

**Certain Carbon and Alloy Steel Cut-to-Length
Plate from Austria, Belgium, Brazil, China,
France, Germany, Italy, Japan, Korea,
South Africa, Taiwan, and Turkey**

Domestic Industry Presentation by Kathleen Cannon

April 29, 2016

Domestic Like Product

- Domestic like product mirrors scope and consists of certain cut-to-length plate
- Prior ITC decisions treated carbon steel and micro-alloy steel CTL plate as a single like product
- Application of the ITC 7-factor test shows carbon steel and alloy steel CTL plate are a continuum of a single like product

Imports Subject to These CTL Plate Investigations

- Existing AD orders against certain CTL plate imports from China and Korea, and CVD order against certain CTL plate imports from Korea
- Imports subject to these investigations:
 - Korea: All **alloy** CTL plate imports and carbon CTL plate imports produced by POSCO
 - China CVD case: All **alloy and carbon** CTL plate imports
 - China AD case: Only **alloy** CTL plate imports

Cumulation

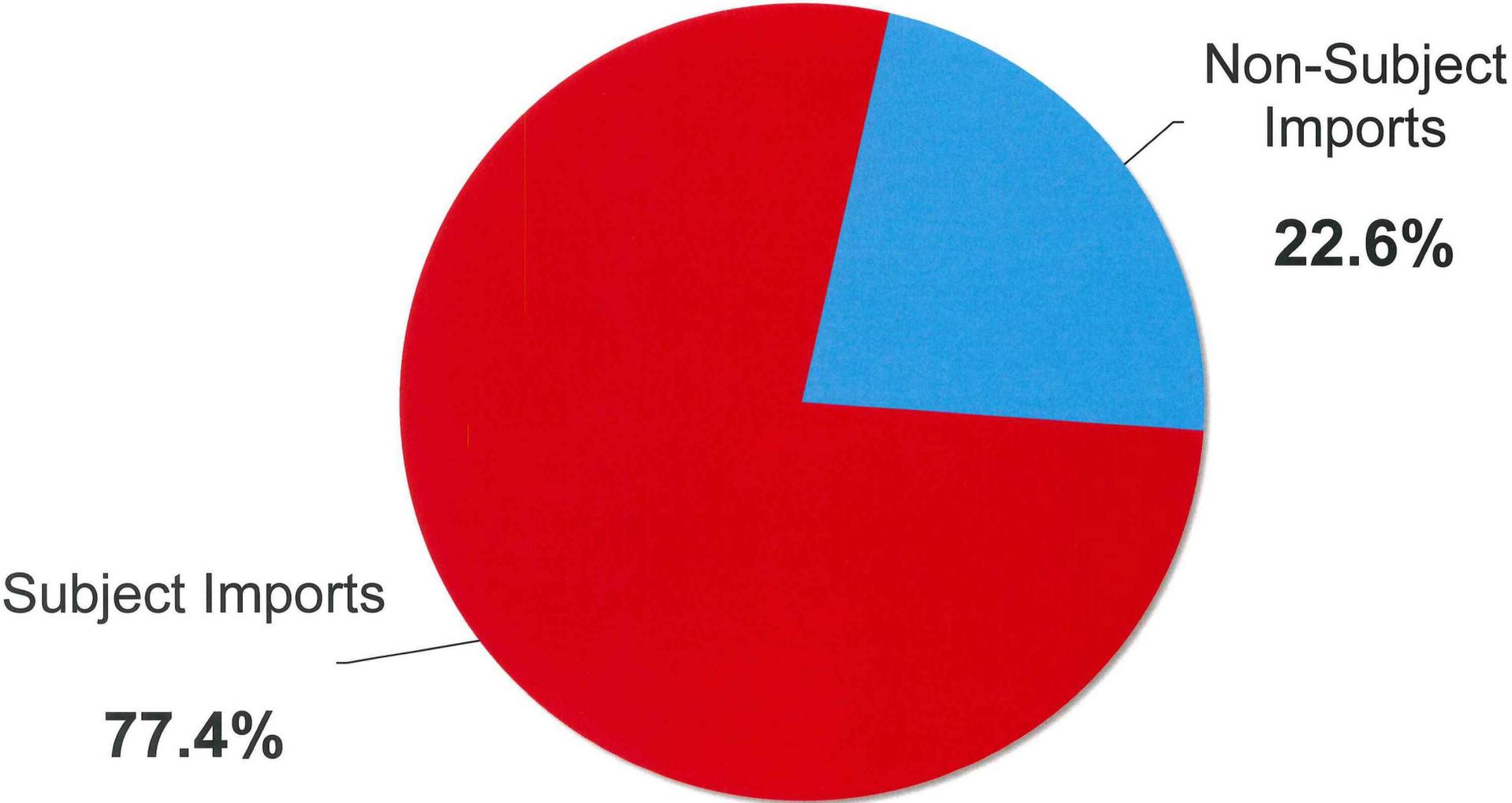
In prior investigations and reviews involving imports of plate from numerous countries, the ITC found a reasonable overlap of competition based on:

