>Not important</b>
	<i>Number of firms responding</i>		
Availability	83	5	0
Delivery terms	34	46	7
Delivery time	69	18	1
Discounts offered	30	40	14
Lowest price	51	32	4
Minimum quantity requirements	19	43	24
Packaging	29	42	16
Product consistency	81	7	0
Product quality	87	1	0
Product range	30	51	5
Reliability of supply	81	7	0
Technical support/service	36	47	5
Transportation network	22	59	7
U.S. transportation costs	26	50	11
Note.—Some purchasers rated the importance of some but not all the factors listed.			
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table II-5**  
**Cold-rolled steel: Comparisons of U.S. product with subject country product, as reported by purchasers**

Factors	Argentina			Australia			Belgium			Brazil			China			France		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
	Number of firms responding																	
Availability	2	2	0	0	1	2	2	3	0	3	4	0	2	5	0	0	2	2
Delivery terms	1	3	0	0	3	0	1	4	0	0	6	1	0	7	0	0	3	1
Delivery time	3	1	0	2	1	0	4	1	0	3	4	0	6	1	0	3	1	0
Discounts offered	0	3	1	0	3	0	0	4	0	0	6	1	0	6	1	0	2	1
Lowest price <sup>1</sup>	0	2	2	0	3	0	0	3	2	1	4	2	0	4	3	0	3	0
Minimum quantity requirements	1	3	0	1	2	0	0	5	0	3	2	2	3	4	0	1	3	0
Packaging	0	4	0	0	2	1	1	2	2	0	6	1	0	6	1	0	2	2
Product consistency	1	3	0	0	2	1	1	2	2	1	5	1	0	7	0	0	2	2
Product quality	1	3	0	0	2	1	1	2	2	1	5	1	0	7	0	0	2	2
Product range	0	4	0	0	1	2	1	1	3	0	7	0	1	5	1	0	4	0
Reliability of supply	3	1	0	1	1	1	0	5	0	3	4	0	4	2	1	2	0	2
Technical support/service	3	1	0	1	0	2	2	3	0	4	2	1	6	1	0	2	2	0
Transportation network	2	2	0	1	2	0	2	3	0	1	6	0	2	5	0	0	3	1
U.S. transportation costs	0	3	1	0	1	1	0	3	0	0	6	1	0	4	1	0	3	1

Note.--S=U.S. product is superior; C=both countries' products are comparable; I=U.S. product is inferior.

Table continued. See footnote at the end of table.

Table II-5--Continued

Cold-rolled steel: Comparisons of U.S. product with subject country product, as reported by purchasers

Factors	Germany			India			Japan			Korea			Netherlands			New Zealand			
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	
	<i>Number of firms responding</i>																		
Availability	2	6	3	2	1	0	9	12	10	5	8	2	0	1	1	1	1	1	1
Delivery terms	1	7	3	1	2	0	5	21	5	2	13	0	0	2	0	0	3	0	0
Delivery time	7	1	3	3	0	0	17	10	4	9	5	0	1	1	0	1	1	0	0
Discounts offered	1	8	0	0	3	0	4	21	3	0	15	0	0	2	0	0	2	1	0
Lowest price <sup>1</sup>	3	6	1	0	3	0	5	19	6	0	11	4	0	2	0	0	2	1	0
Minimum quantity requirements	2	8	1	2	0	1	7	22	1	5	10	0	0	2	0	0	3	0	0
Packaging	0	8	3	0	3	0	2	15	14	0	8	7	0	0	2	0	1	2	0
Product consistency	0	5	6	1	2	0	1	11	19	0	11	4	0	1	1	0	2	0	0
Product quality	0	5	6	1	1	1	1	11	19	1	9	5	0	1	1	0	2	0	0
Product range	1	4	5	1	1	1	1	16	14	2	8	5	0	0	2	1	0	2	0
Reliability of supply	2	6	3	2	1	0	4	18	9	4	9	2	0	1	1	1	1	1	1
Technical support/ service	3	5	3	2	1	0	9	16	6	6	8	1	0	1	1	2	1	0	0
Transportation network	2	8	1	0	3	0	7	21	2	6	8	0	1	1	0	0	3	0	0
U.S. transportation costs	0	8	2	0	3	0	5	21	1	2	10	0	0	1	0	1	1	0	0

Note.--S=U.S. product is superior; C=both countries' products are comparable; I=U.S. product is inferior.

Table continued. See footnote at the end of table.

Table II-5--Continued

Cold-rolled steel: Comparisons of U.S. product with subject country product, as reported by purchasers

Factors	Russia			South Africa			Sweden			Taiwan			Thailand			Turkey		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
	<i>Number of firms responding</i>																	
Availability	4	2	0	3	2	0	0	1	1	1	4	1	0	2	0	3	4	1
Delivery terms	2	4	0	2	3	0	0	1	1	1	5	0	0	2	0	1	6	1
Delivery time	5	1	0	4	1	0	2	0	0	3	3	0	2	0	0	6	1	1
Discounts offered	1	3	2	1	3	1	0	1	1	0	6	0	0	2	0	0	7	1
Lowest price <sup>1</sup>	1	1	4	1	1	3	0	1	1	0	4	2	0	1	1	0	5	3
Minimum quantity requirements	3	3	0	2	3	0	2	0	0	2	4	0	1	1	0	5	3	0
Packaging	2	4	0	2	3	0	0	1	1	0	4	2	0	2	0	1	6	1
Product consistency	3	3	0	3	2	0	0	1	1	1	4	1	0	2	0	2	6	0
Product quality	3	3	0	3	2	0	0	1	1	1	4	1	0	2	0	2	6	0
Product range	2	4	0	2	3	0	0	1	1	1	4	1	0	2	0	0	8	0
Reliability of supply	4	2	0	3	2	0	2	0	0	3	2	1	1	1	0	5	3	0
Technical support/service	5	1	0	4	1	0	2	0	0	4	1	1	2	0	0	7	1	0
Transportation network	4	2	0	3	2	0	1	1	0	2	4	0	1	1	0	3	5	0
U.S. transportation costs	1	3	1	1	2	1	0	1	1	1	3	0	0	1	0	2	5	1

<sup>1</sup> A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the price of U.S. product as generally lower than the price of subject country's product.

Note.--S=U.S. product is superior; C=both countries' products are comparable; I=U.S. product is inferior. Spain and Venezuela are not included in the table because only countries with more than one comparison to the U.S. product are included.

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

**Table II-6**  
**Cold-rolled steel: Interchangeability between U.S.-produced and imported products, as reported by U.S. producers and U.S. importers**

Sources	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Comparisons--U.S. vs:								
Argentina	10	3	0	0	2	6	5	0
Australia	9	3	0	0	2	4	2	0
Belgium	10	3	2	0	3	4	3	0
Brazil	9	3	4	0	7	6	3	0
China	9	3	0	0	5	3	5	1
France	11	3	2	0	4	4	2	0
Germany	11	3	2	0	5	6	3	1
India	9	2	1	0	2	3	4	0
Japan	13	3	2	0	8	3	6	2
Korea	11	3	1	0	6	4	3	0
The Netherlands	11	3	2	0	4	2	2	1
New Zealand	8	3	1	0	2	3	3	0
Russia	8	3	3	0	3	4	8	1
South Africa	9	3	1	0	5	4	4	0
Spain	8	2	2	0	2	3	4	0
Sweden	9	2	1	0	3	3	5	1
Taiwan	9	3	1	0	4	4	4	0
Thailand	8	2	1	1	5	7	4	0
Turkey	8	2	2	0	8	5	4	0
Venezuela	8	2	4	0	4	6	8	0

Note.--A=always, F=frequently, S=sometimes, and N=never.

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

Table II-7

**Cold-rolled steel: Differences in product characteristics or sales conditions between U.S.-produced and imported products, as reported by U.S. producers and U.S. importers**

Sources	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
Argentina	1	2	1	8	3	5	5	2
Australia	0	2	1	8	4	3	2	1
Belgium	0	2	4	8	3	3	3	2
Brazil	0	2	5	8	4	2	7	2
China	0	2	1	8	4	2	5	3
France	0	2	5	8	5	1	2	1
Germany	0	2	5	8	6	3	3	2
India	0	2	1	8	4	1	4	2
Japan	0	2	8	7	10	4	3	2
Korea	0	2	4	7	3	2	5	3
The Netherlands	0	2	6	7	5	2	3	1
New Zealand	0	2	1	8	3	1	3	2
Russia	0	2	3	8	3	4	4	4
South Africa	0	2	2	8	2	2	9	1
Spain	0	2	1	8	3	2	4	1
Sweden	0	2	1	8	6	2	2	1
Taiwan	0	2	2	8	3	3	6	2
Thailand	0	2	1	8	5	2	5	3
Turkey	0	2	1	8	3	3	8	3
Venezuela	0	2	3	8	3	4	10	2

Note.—A=always, F=frequently, S=sometimes, and N=never.

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

**Table II-8**  
**Cold-rolled steel: Number of purchasers, importers, and producers reporting each factor to be one of the top four factors<sup>1</sup> influencing price in the U.S. market, since 1999 and currently**

Factors	Purchasers				Producers				Importers			
	1	2	3	4	1	2	3	4	1	2	3	4
	Since January 1, 1999											
Demand for hot-rolled steel	5	4	9	10	0	0	0	1	2	5	2	2
Demand for cold-rolled steel	21	13	11	5	1	3	2	3	7	9	4	4
Demand for certain cold-rolled steel products	7	13	9	7	2	2	1	2	6	6	4	6
Demand for downstream products	4	6	6	10	0	0	1	2	2	3	4	5
Level of product specialization	8	0	5	2	1	0	0	0	3	0	2	0
Contract vs spot sales	1	2	5	4	0	0	2	0	0	0	3	1
Greater competition for less specialized products	3	1	9	5	0	0	2	3	0	2	3	4
Greater competition in spot market	4	8	4	4	1	4	4	2	3	1	3	2
New domestic capacity	8	2	5	4	0	0	1	1	6	4	4	0
Purchaser consolidation	1	4	2	1	0	0	0	1	0	2	0	2
Bankrupt domestic producers and distributors	3	5	3	5	0	0	2	1	4	2	2	3
Subject imports	5	8	2	5	13	2	1	0	4	2	2	0
Nonsubject imports	0	2	4	4	1	5	1	0	1	1	0	1
Other (201 and/or antidumping)	2	0	0	0	0	0	0	0	1	2	0	0
Other	3	0	1	0	1	0	0	0	3	0	0	0
	<b>In the current market</b>											
Demand for hot-rolled steel	4	6	7	12	1	2	3	0	3	2	3	7
Demand for cold-rolled steel	16	13	13	11	4	2	4	1	5	11	7	5
Demand for certain cold-rolled steel products	9	8	12	8	1	2	3	3	8	6	4	6
Demand for downstream products	4	7	7	8	0	2	1	3	0	5	5	2
Level of product specialization	2	5	4	1	0	0	0	0	3	1	0	3
Contract vs spot sales	1	5	1	8	0	0	0	3	1	0	4	0
Greater competition for less specialized products	1	1	6	4	0	0	0	0	0	1	1	4
Greater competition in spot market	2	4	5	5	0	1	0	6	1	2	3	2
New domestic capacity	3	3	3	3	0	0	0	0	2	3	5	0
Purchaser consolidation	2	2	4	3	0	0	0	1	0	0	0	2
Bankrupt domestic producers and distributors	18	9	10	6	3	1	6	0	5	5	7	3
Subject imports	8	14	4	4	10	3	1	0	2	3	0	2
Nonsubject imports	1	6	5	2	1	4	2	0	1	1	0	0
Other (201)	5	0	0	0	0	0	0	1	6	0	0	1
Other (201 and antidumping)	4	0	0	0	0	0	0	0	1	0	1	0
Other (tariffs/trade actions)	3	0	0	0	0	0	0	0	1	0	0	0
Other (antidumping)	1	0	0	0	1	0	0	0	0	0	0	0
Other (other)	5	0	1	0	0	2	0	0	3	0	0	0

<sup>1</sup> A number of firms rated more than one factor as first or other level of importance. All the factors firms rated in the top four are included in this table.

Note.--1=most important factor, 2=second factor, 3=third factor; 4=fourth factor.

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



## ELASTICITY ESTIMATES

This section discusses elasticity estimates. Parties were requested to provide comments on these in their prehearing briefs; no party provided any comments.

### U.S. Supply Elasticity<sup>17</sup>

The domestic supply elasticity for cold-rolled steel measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of cold-rolled steel. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced cold-rolled steel. Prior analysis of these factors indicates that the U.S. industry is likely to be able to somewhat increase or decrease shipments to the U.S. market; an estimate in the range of 5 to 10 is suggested.

### U.S. Demand Elasticity

The U.S. demand elasticity for cold-rolled steel measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of cold-rolled steel. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of the cold-rolled steel in the production of any downstream products. Based on the available information, the aggregate demand for cold-rolled steel is likely to be inelastic; a range of -0.25 to -0.75 is suggested.

### Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.<sup>18</sup> Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (availability, sales terms/discounts/ promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced cold-rolled steel and subject imported cold-rolled steel is likely to be in the range of 3 to 5.

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<sup>17</sup> A supply function is not defined in the case of a non-competitive market.

<sup>18</sup> The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.



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

Information on capacity, production, shipments, inventories, and employment is presented in this section of the report, and is based on the questionnaire responses of 23 U.S. producers of cold-rolled steel that are believed to represent over 95 percent of known U.S. production during 1999-2001. A summary of U.S. producer data is presented in appendix C.<sup>1 2</sup>

### U.S. PRODUCERS

The Commission mailed questionnaires to 30 firms believed to produce cold-rolled steel products. Twenty-three firms provided the Commission with usable data on their cold-rolled operations.<sup>3</sup> The eight petitioners accounted for 61.4 percent of reported U.S. production in 2001. Information regarding the location of production facilities, positions taken with respect to the petitions, and U.S. production by firms is presented in table III-1.

### Operational Changes to U.S. Producers

Since January 1999, two U.S. producers, Acme Steel<sup>4</sup> and Gulf States Steel,<sup>5</sup> ceased operations; three firms, Bethlehem,<sup>6</sup> National,<sup>7</sup> and Wheeling,<sup>8</sup> are operating under Chapter 11 of the U.S.

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<sup>1</sup> Table C-1 presents summary data on cold-rolled steel. Table C-2 presents summary data on "open market" shipments of cold-rolled steel.

<sup>2</sup> The Commission requested additional data on full hard steel, hardened and tempered carbon-quality (hardened and tempered) steel, micro-alloy steel, strapping steel, and TRC steel. Tables C-3 through C-7 present information on U.S. production, U.S. shipments, U.S. imports, and apparent U.S. consumption for these products.

<sup>3</sup> Three firms, \*\*\*, provided the Commission with questionnaire responses in the preliminary phase investigations but did not provide questionnaire responses in the final phase investigations. These firms combined are believed to represent less than two percent of U.S. production.

<sup>4</sup> Acme Steel, Riverdale, IL, a subsidiary of Acme Metals, Inc., filed for Chapter 11 bankruptcy in September 1998, and in October 2001 announced plans to cease steelmaking operations. On August 13, 2002, International Steel Group announced that it would acquire the compact strip process minimill and certain other related assets previously operated by Acme Steel, Inc. for a purchase price of \$65 million, subject to bankruptcy court approval. See, *International Steel Group to Purchase Acme Steel Assets*, AISE SteelNews.com, retrieved at [http://www.steelnews.org/north\\_american/august02/aug33.htm](http://www.steelnews.org/north_american/august02/aug33.htm), August 14, 2002.

<sup>5</sup> Gulf States Steel, Gadsden, AL, filed for Chapter 11 bankruptcy in July 1999 and ceased operations in September 2000.

<sup>6</sup> Bethlehem filed for Chapter 11 bankruptcy in October 2001.

<sup>7</sup> National filed for Chapter 11 bankruptcy in March 2002.

<sup>8</sup> Wheeling filed for Chapter 11 bankruptcy in November 2000.

Table III-1

Cold-rolled steel: U.S. producers, location of production facilities, position taken with respect to the petitions, type of melting furnace used by producers, and volumes and shares of reported U.S. production, by firms, 2001

Firm	Production location(s)	Position taken with respect to the petitions			Type of melting furnace used	Reported U.S. production in 2001	
		Response	Public			Quantity	Share
			Yes	No		Short tons	Percent
AK <sup>1</sup>	Rockport, IN	Supports	✓		BOF	***	***
	Middletown, OH						
Bethlehem <sup>2</sup>	Burns Harbor, IN	Petitioner	✓		BOF	***	***
	Sparrows Point, MD						
Blair <sup>3</sup>	New Castle, PA	***		✓	Cold mill only	***	***
CSI <sup>4</sup>	Fontana, CA	***		✓	Hot strip & cold mill	( <sup>25</sup> )	( <sup>25</sup> )
Cold Metal <sup>5</sup>	New Britain, CT	***		✓	Cold mill only	***	***
	Indianapolis, IN						
	Ottawa, OH						
	Youngstown, OH						
CSN <sup>6</sup>	Terre Haute, IN	***		✓	Cold mill only	***	***
Detroit <sup>7</sup>	Trenton, MI	Supports	✓		Cold mill only	( <sup>25</sup> )	( <sup>25</sup> )
Duferco <sup>8</sup>	Farrell, PA	Supports	✓		Hot strip & cold mill	***	***
Greer <sup>9</sup>	Dover, OH	***		✓	Cold mill only	***	***
Ispat Inland <sup>10</sup>	East Chicago, IN	Supports	✓		BOF	***	***
LTV <sup>11</sup>	Cleveland, OH	Petitioner	✓		BOF	***	***
	East Chicago, IN						
	Hennepin, IL						
National <sup>12</sup>	Ecorse, MI	Petitioner	✓		BOF	***	***
	Granite City, IL						
	Portage, IN						
Nucor <sup>13</sup>	Blytheville, AR	Petitioner	✓		EAF	***	***
	Huger, SC						
	Crawfordsville, IN						
Rome	Rome, NY	Supports	✓		Cold mill only	***	***
Rouge <sup>14</sup>	Dearborn, MI	Supports	✓		BOF	***	***
Samuel-Whittar <sup>15</sup>	Detroit, MI	***		✓	Cold mill only	( <sup>25</sup> )	( <sup>25</sup> )
	Cincinnati, OH						
	West Chicago, IL						
SDI	Butler, IN	Petitioner	✓		EAF	***	***
Theis <sup>16</sup>	Bristol, CT	Supports	✓		Cold mill only	***	***
Thomas <sup>17</sup>	Warren, OH	Opposes	✓		Cold mill only	***	***
Thompson <sup>18</sup>	Canton, MA	Supports	✓		Cold mill only	***	***
UPI <sup>19</sup>	Pittsburg, CA	Supports	✓		Cold mill only	***	***
US Steel <sup>20</sup>	Fairfield, AL	Petitioner	✓		BOF	***	***
	Gary, IN						
	Dravosburg, PA						
	Fairless Hills, PA						

Table continued. See footnotes at end of table.

Table III-1--Continued

Cold-rolled steel: U.S. producers, location of production facilities, position taken with respect to the petitions, type of melting furnace used by producers, and volumes and shares of reported U.S. production, by firms, 2001

Firm	Production location(s)	Position taken with respect to the petitions			Type of melting furnace used	Reported U.S. production in 2001	
		Response	Public			Quantity	Share
			Yes	No		Short tons	Percent
WCI <sup>21</sup>	Warren, OH	Petitioner	✓		BOF	***	***
Weirton <sup>22</sup>	Weirton, WV	Petitioner	✓		BOF	***	***
Wheeling <sup>23</sup>	Steubenville, OH	Supports	✓		BOF	***	***
	Yorkville, OH						
	Allenport, PA						
Worthington <sup>24</sup>	Malvern, PA	***		✓	Cold mill only	***	***
	Columbus, OH						
Total (26)						33,116,781	100.0

<sup>1</sup> AK is a wholly-owned subsidiary of AK Steel Holding Corp., Middletown, OH. The firm \*\*\*.

<sup>2</sup> Bethlehem purchased rolling mill Chicago Cold Rolling, Portage, IN, in August 2001. \*\*\*.

<sup>3</sup> Blair Strip Steel (Blair) \*\*\*.

<sup>4</sup> CSI is a 50/50 percent subsidiary of Kawasaki Steel, Tokyo, Japan and CIA Vale do Rio Doce, Brazil. CSI did not provide a final phase questionnaire response and its data are not included in this report.

<sup>5</sup> Cold Metal Products (Cold Metal) \*\*\*. \*\*\*.

<sup>6</sup> CSN is a wholly-owned subsidiary of CSN, Rio de Janeiro, Brazil. The firm began operation in July 2001.

<sup>7</sup> Detroit is a \*\*\*. The firm began operations in April 2001 \*\*\*. Detroit did not provide a final phase questionnaire response and its data are not included in this report.

<sup>8</sup> Duferco Farrell (Duferco) is a wholly-owned subsidiary of Duferco Investments Services, SA, Lugano, Switzerland. \*\*\*.

<sup>9</sup> Greer Steel (Greer) \*\*\*.

<sup>10</sup> Ispat Inland is a subsidiary of Ispat International, Rotterdam, the Netherlands. \*\*\*.

<sup>11</sup> LTV is a wholly-owned subsidiary of the LTV Corp., Cleveland, OH. LTV ceased production operations in December 2001, and most of its operating assets were sold to International Steel Group in April 2002. LTV did not provide a questionnaire response in the final phase of these investigations; however, data provided in the preliminary phase investigations are being used for 1999-2001.

<sup>12</sup> National, a subsidiary of NKK, Chiyoda-Ku, Japan (indirect majority owner through NKK U.S.A. Corp.), is not a petitioner with respect to Japan. \*\*\*.

<sup>13</sup> Nucor \*\*\*.

<sup>14</sup> Rouge Steel (Rouge) \*\*\*.

<sup>15</sup> Samuel-Whittar did not provide a final phase questionnaire response and its data are not included in this report.

<sup>16</sup> Theis Precision Steel (Theis) is a wholly-owned subsidiary of F.G. Theis Kaltwalzwerke, Hage, Germany. \*\*\*.

<sup>17</sup> Thomas Steel Strip (Thomas) is a subsidiary of Corus Group, London, United Kingdom.

<sup>18</sup> Thompson Steel (Thompson) \*\*\*.

<sup>19</sup> USS-POSCO (UPI) is 50-percent owned by U.S. Steel Corp., Pittsburgh, PA, and 50-percent owned by Pohang Iron & Steel Co. (POSCO) of Korea. \*\*\*.

<sup>20</sup> US Steel \*\*\*.

<sup>21</sup> WCI is a wholly-owned subsidiary of Renco Steel Holdings, Warren, OH. The firm \*\*\*. \*\*\*.

<sup>22</sup> Weirton is not a petitioner with respect to the Netherlands. \*\*\*.

<sup>23</sup> Wheeling-Pittsburgh (Wheeling) \*\*\*. \*\*\*.

<sup>24</sup> Worthington Steel (Worthington) \*\*\*. \*\*\*. \*\*\*.

<sup>25</sup> No data provided.

Note.--BOF=basic oxygen furnace; EAF=electric arc furnace; and NA=not available.

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

Bankruptcy Code; and two firms, Heartland Steel<sup>9</sup> and LTV,<sup>10</sup> had their operating assets purchased by new owners. On August 16, 2002, Cold Metal announced its intention to file for Chapter 11 bankruptcy protection and close its Indianapolis and Youngstown, Ohio, plants.

### Data Issues

LTV responded to the Commission's request for information in the preliminary phase of these investigations and provided data for 1999, 2000, and January-June 2001. However, the firm was unable to provide a response to the Commission's request in the final phase of these investigations. Staff has made numerous requests for even limited data regarding LTV's operations during the second half of 2001 but to no avail.<sup>11</sup> Accordingly, based on previously provided first-half 2001 data, staff estimated LTV's second-half capacity, production, and shipment data.<sup>12</sup> LTV's estimated second-half data have been incorporated into U.S. industry data throughout this report.

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<sup>9</sup> Heartland Steel, Terre Haute, IN, filed for Chapter 11 bankruptcy in January 2001. Cia Siderúrgica Nacional of Brazil (CSN) subsequently acquired Heartland Steel's assets in July 2001. Production operations re-started in July 2001. CSN provided a questionnaire response in the final phase investigation \*\*\*. See, letter of \*\*\*.

<sup>10</sup> LTV filed for Chapter 11 bankruptcy in December 2000. Subsequently, in December 2001, LTV ceased operations and placed its facilities on hot idle. In April 2002, LTV's steel-producing assets at Cleveland Works, Indiana Harbor Works, and Hennepin Works were purchased by WL Ross & Co., New York, and a newly-named company, International Steel Group (ISG), began producing cold-rolled steel in these facilities in May 2002.

<sup>11</sup> \*\*\*.

<sup>12</sup> On June 16, 2001, LTV shut down one of its five blast furnaces (West Cleveland Works). The closure of this blast furnace resulted in the loss of approximately \*\*\* million short tons of LTV's estimated \*\*\* million short tons of company-wide annual raw steel production. Based on this assumption, staff calculated a monthly average for capacity, production, and shipments based on first-half 2001 data, and reduced this monthly average by \*\*\* percent (representing LTV's reduced output), and prorated these data for July, August, September, October, and November 2001. LTV ceased production at the beginning of December 2001. Staff also estimated LTV's first-quarter 2001 data by dividing in half LTV's previously provided January-June 2001 data. Second-half 2001 value data were based on first-half 2001 average unit values.

On March 21, 2002, the U.S. Department of Labor certified that increases of imports like or directly competitive with products produced by LTV contributed importantly to the decline in sales or production and to the total or partial separation of workers of that firm in Cleveland, OH, East Chicago, IN, and Hennepin, IL (facilities that produced cold-rolled steel). See, petitioners' joint posthearing brief, exh. 28.

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

Table III-2 presents U.S. producers' capacity, production, and capacity utilization. Table III-3 present U.S. producers' capacity, production, and capacity utilization by firms.

**Table III-2**

**Cold-rolled steel: U.S. producers' capacity, production, and capacity utilization, 1999-2001, January-March 2001, and January-March 2002**

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Capacity	43,609,462	45,218,078	44,113,263	11,673,545	10,371,861
Production	37,416,853	37,596,891	33,116,781	8,530,343	8,321,114
	<b>Ratio (percent)</b>				
Capacity utilization	85.8	83.1	75.1	73.1	80.2

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

**Table III-3**

**Cold-rolled steel: U.S. producers' capacity, production, and capacity utilization, by firms, 1999-2001, January-March 2001, and January-March 2002**

\* \* \* \* \*

Based on reported data, U.S. capacity increased by 1.2 percent between 1999 and 2001,<sup>13</sup> but decreased by 11.2 percent between the interim periods.<sup>14</sup> U.S. production decreased by 11.5 percent between 1999 and 2001 and decreased by 2.5 percent between the interim periods. Capacity utilization decreased from 85.8 percent in 1999 to 75.1 percent in 2001 but increased to 80.2 percent in interim 2002.

Firms were asked to identify changes in the character of their operations from January 1999 to March 2002. Ten firms responded to this question and their answers are presented in table III-4.

The industry reported producing a variety of products on the same production equipment used to produce cold-rolled steel. These other products include alloy steel, corrosion-resistant steel, galvanized steel products, hot-rolled steel products, pre-plated strip, silicon electrical sheet, stainless steel sheet, and tin mill sheet.

<sup>13</sup> Seven firms, \*\*\*, reduced capacity between 1999 and 2001, while seven firms, \*\*\*, increased capacity in this same period.

<sup>14</sup> Most of the decline in capacity between the interim periods is attributable to the closure of LTV in December 2001. Four firms, \*\*\*, reduced capacity between the interim periods, while two firms, \*\*\*, increased capacity.

**Table III-4**  
**Cold-rolled steel: U.S. producers' changes in the character of operations, January 1999-March 2002**

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\* \* \* \* \*

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### U.S. PRODUCERS' SHIPMENTS

Table III-5 presents data on U.S. producers' total shipments (company transfers, domestic commercial shipments, and export shipments) during the period January 1999 to March 2002.<sup>15</sup> Table III-6 presents U.S. producers' shipment data by firms. Summary data on U.S. commercial shipments are presented in table C-2 of appendix C.

Based on quantity, commercial shipments accounted for 38.4 percent of domestic shipments in 1999, 40.1 percent in 2000, 37.2 percent in 2001, and 36.4 percent in interim 2002. Internal consumption accounted for 46.7 percent of domestic shipments in 1999, 45.8 percent in 2000, 48.0 percent in 2001, and 49.8 percent in interim 2002. Transfers to related firms accounted for 14.9 percent of domestic shipments in 1999, 14.2 percent in 2000, 14.9 percent in 2001, and 13.8 percent in interim 2002. Exports accounted for 1.3 percent of total shipments in 1999, 1.4 percent in 2000, 1.5 percent in 2001, and 1.5 percent in interim 2002.

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<sup>15</sup> Through supplemental questionnaires, U.S. producers were asked to provide supplemental trade data for the second quarter of 2001/2002 and the first half of 2001/2002. These data are presented in app. J.



**Table III-5**  
**Cold-rolled steel: U.S. producers' shipments, by types, 1999-2001, January-March 2001, and January-March 2002**

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Commercial shipments	14,099,991	14,853,305	12,151,578	3,228,587	2,934,124
Internal consumption	17,152,122	16,969,326	15,673,366	4,055,544	4,019,730
Transfers to related firms	5,483,387	5,246,559	4,861,632	1,167,300	1,116,941
Subtotal	36,735,500	37,069,190	32,686,576	8,451,431	8,070,795
Export shipments	474,693	508,429	506,063	125,351	124,346
Total	37,210,193	37,577,619	33,192,639	8,576,782	8,195,141
	<b>Value (\$1,000)</b>				
Commercial shipments	6,167,394	6,578,387	4,761,054	1,304,329	1,099,669
Internal consumption	6,743,663	6,749,431	5,345,312	1,430,257	1,364,674
Transfers to related firms	2,206,162	2,094,712	1,726,248	418,108	399,926
Subtotal	15,117,219	15,422,530	11,832,614	3,152,694	2,864,269
Export shipments	229,722	254,651	228,383	57,384	53,046
Total	15,346,941	15,677,181	12,060,997	3,210,078	2,917,315
	<b>Unit value (per short ton)</b>				
Commercial shipments	\$437.40	\$442.89	\$391.81	\$403.99	\$374.79
Internal consumption	393.17	397.74	341.04	352.67	339.49
Transfers to related firms	402.34	399.25	355.08	358.18	358.05
Subtotal	411.52	416.05	362.00	373.04	354.89
Export shipments	483.94	500.86	451.29	457.78	426.60
Total	412.44	417.19	363.36	374.28	355.98
Source: Compiled from data submitted in response to Commission questionnaires.					

Table III-6  
Cold-rolled steel: U.S. producers' U.S. shipments, by types and by firms, 2001

Firm	Commercial shipments	Internal consumption	Transfers to related firms	Total	Commercial shipments	Internal consumption	Transfers to related firms	Total
	Quantity (short tons)				Share (percent)			
AK	***	***	***	***	***	***	***	100.0
Bethlehem	***	***	***	***	***	***	***	100.0
Blair	***	***	***	***	***	***	***	100.0
CSN	***	***	***	***	***	***	***	100.0
Cold Metal	***	***	***	***	***	***	***	100.0
Duferco	***	***	***	***	***	***	***	100.0
Greer	***	***	***	***	***	***	***	100.0
Ispat Inland	***	***	***	***	***	***	***	100.0
LTV	***	***	***	***	***	***	***	100.0
National	***	***	***	***	***	***	***	100.0
Nucor	***	***	***	***	***	***	***	100.0
Rome	***	***	***	***	***	***	***	100.0
Rouge	***	***	***	***	***	***	***	100.0
SDI	***	***	***	***	***	***	***	100.0
Theis	***	***	***	***	***	***	***	100.0
Thomas	***	***	***	***	***	***	***	100.0
Thompson	***	***	***	***	***	***	***	100.0
UPI	***	***	***	***	***	***	***	100.0
US Steel	***	***	***	***	***	***	***	100.0
WCI	***	***	***	***	***	***	***	100.0
Weirton	***	***	***	***	***	***	***	100.0
Wheeling	***	***	***	***	***	***	***	100.0
Worthington	***	***	***	***	***	***	***	100.0
Total	12,151,578	15,673,366	4,861,632	32,686,576	37.2	48.0	14.9	100.0

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

## Shipments By Channels of Distribution

Table III-7 presents information on U.S. producers' and U.S. importers' commercial shipments by channels of distribution.

**Table III-7**  
Cold-rolled steel: U.S. commercial shipments, by channels of distribution and by sources, 2001

Source	U.S. commercial shipments to—						
	Distributors	Autos	Appliances	Containers	Galvanizers	Other end users	Total
	Quantity ( <i>short tons</i> )						
U.S.-producers <sup>1</sup>	3,837,999	2,029,227	946,177	313,292	1,016,088	2,179,515	10,322,298
U.S. imports from:							
Argentina	***	***	***	***	***	***	***
Australia	***	***	***	***	***	***	***
Belgium	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
France	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***
India	***	***	***	***	***	***	***
Japan	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***
The Netherlands	***	***	***	***	***	***	***
New Zealand	***	***	***	***	***	***	***
Russia	***	***	***	***	***	***	***
South Africa	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***
Sweden	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***
Thailand	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***
Venezuela	***	***	***	***	***	***	***
Subtotal	1,121,783	60,087	2,721	52,738	141,188	125,906	1,504,423
All other sources	16,760	0	0	0	0	21,000	37,760
Total	1,138,543	60,087	2,721	52,738	141,188	146,906	1,542,183

Table continued.

Table III-7--Continued

Cold-rolled steel: U.S. commercial shipments, by channels of distribution and by sources, 2001

Source	U.S. commercial shipments to-						
	Distributors	Autos	Appliances	Containers	Galvanizers	Other end users	Total
	Shares (percent)						
U.S.-producers	37.2	19.7	9.2	3.0	9.8	21.1	100.0
U.S. imports from:							
Argentina	***	***	***	***	***	***	100.0
Australia	***	***	***	***	***	***	100.0
Belgium	***	***	***	***	***	***	100.0
Brazil	***	***	***	***	***	***	100.0
China	***	***	***	***	***	***	100.0
France	***	***	***	***	***	***	100.0
Germany	***	***	***	***	***	***	100.0
India	***	***	***	***	***	***	100.0
Japan	***	***	***	***	***	***	100.0
Korea	***	***	***	***	***	***	100.0
The Netherlands	***	***	***	***	***	***	100.0
New Zealand	***	***	***	***	***	***	100.0
Russia	***	***	***	***	***	***	100.0
South Africa	***	***	***	***	***	***	100.0
Spain	***	***	***	***	***	***	100.0
Sweden	***	***	***	***	***	***	100.0
Taiwan	***	***	***	***	***	***	100.0
Thailand	***	***	***	***	***	***	100.0
Turkey	***	***	***	***	***	***	100.0
Venezuela	***	***	***	***	***	***	100.0
Subtotal	74.6	4.0	0.2	3.5	9.4	8.4	100.0
All other sources	44.4	0.0	0.0	0.0	0.0	55.6	100.0
Total	73.8	3.9	0.2	3.4	9.2	9.5	100.0

<sup>1</sup> Because of differences in reporting by firms, total commercial shipments do not equal the total for commercial shipments indicated in table III-5.

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

## Shipments By Market Segment

Table III-8 presents information on U.S. producers' shipments sold or consumed to produce downstream products in 2001.

**Table III-8**  
**Cold-rolled steel: U.S. producers' commercial shipments sold to produce downstream products, and U.S. producers' internal consumption and transfers to related firms consumed to produce downstream products, by product types, 2001**

Item	Quantity	Share
	Short tons	Percent
U.S. commercial shipments sold to produce:		
Coated (galvanized) products	1,013,397	62.2
Blanks or other non-rectangular shapes	***	***
Tin plate	***	***
Pipe and tubes	***	***
Other products	320,270	19.7
Total <sup>1</sup>	1,629,015	100.0
U.S. internal consumption consumed to produce:		
Coated (galvanized) products	8,130,217	71.8
Blanks or other non-rectangular shapes	***	***
Tin plate	***	***
Pipe and tubes	***	***
Other products	230,676	2.0
Total <sup>1</sup>	11,317,730	100.0
U.S. transfers to related firms consumed to produce:		
Coated (galvanized) products	3,892,170	89
Blanks or other non-rectangular shapes	***	0
Tin plate	***	***
Pipe and tubes	***	***
Other products	161,458	4
Total <sup>1</sup>	4,359,160	100
<sup>1</sup> Because of differences in reporting by firms and because firms often did not know the ultimate end use of their commercial shipments, total commercial shipments are only a small portion of the total for commercial shipments indicated in table III-5. Note.—Because of rounding, figures may not add to the totals shown. Source: Compiled from data submitted in response to Commission questionnaires.		

## CAPTIVE CONSUMPTION

Section 771(7)(C)(iv) of the Act states that—

*If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that—*

- (I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product,*
- (II) the domestic like product is the predominant material input in the production of that downstream article, and*
- (III) the production of the domestic like product sold in the merchant market is not generally used in the production of that downstream article,*

*then the Commission, in determining market share and the factors affecting financial performance . . . , shall focus primarily on the merchant market for the domestic like product.*<sup>16</sup>

In the preliminary phase of these investigations, the Commission found that the threshold provision and the first and second criteria of the statute were met, but did not apply the captive production provision on the basis that it was not able to make a conclusion regarding the third statutory criterion (whether the production of the domestic like product sold in the merchant market is not generally used in the production of that downstream article).<sup>17</sup> In the final phase of these investigations, additional information was requested from U.S. producers and from purchasers for use in making a determination on the applicability of the captive consumption provision of the statute.

In 2001, captive consumption accounted for 48.0 percent of the reported volume of producers' U.S. shipments of cold-rolled steel, transfers to related firms accounted for 14.9 percent, and commercial (merchant) shipments accounted for 37.2 percent.<sup>18</sup> The percentage shares for 1999 and 2000 were similar.

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<sup>16</sup> 19 U.S.C. § 1677(7)(C)(iv).

<sup>17</sup> See, *Certain Cold-Rolled Steel Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, Investigations Nos. 701-TA-422-425 and 731-TA-964-963 (Preliminary), USITC Pub. 3471, November 2001, pp. 14, 15. The Commission stated that based on the record of the investigations, there was some question as to whether the domestic like product sold in the merchant market was not generally used in the production of the downstream article produced from internal transfers and as to whether domestic producers' transfers to related parties would be properly included among internal transfers rather than among merchant market sales. However, the Commission stated that it nonetheless took into consideration the existence of a significant volume of captive production as a relevant condition of competition for purposes of its preliminary determinations. *Ibid.*, p. 15.

<sup>18</sup> Fourteen producers, accounting for 93.1 percent of reported U.S. production in 2001, had captive consumption of cold-rolled steel to produce downstream products in 2001, and 12 producers, accounting for 88.3 percent of reported U.S. production in 2001, had transfers of cold-rolled steel to related firms; all reporting U.S. producers had commercial shipments of cold-rolled steel in 2001 (table III-6).

### The First Statutory Criterion

The first requirement for application of the captive consumption provision is that the domestic like product that is internally transferred for processing into that downstream article not enter the merchant market for the domestic like product. All firms that internally transferred (captive consumed) cold-rolled steel reported that all of their captive-consumed steel was used in the production of downstream products in 2001.<sup>19</sup> Virtually all of the reported volume of captive-consumed cold-rolled steel in 2001 was processed into coated products (71.8 percent) and tin mill products (\*\*\*) (table III-8).

### The Second Statutory Criterion

The second criterion of the captive consumption provision concerns whether the domestic like product is the predominant material input in the production of the downstream article that is captive produced. The share of the reporting domestic producers' raw material cost of all captive-produced downstream product(s) that was accounted for by cold-rolled steel in 2001 was in the 65-95-percent range for most firms. For coated products, the share of the raw material cost that was accounted for by cold-rolled steel in 2001 ranged from \*\*\* percent<sup>20</sup> to \*\*\* percent, with a simple average of 78 percent,<sup>21</sup> and for tin plate the share ranged from \*\*\* percent to \*\*\* percent, with a simple average of 89 percent.

### The Third Statutory Criterion

The third criterion of the captive consumption provision is that the production of the domestic like product sold in the merchant market is not generally used in the production of the downstream article produced from the domestic like product that is internally transferred for processing (captive produced).

In response to a question on whether firms' cold-rolled steel sold in the merchant market in 2001 was generally used in the production of downstream products by their customers, 7 firms,<sup>22</sup> accounting for 40.7 percent of reported U.S. production of cold-rolled steel in 2001, answered "Yes" and 8 firms,<sup>23</sup> accounting for 48.5 percent of reported U.S. production of cold-rolled steel in 2001, answered "No." The remaining firms (\*\*\*) answered "Don't know" or didn't answer the question.<sup>24</sup>

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<sup>19</sup> \*\*\* reported in its questionnaire response that it sold \*\*\* short tons of its internal transfers of cold-rolled steel in 2001 (\*\*\*) commercially, but based on an August 7, 2002, telephone conversation with \*\*\*, it appears that the shipments it reported were straight commercial shipments, not from internal transfers.

Fourteen producers, accounting for 93.1 percent of U.S. production of cold-rolled steel in 2001, had shipments of cold-rolled steel for both captive consumption and for the commercial (merchant) market (table III-6). For most firms the share of U.S. shipments sold commercially was under 50 percent, and for the industry as a whole the share of U.S. shipments sold commercially was 37.2 percent in 2001.

<sup>20</sup> \*\*\*.

<sup>21</sup> \*\*\*.

<sup>22</sup> \*\*\*.

<sup>23</sup> \*\*\*.

<sup>24</sup> \*\*\*.

In response to a question on whether firms' internal transfers or captive consumption of cold-rolled steel differ from the cold-rolled steel they sell in the merchant (commercial) market, 8 firms,<sup>25</sup> accounting for 51.0 percent of U.S. production of cold-rolled steel in 2001, answered "Yes" and 8 firms,<sup>26</sup> accounting for 38.3 percent of U.S. production of cold-rolled steel in 2001, answered "No." The remaining firms (\*\*\*) answered "Don't know" or didn't answer the question. In response to a question on whether there are any grades of cold-rolled steel that firms only produce for captive consumption but for which there is a domestic market, all but one responding firm (\*\*\*) responded "No."

In response to a question on whether in 2001 any portion of firms' merchant market sales of cold-rolled steel was used by their customers to produce the same downstream product(s) that the firms produced from captively-produced cold-rolled steel, 9 firms,<sup>27</sup> accounting for 73.3 percent of U.S. production of cold-rolled steel in 2001, answered "Yes," 5 firms,<sup>28</sup> accounting for 2.8 percent of U.S. production of cold-rolled steel in 2001, answered "No," and the remaining firms (\*\*\*) answered "Don't know" or didn't answer the question. The approximate share of the volume of firms' merchant market sales of cold-rolled steel in 2001 reportedly used in the production of the same downstream products that firms produced from captively-produced cold-rolled steel ranged from \*\*\* percent (\*\*\*) to \*\*\* percent (\*\*\*). Except for \*\*\*, the 8 firms (\*\*\*) that reported shares indicated that \*\*\* percent or less of the volume of their merchant market sales of cold-rolled steel was used to produce the same downstream products that they produce captively, with a simple average for the 9 firms of 13 percent and a weighted average of 10.6 percent.<sup>29</sup>

Based on information in table III-7, 9.8 percent of the volume of U.S. producers' commercial U.S. shipments was sold to galvanizers (coaters) in 2001.<sup>30</sup> Table III-7 accounts for 84.9 percent of U.S. producers' commercial U.S. shipments in 2001, and accordingly is reasonably complete. The 9.8-percent figure excludes any commercial U.S. shipments for the production of tin mill products, which are believed to be minimal. The 9.8-percent share also corresponds closely to the 9.2-percent share, based on American Iron and Steel Institute (AISI) data, developed in the petition for the share of merchant market

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<sup>25</sup> \*\*\*.

<sup>26</sup> \*\*\*.

<sup>27</sup> \*\*\*.

<sup>28</sup> \*\*\*.

<sup>29</sup> The reporting firms accounted for 61.2 percent of U.S. production of cold-rolled steel in 2001.

<sup>30</sup> U.S. producers were also requested to report the volumes of their U.S. commercial shipments that were used in specific products. Although data received indicated that nearly \*\*\* percent of the volume of producers' U.S. commercial shipments was used in the production of coated and tin mill products (table III-8), the data received only accounted for only 13.4 percent of producers' total U.S. commercial shipments in 2001, and thus are very incomplete. Similarly, incomplete information was received from purchasers. Although responding purchasers indicate that approximately 40 percent of the volume of their reported purchases of U.S.-produced cold-rolled steel was for use in coated and tin mill products, purchasers providing data in response to the question accounted for only 40 percent of the volume of U.S. producers' commercial shipments in 2001. Moreover, at least two of the purchasers (\*\*\*) were related to U.S. producers of cold-rolled steel, and therefore their purchases, or a portion of their purchases, were not necessarily commercial purchases, and perhaps should not be counted in the calculation of the share of U.S. producers' commercial shipments used in coated and tin mill products. Purchasers were also requested to list the five major end-use products for which their firm purchased domestically-produced cold-rolled steel as a component part or material input in 2001, and the volume of domestically-produced cold-rolled steel that was used in the production of each of these products; many purchasers did not provide information in response to the question in a meaningful way that could be quantified.



sales of cold-rolled steel used to produce coated and tin mill products<sup>31</sup> for the year 2000, and with the 10.8-percent share calculated by Commission staff based on 2001 AISI data.

The assessment of the third statutory criterion is affected by the extent to which firms' transfers to related parties are considered to be internal consumption rather than merchant market sales. Since over 95 percent of the volume of U.S. producers' shipments of cold-rolled steel to related firms in 2001 was used to produce coated and tin mill products (which are also the major downstream products, by far, produced from captively-consumed cold-rolled steel), it becomes important to identify the extent to which shipments to related firms are in effect internal transfers, since their inclusion as internal transfers could significantly decrease the share of shipments in the merchant market that is used in the production of coated and tin mill products, while their inclusion in merchant-market shipments increases that share. The information presented in table III-9 on producers' transfers to related firms may be of use in this assessment. The table covers only the 7 producers that transferred cold-rolled steel to related firms in 2001 for coating and tin mill products; collectively, these 7 producers accounted for \*\*\* percent of total reported transfers to related firms in 2001.<sup>32</sup>

**Table III-9**  
**Cold-rolled steel: Information (by firm) concerning domestic producers' transfers to related firms, 2001<sup>1</sup>**

\* \* \* \* \*

Table III-10 presents information on estimates of the volumes and shares of U.S. producers' merchant-market shipments of cold-rolled steel used to produce coated and tin mill products in 2001. The resulting shares of U.S. producers' merchant-market shipments used to produce coated and tin mill products range from 9.8 to 34.1 percent, depending on the scenario used.

<sup>31</sup> Postconference brief of Bethlehem, National, and US Steel, p. 27, and petition, vol. II (Injury Information), exh. II-2.

<sup>32</sup> The following firms that reported transfers to related firms in 2001 are not included in the table: \*\*\*.

Table III-10

**Cold-rolled steel: Shares of U.S. producers' U.S. merchant-market shipments accounted for by shipments destined for use in the production of coated and tin mill products, 2001**

Item	Shipments in 2001	Shares of total merchant market shipments in 2001
	<i>Short tons</i>	<i>Percent</i>
<b>Scenario 1: Merchant market for downstream products consists of U.S. producers' U.S. commercial shipments only; it does not include any transfers to related firms--</b>		
Estimated U.S. producers' U.S. commercial shipments to galvanizers (coaters)	1,190,855 <sup>1</sup>	9.8
Total merchant market shipments, scenario 1	12,151,578 <sup>2</sup>	
<b>Scenario 2: Merchant market for downstream products consists of U.S. producers' U.S. commercial shipments plus transfers to related firms at market prices--</b>		
Estimated U.S. producers' U.S. commercial shipments to galvanizers plus transfers to related firms at market prices for the production of coated and tin mill products	*** <sup>3</sup>	***
Total merchant market shipments, scenario 2	*** <sup>4</sup>	
<b>Scenario 3: Merchant market for downstream products consists of U.S. producers' U.S. commercial shipments plus transfers to related firms other than toll transfers--</b>		
Estimated U.S. producers' U.S. commercial shipments to galvanizers plus transfers to related firms for the production of coated and tin mill products, other than toll transfers	*** <sup>5</sup>	***
Total merchant market shipments, scenario 3	*** <sup>6</sup>	
<b>Scenario 4: Merchant market for downstream products consists of U.S. producers' U.S. commercial shipments plus transfers to all related firms--</b>		
Estimated U.S. producers' U.S. commercial shipments to galvanizers plus all transfers to related firms for the production of coated and tin mill products	5,796,037 <sup>7</sup>	34.1
Total merchant market shipments, scenario 4	17,013,210 <sup>8</sup>	
<sup>1</sup> U.S. producers' reported U.S. commercial shipments (12,151,578 short tons from table III-5) multiplied by 0.098 (the share of shipments going to galvanizers in table III-7). There are no known independent producers of tin mill products. <sup>2</sup> U.S. producers' reported U.S. commercial shipments (table III-5). <sup>3</sup> U.S. producers' estimated U.S. commercial shipments to galvanizers (from scenario 1) plus transfers to related firms *** at market prices for the production of coated and tin mill products (table III-9). <sup>4</sup> U.S. producers' reported U.S. commercial shipments plus transfers to related firms *** at market prices for the production of coated and tin mill products plus transfers at market prices to *** and all other related firms producing other than coated and tin mill products (***). <sup>5</sup> U.S. producers' estimated U.S. commercial shipments to galvanizers (from scenario 1) plus transfers to related firms *** for the production of coated and tin mill products. <sup>6</sup> U.S. producers' reported U.S. commercial shipments plus transfers to related firms *** for the production of coated and tin mill products plus transfers to *** and all other related firms producing other than coated and tin mill products. <sup>7</sup> U.S. producers' estimated U.S. commercial shipments to galvanizers (from scenario 1) plus all transfers to related firms for the production of coated and tin mill products. <sup>8</sup> U.S. producers' reported U.S. commercial shipments plus all transfers to related firms.		
Source: Compiled from data submitted in response to Commission questionnaires.		

### U.S. PRODUCERS' PURCHASES

Four U.S. producers, \*\*\*, purchased subject imports from four subject countries from January 1999-March 2002.<sup>33</sup> During this same period, six U.S. producers, \*\*\*, purchased domestically-produced cold-rolled steel. Information on U.S. producers' purchases of cold-rolled steel by sources and by firms are presented in table III-11 and table III-12.

**Table III-11**  
**Cold-rolled steel: U.S. producers' production, purchases, and ratio of purchased subject imports to U.S. production, by firms, January 1999-March 2002**

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\* \* \* \* \*

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<sup>33</sup> \*\*\*.

**Table III-12**  
**Cold-rolled steel: U.S. producers' purchases, by sources, 1999-2001, January-March 2001, and January-March 2002**

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Purchases from domestic producers	293,970	210,223	375,537	42,431	65,861
Purchases of product produced in:					
China <sup>1</sup>	***	***	***	***	***
France <sup>2</sup>	***	***	***	***	***
Korea <sup>3</sup>	***	***	***	***	***
South Africa <sup>4</sup>	***	***	***	***	***
Subtotal	4,382	0	182,201	145	22,952
All other sources	39,455	161	1,377	0	123
Total	337,808	210,384	559,115	42,576	88,936
	<b>Value (\$1,000)</b>				
Purchases from domestic producers	127,479	93,825	152,941	17,202	25,719
Purchases of product produced in:					
China <sup>1</sup>	***	***	***	***	***
France <sup>2</sup>	***	***	***	***	***
Korea <sup>3</sup>	***	***	***	***	***
South Africa <sup>4</sup>	***	***	***	***	***
Subtotal	1,556	0	77,019	126	9,715
All other sources	16,383	96	402	0	64
Total	145,418	93,921	230,362	17,328	35,498
	<b>Unit value (per short ton)</b>				
Purchases from domestic producers	\$433.65	\$446.31	\$407.26	\$405.42	\$390.51
Purchases of product produced in:					
China <sup>1</sup>	***	***	***	***	***
France <sup>2</sup>	***	***	***	***	***
Korea <sup>3</sup>	***	***	***	***	***
South Africa <sup>4</sup>	***	***	***	***	***
Average	354.94	( <sup>5</sup> )	422.72	870.00	423.27
Purchases from other sources	415.23	596.27	291.94	( <sup>5</sup> )	520.33
Average	430.48	446.43	412.01	407.00	399.14
1 ***					
2 ***					
3 ***					
4 ***					
<sup>5</sup> Not applicable.					
Source: Compiled from data submitted in response to Commission questionnaires.					

## U.S. PRODUCERS' INVENTORIES

Table III-13 presents end-of-period inventory data of U.S. producers of cold-rolled steel.

**Table III-13**  
Cold-rolled steel: End-of-period inventories of U.S. producers, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
End-of-period inventories	2,122,147	2,016,089	1,799,489	1,943,294	1,491,555
	<b>Ratios (percent)</b>				
Inventories to production	5.7	5.4	5.4	5.7	4.5
Inventories to U.S. shipments	5.8	5.4	5.5	5.7	4.6
Inventories to total shipments	5.7	5.4	5.4	5.7	4.6

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

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

Employment and productivity data of U.S. producers are presented in table III-14.

**Table III-14**  
Average number of PRWs in U.S. establishments wherein cold-rolled steel is produced, hours worked, wages paid to such employees, and hourly wages, productivity, and unit production costs, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
Number of PRWs	29,983	30,469	28,071	28,179	24,596
Hours worked (1,000)	68,271	67,616	59,192	15,357	13,418
Wages paid (\$1,000)	1,825,364	1,827,586	1,620,431	416,324	374,566
Hourly wages (per hour)	\$26.74	\$27.03	\$27.38	\$27.11	\$27.91
Productivity (short tons/1,000 hours) <sup>1</sup>	546.6	554.5	558.2	554.2	618.6
Unit production costs (per short ton) <sup>1</sup>	\$48.92	\$48.74	\$49.04	\$48.92	\$45.12

<sup>1</sup> \*\*\*.

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



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

### U.S. IMPORTERS

The Commission sent questionnaires to approximately 100 firms believed to have imported cold-rolled steel between January 1999 and March 2002. Seventy-five firms responded to the Commission's questionnaires, with 47 firms reporting imports of cold-rolled steel from the subject countries during this period.<sup>1</sup> Responding firms accounted for approximately 77 percent of U.S. imports of the subject merchandise in 1999, 89 percent in 2000, 74 percent in 2001, 71 percent in interim 2001, and 94 percent in interim 2002.<sup>2</sup> A list of responding firms reporting imports of the subject merchandise is presented in table IV-1.

