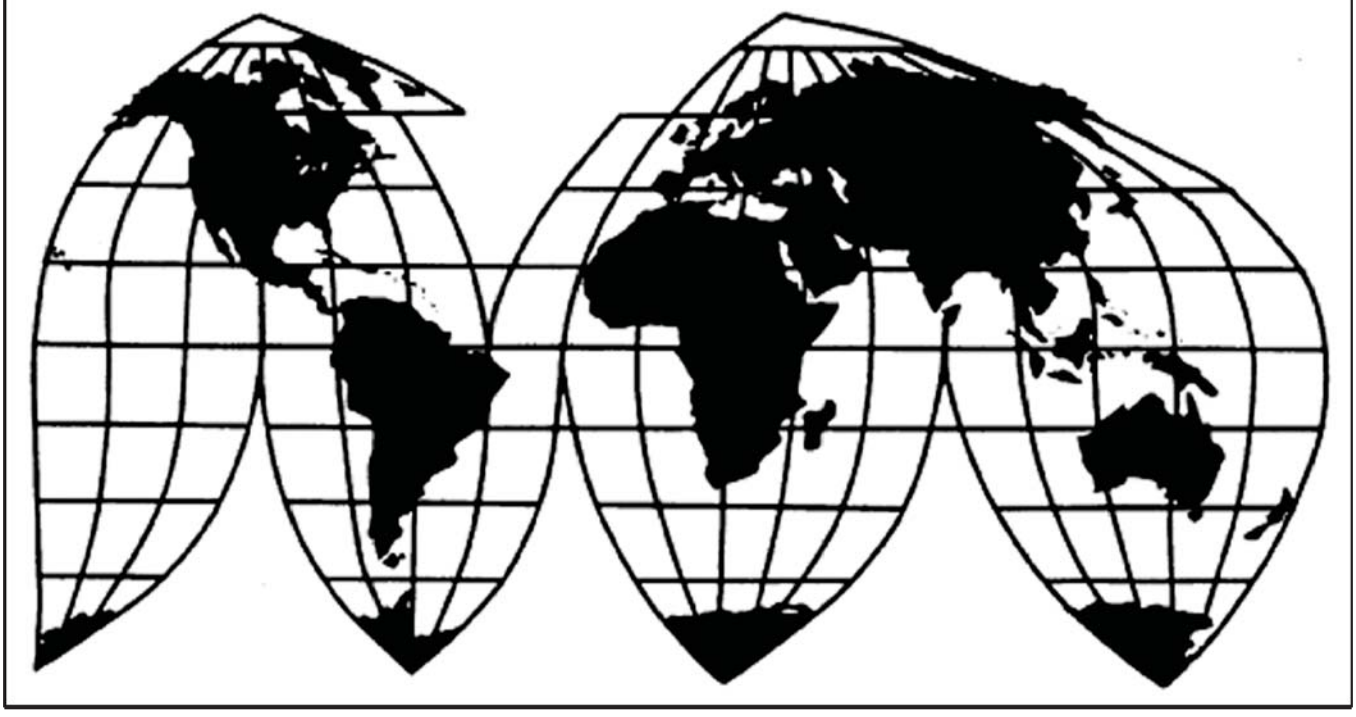
Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine

Investigation Nos. 731-TA-753, 754, and 756 (Third Review)

Publication 4581 **December 2015**

U.S. International Trade Commission



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Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-753, 754, and 756 (Third Review)

Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930, that revocation of the antidumping duty order on cut-to-length carbon steel plate from China and termination of the suspended antidumping duty investigations on cut-to-length carbon steel plate from Russia and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

BACKGROUND

The Commission, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), instituted these reviews on October 1, 2014 (79 F.R. 59294) and determined on January 5, 2015 that it would conduct full reviews (80 F.R. 2443, January 16, 2015). Notice of the scheduling of the Commission's reviews 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* on March 23, 2015 (80 F.R. 15251). The hearing was held in Washington, DC, on September 29, 2015, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Chairman Broadbent and Commissioner Kieff dissenting with respect to the suspended investigation on cut-to-length carbon steel plate from Ukraine.

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping duty order on cut-to-length carbon steel plate ("CTL plate") from China and termination of the suspended investigations on CTL plate from Russia and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

I. Background

Original Investigations: In December 1997, the Commission determined that an industry in the United States was threatened with material injury by reason of imports of CTL plate from China, Russia, South Africa, and Ukraine that the Department of Commerce ("Commerce") had determined were being sold at less than fair value (LTFV).[2] Commerce entered into suspension agreements concerning each of the investigations on October 24, 1997, and then continued the investigations.[3] As a result of the Commission's affirmative determinations, the suspension agreements remained in effect.

First Reviews: After conducting its first full five-year reviews, the Commission determined on August 29, 2003 that termination of the suspended investigations on CTL plate from China, Russia, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, and that termination of the suspended investigation on CTL plate from South Africa would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[4] On September 17, 2003, Commerce published notices

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[1] Chairman Broadbent and Commissioner Kieff determine that revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigation on CTL plate from Russia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, and that termination of the suspended investigation on CTL plate from Ukraine would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. They join Sections I-III.C, IV.A-IV.B, IV.C.1, IV.D.1, and IV.E.1 of this opinion, except as otherwise noted. *See* Separate and Dissenting Views of Chairman Meredith M. Broadbent and Commissioner F. Scott Kieff.

[2] *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine*, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 (Dec. 1997) ("*Original Determinations*").

[3] *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 Fed. Reg. 61751 (Nov. 19, 1997); *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From Ukraine*, 62 Fed. Reg. 61766 (Nov. 19, 1997); *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China*, 62 Fed. Reg. 61773 (Nov. 19, 1997); *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From the Russian Federation*, 62 Fed. Reg. 61780 (Nov. 19, 1997).

[4] *Cut-to-Length Carbon Steel Plate From China, Russia, South Africa, and Ukraine*, Inv. Nos. 731-TA-753-756 (Review), USITC Pub. 3626 (Sept. 2003) *("First Reviews").* Commerce subsequently issued a (Continued…)

of the continuation of the suspended investigations on CTL plate from China, Russia, and Ukraine.[5]

The Suspension Agreements

China. On October 24, 1997, Commerce signed a non-market economy (NME) suspension agreement with the government of the People's Republic of China suspending the antidumping duty investigation of CTL plate from China. The agreement provided for five years of quotas, and was extended through October 31, 2003. On August 29, 2003, the government of China announced its intention to withdraw from the suspension agreement. Commerce subsequently terminated the agreement and issued an antidumping duty order on CTL plate from China effective November 3, 2003.[6]

Russia. On October 24, 1997, Commerce signed a NME suspension agreement with the government of the Russian Federation suspending the antidumping duty investigation of CTL plate from Russia.[7] The agreement provided for quotas and was replaced by a market economy agreement on December 20, 2002. Effective January 23, 2003, the agreement was revised to eliminate the quotas, and each CTL plate producer/exporter individually agreed to make any necessary price revisions to eliminate completely any amount by which the normal value of the merchandise exceeded the U.S. price of its merchandise subject to the agreement.[8] On May 5, 2015, three U.S. CTL plate producers filed a request with Commerce to terminate the 2003 agreement suspending the antidumping duty investigation on CTL plate from Russia, asserting that the agreement is no longer in the public interest and that Russian signatory producer Joint Stock Company Severstal ("Severstal") may have violated the agreement. On September 24, 2015, Commerce published a notice requesting comments on whether the suspension of the investigation is no longer in the public interest.[9] Until further Commerce action, which had not occurred at the time the record closed in these reviews, this suspension agreement remains in effect.

(…Continued)
notice of termination of the suspension agreement with respect to South Africa, effective October 24, 2002. *Termination of Suspended Antidumping Duty Investigation: Cut-to-Length Carbon Steel Plate From South Africa*, 68 Fed. Reg. 54417 (Sept. 17, 2003).

[5] C*ontinuation of Suspended Antidumping Duty Investigations: Cut-to-Length Carbon Steel Plate From the People's Republic of China, the Russian Federation, and Ukraine*, 68 Fed. Reg. 54417 (Sept. 17, 2003).

[6] Confidential Report ("CR") at I-5 to I-6; Public Report ("PR") at I-2 to I-3; s*ee Cut-To-Length Carbon Steel Plate from China, Russia, and Ukraine*, Inv. Nos. 731-TA-753, 754, and 756 (Second Review), USITC Pub. 4103 (Oct. 2009) ("*Second Reviews*"), at I-3; *Suspension Agreement on Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China: Termination of Suspension Agreement and Notice of Antidumping Duty Order*, 68 Fed. Reg. 60081 (Oct. 21, 2003).

[7] *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From the Russian Federation*, 62 Fed. Reg. 61780 (Nov. 19, 1997).

[8] *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from the Russian Federation*, 68 Fed. Reg. 3859 (Jan. 27, 2003).

[9] CR at I-8; PR at I-6; *Certain Cut-to-Length Carbon Steel Plate From the Russian Federation: Request for Comments*, 80 Fed. Reg. 57578 (Sept. 24, 2015).

Ukraine. On October 24, 1997, Commerce signed a NME suspension agreement with the government of Ukraine suspending the antidumping duty investigation of CTL plate from Ukraine.[10] The agreement set a quota, or export limit, for shipments of CTL plate and set a minimum reference price at which Ukrainian mills were required to sell their CTL plate products. Effective February 1, 2006, Commerce revoked Ukraine's status as a NME country.[11] Effective November 1, 2008, Commerce converted the NME suspension agreement to a market economy agreement based on a request by certain Ukrainian producers of CTL plate.[12] Under the current agreement, signatory producers/exporters in Ukraine agree to make any necessary price revisions to eliminate completely any amount by which the normal value of their merchandise exceeds the U.S. price of the merchandise subject to the agreement.[13]

Second Reviews: After conducting second full five-year reviews, the Commission unanimously determined that revocation of the antidumping duty order on CTL plate from China, and termination of the suspended investigations on CTL plate from Russia and Ukraine, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[14] On November 10, 2009, Commerce published a notice of the continuation of the antidumping duty order on CTL plate from China and of the suspended investigations on CTL plate from Russia and Ukraine.[15]

The Current Reviews: On October 1, 2014, the Commission instituted the present third five-year reviews pursuant to section 751(c) of the Tariff Act to determine whether revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigations on CTL plate from Russia and Ukraine would lead to continuation or recurrence of material injury.[16]

The Commission received a joint response to the notice of institution filed on behalf of ArcelorMittal USA, LLC ("ArcelorMittal"); Nucor Corporation ("Nucor"); and SSAB Enterprises, LLC ("SSAB") (collectively, "Domestic Producers"), domestic producers of CTL plate, and a

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[10] *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From Ukraine*, 62 Fed Reg. 61766 (Nov. 19, 1997).

[11] *Final Results of Inquiry Into Ukraine's Status as a Non-Market Economy*, 71 Fed. Reg. 9520 (Feb. 24, 2006).

[12] *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From Ukraine*, 73 Fed. Reg. 57602 (Oct. 3, 2008). U.S. CTL plate producers have not asked Commerce to terminate its suspension agreement with respect to Ukraine. Transcript of September 29, 2015 Hearing ("Hearing Tr.") at 64 (Schagrin).

[13] CR at I-5 to I-6; PR at I-5.

[14] *Cut-To-Length Carbon Steel Plate from China, Russia, and Ukraine,* Inv. Nos. 731-TA-753, 754 and 756 (Second Review), USITC Pub. 4103 (Oct. 2009).

[15] *Continuation of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China and Continuation of Suspended Antidumping Duty Investigations on Certain Cut-to-Length Carbon Steel Plate from the Russian Federation and Ukraine*, 74 Fed. Reg. 57994 (Nov. 10, 2009).

[16] *Cut-To-Length Carbon Steel Plate From China, Russia, and Ukraine: Institution of Five-Year Reviews*, 79 Fed. Reg. 59294 (Oct. 1, 2014).

second joint response filed on behalf of domestic producers Evraz Oregon Steel and Evraz Claymont Steel. Three additional responses to the notice of institution were filed by respondent interested parties. The Commission received separate responses from Russian producers Magnitogorsk Iron and Steel Works ("MMK") and Severstal. It also received a joint response from Ukrainian producers PJSC Azovstal Iron & Steel Works ("Azovstal") and PJSC Ilyich Iron & Steel Works ("Ilyich"). No Chinese interested parties responded to the notice of institution.[17]

On January 5, 2015, the Commission determined to conduct full reviews, pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution was adequate and the respondent interested party group responses with respect to the reviews of CTL plate from Russia and Ukraine were adequate, but found that the respondent interested party group response with respect to the review of CTL plate from China was inadequate. The Commission decided to conduct a full review concerning imports of CTL plate from China to promote administrative efficiency in light of its decision to conduct full reviews with respect to imports of CTL plate from Russia and Ukraine.[18]

The Commission received prehearing and posthearing submissions from ArcelorMittal, Nucor, and SSAB. The Commission also received prehearing and posthearing submissions jointly submitted by Metinvest Holding, Azovstal, and Ilyich ("collectively "Metinvest"), Ukrainian producers of subject merchandise, as well as prehearing and posthearing submissions from the Ministry of Development of the Russian Federation ("Russian Ministry"), and a submission from the Ministry of Economic Development and Trade of Ukraine. Representatives of ArcelorMittal, Nucor, and SSAB, as well as Metinvest, appeared at the Commission's hearing and were accompanied by counsel.

U.S. industry data are based on the questionnaire responses of 15 U.S. producers of CTL plate that are believed to have accounted for a substantial majority of domestic production of that product in 2014.[19] U.S. import data and related information are based on Commerce's official import statistics (as revised to include imports of CTL micro-alloy steel plate and deduct specifically excluded carbon steel plate) and the questionnaire responses of 25 U.S. importers of CTL plate that accounted for 49.3 percent of subject imports during the period January 2012 through June 2015, as well as 34.4 percent of U.S. imports of CTL plate from nonsubject sources during that period.[20] Foreign industry data and related information are based on public

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[17] Explanation of Commission Determination on Adequacy (EDIS Document No. 549273).

[18] Explanation of Commission Determination on Adequacy (EDIS Document No. 549273).

[19] CR at I-19; PR at I-17. The Commission received complete questionnaire responses with usable trade and financial data from nine firms, questionnaire responses with complete trade data but incomplete financial data from four firms, and questionnaire responses with narrative responses but incomplete trade and financial data from two firms. CR at I-19 n.27; PR at I-17 n.27.

[20] CR at I-19 to I-20; PR at I-17. The Commission received one questionnaire response from an importer of subject product from China, which accounted for 0.2 percent of U.S. imports of CTL plate from China during January 2012 to June 2015. CR at II-6 n.5; PR at II-4 n.5. The Commission received questionnaire responses from nine importers of subject product from Russia, which accounted for 51.6 percent of U.S. imports of CTL plate from Russia during January 2012 through June 2015. CR at II-9 n.12; (Continued…)

information and the questionnaire responses of three producers and exporters of CTL plate in Ukraine, accounting for *** percent of production of CTL plate in Ukraine from 2012 to 2014.[21]

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[22] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[23] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.[24]

Commerce has defined the imported merchandise within the scope of the suspended investigations under review as follows:

> The products covered by these suspension agreements include hot-rolled iron and non-alloy steel universal mill plates (*i.e.,* flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and non-alloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included as subject

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(…Continued)
PR at II-5 n.12. The Commission received questionnaire responses from two importers of subject product from Ukraine, whose imports accounted for 91.8 percent of U.S. imports of CTL plate from Ukraine from January 2012 through June 2015. CR at IV-1; PR at IV-1.

[21] CR at IV-23; PR at IV-19. The Commission did not receive questionnaire responses from any subject producers of CTL plate in China or Russia. However, it did receive responses to its notice of institution from MMK and Severstal, Russian producers of subject merchandise. CR at II-8 n.15; PR at II-6 n.15.

[22] 19 U.S.C. § 1677(4)(A).

[23] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *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); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[24] *See*, *e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

merchandise in the Suspension Agreements are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (*i.e.,* products which have been ''worked after rolling'') for example, products which have been beveled or rounded at the edges. This merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTS) under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. Although the HTS subheadings are provided for convenience and customs purposes, the written description of the scope of the Agreements is dispositive. Specifically excluded from subject merchandise within the scope of these Agreements is grade X–70 steel plate.[25]

CTL plate is a flat-rolled carbon steel product that is 4.75 millimeters or more in thickness. CTL plate is available in a wide variety of widths, thicknesses, and shapes that are incorporated or further processed into other products. The term "cut-to-length" refers to a flat plate product with a defined length. CTL plate is used in load-bearing and structural applications, such as agricultural and construction equipment; bridges; machine parts; electricity transmission towers and light poles; buildings (especially nonresidential); and heavy transportation equipment, including railroad cars and ships.[26]

1. The Original Investigations

In the original investigations, the Commission defined the domestic like product to consist of CTL plate produced by U.S. mills or cut from coiled plate by service centers.[27] The Commission also considered whether plate in coil form itself warranted inclusion in the domestic like product definition. Based on different physical characteristics and end uses, limited interchangeability, different manufacturing facilities for the majority of CTL plate and coiled plate, and differences in prices, the Commission did not include coiled plate in its domestic like product definition.[28] The Commission similarly declined to include "certain coiled

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[25] *Certain Cut-to-Length Carbon Steel Plate From the Russian Federation and Ukraine; Final Results of the Expedited Third Sunset Reviews of the Suspension Agreements*, 80 Fed. Reg. 6052, 6053 (Feb. 4, 2015). The scope of the antidumping duty order under review with respect to CTL plate from China contains an additional exclusion from the scope not contained in the scope of the suspension agreements with respect to CTL plate from Russia and Ukraine: "Also excluded from the order is certain carbon cut-to-length steel plate with a maximum thickness of 80 mm in steel grades BS 7191, 355 EM, and 355 EMZ, as amended by Sable Offshore Energy Project specification XB MOO Y 15 0001, types 1 and 2." *Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China; Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order,* 80 Fed. Reg. 6051, 6051-6052 (Feb. 4, 2015).

[26] CR at I-26 to I-27; PR at I-23.

[27] *Original Determinations,* USITC Pub. 3076, at 8-9.

[28] *Original Determinations,* USITC Pub. 3076, at 5-7.

plate" – coiled plate produced to the same specifications, chemistries, or widths as CTL carbon steel plate and generally shipped to processors, service centers, or distributors – in its domestic like product definition.[29]

2. First and Second Five-Year Reviews

In the first five-year reviews, the Commission stated that changes in CTL plate usage since the original investigations warranted revisiting the like product definition to determine whether it should encompass micro-alloy steel plate, which generally referred to a type of steel designed to provide better mechanical properties or greater resistance to atmospheric corrosion than conventional carbon steel. It found that micro-alloy steel was not considered to be an alloy steel, and was more similar in physical characteristics and uses to carbon steel than to alloy steel. It stated that micro-alloy and in-scope CTL plate were interchangeable in a variety of applications. It found that the manufacturing equipment and employees were similar for the two products, and that channels of distribution were also similar. Accordingly, the Commission determined that the differences between the two were not so pronounced as to constitute clear dividing lines, and included micro-alloy steel CTL plate within the domestic like product definition.[30]

In the second five-year reviews, the Commission defined the domestic like product in the same way as it did in the first reviews, stating that no new facts had been presented to warrant a different like product definition.[31]

3. The Current Reviews

Domestic Producers state that they agree with the Commission's like product definition from the first and second five-year reviews.[32] The two Russian producers responding to the notice of institution both stated that they also agree with this definition, while the Ukrainian producers have taken no position, and no party requested in its comments on the Commission's draft questionnaires that the Commission collect data concerning any other possible domestic like products.[33] The record does not contain any new information that would warrant adopting a like product definition different from that in the first and second five-year reviews.[34] Accordingly, we again define the domestic like product to consist of CTL plate, including micro-alloy steel CTL plate, produced by U.S. mills or cut from coiled plate by service centers.

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[29] *Original Determinations,* USITC Pub. 3076, at 8.
[30] *First Reviews*, USITC Pub. 3626, at 8-9.
[31] *Second Reviews*, USITC Pub. 4103, at 8-9.
[32] CR at I-40; PR at I-32; Nucor's Prehearing Brief at 5; ArcelorMittal's Prehearing Brief at 3.
[33] CR at I-40; PR at I-32.
[34] *See generally* CR at I-25 to I-38; PR at I-22 to I-31.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole 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."[35] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

Status of Processors. In the original investigations, the Commission considered whether the domestic industry should include entities that processed coiled plate (which was not included in the domestic like product) into CTL plate. The Commission analyzed the production-related activities of the processors and concluded that they were properly considered a part of the domestic industry. The Commission therefore defined the domestic industry to include all producers of CTL carbon steel plate, whether toll producers, integrated producers, or processors.[36]

In the first five-year reviews, the Commission again included processors within the definition of the domestic industry, and stated that the domestic industry included all producers of the domestic like product.[37] In the second five-year reviews, the Commission stated that no new facts had been presented to warrant a different conclusion, and again defined the domestic industry to include all producers of the domestic like product.[38]

The record does not contain any new information that would warrant a conclusion different from that reached by the Commission in the prior proceedings.[39] Moreover, no party raised any objections to including processors in the domestic industry definition. Consequently, we again define the domestic industry to include processors of CTL plate.

Related Parties. These reviews also raise issues whether appropriate circumstances exist to exclude any producer from the domestic industry pursuant to the related parties provision of the statute. This provision 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 are themselves importers.[40]

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[35] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

[36] *Original Determinations*, USITC Pub. 3076, at 9-12.

[37] *First Reviews*, USITC Pub. 3626, at 9-10.

[38] *Second Reviews*, USITC Pub. 4103, at 9-10.

[39] *See generally* CR at I-38; PR at I-31 to I-32.

[40] 19 U.S.C. § 1677(4)(B). The Commission has previously concluded that a purchaser may be treated as a related party if it controls large volumes of subject imports. The Commission has found such control to exist when the domestic producer was responsible for a predominant proportion of an importer's purchases and these purchases were substantial. S*ee Foundry Coke from China*, Inv. No. 731-TA-891 (Final), USITC Pub. 3449 at 8-9 (Sept. 2001).

(Continued…)

In the original investigations, the Commission found that three domestic producers (North Star Steel Co., Cargill Steel & Wire Div. of Cargill, Inc., and Feralloy Corp.) were related parties because of common ownership with companies that imported subject merchandise, but found that appropriate circumstances did not exist to exclude any of these firms from the domestic industry.[41] There were no related parties issues in the first five-year reviews.[42] In the second five-year reviews, the Commission addressed two related parties issues and did not exclude any producers from the domestic industry.[43]

In these reviews, domestic producer *** is a related party because it imported subject merchandise.[44] In addition, ArcelorMittal SA, the parent company of domestic producer ArcelorMittal USA, is related to Hunan Valin Xiangtan ("Hunan"), a Chinese producer of subject merchandise, and holds a 29.97 percent interest in Hunan.[45] ArcelorMittal USA ***.[46] Moreover, ArcelorMittal USA is not an importer of subject merchandise, nor is it related to any such importer.[47] Accordingly, we find that ArcelorMittal USA is not a related party because its parent company has only a minority ownership stake in Hunan, and ArcelorMittal USA has represented that it ***.

We next examine whether appropriate circumstances exist to exclude *** from the domestic industry. *** imported *** short tons of subject merchandise from *** in 2014, its only reported imports of subject merchandise during the period of review.[48] *** U.S. production was *** short tons in 2014. The ratio of its imports of subject merchandise to its U.S. production was *** percent in 2014.[49] It *** continuation of the orders.[50] It accounted for

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(…Continued)

U.S. producer *** purchased *** short tons of subject merchandise imported from China in 2014, its only reported purchase of subject merchandise during the period of review. CR/PR at Table III-9. (Unless otherwise stated, the term "period of review" for the current reviews herein refers to the period January 2012 to June 2015.) *** stated that the reason for its purchase was ***. U.S. Producers' Questionnaire of *** at 16 ***. Given the small volumes of purchases of subject merchandise by ***, the record indicates that it does not control large volumes of subject imports, and we accordingly conclude that it is not a related party.

[41] *Original Determinations*, USITC Pub. 3076, at 13.

[42] *First Reviews*, USITC Pub. 3626, at 10 n.44.

[43] First, domestic producer *** had an ownership stake in foreign producer ***, although *** did not import subject merchandise. The Commission found that *** and *** were not related parties, because ***. *Second Reviews*, USITC Pub. 4103, at 10 n.43. Second, the Commission found that domestic producer *** was a related party because it imported subject merchandise, but found that appropriate circumstances did not exist to exclude it from the domestic industry. *Id.*

[44] CR/PR at Table II-9. No party has argued for the exclusion of any domestic producer from the domestic industry.

[45] CR at I-44; PR at I-35. Because Hunan did not submit a questionnaire response, there are no data in the record regarding the extent of its exports of subject merchandise to the United States, or its share of production of subject merchandise in China.

[46] ArcelorMittal's Prehearing Brief at 4.

[47] CR/PR at Table I-10; ArcelorMittal's Prehearing Brief at 4.

[48] CR/PR at Table III-9.

[49] CR/PR at Table III-9.

*** percent of U.S. production in 2014.[51] *** did not submit complete financial data to the Commission.[52]

We find that appropriate circumstances do not exist to exclude *** from the domestic industry. It had a *** ratio of subject imports to domestic production in the one year during the period of review in which it imported subject merchandise, indicating that its primary interest is in domestic production.

Given our definition of the domestic like product, we therefore define the domestic industry to include toll producers, integrated producers, and processors of the domestic like product.

III. Cumulation

A. Legal Standard

> With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[53]

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.[54] The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of

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(…Continued)

[50] CR/PR at Table I-9.

[51] CR/PR at Table I-9.

[52] CR at III-1 n.1; PR at III-1 n.1.

[53] 19 U.S.C. § 1675a(a)(7).

[54] 19 U.S.C. § 1677(7)(G)(i); *see also*, *e.g.*, *Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: October 1, 2014.[55]

1. The Original Investigations and Prior Reviews

The Original Investigations. In the original investigations, the Commission found that the statutory criteria for cumulation were met. The Commission stated that there was general fungibility between and among imports from each subject country and the domestic like product, competition in the same geographical markets, substantial overlap in sales in the same channels of distribution, and the simultaneous presence of all of the subject imports in the U.S. market during the period of investigation. Because the Commission found that subject imports competed with each other and with the domestic like product, it cumulated subject imports from China, Russia, South Africa, and Ukraine for purposes of analyzing whether the domestic industry was materially injured by reason of LTFV imports from those countries.[56] It also exercised its discretion to cumulate the LTFV imports from China, Russia, South Africa, and Ukraine for its threat analysis. The Commission stated that any differences in volume and price trends did not warrant a decision not to cumulate, noting that most of the subject imports had significant increases in volume during the period of investigation, and that imports from each of the subject countries consistently undersold the domestic like product.[57]

The First Reviews. In the first reviews, the Commission found that, based on the available information on capacity, production, product mix, importance of price to purchasers, and export orientation, as well as the prevailing conditions of competition in the U.S. market, the subject imports from China, Russia, Ukraine, and South Africa would each be likely to have a discernible adverse impact on the domestic industry if the suspended investigations were terminated. The Commission also found that there likely would be a reasonable overlap of competition between subject imports from all countries under review and the domestic like product, and among the subject imports from all of the countries, if the suspended investigations were terminated.[58] The Commission did not find any significant differences in the conditions of competition among the subject countries, except for South Africa.[59] The Commission exercised its discretion to cumulate subject imports from China, Russia, and Ukraine, but not South Africa.[60]

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[55] CR at I-2; PR at I-2.

[56] *Original Determinations*, USITC Pub. 3076, at 16-19.

[57] *Original Determinations*, USITC Pub. 3076, at 23-24.

[58] *First Reviews*, USITC Pub. 3626, at 12-16.

[59] *First Reviews*, USITC Pub. 3626, at 16. The Commission concluded that significant differences in conditions of competition were likely to exist for subject imports from South Africa, and therefore exercised its discretion not to cumulate subject imports from South Africa. *Id*. at 16-17.

[60] *First Reviews*, USITC Pub. 3626, at 16-17.

The Second Reviews. In the second reviews, the Commission did not find that subject imports from any of the three subject countries were likely to have no discernible adverse impact on the domestic industry in the event of revocation of the order or termination of the suspended investigations, in light of the general interchangeability of CTL plate from different sources and the importance of price to purchasers, and given that producers in the three subject countries had a demonstrated history of rapid increases in volume and underselling. The Commission stated that the volume of subject imports from China, Russia, and Ukraine rose rapidly during the original investigations, and the subject imports from each country had remained in the U.S. market after imposition of the order and signing of the suspension agreements. It found that the size of the CTL plate industry in each subject country was significant, both absolutely and relative to the U.S. market, and each subject industry had significant excess capacity.[61] The Commission also concluded that there would likely be a reasonable overlap of competition between the subject imports and the domestic like product, and among the subject imports themselves, if the suspended investigations were terminated and the antidumping duty order revoked.[62] The Commission exercised its discretion to cumulate subject imports from China, Russia, and Ukraine, stating that it did not find, and no party had asserted, any significant difference in likely conditions of competition among imports from the three subject countries.[63]

2. Arguments of the Parties in the Current Reviews

Domestic Producers argue that the Commission should exercise its discretion to cumulate subject imports from China, Russia, and Ukraine. They assert that subject imports from all three countries would likely have a discernible adverse impact on the domestic industry in the event of revocation/termination, and that the Commission should find that there would likely be a reasonable overlap of competition among CTL plate imports from the three subject countries and the domestic like product if the order were revoked and the suspended investigations terminated.[64] Domestic Producers argue that subject imports from all three countries would likely compete in the U.S. market under similar conditions of competition in the event of revocation/termination.[65]

Metinvest argues that subject imports from Ukraine are likely to have no discernible adverse impact on the domestic industry, and further argues that if the Commission finds that subject imports from Ukraine are statutorily eligible for cumulation, it should nevertheless

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[61] *Second Reviews*, USITC Pub. 4103, at 12-14.

[62] *Second Reviews*, USITC Pub. 4103, at 14-16.

[63] *Second Reviews*, USITC Pub. 4103, at 16.

[64] ArcelorMittal's Prehearing Brief at 5-28; Nucor's Prehearing Brief at 6-12; SSAB's Prehearing Brief at 3-5; ArcelorMittal's Posthearing Brief at 7-11; Nucor's Posthearing Brief at 3-5.

[65] ArcelorMittal's Posthearing Brief at 11-13 and Responses to Commission Questions ,at 48-52; Nucor's Prehearing Brief at 12-13; Nucor's Posthearing Brief at 5 and Answers to Commissioners' Questions at 17-22.

exercise its discretion not to cumulate subject imports from Ukraine with those from China and Russia, because subject imports from Ukraine are likely to compete under different conditions of competition.[66] The Russian Ministry argues that subject imports from Russia are likely to have no discernible adverse impact on the U.S. market in the event the suspended investigation is terminated.[67]

B. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[68] Neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[69] With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

China. During the original period of investigation, the quantity of subject imports from China increased from 8,639 short tons in 1994 to 181,737 short tons in 1995, and then to 301,652 short tons in 1996. In the first reviews, the quantity of subject imports from China declined from a period high of 163,527 short tons in 1997 to a period low of 26,159 short tons in 1999. In the second reviews, the quantity of subject imports from China ranged between a period high of 6,036 short tons in 2003 and a period low of 1,393 short tons in 2004.[70] In these reviews, the quantity of subject imports from China was 6,224 short tons in 2012, declined to 2,923 short tons in 2013, and then increased to 5,933 short tons in 2014.[71]

No producers in China responded to the Commission's questionnaire, so data on the Chinese industry are based on official statistics, industry studies, and information provided by the parties. Industry data indicate that the Chinese CTL plate industry is the world's largest, with reversing mill plate capacity of *** short tons in 2014, representing over half of global

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[66] Metinvest's Prehearing Brief at 4-19; Metinvest's Posthearing Brief at 1-6. Metinvest makes no argument as to whether there would likely be a reasonable overlap of competition among subject imports from the three countries and the domestic like product if the order were revoked and the suspended investigations terminated.

[67] Russian Ministry's Prehearing Brief at 6-7.

[68] 19 U.S.C. § 1675a(a)(7).

[69] SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

[70] CR/PR at Appendix D, Table I-1.

[71] CR/PR at Table IV-1. The quantity of subject imports from China was 3,563 short tons in January-June ("interim") 2014 and 5,548 short tons in interim 2015. *Id.*

capacity.[72] The available data indicate that reversing mill plate production in China in 2014 was *** short tons.[73] These capacity and production data suggest that reversing mill plate capacity utilization in China was approximately *** percent in 2014, and unused reversing mill plate capacity in China was approximately *** short tons in 2014.[74]

According to official export statistics, total Chinese exports of CTL plate declined from 6.1 million short tons in 2012 to 5.4 million short tons in 2013, and then increased to 7.4 million short tons in 2014. China was the world's largest exporter of CTL plate in each of these years.[75]

Based on the foregoing, including the data on the record regarding capacity and export orientation, we do not find that subject imports from China would likely have no discernible adverse impact on the domestic industry if the order were revoked.

Russia. During the original period of investigation, the quantity of subject imports from Russia increased from 230,156 short tons in 1994 to 252,396 short tons in 1996. In the first reviews, the quantity of subject imports from Russia ranged between a period high of 158,509 short tons in 1997 and a period low of 17,390 short tons in 1999. In the second reviews, the quantity of subject imports from Russia ranged between a period low of 714 short tons in 2004 and a period high of 84,992 short tons in 2008.[76] In these reviews, the quantity of subject imports from Russia was 27,652 short tons in 2012, declined to 2,791 short tons in 2013, and then increased to 61,585 short tons in 2014.[77]

Although no producers in Russia responded to the Commission's questionnaire, two Russian CTL plate producers, MMK and Severstal, which indicated that they accounted for approximately *** percent of total Russian CTL plate production in 2013, provided certain trade data in response to the Commission's notice of institution in these reviews.[78] According to these data, in 2013 the combined capacity of these two producers was *** short tons, their combined production was *** short tons, and their capacity utilization was *** percent.[79] Available capacity and production data suggest that capacity utilization for reversing mill plate in Russia was approximately *** percent in 2014.[80] According to official export statistics,

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[72] CR/PR at Table IV-18. These data only include the production capacities of reversing plate mills and exclude the capacity of strip mills that can produce coiled plate that is subsequently cut to length. *Id.*

[73] CR/PR at Table IV-17.

[74] CR/PR at Tables IV-17, IV-18.

[75] CR/PR at Tables IV-10; IV-20. Exports may include plate products outside the scope.

[76] CR/PR at Appendix D, Table I-1.

[77] CR/PR at Table IV-1. The quantity of subject imports from Russia was 24,250 short tons in interim 2014 and 12,607 short tons in interim 2015. *Id.*

[78] CR at II-8 n.15; PR at II-6 n.15.

[79] CR/PR at Table IV-11.

[80] Available data indicate that reversing mill plate capacity in Russia in 2014 was *** short tons, while reversing mill plate production in Russia in 2014 was *** short tons. CR/PR at Tables IV-17, IV-18. These data only include the production capacities of reversing plate mills and exclude the capacity of strip mills that can produce coiled plate that is subsequently cut to length. *Id.*

Russian exports of CTL plate to all markets were 714,569 short tons in 2012, 1.1 million short tons in 2013, and 1.2 million short tons in 2014.[81]

Based on the foregoing, including the data on the record regarding unused capacity and export orientation and a continued interest in the U.S. market, we do not find that subject imports from Russia would likely have no discernible adverse impact on the domestic industry if the suspended investigation were terminated.

Ukraine. During the original period of investigation, the quantity of subject imports from Ukraine increased from 295,775 short tons in 1994 to 627,796 short tons in 1996. In the first reviews, the quantity of subject imports from Ukraine ranged between a period high of 184,615 short tons in 1997 and a period low of 3,814 short tons in 1999. In the second reviews, the quantity of subject imports from Ukraine ranged between a period low of 4,724 short tons in 2003 and a period high of 173,945 short tons in 2008.[82] In these reviews, the quantity of subject imports from Ukraine was 14,728 short tons in 2012, zero in 2013, and 3 short tons in 2014. It was 3 short tons in interim 2014 and 3,560 short tons in interim 2015.[83]

In these reviews, three Ukrainian producers, accounting for *** percent of Ukrainian production of CTL plate between 2012 and 2014, submitted questionnaire responses.[84] Reported annual production capacity for subject CTL plate from Ukraine increased during the period of review from *** short tons in 2012 to *** short tons in 2013, and then declined to *** short tons in 2014.[85] Capacity utilization increased from *** percent in 2012 to *** percent in 2013, and then declined to *** percent in 2014.[86] Reported production of CTL plate in Ukraine in 2014 was *** short tons, which leaves reported unused capacity of the subject Ukrainian industry in 2014 of over *** short tons.[87]

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[81] CR/PR at Tables IV-12, IV-20. Exports may include plate products outside the scope.

[82] CR/PR at Appendix D, Table I-1.

[83] CR/PR at Table IV-1.

[84] CR at IV-23; PR at IV-19. The mills of the three responding producers are in areas controlled by the Ukrainian government. A fourth Ukrainian producer, Alchevsk, submitted a letter to the Commission stating that it was unable to submit a completed questionnaire due to the conflict in eastern Ukraine, and further stating that as a result of the conflict, ***. CR at II-10 n.20; PR at II-7 n.20; Hearing Tr. at 149 (Romanov); 155-156 (Shvetsov). Another mill in Ukraine, Donetsk Steel Mill, is reported to be incapable of producing CTL plate since its open hearth furnace was shut down in 2012, and is also reported to be outside the territory effectively controlled by the Ukrainian government. CR at IV-23; PR at IV-19; Hearing Tr. at 156 (Shvetsov); Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 18.

[85] CR/PR at Table IV-14. Capacity was *** short tons in interim 2014, and *** short tons in interim 2015. *Id.*

[86] CR/PR at Table IV-14. Capacity utilization was *** percent in interim 2014, and *** percent in interim 2015. *Id.*

[87] CR/PR at Table IV-14.

The responding Ukrainian producers' total exports of subject CTL plate increased from *** short tons in 2012 to *** short tons in 2013, and then declined to *** short tons in 2014.[88] Total exports as a percentage of these producers' total shipments increased from *** percent in 2012 to *** percent in 2013 and *** percent in 2014.[89]

Metinvest's representative testified that, should the suspended investigation be terminated, the company intends to export subject merchandise to the United States. Metinvest estimates an annual volume of subject imports from Ukraine of 25,000 metric tons under current U.S. market conditions.[90]

Given the large excess capacity and strong export orientation of the subject Ukrainian industry, as well as Metinvest's stated intention to continue to participate in the U.S. market to some extent, we find that subject imports from Ukraine will likely be at a level that would cause a discernible adverse impact to the domestic industry upon termination of the suspended investigation.

Metinvest's arguments that various asserted constraints would prevent it from increasing shipments of subject merchandise to the U.S. market beyond minimal levels are unpersusasive. Metinvest contends that its ability to supply the U.S. market is very limited because two of its mills (Ilyich and Zaporizhstal) are old and cannot meet the quality standards of the U.S. market. In particular, Metinvest states that U.S. customers have a threshold requirement that CTL plate must meet a one-half ASTM A-6 flatness requirement, which only one of Metinvest's mills (Azovstal) has the ability to meet.[91] However, the questionnaire responses of purchasers indicated that they find that subject imports from Ukraine and the domestic like product to be comparable with respect to product quality meeting industry standards.[92] Moreover, the significant volume of subject imports from Ukraine in prior reviews belies Metinvest's contentions that it is unable to meet U.S. product quality requirements for CTL plate.[93] Thus, the record does not indicate that purchaser concerns about product quality present a significant bar to subject imports from Ukraine competing in the U.S. market.

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[88] CR/PR at Table IV-14. Total exports were *** short tons in interim 2014, and *** short tons in interim 2015. *Id.*

[89] CR/PR at Table IV-14. Total exports as a percentage of these producers' total shipments were *** percent in interim 2014, and *** percent in interim 2015.

[90] Metinvest's Posthearing Brief at 1-2, 9-10, Responses to Commissioner Questions at 5-6, and Exh. 1 (declaration of Yuri Shvetsov at paragraphs 3-6); Hearing Tr. at 161-162 (Shvetsov). 25,000 metric tons is the equivalent of 27,558 short tons, using a conversion ratio of 1.1023 to 1. Metinvest asserts that any additional volume of subject imports from Ukraine above 25,000 metric tons would be dependent upon a recovery of U.S. demand and an increase in U.S. prices. Metinvest's Posthearing Brief at Exh. 1 (declaration of Yuri Shvetsov at paragraph 6).

[91] Metinvest's Prehearing Brief at 7-10; Metinvest's Posthearing Brief at 1-2 and Responses to Commissioner Questions at 46-47; Hearing Tr. at 155-158 (Shvetsov).

[92] CR/PR at Table II-10. Purchasers also indicated that subject imports from Ukraine usually met minimum quantity specifications. CR/PR at Table II-12.

[93] As previously discussed, the quantity of subject imports from Ukraine in 2008 was 173,945 short tons. CR/PR at Annex D, Table I-1.

Moreover, the record indicates that any customer requirement of one-half ASTM A-6 flatness applies to only a relatively modest share of the U.S. market, and that a much broader portion of the U.S. CTL plate market generally requires only the full ASTM A-6 flatness tolerance.[94] In addition, ***.[95] In any event, Metinvest acknowledges that its Azovstal plant does have the capability to meet the one-half ASTM A-6 standard, and therefore it possesses the ability to sell to U.S customers that require such specifications.[96] [97]

Furthermore, given the substantial excess capacity of the subject Ukrainian industry, Metinvest has the ability to produce and ship subject merchandise to the U.S. market, and will not be prevented from doing so because of commitments to its home or its other export markets, as it has argued.[98] While the principal export market for Ukrainian CTL plate producers in 2014 was ***,[99] projections indicate that demand in the European market is likely to be relatively flat over the next few years.[100] Moreover, Metinvest acknowledges the conflict in eastern Ukraine has caused a decline in Ukrainian CTL plate exports to its Asian markets,[101] and has also caused a decline in Metinvest's sales to Russia.[102] Furthermore, the Ukrainian industry's home market shipments also declined during the period of review.[103] Thus, the Ukrainian industry's substantial excess capacity, and declines (or projected relatively flat demand) in its home market and some of its leading export markets, will leave the subject industry with the ability and a strong incentive to direct exports to new markets. The U.S.

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[94] Hearing Tr. at 100-101 (Moskaluk); 117-118 (Whiteman); ArcelorMittal's Posthearing Brief, Exh. 4 (declaration of Jeffrey Unruh at paragraph 6); Nucor's Posthearing Brief at Exh. 4 (declaration of *** at paragraphs 3-4).

[95] Hearing Tr. at 100-101 (Moskaluk); ArcelorMittal's Posthearing Brief at Exh. 4 (declaration of Jeffrey Unruh at paragraph 6); Nucor's Posthearing Brief at Exh. 4 (declaration of *** at paragraphs 3-4); *see also* Metinvest's Posthearing Brief, Exh. 1 (declaration of Yuri Shvetsov at paragraph 8; declaration of *** at paragraphs 3-4; declaration of *** at paragraphs 3-4; Hearing Tr. at 186 (Shvetsov).

[96] Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 46-47.

[97] Chairman Broadbent and Commissioner Kieff do not join the remainder of this section concerning Likelihood of No Discernible Adverse Impact within the discussion of cumulation.

[98] Metinvest's Posthearing Brief at 8 and Responses to Commissioner Questions at 27-34. Even if the practical capacity of the subject Ukrainian industry were somewhat lower than its reported capacity of *** short tons in 2014, CR/PR at Table IV-14, it would still have ample excess capacity to direct further exports to the U.S. market.

[99] CR/PR at Table IV-14. The *** accounted for *** percent of total shipments by the subject industry in Ukraine in 2014.

[100] CR/PR at Table IV-19.

[101] Ukrainian export shipments to Asia declined from *** short tons in 2013 to *** short tons in 2014. They were *** short tons in interim 2014 and *** short tons in interim 2015. CR/PR at Table IV-14. *See* Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 64-66.

[102] Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 67.

[103] Ukrainian home market shipments were *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014. They were *** short tons in interim 2014 and *** short tons in interim 2015. CR/PR at Table IV-14.

market would be a particularly attractive market to subject Ukrainian producers because of its relatively high prices.[104]

Contrary to Metinvest's argument,[105] the available information indicates that freight costs are not a barrier for Metinvest to ship subject merchandise to the United States, and do not provide a disincentive for it to ship to the United States rather than Europe and other nearby markets, especially in light of higher prices available in the U.S. market relative to other export markets. The available information indicates that ocean freight costs from ports in Mariupol or Odessa to the United States are competitive with, and in some cases lower than, freight costs to Ukraine's leading export markets.[106] Moreover, most of Metinvest's shipments of CTL plate to the EU market are by rail,[107] which the available information indicates is more expensive than ocean freight costs to the United States.[108] Furthermore, Ukraine's substantial exports to Asian markets such as Singapore and Taiwan, as well as to markets in Africa such as Nigeria, and to Middle Eastern markets such as the United Arab Emirates and Saudi Arabia,[109] refute any notion that Metinvest only exports to nearby European markets, or that logistical considerations preclude shipping exports to more geographically distant markets.[110]

Nor will limited customer relationships and the lack of a distribution network in the United States prevent Metinvest from shipping to the U.S. market, as it asserts.[111] Metinvest has a global sales network and the ability to use large global trading companies such as *** to allow it to shift between export markets to facilitate increased sales to the U.S. market; ***.[112]

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[104] The available data from MEPS International Ltd. indicate that prices for CTL plate were higher in the United States (and Canada) than in China, Japan, South Korea and the EU in every month between January 2014 and September 2015, with the exception that they indicate that prices in Japan were slightly higher than prices in the United States in September 2015. CR/PR at Table IV-22.

[105] Metinvest's Prehearing Brief at 39-40; Metinvest's Posthearing Brief at 8 and Responses to Commissioner Questions at 31-32, 64.

[106] Nucor's Posthearing Brief at Exh. 16 (freight quotes); ArcelorMittal's Posthearing Brief at Exh. 4 (declaration of Jeffrey Unruh at paragraph 10).

[107] Hearing Tr. at 237 (Romanova).

[108] Nucor's Posthearing Brief at Exh. 16 (freight quotes); ArcelorMittal's Posthearing Brief at Exh. 4 (declaration of Jeffrey Unruh at paragraph 10).

[109] CR/PR at Tables IV-14, IV-16.

[110] We note that freight costs have not precluded a series of recent shipments of long and flat steel products from Ukraine to or through U.S. ports. *See, e.g.,* ArcelorMittal's Posthearing Brief at Exh. 6; U.S. Census data for U.S. Imports of Steel Mill Products (EDIS Document No. 568033). These documents indicate multiple entries of U.S. imports for consumption of long and flat products (wire rod, billets, and plate products) in 2015 alone, with additional steel mill products reportedly destined for consignees outside the United States.

[111] Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 63.

[112] Hearing Tr. at 111-112 (Unruh); 137-138 (Moskaluk); Nucor's Prehearing Brief at Exh. 22; Nucor's Posthearing Brief at Exh. 10; ***. In addition, were the restrictions of the suspension agreement lifted, Metinvest would have the incentive to expand its distribution network in the United States to facilitate the growth of its exports to the attractive U.S. market. Metinvest has increased the number of sales offices in the EU as its exports to the EU have increased; Metinvest notes that it has (Continued…)

C. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.[113] Only a "reasonable overlap" of competition is required.[114] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.[115]

Fungibility. In comparisons among subject imports from China, subject imports from Russia, subject imports from Ukraine, and the domestic like product, majorities of reporting U.S. producers and importers found that CTL plate from each of these four sources is either "always" or "frequently" interchangeable.[116] By contrast, majorities of reporting U.S. purchasers found that the domestic like product is only "sometimes" interchangeable with subject imports from each of the three subject countries. Majorities of reporting purchasers found that imports from each of the three subject countries are "always" or "frequently" interchangeable with subject imports from each of the other subject countries.[117]

In questionnaire responses, purchasers painted generally similar pictures of how the domestic like product compared to imports from each of the subject countries: specifically, a

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(…Continued)
opened several new EU sales offices in the last 18 months. Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 19-20.

[113] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[114] *See 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."); *United States Steel Group v. United States,* 873 F. Supp. 673, 685 (Ct. Int'l Trade 1994), *aff'd*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g*., *Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff'd sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[115] *See generally*, *Chefline Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

[116] CR/PR at Table II-11.

[117] CR/PR at Table II-11.

majority of purchasers indicated that the domestic like product was superior in a majority of factors, comparable in several other factors, and inferior with respect to having a lower price.[118]

A majority of purchasers found that subject imports from China and subject imports from Russia were "comparable" in all 15 factors. Similarly, a majority of purchasers found that subject imports from Russia and subject imports from Ukraine were "comparable" in all 15 factors. A majority of purchasers found that subject imports from China and subject imports from Ukraine were "comparable" in 14 of 15 factors, with a majority finding subject imports from China "inferior" to subject imports from Ukraine in one factor (quality meets industry standards).[119]

Channels of Distribution. During the period of review, U.S. producers' sales were relatively evenly split between distributors and end users.[120] Importers of subject merchandise from Russia and Ukraine sold primarily to distributors, with importers of subject product from Ukraine selling over *** percent of subject imports to distributors during 2012-2014. The *** data available with respect to imports of subject merchandise from China showed U.S. importers shipping subject imports to end users in interim 2015.[121]

Geographic Overlap. U.S. producers reported selling CTL plate to all regions in the United States. Importers of subject merchandise from China reported selling in the Midwest and Pacific Coast regions. Importers of subject merchandise from Russia reported selling to all regions in the continental United States except the Mountains region. Importers of subject merchandise from Ukraine reported selling to the Midwest, Southeast, and Central Southwest regions.[122]

Simultaneous Presence in Market. During the period from January 2012 through June 2015, the domestic like product was present in the U.S. market during all 14 quarterly periods.[123] Subject imports from China were present in the U.S. market during all 42 months in this period. Subject imports from Russia were present in 24 of 42 months. Subject imports from Ukraine were present in 11 of 42 months.[124]

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[118] In purchasers' comparisons of the domestic like product with subject imports from China, a majority of purchasers rated them as "comparable" in five of 15 factors, rated the domestic like product as "superior" in eight factors, and rated the domestic like product as "inferior" in price, with a mixed response as to one factor. In comparisons of the domestic like product with subject imports from Russia, a majority or plurality of purchasers rated them as "comparable" in four of 15 factors, rated the domestic like product as "superior" in ten factors, and rated the domestic like product as "inferior" in price. In comparisons of the domestic like product with subject imports from Ukraine, a majority or plurality of purchasers rated them as "comparable" in four of 15 factors, rated the domestic like product as "superior" in ten factors, and rated the domestic like product as "inferior" in price. CR/PR at Table II-10.

[119] CR/PR at Table II-10.

[120] CR/PR at Table II-1.

[121] CR/PR at Table II-1; CR at II-6 and n.5; PR at II-4 and n.5.

[122] CR at Table II-2.

[123] CR/PR at Tables V-3 through V-6.

[124] CR/PR at Table IV-7.

Conclusion. The information in the record supports a finding that imports from each subject country are sufficiently fungible to satisfy the "reasonable overlap" standard, in light of market participants' assessments that the products from domestic and all subject sources were at least sometimes interchangeable with each other. Although there were some purchaser perceptions of differences between the domestic like product and subject imports in several factors, in every comparison a majority of purchasers found products comparable as far as quality meeting industry standards.[125] The information in the record also indicates that there was overlap in channels of distribution among subject imports from Russia, subject imports from Ukraine, and the domestic like product in shipments in the U.S. market to distributors. While there are minimal data in the record regarding channels of distribution with respect to subject imports from China, given the Commission's findings in the original investigations and the first two reviews, there is no information in the record to indicate that there has been any change such that subject imports from China would no longer likely overlap in channels of distribution with the domestic like product and subject imports from Russia and Ukraine upon revocation/termination. There was geographic overlap among subject imports and the domestic like product, given that domestic production was shipped to all regions in the United States, and subject imports from all three sources were shipped to the Midwest region, among other regions. There is no indication in the record of these reviews that, upon revocation/termination, imports from each subject source and the domestic like product would not be simultaneously present in the U.S. market, as they were during the original period of investigation.[126]

In light of the foregoing, and the lack of any contrary argument on this issue, we find that there will be a likely reasonable overlap of competition between the domestic like product and imports from all three subject countries and between imports from each subject country, upon revocation of the order and termination of the suspended investigations.