- **Fungibility:** The ITC found a moderate to high degree of fungibility. CTL plate from all sources is generally interchangeable and produced to industry standards.
- **Geographic overlap:** Domestic CTL plate and imported CTL plate was generally sold on a nationwide basis with significant geographic overlap.
- **Channels of distribution:** Domestic and imported CTL plate competed for sales to both distributors and end users.
- **Simultaneous presence:** Imports from each subject country and domestic CTL plate have been sold in the U.S. market throughout the POI.

Negligibility

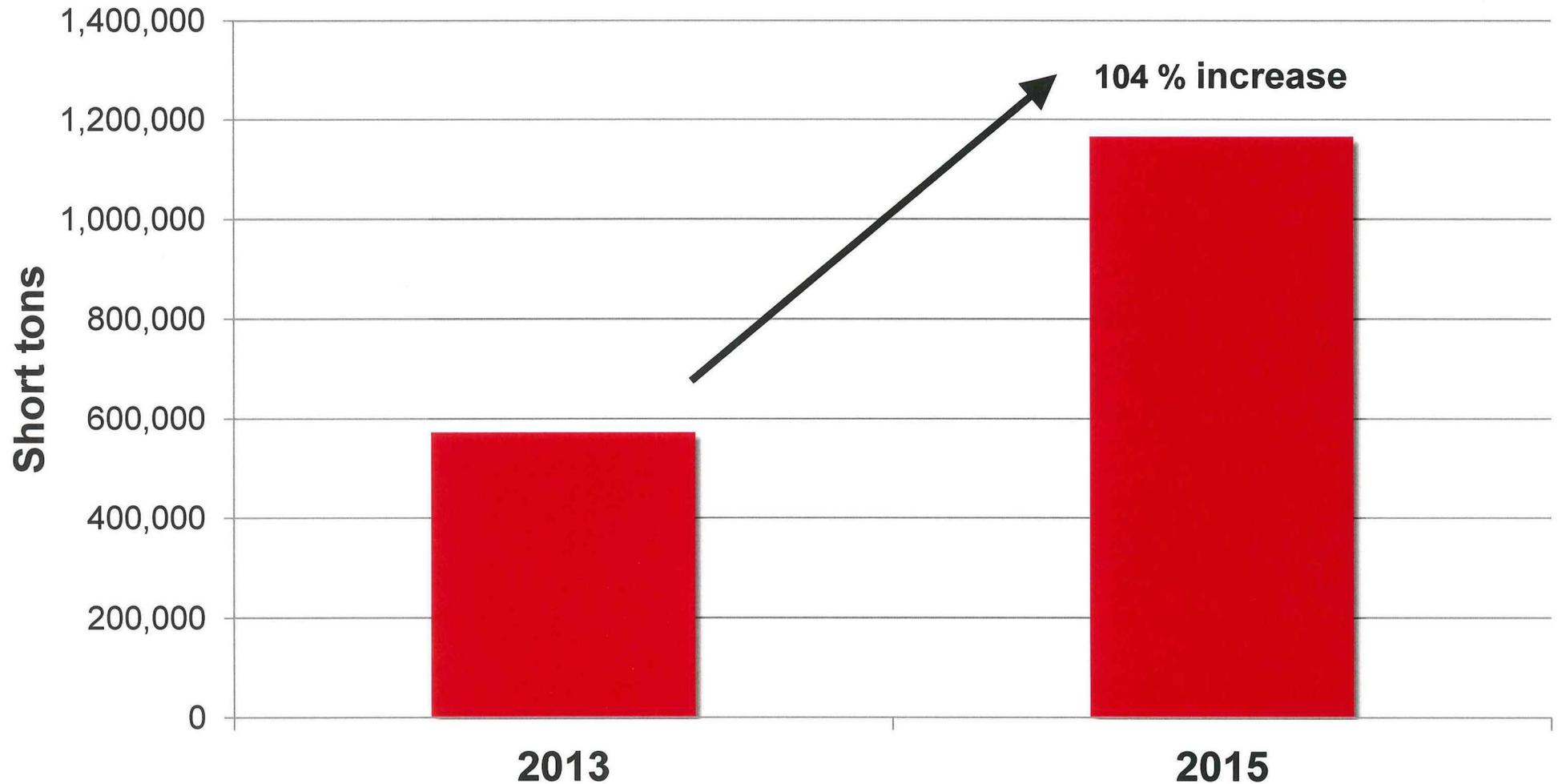
- Imports from Brazil, China, France, Germany, Italy, Japan, and Korea each exceed 3 percent of all subject merchandise imported into the United States during the most recent 12-month period and are therefore not negligible.
- Imports from those countries that individually fall below 3 percent of total imports -- Austria, Belgium, South Africa, Taiwan and Turkey -- are also not negligible because the aggregate volume of subject imports from these five countries account for 7.29 percent, thereby exceeding the 7 percent threshold under 19 U.S.C. § 1677(24)(A)(ii).
- While imports from Brazil (3.16%) are currently below the 4 percent threshold for developing countries in CVD cases, when aggregated with other subject imports that are individually negligible as required by 19 U.S.C. § 1677(24)(A)(ii) and (B), total aggregated volume accounts for 10.45 percent, thereby exceeding both the 7 percent threshold and the 9 percent threshold applicable to Brazil CVD.

