

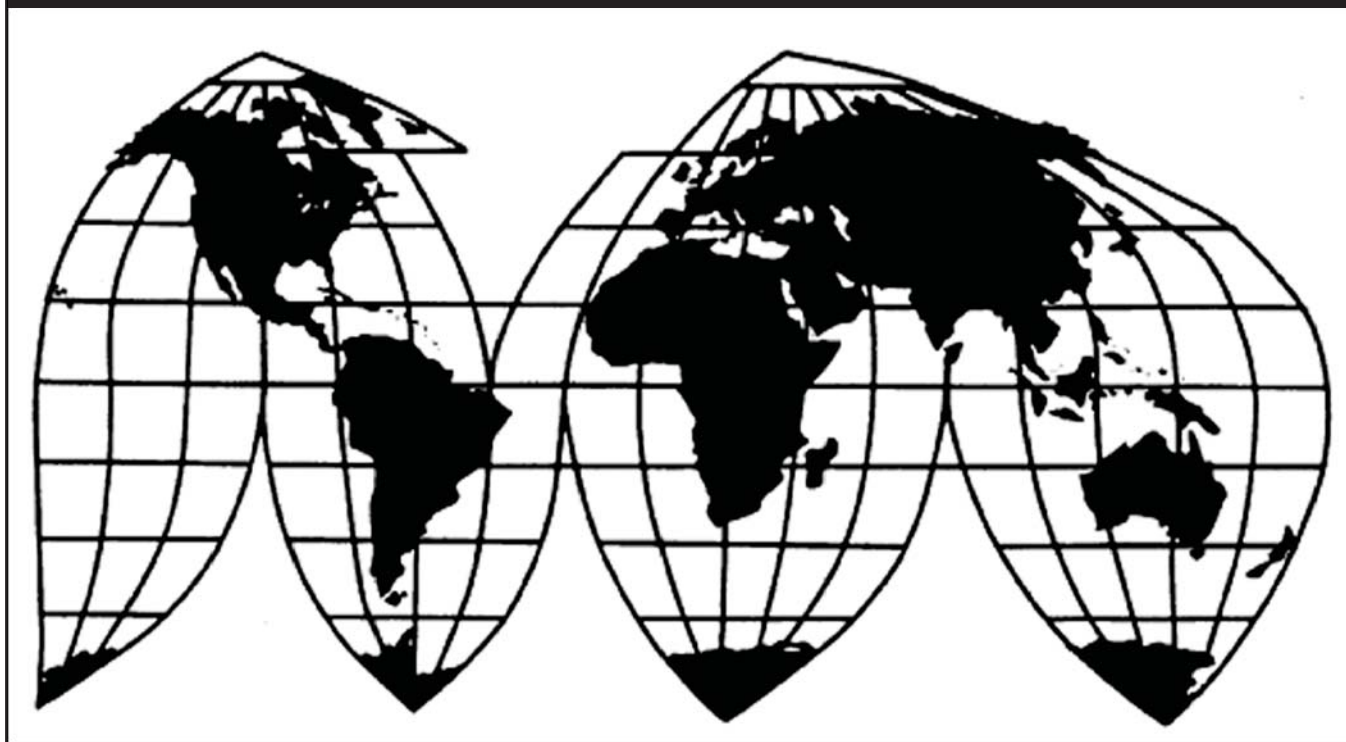
Grain-Oriented Electrical Steel from China, Czech Republic, Korea, and Russia

Investigation Nos. 701-TA-505 and 731-TA-1231, 1232, 1235, and 1237 (Final)

Publication 4500

November 2014

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Meredith Broadbent, Chairman
Dean A. Pinkert, Vice Chairman
Irving A. Williamson
David S. Johanson
F. Scott Kieff
Rhona K. Schmittlein

Karen Laney
Acting Director of Operations

Staff assigned

Mary Messer, Investigator
Carolyn Esko, Investigator
James Fetzer, Economist
Justin Jee, Accountant
Karl Tsuji, Industry Analyst
Mara Alexander, Statistician
Carolyn Holmes, Statistical Assistant
Rhonda Hughes, Attorney
Douglas Corkran, Supervisory Investigator

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

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Grain-Oriented Electrical Steel from China, Czech Republic, Korea, and Russia

Investigation Nos. 701-TA-505 and 731-TA-1231, 1232, 1235, and 1237 (Final)

Publication 4500



November 2014

CONTENTS

	Page
Determinations	1
Views of the Commission	3
Dissenting Views of Commissioner Rhonda K. Schmidlein	7
Part I: Introduction	I-1
Background.....	I-1
Nature and extent of subsidies and sales at LTFV.....	I-2
Subsidies	I-2
Sales at LTFV	I-3
Critical circumstances.....	I-4
Czech Republic	I-4
Russia	I-5
Appendix	
A. Selected <i>Federal Register</i> notices	A-1

Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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. 701-TA-505 and 731-TA-1231, 1232, 1235, and 1237 (Final)

GRAIN-ORIENTED ELECTRICAL STEEL FROM CHINA, CZECH REPUBLIC, KOREA, AND RUSSIA

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to sections 705(b) and 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1671d(b)) and (19 U.S.C. § 1673d(b)) (“the Act”), that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from China, Czech Republic, Korea, and Russia of grain-oriented electrical steel, provided for in subheadings 7225.11 and 7226.11 of the Harmonized Tariff Schedule of the United States, that are sold in the United States at less than fair value (“LTFV”) and that are subsidized by the government of China.²

BACKGROUND

The Commission instituted these investigations effective September 18, 2013, following receipt of a petition filed with the Commission and Commerce by AK Steel Corp., West Chester, Ohio; Allegheny Ludlum, LLC, Pittsburgh, Pennsylvania; and the United Steelworkers, Pittsburgh, Pennsylvania. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of grain-oriented electrical steel from China were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. § 1671b(b)) and that imports of grain-oriented electrical steel from China, Czech Republic, Korea, and Russia were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the final phase of the Commission’s investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notices in the *Federal Register* of June 4, 2014 (79 FR 32310) and August 20, 2014 (79 FR 49339). The hearing was held in Washington, DC, on July 24, 2014, 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 Commissioner Rhonda K. Schmidlein dissented.

Views of the Commission

Based on the record in the final phase of these investigations, we find that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of grain-oriented electrical steel (“GOES”) from China found by the U.S. Department of Commerce (“Commerce”) to be subsidized and by reason of GOES from China, Czech Republic, Korea, and Russia found by Commerce to be sold in the United States at less than fair value.¹

I. Background

On September 18, 2013, AK Steel Corp. (“AK Steel”) and Allegheny Ludlum, LLC (“Allegheny Ludlum”), both of which are U.S. producers of GOES, and the United Steelworkers (“USW”), which represents workers involved in the U.S. production of GOES,² filed a petition concerning GOES from China, Czech Republic, Germany, Japan, Korea, Poland, and Russia. The Commission was required to issue its determinations in the investigations on GOES from Germany, Japan, and Poland in September 2014, because Commerce issued its final determinations in those investigations earlier than it did in the investigations concerning GOES from China, Czech Republic, Korea, and Russia. The Commission made negative determinations in those earlier investigations on the basis of cumulated subject imports from all seven countries.³

The Commission’s record in these investigations closed on August 20, 2014, except with respect to Commerce’s final antidumping and countervailing duty determinations regarding GOES from China, Czech Republic, Korea, and Russia, the final comments of the parties with respect to these determinations, and the supplemental Commission report.⁴ The supplemental Commission report included import data concerning the question of critical circumstances with respect to GOES from Czech Republic and Russia.⁵ The Commission released the data to counsel for interested parties under administrative protective order on October 14, 2014. Petitioners submitted final comments on the results of Commerce’s final antidumping and countervailing duty determinations on October 2, 2014.

Under section 771(7)(G)(iii) of the Tariff Act of 1930, as amended, we are required to make our determinations in the investigations on GOES from China, Czech Republic, Korea, and Russia on the basis of the same record as that in the investigations on GOES from Germany,

¹ Commissioner Schmidlein dissenting. See her Dissenting Views. She joins sections I-II of these views.

² Subsequent to the filing of the petitions, the International Union, United Automobile Aerospace and Agricultural Implement Workers of America (“UAW”), which also represents workers involved in the U.S. production of GOES, joined as a petitioner.

³ *Grain-Oriented Electrical Steel from Germany, Japan, and Poland*, Inv. Nos. 731-TA-1233, 1234, and 1236 (Final), USITC Pub. 4491 (Sept. 2014) (*GOES I Determination*).

⁴ See 19 U.S.C. § 1677(7)(G)(iii); INV-MM-105 (Oct. 14, 2014).

⁵ Because we have reached negative determinations, we do not reach the issue of critical circumstances in this opinion.

