

**COLD-ROLLED STEEL FLAT PRODUCTS  
FROM THE UNITED KINGDOM  
Investigation No. 731-TA-1290 (Final)  
U.S. INTERNATIONAL TRADE COMMISSION**

HEARING STATEMENT OF RICHARD O. CUNNINGHAM  
COUNSEL TO TATA STEEL UK

Our testimony for Tata Steel UK will be given first by Bruce Malashevich of Economic Consulting Services; and second, by Christopher McCarthy, President of Tata Steel International (Americas).

Before turning to Mr. Malashevich, however, I want to direct your attention to three charts and one set of tables that tell you all you need to know about this case.

Exhibit 1 to my testimony simply shows the monthly trend of subject imports. It completely invalidates any contention that there is any causal link between subject imports and any injury suffered by the U.S. industry. Imports were up sharply in 2014, but that was a spectacularly successful year for the U.S. mills. Their only claim of injury must focus on the decline in their results in 2015. But that injury could not have been caused by these imports, because they began a sharp decline in November 2014 and have since fallen 86%!

What happened, of course, was that U.S. consumption declined in 2015 by a substantially greater amount than US mills' production or shipments.

Exhibit 2 is a confidential table from page 15 of our prehearing brief. It shows quite clearly that any adverse results in 2015 were not industry-wide, but rather were experienced by a single company. Imports would have affected all companies similarly, so this suggests that the injurious factor was something else, specific to that company.

Exhibit 3 shows the relationship between cold-rolled prices and the prices of raw materials. This is the same pattern you addressed recently in Pneumatic Tires from China, on the basis of which you found that there was neither price depression nor price suppression. That conclusion will be reinforced by Mr. Malashevich in just a moment..

This is simply not a present injury case, so let me say two things about threat.

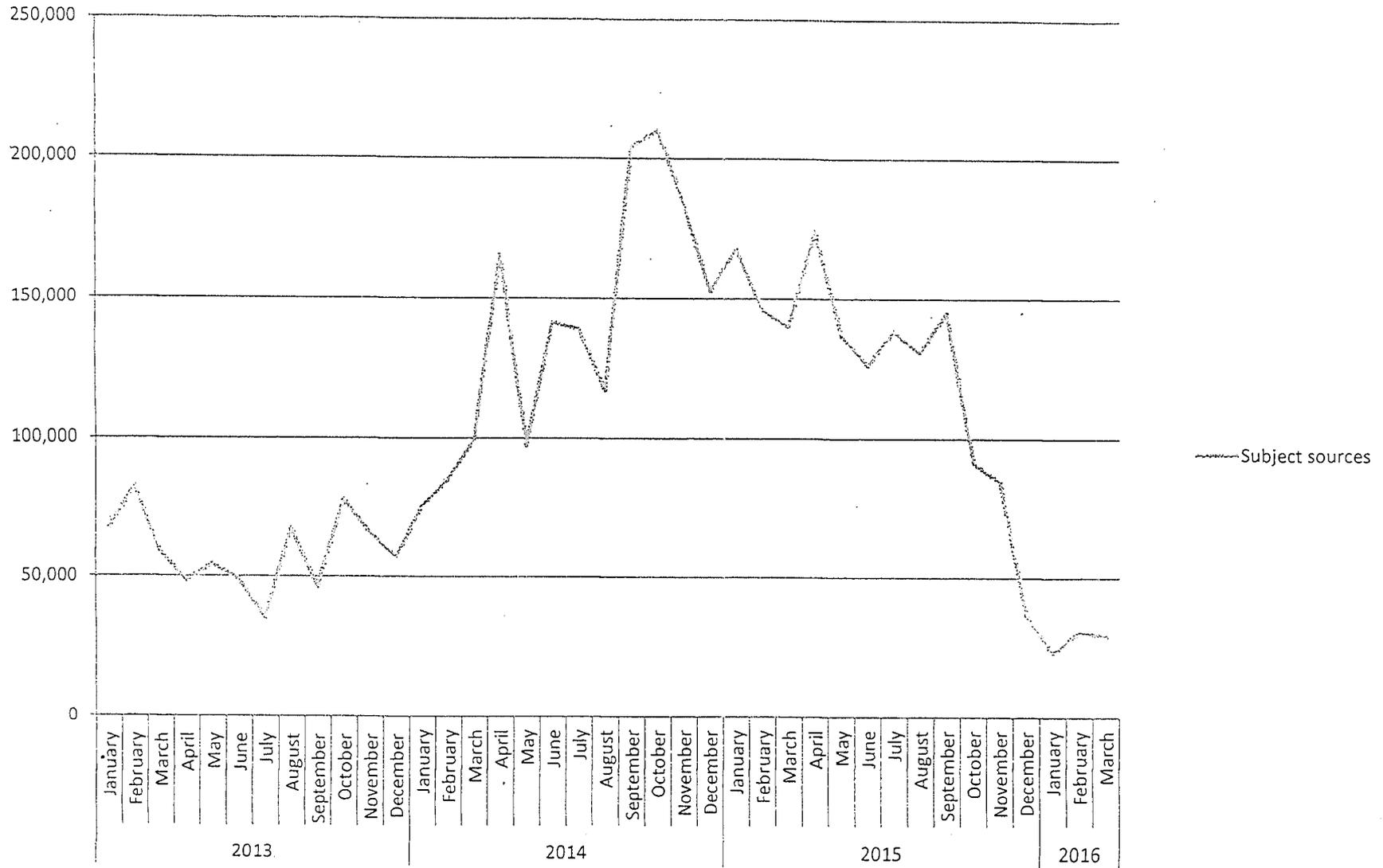
First let's go back to Exhibit 1. I cannot recall this Commission ever finding threat where imports have fallen 86%, beginning eight months before the case was filed.