D. Likely Conditions of Competition[127]

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether subject imports from China, Russia, and Ukraine would likely compete under similar or different conditions of competition. Domestic Producers argue that subject imports from China, Russia, and Ukraine would likely compete under similar conditions of competition in the event of revocation of the order and termination of the suspended investigations.[128] Metinvest argues that there are a number of significant differences between the subject

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[125] CR/PR at Table II-10.

[126] *Original Determinations*, USITC Pub. 3076, at 18.

[127] Chairman Broadbent and Commissioner Kieff do not join this section concerning Likely Conditions of Competition within the discussion of cumulation. *See* Separate and Dissenting Views of Chairman Meredith M. Broadbent and Commissioner F. Scott Kieff.

[128] ArcelorMittal's Posthearing Brief at 11-13 and Responses to Commission Questions at 48-52; Nucor's Prehearing Brief at 12-13; Nucor's Posthearing Brief at 5 and Responses to Commissioner Questions, at 17-22.

industry in Ukraine and the subject industries in China and Russia indicating that they would likely compete under different conditions of competition.[129]

There are a number of similarities between the CTL plate industries in China, Russia, and Ukraine. The industries in all three subject countries have substantial capacity and substantial excess capacity.[130] The industries in all three subject countries are export-oriented.[131] Imports of CTL plate from all three subject countries are subject to trade remedy measures in a number of other markets.[132]

The record does not support Metinvest's contention that subject imports from Ukraine will compete under different conditions of competition from the other subject imports because of lack of comparability.[133] As previously discussed, purchasers reported that subject imports from China, Russia, and Ukraine were always or frequently interchangeable with subject imports from each of the other subject countries.[134] In addition, as noted above, a majority of purchasers found that subject imports from China, Russia, and Ukraine were comparable as to virtually all factors.[135]

Metinvest states that the tragic conflict in eastern Ukraine has caused devastating effects on the Ukrainian economy and the Ukrainian people, including Metinvest's employees

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[129] Metinvest's Prehearing Brief at 13-19; Metinvest's Posthearing Brief at 2-6.

[130] Industry data indicate that the Chinese CTL plate industry is the world's largest, with reversing mill plate capacity of *** short tons in 2014, over half of global capacity, and that reversing mill plate production in China in 2014 was *** short tons, suggesting excess reversing mill plate capacity of approximately *** short tons in 2014. CR/PR at Table IV-17, IV-18. Data supplied by subject Russian producers estimated to account for *** percent of total CTL plate production in Russia in 2013 indicated that in 2013 the combined capacity of these two producers was *** short tons, and their capacity utilization was *** percent. CR/PR at II-8 n.15; PR at II-6 n.15; CR/PR at Table IV-11. As previously discussed, available capacity and production data suggest that capacity utilization for reversing mill plate in Russia was approximately *** percent in 2014. CR/PR at Tables IV-17, IV-18. Reported capacity of the subject CTL plate industry in Ukraine was *** short tons, its reported capacity utilization rate was *** percent, and its unused capacity was over *** short tons. CR/PR at Table IV-14.

[131] Official export statistics (which include some out-of-scope merchandise) indicate that all three subject countries were among the top ten exporting countries of CTL plate in the world in 2014. The Chinese industry was the world's largest exporter of CTL plate, the Ukrainian industry was the world's fourth largest exporter of CTL plate, and the Russian Industry was the world's tenth largest exporter of CTL plate. CR/PR at Table IV-20. *See* note 142, *infra*.

[132] There are antidumping duty measures in effect against imports of CTL plate from China in Australia, Brazil, Canada, and Mexico. There are antidumping duty measures in effect against imports of CTL plate from Russia in Mexico and Thailand, as well as a provisional antidumping duty measure in effect in Canada. There are antidumping measures in effect against imports of CTL plate from Ukraine in Brazil, Canada, Mexico, and Thailand. CR at IV-30; PR at IV-23; *see* ArcelorMittal's Prehearing Brief at Exh. 9.

[133] *See* Metinvest's Posthearing Brief at 4-5.

[134] CR/PR at Table II-11.

[135] CR/PR at Table II-10.

and their families.[136] We agree and are sympathetic to Metinvest's recounting of its experience and to the impact that the conflict has had on the people of Ukraine. The record reflects that this conflict has caused difficulties for Metinvest and the CTL plate industry in Ukraine, and we acknowledge it as a condition of competition, the extent of which we will consider in these reviews. Metinvest reports that it has had to invoke *force majeure* on a number of occasions due to the conflict, and CTL plate mills in Ukraine reported disruptions in their raw material supply chains, with at least one mill located in territory no longer controlled by the Ukrainian government that had to cease operations due to the conflict.[137]

Nevertheless, we do not agree with Metinvest that the conflict has affected conditions in the U.S. market for subject imports from Ukraine by affecting purchasers' perceptions of the reliability of supply, as well as lead times, for those imports.[138] Metinvest's contentions cannot be reconciled with the questionnaire responses from purchasers. In addition to reporting that subject imports from all three subject countries were always or frequently interchangeable with each other, purchasers also reported that that subject imports from Ukraine were comparable to all other sources (including subject imports from China, subject imports from Russia, and the domestic like product) with respect to reliability of supply, delivery time, delivery terms, and availability, and other purchasing factors.[139] Thus, Metinvest's assertions about the effects of the conflict in eastern Ukraine on competition in the U.S. market are not confirmed by other participants in the U.S. market.

Moreover, the subject industry in Ukraine has continued to produce and export CTL plate in significant quantities despite the conflict. Although Ukrainian CTL plate exports declined from 2013 to 2014, exports remained *** higher in 2014 than they had been in 2012.[140] Official export statistics (which may include out-of-scope product) indicate that Ukraine was the world's fourth largest exporter of CTL plate in 2014.[141] [142] Ukrainian exports of CTL plate to the EU increased each year from 2012 to 2014, and were higher in interim 2015 than in interim 2014.[143]

Additionally, the record contains evidence that the severity of the conflict abated somewhat towards the end of the period of review in mid-2015 and beyond, enabling steel

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[136] Metinvest's Posthearing Brief at 3-4; Hearing Tr. at 147-154 (Romanova).

[137] CR at IV-23 to IV-25; PR at IV-19 to IV-20; Metinvest's Posthearing Brief, Exh. 2: Hearing Tr. at 148-153 (Romanov); 155-156 (Shvetsov).

[138] Metinvst's Posthearing Brief at 2-5.

[139] CR/PR at Table II-10.

[140] Total exports of subject CTL plate from Ukraine were *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014. CR/PR at Table IV-14.

[141] CR/PR at Table IV-20.

[142] Vice Chairman Pinkert relies on the export data for Ukraine derived from Commission questionnaire responses and set out in Table IV-14 of the staff report. He does not rely on the official export statistics for Ukraine set out in Tables IV-16 and IV-20 of the report, as they may include data from plants outside of the control of the government of Ukraine.

[143] CR/PR at Table IV-14.

production in Ukraine to rebound.[144] While Metinvest was compelled to invoke *force majeure* with respect to contractual obligations on numerous occasions, no occurrence was reported after March 2015, and there is no evidence that any occurrence concerned deliveries of CTL plate.[145] In a September 2015 interview, a Metinvest representative focused on the challenges that the company faced in competing against an increasing surplus of Chinese steel exports; he stated that despite the conflict Metinvest was fulfilling its contracts.[146] The record therefore does not distinguish the subject industry in Ukraine from those in the other subject countries with respect to the Ukrainian industry's ability and inclination to export subject merchandise, notwithstanding the conflict in eastern Ukraine.

Additional distinctions asserted by Metinvest are also unpersuasive. Metinvest points to the difference in capacity in China versus Ukraine.[147] The difference in size of the two subject industries, however, is not an indication that the two would compete under different competitive conditions in the U.S. market. All three subject industries are large global producers and exporters of CTL plate and have maintained an interest in the U.S. market. Metinvest also points to differences in U.S. market penetration among imports from the three subject countries during the period of review, but we place little weight on any such differences given the disciplining effects of the antidumping duty order and suspension agreements as well as the high degree of interchangeability discussed above.[148] Finally, Metinvest asserts that differences in the domestic industry's assessment of the compliance of different subject countries with the terms of the suspension agreements and differences in participation in the Commission's current review proceeding merit a decision by the Commission not to exercise its discretion to cumulate subject imports from Ukraine with subject imports from China and Russia.[149] Again, we find that any such differences do not indicate that, upon revocation, subject imports from Ukraine will likely compete in the U.S. market under different conditions of competition than subject imports from China and Russia.

We consequently exercise our discretion to cumulate subject imports from China, Russia, and Ukraine.

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[144] *See* CR at IV-25 to IV-26; PR at IV-20 to IV-21; Nucor's Posthearing Brief at Exhibits 2AU, 3, 24; ArcelorMittal's Posthearing Brief at Exh. 7.

[145] Metinvest's Posthearing Brief, Exh. 2, Annex 1; Hearing Tr. at 242-243 (Shvetsov). We also note that the majority of contract breaches for which Metinvest invoked *force majeure* did not pertain to Metinvest's ability to meet its supply obligations to purchasers.

[146] ArcelorMittal's Posthearing Brief, Exh. 2 at 1-2, 3-4 (interview with Metinvest Group sales director).

[147] Metinvest's Prehearing Brief at 17-18; Metinvest's Posthearing Brief at 5.

[148] Metinvest's Prehearing Brief at 19.

[149] Metinvest's Prehearing Brief at 18-19; Metinvest's Posthearing Brief at 5-6.

E. Conclusion[150]

In sum, we determine that subject imports from all three countries are not likely to have no discernible adverse impact on the domestic industry in the event of revocation or termination and that there would likely be a reasonable overlap of competition between the subject imports from each country and the domestic like product. We also determine that subject imports from all three countries would be likely to compete under similar conditions of competition upon revocation of the antidumping duty order and termination of the suspended investigations. Accordingly, for the reasons discussed above, we exercise our discretion to cumulate subject imports from China, Russia, and Ukraine.

IV. Revocation of the Antidumping Duty Order and Termination of the Suspended Investigations Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[151] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[152] Thus, the likelihood standard is prospective in nature.[153] The U.S. Court of International Trade has found that

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[150] Chairman Broadbent and Commissioner Kieff exercise their discretion to cumulate subject imports from China and Russia and consider them separately from subject imports from Ukraine. *See* Separate and Dissenting Views of Chairman Meredith M. Broadbent and Commissioner F. Scott Kieff.

[151] 19 U.S.C. § 1675a(a).

[152] SAA at 883-84. The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id*. at 883.

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

"likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[154]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[155] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[156]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[157] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[158] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.[159]

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms

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[154] *See NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), *aff'd mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion;" "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); *Usinor v. United States*, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[155] 19 U.S.C. § 1675a(a)(5).

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

[157] 19 U.S.C. § 1675a(a)(1).

[158] 19 U.S.C. § 1675a(a)(1). Commerce made no duty absorption findings with respect to the matters under review. CR at I-21; PR at I-18.

[159] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

or relative to production or consumption in the United States.[160] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[161]

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[162]

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[163] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.[164]

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[160] 19 U.S.C. § 1675a(a)(2).

[161] 19 U.S.C. § 1675a(a)(2)(A-D).

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

[163] 19 U.S.C. § 1675a(a)(4).

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

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[165]

1. The Original Investigations and Prior Five-Year Reviews

The Original Investigations. In the original investigations, the Commission highlighted several conditions of competition pertinent to its analysis of the domestic CTL plate market. It found that demand for CTL plate had increased overall during the period of investigation. Producers, importers and end-user purchasers attributed the increase in demand to a strong economy and to such specific factors as low interest rates, increased spending on capital goods, and increased general construction spending.[166] The Commission also identified the growing importance of steel service centers in the domestic CTL plate industry.[167] The Commission found CTL plate to be essentially a commodity-type product and price to be a significant factor for its purchasers.[168]

The First Reviews. In the first reviews, the Commission found that demand for CTL plate had declined overall during the period of review. Market participants attributed the decline to general economic conditions, with specific factors cited such as decreased spending on capital goods, and decreased general construction spending.[169] The Commission also noted that the domestic industry had consolidated over the period, and that its productivity had increased. The Commission found that the importance of steel service centers had grown since the original investigations. It found that service centers increased price competition for CTL plate in the U.S. market because of their buying leverage and ability to make large purchases and hold sizable quantities of CTL plate in inventory.[170]

The Second Reviews. With respect to demand, the Commission stated that a majority of market participants agreed that U.S. demand increased from 2003 to mid-2008, and then collapsed in late 2008 due to the global economic recession. The Commission found that demand was likely to remain weak, based on domestic producers' reports of dramatically lower orders of CTL plate, as well as demand projections, and the lack of a large impact from stimulus spending. The Commission found demand for CTL plate to be derived from demand for end-use applications, and that the CTL plate was accordingly not characterized by a regular and

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[165] 19 U.S.C. § 1675a(a)(4).
[166] *Original Determinations*, USITC Pub. 3076, at 14.
[167] *Original Determinations*, USITC Pub. 3076, at 14.
[168] *Original Determinations*, USITC Pub. 3076, at 20.
[169] *First Reviews*, USITC Pub. 3626, at 20.
[170] *First Reviews*, USITC Pub. 3626, at 20-21.

measurable business cycle, but rather that CTL plate producers responded to several different end-use industries and their individual business cycles.[171]

As to supply, the Commission stated that the U.S. market continued to be supplied primarily by the domestic industry, while noting that the domestic CTL plate market had become increasingly global as multinational corporations, including Mittal Steel Company, SSAB and Evraz, entered the U.S market through acquisitions. The Commission stated that as a result of consolidation, the domestic industry was better able to respond to changes in demand by idling production facilities. Nonsubject imports were the second largest source of supply in the U.S. market during the period of review, followed by subject imports.[172]

As to other conditions, the Commission stated that market participants found subject imports from all three sources to be generally interchangeable with each other and the domestic like product. Purchasers listed price and quality as the two most important factors in their purchasing decisions. The Commission stated that the cost of raw materials (*e.g.*, iron ore, coal, and steel scrap) and energy were important components of the total cost of producing CTL plate, and that most market participants indicated that CTL plate prices follow raw material price trends closely.[173]

2. The Current Reviews

The following conditions of competition inform our determinations.

Demand Conditions. U.S. demand for CTL plate depends on the demand for end use products, which include the manufacture of storage tanks, heavy machinery and machinery parts, ships and barges, agriculture and construction equipment, general load-bearing structures, and pipe. Market participants reported no changes in end uses during the period of review.[174]

Apparent U.S. consumption fluctuated during the period of review, increasing overall by 10.5 percent from 2012 to 2014, although it was lower in interim 2015 than in interim 2014.[175] Most responding firms reported that U.S. demand had fluctuated or increased since January 1, 2012, while a plurality of responding firms reported that they expected U.S. demand to fluctuate over the next two years.[176]

Supply Conditions. The domestic industry was the largest supplier to the U.S. market during the period of review, with its market share ranging between a period high of 91.6

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[171] *Second Reviews*, USITC Pub. 4103, at 20-21.

[172] *Second Reviews*, USITC Pub. 4103, at 21-22.

[173] *Second Reviews*, USITC Pub. 4103, at 23.

[174] CR at II-13; PR at II-9.

[175] Apparent U.S. consumption declined from 7.8 million short tons in 2012 to 7.6 million short tons in 2013, and then increased to 8.7 million short tons in 2014. It was 4.2 million short tons in interim 2014 and 3.8 million short tons in interim 2015. CR/PR at Table C-1.

[176] CR/PR at Table II-3.

percent in 2013 and a period low of 81.5 percent in 2014.[177] The capacity of the domestic industry declined by 2.9 percent between 2012 and 2014.[178] Nucor began production of a new heat treating line in 2010, ArcelorMittal commissioned a new heat treating line in 2012, and SSAB constructed a new heat treatment facility in 2012. By contrast, Evraz's Claymont mill was idled in 2013 and then sold at auction in March 2015, and ArcelorMittal permanently closed its plate rolling operations in Gary, Indiana in May 2015.[179] There were several acquisitions or consolidations in the domestic industry since the last reviews, including the purchase of Le Tourneau Technologies by Joy Global Inc., the acquisition of Kentucky Electric Steel by Optima Specialty Steel, and the acquisition of Robinson Steel division by Cargill through its taking full ownership of the joint venture between the two entities.[180]

Nonsubject imports were the second largest supplier to the U.S. market during the period of review, with their market share far exceeding that of subject imports. The market share of nonsubject imports declined from 13.5 percent in 2012 to 8.3 percent in 2013, but then more than doubled to 17.7 percent in 2014.[181] The five largest sources of nonsubject imports in 2014 were, in order, Korea, Canada, Brazil, Turkey, and France.[182]

The market share of subject imports was below 1.0 percent throughout the period of review, reaching a period high of 0.8 percent in 2014.[183] Metinvest is a Ukrainian holding company that was founded in 2006 and now controls and manages three steel mills in Ukraine that produce CTL plate: Azovstal, Ilyich, and Zaporizhstal.[184] According to Metinvest, at the time of the Commission's final determination in the original investigations in 1997, these mills were not under their current management, and the process of privatization of the Ukrainian steel industry had not been completed. Metinvest states that the Azovstal mill was fully privatized in 2003, the Ilyich mill in 2000, and the Zaporizhstal mill in 2001.[185] Metinvest does not manage or control the Alchevsk mill or the Donetsk Steel Mill.[186]

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[177] The domestic industry's market share was 85.9 percent in 2012, 91.6 percent in 2013, and 81.5 percent in 2014. It was 84.1 percent in interim 2014 and 82.7 percent in interim 2015. CR/PR at Table C-1.

[178] CR/PR at Table C-1. Capacity increased from 11.3 million short tons in 2012 to 11.4 million short tons in 2013, and then declined to 10.9 million short tons in 2014. It was 5.5 million short tons in both interim 2014 and interim 2015. CR/PR at Table III-4.

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

[180] CR at III-3 to III-4; PR at III-3.

[181] CR/PR at Table C-1. The market share of nonsubject imports was 15.2 percent in interim 2014 and 16.8 percent in interim 2015. *Id.*

[182] CR/PR at Table IV-2.

[183] The market share of subject imports was 0.6 percent in 2012, 0.1 percent in 2013, and 0.8 percent in 2014. It was 0.7 percent in interim 2014 and 0.6 percent in interim 2015. CR/PR at Table C-1.

[184] Metinvest's Prehearing Brief at 2-3; Metinvest's Posthearing Brief at 9 and Responses to Commissioner Questions, at 15-18.

[185] Metinvest's Prehearing Brief at 16-17. Metinvest asserts that the Ilyich mill, despite being privatized by its employees in 2001, continued to pursue Soviet-era production and employment policies (Continued…)

The available information indicates that there is substantial global overcapacity in CTL plate. Data from *** indicate that worldwide reversing mill plate capacity was *** short tons in 2014.[187] By comparison, *** data indicate that worldwide reversing mill plate production in 2014 was *** short tons, and apparent global consumption of reversing mill plate was ***.[188]

Substitutability and other conditions. Responding purchasers ranked quality and price as the most important factors used in purchasing decisions, and 26 of 28 responding purchasers reported that price was a very important factor in purchasing decisions.[189] Accordingly, we find that price is a very important factor in purchasing decisions for CTL plate, and that there is a moderate to high degree of substitutability between domestically produced CTL plate and CTL plate imported from subject sources.[190] As discussed above, most questionnaire respondents reported that the domestic like product and subject imports from the three sources are at least sometimes interchangeable and that they are comparable with respect to multiple factors, including quality meets industry standards.[191]

U.S. producers' raw material costs, including costs of iron ore, coal and scrap, represented nearly two-thirds of the cost of goods ("COGS") sold during the period January 2012 through June 2015. Prices for iron ore, coal, and iron and steel scrap declined during this period, while natural gas and electricity costs fluctuated, with natural gas prices declining overall during the period and electricity prices increasing overall.[192]

C. Likely Volume of Cumulated Subject Imports

1. The Original Investigations and Prior Five-Year Reviews

The Original Investigations. In its present material injury analysis, the Commission found that the increase in volume and market share of subject imports, both in absolute terms and relative to U.S. consumption, was significant.[193] In its threat analysis, the Commission found a significant rate of increase in the volume of subject imports indicating the likelihood of substantially increased imports in the near future. The Commission found that the dramatic

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(…Continued)
until it was acquired by Metinvest in 2010. Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 16-17.

[186] Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 18. As previously noted, both the Alchevsk mill and the Donetsk Steel Mill are in territory reported to be outside the effective control of the Ukrainian government. While Alchevsk reported that ***, the Donetsk Steel Mill is reported to be incapable of producing CTL plate since its open hearth furnace was shut down in 2012. CR at II-10 n.20, IV-23; PR at II-7 n.20, IV-20; Hearing Tr. at 149 (Romanov); 155-156 (Shvetsov).

[187] CR/PR at Table IV-18.

[188] CR/PR at Tables IV-17, IV-19.

[189] CR/PR at Tables II-6 and II-7.

[190] CR at II-17; PR at II-12; Hearing Tr. at 43 (Utermark).

[191] CR/PR at Tables II-10, II-11.

[192] CR at V-1, V-3; PR at V-1, V-3; CR/PR at Figures V-1a, V-1b, V-2.

[193] *Original Determinations*, USITC Pub. 3076, at 19.

surge of subject imports in interim 1997 demonstrated the ability of respondents to ship very large volumes of subject imports to the United States and the likelihood that respondents would do so in the absence of relief. The Commission also noted that the rate of increase in subject imports far outpaced growth in U.S. demand, resulting in increased market share for subject imports.[194] The Commission also considered it significant that each of the subject countries was facing at least one and, in some cases, several antidumping findings, investigations, or quantitative restrictions in other major export markets, indicating that export markets other than the United States were and might be further restricted.[195]

The First Reviews. In the first reviews, the Commission found that the likely volumes of cumulated subject imports from China, Russia, and Ukraine, both in absolute terms and as a share of the U.S. market, would be significant. The Commission found that in the three years prior to the suspension agreements, the volume of subject imports increased by 121.1 percent, thus demonstrating the ability of subject producers to increase exports to the United States rapidly without the restraining effects of the suspension agreements. The data collected by the Commission showed considerable production capacity in the cumulated subject country industries, and that this capacity had increased over the period of review. Moreover, the Commission found that producers in all three subject countries had the ability to shift capacity between subject merchandise and other products. The Commission also found that the industries in the subject countries were somewhat export oriented. It stated that the United States was an attractive market for foreign producers because of its size and established distribution system, and that evidence on the record showed that U.S. prices for CTL plate were often higher than prices in other markets. Additionally, the Commission found that exports of subject merchandise from each of the subject countries were subject to a number of tariff and non-tariff barriers in other export markets, further increasing the attractiveness of the U.S. market.[196]

The Second Reviews. In the second reviews, the Commission found that the likely volumes of cumulated subject imports from China, Russia, and Ukraine, both in absolute terms and as a share of the U.S. market, would be significant. The Commission found that cumulated subject imports maintained a growing presence in the market during the period of review even with the order and suspension agreements in place. Additionally, the data available showed considerable production capacity and excess capacity in the cumulated subject industries, and that capacity had increased over the period of review. Although the Commission did not have reported data on the CTL plate industry in China due to the lack of participation in the reviews by Chinese producers, the available information indicated significant excess capacity in the CTL plate industry in China, as well as numerous capacity expansions planned for that industry in the reasonably foreseeable future. Moreover, the Commission found that producers in all three subject countries had the ability to shift capacity between subject merchandise and other products. It also found that the industries in the cumulated countries were somewhat to highly

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[194] *Original Determinations*, USITC Pub. 3076, at 24-25.
[195] *Original Determinations*, USITC Pub. 3076, at 25.
[196] *First Reviews*, USITC Pub. 3626, at 22-25.

export oriented. Furthermore, the United States was an attractive market for foreign producers because of its size and established distribution system, and the record showed that U.S. prices for CTL plate tended to be comparable to those in Europe and higher than those in Asia. Additionally, the Commission found that exports of subject merchandise from each of the subject countries were subject to a number of tariff and non-tariff barriers in other export markets, further increasing the attractiveness of the U.S. market.[197]

2. The Current Reviews[198]

The record indicates that subject producers in China, Russia, and Ukraine have the means and the incentive to increase shipments of subject merchandise to the U.S. market significantly within a reasonably foreseeable time if the antidumping duty order were revoked and the suspended investigations were terminated.

The cumulated subject industries in China, Russia, and Ukraine have substantial capacity, and have added capacity since the Commission's second reviews. Industry data show that the CTL plate industry in China is the world's largest, with reversing mill plate capacity of *** short tons in 2014, over half of global capacity.[199] Moreover, the available information indicates that the subject industry in China has undertaken a number of projects to add capacity since the Commission's second reviews.[200] Industry data indicate that the CTL plate industry in Russia had reversing mill plate capacity of *** short tons in 2014.[201] The available information also indicates that the subject industry in Russia has undertaken several projects to add capacity since the Commission's second reviews.[202] The trade data supplied in response to the Commission's notice of institution in these reviews by two Russian CTL plate producers, ***, which estimated that they accounted for approximately *** percent of total Russian CTL plate production in 2013, stated that the combined capacity of these two producers was ***

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[197] *Second Reviews*, USITC Pub. 4103, at 24-27.

[198] Chairman Broadbent and Commissioner Kieff do not join the remainder of this opinion as it pertains to the current reviews. They determine that termination of the suspended investigation on CTL plate from Ukraine would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. They also determine that revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigation on CTL plate from Russia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. *See* Separate and Dissenting Views of Chairman Meredith M. Broadbent and Commissioner F. Scott Kieff.

[199] CR/PR at Table IV-18. The data in this table only include the production capacities of reversing plate mills and exclude the capacity of strip mills that can produce coiled plate that is subsequently cut to length. *Id.*

[200] CR at IV-13; PR at IV-10 to IV-11.

[201] CR/PR at Table IV-18. The data in this table only include the production capacities of reversing plate mills and exclude the capacity of strip mills that can produce coiled plate that is subsequently cut to length. *Id.*

[202] CR at IV-17; PR at IV-13 to IV-15.

short tons in 2013. Reported annual production capacity for subject CTL plate from Ukraine was *** short tons in 2014.[203]

The cumulated subject industries in China, Russia, and Ukraine also have substantial excess capacity. The available data indicate that production of reversing mill plate in China in 2014 was approximately *** short tons.[204] Given the data discussed above showing reversing mill plate capacity in China of approximately *** short tons in 2014, the available information indicates that reversing mill plate capacity utilization in China was approximately *** percent in 2014, and unused reversing mill plate capacity in China was approximately *** short tons in 2014.[205] According to the data supplied by the two subject Russian producers that responded to the Commission's notice of institution, the overall capacity utilization of those two producers was *** percent in 2013.[206] As previously discussed, available capacity and production data suggest that capacity utilization for reversing mill plate in Russia was approximately *** percent in 2014.[207] Reported capacity utilization for subject producers in Ukraine was *** percent in 2014, and reported unused capacity was *** short tons in 2014.[208]

The Chinese, Russian, and Ukrainian subject industries are all export oriented. Total exports as a percentage of Ukrainian producers' total shipments were *** percent in 2014.[209] While comparable questionnaire data for the subject industries in China and Russia are not available, official export statistics (which may include some out-of-scope merchandise) indicate that all three subject industries are among the top ten exporting industries of CTL plate in the world. CTL plate exports from China in 2014 were 7.4 million short tons, the largest in the world; CTL plate exports from Ukraine in 2014 were 2.7 million short tons, the fourth largest in the world; and CTL plate exports from Russia were 1.2 million short tons, the tenth largest in the world.[210]

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[203] CR/PR at Table IV-14. Reported annual production capacity for subject CTL plate from Ukraine increased during the period of review from *** short tons in 2012 to *** short tons in 2013, and then declined to *** short tons in 2014. It was *** short tons in interim 2014, and *** short tons in interim 2015. *Id.* These data concern the three producers that responded to the Commission's questionnaires, all of which are located in areas controlled by the Ukrainian government.

[204] CR/PR at Table IV-9.

[205] CR/PR at Table IV-18.

[206] CR/PR at Table IV-11.

[207] CR/PR at Tables IV-17, IV-18. These data only include the production capacities of reversing plate mills and exclude the capacity of strip mills that can produce coiled plate that is subsequently cut to length. *Id.*

[208] CR/PR at Table IV-14. Capacity utilization increased from *** percent in 2012 to *** percent in 2013, and then declined to *** percent in 2014. Capacity utilization was *** percent in interim 2014, and *** percent in interim 2015. *Id.*

[209] CR at Table IV-14. Total exports as a percentage of Ukrainian producers' total shipments increased from *** percent in 2012 to *** percent in 2013 and *** percent in 2014. They were *** percent in interim 2014, and *** percent in interim 2015. *Id.*

[210] CR/PR at Table IV-20. Vice Chairman Pinkert finds that Ukraine is a significant exporter of CTL plate based on Commission questionnaire data. *See* n.142, *supra*.

We find that producers in China, Russia, and Ukraine would likely direct significant volumes of CTL plate to the U.S. market should the antidumping order be revoked and the suspended investigations be terminated. Even under the discipline of the order and suspension agreements, cumulated subject imports continued to be present in the U.S. market throughout the period of review, albeit at reduced volumes, indicating the continued interest of subject producers in the U.S. market.[211] In addition, the U.S. market for CTL plate is one of the largest in the world,[212] and the available information in the record indicates that the U.S. market has higher prices for CTL plate than other markets, making it attractive to subject exporters.[213]

Trade barriers to imports of CTL plate in other markets provide a further incentive for subject producers to ship subject product to the United States. There are antidumping duty measures in effect against imports of CTL plate from China in Australia, Brazil, Canada, and Mexico. There are antidumping duty measures in effect against imports of CTL plate from Russia in Mexico and Thailand, as well as a provisional antidumping duty measure in effect in Canada. There are antidumping measures in effect against imports of CTL plate from Ukraine in Brazil, Canada, Mexico, and Thailand. There is also a global safeguard measure in Thailand on imports of CTL plate that would affect all subject countries.[214]

Given the cumulated subject industries' large capacity, unused capacity, and overall export orientation, the size and relative attractiveness of the U.S market, third-country trade barriers on imports of CTL plate, and the continued presence of subject imports in the U.S. market during the period of review, we conclude that cumulated subject import volumes would likely be significant, both in absolute terms and relative to U.S. consumption, upon revocation of the order and termination of the suspended investigations.[215]

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[211] The volume of cumulated subject imports was 48,604 short tons in 2012, 5,714 short tons in 2013, and 67,520 short tons in 2014. It was 27,815 short tons in interim 2014 and 21,716 short tons in interim 2015. CR/PR at Table C-1.

[212] The available data indicate that the United States ranked third in the world, behind South Korea and Germany, in imports of CTL plate (including some out-of-scope products) in 2014. CR/PR at Table IV-21.

[213] As previously discussed, the available data from MEPS International Ltd. indicate that prices for CTL plate were higher in the United States (and Canada) than in China, Japan, South Korea and the EU in every month between January 2014 and September 2015, with the exception that they indicate that prices in Japan were slightly higher than prices in the United States in September 2015. CR/PR at Table IV-22.

[214] CR at IV-30; PR at IV-23; *see* ArcelorMittal's Prehearing Brief at Exh. 9.

[215] We have also examined inventories in our analysis of the likely volumes of subject imports, although we do not have questionnaire or other data available on inventories of subject merchandise in China or Russia. Reported end-of-period inventories of subject merchandise in Ukraine were *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014. They were *** short tons in interim 2014, and *** short tons in interim 2015. CR/PR at Table IV-14. U.S. importers' cumulated end-of-period inventories from China, Russia, and Ukraine were *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014. They were *** short tons in interim 2014, and *** short tons in interim 2015. CR/PR at Table IV-5.

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D. Likely Price Effects of Cumulated Subject Imports

1. The Original Investigations and Prior Five-Year Reviews

The Original Investigations. In its present material injury analysis, the Commission stated that price was a significant factor for purchasers of CTL plate, which it found was essentially a commodity-like product, and that a majority of market participants viewed domestically produced and imported CTL plate as broadly interchangeable, despite some perceptions of quality differences. The Commission found that subject imports undersold the domestic like product in the overwhelming majority of comparisons. The Commission also found that prices obtained by domestic producers for sales to distributors peaked in early 1995, as did prices for two of three pricing products sold to end users, before declining through early 1996.[216] In its threat analysis, the Commission found evidence that increased volumes of subject imports would enter at prices likely to depress or suppress domestic prices to a significant degree. The Commission found that the beginnings of price depression and suppression were indicated by the fact that sales to distributors of the three pricing products accounting for the largest volume among the products investigated started to show declines in price in mid-to-late 1996 and continuing through early 1997, notwithstanding strong growth in demand.[217]

The First Reviews. In the first reviews, the Commission found that price remained an important factor in the purchase of CTL plate, and that with the increasing role of service centers in the distribution of CTL plate in the U.S. market, price competition had increased since the original investigations. The Commission noted that even with the suspension agreements in place, there was significant underselling of the imported product, and that prices for all pricing products sold to service centers generally trended downward over the period of review. Given the likely significant volume of subject imports, the importance of price in the U.S. market, the interchangeability of subject imports and the domestic like product, the price effects of low-priced subject imports in the original investigations, the underselling by subject imports during the period of review, and the incentive of subject imports to enter the U.S. market, the Commission found a likelihood of significant price effects for the subject imports. The Commission therefore concluded that if the suspended investigations were terminated, significant volumes of cumulated subject imports likely would significantly undersell the

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(…Continued)

With respect to the potential for product shifting, all three responding Ukrainian producers reported that they could switch production from CTL plate to other flat-rolled steel products. However, all three responding Ukrainian producers indicated that, while it was technically feasible to switch between CTL plate and other products, this increased expenses and reduced efficiency. CR at II-12; PR at II-8. Given the lack of questionnaire data from subject Chinese and Russian CTL plate producers, there is little information in the record on the ability of Chinese or Russian producers to switch between producing other products and subject CTL plate on the same equipment.

[216] *Original Determinations,* USITC Pub. 3076, at 20-21. The Commission did not make any finding concerning whether the subject imports were having significant price effects.

[217] *Original Determinations*, USITC Pub. 3076, at 26.

domestic like product to gain market share, and likely would have significant depressing or suppressing effects on the prices of the domestic like product.[218]

The Second Reviews. In the second reviews, the Commission found that price remained an important factor in the purchase of CTL plate. It stated that the pricing data in the reviews indicated a mixture of both overselling and underselling by subject imports even under the discipline of the order and the suspension agreements. The Commission found that quarterly prices for U.S. produced and subject imports of CTL plate fluctuated but generally increased from 2003 to the third quarter of 2008, and then sharply declined due to the global economic turmoil in late 2008. The Commission found that given the factors motivating subject producers to increase shipments to the United States, and the degree of substitutability between subject and domestic CTL plate, subject producers would be likely to use underselling as a means to increase market share in the United States, and that such underselling would be likely to result in significant negative price effects in the event of revocation of the order and termination of the suspended investigations. Thus, the Commission concluded that in the event of such revocation/termination, significant volumes of cumulated subject imports would significantly undersell the domestic like product to gain market share and likely would have significant depressing or suppressing effects on the prices of the domestic like product.[219]

2. The Current Reviews

As previously stated, we have found that price is a very important factor in purchasing decisions for CTL plate, and domestically produced CTL plate and CTL plate imported from subject sources are moderately to highly substitutable.

In accordance with the statute, we consider the pricing data from the original investigations, in which cumulated subject imports from China, Russia, and Ukraine undersold the domestic like product in 182 out of 192 comparisons.[220] Although we recognize that, as previously discussed, the CTL plate industry in Ukraine has undergone significant changes since the original investigations, we have considered, as directed by the statute, the data showing that subject imports from Ukraine undersold the domestic like product in all 59 comparisons in the original investigations.[221]

The Commission requested pricing data for four products in these reviews.[222] The pricing data show that, with the order and suspension agreements in place, there was mixed

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[218] *First Reviews*, USITC Pub. 3626, at 25-27.

[219] *Second Reviews*, USITC Pub. 4103, at 28-29.

[220] CR/PR at Table V-8 n.2. *See* 19 U.S.C. § 1675a(a)(1)(A); SAA at 884 ("consideration {of findings from the original determination} is important, because this period is the most recent time during which imports of subject merchandise competed in the U.S. market free of the discipline of an order or agreement").

[221] CR/PR at Table V-8 n.2.

[222] Ten U.S. producers and nine importers provided usable pricing data for sales of the requested products, although not all firms reporting pricing for all products for all quarters. Pricing data reported by U.S. producers accounted for approximately 33.8 percent of U.S producers' commercial shipments of (Continued…)

underselling and overselling by cumulated subject imports during the period of review. Cumulated subject imports undersold the domestic like product in 14 out of 28 quarterly comparisons, with an average margin of underselling of 4.7 percent. Cumulated subject imports oversold the domestic like product in 14 out of 28 quarterly comparisons, with an average margin of overselling of 10.4 percent.[223] The volume of cumulated subject imports that undersold the domestic like product constituted 36,190 short tons out of 45,778 total short tons accounted for by the pricing data, or 79.1 percent by volume.[224]

Given the importance of price in purchasing decisions and the substitutability of the products, suppliers of subject merchandise will again seek to increase their sales in the U.S. market by offering CTL plate at low prices. Absent the discipline of the order and the suspension agreements, there would likely be more pervasive underselling than currently exists.[225] With increasing volumes of subject merchandise offered at low prices, the domestic industry would, in order to retain sales, be forced to cut prices and/or restrain price increases when its costs increase. Consequently, the increasing volumes of subject imports are likely to have a significant effect on prices for the domestic like product.

Contrary to Metinvest's argument, we do not find that the information in the record about the behavior of the subject industry in Ukraine under the discipline of the suspension agreement during the period of review provides any basis for concluding that it would behave similarly in the reasonably foreseeable future absent that discipline.[226] Metinvest asserts that the Commission should give far more weight to the underselling data in the current reviews than those from the original investigations, stating that the Commission's quarterly pricing data in these reviews show more overselling than underselling of the domestic like product by subject imports from Ukraine.[227] However, the Commission received pricing data for subject imports from Ukraine for only 5 quarterly comparisons in these reviews, and while those limited data show overselling by subject imports in 3 of 5 quarterly comparisons, they also show underselling on a quantity basis by 68.5 percent of subject imports from Ukraine included

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CTL plate from January 2012 to June 2015. Pricing data reported by importers accounted for approximately 59.6 percent of U.S. commercial shipments of subject imports from Russia and 54.5 percent of U.S. commercial shipments of subject imports from Ukraine from January 2012 through June 2015. CR at V-7 to V-8; PR at V-6 to V-7. U.S. importers of CTL plate from China did not report product pricing data. CR at V-8 n.12; PR at V-7 n.12.

[223] CR/PR at Table V-8.

[224] CR/PR at Table V-8.

[225] As previously stated, in the original investigations, cumulated subject imports from China, Russia, and Ukraine undersold the domestic like product in 182 out of 192 comparisons. CR/PR at Table V-8 n.2.

[226] In addition, even if they were correct factually, Metinvest's arguments concerning the likely pricing of subject imports from Ukraine do not address the question pertinent to our analysis, which concerns the likely price effects of cumulated subject imports from China, Russia, and Ukraine. Metinvest did not argue that cumulated subject imports would not undersell the domestic like product in the event of revocation/termination.

[227] Metinvest's Prehearing Brief at 41-42; Metinvest's Posthearing Brief at 11-12.

in the pricing data.[228] Thus, the instances of overselling by subject imports from Ukraine in the current period of review provide limited insight as to the likely pricing behavior of subject imports upon termination of the suspension agreement.

To support its argument that future imports from Ukraine would not cause adverse price effects in the event the suspension agreement were terminated, Metinvest also asserts that it shipped low or moderate volumes of plate to the U.S market during the period of review, even during extended periods of time (*e.g.,* ***) when the U.S. market price was above the normal values for Metinvest that had been determined by Commerce, and it accordingly faced no restrictions on the quantities it could sell in the U.S. market.[229] Domestic Producers assert, however, that the suspension agreement has restrained subject imports from Ukraine not only by prohibiting subject producers from selling at prices below their normal values, but also as a result of the time lag of the pricing mechanism in the agreement. Pursuant to the terms of the suspension agreement, normal values determined by Commerce apply for a subsequent six-month period, during which time U.S. market prices may fluctuate, possibly discouraging U.S. purchasers from ordering subject imports from Ukraine because there are substantial lead times for delivery, and this creates a risk that the U.S. market prices could fall below the normal value prior to delivery.[230] Domestic Producers assert that any such restraining effect would cease to apply if the suspension agreement were terminated.[231] For its part, Metinvest acknowledges that the information it has provided regarding its normal values and the available information regarding U.S. market prices for CTL plate are not directly comparable, since the normal values are determined by Commerce on a narrow product-specific basis, while the available market pricing data use a much broader product definition.[232] Thus, given the restraining effect of the suspension agreement, and the lack of comparable data regarding Metinvest's normal values in relation to U.S. market prices during the period of review, we are unable to conclude that the limited volume of subject imports from Ukraine during the period of review provides the basis for drawing a conclusion as to the likely volume or prices of subject imports from Ukraine if the suspended investigation were terminated.

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[228] CR/PR at Table V-8.

[229] Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 53-58.

[230] ArcelorMittal's Posthearing Brief, Responses to Commissioner Questions, at 4-5; Nucor's Posthearing Brief, Answers to Commissioners' Questions, at 3-4; Hearing Tr. at 134-135 (Schagrin).

[231] Metinvest does not contest Domestic Producers' contention that lag times under the suspension agreement cause uncertainty for U.S. purchasers, but asserts that there will continue to be long lead times and uncertainty of supply from Ukraine if the suspended investigation is terminated, and that these will continue to inhibit subject import volumes. Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 57-58. As previously discussed, however, Metinvest's contention is not supported by the questionnaire responses of U.S. purchasers, which indicate that subject imports from Ukraine are perceived as comparable to the domestic like product and imports from the other subject sources with respect to reliability of supply, delivery time, and availability. CR/PR at Table II-10. Nor is it supported by other evidence on the record showing that the Ukrainian industry has continued to produce and export significant volumes of CTL plate, despite the conflict. *See* CR/PR at Table IV-14.

[232] Metinvest's Posthearing Brief, Responses to Commissioner Questions, at 55.

For the foregoing reasons, we find that cumulated subject imports would likely have significant price effects upon revocation of the order and termination of the suspended investigations.

E. Likely Impact of Cumulated Subject Imports

1. The Original Investigations and Prior Five-Year Reviews

The Original Investigations. In its material injury analysis, the Commission determined that the adverse impact of subject imports on the domestic industry was not of sufficient magnitude to conclude that the domestic industry was materially injured by reason of subject imports.[233] In its threat analysis, the Commission found that, in the absence of relief, the volume of subject imports and the price pressure exerted by these imports would increase, resulting in further reductions in prices or suppression of price increases that, in turn, would lead to declines in domestic industry revenues and profitability. The Commission considered declines in the industry's financial performance at the end of the period of investigation to be a strong indication that the industry's condition would further deteriorate in the near future if the escalating volume and price pressure of subject imports continued. The Commission observed that most mills and processors reported that they anticipated negative effects from subject imports in the future.[234]

The First Reviews. In the first reviews, the Commission stated that the record showed that, despite an initial improvement as a result of the suspension agreements, the domestic industry's condition deteriorated significantly during the period of review due to a wave of unfairly traded imports from nonsubject countries. The Commission found that although demand, as measured by apparent U.S. consumption, grew markedly in 1998, the industry's profitability improved only marginally in that year, and declined significantly thereafter, with the industry operating at a loss from 1999 through 2002. Thus, the Commission found that the domestic industry's performance over the period indicated that it was vulnerable to material injury from subject imports. The Commission concluded that, if the suspended investigations were terminated, subject imports from China, Russia, and Ukraine would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.[235]

The Second Reviews. In the second reviews, the Commission stated that the years 2003 through 2008 included several prosperous years characterized by strong demand and rising prices for CTL plate. The domestic industry enjoyed strong financial results from 2004 to 2008, which allowed it to increase capital expenditures, perform deferred maintenance, and

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[233] *Original Determinations*, USITC Pub. 3076, at 21-23. The Commission found that, although the volume and market penetration of subject imports increased during the period of investigation, the data on the condition of the domestic industry were mixed, and any deterioration in the industry's condition was reflected primarily in the interim 1997 data, upon which the Commission placed less weight than pre-petition data. *Id.* at 22-23.

[234] *Original Determinations*, USITC Pub. 3076, at 26.

[235] *First Reviews*, USITC Pub. 3626, at 27-29.

modernize and expand facilities. However, the industry's performance and financial indicators deteriorated dramatically in 2009 due to the global economic crisis. Accordingly, the Commission found that the domestic industry was vulnerable to the effects of subject imports, finding that the capital investments the industry had been able to make before the 2008 economic crisis did not insulate it from a deep and extended downturn in the demand for and price of CTL plate, and that prospects for a substantial recovery in demand were unlikely in the reasonably foreseeable future. The Commission concluded that, if the antidumping duty order were revoked and the suspended investigations terminated, subject imports from China, Russia, and Ukraine would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.[236]

2. The Current Reviews[237]

As detailed below, the domestic industry's performance fluctuated over the period of review, with its production, capacity utilization, net sales, and profitability increasing overall between 2012 to 2014 despite an overall decline in the industry's market share. A number of the industry's performance indicators were lower in interim 2015 than in interim 2014, including capacity utilization and capital expenditures, but the industry's COGS was also lower and the industry remained profitable.

The domestic industry's capacity declined slightly over the period of review.[238] Production increased between 2012 and 2014, but was lower in interim 2015 than in interim 2014.[239] Capacity utilization increased between 2012 and 2014, but was substantially lower in

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[236] *Second Reviews*, USITC Pub. 4103, at 31-33.

[237] The statute additionally instructs that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). In its expedited sunset review with respect to CTL plate from China, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted average margins of up to 128.59 percent. *Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 80 Fed. Reg. 6051, 6052 (Feb. 4, 2015). In its expedited sunset reviews with respect to CTL plate from Russia and Ukraine, Commerce determined likely weighted average dumping margins of up to 185.00 percent for subject imports from Russia, and up to 237.91 percent for subject imports from Ukraine. *Certain Cut-to-Length Carbon Steel Plate From the Russian Federation and Ukraine; Final Results of the Expedited Third Sunset Reviews of the Suspension Agreements,* 80 Fed. Reg. 6052, 6053 (Feb. 4, 2015).

[238] Capacity increased from 11.3 million short tons in 2012 to 11.4 million short tons in 2013, but then declined to 10.9 million short tons in 2014. It was 5.5 million short tons in both interim 2014 and interim 2015. CR/PR at Table III-4.

[239] Production increased from 7.4 million short tons in 2012 to 7.6 million short tons in 2013, and then to 8.0 million short tons in 2014. It was 4.0 million short tons in interim 2014 and 3.4 million short tons in interim 2015. CR/PR at Table III-4.

interim 2015 than in interim 2014.[240] U.S. shipments increased between 2012 and 2014, but were lower in interim 2015 than in interim 2014.[241] The ratio of inventories to total shipments increased over the period of review.[242] The domestic industry's market share increased from 85.9 percent in 2012 to 91.6 percent in 2013, but then declined to 81.5 percent in 2014.[243]

Employment indicators were mixed over the period of review. The number of production and related workers declined,[244] as did the hours they worked.[245] Wages paid and productivity both increased from 2012 to 2014, but were lower in interim 2015 than in interim 2014.[246] [247]

The domestic industry's net sales increased from 2012 to 2014, but were lower in interim 2015 than in interim 2014.[248] U.S. producers' total COGS fluctuated, and was lower in interim 2015 than in interim 2014.[249] Operating income was $472.7 million in 2012, declined to $83.7 million in 2013, and then increased to $586.6 million in 2014. It was $178.1 million in interim 2014 and $152.9 million in interim 2015.[250] The industry's operating income margin

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[240] Capacity utilization was 65.7 percent in 2012, 66.8 percent in 2013, and 72.8 percent in 2014. It was 72.8 percent in interim 2014 and 62.5 percent in interim 2015. CR/PR at Table III-4.

[241] Total U.S. shipments were 6.7 million short tons in 2012, 7.0 million short tons in 2013, and 7.1 million short tons in 2014. They were 3.5 million short tons in interim 2014 and 3.2 million short tons in interim 2015. CR/PR at Table III-7.

[242] The ratio of inventories to total shipments was 4.1 percent in 2012, 4.2 percent in 2013, and 5.0 percent in 2014. It was 4.4 percent in interim 2014 and 4.7 percent in interim 2015. CR/PR at Table III-8.

[243] CR/PR at Table C-1. The domestic industry's market share was 84.1 percent in interim 2014 and 82.7 percent in interim 2015. *Id.*

[244] The average number of production and related workers (PRWs) was 4,364 in 2012, 4,270 in 2013, and 4,124 in 2014. The average number of PRWs was 4,026 in interim 2014 and 3,865 in interim 2015. CR/PR at Table III-10.

[245] Total hours worked were 9.0 million hours in 2012, 8.9 million hours in 2013, and 8.8 million hours in 2014. Total hours worked were 4.4 million hours in interim 2014 and 4.1 million hours in interim 2015. CR/PR at Table III-10.

[246] Wages paid totaled $311.7 million in 2012, $312.2 million in 2013, and $320.3 million in 2014. Wages paid totaled $154.2 million in interim 2014 and $144.4 million in interim 2015. CR/PR at Table III-10.

[247] Productivity, as measured by short tons per 1,000 hours, was 819.6 in 2012, 853.9 in 2013, and 902.1 in 2014. It was 905.2 in interim 2014 and 831.6 in interim 2015. CR/PR at Table III-10.

[248] Total net sales quantity was 6.6 million short tons in 2012, 6.8 million short tons in 2013, and 7.0 million short tons in 2014. Net sales quantity was 3.5 million short tons in interim 2014 and 3.1 million short tons in interim 2015. CR/PR at Table III-11.

[249] Total COGS was $5.2 billion in 2012, $5.0 billion in 2013, and $5.2 billion in 2014. Total COGS was $2.6 billion in interim 2014 and $2.1 billion in interim 2015. CR/PR at Table III-11.

[250] CR/PR at Table III-11. The industry's gross profit was $671.5 million in 2012, $273.9 million in 2013, and $755.2 million in 2014. It was $263.6 million in interim 2014 and $239.9 million in interim 2015. *Id.* The industry had net income of $299.6 million in 2012, followed by a net loss of $84.2 million (Continued…)

was 8.1 percent in 2012, 1.6 percent in 2013, and 9.9 percent in 2014. It was 6.2 percent in interim 2014 and 6.5 percent in interim 2015.[251] Capital expenditures ranged between a period high of $159.2 million in 2012 and a period low of $117.6 million in 2013, and were substantially lower in interim 2015 than in interim 2014.[252] Research and development ("R&D") expenses increased between 2012 and 2014, but were lower in interim 2015 than in 2014.[253]

As previously discussed, a number of the domestic industry's performance indicators were lower in interim 2015 than in interim 2014, including production, capacity utilization, shipments, net sales, employment, productivity, and capital expenditures. However, the industry remained profitable in interim 2015, and its operating margin was higher in interim 2015 than in interim 2014 while its COGS was lower. Given the mixed data in the record, we do not conclude that the domestic industry is in a vulnerable condition overall.