Subject Imports Account for a Substantial Percentage of Total Imports



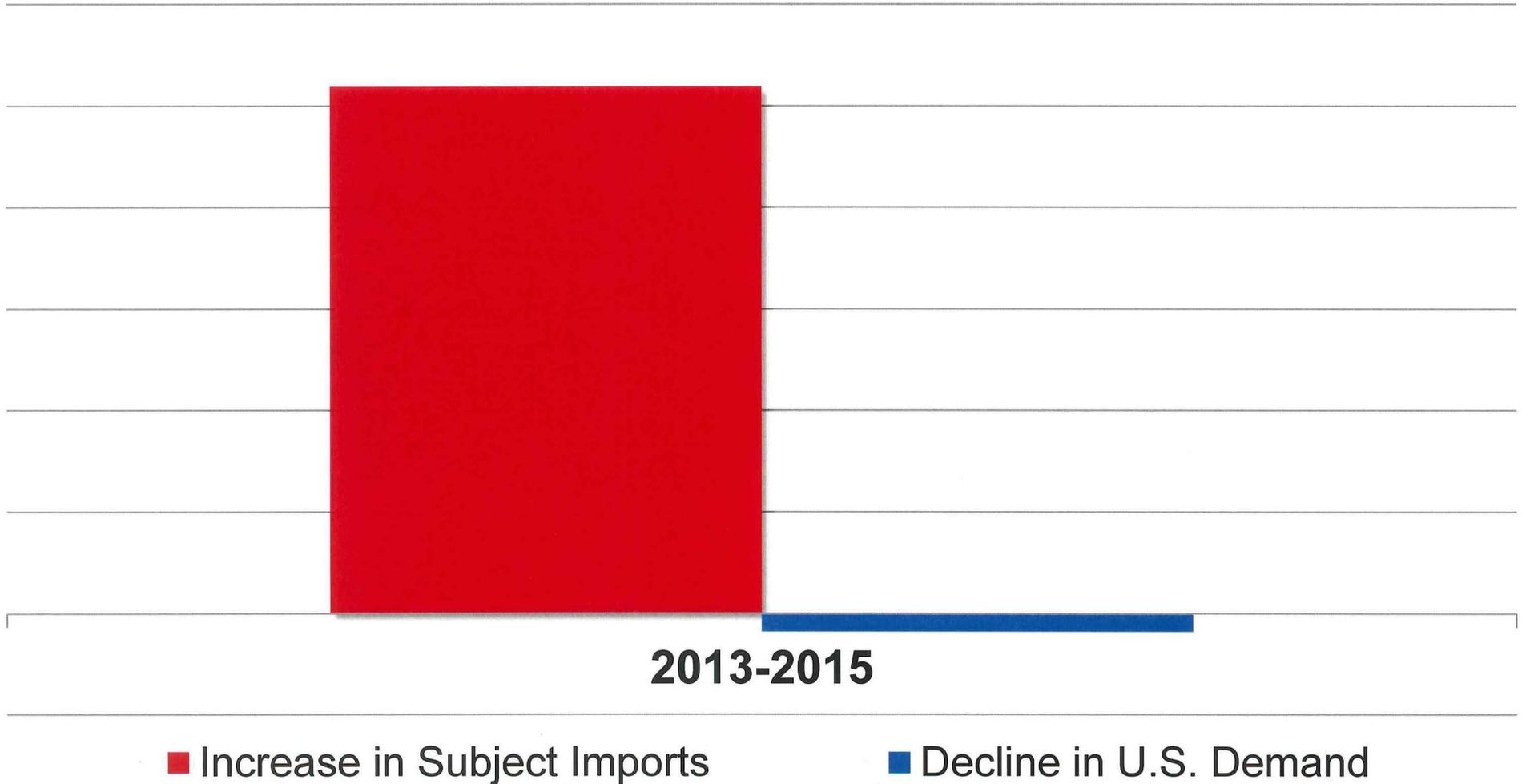
Source: Official Department of Commerce Import Statistics (Petition at Exhibit I-10).