Second, you really need to de-cumulate when you assess threat. Exhibit 4 quite dramatically shows the remarkably different patterns of these various countries' imports. Our prehearing brief discusses this at pages 25-28.

Finally, one more look at Exhibit 1. Why did imports increase, beginning in April 2014 and ending in October? In the preliminary investigation, we analyzed in great detail the U.S. producer supply disruptions caused in 2014 by extraordinary winter conditions and by U.S. mill outages and closures. That led to a scramble for supply, and then later to inventory build-up (from U.S. mills) in anticipation of possible supply disruptions in the 2014-15 winter. We will talk about this more in our post hearing brief.

# Exhibit 1

## Total Imports of Cold-Rolled from Subject Sources Jan 2013-March 2016



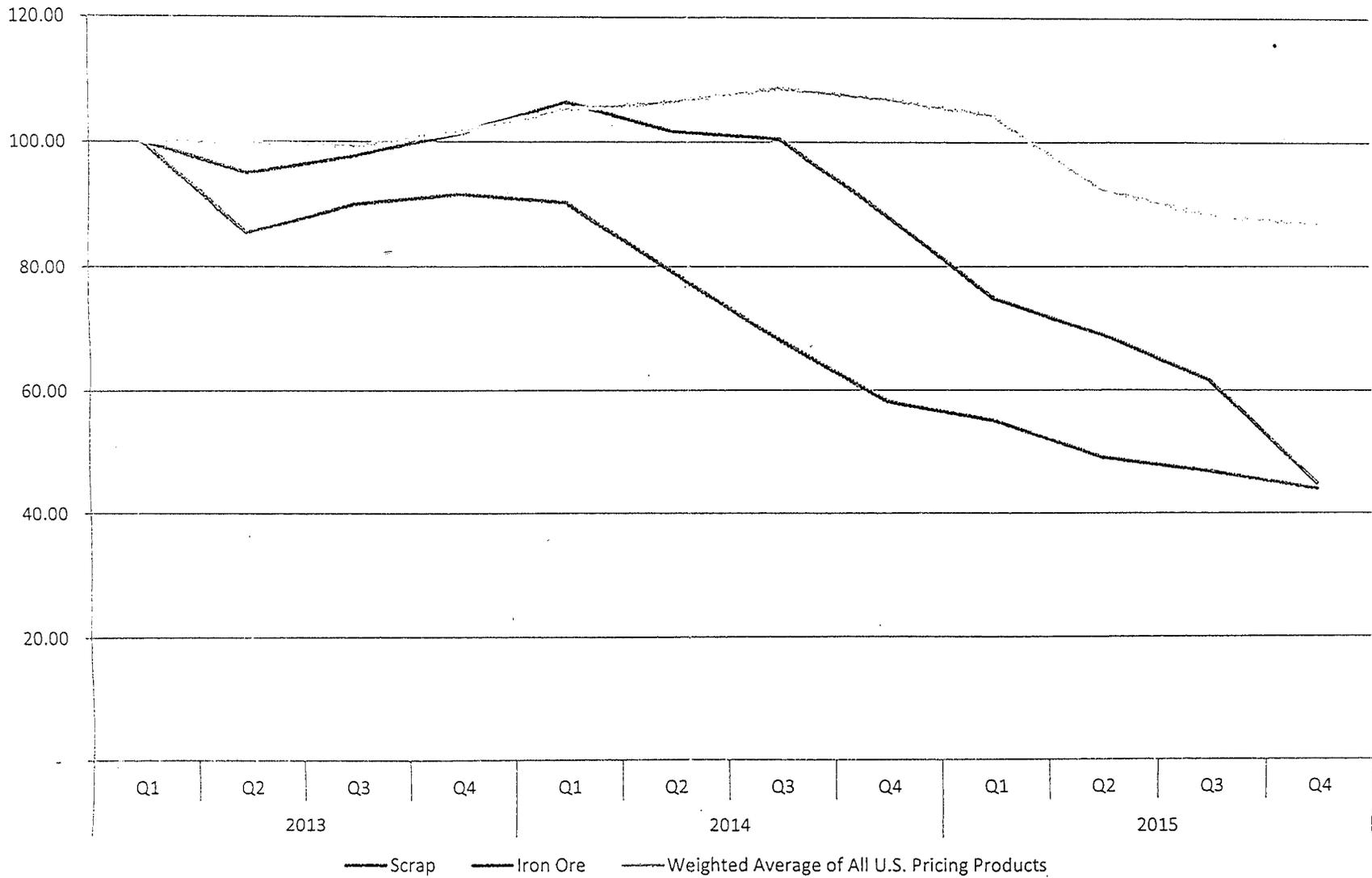
Source: PSR at IV-11

**Exhibit 2 – Confidential**

[Table from page 15 of Tata Steel UK Prehearing Brief]

