



ECONOMIC CONSULTING SERVICES, LLC

**BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**IN THE MATTER
OF
HOT-ROLLED STEEL FLAT PRODUCTS FROM AUSTRALIA, BRAZIL, JAPAN,
KOREA, THE NETHERLANDS, TURKEY, AND THE UNITED KINGDOM**

Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297

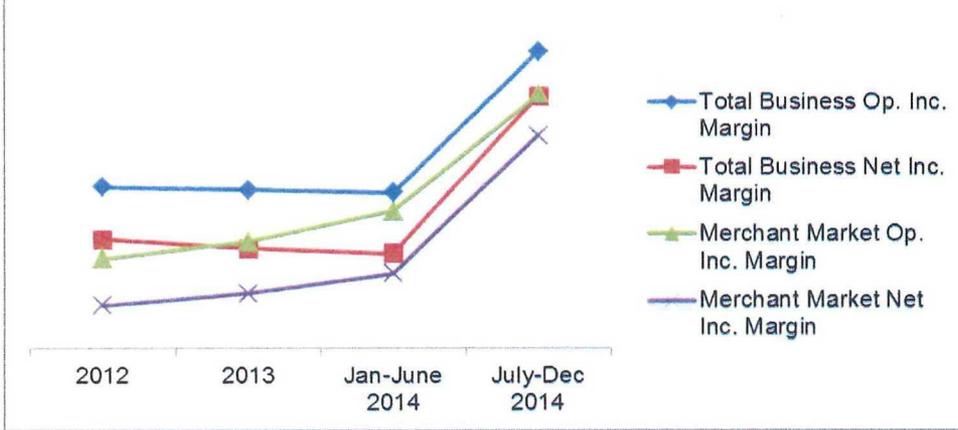
**EXHIBITS TO TESTIMONY OF
JIM DOUGAN
VICE PRESIDENT
ECONOMIC CONSULTING SERVICES, LLC**

September 1, 2015

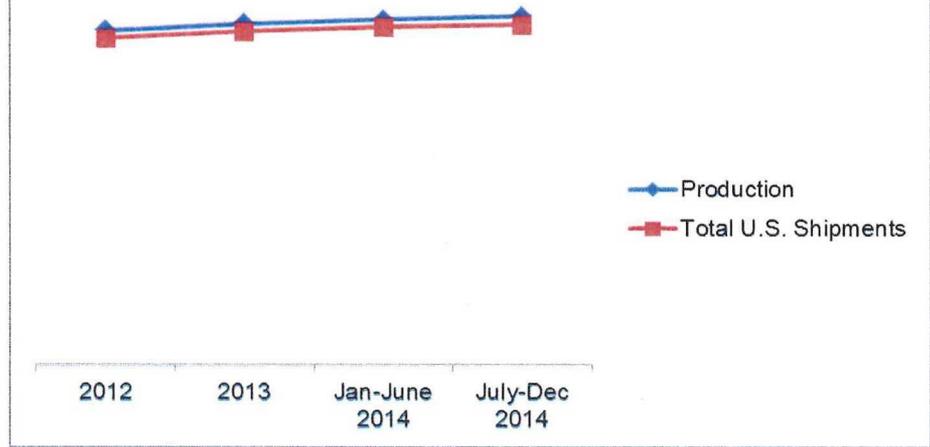
Washington, D.C.

U.S. Producers' Indicia Improved Through the End of 2014

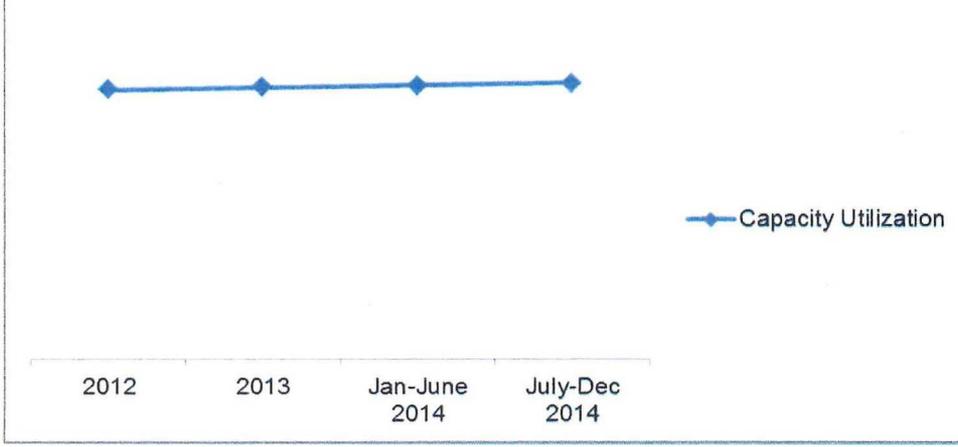
Operating Income and Net Income Margins Increased Dramatically in Second Half 2014



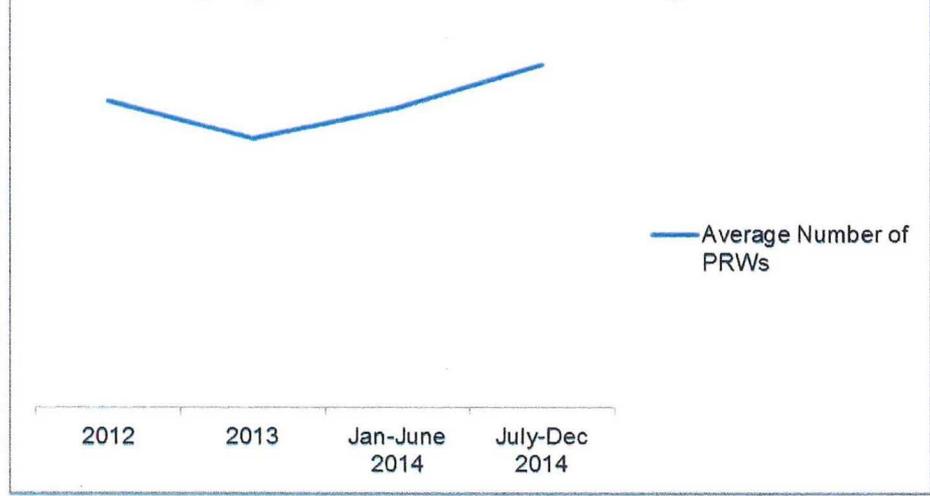
Production and Shipments Increased Steadily from 2012-2014