**Table VI-1**  
**Cold-rolled steel: U.S. importers' sources of subject imports, January 1999-March 2002**

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### U.S. IMPORTS

Data on U.S. imports of cold-rolled steel from subject and nonsubject countries are presented in table IV-2. U.S. imports are based on official statistics of Commerce,<sup>3</sup> adjusted to include U.S. imports of cold-rolled microalloy steel (as reported in questionnaire responses) and exclude cold-rolled steel

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<sup>1</sup> Nineteen firms reported that they had not imported cold-rolled steel during this period; eight firms reported that they had imported cold-rolled steel only from nonsubject countries; and one firm reported that it had imported only excluded products from the subject countries.

<sup>2</sup> Based on a comparison of U.S. importers' questionnaire responses vs. adjusted official import statistics.

<sup>3</sup> Data for cold-rolled steel products, other than microalloy steel, are provided for in HTS statistical reporting 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, and 7212.50.0000.

**Table IV-2**  
**Cold-rolled steel: U.S. imports, 1999-2001, January-March 2001, and January-March 2002<sup>1</sup>**

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Argentina	130,830	***	136,984	35,871	0
Australia	4,184	68,893	53,497	12,912	6,505
Belgium	303,864	255,786	168,845	15,031	363
Brazil	***	***	***	***	***
China	55,655	45,907	92,743	12,219	37,216
France	***	***	106,245	32,020	24,920
Germany	***	***	***	***	***
India	146	18,957	1,508	239	1,581
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	34,350	7,995	55,940	4,056	11,982
New Zealand	27,422	29,409	23,175	5,370	5,438
Russia	415,866	262,246	295,545	60,691	105,410
South Africa	85,474	27,419	89,221	47	24,233
Spain <sup>2</sup>	1,226	593	333	103	106
Sweden	***	***	***	***	***
Taiwan	80,605	20,842	98,388	9,795	9,478
Thailand	73,475	6,039	22,889	8,434	0
Turkey	85,291	37,989	67,200	17,568	1,778
Venezuela	58,495	9,566	52,737	21,089	18,443
Subtotal	2,258,968	1,516,020	2,342,004	441,192	381,766
All others	624,375	806,678	441,649	132,735	107,053
Total	2,883,343	2,322,698	2,783,652	573,926	488,819

Table continued. See footnotes at end of table.



Table IV-2--Continued

Cold-rolled steel: U.S. imports, 1999-2001, January-March 2001, and January-March 2002<sup>1</sup>

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Value (\$1,000)				
Argentina	40,552	***	39,655	11,418	0
Australia	2,462	26,095	17,832	4,672	1,998
Belgium	102,712	102,148	57,512	6,389	285
Brazil	***	***	***	***	***
China	17,288	17,397	25,570	3,761	9,432
France	***	***	48,109	16,083	12,263
Germany	***	***	***	***	***
India	61	8,050	886	209	609
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	12,898	3,018	17,996	1,382	3,641
New Zealand	9,162	12,054	7,556	1,929	1,619
Russia	114,484	96,241	78,029	17,694	24,825
South Africa	27,861	9,861	25,612	25	6,547
Spain <sup>2</sup>	598	381	179	34	118
Sweden	***	***	***	***	***
Taiwan	30,776	10,309	32,520	3,830	3,223
Thailand	23,599	2,487	6,850	2,737	0
Turkey	26,340	15,265	19,664	5,734	410
Venezuela	17,129	3,627	15,967	6,817	5,017
Subtotal	797,810	656,696	781,359	160,278	121,476
All others	260,920	345,971	183,574	55,083	45,941
Total	1,058,731	1,002,667	964,933	215,361	167,417

Table continued. See footnotes at end of table.

**Table IV-2--Continued**  
**Cold-rolled steel: U.S. imports, 1999-2001, January-March 2001, and January-March 2002<sup>1</sup>**

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Unit value (per short ton)</b>				
Argentina	\$309.96	***	\$289.48	\$318.30	( <sup>3</sup> )
Australia	588.41	\$378.78	333.32	361.81	\$307.07
Belgium	338.02	399.35	340.62	425.08	785.38
Brazil	***	***	***	***	***
China	310.63	378.96	275.70	307.82	253.43
France	***	***	452.81	502.26	492.10
Germany	***	***	***	***	***
India	420.15	424.66	587.72	875.20	385.14
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	375.50	377.52	321.70	340.66	303.87
New Zealand	334.12	409.89	326.03	359.13	297.76
Russia	275.29	366.99	264.02	291.55	235.51
South Africa	325.95	359.64	287.07	543.24	270.19
Spain	487.77	642.50	537.54	330.10	1,113.21
Sweden	***	***	***	***	***
Taiwan	381.82	494.63	330.53	391.03	340.06
Thailand	321.19	411.84	299.28	324.55	( <sup>3</sup> )
Turkey	308.83	401.83	292.63	326.39	230.75
Venezuela	292.82	379.10	302.76	323.25	272.03
Subtotal	353.17	433.17	333.63	363.26	318.19
All others	417.89	428.88	415.66	414.99	429.15
Average	367.19	431.68	346.64	375.22	342.49

Table continued. See footnotes at end of table.

Table IV-2--Continued

Cold-rolled steel: U.S. imports, 1999-2001, January-March 2001, and January-March 2002<sup>1</sup>

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Share of quantity (percent)</b>				
Argentina	4.5	***	4.9	6.3	0.0
Australia	0.1	3.0	1.9	2.2	1.3
Belgium	10.5	11.0	6.1	2.6	0.1
Brazil	***	***	***	***	***
China	1.9	2.0	3.3	2.1	7.6
France	***	***	3.8	5.6	5.1
Germany	***	***	***	***	***
India	( <sup>4</sup> )	0.8	0.1	( <sup>4</sup> )	0.3
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	1.2	0.3	2.0	0.7	2.5
New Zealand	1.0	1.3	0.8	0.9	1.1
Russia	14.4	11.3	10.6	10.6	21.6
South Africa	3.0	1.2	3.2	( <sup>4</sup> )	5.0
Spain	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Sweden	***	***	***	***	***
Taiwan	2.8	0.9	3.5	1.7	1.9
Thailand	2.5	0.3	0.8	1.5	0.0
Turkey	3.0	1.6	2.4	3.1	0.4
Venezuela	2.0	0.4	1.9	3.7	3.8
Subtotal	78.3	65.3	84.1	76.9	78.1
All others	21.7	34.7	15.9	23.1	21.9
Total	100.0	100.0	100.0	100.0	100.0

Table continued. See footnotes at end of table.

**Table IV-2--Continued**  
**Cold-rolled steel: U.S. imports, 1999-2001, January-March 2001, and January-March 2002<sup>1</sup>**

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Share of value (percent)</b>				
Argentina	3.8	***	4.1	5.3	0.0
Australia	0.2	2.6	1.8	2.2	1.2
Belgium	9.7	10.2	6.0	3.0	0.2
Brazil	***	***	***	***	***
China	1.6	1.7	2.6	1.7	5.6
France	***	***	5.0	7.5	7.3
Germany	***	***	***	***	***
India	( <sup>4</sup> )	0.8	0.1	0.1	0.4
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	1.2	0.3	1.9	0.6	2.2
New Zealand	0.9	1.2	0.8	0.9	1.0
Russia	10.8	9.6	8.1	8.2	14.8
South Africa	2.6	1.0	2.7	( <sup>4</sup> )	3.9
Spain	0.1	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	0.1
Sweden	***	***	***	***	***
Taiwan	2.9	1.0	3.4	1.8	1.9
Thailand	2.2	0.2	0.7	1.3	0.0
Turkey	2.5	1.5	2.0	2.7	0.2
Venezuela	1.6	0.4	1.7	3.2	3.0
Subtotal	75.4	65.5	81.0	74.4	72.6
All others	24.6	34.5	19.0	25.6	27.4
Total	100.0	100.0	100.0	100.0	100.0

<sup>1</sup> U.S. imports are based on official Commerce statistics, adjusted to include microalloy steel (which typically enter under HTS subheadings 7225 and 7226) and to exclude products excluded from the scope of these investigations, as reported by U.S. importers in their responses to Commission questionnaires.

<sup>2</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.

<sup>3</sup> Not applicable.

<sup>4</sup> Less than 0.05 percent.

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

products that are outside the scope of these investigations (as reported in questionnaires responses).<sup>4</sup> Appendix F presents additional import data used to derive the adjusted figures.<sup>5</sup>

Supplemental import data (based on unadjusted official statistics of Commerce) for the second quarter of 2001/2002 and the first half of 2001/2002 are presented in appendix J. Supplemental apparent U.S. consumption and market share tables are also presented in appendix J.

### Microalloy Steel

Specifically included in the scope of these investigations are high-strength low alloy (HSLA) steels and motor lamination steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum, while motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum. These products are typically classified under various alloy steel HTS subheadings 7225 and 7226, and therefore are not included in the unadjusted official import data and have been added to approximate subject imports. Five countries, Argentina, Germany, Japan, Korea, and Sweden, accounted for reported imports of microalloy steel during January 1999 to March 2002.<sup>6</sup>

### Excluded Products

Specifically excluded from the scope of these investigations are 47 products.<sup>7</sup> Six countries, Brazil, France, Germany, Japan, Korea, and Sweden, accounted for reported imports of excluded products during January 1999 to March 2002.<sup>8</sup> Several U.S. importers reported their imports of excluded

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<sup>4</sup> A full statement of the scope of these investigations and, thus, of the products subject to investigation is contained in Appendix I—Scope of the AD/CVD Investigations on Certain Cold-Rolled Steel Products (67 FR 47510, July 19, 2002) of Commerce’s final LTFV determination concerning Australia (67 FR 47509, July 19, 2002) and is presented in app. A. Commerce subsequently issued clerical corrections to the exclusion descriptions of porcelain enameling sheet and texture rolled steel strip (SORBITEX). *See*, 67 FR 52934, August 14, 2002.

*See also*, Commerce’s *Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea*, July 9, 2002.

<sup>5</sup> Table F-1 presents unadjusted official import statistics of Commerce. Table F-2 presents imports of microalloy steel. Table F-3 presents imports of excluded products.

<sup>6</sup> *See*, table E-2 in app. E for U.S. imports of microalloy steel by sources.

<sup>7</sup> Commerce originally identified 36 excluded products in its preliminary scope determination; however, in its final scope determination, Commerce included 11 additional excluded products. *See*, 67 FR 31181, May 9, 2002, and 67 FR 47509, July 19, 2002.

<sup>8</sup> The Commission asked U.S. importers to report their imports of the 36 excluded products originally identified in Commerce’s preliminary scope determination. Because of the timing of data collection, the Commission was unable to obtain data from U.S. importers on their imports of the 11 additional products excluded in Commerce’s final scope determinations. However, since the 11 additional excluded products are very specific niche-type products, import quantities are believed to be very small. Moreover, three of the 11 excluded products (cold-rolled steel strip to specification SAE 4130, wood band saw steel with nickel content exceeding 1.25 percent, and ski-edge profile steel) actually enter the United States under HTS subheadings for alloy steels (7225, 7226, and 7228) that are outside of the 34 HTS statistical reporting numbers used to calculate official subject imports in this report.

(continued...)

products entering under HTS subheadings 7225 and 7226 (HTS subheadings for alloy steels). Such imports have not been incorporated in the adjusted import data presented throughout this report.

### Imports from Spain

Spanish respondents argue that the vast majority of imports from Spain have been preliminarily determined by Commerce to be nonsubject merchandise.<sup>9</sup> On April 26, 2002, Commerce preliminarily determined that imports of Aceralia's stamped steel circles fall outside the scope of these investigations because: (1) the merchandise in question is now classified as within chapter 73, rather than chapter 72 of the HTS;<sup>10</sup> and (2) it is clear from the physical description of the merchandise that this product is expressly excluded from the scope of these investigations.<sup>11</sup> Additionally, Commerce preliminarily determined that Troquenor's imports consisted only of hot-rolled products that are outside the scope of these investigations.<sup>12</sup>

Petitioners Bethlehem, National, and US Steel note that “{t}he Spanish respondent has presented the Department of Commerce (the ‘Department’) with evidence that the great majority of its cold-rolled imports during the POI were, in fact, non-subject merchandise. While the Department has not made a final determination on this matter, Petitioners do not take issue with that claim here.” These petitioners continue to argue, however, that the Commission should still cumulate imports from Spain for purposes of present injury and threat of material injury.<sup>13</sup>

Petitioners Nucor, SDI, WCI, and Weirton argue that imports of Aceralia's stamped steel circles should not be excluded from Commerce's investigation and that the Commission should still cumulate imports from Spain for purposes of present injury and threat of material injury.<sup>14</sup>

In accordance with Commerce's preliminary rulings, the Spanish respondents provided the Commission with revised import data for Spain (excluding nonsubject imports identified above) for the

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<sup>8</sup> (...continued)

Therefore, subject imports may be slightly overstated to the extent that these additional excluded products have not been deducted from official imports.

<sup>9</sup> See, prehearing brief of Arcelor (Spain), Aceralia, and TradeARBED (Spanish respondents), pp. 1, 3-4, and exh. 2.

<sup>10</sup> See, Spanish respondents' prehearing brief, pp. 4-8, and Customs' classification rulings presented in exh. 16.

<sup>11</sup> See, Commerce's Memorandum of Louis Apple (Director, Office 2, Office of AD/CVD Enforcement), *Analysis of Merchandise Sold by Aceralia Sidstahl Iberica S.A. and Troquenor S.A. During the Period of Investigation in the Antidumping Duty Investigation of Cold-Rolled Carbon Steel Flat Products from Spain*, April 26, 2002.

<sup>12</sup> *Ibid.* See also, prehearing brief of Arcelor (Spain), Aceralia, and TradeARBED (Spanish respondents), pp. 9-10, and exh. 2.

<sup>13</sup> See, petitioners' joint posthearing brief, pp. 29-30.

<sup>14</sup> These petitioners also note that Commerce has not made a final determination. See, posthearing brief of Nucor, SDI, WCI, and Weirton, exh. 13.

period January 1999 to March 2002.<sup>15</sup> These data are presented as subject imports from Spain throughout this report.<sup>16</sup>

### NEGLIGENCE CONSIDERATIONS

Section 771(24)(A)(i) of the Act provides that (1) imports from a subject country corresponding to the domestic like product are negligible if such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition and (2) imports that would otherwise be negligible shall not be negligible if the aggregated volume of imports from all such countries exceeds 7 percent of the volume for the period. For CVD investigations involving developing countries, the threshold percentages increase to 4 and 9 percent respectively.

Data regarding imports of cold-rolled steel products during the 12-month period preceding the filing of the petitions for which data are available (September 2000-August 2001) are presented in table IV-3. Imports of cold-rolled steel products from 10 of the subject countries were less than 3 percent of adjusted subject imports; however, the aggregate volume of subject imports from these 10 sources was 13.0 percent of adjusted subject imports. Regarding the CVD investigations, imports of cold-rolled steel products from each of the developing countries of Argentina and Brazil accounted for greater than 4 percent of the total adjusted subject imports during the period.

### CUMULATION CONSIDERATIONS

In assessing whether imports compete with each other and with the domestic like product, the Commission has generally considered four factors: (1) the degree of fungibility, including specific customer requirements and other quality related questions; (2) presence of sales or offers to sell in the same geographical markets; (3) common channels of distribution; and (4) simultaneous presence in the market. Channels of distribution are discussed in *Part I* of this report; fungibility, geographical markets and presence in the market are discussed below.

#### Fungibility

Table IV-4 presents U.S. imports by HTS numbers. Approximately 70 percent of imports from the subject countries entered under the top two of the 34 enumerated HTS numbers for certain cold-rolled steel products.<sup>17</sup> Additional discussion of fungibility is presented in *Part II*.

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<sup>15</sup> See, prehearing brief of Spanish respondents, exhs. 4 and 8.

<sup>16</sup> Based on unadjusted official statistics, imports from Spain (based on quantity) were 21,580 short tons in 1999, 16,094 short tons in 2000, 18,040 short tons in 2001, 6,166 short tons in interim 2001, and 106 short tons in interim 2002. Adjusted subject imports from Spain (based on quantity) were 1,226 short tons in 1999, 593 short tons in 2000, 333 short tons in 2001, 103 short tons in interim 2001, and 106 short tons in interim 2002.

<sup>17</sup> HTS statistical reporting numbers 7209.16.0090 and 7209.17.0090.

**Table IV-3**  
**Cold-rolled steel: U.S. imports, by sources, September 1, 2000 through August 31, 2001<sup>1</sup>**

Source <sup>2</sup>	Unadjusted Commerce statistics	Plus imports of microalloy steel	Minus imports of excluded products	Adjusted imports	U.S. imports	
					Unadjusted	Adjusted
Quantity (short tons)					Share (percent)	
Share greater than 3 percent of adjusted imports:						
All others	491,244	***	***	***	19.7	***
Korea	338,864	***	***	***	13.6	***
Russia	316,767	***	***	***	12.7	***
Japan	248,159	***	***	***	10.0	***
Brazil <sup>3</sup>	202,711	***	***	***	8.1	***
Belgium	165,075	***	***	***	6.6	***
Argentina <sup>3</sup>	123,181	***	***	***	5.0	***
France	112,316	***	***	***	4.5	***
China	75,979	***	***	***	3.1	***
South Africa	73,511	***	***	***	3.0	***
Subtotal	2,147,807	64,113	86,629	2,125,291	86.3	87.2
Share less than 3 percent of adjusted imports:						
Turkey	71,646	***	***	***	2.9	***
Australia	57,968	***	***	***	2.3	***
Venezuela	46,492	***	***	***	1.9	***
Taiwan	30,163	***	***	***	1.2	***
Germany	34,635	***	***	***	1.4	***
Thailand	23,032	***	***	***	0.9	***
New Zealand	22,714	***	***	***	0.9	***
The Netherlands	21,343	***	***	***	0.9	***
Sweden	26,270	***	***	***	1.1	***
India	5,381	***	***	***	0.2	***
Spain <sup>4</sup>	333	***	***	***	( <sup>5</sup> )	***
Subtotal	339,977	1,130	28,305	312,802	13.7	12.8
Total	2,487,785	65,243	114,934	2,438,094	100.0	100.0

<sup>1</sup> Period represents the 12-month period immediately preceding the filing of the petitions on September 28, 2001. Data for unadjusted Commerce statistics are based on 34 carbon steel statistical reporting numbers. Data for microalloy steel and excluded products are based on questionnaire data gathered in the preliminary phase of these investigations.

<sup>2</sup> Countries are listed in descending order by their share of adjusted total imports.

<sup>3</sup> Brazil and Argentina is considered a developing country for the purpose of determining negligibility in CVD investigations.

<sup>4</sup> Imports from Spain are for calendar year 2001 and have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.

<sup>5</sup> Less than 0.05 percent.

Note.—Because of rounding, numbers may not add to totals shown.

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



**Table IV-4**  
**Cold-rolled steel: U.S. imports, entries by HTS statistical reporting numbers, January 1999-March 2002<sup>1</sup>**

Source	7209.16.0090	7209.17.0090	Subtotal	Other	Total
	<b>Quantity (short tons)</b>				
Argentina	216,573	98,762	315,335	36,935	352,270
Australia	27,231	26,089	53,319	79,760	133,079
Belgium	219,348	303,420	522,769	206,090	728,859
Brazil	269,761	221,464	491,225	104,894	596,119
China	137,771	60,786	198,557	32,966	231,522
France	170,038	107,016	277,054	171,419	448,473
Germany	46,796	76,536	123,332	32,336	155,668
India	9,538	5,419	14,957	7,235	22,192
Japan	179,093	137,810	316,903	389,502	706,405
Korea	403,030	325,863	728,894	226,683	955,577
The Netherlands	34,985	29,817	64,801	45,465	110,266
New Zealand	69,023	14,615	83,638	1,806	85,443
Russia	576,394	265,918	842,311	236,756	1,079,067
South Africa	77,378	93,292	170,670	55,677	226,347
Spain <sup>2</sup>	475	737	1,212	776	2,258
Sweden	10,012	8,562	18,574	58,989	77,563
Taiwan	120,430	44,870	165,299	44,013	209,312
Thailand	66,186	22,627	88,812	13,590	102,403
Turkey	92,109	71,553	163,662	28,596	192,258
Venezuela	73,761	48,104	121,865	17,376	139,242
Subtotal	2,799,929	1,963,259	4,763,188	1,790,864	6,554,323
All others	684,078	490,008	1,174,086	763,300	1,937,387
Total	3,484,007	2,453,268	5,937,274	2,554,165	8,491,709
Table continued. See footnotes at end of table.					

Table IV-4--Continued

Cold-rolled steel: U.S. imports, entries by HTS statistical reporting numbers, January 1999-March 2002<sup>1</sup>

Source	7209.16.0090	7209.17.0090	Subtotal	Other	Total
	<i>Share (percent)</i>				
Argentina	61.5	28.0	89.5	10.5	100.0
Australia	20.5	19.6	40.1	59.9	100.0
Belgium	30.1	41.6	71.7	28.3	100.0
Brazil	45.3	37.2	82.4	17.6	100.0
China	59.5	26.3	85.8	14.2	100.0
France	37.9	23.9	61.8	38.2	100.0
Germany	30.1	49.2	79.2	20.8	100.0
India	43.0	24.4	67.4	32.6	100.0
Japan	25.4	19.5	44.9	55.1	100.0
Korea	42.2	34.1	76.3	23.7	100.0
The Netherlands	31.7	27.0	58.8	41.2	100.0
New Zealand	80.8	17.1	97.9	2.1	100.0
Russia	53.4	24.6	78.1	21.9	100.0
South Africa	34.2	41.2	75.4	24.6	100.0
Spain <sup>2</sup>	32.6	21.0	53.6	46.4	100.0
Sweden	12.9	11.0	23.9	76.1	100.0
Taiwan	57.5	21.4	79.0	21.0	100.0
Thailand	64.6	22.1	86.7	13.3	100.0
Turkey	47.9	37.2	85.1	14.9	100.0
Venezuela	53.0	34.5	87.5	12.5	100.0
Subtotal	42.7	30.0	72.7	27.3	100.0
All others	35.3	25.3	60.6	39.4	100.0
Total	41.0	28.9	69.9	30.1	100.0

<sup>1</sup> Data for cold-rolled steel products are provided for in HTS statistical reporting 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, and 7212.50.0000.

<sup>2</sup> Data for Spain have been adjusted to exclude nonsubject imports.

Source: Compiled from official Commerce statistics.

### Geographical Markets

Cold-rolled steel products produced in the United States are shipped nationwide. Table IV-5, based on unadjusted Commerce statistics for the period January 1999 through March 2002, presents U.S. import quantities of cold-rolled steel products, by country, according to the customs districts and regions through which they entered.

**Table IV-5**  
**Cold-rolled steel: U.S. imports, by regions and by sources, January 1999-March 2002**

Source	East <sup>1</sup>	Gulf <sup>2</sup>	Great Lakes <sup>3</sup>	West <sup>4</sup>	Total
	<b>Quantity (short tons)</b>				
Argentina	29,966	264,959	40,546	16,799	352,270
Australia	54	273	23	132,729	133,079
Belgium	28,642	79,239	454,098	166,880	728,859
Brazil	274,261	212,321	106,546	2,990	596,119
China	37,244	47,007	2,743	144,528	231,522
France	241,142	55,734	150,581	1,016	448,473
Germany	41,053	1,460	112,830	325	155,668
India	1,918	19,803	430	41	22,192
Japan	254,544	201,565	70,377	179,919	706,405
Korea	103,025	331,901	48,719	471,932	955,577
The Netherlands	6,005	24	23,094	81,144	110,266
New Zealand	0	0	0	85,443	85,443
Russia	331,751	425,433	294,452	27,431	1,079,067
South Africa	155,409	70,411	527	0	226,347
Spain <sup>5</sup>	425	540	1,293	0	2,258
Sweden	24,326	3,315	49,392	530	77,563
Taiwan	25,306	31,994	65,866	86,147	209,312
Thailand	3,825	66,286	1,017	31,274	102,403
Turkey	69,746	70,448	52,065	0	192,258
Venezuela	1,558	132,210	5,473	0	139,242
Subtotal	1,630,200	2,014,922	1,480,072	1,429,128	6,554,323
All others	257,311	790,553	825,465	64,058	1,937,387
Total	1,887,511	2,805,475	2,305,538	1,493,185	8,491,709

Table continued. See footnotes at end of table.

Table IV-5--Continued

Cold-rolled steel: U.S. imports, by regions and by sources, January 1999-March 2002

Source	East <sup>1</sup>	Gulf <sup>2</sup>	Great Lakes <sup>3</sup>	West <sup>4</sup>	Total
	Share (percent)				
Argentina	8.5	75.2	11.5	4.8	100.0
Australia	0.0	0.2	0.0	99.7	100.0
Belgium	3.9	10.9	62.3	22.9	100.0
Brazil	46.0	35.6	17.9	0.5	100.0
China	16.1	20.3	1.2	62.4	100.0
France	53.8	12.4	33.6	0.2	100.0
Germany	26.4	0.9	72.5	0.2	100.0
India	8.6	89.2	1.9	0.2	100.0
Japan	36.0	28.5	10.0	25.5	100.0
Korea	10.8	34.7	5.1	49.4	100.0
The Netherlands	5.4	0.0	20.9	73.6	100.0
New Zealand	0.0	0.0	0.0	100.0	100.0
Russia	30.7	39.4	27.3	2.5	100.0
South Africa	68.7	31.1	0.2	0.0	100.0
Spain <sup>5</sup>	18.8	23.9	57.3	0.0	100.0
Sweden	31.4	4.3	63.7	0.7	100.0
Taiwan	12.1	15.3	31.5	41.2	100.0
Thailand	3.7	64.7	1.0	30.5	100.0
Turkey	36.3	36.6	27.1	0.0	100.0
Venezuela	1.1	95.0	3.9	0.0	100.0
Subtotal	24.9	30.7	22.6	21.8	100.0
All others	13.3	40.8	42.6	3.3	100.0
Total	22.2	33.0	27.2	17.6	100.0
<p><sup>1</sup> East region consists of the following customs districts: Baltimore, MD; Boston, MA; Charleston, SC; Charlotte, NC; New York, NY; Norfolk, VA; Philadelphia, PA; Portland, ME; Providence, RI; Savannah, GA; St. Albans, VT; Wilmington, NC; Savannah, GA; and Washington, DC.</p> <p><sup>2</sup> Gulf region consists of the following customs districts: Dallas/Ft. Worth, TX; Houston/Galveston, TX; Laredo, TX; Miami, FL; Mobile, AL; New Orleans, LA; Port Arthur, TX; San Juan, PR; Tampa, FL; and Virgin Islands of the United States.</p> <p><sup>3</sup> Great Lakes region consists of the following customs districts: Buffalo, NY; Chicago, IL; Cleveland, OH; Detroit, MI; Duluth, MN; Milwaukee, WI; Minneapolis, MN; Ogdensburg, NY; Pembina, ND; and St. Louis, MO.</p> <p><sup>4</sup> West region consists of the following customs districts: Anchorage, AK; Columbia/Snake, OR; El Paso, TX; Great Falls, MT; Los Angeles, CA; San Diego, CA; San Francisco, CA; Seattle, WA; Honolulu, HI; and Nogales, AZ.</p> <p><sup>5</sup> Data for Spain have been adjusted to exclude nonsubject imports.</p>					
Source: Compiled from official Commerce statistics.					

### Presence in the Market

Cold-rolled steel products produced in the United States were present in the market throughout the period for which data were collected. Table IV-6 presents U.S. imports of cold-rolled steel products by the number of months in each period in which they entered, and the major HTS numbers used. Based on unadjusted Commerce statistics, imports of cold-rolled steel products from many subject countries and from nonsubject countries entered the United States in most of the 42 months of the period being investigated. Exceptions to this consistent presence were imports from Argentina, China, India, Spain, Thailand, Turkey, and Venezuela.

**Table IV-6**  
Cold-rolled steel: U.S. imports, monthly entries into the United States, by sources, 1999-2001, January-March 2001, and January-March 2002

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Number of months with reported subject imports				
Argentina	10	7	12	3	0
Australia	12	12	11	3	2
Belgium	12	12	12	3	3
Brazil	12	12	12	3	3
China	12	7	11	3	3
France	12	12	12	3	3
Germany	12	12	12	3	3
India	3	12	11	3	3
Japan	12	12	12	3	3
Korea	12	12	12	3	3
The Netherlands	12	12	11	2	3
New Zealand	12	12	12	3	3
Russia	12	11	12	3	3
South Africa	11	12	11	2	2
Spain <sup>1</sup>	8	7	7	1	2
Sweden	12	12	12	3	3
Taiwan	12	12	12	3	3
Thailand	5	10	4	1	0
Turkey	9	6	10	3	1
Venezuela	8	3	11	3	2
Subtotal	12	12	12	3	3
All others	12	12	12	3	3
Total	12	12	12	3	3
<sup>1</sup> Data for Spain have been adjusted to exclude nonsubject imports.					
Source: Compiled from official Commerce statistics.					

## APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of cold-rolled steel products are based on U.S. producers' shipments as reported in Commission questionnaires and imports as recorded in official statistics and adjusted by reported imports of cold-rolled microalloy steel and exclusions by Commerce. Data on total apparent U.S. consumption are presented in table IV-7A. Data on apparent open-market U.S. consumption are presented in table IV-7B.

For three subject countries, Germany, India, and the Netherlands, foreign producer export data are substantially higher than adjusted official import data. It appears that for these three countries, subject imports may be entering under one or more alloy HTS statistical reporting numbers.<sup>18</sup> Data on total apparent U.S. consumption substituting foreign producer export data for Germany, India, and the Netherlands are presented in table IV-7C. Data on apparent open-market U.S. consumption substituting foreign producer export data for Germany, India, and the Netherlands are presented in table IV-7D.

## U.S. MARKET SHARES

Market share data of U.S. producers and imports from the subject countries and all other sources based on total apparent U.S. consumption of cold-rolled steel products, are presented in table IV-8A. Market share data based on apparent U.S. open-market consumption of cold-rolled steel are presented in table IV-8B. Market share data based on total apparent U.S. consumption substituting foreign producer export data for Germany, India, and the Netherlands are presented in table IV-8C. Market share data based on apparent open-market U.S. consumption substituting foreign producer export data for Germany, India, and the Netherlands are presented in table IV-8D.

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<sup>18</sup> Regarding imports from Germany, \*\*\*. See, prehearing brief of ThyssenKrupp Stahl, EKO Stahl, Stahlwerke Bremen, and Salzgitter, p. 3, fn. 5. Regarding imports from India, counsel for Indian producer Tata indicated \*\*\*. See, e-mail of \*\*\*. Regarding imports from the Netherlands, counsel for Corus indicated that \*\*\*. Staff phone conversation with \*\*\*.

Table IV-7A

**Cold-rolled steel: U.S. producers' total U.S. shipments of domestic product, U.S. imports using adjusted official import data, by sources, and total apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002**

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
U.S. producers' U.S. shipments	36,735,500	37,069,190	32,686,576	8,451,431	8,070,795
U.S. imports from:					
Argentina	130,830	***	136,984	35,871	0
Australia	4,184	68,893	53,497	12,912	6,505
Belgium	303,864	255,786	168,845	15,031	363
Brazil	***	***	***	***	***
China	55,655	45,907	92,743	12,219	37,216
France	***	***	106,245	32,020	24,920
Germany	***	***	***	***	***
India	146	18,957	1,508	239	1,581
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	34,350	7,995	55,940	4,056	11,982
New Zealand	27,422	29,409	23,175	5,370	5,438
Russia	415,866	262,246	295,545	60,691	105,410
South Africa	85,474	27,419	89,221	47	24,233
Spain <sup>1</sup>	1,226	593	333	103	106
Sweden	***	***	***	***	***
Taiwan	80,605	20,842	98,388	9,795	9,478
Thailand	73,475	6,039	22,889	8,434	0
Turkey	85,291	37,989	67,200	17,568	1,778
Venezuela	58,495	9,566	52,737	21,089	18,443
Subtotal	2,258,968	1,516,020	2,342,004	441,192	381,766
All others	624,375	806,678	441,649	132,735	107,053
Total	2,883,343	2,322,698	2,783,652	573,926	488,819
Apparent consumption	39,618,843	39,391,888	35,470,228	9,025,357	8,559,614

Table continued.

Table IV-7A--Continued

Cold-rolled steel: U.S. producers' total U.S. shipments of domestic product, U.S. imports using adjusted official import data, by sources, and total apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Value (\$1,000)				
U.S. producers' U.S. shipments	15,117,219	15,422,530	11,832,614	3,152,694	2,864,269
U.S. imports from:					
Argentina	40,552	***	39,655	11,418	0
Australia	2,462	26,095	17,832	4,672	1,998
Belgium	102,712	102,148	57,512	6,389	285
Brazil	***	***	***	***	***
China	17,288	17,397	25,570	3,761	9,432
France	***	***	48,109	16,083	12,263
Germany	***	***	***	***	***
India	61	8,050	886	209	609
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	12,898	3,018	17,996	1,382	3,641
New Zealand	9,162	12,054	7,556	1,929	1,619
Russia	114,484	96,241	78,029	17,694	24,825
South Africa	27,861	9,861	25,612	25	6,547
Spain <sup>1</sup>	598	381	179	34	118
Sweden	***	***	***	***	***
Taiwan	30,776	10,309	32,520	3,830	3,223
Thailand	23,599	2,487	6,850	2,737	0
Turkey	26,340	15,265	19,664	5,734	410
Venezuela	17,129	3,627	15,967	6,817	5,017
Subtotal	797,810	656,696	781,359	160,278	121,476
All others	260,920	345,971	183,574	55,083	45,941
Total	1,058,731	1,002,667	964,933	215,361	167,417
Apparent consumption	16,175,950	16,425,197	12,797,547	3,368,055	3,031,686
<sup>1</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.					
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.					



Table IV-7B

**Cold-rolled steel: U.S. producers' open-market U.S. shipments of domestic product, U.S. imports using adjusted official import data, by sources, and apparent open-market U.S. consumption, 1999-2001, January-March 2001, and January-March 2002**

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
U.S. producers' U.S. shipments	14,099,991	14,853,305	12,151,578	3,228,587	2,934,124
U.S. imports from:					
Argentina	130,830	***	136,984	35,871	0
Australia	4,184	68,893	53,497	12,912	6,505
Belgium	303,864	255,786	168,845	15,031	363
Brazil	***	***	***	***	***
China	55,655	45,907	92,743	12,219	37,216
France	***	***	106,245	32,020	24,920
Germany	***	***	***	***	***
India	146	18,957	1,508	239	1,581
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	34,350	7,995	55,940	4,056	11,982
New Zealand	27,422	29,409	23,175	5,370	5,438
Russia	415,866	262,246	295,545	60,691	105,410
South Africa	85,474	27,419	89,221	47	24,233
Spain <sup>1</sup>	1,226	593	333	103	106
Sweden	***	***	***	***	***
Taiwan	80,605	20,842	98,388	9,795	9,478
Thailand	73,475	6,039	22,889	8,434	0
Turkey	85,291	37,989	67,200	17,568	1,778
Venezuela	58,495	9,566	52,737	21,089	18,443
Subtotal	2,258,968	1,516,020	2,342,004	441,192	381,766
All others	624,375	806,678	441,649	132,735	107,053
Total	2,883,343	2,322,698	2,783,652	573,926	488,819
Apparent consumption	16,983,334	17,176,003	14,935,230	3,802,513	3,422,943
Table continued.					

Table IV-7B--Continued

Cold-rolled steel: U.S. producers' open-market U.S. shipments of domestic product, U.S. imports using adjusted official import data, by sources, and apparent open-market U.S. consumption, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Value (\$1,000)				
U.S. producers' U.S. shipments	6,167,394	6,578,387	4,761,054	1,304,329	1,099,669
U.S. imports from:					
Argentina	40,552	***	39,655	11,418	0
Australia	2,462	26,095	17,832	4,672	1,998
Belgium	102,712	102,148	57,512	6,389	285
Brazil	***	***	***	***	***
China	17,288	17,397	25,570	3,761	9,432
France	***	***	48,109	16,083	12,263
Germany	***	***	***	***	***
India	61	8,050	886	209	609
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	12,898	3,018	17,996	1,382	3,641
New Zealand	9,162	12,054	7,556	1,929	1,619
Russia	114,484	96,241	78,029	17,694	24,825
South Africa	27,861	9,861	25,612	25	6,547
Spain <sup>1</sup>	598	381	179	34	118
Sweden	***	***	***	***	***
Taiwan	30,776	10,309	32,520	3,830	3,223
Thailand	23,599	2,487	6,850	2,737	0
Turkey	26,340	15,265	19,664	5,734	410
Venezuela	17,129	3,627	15,967	6,817	5,017
Subtotal	797,810	656,696	781,359	160,278	121,476
All others	260,920	345,971	183,574	55,083	45,941
Total	1,058,731	1,002,667	964,933	215,361	167,417
Apparent consumption	7,226,125	7,581,054	5,725,987	1,519,690	1,267,086
<sup>1</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.					
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.					

Table IV-7C

**Cold-rolled steel: U.S. producers' total U.S. shipments of domestic product, U.S. imports using foreign producer export data for Germany, India, and the Netherlands, by sources, and total apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002**

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Quantity (short tons)				
U.S. producers' U.S. shipments	36,735,500	37,069,190	32,686,576	8,451,431	8,070,795
U.S. imports from:					
Argentina	130,830	***	136,984	35,871	0
Australia	4,184	68,893	53,497	12,912	6,505
Belgium	303,864	255,786	168,845	15,031	363
Brazil	***	***	***	***	***
China	55,655	45,907	92,743	12,219	37,216
France	***	***	106,245	32,020	24,920
Germany <sup>1</sup>	***	***	***	***	***
India <sup>1</sup>	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands <sup>1</sup>	***	***	***	***	***
New Zealand	27,422	29,409	23,175	5,370	5,438
Russia	415,866	262,246	295,545	60,691	105,410
South Africa	85,474	27,419	89,221	47	24,233
Spain <sup>2</sup>	1,226	593	333	103	106
Sweden	***	***	***	***	***
Taiwan	80,605	20,842	98,388	9,795	9,478
Thailand	73,475	6,039	22,889	8,434	0
Turkey	85,291	37,989	67,200	17,568	1,778
Venezuela	58,495	9,566	52,737	21,089	18,443
Subtotal	2,482,871	1,744,827	2,454,606	480,822	380,071
All others	624,375	806,678	441,649	132,735	107,053
Total	3,107,246	2,551,505	2,896,255	613,556	487,124
Apparent consumption	39,842,746	39,620,695	35,582,831	9,064,987	8,557,919
<sup>1</sup> Foreign producers' reported exports to the United States have been substituted for adjusted official import statistics. <sup>2</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.					
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.					

Table IV-7D

Cold-rolled steel: U.S. producers' open-market U.S. shipments of domestic product, U.S. imports using foreign producer export data for Germany, India, and the Netherlands, by sources, and apparent open-market U.S. consumption, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<i>Quantity (short tons)</i>				
U.S. producers' U.S. shipments	14,099,991	14,853,305	12,151,578	3,228,587	2,934,124
U.S. imports from:					
Argentina	130,830	***	136,984	35,871	0
Australia	4,184	68,893	53,497	12,912	6,505
Belgium	303,864	255,786	168,845	15,031	363
Brazil	***	***	***	***	***
China	55,655	45,907	92,743	12,219	37,216
France	***	***	106,245	32,020	24,920
Germany <sup>1</sup>	***	***	***	***	***
India <sup>1</sup>	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands <sup>1</sup>	***	***	***	***	***
New Zealand	27,422	29,409	23,175	5,370	5,438
Russia	415,866	262,246	295,545	60,691	105,410
South Africa	85,474	27,419	89,221	47	24,233
Spain <sup>2</sup>	1,226	593	333	103	106
Sweden	***	***	***	***	***
Taiwan	80,605	20,842	98,388	9,795	9,478
Thailand	73,475	6,039	22,889	8,434	0
Turkey	85,291	37,989	67,200	17,568	1,778
Venezuela	58,495	9,566	52,737	21,089	18,443
Subtotal	2,482,871	1,744,827	2,454,606	480,822	380,071
All others	624,375	806,678	441,649	132,735	107,053
Total	3,107,246	2,551,505	2,896,255	613,556	487,124
Apparent consumption	17,207,237	17,404,810	15,047,833	3,842,143	3,421,248
<sup>1</sup> Foreign producers' reported exports to the United States have been substituted for adjusted official import statistics. <sup>2</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.					
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.					

Table IV-8A

Cold-rolled steel: Total apparent U.S. consumption and market shares using adjusted official import data, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Apparent consumption	39,618,843	39,391,888	35,470,228	9,025,357	8,559,614
	<b>Share of quantity (percent)</b>				
U.S. producers' U.S. shipments	92.7	94.1	92.2	93.6	94.3
U.S. imports from:					
Argentina	0.3	***	0.4	0.4	0.0
Australia	( <sup>2</sup> )	0.2	0.2	0.1	0.1
Belgium	0.8	0.6	0.5	0.2	( <sup>2</sup> )
Brazil	***	***	***	***	***
China	0.1	0.1	0.3	0.1	0.4
France	***	***	0.3	0.4	0.3
Germany	***	***	***	***	***
India	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	0.1	( <sup>2</sup> )	0.2	( <sup>2</sup> )	0.1
New Zealand	0.1	0.1	0.1	0.1	0.1
Russia	1.0	0.7	0.8	0.7	1.2
South Africa	0.2	0.1	0.3	( <sup>2</sup> )	0.3
Spain <sup>1</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sweden	***	***	***	***	***
Taiwan	0.2	0.1	0.3	0.1	0.1
Thailand	0.2	( <sup>2</sup> )	0.1	0.1	0.0
Turkey	0.2	0.1	0.2	0.2	( <sup>2</sup> )
Venezuela	0.1	( <sup>2</sup> )	0.1	0.2	0.2
Subtotal	5.7	3.8	6.6	4.9	4.5
All others	1.6	2.0	1.2	1.5	1.3
Total	7.3	5.9	7.8	6.4	5.7
Table continued. See footnotes at end of table.					

Table IV-8A--Continued

Cold-rolled steel: Total apparent U.S. consumption and market shares using adjusted official import data, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Value (\$1,000)				
Apparent consumption	16,175,950	16,425,197	12,797,547	3,368,055	3,031,686
	Share of value (percent)				
U.S. producers' U.S. shipments	93.5	93.9	92.5	93.6	94.5
U.S. imports from:					
Argentina	0.3	***	0.3	0.3	0
Australia	( <sup>2</sup> )	0.2	0.1	0.1	0.1
Belgium	0.6	0.6	0.4	0.2	( <sup>2</sup> )
Brazil	***	***	***	***	***
China	0.1	0.1	0.2	0.1	0.3
France	***	***	0.4	0.5	0.4
Germany	***	***	***	***	***
India	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	0.1	( <sup>2</sup> )	0.1	( <sup>2</sup> )	0.1
New Zealand	0.1	0.1	0.1	0.1	0.1
Russia	0.7	0.6	0.6	0.5	0.8
South Africa	0.2	0.1	0.2	( <sup>2</sup> )	0.2
Spain <sup>1</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sweden	***	***	***	***	***
Taiwan	0.2	0.1	0.3	0.1	0.1
Thailand	0.1	( <sup>2</sup> )	0.1	0.1	0
Turkey	0.2	0.1	0.2	0.2	( <sup>2</sup> )
Venezuela	0.1	( <sup>2</sup> )	0.1	0.2	0.2
Subtotal	4.9	4.0	6.1	4.8	4.0
All others	1.6	2.1	1.4	1.6	1.5
Total	6.5	6.1	7.5	6.4	5.5
<sup>1</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations. <sup>2</sup> Less than 0.05 percent.					
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.					

**Table IV-8B**  
**Cold-rolled steel: Open-market apparent U.S. consumption and market shares using adjusted official import data, 1999-2001, January-March 2001, and January-March 2002**

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Apparent consumption	16,983,334	17,176,003	14,935,230	3,802,513	3,422,943
	<b>Share of quantity (percent)</b>				
U.S. producers' U.S. shipments	83.0	86	81.4	84.9	85.7
U.S. imports from:					
Argentina	0.8	***	0.9	0.9	0.0
Australia	( <sup>2</sup> )	0.4	0.4	0.3	0.2
Belgium	1.8	1.5	1.1	0.4	( <sup>2</sup> )
Brazil	***	***	***	***	***
China	0.3	0.3	0.6	0.3	1.1
France	***	***	0.7	0.8	0.7
Germany	***	***	***	***	***
India	( <sup>2</sup> )	0.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	0.2	( <sup>2</sup> )	0.4	0.1	0.4
New Zealand	0.2	0.2	0.2	0.1	0.2
Russia	2.4	1.5	2.0	1.6	3.1
South Africa	0.5	0.2	0.6	0.0	0.7
Spain <sup>1</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sweden	***	***	***	***	***
Taiwan	0.5	0.1	0.7	0.3	0.3
Thailand	0.4	( <sup>2</sup> )	0.2	0.2	0.0
Turkey	0.5	0.2	0.4	0.5	0.1
Venezuela	0.3	0.1	0.4	0.6	0.5
Subtotal	13.3	8.8	15.7	11.6	11.2
All others	3.7	4.7	3.0	3.5	3.1
Total	17.0	13.5	18.6	15.1	14.3
Table continued. See footnotes at end of table.					

Table IV-8B--Continued

Cold-rolled steel: Open-market apparent U.S. consumption and market shares using adjusted official import data, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Value (\$1,000)				
Apparent consumption	7,226,125	7,581,054	5,725,987	1,519,690	1,267,086
	Share of value (percent)				
U.S. producers' U.S. shipments	85.3	87	83.1	85.8	86.8
U.S. imports from:					
Argentina	0.6	***	0.7	0.8	0.0
Australia	( <sup>2</sup> )	0.3	0.3	0.3	0.2
Belgium	1.4	1.3	1.0	0.4	( <sup>2</sup> )
Brazil	***	***	***	***	***
China	0.2	0.2	0.4	0.2	0.7
France	***	***	0.8	1.1	1.0
Germany	***	***	***	***	***
India	( <sup>2</sup> )	0.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	0.2	( <sup>2</sup> )	0.3	0.1	0.3
New Zealand	0.1	0.2	0.1	0.1	0.1
Russia	1.6	1.3	1.4	1.2	2.0
South Africa	0.4	0.1	0.4	0.0	0.5
Spain <sup>1</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sweden	***	***	***	***	***
Taiwan	0.4	0.1	0.6	0.3	0.3
Thailand	0.3	( <sup>2</sup> )	0.1	0.2	0.0
Turkey	0.4	0.2	0.3	0.4	( <sup>2</sup> )
Venezuela	0.2	( <sup>2</sup> )	0.3	0.4	0.4
Subtotal	11.0	8.7	13.6	10.5	9.6
All others	3.6	4.6	3.2	3.6	3.6
Total	14.7	13.2	16.9	14.2	13.2

<sup>1</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.

<sup>2</sup> Less than 0.05 percent.

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



Table IV-8C

Cold-rolled steel: Total apparent U.S. consumption and market shares using foreign producer export data for Germany, India, and the Netherlands, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Apparent consumption	39,842,746	39,620,695	35,582,831	9,064,987	8,557,919
	<b>Share of quantity (percent)</b>				
U.S. producers' U.S. shipments	92.2	93.6	91.9	93.2	94.3
U.S. imports from:					
Argentina	0.3	***	0.4	0.4	0.0
Australia	( <sup>2</sup> )	0.2	0.2	0.1	0.1
Belgium	0.8	0.6	0.5	0.2	( <sup>2</sup> )
Brazil	***	***	***	***	***
China	0.1	0.1	0.3	0.1	0.4
France	***	***	0.3	0.4	0.3
Germany <sup>1</sup>	***	***	***	***	***
India <sup>1</sup>	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands <sup>1</sup>	***	***	***	***	***
New Zealand	0.1	0.1	0.1	0.1	0.1
Russia	1.0	0.7	0.8	0.7	1.2
South Africa	0.2	0.1	0.3	0.0	0.3
Spain <sup>3</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sweden	***	***	***	***	***
Taiwan	0.2	0.1	0.3	0.1	0.1
Thailand	0.2	( <sup>2</sup> )	0.1	0.1	0.0
Turkey	0.2	0.1	0.2	0.2	( <sup>2</sup> )
Venezuela	0.1	( <sup>2</sup> )	0.1	0.2	0.2
Subtotal	6.2	4.4	6.9	5.3	4.4
All others	1.6	2.0	1.2	1.5	1.3
Total	7.8	6.4	8.1	6.8	5.7

<sup>1</sup> Foreign producers' reported exports to the United States have been substituted for adjusted official import statistics.

<sup>2</sup> Less than 0.05 percent.

<sup>3</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.

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

Table IV-8D

Cold-rolled steel: Open-market apparent U.S. consumption and market shares using foreign producer export data for Germany, India, and the Netherlands, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Apparent consumption	17,207,237	17,404,810	15,047,833	3,842,143	3,421,248
	<b>Share of quantity (percent)</b>				
U.S. producers' U.S. shipments	81.9	85.3	80.8	84.0	85.8
U.S. imports from:					
Argentina	0.8	***	0.9	0.9	0.0
Australia	( <sup>2</sup> )	0.4	0.4	0.3	0.2
Belgium	1.8	1.5	1.1	0.4	( <sup>2</sup> )
Brazil	***	***	***	***	***
China	0.3	0.3	0.6	0.3	1.1
France	***	***	0.7	0.8	0.7
Germany <sup>1</sup>	***	***	***	***	***
India <sup>1</sup>	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands <sup>1</sup>	***	***	***	***	***
New Zealand	0.2	0.2	0.2	0.1	0.2
Russia	2.4	1.5	2.0	1.6	3.1
South Africa	0.5	0.2	0.6	0.0	0.7
Spain <sup>3</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sweden	***	***	***	***	***
Taiwan	0.5	0.1	0.7	0.3	0.3
Thailand	0.4	( <sup>2</sup> )	0.2	0.2	0.0
Turkey	0.5	0.2	0.4	0.5	0.1
Venezuela	0.3	0.1	0.4	0.5	0.5
Subtotal	14.4	10.0	16.3	12.5	11.1
All others	3.6	4.6	2.9	3.5	3.1
Total	18.1	14.7	19.2	16.0	14.2

<sup>1</sup> Foreign producers' reported exports to the United States have been substituted for adjusted official import statistics.

<sup>2</sup> Less than 0.05 percent.

<sup>3</sup> Imports from Spain have been adjusted to exclude imports found by Customs to be misclassified and preliminarily determined by Commerce to be outside the scope of these investigations.

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

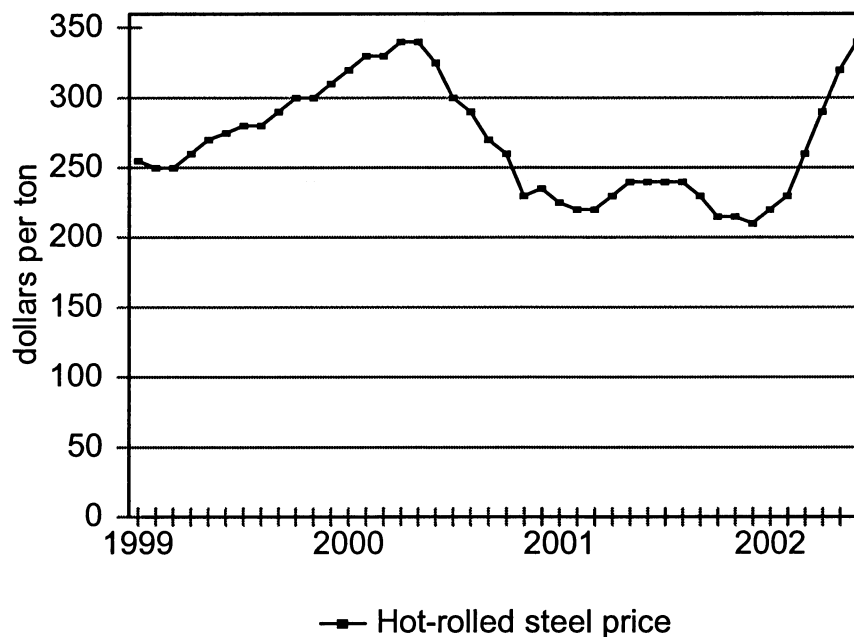
## PART V: PRICING AND RELATED INFORMATION

### FACTORS AFFECTING PRICES

#### Raw Material Costs

The main input in cold-rolled steel is hot-rolled steel. Figure V-1 presents publicly available price data for spot sale prices of hot-rolled steel. Raw material costs are also covered in *Part VI*.

**Figure V-1**  
The price of hot-rolled steel, Midwest market average, monthly data



Source: Purchasing Magazine.

#### Transportation Costs

The shares of landed duty-paid value accounted for by transportation costs to the United States in 2001 (excluding U.S. inland costs) were 13.0 percent for Argentina, 15.1 percent for Australia, 7.1 percent for Belgium, 9.2 percent for Brazil, 8.8 percent for China, 8.0 percent for France, 7.8 percent for Germany, 17.0 percent for India, 12.4 percent for Japan, 10.5 percent for Korea, 11.1 percent for the Netherlands, 15.6 percent for New Zealand, 8.0 percent for Russia, 10.5 percent for South Africa, 13.7 percent for Spain, 7.6 percent for Sweden, 9.2 percent for Taiwan, 10.6 percent for Thailand, 9.2 percent for Turkey, and 11.9 percent for Venezuela.

U.S.-inland transportation costs generally account for a small share of the delivered price of cold-rolled steel. For U.S. producers they averaged 4.3 percent, ranging from 1 to 8 percent, and for importers they averaged 7.6 percent, with 31 of 35 reporting 1 to 10 percent.

U.S. producers tend to ship cold-rolled steel longer inland distances than do importers. Questionnaire responses indicate that U.S. producers ship most of their product between 101 and 1,000 miles, with 64.8 percent of their sales in that range. Producers reported that 29.1 percent of their sales were under 100 miles and 6.1 percent of their sales over 1,000 miles. Importers reported shipping 68.0 percent of their product less than 100 miles, 28.4 percent of their product 101 to 1,000 miles, and 3.6 percent over 1,000 miles.

### **Exchange Rates**

Nominal and real exchange rate graphs for the subject countries are presented in appendix G.

### **PRICING PRACTICES**

Methods of arriving at prices for cold-rolled steel vary. Fourteen of 23 responding producers reported transaction-by-transaction negotiations, 9 reported contract pricing, and none reported published price lists. Thirty of 44 responding importers indicated that pricing is determined by transaction-by-transaction negotiations, 13 reported contracts for multiple shipments, and 6 reported set price lists. Many producers and importers quote prices by more than one method. Eleven of 19 responding U.S. producers reported selling on an f.o.b. basis, 5 reported selling on both an f.o.b. and delivered basis, and 3 reported selling on a delivered basis. Among importers, 14 of 41 reported price quotations on an f.o.b. basis, 18 quote on a delivered basis, and 9 quoted on both an f.o.b. and delivered basis.

Few producers and importers indicated that they have a set discount policy. Most reported that their firm negotiates so as to provide competitive pricing that meets market conditions. Volume and early payment are the most common types of discount, when offered.