Subject Imports Are Significant and Increasing



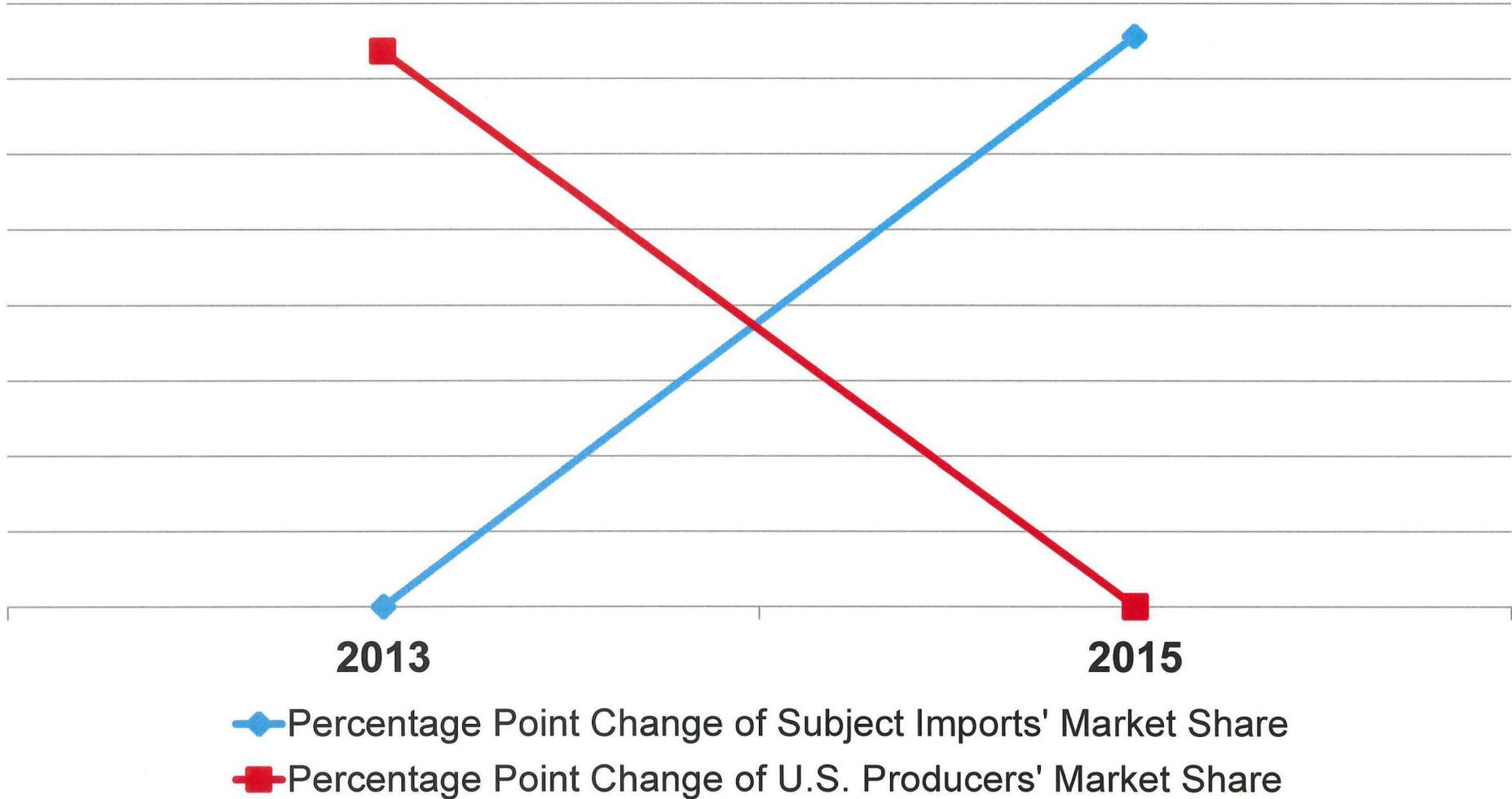
Source: Official Department of Commerce Import Statistics (Petition at Exhibit I-10).