Capacity Utilization Increased Steadily from 2012-2014

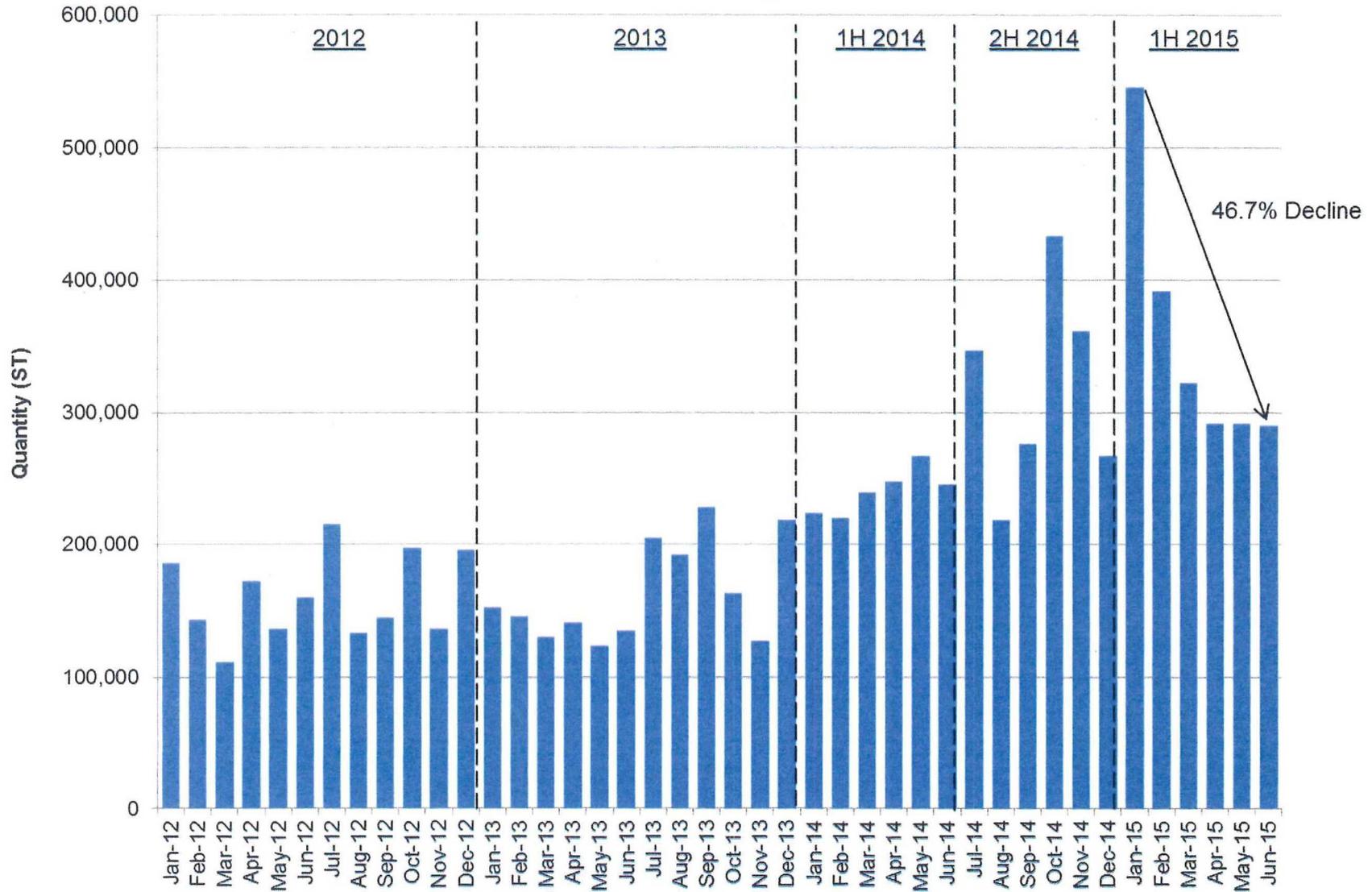


Employment Increased through 2014



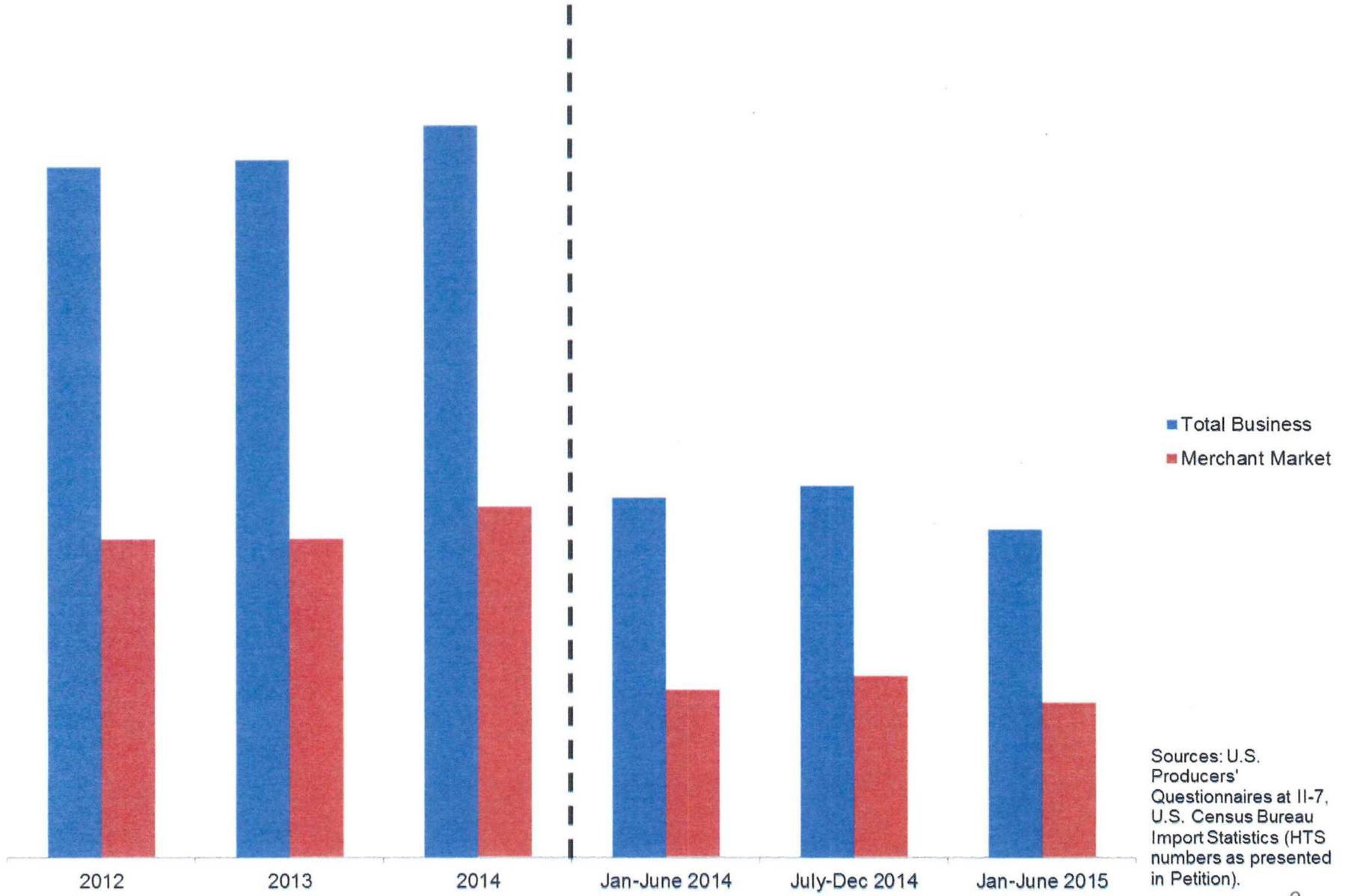
Sources: U.S. Producers' Questionnaires at II-7, II-9, III-9a, and III-9c.