Both U.S. producers and importers sold most of their product on contract. U.S. producers on average sold 55.3 percent of their product on contract and 44.7 percent on the spot market. Importers reported on average selling 52.0 percent of their imported product using contract sales and 48.0 percent on the spot market.<sup>1</sup> Contract terms are fairly similar for producers and importers. Prices and quantities are usually fixed in the contracts during the contract period. Few contracts contain meet-or-release provisions, with 6 of 20 responding producers and 4 of 28 responding importers reporting contracts containing such provisions. Producers, importers, and purchasers whose contracts contain meet-or-release clauses were asked whether prices changed during the period of the contracts. Only 1 of 6 responding producers and only 1 of 3 responding importers reported any price changes. Only 9 of 38 responding purchasers reported that prices had changed, stating that suppliers had increased prices during 2002.

Producers, importers, and purchasers were also asked whether prices vary within the duration of a contract in response to changes in spot prices. Eleven of 20 producers reported that prices sometimes vary during a contract, with 6 reporting that purchasers have negotiated for lower prices when spot prices have fallen to low levels. Only 1 of 26 importers noted that prices vary during a contract. Fifty-four of

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<sup>1</sup> Both averages for the importers and producers are simple averages, not weighted for their market share.

72 purchasers reported that prices did not vary while 18 reported that they do vary. Of these 18, 6 specifically noted increases in price in the last year.

## PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly quantity and f.o.b. value data for sales to unrelated U.S. customers between January 1999 and June 2002 for the following products:

***Product 1.—Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-366), not interstitial free, box annealed and temper rolled, 36" to 72" in width, 0.022" to less than 0.028" in thickness.***

***Product 2.—Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-366), not interstitial free, box annealed and temper rolled, 36" to 72" in width, 0.028" to 0.090" in thickness.***

***Product 3.—Grade 1095 or equivalent grade cold-rolled strip, hardened and tempered, 2.250" in width, 0.025" in thickness.***

Each of these products can have a range of product characteristics which can influence the price charged.<sup>2</sup> \*\*\* U.S. producers and 30 importers provided usable pricing data for sales of the requested products. Pricing data reported by U.S. producers accounted for 19.6 percent of U.S. commercial shipments of cold-rolled steel between January 1999 and March 2002. Also for the period between January 1999 and March 2002, Argentine pricing coverage was 48.8 percent; Belgian pricing coverage was 0.2 percent; Brazilian pricing coverage was 13.4 percent; Chinese pricing coverage was 18.3 percent; French pricing coverage was 14.0 percent; German pricing coverage was 8.7 percent; Indian pricing coverage was 29.0 percent; Japanese pricing coverage was 9.8 percent; Korean pricing coverage was 0.5 percent; the Netherlands' coverage was 90.7 percent; New Zealand's pricing coverage was 65.4 percent; Russian pricing coverage was 37.9 percent; South African pricing coverage was 57.4 percent; Swedish pricing coverage was 28.0 percent; Taiwanese pricing coverage was 32.5 percent, Thai pricing coverage was 31.6 percent; Turkish pricing coverage was 40.3 percent; and Venezuelan pricing coverage was 64.3 percent. No comparable pricing data were reported for Australia and Spain; therefore these countries have not been included in the pricing tables. Product 3 price data were only available from Sweden; as a result, no summary data are provided on product 3.

## Price Trends

Weighted-average prices and margins of underselling/overselling for U.S.-produced and imported cold-rolled steel products are shown in tables H-1 through H-5 in appendix H on a quarterly basis for January 1999-June 2002.<sup>34</sup> Tables V-1 through V-2 summarize price trends by channel of distribution, country, and product. Except for a few cases, prices generally declined over the period examined; however, prices for domestic products increased in April-June 2002.

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<sup>2</sup> \*\*\*.

<sup>3</sup> The respondents \*\*\*, joint respondents' posthearing brief, pp. 24-25. Commission staff contacted \*\*\*.

<sup>4</sup> Only partial data were available for May-June 2002; \*\*\*.

**Table V-1**  
**Cold-rolled steel: Summary of weighted-average f.o.b. prices for product 1 sold to U.S. service centers and end users, by sources**

Source	Service centers				End users			
	Number of quarters	High price	Low price	Percent change in price <sup>1</sup>	Number of quarters	High price	Low price	Percent change in price <sup>1</sup>
		<i>Per ton</i>	<i>Per ton</i>	<i>Percent</i>		<i>Per ton</i>	<i>Per ton</i>	<i>Percent</i>
United States	14	\$420.87	\$322.59	-8.9	14	\$470.81	\$365.01	-18.2
Argentina	12	445.51	294.14	-17.8	5	391.30	296.06	+19.8
Belgium	14	443.00	330.46	-0.6	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Brazil	5	333.40	270.35	-18.9	1	***	***	-
China	8	411.02	273.24	-25.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
France	8	556.73	378.33	+37.7	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
India	2	***	***	-50.0	1	***	***	-
Japan	12	749.38	371.42	+101.8	6	426.37	310.69	+3.5
Korea	2	***	***	-0.3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
The Netherlands	13	453.26	321.85	+23.5	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
New Zealand	12	467.46	303.68	+4.1	12	467.51	303.61	+4.1
Russia	13	431.59	262.39	-18.9	7	449.00	418.95	-6.7
South Africa	13	349.35	229.70	-25.3	1	***	***	-
Sweden	5	316.75	289.69	-8.5	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Taiwan	5	405.84	314.80	-6.7	5	449.05	214.95	+99.5
Thailand	4	430.43	304.14	+14.0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Turkey	10	434.65	299.87	+27.5	2	***	***	+2.8
Venezuela	8	385.06	274.96	-14.0	1	***	***	-

<sup>1</sup> Based on the earliest quarter and the latest quarter of data provided.  
<sup>2</sup> No data reported.

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

**Table V-2**  
**Cold-rolled steel: Summary of weighted-average f.o.b. prices for product 2 sold to U.S. service centers and end users, by sources**

Source	Service centers				End users			
	Number of quarters	High price	Low price	Percent change in price <sup>1</sup>	Number of quarters	High price	Low price	Percent change in price <sup>1</sup>
		<i>Per ton</i>	<i>Per ton</i>	<i>Percent</i>		<i>Per ton</i>	<i>Per ton</i>	<i>Percent</i>
United States	14	\$423.48	\$301.47	-6.4	14	\$438.96	\$337.02	-9.7
Argentina	13	429.89	288.83	-20.6	9	430.24	296.41	-14.6
Belgium	14	444.95	330.47	-8.0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Brazil	12	386.10	253.12	-18.6	8	418.79	259.19	-3.1
China	11	406.44	279.77	-20.9	2	***	***	-5.0
France	14	434.75	375.16	+5.4	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Germany	-	-	-	-	11	503.92	447.59	-3.4
India	4	405.68	192.60	+21.0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Japan	8	424.00	257.32	-25.4	10	466.19	278.15	-38.7
Korea	4	375.60	344.18	+8.2	4	427.17	419.32	-1.0
The Netherlands	14	442.91	303.82	+20.1	5	397.76	372.39	+2.6
New Zealand	13	455.39	337.53	+4.5	13	456.07	337.39	+4.5
Russia	13	399.76	254.85	-4.9	13	422.64	274.24	-19.1
South Africa	13	350.97	272.79	-11.2	1	***	***	-
Sweden	8	321.08	291.71	-6.0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Taiwan	5	373.90	260.81	+25.7	10	420.00	319.06	-9.0
Thailand	5	430.80	301.45	+41.0	1	***	***	-
Turkey	13	417.86	280.22	-21.5	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Venezuela	9	400.52	279.71	-20.4	8	398.76	288.09	-11.0

<sup>1</sup> Based on the earliest quarter and the latest quarter of data provided.  
<sup>2</sup> No data reported.

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

### Price Comparisons

Overall, there were 455 quarterly price comparisons between U.S.-produced cold-rolled steel and imports from Argentina, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Sweden, Taiwan, Thailand, Turkey, and Venezuela. For those quarters for which data were reported, subject imports undersold domestic products in 296 quarters and oversold domestic products in 159 quarters. In terms of quantity sold, 77.6 percent of the subject imported products 1 and 2 for which pricing data were available were sold in quarters where imports from the subject countries undersold U.S. producers and 22.4 percent were sold in quarters where imports from the subject countries oversold U.S. producers. Tables V-3 and V-4 provide summaries of underselling/overselling information by channel of distribution, by year, and by country. In tables V-3 and V-4 the average underselling/overselling margins are in simple averages. Table V-5 gives the overall number of cases of underselling and overselling and provides weighted-average margins of underselling/overselling. Table V-6 gives the number of tons from countries that undersold and oversold by quarters and the share of pricing product from countries that undersold by quarters.

### LOST SALES AND LOST REVENUES

U.S. producers did not provide any lost sales or lost revenues information in the petition or in the questionnaires for the preliminary phase of these investigations. In the final-phase questionnaires, 3 producers provided 6 lost sales allegations with a total value of \$15.3 million and 5 reported lost revenue allegations with a total value of \$650,000 (tables V-7 and V-8).<sup>5</sup> Most of these allegations, however, did not include usable contact information; parties were contacted to provide the necessary information but did not respond to the request. The four remaining lost sales/lost revenue allegations are discussed below.

\* \* \* \* \*

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<sup>5</sup> Allegations in which the country of origin was not named, which did not include the relevant U.S. price data, or which gave the same rejected U.S. price as the accepted import price are not included in these totals or in the tables.



**Table V-3**  
**Cold-rolled steel: Summary of underselling/overselling for sales to U.S. service centers, by sources, 1999-2001 and January-June 2002**

Source/period	Number of quarters of underselling	Number of quarters of overselling	Simple average margin of underselling/(overselling)
<b>Argentina:</b>			
1999	6	1	6.5
2000	2	6	(3.6)
2001	5	3	2.3
2002 (January-June)	2	0	6.8
<b>Belgium:</b>			
1999	6	2	1.0
2000	0	8	(9.8)
2001	1	7	(10.0)
2002 (January-June)	0	4	(13.7)
<b>Brazil:</b>			
1999	7	0	19.1
2000	2	1	11.2
2001	5	0	12.7
2002 (January-June)	2	0	13.7
<b>China:</b>			
1999	6	0	8.0
2000	1	3	(3.0)
2001	6	1	8.3
2002 (January-June)	2	0	12.0
<b>France:</b>			
1999	1	7	(6.3)
2000	3	5	(10.4)
2001	0	4	(21.0)
2002 (January-June)	0	2	(27.9)
<b>India:</b>			
1999	1	0	***
2000	2	0	6.3
2001	3	0	33.3
2002 (January-June)	0	0	( <sup>1</sup> )
Table continued. See footnote at end of table.			

Table V-3--Continued

Cold-rolled steel: Summary of underselling/overselling for sales to U.S. service centers, by sources, 1999-2001 and January-June 2002

Source/period	Number of quarters of underselling	Number of quarters of overselling	Simple average margin of underselling/(overselling)
Japan:			
1999	4	3	(21.3)
2000	0	6	(36.5)
2001	0	4	(46.5)
2002 (January-June)	1	2	(73.8)
Korea:			
1999	4	0	9.5
2000	1	1	4.6
2001	0	0	( <sup>1</sup> )
2002 (January-June)	0	0	( <sup>1</sup> )
The Netherlands:			
1999	8	0	2.4
2000	2	6	(4.0)
2001	6	2	(1.6)
2002 (January-June)	1	2	(18.2)
New Zealand:			
1999	8	0	9.1
2000	4	4	(4.6)
2001	1	6	(5.8)
2002 (January-June)	0	2	(21.7)
Russia:			
1999	8	0	22.3
2000	3	5	(0.1)
2001	8	0	15.6
2002 (January-June)	2	0	17.7
South Africa:			
1999	8	0	20.2
2000	8	0	14.8
2001	6	2	3.8
2002 (January-June)	2	0	19.8
Table continued. See footnote at end of table.			

**Table V-3--Continued**  
**Cold-rolled steel: Summary of underselling/overselling for sales to U.S. service centers, by sources,**  
**1999-2001 and January-June 2002**

Source/period	Number of quarters of underselling	Number of quarters of overselling	Simple average margin of underselling/(overselling)
Sweden:			
1999	5	0	18.3
2000	0	0	( <sup>1</sup> )
2001	6	1	11.8
2002 (January-June)	1	0	***
Taiwan:			
1999	2	0	21.4
2000	2	1	8.3
2001	1	3	(4.8)
2002 (January-June)	0	1	***
Thailand:			
1999	6	1	13.7
2000	0	2	(15.6)
2001	0	0	( <sup>1</sup> )
2002 (January-June)	0	0	( <sup>1</sup> )
Turkey:			
1999	6	0	16.8
2000	4	4	(0.2)
2001	4	4	0.6
2002 (January-June)	1	0	***
Venezuela:			
1999	6	0	17.3
2000	0	2	(5.5)
2001	7	0	4.1
2002 (January-June)	2	0	11.7
Total:			
1999	92	14	9.1
2000	34	54	(3.5)
2001	59	37	0.9
2002 (January-June)	16	13	(4.0)
<sup>1</sup> Not applicable.			
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table V-4**  
**Cold-rolled steel: Summary of underselling/overselling for sales to U.S. end users, by sources, 1999-2001**  
**and January-June 2002<sup>1</sup>**

Source/period	Number of quarters of underselling	Number of quarters of overselling	Simple average margin of underselling/(overselling)
<b>Argentina:</b>			
1999	5	0	23.5
2000	4	1	13.8
2001	3	0	15.5
2002 (January-June)	1	0	***
<b>Brazil:</b>			
1999	5	0	30.7
2000	1	0	***
2001	2	0	17.4
2002 (January-June)	1	0	***
<b>China:</b>			
1999	0	0	( <sup>2</sup> )
2000	0	0	( <sup>2</sup> )
2001	0	2	(8.4)
2002 (January-June)	0	0	( <sup>2</sup> )
<b>Germany:</b>			
1999	0	2	(19.2)
2000	0	4	(14.4)
2001	0	4	(26.6)
2002 (January-June)	0	1	***
<b>India:</b>			
1999	0	0	( <sup>2</sup> )
2000	1	0	***
2001	0	0	( <sup>2</sup> )
2002 (January-June)	0	0	( <sup>2</sup> )
<b>Japan:</b>			
1999	4	2	7.6
2000	3	1	(0.3)
2001	0	4	(20.1)
2002 (January-June)	2	0	16.0
Table continued. See footnotes at end of table.			

Table V-4--Continued

Cold-rolled steel: Summary of underselling/overselling for sales to U.S. end users, by sources, 1999-2001 and January-June 2002<sup>1</sup>

Source/period	Number of quarters of underselling	Number of quarters of overselling	Simple average margin of underselling/(overselling)
Korea:			
1999	0	0	( <sup>2</sup> )
2000	1	1	(1.1)
2001	0	2	(13.5)
2002 (January-June)	0	0	( <sup>2</sup> )
The Netherlands:			
1999	4	0	6.7
2000	1	0	***
2001	0	0	( <sup>2</sup> )
2002 (January-June)	0	0	( <sup>2</sup> )
New Zealand:			
1999	8	0	18.1
2000	5	3	3.6
2001	5	2	5.0
2002 (January-June)	0	2	(7.2)
Russia:			
1999	4	0	21.4
2000	6	1	3.2
2001	4	3	4.1
2002 (January-June)	1	1	3.2
South Africa:			
1999	0	0	( <sup>2</sup> )
2000	2	0	3.1
2001	0	0	( <sup>1</sup> )
2002 (January-June)	0	0	( <sup>1</sup> )
Taiwan:			
1999	4	0	22.0
2000	5	0	4.9
2001	2	4	(1.5)
2002 (January-June)	0	0	( <sup>2</sup> )
Table continued. See footnotes at end of table.			

Table V-4--Continued

Cold-rolled steel: Summary of underselling/overselling for sales to U.S. end users, by sources, 1999-2001 and January-June 2002<sup>1</sup>

Source/period	Number of quarters of underselling	Number of quarters of overselling	simple average margin of underselling/(overselling)
Thailand:			
1999	0	0	( <sup>2</sup> )
2000	0	1	***
2001	0	0	( <sup>2</sup> )
2002 (January-June)	0	0	( <sup>2</sup> )
Turkey:			
1999	1	0	***
2000	0	0	( <sup>2</sup> )
2001	1	0	***
2002 (January-June)	0	0	( <sup>2</sup> )
Venezuela:			
1999	3	0	21.1
2000	2	0	1.2
2001	3	0	11.2
2002 (January-June)	1	0	***
Total:			
1999	38	4	24.8
2000	31	12	6.4
2001	20	21	5.6
2002 (January-June)	6	4	1.5
<sup>1</sup> No price data for end users were provided from Australia, Belgium, France, Spain, or Sweden.			
<sup>2</sup> Not applicable.			
Source: Compiled from data submitted in response to Commission questionnaires.			

**Table V-5**  
**Cold-rolled steel: Summary of underselling/overselling for sales to U.S. service centers and end users combined, by sources and for all sources combined, January 1999-June 2002**

Source	Underselling instances	Overselling instances	Weighted-average margin
Argentina	28	11	3.5
Belgium	7	21	(4.9)
Brazil	25	1	26.3
China	15	6	4.5
France	4	18	(3.6)
Germany	0	11	(21.1)
India	7	0	26.0
Japan	14	22	0.6
Korea	6	4	(6.1)
The Netherlands	22	10	0.7
New Zealand	31	19	(3.0)
Russia	36	10	17.3
South Africa	26	2	13.2
Sweden	12	1	14.6
Taiwan	16	9	(3.0)
Thailand	6	4	16.0
Turkey	17	8	9.8
Venezuela	24	2	11.0
Total	296	159	9.5

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

Table V-6

Cold-rolled steel: Summary of underselling/overselling quantities for sales to U.S. service centers and end users combined for all sources combined, by quarters, January 1999-June 2002

Period	Quantity underselling	Quantity overselling	Share underselling
	Short tons	Short tons	Percent
<b>1999:</b>			
January-March	173,854	15,900	91.6
April-June	154,592	11,624	93.0
July-September	172,663	9,493	94.8
October-December	56,101	5,528	91.0
<b>2000:</b>			
January-March	38,312	3,046	92.6
April-June	37,956	12,795	74.8
July-September	51,223	42,455	54.7
October-December	11,899	57,818	17.1
<b>2001:</b>			
January-March	46,681	36,550	56.1
April-June	74,331	30,120	71.2
July-September	81,180	20,204	80.1
October-December	70,662	47,008	60.1
<b>2002:</b>			
January-March	155,640	26,922	85.3
April-June	0	4,514	0.0
Total	1,125,093	323,976	77.6

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

Table V-7

Cold-rolled steel: U.S. producers' lost sales allegations

*	*	*	*	*	*	*
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Table V-8

Cold-rolled steel: U.S. producers' lost revenue allegations

*	*	*	*	*	*	*
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## PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

### BACKGROUND

Twenty-one producers of cold-rolled steel provided financial data.<sup>1</sup> A substantial share (approximately 60 percent in terms of sales value) of production of cold-rolled steel in 2001 was internally consumed and/or transferred to related companies for production of downstream products.

The questionnaire data of one producer, AK, were verified with company records at its corporate facilities. AK's verification adjustments and other producers' amended financial data were incorporated in this final report. The verification adjustments for AK resulted in decreased selling, general, and administrative (SG&A) expenses and other expenses in all periods.

Through supplemental questionnaires, U.S. producers were asked to provide supplemental financial data for the second quarter of 2001/2002 and the first half of 2001/2002. Such data are presented in appendix K.

### OPERATIONS ON COLD-ROLLED STEEL (COMMERCIAL SALES ONLY)

The results of the 21 responding U.S. producers' commercial sales of cold-rolled steel are presented in table VI-1. Although net sales value increased from 1999 to 2000, operating income decreased from 1999 to 2000. As net sales value decreased substantially from 2000 to 2001, operating income in 2000 declined to a large operating loss in 2001, mainly due to a decreased unit sales value as well as an increased unit cost. Per-short-ton net sales values and operating income for the combined firms exhibited the same pattern as net sales value and operating income, while unit cost of goods sold (COGS) and unit total cost for the combined firms increased continuously during 1999-2001. For the interim periods, while net sales volume increased slightly from interim 2001 to interim 2002, net sales value decreased for the same period. However, the operating loss in interim 2002 declined slightly from that in interim 2001. Per-short-ton net sales value decreased in interim 2002 by \$29 from interim 2001, while per-short-ton total cost decreased by \$35, resulting in a decrease in the operating loss of \$6 per ton.

The results of operations by firm are presented in table VI-2.<sup>2</sup> Two producers had an operating income for all periods while seven producers had an operating loss for all periods.<sup>3</sup>

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<sup>1</sup> The producers with fiscal year ends other than December 31 are \*\*\*. \*\*\*, \*\*\*, \*\*\*, \*\*\* did not provide responses in the final phase of these investigations, even though they submitted responses in the preliminary phase of the investigations.

<sup>2</sup> \*\*\*.

<sup>3</sup> Financial data submitted by many producers (\*\*\*) for 1999 and 2000 in the final phase of these investigations indicate considerable discrepancies and inconsistencies compared with the data they provided in the preliminary phase of the investigations. Staff inquired regarding these inconsistencies and discrepancies, and most producers responded. \*\*\*.

**Table VI-1**  
**Results of operations of U.S. producers in the production of cold-rolled steel (commercial sales only),**  
**fiscal years 1999-2001, January-March 2001, and January-March 2002**

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Net sales	12,023,797	12,600,264	10,856,054	2,809,035	2,927,479
	<b>Value (\$1,000)</b>				
Net sales	5,281,848	5,610,416	4,270,287	1,138,222	1,101,207
COGS	5,034,129	5,363,514	4,712,382	1,236,277	1,189,513
Gross profit	247,719	246,902	(442,095)	(98,055)	(88,306)
SG&A expenses	243,917	245,654	198,602	49,772	48,790
Operating income (loss)	3,802	1,248	(640,697)	(147,827)	(137,096)
Interest expense	105,876	143,067	146,663	36,950	32,265
Other expense	22,321	19,716	48,966	3,059	4,797
Other income items	14,410	30,583	30,698	3,917	13,665
Net income (loss)	(109,985)	(130,952)	(805,628)	(183,919)	(160,493)
Depreciation/amortization	295,244	318,185	287,019	68,724	74,163
Cash flow	185,259	187,233	(518,609)	(115,195)	(86,330)
	<b>Value (per short ton)</b>				
Net sales	\$439	\$445	\$393	\$405	\$376
COGS	419	426	434	440	406
Gross profit	21	20	(41)	(35)	(30)
SG&A expenses	20	19	18	18	17
Operating income (loss)	0	0	(59)	(53)	(47)
	<b>Ratio to net sales (percent)</b>				
COGS	95.3	95.6	110.4	108.6	108.0
Gross profit	4.7	4.4	(10.4)	(8.6)	(8.0)
SG&A expenses	4.6	4.4	4.7	4.4	4.4
Operating income (loss)	0.1	0.0	(15.0)	(13.0)	(12.5)
	<b>Number of firms reporting</b>				
Operating losses	9	9	16	16	17
Data	20	20	21	20	21
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table VI-2**  
**Results of operations of U.S. producers in the production of cold-rolled steel (commercial sales only), by firms, fiscal years 1999-2001, January-March 2001, and January-March 2002**

\* \* \* \* \*

Selected cost data of the producers on their cold-rolled steel operations are presented in table VI-3.<sup>4</sup> Unit COGS and unit total cost increased continuously between 1999 and 2001, due primarily to an increase in factory overhead cost.<sup>5</sup> Unit SG&A expenses remained at relatively the same level throughout the period. Unit COGS and unit total cost decreased substantially between interim 2001 and interim 2002, due mainly to a decrease in factory overhead cost.

**Table VI-3**  
**Results of operations of U.S. producers in the production of cold-rolled steel (commercial sales only) on a unit basis, fiscal years 1999-2001, January-March 2001, and January-March 2002**

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	<i>Value (per short ton)</i>				
COGS:					
Raw materials	\$169	\$177	\$170	\$165	\$163
Direct labor	55	54	55	55	50
Factory overhead	195	194	210	220	193
Total COGS	419	426	434	440	406
SG&A expenses:					
Selling expenses	5	5	5	5	4
G&A expenses	15	15	14	13	13
Total SG&A expenses	20	19	18	18	17
Total cost	439	445	452	458	423
Source: Compiled from data submitted in response to Commission questionnaires.					

<sup>4</sup> \*\*\*

<sup>5</sup> \*\*\*

A variance analysis showing the effects of prices and volume on the producers' commercial sales of cold-rolled steel, and of costs and volume on their total cost, is shown in table VI-4. The analysis is summarized at the bottom of the table. Operating income decreased by \$644 million between 1999 and 2001. The substantial decrease in operating income between 1999 and 2001 resulted mainly from lower average prices (price variance, negative \$499 million) and increased costs/expenses (\$145 million).

Table VI-4

Variance analysis of operations of U.S. producers in the production of cold-rolled steel (commercial sales only) between fiscal years 1999-2001 and between January-March 2001 and January-March 2002

Item	Between fiscal years			January-March
	1999-2001	1999-99	2000-2001	2001-2002
	Value (\$1,000)			
Net sales:				
Price variance	(498,592)	75,336	(563,499)	(85,009)
Volume variance	(512,969)	253,232	(776,630)	47,994
Total	(1,011,561)	328,568	(1,340,129)	(37,015)
Cost of sales:				
Cost variance	(167,164)	(88,030)	(91,320)	98,892
Volume variance	488,911	(241,355)	742,452	(52,128)
Total	321,747	(329,385)	651,132	46,764
Gross profit variance	(689,814)	(817)	(688,997)	9,749
SG&A expenses:				
Expense variance	21,626	9,957	13,047	3,081
Volume variance	23,689	(11,694)	34,005	(2,099)
Total	45,315	(1,737)	47,052	982
Operating income variance	(644,499)	(2,554)	(641,945)	10,731
Summarized as:				
Price variance	(498,592)	75,336	(563,499)	(85,009)
Net cost/expense variance	(145,538)	(78,072)	(78,273)	101,973
Net volume variance	(369)	182	(173)	(6,233)
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 STEEL  
(COMMERCIAL SALES, INTERNAL CONSUMPTION, AND TRANSFERS)**

The results of the U.S. producers' commercial sales, internal consumption, and related company transfers for cold-rolled steel operations are presented in table VI-5. A substantial share (60.4 percent in terms of sales value) of production of cold-rolled steel in 2001 was internally consumed (45.9 percent) and/or transferred (14.5 percent) to related companies for production of downstream products. The results of the U.S. producers' internal consumption and related company transfers only for cold-rolled steel operations are presented in table VI-6.

The producers were requested to value their transfers (including internal consumption) at fair market value, or to estimate the per-unit sales value, COGS, and SG&A expenses of the transfers based on commercial sales data unless there were any actual differences in the per-unit COGS between their commercial sales and transfers. If there were any actual differences in the per-unit COGS between their 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 as applied to 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 and sales values increased somewhat from 1999 to 2000 and decreased in 2001 to levels below those in 1999. Operating losses increased continuously from 1999 through 2001. Both sales volume and value increased somewhat in interim 2002 from interim 2001. However, the operating loss increased slightly to \$479 million in interim 2002 from an operating loss of \$466 million in interim 2001. The results of combined operations on commercial and transfer sales by firm are presented in table VI-7. Two producers had an operating income and six producers had an operating loss for all periods.

**Table VI-5**  
**Results of operations of U.S. producers in the production of cold-rolled steel, fiscal years 1999-2001,**  
**January-March 2001, and January-March 2002**

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Commercial sales	12,023,797	12,600,264	10,856,054	2,809,035	2,927,479
Internal consumption	15,594,772	15,501,269	14,582,878	3,727,481	4,019,730
Related company transfers	4,694,542	4,571,601	4,358,998	1,015,139	1,118,516
Total sales	32,313,111	32,673,134	29,797,930	7,551,655	8,065,725
	<b>Value (\$1,000)</b>				
Commercial sales	5,281,848	5,610,416	4,270,287	1,138,222	1,101,207
Internal consumption	6,121,407	6,167,099	4,956,928	1,319,287	1,359,172
Related company transfers	1,906,292	1,840,855	1,563,188	371,568	399,270
Total sales	13,309,547	13,618,370	10,790,403	2,829,077	2,859,649
COGS	12,751,153	13,149,746	12,194,019	3,139,148	3,185,963
Gross profit	558,394	468,624	(1,403,616)	(310,071)	(326,314)
SG&A expenses	711,683	701,546	617,797	155,624	152,547
Operating income (loss)	(153,289)	(232,922)	(2,021,413)	(465,695)	(478,861)
	<b>Value (per short ton)</b>				
Net sales	\$412	\$417	\$362	\$375	\$355
COGS	395	402	409	416	395
Gross profit	17	14	(47)	(41)	(40)
SG&A expenses	22	21	21	21	19
Operating income (loss)	(5)	(7)	(68)	(62)	(59)
	<b>Ratio to net sales (percent)</b>				
COGS	95.8	96.6	113.0	111.0	111.4
Gross profit	4.2	3.4	(13.0)	(11.0)	(11.4)
SG&A expenses	5.3	5.2	5.7	5.5	5.3
Operating income (loss)	(1.2)	(1.7)	(18.7)	(16.5)	(16.7)
	<b>Number of firms reporting</b>				
Operating losses	8	8	16	16	17
Data	20	20	21	20	21
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table VI-6**  
**Results of operations of U.S. producers in the production of cold-rolled steel (internal consumption and transfers only), fiscal years 1999-2001, January-March 2001, and January-March 2002**

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Internal consumption	15,594,772	15,501,269	14,582,878	3,727,481	4,019,730
Related company transfers	4,694,542	4,571,601	4,358,998	1,015,139	1,118,516
Total	20,289,314	20,072,870	18,941,876	4,742,620	5,138,246
	<b>Value (\$1,000)</b>				
Internal consumption	6,121,407	6,167,099	4,956,928	1,319,287	1,359,172
Related company transfers	1,906,292	1,840,855	1,563,188	371,568	399,270
Total	8,027,699	8,007,954	6,520,116	1,690,855	1,758,442
COGS	7,717,024	7,786,232	7,481,637	1,902,871	1,996,450
Gross profit	310,675	221,722	(961,521)	(212,016)	(238,008)
SG&A expenses	467,766	455,892	419,195	105,852	103,757
Operating income (loss)	(157,091)	(234,170)	(1,380,716)	(317,868)	(341,765)
	<b>Value (per short ton)</b>				
Internal consumption	\$393	\$398	\$340	\$354	\$338
Related company transfers	406	403	359	366	357
Total	396	399	344	357	342
COGS	380	388	395	401	389
Gross profit	15	11	(51)	(45)	(46)
SG&A expenses	23	23	22	22	20
Operating income (loss)	(8)	(12)	(73)	(67)	(67)
	<b>Ratio to net sales (percent)</b>				
COGS	96.1	97.2	114.7	112.5	113.5
Gross profit	3.9	2.8	(14.7)	(12.5)	(13.5)
SG&A expenses	5.8	5.7	6.4	6.3	5.9
Operating income (loss)	(2.0)	(2.9)	(21.2)	(18.8)	(19.4)
Source: Compiled from data submitted in response to Commission questionnaires.					

Table VI-7

Results of operations of U.S. producers in the production of cold-rolled steel, by firms, fiscal years 1999-2001, January-March 2001, and January-March 2002

\* \* \* \* \*

Table VI-8 presents a comparison of per-unit net sales values, per-unit operating income/(loss), and operating margins for commercial sales, internal consumption, and related company transfers. As indicated in the table, commercial sales showed consistently higher unit sales values and higher operating income ratios for all periods compared to internal consumption and related transfers.

Table VI-8

Comparison of per-unit net sales values, per-unit operating income/(loss), and operating margins of operations of U.S. producers in the production of cold-rolled steel, fiscal years 1999-2001, January-March 2001, and January-March 2002

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	<b>Value (per short ton)</b>				
Per-ton net sales value:					
Commercial sales	\$439	\$445	\$393	\$405	\$376
Internal consumption	393	398	340	354	338
Related transfers	406	403	359	366	357
Total	412	417	362	375	355
	<b>Value (per short ton)</b>				
Per-ton operating income:					
Commercial sales	\$0	\$0	\$(59)	\$(53)	\$(47)
Internal cons/transfers	(8)	(12)	(73)	(67)	(67)
Total	(5)	(7)	(68)	(62)	(59)
	<b>Ratio to net sales (percent)</b>				
Operating margin:					
Commercial sales	0.1	0.0	(15.0)	(13.0)	(12.5)
Internal cons/transfers	(2.0)	(2.9)	(21.2)	(18.8)	(19.4)
Total	(1.2)	(1.7)	(18.7)	(16.5)	(16.7)
Source: Compiled from data submitted in response to Commission questionnaires.					



## CAPITAL EXPENDITURES, RESEARCH AND DEVELOPMENT (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,<sup>6</sup> are presented in table VI-9. Capital expenditures decreased from 1999 to 2000 and increased from 2000 to 2001,<sup>7</sup> while R&D expenses decreased continuously for the entire period. Capital expenditures by individual firms are presented in table VI-10. For the interim periods, capital expenditures increased while R&D expenses decreased.

**Table VI-9**

**Capital expenditures, R&D expenses, and assets utilized by U.S. producers in their production of cold-rolled steel, fiscal years 1999-2001, January-March 2001, and January-March 2002**

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	Value (\$1,000)				
Capital expenditures	321,185	228,934	301,812	27,553	45,111
R&D expenses	11,380	10,530	10,059	2,655	2,406
Productive facilities:					
Original cost	7,271,196	8,144,127	8,200,759	8,139,934	8,138,875
Book value	3,717,828	3,924,025	3,758,324	3,832,229	3,642,538

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

**Table VI-10**

**Capital expenditures by U.S. producers in the production of cold-rolled steel, by firms, fiscal years 1999-2001, January-March 2001, and January-March 2002**

\* \* \* \* \*

## CAPITAL AND INVESTMENT

The Commission requested the producers to describe any actual or potential negative effects of imports of cold-rolled steel from subject countries on their growth, investment, ability to raise capital, and/or their development efforts (including efforts to develop a derivative or more advanced version of the product). The producers' comments are presented in appendix I.

<sup>6</sup> \*\*\*

<sup>7</sup> \*\*\*



## PART VII: THREAT CONSIDERATIONS

The Commission analyzes a number of factors in making threat determinations.<sup>1</sup> Information on the nature of the subsidies preliminarily found by Commerce is presented in Commerce's *Federal Register* notices of March 4, 2002;<sup>2</sup> information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in appendix I. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows.

The Commission sent questionnaires principally through counsel representing foreign producers in the subject countries, and in several instances directly to the producers. A summary of responses is presented in table VII-1 and table VII-2.<sup>3</sup> A list of foreign producers with transnational corporate relationships is presented in table VII-3.

**Table VII-1**  
**Cold-rolled steel: Number of firms reporting data, data coverage, capacity, production, capacity utilization, and exports to the United States as a share of total shipments, by sources, 2001**

\* \* \* \* \*

Through supplemental questionnaires, foreign producers were asked to provide supplemental data for the first half of 2001/2002. Such data are presented in appendix L.

<sup>1</sup> See, 19 U.S.C. § 1677(7)(F)(i).

<sup>2</sup> See, Argentina (67 FR 9670, March 4, 2002); Brazil (67 FR 9652, March 4, 2002); France (67 FR 9662, March 4, 2002); and Korea (67 FR 9685, March 4, 2002).

<sup>3</sup> \*\*\*.

Table VII-2

Cold-rolled steel: Summary of foreign producers' capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003

Item	Actual experience					Projections	
	Calendar year			January-March		Calendar year	
	1999	2000	2001	2001	2002	2002	2003
	<b>Quantity (short tons)</b>						
Capacity	99,118,900	103,135,387	102,156,481	25,631,216	25,965,588	103,082,708	103,464,444
Production	83,838,377	93,664,405	89,328,907	22,754,075	22,031,974	91,892,333	93,280,935
Ending inventory	3,221,439	3,891,953	3,596,561	3,813,201	3,541,954	3,640,575	3,704,633
Shipments:							
Internal consumption/ company transfers	41,696,319	47,102,747	46,574,730	11,866,521	11,883,015	48,761,714	49,199,003
Home market	25,520,878	27,308,610	26,037,182	6,595,131	6,261,970	27,201,578	27,391,265
Exports to:							
United States	2,210,062	1,813,660	2,352,077	539,083	162,127	680,108	899,760
All other sources	14,354,835	16,734,964	14,648,049	3,828,205	3,777,291	15,213,570	15,734,473
Total exports	16,564,897	18,548,623	17,000,126	4,367,288	3,939,418	15,893,678	16,634,233
Total shipments	83,782,094	92,959,979	89,612,038	22,828,940	22,084,404	91,856,970	93,224,501
	<b>Ratios and shares (percent)</b>						
Capacity utilization	84.6	90.8	87.4	88.8	84.9	89.1	90.2
Inventories/production	3.8	4.2	4.0	4.2	4.0	4.0	4.0
Inventories/shipments	3.8	4.2	4.0	4.2	4.0	4.0	4.0
Share of total shipments:							
Internal consumption/ company transfers	49.8	50.7	52.0	52.0	53.8	53.1	52.8
Home market	30.5	29.4	29.1	28.9	28.4	29.6	29.4
Exports to:							
United States	2.6	2.0	2.6	2.4	0.7	0.7	1.0
All other sources	17.1	18.0	16.3	16.8	17.1	16.6	16.9
Total exports	19.8	20.0	19.0	19.1	17.8	17.3	17.8
Source: Compiled from data submitted in response to Commission questionnaires.							

**Table VII-3**  
**Cold-rolled steel: Foreign producers' transnational corporate relationships, 2001**

\* \* \* \* \*

**THE INDUSTRY IN ARGENTINA**

The petition listed one firm as a producer of cold-rolled steel in Argentina, Siderar S.A.I.C. (Siderar).<sup>4</sup> A completed questionnaire response was received from Siderar, accounting for 100 percent of production of cold-rolled steel in Argentina in 2001. Information received is presented in table VII-4.<sup>5</sup> Argentina is excluded from the section 201 remedy due to its status as a WTO-member developing country.

**Table VII-4**  
**Cold-rolled steel: Argentina's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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**THE INDUSTRY IN AUSTRALIA**

The petition listed one firm as a producer of cold-rolled steel in Australia, BHP Steel Ltd (BHP).<sup>6</sup> A completed questionnaire response was received from BHP, accounting for 100 percent of production of cold-rolled steel in Australia in 2001. Information received is presented in table VII-5.<sup>7</sup>

**Table VII-5**  
**Cold-rolled steel: Australia's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

\* \* \* \* \*

<sup>4</sup> Petition, Argentina, exh. I-6.

<sup>5</sup> Siderar reported that \*\*\*. Siderar also reported that \*\*\*.

<sup>6</sup> Petition, Australia, exh. 6.

<sup>7</sup> BHP reported that \*\*\*. BHP also reported that \*\*\*. In July 2001, \*\*\*.

## THE INDUSTRY IN BELGIUM

The petition listed three firms as producers of cold-rolled steel in Belgium: Cockerill Sambre Usinor Group (Cockerill Sambre); Duferco La Louviers SA; and Sidmar NV (Sidmar).<sup>8 9</sup> A completed questionnaire response was received from Sidmar, accounting for \*\*\* percent of production of cold-rolled steel in Belgium in 2000.<sup>10 11</sup> Information received from the responding firm is presented in table VII-6.<sup>12</sup>

**Table VII-6**  
**Cold-rolled steel: Belgium's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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## THE INDUSTRY IN BRAZIL

The petition listed six firms as producers of cold-rolled steel in Brazil: Companhia Siderurgica Nacional (CSN); Acinos Siderúrgica de Minas Gerais SA (USIMINAS); Companhia Siderurgica Paulista (COSIPA); Cia Aços Especiais Itabira (Acesita); Armco do Brazil (Armco); and Mangels Industria e Comercio (Mangels).<sup>13 14</sup> Completed questionnaires were received from Armco, COSIPA, CSN, Mangels, and USIMINAS, accounting for approximately \*\*\* percent of production of cold-rolled steel in Brazil in 2001.<sup>15</sup> Information received from the responding firms is presented in table VII-7.<sup>16</sup>

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<sup>8</sup> Petition, Belgium, exh. 6.

<sup>9</sup> Aceralia, Arbed, and Usinor, merged on January 1, 2002, to create Arcelor. Arcelor (Belgium)'s affiliates are Cockerill Sambre and Sidmar.

<sup>10</sup> The Commission did not receive a questionnaire response from Cockerill Sambre, \*\*\*.

<sup>11</sup> Belgium's 2000 capacity and production of cold-rolled steel were 5,511,500 tons and 5,202,856 tons, respectively. *Global Steel Utilization Rates*, Metal Bulletin Research, London England, April 27, 2001, (postconference brief of petitioners Bethlehem, LTV, and US Steel, exh. 45).

<sup>12</sup> Sidmar reported that \*\*\*. Sidmar's \*\*\*. Sidmar also reported that \*\*\*.

<sup>13</sup> Petition, Brazil, exh. I-4.

<sup>14</sup> A new producer of cold-rolled steel in Brazil, Vega do Sul, is currently under construction. It is scheduled to begin production early 2003 and is projected to have a production capacity of 800,000 tons. It is owned by Arcelor (France) (75%) and Dofasco (Canada) (25%). *Iron and Steel Works of the World*, 14<sup>th</sup> edition, 2001, p. 53.

<sup>15</sup> CSN has announced plans to complete a merger with Corus (the Netherlands) by early 2003. *American Metal Market*, July 18, 2002.

<sup>16</sup> Mangels reported that \*\*\*. Armco, COSIPA, CSN, and USIMINAS reported that \*\*\*. Armco, COSIPA, CSN, Mangels, and USIMINAS also reported that \*\*\*.

**Table VII-7**  
**Cold-rolled steel: Brazil's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

\* \* \* \* \*

**THE INDUSTRY IN CHINA**

The petition listed six firms believed to produce the subject merchandise in China: Benxi Iron and Steel; Laiwu Steel Group; Shanghai Baosteel Group (Baosteel); Shanghai Pudong Iron and Steel; Sichuan Chuanton Changcheng Special Steel Group; and Wuhan Iron and Steel Group.<sup>17 18</sup> Completed questionnaire responses were received from Baosteel and the Pangang Group, accounting for approximately \*\*\* percent of production of cold-rolled steel in China in 2000.<sup>19 20</sup> Information received from the responding firms is presented in table VII-8.

**Table VII-8**  
**Cold-rolled steel: China's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

\* \* \* \* \*

**THE INDUSTRY IN FRANCE**

The petition listed two firms as producers of cold-rolled steel: Etilam-Gravigny (Etilam) and Usinor.<sup>21</sup> A completed questionnaire response was received from Arcelor<sup>22</sup> (France), accounting for

<sup>17</sup> Petition, China, exh. I-5.

<sup>18</sup> A Chinese steel producer, Hualin Iron & Steel Co., has expansion plans to install hot and cold strip mills with an annual capacity of 1 million tons. *Iron and Steel Works of the World*, 14<sup>th</sup> edition, 2001, p. 85.

<sup>19</sup> China's 2000 cold-rolled steel capacity and production were 8,377,480 tons and 6,492,547 tons, respectively. *Global Steel Utilization Rates*, Metal Bulletin Research, London, England, April 27, 2001 (postconference brief of petitioners Bethlehem, LTV, and US Steel, exh. 45).

<sup>20</sup> The Pangang Group reported that \*\*\*. Baosteel reported that \*\*\*. \*\*\*. Baosteel and the Pangang Group also reported that \*\*\*.

<sup>21</sup> Petition, France, exh. I-4.

<sup>22</sup> Aceralia, Arbed, and Usinor merged on January 1, 2002, to create Arcelor. Arcelor (France)'s affiliates are Beautor, Etilam, Haironville, PUM, Sollac Atlantique, Sollac Lorraine, and Usinor Packaging.

approximately \*\*\* percent of production of cold-rolled steel in France in 2001.<sup>23</sup> Information received is presented in table VII-9.<sup>24</sup>

**Table VII-9**  
**Cold-rolled steel: France's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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### THE INDUSTRY IN GERMANY

The petition listed 12 firms as producers of cold-rolled steel in Germany: EBG Gesellschaft für Elektromagnetische Werkstoffe; Edelstahlwerke Buderus; Eisen-und Stahlwalzwerke Rotzel; EKO Stahl GmbH (EKO); Ewald Geibel; Hille & Müller Kaltwalzwerk; J.N. Eberle & CIE GmbH (Eberle); Preussag Stahl; Stahlwerke Bremen GmbH (Bremen); Stahlwerke Ergste Westig; Thyssen Krupp Stahl AG (Thyssen); and Wickeder Westfalen Stahl GmbH (Wickeder).<sup>25</sup> Complete questionnaires were received from Arcelor (Germany),<sup>26</sup> Bilstein GmbH & Co. KG (Bilstein), C.D. Walzholz (Walzholz), Eberle, Hugo Vogelsang GmbH & Co. KG (Vogelsang), Kaltwalzwerk Brockhaus GmbH (Brockhaus), Rochling Kaltwalzwerke KG (Rochling), Salzgitter AG (Salzgitter), Thyssen, and Wickeder, accounting for approximately \*\*\* percent of production of cold-rolled steel in Germany in 2001. Information received from the responding firms is presented in table VII-10.<sup>27</sup>

**Table VII-10**  
**Cold-rolled steel: Germany's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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<sup>23</sup> \*\*\*.

<sup>24</sup> Arcelor (France) reported that \*\*\*.

<sup>25</sup> Petition, Germany, exh. I-4.

<sup>26</sup> Aceralia, Arbed, and Usinor merged on January 1, 2002, to create Arcelor. Arcelor (Germany)'s affiliates are EKO and Bremen.

<sup>27</sup> EKO and Wickeder reported \*\*\*.



## THE INDUSTRY IN INDIA

The petition listed 3 firms believed to produce the subject merchandise in India: Ispat Industries (Ispat); The Tata Iron and Steel Co., Ltd. (Tata); and Uttam Galva Steel, Ltd. (Uttam).<sup>28</sup> Completed questionnaire responses were received from Asil Industries Limited (Asil), Ispat, Ruchi Strips & Alloys Ltd. (Ruchi), Tata, Tube Investments of India (Tube Investments), and Uttam, accounting for approximately \*\*\* percent of production of cold-rolled steel in India in 2000.<sup>29 30 31</sup> Information received from the responding firms is presented in table VII-11.<sup>32</sup> India is excluded from the section 201 remedy due to its status as a WTO-member developing country.

**Table VII-11**

**Cold-rolled steel: India's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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## THE INDUSTRY IN JAPAN

The petition listed four firms as producers of cold-rolled steel in Japan: Kawasaki Steel Corp. (Kawasaki); Nippon Steel Corp. (Nippon); NKK Corp. (NKK); and Sumitomo Metal Industries, Ltd. (Sumitomo).<sup>33</sup> Completed questionnaire responses were received from Kawasaki; Kobe Steel, Ltd. (Kobe); Nippon; Nisshin Steel Co., Ltd. (Nisshin); NKK; and Sumitomo. These firms account for approximately \*\*\* percent of production of cold-rolled steel in Japan in 2001. Information received from the responding firms is presented in table VII-12.<sup>34</sup>

<sup>28</sup> Petition, India, exh. 6.

<sup>29</sup> India's 2000 cold-rolled steel capacity and production were 5,454,599 tons and 3,305,798 tons, respectively. *Global Steel Utilization Rates*, Metal Bulletin Research, London, England, April 27, 2001 (postconference brief of petitioners Bethlehem, LTV, and US Steel, exh. 45).

<sup>30</sup> Bhushan Steel and Strip is installing a new cold-rolled mill and tube mill, and EGB-India has plans to expand its rolling mills capacity from 210,000 tons to 300,000 tons per year. *Iron and Steel Works of the World*, 14<sup>th</sup> edition, 2001, pp. 205, 208.

<sup>31</sup> India's only integrated producer of cold-rolled steel is Steel Authority of India Ltd. (SAIL). Respondents reported that \*\*\*.

<sup>32</sup> Uttam reported that \*\*\*. Asil, Ispat, Ruchi, Tata, and Tube Investments reported that \*\*\*. Asil, Ispat, Ruchi, Tata, Tube Investments, and Uttam also reported that \*\*\*.

<sup>33</sup> Petition, Japan, exh. 7.

<sup>34</sup> Nisshin and Sumitomo reported that \*\*\*.

**Table VII-12**

**Cold-rolled steel: Japan's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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### THE INDUSTRY IN KOREA

The petition listed three firms as producers of cold-rolled steel in Korea: Dongbu Steel Co., Ltd. (Dongbu); Pohang Iron & Steel Co., Ltd. (POSCO); and Union Steel Manufacturing Co., Ltd. (Union).<sup>35</sup> Completed questionnaire responses were received from Dongbu, Hyundai Hysco (Hyundai), POSCO, and Union, accounting for 100 percent of production of cold-rolled steel in Korea in 2001. Information received from the responding firms is presented in table VII-13.<sup>36</sup>

**Table VII-13**

**Cold-rolled steel: Korea's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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### THE INDUSTRY IN THE NETHERLANDS

The petition listed one firm as a producer of cold-rolled steel in the Netherlands, Corus Staal BV (Corus).<sup>37</sup> A completed questionnaire response was received from Corus, accounting for 100 percent of production of cold-rolled steel in the Netherlands in 2001.<sup>38</sup> Information received is presented in table VII-14.<sup>39</sup>

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<sup>35</sup> Petition, Korea, exh. I-4.

<sup>36</sup> \*\*\*.

<sup>37</sup> The petition \*\*\*. Hoogovens was purchased by Corus in October 1999.

<sup>38</sup> Corus announced plans to complete a merger with CSN (Brazil) by early 2003. *American Metal Market*, July 18, 2002.

<sup>39</sup> Corus reported that \*\*\*. Corus also reported that \*\*\*.

**Table VII-14**

**Cold-rolled steel: The Netherlands' capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

\* \* \* \* \*

**THE INDUSTRY IN NEW ZEALAND**

The petition listed one firm as a producer of cold-rolled steel in New Zealand, New Zealand Steel, Ltd. (BHP New Zealand).<sup>40</sup> A completed questionnaire response was received from BHP New Zealand, accounting for 100 percent of production of cold-rolled steel in New Zealand in 2001. Information received is presented in table VII-15.<sup>41</sup>

**Table VII-15**

**Cold-rolled steel: New Zealand's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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**THE INDUSTRY IN RUSSIA**

The petition listed seven firms as producers of cold-rolled steel in Russia: Magnitogorsk Iron & Steel Works (MMK); Mechel; Novolpetsk Iron & Steel Works; Novosibirsk Steel Works; St. Petersburg Steel Rolling Mill; Joint Stock Co. Severstal (Severstal); and Volgograd Steel Works.<sup>42</sup> A completed questionnaire was received from Severstal, accounting for approximately \*\*\* percent of production of cold-rolled steel in Russia in 2001.<sup>43 44</sup> Information received is presented in table VII-16.<sup>45 46</sup>

<sup>40</sup> Petition, New Zealand, exh. I-6.

<sup>41</sup> BHP New Zealand reported that \*\*\*. BHP New Zealand also reported that \*\*\*. In 2002, \*\*\*.

<sup>42</sup> Petition, Russia, exh. I-5.

<sup>43</sup> \*\*\*.

<sup>44</sup> It is reported that MMK has a two-stand reversing cold-rolling mill with a capacity of 800,000 tons per year to be commissioned in 2003 (*Iron and Steel Works of the World*, 14<sup>th</sup> edition, 2001, p. 460).

<sup>45</sup> Severstal reported that \*\*\*. Severstal \*\*\*.

<sup>46</sup> Exports of cold-rolled steel produced in Russia to the United States are limited through July 2004 by the Comprehensive Steel Agreement entered into between the Department of Commerce and the Ministry of Trade of the Russian Federation on July 12, 1999. The export limits were set at 374,680 short tons (1999), 340,568 short tons (2000), 411,233 short tons (2001), and 411,233 short tons (2002).

**Table VII-16**

**Cold-rolled steel: Russia's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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### THE INDUSTRY IN SOUTH AFRICA

The petition listed one firm as a producer of cold-rolled steel in South Africa, Iscor Limited (Iscor).<sup>47</sup> A completed questionnaire was received from Iscor, accounting for approximately \*\*\* percent of production of cold-rolled steel in South Africa in 2001. Information received is presented in table VII-17.<sup>48 49</sup> South Africa is excluded from the section 201 remedy due to its status as a WTO-member developing country.

**Table VII-17**

**Cold-rolled steel: South Africa's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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### THE INDUSTRY IN SPAIN

The petition listed three firms as producers of cold-rolled steel in Spain: Aceralia Corporacion Siderurgica; Aceralia Transformados; and Laminacion y Derivados SA (Layde).<sup>50 51</sup> A completed questionnaire response was received from Arcelor (Spain), accounting for approximately \*\*\* percent of production of cold-rolled steel in Spain in 2001.<sup>52</sup> Information received from the responding firm is presented in table VII-18.<sup>53</sup>

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<sup>47</sup> Petition, South Africa, exh. I-6.

<sup>48</sup> Iscor reported that \*\*\*. Iscor \*\*\*.

<sup>49</sup> Iscor contends that \*\*\*.

<sup>50</sup> Petition, Spain, exh. I-6.

<sup>51</sup> Aceralia, Arbed, and Usinor merged on January 1, 2002, to create Arcelor. Arcelor (Spain's) affiliates are Aceralia Corporacion Siderurgica, Aceralia Transformados, and Sollac Mediterraneo (SIDMED).

<sup>52</sup> \*\*\*.

<sup>53</sup> Arcelor (Spain) reported that \*\*\*. Arcelor (Spain) also reported that \*\*\*.

**Table VII-18**

**Cold-rolled steel: Spain's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

\* \* \* \* \*

**THE INDUSTRY IN SWEDEN**

The petition listed one firm as a producer of cold-rolled steel in Sweden: SSAB Svenskt Stal AB (SSAB).<sup>54</sup> Completed questionnaires were received from Surahammars Bruks Aktiebolag (Surahammars), AB Sandvik Steel (Sandvik), and Uddeholm Strip Steel AB (Uddeholm), accounting for approximately \*\*\* percent of production of cold-rolled steel in Sweden in 2000.<sup>55 56</sup> Information received from the responding firms is presented in table VII-19.<sup>57</sup>

**Table VII-19**

**Cold-rolled steel: Sweden's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

\* \* \* \* \*

**THE INDUSTRY IN TAIWAN**

The petition listed nine firms believed to produce the subject merchandise in Taiwan: Chang Mien Industries Co., Ltd; Chia Far Industrial Factory Co., Ltd; China Steel Corp. (China Steel); Kao Hsing Chang Iron & Steel Corp. (Kao Hsing); Ornatube Enterprise Co., Ltd; Sheng Yu Steel Co., Ltd (Sheng Yu); Yieh Hsing Enterprise Co., Ltd; Yieh Loong Enterprise Co., Ltd (Yieh Loong); and Yieh Phui Enterprise Co., Ltd.<sup>58 59</sup> Completed questionnaires were received from China Steel, Kao Hsing,

<sup>54</sup> Petition, Sweden, exh. I-6.