Japan, and Poland, except to the extent discussed above.⁶ Therefore, in these investigations, we adopt the findings and analysis in the final determinations on GOES from Germany, Japan, and Poland with respect to the issues of domestic like product, domestic industry, and negligibility.⁷

II. Cumulation

In our final determinations on GOES from Germany, Japan, and Poland, we cumulated subject imports from all seven countries for purposes of our analyses of both material injury and threat of material injury by reason of subject imports.⁸

We consequently determined for purposes of the determination on GOES from Germany, Japan, and Poland that (1) subject imports from China, Czech Republic, Germany, Japan, Korea, Poland, and Russia were eligible for cumulation, and (2) that a reasonable overlap of competition existed between and among subject imports from all sources and the domestic like product.⁹

Due to the staggering of the investigations and our negative determinations in the earlier investigations on subject imports from Germany, Japan, and Poland, we now address the issue of whether subject imports from those countries remain eligible for cumulation for purposes of the determinations on subject imports from China, Czech Republic, Korea, and Russia.

We determine that they are, for the reasons stated in *Certain Steel Threaded Rod from India*.¹⁰ There we observed that the statutory provisions concerning investigations that start out together, but then become staggered, were designed to ensure that cumulation is based on the petition filing date, not the date of the ultimate vote. Additionally, the statute provides that, in the subsequent investigations, the Commission shall make its determination “based on the record compiled in the first investigation in which it makes a final determination,” with the addition of information and argument on Commerce’s final margins for the later investigations.¹¹ This provision enables the Commission to continue to cumulate subject imports in the later investigation(s), using the record (properly modified) compiled in the first investigation(s). Consequently, we concluded, based on the statute as a whole, that although an earlier investigation resulting in a negative determination is terminated for purposes of 19

⁶ 19 U.S.C. § 1677(7)(G)(iii).

⁷ This corresponds to sections II, III, and footnote 52 of the *GOES I Determination*.

⁸ *GOES I Determination*, USITC Pub. 4491 at 11-13, 31-32.

⁹ *GOES I Determination*, USITC Pub. 4491 at 11-13.

¹⁰ Inv. Nos. 701-TA-498, 731-TA-1213 (Final), USITC Pub. 4487 at 4-5 (Aug. 2014). While Commissioner Schmidlein did not participate in those investigations, she concurs in the analysis of the issue of cumulation in staggered investigations.

¹¹ 19 U.S.C. § 1677(7)(G)(iii).

U.S.C. § 1673d(c)(2), it is not thereby terminated for purposes of the exception to cumulation in 19 U.S.C. § 1677(7)(G)(ii)(II).^{12 13}

Accordingly, because we conclude that none of the statutory exceptions to cumulation is applicable in these investigations, we cumulate subject imports from China, Czech Republic, Germany, Japan, Korea, Poland, and Russia for the reasons stated in the final determinations on GOES from Germany, Japan, and Poland.¹⁴

III. No Material Injury or Threat of Material Injury by Reason of Subject Imports

We adopt and incorporate by reference our discussion set forth in the determination on subject imports from Germany, Japan, and Poland concerning legal standards and the conditions of competition.¹⁵ We also adopt and incorporate by reference our findings and conclusions that the domestic industry is not materially injured or threatened with material injury by reason of cumulated subject imports from China, Czech Republic, Germany, Japan, Korea, Poland, and Russia.¹⁶

¹² USITC Pub. 4487 at 4-5. We acknowledged that the Commission had followed a different statutory interpretation in prior investigations. Although we did not contest the permissibility of that interpretation, we concluded that the interpretation described above was better. *Id.* at 5 n.15.

¹³ For purposes of these investigations, Chairman Broadbent joins in the conclusion of the Commission that the statute authorizes the cumulation of imports from investigations previously terminated due to negative Commission determinations. Nonetheless, she notes that, in prior staggered investigations, the Commission has chosen not to cumulate imports from investigations previously terminated due to negative Commission determinations. *See, e.g., Glycine from India*, Inv. No. 731-TA-1111 (Final), USITC Pub. 3997 (May 2008); *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines*, Inv. Nos. 731-TA-865 to 867 (Final), USITC Pub. 3387 (Jan. 2001); *Certain Cold-Rolled Steel from China, Indonesia, Slovakia, and Taiwan*, Inv. Nos. 731-TA-831, 832, 835, and 837 (Final), USITC Pub. 3320 (Jul. 2000). As a result, she may revisit this issue in a future investigation in which this issue arises. In the current investigations, however, no party has argued that subject imports from China, Czech Republic, Korea, and Russia should not be cumulated with imports of GOES from Germany, Japan, and Poland. Accordingly, she joins in the Commission's determination to cumulate the imports from Germany, Japan, and Poland with the subject imports from China, Czech Republic, Korea, and Russia.

¹⁴ *GOES I Determination*, USITC Pub. 4491 at 11-13.

¹⁵ *GOES I Determination*, USITC Pub. 4491 at 13-22.