The Volume of Subject Imports Has Declined Significantly from its Peak in January 2015

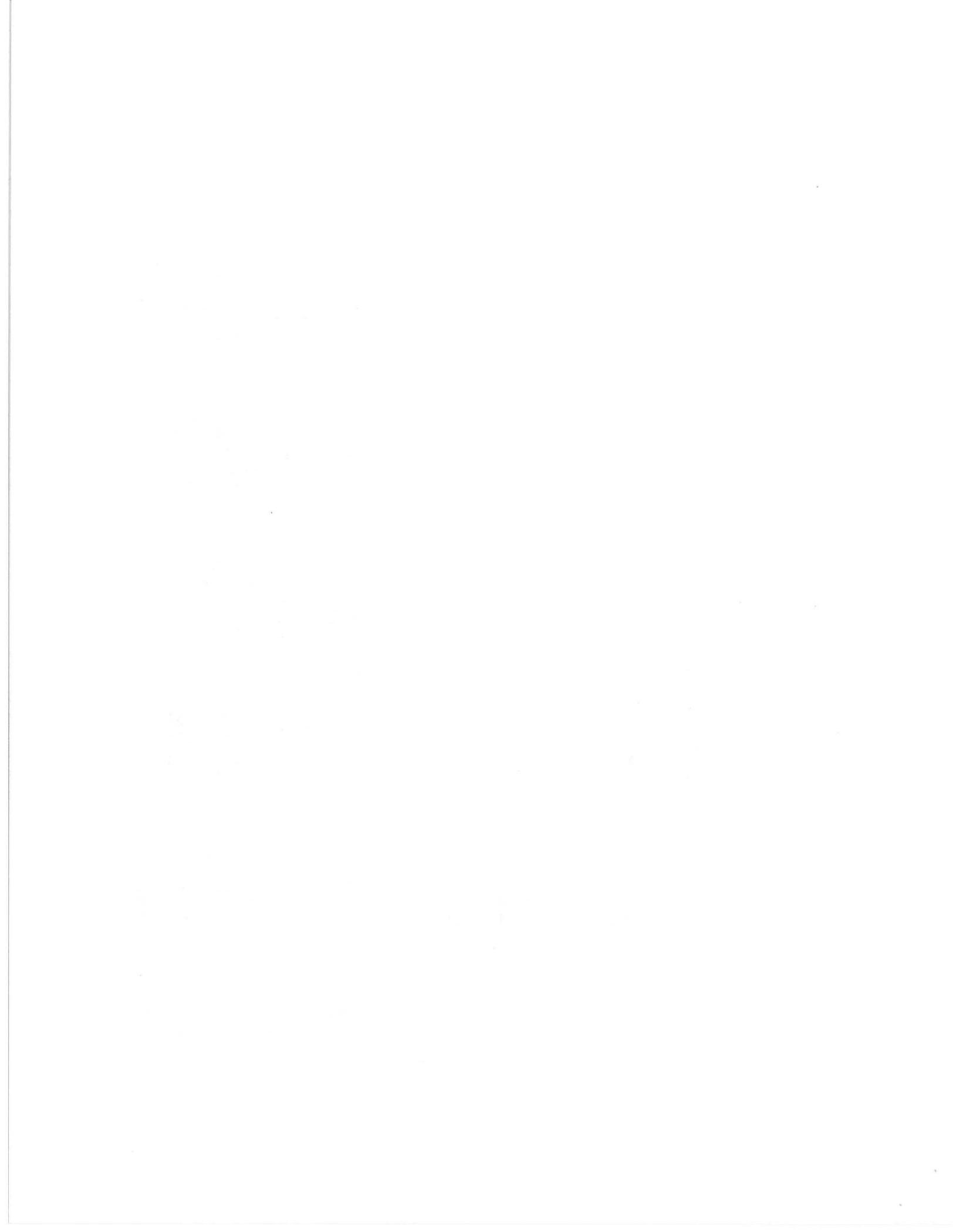


Source: U.S. Census Bureau Imports for Consumption, HTS Numbers as Presented in Petition.