As addressed above, we have found that revocation of the order and termination of the suspended investigations would likely result in a significant increase in subject import volume that would likely have adverse price effects on the domestic industry. The likely significant volume of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We therefore conclude that, if the order were revoked and the suspended investigations terminated, subject imports from China, Russia, and Ukraine would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of nonsubject imports in the U.S. market. The volume of nonsubject imports fluctuated but increased over the period of review.[254] The market share of nonsubject imports declined from 13.5 percent in 2012 to 8.3 percent in 2013, but then increased to 17.7 percent in 2014.[255] Nonsubject imports would likely continue to be in the U.S. market in the event of revocation of the order and termination of the suspended investigations, particularly given the relatively high prices in the U.S. market and global oversupply of CTL plate. The likely increased volume of subject imports would likely be sold in the U.S. market at

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(…Continued)
in 2013, and net income of $434.2 million in 2014. Net income was $113.5 million in interim 2014 and $80.8 million in interim 2015. *Id*.

[251] CR/PR at Table III-11.

[252] Capital expenditures totaled $159.2 million in 2012, $117.6 million in 2013, and $142.5 million in 2014. They totaled $66.6 million in interim 2014 and $33.7 million in interim 2015. CR/PR at Table III-14.

[253] R&D expenses totaled $*** in 2012, $*** in 2013, and $*** in 2014. They totaled $*** in interim 2014 and $*** in interim 2015. CR/PR at Table III-14.

[254] The volume of nonsubject imports was 1.1 million short tons in 2012, 631,868 short tons in 2013, and 1.5 million short tons in 2014. It was 639,621 short tons in interim 2014 and 643,480 short tons in interim 2015. CR/PR at Table C-1.

[255] CR/PR at Table C-1. The market share of nonsubject imports was 15.2 percent in interim 2014 and 16.8 percent in interim 2015. *Id.*

lower prices than the domestic like product to gain market share and cause further price depression and/or suppression independently of any effects from nonsubject imports.

Accordingly, we find that revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigations on CTL plate from Russia and Ukraine would likely have a significant impact on the domestic industry.

V. Conclusion

For the above-stated reasons, we determine that revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigations on CTL plate from Russia and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Separate and Dissenting Views of Chairman Meredith M. Broadbent and Commissioner F. Scott Kieff

I. Introduction

Based on the record of these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the antidumping duty order on cut-to-length carbon steel plate (CTL plate) from China and termination of the suspended investigation on CTL plate from Russia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We further determine that termination of the suspended investigation on CTL plate from Ukraine would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

We base our separate determination not to cumulate subject imports from Ukraine with subject imports from China and Russia on evidence that the Ukrainian CTL plate industry has experienced production difficulties as a result of armed conflict in eastern Ukraine. Specifically, it has experienced disrupted access and shipments of raw materials, interruptions in its energy supply, damage to infrastructure, and shelling and other conflict that have significantly affected the operation of mills and the lives of its workers. Therefore, the armed conflict in Ukraine is a relevant condition of competition that significantly undermines the Ukrainian industry's ability to participate and compete in the U.S. market. Likewise, our separate determination that a domestic industry is not likely to be injured by reason of subject imports from Ukraine reflects the likelihood that the Ukrainian industry's production difficulties are likely to persist into the reasonably foreseeable future, as well as the substantially different landscape of the Ukrainian CTL plate industry today compared to twenty years ago.

II. Cumulation

We join with our fellow Commissioners in finding that, upon revocation, subject imports from each country would not be likely to have no discernible adverse impact on the domestic industry. We also join with our fellow Commissioners in finding it likely that a reasonable overlap of competition would exist between the domestic like product and imports from all three subject countries and between imports from each subject country. However, we determine that subject imports from Ukraine would likely compete in the U.S. market under conditions different from those likely to be faced by subject imports from China or Russia, and therefore exercise our discretion to not cumulate subject imports from Ukraine. We consider separately the likely effects of termination of the suspended investigation on subject imports from Ukraine.

[1] Except as otherwise noted, we join with and adopt as our own sections I-III.C, IV.A-IV.B, IV.C.1, IV.D.1, and IV.E.1 of the Views of the Commission.

Beginning in February 2014, armed forces occupied strategic locations in and around Crimea, in southeastern Ukraine.[2] In March 2014, in a referendum deemed illegal by the United States government, Crimea's Parliament sought annexation by Russia.[3] In the wake of that annexation, conflict spread to the neighboring regions of Donetsk and Luhansk.[4] Today, a significant portion of eastern Ukraine is not under control of the Ukrainian government. This conflict has significantly destabilized Ukraine and has had severe effects on Ukraine's economic growth and industrial output.[5] The country's total exports have declined primarily due to a disruption of domestic supply which has more than offset any increase in Ukraine's export competitiveness due to a weakening hryvnya.[6]

The conflict has had substantial and widespread effects on the steel industry in Ukraine specifically, much of which is located in or near the areas suffering the most turmoil. Metinvest, which accounts for the majority of CTL plate production in Ukraine, has its corporate headquarters in Donetsk, an area subject to repeated shelling and significant air and railway disruption.[7] Indeed, the deleterious conditions forced Metinvest to evacuate its corporate headquarters in June 2014, and Metinvest had not returned as of October 2015.[8]

Two of Metinvest's mills, Azovstal and Ilyich, are located in Mariupol. While Mariupol is on the edge of the area suffering the most significant conflict, shelling during the conflict has led to civilian casualties at both mills.[9] Both mills depend on railway links for raw material deliveries and shipments of finished products, and these lines pass through territory not currently under Ukrainian government control.[10] In December 2014, destruction of a railway bridge cut access to the port of Mariupol. Metinvest has been rebuilding the bridge largely on its own, ***,[11] an armed attack on the reconstruction workers led to further injury and death.[12] Metinvest's coke plant, located in Avdiivka, has been subject to repeated shelling,[13] as have

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[2] CR at IV-25; PR at IV-20. Ukrainian-Russian tensions arguably began in 2013, when then President Yanukovych suspended EU trade negotiations in order to analyze the impact of the deal on trade and ties with Russia, which triggered protests against the government. Center for Strategic and International Studies, "Ukraine Crisis Timeline," http://csis.org/ukraine/kyiv.htm#1 (cited to in CR at IV-25 n. 41; PR at IV-20 n. 41).

[3] CR at IV-25; PR at IV-20.

[4] CR at IV-25; PR at IV-20.

[5] Real GDP growth in Ukraine fell by 6.8 percent in 2014 and is projected to fall by an additional 10.0 percent in 2015. Industrial production fell by 10.1 percent in 2014 and is projected to fall by an additional 15.5 percent in 2015. Economic Intelligence Unit, "Country Report: Ukraine", 2015, generated September 29, 2015, EDIS Doc. 566474.

[6] Economic Intelligence Unit, "Country Report: Ukraine", 2015, generated September 29, 2015, EDIS Doc. 566474.

[7] Tr. at 148 (Ms. Romanova).

[8] Tr. at 148 (Ms. Romanova); Metinvest posthearing brief at 3.

[9] Tr. at 149 (Ms. Romanova).

[10] Tr. at 150 (Ms. Romanova).

[11] Tr. at 150 (Ms. Romanova); ArcelorMittal posthearing Brief at Exh. 7, ***.

[12] Tr. at 150 (Ms. Romanova).

[13] Tr. at 150 (Ms. Romanova).

other suppliers of key raw materials.[14] Production at the coke plant declined to one-third of its pre-war output, and production of CTL plate at Metinvest plants also declined.[15] Azovstal and Ilyich had a net decline in employment of 2,000 workers in the first half of 2015.[16] As recently as June 2015, shelling damaged a natural gas pipeline that is necessary for CTL plate production, halting operations at Azovstal and Ilyich for several days.[17] In addition, exports of CTL plate produced by Azovstal and Ilyich have been limited by these plants' inability to use Crimean ports as well as significant reductions in capacity at the Mariupol port facility.[18] Even the Metinvest facility outside the conflict zone, Zaporizhstal, has experienced disruptions due to infrastructure damage.[19]

A fourth plant, Alchevsk, is not owned by Metinvest and is located squarely in the most troubled portion of the region, an area now out of the territory effectively controlled by the Ukrainian government.[20] The mill has allegedly suffered difficulties in obtaining raw materials and suffered lengthy disruptions in production, only restarting production this summer.[21]

Domestic Producers argue that the state of conflict and near-warfare existing in Ukraine is not relevant to the Commission's analysis of other conditions of competition for purposes of

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[14] Tr. at 151-152 (Ms. Romanova).

[15] Tr. at 150 (Ms. Romanova). The Ukrainian industry's reported production of CTL carbon plate declined from *** short tons in 2012 to *** short tons in 2014, and declined from *** short tons in interim 2014 to *** short tons in interim 2015. Moreover, production of CTL micro-alloy steel plate declined from *** short tons in 2012 to *** short tons in 2014, and declined from *** short tons in interim 2014 to *** short tons in interim 2015. Total production of steel products on equipment made to produce CTL plate (including both in scope and out-of-scope merchandise) declined from *** short tons in 2012 to *** short tons in 2014, and declined from *** short tons in interim 2014 to *** short tons in interim 2015. CR/PR at Table IV-15.

[16] Tr. at 153 (Ms. Romanova).

[17] Tr. at 150-51 (Ms. Romanova). In addition to damage to natural gas supplies caused by armed conflict, Russia has periodically restricted or increased the price of natural gas exports to Ukraine. In April 2014, Russian state-owned energy company Gazprom eliminated a discount on natural gas imports given to Ukraine, raising the price of natural gas by more than 80 percent, resulting in a series of energy negotiations between Ukraine and Russia and their respective state-owned energy companies. Although these prices eventually declined due to a series of negotiations over the next year and a half, they did not fall to the prior discounted levels. Similarly, in June 2014, Gazprom began demanding prepayment of future gas deliveries to Ukraine, effectively halting its supply to Ukraine. Gazprom did not resume shipping natural gas to Ukraine until December 2014, after Ukraine had agreed to pre-pay for future deliveries. In July 2015, Gazprom once again announced that it was suspending natural gas supplies to Ukraine pending pre-payment. This disruption was not resolved until late September 2015. Center for Strategic and International Studies, "Ukraine Crisis Timeline." http://csis.org/ukraine/kyiv.htm#1 (cited to in CR at IV-25 n. 41; PR at IV-20).

[18] Tr. at 151 (Ms. Romanova).

[19] Tr. at 149 (Ms. Romanova). Zaporizhstal is the *** producer of Metinvest's CTL plate producing operations. CR/PR at Table IV-13.

[20] Tr. at 155 (Mr. Shvetsov).

[21] Alchevsk letter, 7/3/2015; Tr. at 149 (Ms. Romanova); ArcelorMittal posthearing brief at 7.

cumulation.[22] We disagree. In determining whether to exercise its discretion to cumulate, the Commission may consider any condition of competition it considers relevant to assess its effects on that subject country's ability to compete in the U.S. market.[23] Here, an analysis of Ukraine's ability and willingness to participate in the U.S. market in light of its ongoing armed conflict is undoubtedly relevant. In this case, the record suggests that the industry in Ukraine has been subject to more than inconvenience as a result of the conflict, with production and shipments down in 2014 and again in 2015.[24] Total Ukrainian exports of CTL plate in 2014 were also lower than in 2013,[25] in contrast with Chinese and Russian exports of CTL plate, which were higher in 2014 than in the prior two years.[26] Lowered production and shipment data mirror testimony that the industry has experienced difficulties in obtaining raw materials, as well as producing and shipping CTL plate. These declines suggest that the industry in Ukraine is operating under significant constraints not present in the industries of China or Russia,[27] affecting the industry's very ability to get raw materials and its ability to produce or ship in an orderly and timely fashion.[28]

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[22] Tr. at 31 (Mr. Price); Tr. at 254 (Ms. Cannon).

[23] "In a sunset review, the Commission has discretion to cumulatively assess the volume and effect of subject imports from several countries for purposes of material injury analysis, so long as certain threshold requirements are met." *Nucor Corp. v. United States*, 605 F.Supp.2d 1361, 1365 (C.I.T. 2009). "The cumulation provision does not require the Commission to consider any particular factors . . . and the Commission has wide latitude in selecting the types of factors it considers relevant in its cumulation analysis." *Id*. at 1369. Indeed, "{i}n determining whether to cumulate subject countries . . . the Commission may consider the existence of unique conditions of competition with subject imports from other countries." *Id*. at 1366.

[24] CR/PR at Table IV-14. Metinvest has argued that the Commission should exclude capacity and production at Alchevsk from its analysis, as the producer is located in territory outside the control of the government of Ukraine. Metinvest prehearing Brief at 28. We take no position on whether the Commission ought to exclude Alchevsk from its consideration based on the lack of government control in its region. As a practical matter, the industry data on the record contain neither production nor capacity data from Alchevsk. CR/PR at Table IV-13; CR at IV-23; PR at IV-19. We find it likely that the degree of disruption evinced since early 2014 is likely to continue, and Alchevsk's production is likely to remain minimal. Furthermore, we note that Alchevsk ***. EDIS Doc. 568088.

[25] CR/PR at Table IV-14. We note that the industry in Ukraine reported exports of *** short tons of CTL plate to the United States in 2013 and *** short tons in interim 2014. CR/PR at Table IV-14.

[26] CR/PR at Table IV-14, Table IV-16, Table IV-10, and Table IV-12.

[27] In its responses to the notice of institution, neither MMK nor Severstal, nor the Ministry of Russia, cite the ongoing nearby conflict in Ukraine as a constraint on Russian ability to produce and ship CTL plate. Consequently, we limit our analysis of the effects of the armed conflict to Ukraine for purposes of our cumulation analysis.

[28] We acknowledge that U.S. purchasers generally rate subject import CTL plate from Ukraine as comparable to other imported product on factors such as availability and reliability of supply. CR/PR at Table II-10. Given the relatively low volume of subject material from Ukraine in recent years, particularly in comparison to the significant volume of nonsubject imports, it is difficult to determine from these responses whether purchasers had recently experienced or priced in the potential difficulties of receiving material from Ukraine relative to other potential import sources.

Domestic Producers also argue that the period of conflict has effectively ended.[29] However, the articles regarding the conflict in Ukraine submitted by Domestic Producers belie such assertions, and instead emphasize the difficulties continuing to face Ukraine and its domestic CTL plate industry. In September 2015, it appeared "remote" that "major points" of a peace plan would be in place by the end of the year, as agreed, and issues with gas supplies to Ukraine had not been resolved.[30] In October 2015, German Chancellor Angela Merkel and French President François Hollande agreed that implementation was not proceeding according to planned timetables, and President Hollande suggested that greater access for humanitarian organizations was needed. A political solution was considered "elusive" given the lack of direct dialogue between the government of Ukraine and the eastern regions.[31] While Metinvest has not recently made any declarations of *force majeure*, the *** declared and the variety of the actions claimed show the breadth of the disruption faced by the industry.[32]

The record does not indicate that any lasting solution to the conflict in eastern Ukraine has been reached, or that all infrastructure damage has been repaired and disruptions ended. Nor does the record suggest that a clear timeline or mechanism for any such resolution is in place. Consequently, we find it likely that the CTL plate industry in Ukraine will continue to face significant disruptions in production, shipments of raw materials, uninterrupted access to gas and electricity, ability to operate mills amid routine shelling, and safety of production workers from injury and death. These conditions of competition significantly undermine Ukraine's willingness and ability to participate and compete in the U.S. market, and establish that imports of CTL plate from Ukraine will likely compete under different conditions in the U.S. market than imports of CTL plate from China and Russia. We therefore decline to exercise our discretion to cumulate subject imports from Ukraine with subject imports from China and Russia.

III. No Likelihood of Material Injury by Reason of Subject Imports from Ukraine

1. Likely Volume

We have already found that the industry in Ukraine is likely to continue operating under significant limitations stemming from the ongoing conflict in eastern Ukraine. These unfavorable conditions are likely to impose significant constraints on the ability of the industry in Ukraine to produce and ship CTL plate in a timely fashion. We have already seen significant reductions in Ukrainian production, shipments, and exports of CTL plate since the conflict began

[29] *See, e.g.,* ArcelorMittal posthearing brief at Exh. 7.

[30] "Russia's Putin welcomes Ukraine ceasefire," 9/12/15, Reuters, at ArcelorMittal posthearing brief at Exh. 7.

[31] "Ukraine ceasefire respected, but peace process unlikely to conclude by end of year—Hollande," 10/2/15, RT, ArcelorMittal posthearing brief at Exh. 7.

[32] Metinvest posthearing brief at Commissioner Questions pp. 10-12 and Exh. 2.

in early 2014.[33] We therefore find it likely that the industry will continue to struggle to produce and export significant volumes of CTL plate, and, given those constraints, is likely to concentrate its efforts in more reliable and proximate export markets.

The industry in Ukraine is export oriented and is consistently one of the world's leading exporters, but exports to the United States were modest after 2008.[34] Domestic Producers have argued that the terms of the suspension agreement kept subject import volumes modest.[35] This second period of review has included periods where the intersection of normal values under the suspension agreement and prevailing U.S. market prices should have made the U.S. market particularly attractive.[36] Subject import volumes remained low nonetheless, with no significant increase.[37]

Metinvest has admitted that it remains interested in exporting to the U.S. market but argues that its exports are unlikely to exceed 25,000 metric tons (27,558 short tons) annually.[38] Metinvest has raised several other factors that are likely to limit the volume of subject imports. It argues that aging plants in Ukraine are unable to produce to the quality level demanded by U.S. customers; that shipping times and costs make subject imports from Ukraine unattractive to the U.S. market; and that the industry in Ukraine has evolved since the original POI to the extent that the industry is unlikely to resume the behavior, or reach the import levels, seen during the POI.[39]

We are not certain of the provenance of the 25,000 metric ton figure and do not rely on it. We have noted above, in our cumulation analysis, that while the industry in Ukraine may have some older facilities[40] and some restrictions in its ability to produce significant quantities of some grades and materials,[41] the industry nonetheless manages to produce and sell into a

[33] CR/PR at Tables IV-14 and IV-15. Indeed, Ukrainian CTL plate production and capacity peaked in 2013 before declining *** in 2014. Capacity was *** short tons in 2013, declining to *** short tons in 2014, and production was *** short tons, declining to *** short tons in 2014. CR/PR at Table IV-14. As noted above, Ukrainian exports of subject CTL plate to the U.S. declined markedly from *** short tons in 2012 to *** short tons in 2013, and remained at *** short tons through the first half of 2014. CR/PR at Table IV-14.

[34] CR/PR at Figure I-1; EDIS Doc. 568083.

[35] *See, e.g.,* ArcelorMittal posthearing brief at Exh. 1, pp.3-6.

[36] ArcelorMittal posthearing brief at Exh. 1, 4-5; Metinvest posthearing brief, responses to Commissioner questions at 56.

[37] The relevant time periods were 2012 and 2014-2015**.** ArcelorMittal posthearing brief at Exh. 1, pp.4-5. Subject imports from Ukraine were significantly lower in 2012 than in 2011, and while ArcelorMittal speaks of a "substantial increase" in subject import volume from Ukraine in interim 2015, ArcelorMittal posthearing brief at 9, the actual volume was quite low, both in the context of apparent domestic consumption and past peak subject import levels. CR/PR at Figure I-1.

[38] *See, e.g.,* Metinvest posthearing brief at 1.

[39] *See, e.g.,* Metinvest posthearing brief at 7-9.

[40] Metinvest posthearing brief, responses to Commissioner questions at 20-21.

[41] Metinvest posthearing brief at 2.

variety of markets, including the U.S. market.[42] The industry's ability to be active in a variety of markets suggests that freight costs alone do not significantly deter or direct exports.[43]

However, we consider the evolution of the industry in Ukraine to be a notable change since the original period of investigation. Nearly twenty years have passed since the Commission last had a full record regarding the industry in Ukraine, and we would be remiss in not viewing those prior conclusions in light of evidence on the record of these reviews. Around the time of the original investigations in the 1990s, Ukraine was a new independent country that had emerged from the dissolution of the Soviet Union.[44] The steel industry that existed at that time was in the process of transitioning from the Soviet Union's command economy to a market economy, yet many mills still adopted the non-commercial-oriented "Soviet style" of production and employment.[45] The record indicates that the industry in Ukraine is now fully privatized, with much of it operating under a single, multinational, profit-oriented entity.[46] Metinvest has increased its sales and marketing efforts elsewhere,[47] and exports to other markets have accounted for a higher share of total shipments.[48] We find that the aforementioned developments in the industry in Ukraine make it less likely that import levels would revert to the levels seen during the original POI.[49]

Domestic Producers have argued that the subject import volume from Ukraine is likely to be significant upon revocation. They note that Ukraine continues to be a major exporter, that the industry in Ukraine remains interested in the U.S. market, that the industry has significant excess capacity, that exports to other markets have "***," that higher U.S. prices will likely attract additional imports to the U.S. market, and that production in Ukraine has already largely recovered from the disruptions caused by the conflict in eastern Ukraine.[50]

The industry in Ukraine has remained a significant exporter, but during recent years has directed most of its exports to other markets, and its exports to the United States have

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[42] CR/PR at Tables IV-14 and IV-16.

[43] CR/PR at Tables IV-14 and IV-16.

[44] Metinvest posthearing brief, response to Commissioner questions at 15.

[45] Metinvest posthearing brief, response to Commissioner questions at 15-16.

[46] Metinvest states that the Azovstal mill was fully privatized in 2003, the Ilyich mill in 2000, and the Zaporizhstal mill in 2001. Metinvest's prehearing brief at 16-17. Metinvest asserts that the Ilyich mill, despite being privatized by its employees in 2000, continued to pursue Soviet-era production and employment policies until it was acquired by Metinvest in 2010. Metinvest's posthearing brief, responses to Commissioner questions at 16-17.

[47] Metinvest posthearing brief, responses to Commissioner questions at 19-21.

[48] CR/PR at Table IV-14. Indeed, Ukrainian exports of CTL plate to the U.S. were *** percent of total export shipments in 2012 and were *** percent in 2013 and *** percent in 2014, while exports to the EU were between *** percent of total export shipments and exports to Asian markets were between *** percent of total export shipments. CR/PR at Table IV-14.

[49] As an additional matter, we know that Metinvest made specific assertions about likely exports in the wake of the revocation of an order on wire rod from Ukraine. Nucor prehearing brief at 42 n. 232. Its behavior since revocation has conformed to those assertions. Tr. at 183 (Lewis). There have been additional volumes of wire rod imports from Ukraine, but these volumes have not been significant. Nucor prehearing brief at Exhibit 31.

[50] ArcelorMittal posthearing brief at 9.

remained modest since 2008, even during periods when the intersection of normal values and U.S. prices should have made the U.S. market more attractive. Exports to the United States have indeed declined overall. We note that the decline coincided with the eruption of conflict in eastern Ukraine, and the declines in export volumes mirrored the declines in overall production. Similarly, the Ukrainian industry's low capacity utilization is likely not a reflection of an absence of market opportunities, but of the severe difficulties to production presented by the conflict. Exports from Ukraine face barriers in some other markets, but those restrictions did not lead to increased shipments to the United States.[51] Exports to the United States did rise in the latter half of 2014 from a level of *** in 2013, but to only very modest levels.[52]

We find it likely that producers in Ukraine do remain interested in the U.S. market and will likely ship some volume of CTL plate to the U.S. market upon revocation. But we find that the ongoing conflict is likely to continue to impose significant limitations on the ability of the industry to produce and ship in significant volumes in general and to the U.S. market in particular. Other constraints within the industry in Ukraine, such as aging infrastructure, limited product offering, or new corporate relationships, will further restrict the industry's exports to the United States. Thus, we do not find it likely that the volume of subject imports upon revocation would be significant, either absolutely or relative to domestic production or consumption.

2. Likely Price Effects

In considering the likely price effects of subject imports from Ukraine if the suspension agreement were revoked, we acknowledge that subject imports from Ukraine and the domestic like product are generally interchangeable, and that price is important in purchasing decisions.

Based on the evidence on the record for these reviews, we do not find that significant underselling by subject imports from Ukraine is likely upon termination of the suspended investigation. As stated above, termination would not result in a likely significant volume of subject imports from Ukraine. Although Ukrainian exporters may ship some volume of CTL plate to the United States, these shipments are likely to be more in the nature of intermittent sales rather than an aggressive attempt to gain market share, given the limitations on production in that country and a reorientation of sales toward more local export markets. Therefore, it is unlikely that Ukrainian producers will price CTL plate exports to the United States in a manner that would substantially undercut U.S. producers' prices.

Looking at the current period of review, there is evidence that the modern Ukrainian industry has not taken the approach of pricing substantially below U.S. prices. In these reviews,

[51] There are antidumping duty measures in effect against imports of CTL plate from Ukraine in Brazil, Canada, Mexico, and Thailand. CR at IV-30; PR at IV-23; ArcelorMittal prehearing brief at Exh. 9. Domestic Producers have argued that the re-imposition of antidumping duties on CTL plate from Ukraine by Canada is particularly probative here. We base our determination on the evidence gathered in these particular investigations and on the facts and conditions on this record relevant to the United States, and do not rely on the CITT's analysis or action in reaching our determination.

[52] CR/PR at Table IV-14.

the Commission requested pricing data for four CTL plate products, of which pricing data was provided by importers for Products 2, 3, and 4.[53] Of 42 quarters in which U.S. producers provided pricing data, subject imports of these products from Ukraine were only sold in the U.S. market in five instances, and undersold the domestic like product in just two instances.[54] The margins of underselling in those two instances ranged from 1.9 percent to 4.7 percent.[55] In the remaining three instances, subject imports from Ukraine were 0.6 percent to 8.1 percent above prices for the domestic like product.[56] Notably, the two instances of underselling during the period of review occurred during the ***, well before the beginning of the conflict in eastern Ukraine.[57] Indeed, subject imports from Ukraine virtually retreated from the U.S. market in 2013 and 2014 and, upon return in modest quantities in interim 2015, have oversold the domestic like product ***.[58]

We recognize that the suspension agreement regulates, to some degree, the pricing of CTL plate products from Ukraine via Commerce's calculation of the "normal value" at which Ukrainian exporters must sell their merchandise. We further recognize that absent the suspension agreement, Ukrainian producers would have sole discretion in setting their CTL plate product prices like in the original investigations. Nevertheless, we note that the last time pricing discretion rested solely in Ukraine was approximately twenty years ago, in which CTL plate production was largely government-owned and the conditions of competition in Eastern Europe were unlike the conditions of competition that exist at present. We therefore conclude that subject imports from Ukraine would not be likely to significantly undersell the domestic like product or enter the United States in significant volumes at prices that otherwise would have significant depressing or suppressing effects on the price of the domestic like product.

[53] CR at V-7-8; PR at V-6-7.

[54] CR/PR at Tables V-4, V-5, and V-6. In the original investigations, subject imports from Ukraine undersold the domestic like product in all 59 quarterly pricing comparisons with margins of underselling ranging from 0.7 to 29.8 percent. Original Determination at 20 n. 131. In the first reviews, subject imports from Ukraine undersold the domestic like product in 20 of 39 quarterly pricing comparisons with margins of underselling ranging from 0.9 to 40.9 percent. Commission Determination (First Review) at 38. In the second reviews, subject imports from Ukraine undersold the domestic like product in 16 of 27 quarterly pricing comparisons with margins of underselling ranging from 3.7 to 29.6 percent. CR/PR at Table V-8.

[55] CR/PR at V-17-18. The volume of subject imports from Ukraine that undersold the domestic like product totaled *** short tons. CR/PR at Table V-8.

[56] CR/PR at V-17-18.

[57] CR/PR Table V-5 and Table V-6.

[58] CR/PR Table V-6.

3. Likely Impact[59]

The domestic industry's performance generally improved over the period of review, with its production, capacity utilization, net sales, and profitability increasing overall between 2012 and 2014 despite an overall decline in the industry's market share. A number of the industry's performance indicators were lower in interim 2015 than in interim 2014, including capacity utilization and capital expenditures, but the industry's cost of goods sold (COGS) was also lower and the industry remained profitable.

The domestic industry's capacity declined slightly over the period of review, as individual firms entered and exited the industry.[60] Production increased between 2012 and 2014, but was lower in interim 2015 than in interim 2014.[61] Capacity utilization increased between 2012 and 2014, but was lower in interim 2015 than in interim 2014.[62] U.S. shipments increased between 2012 and 2014, but were lower in interim 2015 than in interim 2014.[63] The ratio of inventories to total shipments increased over the period of review.[64] The domestic industry's market share increased from 85.9 percent in 2012 to 91.6 percent in 2013, but then declined to 81.5 percent in 2014.[65]

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[59] The statute additionally instructs that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). In its expedited sunset review with respect to CTL plate from China, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted average margins of up to 128.59 percent. *Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 80 Fed. Reg. 6051, 6052 (Feb. 4, 2015). In its expedited reviews with respect to CTL plate from Russia and Ukraine, Commerce determined likely weighted average dumping margins of up to 185.00 percent for subject imports from Russia, and up to 237.91 percent for subject imports from Ukraine. *Certain Cut-to-Length Carbon Steel Plate From the Russian Federation and Ukraine; Final Results of the Expedited Third Sunset Reviews of the Suspension Agreements,* 80 Fed. Reg. 6052, 6053 (Feb. 4, 2015).

[60] Capacity increased from 11.3 million short tons in 2012 to 11.4 million short tons in 2013, but then declined to 10.9 million short tons in 2014. It was 5.5 million short tons in both interim 2014 and interim 2015. CR/PR at Table III-4.

[61] Production increased from 7.4 million short tons in 2012 to 7.6 million short tons in 2013, and then to 8.0 million short tons in 2014. It was 4.0 million short tons in interim 2014 and 3.4 million short tons in interim 2015. CR/PR at Table III-4.

[62] Capacity utilization was 65.7 percent in 2012, 66.8 percent in 2013, and 72.8 percent in 2014. It was 72.8 percent in interim 2014 and 62.5 percent in interim 2015. CR/PR at Table III-4.

[63] Total U.S. shipments were 6.7 million short tons in 2012, 7.0 million short tons in 2013, and 7.1 million short tons in 2014. They were 3.5 million short tons in interim 2014 and 3.2 million short tons in interim 2015. CR/PR at Table III-7.

[64] The ratio of inventories to total shipments was 4.1 percent in 2012, 4.2 percent in 2013, and 5.0 percent in 2014. It was 4.4 percent in interim 2014 and 4.7 percent in interim 2015. CR/PR at Table III-8.

[65] CR/PR at Table C-1. The domestic industry's market share was 84.1 percent in interim 2014 and 82.7 percent in interim 2015. *Id.*

Employment indicators were mixed over the period of review. The number of production and related workers declined,[66] as did the total number of hours worked.[67] Wages paid and productivity both increased from 2012 to 2014, but both were lower in interim 2015 than in interim 2014.[68]

The domestic industry's net sales increased from 2012 to 2014, but were lower in interim 2015 than in interim 2014.[69] U.S. producers' total COGS fluctuated, and was lower in interim 2015 than in interim 2014.[70] Operating income was $472.7 million in 2012, but declined to $83.7 million in 2013, and then increased to $586.6 million in 2014. It was $178.1 million in interim 2014 and $152.9 million in interim 2015.[71] The industry's operating income margin was 8.1 percent in 2012, 1.6 percent in 2013, and 9.9 percent in 2014. It was 6.2 percent in interim 2014 and 6.5 percent in interim 2015.[72] Capital expenditures ranged between a period high of $159.2 million in 2012 and a period low of $117.6 million in 2013, and were lower in interim 2015 than in interim 2014.[73] Research and development ("R&D") expenses increased between 2012 and 2014, but were lower in interim 2015 than in 2014.[74]

The domestic industry experienced improvements across most performance indicators between 2012 and 2014. Although a number of the domestic industry's performance indicators were lower in interim 2015 than in interim 2014, the industry's profitability remained stable.

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[66] The average number of production and related workers (PRWs) was 4,364 in 2012, 4,270 in 2013, and 4,124 in 2014. The average number of PRWs was 4,026 in interim 2014 and 3,865 in interim 2015. CR/PR at Table III-10.

[67] Total hours worked were 9.0 million hours in 2012, 8.9 million hours in 2013, and 8.8 million hours in 2014. Total hours worked were 4.4 million hours in interim 2014 and 4.1 million hours in interim 2015. CR/PR at Table III-10.

[68] Wages paid totaled $311.7 million in 2012, $312.2 million in 2013, and $320.3 million in 2014. Wages paid totaled $154.2 million in interim 2014 and $144.4 million in interim 2015. CR/PR at Table III-10.

Productivity, as measured by short tons per 1,000 hours, was 819.6 in 2012, 853.9 in 2013, and 902.1 in 2014. It was 905.2 in interim 2014 and 831.6 in interim 2015. CR/PR at Table III-10.

[69] Total net sales quantity was 6.6 million short tons in 2012, 6.8 million short tons in 2013, and 7.0 million short tons in 2014. Net sales quantity was 3.5 million short tons in interim 2014 and 3.1 million short tons in interim 2015. CR/PR at Table III-11.

[70] Total COGS was $5.2 billion in 2012, $5.0 billion in 2013, and $5.2 billion in 2014. Total COGS was $2.6 billion in interim 2014 and $2.1 billion in interim 2015. CR/PR at Table III-11.

[71] CR/PR at Table III-11. The industry's gross profit was $671.5 million in 2012, $273.9 million in 2013, and $755.2 million in 2014. It was $263.6 million in interim 2013 and $239.9 million in interim 2014. *Id.* The industry had net income of $299.6 million in 2012, followed by a net loss of $84.2 million in 2013, and net income of $434.2 million in 2014. Net income was $113.5 million in interim 2014 and $80.8 million in interim 2015. *Id*.

[72] CR/PR at Table III-11.

[73] Capital expenditures totaled $159.2 million in 2012, $117.6 million in 2013, and $142.5 million in 2014. They totaled $66.6 million in interim 2014 and $33.7 million in interim 2015. CR/PR at Table III-14.

[74] R&D expenses totaled $*** in 2012, $*** in 2013, and $*** in 2014. They totaled $*** in interim 2014 and $*** in interim 2015. CR/PR at Table III-14.

Given the evidence on the record that the domestic industry's condition was generally healthy and improving during this period, we do not conclude that the domestic industry is currently in a vulnerable condition.

In light of our findings regarding the likely volume and price effects of subject imports from Ukraine, we conclude that subject imports from Ukraine would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investments if the suspension agreement was terminated. The relatively small additional volumes of subject imports from Ukraine likely upon revocation would be insufficient to take any significant market share from the domestic industry. Moreover, because subject imports from Ukraine are unlikely to undersell significantly the domestic like product or have other significant price effects, they are unlikely to cause any significant deterioration in the domestic industry's revenues or financial performance. Accordingly, we find that termination of the suspended investigation on CTL plate from Ukraine would not be likely to have a significant impact on the domestic industry.

IV. Likelihood of Material Injury by Reason of Subject Imports from China and Russia

1. Likely Volume

The record indicates that subject producers in China and Russia have the means and the incentive to increase shipments of subject merchandise to the U.S. market significantly within a reasonably foreseeable time if the antidumping duty order were revoked and the suspended investigation were terminated.

The cumulated subject industries in China and Russia have substantial capacity, and have added capacity since the Commission's second reviews. Industry data show that the CTL plate industry in China is the world's largest, with reversing mill plate capacity of *** short tons in 2014, over half of global capacity.[75] Moreover, the available information indicates that the subject industry in China has undertaken a number of projects to add capacity since the Commission's second reviews.[76] Industry data indicate that the CTL plate industry in Russia had reversing mill plate capacity of *** short tons in 2014.[77] The available information also indicates that the subject industry in Russia has undertaken several projects to add capacity since the Commission's second reviews.[78] The trade data supplied in response to the Commission's notice of institution in these reviews by two Russian CTL plate producers, ***, which estimated that they accounted for approximately *** percent of total Russian CTL plate

[75] CR/PR at Table IV-18. The data in this table only include the production capacities of plate mills and exclude the capacity of strip mills that can produce coiled plate that is subsequently cut to length. *Id.*

[76] CR at IV-13; PR at IV-10-11.

[77] CR/PR at Table IV-18.

[78] CR at IV-17; PR at IV-13-15.

production in 2013, stated that the combined capacity of these two producers was *** short tons in 2013.

The cumulated subject industries in China and Russia also have substantial excess capacity, which is not otherwise explained by a significant constraint in the ability to produce CTL plate. The available data indicate that production of reversing mill plate in China in 2014 was approximately *** short tons.[79] Given the data discussed above showing reversing mill plate capacity in China of approximately *** short tons in 2014, they suggest that reversing mill plate capacity utilization in China was approximately *** percent in 2014, and unused reversing mill plate capacity in China was approximately *** short tons in 2014.[80] According to the data supplied by the two subject Russian producers that responded to the Commission's notice of institution, the overall capacity utilization of those two producers was *** percent in 2013.[81] According to ***, overall Russian capacity utilization for CTL plate was *** percent in 2014.[82] Evidence on the record does not indicate that either the Chinese or the Russian industries face supply-side limitations in their ability to produce additional CTL plate, unlike the Ukrainian industry.

While questionnaire data for the subject industries in China and Russia are not available, official export statistics (which may include some out-of-scope merchandise) indicate that both subject industries are major global exporters. CTL plate exports from China in 2014 were 7.4 million short tons, the largest in the world. CTL plate exports from Russia were 1.2 million short tons.[83] Both countries are subject to trade barriers in other markets.[84]

Unlike the industry in Ukraine, the evidence on the record does not suggest that the industries in China and Russia have constraints on their ability to supply the U.S. market due to a civil conflict. Also unlike the Ukrainian industry, neither the Chinese nor the Russian industry provided evidence in these reviews that they had undergone a fundamental change in ownership and management that would in any way limit their exports to the United States. Therefore, given that the industries in both countries have substantial excess capacity, are export-oriented, and face substantial third-country barriers to trade, we find that producers in China and Russia would likely direct significant volumes of CTL plate to the U.S. market should the antidumping order on CTL plate from China be revoked and the suspended investigation on CTL plate from Russia be terminated. Even under the discipline of the order and the suspension agreement, cumulated subject imports from China and Russia continued to be present in the U.S. market throughout the 2012-2015 period, indicating the continued interest of those

[79] CR/PR at Table IV-9.

[80] CR/PR at Table IV-18.

[81] CR/PR at Table IV-11.

[82] CR at II-8; PR at II-6.

[83] CR/PR at Table IV-20.

[84] There are antidumping duty measures in effect against imports of CTL plate from China in Australia, Brazil, Canada, and Mexico. There are antidumping duty measures in effect against imports of CTL plate from Russia in Mexico and Thailand, as well as a provisional antidumping duty measure in effect in Canada. There is also a global safeguard measure in Thailand on imports of CTL plate that would affect all subject countries. CR at IV-30; PR at IV-23; ArcelorMittal prehearing brief at Exh. 9.

subject producers in the U.S. market.[85] In addition, the U.S. market for CTL plate is one of the largest in the world,[86] and the available information on the record indicates that the U.S. market has higher prices for CTL plate than other markets, making it attractive to subject exporters operating under normal conditions.[87]

In light of the foregoing, we conclude that cumulated subject import volumes would likely be significant, both in absolute terms and relative to U.S. consumption, upon revocation of the order and termination of the suspended investigations.[88]

2. Likely Price Effects

As discussed above, subject imports from China and Russia are generally interchangeable with the domestic like product and each other, and U.S. purchasers reported pricing to be one of the most important considerations in purchasing determinations.

In the original investigations, subject imports from China and Russia undersold the domestic like product in 123 of 133 quarters by margins ranging from 0.3 to 36.2 percent.[89] In the first reviews, subject imports from China and Russia undersold the domestic like product in 72 of 106 quarters by margins ranging from 0.7 to 47.1 percent.[90] In the second reviews, subject imports from China and Russia undersold the domestic like product in 26 of 58 quarters by margins ranging from 0.05 to 72.4 percent.[91] In the current reviews, current pricing data was

[85] The volume of cumulated subject imports was 48,604 short tons in 2012, 5,714 short tons in 2013, and 67,520 short tons in 2014. It was 27,815 short tons in interim 2014 and 21,716 short tons in interim 2015. CR/PR at Table C-1.

[86] The available data indicate that the United States ranked third in the world, behind South Korea and Germany, in imports of CTL plate (including some out-of-scope products) in 2014. CR/PR at Table IV-21.

[87] The available data from *** indicate that *** CR/PR at Table IV-22.

[88] We have also examined inventories in our analysis of the likely volumes of subject imports, although we do not have questionnaire or other data available on inventories of subject merchandise in China or Russia. Reported end-of-period inventories of subject merchandise in Ukraine were *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014. They were *** short tons in interim 2014, and *** short tons in interim 2015. CR/PR at Table IV-14. U.S. importers' cumulated end-of-period inventories from China, Russia, and Ukraine were *** short tons in 2012, *** short tons in 2013, and *** short tons in 2014. They were *** short tons in interim 2014, and *** short tons in interim 2015. CR/PR at Table IV-5.

With respect to the potential for product shifting, all three responding Ukrainian producers reported that they could switch production from CTL plate to other products, with rolled steel plates being the other product mentioned. However, all three responding Ukrainian producers indicated that, while it was technically feasible to switch between CTL plate and other products, this increased expenses and reduced efficiency. CR at II-12; PR at II-8. Given the lack of questionnaire data from subject Chinese and Russian CTL plate producers, there is little information in the record on the ability of Chinese or Russian producers to switch between producing other products and subject CTL plate on the same equipment.

[89] Original Determinations at 20 n. 131.

[90] Commission Determination (First Review) at 38.

[91] Commission Determination (Second Review) at 45 n.168; CR/PR Table V-7 at V-19.

unavailable for subject imports from China, and subject imports from Russia undersold the domestic like product in 12 of 23 quarterly instances at margins of underselling ranging from 0.1 percent to 11.6 percent.[92]

Given the underselling by cumulated subject imports in these reviews, which is a continuation of trends from the original investigations and recent reviews, we find that a similar degree of underselling would likely continue if the antidumping duty order on China were revoked and the suspended investigation on Russia were terminated. We have also found that the volume of subject imports from China and Russia will likely increase significantly upon revocation, and subject imports are likely to be priced even more aggressively in order to gain market share. Subject imports from China and Russia likely would have significant depressing and/or suppressing effects on the prices of the domestic like product, given the likely significant volume of these cumulated subject imports, the importance of price in purchasing decisions for CTL plate, and the interchangeability of subject imports and the domestic like product. For the foregoing reasons, we conclude that subject imports are likely to have significant price effects upon revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigation on CTL plate from Russia.[93]

3. Likely Impact

Unlike our finding with respect to the likely volume of subject imports from Ukraine, we found that subject imports from China and Russia would likely increase significantly if trade remedy measures were no longer in place. As discussed above, we have found that the additional volumes of subject imports from China and Russia would likely be priced in a manner that would undersell the domestic like product. Consequently, the domestic industry would need to respond either by forgoing sales and ceding market share or by lowering or restraining its prices. Under either circumstance, the domestic industry's revenues and financial performance would likely decline.

We have considered the role of nonsubject imports in the U.S. market, as well as that of subject imports from Ukraine. The volume of nonsubject imports fluctuated but increased between 2012 and 2014.[94] The market share of nonsubject imports declined from 13.5 percent

[92] CR/PR at Table V-8.

[93] We acknowledge that Commerce regulates import pricing for Russian CTL plate via its calculations of 'normal value' under the terms of its suspension agreement with Russian producers. Nevertheless, we note that subject imports from Russia undersold the domestic like product in virtually every quarterly comparison prior to the suspension agreement in the original investigation, and U.S. producers have recently sought to have Commerce terminate its suspension agreement with Russian producers based on violations of the terms and its pattern of underselling. *Certain Cut-to-Length Carbon Steel Plate From the Russian Federation: Request for Comments*, 80 Fed. Reg. 57578 (Sept. 24, 2015). Consequently, we find that notwithstanding the suspension agreement, subject imports from Russia have undersold, and are likely to continue to undersell, the domestic like product.

[94] The volume of nonsubject imports was 1.1 million short tons in 2012, 631,868 short tons in 2013, and 1.5 million short tons in 2014. It was 639,621 short tons in interim 2014 and 643,480 short tons in interim 2015. CR/PR at Table C-1.

in 2012 to 8.3 percent in 2013, but then increased to 17.7 percent in 2014.[95] Nonsubject imports would likely continue to be in the U.S. market in the event of revocation of the order and termination of the suspended investigations, particularly given the relatively high prices in the U.S. market and global oversupply of CTL plate. However, the likely increased volume of subject imports would likely be sold in the U.S. market at lower prices than the domestic like product to gain market share and cause further price depression and/or suppression independent of any effects from nonsubject imports. As discussed above, we find that termination of the suspended investigation on CTL plate from Ukraine would not likely lead to a significant adverse impact on the domestic industry.

As previously discussed, we find the domestic industry to be in a generally healthy and improving condition, and do not find the industry to currently be in a vulnerable condition. Nonetheless, in light of the likely significant volumes and likely adverse price effects of subject imports from China and Russia, we find that revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigation on CTL plate from Russia would likely have a significant impact on the domestic industry.

V. Conclusion

For the reasons stated above, we determine that termination of the suspended investigation on CTL plate from Ukraine would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We also determine that revocation of the antidumping duty order on CTL plate from China and termination of the suspended investigation on CTL plate from Russia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

[95] CR/PR at Table C-1. The market share of nonsubject imports was 15.2 percent in interim 2014 and 16.8 percent in interim 2015. *Id.*

PART I: INTRODUCTION

BACKGROUND

On October 1, 2014, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the antidumping duty order on cut-to-length carbon steel plate ("CTL plate") from China and the suspension agreements on CTL plate from Russia and Ukraine would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On January 5, 2015, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.[4] The following tabulation presents information relating to the background and schedule of this proceeding:[5]

[1] 19 U.S.C. 1675(c).

[2] *Cut-To-Length Carbon Steel Plate from China, Russia, and Ukraine; Institution of Five-Year Reviews,* 79 FR 59294, October 1, 2014. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping duty order and suspension agreements concurrently with the Commission's notice of institution. *Initiation of Five-Year ("Sunset") Review,* 79 FR 59216, October 1, 2014.

[4] *Cut-to-Length Carbon Steel Plate From China, Russia, and Ukraine: Notice of Commission Determinations To Conduct Full Five-Year Reviews,* 80 FR 2443, January 16, 2015.The Commission found that the domestic interested party group response to its notice of institution was adequate. The Commission found that the respondent group responses were adequate with respect to the suspended investigations on Russia and Ukraine but inadequate with respect to the order on China. The Commission determined it would proceed to a full review of the order on China to promote administrative efficiency in light of its decision to proceed to full reviews with respect to the suspended investigations on Russia and Ukraine.

[5] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy are referenced in appendix A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct expedited or full reviews may also be found at the web site. Appendix B presents the witnesses appearing at the Commission's hearing.

Effective date	Action
November 19, 1997	Commerce's suspension of antidumping duty investigations on CTL plate from China (62 FR 61773), Russia (62 FR 61780), South Africa (62 FR 61751), and Ukraine (62 FR 61766)
October 24, 2002	Commerce's termination of the suspended antidumping duty investigation on CTL plate from South Africa (68 FR 54417 September 17, 2003)
September 17, 2003	Continuation of suspended antidumping duty investigations on CTL plate from China, Russia, and Ukraine (68 FR 54417)
November 3, 2003	Commerce's termination of the suspended antidumping duty investigation on CTL plate from China and imposition of antidumping duty order on CTL plate from China (68 FR 60081)
November 10, 2009	Continuation of antidumping duty order on CTL plate from China and continuation of suspended antidumping duty investigations on CTL plate from Russia and Ukraine (74 FR 57994)
October 1, 2014	Commission's institution of five-year reviews (79 FR 59294)
October 1, 2014	Commerce's initiation of five-year reviews (79 FR 59216)
January 5, 2015	Commission's determinations to conduct full five-year reviews (80 FR 2443)
February 4, 2015	Commerce's final results of expedited five-year reviews of the antidumping duty order on CTL plate from China (80 FR 6051) and expedited reviews of the suspension agreements on Russia and Ukraine (80 FR 6052)
March 16, 2015	Commission's scheduling of the reviews (80 FR 15251, March 23, 2015)
September 29, 2015	Commission's hearing
November 9, 2015	Commission's vote
December 3, 2015	Commission's determinations and views

The original investigations

The original investigations resulted from petitions filed by counsel on behalf of Geneva Steel Co., Provo, Utah and Gulf States Steel, Inc., Gadsen, Alabama,[6] on November 5, 1996, alleging that an industry in the United States was materially injured and threatened with material injury by reason of dumped imports of CTL plate from China, Russia, South Africa, and Ukraine. On October 24, 1997, Commerce signed suspension agreements with the subject countries.[7] The Commission determined that the domestic CTL plate industry was threatened

[6] Geneva Steel closed after entering bankruptcy in January 2002. Gulf States Steel filed for bankruptcy in July 1999 and halted operations in August 2000. Both companies' steelmaking equipment was sold to buyers in China. *Cut-To-Length Carbon Steel Plate from China, Russia and Ukraine Investigation Nos. 731-TA-753, 754, and 756 (Second Review)*, USITC Publication 4103, October 2009, p. III-1.

[7] *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from South Africa*, 62 FR 61751 (November 19, 1997); *Suspension of Antidumping Duty Investigation: Certain Cut-to-* (*continued*...)

with material injury by reason of the subject imports from China, Russia, South Africa, and Ukraine on December 17, 1997.[8]

Subsequent five-year reviews

After conducting full reviews of the suspended investigations, on August 29, 2003, the Commission determined that termination of the suspended investigations on CTL plate from China, Russia, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time, and that termination of the suspended investigation on CTL plate from South Africa would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[9] On September 17, 2003, Commerce published notices of the continuation of the suspended investigations on CTL plate from China, Russia, and Ukraine.[10] No appeals were filed regarding the Commission's first five-year review determinations.

On August 1, 2008, the Commission instituted second five-year reviews pursuant to section 751(c) of the Act to determine whether revocation of the antidumping duty order on CTL plate from China[11] and/or the termination of the suspended investigations on CTL plate from Russia and Ukraine would be likely to lead to the continuation or recurrence of material injury to a domestic industry within a reasonably foreseeable time.[12] The Commission determined to conduct full reviews concerning CTL plate imports from China to promote administrative efficiency in light of its decision to conduct full reviews with respect to CTL plate from Russia and Ukraine.[13]

(…*continued*)
Length Carbon Steel Plate from Ukraine, 62 FR 61766 (November 19, 1997); *Suspension of Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 62 FR 61773 (November 19, 1997); and *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from the Russian Federation*, 62 FR 61780 (November 19, 1997).

[8] *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997.

[9] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. No.731-TA-753-756 (Review),* USITC Publication 3626, September 2003. The suspension agreement on CTL plate from South Africa was subsequently terminated. Termination of Suspended Antidumping Duty Investigation: *Cut-to-Length Carbon Steel Plate from South Africa,* 68 FR 54417 (September 17, 2003).

[10] *Continuation of Suspended Antidumping Duty Investigations: Cut-to-Length Carbon Steel Plate from the People's Republic of China, the Russian Federation, and Ukraine*, 68 FR 54417 (September 17, 2003).

[11] On August 29, 2003, the Government of China announced its intention to withdraw from the suspension agreement. Commerce subsequently terminated the suspension agreement with respect to China and issued an antidumping duty order effective November 3, 2003. *Suspension Agreement on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China; Termination of Suspension Agreement and Notice of Antidumping Duty Order*, 68 FR 60081 (October 21, 2003).

[12] *Cut-To-Length Carbon Steel Plate From China, Russia and Ukraine, Investigation Nos. 731-TA-753, 754, and 756 (Second Review)*, 73 FR 45071 (August 1, 2008).

[13] Ibid.