Subject Imports Grew Despite a Drop in U.S. Demand



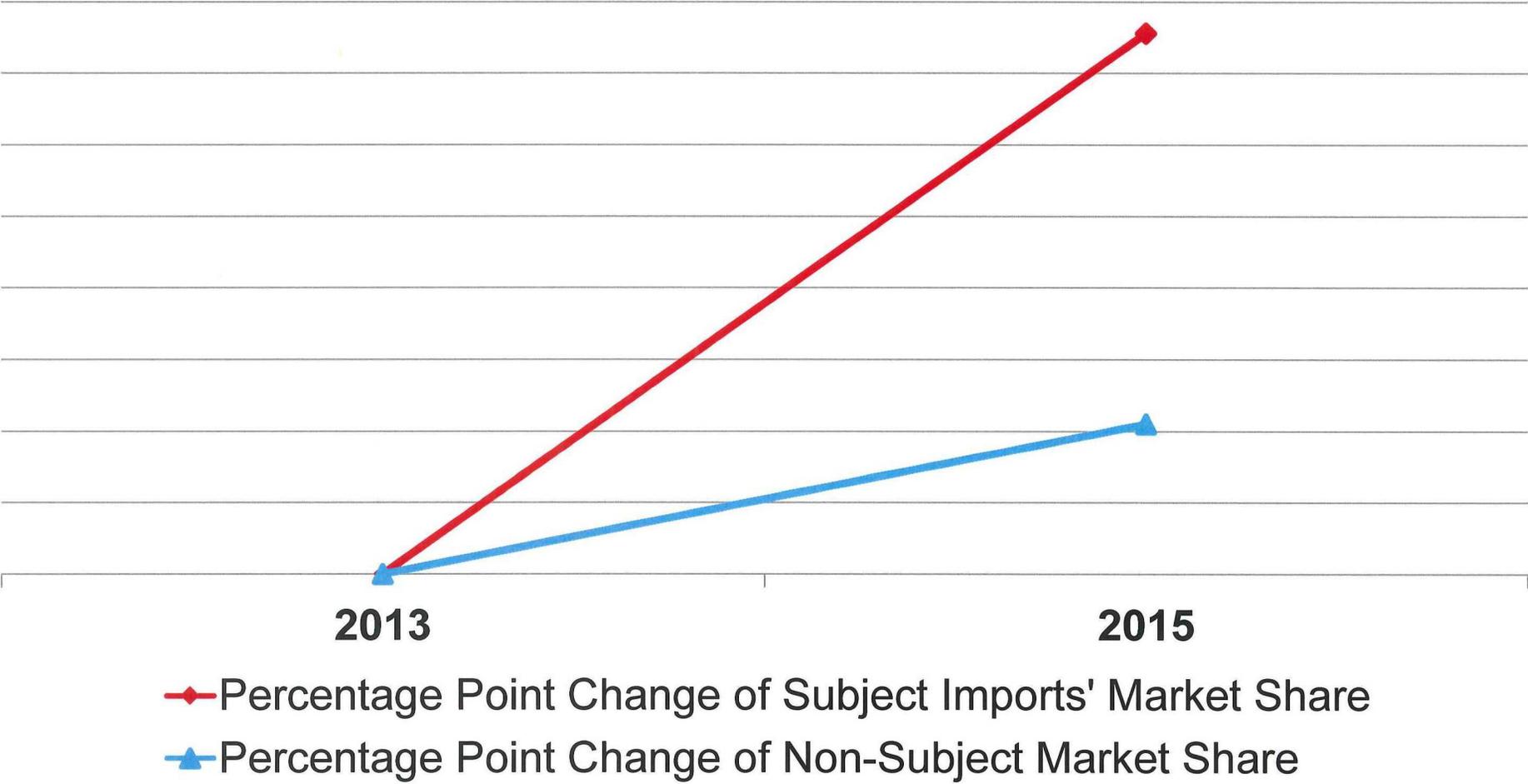
Source: Petition at Exhibit I-12.

Subject Imports' Increasing Market Share Displaced U.S. Producers' Share



Source: Petition at Exhibit I-12.