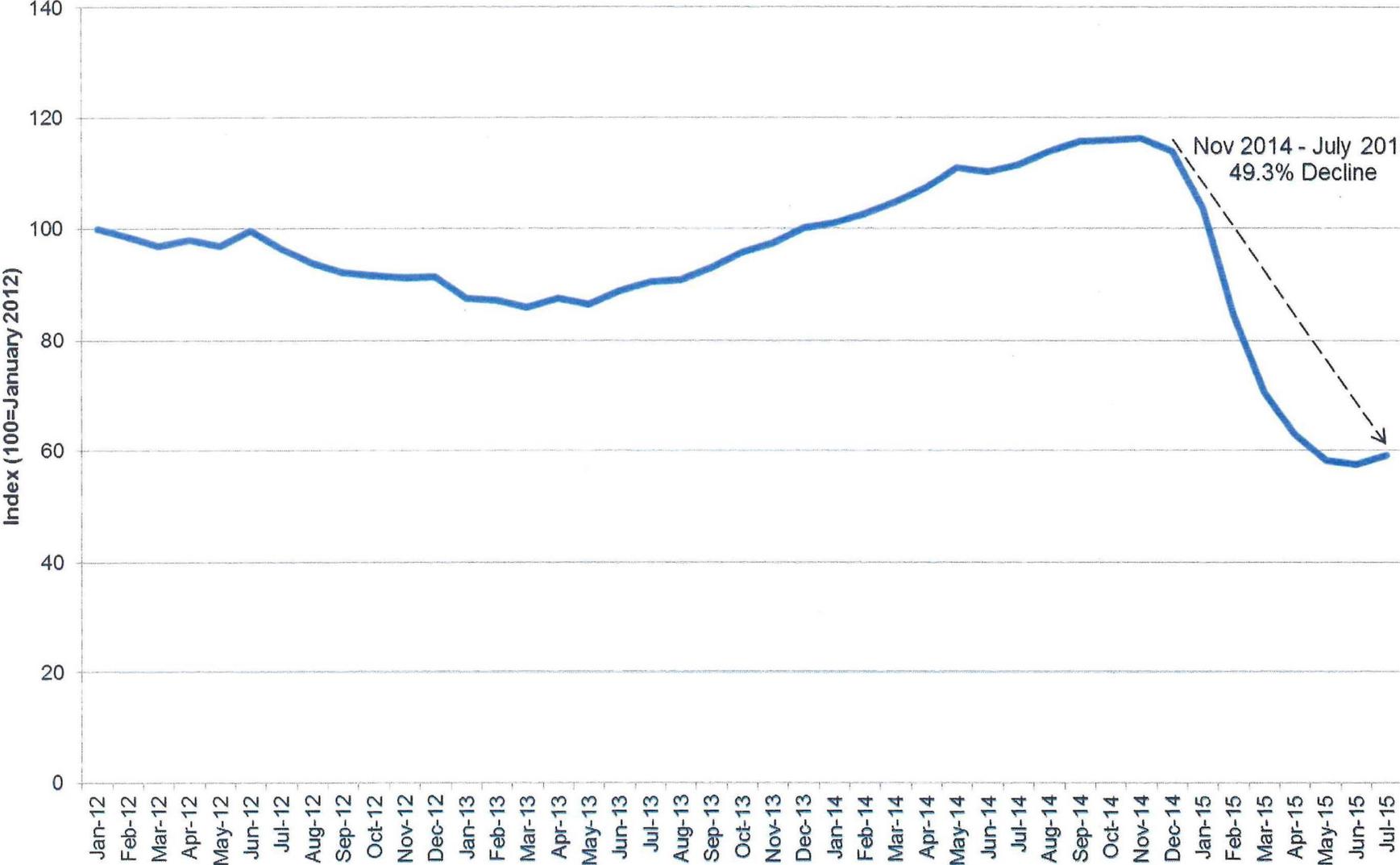
Demand Declined in 2015



Sources: U.S. Producers' Questionnaires at 11-7, U.S. Census Bureau Import Statistics (HTS numbers as presented in Petition).