¹⁶ *GOES I Determination*, USITC Pub. 4491 at 22-35. We note that, in its final countervailing duty determinations on GOES from China, and in its final antidumping duty determinations on GOES from Czech Republic, Korea, and Russia, Commerce modified the dumping margins and net subsidy rates somewhat from its preliminary determinations. These changes, however, do not affect our analysis. In its final antidumping duty determinations, Commerce found a dumping margin of 159.21 percent for GOES from China, *id.* 59226, 59227 (Oct. 1, 2014); dumping margins ranging from 13.76 percent to 35.93 percent for GOES from Czech Republic, *id.* 58324, 58325 (Sept. 29, 2014); a dumping margin of 3.68 percent for GOES from Korea, *id.* 59224, 59225 (Oct. 1, 2014); and dumping margins ranging from 68.98 percent to 119.88 percent for GOES from Russia, *id.* 59223 (Oct. 1, 2014).

(Continued...)

IV. Conclusion

For the reasons stated above, we determine that an industry in the United States is not materially injured or threatened with material injury by reason of subject imports of GOES from China, Czech Republic, Korea, and Russia that are subsidized and sold in the United States at less than fair value.

(...Continued)

In its final countervailing duty determination regarding GOES from China, Commerce found a countervailable subsidy rate of 127.69 percent. 79 Fed. Reg. 59221, 59222 (Oct. 1, 2014). We also note that Commerce found 19 programs to be countervailable in its final countervailing duty determination on GOES from China. Commerce was unable to verify the nature of the alleged programs, but it appears that the provision of benefits in at least two programs, preferential export financing by the Export-Import Bank of China and an export seller's credit, are contingent upon export activity. The countervailable subsidy rate attributable to these two programs is 5.31 percent. Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Grain-Oriented Electrical Steel from the People's Republic of China at 9-10 (Sept. 24, 2014).

Dissenting Views of Commissioner Rhonda K. Schmidlein

I. Material Injury

I join my colleagues in the discussion of background and cumulation laid out in these determinations. I also adopt and incorporate by reference the discussion concerning legal standards, conditions of competition, and volume in the majority determinations regarding subject imports from Germany, Japan, and Poland.¹ I further adopt and incorporate by reference my separate findings and conclusion that the domestic industry is materially injured by reason of cumulated subject imports from China, Czech Republic, Germany, Japan, Korea, Poland, and Russia.²

II. Critical Circumstances

In its final antidumping duty determinations, the Department of Commerce (“Commerce”) found that critical circumstances exist with respect to imports of GOES from the Czech Republic that were exported by Sujani Enterprises, Ltd. (“Sujani”),³ and with respect to imports of GOES from Russia.⁴ Because I have determined that the domestic industry is materially injured by reason of subject imports from, *inter alia*, Czech Republic and Russia, I must also consider “whether the imports subject to the affirmative {Commerce critical circumstances} determination . . . are likely to undermine seriously the remedial effect of the antidumping {and/or countervailing duty} order{s} to be issued.”⁵ The SAA provides that the Commission is to determine “whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order” and specifically “whether the surge in imports prior to the suspension of liquidation, rather than the

¹ *Grain-Oriented Electrical Steel from Germany, Japan, and Poland*, Inv. Nos. 731-TA-1233, 1234, and 1236 (Final), USITC Pub. 4491 (Sept. 2014) (*GOES I Determination*).

² *GOES I Determination*, USITC Pub. 4491 at 37-48.

³ *Grain-Oriented Electrical Steel From the Czech Republic: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 Fed. Reg. 58324 (Sept. 29, 2014) (“*Czech Republic Critical Circumstances Determination*”) (finding that critical circumstances exist with respect to imports of GOES from Czech producer Sujani, but that critical circumstances do not exist with respect to imports of GOES from the Czech Republic that were produced by ArcelorMittal Frydek-Mistek and the producers covered by the “all others” rate).

⁴ *Grain-Oriented Electrical Steel From the Russian Federation: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 Fed. Reg. 59223 (Oct. 1, 2014) (“*Russia Critical Circumstances Determination*”) (finding that critical circumstances exist with respect to imports of GOES that were produced by OJSC Novolipetsk Steel/VIZ-Steel LLC and all other producers in Russia).

⁵ 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

failure to provide retroactive relief, is likely to seriously undermine the remedial effect of the order."⁶

The statute provides that, in making this determination, the Commission shall consider, among other factors it considers relevant,

- (I) the timing and the volume of the imports,
- (II) a rapid increase in inventories of the imports, and
- (III) any other circumstances indicating that the remedial effect of the {order} will be seriously undermined.⁷

In considering the timing and volume of subject imports, the Commission's practice is to consider import quantities prior to the filing of the petition and those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which Commerce has made an affirmative critical circumstances determination.⁸

Consistent with Commission practice, in these investigations I have considered data for the six months prior to and including the month in which the petition was filed (September 2013) and data for the six months following that month.