Subject Imports' Increasing Market Share Outpaced Non-Subject Import Growth



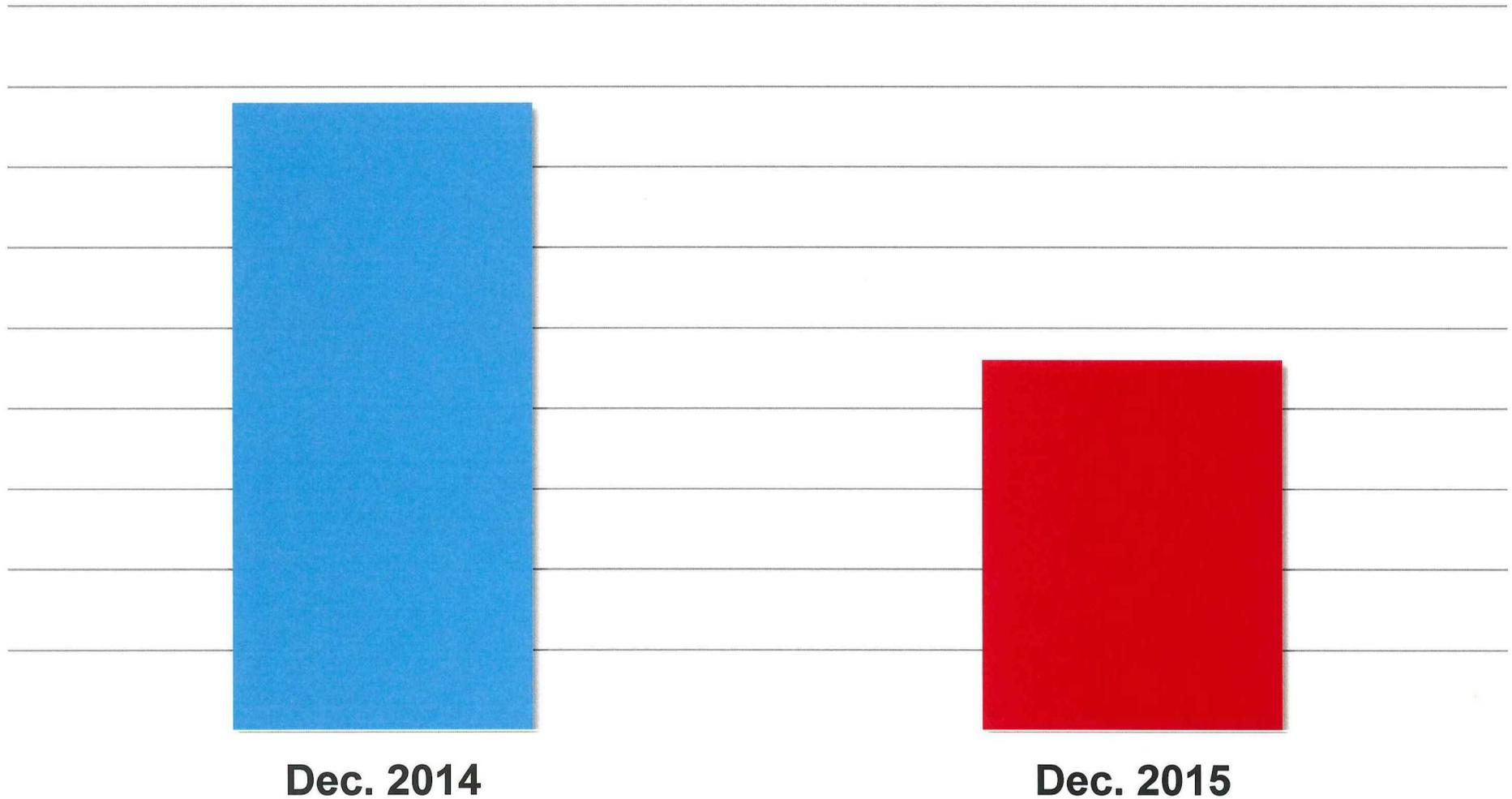
Source: Petition at Exhibit I-12.

Price is Key

“ . . . 26 of 28 responding purchasers reported that price was a very important factor in purchasing decisions. Accordingly, we find that **price is a very important factor** in purchasing decisions for CTL plate.”

Source: CTL Carbon Steel Plate from China, Russia and Ukraine, USITC Pub. 4581 at 33 (Dec. 2015).

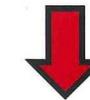
U.S. CTL Plate Prices Fell Precipitously Over the POI



Source: Trade press.