Commerce conducted expedited second reviews with respect to subject imports from China and Russia and published final affirmative determinations on December 5, 2008 and December 8, 2008, respectively.[14] Commerce conducted a full second review with respect to subject imports from Ukraine and published a final affirmative determination on March 20, 2009.[15]

On October 26, 2009, the Commission completed its second full five-year reviews, determining that revocation of the antidumping duty order on CTL plate from China, and termination of the suspended antidumping duty investigations on imports of cut-to-length carbon steel plate from Russia and Ukraine, would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[16]

Suspension agreements

Effective October 24, 1997, Commerce entered into agreements to suspend the antidumping duty investigations on cut-to-length plate carbon steel plate from China, Russia, and Ukraine.[17] Pursuant to the agreement, China, Russia, and Ukraine agreed to restrict the volume of direct and indirect exports to the United States from all producers/exporters. Export limits on foreign producers and exporters were as follows:[18]

- China: 165,347 short tons[19] of grade A36 CTL plate for the first relevant period;
- Russia: 110,231 short tons[20] of grade A36 and A572 CTL plate for each relevant period;

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[14] *Cut-To-Length Carbon Steel Plate From China, Russia and Ukraine, Investigation Nos. 731-TA-753, 754, and 756 (Second Review)*, 73 FR 74143 (December 5, 2008) (China); 73 FR 74461 (December 8, 2008) (Russia).

[15] *Cut-To-Length Carbon Steel Plate From China, Russia and Ukraine, Investigation Nos. 731-TA-753, 754, and 756 (Second Review)*, 74 FR 11910 (March 20, 2009).

[16] *Cut-To-Length Carbon Steel Plate From China, Russia and Ukraine, Investigation Nos. 731-TA-753, 754, and 756 (Second Review)*, 74 FR 56666 (November 2, 2009).

[17] *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China,* 62 FR 61773, November 19, 1997; *Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate From the Russian Federation*, 62 FR 61780, November 19, 1997*; Suspension of Antidumping Duty Investigation: Certain Cut-to-Length Carbon Steel Plate from Ukraine*, 62 FR 61766, November 19, 1997. Commerce also suspended the antidumping duty investigation as to cut-to-length plate from South Africa, but terminated the suspension agreement on August 29, 2003.

[18] Until reference prices were agreed for other grades, only the specified grade was allowed to be exported to the United States.

[19] Limited to 25,000 metric tons of CTL plate which is 0.375 inches or less in actual or nominal thickness and 25,000 metric tons of CTL plate which is three inches or more in actual or nominal thickness.

[20] Two exceptions were made: for the first relevant period the export limit for Russia was 118,630 metric tons of CTL plate and for the final relevant period the export limit was set to 81,370 metric tons of CTL plate.

- Ukraine: 174,165 short tons[21] of grades A36, A572, A516, and API-2H CTL plate for the first relevant period.

No later than 60 days prior to the end of the first relevant period, Commerce was required to calculate an upward or downward adjustment to the next period's quota based upon changes in U.S. apparent consumption for steel plate. Maximum adjustment was no more than 6 percent per period and calculated by comparing the most recent 12 months of data for U.S. consumption to the level of the previous 12 months of data.

Commerce also set reference prices for the first relevant period on each country and grade:

- China: A36 - $350.00 per metric ton
- Ukraine: A36 - $359.00; A572 - $387.00; A516 - $390.00; API-2H $530.00 per metric ton
- Russia: A36 - $300.00; A572 - $325.00 per metric ton.

On August 29, 2003, the government of the People's Republic of China notified Commerce that it was withdrawing from the suspension agreement on CTL plate. Effective November 3, 2003, Commerce terminated the suspension agreement and issued an antidumping duty order on CTL plate from China.

Effective January 23, 2003 and November 1, 2008, Commerce revised the agreement suspending the antidumping duty investigations on CTL plate from Russia and Ukraine, respectively. Commerce replaced the existing agreements with agreements requiring each signatory producer/exporter to agree individually to make any necessary price revisions to eliminate completely any amount by which the normal value of the merchandise exceeds the U.S. price of its merchandise. Under this new agreement, each producer/exporter is required to request normal values for all subject merchandise sold in the United States and submit data on each sale of merchandise subject to the agreement on a semiannual basis.[22]

Commerce calculated suspension agreement normal values by adjusting the constructed value and provided values for both export price (EP) and constructed export price (CEP) transactions. In effect, any expenses uniquely associated with the covered products sold in the home market are subtracted from the constructed value and any such expenses that are uniquely associated with the covered products sold in the United States are added to the constructed value to calculate the normal value.

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[21] For grade A36, Ukraine was limited to 20,000 metric tons of CTL plate which is 0.375 inches or less in actual or nominal thickness. Ukraine also received a 5 percent increase in limit if FOB sales price for A36 (over 0.375 inches) exceeded reference prices by more than 5 percent in the most recent period.

[22] Data include: actual cost of manufacturing, selling, general and administrative expenses, and profit data. Each producer/exporter must also report anticipated increases in production costs in the semiannual period in which the information is submitted resulting from factors such as anticipated changes in production yield, changes in production process, changes in production quantities, or changes in production facilities.

EP Transactions	CEP Transactions
Calculation	Calculation
+ Direct Materials	+ Direct Materials
+ Direct Labor	+ Direct Labor
+ Factory Overhead	+ Factory Overhead
= Cost of Manufacturing	**= Cost of Manufacturing**
+ Home Market SG&A	+ Home Market SG&A
= Cost of Production	**= Cost of Production**
+ U.S. Packing	+ U.S. Packing
+ Profit	+ Profit
= Constructed Value	**= Constructed Value**
+ U.S. Direct-Selling Expense	+ U.S. Direct-Selling Expense
+ U.S. Commission Expense	+ U.S. Indirect-Selling Expenese
+ U.S. Movement Expense	+ U.S. Commission Expense
+ U.S. Credit Expense	+ U.S. Movement Expense
- Home Market Direct-Selling Expense	+ U.S. Credit Expense
- Home Market Commission Expense	+ U.S. Further Manufacturing Expenses
- Home Market Credit Expense	+ CEP Profit
= Normal Value for EP Transactions	- Home Market Direct-Selling Expense
	- Home Market Commission Expense
	- Home Market Credit Expense
	= Normal Value for CEP Transactions

The normal value determined by Commerce for each signatory/producer applies to sales during the 6-month period beginning on the first day of the month following the date that Commerce provides the normal value. Each signatory/producer agrees not to sell its subject merchandise to any unaffiliated purchaser in the United States at prices less than the normal value determined by Commerce for that merchandise.

On May 5, 2015, the domestic interested parties filed a request with Commerce to terminate the 2003 agreement suspending the antidumping duty investigation on CTL plate from Russia, arguing that it is both no longer in the public interest and it may have been violated by Severstal.[23]

RELATED INVESTIGATIONS

The Commission has conducted numerous antidumping and countervailing duty investigations regarding CTL plate. Table I-1 presents a summary of these investigations. No original investigations have been instituted since 1999. As shown in table I-1, there are four active antidumping duty orders, three countervailing duty orders, and two suspension agreements covering a total of six countries currently in place.

[23] *Certain Cut-to-Length Carbon Steel Plate from the Russian Federation: Request for Comments*, 80 FR 57578 (September 24, 2015).

Table I-1
CTL plate: U.S. investigations regarding CTL plate

Original investigation				
Date[1]	**Number**	**Country**	**Outcome**	**Subsequent actions**
1978	AA1921-179	Japan	Affirmative	ITA revoked (1986)
1979	AA1921-197	Taiwan	Affirmative	Affirmative first review (1999) Negative second review (2005)
1980	AA1921-203	Poland	Negative	-
1980	731-TA-18	Belgium	Affirmative[2]	Terminated (1980)
1980	731-TA-19	Germany (West)	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-20	France	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-21	Italy	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-22	Luxembourg	Affirmative[2]	Petition withdrawn (1980)
1980	731-TA-23	Netherlands	Affirmative[2]	Petition withdrawn (1980)
1981	731-TA-24	United Kingdom	Affirmative[2]	Petition withdrawn (1980)
1981	701-TA-83	Belgium	Affirmative[2]	Incorporated into 701-TA-86
1982	701-TA-84	Brazil	Affirmative[2]	Incorporated into 701-TA-87
1982	731-TA-51	Romania	Affirmative[2]	Incorporated into 731-TA-58
1982	701-TA-86	Belgium	Affirmative	Terminated (1982)
1982	701-TA-87	Brazil	Affirmative	Terminated (1985)
1982	701-TA-88	France	Negative[2]	-
1982	701-TA-89	Italy	Negative[2]	-
1982	701-TA-90	Luxembourg	Negative[2]	-
1982	701-TA-91	Netherlands	Negative[2]	-
1982	701-TA-92	United Kingdom	Affirmative[2]	Terminated (1982)
1982	701-TA-93	Germany (West)	Affirmative[2]	Terminated (1982)
1982	701-TA-155	Spain	Affirmative	ITA revoked (1985)
1982	701-TA-170	Korea	Affirmative	ITA revoked (1985)
1982	731-TA-53	Belgium	Affirmative[2]	Terminated (1982)
1982	731-TA-54	France	Negative[2]	-
1982	731-TA-55	Italy	Negative[2]	-
1982	731-TA-56	Luxembourg	Negative[2]	-

Table continued on the following page.

Table I-1 -- Continued
CTL plate: U.S. investigations regarding CTL plate

Original investigation				
Date	**Number**	**Country**	**Outcome**	**Subsequent actions**
1982	731-TA-57	Netherlands	Negative[2]	-
1982	731-TA-58	Romania	Affirmative[2]	Terminated (1985)
1982	731-TA-59	United Kingdom	Affirmative[2]	Terminated (1982)
1982	731-TA-60	Germany (West)	Affirmative[2]	Terminated (1982)
1983	701-TA-204	Brazil	Affirmative	ITA revoked (1985)
1983	731-TA-123	Brazil	Affirmative	ITA revoked (1985)
1983	731-TA-146	Belgium	Affirmative[2]	Terminated (1984)
1983	731-TA-147	Germany (West)	Affirmative (on remand)[2]	Terminated (1984)
1983	731-TA-151	Korea	Affirmative	ITA revoked (1986)
1984	701-TA-225	Sweden	Negative	-
1984	701-TA-226	Venezuela	Affirmative[2]	Terminated (1985)
1984	731-TA-169	Finland	Affirmative[2]	Petition withdrawn (1985)
1984	731-TA-170	South Africa	Affirmative[2]	Petition withdrawn (1984)
1984	731-TA-171	Spain	Affirmative[2]	Terminated (1985)
1984	731-TA-213	Czechoslovakia	Affirmative[2]	Petition withdrawn (1985)
1984	731-TA-214	Germany (East)	Affirmative[2]	Terminated (1985)
1984	731-TA-215	Hungary	Affirmative[2]	Petition withdrawn (1985)
1984	731-TA-216	Poland	Affirmative[2]	Terminated (1985)
1984	731-TA-217	Venezuela	Affirmative[2]	Petition withdrawn (1985)
1992	701-TA-319	Belgium	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-320	Brazil	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-321	France	Negative	-
1992	701-TA-322	Germany	Affirmative	Affirmative first review (2000) ITA revoked (2004)
1992	701-TA-323	Italy	Negative	-
1992	701-TA-324	Korea	Negative	-
1992	701-TA-325	Mexico	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-326	Spain	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-327	Sweden	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	701-TA-328	United Kingdom	Affirmative	Affirmative first review (2000) ITA revoked (2006)
1992	731-TA-573	Belgium	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-574	Brazil	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-575	Canada	Affirmative	Negative first review (2000)
1992	731-TA-576	Finland	Affirmative	Affirmative first review (2000) Negative second review (2007)

Table continued on the following page.

Table I-1 -- Continued
CTL plate: U.S. investigations regarding CTL plate

Original investigations				
Date	**Number**	**Country**	**Outcome**	**Subsequent actions**
1992	731-TA-577	France	Negative	-
1992	731-TA-578	Germany	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-579	Italy	Negative	-
1992	731-TA-580	Japan	Negative[2]	-
1992	731-TA-581	Korea	Negative	-
1992	731-TA-582	Mexico	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-583	Poland	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-584	Romania	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-585	Spain	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-586	Sweden	Affirmative	Affirmative first review (2000) Negative second review (2007)
1992	731-TA-587	United Kingdom	Affirmative	Affirmative first review (2000) Negative second review (2007)
1996	731-TA-753	China	Affirmative	Affirmative first review (2003) Affirmative second review (2009) Ongoing third review (2014)
1996	731-TA-754	Russia	Affirmative[3]	Affirmative first review (2003) Affirmative second review (2009) Ongoing third review (2014)
1996	731-TA-755	South Africa	Affirmative	Negative first review (2003)
1996	731-TA-756	Ukraine	Affirmative[3]	Affirmative first review (2003) Affirmative second review (2009) Ongoing third review (2014)
1999	731-TA-815	Czech Republic	Negative[2]	-
1999	731-TA-816	France	Affirmative	Negative first review (2005)
1999	731-TA-817	India	Affirmative	Affirmative first review (2005) Affirmative second review (2011)
1999	731-TA-818	Indonesia	Affirmative	Affirmative first review (2005) Affirmative second review (2011)
1999	731-TA-819	Italy	Affirmative	Affirmative first review (2005) Negative second review (2011)
1999	731-TA-820	Japan	Affirmative	Affirmative first review (2005) Negative second review (2011)
1999	731-TA-821	Korea	Affirmative	Affirmative first review (2005) Affirmative second review (2011)
1999	731-TA-822	Macedonia	Negative[2]	-

Table continued on the following page.

Table I-1 -- Continued
CTL plate: U.S. investigations regarding CTL plate

Original investigations				
Date	**Number**	**Country**	**Outcome**	**Subsequent actions**
1999	701-TA-388	India	Affirmative	Affirmative first review (2005) Affirmative second review (2011)
1999	701-TA-389	Indonesia	Affirmative	Affirmative first review (2005) Affirmative second review (2011)
1999	701-TA-391	Korea	Affirmative	Affirmative first review (2005) Affirmative second review (2011)

[1] Date refers to year in which the investigation was instituted at the Commission.
[2] Preliminary determinations.
[3] Suspension agreements in place.
Note.-- Shading signifies an order is still in place.
Source: *Cut-To-Length Carbon Steel Plate from China, Investigation Nos. 731-TA-753, 754, and 756 (Second Review)*, USITC Publication 4103, October 2009, pp. I-14-17. Active order status updated using USITC investigations database at http://usitc.gov/sites/default/files/trade_remedy/documents/orders.xls, retrieved September 2, 2014.

Safeguard investigations

In 1984, the Commission determined that carbon and alloy steel (including CTL plate) 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 such articles, and recommended quantitative restrictions of imports for a period of five years. President Ronald Reagan determined that import relief under section 201 of the Trade Act of 1974 was not in the national interest. At the President's direction, quantitative limitations under voluntary restraint agreements ("VRAs") for a five-year period ending September 30, 1989, were negotiated. In July 1989, the VRAs were extended for two and one half years until March 31, 1992.

In 2001, the Commission determined that certain carbon and alloy steel, including CTL plate, was being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing such articles, and recommended additional duties on imports for a period of four years.[24] On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to corrosion-resistant steel consisted of an additional tariff for a period of three years and one day (30 percent ad valorem on imports in the first year, 24 percent in the second year, and 18 percent in the third year).[25]

[24] *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.
[25] *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.[26]

SUMMARY DATA

Table I-2 presents a summary of data from the original investigations, subsequent reviews, and the current full five-year reviews. See appendixes C and D for additional data collected in the current and prior proceedings.

[26] *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.

Table I-2
CTL plate: Comparative data from the original investigations, subsequent reviews, and current reviews

Item	Calendar year			
	1996	2002	2008	2014
	Quantity (short tons)			
U.S. consumption quantity	8,675,485	5,814,031	8,635,333	8,674,205
	Share of quantity (percent)			
Share of U.S. consumption:				
U.S. producers' share	79.4	89.2	90.3	81.5
U.S. importers' share:				
China	3.5	0.5	0.1	0.1
Russia	2.9	0.6	1.0	0.7
Ukraine	7.2	0.1	2.0	0.0
Subtotal	13.6	1.2	3.0	0.8
All other sources	6.9	9.6	6.6	17.7
Total imports	20.6	10.8	9.7	18.5
	Value (1,000 dollars)			
U.S. consumption value	3,795,297	2,104,804	8,792,054	7,071,562
	Share of value (percent)			
Share of U.S. consumption:				
U.S. producers' share	81.6	87.8	89.5	81.6
U.S. importers' share:				
China	2.8	0.5	0.1	0.1
Russia	2.1	0.5	1.1	0.6
Ukraine	5.7	0.1	2.1	0.0
Subtotal	10.6	1.1	3.2	0.7
All other sources	7.8	11.1	7.3	17.7
Total imports	18.4	12.2	10.5	18.4
	Quantity (short tons); value (1,000 dollars); and unit value (dollars per short ton)			
U.S. importers' U.S. imports from				
China:				
Quantity	301,652	31,138	4,360	5,933
Value	105,874	10,980	5,714	7,304
Unit value	351	353	1,311	1,231
Russia:				
Quantity	252,396	34,453	84,992	61,585
Value	78,514	10,399	95,098	41,271
Unit value	311	302	1,119	670
Ukraine:				
Quantity	627,796	5,650	173,945	3
Value	217,574	2,184	182,276	5
Unit value	347	387	1,048	1,806

Table continued on the following page.

Table I-2 – Continued
CTL plate: Comparative data from the original investigations, subsequent reviews, and current reviews

Item	Original investigations			
	1996	2002	2008	2014
	Quantity (short tons); value (1,000 dollars); and unit value (dollars per short ton)			
Subtotal:				
Quantity	1,181,844	71,241	263,298	67,520
Value	401,962	23,563	283,089	48,580
Unit value	340	331	1,075	719
All other sources:				
Quantity	602,351	558,302	572,094	1,537,833
Value	295,173	234,258	642,329	1,251,246
Unit value	490	420	1,123	814
All countries:				
Quantity	1,784,195	629,543	835,392	1,605,353
Value	697,135	257,821	925,418	1,299,826
Unit value	391	410	1,108	810
U.S. producers':				
Capacity (quantity)	9,222,170	8,181,782	10,882,642	10,938,452
Production (quantity)	6,942,185	5,625,598	8,583,931	7,958,172
Capacity utilization (percent)	75.3	68.8	78.9	72.8
U.S. shipments:				
Quantity	6,891,290	5,184,488	7,799,941	7,068,852
Value	3,098,162	1,846,983	7,866,636	5,771,736
Unit value	449	356	1,009	817
Ending inventory	317,594	334,473	429,247	391,628
Inventories/total shipments	4.6	6.2	4.9	5.0
Production workers	7,778	4,862	4,191	4,124
Hours worked (1,000)	17,332	10,908	9,488	8,822
Wages paid (1,000 dollars)	365,401	258,415	318,344	320,340
Hourly wages (dollars per hour)	21.08	23.69	33.55	36.31
Productivity (short tons per 1,000 hours)	400.5	513.8	820.6	902.1

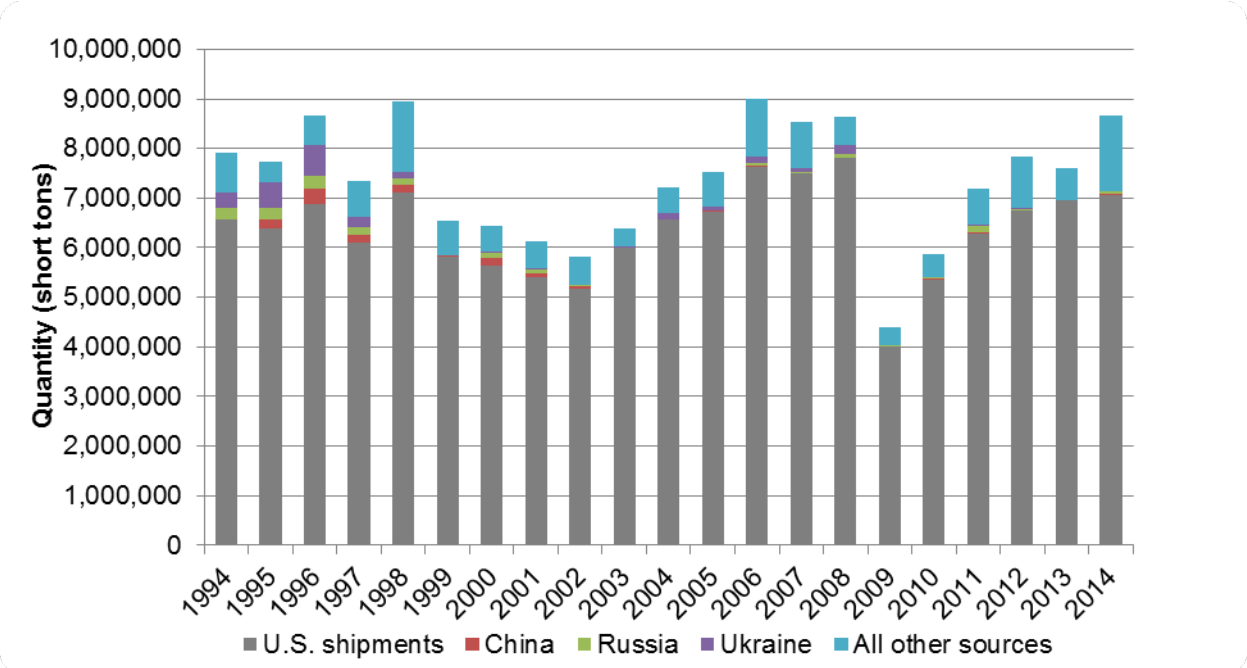
Table continued on the following page.

Table I-2 – Continued
CTL plate: Comparative data from the original investigations, subsequent reviews, and current reviews

Item	Original investigations			
	1996	2002	2008	2014
	Quantity (short tons); value (1,000 dollars); and unit value (dollars per short ton)			
Financial data:				
Net sales:				
Quantity	6,711,412	4,981,996	7,655,181	6,988,909
Value	3,017,747	1,752,442	7,818,382	5,905,530
Unit value	450	352	1,021	845
Cost of goods sold	2,758,843	1,769,708	6,018,354	5,150,355
Gross profit or (loss)	258,904	(17,266)	1,800,028	755,175
SG&A expense	116,090	105,644	143,355	168,587
Operating income or (loss)	142,814	(122,910)	1,656,673	586,588
Unit COGS	411	355	789	737
Unit operating income	21	(25)	216	84
COGS/ Sales (percent)	91.4	101.0	77.0	87.2
Operating income or (loss)/ Sales (percent)	4.7	(7.0)	21.2	9.9

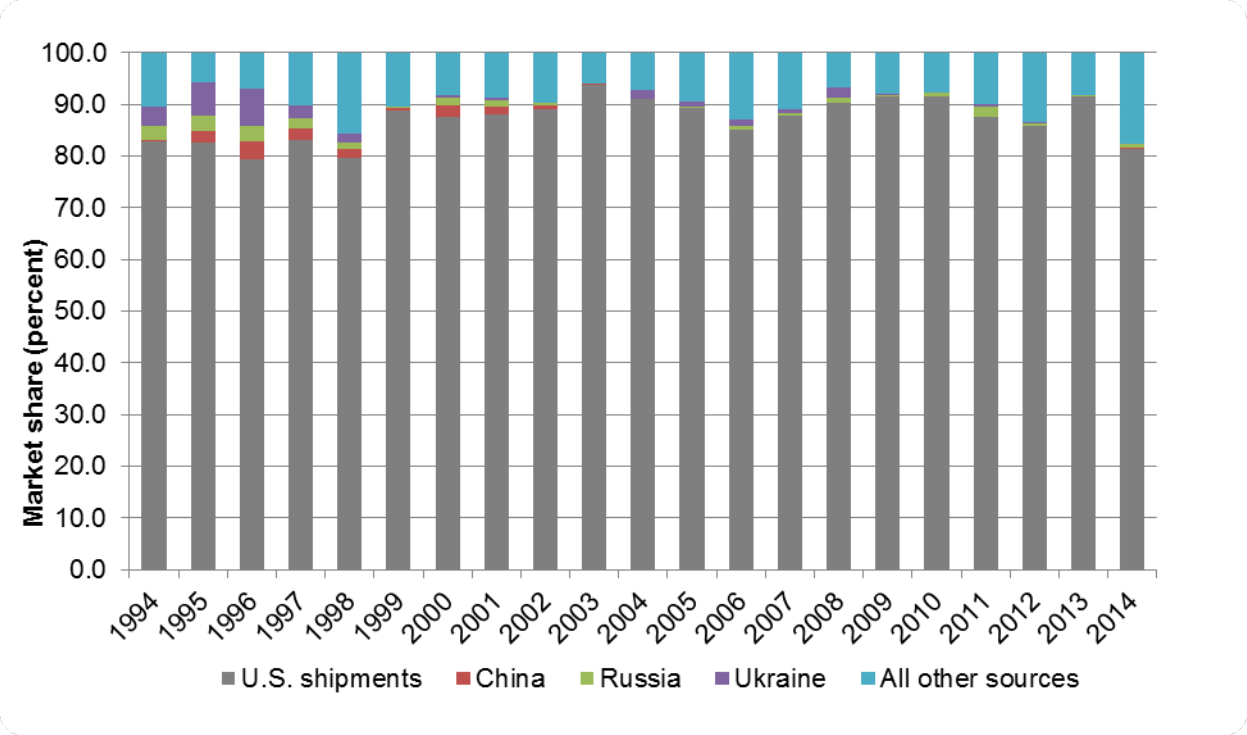
Source: Office of Investigations memorandum INV-GG-095, official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Figure I-1
CTL plate: Apparent U.S. consumption, 1994-2014



Source: USITC Publication 4103, official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Figure I-2
CTL plate: Market shares, 1994-2014



Source: USITC Publication 4103, official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to–

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

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

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Organization of report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of current trade and financial data for CTL plate as collected in the reviews is presented in appendix C and a summary of historical data is presented in appendix D. U.S. industry data are based on the questionnaire responses of 15 U.S. producers of CTL plate that are believed to have accounted for a substantial majority of domestic production of CTL plate in 2014.[27] U.S. import data and related information are based on Commerce's official import statistics as revised to include imports of CTL micro-alloy steel plate and deduct specifically excluded carbon steel plate (e.g. X-70), and from the questionnaire responses of 25 U.S. importers of CTL plate that are believed to have accounted for 49.3 percent of subject U.S. imports, 34.4 percent of nonsubject U.S. imports, and for 34.9 percent of the total quantity of U.S. imports of CTL plate from January 2012 through June 2015. To maintain consistency between the current reviews, previous reviews, and the original investigations, this report presents data for U.S. imports based on 17 statistical reporting numbers of the Harmonized Tariff Schedule of the United States ("HTS") for non-alloy steel CTL plate,[28] with the adjustments described above. Staff notes that the official import data are modestly overstated, as certain statistical reporting numbers include both subject merchandise and merchandise that is out of scope by reason of cladding or plating; thickness; or coiled form. Foreign industry data and related information are based on public sources, responses to the Commission's notice of institution as well as subsequent party submissions, and the questionnaire responses of three CTL plate producers in Ukraine, accounting for *** of CTL plate production in Ukraine between 2012 and 2014. Responses by U.S. producers, importers, purchasers, and foreign producers of CTL plate to a series of questions concerning the significance of the existing antidumping duty order and the suspension agreements and the likely effects of revocation of such orders are presented in appendix E.

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[27] The Commission received nine complete questionnaires from *** with usable trade and financial data, four additional questionnaires with complete trade data but incomplete financial data from ***, and two questionnaire responses from *** that provided narrative responses (included in this report) but incomplete trade and financial data. *** reported data for its cut-to-length operations on both plate and sheet. *** clarified that *** percent of its reported production was plate gauges. Accordingly, staff applied this ratio throughout *** reported trade and financial data.

[28] 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000

COMMERCE'S REVIEWS

Commerce has not made any scope rulings, duty absorption findings, or conducted any changed circumstances reviews since the imposition of the antidumping duty order and suspension agreements.

Administrative reviews

Commerce has completed multiple administrative reviews of the outstanding antidumping duty order on CTL plate from China and of the suspension agreements covering CTL plate from Russia and Ukraine.

China

Commerce has completed five administrative reviews with regard to subject imports of CTL plate from China. The results of the administrative reviews are shown in table I-3.

Table I-3
CTL plate: Administrative reviews of the antidumping duty order for China

Date results published	Period of review	Producer or exporter	Margin (percent)
71 FR 75710 (December 18, 2006)	November 1, 2004 – October 31, 2005	PRC-wide	128.59
75 FR 8301 (February 24, 2010)	November 1, 2007 – October 31, 2008	Hunan Valin Xiangtan	0.00
78 FR 76279 (December 17, 2013)	November 1, 2011 – October 31, 2012	PRC-wide entity	128.59
77 FR 73616 (December 11, 2012)	November 1, 2010 – October 31, 2011	PRC-wide entity	128.59
80 FR 13522 (March 16, 2015)	November 1, 2012 – October 31, 2013	PRC-wide entity	128.59

Source: Cited Federal Register notices.

Ukraine

Commerce has completed three administrative reviews with regard to subject imports of CTL plate from Ukraine. The results of the administrative reviews are shown in table I-4.

Table I-4
CTL plate: Administrative reviews of the suspension agreement for Ukraine

Date results published	Period of review	Producer or exporter	Margin (percent)
68 FR 35626 (June 16, 2003)	November 1, 2000 – October 31, 2001	Azovstal Ilyich Government of Ukraine	Commerce found that the companies and the government have been in compliance with the agreement but did not terminate the agreement or the underlying investigation because the continued maintenance of the Agreement was necessary to offset dumping.
71 FR 74486 (December 12, 2006)	November 1, 2004 – October 31, 2005	Government of Ukraine	Commerce found that the companies and the government have been in compliance with the agreement but did not terminate the agreement or the underlying investigation because the continued maintenance of the Agreement was necessary to offset dumping.
78 FR 67334 (November 12, 2013)	November 1, 2011 – October 31, 2012	Metinvest Holding LLC Azovstal Iron & Steel Works Ilyich Iron and Steel Works	Commerce found that Metinvest Holding LLC and its affiliated companies have been in compliance with the agreement.

Source: Cited Federal Register notices.

Russia

Commerce has completed two administrative reviews with regard to subject imports of CTL plate from Russia. The results of the administrative reviews are shown in table I-5.

Table I-5
CTL plate: Administrative reviews of the suspension agreement for Russia

Date results published	Period of review	Producer or exporter	Margin (percent)
73 FR 27796 (May 14, 2008)	January 1, 2006 – December 31, 2006	Severstal	Commerce found that Severstal has been in compliance with the agreement.
78 FR 73827 (December 9, 2013)	January 1, 2012 – December 31, 2012	Severstal	Commerce found that Severstal has been in compliance with the agreement.

Source: Cited Federal Register notices.

New shipper review

Commerce initiated a new shipper review in response to a request from Hunan Valin Xiangtan Iron & Steel Co. ("Valin Xiangtan") on January 17, 2008. On April 18, 2008, Commerce expanded the period of review in order to cover Valin Xiangtan's entry of the subject merchandise. Because Valin Xiangtan's sale of subject merchandise was then covered by both the new shipper review and the administrative review for the period November 1, 2007 through October 31, 2008, Commerce rescinded the new shipper review effective April 8, 2009.[29]

Circumvention review

On April 23, 2010, Commerce initiated an antidumping circumvention inquiry regarding CTL plate from China. On August 9, 2011, it made its final determination that Wuyang Iron and Steel Co., Ltd. ("Wuyang") was circumventing the order by adding inconsequential amounts of boron in order to change the product's tariff classification from non-alloy to alloy steel. Consequently, all products otherwise meeting the definition of the scope but containing at least 0.0008 percent boron (with the exception of merchandise meeting all of the following requirements: aluminum level of 0.02 percent or greater, by weight; a ratio of 3.4 to 1 or greater, by weight, of titanium to nitrogen; and a hardenability test (i.e., Jominy test) result indicating a boron factor of 1.8 or greater) should be covered by the order regardless of the producer or exporter.[30]

[29] *Cut-to-Length Carbon Steel Plate from the People 's Republic of China: Notice of Rescission of Antidumping Duty New Shipper Review,* 74 FR 15930 (April 8, 2009).

[30] *Affirmative Final Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China,* 76 FR 50996 (August 17, 2011).

Five-year reviews

Commerce has issued the final results of its expedited reviews with respect to all subject countries.[31] Tables I-6, I-7, and I-8 present the dumping margins calculated by Commerce in its original investigations and subsequent reviews.

Table I-6
CTL plate: Commerce's original and first five-year dumping margins for producers/exporters in China

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)	Third five-year review margin (*percent*)
Anshan	30.68	30.68	30.68	([1])
Baoshan	34.44	30.51	30.51	([1])
Liaoning	17.33	17.33	17.33	([1])
Shanghai Pudong	38.16	38.16	38.16	([1])
WISCO	128.59	128.59	128.59	([1])
PRC-wide entity	128.59	128.59	128.59	128.59

[1] Commerce reported final results of its sunset review as follows: "Pursuant to section 752(c)(3) of the Act, the Department determines that revocation of the Order would be likely to lead to continuation or recurrence of dumping at weighted average margins up to 128.59."
Source: *Final Determination of Sales at Less Than Fair Value*, 62 FR 61964, November 20, 1997; *Final Results of Expedited Sunset Review*, 68 FR 1038, January 8, 2003; *Notice of Final Results of Expedited Sunset Review*, 73 FR 74143, December 5, 2008; *Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 80 FR 6051, February 4, 2015.

Table I-7
CTL plate: Commerce's original and first five-year dumping margins for producers/exporters in Russia

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)	Third five-year review margin (*percent*)
Severstal	53.81	53.81	53.81	53.81
All others	185.00	185.00	185.00	185.00

Source: *Notice of Final Determination of Sales at Less Than Fair Value*, 62 FR 61754, November 19, 1997; *Final Results of Five-Year Sunset Review*, 68 FR 1038, January 8, 2003; *Final Results of Expedited Sunset Review*, 73 FR 74461, December 8, 2008. *Final Results of the Expedited Third Sunset Reviews of the Suspension Agreements*, 80 FR 6052, February 4, 2015.

[31] *Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Order*, 80 FR 6051, February 4, 2015; *Certain Cut-to-Length Carbon Steel Plate From the Russian Federation and Ukraine; Final Results of the Expedited Third Sunset Reviews of the Suspension Agreements*, 80 FR 6052, February 4, 2015.

Table I-8
CTL plate: Commerce's original and first five-year dumping margins for producers/exporters in Ukraine

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)	Third five-year review margin (*percent*)
Azovstal	81.43	81.43	81.43	81.43
Illyich	155.00	155.00	155.00	155.00
All others	237.91	237.91	237.91	237.91

Source: *Notice of Final Determination of Sales at Less Than Fair Value*, 62 FR 61754, November 19, 1997; *Final Results of Five-Year Sunset Review*, 68 FR 24434, May 7, 2003; *Final Results of Full Sunset Review*, 74 FR 11910, March 20, 2009; *Final Results of the Expedited Third Sunset Reviews of the Suspension Agreements*, 80 FR 6052, February 4, 2015.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the subject merchandise as:

> Hot-rolled carbon steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 millimeters but not exceeding 1,250 millimeters and of a thickness of not less than 4 millimeters, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain hot-rolled carbon steel flat-rolled products in straight lengths, of rectangular shape, hot rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 millimeters or more in thickness and of a width which exceeds 150 millimeters and measures at least twice the thickness.
> Included in the subject product are flat-rolled products of non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products that have been "worked after rolling") for example, products that have been beveled or rounded at the edges. Specifically excluded from the subject product is grade X-70 plate. [32]

[32] The scope of the antidumping duty order on China also excludes certain carbon CTL steel plate with a maximum thickness of 80 millimeters in steel grades BS 7191, 355 EM, and 355 EMZ, as amended by Sable Offshore Energy Project specification XB MOO Y 15 0001, types 1 and 2. *Certain Cut-To-Length Carbon Steel Plate from the People's Republic of China: Final Results of the Expedited Third Sunset Review of Antidumping Duty Order*, 80 FR 6051 (February 4, 2015).

Tariff treatment

Based on information available to the Commission, the subject CTL plate is imported under the following statistical reporting numbers of the HTS: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000. The HTS provides a general duty rate of free for all of the HTS provisions covering these goods.

THE PRODUCT[33]

Description and applications

CTL plate, for the purposes of these reviews, is a flat-rolled carbon steel product that is 4.75 millimeters or more in thickness. Although there is no upper limit on the thickness of CTL plate that is within scope, the great majority of CTL plate produced in the United States is two inches or less in thickness.[34] CTL plate is available in a variety of widths, thicknesses, and shapes incorporated into other products or further processed into products. The term "cut-to-length" refers to a flat plate product with a defined length.

Plate is used in load-bearing and structural applications, such as agricultural and construction equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); bridges; machine parts (e.g., the body of the machine or its frame); electricity transmission towers and light poles; buildings (especially nonresidential); and heavy transportation equipment, such as railroad cars (especially tank cars) and ships. The production of tanks, sills, floors, offshore drilling rigs, pipes, petrochemical plant and machinery, various other fabricated pieces, utility applications, such as wind towers, and pressure vessels also uses plate.

The product scope also includes wide flat carbon steel bar at least 150 mm (5.9 inches) in width. Wide flat bar is a hot-rolled product made in various lengths and widths, usually starting at 1/8 inch (3.175 mm) in thickness although only bar at least 3/16 inch (4.75 mm) in thickness is within the product scope. It is often used in structural and transportation applications, such as for bridges and trailers.

Manufacturing processes

In general, there are three distinct processing stages, summarized below, for hot-rolled nonalloy steel products, including: (1) melting or refining steel, (2) casting steel into semi-

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[33] Unless otherwise noted, the source for information in this section is *Cut-To-Length Carbon Steel Plate from China, Russia, and Ukraine*, *Investigation Nos. 731-TA-753, 754, and 756 (Second Review)*, USITC Publication 4103, October 2009, pp . I-27-I-30.

[34] According to an industry source, CTL plate 2 inches or less in thickness accounts for roughly 80 percent of the U.S. CTL plate market. ***.

finished forms, and (3) hot rolling semi-finished forms into flat-rolled hot-rolled steel mill products.

Melt stage

The integrated and the nonintegrated processes are two methods used to produce steel.[35] In the integrated process, a blast furnace smelts iron ore with coke to produce molten iron. The molten iron pours into a steelmaking furnace, generally a basic oxygen furnace, together with a small amount of scrap metal. Oxygen blown into the furnace processes the molten metal into steel. In the nonintegrated process, an electric arc furnace melts scrap and primary iron products (such as pig iron or direct-reduced iron) to produce molten steel.

Whether produced by the integrated or nonintegrated process, molten steel is poured or "tapped" from the furnace into a ladle to be transported to casting. It is common for steelmakers to utilize a secondary steelmaking stage (a ladle metallurgy station) to refine the product further into extra-clean or low-carbon steels satisfying stringent surface or internal requirements or micro cleanliness quality and mechanical properties before casting. Steelmakers may adjust the chemical content by adding alloying elements, lowering the carbon content (decarburization), or adjusting the temperature of the molten steel for optimum casting. Thus, the melt stage establishes the essential physical properties of the steel.

Unless otherwise specified, CTL plate refers to both cut-to-length carbon steel plate and cut-to-length micro-alloy steel plate. For the purposes of these reviews, micro-alloy steel plate is product 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) one or more of certain elements is present by quantity, by weight, respectively indicated.[36] Six of the 15 U.S. producers that responded to the questionnaire reported production of micro-alloy steel plate: ***. In 2014, 7.0 percent of these producers' combined reported production was composed of micro-alloy steel plate. None of the responding foreign producers reported exports of micro-alloy CTL plate to the United States.

Commerce initiated an antidumping circumvention inquiry at the request of ArcelorMittal, Evraz, Nucor, and SSAB concerning CTL plate from China with 0.0008 percent or more boron, by weight, and otherwise meeting the product scope requirements.[37] The addition of boron at concentrations of 0.0008 percent or more results in an alloy steel according to the HTS and would normally exclude CTL plate from the product scope of these reviews. However, in its final determination in the antidumping circumvention inquiry, Commerce determined that

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[35]American Iron and Steel Institute, "How Steel is Made," found at http://www.steel.org/Making%20Steel/How%20Its%20Made.aspx, retrieved January 29, 2015.

[36] These certain elements include: 0.30–0.50 percent of aluminum, 0.30–1.25 percent of chromium, 0.40–1.00 percent of copper, 1.65–1.80 percent of manganese, 0.08–0.10 percent of molybdenum, 0.30–1.25 percent of nickel, 0.06–0.10 percent of niobium, 0.60–1.50 percent of silicon, 0.05–0.41 of titanium, 0.10–0.15 vanadium, and 0.05-0.15 percent of zirconium.

[37] *Affirmative Preliminary Determination of Circumvention of the Antidumping Duty Order on Certain Cut–to- Length Carbon Steel Plate from the People's Republic of China*, 74 FR 33991, July 14, 2009.

certain CTL plate with boron at concentrations of 0.0008 percent or more is within the product scope of the antidumping duty order on CTL plate from China.[38] Boron is an alloying element, added at the melt stage, if required. Boron concentrations in CTL plate range from approximately 0.0015 to 0.0030 percent.[39] Boron increases the hardness of heat-treated steel, but is typically not found in CTL plate that does not undergo heat treatment.[40] Standard commodity-grade CTL plate is not typically heat-treated.

Some plate mills, such as Evraz and Jindal United Steel Corp. ("JSW Steel USA"), do not make their own steel. Instead, they roll plate from purchased slabs.[41] The production process for these mills does not include the melting and casting stages and begins at the rolling stage described later in this section.

Casting stage

The casting stage follows the melting stage, which casts the molten steel into a form suitable for the rolling process. Two principal methods of casting are used, continuous slab casting and ingot casting. Continuous slab casting (figure I-3) is the more common, preferred, and lower-cost method used to produce plates up to approximately four inches in thickness. Ingot casting (figure I-4) is used to produce thicker plates, because the continuous cast process cannot produce slabs of sufficient thickness. The ArcelorMittal Coatesville, Pennsylvania operation and the former LeTourneau facility in Texas currently owned by Joy Global can make CTL plate using ingot casting.[42] They are the only CTL plate producers who use ingot casting in the United States.[43]

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[38] *Affirmative Final Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 74 FR 40565, August 12, 2009.

[39] Metallurg Vanadium Corp., "*Ferroalloys and Alloying Additives Online Handbook*," boron chapter, found at http://www.metallurgvanadium.com/boronpage.html, retrieved January 29, 2015.

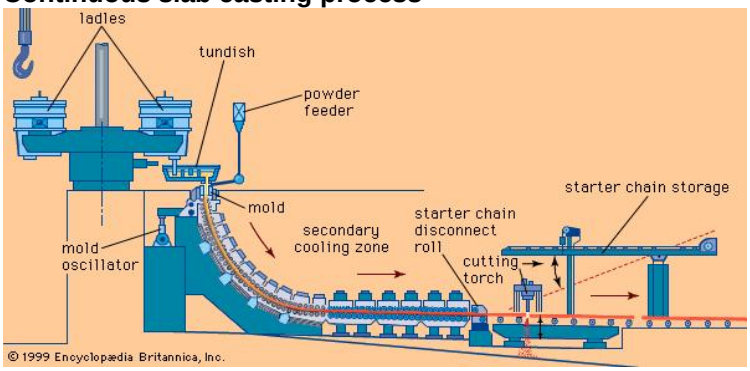
[40] Heat treatment is described later in this section.

[41] See Evraz, "Evraz Portland Rolling Mill," found at http://www.evrazna.com/LocationsFacilities/OregonSteel/RollingMill/tabid/155/Default.asp, retrieved January 29, 2015; JSW Steel USA, "About Us: Plate Division," found at http://www.jswsteel.us/company_Plate_Division.shtml, retrieved January 29, 2015.

[42] ArcelorMittal, "ArcelorMittal Coatesville," http://usa.arcelormittal.com/Our-operations/Flat/Coatesville/ , Joy Global, Inc., "Steel Products," http://www.joyglobal.com/products/steel .

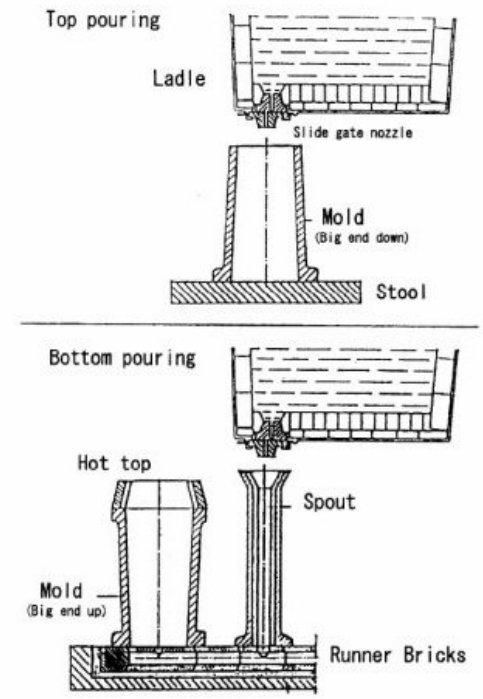
[43] ***.

Figure I-3
Continuous slab casting process



Source: Encyclopedia Britannica, "A Curved Mold Continuous Slab Caster," 1999 http://www.britannica.com/science/metallurgy/images-videos/A-curved-mold-continuous-slab-caster/1541, retrieved January 29, 2015.

Figure I-4
Top and bottom pouring ingot casting

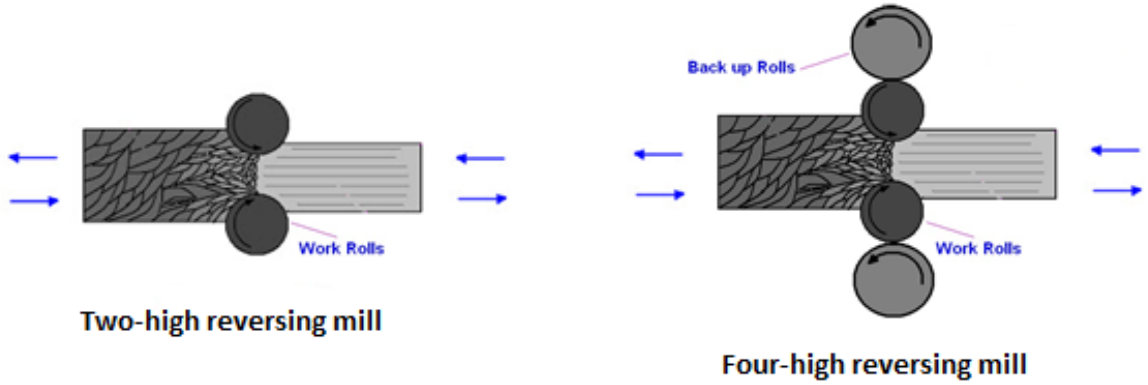


Source: Steel Data, "Non-Metallic Inclusions in Steel: Top pouring and bottom pouring for conventional ingot casting," http://www.steeldata.info/inclusions/demo/help/ingot.html, retrieved August 27, 2015.

Rolling stage

Most CTL plate is hot-rolled on a reversing plate mill (also called a sheared plate mill) consisting of one or two reversing hot-rolling mill stands and associated equipment. If there are two stands, the first is the roughing mill and the second is the finishing mill. The roughing mill is equipped with special tables in front of and behind the mill to rotate the plate one-quarter turn between rolling passes in order to allow cross rolling, increasing the width rather than the length of the plate as the thickness reduces. After reaching the desired finished width, the plate is again rotated one-quarter turn and rolled straightaway to the finished thickness. Reversing mills for plate production are typically either two or four parallel rolls high (figure I-5). The rollers that touch the plate are work rolls. Thicker plate requires backup rolls parallel to the work rolls, to provide rigidity to the work rolls, as shown on the four-high rolling mill. Reversing mills in the United States generally produce plate ranging from 0.187 to 20 inches (4.75 to 508 mm) in thickness and from 48 to 154 inches (1,219 to 3,912 mm) in width.

Figure I-5
Two-high and four-high reversing mills



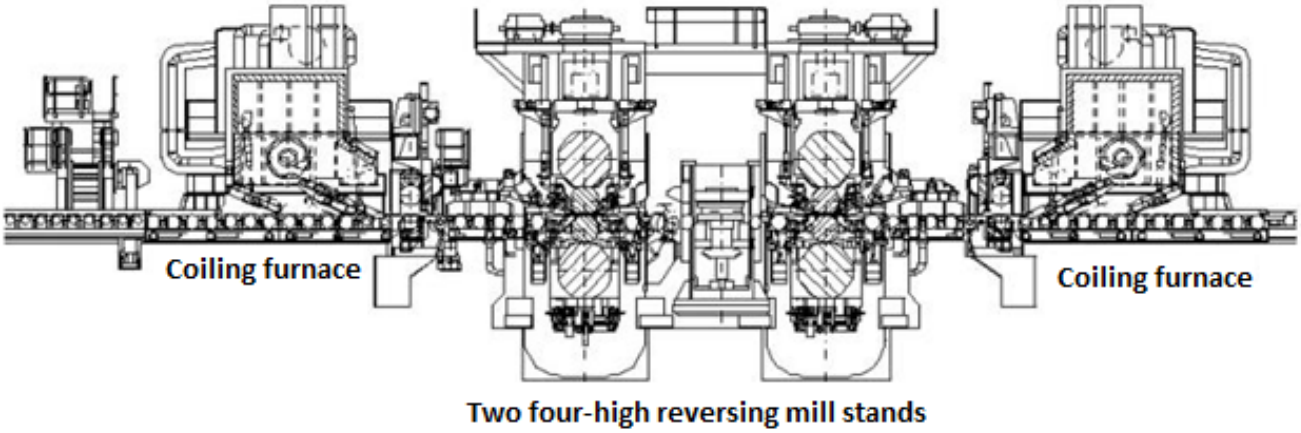
Source: Mechanical Engineering, "Types of Rolling Mills," http://engineeringhut.blogspot.com/2010/10/types-of-rolling-mills.html, retrieved August 8, 2015.

Some reversing plate mills (known as "Steckel mills") are equipped with coilers on each side of the finishing mill that operate inside small heating furnaces, keeping the steel hot and allowing the production of much longer or thinner plates (figure I-6).[44] If the coilers are not used then the mill operates like a conventional reversing plate mill. Steckel mills are equipped with coilers at the end of the line to produce coiled plate as well as in-line shearing facilities. The hot-rolled coils produced by the Steckel mill can be moved to a separate line to be uncoiled, flattened, and cut to length as plate. Plate produced in a Steckel mill typically ranges

[44] China Advanced Steel Technologies and Engineering, "Steckel Mill Consulting," accessed August 11, 2015 http://www.castellc.com/Steckel-Mill-Consulting.html

from 0.187 to 0.750 inches (4.75 to 19.1 mm) in thickness and 48 to 96 inches (1,219 to 2,438 mm) in width, although some mills can produce wider plate.[45]

Figure I-6
Steckel mill



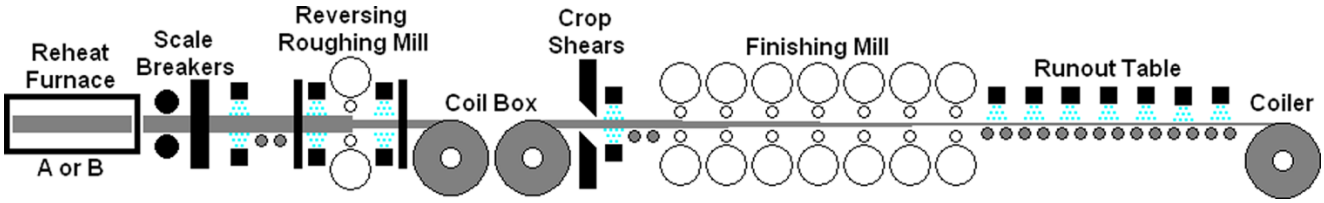
Source: China Advanced Steel Technologies and Engineering, "Steckel Mill Consulting," accessed August 11, 2015, http://www.castellc.com/Steckel-Mill-Consulting.html.