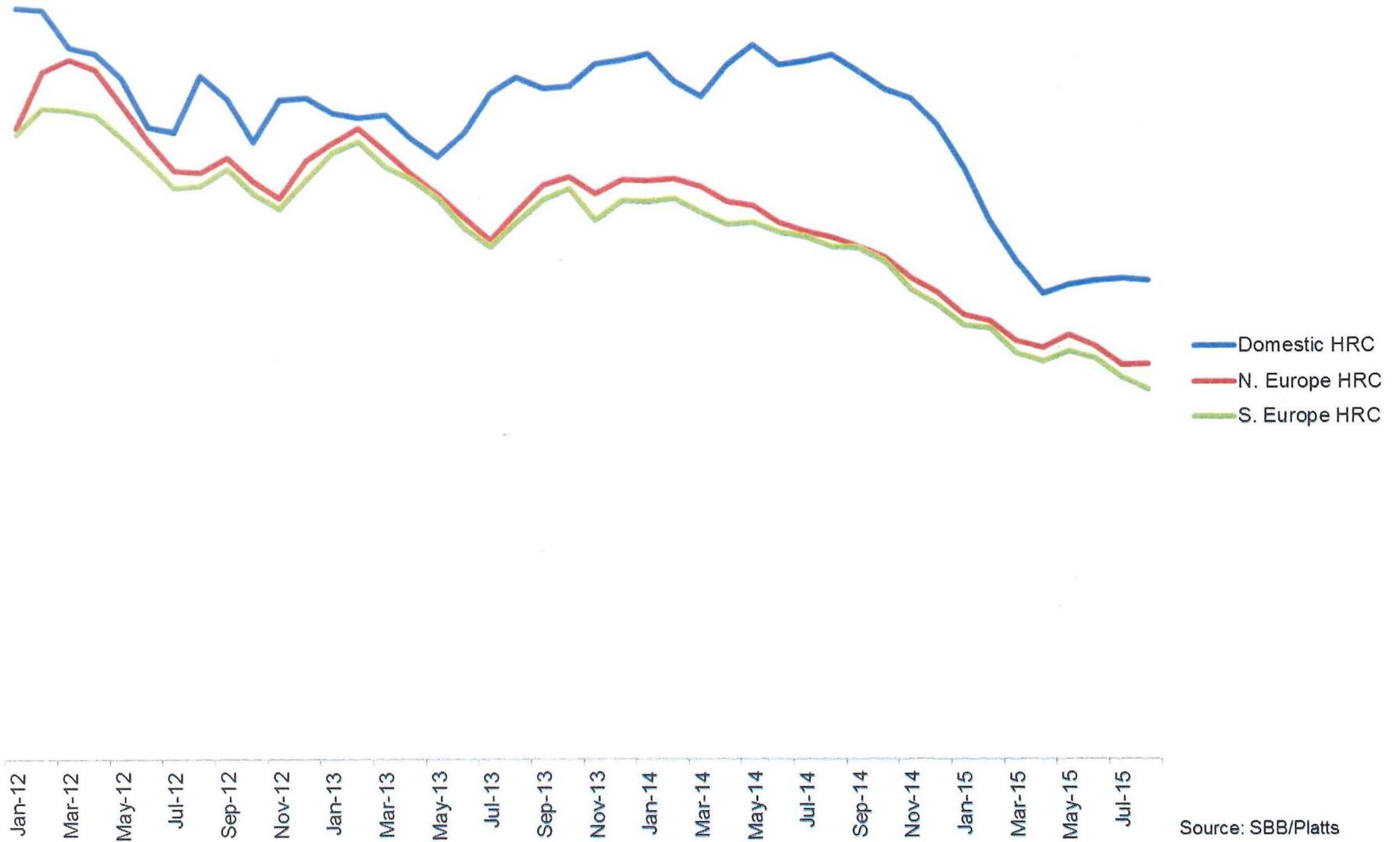


Monthly OCTG Consumption Plummeted in 2015



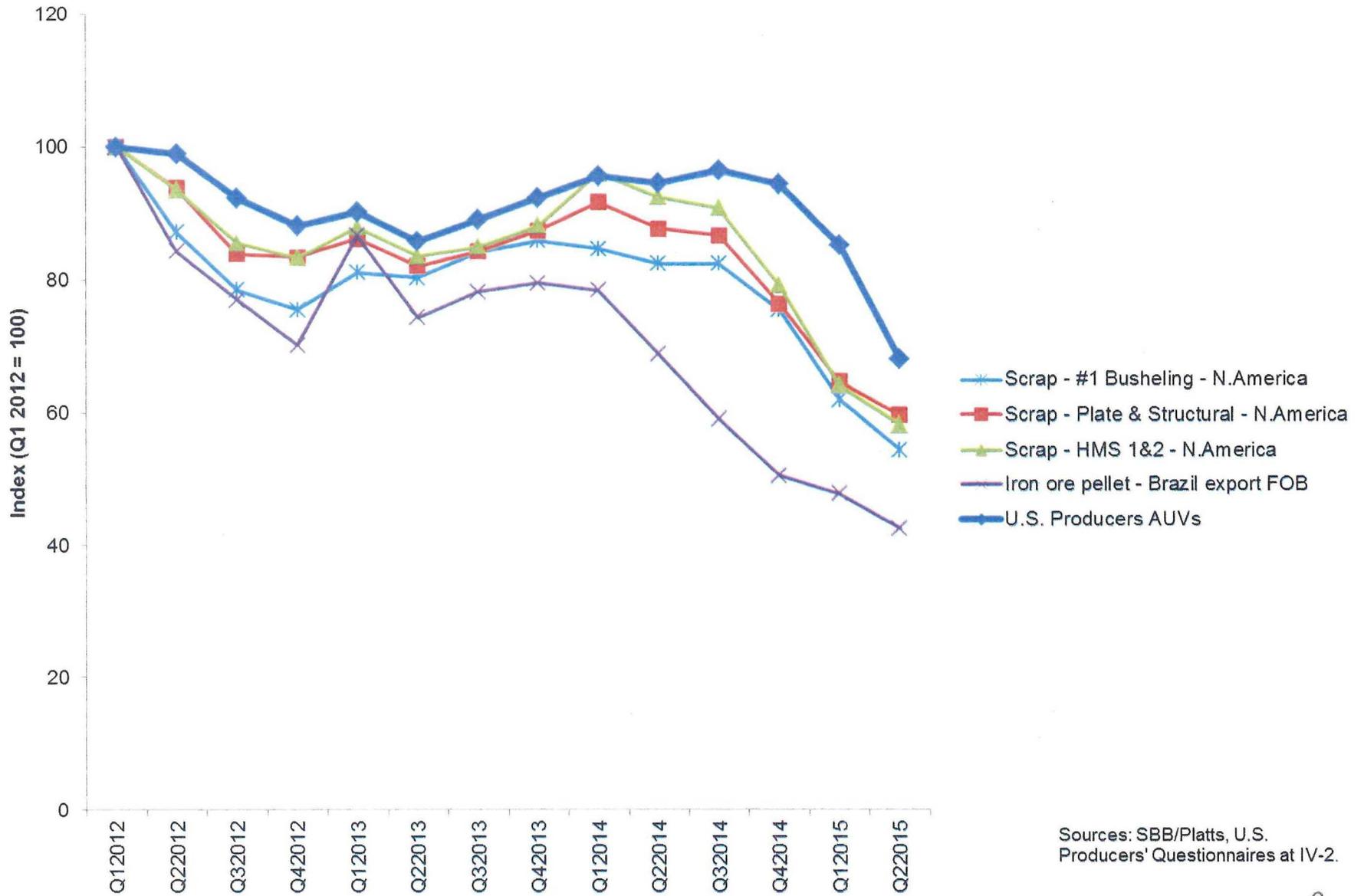
Source: Preston Pipe & Tube Report

Domestic HRC Prices are Higher than HRC Prices in Other Markets, and the Gap Widened in 2014



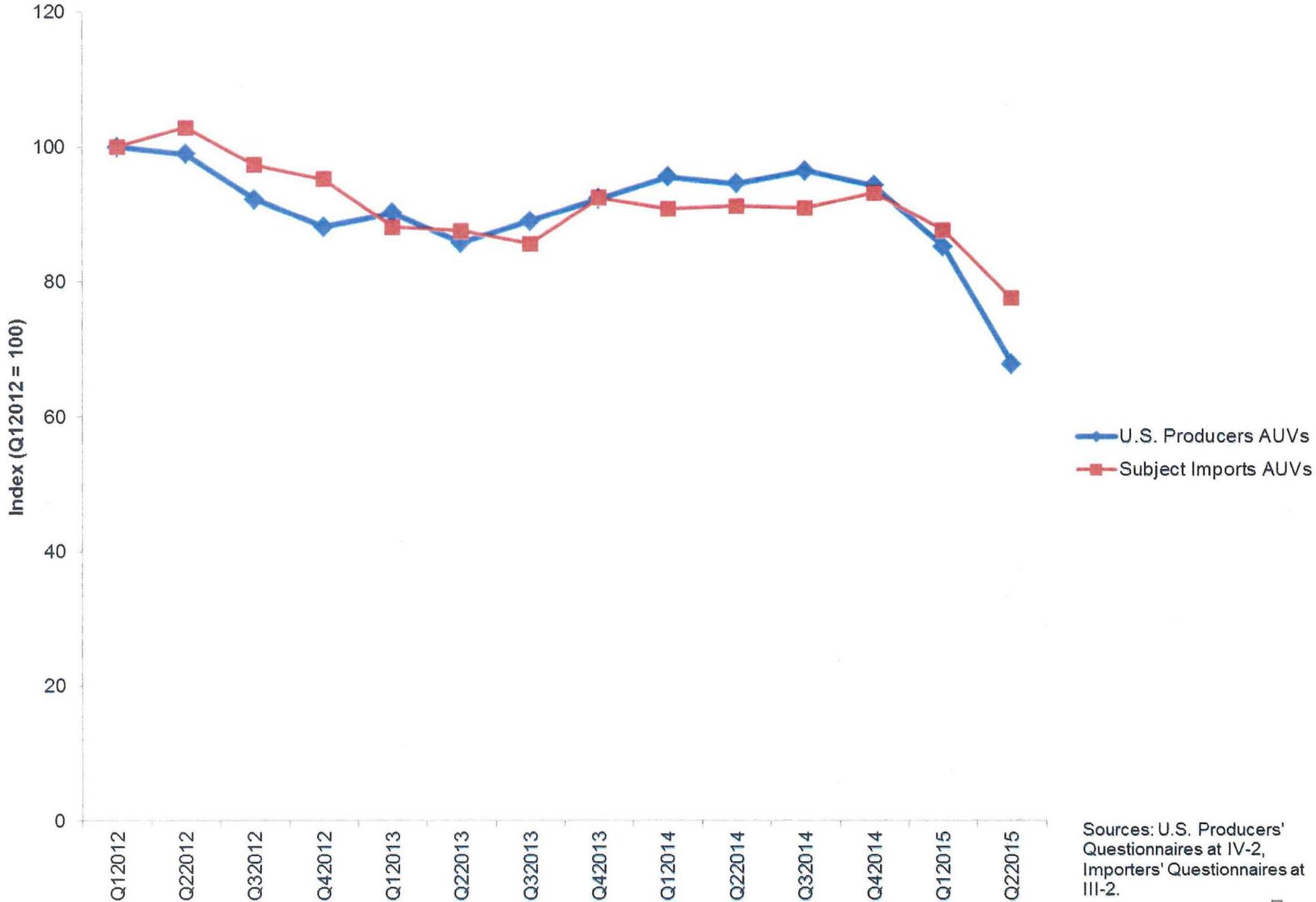
Source: SBB/Platts

Falling Raw Materials Prices, Coupled with Falling Demand, Finally Forced U.S. Producers to Cut Prices