Domestic Industry Trade Indicators Declined Substantially from 2013-2015

- Production
- Capacity Utilization
- Domestic Shipment Volume
- Domestic Shipment Value
- Domestic Shipment AUV
- PRWs, Hours Worked, and Wages Paid
- Market Share



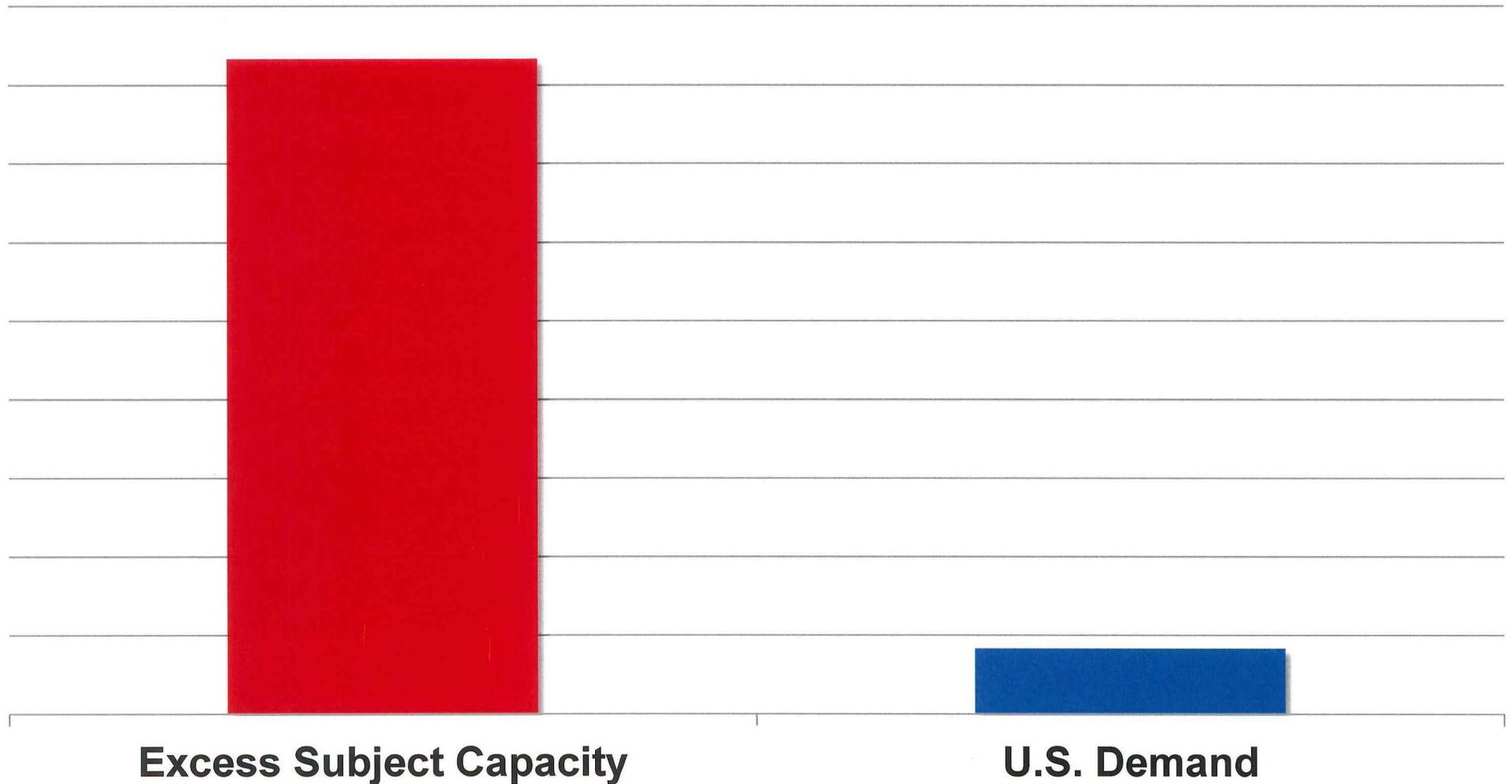
Source: Petition at Exhibit I-4.