In addition to reversing plate mills, a continuous hot-strip mill can roll plate (figure I-7). Such a mill has either a reversing rougher or a number (usually four or five) of non-reversing roughing mills followed by a finishing section consisting of a series of mill stands, usually six, spaced close together so that a plate is rolled continuously in a single pass in one direction. The finished plate is coiled, discharged from the mill, allowed to cool, then uncoiled, flattened, and cut to length on a separate processing line. Continuous hot-strip mills primarily produce hot-rolled sheet, although they may also produce plate up to inch in thickness.[46]

[45] For example, Nucor and SSAB can roll plate over 96 inches in width on Steckel mills. *See* Nucor's "Production Facilities: Plate: Nucor Hertford: Products," found at http://www.nucorhertford.com/plateproducts.pdf retrieved January 29, 2015; SSAB's description of its Mobile, Alabama facility, found at http://www.ssab.com/global/ssab/brochures/en/productionline_nad.pdf, retrieved January 29, 2015.

[46] ArcellorMittal, "What We Do: Plate Products," http://usa.arcelormittal.com/What-we-do/Steel-products/Plate/, accessed August 25, 2015.

Figure I-7
Continuous hot-strip mill



Source: Evans, Kennedy and Thomas, "Process Parameters Influencing Tertiary Scale Formation at a Hot Strip Mill Using a Multinomial Logit Model," May 2012, http://manufacturingscience.asmedigitalcollection.asme.org/article.aspx?articleid=1691718

Key differences in the various rolling methods

Because of its capability to cross roll, a reversing mill is somewhat flexible with regard to the slab width used to produce a given plate width. Steckel mills and continuous hot-strip mills can only use slabs that are slightly wider than the desired width of the final plate. However, they have the advantage of being able to roll longer, heavier slabs than could be used on a reversing plate mill. Plate from a reversing mill is preferred for welded load-bearing and structural applications because of its generally thicker dimensions. These applications include bridgework; machine parts (e.g., the body of the machine or its frame); transmission towers and light poles; buildings; mobile equipment (e.g., cranes, bulldozers, scrapers, and other tracked or self-propelled machinery); and heavy transportation equipment, such as railroad cars (especially tanker cars) and oceangoing ships. End users concerned about "coil set memory" (e.g., users that cut parts from plate) may prefer plate from a reversing mill because the edges of plate cut from coils from hot-strip and Steckel mills may curl on heating.

Plate producers may have several types of mills at a single steel facility. In such facilities, the reversing plate mill is usually separated from the hot-strip mill and the Steckel mill and employs different production workers.

Patterns in relief

Most CTL plate is smooth on both sides, and by definition the product scope excludes plate with "patterns in relief" if produced on a universal mill.[47] "Patterns in relief," a non-skid pattern of raised figures at regular intervals on one surface of the plate, are typically on floor plate. However, mills other than universal mills are able to produce floor plate with patterns in relief. A continuous hot-strip mill makes floor plate by placing an embossed roll in the final stand of the continuous mill, while a Steckel mill by holds the hot plate on one of the Steckel

[47] A universal mill is a mill capable of simultaneously rolling between both horizontal and vertical rolls. Universal mill plate is defined in HTSUS Chapter 72 Additional U.S. Note 1(b) as follows: Flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1,250 mm and of thickness of not less than 4 mm, not in coils without patterns in relief.

furnaces at the mill after completing all but the final rolling pass. Then one roll is exchanged for an embossed roll, and the final rolling pass is completed.

Heat treatment

After the CTL plate is made, it can be heat treated, subjected to a series of temperature changes to increase its hardness, strength, or ductility, thereby allowing the plate to be used in additional applications.[48] ***.[49] The amount of time spent at the various temperatures and the rates of cooling can vary depending on the characteristics desired for the plate. Some examples of heat treatments are normalizing, quenching, and quench and temper. Normalizing involves heating the steel to about 1,670 degrees followed by slow cooling such as cooling in air. This process increases the toughness of steel for applications requiring pressure vessel quality. Quenching involves heating the steel to the required temperature, holding at that temperature for the necessary time to produce the desired steel qualities, and then immediate cooling of the steel. Quench and temper includes heating of the steel to the required temperature, rapid cooling, and reheating (commonly to 400-1,300 degrees) before cooling again, which makes the steel tougher and more ductile.[50]

CTL plate manufacturing specifications

CTL plate is produced to meet a variety of manufacturing standards. In the United States, one of the commonly used manufacturing standards is developed by ASTM International. The standards set by ASTM International are voluntary and cover many different factors such as dimensions, chemistry, manufacturing process, testing procedures, etc. Customers and producers can agree to use a manufacturing specification such as an ASTM specification "as is," may agree to a specification but with certain adjustments, or can agree to their own set of specifications. Plate flatness is one of many factors covered by ASTM plate specifications.

The ASTM A 6 specification sets general requirements for a variety of steel products including the flatness requirement for CTL plate. The CTL plate flatness requirement lists the permitted variation (in terms of inches) from a dead flat surface and varies according to plate length and width. The thinner and/or wider the plate, the larger the permitted variation from dead flat is allowed. There are also standardized supplementary requirements in the A 6 specification for use when desired by the purchaser. One of the supplementary requirements is the flatness requirements for half of the standard ASTM A 6 specification. The customer can ask the producer to meet (or the producer can offer to meet) a flatness level one half of the standard ASTM A 6 specification. Ukrainian producers state that neither the Ilyich nor the Zaporizhstal mills can produce CTL plate that meets half of the ASTM A 6 flatness standard and

[48] Standard commodity-grade CTL plate is not typically heat-treated.

[49] ***.

[50] The source of heat treating information is ArcelorMittal, *Guidelines for Fabricating and Processing Plate Steel*, April 2015.

this half ASTM A 6 flatness standard is the standard in the U.S. market now.[51] U.S. producers dispute this assertion and contend that the great majority of the U.S. market requires only the full ASTM A 6 flatness standard.[52]

Service centers

Steel service centers traditionally have served as distributors of plate and typically do not have their own plate mills. Some service centers also perform a wide range of value-added processing of many steel products, such as uncoiling, flattening, and cutting plate products to length or flame/plasma cutting plate into non-rectangular shapes. Service centers that process coiled plate into cut lengths or non-rectangular shapes may utilize coiled plate from U.S. or foreign mills.

DOMESTIC LIKE PRODUCT ISSUES

In its original determinations, the Commission defined the domestic like product as CTL carbon steel plate produced by U.S. mills and CTL plate cut from coiled plate by service centers.[53] The Commission did not include coiled plate in the domestic like product after considering arguments from respondents that plate in coil form should be included in the domestic like product. The Commission determined that "(b)ased on the different physical characteristics and end uses, limited interchangeability, different manufacturing facilities for the majority of CTL plate and coiled plate, and differences in price, we do not include coiled plate in the domestic like product."[54] In the original determinations, the issue of micro-alloy steel did not arise and the Commission did not expressly address whether CTL plate made from micro-alloy steel should be included in the domestic like product. In the first reviews of the antidumping duty order and suspension agreements, the Commission revisited the original domestic like product definition and determined that "the differences between carbon steel CTL plate and micro-alloy steel CTL plate are not so pronounced as to constitute clear dividing lines and, accordingly, we include micro-alloy steel CTL plate within our domestic like product definition…"[55] In the second reviews, the domestic interested parties agreed with the

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[51] Hearing transcript, pp. 156-157 (Shvetsov).

[52] As stated in the Nucor posthearing brief, "Similarly, Metinvest asserts that 'U.S. customers' requirement for ½ ASTM A6 flatness has become nearly universal in the last 20 years.' This is false. Plate requiring this flatness makes up only a 'small portion of the market' ***." Also stated in the ArcelorMittal USA posthearing brief, "***." Nucor's posthearing brief, p. 9; ArcelorMittal USA's posthearing brief, exh. 4.

[53] *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997.

[54] *Id*., p. 7. The Commission also determined that "certain coiled plate" should not be included in the domestic like product for the same reasons. *Id*., p. 8.

[55] Commissioner Koplan dissented from the Commission's like product finding, noting that in his judgment "the evidence in the record regarding changes in the product falls short of establishing

(*continued*...)

Commission's definition as set out in the Commission's notice of institution and no respondent interested parties addressed the issue in their comments.[56] The Commission determined that consistent with its like product definition in the first reviews, micro-alloy CTL plate was included within the domestic like product definition of CTL plate.[57]

In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.[58] In response to this question, the responding domestic interested parties[59] agreed with the Commission's definition as set out in the Commission's notice of institution.[60] Russian producers Severstal and MMK also agreed with the Commission's definition as set out in the notice of institution in their response.[61] Ukranian producers, Azovstal and Illyich took no position with respect to the definition of the domestic like product.[62] Further, no party requested that the Commission collect data concerning other possible domestic like products in its comments on the Commission's draft questionnaires.

U.S. MARKET PARTICIPANTS

U.S. producers

During the original investigations, 14 mills and 21 processors supplied the Commission with information on their U.S. operations with respect to CTL plate. The 14 mills represented virtually all mill production of CTL plate and coiled plate in the United States at that time.[63] In the first reviews, 10 mills and 8 processors producing CTL plate in the United States provided the Commission with information that accounted for approximately 90 percent of production for the period 1997 through March 2003.[64] In the second reviews, 11 mills and 6 processors producing CTL plate provided the Commission with information and/or data, accounting for

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(…*continued*)
support for a modification of the original domestic like product determinations or for warranting a like product broader than the scope of the imported products subject to the reviews." *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, *Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003.

[56] *Cut-To-Length Carbon Steel Plate from China, Russia, and Ukraine, Inv. Nos. 731-TA-753, 754, and 756 (Second Review),* USITC Publication 4103, October 2009.

[57] Views of the Commission, Inv. Nos. 731-TA-753, 753, and 756 (Review).

[58] *Cut-To-Length Carbon Steel Plate From China, Russia, and Ukraine; Institution of Five-Year Reviews*, 79 FR 59294, October 1, 2014.

[59] Domestic interested parties include a joint response by ArcelorMittal, Nucor, and SSAB as well as a separate response to the notice of institution by Evraz.

[60] Domestic interested parties' substantive responses to the notice of institution, October 31, 2014.

[61] Russian foreign producers' substantive responses to the notice of institution, October 31, 2014.

[62] Ukranian foreign producers' substantive responses to the notice of institution, October 31, 2014.

[63] *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine*, Inv. Nos. 731-TA-753-756 (Final), USITC Publication 3076 (December 1997).

[64] *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, Inv. Nos. 731-TA-753-756 (Review), USITC Publication 3626 (September 2003).

virtually all U.S. shipments in 2008. In these current proceedings, the Commission issued U.S. producers' questionnaires to 30 firms, 15 of which provided the Commission with information on their CTL plate operations (7 mills and 8 processors).[65] These firms are believed to account for the vast majority of U.S. production of CTL plate in 2014.

*** firms, representing *** percent of reported 2014 U.S. production, ***.[66] *** firms, representing *** percent of reported 2014 production, ***.[67] *** firms, representing *** percent of 2014 production, ***.[68]

Presented in table I-9 is a list of current domestic producers of CTL plate and each company's position on continuation of the orders, production locations, related and/or affiliated firms, and share of reported production of CTL plate in 2014.

[65] The Commission received nine complete questionnaires from *** with usable trade and financial data, four additional questionnaires with complete trade data but incomplete financial data from ***, and two questionnaire responses from *** that provided narrative responses (included in this report) but incomplete trade and financial data.

[66] ArcelorMittal, Evraz, Nucor, and SSAB have filed entries of appearance.

[67] Domestic producers ***.

[68] Domestic producers ***.

Table I-9
CTL plate: U.S. producers, positions on orders, U.S. production locations, and shares of 2014 reported U.S. production

Firm	Position on continuation of orders	Production location(s)	Parent company	Share of production (percent)
American Steel	***	No Information	Reliance Steel and Aluminum	***
ArcelorMittal	***	Burns Harbor, IN Coatesville, PA Conshohocken, PA Gary, IN Newton, NC Steelton, PA LaPlace, LA	ArcelorMittal S.A.	***
Cargill	***	Fort Collins, CO East Chicago, IN Granite City, IL London, TX Houston, TX Nashville, TN	Cargill, Inc.	***
EVRAZ	***	Evraz Oregon Steel Evraz Claymont Steel, Inc.	EVRAZ PLC	***
Feralloy	***	Portage, IN Decatur, AL Huger, SC Stockton, CA	Reliance Steel & Aluminum Co.	***
Friedman Industries, Inc.	***	Hickman, AR Decatur, AL		***
Gerdau Ameristeel US Inc.	***	Cartersville, GA Calvert City, KY Jackson, TN	Gerdau SA owns Gerdau Ameristeel Corporation Gerdau Ameristeel Corp	***
Joy Global	***	Longview, TX	Joy Global, Inc.	***
Kentucky Electric	***	Ashland, KY	Optima Specialty Steel, Inc.	***
Kloeckner Metals Corporation	***	No Information	Klockner & Co. SE Group	***
Lapham-Hickey	***	Chicago, IL		***
Nucor	***	Cofield, NC Tuscaloosa, AL		***
Reliance Steel & Aluminum Co.	***	Salt Lake City, UT Wichita, KS		***
Ryerson	***	Carrollton, TX Blytheville, AR Vernon, CA Ambridge, PA Shelbyville, KY	Platinum Equity T. Rowe Price	***
SSAB	***	SSAB Alabama Axis, AL SSAB Iowa Inc. Montpelier, IA SSAB Minnesota Inc. St. Paul, MN SSAB Texas Inc. Houston, TX	SSAB AB	***
Total				100.0

Note.--Because of rounding, figure may not add to total shown
Source: Compiled from data submitted in response to Commission questionnaires.

ArcelorMittal is related to subject importer/exporter Hunan Valin.[69] ArcelorMittal holds 29.97 percent of Hunan Valin Steel Co., Ltd., which is China's tenth largest steel company in terms of volume.[70] In addition, three domestic producers reported commercial connections with importers/exporters of CTL plate from nonsubject countries. *** is related to ***, a subsidiary of ***. *** is related to nonsubject importers/exporters ***. *** is related to nonsubject importer/exporter ***.

Three U.S. producers reported that they are related to foreign producers of CTL plate. ArcelorMittal is related to ***. *** reported that it is related to ***. *** is related to ***. In addition, as discussed in greater detail in Part III, two U.S. producers directly import CTL plate and seven purchase CTL plate from U.S. importers.

U.S. importers

In the original investigations, 39 U.S. importing firms supplied the Commission with usable information on their operations involving the importation of CTL plate.[71] During the first and second reviews, the Commission received questionnaire responses from 7 firms and 17 firms, respectively.[72]

In the current proceedings, the Commission issued U.S. importers' questionnaires to 54 firms believed to be importers of CTL plate, as well as to all U.S. producers of CTL plate. Usable questionnaire responses were received from 25 firms, representing less than 1.0 percent of U.S. imports from China, 51.6 percent of U.S. imports of CTL plate from Russia and 91.8 of U.S. imports of CTL plate from Ukraine, based on share of quantity of U.S. imports of CTL plate from January 2012 through June 2015. U.S. importer questionnaire responses accounted for 34.4 percent of nonsubject imports from all other sources from January 2012 through June 2015. Table I-10 lists all responding U.S. importers of CTL plate from China, Russia, Ukraine, and other sources, their locations, and their shares of U.S. imports in 2014.

[69] ArcelorMittal China, "Hunan Valin Steel Tube and Wire," http://china.arcelormittal.com/inner.asp?lang=en&topid=21&secondid=30&thirdid=31&menu_id=31.

[70] *Id*.

[71] *Cut-To-Length Carbon Steel Plate from China, Russia, and Ukraine,* Inv. Nos. 731-TA-753, 754, and 756 (Second Review), USITC Publication 4103, October 2009.

[72] *Id*.

Table I-10
CTL plate: U.S. importers, source(s) of imports, U.S. headquarters, and shares of imports in 2014

Firm	Headquarters	Share of imports by source (percent)			
		China	Russia	Ukraine	All other sources
Macsteel International USA Corp.	White Plains, NY	***	***	***	***
Acier Wirth Steel	Westmount Canada, QC	***	***	***	***
AHMSA International, Inc.	San Antonio, TX	***	***	***	***
ArcelorMittal International ("AMI")	Chicago , IL	***	***	***	***
Artco Group International	White Plains, NY	***	***	***	***
Berg Steel Pipe Corp.	Panama City, FL	***	***	***	***
C&F International Incorporated	Houston, TX	***	***	***	***
Commercial Metals Company	Irving, TX	***	***	***	***
CPW America Co	Houston, TX	***	***	***	***
DAEWOO International (America) Corp.	Teaneck, NJ	***	***	***	***
Duferco Steel Inc.	Matawan, NJ	***	***	***	***
Dura-Bond Steel, LLC	Steelton, PA	***	***	***	***
GS Global USA, Inc.	Cerritos, CA	***	***	***	***
Kenwal Canada Inc.	Toronto, ON	***	***	***	***
Kloeckner Metals Corporation	Roswell, GA	***	***	***	***
Metal One America, Inc.	Rosemont, IL	***	***	***	***
Metallia USA, LLC	Fort Lee, NJ	***	***	***	***
Optima Steel International, LLC	Concord, CA	***	***	***	***
Ryerson	Chicago, IL	***	***	***	***
Samuel Son & Co., Limited	Mississauga, Ontario, Canada, ON	***	***	***	***
SSAB Enterprises LLC	Lisle, IL	***	***	***	***
Stemcor USA Inc.	New York, NY	***	***	***	***
Sunbelt Group L.P.	Houston, TX	***	***	***	***
ThyssenKrupp Materials NA Inc.	Southfield, MI	***	***	***	***
Toyota Tsusho America, Inc.	Georgetown, KY	***	***	***	***
Total		***	***	***	***

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

U.S. purchasers

The Commission received 29 usable questionnaire responses from firms that have bought CTL plate since January 2009. Fifteen responding purchasers are processor/service centers, 11 are distributors, and seven are end users.[73] The largest responding purchasers of CTL plate are *** and ***; these firms represent *** percent and *** percent, respectively, of the total reported purchased quantity.

[73] Purchasers *** identified themselves as processor/service centers and distributors. Purchaser *** identified itself as an end user and a processor/service center.

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of CTL plate are shown in table I-11.

Table I-11
CTL plate: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
U.S. producers' U.S. shipments	6,741,120	6,958,418	7,068,852	3,538,352	3,171,260
U.S. importers' U.S. imports from.--					
China	6,224	2,923	5,933	3,563	5,548
Russia	27,652	2,791	61,585	24,250	12,607
Ukraine	14,728	0	3	3	3,560
Subject sources	48,604	5,714	67,520	27,815	21,716
All other sources	1,058,973	631,868	1,537,833	639,621	643,480
Total U.S. imports	1,107,576	637,581	1,605,353	667,436	665,196
Apparent U.S. consumption	7,848,696	7,595,999	8,674,205	4,205,788	3,836,456
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	5,697,667	5,195,356	5,771,736	2,828,139	2,333,813
U.S. importers' U.S. imports from.--					
China	10,804	3,646	7,304	3,991	5,897
Russia	21,149	1,678	41,271	15,068	9,509
Ukraine	13,171	0	5	5	2,512
Subject sources	45,124	5,324	48,580	19,063	17,918
All other sources	994,295	561,706	1,251,246	515,560	502,919
Total U.S. imports	1,039,419	567,030	1,299,826	534,623	520,837
Apparent U.S. consumption	6,737,086	5,762,386	7,071,562	3,362,762	2,854,650

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics.

U.S. MARKET SHARES

U.S. market share data are presented in table I-12.

Table I-12
CTL plate: U.S. consumption and market shares, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
			Quantity (short tons)		
Apparent U.S. consumption	7,848,696	7,595,999	8,674,205	4,205,788	3,836,456
			Share of quantity (percent)		
U.S. producers' U.S. shipments	85.9	91.6	81.5	84.1	82.7
U.S. importers' U.S. imports from.--China	0.1	0.0	0.1	0.1	0.1
Russia	0.4	0.0	0.7	0.6	0.3
Ukraine	0.2	0.0	0.0	0.0	0.1
Subject sources	0.6	0.1	0.8	0.7	0.6
All other sources	13.5	8.3	17.7	15.2	16.8
Total U.S. imports	14.1	8.4	18.5	15.9	17.3
			Value (1,000 dollars)		
Apparent U.S. consumption	6,737,086	5,762,386	7,071,562	3,362,762	2,854,650
			Share of value (percent)		
U.S. producers' U.S. shipments	84.6	90.2	81.6	84.1	81.8
U.S. importers' U.S. imports from.--China	0.2	0.1	0.1	0.1	0.2
Russia	0.3	0.0	0.6	0.4	0.3
Ukraine	0.2	0.0	0.0	0.0	0.1
Subject sources	0.7	0.1	0.7	0.6	0.6
All other sources	14.8	9.7	17.7	15.3	17.6
Total U.S. imports	15.4	9.8	18.4	15.9	18.2

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics.

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

U.S. MARKET CHARACTERISTICS

CTL plate is used in an assortment of end-use applications depending on the grade of the CTL plate. Commodity-grade CTL plate is used in such applications as the manufacture of storage tanks, heavy machinery and machinery parts, ships and barges, agriculture and construction equipment, and general load-bearing structures. Noncommodity grades of CTL plate are used to manufacture railroad cars, line pipes, mobile equipment, highway and railway bridges, pressure vessels, military armor, and machinery components.[1] Noncommodity grades of CTL plate have superior strength and performance characteristics as compared with commodity grades of CTL plate and typically are produced for customers seeking specific properties, such as improved malleability, hardness or abrasion resistance, impact resistance or toughness, higher strength, and ease in machining and welding. These particular properties are achieved by chemically refining the steel by increasing or decreasing specific elements, and by accurate temperature control while hot rolling or heat treating the plate.

CTL plate is produced from carbon and micro-alloy steel slabs. Slabs are formed from molten steel, then typically passed through either a traditional reversing plate mill or a Steckel mill, which increases the width and reduces the thickness. Alternatively, the slab may be processed into coiled plate on a hot strip mill (or a combination mill) and processed through a separate shear line. The plate is finished to the customer's specified thickness, width, and length[2] and sold across the United States.

Demand for CTL plate is driven by the specific end-use in which the CTL plate is being used. Apparent U.S. consumption of CTL plate increased during 2012-14. Overall, apparent U.S. consumption in 2014 was 10.5 percent higher than in 2012.

CHANNELS OF DISTRIBUTION

U.S. producers' sales were relatively evenly divided between distributors and end-users, as shown in table II-1. U.S. importer of Russian CTL plate sold mostly to distributors. In 2012 and the first half of 2015, importers of subject product from Ukraine sold *** to distributors whereas in 2013 and 2014, importers of subject product from Ukraine sold *** to end users. However, from January 2012 to June 2015, importers of subject product from Ukraine sold *** to distributors, by volume.

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[1] *Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA192-197 (Second Review); 701-TA-319, 320, 325-327, 348, and 350 (Second Review); and 731-TA-573, 574, 578, 582-587, 612, and 614-618 (Second Review),* USITC Publication 3899, volume II, January 2007, p. CTL-II-l.

[2] *Ibid.*, p. CTL-II-l.

Table II-1
CTL plate: U.S. producers' and importers' share of reported U.S. commercial shipments (percent), by sources and channels of distribution, January 2012-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Share of quantity (percent)				
U.S. producers' U.S. shipments to:					
Distributors	49.8	51.2	47.3	46.9	42.9
End-users	50.2	48.8	52.7	53.1	57.1
U.S. importers' U.S. shipments of imports from China to:					
Distributors	***	***	***	***	***
End-users	***	***	***	***	***
U.S. importers' U.S. shipments of imports from Russia to:					
Distributors	***	***	***	***	***
End-users	***	***	***	***	***
U.S. importers' U.S. shipments of imports from Ukraine to:					
Distributors	***	***	***	***	***
End-users[1]	***	***	***	***	***
U.S. importers' U.S. shipments of imports from all other sources to:					
Distributors	92.2	92.3	95.8	94.5	88.7
End-users	7.8	7.7	4.2	5.5	11.3

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

[1] U.S. importer *** reported importing Ukrainian product in 2012. *** did not report channels of distribution for the calendar year 2014, but did report for the 2014 interim period. Staff applied the reported 2014 interim period to the calendar year 2014.

GEOGRAPHIC DISTRIBUTION

U.S. producers reported selling CTL plate to all regions in the United States (table II-2). Importers reported selling to all regions in the contiguous United States, except the Mountains region. For U.S. producers, 24.0 percent of sales were within 100 miles of their production facility, 67.5 percent were between 101 and 1,000 miles, and 8.6 percent were over 1,000 miles. Importers of product from Russia sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.[3]

[3] Importers of Chinese and Ukrainian product did not report on shipment distance data.

Table II-2
CTL plate: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	U.S. importers		
		China	Russia	Ukraine
Northeast	10	0	1	0
Midwest	12	1	5	2
Southeast	11	0	2	3
Central Southwest	11	0	6	2
Mountains	10	0	0	0
Pacific Coast	11	1	1	0
Other[1]	3	0	0	0
Present in all continental regions	9	0	0	0

[1] All other U.S. markets, including AK, HI, PR, and VI.

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers of CTL plate have the ability to respond to changes in demand with moderate changes in the quantity of shipments of U.S.-produced CTL plate to the U.S. market. The main contributing factors to this degree of responsiveness of supply are increasing inventories and steady modest levels of export volumes but are limited by moderately high level of capacity utilization.

Industry capacity

Domestic capacity utilization increased from 65.7 percent in 2012 to 72.8 percent in 2014.[4] From 2012 to 2014, capacity decreased by 2.9 percent while production increased by 7.5 percent. This relatively moderate of capacity utilization suggests that U.S. producers may have some ability to increase production of CTL plate in response to an increase in prices.

Alternative markets

U.S. producers' exports, as a percentage of total shipments, fluctuated slightly during 2012-14. U.S. producers' export shipments, as a share of total shipments, declined from 9.4 percent in 2012 to 7.8 percent in 2013 and rose to 9.4 percent in 2014 due to the fluctuations in export shipment volumes. These fluctuations indicate that U.S. producers may have some

[4] Capacity utilization was 72.8 percent in the first half of 2014 compared to 62.5 percent in the first half of 2015.

ability to shift shipments between the U.S. market and other markets in response to price changes.

U.S. producers stated that it would be difficult to shift their shipments to other markets. U.S. producers identified transportation costs, limited foreign sales and distribution networks, and foreign producer subsidies as barriers to exporting. U.S. producers reported Canada and Mexico as their principal export markets.

Inventory levels

U.S. producers' inventories, as a share of total shipments, increased from 4.1 percent in 2012 to 5.0 percent in 2014. These inventory levels suggest that U.S. producers may have a limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Nine of 12 responding U.S. producers stated that they could switch production from CTL plate to other products. Other products that producers reported they can produce on the same equipment as CTL plate are rounds, plate in coil, and alloy steel plate.

Supply constraints

Five U.S. producers identified equipment limitations as a supply constraint. U.S. producers stated that CTL plate equipment had speed limitations, plate thickness restraints, and routine maintenance downtimes. Two U.S. producers cited availability of employees as a supply constraint.

Subject imports from China[5]

The Commission did not receive questionnaire responses from Chinese producers. Based on available information, producers of CTL plate from China have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of CTL plate to the U.S. market. The main contributing factors to this degree of responsiveness of supply are high level of capacity and export shipments.

Industry capacity

According to information provided by domestic interested parties, there were at least 28 firms in China that produced CTL plate in 2010, of which three had a production capacity of

[5] The Commission received *** from importers of Chinese product. This firm's U.S. imports accounted for *** percent of U.S. imports of CTL plate from China from January 2012 to June 2015.

greater than five million tons (19.1 million tons in aggregate).[6] There were 15 companies whose capacity exceeded 2 million tons (54.75 million tons in aggregate). These 15 companies accounted for 45.6 percent of total CTL plate capacity in 2010.[7] Importer *** reported that the Chinese steel market has had a consistent issue with overcapacity in steel production.[8] According to *** data, reversing mills in China increased production by *** percent from *** short tons of CTL plate in 2012 to *** short tons of CTL plate in 2014.[9] This relatively high and expanding level of production suggests that Chinese producers may have substantial ability to increase production of CTL plate in response to an increase in prices.

Alternative markets

CTL plate exports from China have fluctuated, but have increased overall, from 2012 to 2014. CTL plate exports from China decreased from 6.1 million short tons in 2012 to 5.4 million short tons in 2013 and rose to 7.4 million short tons in 2014. Chinese producers' principal export market is Korea, representing 26.0 percent of total Chinese CTL plate export quantity from 2012 to 2014.[10] Exports of CTL plate from China to the United States have fluctuated similarly as total Chinese CTL plate exports.[11] These fluctuations in exports indicate that Chinese producers may have some ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

No U.S. importer reported holding inventories of CTL plate from China. No Chinese producer or exporter provided a questionnaire response in these reviews.

Production alternatives

No Chinese producer or exporter provided a questionnaire response in these reviews.

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[6] *ArcelorMittal, Nucor, and SSAB's Response to Notice of Institution,* October 31, 2014; and Evraz's *Response to the Notice of Institution*, October 31, 2014.

[7] Research in China, China Medium and Heavy Plate Market Report, 2011-2012, November 2011, http://www.researchinchina.com/UpLoads/ArticleFreePartPath/20111118134631.pdf, retrieved December 10, 2014.

[8] Importer *** response to Importer Questionnaire, question III-17.

[9] ***.

[10] Global Trade Information Services, Inc., *Global Trade Atlas,* HS subheadings 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50.

[11] Compiled using official Commerce statistics.

Subject imports from Russia[12]

The Commission did not receive questionnaire responses from Russian producers of CTL plate. Based on available information, producers of CTL plate from Russia have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of CTL plate to the U.S. market. The main contributing factors to this degree of responsiveness of supply are increasing capacity, low capacity utilization, and increasing exports.

Industry capacity

Russian producers MMK and Severstal indicated that Russian capacity has increased but production has decreased since 2008.[13] In 2008, Russian capacity was reported to be at *** short tons and production at *** short tons, with a capacity utilization rate of *** percent.[14] In 2013, Russian capacity rose to *** short tons and production dropped to *** short tons, with a capacity utilization rate of *** percent.[15] According to ***, Russian capacity utilization increased slightly from *** percent in 2012 to *** percent in 2014. Both capacity and production increased by *** percent and *** percent, respectively.[16] This relatively low level of capacity utilization suggests that Russian producers may have substantial ability to increase production of CTL plate in response to an increase in prices.

Alternative markets

Russian producers did not report export data for the current reviews. Russian exports of CTL plate continuously increased from 2012 to 2014, growing from 714,569 short tons in 2012 to 1.2 million short tons in 2014.[17] The World Steel Association notes that for Russia's domestic market for steel, "the weak trend in steel using sectors in the second half of 2013 continued,

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[12] The Commission received *** from importers of Russian product. These firms' imports accounted for 51.6 percent of U.S. imports of CTL plate from January 2012 to June 2015.

[13] *MMK's and Severstal's Responses to Notice of Institution*, October 31, 2014.

[14] *Investigation Nos. 731-TA-753, 754, and 756 (Second Review): Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine—Staff Report*, INV-GG-095, October 1, 2009, table IV-18.

[15] Data for 2013 are compiled using data submitted in response to the Notice of Institution by MMK and Severstal in these current five-year reviews. MMK and Severstal indicated that they accounted for approximately *** percent of total Russian CTL plate production in 2008 and approximately *** percent in 2013. *MMK's and Severstal's Responses to Notice of Institution*, October 31, 2014.

[16] *** projects that capacity utilization will increase to *** percent in 2015, representing increases of *** percent in capacity and *** percent in production in comparison to 2014. *** and calculations from data presented in ArcelorMittal's prehearing brief, exhibit 2.

[17] Belarus represented the largest export market for Russian CTL plate, representing 18.6 percent of total export shipments from 2012 to 2014. Global Trade Information Services, Inc., *Global Trade Atlas,* HS subheadings 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50.

and in 2014 weak infrastructure investments combined with the impact of the geopolitical tensions constrained steel demand, leading to a 0.5 percent decline to reach 43.2 million metric tons. In 2015 it will recover by 1.1 percent to reach 43.7 million metric tons."[18] According to ***, demand for CTL plate is expected to decrease in the second half of 2015.[19] The increase in Russian exports indicates that Russian producers may have some ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

Russian producers did not report inventory data during the current review. U.S. importers of Russian CTL plate reported that ending inventories, as a share of total shipments, decreased from *** percent in 2012 to *** percent in 2014 as total shipments declined during the period. Inventories for responding importers of Russian CTL plate increased by *** percent from 2012 to 2014. These inventory levels suggest that U.S. importers of Russian CTL plate may have some ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Russian producers did not report production alternatives for the current review.

Subject imports from Ukraine[20]

Based on available information, Ukrainian producers of CTL plate have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of CTL plate to the U.S. market. The main contributing factors to this degree of responsiveness of supply are moderate levels of capacity utilization, increasing exports, and small but increasing inventories.

Industry capacity

Ukrainian capacity utilization fluctuated, but decreased overall, since 2012. Ukrainian capacity utilization increased from *** percent in 2012 to *** percent in 2013 and decreased to

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[18] *World Steel Association,* press release, "Short Range Outlook 2014-2015," October 6, 2014, http://www.worldsteel.org/media-centre/press-releases/2014/worldsteel-Short-Range-Outlook-2014-to-2015.html, retrieved December 10, 2014. Staff notes that the above characterization is for the broader Russian steel market, and is not limited to CTL plate.

[19] *** and ArcelorMittal's posthearing brief, p 14.

[20] The Commission received 3 questionnaire responses from Ukrainian producers. These firms' exports to the United States accounted for *** percent of U.S. imports of CTL plate from Ukraine during January 2012-June 2015. A fourth firm, ***, submitted a letter stating ***.

*** percent in 2014.[21] From 2012 to 2014, capacity decreased by *** percent, and production decreased by *** percent. This relatively moderate level of capacity utilization suggests that Ukrainian producers may have limited ability to increase production of product in response to an increase in prices.

Alternative markets

Ukrainian producers' exports, as a share of total shipments increased from *** percent in 2012 to *** percent in 2014. Asian and European made up the biggest portion of export destinations. Additionally, Ukrainian producers identified *** as principal markets outside of Asia, Europe, and the United States. Ukrainian producers' U.S. exports, as a percentage of total shipments, remained at less than *** percent from 2012 to 2014. Based on these export levels, Ukrainian producers may have some ability to shift shipments between the U.S. market and other markets in response to price changes

Inventory levels

Ukrainian producers' inventories, relative to total shipments, increased from *** percent in 2012 to *** percent in 2014. These inventory levels suggest that Ukrainian producers may have a limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

*** responding Ukrainian producers stated that they could switch production from CTL plate to other products. The other products that Ukrainian producers reported that they can produce on the same equipment as CTL plate are rolled steel products. *** Ukrainian producers indicated that switching between CTL plate and other products, while technically feasible, increases expenses and reduces efficiency.

Nonsubject imports

From January 2012 to June 2015, Canada, Germany, and Korea were the largest sources of nonsubject imports. Combined, these countries accounted for 47.3 percent of nonsubject imports and 45.6 percent of total imports.[22]

[21] Capacity utilization was *** percent in the first half of 2014 compared to *** percent in the first half of 2015.

[22] Additionally, importers cited Brazil, Italy, and Turkey as major import sources. Combined, these countries accounted for an additional 20.0 percent of nonsubject imports from January 2012 to June 2015. Compiled from official Commerce statistics.

New suppliers

Nine purchasers indicated that new suppliers had entered the U.S. market since January 1, 2012. U.S. purchasers *** and *** reported that new U.S. supplier Big River Steel is planning to construct a mill in Osceola, Arkansas in 2016.[23] Purchasers cited two Mexican producers, Deacero and AHMSA, as new suppliers.[24]

U.S. demand

Based on available information, the overall demand for CTL plate is likely to experience moderate-to-small changes in response to changes in price. The main contributing factors are the moderate cost share of CTL plate in most of its end-use products and ability of substitute products to work in a wide variety of end-use products.

End uses

U.S. demand for CTL plate depends on the demand for U.S.-produced downstream products. Reported end uses include the manufacture of storage tanks, heavy machinery and machinery parts, ships and barges, agriculture and construction equipment, general load-bearing structures, and pipe. Ten responding U.S. producers, 18 importers, and 21 purchasers reported no changes in end uses.

Cost share

CTL plate accounts generally for a moderate-to-large share of the cost of the end-use products in which it is used, though shares vary widely based on end use. For general construction, purchasers reported that cost shares of CTL plate represented between 8 and 13 percent of end-use costs. Purchasers reported that cost shares of CTL plate typically represent 20 percent of equipment manufacturing costs. For bridge construction, reported cost shares of CTL plate represented between 13 and 35 percent of end-use costs, with steel bridges being on the higher end of the range. Purchasers reported that cost shares of CTL plate typically represent between 40 and 70 percent of tank end-use costs, and for pipes manufactured for general and energy applications, reported cost shares of CTL plate represented between 70 and 80 percent of end-use costs. Purchasers report that cost shares of CTL plate typically represent between 84 and 90 percent of processed plate costs.

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[23] Big River Steel's website indicated that the new mill will produce hot- and cold-rolled steel with no mention of CTL plate. http://bigriversteel.com, retrieved August 26, 2015.

[24] Additionally, purchaser *** indicated that "various Asian mills" are new suppliers, but did not specify the mills by name. *** purchaser questionnaire, question III-20.

Business cycles

Four of 11 U.S. producers, five of 21 importers, and 11 of 27 purchasers indicated that the market for CTL plate was subject to business cycles. Firms reported that demand for CTL plate used in construction and agricultural equipment is seasonal depending on weather conditions. Demand for CTL plate used in pipe for oilfield applications and renewable energy increases in the second and third quarters of the year because projects in these sectors tend to be larger in these two quarters. Two of nine U.S. producers, two of 18 importers, and five of 21 purchasers indicated that the market was subject to distinctive conditions of competition. Specifically, firms cited the raw material prices, such as scrap and slabs, as a distinctive condition of competition. Of these nine firms, five firms also reported changes in conditions of competition, including the increase in U.S. imports of CTL plate, the price of scrap, and improvement of the global economy.

Demand trends

Most firms reported that U.S. demand for CTL plate had fluctuated or increased since January 1, 2012 (table II-3). Firms cited improvement in the overall economy, and particularly the construction, heavy machinery, rail car, and farm equipment sectors, as demand drivers. Firms indicated that the slow recovery, following the 2008-09 global recession, was the reason for the fluctuating and increasing demand for CTL plate.[25] Firms expect demand to fluctuate over the next two years. U.S. producers *** anticipate that downturns in the construction sector will hamper future demand for CTL plate. *** indicated that government incentives in the renewable energy sector have not been renewed and decreases in federal highway spending will hurt future CTL plate demand. Nucor reported that U.S. demand for CTL plate in the second half of 2015 will continue to decrease and the global demand will remain weak.[26] U.S. producer *** indicated that U.S. demand for CTL plate is falling in the second half of 2015 with fourth quarter CTL plate orders below that of the second and third quarter.[27] *** indicated that U.S. demand for CTL plate from the pipe and railroad markets will decrease in the future.[28]

[25] In 2009, U.S. GDP fell 2.8 percent from the previous year. However, U.S. annual GDP increases have ranged from 1.5 to 2.5 percent from 2010 through 2014. U.S. Bureau of Economic Analysis, "National Income and Product Accounts, September 2015," http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm, retrieved October 16, 2015.

[26] Hearing transcript, p 42-4 (Utermark).

[27] ***'s posthearing brief, p 6 and exhibit 4.

[28] ***'s posthearing brief, pp. 11-12.

Table II-3

CTL plate: Firms' responses regarding U.S. demand

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	4	1	1	5
Importers	4	1	5	12
Purchasers	10	5	3	9
Foreign producers	3	0	0	0
Anticipated future demand				
U.S. producers	4	0	0	8
Importers	1	3	7	11
Purchasers	7	9	2	9
Foreign producers	0	3	0	0
Demand for purchasers' final products since 2009				
Purchasers	4	0	0	5

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

Five of nine U.S. producers, 10 of 19 importers, and six of 17 purchasers reported that demand outside of the United States for CTL plate has fluctuated since January 1, 2009 (table II-4). Five of 17 purchasers and all three responding Ukrainian producers indicated that demand outside of the United States for CTL plate has increased since January 1, 2009. Firms cited slow growth of the global economy after the 2008-09 global recession and decreases in oil prices as reasons why demand has fluctuated for CTL plate. Seven of nine U.S. producers, 10 of 20 importers, nine of 17 purchasers, and all three Ukrainian producers anticipate that future demand outside of the United States will fluctuate. Firms cited uncertainty within the Chinese, Mexican, European, and other Asian markets as reasons for future fluctuations.

Table II-4

CTL plate: Firms' responses regarding demand outside the U.S., by number of responding firms

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand outside the United States:				
U.S. producers	2	1	1	5
Importers	4	1	4	10
Purchasers	5	3	3	6
Foreign producers	3	0	0	0
Anticipated future demand outside the United States:				
U.S. producers	2	0	0	7
Importers	3	2	5	10
Purchasers	1	6	1	9
Foreign producers	0	0	0	3

Source: Compiled from data submitted in response to Commission questionnaires

Substitute products

Most U.S. producers (8 of 12), importers (18 of 20), and purchasers (21 of 26) reported that there were no substitutes for CTL plate. Firms that identified substitutes reported concrete

for construction and bridges, and aluminum for lighter equipment manufacturing, trailers, and vehicles. Most firms reported not anticipating future changes in substitutes.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported CTL plate depends upon such factors as relative prices, quality (e.g., grade standards, plate thickness required, reliability of supply, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is moderate-to-high degree of substitutability between domestically produced CTL plate and CTL plate imported from subject sources.

Lead times

CTL plate is primarily produced-to-order. U.S. producers reported that 81.9 percent of their commercial shipments were produced-to-order, with lead times averaging 40 days. The remaining commercial shipments came from inventories, with lead times averaging 6 days.[29] U.S. importers of Russian CTL plate reported that 51.6 percent of their commercial shipments were produced-to-order, with lead times averaging 105 days. The remaining 48.4 percent of their commercial shipments came from U.S. inventories, with lead times averaging 8 days.[30]

Knowledge of country sources

Twenty-seven purchasers indicated they had marketing/pricing knowledge of domestic product, five of Chinese product, five of Russian product, three of Ukrainian product, and ten of nonsubject country product. As shown in table II-5, most purchasers and their customers "sometimes" make purchasing decisions based on the producer or country of origin. The four purchasers that reported that they "always" make decisions based on the manufacturer cited supplier certification, delivery terms, and quality requirements as reasons for choosing a specific manufacturer.

[29] U.S. producer *** reported that commercial shipments from inventories had lead times of 60 to 75 days; all other producers reported 10 days or less. *** was not included in the average lead times for commercial shipments from inventories.

[30] Importers did not report lead times for imports from China or Ukraine. Ukrainian producers reported that lead times for shipments of CTL plate to the United States are between four and five months. Hearing transcript, p. 159 (Shvetsov).

Table II-5

CTL plate: Purchasing decisions based on producer and country of origin

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	4	7	12	4
Purchaser's customers make decision based on producer	0	2	19	3
Purchaser makes decision based on country	1	9	11	6
Purchaser's customers make decision based on country	0	2	18	4

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for CTL plate were quality (25 firms), price (24 firms), and on-time delivery (11 firms) as shown in table II-6. Quality was cited as the first- or second-most important factor by 10 firms and 13 firms, respectively, while price was cited as the first- or second-most important factor by 9 and 11 firms, respectively.

Table II-6

CTL plate: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	First	Second[1]	Third	Total
Quality	10	13	2	25
Price	9	11	4	24
On time delivery	2	1	8	11
Availability	2	2	6	10
Lead time	1	3	1	5
Other[2]	3	0	5	8

[1] Three purchasers listed multiple factors as the second most important factor, including quality, price, on-time delivery, and lead time.

[2] Other factors include ability to meet technical requirement, preference for specific suppliers, contract terms, credit terms, and product origin.

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

The majority of purchasers (17 of 28) reported that they usually purchase the lowest-priced product for their purchases. When asked if they purchased CTL plate from one source although a comparable product was available at a lower price from another source, the 20 purchasers that reported doing so identified Buy American requirements, smaller delivery lead times, and quality. Three of 24 purchasers reported that certain types of product were only available from a single source. Purchaser *** indicated that the CTL plate needed to make line pipe capable of withstanding the corrosive effects of hydrogen sulfide gas (sour service applications) and capable of withstanding low temperatures comes from Germany, France, Japan, and Korea. Purchaser *** reported that certain sizes are only available from Germany but did not specify which sizes. Purchaser *** indicated that heavy CTL plate (greater than 8 inches thick) is only available from ArcelorMittal.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-7). The factors rated as "very important" by at least 20 of the responding purchasers were price (26 firms), availability (25 firms), delivery time (23 firms), quality meets industry standards (24 firms), product consistency (22), and reliability of supply (20 firms).

Table II-7
CTL plate: Importance of purchase factors, as reported by U.S. purchasers, by factor

Factor	Very important	Somewhat important	Not important
Availability	25	3	0
Delivery terms	11	14	3
Delivery time	23	4	1
Discounts offered	13	11	4
Extension of credit	9	9	10
Minimum quantity requirements	5	21	2
Packaging	1	19	8
Price	26	2	0
Product consistency	22	4	2
Product range	7	15	6
Quality exceeds industry standards	12	12	4
Quality meets industry standards	24	3	1
Reliability of supply	20	5	3
Technical support/service	4	19	5
U.S. transportation costs	13	13	2

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

Supplier certification

Twenty-two of 28 responding purchasers require their suppliers to become certified or qualified to sell CTL plate to their firm. Purchasers reported that the time to qualify a new supplier ranged from one to 365 days, averaging 68 days. Purchasers indicated that supplier certification could include verifying producers' ISO certification, on-site audit, and/or requesting a small trial order. Three purchasers reported that a domestic or foreign supplier had failed in its attempt to qualify product, or had lost its approved status since January 1, 2009. Purchaser *** reported that Severstal from Russia failed in its attempt to qualify product due to very poor quality. Purchaser *** reported that Essar Steel from Canada and Nucor Steel North Carolina had unsuccessful trials, and that neither supplier expressed interest in developing their products.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2009 (table II-8). Eleven of 28 responding purchasers reported that they had changed suppliers since January 1, 2009. Specifically, firms dropped or reduced purchases from Evraz NA because of the closure of the plate mill in Claymont, Delaware. Purchaser *** added

or increased purchases from JFE Steel (Japan), NSSMC (Japan), and POSCO (Korea) because of increased dimensional and technical capability ranges required to maintain competitiveness. Purchasers *** reported adding Posco (Korea) as a supplier. Firms also reported changes because of mill/vendor consolidation. Nine purchasers indicated that new suppliers entered the U.S. market since January 1, 2012. Purchasers identified two Mexican producers and various Asian mills.[31]

Table II-8
CTL plate: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	0	3	6	10	8
China	16	1	2	1	6
Russia	16	3	2	1	4
Ukraine	20	2	1	0	3
All other sources	11	0	3	4	10

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

Importance of purchasing domestic product

Twenty-five purchasers reported that purchasing U.S.-produced product was not an important factor in purchasing decisions, representing 43.5 percent of total reported purchases (table II-9). Eighteen purchasers reported that domestic product was required by law (representing 4.8 percent of total reported purchases). Domestic parties reported that Buy America requirements represent a small amount of volume. Domestic parties indicated that Buy America clauses were seen most frequently in infrastructure projects, particularly in bridge markets where federal funding is used.[32] Nineteen purchasers reported that it was required by their customers (representing 26.8 percent of total reported purchases) and seven reported other preferences for domestic product (representing 24.9 percent of total reported purchases). Reasons cited for preferring domestic product included shorter lead times and quality.

[31] U.S. purchasers *** and *** reported that a new supplier, Big River Steel, plans to construct a new mill in Arkansas in 2016. Big River Steel's website indicated that the new mill will produce hot-rolled and cold-rolled steel with no mention of CTL plate. http://bigriversteel.com, retrieved August 26, 2015.

[32] Hearing transcript, p. 74 (Moskaluk) and p. 75 (Unruh).

Table II-9

CTL plate: Importance of purchasing domestic product

Factor	Share of purchases (percent)	Count of responding firms (number)
Purchases no domestic requirements	43.5	25
Purchases domestic requirements by law	4.8	18
Purchases domestic requirements by customers	26.8	19
Purchases domestic requirements other	24.9	7
Total	100.0	25

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

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing CTL plate produced in the United States, subject countries, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (table II-10) for which they were asked to rate the importance (table II-7 above).

Most responding purchasers reported that U.S.-produced CTL plate was superior to subject CTL plate on reliability of supply, technical support/service, delivery time, meets minimum quantity requirements, and availability.[33] Most responding purchasers reported that U.S.-produced CTL plate was superior to subject CTL plate from Russia on product consistency and product range. Most responding purchasers reported that U.S., subject, and nonsubject product were comparable on ability to meet industry standards and packaging. Most responding purchasers reported that U.S.-produced CTL plate was inferior to both subject and nonsubject CTL plate on price. In comparison to nonsubject product, U.S. and subject product rated comparable on most factors.

[33] Most responding purchasers reported that U.S.-produced CTL plate was superior to nonsubject CTL plate on reliability of supply and delivery time.

Table II-10

CTL plate: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	U.S. vs. China			U.S. vs. Russia			U.S. vs. Ukraine		
	S	C	I	S	C	I	S	C	I
Availability	8	2	2	10	3	1	8	3	0
Delivery terms	6	4	0	7	5	0	6	3	0
Delivery time	10	0	2	10	0	3	8	0	2
Discounts offered	3	4	1	3	4	4	3	4	2
Extension of credit	3	5	1	4	6	1	3	4	1
Minimum quantity requirements	8	1	1	8	3	1	5	3	0
Packaging	3	7	0	4	8	0	3	6	0
Price[1]	2	0	8	2	2	8	2	1	6
Product consistency	6	4	0	8	4	0	4	4	0
Product range	4	5	0	7	4	0	5	3	0
Quality exceeds industry standards	7	3	0	9	3	0	7	3	0
Quality meets industry standards	3	9	0	4	10	0	3	8	0
Reliability of supply	9	1	0	10	2	0	8	1	0
Technical support/service	10	0	0	11	0	1	9	0	0
U.S. transportation costs[1]	4	5	0	6	4	2	5	2	0

Factor	Number of firms reporting								
	China vs. Russia			China vs. Ukraine			Russia vs. Ukraine		
	S	C	I	S	C	I	S	C	I
Availability	1	6	0	1	3	1	0	5	1
Delivery terms	0	5	1	1	2	1	0	3	1
Delivery time	0	6	1	0	4	1	0	4	1
Discounts offered	0	5	0	0	3	1	0	3	1
Extension of credit	0	5	0	0	3	0	0	3	1
Minimum quantity requirements	0	5	1	0	3	1	0	3	1
Packaging	0	6	0	0	3	1	0	3	1
Price[1]	0	6	0	0	3	1	0	3	1
Product consistency	1	5	0	0	3	1	0	3	1
Product range	1	4	1	0	3	1	0	3	1
Quality exceeds industry standards	0	5	2	0	2	3	0	4	1
Quality meets industry standards	0	6	2	0	4	2	0	6	0
Reliability of supply	0	5	1	0	3	1	0	3	1
Technical support/service	0	5	1	0	3	1	0	3	1
U.S. transportation costs[1]	0	6	0	0	3	1	0	3	1

Table continued.