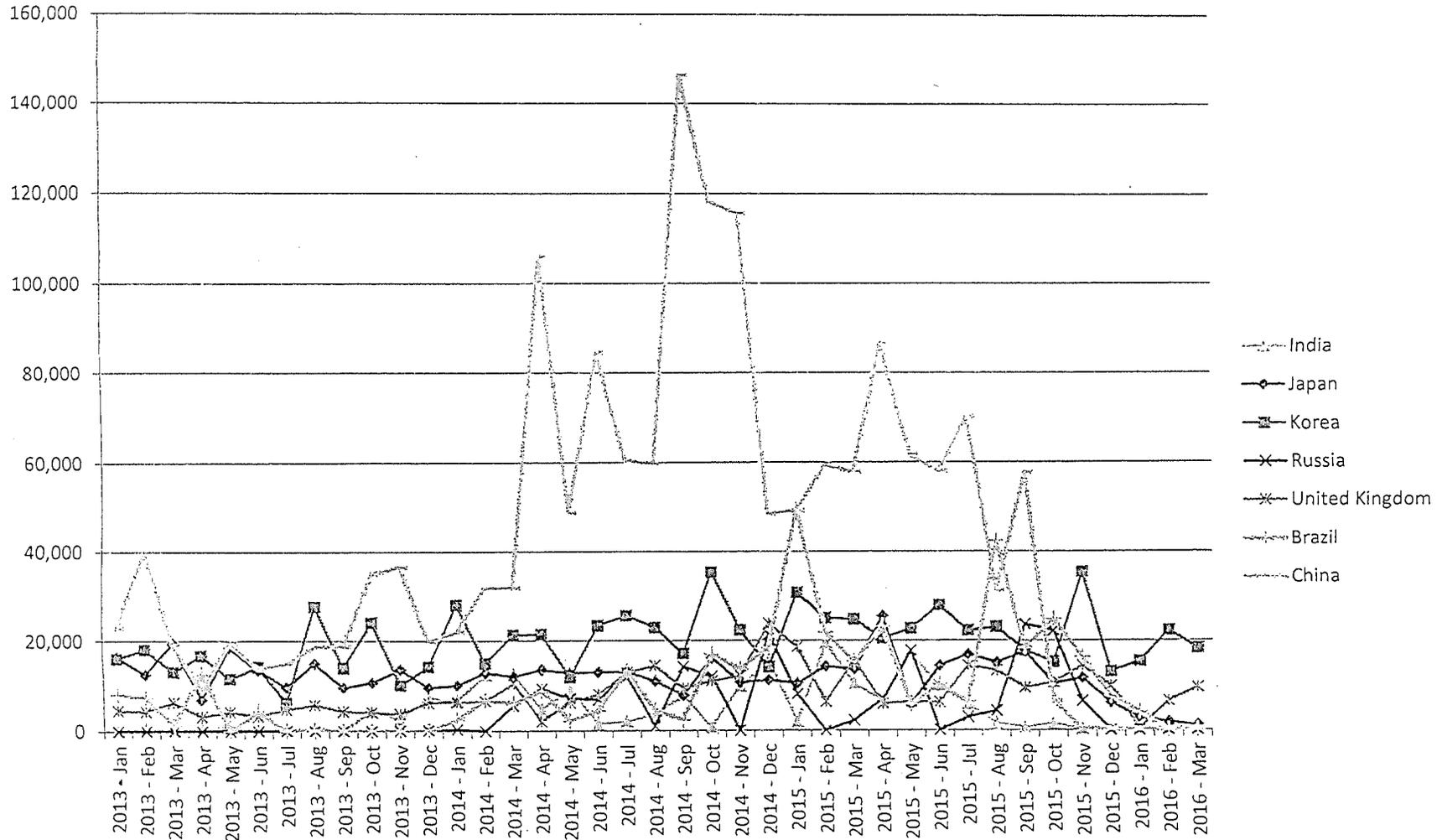
### Exhibit 3

#### Quarterly Change in Weighted Average Cold Rolled Steel, Scrap and Iron Ore (Index Q1 2013 = 100)



# Exhibit 4

## Total Imports of Cold-Rolled from Subject Sources Jan 2013-Mar 2016



Source: PSR at IV-11