A. Czech Republic

Commerce's critical circumstances finding with respect to imports of GOES from the Czech Republic applies only to imports from a single producer in the Czech Republic, Sujani.⁹ The record in these investigations contains monthly import data for GOES from the Czech Republic for which Sujani was the importer of record, as well as for ***.¹⁰ In the six months prior to the filing of the petition, the volume of subject imports from Sujani was *** short tons, and in the six months after the petition was filed this volume was *** short tons.¹¹ Thus, the volume of subject imports from Sujani decreased by *** percent in the six months following the filing of the petition. The record also shows that inventories of U.S. imports from the Czech

⁶ SAA at 877.

⁷ 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

⁸ See *Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-43, 731-TA-1095-97, USITC Pub. 3884 at 46-48 (Sept. 2006); *Carbazole Violet Pigment from China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060-61 (Final), USITC Pub. 3744 at 26 (Dec. 2004); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Final), USITC Pub. 3617 at 20-22 (Aug. 2003).

⁹ *Czech Republic Critical Circumstances Determination*, 79 Fed. Reg. 58234, 58235.

¹⁰ Memorandum INV-MM-105, October 14, 2014, Confidential Report concerning *Grain-Oriented Electrical Steel from China, Czech Republic, Korea, and Russia* ("GOES II CR") at Table I-3, n.1; Public Report ("GOES II PR") at Table I-3, n.1.

¹¹ GOES II CR/GOES II PR at Table I-3.

Republic were *** short tons in March 2013, these inventories were *** short tons by the end of 2013, and were *** short tons in March 2014.¹² The record, therefore, shows that the total volume of subject imports from Sujani decreased in the six months following the filing of the petition, and the volume held in inventory was larger in March 2014 than it was the previous year at that time, but still remained relatively small. The end-of-period inventories in March 2014 represented just *** percent of the total cumulated subject import volume in 2013 and *** percent of apparent U.S. consumption in 2013.¹³ Taken as a whole, the data on the record do not show a sudden and significant increase in subject imports following the filing of the petition that would seriously undermine the remedial effect of an antidumping duty order, if one were to be issued on GOES from the Czech Republic. Consequently, I make a negative critical circumstances finding with respect to imports from the Czech Republic that are subject to Commerce's affirmative critical circumstances determination.

B. Russia

Commerce made an affirmative critical circumstances determination with respect to imports of GOES that were produced by OJSC Novolipetsk Steel/VIZ-Steel LLC and all other producers in Russia.¹⁴ In the six months prior to the filing of the petition, the volume of subject imports from Russia was *** short tons, and in the six months after the petition was filed this volume was *** short tons, for an increase of *** percent.¹⁵ The record shows that inventories of U.S. imports from Russia were *** short tons in March 2013; these inventories were also *** short tons at the end of 2013, and were *** short tons in March 2014.¹⁶ Although the subject imports from Russia did increase in the period subsequent to the filing of the petition, the volume remained relatively small and there were *** end-of-period inventories in March 2014. Based on this record, I do not find a sudden and significant increase in subject imports following the filing of the petition that would seriously undermine the remedial effect of an antidumping duty order, if one were to be issued on GOES from Russia. Consequently, I make a negative critical circumstances finding with respect to subject imports from Russia that are subject to Commerce's affirmative critical circumstances determination.

¹² Memorandum INV-MM-077, August 14, 2014, Confidential Report concerning *Grain-Oriented Electrical Steel from Germany, Japan, and Poland* ("GOES I CR") at Table VII-15; Public Report ("GOES I PR") at Table VII-15. ***.

¹³ See GOES I CR/GOES I PR at Table C-1.

¹⁴ *Russia Critical Circumstances Determination*, 79 Fed. Reg. 59223.

¹⁵ GOES II CR/GOES II PR at Table I-4.

¹⁶ GOES I CR/GOES I PR at Table VII-15.