Table II-10 --Continued

CTL plate: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	U.S. vs. all other sources			China vs. all other sources			Russia vs. all other sources		
	S	C	I	S	C	I	S	C	I
Availability	5	10	1	0	5	1	0	5	2
Delivery terms	6	8	1	0	5	0	0	6	0
Delivery time	10	3	3	1	4	1	1	5	1
Discounts offered	2	8	3	0	3	0	0	4	0
Extension of credit	3	9	1	0	3	0	0	4	0
Minimum quantity requirements	8	6	1	1	3	0	1	4	0
Packaging	1	13	0	0	4	0	0	5	0
Price[1]	1	4	10	2	1	1	2	3	1
Product consistency	2	12	2	0	5	0	1	4	1
Product range	5	10	0	0	4	1	0	4	2
Quality exceeds industry standards	7	7	2	0	2	3	0	5	1
Quality meets industry standards	4	11	0	0	4	2	0	7	0
Reliability of supply	10	5	0	1	2	0	1	4	0
Technical support/service	8	7	0	1	3	0	1	3	1
U.S. transportation costs[1]	7	7	1	0	4	0	0	5	0

Factor	Number of firms reporting		
	Ukraine vs. all other sources		
	S	C	I
Availability	0	4	0
Delivery terms	0	2	1
Delivery time	0	4	0
Discounts offered	0	2	1
Extension of credit	0	3	0
Minimum quantity requirements	0	3	0
Packaging	0	3	0
Price[1]	1	1	1
Product consistency	0	3	0
Product range	0	3	0
Quality exceeds industry standards	0	3	1
Quality meets industry standards	0	5	0
Reliability of supply	0	3	0
Technical support/service	0	3	0
U.S. transportation costs[1]	0	3	0

[1] A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Comparison of U.S.-produced and imported CTL plate

In order to determine whether U.S.-produced CTL plate can generally be used in the same applications as imports from China, Russia, and Ukraine, U.S. producers, importers, and purchasers were asked whether the products can "always," "frequently," "sometimes," or "never" be used interchangeably. As shown in table II-11, most U.S. producers and a plurality of importers indicated that U.S.-produced CTL plate can "always" be used interchangeably with Chinese- and Ukrainian-produced CTL plate. Most U.S. producers indicated that U.S.-produced CTL plate can "always" be used interchangeably with Russian-produced CTL plate while a plurality of importers reported that U.S.-produced CTL plate can "frequently" be used interchangeably with Russian-produced CTL plate. Most purchasers reported that that U.S.-produced CTL plate can "frequently" be used interchangeably with Chinese-, Russian-, and Ukrainian-produced CTL plate.[34]

Table II-11

CTL plate: Interchangeability between CTL plate produced in the United States and in other countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. China	4	2	1	0	4	2	3	0	3	2	9	0
United States vs. Russia	4	3	2	0	4	5	4	0	4	3	9	1
United States vs. Ukraine	4	2	1	0	4	3	3	0	4	1	10	0
China vs. Russia	4	2	0	0	5	3	1	0	4	4	4	0
China vs. Ukraine	4	2	0	0	5	3	1	0	4	3	5	0
Russia vs. Ukraine	4	2	0	0	6	3	1	0	4	5	2	0
United States vs. Other	4	2	0	0	6	10	3	0	4	8	7	0
China vs. Other	4	2	0	0	4	4	2	0	5	2	4	0
Russia vs. Other	4	2	0	0	4	6	2	0	4	4	3	0
Ukraine vs. Other	4	2	0	0	4	5	2	0	4	3	3	0

Note.—A=Always, F=Frequently, S=Sometimes, N=Never.

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

Ukrainian producers indicated that Ukrainian CTL plate is not widely accepted in the U.S. market due to producing CTL plate to non U.S. standard dimensions and not being able to ensure the level of quality required by U.S. purchasers. Ukrainian producer Zaporizhstal reported that it can produce ***. Ukrainian producers reported that no Ukrainian producer can produce CTL plate to meet tolerance flatness requirements of half of the standard ASTM A 6 specification. Additionally, Zaporizhstal reported that it cannot ***.[35] [36] Domestic parties

[34] Purchaser *** was the only company to report that U.S.-produced CTL plate can "never" be used interchangeably with Russian-produced CTL plate. The company cited the poor quality of Russian material.

[35] Ukrainian producer's prehearing brief pp. 9; 30-31.

reported that global markets, particularly the EU market, for CTL plate have comparable dimension and quality requirements and that CTL plate produced to EU standards is accepted by U.S. purchasers. Nucor estimates that *** of the CTL plate market requires half of the standard ASTM A 6 specification; this standard of flatness is only required for certain end-use applications ***.[37] ArcelorMittal reported that *** percent of its sales require half of the standard ASTM A 6 specification. ArcelorMittal estimates that approximately *** percent of the CTL plate market requests that producers *** for half of the standard ASTM A 6 specification.[38]

As can be seen from table II-12, all 27 responding purchasers reported that domestically produced product "always" or "usually" met minimum quality specifications. Most responding purchasers reported that the CTL plate from China, Russia, and Ukraine "usually" met minimum quality specifications.

Table II-12
CTL plate: Ability to meet minimum quality specifications, by source[1]

Factor	Always	Usually	Sometimes	Rarely or never
United States	13	14	0	0
China	1	6	3	0
Russia	1	9	3	1
Ukraine	1	8	3	0
Other	3	13	1	0

[1] Purchasers were asked how often domestically produced or imported CTL plate meets minimum quality specifications for their own or their customers' uses.

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

In addition, producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of CTL plate from the United States, subject, or nonsubject countries. As seen in table II-13, a majority of U.S. producers indicated that factors other than price were "sometimes" or "never" significant when comparing U.S.-produced CTL plate and CTL plate from China, Russia, Ukraine, and nonsubject countries. A plurality of importers indicated that factors other than price were "sometimes" significant when comparing U.S.-produced CTL plate and CTL plate from Russia, Ukraine, and nonsubject countries. A plurality of importers indicated that factors other than price were "frequently" or "sometimes" significant when comparing U.S.-produced CTL plate. A plurality of purchasers indicated that factors other than price were "sometimes" or "never" significant when comparing U.S.-produced CTL plate and CTL plate from China, Russia, and nonsubject sources.

(…*continued*)

[36] In October 2015, Zaporizhstal reportedly plans to upgrade its facilities' equipment by beginning work on an oxygen-converter shop project. "Ukraine: Zaporizhstal goes on with its oxygen-converter shop project," Ukrainian Metal, October 2, 2015, http://metalukraine.com/2015/10/02/ukraine-zaporizhstal-goes-on-with-its-oxygen-converter-shop-project.html, retrieved October 23, 2015 and SSAB's posthearing brief, p. 6 and exhibit 17.

[37] Nucor's posthearing brief, exhibit 4.

[38] ArcelorMittal's posthearing brief, exhibit 1, p. 11-2.

Purchasers' responses when comparing U.S.-produced CTL plate and CTL plate from Ukraine on factors other than price were mixed.

Table II-13

CTL plate: Significance of differences other than price between CTL plate produced in the United States and in other countries, by country pairs

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. China	0	1	2	3	1	3	3	2	4	3	5	3
United States vs. Russia	0	1	4	3	2	2	6	3	4	3	5	4
United States vs. Ukraine	0	1	2	3	1	2	4	3	4	4	4	3
China vs. Russia	0	1	1	4	1	2	4	2	1	0	6	3
China vs. Ukraine	0	1	1	4	1	2	4	2	1	0	6	3
Russia vs. Ukraine	0	1	1	4	1	2	4	3	0	0	5	5
United States vs. Other	0	0	5	2	3	3	8	4	5	3	8	4
China vs. Other	0	0	3	3	1	2	5	2	1	0	6	3
Russia vs. Other	0	0	3	3	2	2	5	3	0	0	7	4
Ukraine vs. Other	0	0	3	3	1	2	5	3	0	0	6	4

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

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

ELASTICITY ESTIMATES[39]

U.S. supply elasticity

The domestic supply elasticity[40] for CTL plate measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of CTL plate. 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 CTL plate. Analysis of these factors earlier indicates that the U.S. industry is likely to be able to moderately increase or decrease shipments to the U.S. market based on available capacity and production flexibilities; an estimate in the range of 2 to 4 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for CTL plate measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of CTL plate. 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 CTL plate in the production of any downstream

[39] Parties did not comment on elasticity estimates.

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

products. Based on the available information, the aggregate demand for CTL plate is likely to be moderately 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.[41] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, strength, appearance, etc.) and conditions of sale (e.g., availability, sales terms/ discounts, etc.). Based on available information, the elasticity of substitution between U.S.-produced CTL plate and imported CTL plate is likely to be in the range of 3 to 5.

[41] 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: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

The information in this section of the report was compiled from responses to the Commission's questionnaires. Fifteen firms, which accounted for a substantial majority of U.S. production of CTL plate during 2014, supplied usable information or data on their operations in these reviews.[1] The Commission requested data from both steel mills and steel processors of CTL plate.

Changes experienced by the industry

Table III-1 details important industry events since the last reviews. Nucor added capacity in the forms of new heat treat and normalizing lines at its facility in Hertford County, North Carolina, while ArcelorMittal also commissioned a new heat treating line at its facility in Burns Harbor, Indiana. SSAB constructed a new heat treat facility in Mobile, Alabama and conducted a feasibility study for adding melting capacity to its facility in Montepelier, Iowa. In contrast, Evraz shut down its production in Claymont, Delaware and sold it at auction in March 2015. Finally, ArcelorMittal permanently closed its plate rolling operations in Gary, Indiana in May 2015.[2]

[1] The Commission received nine complete questionnaires *** with usable trade and financial data, four additional questionnaires with complete trade data but incomplete financial data ***, and two questionnaire responses *** provided narrative responses (included in this report) but incomplete trade and financial data. *** reported data for its cut-to-length operations on both plate and sheet. *** clarified that *** percent of its reported production was plate gauges. Accordingly, staff applied this ratio throughout *** reported trade and financial data.

[2] Hearing transcript, p. 52 (Unruh).

Table III-1
CTL plate: Important industry events since 2009

Date		Company	Action
Month	Year		
	2010	Nucor[1]	A new heat treat line began production in Hertford County, NC, resulting in 120,000 tons of heat treat capability per year.[2]
February		Cargill	Announced agreement to acquire the steel processing lines of Robinson Steel Co. in East Chicago, Indiana and Granite City, Illinois and plans to close a service center in Memphis, Tennessee.[3]
June	2011	Joy Global, Inc.	Acquired LeTourneau Technologies, Inc. from Rowan Companies, Inc.[4]
May	2012	ArcellorMittal[1]	ArcelorMittal commissioned a new plate heat treating line at the Burns Harbor, Indiana operations.[5]
November		SSAB[1]	Constructed a $300-million new heat treat facility in Mobile, Alabama, which will enable the company to expand production of advanced plate products.[6]
December		Kentucky Electric Steel[7]	New labor contract negotiated with United Steel Workers.[8]
February	2013	Kentucky Electric Steel[7]	Optima Specialty Steel purchased Kentucky Electric Steel.[9]
June		Nucor[1]	Production starts at a new 120,000 ton normalizing line which brings Hertford's value-added plate production capacity to 240,000 tons.[10]
October		Evraz[1]	Evraz North America announced the suspension of operations at its Claymont, Delaware facility, citing poor market conditions.[11]
June	2014	SSAB[1]	Announced feasibility study to expand melting and casting capabilities by up to 1.2 million tons above current melting capacity at its Montpelier, IA facility to be transferred as slab to SSAB's Mobile, Alabama facility for rolling and finishing.[12]
October		Cargill	Full operations began at Cargill's newly constructed service center in Windsor, Colorado.[13]

Table continued on the following page.

Table III-1--Continued
CTL plate: Important industry events since 2009

Date		Company	Action
Month	**Year**		
March	2015	Evraz[1]	The Claymont, DE plate mill was sold at auction on March 4-5, 2015.The mill has been idled since October 2013.[14]
May		ArcelorMittal	Permanently closed its plate rolling operations in Gary, Indiana.
September		Cargill	Announced plans to close its service center in Nashville, Tennessee in early 2016.[15]

[1] A traditional plate producer.
[2] Nucor, *Form 10-K for 2011*, p. 1, February 28, 2012.
[3] Fabricators & Manufacturers Association, International, the fabricator.com, "Cargill to Acquire Robinson's RPS Steel Division," February 9, 2010, http://www.thefabricator.com/news/metalsmaterials/cargill-to-acquire-robinsons-rps-steel-division. The Commercial Appeal, "Cargill to Close Memphis Steel Service Plant," February 26, 2010.
[4] Joy Global Inc., Joy Global Inc. and Rowan Companies, Inc. Announce the Completion of LeTourneau Technologies Inc. Acquisition," press release, June 22, 2011. "
[5] Northwest Indiana Times, "ArcelorMittal Burns Harbor Commissions New Line at Plate Mill to Remain Competitive," May 3, 2012.
[6] American Metal Market, "SSAB Chases Higher Margins with Q&T Plate Line," November 2, 2012.
[7] A flat bar producer.
[8] American Metal Market, "Kentucky Electric Steel Union Ratifies Deal," December 27, 2012.
[9] Optima Specialty Steel, Inc., "Optima Specialty Steel, Inc. to Acquire Kentucky Electric Steel," press release, February 5, 2013.
[10] American Metal Market, "Planned Expansions at Nucor Push Ahead," July 19, 2013
[11] American Metal Market, "Evraz to Idle Claymont Steel Plate Mill Within Two Months," October 14, 2013.
[12] SSAB, **"**SSAB is Looking to Expand its Facility in Montpelier, Iowa, U.S.," press release, June 19, 2014.
[13] WindsorNow! (newspaper), "Cargill's Windsor Facility Benefits Northern Colorado Community, Attracts New Companies," May 23, 2015.
[14] American Metal Market, "Evraz to Raze Claymont Steel Plate Mill," November 11, 2014; American Metal Market, " Evraz's Plate Mill Auction Set," November 17, 2014; Myron Bowling Auctioneers, Inc., "Auctions: Evraz Claymont Steel, Inc." http://www.myronbowling.com/Auctions/Former-Evraz-Claymont-Steel-Inc-726C50.html?LayoutID=23. According to an industry source, the plate mill was sold ***.
[15] Metal Center News, "Cargill to Close Nashville Facility," September 30, 2015.

Further, *** domestic producers provided questionnaire responses indicating changes to their operations since 2012. Table III-2 presents reported changes, including plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of CTL plate. Steel mills and processors have seen acquisitions and consolidation in the market including Joy Global Inc.'s purchase of LeTourneau Technologies, Optima Specialty Steel's acquisition of Kentucky Electric Steel, and Cargill's acquisition of Robinson Steel division through taking full ownership of Cargill Robinson LLC, a joint venture between the two entities.

Table III-2
CTL plate: U.S. producers' mergers, acquisitions, and capacity changes since 2009

* * * * * * *

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of CTL plate. Their responses appear in table III-3.

Table III-3
CTL plate: Anticipated changes in the character of U.S. operations

* * * * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-4 presents U.S. producers' production, capacity, and capacity utilization for carbon steel plate.

Table III-4
CTL plate: U.S. producers' capacity and production, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Capacity	11,268,473	11,387,809	10,938,452	5,467,398	5,459,438
Production	7,404,186	7,601,673	7,958,172	3,982,082	3,413,082
	Ratio (percent)				
Capacity utilization[1]	65.7	66.8	72.8	72.8	62.5

[1] Capacity utilization is shown for both mills and processor combined. Capacity utilization for mills was *** percent in 2012, *** percent in 2013, and *** percent in 2014. Capacity utilization for processors was *** percent in 2012, *** percent in 2013, and *** percent in 2014.

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

Capacity for CTL plate was relatively stable during 2012-13 before declining in 2014. Production, in contrast, increased by 7.5 percent during 2012-14.[3] Capacity utilization improved in each full year, increasing by 7.1 percentage points between 2012 and 2014. However, lower production in January to June 2015 relative to January to June 2014 resulted in substantially lower capacity utilization in the first half of 2015.

Table III-5 shows U.S. producers' overall production, capacity, and capacity utilization for CTL plate and other products produced on the same equipment. Overall capacity decreased during 2012 to 2014 while capacity utilization rose over the same period. Evraz permanently closed its Claymont, Delaware facility in December 2013 and sold off its assets in a two-part transaction completed in February 2015. *** U.S. producers reported ***. Capacity utilization increased by 4.9 percentage points and the CTL plate share of production increased by 2.7

[3] *** U.S. producers reported toll production in some form, however only *** provided usable data for its toll production.

percentage points between 2012 and 2014. Both measures were lower, however in January-June 2015.

Table III-5
CTL plate: U.S. producers' production, capacity, and capacity utilization, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Overall capacity	15,208,230	15,233,230	14,733,230	7,378,791	7,379,850
Production:					
CTL carbon steel plate	6,731,455	6,915,690	7,188,814	3,594,908	3,088,134
CTL micro-alloy steel plate	672,731	685,984	769,357	387,174	324,948
Subtotal (carbon and micro-alloy)	7,404,186	7,601,674	7,958,171	3,982,082	3,413,082
Excluded CTL carbon steel plate	***	***	***	***	***
Other products	***	***	***	***	***
Total production	10,605,552	10,595,343	10,984,013	5,543,282	4,842,538
	Ratios and shares (percent)				
Capacity utilization	69.7	69.6	74.6	75.1	65.6
Share of production:					
CTL carbon steel plate	63.5	65.3	65.4	64.9	63.8
CTL micro-alloy steel plate	6.3	6.5	7.0	7.0	6.7
Subtotal (carbon and micro-alloy)	69.8	71.7	72.5	71.8	70.5
Excluded CTL carbon steel plate	***	***	***	***	***
Other products	***	***	***	***	***
Total production	100.0	100.0	100.0	100.0	100.0

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

Constraints on capacity

Twelve of the fifteen responding U.S. producers reported constraints in the manufacturing process. Most responding producers cited personnel and equipment as the main constraint to the manufacturing of CTL plate. Availability of steel slabs, product mix, and market conditions were other constraints noted by responding U.S. producers.

Table III-6
CTL plate: U.S. producers' constraints on capacity

* * * * * * *

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORTS

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. The quantity of U.S. shipments increased steadily by 4.9 percent between 2012 and 2014, while value of U.S. shipments dropped in 2013 before ending 1.3 percent higher in 2014 than in 2012. As a share of total shipments, U.S. shipments increased in 2013 before returning to 2012 levels in 2014, while exports decreased in 2013 before returning to 2012 levels in 2014. Internal consumption, as a share of total shipments remained minimal. Only *** reported internal consumption during 2012-14. Transfers to related firms, however, accounted for more than 90 percent of total shipments in each full and partial year.

Table III-7
CTL plate: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2012-14, January-June 2014 and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
Quantity (short tons)					
U.S. shipments	6,741,120	6,958,418	7,068,852	3,538,352	3,171,260
Export shipments	696,518	587,828	737,116	373,551	285,017
Total shipments	7,437,638	7,546,246	7,805,968	3,911,903	3,456,277
Value (1,000 dollars)					
U.S. shipments	5,697,667	5,195,356	5,771,736	2,828,139	2,333,813
Export shipments	589,925	440,323	619,671	304,025	210,546
Total shipments	6,287,592	5,635,679	6,391,407	3,132,164	2,544,359
Unit value (dollars per short ton)					
U.S. shipments	845	747	817	799	736
Export shipments	847	749	841	814	739
Total shipments	845	747	819	801	736
Share of quantity (percent)					
U.S. shipments	90.6	92.2	90.6	90.5	91.8
Export shipments	9.4	7.8	9.4	9.5	8.2
Total shipments	100.0	100.0	100.0	100.0	100.0
Share of value (percent)					
U.S. shipments	90.6	92.2	90.3	90.3	91.7
Export shipments	9.4	7.8	9.7	9.7	8.3
Total shipments	100.0	100.0	100.0	100.0	100.0

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

The average unit values of U.S. shipments and export shipments decreased overall during 2012-14. Average unit values for U.S. and export shipments were at their lowest levels in January to June 2015. *** reported average unit values well above the industry average while *** average unit values were well below the industry average.

Producers were asked to name their principal export markets. Of the companies that reported exports, all companies that listed main export markets reported *** as their principal export markets.

U.S. PRODUCERS' INVENTORIES

Table III-8 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** Inventories increased in absolute and relative terms during 2012-14. Inventories were lower in absolute terms in January-June 2015 than in January-June 2014, but modestly higher relative to production and shipments. *** reported holding the majority of end-of-period inventories, at *** percent from 2012 to 2014.

Table III-8
CTL plate: U.S. producers' inventories, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
U.S. producers' end-of-period inventories	303,057	316,138	391,628	346,858	325,775
	Ratio (percent)				
Ratio of inventories to.--					
U.S. production	4.1	4.2	4.9	4.4	4.8
U.S. shipments	4.5	4.5	5.5	4.9	5.1
Total shipments	4.1	4.2	5.0	4.4	4.7

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

*** domestic producer reported direct imports of CTL plate from subject sources. *** domestic producers, ***, reported U.S. imports from nonsubject countries including *** in 2014. *** reported increases in production during 2012-14, although its ratio of U.S. production to imports from nonsubject sources remained relatively steady.

Table III-9 presents data on individual U.S. producers' domestic purchases and/or imports as related to their U.S. production.

Table III-9
CTL plate: U.S. producers' imports and purchases, 2012-14, January to June 2014, and January to June 2015

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-10 shows U.S. producers' aggregate employment-related data. The data are understated because processors *** did not provide usable CTL plate employment related data.

Table III-10
CTL plate: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2012-14 January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
Production and related workers (PRWs) (number)	4,364	4,270	4,124	4,026	3,865
Total hours worked (1,000 hours)	9,034	8,902	8,822	4,399	4,104
Hours worked per PRW (hours)	2,070	2,085	2,139	1,093	1,062
Wages paid ($1,000)	311,725	312,193	320,340	154,153	144,424
Hourly wages (dollars per hour)	34.51	35.07	36.31	$35.04	35.19
Productivity (short tons per 1,000 hours)	819.6	853.9	902.1	905.2	831.6
Unit labor costs (dollars per short ton)	42.10	41.07	40.25	38.71	42.31

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

The number of production-related workers ("PRWs") employed by U.S. CTL plate producers declined between 2012 and 2014. As discussed earlier in this section, this trend reflected plant closures and workforce reductions. Hours worked per PRW, wages, and productivity all increased from 2012 to 2014, while unit labor costs decreased slightly.

CTL plate producers have attributed their reduced production schedules and layoffs to deteriorating market conditions.[4] ***.[5] ***.[6] ***.[7] ***.[8] ArcelorMittal permanently closed its rolling operations in Gary, Indiana in May 2015.

[4] Data submitted in response to Commission questionnaires.
[5] Kentucky Electric response to Commission questionnaire, Section II-10.
[6] Evraz response to Commission questionnaire, Section II-10.
[7] *Id*.
[8] *Id*.

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

The financial results of seven U.S. mills and two processors of CTL plate are presented in this section of the report.[9] With the exception of ***, U.S. producers reported their financial results on the basis of generally accepted accounting principles ("GAAP").[10] Six U.S. producers reported their full-year financial data on a calendar year basis.[11] Commercial sales account for the large majority of reported CTL plate revenue with internal consumption and transfers to related firms representing a relatively small share. Accordingly, the tables below present a combined revenue total.

U.S. CTL plate operations have not changed substantially since the second reviews of the order; e.g., in the second reviews (full-years 2003-08 and January-March 2009), nine U.S. producers reported usable financial results, with the four largest U.S. producers (***) combined accounting for *** percent of total sales quantity.[12] In the current reviews, nine U.S. producers reported usable financial results with the four largest U.S. producers (***) combined accounting for *** percent of total sales quantity.[13]

With respect to their U.S. operations, several producers reported that they purchase inputs from related firms: ***. [14] [15]

Operations on CTL plate

Table III-11 presents aggregated data on U.S. producers' operations in relation to CTL plate, while table III-12 presents selected company-specific financial data.[16]

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[9] While *** submitted questionnaire responses to the Commission, they did not report usable financial results. The CTL plate operations of these companies therefore are not reflected in this section of the report. In its questionnaire response, ***. ***.

[10] ***.

[11] *** reported their financial results on a fiscal-year basis ending May 31, March 31, and October 31, respectively.

[12] Calculated from second review staff report.

[13] This percentage would be somewhat lower had all U.S. CTL plate producers reported usable financial results. With respect to the financial information presented in this section of the report, staff believes that it reflects the large majority of U.S. CTL plate operations during January 1, 2012 – June 30 2015. ***.

[14] ***. *** U.S. producer questionnaires, responses at III-7. ***.

[15] The Commission's current practice requires that relevant cost information associated with input purchases from related suppliers correspond to the manner in which this information is reported in the U.S. producer's own accounting books and records. *See 1,1,1,2-Tetrafluorethane from China, Inv. Nos. 701-TA-509 and 731-TA-1244 (Final),* USITC Publication 4503, December 2014, pp. 23 and 37.

Net sales

As shown in table III-11, full-year CTL plate sales quantity was at its lowest level in 2012. Net sales quantity increased in 2013 and again in 2014. For the industry as a whole, total sales quantity was 5.3 percent higher in 2014 than in 2012. The directional trends of the individual firms' sales quantities were not uniform. From 2012 to 2013, four companies reported decreasing sales quantity and five companies reported sales quantity increasing. However, from 2013 to 2014, seven of nine companies reported increasing sales quantity, with one of the two companies that reported a decrease in sales quantity being ***. In contrast with the full year periods, January-June ("interim") 2015 sales quantity was 12.8 percent lower compared to interim 2014, with eight of nine firms reporting lower sales.[17]

While overall net sales quantities increased from 2012 to 2013, overall net sales values decreased on an actual and unit basis. The net sales unit values of CTL plate declined by 12.7 percent from $883 per short ton in 2012 to $771 per short ton in 2013. The net sales unit values recovered somewhat in 2014 to $845 per short ton, but were still 4.3 percent lower than in 2012. The net sales unit values of the majority of U.S. producers had a similar directional trend, decreasing in 2013 and increasing in 2014. The unit value of net sales in interim 2015 was the lowest for any full or partial period since 2012.[18]

(…*continued*)

[16] As discussed previously, CTL plate operations vary from company to company in terms of features such as the level of integration, steel production process, and product mix. *** are processors of CTL plate, which means the components of their cost of goods sold as well as certain other financial measures will vary when compared with the steel mills.

[17] ***.

[18] ***. *** and ***.

Table III-11
CTL plate: Results of operations of U.S. producers, fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Total net sales	6,639,560	6,791,575	6,988,909	3,512,104	3,061,638
	Value (1,000 dollars)				
Total net sales	5,864,548	5,238,848	5,905,530	2,895,761	2,334,897
Cost of goods sold.-- Raw materials	3,256,634	3,104,091	3,277,157	1,669,994	1,245,729
Direct labor	317,902	323,016	340,597	166,752	151,706
Other factory costs	1,618,505	1,537,807	1,532,601	795,376	697,600
Total COGS	5,193,041	4,964,914	5,150,355	2,632,122	2,095,035
Gross profit	671,507	273,934	755,175	263,639	239,862
SG&A expense	198,848	190,283	168,587	85,518	86,979
Operating income or (loss)	472,659	83,651	586,588	178,121	152,883
Other expense or (income), net	173,011	167,803	152,412	64,625	72,080
Net income or (loss)	299,648	(84,152)	434,176	113,496	80,803
Depreciation/amortization	231,266	193,867	175,457	86,079	86,455
Cash flow	530,914	109,715	609,633	199,575	167,258
	Ratio to net sales (percent)				
Cost of goods sold.-- Raw materials	55.5	59.3	55.5	57.7	53.4
Direct labor	5.4	6.2	5.8	5.8	6.5
Other factory costs	27.6	29.4	26.0	27.5	29.9
Total COGS	88.5	94.8	87.2	90.9	89.7
Gross profit	11.5	5.2	12.8	9.1	10.3
SG&A expense	3.4	3.6	2.9	3.0	3.7
Operating income or (loss)	8.1	1.6	9.9	6.2	6.5
Net income or (loss)	5.1	(1.6)	7.4	3.9	3.5
	Share of COGS (percent)				
Share of COGS.-- Raw materials	62.7	62.5	63.6	63.4	59.5
Direct labor	6.1	6.5	6.6	6.3	7.2
Other factory costs	31.2	31.0	29.8	30.2	33.3
Total COGS	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table III-11--Continued
CTL plate: Results of operations of U.S. producers, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Unit value (dollars per short ton)				
Total net sales	883	771	845	825	763
Cost of goods sold.-- Raw materials	490	457	469	475	407
Direct labor	48	48	49	47	50
Other factory costs	244	226	219	226	228
Average COGS	782	731	737	749	684
Gross profit	101	40	108	75	78
SG&A expense	30	28	24	24	28
Operating income or (loss)	71	12	84	51	50
Net income or (loss)	45	(12)	62	32	26
	Number of firms reporting				
Operating losses	***	***	***	***	***
Data	9	9	9	9	9

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

Table III-12
CTL plate: Results of operations of U.S. producers, by firm, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January to June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
Total net sales:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	6,639,560	6,791,575	6,988,909	3,512,104	3,061,638
Total net sales:			Value ($1,000)		
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	5,864,548	5,238,848	5,905,530	2,895,761	2,334,897
Total COGS:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	5,193,041	4,964,914	5,150,355	2,632,122	2,095,035

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Table III-12--Continued
CTL plate: Results of operations of U.S. producers, by firm, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January to June	
	2012	2013	2014	2014	2015
	Value ($1,000)				
Gross profit or (loss):					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	671,507	273,934	755,175	263,639	239,862
Total SG&A expense:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	198,848	190,283	168,587	85,518	86,979
Operating income or (loss):					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	472,659	83,651	586,588	178,121	152,883

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Table III-12--Continued
CTL plate: Results of operations of U.S. producers, by firm, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January to June	
	2012	2013	2014	2014	2015
	Ratio to net sales value (percent)				
Total COGS:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	88.5	94.8	87.2	90.9	89.7
Gross profit or (loss):					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	11.5	5.2	12.8	9.1	10.3
Total SG&A expense:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	3.4	3.6	2.9	3.0	3.7

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Table III-12--Continued
CTL plate: Results of operations of U.S. producers, by firm, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January to June	
	2012	2013	2014	2014	2015
	Ratio to net sales value (percent)				
Operating income or (loss):					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	8.1	1.6	9.9	6.2	6.5
	Unit value (dollars per short ton)				
Unit net sales:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	883	771	845	825	763
Unit raw materials:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	490	457	469	475	407

Table continued on next page.

Table III-12--Continued
CTL plate: Results of operations of U.S. producers, by firm, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January to June	
	2012	2013	2014	2014	2015
	Unit value (dollars per short ton)				
Unit direct labor:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	48	48	49	47	50
Unit other factory costs:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	244	226	219	226	228
Unit COGS:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	782	731	737	749	684

Table continued on next page.

Table III-12--Continued
CTL plate: Results of operations of U.S. producers, by firm, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January to June	
	2012	2013	2014	2014	2015
	Unit value (dollars per short ton)				
Unit gross profit or (loss):					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	101	40	108	75	78
Unit SG&A expense:					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	30	28	24	24	28
Unit operating income or (loss):					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	71	12	84	51	50

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

Cost of goods sold and gross profit or (loss)

Table III-11 shows that although there were decreases in the cost of goods sold ("COGS") unit values from 2012 to 2013 ($51), this did not offset the larger decrease in average unit sales values ($112), leading to decreasing gross profits during this time. In contrast,

although the average unit COGS increased slightly from 2013 to 2014 ($6), the average net sales values rebounded by a greater amount ($74), which led to higher gross profits and gross profit margins.

Raw materials were the largest component of COGS, accounting for between 59.5 percent (interim 2015) and 63.6 percent (2014). Table III-11 shows that overall average unit raw material cost was at its lowest in interim 2015, 14.3 percent lower than interim 2014. This pattern was true for most U.S. producers with *** in interim 2015 compared to interim 2014 (see table III-12).

The second largest component of COGS is other factory costs which accounted for between 29.8 percent (2014) and 33.3 percent (interim 2015) of COGS. As shown in table III-11, overall average unit other factory costs decreased from 2012 to 2014 but was higher in interim 2015 when compared to interim 2014. Company-specific average other factory costs appear to be consistent with differences in their underlying operations; e.g., ***.

Lastly, direct labor was the smallest component of COGS, representing between 6.1 percent (2012) and 7.2 percent (interim 2015). As with other factory costs, company-specific average direct labor is generally lower for processors than steel mills.[19]

SG&A expenses and operating income or (loss)

As shown in table III-11, the industry's SG&A expense ratios (i.e., total SG&A expenses divided by total revenue) moved within a relatively narrow range during 2012-14 and interim 2015, from 2.9 percent (2014) to 3.7 percent (interim 2015). Table III-12 shows that from 2012 to 2014 the pattern of company-specific SG&A expense ratios was not uniform in terms of directional trend, with six of nine companies reporting lower SG&A expense ratios in 2014 than in 2012.

On an overall basis, operating income decreased notably from 2012 to 2013 before increasing in 2014, surpassing the operating profits from 2012. While some companies had larger decreases in operating income than others in 2013, eight of the nine companies reported their lowest full-year operating income results that year. As indicated when discussing gross profits, this was largely due to the decreases in average unit net sales values, which decreased more than the combined decreases in average COGS and average SG&A expenses.

All other expenses and net income or (loss)

Interest expense accounted for the vast majority of all other expenses/income reported from January 2012-June 2015. All other expenses (net of all other income) decreased from 2012 to 2014 but were higher in interim 2015 when compared to interim 2014. On an overall basis, net income followed the same trend as gross and operating incomes (decreasing from 2012-13 and increasing from 2013-14), but increased to a greater degree than operating income from 2012 to 2014 due to the decrease in all other expenses (see table III-11).

[19] ***. ***.

Variance analysis

A variance analysis for the operations of U.S. producers of CTL plate is presented in table III-13.[20] The information for this variance analysis is derived from table III-11. The variance analysis in table III-13 shows that, while sales volume variances were positive throughout the full-year period, overall increases in operating income between 2012 and 2014 were primarily due to a positive cost/expense variance despite a negative price variance (i.e., costs decreased more than prices).

Table III-13
CTL plate: Variance analysis on the operations of U.S. producers, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Between fiscal years			January to June
	2012-14	2012-13	2013-14	2014-15
Net sales:				
Price variance	(267,589)	(759,971)	514,464	(189,451)
Volume variance	308,571	134,271	152,218	(371,413)
Net sales variance	40,982	(625,700)	666,682	(560,864)
Cost of sales:				
Cost/expense variance	315,925	347,023	(41,182)	199,488
Volume variance	(273,239)	(118,896)	(144,259)	337,599
Total cost of sales variance	42,686	228,127	(185,441)	537,087
Gross profit vairance	83,668	(397,573)	481,241	(23,777)
SG&A expenses:				
Cost/expense variance	40,724	13,118	27,225	(12,430)
Volume variance	(10,463)	(4,553)	(5,529)	10,969
Total SG&A expense variance	30,261	8,565	21,696	(1,461)
Operating income variance	113,929	(389,008)	502,937	(25,238)
Summarized as:				
Price variance	(267,589)	(759,971)	514,464	(189,451)
Net cost/expense variance	356,648	360,141	(13,957)	187,059
Net volume variance	24,870	10,822	2,431	(22,846)

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

[20] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Capital expenditures and research and development expenses

Table III-14 presents capital expenditures and research and development ("R&D") expenses by firm. Total capital expenditures were less than reported depreciation throughout the period examined. ***.[21]

Table III-14
CTL plate: Capital expenditures and research and development expenses of U.S. producers, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Item	Fiscal year			January to June	
	2012	2013	2014	2014	2015
	Capital expenditures (1,000 of dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	159,175	117,624	142,523	66,573	33,657
	Research and development expenses (1,000 of dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

[1] ***.

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

[21] In its questionnaire response, ***.

Assets and return on assets

Table III-15 presents data on the U.S. producers' total assets and their return on assets.[22] As reported by the U.S. industry, total assets decreased from $5.89 billion in 2012 to $5.58 billion in 2014. While company-specific net assets increased from 2012 to 2014 for the majority of U.S. producers, the decrease in total net assets is mainly attributable to the ***.

Table III-15
CTL plate: U.S. producers' total assets and return on assets, calendar and fiscal years 2012-14, January-June 2014, and January-June 2015

Firm	Fiscal year		
	2012	2013	2014
	Total net assets (1,000 of dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	5,887,803	5,778,182	5,577,243
	Operating return on assets (percent)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	8.0	1.4	10.5

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

[22] With respect to a company's overall operations, staff notes that a total asset value (i.e., the bottom line number on the asset side of a company's balance sheet) reflects an aggregation of a number of assets which are generally not product specific. Accordingly, high-level allocation factors were required in order to report a total asset value for CTL plate.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Overview

The Commission issued questionnaires to 54 firms believed to have imported CTL plate between 2012 and 2014. Twenty-five firms provided data and information in response to the questionnaires, 14 firms indicated that they did not import CTL plate during the period for which data were collected, and 15 firms did not provide a response. Only one importer, ***, reported entering CTL plate into bonded warehouses.

Based on official Commerce statistics for imports of CTL plate, importers' questionnaire data accounted for 34.9 percent of total U.S. imports, 49.3 percent of imports from subject countries, and 34.4 percent of imports from nonsubject countries during January 2012 - June 2015. Firms responding to the Commission's questionnaire accounted for the following shares of individual subject country's subject imports (as a share of official import statistics, with adjustments):

- 0.2 percent of the subject imports from China during January 2012 - June 2015[1]
- 51.6 percent of the subject imports from Russia during January 2012 - June 2015[2]
- 91.8 percent of the subject imports from Ukraine during January 2012 - June 2015[3]

In light of the Commission's questionnaire coverage, import data are based on official Commerce statistics for CTL plate,[4] as adjusted. As discussed in Part I of this report, the Commission collected data on nonsubject CTL micro-alloy steel plate[5] and on specifically

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[1] *** firms responded to the Commission's questionnaire providing data on U.S. imports of the subject form of CTL plate from China between 2012 and 2014, however ***, *** reported importing *** tons of subject CTL plate during interim period 2015. *** firms reported imports of micro-alloy steel plate from China in 2014.

[2] *** firms responded to the Commission's questionnaire providing data on U.S. imports of the subject form of CTL plate from Russia in 2014. There were *** reported imports of micro-alloy steel plate or specifically excluded steel plate from Russia in 2014.

[3] *** firms responded to the Commission's questionnaire providing data on U.S. imports of the subject form of CTL plate from Ukraine. There were *** reported imports of micro-alloy steel plate or specifically excluded steel plate from Ukraine in 2014.

[4] HTS statistical reporting numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

[5] Data was collected on CTL micro-alloy steel plate 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) one or more of the elements below is present in the quantity, by weight, respectively indicated:

(*continued*...)

excluded carbon steel plate. Staff adjusted official statistics to include entries of micro-alloy steel as nonsubject imports and to deduct specifically excluded forms of carbon steel plate.[6]

Imports from subject and nonsubject countries

Table IV-1 presents information on U.S. imports of CTL plate from China, Russia, Ukraine, and all other sources. Total subject imports dipped to their lowest point in 2013, as imports from Russia fell to 2,791 short tons. In 2014, imports from Russia increased by 123.0 percent from 2012 levels, and accounted for 91.0 percent of all subject country imports in 2014. Imports from Russia continued to account for more than one-half of subject imports in the first half of 2015. Overall, however, imports from nonsubject countries accounted for more than 95.0 percent of all imports of CTL plate in each full and partial year since 2012.

(…*continued*)

0.30 - 0.50 percent of aluminum
0.30 - 1.25 percent of chromium
0.40 – 1.00 percent of copper
1.65 – 1.80 percent of manganese
0.08 – 0.10 percent of molybdenum
0.30 - 1.25 percent of nickel
0.06 – 0.10 percent of niobium
0.60 – 1.50 percent of silicon
0.05 – 0.41 percent of titanium
0.10 – 0.15 percent of vanadium
0.05 – 0.15 percent of zirconium

[6] Reported U.S. imports of specifically excluded carbon steel plate (all from countries ***) were higher in each period than the quantity of U.S. imports of micro-alloy steel plate. As a result, nonsubject imports presented in each period reflect a net negative adjustment.

Table IV-1
CTL plate: U.S. imports by source, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
			Quantity (short tons)		
U.S. imports from.--					
China	6,224	2,923	5,933	3,563	5,548
Russia	27,652	2,791	61,585	24,250	12,607
Ukraine	14,728	0	3	3	3,560
Subtotal, subject sources	48,604	5,714	67,520	27,815	21,716
All other sources	1,058,973	631,868	1,537,883	639,621	643,480
Total U.S. imports	1,107,576	637,581	1,605,353	667,436	665,196
			Value (1,000 dollars)		
U.S. imports from.--					
China	10,804	3,646	7,304	3,991	5,897
Russia	21,149	1,678	41,271	15,068	9,509
Ukraine	13,171	0	5	5	2,512
Subtotal, subject sources	45,124	5,324	48,580	19,063	17,918
All other sources	994,295	561,706	1,251,246	515,560	502,919
Total U.S. imports	1,039,419	567,030	1,299,826	534,623	520,837
			Unit value (dollars per short ton)		
U.S. imports from.--					
China	1,736	1,247	1,231	1,120	1,063
Russia	765	601	670	621	754
Ukraine	894	0	1,806	1,806	705
Subtotal, subject sources	928	932	719	685	825
All other sources	939	889	814	806	782
Total U.S. imports	938	889	810	801	783
			Share of quantity (percent)		
U.S. imports from.--					
China	0.6	0.5	0.4	0.5	0.8
Russia	2.5	0.4	3.8	3.6	1.9
Ukraine	1.3	0.0	0.0	0.0	0.5
Subtotal, subject sources	4.4	0.9	4.2	4.2	3.3
All other sources	95.6	99.1	95.8	95.8	96.7
Total U.S. imports	100.0	100.0	100.0	100.0	100.0
			Share of value (percent)		
U.S. imports from.--					
China	1.0	0.6	0.6	0.7	1.1
Russia	2.0	0.3	3.2	2.8	1.8
Ukraine	1.3	0.0	0.0	0.0	0.5
Subtotal, subject sources	4.3	0.9	3.7	3.6	3.4
All other sources	95.7	99.1	96.3	96.4	96.6
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

Table continued on the following page.

Table IV-1 -- Continued
CTL plate: U.S. imports by source, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Ratio to U.S. production (percent)				
U.S. imports from.--					
China	0.1	0.0	0.1	0.1	0.2
Russia	0.4	0.0	0.8	0.6	0.4
Ukraine	0.2	0.0	0.0	0.0	0.1
Subtotal, subject sources	0.7	0.1	0.8	0.7	0.6
All other sources	14.3	8.3	19.3	16.1	18.9
Total U.S. imports	15.0	8.4	20.2	16.8	19.5

Note.-- Import data are derived from official Commerce statistics for CTL plate that have been adjusted to deduct specifically excluded carbon steel plate (e.g. grade X-70) and to include micro-alloy steel plate as nonsubject imports.

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

The share of total U.S. imports held by subject imports was lowest in 2013, at 0.9 percent, and was at its highest, 4.4 percent, in 2012. Average unit values for subject imports declined significantly between 2012 and 2014. Outside of Ukraine's small volume of imports in 2014, imports from China consistently had the highest unit values of imported goods. Total import values for subject sources, nonsubject sources, and total imports were lowest in 2013. Similarly, ratios of imports to U.S. production were lowest in 2013 across both subject and nonsubject sources as well as for total imports.

During 2012-14, imports of CTL plate entered into the United States from a variety of sources other than the three countries subject to these reviews. The eleven leading suppliers of CTL plate are shown in table IV-2. South Korea was the leading source of imports in both 2012 and 2014 and was the largest source of U.S. imports from January to June 2015. The leading source of nonsubject CTL plate imports in 2013 was Canada. South Africa, formerly a subject source of CTL plate imports into the United States, was not in the top ten in 2014.

Table IV-2

CTL plate: U.S. nonsubject imports, by source, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
	Quantity (short tons)				
South Korea	228,172	99,500	338,643	144,306	227,733
Canada	152,381	149,810	175,035	81,710	84,137
Brazil	125,726	22,586	137,459	60,794	21,737
Turkey	62,970	21,055	118,283	48,466	15,690
France	32,618	81,009	104,159	31,763	146,149
Italy	47,653	45,911	100,012	26,981	53,896
United Kingdom	26,950	33,323	98,032	52,211	12,373
Mexico	31,720	60,982	90,756	51,139	14,919
Japan	49,325	34,414	67,539	14,492	47,298
Taiwan	40,997	36,367	61,650	24,020	30,419
Germany	82,860	113,575	51,869	19,604	129,206
All other sources	178,499	93,889	252,323	113,242	56,674
Net adjustment	(899)	(160,554)	(57,927)	(29,107)	(196,754)
Nonsubject sources	1,058,973	631,868	1,537,833	639,621	643,480
	Value (1,000 dollars)				
South Korea	187,846	81,188	259,241	106,867	171,311
Canada	138,136	120,803	152,913	70,335	61,247
Brazil	102,932	15,504	95,704	40,554	16,368
Turkey	44,862	13,060	75,101	29,902	10,618
France	35,812	66,740	91,858	29,331	109,344
Italy	40,770	36,875	77,723	22,094	39,377
United Kingdom	29,048	31,126	79,545	40,705	12,754
Mexico	25,171	39,251	64,714	35,110	10,626
Japan	60,550	38,087	62,164	18,534	40,555
Taiwan	31,874	25,209	45,118	17,207	22,902
Germany	110,341	109,236	68,007	28,903	109,186
All other sources	183,290	98,993	219,111	95,282	51,559
Net adjustment	3,663	(114,367)	(39,954)	(19,265)	(152,930)
Nonsubject sources	994,295	561,706	1,251,246	515,560	502,919

Note.-- Imports from South Africa are - 2012: Quantity-16,663 short tons, Value-15,904 dollars; 2013: Quantity-5174 short tons, Value-3,398 dollars; 2014: Quantity-38,252 short tons, Value-23,436 dollars; January-June 2014: Quantity-32,555 short tons, Value-19,881 dollars; January-June 2015: Quantity-9,069 short tons, Value-5,200 dollars.

Source: Official import statistics under HTS statistical reporting numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

The Commission collected separate data on imports of micro-alloy steel CTL plate and specifically excluded carbon steel plate (e.g. X-70) from all sources. These data are presented in tables IV-3 and IV-4.

Table IV-3

CTL plate: U.S. importers' imports of CTL micro-alloy steel plate, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Table IV-4

CTL plate: U.S. importers' imports of excluded CTL steel plate, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Imports of excluded forms of carbon steel plate from nonsubject sources reported in questionnaires were *** short tons in 2013, substantially higher than in 2012 or 2014. Imports of such plate from nonsubject sources from January to June 2015 were *** short tons while imports were *** short tons during the same period in 2014.

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO JUNE 30, 2015

The Commission requested importers to indicate whether they had imported or arranged for the importation of CTL plate from China, Russia, and Ukraine for delivery after June 30, 2015. *** firms reported any arranged imports of CTL plate after June 30, 2015.

U.S. IMPORTERS' INVENTORIES

Table IV-5 presents data for inventories of U.S. imports of CTL plate from China, Russia, Ukraine, and all other sources held in the United States. The majority of end-of-period inventories reported by subject country importers of CTL plate were from Russia. *** reported *** percent of end-of-period inventories of CTL plate from Russia during 2012-14. The firms reporting the most end-of-period inventories of CTL plate from nonsubject sources were ***, which held a combined *** percent of end-of-period inventories during 2012-14.

Table IV-5

CTL plate: U.S. importers' end-of-period inventories of imports, by source, 2012-14, January-June 2014, and January-June 2015

Item	Calendar year			January to June	
	2012	2013	2014	2014	2015
Imports from China: Inventories (short tons)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Imports from Russia: Inventories (short tons)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Imports from Ukraine: Inventories (short tons)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Imports from subject sources: Inventories (short tons)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Imports from all other sources: Inventories (short tons)	***	***	***	***	***
Ratio to U.S. imports (percent)	***	***	***	***	***
Ratio to U.S. shipments of imports (percent)	***	***	***	***	***
Imports from all sources: Inventories (short tons)	25,677	28,681	43,633	49,673	24,697
Ratio to U.S. imports (percent)	5.4	10.0	5.4	8.7	4.9
Ratio to U.S. shipments of imports (percent)	5.4	10.3	5.6	9.4	4.6

[1] ***.

[2] ***.

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

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Channels of distribution and

fungibility are discussed in Part II. Additional information concerning geographical markets and simultaneous presence in the market is presented below.

Geographical markets

CTL plate produced in the United States is shipped nationwide. Information summarizing ports of entry of CTL plate imported from the subject countries in 2014 is presented in table IV-6. Additional information on geographic markets may be found in Part II of this report.

During 2012 through 2014 imports from China entered into the United States predominantly through the three ports listed in Table IV-6 below. The respective share of shipments from China that entered through each of the three ports were relatively equal and accounted for 60.6 percent of all such imports. The respective shares of shipments of imports from Ukraine that entered through each of the three largest ports were also relatively equal; however they accounted for 89.0 percent of all such imports. In contrast, imports from Russia entered the United States overwhelmingly through Houston-Galveston, Texas, which accounted for 89.0 percent of shipments of such imports.

Table IV-6

CTL plate: U.S. imports from subject countries, by Customs district, 2012-14

Source	Leading districts		
	Largest	Second largest	Third largest
China	Charleston, SC	New Orleans, LA	Houston-Galveston, TX
Russia	Houston-Galveston, TX	San Juan, PR	New Orleans, LA
Ukraine	Houston-Galveston, TX	Chicago, IL	Savannah, GA

Source: Official import statistics under HTS statistical reporting numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

Presence in the market

Table IV-7 presents data on the monthly entries of U.S. imports of CTL plate, by source, during 2012-14, and January to June 2015. CTL plate produced in China has been present in every month. Imports from Russia dipped in 2013 but were present in all but one month of 2014. Imports from Ukraine were present in most months of 2012, but subsequently were only present in two months between January 2013 and June 2015.

Table IV-7
CTL plate: U.S. imports, monthly entries into the U.S., by source, 2012-14 and January-June 2015

Source	Calendar year			Jan-Jun
	2012	2013	2014	2015
China	12	12	12	6
Russia	7	2	11	4
Ukraine	9	0	1	1
All other sources	12	12	12	6

Source: Official import statistics under HTS statistical reporting numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, and 7212.50.0000.

SUBJECT COUNTRY PRODUCERS

Table IV-8 presents data on the subject country markets from 2011 through 2013. Data are taken from the World Steel Association, whose members represent 85 percent of global steel production, but overstate production because they include plate outside of the product scope in these reviews. Chinese production was the largest in the world, and represented more than 90 percent of subject-country CTL plate production in 2013.

Table IV-8
CTL plate: Production of hot-rolled plate (>=3mm), by source, 2011-13

Item	Calendar year		
	2011	2012	2013
	Quantity (short tons)		
China	81,537,968	73,643,214	75,782,800
Russia	4,735,529	3,865,806	4,549,239
Ukraine	4,063,119	3,412,756	3,118,439
Subject	90,336,616	80,921,776	83,450,478
All other sources	59,615,200	56,372,200	48,035,420
Total	149,951,817	137,293,976	131,485,898

***.
Source: World Steel Association, Steel Statistical Yearbook 2014, Table 20; ***.

THE INDUSTRY IN CHINA

Overview

Twelve firms, accounting for approximately two-thirds of Chinese CTL plate production and about 90 percent of such exports to the United States, provided data in response to the Commission's questionnaire in the original investigations.[7] Five firms, accounting for 93

[7] Anshan; Anyang Iron & Steel (Group) Co., Ltd.; Baoshan; Chongqing Iron & Steel Co.; Jinan Iron & Steel Group Corp.; Kunming Iron & Steel Corp.; Nanjing Iron & Steel Works; Shanghai Pudong Iron &
(*continued*...)

percent of U.S. CTL plate imports from China during 2002, provided data in response to the Commission's questionnaire in the first five-year reviews.[8] In the second five-year reviews, no responses to the Commission's questionnaire were received from producers of CTL plate in China.[9]

The Commission did not receive any responses to the notice of institution from producers or exporters in China in the current third five-year reviews. Similarly, no Chinese producer responded to the questionnaires issued by the Commission to Chinese Producers. According to information provided by domestic interested parties, there were at least 28 firms[10] in China that produced CTL plate in 2010, of which three had a production capacity of greater than five million tons (19.1 million tons in aggregate).[11] There were 15 companies whose capacity exceeded 2 million tons (54.75 million tons in aggregate). These 15 companies accounted for 45.6 percent of total CTL plate capacity in 2010.[12] According to ***, more than *** firms produced CTL plate in China in 2014.