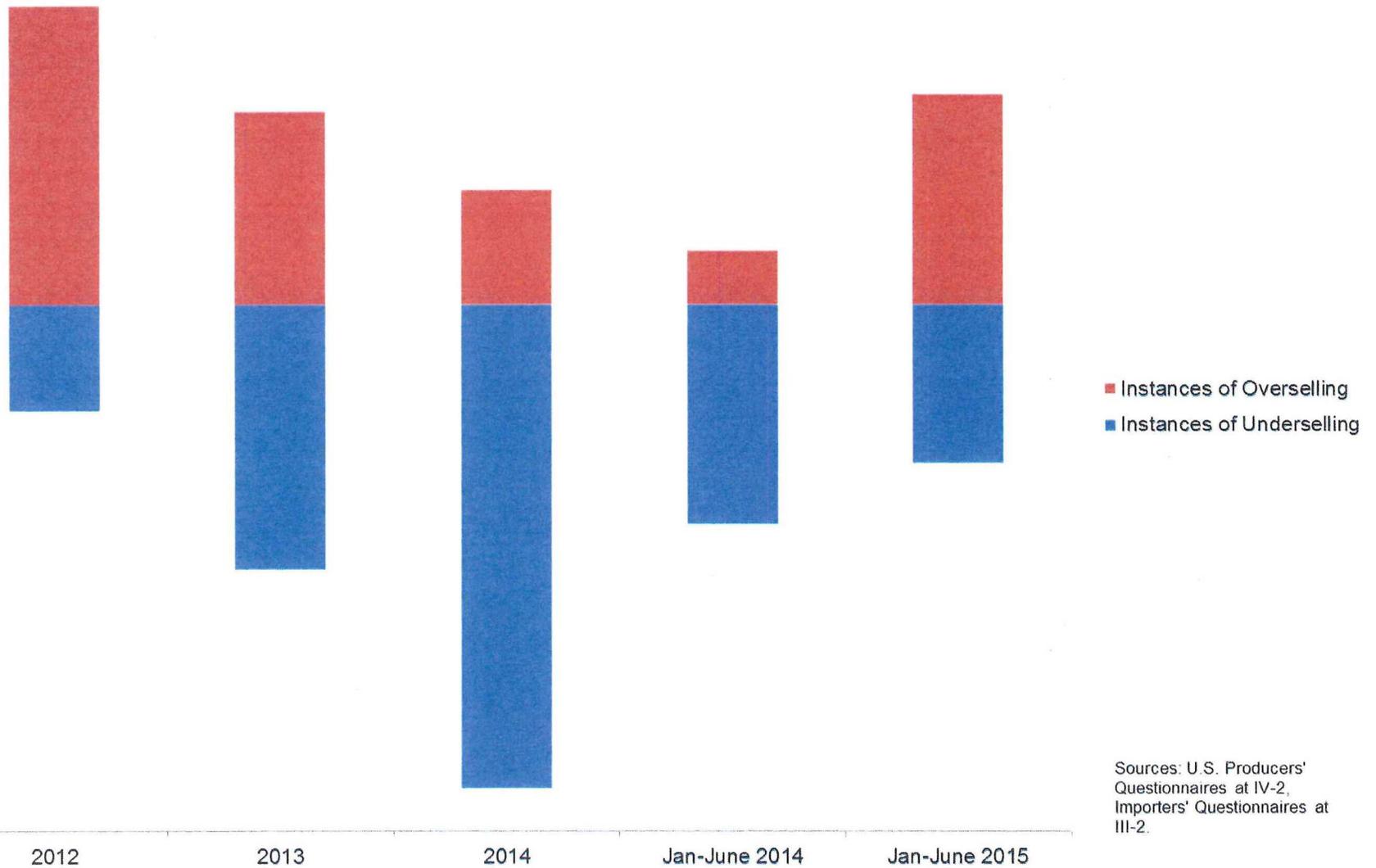
Sources: SBB/Platts, U.S. Producers' Questionnaires at IV-2.

U.S. Producers' Prices Fell Faster Than Import Prices in 2015



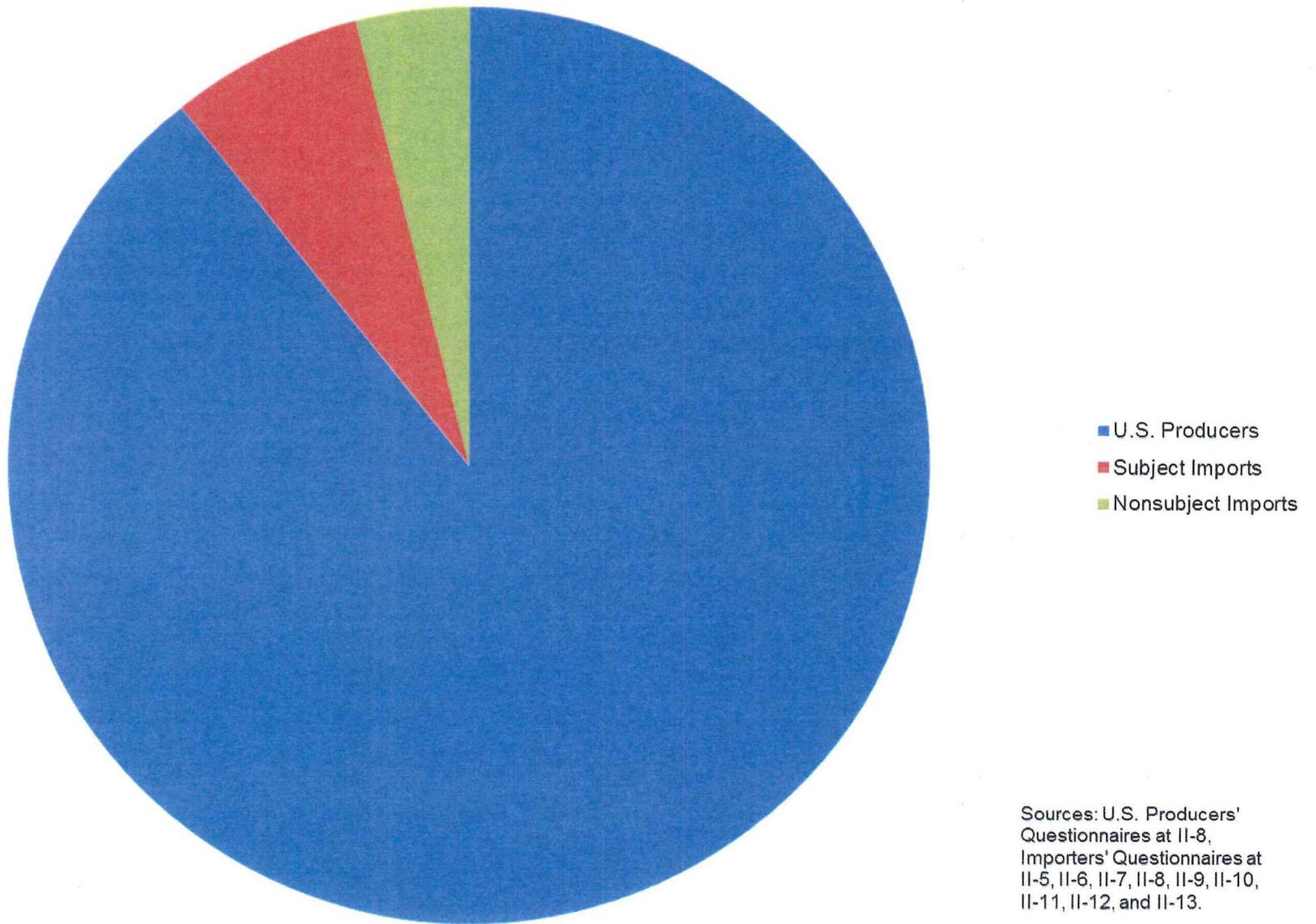
Sources: U.S. Producers' Questionnaires at IV-2, Importers' Questionnaires at III-2.