<sup>55</sup> \*\*\*.

<sup>56</sup> Sweden's 2000 capacity and production of cold-rolled steel were 1,269,850 tons and 1,321,658 tons, respectively. *Global Steel Utilization Rates*, Metal Bulletin Research, London England, April 27, 2001, (postconference brief of petitioners Bethlehem, LTV, and US Steel, exh. 45).

<sup>57</sup> Sandvik, Surahammars, and Uddeholm reported that \*\*\*.

<sup>58</sup> Petition, Taiwan, exh. I-6.

<sup>59</sup> Another firm, Ton Yi Industrial, received a preliminary dumping margin from Commerce.

Sheng Yu and Yieh Loong, accounting for approximately \*\*\* percent of production of cold-rolled steel in Taiwan in 2000.<sup>60</sup> Information received from the responding firms is presented in table VII-20.<sup>61</sup>

**Table VII-20**  
**Cold-rolled steel: Taiwan's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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\* \* \* \* \*

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### THE INDUSTRY IN THAILAND

The petition listed four firms as producers of cold-rolled steel in Thailand: BHP Steel, Ltd. (BHP Thailand); the Siam United Steel (1995) Co., Ltd. (SUS); and Thai Cold Rolled Steel Sheet Public Co., Ltd. (TCR).<sup>62</sup> Completed questionnaire responses were received from SUS and TCR, accounting for approximately \*\*\* percent of production of cold-rolled steel in Thailand in 2001.<sup>63</sup> Information received from the responding firms is presented in table VII-21.<sup>64</sup> Thailand is excluded from the section 201 remedy due its status as a WTO-member developing country.

**Table VII-21**  
**Cold-rolled steel: Thailand's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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\* \* \* \* \*

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<sup>60</sup> Taiwan's 2000 capacity and production of cold-rolled steel were 5,432,134 tons and 3,772,071 tons, respectively. *Global Steel Utilization Rates*, Metal Bulletin Research, London England, April 27, 2001, (postconference brief of petitioners Bethlehem, LTV, and US Steel, exh. 45).

<sup>61</sup> China Steel, Kao Hsing, and Yieh Loong reported that \*\*\*. China Steel, Kao Hsing, and Yieh Loong also reported that \*\*\*.

<sup>62</sup> Petition, Thailand, exh. I-4. The petition also listed Sahaviriya Group Corp., Ltd. (Sahaviriya) as a producer of cold-rolled steel, \*\*\*.

<sup>63</sup> BHP Thailand has a reported production capacity of 350,000 tons (*Iron and Steel Works of the World*, 14<sup>th</sup> edition, 2001). BHP Thailand reported that \*\*\*.

<sup>64</sup> SUS and TCR reported that \*\*\*.

### THE INDUSTRY IN TURKEY

The petition listed two firms as producers of cold-rolled steel in Turkey, Borcelik Celik Sanayii ve Ticaret A.S. (Borcelik) and Eregli Iron & Steel Works (Erdemir).<sup>65</sup> Completed questionnaire responses were received from Borcelik and Erdemir, accounting for 100 percent of production of cold-rolled steel in Turkey in 2001. Information received from the responding firms is presented in table VII-22.<sup>66</sup> Turkey is excluded from the section 201 remedy due to its status as a WTO-member developing country.

**Table VII-22**

**Cold-rolled steel: Turkey's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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### THE INDUSTRY IN VENEZUELA

The petition listed one firm as a producer of cold-rolled steel in Venezuela, Siderurgica del Orinoco C.A. (Sidor).<sup>67</sup> A completed questionnaire response was received from Sidor, accounting for 100 percent of production of cold-rolled steel in Venezuela in 2001. Information received from the responding firm is presented in table VII-23.<sup>68</sup> Venezuela is excluded from the section 201 remedy due to its status as a WTO-member developing country.

**Table VII-23**

**Cold-rolled steel: Venezuela's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-March 2001, January-March 2002, and projections for 2002 and 2003**

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*	*	*	*	*	*	*
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<sup>65</sup> Petition, Turkey, exh. I-6.

<sup>66</sup> Borcelik reported that \*\*\*. Borcelik also reported that \*\*\*.

<sup>67</sup> Petition, Venezuela, exh. I-4.

<sup>68</sup> Sidor reported that it also \*\*\*. Sidor \*\*\*.

### ANTIDUMPING FINDINGS IN WTO-MEMBER COUNTRIES

Information has been gathered during these investigations relating to existing dumping orders and investigations of the subject products in third-country markets. The following countries have their exports of cold-rolled steel to one or more third-country markets subject to AD duties, safeguard measures, or a suspension agreement: Belgium (Canada), Brazil (Argentina, Canada, and Mexico), France (China and Hungary), Japan (China and EU), Korea (Canada, China, and EU), Russia (Argentina, Canada, Colombia, Egypt, Mexico, Philippines, South Africa, Thailand, and Venezuela), and Turkey (Canada, China, and EU).

### U.S. IMPORTERS' INVENTORIES

Data on U.S. importers' inventories are presented in table VII-24. Many U.S. importers reported that they maintain no inventories in the United States and instead order from foreign suppliers on behalf of their customers.

**Table VII-24**  
**Cold-rolled steel: End-of-period inventories of U.S. importers, by sources, 1999-2001, January-March 2001, and January-March 2002**

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### U.S. IMPORTERS' CURRENT ORDERS

In its questionnaire, the Commission asked firms to report delivered imports of, and orders for, the subject merchandise from the subject countries after March 31, 2002. Most importers indicated that they had no imports or orders for subject product after March 31, 2002. Data of responding importers for deliveries/orders of imported cold-rolled steel products are presented in table VII-25; some importers reported their future orders for only a month or two and others reported orders through December 2002.

**Table VII-25**  
**Cold-rolled steel: U.S. importers' delivered imports and orders, by sources, after March 31, 2002**

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**APPENDIX A**

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***FEDERAL REGISTER NOTICES***



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**INTERNATIONAL TRADE  
COMMISSION**

[Investigations Nos. 701-TA-422-425 and  
731-TA-964-983 (Final)]

**Certain Cold-Rolled Steel Products  
From Argentina, Australia, Belgium,  
Brazil, China, France, Germany, India,  
Japan, Korea, the Netherlands, New  
Zealand, Russia, South Africa, Spain,  
Sweden, Taiwan, Thailand, Turkey, and  
Venezuela**

**AGENCY:** International Trade  
Commission.

**ACTION:** Scheduling of the final phase of  
countervailing duty and antidumping  
investigations.

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**SUMMARY:** The United States  
International Trade Commission  
(Commission) hereby gives notice of the

scheduling of the final phase of countervailing duty investigations Nos. 701-TA-422-425 (Final) under section 705(b) of the Tariff Act of 1930 (19 U.S.C. 1671d(b)) (the Act) and the final phase of antidumping investigations Nos. 731-TA-964-983 (Final) under section 735(b) of the Act (19 U.S.C. 1673d(b)) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of subsidized imports of certain cold-rolled steel products from Argentina, Brazil, France, and Korea, and less-than-fair-value imports of such merchandise from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, provided for in headings 7209, 7210, 7211, 7212, 7225, and 7226 of the Harmonized Tariff Schedule of the United States.

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

**EFFECTIVE DATE:** May 9, 2002.

**FOR FURTHER INFORMATION CONTACT:** Fred Fischer (202-205-3179 or [ffischer@usitc.gov](mailto:ffischer@usitc.gov)), 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>). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS-ON-LINE) at <http://dockets.usitc.gov/eol/public>.

**SUPPLEMENTARY INFORMATION:**

#### Background

The final phase of these investigations is being scheduled as a result of affirmative preliminary determinations by the Department of Commerce (Commerce) that certain benefits which constitute subsidies within the meaning of section 703 of the Act (19 U.S.C.

1671b) are being provided to manufacturers, producers, or exporters in Argentina, Brazil, France, and Korea of certain cold-rolled steel products, and that such products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. 1673b).

The investigations were requested in petitions filed on September 28, 2001 with the Commission and Commerce by Bethlehem Steel Corporation, Bethlehem, PA; LTV Steel Co., Inc., Cleveland, OH; National Steel Corporation, Mishawaka, IN;<sup>1</sup> Nucor Corporation, Charlotte, NC; Steel Dynamics Inc., Butler, IN; United States Steel LLC, Pittsburgh, PA; WCI Steel, Inc., Warren, OH; and Weirton Steel Corporation, Weirton, WV.<sup>2</sup>

#### Participation in the Investigations and Public Service List

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

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

Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of these investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9),

<sup>1</sup> National Steel Corporation is not a petitioner with respect to Japan.

<sup>2</sup> Weirton Steel Corporation is not a petitioner with respect to the Netherlands.

who are parties to the investigations. A party granted access to BPI in the preliminary phase of the investigations need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

#### Staff Report

The prehearing staff report in the final phase of these investigations will be placed in the nonpublic record on July 3, 2002, and a public version will be issued thereafter, pursuant to section 207.22 of the Commission's rules.

#### Hearing

The Commission will hold a hearing in connection with the final phase of these investigations beginning at 9:30 a.m. on July 18, 2002, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before July 8, 2002. 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 (if necessary) to be held at 9:30 a.m. on July 10, 2002, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

#### Written Submissions

Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is July 11, 2002. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is July 25, 2002; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the

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investigations on or before July 25, 2002. On August 19, 2002, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before August 21, 2002, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. Parties may submit additional final comments pertaining to investigations in which Commerce has extended its final determinations on or before October 11, 2002. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

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

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

Issued: May 28, 2002.

By order of the Commission.

**Marilyn R. Abbott,**  
*Secretary.*

[FR Doc. 02-13795 Filed 5-31-02; 8:45 am]

BILLING CODE 7020-02-P

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For further information concerning these investigations see the Commission's notice cited above and the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

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

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## INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-422-425 and 731-TA-964-983 (Final)]

**Certain Cold-Rolled Steel Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, The Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela**

**AGENCY:** International Trade Commission.

**ACTION:** Revised schedule for the subject investigations.

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**EFFECTIVE DATE:** August 2, 2002.

**FOR FURTHER INFORMATION CONTACT:** Fred Fischer (202-205-3179 / [ffischer@usitc.gov](mailto:ffischer@usitc.gov)), 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>). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS-ON-LINE) at <http://dockets.usitc.gov/eol/public>.

**SUPPLEMENTARY INFORMATION:** On June 3, 2002, the Commission established a schedule for the conduct of the final phase of the subject investigations (67 FR 38291, June 3, 2002). Because official import statistics of Commerce for June 2002 will not be available to the Commission and the public until August 20, 2002, the Commission is revising its schedule.

The Commission's new schedule for the investigations is as follows: The Commission will make its final release of information on August 21, 2002; and final party comments are due on August 23, 2002.

By order of the Commission.

Issued: August 2, 2002

Marilyn R. Abbott,

*Secretary to the Commission.*

[FR Doc. 02-20059 Filed 8-7-02; 8:45 am]

BILLING CODE 7020-02-P

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**FOR FURTHER INFORMATION CONTACT:** Fred Fischer (202-205-3179/[ffischer@usitc.gov](mailto:ffischer@usitc.gov)), 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>). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS-ON-LINE) at <http://dockets.usitc.gov/eol/public>.

**SUPPLEMENTARY INFORMATION:** On August 22, 2002, the Department of Commerce announced the final set of products to be excluded from the safeguard measure on steel products. The Commission is reopening the record in the subject investigations for the sole purpose of accepting the final list of safeguard exclusions and imports thereof. Parties may comment on this list of exclusions in a submission not to exceed five pages in length that must be filed by no later than 2 p.m. on Monday, August 26, 2002, pursuant to Commission rule 207.30.

For further information concerning these investigations see the Commission's notice cited above and the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

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

Issued: August 23, 2002.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 02-21930 Filed 8-27-02; 8:45 am]

BILLING CODE 7020-02-P

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**INTERNATIONAL TRADE  
COMMISSION**

[Investigations Nos. 701-TA-422-425 and  
731-TA-964-983 (Final)]

**Certain Cold-Rolled Steel Products  
From Argentina, Australia, Belgium,  
Brazil, China, France, Germany, India,  
Japan, Korea, the Netherlands, New  
Zealand, Russia, South Africa, Spain,  
Sweden, Taiwan, Thailand, Turkey, and  
Venezuela**

**AGENCY:** United States International  
Trade Commission.

**ACTION:** Reopening of the record.

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**EFFECTIVE DATE:** August 22, 2002.



Manning at (202) 482-5253, Office of AD/CVD Enforcement IV, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce (Department) regulations are to the regulations at 19 CFR part 351 (April 2001).

#### Final Determination

We determine that certain cold-rolled carbon steel flat products (cold-rolled steel) from Australia are being, or are likely to be, sold in the United States at less than fair value (LFTV), as provided in section 735 of the Act. The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

#### Background

On May 9, 2002, the Department published its preliminary determination in the above-captioned antidumping duty investigation. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Australia*, 67 FR 31192 (May 9, 2002) (*Preliminary Determination*). *See also Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 54198 (October 26, 2001) (*Initiation Notice*).

Since the preliminary determination, the following events have occurred. We gave interested parties an opportunity to comment on the preliminary determination. With respect to scope, in the preliminary LFTV determinations in these cases, the Department preliminarily excluded certain porcelain enameling steel from the scope of these investigations. *See Scope Appendix to the Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Argentina*, 67 FR 31181 (May 9, 2002) (*Scope Appendix—Argentina Preliminary LFTV Determination*). On June 13, 2002, we

issued a preliminary decision on the remaining 75 scope exclusion requests filed in a number of the on-going cold-rolled steel investigations (*see* the June 13, 2002, memorandum regarding "Preliminary Scope Rulings in the Antidumping Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea" (*Preliminary Scope Rulings*), which is on file in the Central Records Unit (CRU), room B-099 of the main Department building. We gave parties until June 20, 2002, to comment on the preliminary scope rulings, and until June 27, 2002, to submit rebuttal comments. We received comments and/or rebuttal comments from petitioners and respondents from various countries subject to these investigations of cold-rolled steel. In addition, on June 13, 2002, North American Metals Company (an interested party in the Japanese proceeding) filed a request that the Department issue a "correction" for an already excluded product. On July 8, 2002, the petitioners objected to this request.

At the request of multiple respondents, the Department held a public hearing with respect to the *Preliminary Scope Rulings* on July 1, 2002.

We gave interested parties an opportunity to comment on the preliminary determination. No case or rebuttal briefs were submitted.

#### Critical Circumstances

In letters filed on December 7, 2001, and January 14, 2002, the petitioners alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of cold-rolled steel from Australia and other countries. On April 18, 2002, the Department published in the *Federal Register* its preliminary determination that critical circumstances exist for imports of cold-rolled steel from Australia and other countries. *See Notice of Preliminary Determinations of Critical Circumstances: Certain Cold-Rolled Carbon Steel Flat Products From Australia, the People's Republic of China, India, the Republic of Korea, the Netherlands, and the Russian Federation*, 67 FR 19157 (April 18, 2002) and Memorandum from Bernard

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-602-804]

#### Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Australia

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

EFFECTIVE DATE: July 19, 2002.

FOR FURTHER INFORMATION CONTACT: Paige Rivas at (202) 482-0651, or Mark

Carreau to Faryar Shirzad, "Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Australia, India, the Netherlands, and the Republic of Korea—Preliminary Affirmative Determinations of Critical Circumstances," dated April 10, 2002.

We received no comments from the petitioners or the respondent regarding our preliminary finding that critical circumstances exist for imports of cold-rolled steel from Australia. Therefore, we have not changed our determination and continue to find that critical circumstances exist for imports of cold-rolled steel from Australia. Regarding the other countries for which we preliminarily found affirmative critical circumstances, we will make final determinations concerning critical circumstances for these countries when we make our final dumping determinations in those investigations.

#### Scope of Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products. A full description of the scope of this investigation is contained in the "Scope Appendix" attached to this final determination notice. For a complete discussion of the comments received on the *Preliminary Scope Rulings*, see the memorandum regarding "Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea," dated July 10, 2002, which is on file in the CRU.

#### Analysis of Comments Received

As noted above, there were no case or rebuttal briefs submitted in this investigation, nor was there a hearing.

#### Use of Facts Available

In the *Preliminary Determination*, the Department applied total adverse facts available to the mandatory respondent, Broken Hill Propriety Limited Steel (BHP JLA), and BHP Steel Americas (BHPSA) (collectively known as BHP), because BHP chose not to participate in the investigation. As a result, the Department assigned BHP the rate of

24.06 percent, the rate derived from the petition. See *Initiation Notice*. Also, the Department applied the petition margin of 24.06 percent as the "all others" rate. The interested parties did not object to the use of adverse facts available, or to the Department's choice of facts available. For this final determination, we are continuing to apply total adverse facts available to BHP.

#### Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service (Customs) to continue to suspend liquidation of all entries of cold-rolled steel from Australia that are entered, or withdrawn from warehouse, for consumption on or after February 9, 2002, which is 90 days prior to the date the *Preliminary Determination* was published in the *Federal Register*, because of our affirmative critical circumstances finding in accordance with section 735(a)(3) of the Act. Customs shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. The suspension of liquidation instructions will remain in effect until further notice.

We determine that the following percentage margins exist for the period July 1, 2000 through June 30, 2001:

Manufacturer/exporter	Margin (percent)
BHP .....	24.06
All Others .....	24.06

#### International Trade Commission (ITC) Notification

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

#### Notification Regarding Administrative Protective Order (APO)

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

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: July 10, 2002.

Faryar Shirzad,  
Assistant Secretary for Import  
Administration.

#### Appendix I—Scope of the AD/CVD Investigations on Certain Cold-Rolled Steel Products

For a complete discussion of the comments received on the *Preliminary Scope Rulings*, see the "Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea," on file in the CRU. This memorandum can also be accessed directly on the Web at <http://ia.ita.doc.gov/frn/summary/list.htm>. The paper copy and electronic version are identical in content.

#### Scope of Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances, both in coils, 0.5 inch wide or wider, (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally oscillated coils), and also in straight lengths, which, if less than 4.75 mm in thickness having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular or other shape and include products of either rectangular or non-rectangular cross-section.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and motor lamination steels. IF steels are recognized as

low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of this investigation, regardless of definitions in the HTSUS, are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 % or less, by weight, and; (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80 % of manganese, or 2.25 % of silicon, or 1.00 % of copper, or 0.50 % of aluminum, or 1.25 % of chromium, or 0.30 % of cobalt, or 0.40 % of lead, or 1.25 % of nickel, or 0.30 % of tungsten, or 0.10 % of molybdenum, or 0.10 % of niobium (also

called columbium), or 0.15 % of vanadium, or 0.15 % of zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded.

The following products, by way of example, are outside and/or specifically excluded from the scope of this investigation:

- SAE grades (formerly also called AISI grades) above 2300;
- Ball bearing steels, as defined in the HTSUS;
- Tool steels, as defined in the HTSUS;
- Silico-manganese steel, as defined in the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are grain-oriented;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level exceeding 2.25 %;
- All products (proprietary or otherwise)

based on an alloy ASTM specification (sample specifications: ASTM A506, A507);

- Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level less than 2.25 %, and (a) fully-processed, with a core loss of less than 0.14 watts/pound per mil (0.001 inch), or (b) semi-processed, with core loss of less than 0.085 watts/pound per mil (0.001 inch);
- Certain shadow mask steel, which is aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and which meets the following characteristics:  
Thickness: 0.001 to 0.010 inch  
Width: 15 to 32 inches

CHEMICAL COMPOSITION

Element Weight %	C
	<0.002%

- Certain flapper valve steel, which is hardened and tempered, surface polished, and which meets the following characteristics:  
Thickness: ≤1.0mm  
Width: L ≤152.4 mm

CHEMICAL COMPOSITION

Element Weight %	C	Si	Mn	P	S
	0.90–1.05	0.15–0.35	0.30–0.50	≤0.03	≤0.006

MECHANICAL PROPERTIES

Tensile Strength	≥162 Kgf/mm <sup>2</sup>
Hardness	≥ 475 Vickers hardness number

PHYSICAL PROPERTIES

Flatness	<0.2% of nominal strip width
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Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite.

NON-METALLIC INCLUSION

	Area percentage
Sulfide Inclusion .....	≤0.04%
Oxide Inclusion .....	≤0.05%

Compressive Stress: 10 to 40 Kgf/mm Surface Roughness

SURFACE ROUGHNESS

Thickness (mm)	Roughness (µm)
t ≤ 0.209	Rz ≤ 0.5
0.209 < t ≤ 0.310	Rz ≤ 0.6
0.310 < t ≤ 0.440	Rz ≤ 0.7
0.440 < t ≤ 0.560	Rz ≤ 0.8
0.560 < t	Rz ≤ 1.0

- Certain ultra thin gauge steel strip, which meets the following characteristics:  
Thickness: ≤0.100 mm ± 7%

Width: 100 to 600 mm

## CHEMICAL COMPOSITION

Element Weight %	C ≤0.07	Mn 0.2–0.5	P ≤0.05	S ≤0.05	Al ≤0.07	Fe Balance
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## MECHANICAL PROPERTIES

Hardness	Full Hard (Hv 180 minimum)
Total Elongation	<3%
Tensile Strength	600 to 850 N/mm

## PHYSICAL PROPERTIES

Surface Finish	≤0.3 micron
Camber (in 2.0 m)	<3.0 mm
Flatness (in 2.0 m)	≤0.5 mm
Edge Burr	<0.01 mm greater than thickness
Coil Set (in 1.0 m)	<75.0 mm m

- *Certain silicon steel*, which meets the following characteristics:

Thickness: 0.024 inch ± 0.0015 inch  
Width: 33 to 45.5 inches

## CHEMICAL COMPOSITION

Element Min. Weight % Max. Weight %	C 0.004	Mn 0.4	P 0.09	S 0.009	Si 0.65	Al 0.4
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## MECHANICAL PROPERTIES

Hardness	B 60–75 (AIM 65)
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## PHYSICAL PROPERTIES

Finish	Smooth (30–60 microinches)
Gamma Crown (in 5 inches)	0.0005 inch, start measuring one-quarter inch from slit edge
Flatness	20 I–UNIT max.
Coating	C3A–08A max. (A2 coating acceptable)
Camber (in any 10 feet)	1/16 inch
Coil Size I.D.	20 inches

## MAGNETIC PROPERTIES

Core Loss (1.5T/60 Hz) NAAS	3.8 Watts/Pound max.
Permeability (1.5T/60 Hz) NAAS	1700 gauss/oersted typical 1500 minimum

- *Certain aperture mask steel*, which has an ultra-flat surface flatness and which meets the following characteristics:

Thickness: 0.025 to 0.245 mm  
Width: 381–1000 mm

## CHEMICAL COMPOSITION

Element Weight %	C <0.01	N 0.004 to 0.007	Al ≤0.007
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- *Certain annealed and temper-rolled continuously cast steel*, which meets the following characteristics:

## CHEMICAL COMPOSITION

Element Min. Weight % Max. Weight %	C 0.02 0.06	Mn 0.20 0.40	P 0.02	S 0.023 (Aiming, 0.018 Max.)	Si 0.03	Al 0.08 (Aiming 0.05)	As 0.02	Cu 0.08	B	N 0.003 0.008 (Aiming 0.005)
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Non-metallic Inclusions: Examination with the S.E.M. shall not reveal individual oxides <1 micron (0.000039 inch) and inclusion groups or clusters shall not exceed 5 microns (0.000197 inch) in length.

Surface Treatment as follows: The surface finish shall be free of defects (digs, scratches, pits, gouges, slivers, etc.) and suitable for nickel plating.

## SURFACE FINISH

	Roughness, RA microinches (micrometers)		
	Aim	Min.	Max.
Extra Bright	5(0.1)	0(0)	7(0.2)

• *Certain annealed and temper-rolled cold-rolled continuously cast steel*, in coils, with a certificate of analysis per Cable System International ("CSI") Specification 96012, with the following characteristics:

Element	C	Mn	P	S
Max. Weight D0.13	0.13	0.60	0.02	0.05

## PHYSICAL AND MECHANICAL PROPERTIES

Base Weight	55 pounds
Theoretical Thickness	0.0061 inch (+/- 10 % of theoretical thickness)
Width	787 mm to 813 mm
Tensile Strength	45,000–55,000 psi
Elongation	minimum of 15 % in 2 inches

• *Concast cold-rolled drawing quality sheet steel*, ASTM A-620-97, Type B, or single reduced black plate, ASTM A-625-92, Type D, T-1, ASTM A-625-76 and ASTM A-366-96, T1-T2-T3 Commercial bright/luster 7a both sides, RMS 12 max. Thickness range of 0.0088 to 0.038 inches, width of 23.0 inches to 36.875 inches.

- *Certain single reduced black plate*, meeting ASTM A-625-98 specifications, 53 pound base weight (0.0058 inch thick) with a Temper classification of T-2 (49–57 hardness using the Rockwell 30 T scale).
- *Certain single reduced black plate*, meeting ASTM A-625-76 specifications, 55 pound base weight, MR type matte finish, TH basic tolerance as per A263 trimmed.
- *Certain single reduced black plate*, meeting ASTM A-625-98 specifications, 65 pound base weight (0.0072 inch thick) with a Temper classification of T-3 (53–61 hardness using the Rockwell 30 T scale).
- *Certain cold-rolled black plate bare steel strip*, meeting ASTM A-625 specifications, which meet the following characteristics:

## CHEMICAL COMPOSITION

Element	C	Mn	P S	
Max. Weight %	0.13	0.60	0.02	0.05

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness	0.0058 inch ± 0.0003 inch
Hardness	T2/HR 30T 50–60 aiming
Elongation	≥ 15 %
Tensile Strength	51,000.0 psi ± 4.0 aiming

- *Certain cold-rolled black plate bare steel strip*, in coils, meeting ASTM A-623, Table II, Type MR specifications, which meet the following characteristics:

## CHEMICAL COMPOSITION

Element	C	Mn	P	S
Max. Weight %	0.13	0.60	0.04	0.05

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness	0.0060 inch (±0.0005 inch)
Width	10 inches (+¼ to ¾ inch/-0)
Tensile Strength	55,000 psi max.
Elongation	Minimum of 15% in 2 inches

- *Certain "blued steel" coil* (also known as "steamed blue steel" or "blue oxide"), with a thickness of 0.30 mm to 0.42 mm and width of 609 mm to 1219 mm, in coil form;
- *Certain cold-rolled steel sheet*, coated with porcelain enameling prior to importation, which meets the following characteristics:  
Thickness (nominal): ≤ 0.019 inch  
Width: 35 to 60 inches

## CHEMICAL COMPOSITION

Element	C	O	B
Max. Weight %	0.004		
Min. Weight %		0.010	0.012

- *Certain cold-rolled steel*, which meets the following characteristics  
Width: > 66 inches

## CHEMICAL COMPOSITION

Element	C	Mn	P	Si
Max. Weight %	0.07	0.67	0.14	0.03

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm)	0.800—2.000
Min. Yield Point (MPa)	265
Max. Yield Point (MPa)	365
Min. Tensile Strength (MPa)	440
Min. Elongation %	26

- *Certain band saw steel*, which meets the following characteristics:  
Thickness: ≤ 1.31 mm  
Width: ≤ 80 mm

## CHEMICAL COMPOSITION

Element Weight %	C	Si	Mn	P	S	Cr	Ni
	1.2 to 1.3	0.15 to 0.35	0.20 to 0.35	≤0.03	≤0.007	0.3 to 0.5	≤0.25

## Other properties:

Carbide: Fully spheroidized having > 80 % of carbides, which are ≤ 0.003 mm and uniformly dispersed

Surface finish: Bright finish free from pits, scratches, rust, cracks, or seams

Smooth edges.

Edge camber (in each 300 mm of length): ≤ 7 mm arc height

Cross bow (per inch of width): 0.015 mm max.

- *Certain transformation-induced plasticity (TRIP) steel*, which meets the following characteristics:

## Variety 1

## CHEMICAL COMPOSITION

Element	C	Si	Mn
Min. Weight %	0.09	1.0	0.90
Max. Weight %	0.13	2.1	1.7

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness range (mm)	1,000—2,300 (inclusive)
Min. Yield Point (MPa)	320
Max. Yield Point (MPa)	480
Min. Tensile Strength (MPa)	590
Min. Elongation %	24 (if 1,000—1,199 thickness range) 25 (if 1,200—1,599 thickness range) 26 (if 1,600—1,999 thickness range) 27 (if 2,000—2,300 thickness range)

## Variety 2

## CHEMICAL COMPOSITION

Element	C	Si	Mn
Min. Weight %	0.12	1.5	1.1
Max. Weight %	0.16	2.1	1.9

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm)	1,000—2,300 (inclusive)
Min. Yield Point (MPa)	340
Max. Yield Point (MPa)	520
Min. Tensile Strength (MPa)	690



## PHYSICAL AND MECHANICAL PROPERTIES—Continued

Min. Elongation %	21 (if 1.000–1.199 thickness range) 22 (if 1.200–1.599 thickness range) 23 (if 1.600–1.999 thickness range) 24 (if 2.000–2.300 thickness range)
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## Variety 3

## CHEMICAL COMPOSITION

Element %	C	Si	Mn
Min. Weight %	0.13	1.3	1.5
Max. Weight %	0.21	2.0	2.0

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm)	1.200–2.300 9inclusive)
Min. Yield Point (MPa)	370
Max. Yield Point (MPa)	570
Min. Tensile Strength (MPa)	780
Min. Elongation %	18 (if 1.200–1.599 thickness range) 19 (if 1.600–1.999 thickness range) 20 (if 2.000–2.300 thickness range)

- *Certain cold-rolled steel, which meets the following characteristics:*

## Variety 1

## CHEMICAL COMPOSITION

Element	C	Mn	P	Cu
Min. Weight %				0.15
Max. Weight %	0.10	0.40	0.10	0.35

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm)	0.600–0.800
Min. Yield Point (MPa)	185
Max. Yield Point (MPa)	285
Min. Tensile Strength (MPa)	340
Min. Elongation %	31 (ASTM standard 31% = JIS standard 35%)

## Variety 2

## CHEMICAL COMPOSITION

Element	C	Mn	P	Cu
Min. Weight %				0.15
Max. Weight %	0.05	0.40	0.08	0.35

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm)	0.800–1.000
Min. Yield Point (MPa)	145
Max. Yield Point (MPa)	245
Min. Tensile Strength (MPa)	295
Min. Elongation %	31 (ASTM standard 31% = JIS standard 35%)

## Variety 3

## CHEMICAL COMPOSITION

Element	C	Si	Mn	P	S	Cu	Ni	Al	Nb, V, Ti, B	Mo
Max. Weight %	0.01	0.05	0.40	0.10	0.023	0.15– 0.35	0.35	0.10	0.10	0.30

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness (mm)	0.7
Elongation %	≥35

- *Porcelain enameling sheet*, drawing quality, in coils, 0.014 inch in thickness, + 0.002, -0.000, meeting ASTM A-424-96 Type 1 specifications, and suitable for two coats.
- *Cold-rolled steel strip to specification SAE 4130*, with the following characteristics:  
HTSUS item number 7226.92.80.50  
Width up to 24 inches  
Gauge of "0.050-0.014 inches," and gauge tolerance of +/- 0.0018 inches
- *Texture-rolled steel strip (SORBITEX)*, with the following characteristics:  
Thickness: 0.0039 to 0.0600 inches  
Width: 0.1180 to 7.8700 inches (3-200 mm)

## CHEMICAL COMPOSITION

C	Si	Mn	P	S	Al	Cr	Ni	Cu
0.76-0.96%	0.10-0.35%	0.30-0.60%	< .025%	< .020%	< .060%	< .30%	< .20%	< .20%

Tensile strength ranges: 245,000 to 365,000 psi.  
HTSUS 7211.29.20.30 and HTSUS 7211.29.45.00

- *Reed steel*, with the following characteristics:  
Grades Eberle 18, 18C (SAE 1095 modified alloyed steel)  
HTSUS 7211.90.00

## PHYSICAL CHARACTERISTICS

Thickness	0.0008 to 0.04 inches (0.0203 to 1.015 mm)
Width	0.276 to 0.472 inches (7 mm to 12.0 mm), with width tolerances of +/- 0.04 to 0.06 mm
Tensile strength	1599 Mpa to 2199 Mpa

## CHEMICAL COMPOSITION

C	Si	Mn	P	S	Cr
0.95-1.05%	0.15-0.30	.025-0.50%	less than 0.015%	less than 0.012%	less than 0.40%

Surface: Rmax 1.5 to 3.0 micrometers  
Straightness: Max. deviation of 0.56mm/m  
Flatness: Deviation of 0.1 to 0.3% of the width

- *Feeler gauge steel*, with the following characteristics:  
Polished surface and deburred or rounded edges  
Grades Eberle 18, 18C (SAE 1095 modified alloyed steel)  
HTSUS 7211.90.00

## PHYSICAL AND MECHANICAL PROPERTIES

Max. width	0.4975 inches
Thickness Range	0.001-0.045 inches
Thickness tolerances	T2-T4 international standard
Tensile strength UTS	246-304 ksi

- *Wood Band Saw Steel with Nickel Content Exceeding 1.25% by Weight*, with the following characteristics:  
Both variety 1 and variety 2 are classified under HTSUS item number 7226.99.00.00

## Variety #1

Nickel-alloyed Band Saw Steel, which meets the following characteristics:  
Thickness: >1.1 mm, ≤3.00 mm  
Width: < 400 mm

## CHEMICAL COMPOSITION

Element	C	Si	Mn	P	S	Cr	Ni	Cu	Al
Weight %	0.70-0.80	0.20-0.35	0.30-0.45	max. 0.020	max. 0.006	0.05-0.20	1.90-2.10	max. 0.15	0.02-0.04

Microstructure: Tempered Martensite with Bainite, no surface decarburization.  
Mechanical Properties:  
Hardness: 446 +12/- 23 HV respectively 45 +1/- 2 HRC  
Surface Finish: bright, polished  
Edges: treated edges  
Cross Bow: max. 0.1 mm per mm width

## Variety #2

UHB15N20 band saw steel according to the alloy composition:

## CHEMICAL COMPOSITION

Element Weight %	C	Si	Mn	P	S	Cr	Ni
	0.70–0.80	0.20–0.35	0.30–0.45	max. 0.020	max. 0.016		1.90–2.10

Typical material properties: Hardened and tempered  
 Tensile Strength: 1450 N/mm<sup>2</sup> for thickness < 2 mm and 1370 N/mm<sup>2</sup> for thickness > 2 mm  
 Width tolerance: B1 = +/- 0.35 mm  
 Thickness tolerance: T1(+/- 0.039 mm)  
 Flatness: P4 (max. deviation 0.1% of width of strip)  
 Straightness: (+/- 0.25 mm/1000 mm)  
 Dimensions:  
 Widths: 6.3–412.8 mm  
 Thickness: 0.40 to 3.05 mm  
 • 2% nickel T5 tolerances and ra less than 8 my, with the following characteristics:  
 Thickness: 0.5–3.5 mm  
 Width: 50–650 mm

## CHEMICAL COMPOSITION

Element Weight % in	C	Si	Mn	P	S	Al	Cr	Ni
	0.70–0.08	0.15–0.35	0.30–0.05	max. 0.020	max. 0.010	max. –0.020	0.05–0.030	1.90–0.020

High precision T5 tolerance  
 Roughness: Ra (RMS) max. 8 inches  
 The product is classified under HTSUS item number 7226.92.50.00  
 • *Ski-edge profile steel*, with the following characteristics:  
 For both Grade SAE 1070 and German Grade SAE X35CrMo17:  
 HTSUS item numbers 7228.60.80 and 7216.69.00  
 Hardened and tempered, HRC 44–52  
 Surface: bright finished, sandblasted or primer coated  
 Stamped condition

## DIMENSIONS

	Width mm	Width mm	Thickness mm	Thickness mm
Ski 39	6	1.90	2	0.50
Ski 40	6	1.70	2	0.50
Ski 129	7.70	2.00	2.20	0.60

## CHEMICAL COMPOSITION FOR GRADE SAE 1070

Element % in Weight	C	Si	Mn	P	S
	0.65–0.75	max. 0.40	max. 0.60–0.90	max. 0.04	max. 0.05

## CHEMICAL COMPOSITION FOR GERMAN GRADE SAE x35CRMO17

Element % in Weight	C	Si	Mn	P	S	CR	Mo	Ni
	0.33–0.45	max. 1.0	max. 1.50	max. 0.04	max. 0.025	15.5–17.5	0.8–1.3	max. 1.0

Note that this is an angle shape or section steel that is not covered by this scope.

- *Flat wire*, with the following characteristics:

SAE 1074 alloyed, annealed, skin passed

Hardened and tempered

Formed edges

Widths of less than 12.7 mm

Thickness from 0.50–2.40 mm

- *Shadow/aperture mask steel*, which is Aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and meets the following characteristics:

Thickness: 0.001 to 0.010 inch

Width: 15 to 35 inches

Increased tensile strength of 800 to 1,200 N/mm<sup>2</sup>

## CHEMICAL COMPOSITION

Element Weight %	C	N	Mn
	< 0.01%	0.01–0.017%	0.06–0.85%

HTSUS item numbers 7209.18.25.10 or 7211.23.60.75, depending on the width of the material.

- *Grade 13C cement kiln steel*, with the following specifications:

## CHEMICAL COMPOSITION

Element	C	Si	Mn	P	S
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## CHEMICAL COMPOSITION—Continued

Weight %	0.65	0.25	0.65	max. 0.020	max. 0.010
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Microstructure: Fine grained and homogenous. Matrix of tempered martensite with a small amount of undissolved carbides

Decarburization: No free ferrite is allowed; Total decarburization should not exceed 4% per plane

Mechanical Properties: Tensile strength: 1200–1700 N/mm<sup>2</sup>, (Standard 1280 +/- 80 N/mm<sup>2</sup>)

Surface Finish: Gray hardened condition. Ra/CLA—max. 0.25 m. Cut off 0.25 mm Rmax—max. 2.5 m

Edge Condition: Slit edges free from cracks and damages

Dimensions:

Thickness: 0.4–1.40 mm, Tolerance: T1

Width: 250–1200 mm, Tolerance: B1

Flatness: Unflatness Across Strip: max. 0.4% of the nominal strip width

Coil Size: Inside Diameter: 600 mm

Coil Weight: max. 6.5 kg/mm strip width

• *Certain valve steel (type 2)*, with the following specifications: Hardened tempered high-carbon strip, characterized by high fatigues strength and wear resistance, hardness combined with ductility, surface and end-finishes, and good blanking and forming properties.

HTSUS item number: 7211.90.00.00

Typical size ranges:

Thickness: 0.15–1.0 mm

Width: 10.0–140 mm

## CHEMICAL COMPOSITION

Element Weight %	C 0.7–0.8	Si 0.2–0.35	Mn 0.3–0.45	P Max. 0.020	S Max. 0.016	Ni 1.9–2.1	Cr
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The merchandise subject to this investigation is typically classified in the HTSUS at 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, 7225.19.0000, 7225.50.6000, 7225.50.7000, 7225.50.8010, 7225.50.8085, 7225.99.0090, 7226.19.1000, 7226.19.9000, 7226.92.5000, 7226.92.7050, 7226.92.8050, and 7226.99.0000.

Although the HTSUS item numbers are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

[FR Doc. 02–18293 Filed 7–18–02; 8:45 am]  
BILLING CODE 3510–DS–P

## DEPARTMENT OF COMMERCE

## International Trade Administration

[A-533-826]

**Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from India**

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

EFFECTIVE DATE: July 19, 2002.

FOR FURTHER INFORMATION CONTACT: Paige Rivas at (202) 482-0651, or Mark Manning at (202) 482-5253, Office of

AD/CVD Enforcement IV, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

## SUPPLEMENTARY INFORMATION:

## The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce (Department) regulations are to the regulations at 19 CFR part 351 (April 2001).

## Final Determination

We determine that certain cold-rolled carbon steel flat products (cold-rolled steel) from India are being, or are likely to be, sold in the United States at less than fair value (LFTV), as provided in section 735 of the Act. The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

## Background

On May 9, 2002, the Department published its preliminary determination in the above-captioned antidumping duty investigation. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From India*, 67 FR 31218 (May 9, 2002) (*Preliminary Determination*). See also *Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled*

*Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 54198 (October 26, 2001) (*Initiation Notice*).

Since the preliminary determination, the following events have occurred. We gave interested parties an opportunity to comment on the preliminary determination. With respect to scope, in the preliminary LTFV determinations in these cases, the Department preliminarily excluded certain porcelain enameling steel from the scope of these investigations. See *Scope Appendix to the Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Argentina*, 67 FR 31181 (May 9, 2002) (*Scope Appendix - Argentina Preliminary LTFV Determination*). On June 13, 2002, we issued a preliminary decision on the remaining 75 scope exclusion requests filed in a number of the on-going cold-rolled steel investigations ("Preliminary Scope Rulings in the Antidumping Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea")

(*Preliminary Scope Rulings*), which is on file in the Central Records Unit (CRU), room B-099 of the main Department building. We gave parties until June 20, 2002, to comment on the preliminary scope rulings, and until June 27, 2002, to submit rebuttal comments. We received comments and/or rebuttal comments from petitioners and respondents from various countries subject to these investigations of cold-rolled steel. In addition, on June 13, 2002, North American Metals Company (an interested party in the Japanese proceeding) filed a request that the Department issue a "correction" for an already excluded product. On July 8, 2002, the petitioners objected to this request.

At the request of multiple respondents, the Department held a public hearing with respect to the *Preliminary Scope Rulings* on July 1, 2002.

We gave interested parties an opportunity to comment on the preliminary determination. No case or rebuttal briefs were submitted.

#### Critical Circumstances

In letters filed on December 7, 2001, and January 14, 2002, the petitioners alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of cold-rolled steel from India and other countries. On April 18, 2002, the Department published in the *Federal Register* its preliminary determination that critical circumstances exist for imports of cold-rolled steel from India and other countries. See *Notice of Preliminary Determinations of Critical Circumstances: Certain Cold-Rolled Carbon Steel Flat Products From Australia, the People's Republic of China, India, the Republic of Korea, the Netherlands, and the Russian Federation*, 67 FR 19157 (April 18, 2002) and Memorandum from Bernard Carreau to Faryar Shirzad, "Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Australia, India, the Netherlands, and the Republic of Korea Preliminary Affirmative Determinations of Critical Circumstances," dated April 10, 2002.

We received no comments from the petitioners or the respondent regarding our preliminary finding that critical circumstances exist for imports of cold-rolled steel from India. Therefore, we have not changed our determination and continue to find that critical circumstances exist for imports of cold-rolled steel from India. Regarding the other countries for which we

preliminarily found affirmative critical circumstances, we will make final determinations concerning critical circumstances for these countries when we make our final dumping determinations in those investigations.

#### Scope of Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products. A full description of the scope of this investigation is contained in the "Scope Appendix" attached to the *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Australia*, published concurrently with this notice. For a complete discussion of the comments received on the *Preliminary Scope Rulings*, see the memorandum regarding "Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea," dated July 10, 2002, which is on file in the CRU.

#### Analysis of Comments Received

As noted above, there were no case or rebuttal briefs submitted in this investigation, nor was there a hearing.

#### Use of Facts Available

In the Preliminary Determination, the Department applied total adverse facts available to the mandatory respondent, Ispat Industries, Ltd. (Ispat). Specifically, the Department assigned Ispat the rate of 153.65 percent, the rate derived from the petition. See *Initiation Notice*. Also, the Department applied the petition margin of 153.65 percent as the "all others" rate. The interested parties did not object to the use of adverse facts available, nor to the Department's choice of facts available. For this final determination, we are continuing to apply total adverse facts available to Ispat.

#### Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service (Customs) to continue to suspend liquidation of all entries of cold-rolled steel from India that are entered, or withdrawn from warehouse,

for consumption on or after February 9, 2002, which is 90 days prior to the date the *Preliminary Determination* was published in the *Federal Register*, because of our affirmative critical circumstances finding in accordance with section 735(a)(3) of the Act. Customs shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. The suspension of liquidation instructions will remain in effect until further notice.

We determine that the following percentage margins exist for the period July 1, 2000 through June 30, 2001:

Manufacturer/Exporter	Margin (percent)
Ispat .....	153.65
All Others .....	153.65

#### International Trade Commission (ITC) Notification

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

#### Notification Regarding Administrative Protective Order (APO)

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

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: July 10, 2002.

Faryar Shirzad,  
Assistant Secretary for Import  
Administration.

[FR Doc. 02-18294 Filed 7-18-02; 8:45 am]

BILLING CODE 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-859]

#### Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Japan

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

**EFFECTIVE DATE:** July 19, 2002.

**FOR FURTHER INFORMATION CONTACT:** Mark Hoadley at (202) 482-0666, Office of AD/CVD Enforcement VII, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:**

#### The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the Tariff Act of 1930 (the Act), as amended. In addition, unless otherwise indicated, all citations to the Department of Commerce (Department) regulations are to the regulations codified at 19 CFR Part 351 (2001).

#### Final Determination

We determine that certain cold-rolled carbon steel flat products (cold-rolled steel) from Japan are being, or are likely to be sold, in the United States at less than fair value (LFTV), as provided in section 735 of the Act. The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

#### Background

On May 9, 2002, the Department published its preliminary determination in the above-captioned antidumping duty investigation. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Japan*, 67 FR 31222 (May 9, 2002) (*Preliminary Determination*). This investigation was initiated on October 18, 2001.<sup>1</sup> See *Notice of Initiation of*

*Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 54198 (October 26, 2001) (*Initiation Notice*).

Since the preliminary determination, the following events have occurred. We gave interested parties an opportunity to comment on the preliminary determination. No case or rebuttal briefs were submitted. With respect to scope, in the preliminary LFTV determinations in these cases, the Department preliminarily excluded certain porcelain enameling steel from the scope of these investigations. See *Scope Appendix to the Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Argentina*, 67 FR 31181 (May 9, 2002) (*Scope Appendix - Argentina Preliminary LFTV Determination*). On June 13, 2002, we issued a preliminary decision on the remaining 75 scope exclusion requests filed in a number of the on-going cold-rolled steel investigations (see the June 13, 2002, memorandum regarding "Preliminary Scope Rulings in the Antidumping Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea" (*Preliminary Scope Rulings*), which is on file in the Department's Central Records Unit (CRU), room B-099). We gave parties until June 20, 2002 to comment on the preliminary scope rulings, and until June 27, 2002 to submit rebuttal comments. We received comments and/or rebuttal comments from petitioners and respondents from various countries subject to these investigations of cold-rolled steel. In addition, on June 13, 2002, North American Metals Company (an interested party in the Japanese proceeding) filed a request that the Department issue a "correction" for an already excluded product. On July 8, 2002, the petitioners objected to this request. At the request of multiple respondents, the Department held a public hearing with respect to the

*Preliminary Scope Rulings* on July 1, 2002.

#### Scope of Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products. A full description of the scope of this investigation, as well as final decisions on all of the scope exclusion requests submitted in the context of the concurrent cold-rolled steel investigations is contained in the "Scope Appendix" attached to the *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Australia*, published concurrently with this notice. For a complete discussion of the comments received on the *Preliminary Scope Rulings*, see the memorandum regarding "Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea," dated July 10, 2002, which is on file in the CRU.

#### Analysis of Comments Received

We received no comments from interested parties in response to our preliminary determination. We did not hold a hearing because none was requested.

#### Use of Facts Available

In the preliminary determination, the Department applied total adverse facts available to each mandatory respondent. Specifically, the Department assigned the mandatory respondents, Kawasaki Steel Corporation and Nippon Steel Corporation, the rate of 115.22 percent, the highest rate derived from the petition. See *Preliminary Determination*. The Department based the "all others" rate on the simple average of the margins in the petition, which is 112.56 percent. The interested parties did not object to the use of adverse facts available, nor to the Department's choice of facts available. Therefore, for this final determination, we are continuing to apply total adverse facts available to each mandatory respondent.

<sup>1</sup> The petitioners in this investigation are Bethlehem Steel Corporation, LTV Steel Company, Inc., Nucor Corporation, Steel Dynamics, Inc., United States Steel Corporation, WCI Steel, Inc., and Weirton Steel Corporation (collectively, the petitioners).

### Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service (Customs) to continue to suspend liquidation of all imports of cold-rolled steel from Japan that are entered, or withdrawn from warehouse, for consumption on or after May 9, 2002 (the date of publication of the *Preliminary Determination* in the *Federal Register*). Customs shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. The suspension of liquidation instructions will remain in effect until further notice.

We determine that the following percentage margins exist:

Manufacturer/Exporter	Margin (percent)
Kawasaki Steel Corporation .....	115.22
Nippon Steel Corporation .....	115.22
All Others .....	112.56

### ITC Notification

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

### Notification Regarding APO

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

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: July 10, 2002.

Faryar Shirzad,  
Assistant Secretary for Import  
Administration.

[FR Doc. 02-18295 Filed 7-18-02; 8:45 am]

BILLING CODE 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-549-819]

### Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Thailand

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

EFFECTIVE DATE: July 19, 2002.

FOR FURTHER INFORMATION CONTACT: Matthew Renkey at (202) 482-2312, or Elfi Blum at (202) 482-0197, Office of AD/CVD Enforcement VII, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

#### The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the Tariff Act of 1930 (the Act), as amended. In addition, unless otherwise indicated, all citations to the Department of Commerce (Department) regulations are to the regulations at 19 CFR part 351 (2001).

#### Final Determination

We determine that certain cold-rolled carbon steel flat products (cold-rolled steel) from Thailand are being, or are likely to be sold, in the United States at less than fair value (LFTV), as provided in section 735 of the Act. The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

#### Background

On May 9, 2002, the Department published its preliminary determination in the above-captioned antidumping duty investigation. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Thailand*, 67 FR 31261 (May 9, 2002) (*Preliminary Determination*). This investigation was initiated on October 18, 2001.<sup>1</sup> See *Notice of Initiation of*

<sup>1</sup> The petitioners in this investigation are Bethlehem Steel Corporation, LTV Steel Company, Inc., National Steel Corp., Nucor Corporation, Steel Dynamics, Inc., United States Steel Corporation,

*Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 54198 (October 26, 2001) (*Initiation Notice*).

Since the preliminary determination, the following events have occurred. We gave interested parties an opportunity to comment on the preliminary determination. No case or rebuttal briefs were submitted. With respect to scope, in the preliminary LFTV determinations in these cases, the Department preliminarily excluded certain porcelain enameling steel from the scope of these investigations. See *Scope Appendix to the Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Argentina*, 67 FR 31181 (May 9, 2002) (*Scope Appendix - Argentina Preliminary LFTV Determination*). On June 13, 2002, we issued a preliminary decision on the remaining 75 scope exclusion requests filed in a number of the on-going cold-rolled steel investigations (see the June 13, 2002, memorandum regarding "Preliminary Scope Rulings in the Antidumping Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea" (*Preliminary Scope Rulings*), which is on file in the Department's Central Records Unit (CRU), room B-099). We gave parties until June 20, 2002 to comment on the preliminary scope rulings, and until June 27, 2002 to submit rebuttal comments. We received comments and/or rebuttal comments from petitioners and respondents from various countries subject to these investigations of cold-rolled steel. In addition, on June 13, 2002, North American Metals Company (an interested party in the Japanese proceeding) filed a request that the Department issue a "correction" for an already excluded product. On July 8, 2002, the petitioners objected to this request.

WCI Steel, Inc., and Weirton Steel Corporation (collectively, the petitioners).

At the request of multiple respondents, a hearing with respect to the *Preliminary Scope Rulings* was held on July 1, 2002.

#### Scope of Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products. A full description of the scope of this investigation, as well as final decisions on all of the scope exclusion requests submitted in the context of the concurrent cold-rolled steel investigations is contained in the "Scope Appendix" attached to the *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Australia*, published concurrently with this notice. For a complete discussion of the comments received on the *Preliminary Scope Rulings*, see the memorandum regarding "Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea," dated July 10, 2002, which is on file in the CRU.

#### Analysis of Comments Received

We received no comments from interested parties in response to our preliminary determination. We did not hold a hearing because none was requested.

#### Use of Facts Available

In the *Preliminary Determination*, the Department applied total adverse facts available to the sole mandatory respondent, Thai Cold-Rolled Steel Sheet Public Company, Limited (TCR). Specifically, the Department assigned TCR the rate of 142.78 percent, which was derived from the highest rate in the amended petition. See *Preliminary Determination*, 67 FR at 31262. The Department based the "all others" rate on the simple average of the margins in the amended petition, which is 127.44 percent. The interested parties did not object to the use of adverse facts available, nor to the Department's choice of facts available. Therefore, for this final determination, we are continuing to apply total adverse facts available to the mandatory respondent.

#### Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service (Customs) to continue to suspend liquidation of all imports of cold-rolled steel from Thailand that are entered, or withdrawn from warehouse, for consumption on or after May 9, 2002 (the date of publication of the *Preliminary Determination* in the *Federal Register*). Customs shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. The suspension of liquidation instructions will remain in effect until further notice.

We determine that the following percentage margins exist:

Manufacturer/Exporter	Margin (percent)
Thai Cold-Rolled Steel Sheet Public Company, Limited .....	142.78
All Others .....	127.44

#### ITC Notification

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

#### Notification Regarding APO

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

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: July 10, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02-18296 Filed 7-18-02; 8:45 am]

BILLING CODE 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-401-807]

#### Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Sweden

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

EFFECTIVE DATE: July 19, 2002.

FOR FURTHER INFORMATION CONTACT: Jim Terpstra at (202) 482-3965 or Jim Neel at (202) 482-3146 AD/CVD Enforcement Office VI, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

##### The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (April 2001).

##### Final Determination

We determine that certain cold-rolled carbon steel flat products (cold-rolled steel) from Sweden are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Act. The estimated margins of sales at LTFV are shown in the *Continuation of Suspension of Liquidation* section of this notice.

##### Background

On May 9, 2002, the Department published its preliminary determination in the above-captioned antidumping duty investigation. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Sweden*, 67 FR 31251 (May 9, 2002) (*Preliminary Determination*). See also *Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled*



*Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 54198 (October 26, 2001) (*Initiation Notice*).

We gave interested parties an opportunity to comment on the preliminary determination. Bohler-Uddeholm was the only party to submit case briefs in this proceeding, and all of these pertained to the scope segment of the investigation. All timely scope-related comments are on the record, but will be addressed in the *Issues and Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea* (scope memorandum).

On June 28, 2002, Bohler-Uddeholm submitted a case brief on the record of the investigation, however this brief contained only scope comments. The deadline for submitting case briefs with respect to scope issues was June 20, 2002 and rebuttal comments on scope were due June 27, 2002. On July 3, the petitioners filed a request that the Department reject the June 28 Bohler-Uddeholm brief as untimely. Because Bohler-Uddeholm's June 28 submission contained only scope comments, we rejected the comments as untimely filed and did not retain it on the record of this proceeding. See the memo to the file regarding the Antidumping Duty Investigation of Certain Cold-Rolled Carbon Steel Flat Products from Sweden, dated July 2, 2002.

The Department did not receive any comments regarding our preliminary determination.

#### Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Act permits the Department to investigate either (1) a sample of exporters, producers, or types of products that is statistically valid

based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonably be examined. Using company-specific export data for the period of investigation (POI), based on the Harmonized Tariff Schedules of the United States (HTSUS) number that corresponds to the subject merchandise, we obtained information from a variety of sources and found that sixteen producers/exporters may have exported cold-rolled steel to the United States during the POI. According to data on the record, SSAB Svenskt Stal AB (SSAB) represented a significantly large percent of the imports during the POI. Due to limited resources, we determined that we could only investigate this one largest producer/exporter. See *Respondent Selection Memo*.

We designated SSAB as the mandatory respondent and sent it the antidumping questionnaire. On December 7, 2001, SSAB stated that it did not intend to participate in this investigation. On December 7, 2001 we selected AB Sandvik Steel as a voluntary respondent pursuant to 19 CFR section 351.204(d)(2). See *Preliminary Determination*<sup>1</sup>, 67 FR at 31253.

#### Period of Investigation

The POI is July 1, 2000, through June 30, 2001. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, September 2001).

#### Scope of Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products. A full description of the scope of this investigation is contained in the "Scope Appendix" attached to the *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Australia*, published concurrently with this notice. For a complete discussion of the comments received on the *Preliminary Scope Rulings*, see the scope memorandum dated July 10, 2002, which is on file in the CRU.

<sup>1</sup> After Sandvik informed the Department that it would not participate in this investigation, Sandvik requested the removal of its submissions from the record of this proceeding. In a letter to Sandvik dated April 25, 2002, the Department certified the removal and destruction of all proprietary copies of Sandvik's questionnaire responses. Additionally, the Department informed Sandvik that its withdrawal from the investigation would result in the use of facts available pursuant to section 776 of the Act.

#### Use of Facts Available (FA)

In the *Preliminary Determination*, the Department applied total adverse facts available to the sole mandatory respondent SSAB and the one voluntary respondent, Sandvik. Specifically, the Department assigned the sole mandatory respondent the rate of 40.54 percent, the rate derived from the petition. See *Preliminary Determination*, 67 FR at 31253-54. The Department also applied the petition margin of 40.54 as the "all others" rate, as a result of no other rate being available. The interested parties did not object to the use of adverse facts available, nor to the Department's choice of facts available. For this final determination, we are continuing to apply total adverse facts available to SSAB and Sandvik.

#### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend the liquidation of all entries of certain cold-rolled steel from Sweden that are entered, or withdrawn from warehouse, for consumption on or after May 9, 2002, the date of publication of the Preliminary Determination in the Federal Register. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Sweden*, 67 FR 31251 (May 9, 2002). The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the weighted-average dumping margin, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

Manufacturer/exporter	Margin (percent)
SSAB Svenskt Stal AB ...	40.54
AB Sandvik Steel .....	40.54
All Others .....	40.54

#### ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury, or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or cancelled. If the ITC determines that such injury does exist, the Department

will issue an antidumping duty order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

**Notification Regarding APO**

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

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

DATED: July 10, 2002.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

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**DEPARTMENT OF COMMERCE****International Trade Administration****[A-602-804]****Notice of Correction to Final  
Determination of Sales at Less Than  
Fair Value: Certain Cold-Rolled Carbon  
Steel Flat Products From Australia****AGENCY:** Import Administration,  
International Trade Administration,  
Department of Commerce.**EFFECTIVE DATE:** August 14, 2002.**FOR FURTHER INFORMATION CONTACT:** Sam  
Zengotitabengoa at (202) 482-4195,  
Office of AD/CVD Enforcement IV,  
Group II, Import Administration,  
International Trade Administration,  
U.S. Department of Commerce, 14th  
Street and Constitution Avenue, NW,  
Washington, DC 20230.**SUPPLEMENTARY INFORMATION:****The Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce (Department) regulations are to the regulations at 19 CFR part 351 (April 2001).

**Correction to Scope of Investigations**

On July 19, 2002, the Department issued the Notice of Final Determination of Sales at Less Than Fair Value for Certain Cold-Rolled Carbon Steel Flat Products From Australia (*Australia Cold-Rolled Final*), one of the concurrent investigations on cold-rolled steel products, 67 FR 47509 (July 19, 2002). A description of the scope of these investigations was contained in the "Scope Appendix" attached to the *Australia Cold-Rolled Final*. However, one of the exclusions of porcelain enameling sheet was not fully described in that appendix and the exclusion of texture-rolled steel strip (SORBITEX) did not contain the proper width measurement in that appendix. The corrected scope is appended to this notice. For a full discussion of the comments received on the preliminary scope rulings see the "Issues and

Decision Memorandum for the Final Scope Rulings in the Antidumping Duty Investigations on Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela, and in the Countervailing Duty Investigations of Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and Korea," dated July 10, 2002, which is on file in the Department of Commerce's Central Records Unit, room B099.

**Notification**

The Department will notify the U.S. Customs Service and the International Trade Commission of these corrections to the scope.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: July 30, 2002.

Faryar Shirzad,  
Assistant Secretary for Import Administration.

**Appendix I: Final Scope Rulings; Scope of the AD/CVD Investigations on Certain Cold-Rolled Steel Products**

*Scope of Investigation*

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances, both in coils, 0.5 inch wide or wider, (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally oscillated coils), and also in straight lengths, which, if

less than 4.75 mm in thickness having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular or other shape and include products of either rectangular or non-rectangular cross-section.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of this investigation, regardless of definitions in the HTSUS, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2% or less, by weight, and; (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80% of manganese, or 2.25% of silicon, or 1.00% of copper, or 0.50% of aluminum, or 1.25% of chromium, or 0.30% of cobalt, or 0.40% of lead, or 1.25% of nickel, or 0.30% of tungsten, or 0.10% of molybdenum, or 0.10% of niobium (also called columbium), or 0.15% of vanadium, or 0.15% of zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded.

The following products, by way of example, are outside and/or specifically excluded from the scope of this investigation:

- SAE grades (formerly also called AISI

- grades) above 2300;
- Ball bearing steels, as defined in the HTSUS;
- Tool steels, as defined in the HTSUS;
- Silico-manganese steel, as defined in the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are grain-oriented;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level exceeding 2.25%;
- All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507);
- Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level less than 2.25%, and (a) fully-processed, with a core loss of less than 0.14 watts/pound per mil (0.001 inch), or (b) semi-processed, with core loss of less than 0.085 watts/pound per mil (0.001 inch);
- Certain shadow mask steel, which is aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and which meets the following characteristics:  
Thickness: 0.001 to 0.010 inch  
Width: 15 to 32 inches

**CHEMICAL COMPOSITION**

Element .....	C
Weight .....	<0.002%

- Certain flapper valve steel, which is hardened and tempered, surface polished, and which meets the following characteristics:  
Thickness: ≤1.0 mm  
Width: ≤152.4 mm

**CHEMICAL COMPOSITION**

Element .....	C	Si	Mn	P	S
Weight % .....	0.90–1.05	0.15–0.35	0.30–0.50	≤0.03	≤0.006

**MECHANICAL PROPERTIES**

Tensile Strength .....	≥ 162 Kgf/mm <sup>2</sup> .
Hardness .....	≥ 475 Vickers hardness number.

**PHYSICAL PROPERTIES**

Flatness .....	< 0.2% of nominal strip width.
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Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite.

**NON-METALLIC INCLUSION**

	Area percentage
Sulfide Inclusion .....	≤ 0.04

## NON-METALLIC INCLUSION—Continued

	Area percentage
Oxide Inclusion .....	≤ 0.05

Compressive Stress: 10 to 40 Kgf/mm<sup>2</sup>

## SURFACE ROUGHNESS

Thickness (mm)	Roughness (μm)
t ≤ 0.209 .....	Rz ≤ 0.5
0.209 < t ≤ 0.310 .....	Rz ≤ 0.6
0.310 < t ≤ 0.440 .....	Rz ≤ 0.7
0.440 < t ≤ 0.560 .....	Rz ≤ 0.8
0.560 < t .....	Rz ≤ 1.0

• Certain ultra thin gauge steel strip, which meets the following characteristics:

Thickness: ≤ 0.100 mm ± 7%

Width: 100 to 600 mm

## CHEMICAL COMPOSITION

Element .....	C	Mn	P	S	Al	Fe
Weight % .....	≤ 0.07	0.2–0.5	≤ 0.05	≤ 0.05	≤ 0.07	Balance

## MECHANICAL PROPERTIES

Hardness .....	Full Hard (Hv 180 minimum)
Total Elongation .....	< 3%
Tensile Strength .....	600 to 850 N/mm

## PHYSICAL PROPERTIES

Surface Finish .....	≤ 0.3 micron.
Camber (in 2.0 m) .....	< 3.0 mm.
Flatness (in 2.0 m) .....	≤ 0.5 mm.
Edge Burr .....	< 0.01 mm greater than thickness.
Coil Set (in 1.0 m) .....	< 75.0 mm.

• Certain silicon steel, which meets the following characteristics:

Thickness: 0.024 inch ± 0.0015 inch

Width: 33 to 45.5 inches

## CHEMICAL COMPOSITION

Element .....	C	Mn	P	S	Si	Al
Min. Weight % .....					0.65	
Max. Weight % .....	0.004	0.4	0.09	0.009		0.4

## MECHANICAL PROPERTIES

Hardness .....	B60–75 (AIM 65)
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## PHYSICAL PROPERTIES

Finish .....	Smooth (30–60 microinches).
Gamma Crown (in 5 inches) .....	0.0005 inch, start measuring one-quarter inch from slit edge.
Flatness .....	20 I-UNIT max.
Coating .....	C3A–.08A max. (A2 coating acceptable).
Camber (in any 10 feet) .....	1/16 inch.
Coil Size I.D. ....	20 inches.

## MAGNETIC PROPERTIES

Core Loss (1.5T/60 Hz) NAAS .....	3.8 Watts/Pound max.
Permeability (1.5T/60 Hz) NAAS .....	1700 gauss/oersted typical.
	1500 minimum.

- Certain aperture mask steel, which has an ultra-flat surface flatness and which meets the following characteristics:  
Thickness: 0.025 to 0.245 mm  
Width: 381–1000 mm

CHEMICAL COMPOSITION

Element .....	C	N	Al
Weight % .....	< 0.01	0.004 to 0.007	< 0.007

- Certain annealed and temper-rolled cold-rolled continuously cast steel, which meets the following characteristics:

CHEMICAL COMPOSITION

Element .....	C	Mn	P	S	Si	Al	As	Cu	B	N
Min. Weight % .....	0.02	0.20				0.03				0.003
Max. Weight % .....	0.06	0.40	0.02	0.023 (Aiming 0.018 Max.)	0.03	0.08 (Aiming 0.05)	0.02	0.08		0.008 (Aiming 0.005)

Non-metallic Inclusions: Examination with the S.E.M. shall not reveal individual oxides >1 micron (0.000039 inch) and inclusion groups or clusters shall not exceed 5 microns (0.000197 inch) in length.  
Surface Treatment as follows: The surface finish shall be free of defects (digs, scratches, pits, gouges, slivers, etc.) and suitable for nickel plating.

SURFACE FINISH

	Roughness, RA microinches (micrometers)		
	Aim	Min.	Max.
Extra Bright .....	5(0.1)	0(0)	7(0.2)

- Certain annealed and temper-rolled cold-rolled continuously cast steel, in coils, with a certificate of analysis per Cable System International ("CSI") Specification 96012, with the following characteristics:

CHEMICAL COMPOSITION

Element .....	C	Mn	P	S
Max. Weight % .....	0.13	0.60	0.02	0.05

PHYSICAL AND MECHANICAL PROPERTIES

Base Weight .....	55 pounds.
Theoretical Thickness .....	0.0061 inch (±10% of theoretical thickness).
Width .....	787 mm to 813 mm.
Tensile Strength .....	45,000–55,000 psi.
Elongation .....	minimum of 15% in 2 inches.

- Concast cold-rolled drawing quality sheet steel, ASTM A-620-97, Type B, or single reduced black plate, ASTM A-625-92, Type D, T-1, ASTM A-625-76 and ASTM A-366-96, T1-T2-T3 Commercial bright/luster 7a both sides, RMS 12 max. Thickness range of 0.0088 to 0.038 inches, width of 23.0 inches to 36.875 inches.
- Certain single reduced black plate, meeting ASTM A-625-98 specifications, 53 pound base weight (0.0058 inch thick) with a Temper classification of T-2 (49–57 hardness using the Rockwell 30 T scale).
- Certain single reduced black plate, meeting ASTM A-625-76 specifications, 55 pound base weight, MR type matte finish, TH basic tolerance as per A263 trimmed.
- Certain single reduced black plate, meeting ASTM A-625-98 specifications, 65 pound base weight (0.0072 inch thick) with a Temper classification of T-3 (53–61 hardness using the Rockwell 30 T scale).
- Certain cold-rolled black plate bare steel strip, meeting ASTM A-625 specifications, which meet the following characteristics:

CHEMICAL COMPOSITION

Element .....	C	Mn	P	S
Max. Weight % .....	0.13	0.60	0.02	0.05

PHYSICAL AND MECHANICAL PROPERTIES

Thickness .....	0.0058 inch ±0.0003 inch.
Hardness .....	T2/HR 30T 50–60 aiming.
Elongation .....	≥15%.
Tensile Strength .....	51,000.0 psi ±4.0.

- Certain cold-rolled black plate bare steel strip, in coils, meeting ASTM A-623, Table II, Type MR specifications, which meet the following characteristics:

CHEMICAL COMPOSITION

Element .....	C	Mn	P	S
Max. Weight % .....	0.13	0.60	0.04	0.05

PHYSICAL AND MECHANICAL PROPERTIES

Thickness .....	0.0060 inch (±0.0005 inch).
Width .....	10 inches (+¼ to ¾ inch ±0).
Tensile Strength .....	55,000 psi max.
Elongation .....	Minimum of 15% in 2 inches.

- Certain "blued steel" coil (also known as "steamed blue steel" or "blue oxide"), with a thickness of 0.30 mm to 0.42 mm and width of 609 mm to 1219 mm, in coil form;
- Certain cold-rolled steel sheet, coated with porcelain enameling prior to importation, which meets the following characteristics:  
Thickness (nominal): ≤0.019 inch  
Width: 35 to 60 inches

CHEMICAL COMPOSITION

Element .....	C	O	B
Max. Weight % .....	0.004	0.010	0.012
Min. Weight % .....			

- Certain cold-rolled steel, which meets the following characteristics:  
Width: > 66 inches

CHEMICAL COMPOSITION

Element .....	C	Mn	P	Si
Max. Weight % .....	0.07	0.67	0.14	0.03

PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	0.800–2.000
Min. Yield Point (MPa) .....	265
Max. Yield Point (MPa) .....	365
Min. Tensile Strength (MPa) .....	440
Min. Elongation % .....	26

- Certain band saw steel, which meets the following characteristics:  
Thickness: ≤1.31 mm  
Width: ≤80 mm

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S	Cr	Ni
Weight % .....	1.2 to 1.3	0.15 to 0.35	0.20 to 0.35	≤0.03	≤0.007	0.3 to 0.5	≤0.25

Other properties:

- Carbide: Fully spheroidized having > 80% of carbides, which are ≤ 0.003 mm and uniformly dispersed
- Surface finish: Bright finish free from pits, scratches, rust, cracks, or seams, smooth edges.
- Edge camber (in each 300 mm of length): ≤ 7 mm arc height
- Cross bow (per inch of width): 0.015 mm max.

- Certain transformation-induced plasticity (TRIP) steel, which meets the following characteristics:

Variety 1

CHEMICAL COMPOSITION

Element .....	C	Si	Mn
Min. Weight % .....	0.09	1.0	0.90
Max. Weight % .....	0.13	2.1	1.7

PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	1.000–2.300 (inclusive).
Min. Yield Point (MPa) .....	320.
Max. Yield Point (MPa) .....	480.
Min. Tensile Strength (MPa) .....	590.
Min. Elongation % .....	24 (if 1.000–1.199 thickness range). 25 (if 1.200–1.599 thickness range).

## PHYSICAL AND MECHANICAL PROPERTIES—Continued

26 (if 1.600–1.999 thickness range).
27 (if 2.000–2.300 thickness range).

## Variety 2

## CHEMICAL COMPOSITION

Element .....	C	Si	Mn
Min. Weight % .....	0.12	1.5	1.1
Max. Weight % .....	0.16	2.1	1.9

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	1.000–2.300 (inclusive).
Min. Yield Point (MPa) .....	340.
Max. Yield Point (MPa) .....	520.
Min. Tensile Strength (MPa) .....	690.
Min. Elongation % .....	21 (if 1.000–1.199 thickness range). 22 (if 1.200–1.599 thickness range). 23 (if 1.600–1.999 thickness range). 24 (if 2.000–2.300 thickness range).

## Variety 3

## CHEMICAL COMPOSITION

Element .....	C	Si	Mn
Min. Weight % .....	0.13	1.3	1.5
Max. Weight % .....	0.21	2.0	2.0

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	1.200–2.300 (inclusive).
Min. Yield Point (MPa) .....	370.
Max. Yield Point (MPa) .....	570.
Min. Tensile Strength (MPa) .....	780.
Min. Elongation % .....	18 (if 1.200–1.599 thickness range). 19 (if 1.600–1.999 thickness range). 20 (if 2.000–2.300 thickness range).

- Certain cold-rolled steel, which meets the following characteristics:

## Variety 1

## CHEMICAL COMPOSITION

Element .....	C	Mn	P	Cu
Min. Weight % .....	0.10	0.40	0.10	0.15
Max. Weight % .....	0.10	0.40	0.10	0.35

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	0.600–0.800.
Min. Yield Point (MPa) .....	185.
Max. Yield Point (MPa) .....	285.
Min. Tensile Strength (MPa) .....	340.
Min. Elongation .....	31 (ASTM standard 31% = JIS standard 35).

## Variety 2

## CHEMICAL COMPOSITION

Element .....	C	Mn	P	Cu
Min. Weight % .....	0.05	0.40	0.08	0.15
Max. Weight % .....	0.05	0.40	0.08	0.35



PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	0.800–1.000.
Min. Yield Point (MPa) .....	145.
Max. Yield Point (MPa) .....	245.
Min. Tensile Strength (MPa) .....	295.
Min. Elongation % .....	31 (ASTM standard 31% = JIS standard 35% ).

Variety 3

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S	Cu	Ni	Al	Nb, V, Ti, B	Mo
Max.Weight % .....	0.01	0.05	0.40	0.10	0.023	0.15–.35	0.35	0.10	0.10	0.30

PHYSICAL AND MECHANICAL PROPERTIES

Thickness (mm) .....	0.7
Elongation % .....	≥ 35

- Porcelain enameling sheet, drawing quality, in coils, 0.014 inch in thickness, +0.002, –0.000, meeting ASTM A–424–96 Type 1 specifications, and suitable for two coats.
- Porcelain-enameling sheet whether or not coated prior to importation with the following additional characteristics:  
Cold-rolled steel for porcelain enameling, the foregoing being continuous annealed cold-reduced steel with a nominal thickness of not more than 0.48 mm and widths from 762 mm to 1,524 mm, having a chemical composition, by weight, of not more than 0.004 percent carbon, nor more than 0.010 percent aluminum, 0.006 percent or more of nitrogen, 0.012 percent or more of boron, and more than 0.005 percent silicon, and 0.010 percent or more of oxygen; having no intentional addition of and less than 0.002 percent by weight of titanium, no intentional addition of and less than 0.002 percent by weight of vanadium, no intentional addition of and less than 0.002 percent by weight of niobium, and no intentional addition of and less than 0.002 percent of antimony; having a yield strength of from 179.3 MPa to 344.7 MPa, a tensile strength of from 303.7 MPa to 413.7 MPa, a percent of elongation of from 28 percent to 46 percent on a standard ASTM sample with a 5.08 mm gauge length; for Fishscale resistance; hydrogen traps provided; with a product shape of flat after annealing, with flat defined as less than or equal to 1 I unit with no coil set.
- Cold-rolled steel strip to specification SAE 4130, with the following characteristics:  
HTSUS item number 7226.92.80.50  
Width up to 24 inches  
Gauge of “0.0500.014 inches,” and gauge tolerance of ±0.0018 inches
- Texture-rolled steel strip (SORBITEX), with the following characteristics:  
Thickness: 0.0039 to 0.0600 inches  
Width: 0.118 to <0.5 inches (3 to <12.7 mm)

CHEMICAL COMPOSITION

C	Si	Mn	P	S	Al	Cr	Ni	Cu
0.76–0.96%	0.10–.035%	0.30–0.60%	<.025%	<.020%	<.060%	<.30%	<.20%	<.20%

Tensile strength ranges: 245,000 to 365,000 psi.  
HTSUS 7211.29.20.30 and HTSUS 7211.29.45.00

- Reed steel, with the following characteristics:  
Grades Eberle 18, 18C (SAE 1095 modified alloyed steel) HTSUS 7211.90.00

PHYSICAL CHARACTERISTICS

Thickness .....	0.0008 to 0.04 inches (0.0203 to 1.015 mm).
Width .....	0.276 to 0.472 inches (7 mm to 12.0 mm), with width tolerances of ±0.04 to 0.06 mm.
Tensile strength .....	1599 Mpa to 2199 Mpa.

CHEMICAL COMPOSITION

C	Si	Mn	P	S	Cr
0.95–1.05%	0.15–0.30%	0.25–0.50%	less than 0.015%	less than 0.012%	less than 0.040%

Surface: Rmax 1.5 to 3.0 micrometers  
Straightness: Max. deviation of 0.56mm/m  
Flatness: Deviation of 0.1 to 0.3% of the width

- Feeler gauge steel, with the following characteristics:  
Polished surface and deburred or rounded edges Grades Eberle 18, 18C (SAE 1095 modified alloyed steel) HTSUS 7211.90.00

PHYSICAL AND MECHANICAL PROPERTIES

Max. width .....	0.4975 inches width.
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PHYSICAL AND MECHANICAL PROPERTIES—Continued

Thickness Range .....	0.001–0.045 inches.
Thickness tolerances .....	T2–T4 international standard.
Tensile strength UTS .....	246–304 ksi.

- Wood Band Saw Steel with Nickel Content Exceeding 1.25% by Weight, with the following characteristics:  
Both variety 1 and variety 2 are classified under HTSUS item number 7226.99.00.00

Variety # 1

Nickel-alloyed Band Saw Steel, which meets the following characteristics:  
Thickness: >1.1 mm, ≤3.00 mm  
Width: <400 mm

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S	Cr	Ni	Cu	Al
Weight % .....	0.70–0.80	0.20–0.35	0.30–0.45	max. 0.020	max. 0.006	0.05–0.20	1.90–2.10	max. 0.15	0.02–0.04

Microstructure: Tempered Martensite with Bainite, no surface decarburization  
Mechanical Properties: Hardness: 446 +12/–23 HV respectively 45 +1/–2 HRC  
Surface Finish: bright, polished  
Edges: treated edges  
Cross Bow: max. 0.1 mm per mm width

Variety #2

UHB15N20 band saw steel according to the alloy composition:

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S	Cr	Ni
Weight % .....	0.70–0.80	0.20–0.35	0.30–0.45	Pmax. 0.020	S max. 0.016	—	1.90–2.10

Typical material properties: Hardened and tempered  
Tensile Strength: 1450 N/mm<sup>2</sup> for thickness < 2 mm and 1370 N/mm<sup>2</sup> for thickness > 2mm  
Width tolerance: B1 = ±0.35 mm  
Thickness tolerance: T1 (±0.039 mm)  
Flatness: P4 (max. deviation 0.1 % of width of strip)  
Straightness: (±0.25 mm/1000 mm)  
Dimensions:  
Widths: 6.3–412.8 mm  
Thickness: 0.40 to 3.05 mm  
• 2% nickel T5 tolerances and ra less than 8 my, with the following characteristics:  
Thickness: 0.5–3.5 mm  
Width: 50–650 mm

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S	Al	Cr	Ni
Weight % .....	0.70–0.80	0.15–0.35	0.30–0.50	max. 0.020	max. 0.010	max. 0.020	0.05–0.30	1.90–2.20

High precision T5 tolerance  
Roughness: Ra (RMS) max. 8 inches  
The product is classified under HTSUS item number 7226.92.50.00

- Ski-edge profile steel, with the following characteristics:  
For both Grade SAE 1070 and German Grade SAE X35CrMo17:  
HTSUS item numbers 7228.60.80 and 7216.69.00  
Hardened and tempered, HRC 44–52  
Surface: bright finished, sandblasted or primer coated stamped condition

DIMENSIONS

	Width mm	Width mm	Thick- ness mm	Thick- ness mm
Ski 39 .....	6	1.90	2	0.50
Ski 40 .....	6	1.70	2	0.50
Ski 129 .....	7.70	2.00	2.20	0.60

CHEMICAL COMPOSITION FOR GRADE SAE 1070:

Element .....	C	Si	Mn	P	S
Weight % .....	0.65–0.75	max. 0.40	max. 0.60– 0.90	max. 0.04	max. 0.05

CHEMICAL COMPOSITION FOR GERMAN GRADE SAE X35CRMO17

Element .....	C	Si	Mn	P	S	CR	Mo	Ni
Weight % .....	0.33-0.45	max. 1.0	max 1.50	max 0.04	max 0.025	15.5-17.5	0.8-1.3	max. 1.0

Note that this is an angle shape or section steel that is not covered by this scope.

- Flat wire, with the following characteristics:  
 SAE 1074 alloyed, annealed, skin passed  
 Hardened and tempered  
 Formed edges  
 Widths of less than 12.7 mm  
 Thickness from 0.50-2.40 mm
- Shadow/aperture mask steel, which is Aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and meets the following characteristics:  
 Thickness: 0.001 to 0.010 inch  
 Width: 15 to 35 inches  
 Increased tensile strength of 800 to 1,200 N/mm<sup>2</sup>

CHEMICAL COMPOSITION

Element .....	C	N	Mn
Weight % .....	< 0.01 %	0.01-0.017%	0.06-0.85 %

HTSUS item numbers 7209.18.25.10 or 7211.23.60.75, depending on the width of the material.

- Grade 13C cement kiln steel, with the following specifications:

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S
Weight % .....	0.65	0.25	0.65	max. 0.020	max. 0.010

Microstructure: Fine grained and homogenous. Matrix of tempered martensite with a small amount of undissolved carbides  
 Decarburization: No free ferrite is allowed. Total decarburization should not exceed 4% per plane  
 Mechanical Properties: Tensile strength: 1200-1700 N/mm<sup>2</sup>, (Standard 1280 ±80 N/mm<sup>2</sup>)  
 Surface Finish: Gray hardened condition. Ra/CLA—max. 0.25 m. Cut off 0.25 mm Rmax—max. 2.5 m  
 Edge Condition: Slit edges free from cracks and damages

Dimensions:  
 Thickness: 0.4-1.40 mm, Tolerance: T1  
 Width: 250-1200 mm, Tolerance: B1  
 Flatness: Unflatness Across Strip: max. 0.4% of the nominal strip width  
 Coil Size: Inside Diameter: 600 mm  
 Coil Weight: max. 6.5 kg/mm strip width

- Certain valve steel (type 2), with the following specifications: Hardened tempered high-carbon strip, characterized by high fatigues strength and wear resistance, hardness combined with ductility, surface and end-finishes, and good blanking and forming properties.  
 HTSUS item number: 7211.90.00.00  
 Typical size ranges:  
 Thickness: 0.15-1.0 mm  
 Width: 10.0-140 mm

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S	Ni	Cr
Weight % .....	0.7-0.8	0.2-0.35	0.3-0.45	Max. 0.020	Max. 0.016	1.9-2.1	—

The merchandise subject to this investigation is typically classified in the HTSUS at 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, 7225.19.0000, 7225.50.6000, 7225.50.7000, 7225.50.8010, 7225.50.8085, 7225.99.0090, 7226.19.1000, 7226.19.9000, 7226.92.5000, 7226.92.7050, 7226.92.8050, and 7226.99.0000.

Although the HTSUS item numbers are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

[FR Doc. 02-20561 Filed 8-13-02; 8:45 am]

BILLING CODE 3510-DS-P



**APPENDIX B**

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**CALENDAR OF PUBLIC HEARING**



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## CALENDAR OF PUBLIC HEARING

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

**Subject:** Certain Cold-Rolled Steel Products from Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela

**Invs. Nos.:** 701-TA-422-425 and 731-TA-964-983 (Final)

**Date and Time:** July 18, 2002 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (room 101), 500 E Street, SW, Washington, DC.

### CONGRESSIONAL APPEARANCES:

**The Honorable Arlen Specter, United States Senator, State of Pennsylvania**  
**The Honorable John D. Rockefeller IV, United States Senator, State of West Virginia**  
**The Honorable Blanche L. Lincoln, United States Senator, State of Arkansas**  
**The Honorable Alan B. Mollohan, United States Congressman, 1<sup>st</sup> District, State of West Virginia**  
**The Honorable Peter J. Visclosky, United States Congressman, 1<sup>st</sup> District, State of Indiana**  
**The Honorable Phil English, United States Congressman, 21<sup>st</sup> District, State of Pennsylvania**  
**The Honorable Marion Berry, United States Congressman, 1<sup>st</sup> District, State of Arkansas**

### OPENING REMARKS:

Petitioners:

**James Hecht, Skadden, Arps, Slate, Meagher & Flom LLP**

Respondents:

**William H. Barringer, Willkie, Farr & Gallagher**

**In Support of the Imposition of Countervailing and Antidumping Duties:**

Dewey Ballantine LLP  
Washington, DC

*-and-*

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

Bethlehem Steel Corporation  
National Steel Corporation  
United States Steel Corporation

**Roy Dorrance**, Vice Chairman and Chief Operating Officer, United States Steel Corporation  
**Daniel Mull**, Vice President, Commercial Vice President and Chief Commercial Officer,  
Bethlehem Steel Corporation  
**Stephen Szymanski**, Manager, Sales and Service, United States Steel Corporation  
**Tom Marchak**, Manager, Cold-Rolled Products, Bethlehem Steel Corporation  
**David A. Dock**, Hot-Rolled Products, Bethlehem Steel Corporation  
**John J. Mannion**, Cold-Rolled Products, Bethlehem Steel Corporation  
**William Klinefelter**, Legislative Director, United Steelworkers of America, AFL-CIO  
**William Noellert**, Chief Economist, Dewey Ballantine LLP  
**Seth T. Kaplan**, Vice President and Economist, Charles River Associates Incorporated

**Kevin Dempsey** )—OF COUNSEL  
**James Hecht** )  
**Stephen Vaughn** )  
**Stephen Narkin** )

Schagrin Associates  
Washington, DC  
on behalf of

Steel Dynamics, Incorporated  
WCI Steel, Incorporated  
Weirton Steel Corporation  
Independent Steelworkers Union

**John Nolan**, Vice President, Sales and Marketing, Steel Dynamics, Incorporated  
**John Walker**, President and Chief Executive Officer, Weirton Steel Corporation  
**Mark Glyptis**, President, Independent Steelworkers Union

**Roger B. Schagrin** )—OF COUNSEL



**In Support of the Imposition of Countervailing and Antidumping Duties (continued):**

Wiley Rein & Fielding LLP  
Washington, DC  
on behalf of

Nucor Corporation

**Daniel R. DiMicco**, President, Chief Executive Officer and Vice Chairman, Nucor Corporation  
**Robert W. Johns**, Director, Marketing Sheet Mill Group, Nucor Corporation  
**Tim Berra**, Vice President, Western Region, Heidtman Steel Products Incorporated  
**Seth T. Kaplan**, Vice President and Economist, Charles River Associates Incorporated

**Charles Owen Verrill, Jr.** )-OF COUNSEL  
**Alan H. Price** )

Adduci, Mastriani & Schaumberg L.L.P.  
Washington, DC  
on behalf of

Association of Cold Rolled Strip Steel Producers

**Edward J. Ryan**, Executive Vice President, Thompson Steel Company, Incorporated  
and President, Association of Cold Rolled Strip Steel Producers  
**David Giapponi**, Manager, Operations, Theis Precision Steel Corporation

**Barbara Murphy** )-OF COUNSEL  
**Mark Leventhal** )

**In Opposition to the Imposition of Countervailing and Antidumping Duties:**

**Panel 1: Joint Respondents' Issues**

Kaye Scholer LLP  
Washington, DC  
on behalf of

Korea Iron and Steel Association  
Pohang Iron and Steel Company Limited  
Dongbu Steel Company, Limited

**David A. Catterlin**, President, MSC Pinole Point Steel, Incorporated

**Donald B. Cameron** )-OF COUNSEL  
**Julie C. Mendoza** )

**In Opposition to the Imposition of Countervailing and Antidumping Duties (continued):**

**Panel 1: Joint Respondents' Issues (continued)**

White & Case LLP  
Washington, DC  
on behalf of

Siderar S.A.I.C  
Siderurgica del Orinoco C.A.

**Lyle B. Vander Schaaf** )-OF COUNSEL  
**Jonathan Seiger** )

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

Iscor (Pty.) Limited

**Kristin H. Mowry** )-OF COUNSEL

Willkie, Farr & Gallagher  
Washington DC  
on behalf of

Japan Iron and Steel Exporters' Federation  
Nippon Steel Corporation  
NKK Corporation  
Sumitomo Metal Industries, Ltd  
Nisshin Steel Company, Limited  
Kawasaki Steel Corporation  
Kobe Steel, Limited  
Usinas Siderúrgicas De Minas Gerais, S.A.  
Companhia Siderúrgica Paulista  
Companhia Siderúrgica Nacional  
Thai Cold Rolled Steel Sheet Public Company, Limited  
Siam United Steel Company

**John Reilly**, Consultant, Nathan Associates  
**Thomas Prusa**, Professor, Rutgers University

**William H. Barringer** )-OF COUNSEL  
**Kenneth J. Pierce** )

**In Opposition to the Imposition of Countervailing and Antidumping Duties (continued):**

**Panel 1: Joint Respondents' Issues (continued)**

Sharretts, Paley, Carter & Blauvelt, P.C.  
Washington, DC  
on behalf of

ThyssenKrupp Stahl AG  
Stahlwerke Bremen GmbH  
Saltzgitter AG  
EKO Stahl GmbH

**Nicholas C. Tolerico**, Executive Vice President, Thyssen Incorporated, and  
Chief Operating Officer, Thyssen Steel Distribution

**John C. Hattery, Jr.**, Manager, Supply Chain Planning, Electrolux Home Products

**Ned H. Marshack** )-OF COUNSEL

Step toe & Johnson LLP  
Washington, DC  
on behalf of

Tata Iron and Steel Company, Ltd.  
Tube Investments of India, Ltd.

**Tina Potuto Kimble** )-OF COUNSEL

**Panel 2: Like-Product and Country-Specific Issues**

Wilmer, Cutler & Pickering  
Washington, DC  
on behalf of

BHP Steel [JLA] PTY Limited  
BHP Steel [AIS] PTY, Limited  
BHP New Zealand Steel Limited  
BHP Steel Americas, Incorporated

**David A. Catterlin**, President, MSC Pinole Point Steel Incorporated

**John D. Greenwald** )-OF COUNSEL  
**Leonard M. Shambon** )

**In Opposition to the Imposition of Countervailing and Antidumping Duties (continued):**

**Panel 2: Domestic Like Product and Country-Specific Issues**

Step toe & Johnson LLP  
Washington, DC  
on behalf of

Corus Group plc

**Kenneth Button**, Senior Vice President, Economic Consulting Services Incorporated

**Richard O. Cunningham** )-OF COUNSEL

Hunton & Williams  
Washington DC  
on behalf of

AB Sandvik Steel  
Sandvik Steel Company

**Peter Frosini**, Vice President and General Manager, Strip Products Division,  
Sandvik Steel Company

**Bill Denton**, Manager, Engineering and Technical Services, Strip Products Division,  
Sandvik Steel Company

**William Silverman** )-OF COUNSEL  
**Richard P. Ferrin** )

Sidley Austin Brown & Wood LLP  
Washington, DC  
on behalf of

JSC Severstal

**Neil R. Ellis** )-OF COUNSEL

Barnes, Richardson & Colburn  
Washington, DC  
on behalf of

Association of German Specialty Cold Rolled Steel Strip Producers

**Gunter von Conrad** )-OF COUNSEL

**In Opposition to the Imposition of Countervailing and Antidumping Duties (continued):**

**Panel 2: Domestic Like Product and Country-Specific Issues (continued)**

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

Aceralia Sidstahl Iberica S.A.

**Gary N. Horlick** )-OF COUNSEL

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

Böhler Uddeholm Corporation

**Tom Allison**, President, Allison Systems Corporation  
**Scott Hughes**, Division Manager, Uddeholm Strip Steel, LLC

**Danielle L. Cannata** )-OF COUNSEL

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

SIDMAR, NV

**Gary N. Horlick** )-OF COUNSEL

Shearman & Sterling  
Washington, DC  
on behalf of

Usinor and its affiliates

**Thomas Wilner** )-OF COUNSEL  
**Christopher Ryan** )

**In Opposition to the Imposition of Countervailing and Antidumping Duties (continued):**

**Panel 2: Domestic Like Product and Country-Specific Issues (continued)**

Porter, Wright, Morris & Arthur LLP  
Washington, DC  
on behalf of

Kern-Liebers USA, Incorporated

**Lothar A. Bauerle**, President and Chief Executive Officer, Kern-Liebers USA, Incorporated

**Leslie Alan Glick** )-OF COUNSEL

**REBUTTAL AND CLOSING REMARKS:**

Petitioners:

**Charles Owen Verrill, Jr.**, Wiley Rein & Fielding  
**Kevin Dempsey**, Dewey Ballantine LLP  
**Roger B. Schagrin**, Schagrin Associates

Respondents:

**Kenneth J. Pierce**, Willkie, Farr & Gallagher

**APPENDIX C**

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**SUMMARY TABLES**





**Table C-1**  
**Cold-rolled steel: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002**

Item	Reported data					Period changes			
	Calendar year			January-March		Calendar year			Jan.-Mar.
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	2001-2002
U.S. consumption quantity:									
Amount	39,618,843	39,391,888	35,470,228	9,025,357	8,559,614	-10.5	-0.6	-10.0	-5.2
Producers' share <sup>1</sup>	92.7	94.1	92.2	93.6	94.3	-0.6	1.4	-2.0	0.6
Importers' share: <sup>1</sup>									
Argentina	0.3	***	0.4	0.4	0.0	0.1	***	***	-0.4
Australia	(*)	0.2	0.2	0.1	0.1	0.1	0.2	0.0	-0.1
Belgium	0.8	0.6	0.5	0.2	(*)	-0.3	-0.1	-0.2	-0.2
Brazil	***	***	***	***	***	***	***	***	***
China	0.1	0.1	0.3	0.1	0.4	0.1	0.0	0.1	0.3
France	***	***	0.3	0.4	0.3	***	***	***	-0.1
Germany	***	***	***	***	***	***	***	***	***
India	(*)	(*)	(*)	(*)	(*)	0.0	0.0	0.0	0.0
Japan	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
The Netherlands	0.1	(*)	0.2	(*)	0.1	0.1	-0.1	0.1	0.1
New Zealand	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Russia	1.1	0.7	0.8	0.7	1.2	-0.2	-0.4	0.2	0.6
South Africa	0.2	0.1	0.3	(*)	0.3	0.0	-0.1	0.2	0.3
Spain	(*)	(*)	(*)	(*)	(*)	0.0	0.0	0.0	0.0
Sweden	***	***	***	***	***	***	***	***	***
Taiwan	0.2	0.1	0.3	0.1	0.1	0.1	-0.2	0.2	0.0
Thailand	0.2	(*)	0.1	0.1	0.0	-0.1	-0.2	0.0	-0.1
Turkey	0.2	0.1	0.2	0.2	(*)	0.0	-0.1	0.1	-0.2
Venezuela	0.1	(*)	0.1	0.2	0.2	0.0	-0.1	0.1	0.0
Subtotal	5.7	3.8	6.6	4.9	4.5	0.9	-1.9	2.8	-0.4
All other sources	1.6	2.0	1.2	1.5	1.3	-0.3	0.5	-0.8	-0.2
Total	7.3	5.9	7.8	6.4	5.7	0.6	-1.4	2.0	-0.6
U.S. consumption value:									
Amount	16,175,950	16,425,197	12,797,547	3,368,055	3,031,686	-20.9	1.5	-22.1	-10.0
Producers' share <sup>1</sup>	93.5	93.9	92.5	93.6	94.5	-1.0	0.4	-1.4	0.9
Importers' share: <sup>1</sup>									
Argentina	0.3	***	0.3	0.3	0.0	0.1	***	***	-0.3
Australia	(*)	0.2	0.1	0.1	0.1	0.1	0.1	0.0	-0.1
Belgium	0.6	0.6	0.4	0.2	(*)	-0.2	0.0	-0.2	-0.2
Brazil	***	***	***	***	***	***	***	***	***
China	0.1	0.1	0.2	0.1	0.3	0.1	0.0	0.1	0.2
France	***	***	0.4	0.5	0.4	***	***	***	-0.1
Germany	***	***	***	***	***	***	***	***	***
India	(*)	(*)	(*)	(*)	(*)	0.0	0.0	0.0	0.0
Japan	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
The Netherlands	0.1	0.0	0.1	(*)	0.1	0.1	-0.1	0.1	0.1
New Zealand	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Russia	0.7	0.6	0.6	0.5	0.8	-0.1	-0.1	0.0	0.3
South Africa	0.2	0.1	0.2	(*)	0.2	0.0	-0.1	0.1	0.2
Spain	(*)	(*)	(*)	(*)	(*)	0.0	0.0	0.0	0.0
Sweden	***	***	***	***	***	***	***	***	***
Taiwan	0.2	0.1	0.3	0.1	0.1	0.1	-0.1	0.2	0.0
Thailand	0.1	(*)	0.1	0.1	0.0	-0.1	-0.1	0.0	-0.1
Turkey	0.2	0.1	0.2	0.2	(*)	0.0	-0.1	0.1	-0.2
Venezuela	0.1	(*)	0.1	0.2	0.2	0.0	-0.1	0.1	0.0
Subtotal	4.9	4.0	6.1	4.8	4.0	1.2	-0.9	2.1	-0.8
All other sources	1.6	2.1	1.4	1.6	1.5	-0.2	0.5	-0.7	-0.1
Total	6.5	6.1	7.5	6.4	5.5	1.0	-0.4	1.4	-0.9

Table continued. See footnotes at end of table.

# Cold-Rolled Steel

Table C-1--Continued

Cold-rolled steel: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

Item	Reported data					Period changes			
	Calendar year			January-March		Calendar year			Jan.-Mar.
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	2001-2002
U.S. imports from-									
Argentina:									
Quantity	130,830	***	136,984	35,871	0	5.0	***	***	-100.0
Value	40,552	***	39,655	11,418	0	-2.0	***	***	-100.0
Unit value	\$309.96	***	\$289.48	\$318.30	( <sup>2</sup> )	-6.6	***	***	( <sup>2</sup> )
Ending inventory	***	***	***	***	***	***	***	***	***
Australia:									
Quantity	4,184	68,893	53,497	12,912	6,505	1,179.0	1,546.5	-22.3	-49.6
Value	2,462	26,095	17,832	4,672	1,998	624.0	959.9	-31.7	-57.2
Unit value	\$588.41	\$378.78	\$333.32	\$361.81	\$307.07	-43.4	-35.6	-12.0	-15.1
Ending inventory	***	***	***	***	***	***	***	***	***
Belgium:									
Quantity	303,864	255,786	168,845	15,031	363	-44.0	-15.8	-34.0	-97.6
Value	102,712	102,148	57,512	6,389	285	-44.0	-0.5	-43.7	-95.5
Unit value	\$338.02	\$399.35	\$340.62	\$425.08	\$785.38	0.8	18.1	-14.7	84.8
Ending inventory	***	***	***	***	***	***	***	***	***
Brazil:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
China:									
Quantity	55,655	45,907	92,743	12,219	37,216	67.0	-17.5	102.0	204.6
Value	17,288	17,397	25,570	3,761	9,432	48.0	0.6	47.0	150.8
Unit value	\$310.63	\$378.96	\$275.70	\$307.82	\$253.43	-11.2	22.0	-27.2	-17.7
Ending inventory	***	***	***	***	***	***	***	***	***
France:									
Quantity	***	***	106,245	32,020	24,920	***	***	***	-22.2
Value	***	***	48,109	16,083	12,263	***	***	***	-23.8
Unit value	***	***	\$452.81	\$502.26	\$492.10	***	***	***	-2.0
Ending inventory	***	***	***	***	***	***	***	***	***
Germany:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
India:									
Quantity	146	18,957	1,508	239	1,581	936.0	12,921.8	-92.0	562.2
Value	61	8,050	886	209	609	1,349.0	13,061.4	-89.0	191.4
Unit value	\$420.15	\$424.66	\$587.72	\$875.20	\$385.14	39.9	1.1	38.4	-56.0
Ending inventory	***	***	***	***	***	***	***	***	***
Japan:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Korea:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
The Netherlands:									
Quantity	34,350	7,995	55,940	4,056	11,982	63.0	-76.7	599.7	195.4
Value	12,898	3,018	17,996	1,382	3,641	40.0	-76.6	496.2	163.5
Unit value	\$375.50	\$377.52	\$321.70	\$340.66	\$303.87	-14.3	0.5	-14.8	-10.8
Ending inventory	***	***	***	***	***	***	***	***	***
New Zealand:									
Quantity	27,422	29,409	23,175	5,370	5,438	-15.0	7.2	-21.2	1.3
Value	9,162	12,054	7,556	1,929	1,619	-18.0	31.6	-37.3	-16.0
Unit value	\$334.12	\$409.89	\$326.03	\$359.13	\$297.76	-2.4	22.7	-20.5	-17.1
Ending inventory	***	***	***	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table C-1--Continued  
Cold-rolled steel: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

Item	Reported data					Period changes			
	Calendar year			January-March		Calendar year			Jan.-Mar.
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	2001-2002
U.S. imports from-									
Russia:									
Quantity	415,866	262,246	295,545	60,691	105,410	-29.0	-36.9	12.7	73.7
Value	114,484	96,241	78,029	17,694	24,825	-32.0	-15.9	-18.9	40.3
Unit value	\$275.29	\$366.99	\$264.02	\$291.55	\$235.51	-4.1	33.3	-28.1	-19.2
Ending inventory	***	***	***	***	***	***	***	***	***
South Africa:									
Quantity	85,474	27,419	89,221	47	24,233	4.0	-67.9	225.4	51,685.0
Value	27,861	9,861	25,612	25	6,547	-8.0	-64.6	159.7	25,656.1
Unit value	\$325.95	\$359.64	\$287.07	\$543.24	\$270.19	-11.9	10.3	-20.2	-50.3
Ending inventory	***	***	***	***	***	***	***	***	***
Spain:									
Quantity	1,226	593	333	103	106	-73.0	-51.6	-43.8	2.9
Value	598	381	179	34	118	-70.0	-36.3	-53.0	247.1
Unit value	\$487.77	\$642.50	\$537.54	\$330.10	\$1,113.21	10.2	31.7	-16.3	237.2
Ending inventory	***	***	***	***	***	***	***	***	***
Sweden:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Taiwan:									
Quantity	80,605	20,842	98,388	9,795	9,478	22.0	-74.1	372.1	-3.2
Value	30,776	10,309	32,520	3,830	3,223	6.0	-66.5	215.4	-15.8
Unit value	\$381.82	\$494.63	\$330.53	\$391.03	\$340.06	-13.4	29.5	-33.2	-13.0
Ending inventory	***	***	***	***	***	***	***	***	***
Thailand:									
Quantity	73,475	6,039	22,889	8,434	0	-69.0	-91.8	279.0	-100.0
Value	23,599	2,487	6,850	2,737	0	-71.0	-89.5	175.4	-100.0
Unit value	\$321.19	\$411.84	\$299.28	\$324.55	( <sup>†</sup> )	-6.8	28.2	-27.3	( <sup>†</sup> )
Ending inventory	***	***	***	***	***	***	***	***	***
Turkey:									
Quantity	85,291	37,989	67,200	17,568	1,778	-21.0	-55.5	76.9	-89.9
Value	26,340	15,265	19,664	5,734	410	-25.0	-42.0	28.8	-92.8
Unit value	\$308.83	\$401.83	\$292.63	\$326.39	\$230.75	-5.3	30.1	-27.2	-29.3
Ending inventory	***	***	***	***	***	***	***	***	***
Venezuela:									
Quantity	58,495	9,566	52,737	21,089	18,443	-10.0	-83.6	451.3	-12.5
Value	17,129	3,627	15,967	6,817	5,017	-7.0	-78.8	340.3	-26.4
Unit value	\$292.82	\$379.10	\$302.76	\$323.25	\$272.03	3.4	29.5	-20.1	-15.8
Ending inventory	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	2,258,968	1,516,020	2,342,004	441,192	381,766	3.7	-33.0	54.5	-13.5
Value	797,810	656,696	781,359	160,278	121,476	-2.1	-17.7	19.0	-24.2
Unit value	\$353.17	\$433.17	\$333.63	\$363.28	\$318.19	-5.5	22.7	-23.0	-12.4
Ending inventory	90,580	105,049	117,283	78,108	60,103	29.5	16.0	11.6	-23.1
All other sources:									
Quantity	624,375	806,678	441,649	132,735	107,053	-29.3	29.0	-45.3	-19.3
Value	260,920	345,971	183,574	55,083	45,941	-29.6	32.6	-46.9	-16.6
Unit value	\$417.89	\$428.88	\$415.66	\$414.99	\$429.15	-0.5	2.6	-3.1	3.4
Ending inventory	9,888	2,469	4,246	3,175	3,537	-57.1	-75.0	72.0	11.4
Total imports:									
Quantity	2,883,343	2,322,698	2,783,652	573,926	488,819	-3.5	-19.0	19.8	-14.8
Value	1,058,731	1,002,667	964,933	215,361	167,417	-8.9	-5.3	-3.8	-22.3
Unit value	\$367.19	\$431.68	\$346.64	\$375.24	\$342.49	-5.6	17.6	-19.7	-8.7
Ending inventory	100,468	107,518	121,529	81,283	63,640	21.0	7.0	13.0	-21.7

Table continued. See footnotes at end of table.

Table C-1--Continued

Cold-rolled steel: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

Item	Reported data					Period changes			
	Calendar year			January-March		Calendar year			Jan.-Mar.
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	2001-2002
(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)									
U.S. producers--									
Capacity quantity	43,609,462	45,218,078	44,113,263	11,673,545	10,371,861	1.2	4.0	-2.4	-11.2
Production quantity	37,416,853	37,596,891	33,116,781	8,530,343	8,321,114	-11.5	0.5	-11.9	-2.5
Capacity utilization <sup>1</sup>	85.8	83.1	75.1	73.1	80.2	-10.7	-2.7	-8.1	7.2
U.S. shipments:									
Quantity	36,735,500	37,069,190	32,686,576	8,451,431	8,070,795	-11.0	0.9	-11.8	-4.5
Value	15,117,219	15,422,530	11,832,614	3,152,694	2,864,269	-21.7	2.0	-23.3	-9.1
Unit value	\$411.52	\$416.05	\$362.00	\$373.04	\$354.89	-12.0	1.10	-13.0	-4.9
Export shipments:									
Quantity	474,693	508,429	506,063	125,351	124,346	6.6	7.1	-0.5	-0.8
Value	229,722	254,651	228,383	57,384	53,046	-0.6	10.9	-10.3	-7.6
Unit value	\$483.94	\$500.86	\$451.29	\$457.78	\$426.60	-6.7	3.5	-9.9	-6.8
Ending inventory quantity	2,122,147	2,016,089	1,799,489	1,943,294	1,491,555	-15.2	-5.0	-10.7	-23.2
Inventories/total ship. <sup>1</sup>	5.7	5.4	5.4	5.7	4.6	-0.3	-0.3	0.1	-1.1
Production workers	29,983	30,469	28,071	28,179	24,596	-6.4	1.6	-7.9	-12.7
Hours worked (1,000 hrs.)	68,271	67,617	59,192	15,357	13,418	-13.3	-1.0	-12.5	-12.6
Wages paid (\$1,000)	1,825,364	1,827,586	1,620,431	416,324	374,566	-11.2	0.1	-11.3	-10.0
Hourly wages	\$26.74	\$27.03	\$27.38	\$27.11	\$27.91	2.4	1.1	1.3	3.0
Productivity (tons/1,000 hr.)	546.6	554.5	558.2	554.2	618.6	2.1	1.5	0.7	11.6
Unit labor costs	49	49	49	49	45	0.2	-0.4	0.6	-7.8
Net sales:									
Quantity	32,313,111	32,673,134	29,797,930	7,551,655	8,065,725	-7.8	1.1	-8.8	6.8
Value	13,309,547	13,618,370	10,790,403	2,829,077	2,859,649	-18.9	2.0	-20.8	1.1
Unit value	\$411.89	\$416.81	\$362.12	\$374.63	\$354.54	-12.1	1.2	-13.1	-5.4
COGS	12,751,153	13,149,746	12,198,301	3,139,338	3,185,963	-4.3	3.1	-7.2	1.5
Gross profit or (loss)	558,394	468,624	(1,407,898)	(310,261)	(326,314)	( <sup>2</sup> )	-16.1	( <sup>2</sup> )	-5.2
SG&A expenses	711,683	701,546	617,797	155,624	152,547	-13.2	-1.4	-11.9	-2.0
Operating income	(153,289)	(232,922)	(2,025,695)	(465,885)	(478,861)	-1,221.0	-52.0	-769.7	-2.8
Capital expenditures	321,185	228,934	301,812	27,553	45,111	-6.0	-28.7	31.8	63.7
Unit COGS	\$394.61	\$402.46	\$409.37	\$415.72	\$395.00	3.7	2.0	1.7	-5.0
Unit SG&A expenses	\$22.02	\$21.47	\$20.73	\$20.61	\$18.91	-5.9	-2.5	-3.4	-8.2
Unit operating income	(\$4.74)	(\$7.13)	(\$67.98)	(\$61.69)	(\$59.37)	-1,333.0	-50.3	-853.6	3.8
COGS/sales <sup>1</sup>	95.8	96.6	113.0	111.0	111.4	17.2	0.8	16.5	0.4
Operating income (loss)/sales <sup>1</sup>	(1.2)	(1.7)	(18.8)	(16.5)	(16.7)	-17.6	-0.6	-17.1	-0.3

<sup>1</sup> Period changes are in percentage points.<sup>2</sup> Not applicable.<sup>3</sup> Undefined.<sup>4</sup> Less than 0.05 percent.

Note.--Because of rounding, figures may not add to the totals shown.