Domestic Industry Financial Indicators Also Declined Substantially from 2013-2015

- Net Sales Volume 
- Net Sales Value 
- Net Sales AUV 
- Gross Profit (Loss) 
- Operating Income (Loss) 
- Net Income (or Loss) 
- Capital Expenditures 

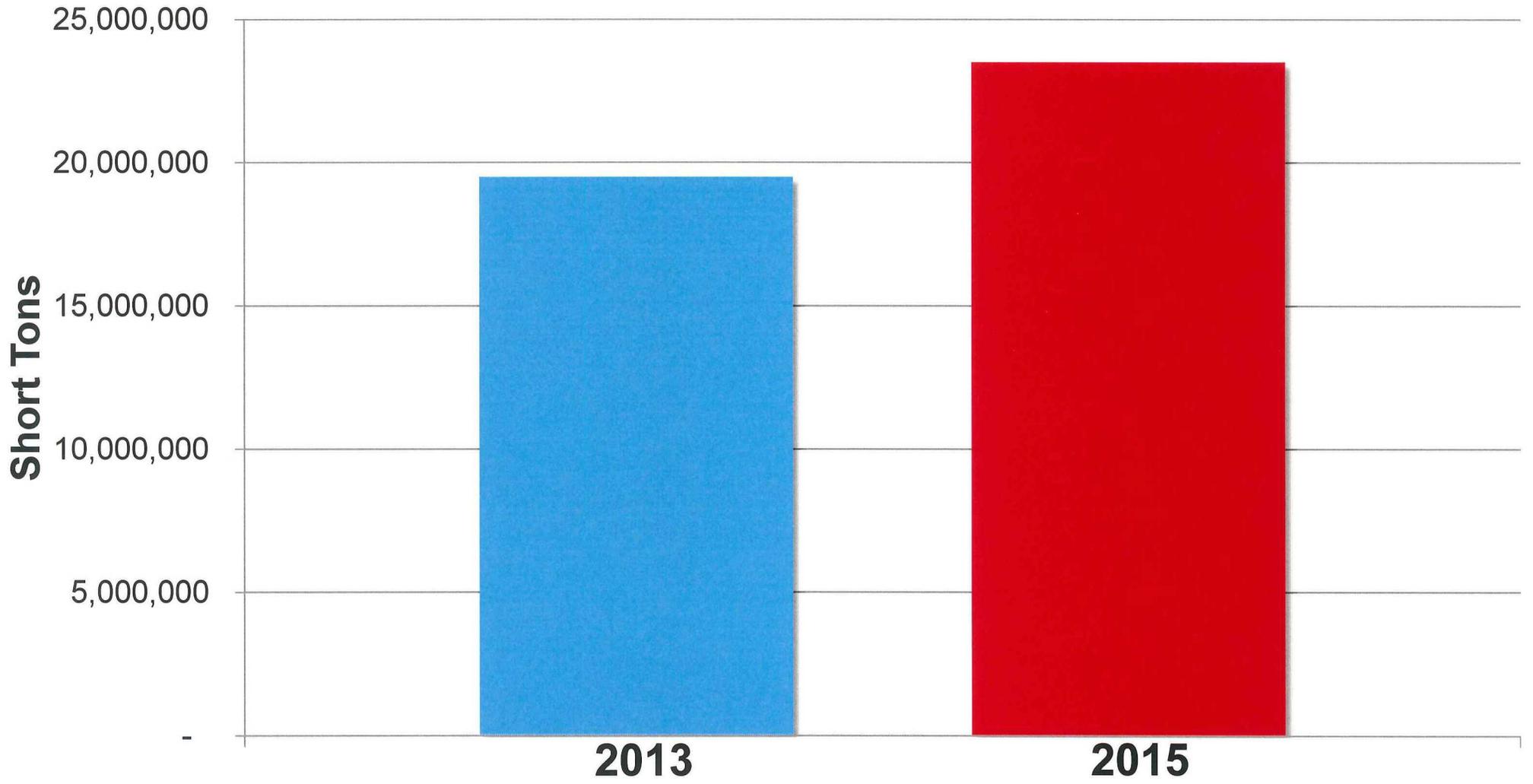
Source: Petition at Exhibit I-4.

Excess Capacity of Subject Producers in 2015 Far Exceeds U.S. Demand for CTL Plate



Source: Petition at 45 and Exhibit I-12.

CTL Plate Exports From Subject Countries Increased Dramatically from 2013-2015



Source: GTIS data.

Third Country Barriers Provide an Incentive to Divert Exports to the United States

Export Market	Subject Country
Australia	China, Japan, and Korea
Brazil	China, Korea, and South Africa
Canada	Brazil, China, Italy, and Japan, Korea
European Union	China
India	Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey
Indonesia	China
Malaysia	Austria, Belgium, China, France, Germany, Italy, Japan, and Korea
Mexico	China
Morocco	Austria, Belgium, France, Germany, and Italy
Pakistan	Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey
South Africa	Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, Taiwan, and Turkey
Taiwan	Brazil, China, India, and Korea
Thailand	Austria, Belgium, China, France, Germany, Italy, Japan, Korea, and Turkey