Underselling Was Concentrated in 2014, When Domestic Industry Performance Was Strongest

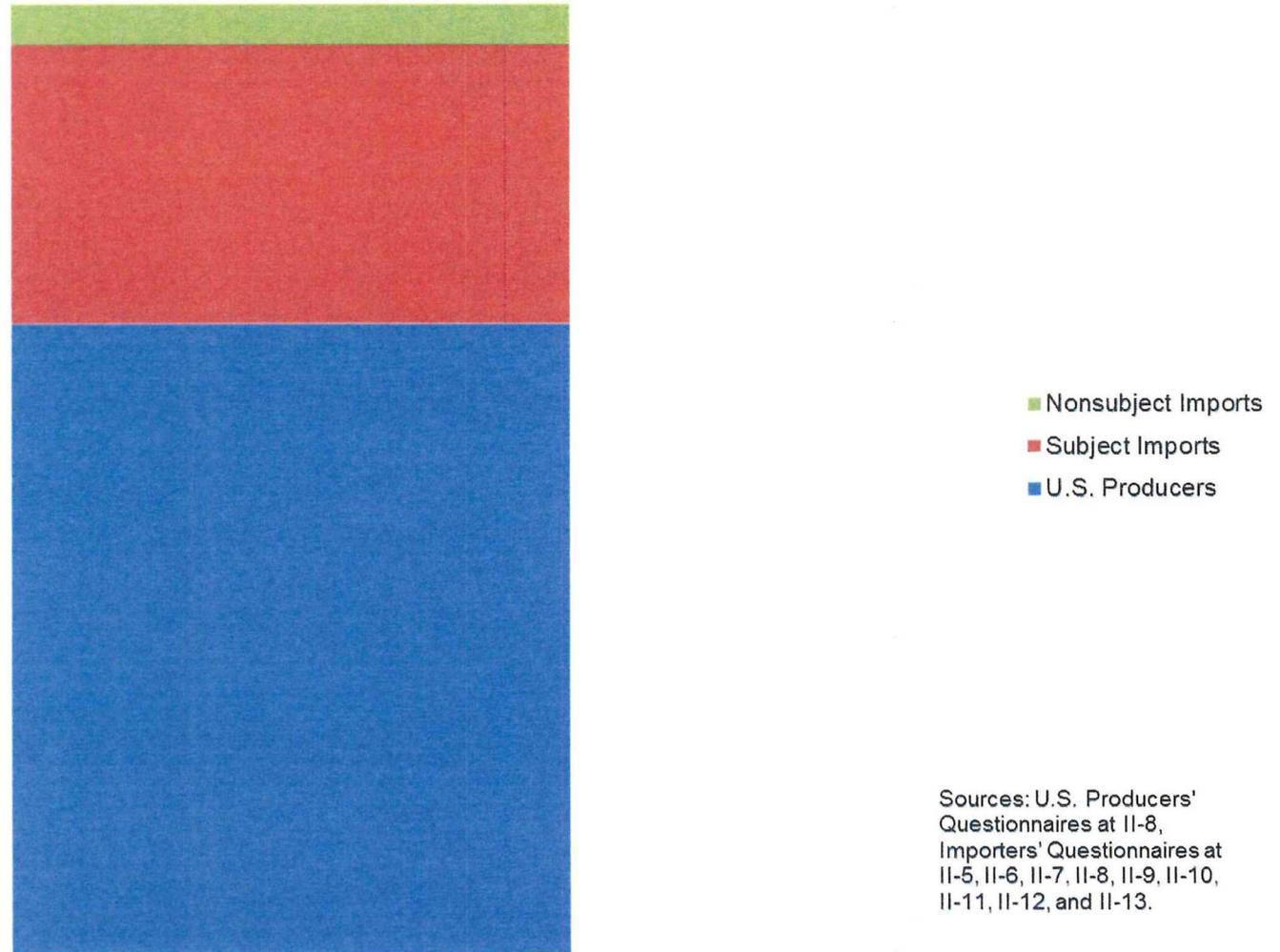


Sources: U.S. Producers' Questionnaires at IV-2, Importers' Questionnaires at III-2.

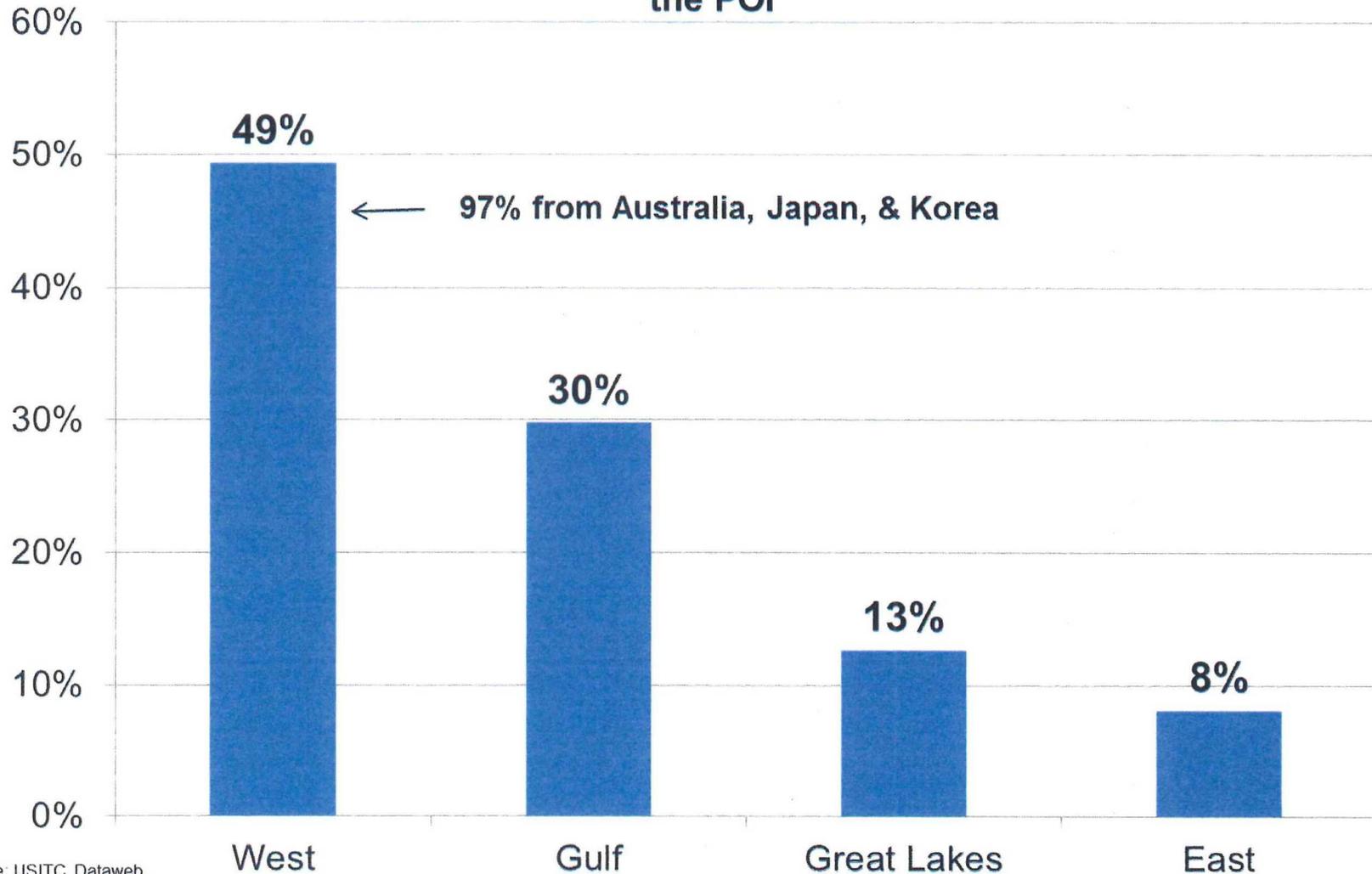
U.S. Producers Accounted for the Vast Majority of Shipments to Service Centers and Distributors in 2014