Since the Commission's second five-year reviews, the following developments have occurred in the Chinese CTL plate industry.

- Nanjing Iron and Steel, with a capacity of 3.8 million tons in 2010, reportedly began building a 4700mm heavy plate mill with the capacity of 1.60 million tons. The new mill was expected to begin production in June 2013.[13]
- Chongqing Iron & Steel's plate production, which was about 2.1 million tons in 2010, was expected to increase to 3 million tons in 2013.[14]
- Jinan Iron and Steel was expected to acquire Yinshan Profile Steel in 2013. Jinan Iron and Steel had a plate capacity of 5.50 million tons in 2010.[15]
- Ningbo Iron and Steel was acquired by Baosteel Group Corp. in March 2009.[16] A new plate mill, with a capacity of 1.8 million short tons, was ordered in August 2011 and was expected to be commissioned in early 2013.[17]

(…*continued*)
Steel (Group) Co., Ltd.; Shaoguan Iron & Steel Corp., Ltd.; Taiyun Iron & Steel Co.; Tianjin Tiandun Co., Ltd.; and Wuhan Iron & Steel Co. *Certain Carbon Steel Plate From China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997, p. VII-1.

[8] Anshan; Baoshan; Shanghai Sangang Steel Co., Ltd.; Wuhan Iron & Steel Co.; and Wuyang. *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, p. IV-4.

[9] *Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine, Inv. Nos. 731-TA-753, 754, and-756 (Second Review)*, USITC Publication 4103, October 2009, p. IV-19.

[10] ***.

[11] *ArcelorMittal, Nucor, and SSAB's Response to Notice of Institution,* October 31, 2014; and Evraz's *Response to the Notice of Institution*, October 31, 2014.

[12] Research in China, China Medium and Heavy Plate Market Report, 2011-2012, November 2011, http://www.researchinchina.com/UpLoads/ArticleFreePartPath/20111118134631. pdf, retrieved December 10, 2014.

[13] Ibid.

[14] Ibid.

[15] Ibid.

- Minmetals Yingkou Medium Plate Co., Ltd. commissioned a plate mill in September 2009 producing 2.5 million short tons of plate.[18]
- Tangshan Iron and Steel Group commissioned a plate mill in 2013 with a capacity of 2 million short tons.[19]
- Shandong Iron and Steel announced plans to begin the construction of a new integrated steelworks in the second quarter of 2013.[20]

Table IV-9 presents current and forecasted data on production, net exports, and apparent consumption in China through 2016.

Table IV-9
Plate: Current and forecasted production, net exports, and apparent consumption of hot-rolled plate from China, 2014-16

* * * * * * *

Operations on CTL plate

The tabulation below, first presented in the subject country producers section of this report, shows a decrease in Chinese plate production during 2011 through 2013. However, similar data compiled by *** indicate production levels recovered in 2014.

Item	2011	2012	2013
Plate[1] production in China (short tons)	81,537,968	73,643,214	75,782,800

[1] Data presented during 2011-13 includes material outside the product scope such as material 3 mm to 4.75 mm in thickness and plate of alloy steel; therefore, production may be overstated for this period. As noted above, data during 2011-13 cannot be directly compared with data during 2014-16.
***.

Table IV-10 presents data on the ten largest export markets by Chinese producers of CTL plate during 2012 through 2014.

(…*continued*)

[16] Baosteel Group Corp., "Industrial Sectors ,Primary Operation: Iron & Steel, Ningbo Iron & Steel Co., Ltd.," http://www.baosteel.com/group_e/05steel/ShowArticle.asp?ArticleID=1440, retrieved December 10, 2014 and SMS Group, SMS Siemag, *Heavy-Plate Mills References*, pp. 22-23.

[17] *ArcelorMittal, Nucor, and SSAB's Response to Notice of Institution,* October 31, 2014, exh. 4.

[18] SMS Group, SMS Siemag, *Heavy-Plate Mills References*, pp. 14-15

[19] SMS Group, SMS Siemag, *Heavy-Plate Mills References*, pp. 20-21.

[20] *ArcelorMittal, Nucor, and SSAB's Response to Notice of Institution,* October 31, 2014, exh. 6, Steel Business Briefing, "Shangang to Launch construction of New Works in Q2 2013," February 23, 2012.

Table IV-10
CTL plate: Chinese exports of CTL plate, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Korea	1,797,862	1,222,603	1,894,629
Russia	468,036	369,474	414,153
India	131,491	118,171	329,387
Vietnam	144,933	213,758	258,432
Saudi Arabia	104,281	108,985	253,712
Philippines	144,864	204,041	245,554
Thailand	110,680	186,545	226,560
Myanmar	106,119	133,816	188,530
Singapore	145,575	149,742	175,227
Uzbekistan	30,483	96,341	153,963
All other sources	2,920,523	2,585,638	3,240,287
Total	6,104,849	5,389,114	7,380,434
	Value (1,000 dollars)		
Korea	1,186,588	751,638	1,076,065
Russia	406,965	301,430	320,130
India	99,420	88,592	211,375
Vietnam	112,190	155,710	185,629
Saudi Arabia	81,547	79,151	174,457
Philippines	112,840	163,280	184,331
Thailand	100,384	138,479	159,446
Myanmar	88,456	106,686	140,482
Singapore	99,396	100,321	114,286
Uzbekistan	25,459	78,294	116,465
All other sources	2,398,268	2,055,683	2,431,629
Total	4,711,514	4,019,263	5,114,295
	Unit value (dollars per short ton)		
Korea	660	615	568
Russia	870	816	773
India	756	750	642
Vietnam	774	728	718
Saudi Arabia	782	726	688
Philippines	779	800	751
Thailand	907	742	704
Myanmar	834	797	745
Singapore	683	670	652
Uzbekistan	835	813	756
All other sources	821	795	750
Total	772	746	693

Source: Official Chinese export statistics under HTS subheadings 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50 as reported by China Customs in the GTIS/GTA database, accessed October 1, 2015.

THE INDUSTRY IN RUSSIA

Overview

Four firms, accounting for *** percent of Russian production of CTL plate, provided data in response to the Commission's questionnaire in the original investigations. Three firms, accounting for *** percent of imports from Russia in 2002, provided data in response to the Commission's questionnaire in the first five-year reviews. In the second reviews, questionnaire responses were received from two firms, Magnitogorsk and Severstal. These firms estimated that they accounted for *** percent of CTL plate production in Russia in 2008. One firm indicated that it *** in 2008 and the other firm reported that it accounted for *** such exports.[21]

In the current third five-year reviews, two firms, Magnitogorsk and Severstal provided responses to the notice of institution. These firms reported that together they accounted for about *** percent of total CTL plate production in Russia during 2012.[22] Severstal indicated that ***.[23]

Respondent interested parties noted the following developments in Russia since the second five-year reviews, which they argue will increase CTL plate production capacity and improve plate quality.[24]

- In November 2011, the United Metallurgical Co. started production at the Vyksa plate mill in Nizhniy Novgorod oblast. Last year this mill had the capacity to produce 1.2 million metric tons of plate.
- MMK's 2013, Annual Report highlights key investment projects, including a new plate production facility.
- Severstal announced in May 2013 that it was investing 200 million rubles to upgrade the plate-rolling facility at its Cherepovets Steel Mill, to improve the quality of the plates produced at that mill.
- Novolipetsk announced in September 2011 that it had commissioned a newly revamped 2.5 million metric tons per year continuous casting machine, for further conversion into thick plate.
- In January 2012, Novolipetsk also announced that it was revamping its 1 million tons per year continuous casting machine, increasing capacity by 300,000 metric tons per year due to higher casting rates and shorter periods between repairs.

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[21] *Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine, Inv. Nos. 731-TA-753, 754, and-756 (Second Review)*, USITC Publication 4103, October 2009, p. IV-21 – IV-22.

[22] *Severstal's Response to Notice of Institution*, October 31, 2014; and MMK's response to the notice of institution, October 31, 2014.

[23] *Severstal's Response to Notice of Institution*, October 31, 2014, p. 5.

[24] Ibid., pp. 8-9.

- Ural Steel recently completed upgrades to its plate mill, which improved the productivity and capacity of its mill. The company also has additional investment projects planned to increase its plate production.
- Ural Steel announced construction of a vacuum degasser unit that will process up to 1.2 million metric tons of steel, including plate. The company also plans to modernize a heat treatment shop that will increase the production value of high-quality plates by 270,000 metric tons.
- Volgograd Steel Works announced it was reconstructing its mill-2000 into a mill-3000, which would allow for production of a greater range of flat products.

Respondent interested parties included the following industry developments that they claim will direct a greater share of hot-rolling capacity to other downstream products instead of CTL plate.[25] Developments related to Severstal include the following:

- In the middle of 2010, Severstal commissioned a new factory (TPZ Sheksna) which was capable of producing 300,000 tons of electric welded pipes and other profiles a year.
- In July 2010, with the Spanish company Gestamp, Severstal commissioned their new automotive stamping plant (Gestamp-Severstal-Kaluga) in Russia's Kaluga region. The new stamping plant produces auto body parts for the factory of the leading German automobile manufacturer (Volkswagen), which is located in the same industrial zone in Kaluga. The new plant is equipped with several press lines and provides a complete chain of steel processing: from coils to details of the cars. The annual production of Gestamp-Severstal-Kaluga plant amounts to 13 million of stamped parts, with its main consumers being such carmakers as VW, PSA, and Renault-Avtoframos.
- Severstal commissioned its new joint venture metal service center with Gestamp Corporation's Gonvarri, which is also located in Russia's Kaluga region. The Severstal-Gonvarri-Kaluga metal service center, with a capacity of 170,000 million metric tons per year, is aimed at meeting the needs of the automobile industry, as well as of the electro-technical, electronic and construction industries.
- In December 2010, Severstal finished a reconstruction of one hot dip galvanizing line, which doubled its capacity to 400,000 metric tons per year.
- In the second half of 2011, Severstal started a second polymeric coating line with an annual capacity of 200,000 metric tons.

Developments related to MMK include the following:

- In July 2008, MMK started a hot-dipped galvanizing line with an annual capacity of 450,000 metric tons.
- In 2009, MMK started a second polymeric coating line with an annual capacity of 200,000 metric tons.

[25] *Severstal's Response to Notice of Institution*, October 31, 2014, pp. 11-12.

- In the second half of 2011, MMK started a new cold-rolled mill with an annual capacity of 2.5 million tons.
- In 2012, MMK started a new coating complex with an annual capacity of 700,000 metric tons.

Developments related to NLMK include the following:

- In 2009, NLMK started a fourth hot-dipped galvanizing line with an annual capacity of 300,000 metric tons.
- At the end of 2010, NLMK started a third polymeric coating line with an annual capacity of 200,000 metric tons.

U.S. Russia/Ukraine sanctions

At present there are four Executive Orders blocking property of persons and entities with respect to the situation in Ukraine: EO 13600, EO 13661, EO13662, and EO 13685.[26] Executive orders *EO 13660, EO 13661, and EO13662* allowed the U.S. Treasury Department to impose an economic cost on those involved with threatening the territory of Crimea and sovereignty of Ukraine and block property of certain persons involved in the Ukrainian conflict situation from entering the United States. Executive order *EO 13662* expanded the sanctions to include a ban on provision of debt financing and the exportation of goods, services (not including financial services), or technology to certain listed firms in the defense and energy sectors.[27] Its reported goal is to prohibit "frontier" and "unconventional" oil and gas explorations by Russia.[28] However, imports from the listed energy companies are not banned.[29] The U.S. Department of Commerce's Bureau of Industry and Security (BIS) also places export restrictions on U.S. exports of technology to Russia or the Crimea Region.[30]

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[26] U.S. Department of State, "Ukraine and Russia Sanctions," n.d., http://www.state.gov/e/eb/tfs/spi/ukrainerussia/, accessed October 1, 2015. The executive orders are: *Executive Order 13660 of March 6, 2014-- Blocking Property of Certain Persons Contributing to the Situation in Ukraine,* 79 FR 13493, March 10, 2014; *Executive Order 13661 of March 16, 2014-- Blocking Property of Additional Persons Contributing to the Situation in Ukraine,* 79 FR 15535, March 19, 2014*; Executive Order 13662—Blocking Property of Additional Persons Contributing to the Situation in Ukraine*, 79 FR 16169, March 24, 2014*;* and *Executive Order 13685 of December 19, 2014--Blocking Property of Certain Persons and Prohibiting Certain Transactions With Respect to the Crimea Region of Ukraine*, 79 FR 77357, December 24, 2014.

[27] US Department of the Treasury, "Announcement of Expanded Treasury Sanctions within the Russian Financial Services, Energy and Defense or Related Materiel Sectors," September 12, 2014. http://www.treasury.gov/press-center/press-releases/Pages/jl2629.aspx

[28] *Id*.

[29] *Id*.

[30] U.S. Department of Commerce, "Commerce Department Announces Expansion of Export Restrictions on Russia," April 28, 2014, http://www.bis.doc.gov/index.php/about-bis/newsroom/press-releases/107-about-bis/newsroom/press-releases/press-release-2014/665-commerce-dept-announces-expansion-of-export-restrictions-on-russia

On December 19, 2014, Executive Order *EO 13685 Blocking Property of Certain Persons and Prohibiting Certain Transactions with Respect to the Crimea Region of Ukraine* allowed the U.S. Treasury Department to prohibit all new investment, exportation, importation, and other transactions with the Crimea region of Ukraine.[31]

Operations on CTL plate

The tabulation below, first presented in the subject country producers section of this report shows a decrease in Russian plate production in 2012 before rebounding in 2013. Similar data compiled by *** indicate that production levels continued to grow in 2014.

Item	2011	2012	2013
Plate production in Russia (short tons)	4,735,529	3,865,806	4,549,329

Note:***.

Domestic interested parties characterized the Russian steel market as one in which there is weak domestic demand as a result of an ongoing economic recession in the country, as well as declining demand in Russia's major export market. They asserted that Russian industrial output was expected to decline for the rest of 2014, and consumption will likely remain stagnant for the foreseeable future. Domestic interested parties stated that demand for CTL plate in Russia's third-country markets is weak, as well, with steel demand declining significantly in Ukraine, traditionally a major export market for Russian producers. They noted further that demand in the rest of the Commonwealth of Independent States ("CIS"), which includes some of Russia's other largest trading partners, has also declined, with apparent steel usage in these countries falling this year. In Europe and Asia, other potential export markets for Russian CTL plate, steel demand has also been weak.[32]

Table IV-11 presents comparative trade data for 2008 and 2013. These data are ***.

[31] *Executive Order 13685 of December 19, 2014--Blocking Property of Certain Persons and Prohibiting Certain Transactions With Respect to the Crimea Region of Ukraine*, 79 FR 77357, December 24, 2014.

[32] *ArcelorMittal, Nucor, and SSAB's Response to Notice of Institution,* October 31, 2014, pp. 12-13.

Table IV-11
CTL plate: Trade data submitted by Russian producers/exporters, 2008, 2013

Item	Quantity=short tons; value=1,000 dollars; unit value=dollars per short ton		
	2008		**2013**
Capacity	***		***
Production quantity	***		***
Capacity utilization (*percent*)	***		***
Exports to the United States:			
Quantity	***		***
Value	***		***
Unit value	***		***

[1] Not available.

Source: For the year 2008, data are compiled using data submitted by *** in the Commission's second five-year reviews. For the year 2013, data are compiled using data submitted in response to the Notice of Institution by *** in these current five-year reviews. *** indicated that they accounted for approximately *** percent of total Russian CTL plate production in 2008 and approximately *** percent in 2013. *Investigation Nos. 731-TA-753, 754, and 756 (Second Review): Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine—Staff Report*, INV-GG-095, October 1, 2009, table IV-18; and *MMK's and Severstal's Responses to Notice of Institution*, October 31, 2014.

Table IV-12 presents data on the ten largest export markets by Russian producers of CTL plate during 2012 through 2014.

Table IV-12
CTL plate: Russian exports of CTL plate 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Belarus	0	297,648	259,648
Kazakhstan	0	193,116	195,167
Latvia	72,275	62,421	83,474
Uzbekistan	54,158	55,179	66,058
Ukraine	56,222	47,857	64,120
United States	36,220	758	58,750
Estonia	44,658	38,660	58,168
Germany	17,601	34,449	50,140
Azerbaijan	23,275	27,809	43,245
Canada	16,169	10,968	38,918
All other sources	393,992	313,689	284,204
Total	714,569	1,082,554	1,201,892
	Value (1,000 dollars)		
Belarus	0	205,258	167,196
Kazakhstan	0	124,345	113,813
Latvia	42,467	33,413	41,457
Uzbekistan	43,728	44,662	49,660
Ukraine	43,960	34,357	40,741
United States	24,087	358	33,665
Estonia	24,779	21,347	29,581
Germany	9,739	17,841	24,683
Azerbaijan	15,295	15,846	25,445
Canada	9,501	5,438	20,300
All other sources	221,329	168,064	143,299
Total	434,885	670,928	689,839
	Unit value (dollars per short ton)		
Belarus	(1)	690	644
Kazakhstan	(1)	644	583
Latvia	588	535	497
Uzbekistan	807	809	752
Ukraine	782	718	635
United States	665	472	573
Estonia	555	552	509
Germany	553	518	492
Azerbaijan	657	570	588
Canada	588	496	522
All other sources	562	536	504
Total	609	620	574

Source: Official Russian export statistics under HTS subheadings 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50 as reported by the Customs Committee of Russia in the GTIS/GTA database, accessed October 1, 2015.

THE INDUSTRY IN UKRAINE

Overview

During the original investigation two firms, Azovstal and Ilyich, accounting for over *** percent of Ukrainian production of CTL plate and virtually all exports, provided data in response to the Commission's questionnaire.[33] In both prior reviews, only one producer, Azovstal, provided responses to the questionnaire. In the current reviews, three firms provided usable data in response to the Commission questionnaire covering *** percent of Ukraine CTL plate production between 2012 and 2014. A fourth firm, ***, submitted a letter stating ***. Hearing testimony also suggested a fifth mill in Ukraine, Donetsk Steel Mill. Ukrainian producers testified that this mill is both out of Ukraine government-controlled territory and is incapable of producing plate because its open-hearth furnace and rolling mill has been shut down for years.[34] The Donetsk Iron and Steel Works, located in Russian separatist controlled territory, has produced pig iron, but no steel, since shutting down its open hearth furnace in 2012.[35] The company planned to upgrade its steel making facilities by installing an electric arc furnace, but postponed the upgrade after the financial crisis in 2008-2009.[36] The current status of the rolling mill and electric arc furnace upgrade is unclear, but the facility is not making steel and shut its operations down in February 2015.[37]

Table IV-13 presents data on the reporting CTL plate producers from Ukraine.

Table IV-13
CTL plate: Summary data on firms in Ukraine, 2014

* * * * * * *

***.[38] ***.[39] ***.[40]

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[33] *Cut-To-Length Carbon Steel Plate from China, Investigation Nos. 731-TA-753, 754, and 756 (Second Review),* USITC Publication 4103, October 2009.

[34] Hearing transcript, p. 156 (Shvetsov).

[35] Shatokha, Volodymyr, "Ukraine's Iron and Steel Industry in 2015: State, Challenges and Opportunities," April 2015, table 4, http://www.researchgate.net/profile/Volodymyr_Shatokha/publication/275027603_Ukraine's_iron_and_steel_industry_in_2015_state_challenges_and_opportunities/links/552f78980cf22d437170e3b4.pdf

[36] Organization for Economic Co-Operation and Development, *Developments in Steelmaking Capacity of Non-OECD Economies 2013*, p. 15, 2014, http://dx.doi.org/10.1787/steel_non-oecd-2013-2-en-fr

[37] Shatokha, Volodymyr, "Ukraine's Iron and Steel Industry in 2015: State, Challenges and Opportunities," April 2015, table 4, http://www.researchgate.net/profile/Volodymyr_Shatokha/publication/275027603_Ukraine's_iron_and_steel_industry_in_2015_state_challenges_and_opportunities/links/552f78980cf22d437170e3b4.pdf.

[38] Ilyich foreign producer questionnaire, II-6.

[39] *Id*.

[40] Ilyich foreign producer questionnaire, II-6.

Russia-Ukraine conflict

The Russia-Ukraine situation that initiated the U.S. sanctions is the annexation of a the Crimea region of Ukraine by Russia, which started in February–March 2014.[41] On February 2014, armed forces occupied strategic Ukrainian facilities (e.g. the port of Sevastopol) in Simferopol in the Crimea region of Ukraine.[42] In March 2014, the Crimean Parliament held a referendum that determined the majority support for the annexation of Crimea by Russia, but that referendum is viewed by the United States as illegal.[43] The Ukrainian conflict then spread east from Crimea to the Donetsk and Luhansk regions. These regions include the cities of Alchevsk and Mariupol where Alchevsk Iron and Steel Works, Azovstal, and Ilyich are located.

Russia-Ukraine ceasefire

Ukraine and Russia came to a ceasefire agreement on February 12, 2015, that went into effect on February 15, 2015, at 00.00 AM (Kiev time). The two countries agreed on the Minsk implementation of measures.[44] There has been at least one incidence of a reported violation of the ceasefire agreement as noted by the U.S. State Department on February 16, 2015.[45]

Operations on CTL plate

Table IV-14 presents data on the industry in Ukraine.

Table IV-14
CTL plate: Data on industry in Ukraine, 2012-14, January to June 2014, and January to June 2015

* * * * * * *

[41] Ukrainian-Russian tensions arguably began in 2013, when then President Yanukovych suspended EU trade negotiations in order to analyze the impact of the deal on trade and ties with Russia, which triggered protests against the government. Center for Strategic and International Studies, "Ukraine Crisis Timeline," http://csis.org/ukraine/kyiv.htm#1.

[42] Washington Post, "Armed men take control of Crimean airport," February 28, 2014, https://www.washingtonpost.com/world/europe/pro-russia-separatists-flex-muscle-in-ukraines-crimean-peninsula/2014/02/27/dac10d54-9ff0-11e3-878c-65222df220eb_story.html

[43] U.S. Department of State, "One Year Later - Russia's Occupation of Crimea," March 16, 2015, http://www.state.gov/r/pa/prs/ps/2015/03/238897.htm

[44] United Nations Department of Political Affairs, "Package of Measures for the Implementation of the Minsk Agreements," February 12, 2015, http://peacemaker.un.org/ukraine-minsk-implementation15, accessed October 1, 2015.

[45] U.S. Department of State, "Cease-fire Violations in Ukraine," February 16, 2015, http://www.state.gov/r/pa/prs/ps/2015/02/237525.htm, accessed October 1, 2015.

Production of CTL plate in Ukraine rose in 2013 before declining in 2014. The decline in capacity, production, and capacity utilization is reportedly attributable in large part to the armed conflict beginning in March 2014. Capacity utilization was lower still for the period of January to June 2015. Ukraine's principal export market is the ***, accounting for *** percent of shipments, while exports to the United States accounted for *** percent of total shipments in 2014. Internal consumption, by reporting Ukrainian producers, in 2014 was *** percent of production. Inventories as a percentage of total shipments have more than doubled from *** percent to *** percent during 2012-14, and were *** percent for January to June 2015. Ukranian producers testified that they estimate exports of 25,000 tons of CTL plate into the United States, based on current market conditions, if the suspension agreement were revoked.

Table IV-15 presents data on CTL plate production in Ukraine as reported by the foreign producers in response to the Commission questionnaires.

Table IV-15
CTL plate: Overall capacity and production of products on the same machinery as CTL plate in Ukraine, 2012-14, January-June 2014, and January-June 2015

* * * * * * *

Table IV-16 presents exports of CTL plate from Ukraine between 2012 and 2014.

Table IV-16
CTL plate: Ukrainian exports of CTL plate, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Russia	620,328	460,013	274,937
Singapore	247,824	454,532	250,634
Poland	164,274	182,648	243,425
United Arab Emirates	171,361	159,966	184,919
Turkey	202,396	336,626	181,030
Saudi Arabia	122,780	97,288	180,296
Nigeria	117,510	132,041	116,956
Slovakia	61,532	80,509	94,731
Italy	33,171	47,774	94,615
Taiwan	16,516	37,018	86,837
All other sources	1,086,529	1,101,984	978,611
Total	2,844,220	3,090,399	2,686,992
	Value (1,000 dollars)		
Russia	390,198	238,454	132,758
Singapore	137,505	211,183	112,624
Poland	98,816	97,891	132,292
United Arab Emirates	93,591	76,544	88,801
Turkey	116,834	162,405	84,462
Saudi Arabia	67,139	46,695	86,903
Nigeria	58,912	62,531	54,157
Slovakia	37,587	43,146	51,171
Italy	19,609	24,499	44,913
Taiwan	9,460	17,004	39,623
All other sources	604,113	545,002	487,547
Total	1,633,764	1,525,354	1,315,251
	Unit value (dollars per short ton)		
South Korea	629	518	483
Russia	555	465	449
India	602	536	543
Vietnam	546	478	480
Saudi Arabia	577	482	467
Philippines	547	480	482
Thailand	501	474	463
Myanmar	611	536	540
Singapore	591	513	475
Uzbekistan	573	459	456
All other sources	556	495	498
Total	574	494	489

Source: Official Ukrainian export statistics under HTS subheadings 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50 as reported by the State Customs Committee of the Ukraine in the GTIS/GTA database, accessed October 1, 2015.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

According to domestic interested parties, Australia maintains antidumping duties on imports from China.[46] Brazil maintains antidumping duties on CTL plate from China and Ukraine.[47] Canada has antidumping duties on CTL steel plate from China and Ukraine.[48] In September 2014, Canada issued preliminary duties on CTL steel plate from Russia.[49] Mexico maintains antidumping duties on steel plate in sheets (CTL plate) from China, Russia, and Ukraine.[50] In December 2014, Thailand issued safeguard measures against steel plate imports.[51] In addition, Thailand already had antidumping orders in place for Russia and Ukraine.[52] In the past, Thailand was a significant export destination for Russian CTL plate producers.[53]

GLOBAL MARKET

Production and capacity[54]

Table IV-17 presents data on reversing mill plate production. During 2012-14, global production ***, production in Asia ***, production in Europe ***, and production in North

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[46] Australian Government Anti-dumping Commission. Anti-dumping Notice No. 2013/72, December 19, 2013; Australian Government Customs and Border Protection Service. Australian Customs Anti-dumping Notice No. 2013/18, February 12, 2013.

[47] Committee on Anti-Dumping Practices, *Semi-Annual Report under Article 16.4 of the WTO Antidumping Agreement: Brazil*, G/ADP/N/244/BRA, October 8, 2013, p.2-10.

[48] Committee on Anti-Dumping Practices, Semi-Annual Report under Article 16.4 of the WTO Antidumping Agreement: Canada, G/ADP/N/265/CAN, March 17, 2015, p.9-11; Canada Border Services Agency, "Measures in Force: Goods subject to anti-dumping or countervailing duties," May 22, 2015 http://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev-eng.html

[49] Canada Border Services Agency, "Preliminary Decisions Respecting Certain Hot-rolled Carbon Steel Plate and High-strength Low-alloy Steel Plate," September 9, 2015. http://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1406/ad1406-np-eng.html

[50] Committee on Anti-dumping Practices, *Semi-annual Report under Article 16.4 of the WTO Anti-dumping Agreement: Mexico*, G/ADP/N/272/MEX, September 7, 2015, p.9-11.

[51] Global Trade Alert, "Thailand: Definitive safeguard duty on imports of certain types of non-alloy hot rolled steel flat products," June 2, 2015. http://www.globaltradealert.org/measure/thailand-definitive-safeguard-duty-imports-certain-types-non-alloy-hot-rolled-steel-flat-pro last updated December 22, 2014.

[52] The following HS codes are covered in the orders on Russia and Ukraine: 7208.37, 7208.38, 7208.39, 7208.40, 7208.51, 7208.52, 7208.53, 7208.54, 7208.90, 7211.13, 7211.14, and 7211.19. Committee on Anti-dumping Practices, *Semi-annual Report under Article 16.4 of the WTO Anti-dumping Agreement: Thailand*, G/ADP/N/265/THA, February 5, 2015, p. 6-7; Committee on Anti-dumping Practices, *Semi-annual Report under Article 16.4 of the WTO Anti-dumping Agreement: Thailand*, G/ADP/N/272/THA, September 25, 2015. p.11-12.

[53] *ArcelorMittal, Nucor, and SSAB's Response to Notice of Institution,* October 31, 2014, pp. 15-16.

[54] Unless otherwise noted, information in this section is from ***.

America ***. Projected demand during 2015-19 is expected to *** in the above-mentioned areas; globally by *** percent, in Asia by *** percent, in Europe by *** percent, and in North America by *** percent.

Table IV-17

Reversing mill plate: Production, actual and forecasted, by selected countries and regions, 2012-19

* * * * * * *

Global plate mill production capacity *** by *** percent during 2012-14 and is projected to *** during 2015-19 (table IV-18). China accounts for most of the world's production capacity. Capacity in China *** by *** percent during 2012-14 and is projected to *** during 2015-19. In Asia, capacity *** by *** percent during 2012-2014 and is projected to *** through 2019. Europe experienced a *** during 2012-14 and capacity is forecasted to ***. Capacity in North America *** by *** percent during 2012-14 and is predicted to *** through 2019.

Table IV-18

Reversing mill plate: Production capacities, actual and forecasted, by selected countries and regions, 2012-19

* * * * * * *

Demand and consumption[55]

Five of nine U.S. producers, 10 of 19 importers, and six of 17 purchasers reported that demand outside of the United States for CTL plate has fluctuated since January 1, 2009. Five of 17 purchasers and all three responding Ukrainian producers indicated that demand outside of the United States for CTL plate has increased since January 1, 2009. Firms cited slow growth of the global economy after the 2008-2009 global recession and decreases in oil prices as reasons why demand has fluctuated for CTL plate. Seven of nine U.S. producers, 10 of 20 importers, nine of 17 purchasers, and all three Ukrainian producers indicated that future demand outside of the United States will fluctuate. Firms cited uncertainty within the Chinese, Mexican, European, and other Asian markets as reasons for future fluctuations.

As shown in table IV-19, global consumption *** by *** percent during 2012-13 before *** during 2013-14 by *** percent and is forecasted to increase by *** percent during 2015-19 (table IV-18). Consumption in China *** during 2012-14 and is expected to *** during 2015-19 although the ***. Consumption *** by *** percent during 2012-13 and *** percent during 2013-14 but is forecasted to *** percent during 2014-15, *** percent during 2015-16 and *** percent annual increases through 2019.

[55] Unless otherwise noted, information in this section is from ***.

***.

Table IV-19
Reversing mill plate: Apparent consumption, actual and forecasted, by selected countries and regions, 2012-19

* * * * * * *

Global Exports and Imports

Information on global CTL plate exports and imports is presented in tables IV-20 and IV-21.

Table IV-20
CTL plate: Global exports in all HS subheadings, by major sources, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
China	6,104,849	5,389,114	7,380,434
South Korea	4,759,297	4,281,567	4,768,585
Japan	4,272,423	3,876,285	3,350,995
Ukraine	2,844,220	3,090,399	2,686,992
Italy	2,324,552	2,095,910	2,199,611
Belgium	2,021,931	2,041,721	2,108,010
Germany	2,120,310	1,762,917	1,693,682
USA	1,334,760	1,314,069	1,440,088
France	983,233	1,055,693	1,279,414
Russia	714,569	1,082,554	1,201,892
All other sources	13,099,597	12,006,081	12,451,789
Total	40,579,741	37,996,310	40,561,491

Table continued on following page.

Table IV-20--Continued
CTL plate: Global exports in all HS subheadings, by major sources, 2012-14

Item	Calendar year		
	2012	2013	2014
	Value (1,000 dollars)		
China	4,711,514	4,019,263	5,114,295
South Korea	4,033,399	3,383,536	3,742,373
Japan	3,375,813	2,609,183	2,342,404
Ukraine	1,633,764	1,525,354	1,315,251
Italy	1,797,731	1,601,438	1,656,914
Belgium	1,894,817	1,862,750	1,818,315
Germany	2,262,277	1,811,338	1,702,801
USA	1,344,284	1,256,529	1,417,060
France	1,075,547	1,024,321	1,210,545
Russia	434,885	670,928	689,839
All other sources	10,985,211	9,782,997	9,872,046
Total	33,549,243	29,547,637	30,881,843
	Unit value (dollars per short ton)		
China	772	746	693
South Korea	847	790	785
Japan	790	673	699
Ukraine	574	494	489
Italy	773	764	753
Belgium	937	912	863
Germany	1,067	1,027	1,005
USA	1,007	956	984
France	1,094	970	946
Russia	609	620	574
All other sources	839	815	793
Total	827	778	761

Note.--Because of rounding, figures may not add to total shown.
Note.--Exports may include product outside the product scope and therefore, may be overstated.

Source: Official export statistics under HTS subheadings 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50 as reported by each countries' statistical reporting authorities in the GTIS/GTA database, accessed October 1, 2015.

Table IV-21
CTL plate: Global imports in all HS subheadings, by major sources, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
South Korea	4,197,894	2,854,687	3,694,932
Germany	3,373,098	3,176,095	2,932,375
USA	1,495,138	1,147,173	2,253,380
China	1,989,373	1,732,670	1,954,101
Poland	1,272,046	1,317,026	1,594,680
Russia	1,775,592	1,578,980	1,576,890
France	1,105,498	1,160,803	1,356,647
Canada	1,079,767	886,418	1,167,721
Netherlands	1,105,518	1,054,689	1,093,198
Singapore	1,218,886	1,550,991	1,040,883
All other sources	27,550,824	21,335,626	17,941,329
Total	46,163,634	37,795,158	36,606,135
	Value (1,000 dollars)		
South Korea	3,137,997	1,963,403	2,440,097
Germany	2,978,794	2,634,450	2,350,878
USA	1,384,643	1,000,720	1,810,335
China	1,722,306	1,391,676	1,579,333
Poland	1,158,193	1,183,525	1,385,411
Russia	1,695,502	1,375,651	1,329,711
France	1,024,851	1,012,167	975,686
Canada	1,009,131	768,245	1,008,955
Netherlands	925,705	825,786	829,165
Singapore	862,634	932,192	676,070
All other sources	18,491,597	16,748,917	14,567,257
Total	34,391,353	29,836,733	28,952,898
	Unit value (dollars per short ton)		
South Korea	748	688	660
Germany	883	829	802
USA	926	872	803
China	866	803	808
Poland	910	899	869
Russia	955	871	843
France	927	872	719
Canada	935	867	864
Netherlands	837	783	758
Singapore	708	601	650
All other sources	671	785	812
Total	745	789	791

Note.--Because of rounding, figures may not add to total shown.

Note.--Imports may include product outside the product scope and therefore, may be overstated.

Source: Official import statistics under HTS subheadings 7208.40, 7208.51, 7208.52, 7208.53, 7208.90, 7210.70, 7210.90, 7211.13, 7211.14, 7211.90, 7212.40, and 7212.50 as reported by each countries' statistical reporting authorities in the GTIS/GTA database, accessed October 1, 2015

Prices

Two importers and two foreign producers reported that prices outside of the United States have fluctuated, but remain below U.S. prices. Ukrainian producers *** reported that the European market has the highest margins due to the reduced logistical expenses and stable demand.

Price data are available from several subscription services. Table IV-22 presents price information from MEPS International Ltd. The data indicate that, in general, ***.

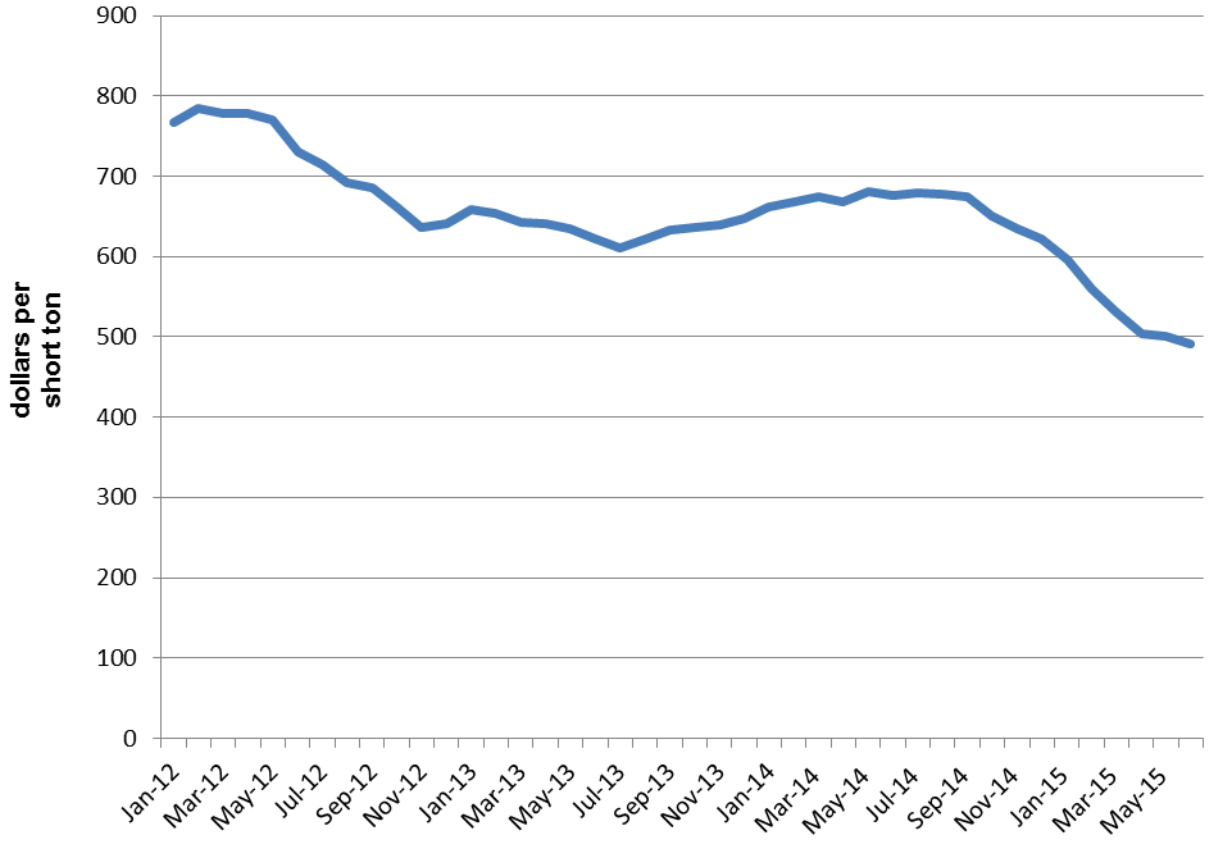
Table IV-22
CTL plate:[1] Monthly prices in the United States, Canada, China, Japan, South Korea, and the EU, January 2012-September 2015

* * * * * * *

During 2012-14, average world prices reached their peak during early 2012, declined irregularly until mid-2013, then increased until mid-2014 before decreasing until June 2015 (figure IV-1).

Figure IV-1

CTL plate: Average world prices, monthly, January 2012-June 2015



Source: MEPS International Ltd., "MEPS – World Carbon Steel Prices – with Individual Product Forecasts," http://www.meps.co.uk/World%20Carbon%20Price.htm.

Note.—Data were converted from dollars per metric ton to dollars per short ton using a conversion factor of 0.907185.
Note.---Prices are an arithmetic average of the low transaction values identified in three regions (EU, Asia, and North America), converted into U.S. dollars.

PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

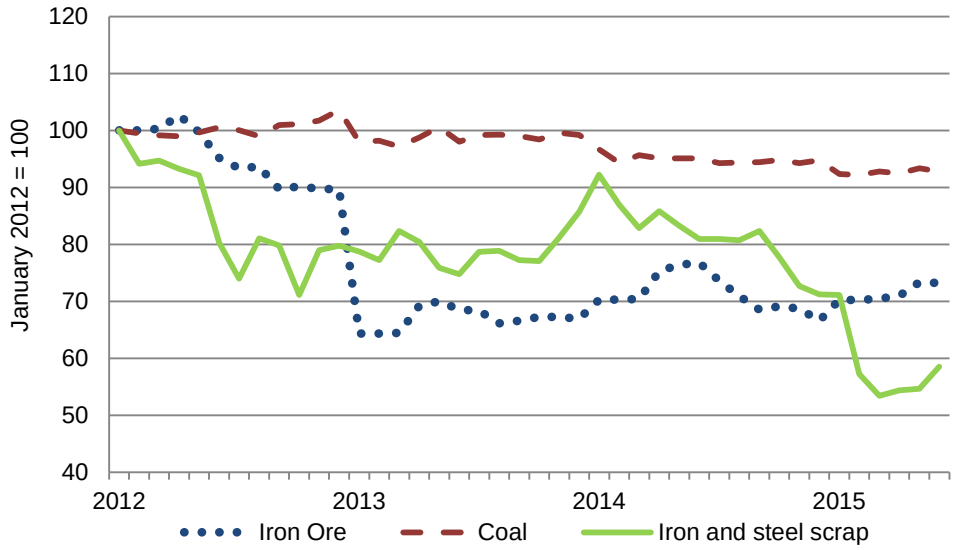
Raw materials constitute a substantial portion of the final cost of CTL plate. U.S. producers' raw materials costs represented nearly two-thirds of the cost of goods sold (COGS) from January 2012 to June 2015. The main costs of producing CTL plate are raw materials such as iron ore, coal, and scrap. Most responding producers and importers indicated that the cost for raw materials has fluctuated since 2009, citing decreases in iron ore and scrap prices.[1] Prices for these raw materials fluctuated from January 2012 to June 2015, with iron ore, coal, and iron and steel scrap prices decreasing, and natural gas and electricity costs fluctuating. Costs for iron ore, coal, and iron and steel scrap decreased by 26.8 percent, 7.2 percent, and 41.4 percent, respectively, between January 2012 and June 2015 (figure V-1a).[2] [3] Figure V-1b shows raw material trends for iron ore, coal, and iron and steel scrap from January 2009 to June 2015.

[1] Commission questionnaires asked respondents for qualitative responses since 2009 and quantitative responses from 2012.

[2] In April 2015, U.S. producer Nucor Corporation's quarterly earnings conference call, it was noted by the firm's president and CEO that its St. James Parish facility – which produces direct-reduced iron (DRI) – produced 1.3 million tons of DRI during the previous year, and that this was a "meaningful factor supporting February {2015}'s dramatic downward adjustment of more than $100 per ton in scrap pricing." Nucor Corporation's Q1 2015 Earnings conference call transcript, available at http://s.t.st/media/xtranscript/2015/Q2/13125011.pdf, retrieved June 15, 2015.

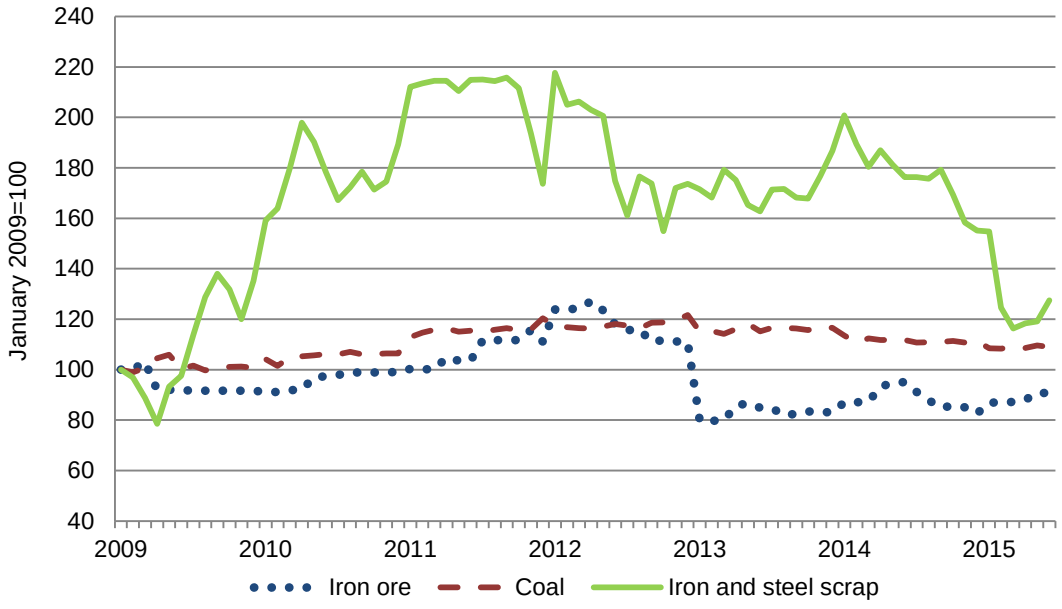
[3] In October 2015, the American Metal Market reported that U.S. ferrous scrap has dropped by $50 a short ton for nearly every grade of metal. "U.S. ferrous scrap marts get in line on $50/T cut," American Metal Market, October 8, 2015.

Figure V-1a
Raw material costs: Producer price indexes of iron ore, coal, and iron and steel scrap in the United States, monthly, January 2012-June 2015



Source: U.S. Bureau of Labor Statistics, retrieved June 15, 2015.

Figure V-1b
Raw material costs: Producer price indexes of iron ore, coal, and iron and steel scrap in the United States, monthly, January 2009-June 2015

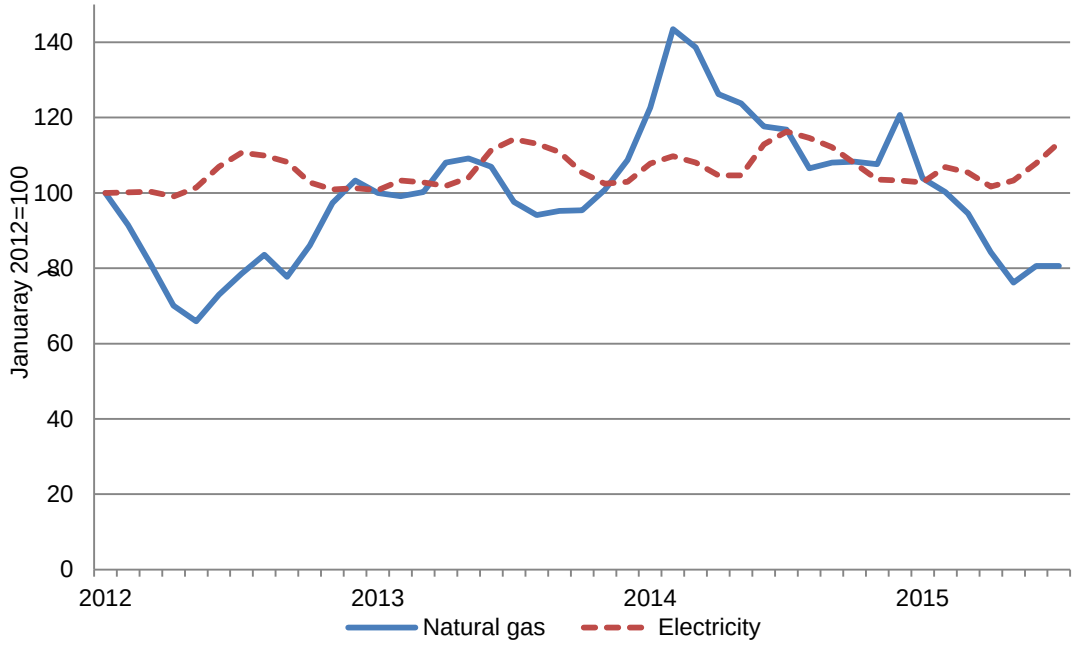


Source: U.S. Bureau of Labor Statistics, retrieved October 23, 2015.

Energy costs

Energy costs are also important factors in CTL plate production. Electricity prices fluctuated slightly from January 2012 to June 2015, but increased overall by 8.4 percent (figure V-2). Natural gas prices fluctuated between a low of $3.02 per kilowatt hour in May 2012 and a high of $6.57 per kilowatt hour in February 2014, and showed an overall decrease of 19.4 percent.

Figure V-2
Industrial natural gas and electricity: Index of monthly prices, January 2012-June 2015



Source: Short Term Energy Outlook, Energy Information Administration, www.eia.gov, retrieved October 16, 2015.

Transportation costs to the U.S. market

Nineteen of 24 responding importers reported that the exporter typically arranges international transportation. Importers reported that the cost of shipping CTL plate to the United States averaged $*** per short ton from China, $45 per short ton from Russia, and $*** per short ton from Ukraine. *** reported that the exporter typically arranges shipping with a cost of $*** per short ton.[4] Transportation costs of CTL plate from China, Russia, and Ukraine

[4] U.S. producers reported that the freight cost per ton from Mariupol, Ukraine to the United States was under $31 (according to Nucor Logistics). Nucor's posthearing brief, exhibit 2. Ukranian producers

(*continued*...)

to the U.S. market are estimated to be 6.6 percent for 3,563 short tons, 8.8 percent for 24,250 short tons, and 15.9 percent for 3 short tons respectively of the 2014 customs value.[5]

U.S. inland transportation costs

Ten of 12 responding U.S. producers and 8 of 15 responding importers reported that they typically arrange transportation to their customers. Most U.S. importers reported that their U.S. inland transportation costs ranged from 1.5 to 10 percent of the total delivered cost, averaging 4.1 percent, while most U.S. producers reported costs of 2 to 10 percent, averaging 5.6 percent.[6]

PRICING PRACTICES

Pricing methods

U.S. producers and importers sell primarily using transaction-by-transaction negotiations, followed by contracts.[7]

(…*continued*)
reported that the Mariupol commercial port was too shallow to accommodate the size of the vessel needed to cross the Atlantic Ocean. Hearing transcript, p. 189 (Shvestov).

[5] In 2012, transportation costs of CTL plate from Ukraine to the U.S. market are estimated to be 9.4 percent for 15,227 short tons. In the second reviews, transportation costs of CTL plate from China, Russia, and Ukraine to the U.S. market were estimated to be 8.5 percent for 4,360 short tons, 9.4 percent for 84,992 short tons, and 7.3 percent for 173,945 short tons respectively of the 2008 customs value. These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value. *Cut-To-Length Carbon Steel Plate from China, Russia, and Ukraine, Inv. Nos. 731-TA-753, 754, and 756 (Second Review),* USITC Publication 4103, October 2009, p. 177.

[6] U.S. producer *** reported that inland transportation costs were 23 percent of the total delivered cost.

[7] Producer *** reported using competing price quotes to set prices, and importer *** did not specify the other methods used to set prices.

Table V-1

CTL plate: U.S. producers and importers reported price setting methods, by number of responding firms[1]

Method	U.S. producers	Importers
Transaction-by-transaction	11	21
Contract	8	4
Set price list	5	1
Other	1	1

[1] The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

U.S. producers and importers of product from Russia[8] reported selling most of their product in the spot market (table V-2). U.S. producers, however, also sold a large share of CTL plate using short-term contracts. Most U.S. producers (6 of 7) reported that short-term contracts usually last approximately 90 days.[9] A majority of producers reported that short-term contracts typically allow for prices to be renegotiated, fix both price and quantity, and do not have meet-or-release clauses.