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

**Table C-2**  
**Cold-rolled steel: Summary data concerning the U.S. open market, 1999-2001, January-March 2001, and January-March 2002**

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

Item	Reported data					Period changes			
	Calendar year			January-March		Calendar year			Jan.-Mar.
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	2001-2002
U.S. consumption quantity:									
Amount	16,983,334	17,176,003	14,935,230	3,802,513	3,422,943	-12.1	1.1	-13.0	-10.0
Producers' share <sup>1</sup>	83.0	86.5	81.4	84.9	85.7	-1.7	3.5	-5.1	0.8
Importers' share: <sup>1</sup>									
Argentina	0.8	***	0.9	0.9	0.0	0.1	***	***	-0.9
Australia	0.0	0.4	0.4	0.3	0.2	0.3	0.4	0.0	-0.2
Belgium	1.8	1.5	1.1	0.4	0.0	-0.7	-0.3	-0.4	-0.4
Brazil	***	***	***	***	***	***	***	***	***
China	0.3	0.3	0.6	0.3	1.1	0.3	-0.1	0.4	0.8
France	***	***	0.7	0.8	0.7	***	***	***	-0.1
Germany	***	***	***	***	***	***	***	***	***
India	0.0	0.1	0.0	0.0	0.0	0.0	0.1	-0.1	0.0
Japan	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
The Netherlands	0.2	0.0	0.4	0.1	0.4	0.2	-0.2	0.3	0.2
New Zealand	0.2	0.2	0.2	0.1	0.2	0.0	0.0	0.0	0.0
Russia	2.4	1.5	2.0	1.6	3.1	-0.5	-0.9	0.5	1.5
South Africa	0.5	0.2	0.6	0.0	0.7	0.1	-0.3	0.4	0.7
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sweden	***	***	***	***	***	***	***	***	***
Taiwan	0.5	0.1	0.7	0.3	0.3	0.2	-0.4	0.5	0.0
Thailand	0.4	0.0	0.2	0.2	0.0	-0.3	-0.4	0.1	-0.2
Turkey	0.5	0.2	0.5	0.5	0.1	-0.1	-0.3	0.2	-0.4
Venezuela	0.3	0.1	0.4	0.6	0.5	0.0	-0.3	0.3	0.0
Subtotal	13.3	8.8	15.7	11.6	11.2	2.4	-4.5	6.9	-0.4
All other sources	3.7	4.7	3.0	3.5	3.1	-0.7	1.0	-1.7	-0.4
Total	17.0	13.5	18.6	15.1	14.3	1.7	-3.5	5.1	-0.8
U.S. consumption value:									
Amount	7,226,125	7,581,054	5,725,987	1,519,690	1,267,086	-20.8	4.9	-24.5	-16.6
Producers' share <sup>1</sup>	85.3	86.8	83.1	85.8	86.8	-2.2	1.4	-3.6	1.0
Importers' share: <sup>1</sup>									
Argentina	0.6	***	0.7	0.8	0.0	0.1	***	***	-0.8
Australia	0.0	0.3	0.3	0.3	0.2	0.3	0.3	0.0	-0.2
Belgium	1.4	1.3	1.0	0.4	0.0	-0.4	-0.1	-0.3	-0.4
Brazil	***	***	***	***	***	***	***	***	***
China	0.2	0.2	0.4	0.2	0.7	0.2	0.0	0.2	0.5
France	***	***	0.8	1.1	1.0	***	***	***	-0.1
Germany	***	***	***	***	***	***	***	***	***
India	0.0	0.1	0.0	0.0	0.0	0.0	0.1	-0.1	0.0
Japan	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
The Netherlands	0.2	0.0	0.3	0.1	0.3	0.1	-0.1	0.3	0.2
New Zealand	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Russia	1.6	1.3	1.4	1.2	2.0	-0.2	-0.3	0.1	0.8
South Africa	0.4	0.1	0.4	0.0	0.5	0.1	-0.3	0.3	0.5
Spain	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sweden	***	***	***	***	***	***	***	***	***
Taiwan	0.4	0.1	0.6	0.3	0.3	0.1	-0.3	0.4	0.0
Thailand	0.3	0.0	0.1	0.2	0.0	-0.2	-0.3	0.1	-0.2
Turkey	0.4	0.2	0.3	0.4	0.0	0.0	-0.2	0.1	-0.3
Venezuela	0.2	0.0	0.3	0.4	0.4	0.0	-0.2	0.2	-0.1
Subtotal	11.0	8.7	13.6	10.5	9.6	2.6	-2.4	5.0	-1.0
All other sources	3.6	4.6	3.2	3.6	3.6	-0.4	1.0	-1.4	0.0
Total	14.7	13.2	16.9	14.2	13.2	2.2	-1.4	3.6	-1.0

Table continued. See footnotes at end of table.

*Cold-Rolled Steel*

**Table C-2--Continued**  
**Cold-rolled steel: Summary data concerning the U.S. open market, 1999-2001, January-March 2001, and January-March 2002**

Item	Reported data					Period changes			
	Calendar year			January-March		Calendar year			Jan.-Mar.
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	2001-2002
U.S. imports from--									
Argentina:									
Quantity	130,830	***	136,984	35,871	0	4.7	***	***	-100.0
Value	40,552	***	39,655	11,418	0	-2.2	***	***	-100.0
Unit value	\$309.96	***	\$289.48	\$318.30	( <sup>2</sup> )	-6.6	***	***	( <sup>2</sup> )
Ending inventory	***	***	***	***	***	***	***	***	***
Australia:									
Quantity	4,184	68,893	53,497	12,912	6,505	1,178.5	1,546.5	-22.3	-49.6
Value	2,462	26,095	17,832	4,672	1,998	624.3	959.9	-31.7	-57.2
Unit value	\$588.41	\$378.78	\$333.32	\$361.81	\$307.07	-43.4	-35.6	-12.0	-15.1
Ending inventory	***	***	***	***	***	***	***	***	***
Belgium:									
Quantity	303,864	255,786	168,845	15,031	363	-44.4	-15.8	-34.0	-97.6
Value	102,712	102,148	57,512	6,389	285	-44.0	-0.5	-43.7	-95.5
Unit value	\$338.02	\$399.35	\$340.62	\$425.08	\$785.38	0.8	18.1	-14.7	84.8
Ending inventory	***	***	***	***	***	***	***	***	***
Brazil:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
China:									
Quantity	55,655	45,907	92,743	12,219	37,216	66.6	-17.5	102.0	204.6
Value	17,288	17,397	25,570	3,761	9,432	47.9	0.6	47.0	150.8
Unit value	\$310.63	\$378.96	\$275.70	\$307.82	\$253.43	-11.2	22.0	-27.2	-17.7
Ending inventory	***	***	***	***	***	***	***	***	***
France:									
Quantity	***	***	106,245	32,020	24,920	***	***	***	-22.2
Value	***	***	48,109	16,083	12,263	***	***	***	-23.8
Unit value	***	***	\$452.81	\$502.26	\$492.10	***	***	***	-2.0
Ending inventory	***	***	***	***	***	***	***	***	***
Germany:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
India:									
Quantity	146	18,957	1,508	239	1,581	936.0	12,921.8	-92.0	562.2
Value	61	8,050	886	209	609	1,349.2	13,061.4	-89.0	191.4
Unit value	\$420.15	\$424.66	\$587.72	\$875.20	\$385.14	39.9	1.1	38.4	-56.0
Ending inventory	***	***	***	***	***	***	***	***	***
Japan:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Korea:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
The Netherlands:									
Quantity	34,350	7,995	55,940	4,056	11,982	62.9	-76.7	599.7	195.4
Value	12,898	3,018	17,996	1,382	3,641	39.5	-76.6	496.2	163.5
Unit value	375	378	322	341	304	-14.3	0.5	-14.8	-10.8
Ending inventory	***	***	***	***	***	***	***	***	***
New Zealand:									
Quantity	27,422	29,409	23,175	5,370	5,438	-15.5	7.2	-21.2	1.3
Value	9,162	12,054	7,556	1,929	1,619	-17.5	31.6	-37.3	-16.0
Unit value	\$334.12	\$409.89	\$326.03	\$359.13	\$297.76	-2.4	22.7	-20.5	-17.1
Ending inventory	***	***	***	***	***	***	***	***	***

Table continued. See footnotes at end of table.

Table C-2--Continued

Cold-rolled steel: Summary data concerning the U.S. open market, 1999-2001, January-March 2001, and January-March 2002

Item	Reported data					Period changes			
	Calendar year			January-March		Calendar year			Jan.-Mar.
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	2001-2002
U.S. imports from--									
Russia:									
Quantity	415,866	262,246	295,545	60,691	105,410	-28.9	-36.9	12.7	73.7
Value	114,484	96,241	78,029	17,694	24,825	-31.8	-15.9	-18.9	40.3
Unit value	\$275.29	\$366.99	\$264.02	\$291.55	\$235.51	-4.1	33.3	-28.1	-19.2
Ending inventory	***	***	***	***	***	***	***	***	***
South Africa:									
Quantity	85,474	27,419	89,221	47	24,233	4.4	-67.9	225.4	51,685.0
Value	27,861	9,861	25,612	25	6,547	-8.1	-64.6	159.7	25,656.1
Unit value	\$325.95	\$359.64	\$287.07	\$543.24	\$270.19	-11.9	10.3	-20.2	-50.3
Ending inventory	***	***	***	***	***	***	***	***	***
Spain:									
Quantity	1,226	593	333	103	106	-72.8	-51.6	-43.8	2.9
Value	598	381	179	34	118	-70.1	-36.3	-53.0	247.1
Unit value	\$487.77	\$642.50	\$537.54	\$330.10	\$1,113.21	10.2	31.7	-16.3	237.2
Ending inventory	***	***	***	***	***	***	***	***	***
Sweden:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Taiwan:									
Quantity	80,605	20,842	98,388	9,795	9,478	22.1	-74.1	372.1	-3.2
Value	30,776	10,309	32,520	3,830	3,223	5.7	-66.5	215.4	-15.8
Unit value	\$381.82	\$494.63	\$330.53	\$391.03	\$340.06	-13.4	29.5	-33.2	-13.0
Ending inventory	***	***	***	***	***	***	***	***	***
Thailand:									
Quantity	73,475	6,039	22,889	8,434	0	-68.8	-91.8	279.0	-100.0
Value	23,599	2,487	6,850	2,737	0	-71.0	-89.5	175.4	-100.0
Unit value	\$321.19	\$411.84	\$299.28	\$324.55	(?)	-6.8	28.2	-27.3	(?)
Ending inventory	***	***	***	***	***	***	***	***	***
Turkey:									
Quantity	85,291	37,989	67,200	17,568	1,778	-21.2	-55.5	76.9	-89.9
Value	26,340	15,265	19,664	5,734	410	-25.3	-42.0	28.8	-92.8
Unit value	\$308.83	\$401.83	\$292.63	\$326.39	\$230.75	-5.2	30.1	-27.2	-29.3
Ending inventory	***	***	***	***	***	***	***	***	***
Venezuela:									
Quantity	58,495	9,566	52,737	21,089	18,443	-9.8	-83.6	451.3	-12.5
Value	17,129	3,627	15,967	6,817	5,017	-6.8	-78.8	340.3	-26.4
Unit value	\$292.82	\$379.10	\$302.76	\$323.25	\$272.03	3.4	29.5	-20.1	-15.8
Ending inventory	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	2,258,968	1,516,020	2,342,004	441,192	381,766	3.7	-33.0	54.5	-13.5
Value	797,810	656,696	781,359	160,278	121,476	-2.1	-17.7	19.0	-24.2
Unit value	\$353.17	\$433.17	\$333.63	\$363.28	\$318.19	-5.5	22.7	-23.0	-12.4
Ending inventory	90,580	105,049	117,283	78,108	60,103	29.5	16.0	11.6	-23.1
All other sources:									
Quantity	624,375	806,678	441,649	132,735	107,053	-29.3	29.0	-45.3	-19.3
Value	260,920	345,971	183,574	55,083	45,941	-29.6	32.6	-46.9	-16.6
Unit value	\$417.89	\$428.88	\$415.66	\$414.99	\$429.15	-0.5	2.6	-3.1	3.4
Ending inventory	9,888	2,469	4,246	3,175	3,537	-57.1	-75.0	72.0	11.4
Total imports:									
Quantity	2,883,343	2,322,698	2,783,652	573,926	488,819	-3.5	-19.0	19.8	-14.8
Value	1,058,731	1,002,667	964,933	215,361	167,417	-8.9	-5.3	-3.8	-22.3
Unit value	\$367.19	\$431.68	\$346.64	\$375.24	\$342.49	-5.6	17.6	-19.7	-8.7
Ending inventory	100,468	107,518	121,529	81,283	63,640	21.0	7.0	13.0	-21.7

Table continued. See footnotes at end of table.

Table C-2--Continued

Cold-rolled steel: Summary data concerning the U.S. open market, 1999-2001, January-March 2001, and January-March 2002

(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)									
Item	Reported data					Period changes			
	Calendar year			January-March		Calendar year			Jan.-Mar.
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	2001-2002
U.S. producers--									
U.S. open-market shipments:									
Quantity	14,099,991	14,853,305	12,151,578	3,228,587	2,934,124	-13.8	5.3	-18.2	-9.1
Value	6,167,394	6,578,387	4,761,054	1,304,329	1,099,669	-22.8	6.7	-27.6	-15.7
Unit value	\$437.40	\$442.89	\$391.81	\$403.99	\$374.79	-10.4	1.3	-11.5	-7.2
Net trade sales:									
Quantity	12,023,797	12,600,264	10,856,054	2,809,035	2,927,479	-9.7	4.8	-13.8	4.2
Value	5,281,848	5,610,416	4,270,287	1,138,222	1,101,207	-19.2	6.2	-23.9	-3.3
Unit value	\$439.28	\$445.26	\$393.36	\$405.20	\$376.16	-10.5	1.4	-11.7	-7.2
COGS	5,034,129	5,363,514	4,712,382	1,236,277	1,189,513	-6.4	6.5	-12.1	-3.8
Gross profit or (loss)	247,719	246,902	(442,095)	(98,055)	(88,306)	( <sup>1</sup> )	-0.3	( <sup>1</sup> )	9.9
SG&A expenses	243,917	245,654	198,602	49,772	48,790	-18.6	0.7	-19.2	-2.0
Operating income	3,802	1,248	(640,697)	(147,827)	(137,096)	( <sup>1</sup> )	-67.2	( <sup>1</sup> )	7.3
Unit COGS	\$418.68	\$425.67	\$434.08	\$440.11	\$406.33	3.7	1.7	2.0	-7.7
Unit SG&A expenses	\$20.29	\$19.50	\$18.29	\$17.72	\$16.67	-9.8	-3.9	-6.2	-5.9
Unit operating income	\$0.32	\$0.10	(\$59.02)	(\$52.63)	(\$46.83)	( <sup>1</sup> )	-68.7	( <sup>1</sup> )	11.0
COGS/sales <sup>1</sup>	95.3	95.6	110.4	108.6	108.0	15.0	0.3	14.8	-0.6
Operating income (loss)/sales <sup>1</sup>	0.1	0.0	(15.0)	(13.0)	(12.5)	-15.1	0.0	-15.0	0.5

<sup>1</sup> Period changes are in percentage points.<sup>2</sup> Not applicable.<sup>3</sup> Undefined.

Note.--Because of rounding, figures may not add to the totals shown.

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



**Table C-3**  
**Full hard steel: U.S. production, U.S. shipments, U.S. imports, by sources, and total apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002**

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
U.S. production <sup>1</sup>	18,974,543	19,129,935	17,738,768	4,514,261	4,897,161
U.S. producers' U.S. shipments	18,678,540	18,961,352	17,648,196	4,414,758	4,760,009
U.S. imports from:					
Argentina	***	***	***	***	***
Australia	***	***	***	***	***
Belgium	***	***	***	***	***
France	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	***	***	***	***	***
Russia	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	164,035	217,205	350,875	48,392	55,293
All other sources	1,699	2,548	1,674	268	395
Total U.S. imports	165,734	219,753	352,549	48,660	55,688
Apparent U.S. consumption	18,844,274	19,181,105	18,000,745	4,463,418	4,815,697
	<b>Value (\$1,000)</b>				
U.S. producers' U.S. shipments	6,805,935	7,131,119	5,570,567	1,474,800	1,458,350
U.S. imports from:					
Argentina	***	***	***	***	***
Australia	***	***	***	***	***
Belgium	***	***	***	***	***
France	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	***	***	***	***	***
Russia	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	55,451	81,432	135,501	15,771	19,445
All other sources	714	1,045	632	99	133
Total U.S. imports	56,165	82,477	136,133	15,870	19,578
Apparent U.S. consumption	6,862,100	7,213,595	5,706,699	1,490,670	1,477,928
	<b>Unit value (per short ton)</b>				
U.S. producers' U.S. shipments	\$364.37	\$376.09	\$315.65	\$334.06	\$306.38
U.S. imports from:					
Argentina	***	***	***	***	***
Australia	***	***	***	***	***
Belgium	***	***	***	***	***
France	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	***	***	***	***	***
Russia	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	338.04	374.91	386.18	325.90	351.68
All other sources	420.25	410.13	377.54	369.40	336.71
Total U.S. imports	338.88	375.32	386.14	326.14	351.57
<sup>1</sup> Fourteen U.S. producers reported production of full hard steel: ***. <sup>2</sup> Not applicable.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table C-4

**Hardened and tempered steel: U.S. production, U.S. shipments, U.S. imports, by sources, and total apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002**

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Table C-5

**Microalloy steel: U.S. production, U.S. shipments, U.S. imports, by sources, and total apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002**

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Quantity (short tons)				
U.S. production <sup>1</sup>	311,232	301,563	274,598	71,465	92,306
U.S. producers' U.S. shipments	302,775	291,820	267,719	71,941	91,763
U.S. imports from:					
Argentina	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	26,544	29,886	35,314	15,150	8,308
All other sources	9,196	16,496	17,815	6,021	3,630
Total U.S. imports	35,740	46,382	53,129	21,171	11,938
Apparent U.S. consumption	338,515	338,202	320,848	93,112	103,701
	Value (\$1,000)				
U.S. producers' U.S. shipments	144,409	140,139	118,520	31,970	39,594
U.S. imports from:					
Argentina	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	13,709	14,606	14,572	6,437	2,697
All other sources	4,415	7,554	9,115	3,004	1,769
Total U.S. imports	18,124	22,160	23,687	9,441	4,466
Apparent U.S. consumption	162,533	162,299	142,207	41,411	44,060
	Unit value (per short ton)				
U.S. producers' U.S. shipments	\$476.95	\$480.22	\$442.70	\$444.39	\$431.48
U.S. imports from:					
Argentina	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	516.46	488.72	412.64	424.88	324.63
All other sources	480.10	457.93	511.65	498.92	487.33
Total U.S. imports	507.11	477.77	445.84	445.94	374.10
<sup>1</sup> Eight U.S. producers reported production of microalloy steel: ***. <sup>2</sup> Not applicable.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table C-6**  
**Strapping steel: U.S. production, U.S. shipments, U.S. imports, by sources, and total apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002**

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**Table C-7**  
**TRC steel: U.S. production, U.S. shipments, U.S. imports, by sources, and total apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002**

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Cold-Rolled Steel

Table C-8

Full hard steel: U.S. production, U.S. commercial shipments, U.S. imports, by sources, and apparent U.S. open-market consumption, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Quantity (short tons)				
U.S. production <sup>1</sup>	18,974,543	19,129,935	17,738,768	4,514,261	4,897,161
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from:					
Argentina	***	***	***	***	***
Australia	***	***	***	***	***
Belgium	***	***	***	***	***
France	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	***	***	***	***	***
Russia	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	164,035	217,205	350,875	48,392	55,293
All other sources	1,699	2,548	1,674	268	395
Total U.S. imports	165,734	219,753	352,549	48,660	55,688
Apparent U.S. consumption	***	***	***	***	***
	Value (\$1,000)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from:					
Argentina	***	***	***	***	***
Australia	***	***	***	***	***
Belgium	***	***	***	***	***
France	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	***	***	***	***	***
Russia	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	55,451	81,432	135,501	15,771	19,445
All other sources	714	1,045	632	99	133
Total U.S. imports	56,165	82,477	136,133	15,870	19,578
Apparent U.S. consumption	***	***	***	***	***
	Unit value (per short ton)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from:					
Argentina	***	***	***	***	***
Australia	***	***	***	***	***
Belgium	***	***	***	***	***
France	***	***	***	***	***
Korea	***	***	***	***	***
The Netherlands	***	***	***	***	***
Russia	***	***	***	***	***
Taiwan	***	***	***	***	***
Turkey	***	***	***	***	***
Venezuela	***	***	***	***	***
Subtotal	\$338.04	\$374.91	\$386.18	\$325.90	\$351.68
All other sources	420.25	410.13	377.54	369.40	336.71
Total U.S. imports	338.88	375.32	386.14	326.14	351.57
<sup>1</sup> Fourteen U.S. producers reported production of full hard steel: ***. <sup>2</sup> Not applicable.					
Source: Compiled from data submitted in response to Commission questionnaires.					

**APPENDIX D**

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**DOMESTIC LIKE PRODUCT ISSUES**



Petitioners concur with the Commission's preliminary domestic like product finding of a single like product consisting of all certain cold-rolled steel products corresponding to the description of the scope of the subject merchandise as defined by Commerce.<sup>1</sup> However, several respondents argue that certain products should be separate domestic like products.

### **Hardened and Tempered High-Carbon Steel**

For purposes of these investigations, hardened and tempered steel is defined as steel that has been subjected to further processing (after cold-rolling) through a continuous heat-treating line to develop desired hardness and tensile strength for such applications as many kinds of springs, knives, dies, saw blades, and other cutting tools. \*\*\* reported production of hardened and tempered steel products, and \*\*\* has also done hardening and tempering. Certain types of hardened and tempered steel are excluded from the scope of the investigations.<sup>2</sup>

Respondents AB Sandvik Steel, Sandvik Steel Co., Bohler-Uddeholm AG, Bohler-Uddeholm Strip Steel, and the AGS argue that hardened and tempered steel is a separate domestic like product. The petitioners do not consider hardened and tempered steel to be a separate domestic like product, asserting that, "the Commission has previously determined that hardened and tempered carbon-quality steel strip is not a separate domestic like product but is properly included in the single domestic like product of certain cold-rolled flat products."<sup>3</sup>

The Association of Cold-Rolled Strip Steel Producers agrees with petitioners that hardened and tempered products, "which are produced by members of the Association, do, in fact, fall within the domestic like product defined as certain cold-rolled steel products."

### **Physical Characteristic and Uses**

Respondents contend:

Hardened and tempered cold rolled steel strip differs from general cold-rolled carbon steel flat products because of the high tensile strength of hardened and tempered material, 220,000 psi to 290,000 psi. . . . In the hardening process, the input, cold-rolled strip steel, is . . . transform{ed} . . . from an austenitic to a martensitic crystalline structure. The primary purpose of the tempering is to impart a degree of plasticity or toughness to the steel to alleviate the brittleness of its martensite. The important point to note . . . is that the hardening and tempering process results in a distinctive and well-recognized physical change in the microstructure of the steel, starting with certain high-carbon grades of cold rolled strip steel as an *input* and then using the hardening and tempering process to transform the cold rolled strip steel into the unique family of downstream products known as hardened and tempered strip steel. In this sense, the process is analogous to the downstream processing of cold rolled steel into galvanized steel, or into tin mill products. Both galvanized steel and tin mill products are recognized as distinct like products from cold rolled steel, even though either may start with cold rolled steel as an input, because the galvanizing process and the tin or

<sup>1</sup> See, petitioners' joint prehearing brief, p. 5.

<sup>2</sup> Certain types of valve, bandsaw, ski-edge profile, and flat wire steels are explicitly excluded.

<sup>3</sup> Prehearing brief of Bethlehem, National, and US Steel, pp. 14-15.

chromium plating processes result in well-defined categories of further manufactured products with distinct physical properties . . . The hardening and tempering process transforms cold-rolled carbon steel to austenite and then to a martensitic crystal structure, thereby giving it a far higher tensile strength (220,000 - 290,000 psi compared to 90,000 - 150,000 psi).

The Association of Cold-Rolled Strip Steel Producers notes:

The physical characteristics of hardened and tempered products are the same as those of other cold-rolled products. The hardened and tempered products and other cold-rolled products are made from the same exact raw material: hot-rolled steel. The hardening and tempering of the steel is merely a process in which the steel is heat-treated in coil form. Although there are variations of hardness and degrees of tempering within steel products, there is no clear dividing line that would allow the Commission to carve out a specific category of hardened and tempered products as a separate domestic like product . . . Changes to the crystal structure of the steel do not change the physical characteristics of the steel at all . . . the changes to the crystal structure brought about by hardening and tempering can easily be reversed by annealing.

In addition, the end uses of hardened and tempered products are the same as that of other cold-rolled products, as there is an overlap in the end uses for hardened and tempered products and other cold-rolled products. For example, both hardened and tempered products, as well as other cold-rolled products, are used in the production of handsaws, circular saws, spring applications, washers, and other types of blades and cutting instruments. The hardness required for these products can be achieved through the heat treatment process that results in hardened and tempered steel, by leaving out the annealing process, or by the customer itself through its own heat treatments.

### **Interchangeability**

Respondents argue:

Hardened and tempered strip steel is used for well-defined applications that require great strength under high pressures and temperatures, such as springs, wood bandsaws, flapper valves, shock absorber valves, and doctor blades. Using cold rolled strip steel in place of a hardened and tempered product in an application such as a spring, for example, would be a disaster.

. . . Likewise, use of a regular cold rolled strip steel in a flapper valve, shock absorber valve, doctor blade, or wood bandsaw would have catastrophic consequences, because these specialized products are engineered in a manner that requires only hardened and tempered steel.

Hardened and tempered steel is required for the safety of the shock absorber for automobile passengers. Only hardened and tempered steel is acceptable, because of its fatigue and reliability characteristics.

. . . Substituting hardened and tempered strip steel for other varieties of cold rolled strip would have negative consequences as well. For instance, hardened and tempered strip



steel could not be used for auto body part applications, because the unusual hardness and tensile strength of the hardened and tempered steel strip would make the product too difficult to form.

The Association of Cold-Rolled Strip Steel Producers notes:

The overlap in end uses described above for hardened and tempered products and other cold-rolled products establishes that the products are interchangeable in certain instances.

. . . The fact that the products are not interchangeable in all instances is not compelling, but simply indicative of the wide variety of products that fall within the single domestic like product category of cold-rolled steel.

### Channels of Distribution

Respondents argue:

. . . To the best of the knowledge of Sandvik, Uddeholm, and AGS, little if any hardened and tempered strip steel produced by the U.S. hardened and tempered strip steel industry is consumed internally; all or nearly all is sold to unaffiliated customers. \*\*\*. Neither \*\*\* were listed among the domestic producers that reported affiliated-party transfers of cold rolled steel. Moreover, neither \*\*\* themselves are affiliated with any domestic producer of cold rolled steel. Thus, the dominant channel of distribution for the domestic cold rolled steel industry, namely related-party transfers, is a channel that is not present at all with respect to the domestic hardened and tempered strip steel industry.

. . . {T}he domestic hardened and tempered strip steel industry sells primarily, almost exclusively to end users. . . The issue is not whether a producer within the domestic hardened and tempered strip steel industry distributes hardened and tempered strip the same way as the same producer distributes other products. Instead, the critical question is whether a domestic hardened and tempered strip steel producer distributes hardened and tempered strip steel the same way that a cold rolled steel producer, such as U.S. Steel . . distributes cold rolled steel. The answer is clearly “no,” because a hardened and tempered strip steel producer does not depend on sales to a network of downstream service centers, because the hardened and tempered strip steel producer assumes many of those functions itself and instead sells mainly to specialized end users.

The Association of Cold-Rolled Strip Steel Producers notes:

{B}oth hardened and tempered products, as well as other cold-rolled products, are both sold through service centers and direct to end users. In the case of Thompson . . . and Theis . . . the same local sales representatives that sell hardened and tempered products also sell other cold-rolled products (including TRC steel, by Theis) to the same purchasers.

## **Customer and Producer Perceptions**

Respondents contend:

. . . Within the family of hardened and tempered products, there is a continuum of specialized niche products, each designed to the specific needs of particular types of customers. Only wood bandsaw steel can be made into a bandsaw blade that will withstand sawing through large quantities of logs every hour. Only doctor blade steel can make a blade for the printing industry that will flawlessly remove ink from a roller. Only flapper valve steel is flat enough to perfectly seal a compressor that will have to withstand at least 1 million seals as part of a new car's warranty.

The Association of Cold-Rolled Strip Steel Producers notes:

The perceptions that customers and producers have of hardened and tempered products are the same as those of other cold-rolled products. Customer specifications for all products include the same types of quality characteristics or performance attributes - only the value or levels of acceptability may differ. Indeed, some customers use certain terms interchangeably, e.g., spring steel and saw steel. Both items can be made from either cold-rolled that is hardened and tempered or simply cold-rolled.

. . . Moreover, even if consumers viewed hardened and tempered steel, texture rolled steel and wood bandsaw steel as discrete products meeting certain specifications, the Commission need not consider this as persuasive because there are multiple other scope products that are also produced to specifications for particular end uses.

## **Common Manufacturing Facilities and Employees**

The value added to \*\*\* hardened and tempered products has averaged \*\*\* percent annually. The value added to \*\*\* reported hardened and tempered products was \*\*\* percent in 2001. A representative of Sandvik (Michigan) contended that the value added is 100-300 percent.<sup>4</sup>

Respondents state:

. . . {N} one of the domestic integrated mills or any of the major mills produce hardened and tempered steel. They lack the special hardened and tempered furnace—the length of a football field—that can transform the crystalline structure of the steel to a martensitic structure. Only \*\*\* have this capability.

Following the normal pickling, cold rolling and annealing common in the cold-rolled steel industry, cold rolled strip is then transferred to the hardened and tempered strip steel industry, which hardens and tempers the product in special furnaces that are suitable only for hardening and tempering.

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<sup>4</sup> Peter Frosini, Vice President and General Manager, Strip Products Division, Sandvik Steel Co., hearing transcript, p. 317.

. . . In contrast, cold rolled sheet and strip either stops at the cold rolling step for subsequent sale to unaffiliated customers, or it is transferred to a downstream processing line by a separate industry. The transfer or sale to a separate industry includes transfers or sales to coating lines for galvanizing or tin plating, both of which the Commission recognize as steps transforming cold rolled steel into different like products, or a hardening and tempering line, which likewise should be recognized as a separate domestic like product.

For U.S. producers of hardened and tempered product, the distinctions are stark because all of the U.S. producers of hardened and tempered product are independent companies that purchase hot rolled or cold rolled steel from unaffiliated suppliers, and then re-roll the material and harden and temper it in-house. No integrated mill or minimill producer in the United States makes hardened and tempered products; only the re-rollers make this product in the United States.

The Association of Cold-Rolled Strip Steel Producers says:

Hardened and tempered products and other cold-rolled products share common manufacturing facilities, production processes and production employees. The same type of production equipment is used, including cold-rolling mills, annealing furnaces and slitting lines. While the exact processing steps can vary, the spectrum of processing and resulting products has no clear boundaries. For example, furnace treatments can be used to produce annealed steel, intermediate hardness steel, or hardened and tempered steel.

. . . In many instances, hardened and tempered products, as well as other cold-rolled products, are manufactured in the same facilities and by the same employees. These, for example, manufactures hardened and tempered products, as well as other cold-rolled products, in the same facilities and uses the same employees to do so.

## Price

The unit value of U.S. producers' U.S. shipments of hardened and tempered steel in 2001 was \$\*\*\* per short ton, compared with the corresponding unit value of \$362.00 per short ton for all cold-rolled steel.

Respondents contend:

Comparing the figures . . . {in the prehearing report}, the U.S. industry charged, on average, \*\*\* times as much in 1999 for hardened and tempered strip steel compared to cold rolled steel in general, \*\*\* times as much in 2000, and \*\*\* times as much in 2001. . . Hardened and tempered steel is sold by the pound, not the ton. The average unit value of hardened and tempered steel is \*\*\*. By contrast, the average unit value of

domestic cold-rolled steel is \$400 per ton . . . hardened and tempered steel would be \*\*\*.<sup>5</sup> (Emphasis appeared in the original.)

The Association of Cold-Rolled Strip Steel Producers notes:

{H}ardened and tempered products are at the upper end of the spectrum, but are not outside the pricing parameters for other forms of cold-rolled products.<sup>6</sup>

### Texture Rolled Carbon Steel (TRC)

TRC, after cold-rolling, undergoes a process known as “patenting”<sup>7</sup> (a process more commonly encountered in steel wire production), which is a continuous heat-treatment process where the steel is heated to a high temperature and then cooled to a specific temperature. The patenting process creates a steel which combines high tensile strength with high ductility. After patenting, the thickness of the steel is reduced by 80 percent through rolling. This 80 percent reduction creates a high level of tensile strength in the steel. The roll reduction is done on a 20-roll Sendzimir rolling mill which can create a greater rolling reduction than other types of mills with fewer rolls (although a Sendzimir mill can also be used to produce the same products as mills with fewer rolls). Two U.S. producers, \*\*\*, reported production of TRC.

The petitioners, and the Association of Cold-Rolled Strip Steel Producers consider TRC steel to be part of the single domestic like product consisting of all cold-rolled products subject to these investigations:

Several respondents argue that certain cold-rolled steel products should be treated as separate domestic like products, including band saw steel, hardened and tempered steel, strapping steel, and TRC. These products, however, contain only minor variations in chemistry or physical characteristics, which are insufficient to distinguish them from the continuum of other cold-rolled steel products.<sup>8</sup>

In its preliminary determination, the Commission found that TRC, also known as seat belt retractor steel, is part of the single like domestic product . . . No new information contradicting these determinations has been presented in these cases. Therefore, the Commission does not need to reconsider its determinations that TRC flat products are part of the single like domestic product constituting certain cold-rolled flat products.<sup>9</sup>

. . . On two prior occasions the Commission has considered whether texture rolled products are part of the same domestic like product as other cold-rolled products. On

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<sup>5</sup> Prehearing brief of AB Sandvik Steel and Sandvik Steel Co., Böhler-Uddeholm AG and Uddeholm Strip, pp. 5-16, and posthearing brief, pp. 2-10.

<sup>6</sup> Prehearing brief of the Association of Cold Rolled Strip Steel Producers, pp. 6-10, and posthearing brief, pp. 2-15.

<sup>7</sup> The Wire Association International, Inc., *Ferrous Wire, Volume 1: The Manufacture of Ferrous Wire*, pp. 447-467.

<sup>8</sup> Prehearing brief of Nucor, SDI, WCI, and Weirton, p. 52.

<sup>9</sup> Prehearing brief of Bethlehem, National, and US Steel, p. 14.

both occasions, the Commission held that texture rolled products are, in fact, part of the same domestic like product as other cold-rolled products . . . In addition, in the preliminary determination in this investigation, the Commission held that texture rolled products are part of the same domestic like product as other cold-rolled products.<sup>10</sup>

Kern-Liebers and AGS argue that TRC used to produce seat belt retractor springs in the automotive industry is a separate domestic like product. Kern-Liebers presents its argument in terms of the six factors the Commission traditionally considers when making its domestic like product determinations.

This also addresses several of the six factors in refuting the argument for making TRC a separate domestic like product.

### **Physical Characteristics and Uses**

According to Kern-Liebers:

TRC steel is significantly stronger than other cold-rolled steel. It has a tensile strength reported to be 2,600 Nmm/2 compared to standard cold-rolled steel, which is reported to have a tensile strength of only 600 Nmm/2 and must conform to performance criteria of the Federal Motor Vehicle Safety Standards (FMVSS) with respect to seat belt life cycles, output and environmental endurance . . . No other cold-rolled carbon steel products can be substituted for TRC steel because of the U.S. Government safety standards.

This contends:

The physical characteristics of texture rolled steel, including seat belt retractor steel particularly, include high fatigue cycle performance, high tensile mechanical properties, and tight and consistent gauge tolerances.

Texture rolled steel is used in the production of automotive and non-automotive springs, including seat belt retractors, tape measure retractors, hose reel, vacuum cleaner retractors, clock mechanisms and starter recoil springs.

### **Interchangeability**

According to Kern-Liebers:

No other cold-rolled carbon steel products can be substituted for TRC steel because of U.S. governmental standards used in making springs for automotive seat-belts. In addition, the much higher price of TRC steel makes it not commercially interchangeable with other cold-rolled steel. Therefore, TRC steel is not substituted for other types of cold-rolled steel of lower standards by users of those products since it would be economically prohibitive.

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<sup>10</sup> Posthearing brief of the Association of Cold Rolled Strip Steel Producers, p. 7, fn. 5.

## **Channels of Distribution**

According to Kern-Liebers:

While other types of cold-rolled steel may be consumed (and manufactured further to produce corrosion resistant steel) by the producer or sold on the open market or in steel service centers, TRC steel, whether imported or produced domestically, is sold only by the manufacturer directly and solely to seat belt spring manufacturers like Kern-Liebers. In fact, the TRC market is extremely narrow and specialized with only a few companies in the entire country (including Kern-Liebers) purchasing TRC steel. . . The method by which TRC steel is marketed is believed to be unique among cold-rolled steel products and this narrow marketing format (selling only to the manufacturer of the seat belt springs) distinguishes TRC steel from all other cold-rolled steel products sufficiently to produce a clear dividing line between them.

This says:

This Precision Steel sells many cold rolled products directly to end users, including steel for band saw products, measuring tape steel, numerous spring mechanisms, scoring rule, creasing rule, backing steel, wood band saws, metal cutting saws and knife blades. This also sells its cold rolled steel to service centers. These channels of trade are typical for cold rolled steel, including hardened and tempered steel, although in certain instances, one channel of trade is more likely than another.

## **Customer Perceptions**

According to Kern-Liebers:

The customers of TRC steel perceive differences between TRC steel and other types of cold-rolled steel as these customers are bound by law to use TRC steel which meets FMVSS 209 for the production of all seat belt springs they manufacture. This difference in perception between TRC steel and other types of cold-rolled steel must exist, otherwise, the customer would not choose significantly more expensive TRC steel over other types of cold-rolled steel.

## **Common Manufacturing Facilities and Employees**

According to Kern-Liebers:

Significant differences exist between the process of manufacturing of TRC steel and other types of cold-rolled steel. These differences are sufficiently significant to form a clear dividing line between this product and other types of cold-rolled steel products.

. . . First, TRC steel is subject to a process known as “patenting,” a process which other types of cold-rolled steel product aren’t subjected to, and one which significantly alters the material properties of the steel by modifying its microstructure and increasing its capability to be roll-hardened to a very high tensile strength. The patenting process requires specialized equipment, namely a patenting processing furnace, a piece of equipment not used in the production of other cold-rolled steel products . . . Therefore,

TRC steel and other types of cold-rolled steel products are separated by a clear dividing line. The use of different equipment, especially the use of different equipment which gives the product an element of its essential performance characteristic, as is the case for TRC steel, provides a clear dividing line between TRC steel and other types of cold-rolled steel. The equipment used to manufacture TRC steel . . . is significantly different in process and effect and provides a clear dividing line between this product and other types of cold-rolled steel. For example, to reach the very high tensile strength of up to 2,600 Nmm<sup>2</sup> (which is 400% higher than other types of cold rolled steel not subject to patenting process), the TRC steel is rolled on a 20-roll Senszimer-type rolling mill.

Furthermore, even the common processes are carried out using different equipment as cold-rolled steel is usually rolled on a mill containing only 4 rolls. TRC steel is rolled on a mill with significantly more rolls—approximately 20 rolls. The processes involved are sufficiently different to create a clear dividing line between the products because the difference in the number of rolls significantly affects the material properties of the product produced, making TRC steel much stronger under tension than other types of cold-rolled steel.

. . . The significance of the differences in the manufacturing process is reflected in the vast differences in the physical characteristics of the TRC steel such as tensile strength, cleanliness, inclusion level, and metallurgical microstructures.

This contends:

This produces texture rolled steel on certain equipment that can also be used to produce other cold rolled steel. 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. The manufacturing employees used to produce texture rolled steel are also used to produce all other cold rolled steel This produces. This' patenting line is used only for the texture rolled steel, but has been and can be used for carbon band saw steel.<sup>11</sup>

## Price

The unit value of U.S. producers' U.S. shipments of TRC steel in 2001 was \$\*\*\* per short ton, compared with the corresponding unit value of \$362.00 per short ton for all cold-rolled steel.

According to Kern-Liebers:

Kern-Liebers' experience has shown that the price of TRC steel is significantly higher than other cold-rolled steel products, reflecting the vastly different manufacturing processes . . . the price difference here is much more than minor.<sup>12</sup>

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<sup>11</sup> Posthearing brief of the Association of Cold Rolled Strip Steel Producers, exh. 1, Testimony of David Giapponi, Manager of Operations of This.

<sup>12</sup> Prehearing brief of Kern-Liebers, pp. 6-10.

## **Strapping Steel**

Strapping is made by slitting a full hard coil into 30 or more narrow bands of strapping and beveling or roll forming both edges of the strapping. Then the strapping is cleaned to remove the cold-rolling lubrication oil, painted in a paint bath, lubricated with a coating so that the material does not bind when using an automated strapping machine, and finally recoiled for consistent coil tension so there will be no oscillation when used.<sup>13</sup> \*\*\* reported production of this product.

The petitioners argue that strapping is not a separate domestic like product and, referring to the Commission's decision in a cold-rolled carbon steel investigation in 1993 :

The Commission found that, although strapping steel may be thought of as a "packing product" made with particular specifications, such differences were less significant than the similarities between this product and other unannealed cold-rolled flat products. In addition, the Commission noted that strapping steel is interchangeable with other cold-rolled flat products which meet the required certification standard . . . {T}he Commission stated that strapping steel falls somewhere in the middle of the continuum of low to high carbon steel products, is produced on the same facilities and by the same workers, is sold through the same distribution channels, and is sold at prices similar to other specialized high carbon products.<sup>14</sup>

Respondent BHP argues that its products do not compete with the domestic product and as "an alternative to decumulation would be for the Commission to find that strapping is a separate like product."<sup>15</sup> BHP uses the Commission's traditional six factors in making the argument that strapping is a separate domestic like product.

### **Physical Characteristics and Uses**

BHP contends:

{S}trapping in fact has physical characteristics and uses that are different from the cold-rolled sheet produced by petitioners . . . BHP's strapping was made in conformity with ASTM Specification D 3953-97 ("Standard Specification for Strapping, Flat Steel and Seals"). This ASTM specification is not in the usual ASTM A series ("ferrous metals and products") that covers flat steel products like the cold-rolled steel of concern in these investigations. It is rather a fabricated steel product in the ASTM D series ("miscellaneous materials and products").

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<sup>13</sup> Prehearing brief of BHP, BHP New Zealand, and BHP Americas, p. 11, fn. 12.

<sup>14</sup> Prehearing brief of Bethlehem, National, and US Steel, p. 13.

<sup>15</sup> Prehearing brief of BHP, BHP New Zealand, and BHP Americas, p. 11, fn. 12.



## **Interchangeability**

BHP notes:

Fully-fabricated strapping is not interchangeable with other cold-rolled steel products. The size and mechanical properties are produced for the unique end use of strapping and unitization (packaging).

## **Channels of Distribution**

It is BHP's contention that:

Strapping steels are supplied to service centers and directly to end users. The end users and distributors are different than those that normally buy cold-rolled steel.

## **Customer and Producer Perceptions**

BHP notes:

The customers and producers of strapping steel view the product as only having one intended end use, i.e., for utilization in the packaging of heavy goods.

## **Common Manufacturing Facilities, Production Processes and Production Employees**

BHP argues:

Strapping is not made by the cold-rolled sheet manufacturers that support this case. . .

## **Price**

No U.S. producers reported shipments of strapping steel.

BHP notes:

Strapping steel typically sells for US\$80-100/short ton more than annealed cold-rolled steel product of similar chemistry and dimensions. This is principally driven by the higher cost of production and its specialized application.<sup>16</sup>

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<sup>16</sup> Ibid.



**APPENDIX E**

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**COUNTRY COMPARISONS**



**Table E-1**  
**Cold-rolled steel: Comparisons of subject country product, as reported by purchasers**

Factor	Argentina vs. Brazil			Belgium vs. China			Belgium vs. Korea			Brazil vs. China			Brazil vs. Korea			China vs. Japan			China vs. Korea		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
	<i>Number of firms responding</i>																				
Availability	-	2	-	-	1	1	-	1	1	2	-	-	2	-	-	1	2	-	-	1	1
Delivery terms	-	2	-	-	2	-	-	2	-	-	2	-	-	2	-	-	3	-	-	2	-
Delivery time	-	2	-	-	2	-	-	1	1	2	-	-	1	1	-	-	3	-	-	1	1
Discounts offered	-	2	-	-	2	-	-	2	-	-	2	-	-	2	-	1	2	-	-	2	-
Lowest price <sup>1</sup>	-	2	-	-	1	1	1	1	-	-	2	-	1	1	-	3		-	1	1	-
Minimum quantity requirements	-	2	-	-	2	-	-	2	-	-	2	-	-	2	-	-	3	-	-	2	-
Packaging	-	2	-	1	1	-	-	2	-	-	2	-	-	2	-	-	2	1	-	1	1
Product consistency	-	2	-	1	1	-	-	2	-	-	2	-	-	2	-	-	2	1	-	1	1
Product quality	-	2	-	1	1	-	-	2	-	-	2	-	-	2	-	-	2	1	-	1	1
Product range	-	2	-	1	-	1	1	1	-	1	1	-	1	1	-	-	1	2	1		1
Reliability of supply	-	2	-	-	1	1	-	1	1	-	2	-	1	1	-	1	2	-	-	1	1
Technical support/service	-	2	-	1	1	-	-	1	1	1	1	-	-	2	-	-	1	2	-	1	1
Transportation network	-	2	-	-	2	-	-	1	1	-	2	-	-	2	-	-	3	-	-	1	1
U.S. transportation costs	-	2	-	-	1	-	-	1	-	-	2	-	-	2	-	-	2	-	-	1	-
Note.--S=product from the country listed first is superior; C=both countries' products are comparable; I=product from the country listed first is inferior.																					
Table continued. See footnote at the end of table.																					

Table E-1—Continued

Cold-rolled steel: Comparisons of subject country product, as reported by purchasers

Factor	China vs. South Africa			China vs. Taiwan			France vs. Germany			Japan vs. Korea			Japan vs. Taiwan			Japan vs. Thailand			Korea vs. Russia			
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	
	<i>Number of firms responding</i>																					
Availability	-	1	1	-	2	1	-	-	2	-	1	1	-	2	-	-	1	1	1	-	2	-
Delivery terms	-	2	-	-	3	-	-	-	2	-	2	-	-	2	-	-	2	-	-	2	-	-
Delivery time	-	2	-	-	2	1	-	-	2	-	1	1	-	2	-	-	2	-	1	1	-	
Discounts offered	-	2	-	-	3	-	-	-	1	-	2	-	-	2	-	-	2	-	-	2	-	
Lowest price <sup>1</sup>	-	1	1	1	1	1	-	-	1	1		1	-	1	1	-	1	1	-	1	1	
Minimum quantity requirements	-	2	-	-	3	-	-	1	1	-	2	-	-	2	-	-	2	-	-	2	-	
Packaging	-	2	-	-	2	1	-	1	1	-	2	-	-	2	-	1	1	-	1	1	-	
Product consistency	-	2	-	-	2	1	-	-	2	-	2	-	1	1	-	2	-	-	1	1	-	
Product quality	-	2	-	-	2	1	-	-	2	-	2	-	1	1	-	2	-	-	1	1	-	
Product range	-	-	2	1	1	1	-	-	2	1	1	-	2	-	-	2	-	-	1	1	-	
Reliability of supply	-	1	1	-	2	1	-	-	2	-	1	1	1	1	-	1	-	1	1	1	-	
Technical support/service	-	-	2	-	2	1	-	-	2	-	1	1	2	-	-	2	-	-	1	1	-	
Transportation network	-	2	-	-	2	1	-	1	1	-	1	1	-	2	-	-	2	-	1	1	-	
U.S. transportation costs	-	2	-	-	2	-	-	1	1	-	1	-	-	2	-	1	-	-	-	1	-	
Note.—S=product from the country listed first is superior; C=both countries' products are comparable; I=product from the country listed first is inferior.																						
Table continued. See footnote at the end of table.																						

Table E-1--Continued

Cold-rolled steel: Comparisons of subject country product, as reported by purchasers

Factor	Korea vs. Taiwan			Russia vs. Taiwan			Taiwan vs. Thailand		
	S	C	I	S	C	I	S	C	I
	<i>Number of firms responding</i>								
Availability	-	2	-	1	-	1	1	1	-
Delivery terms	-	2	-	-	2	-	-	2	-
Delivery time	-	2	-	-	1	1	1	1	-
Discounts offered	-	2	-	-	2	-	-	2	-
Lowest price <sup>1</sup>	-	1	1	1	1	-	-	1	1
Minimum quantity requirements	-	2	-	-	2	-	-	2	-
Packaging	-	2	-	-	1	1	1	1	-
Product consistency	-	2	-	-	1	1	1	1	-
Product quality	-	2	-	-	1	1	1	1	-
Product range	-	2	-	-	1	1	1	1	-
Reliability of supply	-	2	-	-	1	1	1	1	-
Technical support/service	-	2	-	-	1	1	1	1	-
Transportation network	-	2	-	-	1	1	1	1	-
U.S. transportation costs	-	2	-	-	1	-	-	1	-

<sup>1</sup> A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the price of U.S. product as generally lower than the price of subject country's product.

Note.--S=product from the country listed first is superior; C=both countries' products are comparable; I=product from the country listed first is inferior.

Source: Compiled from data submitted in response to Commission questionnaires. This table only includes country pairs for which there was more than 1 comparison.

**Table E-2**  
**Cold-rolled steel: Interchangeability and differences in product characteristics or sales conditions between subject imported products, as reported by U.S. producers and U.S. importers**

Country pairs	Interchangeability								Different characteristics/conditions							
	Producers				Importers				Producers				Importers			
	A	F	S	N	A	F	S	N	A	F	S	N	A	F	S	N
Argentina/Australia	10	1	1	-	2	-	2	-	1	1	2	7	4	1	1	1
Argentina/Belgium	9	1	1	-	2	-	4	-	-	1	1	8	3	1	2	1
Argentina/Brazil	9	2	-	-	4	4	2	1	-	1	1	8	2	4	2	2
Argentina/China	9	2	-	-	1	4	2	1	-	1	2	7	1	2	4	1
Argentina/France	9	1	1	-	2	2	3	-	-	1	1	8	3	1	2	-
Argentina/Germany	9	1	1	-	2	1	4	-	-	1	1	8	4	2	1	1
Argentina/India	9	1	1	-	1	3	2	-	-	1	2	7	2	2	1	2
Argentina/Japan	9	1	-	-	2	-	3	4	-	2	1	7	5	1	1	2
Argentina/Korea	10	1	1	-	2	1	3	1	-	1	2	7	2	1	2	2
Argentina/The Netherlands	9	1	2	-	1	-	3	2	-	1	1	8	5	1	1	1
Argentina/New Zealand	8	1	1	-	1	1	4	-	-	1	2	7	2	2	2	1
Argentina/Russia	8	2	1	-	1	5	4	-	-	1	1	8	1	4	3	2
Argentina/South Africa	9	1	2	-	1	1	6	-	-	1	1	8	1	3	5	1
Argentina/Spain	8	1	1	-	1	-	5	-	-	1	1	7	3	1	2	1
Argentina/Sweden	9	1	-	-	1	1	4	1	-	1	1	7	4	1	1	1
Argentina/Taiwan	9	2	-	-	1	4	2	1	-	1	1	8	3	2	2	1
Argentina/Thailand	8	2	2	1	1	3	2	-	-	1	1	8	1	2	3	1
Argentina/Turkey	8	1	1	-	3	4	3	-	-	1	1	7	1	3	6	1
Argentina/Venezuela	8	2	1	-	2	6	2	-	-	1	1	8	1	3	7	1
Australia/Belgium	10	1	1	-	1	3	2	-	1	1	3	7	1	3	2	1
Australia/Brazil	9	2	-	-	2	3	2	-	-	1	2	8	1	2	3	1
Australia/China	9	2	-	-	1	1	3	1	-	1	1	8	1	2	4	1
Australia/France	9	1	1	-	1	3	2	-	-	1	2	8	2	2	2	-
Australia/Germany	9	1	1	-	3	1	2	-	-	1	3	7	3	3	1	1
Australia/India	9	1	1	-	1	-	3	-	-	1	1	8	2	2	1	1
Australia/Japan	9	1	1	-	3	1	2	1	-	1	2	7	4	1	3	-
Australia/Korea	10	1	-	-	3	1	2	-	-	1	3	7	2	1	3	1
Australia/The Netherlands	9	2	-	-	2	1	2	1	-	1	3	7	4	2	2	-
Australia/New Zealand	8	2	1	-	1	1	3	-	-	1	2	7	1	1	3	1

Table continued.



Table E-2--Continued

Cold-rolled steel: Interchangeability and differences in product characteristics or sales conditions between subject imported products, as reported by U.S. producers and U.S. importers

Country pairs	Interchangeability								Different characteristics/conditions							
	Producers				Importers				Producers				Importers			
	A	F	S	N	A	F	S	N	A	F	S	N	A	F	S	N
Australia/Russia	8	3	-	-	1	-	6	1	-	1	3	7	1	3	2	4
Australia/South Africa	9	1	1	-	1	3	4	-	-	1	3	7	1	1	7	1
Australia/Spain	8	1	2	-	1	1	4	-	-	1	1	7	1	2	3	1
Australia/Sweden	9	1	1	-	1	2	2	1	-	1	1	7	2	3	1	1
Australia/Taiwan	9	2	-	-	1	3	2	-	-	1	3	7	1	2	3	1
Australia/Thailand	8	2	-	1	1	2	3	-	-	1	2	7	2	2	2	2
Australia/Turkey	8	1	2	-	1	3	3	-	-	1	2	7	1	1	5	3
Australia/Venezuela	8	1	2	-	1	-	6	-	-	1	2	7	2	1	3	4
Belgium/Brazil	10	1	3	-	2	2	3	-	1	1	3	8	1	2	3	1
Belgium/China	9	1	1	-	1	-	4	1	-	1	2	7	1	3	2	1
Belgium/France	11	2	-	-	2	3	1	-	-	1	4	7	3	1	2	-
Belgium/Germany	11	1	1	-	3	3	1	-	-	1	4	7	3	1	2	2
Belgium/India	9	1	-	1	1	-	2	1	-	1	1	8	2	1	1	2
Belgium/Japan	11	1	1	-	3	2	1	1	-	2	3	7	3	3	2	-
Belgium/Korea	10	2	-	-	3	2	-	1	-	1	3	7	2	2	2	1
Belgium/The Netherlands	10	2	1	-	2	2	1	1	-	2	3	7	4	1	2	1
Belgium/New Zealand	8	1	2	-	1	1	3	-	-	1	1	8	1	2	2	1
Belgium/Russia	8	2	3	-	1	-	5	2	-	1	3	8	2	4	-	3
Belgium/South Africa	9	1	2	-	3	1	4	-	-	1	3	7	1	2	3	3
Belgium/Spain	8	2	1	-	1	2	3	-	-	1	1	8	1	3	1	2
Belgium/Sweden	9	2	-	-	1	2	2	1	-	1	2	7	2	2	1	2
Belgium/Taiwan	9	2	1	-	1	3	2	-	-	1	3	7	1	3	2	1
Belgium/Thailand	8	2	-	1	1	2	2	1	-	1	2	7	1	3	1	2
Belgium/Turkey	8	1	2	-	1	3	3	-	-	1	2	7	1	3	2	3
Belgium/Venezuela	8	1	3	-	1	-	5	1	-	1	3	7	2	2	1	4
Brazil/China	10	2	-	-	4	3	4	1	1	1	2	7	1	2	5	1
Brazil/France	10	1	2	-	2	3	2	-	-	1	4	7	2	3	1	-
Brazil/Germany	10	1	2	-	3	3	4	-	-	1	4	7	3	3	3	1
Brazil/India	9	1	1	-	2	-	2	1	-	1	2	7	1	1	3	2
Table continued.																