III. Conclusion

For the foregoing reasons, I find that the domestic industry producing GOES in the United States is materially injured by reason of subject imports from China, Czech Republic, Korea, and Russia, and that critical circumstances do not exist with respect to subject imports from the Czech Republic and Russia that are covered by Commerce's affirmative critical circumstances determinations.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by counsel on behalf of AK Steel Corp. (“AK Steel”), West Chester, Ohio; Allegheny Ludlum, LLC, (“Allegheny Ludlum”), Pittsburgh, Pennsylvania; and the United Steelworkers (“USW”),¹ Pittsburgh, Pennsylvania, on September 18, 2013, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of grain-oriented electrical steel (“GOES”) from China and by reason of less-than-fair-value (“LTFV”) imports of GOES from China, the Czech Republic, Germany, Japan, Korea, Poland, and Russia.² The following tabulation provides information relating to the background of these investigations.³

Effective date	Action
September 18, 2013	Petitions filed with Commerce and the Commission; institution of the Commission investigations (78 FR 59059, September 25, 2013)
October 31, 2013	Commerce’s notices of initiation (78 FR 65265 and 78 FR 65283)
November 20, 2013	Commission’s preliminary determinations (78 FR 70574, November 26, 2013)
March 11, 2014	Commerce’s preliminary determination concerning the countervailing duty order on imports from China and alignment of final determination with final antidumping duty determination (79 FR 13617) (correction notice 79 FR 15100, March 18, 2014)
May 9, 2014	Commerce’s preliminary determination and postponement of final determination concerning the antidumping duty order on imports from the Czech Republic (79 FR 26717)
May 12, 2014	Commerce’s preliminary determinations concerning the antidumping duty orders on imports from China, Germany, Japan, Korea, Poland, and Russia and postponement of final determinations with respect to China, Korea, and Russia (79 FR 26936-26943); scheduling of final phase of Commission investigation (79 FR 32310, June 4, 2014)
July 22, 2014	Commerce’s final determinations concerning the antidumping duty orders on imports from Germany, Japan, and Poland (79 FR 42501-42503)
July 24, 2014	Commission’s hearing
August 13, 2014	Commission’s supplemental schedule on China, Czech Republic, Korea, and Russia (79 FR 49339, August 20, 2014)

¹ The USW represents employees of Allegheny Ludlum that are engaged in the production of GOES in the United States.

² The Commission issued its determinations and views with respect to Germany, Japan, and Poland on September 8, 2014.

³ Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

Effective date	Action
August 27, 2014	Commission's vote (Germany, Japan, and Poland)
September 8, 2014	Commission's views (Germany, Japan, and Poland)
September 29, 2014	Commerce's final determination concerning the antidumping duty order on imports from the Czech Republic (79 FR 58324)
October 1, 2014	Commerce's final determinations concerning the countervailing duty order on imports from China (79 FR 59221) and the antidumping duty orders on imports from China, Korea, and Russia (79 FR 59223-59227)
October 23, 2014	Commission's vote (China, Czech Republic, Korea, and Russia)
November 4, 2014	Commission's views (China, Czech Republic, Korea, and Russia)

The information contained in this report is intended to be used in conjunction with data presented in the Commission's report on *Grain-Oriented Electrical Steel from Germany, Japan, and Poland, Investigation Nos. 731-TA-1233, 1234, and 1236 (Final)*, USITC Publication 4491, September 2014, and its corresponding confidential version contained in memorandum No. INV-MM-077 (as revised by memoranda INV-MM-080), *Investigation No. 701-TA-505 and 731-TA-1231-1237 (Final): Grain-Oriented Electrical Steel ("GOES") from China, Czech Republic, Germany, Japan, Korea, Poland, and Russia*. No new information except for Commerce's final determinations concerning GOES from China, Czech Republic, Korea, and Russia, and party comments⁴ thereon is included in the record for this proceeding.

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On October 1, 2014, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of GOES from China.⁵ Table I-1 presents Commerce's findings of subsidization of GOES in China.

Table I-1
GOES: Commerce's final subsidy determination with respect to imports from China

Entity	Final countervailable subsidy margin (<i>percent</i>)
Baoshan Iron & Steel Co., Ltd.	127.69
All others	127.69

Source: 79 FR 59221, October 1, 2014.

⁴ The only party comments received were from counsel on behalf of the petitioners (Kelley Drye & Warren).

⁵ *Grain-Oriented Electrical Steel from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 79 FR 59221, October 1, 2014.

Sales at LTFV

On September 29, 2014, Commerce published a notice in the *Federal Register* of its final determination of sales at LTFV with respect to imports from the Czech Republic.⁶ On October 1, 2014, Commerce published notices in the *Federal Register* of its final determinations of sales at LTFV with respect to imports from China, Korea, and Russia.⁷ Table I-2 presents Commerce's dumping margins with respect to imports of GOES from China, Czech Republic, Korea, and Russia.