Table V-2

CTL plate: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2014

Type of sale	U.S. producers	Importers[1]
Long-term contracts	3.8	***
Annual contracts	4.0	***
Short-term contracts	41.3	***
Spot sales	50.9	***
Total	100.0	***

[1] Importers only reported data for imports from Russia.

Note.--Because of rounding, figures may not add to the totals shown.

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

Ten purchasers reported that they purchase product daily, ten purchase weekly, and six purchase monthly. All 28 responding purchasers reported that they did not expect their purchasing patterns to change in the next two years. Responding purchasers contact 2 to 4 suppliers on average before making a purchase.

[8] Importers only reported data for imports from Russia.

[9] Purchaser *** reported that short-term contracts averaged 180 days.

Sales terms and discounts

U.S. producers typically quote prices on an f.o.b. basis while importers were split between f.o.b. and delivered basis. Most responding producers and importers reported sales terms of net 30 days and reported not offering discounts.

Price leadership

Purchasers reported that Nucor, SSAB, and ArcelorMittal were price leaders due to their size and due to their ability to initiate price changes by publishing price announcements.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following CTL plate products shipped to unrelated U.S. customers from January 2012 to June 2015.[10]

Product 1.-- Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 96" in width, 0.250" thick.

Product 2.-- Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 96" in width, 0.3125" thick.

Product 3.-- Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.375" through 2.00" in thickness.

Product 4.-- Hot-rolled CTL carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, mill edge, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.5" through 1.5" in thickness.

[10] Previous reviews' pricing products requested data on "shear edge", not "mill edge." Staff changed the pricing products to "mill edge" to increase price data coverage, since domestic interested parties reported that the CTL plate industry sells primarily "mill edge" products.

Ten U.S. producers and nine importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[11] Pricing data reported by U.S. producers accounted for approximately 33.8 percent of U.S. producers' commercial shipments of CTL plate from January 2012 to June 2015. Pricing data reported by importers accounted for approximately 59.6 percent of U.S. commercial shipments of subject imports from Russia and 54.5 percent of U.S. commercial shipments of subject imports from Ukraine from January 2012 to June 2015.[12] Product 3 accounted for the majority of the pricing product data for U.S. producers and importers. No importers provided data for pricing product 1.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-3 to V-6.

[11] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding and producer or importer estimates.

[12] U.S. importers of Chinese CTL plate did not report pricing product data, and only reported *** short tons of U.S. commercial shipments in ***.

Table V-3

CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States	
	Price (dollars per short ton)	Quantity (short tons)
2012:		
Jan.-Mar.	832.83	155,628
Apr.-June	842.46	144,325
July-Sept.	792.24	128,826
Oct.-Dec.	735.92	120,077
2013:		
Jan.-Mar.	740.09	129,429
Apr.-June	735.50	130,506
July-Sept.	718.28	116,809
Oct.-Dec.	737.22	122,390
2014:		
Jan.-Mar.	760.85	130,821
Apr.-June	786.49	130,141
July-Sept.	801.26	124,272
Oct.-Dec.	797.16	113,479
2015:		
Jan.-Mar.	743.05	123,048
Apr.-June	660.04	114,672

[1] Product 1: Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72” through 96” in width, 0.250” thick.

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

Table V-4

CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Russia			Ukraine		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	853.66	21,591	***	***	***	***	***	***
Apr.-June	839.75	21,960	***	***	***	***	***	***
July-Sept.	782.36	17,591	***	***	***	***	***	***
Oct.-Dec.	715.65	21,083	***	***	***	***	***	***
2013:								
Jan.-Mar.	710.40	18,558	***	***	***	***	***	***
Apr.-June	715.64	20,967	***	***	***	***	***	***
July-Sept.	694.41	23,344	***	***	***	***	***	***
Oct.-Dec.	707.93	18,226	***	***	***	***	***	***
2014:								
Jan.-Mar.	757.44	17,235	***	***	***	***	***	***
Apr.-June	766.52	17,045	***	***	***	***	***	***
July-Sept.	785.14	19,426	***	***	***	***	***	***
Oct.-Dec.	788.92	17,315	***	***	***	***	***	***
2015:								
Jan.-Mar.	718.76	18,287	***	***	***	***	***	***
Apr.-June	613.15	22,097	***	***	***	***	***	***

[1] Product 2: Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72” through 96” in width, 0.3125” thick.

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

Table V-5

CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

Period	United States		Russia			Ukraine		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	861.50	331,994	***	***	***	***	***	***
Apr.-June	843.76	304,516	***	***	***	***	***	***
July-Sept.	763.14	282,449	***	***	***	***	***	***
Oct.-Dec.	797.84	304,792	***	***	***	***	***	***
2013:								
Jan.-Mar.	675.97	304,512	***	***	***	***	***	***
Apr.-June	691.46	301,826	***	***	***	***	***	***
July-Sept.	671.73	310,771	***	***	***	***	***	***
Oct.-Dec.	671.03	313,144	***	***	***	***	***	***
2014:								
Jan.-Mar.	734.10	278,849	***	***	***	***	***	***
Apr.-June	763.28	286,106	***	***	***	***	***	***
July-Sept.	787.13	313,286	***	***	***	***	***	***
Oct.-Dec.	783.50	271,220	***	***	***	***	***	***
2015:								
Jan.-Mar.	706.58	229,069	***	***	***	***	***	***
Apr.-June	600.29	246,233	***	***	***	***	***	***

[1] Product 3: Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.375" through 2.00" in thickness.

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

Table V-6

CTL plate: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2012-June 2015

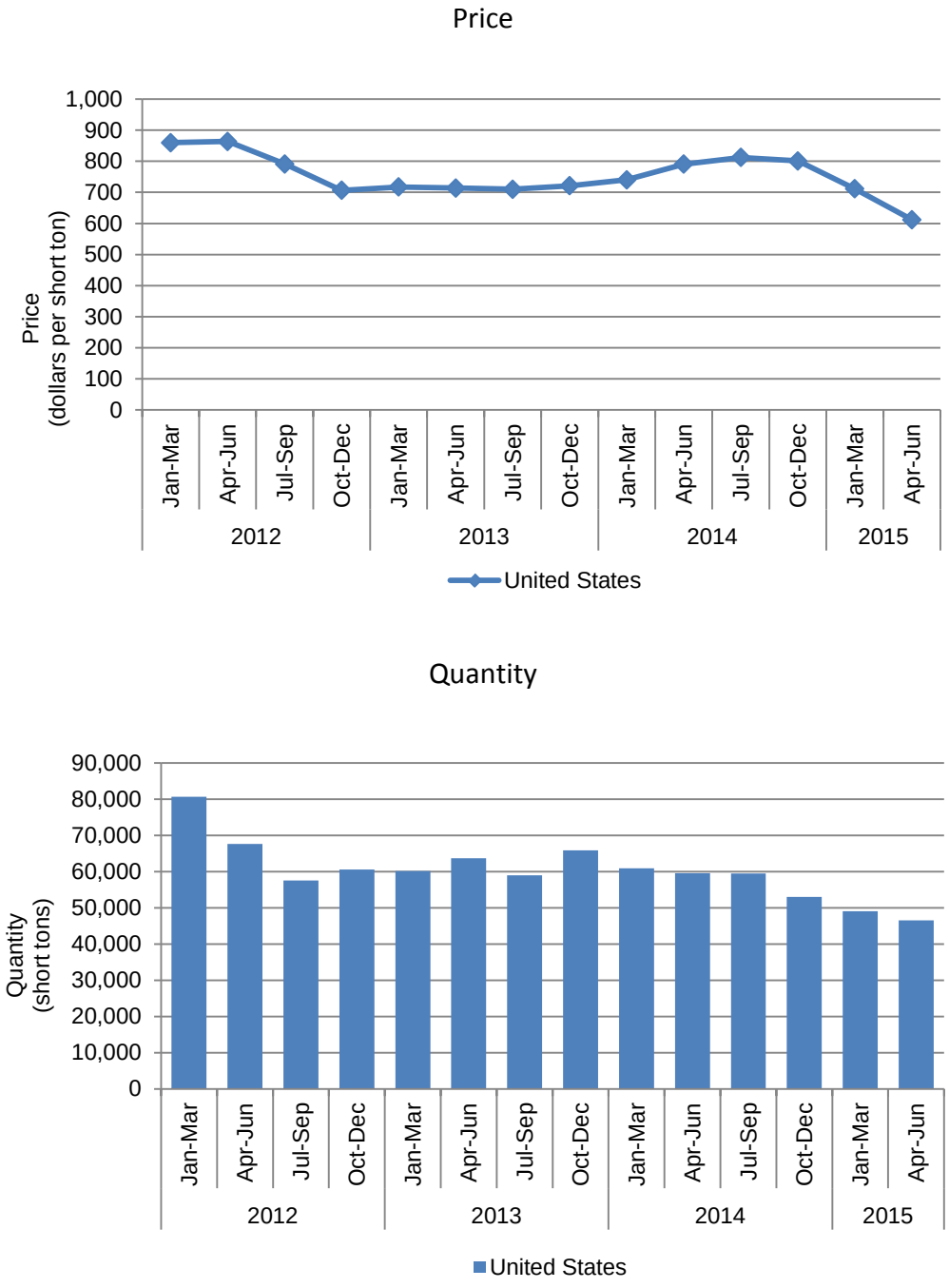
Period	United States		Russia			Ukraine		
	Price (dollars per short ton)	Quantity (short tons)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)	Price (dollars per short ton)	Quantity (short tons)	Margin (percent)
2012:								
Jan.-Mar.	901.65	139,382	***	***	***	***	***	***
Apr.-June	915.48	151,589	***	***	***	***	***	***
July-Sept.	855.35	106,112	***	***	***	***	***	***
Oct.-Dec.	746.06	97,380	***	***	***	***	***	***
2013:								
Jan.-Mar.	726.95	116,231	***	***	***	***	***	***
Apr.-June	735.08	131,498	***	***	***	***	***	***
July-Sept.	717.20	139,124	***	***	***	***	***	***
Oct.-Dec.	730.00	144,924	***	***	***	***	***	***
2014:								
Jan.-Mar.	777.61	146,580	***	***	***	***	***	***
Apr.-June	794.35	157,441	***	***	***	***	***	***
July-Sept.	820.08	153,606	***	***	***	***	***	***
Oct.-Dec.	816.55	136,649	***	***	***	***	***	***
2015:								
Jan.-Mar.	773.91	127,612	***	***	***	***	***	***
Apr.-June	669.31	126,899	***	***	***	***	***	***

[1] Product 4: Hot-rolled CTL carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, mill edge, not cleaned or oiled, in cut lengths, 72" through 120" in width, 0.5" through 1.5" in thickness.

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

Figure V-3

CTL plate: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2012-June 2015

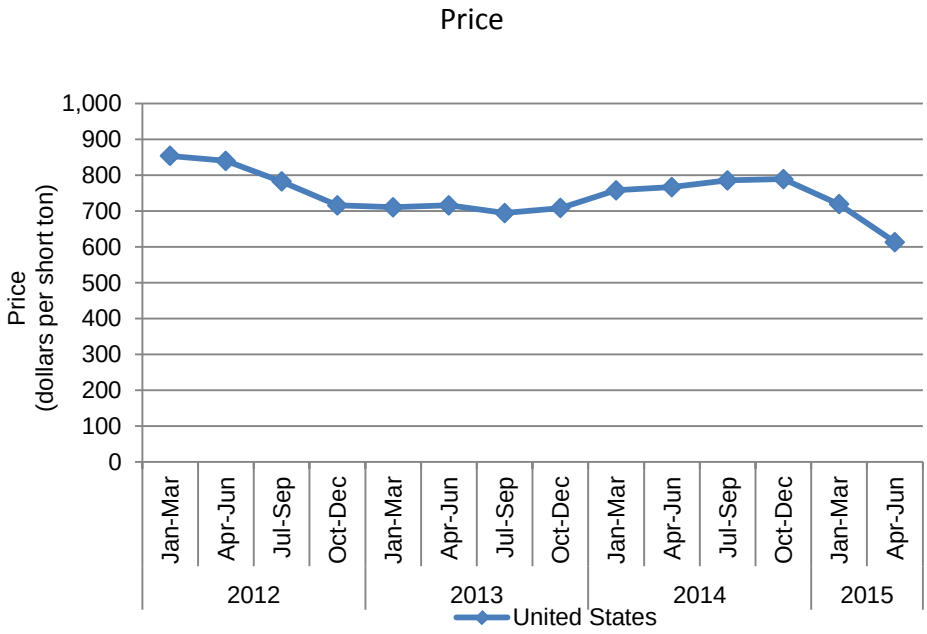


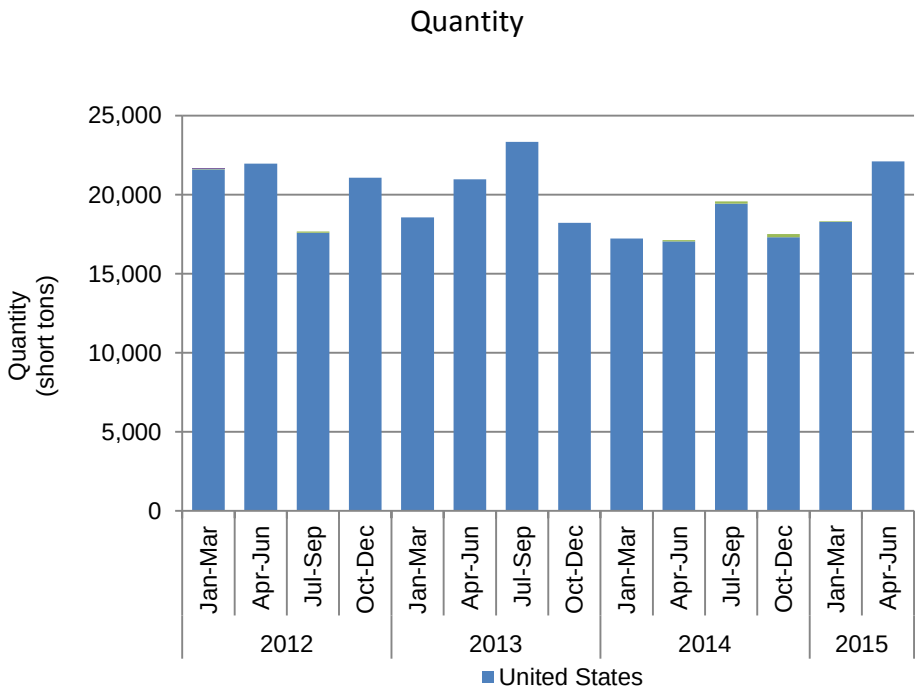
Product 1: Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72” through 96” in width, 0.250” thick.

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

Figure V-4

CTL plate: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2012-June 2015 (IMPORT DATA REDACTED)



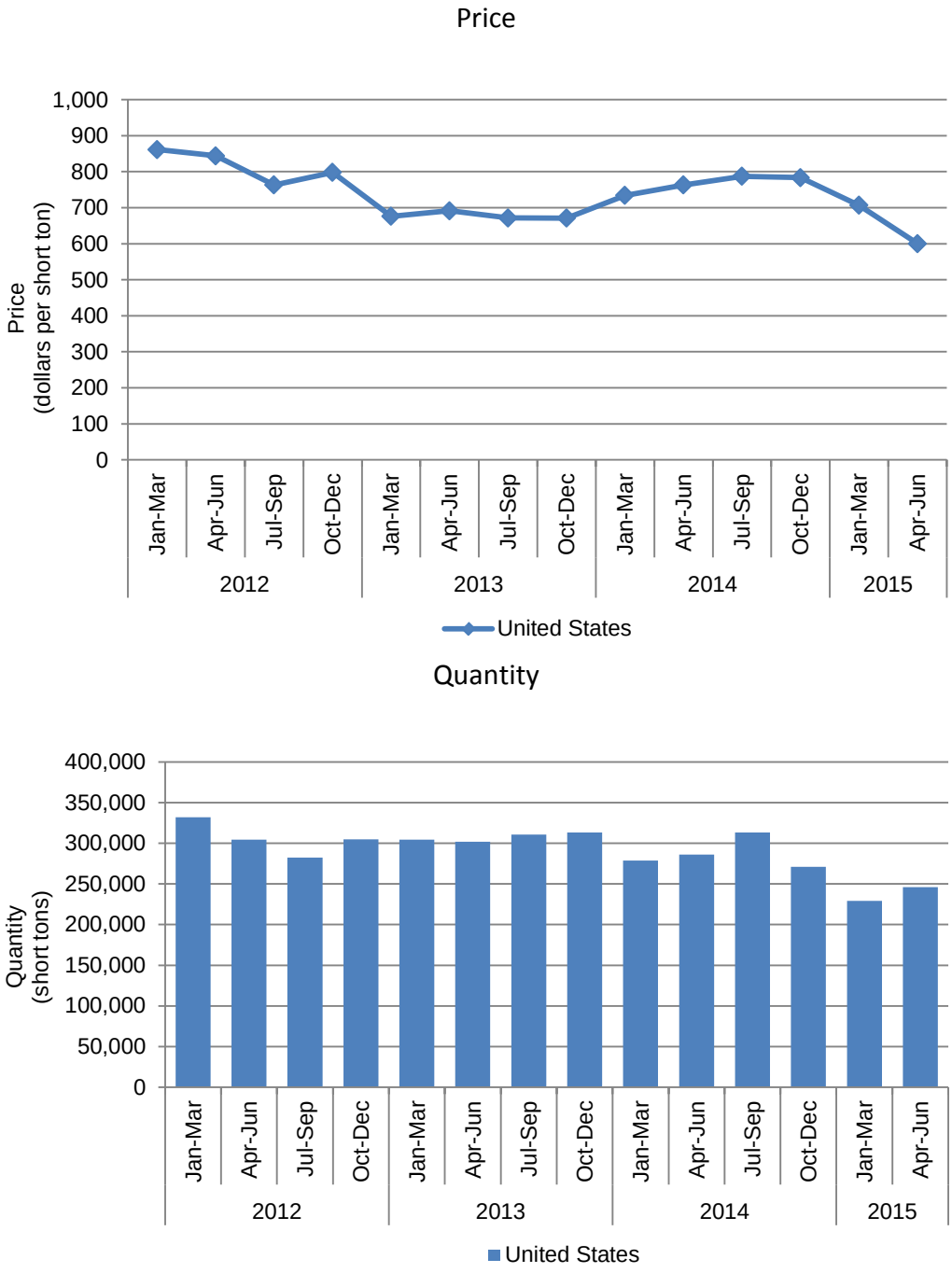


Product 2: Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72” through 96” in width, 0.3125” thick.

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

Figure V-5

CTL plate: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2012-June 2015 (IMPORT DATA REDACTED)



Product 3: Hot-rolled CTL carbon steel plate, ASTM A-36 or equivalent as rolled, mill edge, not heat treated, not cleaned or oiled, in cut lengths, 72” through 120” in width, 0.375” through 2.00” in thickness.

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

Figure V-6

CTL plate: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2012-June 2015 (IMPORT DATA REDACTED)

Product 4: Hot-rolled CTL carbon steel plate, high strength low alloy (HSLA), ASTM A-572, Grade 50, mill edge, not cleaned or oiled, in cut lengths, 72” through 120” in width, 0.5” through 1.5” in thickness.

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

Price trends

As shown in the table V-7, domestic price reductions ranged from 20.7 to 30.3 percent from January 2012 to June 2015.[13] Although importers provided data for product 2, 3, and 4, only products 3 and 4 from Russia had more than 4 quarters of available pricing data.[14] [15]

[13] In October 2015, the American Metal Market reported that prices for CTL plate have continued to decrease due to weak U.S. demand. "Steel plate prices slip amid weak demand outlook," American Metal Market, October 19, 2015.

[14] The price of Ukrainian product 3 was available in only two quarters; it increased by *** percent. The price of Ukrainian product 4 was available in only two quarters; it decreased by *** percent. The price of Russian product 3 was available in only two quarters; it decreased by *** percent. These changes were not comparable to that of the other country-product combinations for which prices were available for at least four quarters during January 2012 to June 2015.

[15] In the second reviews, importers of Chinese CTL plate only reported more than *** for product ***. The price of Chinese product *** dropped by *** percent during the period January 2003-June 2009. Importers of Russian CTL plate reported pricing data for all four products. The price for Russian CTL plate increased by *** percent for product 1, *** percent for product 2, and *** percent for product 4 during the period January 2003-June 2009. The price for Russian CTL plate decreased by *** percent for product 3 during the period January 2003-June 2009. Importers of Ukrainian CTL plate reported more than 4 quarters of data for products *** and ***. The price for Ukrainian CTL plate decreased by *** percent for product *** and *** percent for product *** during the period January 2003-June 2009.

Table V-7

CTL plate: Summary of weighted-average f.o.b. prices for products 1-4 from the United States, Russia, and Ukraine[1]

Item	Number of quarters	Low price (per short ton)	High price (per short ton)	Change in price (percent)[2]
Product 1:				
United States	14	660.04	842.46	(20.7)
Product 2:				
United States	14	613.15	853.66	(28.2)
Russia	6	***	***	***
Ukraine	1	***	***	***
Product 3:				
United States	14	600.29	861.50	(30.3)
Russia	14	***	***	***
Ukraine	2	***	***	***
Product 4:				
United States	14	669.31	915.48	(25.8)
Russia	3	***	***	***
Ukraine	2	***	***	***

[1] U.S. importers of Chinese product did not report pricing product data.

[2] Percentage change from the first quarter in which data were available to the last quarter in which price data were available.

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

Price comparisons

Prices for CTL plate imported from Russia were below those for U.S.-produced product in 12 of 23 instances; margins of underselling ranged from 0.1 percent to 11.6 percent (table V-8). In the remaining 11 instances, prices for CTL plate from Russia were between 2.0 percent to 24.6 percent above prices for the domestic product. Prices for CTL plate imported from Ukraine were below those for U.S.-produced product in 2 of 5 instances; margins of underselling ranged from 1.9 percent to 4.7 percent. In the remaining 3 instances, prices for CTL plate from Ukraine were between 0.6 percent to 8.1 percent above prices for the domestic product.

Table V-8

CTL plate: Instances of underselling/overselling and the range and average of margins, by country[1], January 2012-June 2015[2]

Source	Underselling				
	Number of quarters	Quantity (units)	Average margin (percent)	Margin range (percent)	
				Min	Max
Russia	12	29,896	4.9	0.1	11.6
Ukraine	2	6,294	3.3	1.9	4.7
Total	14	36,190	4.7	0.1	11.6
Source	**(Overselling)**				
	Number of quarters	**Quantity (units)**	**Average margin (percent)**	**Margin range (percent)**	
				Min	**Max**
Russia	11	6,699	(12.0)	(2.0)	(24.6)
Ukraine	3	2,889	(4.4)	(0.6)	(8.1)
Total	14	9,588	(10.4)	(2.0)	(24.6)

[1] Prices for subject imports from China were not reported.

[2] In the original investigations, CTL plate from China undersold comparable domestic plate in 69 of 78 comparisons; CTL plate from Russia undersold comparable domestic plate in 54 of 55 comparisons; and CTL plate from Ukraine undersold comparable domestic plate in all 59 comparisons. In the first reviews, CTL plate from China undersold comparable domestic plate in 33 of 59 comparisons; CTL plate from Russia undersold comparable domestic plate in 39 of 47 comparisons; and CTL plate from Ukraine undersold comparable domestic plate in 20 of 39 comparisons (margins were calculated to sales to service centers/distributors/processors and end users separately). In the second reviews, CTL plate from China undersold comparable domestic plate in 4 of 9 comparisons, with underselling margins ranging from 0.9 to 16.5 percent; CTL plate from Russia undersold comparable domestic plate in 22 of 49 comparisons, with underselling margins ranging from less than 0.05 to 72.4 percent; and CTL plate from Ukraine undersold comparable domestic plate in 16 of 27 comparisons, with underselling margins ranging from 3.7 to 29.6 percent.

Source: Compiled from data submitted in response to Commission questionnaires and original, first review, and second review Staff Reports.

Purchasers' perceptions of relative price trends

Purchasers were asked how the prices of CTL plate from the United States had changed relative to the prices of CTL plate from China, Russia, and Ukraine since 2009. Thirteen responding purchasers reported that the price of U.S.-produced CTL plate has changed by the same amount as the price of imported CTL plate from China, Russia, or Ukraine. Four purchasers, ***, reported that the price of U.S.-produced CTL plate had changed relative to the price of imported CTL plate from China, Russia, or Ukraine. *** reported that U.S. CTL plate prices are relatively higher than those of China, Russia, and Ukraine. *** reported that U.S. CTL plate prices are relatively higher than those of Russia and Ukraine. *** reported that U.S. CTL plate prices are relatively higher than those of Russia but lower than those of Ukraine.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
79 FR 59216 October 1, 2014	*Initiation of Five-Year ("Sunset") Review*	https://www.federalregister.gov/articles/2014/10/01/2014-23410/initiation-of-five-year-sunset-review
79 FR 59294 October 1, 2014	*Cut-To-Length Carbon Steel Plate From China, Russia, and Ukraine; Institution of Five-Year Reviews*	https://www.federalregister.gov/articles/2014/10/01/2014-23070/cut-to-length-carbon-steel-plate-from-china-russia-and-ukraine-institution-of-five-year-reviews
80 FR 2443 January 5, 2015	*Cut-to-Length Carbon Steel Plate From China, Russia, and Ukraine: Notice of Commission Determinations To Conduct Full Five-Year Reviews*	https://www.federalregister.gov/articles/2015/01/16/2015-00585/cut-to-length-carbon-steel-plate-from-china-russia-and-ukraine-notice-of-commission-determinations
80 FR 6051 February 4, 2015	*Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*	https://www.federalregister.gov/articles/2015/02/04/2015-02202/certain-cut-to-length-carbon-steel-plate-from-the-peoples-republic-of-china-final-results-of-the
80 FR 6052 February 4, 2015	*Certain Cut-to-Length Carbon Steel Plate From the Russian Federation and Ukraine; Final Results of the Expedited Third Sunset Reviews of the Suspension Agreements*	https://www.federalregister.gov/articles/2015/02/04/2015-02201/certain-cut-to-length-carbon-steel-plate-from-the-russian-federation-and-ukraine-final-results-of

Table continued on the following page.

Citation	Title	Link
80 FR 15251 March 16, 2015	*Cut-to-Length Carbon Steel Plate From China, Russia, and Ukraine; Scheduling of Full Five-Year Reviews*	https://www.federalregister.gov/articles/2015/03/23/2015-06439/cut-to-length-carbon-steel-plate-from-china-russia-and-ukraine-scheduling-of-full-five-year-reviews
Note.–The press release announcing the Commission's determinations concerning adequacy and the conduct of a full or expedited review can be found at http://usitc.gov/press_room/news_release/2015/er0105ll259.htm. The Commission's explanation of its determinations can be found at http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11725.		

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject:	Cut-to-Length Carbon Steel Plate from China, Russia, and Ukraine
Inv. Nos.:	731-TA-753, 754 and 756 (Third Review)
Date and Time:	September 29, 2015 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 E Street (room 101), SW, Washington, DC.

CONGRESSIONAL APPEARANCES:

The Honorable Peter J. Visclosky, U.S. Representative, 1st District, Indiana

The Honorable David Loebsack, U.S. Representative, 2nd District, Iowa

EMBASSY APPEARANCE:

Embassy of Ukraine
Washington, DC

Ihor Baranetskyi, First Secretary

OPENING REMARKS:

In Support of Continuation (**Roger B. Schagrin**, Schagrin Associates)
In Opposition to Continuation (**Craig A. Lewis**, Hogan Lovells US LLP)

In Support of the Continuation of the
Antidumping Duty Orders:

Wiley Rein LLP
Washington, DC
on behalf of

Nucor Corporation

Chad Utermark, Executive Vice President of Beam and Flat Products, Nucor Corporation

Jeff Whiteman, Sales Manager, Nucor Corporation

Alan H. Price)
Christopher B. Weld) – OF COUNSEL
Laura El-Sabaawi)

Kelley Drye & Warren LLP
Washington, DC
on behalf of

ArcelorMittal USA LLC ("AMUSA")

Jeffrey W. Unruh, Director, Plate Products, AMUSA

Benjamin Rosenberg, Product Manager, Plate Products, AMUSA

Holly Hart, Assistant to the International President and Legislative Director, United Steelworkers

Michael Kerwin, Director, Georgetown Economic Services

Gina Beck, Economic Consultant, Georgetown Economic Services

Kathleen W. Cannon)
Paul C. Rosenthal) – OF COUNSEL
R. Alan Luberda)

In Support of the Continuation of the Antidumping Duty Orders (continued):

Schagrin Associates
Washington, DC
on behalf of

SSAB Enterprises, LLC

Jeff Moskaluk, Vice President *and* Chief Commercial Officer, SSAB Enterprises, LLC

Roger B. Schagrin) – OF COUNSEL

In Opposition of the Continuation of the Antidumping Duty Orders:

Hogan Lovells US LLP
Washington, DC
on behalf of

Metinvest

Svitlana Romanova, Chief Legal Officer *and* Executive Committee Member, Metinvest Holding

Ivan Iurchenko, Legal Counsel, Metinvest Holding

Yuriy Shvetsov, Sales Representative, USA and Canada, Metinvest Holding

Maryna Ziborova, Sales Manager, Metinvest Holding

Thomas J. Prusa, PhD, Professor of Economics, Rutgers University

Craig A. Lewis)
Jonathan T. Stoel) -- OF COUNSEL
Wesley V. Carrington)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation **(Paul C. Rosenthal** and **Kathleen W. Cannon**, Kelley Drye & Warren LLP)
In Opposition to Continuation **(Jonathan T. Stoel**, Hogan Lovells US LLP)

APPENDIX C

SUMMARY DATA

Table C-1
CTL plate: Summary data concerning the U.S. market, 2012-14, January to June 2014, and January to June 2015

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2012	2013	2014	2014	2015	2012-14	2012-13	2013-14	2014-15
U.S. consumption quantity:									
Amount	7,848,696	7,595,999	8,674,205	4,205,788	3,836,456	10.5	(3.2)	14.2	(8.8)
Producers' share (fn1)	85.9	91.6	81.5	84.1	82.7	(4.4)	5.7	(10.1)	(1.5)
Importers' share (fn1):									
China	0.1	0.0	0.1	0.1	0.1	(0.0)	(0.0)	0.0	0.1
Russia	0.4	0.0	0.7	0.6	0.3	0.4	(0.3)	0.7	(0.2)
Ukraine	0.2	0.0	0.0	0.0	0.1	(0.2)	(0.2)	0.0	0.1
Subject sources	0.6	0.1	0.8	0.7	0.6	0.2	(0.5)	0.7	(0.1)
All others sources	13.5	8.3	17.7	15.2	16.8	4.2	(5.2)	9.4	1.6
Total imports	14.1	8.4	18.5	15.9	17.3	4.4	(5.7)	10.1	1.5
U.S. consumption value:									
Amount	6,737,086	5,762,386	7,071,562	3,362,762	2,854,650	5.0	(14.5)	22.7	(15.1)
Producers' share (fn1)	84.6	90.2	81.6	84.1	81.8	(3.0)	5.6	(8.5)	(2.3)
Importers' share (fn1):									
China	0.2	0.1	0.1	0.1	0.2	(0.1)	(0.1)	0.0	0.1
Russia	0.3	0.0	0.6	0.4	0.3	0.3	(0.3)	0.6	(0.1)
Ukraine	0.2	0.0	0.0	0.0	0.1	(0.2)	(0.2)	0.0	0.1
Subject sources	0.7	0.1	0.7	0.6	0.6	0.0	(0.6)	0.6	0.1
All others sources	14.8	9.7	17.7	15.3	17.6	2.9	(5.0)	7.9	2.3
Total imports	15.4	9.8	18.4	15.9	18.2	3.0	(5.6)	8.5	2.3
U.S. imports from:									
China:									
Quantity	6,224	2,923	5,933	3,563	5,548	(4.7)	(53.0)	103.0	55.7
Value	10,804	3,646	7,304	3,991	5,897	(32.4)	(66.3)	100.3	47.8
Unit value	$1,736	$1,247	$1,231	$1,120	$1,063	(29.1)	(28.1)	(1.3)	(5.1)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Russia:									
Quantity	27,652	2,791	61,585	24,250	12,607	122.7	(89.9)	2,106.4	(48.0)
Value	21,149	1,678	41,271	15,068	9,509	95.1	(92.1)	2,359.0	(36.9)
Unit value	$765	$601	$670	$621	$754	(12.4)	(21.4)	11.4	21.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Ukraine:									
Quantity	14,728	0	3	3	3,560	(100.0)	(100.0)	fn2	124,942.2
Value	13,171	0	5	5	2,512	(100.0)	(100.0)	fn2	48,738.8
Unit value	$894	$0	$1,806	$1,806	$705	102.0	(100.0)	fn2	(60.9)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	48,604	5,714	67,520	27,815	21,716	38.9	(88.2)	1,081.7	(21.9)
Value	45,124	5,324	48,580	19,063	17,918	7.7	(88.2)	812.5	(6.0)
Unit value	$928	$932	$719	$685	$825	(22.5)	0.4	(22.8)	20.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	1,058,973	631,868	1,537,833	639,621	643,480	45.2	(40.3)	143.4	0.6
Value	994,295	561,706	1,251,246	515,560	502,919	25.8	(43.5)	122.8	(2.5)
Unit value	$939	$889	$814	$806	$782	(13.3)	(5.3)	(8.5)	(3.0)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Total imports:									
Quantity	1,107,576	637,581	1,605,353	667,436	665,196	44.9	(42.4)	151.8	(0.3)
Value	1,039,419	567,030	1,299,826	534,623	520,837	25.1	(45.4)	129.2	(2.6)
Unit value	$938	$889	$810	$801	$783	(13.7)	(5.2)	(9.0)	(2.3)
Ending inventory quantity	25,677	28,681	43,633	49,673	24,697	69.9	11.7	52.1	(50.3)

Table continued --

Table C-1--Continued
CTL plate: Summary data concerning the U.S. market, 2012-14, January to June 2014, and January to June 2015

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2012	2013	2014	2014	2015	2012-14	2012-13	2013-14	2014-15
U.S. producers':									
Average capacity quantity	11,268,473	11,387,809	10,938,452	5,467,398	5,459,438	(2.9)	1.1	(3.9)	(0.1)
Production quantity	7,404,186	7,601,673	7,958,172	3,982,082	3,413,082	7.5	2.7	4.7	(14.3)
Capacity utilization (fn1)	65.7	66.8	72.8	72.8	62.5	7.0	1.0	6.0	(10.3)
U.S. shipments:									
Quantity	6,741,120	6,958,418	7,068,852	3,538,352	3,171,260	4.9	3.2	1.6	(10.4)
Value	5,697,667	5,195,356	5,771,736	2,828,139	2,333,813	1.3	(8.8)	11.1	(17.5)
Unit value	$845	$747	$817	$799	$736	(3.4)	(11.7)	9.4	(7.9)
Export shipments:									
Quantity	696,518	587,828	737,116	373,551	285,017	5.8	(15.6)	25.4	(23.7)
Value	589,925	440,323	619,671	304,025	210,546	5.0	(25.4)	40.7	(30.7)
Unit value	$847	$749	$841	$814	$739	(0.7)	(11.6)	12.2	(9.2)
Ending inventory quantity	303,057	316,138	391,628	346,858	325,775	29.2	4.3	23.9	(6.1)
Inventories/total shipments (fn1)	4.1	4.2	5.0	4.4	4.7	0.9	0.1	0.8	0.3
Production workers	4,364	4,270	4,124	4,026	3,865	(5.5)	(2.2)	(3.4)	(4.0)
Hours worked (1,000s)	9,034	8,902	8,822	4,399	4,104	(2.3)	(1.5)	(0.9)	(6.7)
Wages paid ($1,000)	311,725	312,193	320,340	154,153	144,424	2.8	0.2	2.6	(6.3)
Hourly wages	$34.51	$35.07	$36.31	$35.04	$35.19	5.2	1.6	3.5	0.4
Productivity (short tons per 1,000 hours)	819.6	853.9	902.1	905.2	831.6	10.1	4.2	5.6	(8.1)
Unit labor costs	$42.10	$41.07	$40.25	$38.71	$42.31	(4.4)	(2.5)	(2.0)	9.3
Net Sales:									
Quantity	6,639,560	6,791,575	6,988,909	3,512,104	3,061,638	5.3	2.3	2.9	(12.8)
Value	5,864,548	5,238,848	5,905,530	2,895,761	2,334,897	0.7	(10.7)	12.7	(19.4)
Unit value	$883	$771	$845	$825	$763	(4.3)	(12.7)	9.5	(7.5)
Cost of goods sold (COGS)	5,193,041	4,964,914	5,150,355	2,632,122	2,095,035	(0.8)	(4.4)	3.7	(20.4)
Gross profit or (loss)	671,507	273,934	755,175	263,639	239,862	12.5	(59.2)	175.7	(9.0)
SG&A expenses	198,848	190,283	168,587	85,518	86,979	(15.2)	(4.3)	(11.4)	1.7
Operating income or (loss)	472,659	83,651	586,588	178,121	152,883	24.1	(82.3)	601.2	(14.2)
Net income	299,648	(84,152)	434,176	113,496	80,803	44.9	fn2	fn2	(28.8)
Capital expenditures	159,175	117,624	142,523	66,573	33,657	(10.5)	(26.1)	21.2	(49.4)
Unit COGS	$782	$731	$737	$749	$684	(5.8)	(6.5)	0.8	(8.7)
Unit SG&A expenses	$30	$28	$24	$24	$28	(19.5)	(6.4)	(13.9)	16.7
Unit operating income or (loss)	$71	$12	$84	$51	$50	17.9	(82.7)	581.4	(1.5)
Unit net income or (loss)	$45	($12)	$62	$32	$26	37.7	fn2	fn2	(18.3)
COGS/sales (fn1)	88.5	94.8	87.2	90.9	89.7	(1.3)	6.2	(7.6)	(1.2)
Operating income or (loss)/sales (fn1)	8.1	1.6	9.9	6.2	6.5	1.9	(6.5)	8.3	0.4
Net income or (loss)/sales (fn1)	5.1	(1.6)	7.4	3.9	3.5	2.2	(6.7)	9.0	(0.5)

Notes:
fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

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

APPENDIX D

HISTORICAL DATA

Table I-1
CTL plate: Summary data from the original investigations, the first five-year reviews, and the current five-year reviews, 1994-2008
(Quantity = *short tons*; Value = *1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1994	1995	1996	1997	1998	1999
U.S. consumption quantity: Amount	7,918,112	7,745,003	8,675,485	7,348,408	8,938,897	6,538,528
Producers' share[1]	82.9	82.6	79.4	83.0	79.6	88.8
Importer's share: Chinal[1]	0.1	2.3	3.5	2.2	1.7	0.4
Russia[1]	2.9	3.0	2.9	2.2	1.3	0.3
Ukraine[1]	3.7	6.5	7.2	2.5	1.7	0.1
Subtotal, 3 subject countries:	6.7	11.8	13.6	6.9	4.7	0.8
South Africa	1.5	0.7	0.9	0.1	0.2	0.2
Subtotal, 4 countries	8.2	12.6	14.6	7.0	4.9	0.9
All other countries	8.9	4.9	6.0	10.0	15.4	10.3
Total imports[1]	17.1	17.4	20.6	17.0	20.4	11.2
U.S. consumption value: Amount	3,367,692	3,495,951	3,795,297	3,198,639	3,887,182	2,467,720
Producers' share[1]	84.3	83.8	81.6	84.1	80.6	88.3
Importer's share: China[1]	0.1	1.8	2.8	1.8	1.5	0.4
Russia[1]	2.1	2.2	2.1	1.7	1.0	0.2
Ukraine[1]	2.7	5.1	5.7	2.0	1.5	0.1
Subtotal, 3 subject countries:	4.9	9.1	10.6	5.5	4.0	0.7
South Africa	1.2	0.7	0.8	0.1	0.2	0.1
Subtotal, 4 countries:	6.1	9.8	11.4	5.5	4.2	0.8
All other countries	9.6	6.4	6.9	10.4	15.1	10.9
Total imports[1]	15.7	16.2	18.4	15.9	19.4	11.7

Table continued on next page.

Table I-1--*Continued*

2000	2001	2002	2003	2004	2005	2006	2007	2008
6,448,960	6,123,347	5,814,031	6,393,512	7,217,372	7,536,148	8,988,128	8,531,296	8,635,333
87.6	88.1	89.2	93.8	91.1	89.4	85.0	87.9	90.3
2.3	1.5	0.5	0.1	0.0	0.0	0.0	0.0	0.1
1.4	1.3	0.6	0.1	0.0	0.0	0.8	0.4	1.0
0.4	0.5	0.1	0.1	1.8	1.2	1.4	0.7	2.0
4.1	3.3	1.2	0.2	1.8	1.3	2.2	1.2	3.0
0.1	0.2	0.2	0.3	0.2	0.4	0.5	0.3	0.2
4.2	3.5	1.4	0.5	2.1	1.6	2.7	1.4	3.2
8.2	8.4	9.4	5.7	6.9	9.0	12.3	10.7	6.5
12.4	11.9	10.8	6.2	8.9	10.6	15.0	12.1	9.7
2,440,993	2,176,496	2,104,804	2,307,465	4,369,126	5,310,214	6,598,992	6,547,414	8,792,054
87.3	87.3	87.8	91.9	90.5	88.9	86.3	88.1	89.5
1.9	1.3	0.5	0.1	0.0	0.0	0.0	0.0	0.1
1.0	1.0	0.5	0.1	0.0	0.0	0.6	0.4	1.1
0.4	0.5	0.1	0.1	1.7	1.2	1.2	0.6	2.1
3.3	2.8	1.1	0.2	1.7	1.3	1.9	1.1	3.2
0.1	0.2	0.2	0.2	0.2	0.4	0.5	0.3	0.1
3.3	2.9	1.3	0.5	2.0	1.7	2.4	1.4	3.4
9.3	9.8	11.0	7.6	7.5	9.4	11.3	10.6	7.2
12.7	12.7	12.2	8.1	9.5	11.1	13.7	11.9	10.5

Table continued on next page.

Table I-1--*Continued*
CTL plate: Summary data from the original investigations, the first five-year reviews, and the current five-year reviews, 1994-2008
(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1994	1995	1996	1997	1998	1999
U.S. imports from--						
China						
Quantity	8,639	181,737	301,652	163,527	154,955	26,159
Value	2,836	62,271	105,874	56,247	56,471	9,003
Unit value	$328	$343	$351	$344	$364	$344
Russia:						
Quantity	230,156	234,255	252,396	158,509	117,614	17,390
Value	69,556	78,164	78,514	53,096	39,929	6,115
Unit value	$302	$334	$311	$335	$339	$352
Ukraine:						
Quantity	295,775	500,266	627,796	184,615	148,349	3,814
Value	92,085	179,955	217,574	63,018	59,955	1,904
Unit value	$311	$360	$347	$341	$404	$499
Subtotal, 3 subject countries:						
Quantity	534,570	916,258	1,181,844	506,651	420,918	47,363
Value	164,477	320,390	401,962	172,361	156,355	17,022
Unit value	$308	$350	$340	$340	$321	$359
South Africa:						
Quantity	115,468	56,110	81,544	7,945	21,177	10,561
Value	41,481	23,688	31,769	3,059	8,625	3,449
Unit value	$359	$422	$390	$385	$407	$327
Subtotal, 4 countries:						
Quantity	650,038	972,368	1,263,389	514,597	442,094	57,923
Value	205,957	344,078	433,731	175,420	164,980	20,471
Unit value	$317	$354	$343	$341	$373	$353
All other countries:						
Quantity	701,627	378,226	520,807	732,631	1,379,685	671,426
Value	322,594	222,665	263,404	333,633	588,526	269,054
Unit value	$460	$589	$506	$455	$427	$401
All countries:						
Quantity	1,351,665	1,350,595	1,784,195	1,247,228	1,821,779	729,349
Value	528,551	566,743	697,135	509,053	753,506	289,524
Unit value	$391	$420	$391	$408	$414	$397

Table continued on next page.

Table I-1--*Continued*

2000	2001	2002	2003	2004	2005	2006	2007	2008
151,126	91,510	31,138	6,036	1,393	2,836	4,113	3,453	4,360
46,031	28,309	10,980	2,428	1,488	1,719	3,191	3,214	5,714
$305	$309	$353	$402	$1,068	$606	$776	$931	$1,311
87,898	79,070	34,453	3,742	714	3,001	69,960	37,793	84,992
23,933	20,690	10,399	1,239	602	1,766	42,572	25,236	95,098
$272	$262	$302	$331	$843	$588	$609	$668	$1,119
28,627	31,316	5,650	4,724	129,159	89,275	122,420	57,700	173,945
8,884	9,899	2,184	1,709	73,854	64,765	81,432	40,885	182,276
$310	$316	$387	$362	$572	$725	$665	$709	$1,048
267,651	201,896	71,241	14,502	131,265	95,113	196,494	98,947	263,298
78,848	58,898	23,563	5,375	75,943	68,250	127,195	69,335	283,089
$295	$292	$331	$371	$579	$718	$647	$701	$1,075
5,771	10,992	11,889	16,086	17,646	27,588	45,401	23,556	13,689
1,983	3,665	3,484	5,564	9,848	20,926	32,350	20,656	12,771
$344	$333	$293	$346	$558	$759	$713	$877	$933
273,422	212,888	83,130	30,588	148,911	122,701	241,895	122,503	276,987
80,830	62,563	27,046	10,939	85,792	89,176	159,545	89,991	295,860
$296	$294	$325	$358	$576	$727	$660	$735	$1,068
529,085	515,870	546,414	364,865	494,934	678,213	1,107,152	911,418	588,405
227,994	213,188	230,775	175,718	328,487	501,692	747,347	791,682	629,559
$431	$413	$422	$482	$664	$740	$675	$759	$1,127
802,507	728,758	629,543	395,453	643,845	800,913	1,349,047	1,033,921	835,392
308,824	275,751	257,821	186,658	414,278	590,868	906,892	781,673	925,418
$385	$378	$410	$472	$643	$738	$672	$756	$1,108

Table continued on next page.

Table I-1--*Continued*
CTL plate: Summary data from the original investigations, the first five-year reviews, and the current five-year reviews, 1994-2008
(Quantity=*short tons*; value=*1,000 dollars*; unit values, unit labor costs, and unit financial data are *per short ton*)

Item	1994	1995	1996	1997	1998	1999
U.S. producers'-- Capacity quantity	9,064,709	8,960,893	9,222,170	8,667,033	10,010,548	9,431,014
Production quantity	6,676,099	6,532,841	6,942,185	6,330,510	7,419,073	6,088,967
Capacity utilization	73.6	72.9	75.3	73.0	74.1	64.6
U.S. shipments: Quantity	6,566,447	6,394,408	6,891,290	6,101,180	7,117,118	5,809,179
Value	2,839,141	2,929,208	3,098,162	2,689,586	3,133,676	2,178,196
Unit value	$432	$458	$449	$441	$440	$375
U.S. producers'-- Ending inventory quantity	313,570	336,100	317,594	428,270	500,751	446,738
Inventories/total shipments[1]	4.7	5.2	4.6	6.8	6.8	7.4
Production workers	7,489	7,383	7,778	7,577	7,979	6,522
Hours worked (*1,000 hours*)	16,596	16,667	17,332	17,212	18,087	14,277
Wages paid (*1,000 dollars*)	337,309	349,810	365,401	375,409	402,019	318,065
Hourly wages	$20.33	$20.99	$21.08	$21.81	$22.23	$22.28
Productivity (*tons/1,000 hours)*	402.3	392.0	400.5	364.0	406.8	422.6
Net sales: Quantity	6,344,407	6,280,227	6,711,412	5,586,050	6,690,581	5,153,254
Value	2,739,295	2,868,752	3,017,747	2,514,284	3,005,441	1,964,899
Unit value	$432	$457	$450	$450	$449	$381
Cost of goods sold	2,556,592	2,604,129	2,758,843	2,328,842	2,742,965	1,955,117
Gross profit or (loss)	182,703	264,623	258,904	185,442	262,476	9,782
SG&A	103,858	104,941	116,090	106,177	123,630	140,283
Operating income or (loss)	78,845	159,682	142,814	79,265	138,846	(130,501)
Unit cost of goods sold	$403	$415	$411	$417	$410	$379
Unit operating income or (loss)	$12	$25	$21	$14	$21	($25)
Cost of goods sold/sales[1]	93.3	90.8	91.4	92.6	91.3	99.5
Operating income or (loss)/sales[1]	2.9	5.6	4.7	3.2	4.6	(6.6)

[1] In percent.

Note.–The data presented in table I-1 include micro-alloy steel CTL plate for the period 2003-08. As discussed in greater detail later in this chapter, the Commission's "domestic like product" finding in the first reviews included micro-alloy steel CTL plate. However, data for the broader product were unavailable for portions of the period for which data were collected in the first reviews (specifically 1997 and 1998). Because the Commission's analysis by necessity focused on data for non-alloy steel CTL plate, these data are presented in table I-1 for the period 1997-2002.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics. *Certain Carbon Steel Plate from China, Russia, South Africa, and Ukraine*, *Inv. Nos. 731-TA-753-756 (Final)*, USITC Publication 3076, December 1997, table C-4; *Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review)*, USITC Publication 3626, September 2003, tables I-I, III-6, and C-1.

Table I-1--*Continued*

2000	2001	2002	2003	2004	2005	2006	2007	2008
9,258,670	8,340,306	8,181,782	9,612,515	9,358,706	9,824,667	10,420,197	10,464,249	10,882,642
5,861,042	5,669,296	5,625,598	6,464,022	7,129,899	7,337,156	8,515,159	8,463,676	8,583,931
63.3	68.0	68.8	67.2	76.2	74.7	81.7	80.9	78.9
5,646,453	5,394,589	5,184,488	5,998,059	6,573,527	6,735,235	7,639,081	7,497,375	7,799,941
2,132,169	1,900,745	1,846,983	2,120,807	3,954,848	4,719,346	5,692,100	5,765,741	7,866,636
$378	$352	$356	$354	$602	$701	$745	$769	$1,009
447,226	442,041	334,473	472,142	467,155	427,639	535,175	544,133	429,247
7.6	7.9	6.2	7.3	6.5	5.8	6.3	6.4	4.9
6,641	6,082	4,862	4,184	3,498	3,576	3,732	3,853	4,191
14,384	12,962	10,908	9,080	7,847	8,113	8,629	8,869	9,488
321,268	300,089	258,415	229,460	219,468	233,643	267,258	281,310	318,344
$22.34	$23.15	$23.69	$25.27	$27.97	$28.80	$30.97	$31.72	$33.55
405.5	435.6	513.8	627.7	789.4	793.3	880.2	858.0	820.6
4,926,278	4,960,783	4,981,996	5,686,152	6,170,413	6,365,139	7,436,868	7,447,725	7,655,181
1,875,286	1,771,524	1,752,442	2,089,064	3,876,161	4,716,691	5,678,021	5,940,911	7,818,382
$381	$358	$352	$367	$628	$741	$763	$798	$1,021
1,901,588	1,875,510	1,769,708	2,040,663	2,924,844	3,399,302	3,988,778	4,258,383	6,018,354
(26,302)	(103,986)	(17,266)	48,401	951,317	1,317,389	1,689,243	1,682,528	1,800,028
127,459	113,716	105,644	150,714	117,739	124,784	116,397	130,271	143,355
(153,761)	(217,702)	(122,910)	(102,313)	833,578	1,192,605	1,572,846	1,552,257	1,656,673
$386	$378	$355	$359	$474	$534	$536	$572	$786
($31)	($44)	($25)	($18)	$135	$187	$211	$208	$216
101.4	105.0	101.0	97.7	75.5	72.1	70.2	71.7	77.0
(8.2)	(12.3)	(7.0)	(4.9)	21.5	25.3	27.7	26.1	21.2

APPENDIX E

COMMENTS ON THE EXISTING ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Appendix E is business proprietary in its entirety