Table E-2--Continued

Cold-rolled steel: Interchangeability and differences in product characteristics or sales conditions between subject imported products, as reported by U.S. producers and U.S. importers

Country pairs	Interchangeability								Different characteristics/conditions							
	Producers				Importers				Producers				Importers			
	A	F	S	N	A	F	S	N	A	F	S	N	A	F	S	N
Brazil/Japan	10	1	2	-	5	2	5	1	-	2	4	7	4	4	2	-
Brazil/Korea	10	2	-	-	4	2	3	-	-	1	4	7	2	1	4	1
Brazil/The Netherlands	10	2	3	-	3	1	2	1	-	1	5	7	4	1	3	-
Brazil/New Zealand	8	2	1	-	2	1	3	-	-	1	2	7	2	1	3	1
Brazil/Russia	8	2	3	-	2	1	8	2	-	1	3	8	2	4	2	3
Brazil/South Africa	9	1	2	-	4	2	5	-	-	1	2	8	1	3	4	3
Brazil/Spain	8	1	2	-	2	2	3	-	-	1	2	7	1	2	3	1
Brazil/Sweden	9	1	1	-	3	3	2	-	-	1	2	7	2	2	2	1
Brazil/Taiwan	9	2	1	-	2	4	4	-	-	1	2	8	1	4	3	1
Brazil/Thailand	8	2	-	1	2	3	4	-	-	1	1	8	1	4	2	2
Brazil/Turkey	8	1	2	-	4	3	5	-	-	1	1	8	1	4	3	3
Brazil/Venezuela	8	2	3	-	3	1	8	1	-	1	3	8	1	4	3	4
China/France	10	1	1	-	1	1	3	1	1	1	2	7	2	3	2	-
China/Germany	9	2	-	-	1	1	2	2	-	1	2	7	3	3	1	2
China/India	9	1	1	-	1	-	2	1	-	1	2	7	2	1	2	2
China/Japan	9	1	1	-	2	1	5	3	-	1	2	7	2	4	2	1
China/Korea	10	1	-	-	2	-	4	2	-	2	1	7	1	2	4	2
China/The Netherlands	9	1	1	-	1	-	2	3	-	1	2	7	4	1	2	1
China/New Zealand	8	1	2	-	1	-	3	1	-	1	2	7	1	1	3	1
China/Russia	8	2	1	-	2	2	7	1	-	1	2	7	1	5	3	3
China/South Africa	9	1	1	-	4	2	2	2	-	1	2	7	1	2	4	4
China/Spain	8	1	2	-	1	-	4	1	-	1	2	7	2	1	3	1
China/Sweden	9	1	1	-	1	2	2	2	-	1	2	7	3	1	2	1
China/Taiwan	9	2	-	-	1	2	5	1	-	1	2	7	1	3	5	1
China/Thailand	8	2	-	1	1	2	4	2	-	1	2	7	1	4	4	1
China/Turkey	8	1	2	-	3	2	5	1	-	1	2	7	1	4	3	3
China/Venezuela	8	2	1	-	2	1	5	3	-	1	2	7	2	3	3	3
France/Germany	12	2	1	-	3	4	1	-	1	1	5	7	4	2	1	1
France/India	9	1	1	-	1	-	2	1	-	1	2	7	3	1	2	1

Table continued.

Table E-2--Continued

Cold-rolled steel: Interchangeability and differences in product characteristics or sales conditions between subject imported products, as reported by U.S. producers and U.S. importers

Country pairs	Interchangeability								Different characteristics/conditions							
	Producers				Importers				Producers				Importers			
	A	F	S	N	A	F	S	N	A	F	S	N	A	F	S	N
France/Japan	11	2	1	-	3	2	1	1	-	1	5	7	3	1	3	-
France/Korea	10	1	1	-	3	2	-	1	-	1	3	7	3	1	3	-
France/The Netherlands	10	2	1	-	2	1	2	1	-	2	3	7	4	1	2	1
France/New Zealand	8	2	1	-	1	1	2	1	-	1	2	7	2	1	2	1
France/Russia	8	2	3	-	1	-	3	4	-	1	4	7	3	3	1	2
France/South Africa	9	1	2	-	1	1	6	-	-	1	3	7	2	3	4	-
France/Spain	8	2	1	-	1	1	4	-	-	1	2	7	2	1	3	1
France/Sweden	9	2	-	-	1	2	2	-	-	1	2	7	2	1	2	1
France/Taiwan	9	2	1	-	1	2	3	-	-	1	3	7	2	1	4	-
France/Thailand	8	2	-	1	1	2	2	1	-	1	2	7	3	1	2	1
France/Turkey	8	1	2	-	1	2	5	-	-	1	2	7	2	4	3	-
France/Venezuela	8	2	4	-	1	-	3	3	-	1	3	7	3	3	2	1
Germany/India	10	1	1	-	1	-	3	1	1	1	2	7	3	1	2	2
Germany/Japan	11	2	1	-	3	4	1	1	-	2	4	7	4	2	3	-
Germany/Korea	10	1	1	-	3	2	1	1	-	2	2	7	3	2	3	1
Germany/The Netherlands	10	2	1	-	2	2	2	1	-	2	3	7	5	1	2	1
Germany/New Zealand	8	2	1	-	1	1	3	-	-	1	2	7	2	2	2	1
Germany/Russia	8	2	3	-	1	-	4	4	-	2	3	7	3	4	1	3
Germany/South Africa	9	1	2	-	1	1	6	-	-	1	3	7	2	4	3	1
Germany/Spain	8	2	1	-	1	1	5	-	-	1	2	7	2	2	2	2
Germany/Sweden	9	2	-	-	1	3	3	-	-	2	1	7	2	1	3	2
Germany/Taiwan	9	2	1	-	1	2	5	-	-	1	3	8	2	3	3	1
Germany/Thailand	8	2	-	1	1	3	3	-	-	2	1	7	3	3	1	2
Germany/Turkey	8	1	2	-	1	1	6	-	-	1	1	7	2	4	4	1
Germany/Venezuela	8	2	3	-	1	-	6	1	-	1	3	7	2	4	2	2
India/Japan	11	1	-	-	2	-	3	2	1	2	1	7	4	1	2	-
India/Korea	9	1	1	-	2	-	3	-	-	2	1	7	2	2	2	1
India/The Netherlands	9	1	-	1	1	-	3	3	-	2	1	7	4	1	1	-
India/New Zealand	8	1	2	-	1	-	2	1	-	1	2	7	2	1	1	1
Table continued.																

Table E-2--Continued

Cold-rolled steel: Interchangeability and differences in product characteristics or sales conditions between subject imported products, as reported by U.S. producers and U.S. importers

Country pairs	Interchangeability								Different characteristics/conditions							
	Producers				Importers				Producers				Importers			
	A	F	S	N	A	F	S	N	A	F	S	N	A	F	S	N
India/Russia	8	2	1	-	1	4	2	-	-	1	1	8	1	2	2	4
India/South Africa	9	1	1	-	1	1	3	2	-	1	2	7	1	1	3	3
India/Spain	8	1	2	-	1	1	2	1	-	1	2	7	3	1	1	1
India/Sweden	9	1	1	-	1	1	2	1	-	1	2	7	3	1	1	1
India/Taiwan	9	2	-	-	3	-	3	-	-	1	2	7	3	2	1	1
India/Thailand	8	2	-	1	2	1	2	1	-	1	2	7	2	1	1	2
India/Turkey	8	1	2	-	1	2	4	-	-	1	1	8	2	1	3	3
India/Venezuela	8	2	1	-	2	3	3	-	-	1	2	7	2	4	2	2
Japan/Korea	12	1	1	-	3	2	4	-	1	2	2	7	4	2	3	-
Japan/The Netherlands	10	1	3	-	2	3	2	1	-	1	4	7	4	1	2	1
Japan/New Zealand	8	1	2	-	1	1	4	-	-	1	2	7	3	2	2	-
Japan/Russia	8	2	2	1	1	-	5	4	-	2	3	7	2	4	2	4
Japan/South Africa	9	1	2	-	1	1	8	-	-	1	3	7	3	2	5	1
Japan/Spain	8	2	1	-	1	1	5	-	-	1	2	7	2	2	2	1
Japan/Sweden	9	1	1	-	1	1	5	-	-	1	2	7	2	1	4	1
Japan/Taiwan	9	2	1	-	1	2	6	-	-	1	3	7	3	3	4	1
Japan/Thailand	8	2	-	1	2	2	6	-	-	1	2	7	3	4	2	1
Japan/Turkey	8	1	2	-	1	2	8	-	-	2	1	7	4	3	4	-
Japan/Venezuela	8	2	3	-	1	1	7	1	-	2	2	7	3	4	2	1
Korea/The Netherlands	10	1	3	-	2	2	2	1	1	1	3	7	4	1	2	1
Korea/New Zealand	8	1	2	-	1	2	2	1	-	1	1	8	1	1	2	2
Korea/Russia	8	2	1	1	1	1	6	1	-	1	3	7	1	3	1	3
Korea/South Africa	9	1	2	-	1	4	3	-	-	1	2	8	1	1	6	1
Korea/Spain	8	1	2	-	1	2	3	-	-	1	2	7	1	1	3	2
Korea/Sweden	9	1	1	-	1	2	2	1	-	1	2	7	2	1	2	2
Korea/Taiwan	9	2	1	-	1	2	5	-	-	2	2	7	1	1	4	2
Korea/Thailand	8	2	-	1	1	3	4	1	-	2	1	7	1	2	4	1
Korea/Turkey	8	1	2	-	1	4	4	-	-	1	1	8	1	2	5	1
Korea/Venezuela	8	2	2	-	1	1	6	-	-	1	2	7	1	4	2	2

Table continued.

Table E-2--Continued

Cold-rolled steel: Interchangeability and differences in product characteristics or sales conditions between subject imported products, as reported by U.S. producers and U.S. importers

Country pairs	Interchangeability								Different characteristics/conditions							
	Producers				Importers				Producers				Importers			
	A	F	S	N	A	F	S	N	A	F	S	N	A	F	S	N
The Netherlands/ New Zealand	9	1	2	-	1	2	3	1	1	1	1	8	3	2	2	-
The Netherlands/Russia	8	2	3	-	1	1	2	5	-	1	3	8	4	3	1	2
The Netherlands/ South Africa	9	1	2	-	1	5	2	1	-	1	2	8	3	2	5	-
The Netherlands/Spain	8	1	2	-	1	3	2	1	-	2	1	7	3	2	2	1
The Netherlands/Sweden	9	1	1	-	1	3	1	2	-	1	1	8	4	2	1	1
The Netherlands/Taiwan	9	1	2	-	1	3	2	1	-	1	3	7	3	2	3	-
The Netherlands/Thailand	8	1	1	1	1	4	2	1	-	1	2	7	3	3	1	1
The Netherlands/Turkey	8	1	2	-	1	4	3	1	-	1	1	8	3	2	5	-
The Netherlands/ Venezuela	8	1	4	-	1	2	4	2	-	1	3	7	3	3	3	1
New Zealand/Russia	9	1	2	-	1	-	4	2	1	1	3	7	1	3	1	3
New Zealand/South Africa	8	1	2	-	1	3	3	-	-	1	2	8	1	1	4	3
New Zealand/Spain	8	2	1	-	1	1	3	-	-	1	2	7	1	1	3	1
New Zealand/Sweden	8	1	2	-	1	2	1	1	-	2	1	7	2	2	1	1
New Zealand/Taiwan	8	1	2	-	1	1	3	-	-	1	3	7	2	1	3	1
New Zealand/Thailand	8	1	1	1	1	3	2	-	-	1	2	7	1	2	1	2
New Zealand/Turkey	8	1	2	-	1	3	3	-	-	1	2	7	1	2	3	3
New Zealand/Venezuela	8	1	2	-	1	1	3	3	-	1	2	7	1	3	4	2
Russia/South Africa	9	1	3	-	2	-	5	3	1	1	3	7	2	3	3	3
Russia/Spain	8	1	2	-	1	-	2	2	-	1	1	7	3	1	1	2
Russia/Sweden	8	1	2	-	1	-	2	3	-	1	1	7	4	1	-	2
Russia/Taiwan	8	1	3	-	2	-	4	2	-	1	3	7	2	2	3	2
Russia/Thailand	8	1	1	1	2	-	5	2	-	1	2	7	1	2	3	3
Russia/Turkey	8	1	2	-	3	2	6	-	-	1	1	8	2	3	3	4
Russia/Venezuela	8	1	3	-	1	1	8	-	-	1	3	7	1	3	5	2
South Africa/Spain	9	1	2	-	1	2	2	-	1	1	1	8	1	2	3	1
South Africa/Sweden	9	1	1	-	1	2	1	1	-	1	2	7	2	2	2	1
South Africa/Taiwan	9	1	1	1	1	3	3	-	-	1	3	7	1	2	4	1
South Africa/Thailand	8	1	1	1	2	3	1	1	-	1	2	7	2	3	1	2
South Africa/Turkey	8	1	2	-	2	3	4	-	-	1	2	7	1	2	5	3

Table continued.

Table E-2--Continued

Cold-rolled steel: Interchangeability and differences in product characteristics or sales conditions between subject imported products, as reported by U.S. producers and U.S. importers

Country pairs	Interchangeability								Different characteristics/conditions							
	Producers				Importers				Producers				Importers			
	A	F	S	N	A	F	S	N	A	F	S	N	A	F	S	N
South Africa/Venezuela	8	1	4	-	1	-	8	-	-	1	3	7	1	2	5	2
Spain/Sweden	9	1	2	-	1	2	1	1	1	1	2	7	2	2	1	2
Spain/Taiwan	8	2	1	-	1	2	2	-	-	1	2	7	1	2	3	1
Spain/Thailand	8	2	-	1	1	2	2	1	-	1	2	7	1	2	2	2
Spain/Turkey	8	1	2	-	1	3	3	-	-	1	2	7	1	2	3	3
Spain/Venezuela	8	1	2	-	1	-	5	1	-	1	2	7	1	2	4	2
Sweden/Taiwan	9	2	-	-	1	2	1	-	1	1	2	7	2	2	1	1
Sweden/Thailand	8	2	-	1	1	2	1	1	-	1	1	8	1	2	2	1
Sweden/Turkey	8	1	2	-	3	1	2	-	-	1	1	7	1	1	3	3
Sweden/Venezuela	8	1	2	-	1	2	2	1	-	1	2	7	1	1	3	3
Taiwan/Thailand	9	2	-	1	1	2	6	-	1	1	2	7	2	2	4	1
Taiwan/Turkey	8	1	2	-	3	1	5	-	-	1	2	7	1	3	4	3
Taiwan/Venezuela	8	2	2	-	1	2	6	-	-	1	3	7	1	3	4	3
Thailand/Turkey	9	1	2	-	4	3	3	-	1	1	2	6	3	3	2	3
Thailand/Venezuela	8	1	2	-	1	4	6	-	-	1	2	7	2	2	4	3
Turkey/Venezuela	9	1	2	-	1	1	7	-	1	1	2	7	2	2	4	3

Note.--A=always, F=frequently, S=sometimes, and N=never.

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

**APPENDIX F**

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**ADDITIONAL U.S. IMPORT DATA**





**Table F-1**  
**Cold-rolled steel: U.S. imports (unadjusted), 1999-2001, January-March 2001, and January-March 2002**

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Argentina	130,830	84,455	136,984	35,871	0
Australia	4,184	68,893	53,497	12,912	6,505
Belgium	303,864	255,786	168,845	15,031	363
Brazil	311,900	55,445	213,569	61,107	15,205
China	55,655	45,907	92,743	12,219	37,216
France	159,146	158,163	106,245	32,020	24,920
Germany	54,628	64,500	30,465	2,795	6,075
India	146	18,957	1,508	239	1,581
Japan	245,677	135,694	261,096	63,635	63,938
Korea	117,186	229,573	557,816	72,877	51,002
The Netherlands	34,350	7,995	55,940	4,056	11,982
New Zealand	27,422	29,409	23,175	5,370	5,438
Russia	415,866	262,246	295,545	60,691	105,410
South Africa	85,474	27,419	89,221	47	24,233
Spain <sup>1</sup>	1,226	593	333	103	106
Sweden	27,854	17,669	29,670	5,879	2,370
Taiwan	80,605	20,842	98,388	9,795	9,478
Thailand	73,475	6,039	22,889	8,434	0
Turkey	85,291	37,989	67,200	17,568	1,778
Venezuela	58,495	9,566	52,737	21,089	18,443
Subtotal	2,273,275	1,537,139	2,357,866	441,738	386,043
All others	617,639	791,079	425,035	127,020	103,634
Total	2,890,914	2,328,218	2,782,900	568,758	489,677
	<b>Value (\$1,000)</b>				
Argentina	40,552	33,010	39,655	11,418	0
Australia	2,462	26,095	17,832	4,672	1,998
Belgium	102,712	102,148	57,512	6,389	285
Brazil	96,761	23,892	67,850	21,343	4,416
China	17,288	17,397	25,570	3,761	9,432
France	75,546	84,191	48,109	16,083	12,263
Germany	32,675	40,753	23,079	3,651	5,572
India	61	8,050	886	209	609
Japan	125,192	79,314	116,155	31,933	28,553
Korea	40,701	93,670	185,487	23,219	17,178
The Netherlands	12,898	3,018	17,996	1,382	3,641
New Zealand	9,162	12,054	7,556	1,929	1,619
Russia	114,484	96,241	78,029	17,694	24,825
South Africa	27,861	9,861	25,612	25	6,547
Spain <sup>1</sup>	598	381	179	34	118
Sweden	26,364	22,272	20,753	4,989	3,433
Taiwan	30,776	10,309	32,520	3,830	3,223
Thailand	23,599	2,487	6,850	2,737	0
Turkey	26,340	15,265	19,664	5,734	410
Venezuela	17,129	3,627	15,967	6,817	5,017
Subtotal	823,162	684,037	807,260	167,851	129,140
All others	260,772	341,726	178,442	53,119	44,837
Total	1,083,935	1,025,763	985,702	220,970	173,978
Table continued. See footnote at end of table.					

**Table F-1--Continued**  
**Cold-rolled steel: U.S. imports (unadjusted), 1999-2001, January-March 2001, and January-March 2002**

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
<b>Share of quantity (percent)</b>					
Argentina	4.5	3.6	4.9	6.3	0.0
Australia	0.1	3.0	1.9	2.3	1.3
Belgium	10.5	11.0	6.1	2.6	0.1
Brazil	10.8	2.4	7.7	10.7	3.1
China	1.9	2.0	3.3	2.1	7.6
France	5.5	6.8	3.8	5.6	5.1
Germany	1.9	2.8	1.1	0.5	1.2
India	( <sup>2</sup> )	0.8	0.1	( <sup>2</sup> )	0.3
Japan	8.5	5.8	9.4	11.2	13.1
Korea	4.1	9.9	20.0	12.8	10.4
The Netherlands	1.2	0.3	2.0	0.7	2.4
New Zealand	0.9	1.3	0.8	0.9	1.1
Russia	14.4	11.3	10.6	10.7	21.5
South Africa	3.0	1.2	3.2	( <sup>2</sup> )	4.9
Spain <sup>1</sup>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Sweden	1.0	0.8	1.1	1.0	0.5
Taiwan	2.8	0.9	3.5	1.7	1.9
Thailand	2.5	0.3	0.8	1.5	0.0
Turkey	3.0	1.6	2.4	3.1	0.4
Venezuela	2.0	0.4	1.9	3.7	3.8
Subtotal	78.6	66.0	84.7	77.7	78.8
All others	21.4	34.0	15.3	22.3	21.2
Total	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>					
Argentina	3.7	3.2	4.0	5.2	0.0
Australia	0.2	2.5	1.8	2.1	1.1
Belgium	9.5	10.0	5.8	2.9	0.2
Brazil	8.9	2.3	6.9	9.7	2.5
China	1.6	1.7	2.6	1.7	5.4
France	7.0	8.2	4.9	7.3	7.0
Germany	3.0	4.0	2.3	1.7	3.2
India	( <sup>2</sup> )	0.8	0.1	0.1	0.3
Japan	11.5	7.7	11.8	14.5	16.4
Korea	3.8	9.1	18.8	10.5	9.9
The Netherlands	1.2	0.3	1.8	0.6	2.1
New Zealand	0.8	1.2	0.8	0.9	0.9
Russia	10.6	9.4	7.9	8.0	14.3
South Africa	2.6	1.0	2.6	( <sup>2</sup> )	3.8
Spain <sup>1</sup>	0.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0.1
Sweden	2.4	2.2	2.1	2.3	2.0
Taiwan	2.8	1.0	3.3	1.7	1.9
Thailand	2.2	0.2	0.7	1.2	0.0
Turkey	2.4	1.5	2.0	2.6	0.2
Venezuela	1.6	0.4	1.6	3.1	2.9
Subtotal	75.9	66.7	81.9	76.0	74.2
All others	24.1	33.3	18.1	24.0	25.8
Total	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> Data for Spain have been adjusted to exclude nonsubject imports. <sup>2</sup> Less than 0.05 percent.					
Source: Compiled from official statistics of Commerce, except as noted.					

**Table F-2**  
**Microalloy steel: U.S. imports, 1999-2001, January-March 2001, and January-March 2002**

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
<b>Quantity (short tons)</b>					
Argentina	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	26,544	29,886	35,314	15,150	8,308
All others	9,196	16,496	17,815	6,021	3,630
Total	35,740	46,382	53,129	21,171	11,938
<b>Value (\$1,000)</b>					
Argentina	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	13,709	14,606	14,572	6,437	2,697
All others	4,415	7,554	9,115	3,004	1,769
Total	18,124	22,160	23,687	9,441	4,466
<b>Share of quantity (percent)</b>					
Argentina	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	74.3	64.4	66.5	71.6	69.6
All others	25.7	35.6	33.5	28.4	30.4
Total	100.0	100.0	100.0	100.0	100.0
<b>Share of value (percent)</b>					
Argentina	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	75.6	65.9	61.5	68.2	60.4
All others	24.4	34.1	38.5	31.8	39.6
Total	100.0	100.0	100.0	100.0	100.0
Source: Compiled from data submitted in response to Commission questionnaires.					

**Table F-3**  
**Excluded cold-rolled steel products: U.S. imports, 1999-2001, January-March 2001, and January-March 2002**

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	<b>Quantity (short tons)</b>				
Brazil	***	***	***	***	***
France	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	40,851	51,005	51,176	15,697	12,585
All others	2,460	897	1,201	306	211
Total	43,311	51,902	52,377	16,003	12,796
	<b>Value (\$1,000)</b>				
Brazil	***	***	***	***	***
France	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	39,061	41,947	40,473	14,010	10,362
All others	4,267	3,309	3,983	1,040	665
Total	43,328	45,256	44,456	15,050	11,026
	<b>Share of quantity (percent)</b>				
Brazil	***	***	***	***	***
France	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	94.3	98.3	97.7	98.1	98.4
All others	5.7	1.7	2.3	1.9	1.6
Total	100.0	100.0	100.0	100.0	100.0
	<b>Share of value (percent)</b>				
Brazil	***	***	***	***	***
France	***	***	***	***	***
Germany	***	***	***	***	***
Japan	***	***	***	***	***
Korea	***	***	***	***	***
Sweden	***	***	***	***	***
Subtotal	90.2	92.7	91.0	93.1	94.0
All others	9.8	7.3	9.0	6.9	6.0
Total	100.0	100.0	100.0	100.0	100.0
Source: Compiled from data submitted in response to Commission questionnaires.					

**APPENDIX G**

---

**EXCHANGE RATES**



Figure G-1

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

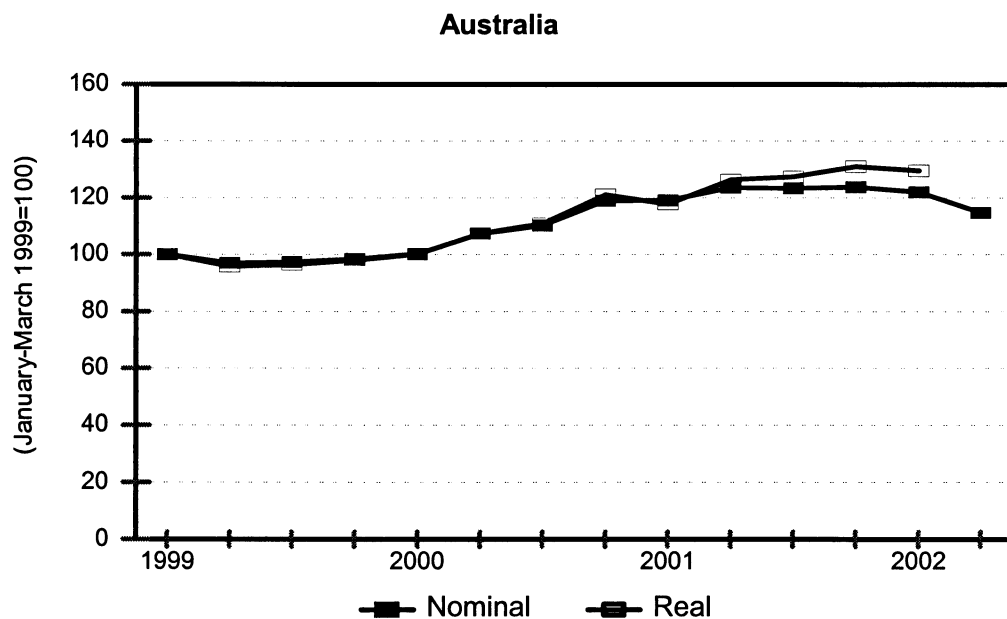
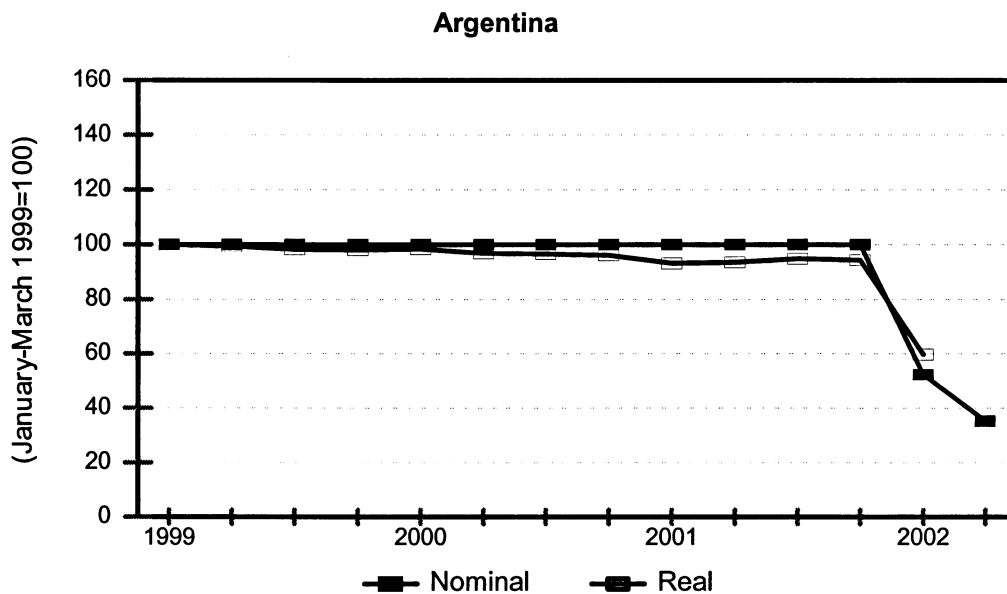


Figure continued.

Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

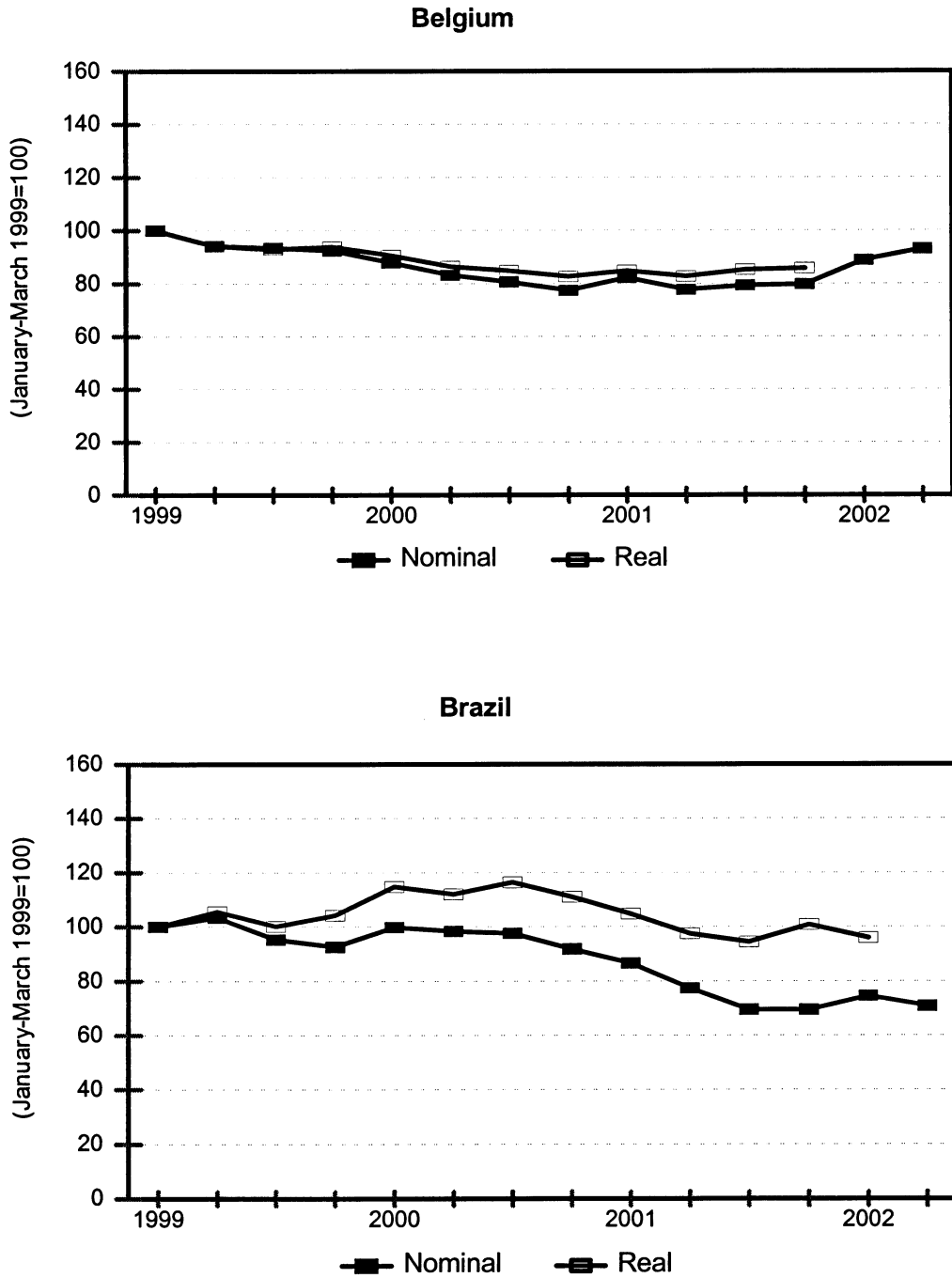


Figure continued.



Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

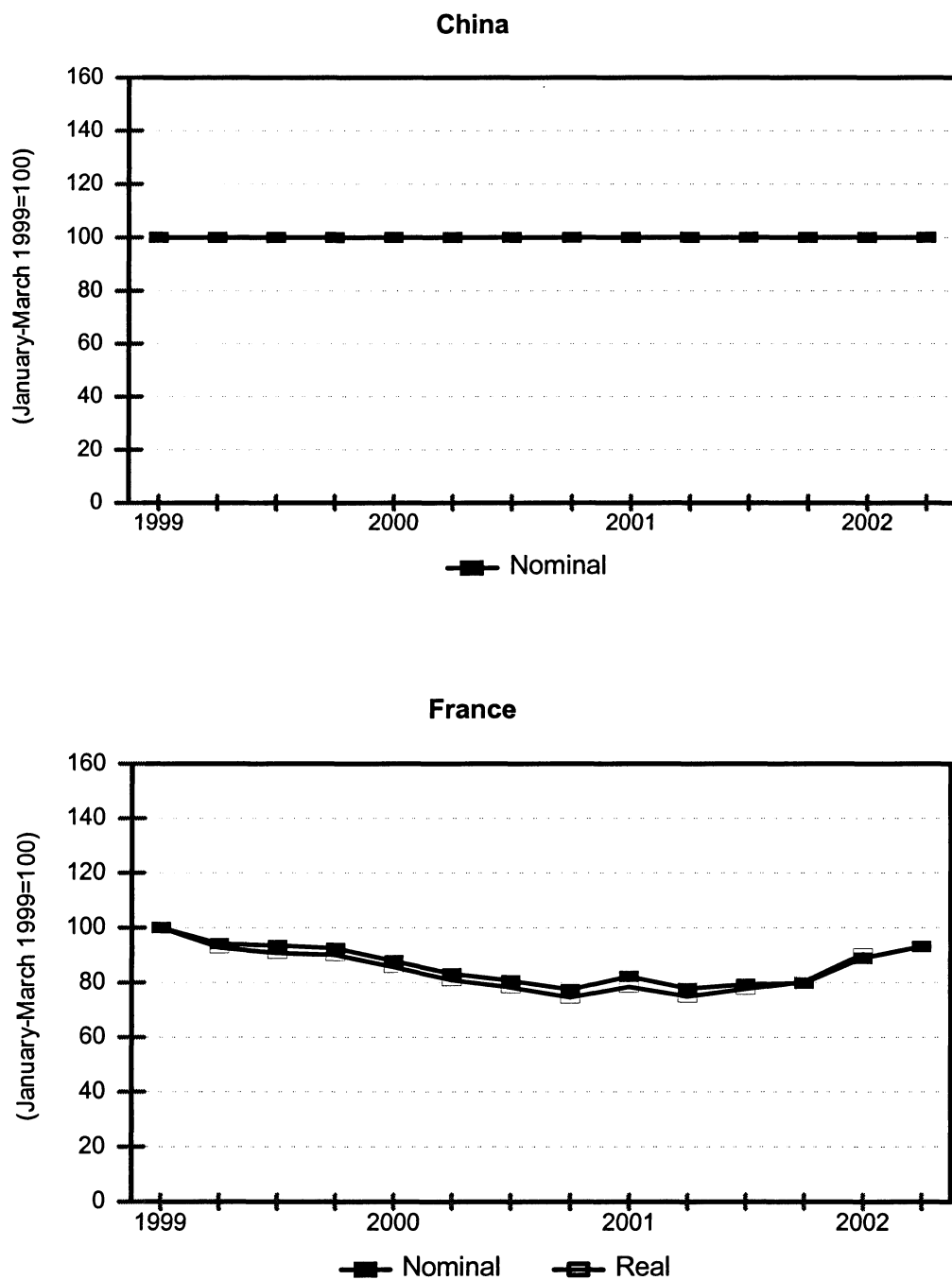


Figure continued.

Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

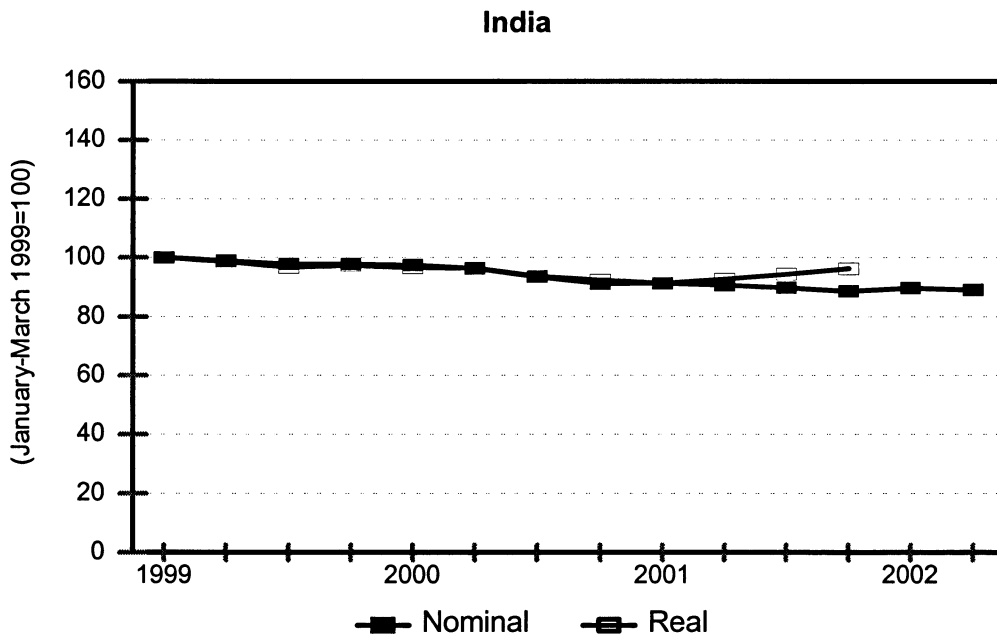
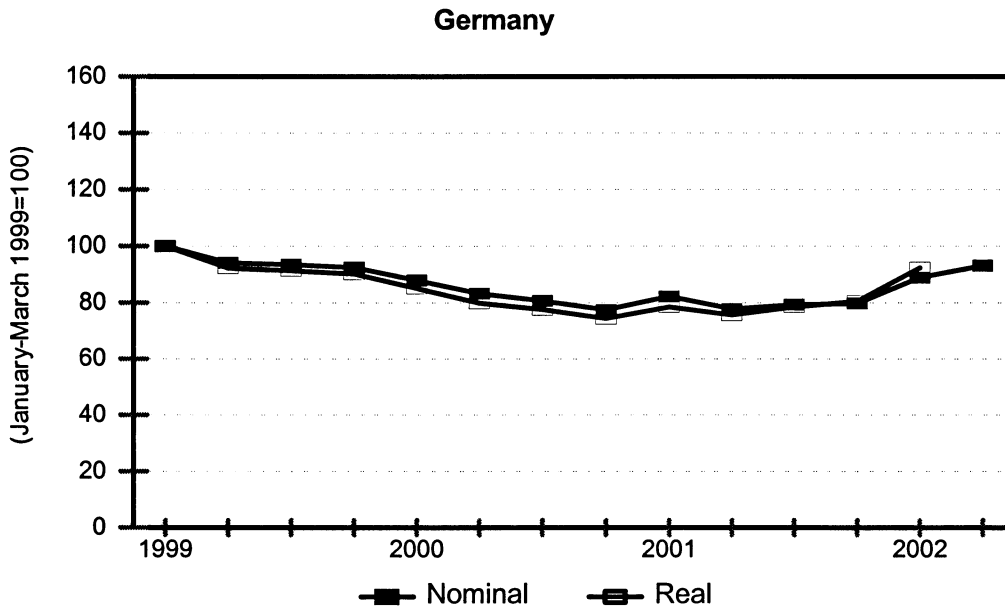


Figure continued.

Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

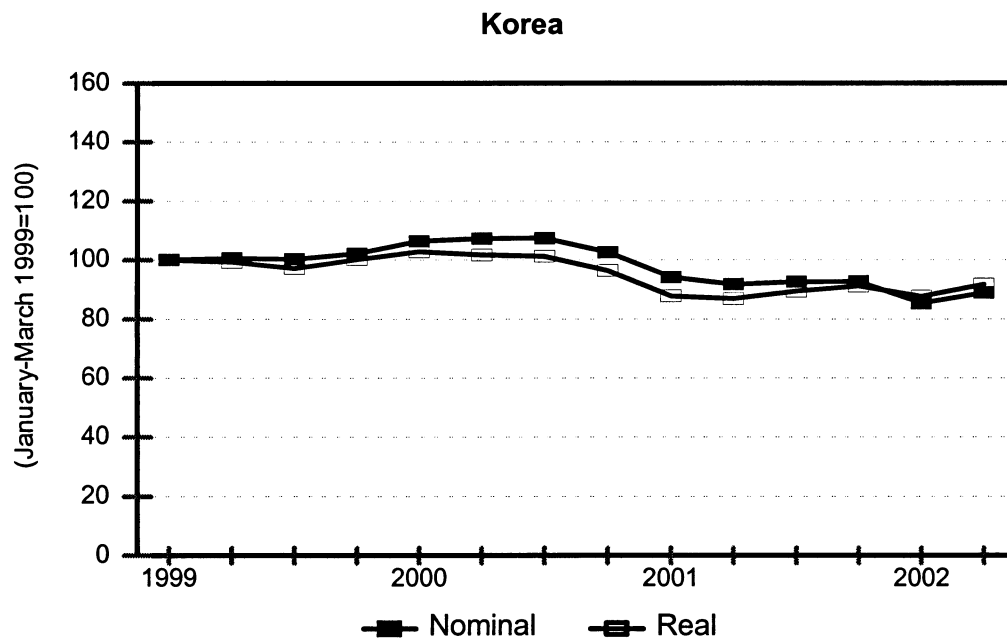
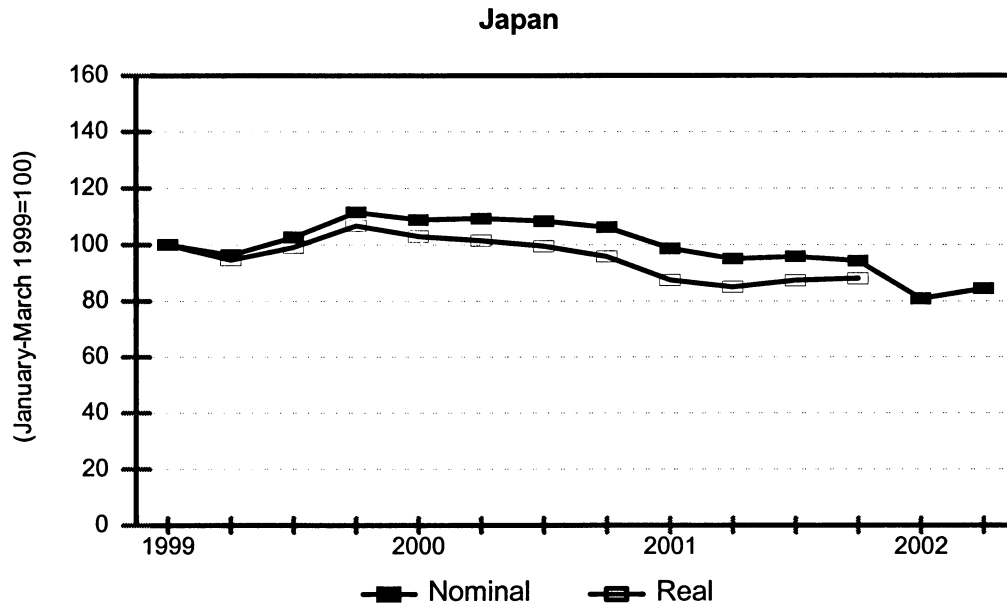


Figure continued.

Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

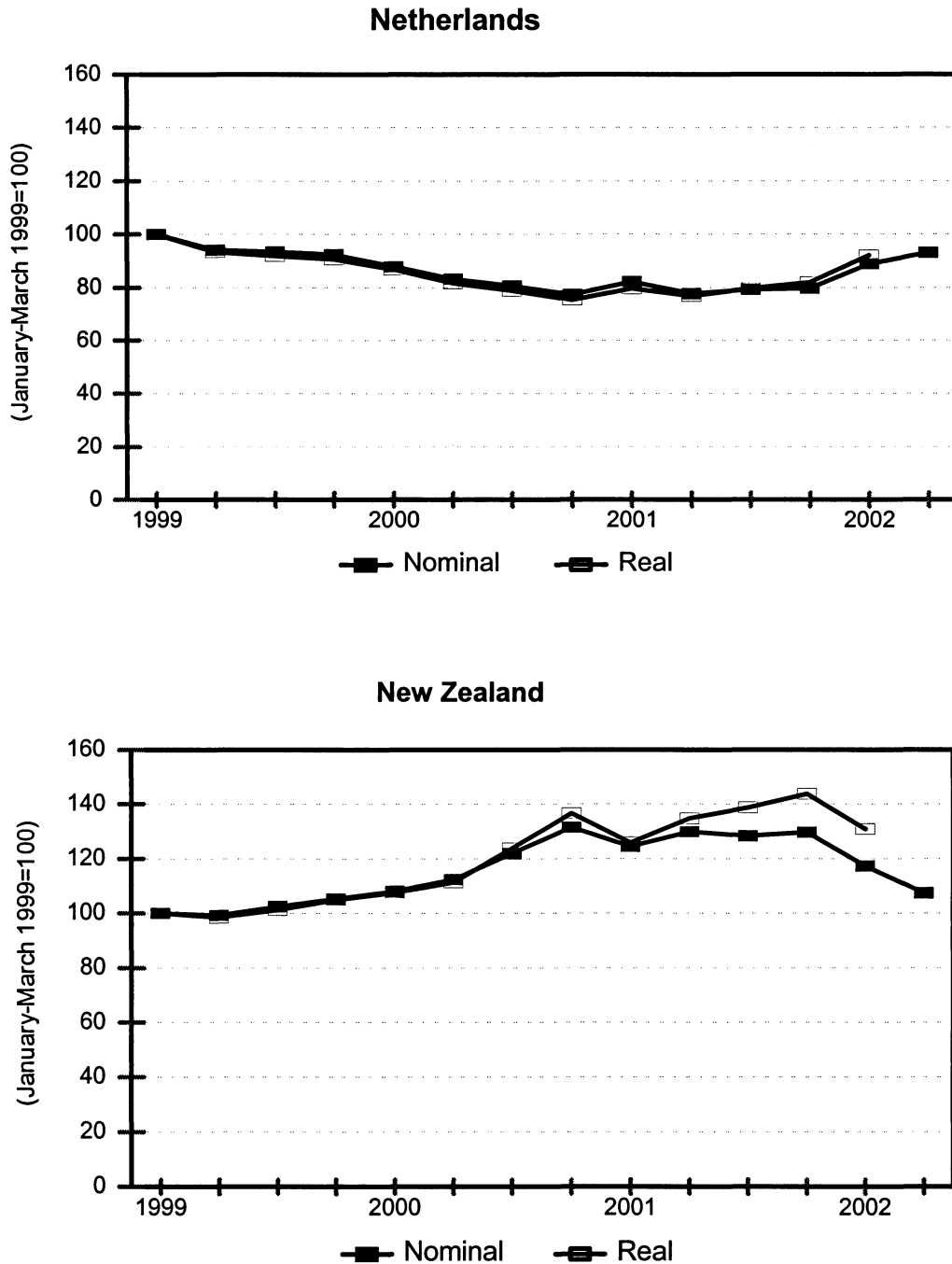


Figure continued.

Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

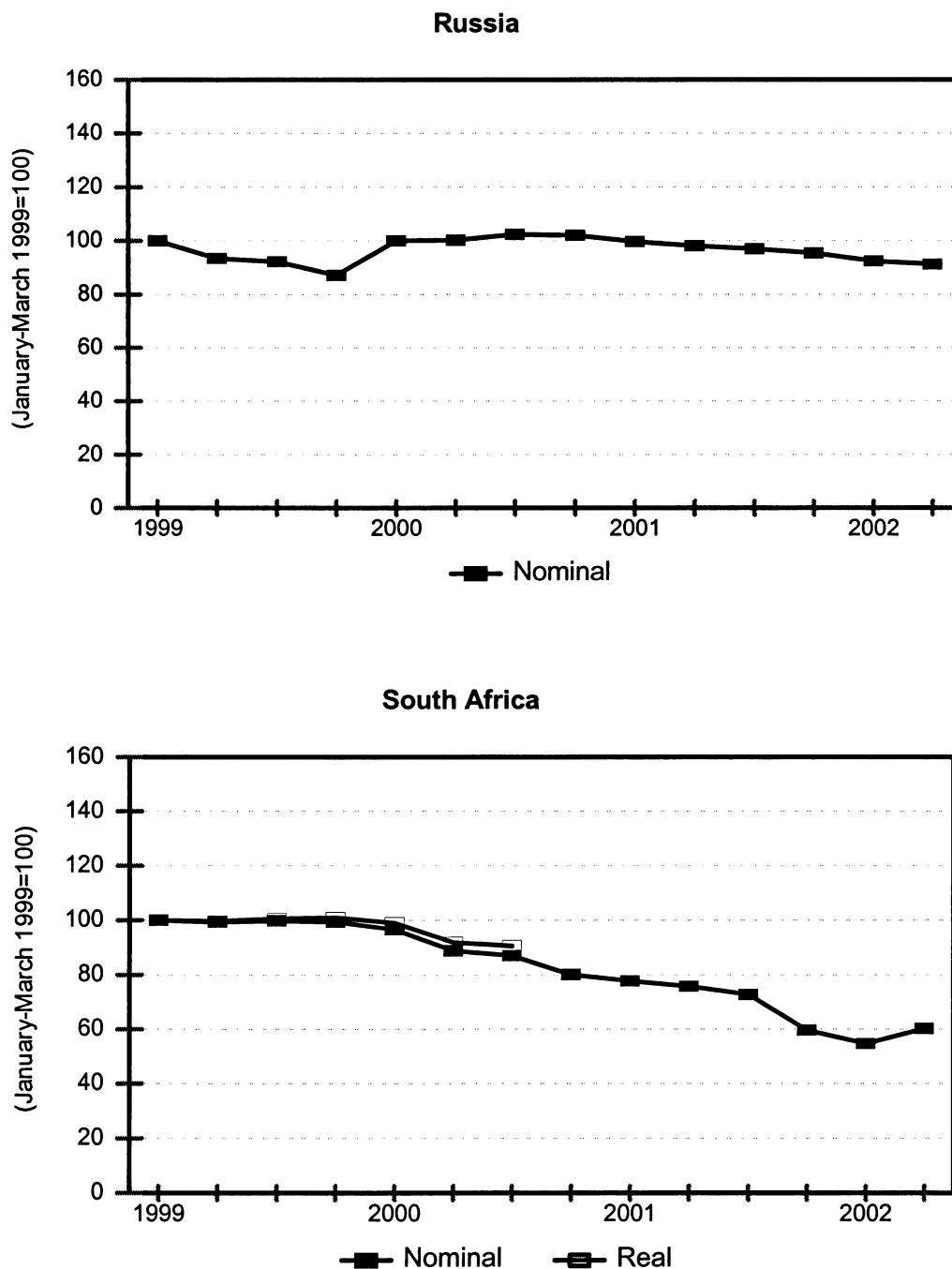


Figure continued.

Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

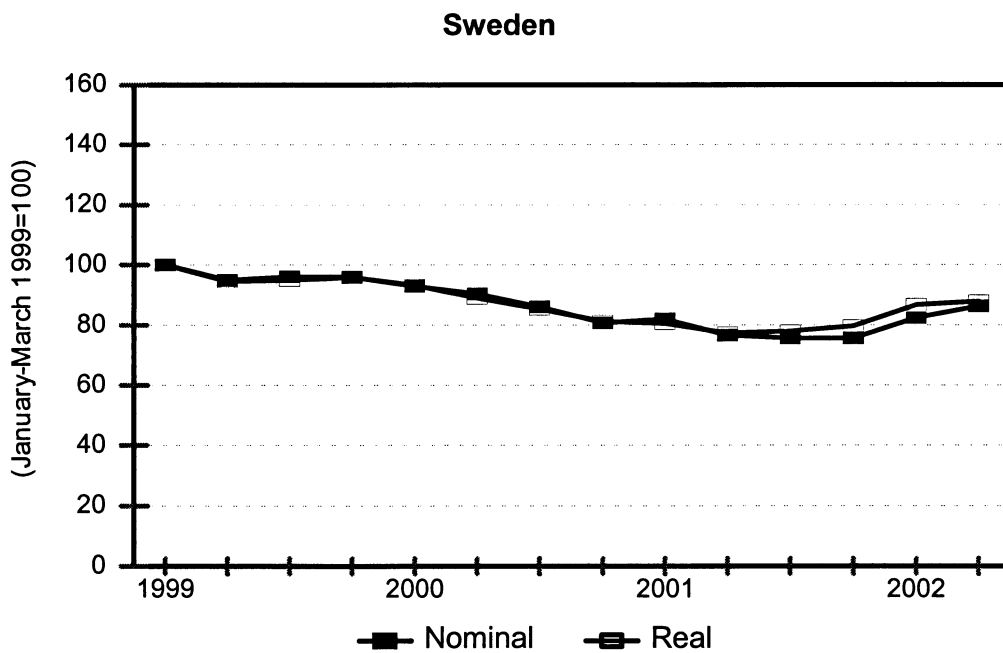
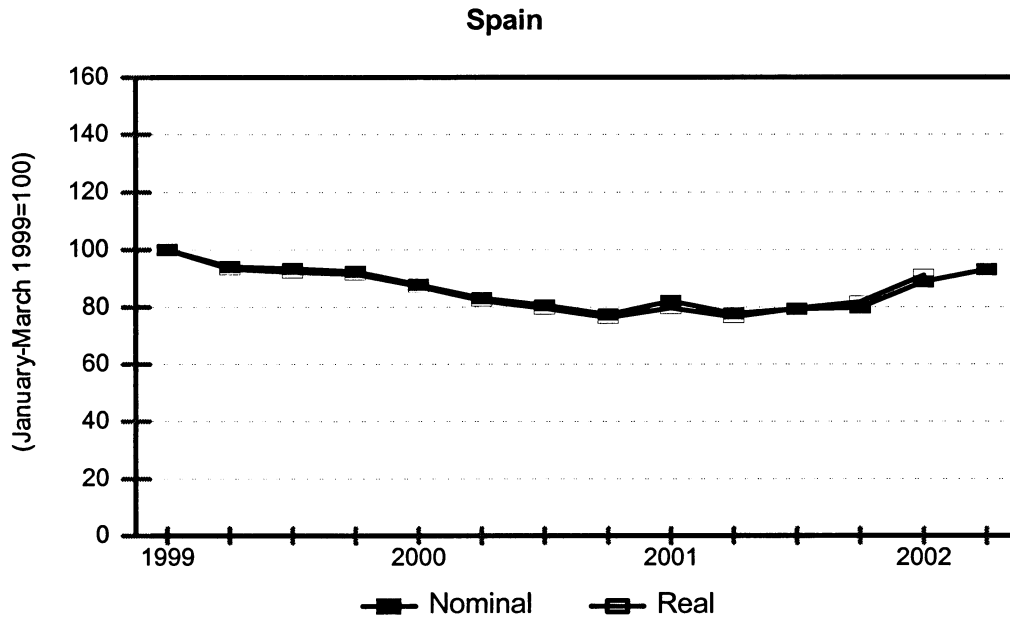


Figure continued.

Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002

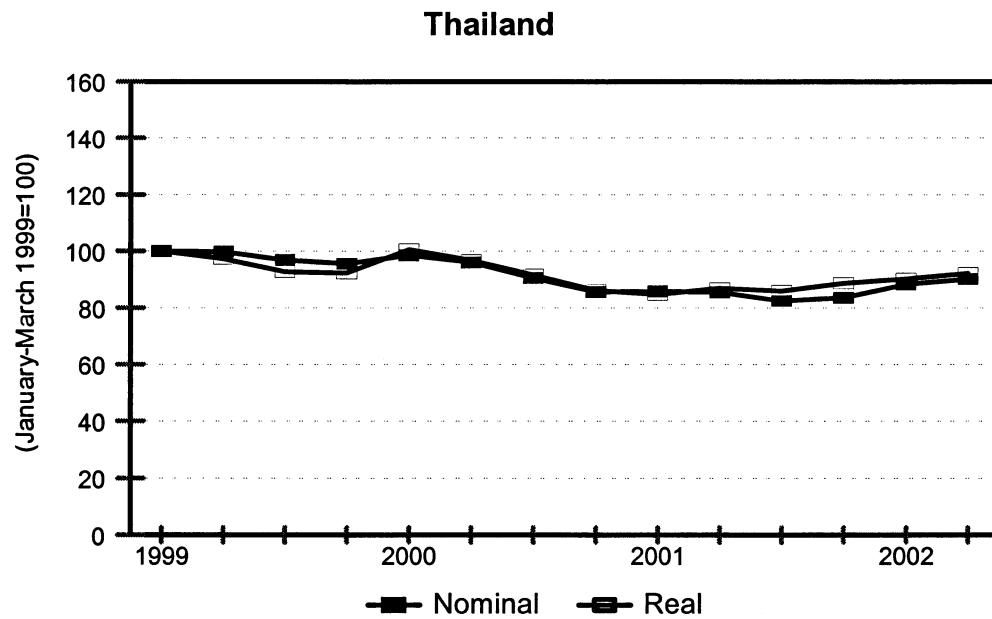
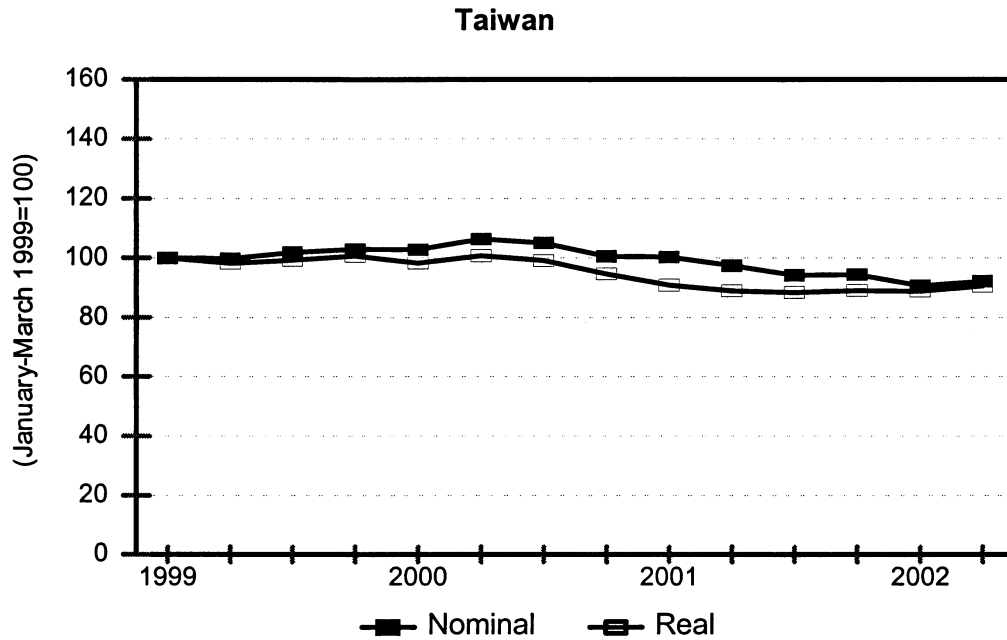
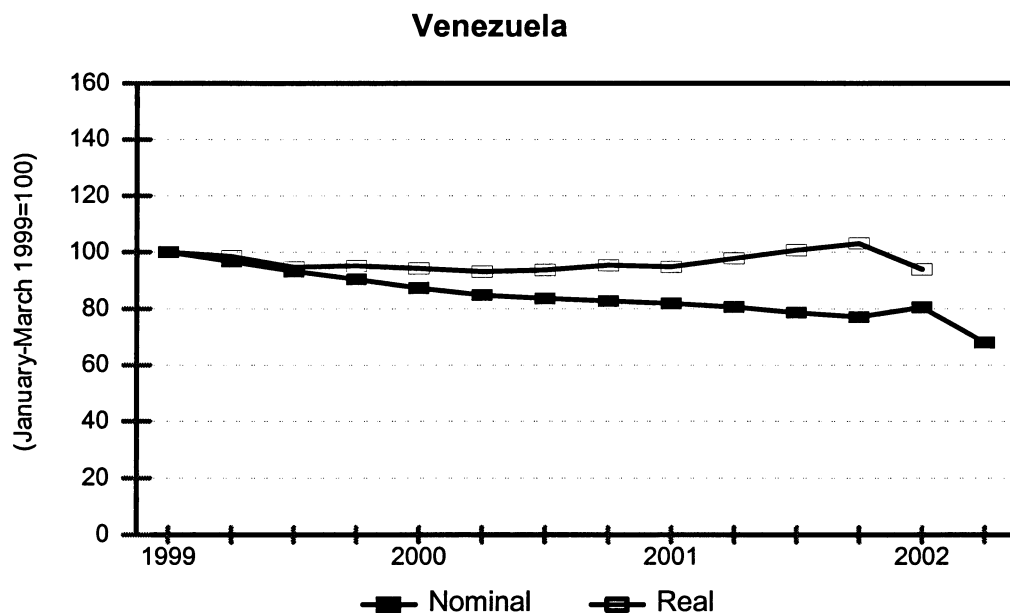
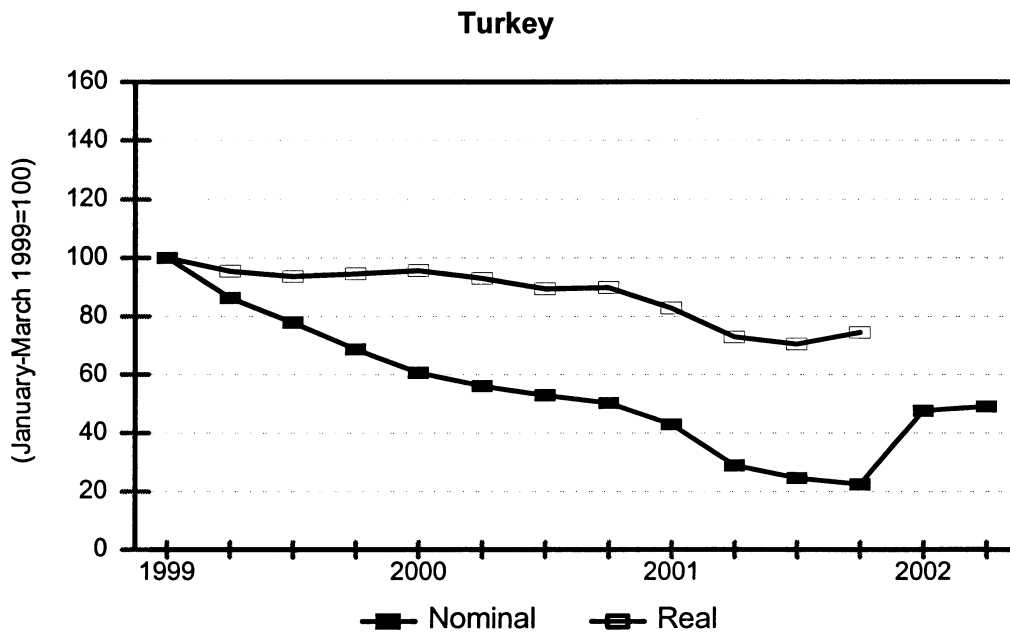


Figure continued.

Figure G-1--Continued

Exchange rates: Indices of the nominal and real exchange rates of subject countries' currencies relative to the U.S. dollar, by quarters, January 1999-June 2002



Source: International Monetary Fund, *International Financial Statistics*, July 2002, and St. Louis Federal Reserve Bank, <http://research.stlouisfed.org/fred/data/exchange.htm>, July 24, 2002.



**APPENDIX H**

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**U.S. PRODUCERS' AND IMPORTERS' PRICES**



Table H-1

Product 1: Weighted-average f.o.b. prices and quantities of domestic and imported product sold to service centers/converters and margins of underselling/(overselling), by sources and by quarters, January 1999-June 2002

Period	United States		***			***			***		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>
<b>1999:</b>											
Jan.-Mar.	\$384.48	33,991	***	***	***	***	***	***	***	***	***
Apr.-June	393.00	39,941	***	***	***	***	***	***	***	***	***
July-Sept.	390.78	45,691	***	***	***	***	***	***	***	***	***
Oct.-Dec.	396.71	48,534	***	***	***	***	***	***	***	***	***
<b>2000:</b>											
Jan.-Mar.	409.48	57,404	***	***	***	***	***	***	***	***	***
Apr.-June	420.87	61,183	***	***	***	***	***	***	***	***	***
July-Sept.	408.15	45,596	***	***	***	***	***	***	***	***	***
Oct.-Dec.	378.27	37,405	***	***	***	***	***	***	***	***	***
<b>2001:</b>											
Jan.-Mar.	354.93	59,235	***	***	***	***	***	***	***	***	***
Apr.-June	356.21	50,711	***	***	***	***	***	***	***	***	***
July-Sept.	345.32	66,556	***	***	***	***	***	***	***	***	***
Oct.-Dec.	326.56	64,403	***	***	***	***	***	***	***	***	***
<b>2002:</b>											
Jan.-Mar.	322.59	84,443	***	***	***	***	***	***	***	***	***
Apr.-June	350.14	47,424	***	***	***	***	***	***	***	***	***

Product 1=Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-366), not interstitial free, box annealed and temper rolled, 36" to 72" in width, 0.022" to less than 0.028" in thickness.

Note.—Pricing data were also received for product 1 sold to service center/converters from \*\*\*; however, none of these were public.

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

Table H-2

Product 1: Weighted-average f.o.b. prices and quantities of domestic and imported product sold to end users and margins of underselling/(overselling), by sources and by quarters, January 1999-June 2002<sup>1</sup>

Period	United States		***			***			***		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>
<b>1999:</b>											
Jan.-Mar.	\$470.81	29,020	***	***	***	***	***	***	***	***	***
Apr.-June	448.47	29,067	***	***	***	***	***	***	***	***	***
July-Sept.	431.34	42,651	***	***	***	***	***	***	***	***	***
Oct.-Dec.	443.25	39,139	***	***	***	***	***	***	***	***	***
<b>2000:</b>											
Jan.-Mar.	453.64	54,116	***	***	***	***	***	***	***	***	***
Apr.-June	450.27	65,248	***	***	***	***	***	***	***	***	***
July-Sept.	446.61	60,277	***	***	***	***	***	***	***	***	***
Oct.-Dec.	443.13	50,445	***	***	***	***	***	***	***	***	***
<b>2001:</b>											
Jan.-Mar.	405.19	51,186	***	***	***	***	***	***	***	***	***
Apr.-June	406.87	43,010	***	***	***	***	***	***	***	***	***
July-Sept.	380.16	53,487	***	***	***	***	***	***	***	***	***
Oct.-Dec.	374.87	39,613	***	***	***	***	***	***	***	***	***
<b>2002:</b>											
Jan.-Mar.	365.01	48,322	***	***	***	***	***	***	***	***	***
Apr.-June	384.90	39,263	***	***	***	***	***	***	***	***	***

Product 1=Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-366), not interstitial free, box annealed and temper rolled, 36" to 72" in width, 0.022" to less than 0.028" in thickness.

Note.—Pricing data were also received for product 1 sold to end users from \*\*\*; however, none of these were public.

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

Table H-3

Product 2: Weighted-average f.o.b. prices and quantities of domestic and imported product sold to service centers/converters and margins of underselling/(overselling), by sources and by quarters, January 1999-June 2002

Period	United States		Argentina			Japan			Russia		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>
<b>1999:</b>											
Jan.-Mar.	\$370.58	317,725	\$366.43	10,941	1.1	\$344.83	11,602	6.9	***	***	***
Apr.-June	373.36	338,971	342.19	12,790	8.3	***	***	***	***	***	***
July-Sept.	383.67	373,287	329.75	12,672	14.1	***	***	***	317.17	37,819	17.3
Oct.-Dec.	391.50	455,908	385.62	3,380	1.5	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***	***
<b>2000:</b>											
Jan.-Mar.	412.30	525,943	***	***	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***	***
Apr.-June	423.48	499,750	429.89	4,889	(1.5)	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***	***
July-Sept.	416.55	445,223	***	***	***	***	***	***	***	***	***
Oct.-Dec.	366.77	450,497	400.57	14,683	(9.2)	396.42	879	(8.1)	***	***	***
<b>2001:</b>											
Jan.-Mar.	348.67	419,841	***	***	***	365.00	699	(4.7)	***	***	***
Apr.-June	337.24	336,871	342.80	15,254	(1.6)	***	***	***	285.12	13,250	15.5
July-Sept.	320.89	286,013	301.27	15,460	6.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	285.33	11,820	11.1
Oct.-Dec.	301.47	309,527	***	***	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	273.95	20,746	9.1
<b>2002:</b>											
Jan.-Mar.	305.98	345,171	290.95	12,627	4.9	***	***	***	***	***	***
Apr.-June	346.86	326,032	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )

Product 2=Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-366), not interstitial free, box annealed and temper rolled, 36" to 72" in width, 0.028" to 0.090" in thickness.

Table continued. See footnote at end of table.

Table H-3--Continued

Product 2: Weighted-average f.o.b. prices and quantities of domestic and imported product sold to service centers/converters and margins of underselling/(overselling), by sources and by quarters, January 1999-June 2002

Period	United States		Turkey			Venezuela		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin
	<i>Per short ton</i>	<i>Short tons</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>	<i>Per short ton</i>	<i>Short tons</i>	<i>Percent</i>
<b>1999:</b>								
Jan.-Mar.	\$370.58	317,725	***	***	***	***	***	***
Apr.-June	373.36	338,971	***	***	***	***	***	***
July-Sept.	383.67	373,287	***	***	***	***	***	***
Oct.-Dec.	391.50	455,908	***	***	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>2000:</b>								
Jan.-Mar.	412.30	525,943	***	***	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Apr.-June	423.48	499,750	***	***	***	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
July-Sept.	416.55	445,223	398.71	9,610	4.3	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Oct.-Dec.	366.77	450,497	***	***	***	400.52	6,099	(9.2)
<b>2001:</b>								
Jan.-Mar.	348.67	419,841	***	***	***	***	***	***
Apr.-June	337.24	336,871	***	***	***	***	***	***
July-Sept.	320.89	286,013	***	***	***	***	***	***
Oct.-Dec.	301.47	309,527	***	***	***	***	***	***
<b>2002:</b>								
Jan.-Mar.	305.98	345,171	***	***	***	***	***	***
Apr.-June	346.86	326,032	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> No data reported.

Product 2=Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-366), not interstitial free, box annealed and temper rolled, 36" to 72" in width, 0.028" to 0.090" in thickness.

Note.—Pricing data were also available for product 2 sold to service center/converters for Belgium, Brazil, China, France, India, Korea, the Netherlands, New Zealand, South Africa, Sweden, Taiwan, and Thailand; however, none of these were public.

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

Table H-4

Product 2: Weighted-average f.o.b. prices and quantities of domestic and imported product sold to end users and margins of underselling/(overselling), by sources and by quarters, January 1999-June 2002

Period	United States		Argentina			Brazil			Japan		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per short ton	Short tons	Per short ton	Short tons	Percent	Per short ton	Short tons	Percent	Per short ton	Short tons	Percent
<b>1999:</b>											
Jan.-Mar.	\$410.15	131,574	***	***	***	***	***	***	***	***	***
Apr.-June	409.70	140,031	***	***	***	***	***	***	***	***	***
July-Sept.	402.51	163,327	(')	(')	(')	***	***	***	***	***	***
Oct.-Dec.	413.70	167,623	***	***	***	***	***	***	(')	(')	(')
<b>2000:</b>											
Jan.-Mar.	433.90	205,983	***	***	***	(')	(')	(')	(')	(')	(')
Apr.-June	438.43	216,184	(')	(')	(')	***	***	***	(')	(')	(')
July-Sept.	438.96	191,382	(')	(')	(')	(')	(')	(')	435.47	4,425	0.8
Oct.-Dec.	401.84	223,432	***	***	***	(')	(')	(')	444.87	2,717	(10.7)
<b>2001:</b>											
Jan.-Mar.	381.83	187,115	(')	(')	(')	(')	(')	(')	***	***	***
Apr.-June	364.34	183,010	***	***	***	(')	(')	(')	441.30	2,794	(21.1)
July-Sept.	357.53	132,054	***	***	***	***	***	***	***	***	***
Oct.-Dec.	337.02	138,796	***	***	***	***	***	***	***	***	***
<b>2002:</b>											
Jan.-Mar.	348.47	128,065	***	***	***	***	***	***	***	***	***
Apr.-June	370.22	100,172	(')	(')	(')	(')	(')	(')	(')	(')	(')

<sup>1</sup> No data reported.

Product 2=Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-366), not interstitial free, box annealed and temper rolled, 36" to 72" in width, 0.028" to 0.090" in thickness.

Note: Pricing data for product 2 sold to end users were also available for China, Germany, Korea, the Netherlands, New Zealand, Russia, Taiwan, and Venezuela; however, none of these were public. Pricing data were also available for product 2 sold to end users from South Africa \*\*\* and for product 2 sold to end users from Thailand \*\*\*.

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

**Table H-5**  
**Product 3: Weighted-average f.o.b. prices and quantities of domestic and imported product sold to service centers/converters and sold to end users and margins of underselling/(overselling), by sources and by quarters, January 1999-June 2002**

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\* \* \* \* \*

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**APPENDIX I**

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**EFFECTS OF SUBJECT IMPORTS ON U.S. PRODUCERS'  
EXISTING DEVELOPMENT AND PRODUCTION EFFORTS,  
GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL**



The Commission requested U.S. producers to describe any actual or potential negative effects on their return on investment, growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of cold-rolled steel from the subject countries. Their responses follow.

**Actual Negative Effects**

\* \* \* \* \*

**Anticipated Negative Effects**

\* \* \* \* \*



**APPENDIX J**

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**SUPPLEMENTAL SUMMARY DATA**



**Table J-1**  
**Cold-rolled steel: Summary data concerning the U.S. market, April-June 2001, April-June 2002, January-June 2001, and January-June 2002**

Item	Reported data				Period changes	
	April-June		January-June		April-June	January-June
	2001	2002	2001	2002	2001-2002	2001-2002
U.S. consumption quantity:						
Amount	8,061,403	8,830,888	16,045,496	17,195,354	9.5	7.2
Producers' share <sup>1</sup>	91.6	97.2	92.2	95.7	5.7	3.5
Importers' share: <sup>1</sup>						
Argentina	0.4	0.0	0.4	0.0	-0.4	-0.4
Australia	(?)	(?)	0.1	(?)	-0.1	-0.1
Belgium	0.5	0.1	0.3	0.1	-0.4	-0.3
Brazil	0.7	(?)	0.7	0.1	-0.7	-0.6
China	0.3	0.0	0.2	0.2	-0.3	0.0
France	0.4	0.1	0.4	0.2	-0.3	-0.2
Germany	0.1	(?)	0.1	0.1	-0.1	0.0
India	(?)	(?)	(?)	(?)	0.0	0.0
Japan	0.9	0.1	0.8	0.4	-0.7	-0.4
Korea	1.3	0.1	1.1	0.3	-1.2	-0.8
The Netherlands	0.1	0.1	0.1	0.1	0.0	0.1
New Zealand	0.1	0.0	0.1	(?)	-0.1	0.0
Russia	1.0	0.0	0.9	0.6	-1.0	-0.3
South Africa	0.4	0.0	0.2	0.1	-0.4	0.0
Spain	(?)	(?)	0.1	(?)	-0.1	-0.1
Sweden	0.1	(?)	0.1	(?)	-0.1	-0.1
Taiwan	0.1	(?)	0.1	0.1	-0.1	-0.1
Thailand	0.1	0.0	0.1	0.0	-0.1	-0.1
Turkey	0.4	0.0	0.3	(?)	-0.4	-0.3
Venezuela	0.1	0.0	0.2	0.1	-0.1	-0.1
Subtotal	7.0	0.6	6.3	2.6	-6.4	-3.8
All other sources	1.4	2.1	1.5	1.7	0.7	0.2
Total	8.4	2.8	7.8	4.3	-5.7	-3.5
U.S. consumption value:						
Amount	2,931,491	3,414,914	5,881,639	6,362,343	16.5	8.2
Producers' share <sup>1</sup>	91.9	96.8	92.2	95.5	4.8	3.4
Importers' share: <sup>1</sup>						
Argentina	0.3	0.0	0.3	0.0	-0.3	-0.3
Australia	(?)	(?)	0.1	(?)	-0.1	-0.1
Belgium	0.5	0.1	0.3	0.1	-0.4	-0.3
Brazil	0.6	(?)	0.7	0.1	-0.6	-0.6
China	0.2	0.0	0.2	0.1	-0.2	0.0
France	0.4	0.1	0.5	0.3	-0.3	-0.2
Germany	0.2	0.2	0.2	0.2	0.0	0.0
India	(?)	(?)	(?)	(?)	0.0	0.0
Japan	1.0	0.2	1.1	0.6	-0.8	-0.5
Korea	1.1	0.1	0.9	0.3	-1.0	-0.6
The Netherlands	0.1	0.1	0.1	0.1	0.0	0.1
New Zealand	0.1	0.0	0.1	(?)	-0.1	0.0
Russia	0.7	0.0	0.6	0.4	-0.7	-0.3
South Africa	0.3	0.0	0.2	0.1	-0.3	-0.1
Spain	(?)	(?)	0.1	(?)	-0.1	-0.1
Sweden	0.2	0.1	0.2	0.1	-0.1	-0.1
Taiwan	0.1	(?)	0.1	0.1	-0.1	-0.1
Thailand	0.1	0.0	0.1	0.0	-0.1	-0.1
Turkey	0.3	0.0	0.2	(?)	-0.3	-0.2
Venezuela	0.1	0.0	0.2	0.1	-0.1	-0.1
Subtotal	6.5	1.0	6.1	2.6	-5.5	-3.6
All other sources	1.6	2.2	1.7	1.9	0.7	0.2
Total	8.1	3.2	7.8	4.5	-4.8	-3.4

Table continued. See footnotes at end of table.

*Cold-Rolled Steel*

**Table J-1--Continued**

**Cold-rolled steel: Summary data concerning the U.S. market, April-June 2001, April-June 2002, January-June 2001, and January-June 2002**

Item	Reported data				Period changes	
	April-June		January-June		April-June	January-June
	2001	2002	2001	2002	2001-2002	2001-2002
(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)						
U.S. imports from: <sup>3</sup>						
Argentina:						
Quantity	30,456	0	66,327	0	-100.0	-100.0
Value	8,746	0	20,163	0	-100.0	-100.0
Unit value	\$287.15	( <sup>4</sup> )	\$304.00	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Australia:						
Quantity	9,772	2	22,685	6,507	-100.0	-71.3
Value	3,359	6	8,031	2,003	-99.8	-75.1
Unit value	\$343.72	\$2,855.35	\$354.02	\$307.83	730.7	-13.0
Belgium:						
Quantity	36,632	8,937	51,663	9,301	-75.6	-82.0
Value	13,428	3,289	19,817	3,574	-75.5	-82.0
Unit value	\$366.56	\$367.96	\$383.59	\$384.27	0.4	0.2
Brazil:						
Quantity	55,719	611	116,825	15,816	-98.9	-86.5
Value	17,739	495	39,083	4,912	-97.2	-87.4
Unit value	\$318.38	\$810.86	\$334.54	\$310.56	154.7	-7.2
China:						
Quantity	21,689	0	33,908	37,216	-100.0	9.8
Value	6,139	0	9,901	9,432	-100.0	-4.7
Unit value	\$283.07	( <sup>4</sup> )	\$291.99	\$253.43	( <sup>4</sup> )	-13.2
France:						
Quantity	28,636	5,796	60,657	30,716	-79.8	-49.4
Value	12,317	3,723	28,399	15,986	-69.8	-43.7
Unit value	\$430.10	\$642.28	\$468.19	\$520.44	49.3	11.2
Germany:						
Quantity	7,898	4,128	10,693	10,203	-47.7	-4.6
Value	5,666	5,511	9,318	11,083	-2.7	18.9
Unit value	\$717.47	\$1,335.00	\$871.42	\$1,086.22	86.1	24.7
India:						
Quantity	316	608	555	2,189	92.0	294.2
Value	244	284	453	893	16.5	97.2
Unit value	\$771.35	\$468.02	\$816.01	\$408.15	-39.3	-50.0
Japan:						
Quantity	68,930	11,776	132,564	75,714	-82.9	-42.9
Value	30,755	7,856	62,688	36,410	-74.5	-41.9
Unit value	\$446.18	\$667.13	\$472.89	\$480.88	49.5	1.7
Korea:						
Quantity	106,961	8,382	179,839	59,384	-92.2	-67.0
Value	32,238	3,021	55,458	20,198	-90.6	-63.6
Unit value	\$301.40	\$360.37	\$308.38	\$340.13	19.6	10.3
The Netherlands:						
Quantity	8,237	12,319	12,294	24,300	49.5	97.7
Value	2,758	4,803	4,140	8,444	74.1	104.0
Unit value	\$334.84	\$389.88	\$336.76	\$347.47	16.4	3.2
New Zealand:						
Quantity	6,197	0	11,567	5,438	-100.0	-53.0
Value	2,070	0	3,998	1,619	-100.0	-59.5
Unit value	\$334.01	( <sup>4</sup> )	\$345.67	\$297.76	( <sup>4</sup> )	-13.9

Table continued. See footnotes at end of table.



Table J-1--Continued

## Cold-rolled steel: Summary data concerning the U.S. market, April-June 2001, April-June 2002, January-June 2001, and January-June 2002

Item	Reported data				Period changes	
	April-June		January-June		April-June	January-June
	2001	2002	2001	2002	2001-2002	2001-2002
U.S. imports from-- <sup>3</sup>						
Russia:						
Quantity	79,231	0	139,922	105,410	-100.0	-24.7
Value	20,309	0	38,003	24,825	-100.0	-34.7
Unit value	\$256.32	( <sup>4</sup> )	\$271.60	\$235.51	( <sup>4</sup> )	-13.3
South Africa:						
Quantity	28,635	0	28,682	24,233	-100.0	-15.5
Value	9,006	0	9,032	6,547	-100.0	-27.5
Unit value	\$314.52	( <sup>4</sup> )	\$314.90	\$270.19	( <sup>4</sup> )	-14.2
Spain:						
Quantity	8,010	21	14,176	128	-99.7	-99.1
Value	2,836	25	5,358	142	-99.1	-97.3
Unit value	\$354.09	\$1,166.95	\$377.98	\$1,115.23	229.6	195.1
Sweden:						
Quantity	10,020	1,919	15,899	4,289	-80.9	-73.0
Value	5,796	4,734	10,785	8,167	-18.3	-24.3
Unit value	\$578.41	\$2,467.41	\$678.34	\$1,904.26	326.6	180.7
Taiwan:						
Quantity	9,109	17	18,904	9,495	-99.8	-49.8
Value	3,206	8	7,036	3,231	-99.8	-54.1
Unit value	\$351.97	\$458.19	\$372.21	\$340.27	30.2	-8.6
Thailand:						
Quantity	10,079	0	18,513	0	-100.0	-100.0
Value	2,898	0	5,636	0	-100.0	-100.0
Unit value	\$287.55	( <sup>4</sup> )	\$304.40	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Turkey:						
Quantity	29,763	0	47,330	1,778	-100.0	-96.2
Value	8,280	0	14,014	410	-100.0	-97.1
Unit value	\$278.20	( <sup>4</sup> )	\$296.09	\$230.75	( <sup>4</sup> )	-22.1
Venezuela:						
Quantity	9,492	0	30,581	18,443	-100.0	-39.7
Value	2,821	0	9,638	5,017	-100.0	-47.9
Unit value	\$297.24	( <sup>4</sup> )	\$315.18	\$272.03	( <sup>4</sup> )	-13.7
Subtotal:						
Quantity	565,782	54,516	1,013,583	440,560	-90.4	-56.5
Value	190,612	33,754	360,951	162,894	-82.3	-54.9
Unit value	\$336.90	\$619.16	\$356.11	\$369.74	83.8	3.8
All other sources:						
Quantity	112,365	188,394	239,385	292,027	67.7	22.0
Value	46,044	76,483	99,163	121,320	66.1	22.3
Unit value	\$409.77	\$405.97	\$414.24	\$415.44	-0.9	0.3
Total imports:						
Quantity	678,147	242,910	1,252,968	732,587	-64.2	-41.5
Value	236,656	110,237	460,114	284,214	-53.4	-38.2
Unit value	\$348.97	\$453.82	\$367.22	\$387.96	30.0	5.6

Table continued. See footnotes at end of table.

*Cold-Rolled Steel*

**Table J-1—Continued**

**Cold-rolled steel: Summary data concerning the U.S. market, April-June 2001, April-June 2002, January-June 2001, and January-June 2002**

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

Item	Reported data				Period changes	
	April-June		January-June		April-June	January-June
	2001	2002	2001	2002	2001-2002	2001-2002
U.S. producers—						
Capacity quantity	10,019,464	9,626,630	20,003,279	19,270,361	-3.9	-3.7
Production quantity	7,367,830	8,657,884	14,815,109	16,765,032	17.5	13.2
Capacity utilization <sup>1</sup>	73.5	89.9	74.1	87.0	16.4	12.9
U.S. shipments:						
Quantity	7,383,256	8,587,978	14,792,528	16,462,767	16.3	11.3
Value	2,694,835	3,304,677	5,421,525	6,078,129	22.6	12.1
Unit value	\$364.99	\$384.80	\$366.50	\$369.20	5.4	0.7
Export shipments:						
Quantity	103,476	117,682	219,013	241,315	13.7	10.2
Value	46,253	56,298	97,224	109,522	21.7	12.6
Unit value	\$447.00	\$478.39	\$443.92	\$453.85	7.0	2.2
Ending inventory quantity	1,371,113	1,368,899	1,371,082	1,368,997	-0.2	-0.2
Inventories/total shipments <sup>1</sup>	4.6	3.9	4.6	4.1	-0.6	-0.5
Production workers	24,218	24,428	24,718	24,398	0.9	-1.3
Hours worked (1,000 hrs.)	13,003	13,578	26,869	26,773	4.4	-0.4
Wages paid (\$1,000)	352,127	379,152	730,666	749,016	7.7	2.5
Hourly wages	\$27.08	\$27.92	\$27.19	\$27.98	3.1	2.9
Productivity (tons/1,000 hr.)	\$565.00	\$636.10	\$549.90	\$624.70	12.5	13.6
Unit labor costs	\$47.92	\$43.90	\$49.45	\$44.78	-8.4	-9.4
Net sales:						
Quantity	7,487,656	8,705,186	15,015,410	16,683,186	16.3	11.1
Value	2,727,907	3,362,096	5,508,017	6,177,453	23.2	12.2
Unit value	\$364.32	\$386.22	\$366.82	\$370.28	6.0	0.9
Cost of goods sold (COGS)	3,021,987	3,415,670	6,127,224	6,565,019	13.0	7.1
Gross profit or (loss)	(294,080)	(53,574)	(619,207)	(387,566)	81.8	37.4
SG&A expenses	153,221	150,910	306,922	300,428	-1.5	-2.1
Operating income	(447,301)	(204,484)	(926,129)	(687,994)	54.3	25.7
Capital expenditures	36,740	26,405	61,188	70,750	-28.1	15.6
Unit COGS	\$403.60	\$392.37	\$408.06	\$393.51	-2.8	-3.6
Unit SG&A expenses	\$20.46	\$17.34	\$20.44	\$18.01	-15.3	-11.9
Unit operating income	(\$59.74)	(\$23.49)	(\$61.68)	(\$41.24)	60.7	33.1
COGS/sales <sup>1</sup>	110.8	101.6	111.2	106.3	-9.2	-5.0
Operating income (loss)/sales <sup>1</sup>	(16.4)	(6.1)	(16.8)	(11.1)	10.3	5.7

<sup>1</sup> Period changes are in percentage points.

<sup>2</sup> Less than 0.05 percent.

<sup>3</sup> Imports based on unadjusted official statistics of Commerce.

<sup>4</sup> Not applicable.

Note.—Because of rounding, figures may not add to the totals shown.

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

Table J-2

Cold-rolled steel: Summary data concerning the U.S. open market, April-June 2001, April-June 2002, January-June 2001, and January-June 2002

Item	Reported data				Period changes	
	April-June		January-June		April-June	January-June
	2001	2002	2001	2002	2001-2002	2001-2002
(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)						
U.S. consumption quantity:						
Amount	3,296,851	3,237,770	6,533,911	6,500,901	-1.8	-0.5
Producers' share <sup>1</sup>	79.4	92.5	80.8	88.7	13.1	7.9
Importers' share: <sup>1</sup>						
Argentina	0.9	0.0	1.0	0.0	-0.9	-1.0
Australia	0.3	( <sup>2</sup> )	0.3	0.1	-0.3	-0.2
Belgium	1.1	0.3	0.8	0.1	-0.8	-0.6
Brazil	1.7	( <sup>2</sup> )	1.8	0.2	-1.7	-1.5
China	0.7	0.0	0.5	0.6	-0.7	0.1
France	0.9	0.2	0.9	0.5	-0.7	-0.5
Germany	0.2	0.1	0.2	0.2	-0.1	0.0
India	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0.0	0.0
Japan	2.1	0.4	2.0	1.2	-1.7	-0.9
Korea	3.2	0.3	2.8	0.9	-3.0	-1.8
The Netherlands	0.3	0.4	0.2	0.4	0.1	0.2
New Zealand	0.2	0.0	0.2	0.1	-0.2	-0.1
Russia	2.4	0.0	2.1	1.6	-2.4	-0.5
South Africa	0.9	0.0	0.4	0.4	-0.9	-0.1
Spain	0.2	( <sup>2</sup> )	0.2	( <sup>2</sup> )	-0.2	-0.2
Sweden	0.3	0.1	0.2	0.1	-0.2	-0.2
Taiwan	0.3	( <sup>2</sup> )	0.3	0.1	-0.3	-0.1
Thailand	0.3	0.0	0.3	0.0	-0.3	-0.3
Turkey	0.9	0.0	0.7	( <sup>2</sup> )	-0.9	-0.7
Venezuela	0.3	0.0	0.5	0.3	-0.3	-0.2
Subtotal	17.2	1.7	15.5	6.8	-15.5	-8.7
All other sources	3.4	5.8	3.7	4.5	2.4	0.8
Total	20.6	7.5	19.2	11.3	-13.1	-7.9
U.S. consumption value:						
Amount	1,272,955	1,332,539	2,540,809	2,542,669	4.7	0.1
Producers' share <sup>1</sup>	81.4	91.7	81.9	88.8	10.3	6.9
Importers' share: <sup>1</sup>						
Argentina	0.7	0.0	0.8	0.0	-0.7	-0.8
Australia	0.3	( <sup>2</sup> )	0.3	0.1	-0.3	-0.2
Belgium	1.1	0.2	0.8	0.1	-0.8	-0.6
Brazil	1.4	( <sup>2</sup> )	1.5	0.2	-1.4	-1.3
China	0.5	0.0	0.4	0.4	-0.5	0.0
France	1.0	0.3	1.1	0.6	-0.7	-0.5
Germany	0.4	0.4	0.4	0.4	0.0	0.1
India	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0.0	0.0
Japan	2.4	0.6	2.5	1.4	-1.8	-1.0
Korea	2.5	0.2	2.2	0.8	-2.3	-1.4
The Netherlands	0.2	0.4	0.2	0.3	0.1	0.2
New Zealand	0.2	0.0	0.2	0.1	-0.2	-0.1
Russia	1.6	0.0	1.5	1.0	-1.6	-0.5
South Africa	0.7	0.0	0.4	0.3	-0.7	-0.1
Spain	0.2	( <sup>2</sup> )	0.2	( <sup>2</sup> )	-0.2	-0.2
Sweden	0.5	0.4	0.4	0.3	-0.1	-0.1
Taiwan	0.3	( <sup>2</sup> )	0.3	0.1	-0.3	-0.2
Thailand	0.2	0.0	0.2	0.0	-0.2	-0.2
Turkey	0.7	0.0	0.6	( <sup>2</sup> )	-0.7	-0.5
Venezuela	0.2	0.0	0.4	0.2	-0.2	-0.2
Subtotal	15.0	2.5	14.2	6.4	-12.4	-7.8
All other sources	3.6	5.7	3.9	4.8	2.1	0.9
Total	18.6	8.3	18.1	11.2	-10.3	-6.9

Table continued. See footnotes at end of table.

Cold-Rolled Steel

**Table J-2--Continued**  
**Cold-rolled steel: Summary data concerning the U.S. open market, April-June 2001, April-June 2002, January-June 2001, and January-June 2002**

Item	Reported data				Period changes	
	April-June		January-June		April-June	January-June
	2001	2002	2001	2002	2001-2002	2001-2002
(Quantity=short tons; value=1,000 dollars; unit values, unit labor costs, and unit expenses are per short ton; and period changes=percent, except where noted)						
U.S. imports from-- <sup>3</sup>						
Argentina:						
Quantity	30,456	0	66,327	0	-100.0	-100.0
Value	8,746	0	20,163	0	-100.0	-100.0
Unit value	\$287.15	(*)	\$304.00	(*)	(*)	(*)
Australia:						
Quantity	9,772	2	22,685	6,507	-100.0	-71.3
Value	3,359	6	8,031	2,003	-99.8	-75.1
Unit value	\$343.72	\$2,855.35	\$354.02	\$307.83	730.7	-13.0
Belgium:						
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Unit value	\$366.56	\$367.96	\$383.59	\$384.27	0.4	0.2
Brazil:						
Quantity	55,719	611	116,825	15,816	-98.9	-86.5
Value	17,739	495	39,083	4,912	-97.2	-87.4
Unit value	\$318.38	\$810.86	\$334.54	\$310.56	154.7	-7.2
China:						
Quantity	21689	0	33,908	37,216	-100.0	9.8
Value	6139	0	9,901	9,432	-100.0	-4.7
Unit value	\$283.07	(*)	\$291.99	\$253.43	(*)	-13.2
France:						
Quantity	28,636	5,796	60,657	30,716	-79.8	-49.4
Value	12,317	3,723	28,399	15,986	-69.8	-43.7
Unit value	\$430.10	\$642.28	\$468.19	\$520.44	49.3	11.2
Germany:						
Quantity	7,898	4,128	10,693	10,203	-47.7	-4.6
Value	5,666	5,511	9,318	11,083	-2.7	18.9
Unit value	\$717.47	\$1,335.00	\$871.42	\$1,086.22	86.1	24.7
India:						
Quantity	316	608	555	2,189	92.0	294.2
Value	244	284	453	893	16.5	97.2
Unit value	\$771.35	\$468.02	\$816.01	\$408.15	-39.3	-50.0
Japan:						
Quantity	68,930	11,776	132,564	75,714	-82.9	-42.9
Value	30,755	7,856	62,688	36,410	-74.5	-41.9
Unit value	446	667	\$472.89	481	49.5	1.7
Korea:						
Quantity	106,961	8,382	179,839	59,384	-92.2	-67.0
Value	32,238	3,021	55,458	20,198	-90.6	-63.6
Unit value	\$301.40	\$360.37	\$308.38	\$340.13	19.6	10.3
The Netherlands:						
Quantity	8,237	12,319	12,294	24,300	49.5	97.7
Value	2,758	4,803	4,140	8,444	74.1	104.0
Unit value	\$334.84	\$389.88	\$336.76	\$347.47	16.4	3.2
New Zealand:						
Quantity	6,197	0	11,567	5,438	-100.0	-53.0
Value	2,070	0	3,998	1,619	-100.0	-59.5
Unit value	\$334.01	(*)	\$345.67	\$297.76	(*)	-13.9

Table continued. See footnotes at end of table.

Table J-2--Continued

## Cold-rolled steel: Summary data concerning the U.S. open market, April-June 2001, April-June 2002, January-June 2001, and January-June 2002

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

Item	Reported data				Period changes	
	April-June		January-June		April-June	January-June
	2001	2002	2001	2002	2001-2002	2001-2002
U.S. imports from-- <sup>3</sup>						
Russia:						
Quantity	79,231	0	139,922	105,410	-100.0	-24.7
Value	20,309	0	38,003	24,825	-100.0	-34.7
Unit value	\$256.32	( <sup>4</sup> )	\$271.60	\$235.51	( <sup>4</sup> )	-13.3
South Africa:						
Quantity	28,635	0	28,682	24,233	-100.0	-15.5
Value	9,006	0	9,032	6,547	-100.0	-27.5
Unit value	\$314.52	( <sup>4</sup> )	\$314.90	\$270.19	( <sup>4</sup> )	-14.2
Spain:						
Quantity	8,010	21	14,176	128	-99.7	-99.1
Value	2,836	25	5,358	142	-99.1	-97.3
Unit value	\$354.09	\$1,166.95	\$377.98	\$1,115.23	229.6	195.1
Sweden:						
Quantity	10,020	1,919	15,899	4,289	-80.9	-73.0
Value	5,796	4,734	10,785	8,167	-18.3	-24.3
Unit value	\$578.41	\$2,467.41	\$678.34	\$1,904.26	326.6	180.7
Taiwan:						
Quantity	9,109	17	18,904	9,495	-99.8	-49.8
Value	3,206	8	7,036	3,231	-99.8	-54.1
Unit value	\$351.97	\$458.19	\$372.21	\$340.27	30.2	-8.6
Thailand:						
Quantity	10,079	0	18,513	0	-100.0	-100.0
Value	2,898	0	5,636	0	-100.0	-100.0
Unit value	\$287.55	( <sup>4</sup> )	\$304.40	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
Turkey:						
Quantity	29,763	0	47,330	1,778	-100.0	-96.2
Value	8,280	0	14,014	410	-100.0	-97.1
Unit value	\$278.20	( <sup>4</sup> )	\$296.09	\$230.75	( <sup>4</sup> )	-22.1
Venezuela:						
Quantity	9,492	0	30,581	18,443	-100.0	-39.7
Value	2,821	0	9,638	5,017	-100.0	-47.9
Unit value	\$297.24	( <sup>4</sup> )	\$315.18	\$272.03	( <sup>4</sup> )	-13.7
Subtotal:						
Quantity	565,782	54,516	1,013,583	440,560	-90.4	-56.5
Value	190,612	33,754	360,951	162,894	-82.3	-54.9
Unit value	\$336.90	\$619.16	\$356.11	\$369.74	83.8	3.8
All other sources:						
Quantity	112,365	188,394	239,385	292,027	67.7	22.0
Value	46,044	76,483	99,163	121,320	66.1	22.3
Unit value	\$409.77	\$405.97	\$414.24	\$415.44	-0.9	0.3
Total imports:						
Quantity	678,147	242,910	1,252,968	732,587	-64.2	-41.5
Value	236,656	110,237	460,114	284,214	-53.4	-38.2
Unit value	\$348.97	\$453.82	\$367.22	\$387.96	30.0	5.6

Table continued. See footnotes at end of table.

Table J-2--Continued

Cold-rolled steel: Summary data concerning the U.S. open market, April-June 2001, April-June 2002, January-June 2001, and January-June 2002

Item	Reported data				Period changes	
	April-June		January-June		April-June	January-June
	2001	2002	2001	2002	2001-2002	2001-2002
U.S. producers--						
U.S. open-market shipments:						
Quantity	2,618,704	2,994,860	5,280,943	5,768,314	14.4	9.2
Value	1,036,299	1,222,302	2,080,695	2,258,455	17.9	8.5
Unit value	\$395.73	\$408.13	\$394.00	\$391.53	3.1	-0.6
Net sales:						
Quantity	2,723,256	3,061,322	5,512,100	6,007,613	12.4	9.0
Value	1,079,975	1,247,645	2,204,254	2,363,453	15.5	7.2
Unit value	\$396.57	\$407.55	\$399.89	\$393.41	2.8	-1.6
Cost of goods sold (COGS)	1,179,116	1,251,418	2,403,561	2,449,053	6.1	1.9
Gross profit or (loss)	(99,141)	(3,773)	(199,307)	(85,600)	96.2	57.1
SG&A expenses	47,495	48,469	96,290	96,009	2.1	-0.3
Operating income	(146,636)	(52,242)	(295,597)	(181,609)	64.4	38.6
Unit COGS	\$432.98	\$408.78	\$436.05	\$407.66	-5.6	-6.5
Unit SG&A expenses	\$17.44	\$15.83	\$17.47	\$15.98	-9.2	-8.5
Unit operating income	(\$53.85)	(\$17.07)	(\$53.63)	(\$30.23)	68.3	43.6
COGS/sales <sup>1</sup>	109.2	100.3	109.0	103.6	-8.9	-5.4
Operating income (loss)/sales <sup>1</sup>	(13.6)	(4.2)	(13.4)	(7.7)	9.4	5.7

<sup>1</sup> Period changes are in percentage points.  
<sup>2</sup> Less than 0.05 percent.  
<sup>3</sup> Imports based on unadjusted official statistics of Commerce.  
<sup>4</sup> Not applicable.

Note.--Because of rounding, figures may not add to the totals shown.  
Source: Compiled from data submitted in response to Commission questionnaires and official statistics of Commerce.

**APPENDIX K**

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**SUPPLEMENTAL FINANCIAL DATA**





**Table K-1**  
**Results of operations of U.S. producers in the production of cold-rolled steel (commercial sales only),**  
**April-June 2001, January-June 2001, April-June 2002, and January-June 2002<sup>1</sup>**

Item	2001		2002	
	April-June	January-June	April-June	January-June
	<b>Quantity (short tons)</b>			
Net sales	2,723,256	5,512,100	3,061,322	6,007,613
	<b>Value (\$1,000)</b>			
Net sales	1,079,975	2,204,254	1,247,645	2,363,453
COGS	1,179,116	2,403,561	1,251,418	2,449,053
Gross profit	(99,141)	(199,307)	(3,773)	(85,600)
SG&A expenses	47,495	96,290	48,469	96,009
Operating income (loss)	(146,636)	(295,597)	(52,242)	(181,609)
	<b>Value (per short ton)</b>			
Net sales	\$397	\$400	\$408	\$393
COGS	433	436	409	408
Gross profit	(36)	(36)	(1)	(14)
SG&A expenses	17	17	16	16
Operating income (loss)	(54)	(54)	(17)	(30)
	<b>Ratio to net sales (percent)</b>			
COGS	109.2	109.0	100.3	103.6
Gross profit	(9.2)	(9.0)	(0.3)	(3.6)
SG&A expenses	4.4	4.4	3.9	4.1
Operating income (loss)	(13.6)	(13.4)	(4.2)	(7.7)
	<b>Number of firms reporting</b>			
Operating losses	14	14	13	13
Data	18	18	18	18
<sup>1</sup> Three U.S. producers, ***, did not provide supplemental second-quarter and half-year data. Source: Compiled from data submitted in response to Commission questionnaires.				

**Table K-2**  
**Results of operations of U.S. producers in the production of cold-rolled steel, April-June 2001, January-June 2001, April-June 2002, and January-June 2002<sup>1</sup>**

Item	2001		2002	
	April-June	January-June	April-June	January-June
	<b>Quantity (short tons)</b>			
Commercial sales	2,723,256	5,512,100	3,061,322	6,007,613
Internal consumption	3,897,426	7,811,183	4,743,484	8,899,843
Related company transfers	866,974	1,691,127	899,380	1,774,730
Total sales	7,487,656	15,015,410	8,705,186	16,683,186
	<b>Value (\$1,000)</b>			
Commercial sales	1,079,975	2,204,254	1,247,645	2,363,453
Internal consumption	1,348,354	2,745,119	1,771,773	3,184,990
Related company transfers	305,459	565,133	340,296	634,386
Total sales	2,727,907	5,508,017	3,362,096	6,177,453
COGS	3,021,987	6,127,224	3,415,670	6,565,019
Gross profit	(294,080)	(619,207)	(53,574)	(387,566)
SG&A expenses	153,221	306,922	150,910	300,428
Operating income (loss)	(447,301)	(926,129)	(204,484)	(687,994)
	<b>Value (per short ton)</b>			
Net sales	\$364	\$367	\$386	\$370
COGS	404	408	392	394
Gross profit	(39)	(41)	(6)	(23)
SG&A expenses	20	20	17	18
Operating income (loss)	(60)	(62)	(23)	(41)
	<b>Ratio to net sales (percent)</b>			
COGS	110.8	111.2	101.6	106.3
Gross profit	(10.8)	(11.2)	(1.6)	(6.3)
SG&A expenses	5.6	5.6	4.5	4.9
Operating income (loss)	(16.4)	(16.8)	(6.1)	(11.1)
	<b>Number of firms reporting</b>			
Operating losses	13	14	11	13
Data	18	18	18	18
<sup>1</sup> Three U.S. producers, ***, did not provide supplemental second-quarter and half-year data.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Table K-3

Results of operations of U.S. producers in the production of cold-rolled steel (internal consumption and transfers only), April-June 2001, January-June 2001, April-June 2002, and January-June 2002<sup>1</sup>

Item	2001		2002	
	April-June	January-June	April-June	January-June
	<b>Quantity (short tons)</b>			
Internal consumption	3,897,426	7,811,183	4,743,484	8,899,843
Related company transfers	866,974	1,691,127	899,380	1,774,730
Total	4,764,400	9,503,310	5,643,864	10,675,573
	<b>Value (\$1,000)</b>			
Internal consumption	1,348,354	2,745,119	1,771,773	3,184,990
Related company transfers	305,459	565,133	340,296	634,386
Total	1,647,932	3,303,763	2,114,451	3,814,000
COGS	1,842,871	3,723,663	2,164,252	4,115,966
Gross profit	(194,939)	(419,900)	(49,801)	(301,966)
SG&A expenses	105,726	210,632	102,441	204,419
Operating income (loss)	(300,665)	(630,532)	(152,242)	(506,385)
	<b>Value (per short ton)</b>			
Net sales	\$346	\$348	\$375	\$357
COGS	387	392	383	386
Gross profit	(41)	(44)	(9)	(28)
SG&A expenses	22	22	18	19
Operating income (loss)	(63)	(66)	(27)	(47)
	<b>Ratio to net sales (percent)</b>			
COGS	111.8	112.7	102.4	107.9
Gross profit	(11.8)	(12.7)	(2.4)	(7.9)
SG&A expenses	6.4	6.4	4.8	5.4
Operating income (loss)	(18.2)	(19.1)	(7.2)	(13.3)
<sup>1</sup> Three U.S. producers, ***, did not provide supplemental second-quarter and half-year data.				
Source: Compiled from data submitted in response to Commission questionnaires.				



**APPENDIX L**

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**SUPPLEMENTAL FOREIGN PRODUCER DATA**



**Table L-1**  
**Cold-rolled steel: Summary of foreign producers' capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

Item	Actual experience					Projections	
	Calendar year			January-June		Calendar year	
	1999	2000	2001	2001	2002	2002	2003
	<b>Quantity (short tons)</b>						
Capacity	99,118,900	103,135,387	102,156,481	50,814,972	52,061,309	103,082,708	103,464,444
Production	83,838,377	93,664,405	89,328,907	45,069,721	44,212,986	91,892,333	93,280,935
Ending inventory	3,221,439	3,891,953	3,596,561	3,640,254	3,138,666	3,640,575	3,704,633
Shipments:							
Internal consumption/ company transfers	41,696,319	47,102,747	46,574,730	23,285,769	23,490,542	48,761,714	49,199,003
Home market	25,520,878	27,308,610	26,037,182	13,448,383	13,155,661	27,201,578	27,391,265
Exports to:							
United States	2,210,062	1,813,660	2,352,077	1,002,825	268,208	680,108	899,760
All other sources	14,354,835	16,734,964	14,648,049	7,561,012	7,749,604	15,213,570	15,734,473
Total exports	16,564,897	18,548,623	17,000,126	8,563,837	8,017,812	15,893,678	16,634,233
Total shipments	83,782,094	92,959,979	89,612,038	45,297,989	44,664,015	91,856,970	93,224,501
	<b>Ratios and shares (percent)</b>						
Capacity utilization	84.6	90.8	87.4	88.7	84.9	89.1	90.2
Inventories/production	3.8	4.2	4.0	4.0	3.5	4.0	4.0
Inventories/shipments	3.8	4.2	4.0	4.0	3.5	4.0	4.0
Share of total shipments:							
Internal consumption/ company transfers	49.8	50.7	52.0	51.4	52.6	53.1	52.8
Home market	30.5	29.4	29.1	29.7	29.5	29.6	29.4
Exports to:							
United States	2.6	2.0	2.6	2.2	0.6	0.7	1.0
All other sources	17.1	18.0	16.3	16.7	17.4	16.6	16.9
Total exports	19.8	20.0	19.0	18.9	18.0	17.3	17.8
Source: Compiled from data submitted in response to Commission questionnaires.							

**Table L-2**

**Cold-rolled steel: Argentina's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-3**

**Cold-rolled steel: Australia's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-4**

**Cold-rolled steel: Belgium's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-5**

**Cold-rolled steel: Brazil's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-6**

**Cold-rolled steel: China's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-7****Cold-rolled steel: France's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-8****Cold-rolled steel: Germany's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-9****Cold-rolled steel: India's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-10****Cold-rolled steel: Japan's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-11****Cold-rolled steel: Korea's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-12**

**Cold-rolled steel: The Netherlands' capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-13**

**Cold-rolled steel: New Zealand's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-14**

**Cold-rolled steel: Russia's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-15**

**Cold-rolled steel: South Africa's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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**Table L-16**

**Cold-rolled steel: Spain's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003**

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Table L-17

Cold-rolled steel: Sweden's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003

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Table L-18

Cold-rolled steel: Taiwan's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003

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Table L-19

Cold-rolled steel: Thailand's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003

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Table L-20

Cold-rolled steel: Turkey's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003

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Table L-21

Cold-rolled steel: Venezuela's capacity, production, capacity utilization, inventories, and shipments, 1999-2001, January-June 2001, January-June 2002, and projections for 2002 and 2003

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