Table I-2
GOES: Commerce's final weighted-average LTFV margins with respect to imports from China, Czech Republic, Korea, and Russia

Producer/exporter	Final dumping margin (percent)
China	
PRC-wide entity ¹	159.21
Czech Republic	
ArcelorMittal Frydek-Mistek	13.76
Sujani Enterprises, Ltd.	35.93
All others	13.76
Korea	
POSCO	3.68
All others	3.68
Russia	
OJSC Novolipetsk Steel/VIZSteel LLC	119.88
All others	68.98

¹ The PRC-wide entity includes all producers and exporters of GOES from the PRC, including the companies identified in the petition that did not establish that they are separate from the PRC-wide entity in this investigation: Baoshan, Anshan Iron & Steel Group Corporation, Hebei Shougang Qian'an Iron & Steel Co., Ltd., and Wuhan Iron & Steel Co., Ltd.

Source: 79 FR 59226, October 1, 2014 (China); 79 FR 58324, September 29, 2014 (Czech Republic); 79 FR 59224, October 1, 2014 (Korea); 79 FR 59223, October 1, 2014 (Russia).

⁶ *Grain-Oriented Electrical Steel From the Czech Republic: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 58324, September 29, 2014.

⁷ *Grain-Oriented Electrical Steel From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 79 FR 59226, October 1, 2014; *Grain-Oriented Electrical Steel From the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 79 FR 59224, October 1, 2014; and *Grain-Oriented Electrical Steel From the Russian Federation: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 59223, October 1, 2014.

CRITICAL CIRCUMSTANCES

Czech Republic

In its preliminary determination, Commerce concluded that critical circumstances do not exist for imports of GOES from the Czech Republic.⁸ In its final determination, published in the *Federal Register* on September 29, 2014, Commerce continued to find that critical circumstances do not exist with respect to imports of GOES from the Czech Republic produced by ArcelorMittal Frydek-Mistek and the companies covered by the “all others” rate. However, Commerce found that there were massive imports of subject merchandise from Czech producer Sujani and determined that critical circumstances exist with respect to imports of GOES from Sujani.⁹

Based on existing record evidence, table I-3 and figure I-1 present U.S. imports of GOES from Sujani, April 2013 to March 2014, by month.¹⁰ Table I-3 of this report corresponds to table IV-3 of INV-MM-077 (August 14, 2004) and USITC Publication 4491 (September 2014). U.S. imports for which Sujani was reported by *** as the importer of record were *** percent higher in the six-month period (October 2013 to March 2014) following the filing of the petition¹¹ than in the preceding six-month period (April 2013 to September 2013). Total U.S. imports from Sujani (including U.S. imports from Sujani for which ***) were *** percent lower in the six-month period (October 2013 to March 2014) following the filing of the petition than in the preceding six-month period (April 2013 to September 2013). Neither Sujani nor *** reported U.S. imports of GOES from the Czech Republic during February or March 2014.

Table I-3

GOES: U.S. imports from the Czech Republic subject to Commerce’s final affirmative critical circumstances determination, by month, April 2013 - March 2014

* * * * *

Figure I-1

GOES: U.S. imports from the Czech Republic subject to Commerce’s final critical circumstances determination, by month, April 2013 - March 2014

* * * * *

⁸ *Grain-Oriented Electrical Steel From the Czech Republic: Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 26717, May 9, 2014.

⁹ *Grain-Oriented Electrical Steel From the Czech Republic: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 58324, September 29, 2014.

¹⁰ These data are compiled from confidential *** information (EDIS document no. 540549).

¹¹ The petition was filed on September 18, 2013.

Russia

In its preliminary determination, Commerce concluded that critical circumstances exist for imports of GOES from Russia.¹² In its final determination, published in the *Federal Register* on October 1, 2014, Commerce found no changes to its critical circumstances analysis announced in its preliminary determination concerning Russia and determined that critical circumstances exist with respect to imports of GOES from Russia produced by OJSC Novolipetsk Steel/VIZSteel LLC (“NLMK”) and all other producers in Russia.¹³ Table I-4 and figure I-2 present U.S. imports of GOES from Russia, April 2013 to March 2014, by month.¹⁴

Imports of GOES from Russia generally rose during the months prior to the filing of the petition from 3 short tons in April 2013 to 136 short tons in September 2013. Imports from Russia continued to increase in the months following the filing of the petition from 168 short tons in October 2013 to 227 short tons in January 2014 before falling to 27 short tons in March 2014. Imports of GOES from Russia were 141.3 percent higher during October 2013-March 2014 than during April-September 2013.

¹²*Grain-Oriented Electrical Steel From Germany, Japan, Poland, and the Russian Federation: Preliminary Determinations of Sales at Less Than Fair Value, Certain Affirmative Preliminary Determinations of Critical Circumstances, and Postponement of Russian Final Determination*, 79 FR 26941, May 12, 2014.

¹³*Grain-Oriented Electrical Steel From the Russian Federation: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 59223, October 1, 2014.