The Increase in U.S. Producers' Shipments to Service Centers Between the First and Second Half of 2014 Dwarfed the Increase in Subject Imports



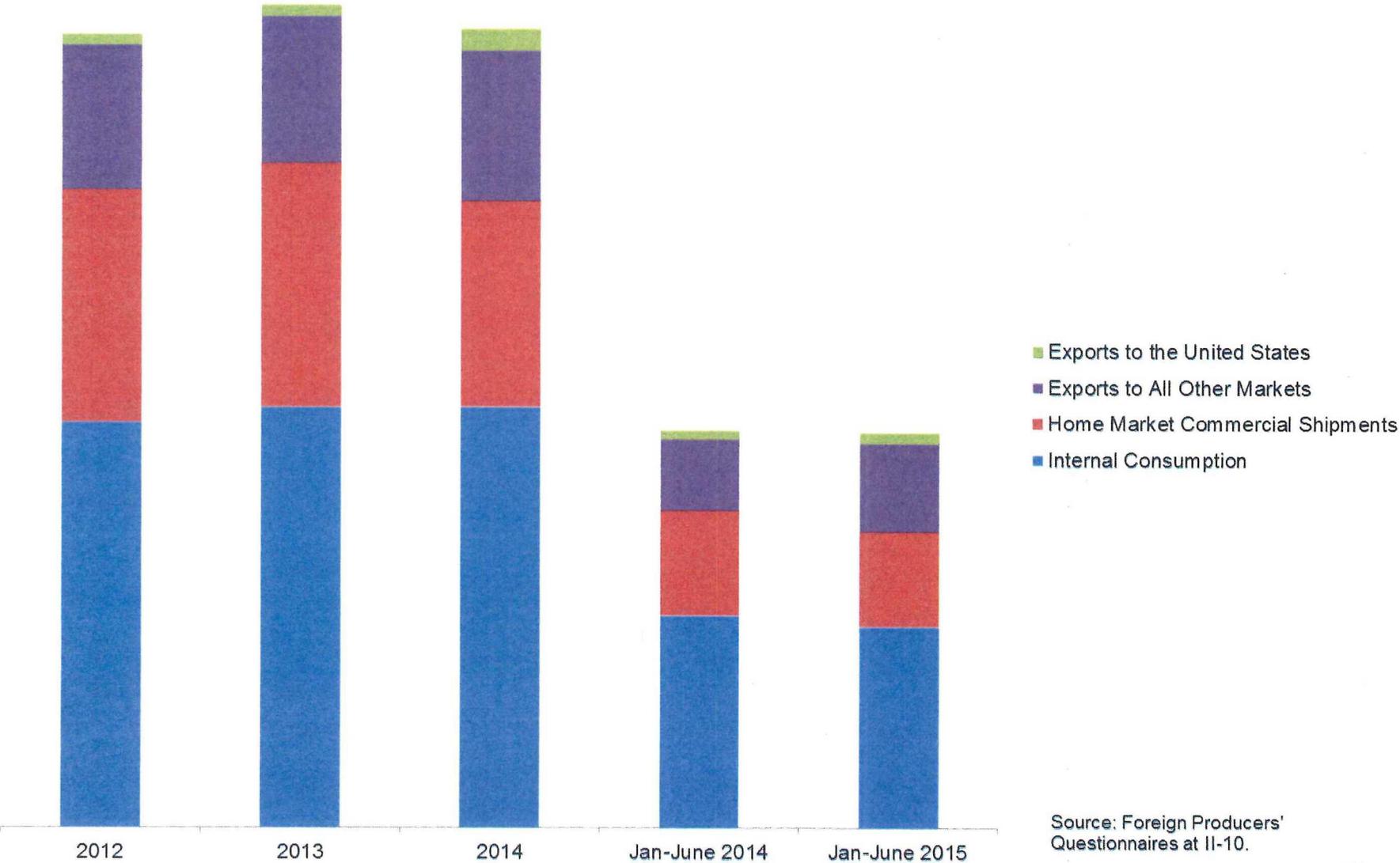
Subject Imports Were Heavily Concentrated in the West Region During the POI



Source: USITC Dataweb.

East region includes the following districts: Baltimore, MD; Boston, MA; Charleston, SC; Charlotte, NC; New York, NY; Norfolk, VA; Ogdensburg, NY; Philadelphia, PA; Portland, ME; Providence, RI; St. Albans, VT; Savannah, GA; and Washington, DC. Great Lakes region includes the following districts: Buffalo, NY; Chicago, IL; Cleveland, OH; Detroit, MI; Duluth, MN; Milwaukee, WI; Minneapolis, MN; Pembina, ND; and St. Louis, MO. Gulf region includes the following districts: Dallas-Fort Worth, TX; Houston-Galveston, TX; Laredo, TX; Miami, FL; Mobile, AL; New Orleans, LA; Port Arthur, TX; San Juan, PR; Tampa, FL; and U.S. Virgin Islands. West region includes the following districts: Columbia-Snake River, OR; El Paso, TX; Great Falls, MT; Nogales, AZ; Los Angeles, CA; San Diego, CA; San Francisco, CA; Seattle, WA; Anchorage, AK; and Honolulu, HI. Regions are defined in USITC Publication 3381: Hot Rolled Steel Products from Argentina, China, India, Indonesia, Kazakhstan, Netherlands, Romania, South Africa, Taiwan, Thailand, and Ukraine, Investigations Nos. 701-TA-404-408 (Preliminary) and 731-TA-898-908 (Preliminary), January 2001.

Exports to the U.S. are an Insignificant Share of Foreign Producers' Shipments



Source: Foreign Producers' Questionnaires at II-10.