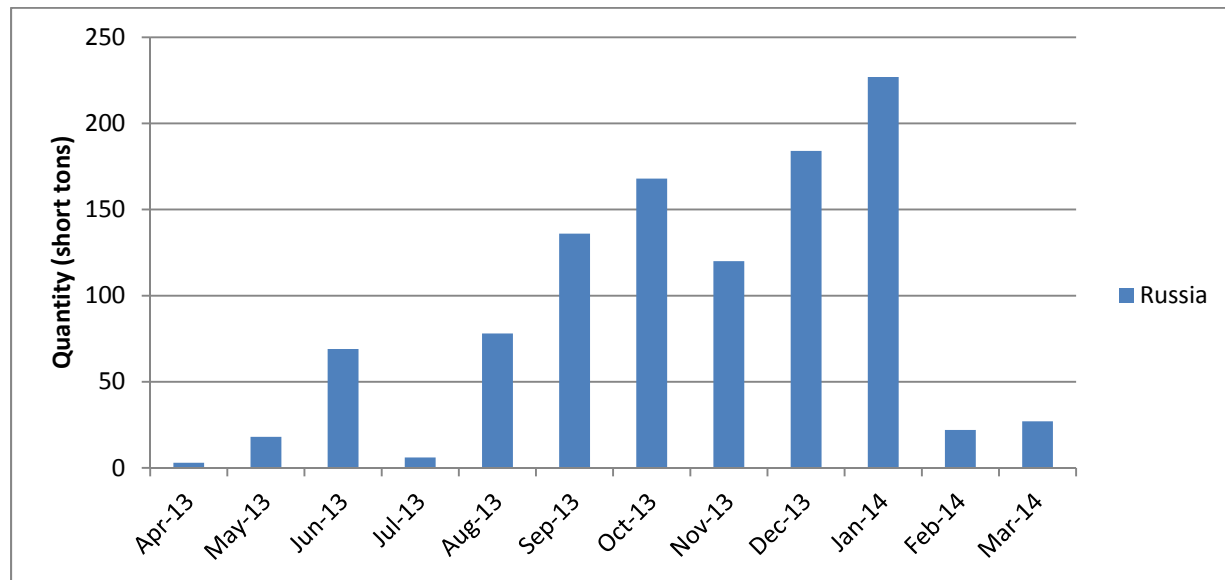
¹⁴ These same monthly data concerning imports from Russia are also presented table IV-3 of INV-MM-077 (August 14, 2004) and USITC Publication 4491 (September 2014).

Table I-4
GOES: Monthly U.S. imports from Russia, April 2013-March 2014

Item	Russia
	Quantity (<i>short tons</i>)
April 2013	3
May 2013	18
June 2013	69
July 2013	6
August 2013	78
September 2013	136
Subtotal	310
October 2013	168
November 2013	120
December 2013	184
January 2014	227
February 2014	22
March 2014	27
Subtotal	748

Source: Compiled from official statistics of the U.S. Department of Commerce. Official import statistics reported through March 2014 to reflect revisions available as of July 2014.

Figure I-2
GOES: U.S. imports from Russia, by month, April 2013 - March 2014



Source: Compiled from official statistics of the U.S. Department of Commerce. Official import statistics reported through March 2014 to reflect revisions available as of July 2014.

APPENDIX A

SELECTED *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 *Federal Register* notices pertinent to the subject proceeding.

Citation	Title	Link
79 FR 49339 August 20, 2014	<i>Grain-Oriented Electrical Steel ("GOES") From China, Czech Republic, Korea, and Russia: Supplemental schedule for the subject investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-08-20/pdf/2014-19716.pdf
79 FR 58324 September 29, 2014	<i>Grain-Oriented Electrical Steel From the Czech Republic: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-09-29/pdf/2014-23124.pdf
79 FR 59221 October 1, 2014	<i>Grain-Oriented Electrical Steel from the People's Republic of China: Final Affirmative Countervailing Duty Determination</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-10-01/pdf/2014-23390.pdf
79 FR 59226 October 1, 2014	<i>Grain-Oriented Electrical Steel From the People's Republic of China: Final Determination of Sales at Less Than Fair Value</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-10-01/pdf/2014-23391.pdf
79 FR 59224 October 1, 2014	<i>Grain-Oriented Electrical Steel From the Republic of Korea: Final Determination of Sales at Less Than Fair Value</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-10-01/pdf/2014-23393.pdf
79 FR 59223 October 1, 2014	<i>Grain-Oriented Electrical Steel From the Russian Federation: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances</i>	http://www.gpo.gov/fdsys/pkg/FR-2014-10-01/pdf/2014-23389.pdf

