

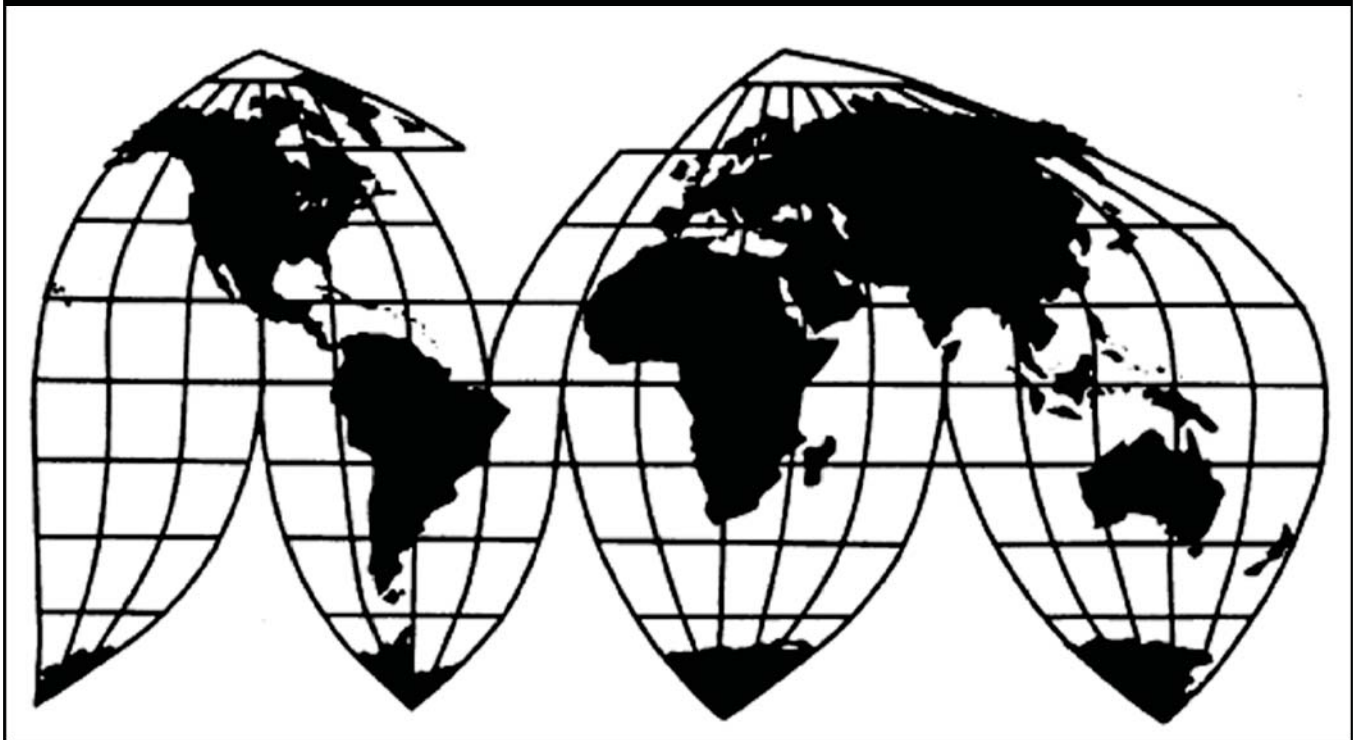
Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom

Investigation Nos. 701-TA-540, 542-544 and
731-TA-1283, 1285, 1287, and 1289-1290 (Final)

Publication 4637

September 2016

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290 (Final)
Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that an industry in the United States is materially injured by reason of imports of cold-rolled steel flat products from Brazil, India, Korea, and the United Kingdom, provided for in subheadings 7209.15, 7209.16, 7209.17, 7209.18, 7209.25, 7209.26, 7209.27, 7209.28, 7209.90, 7210.70, 7211.23, 7211.29, 7211.90, 7212.40, 7225.50, 7225.99, and 7226.92 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”), and to be subsidized by the governments of Brazil and Korea. The Commission further determines that an industry in the United States is threatened with material injury by reason of imports of cold-rolled steel flat products that have been found by Commerce to be subsidized by the government of India.² The Commission also determines that imports of cold-rolled steel flat products from Russia that are sold in the United States at LTFV and subsidized by the government of Russia are negligible.

BACKGROUND

The Commission, pursuant to sections 705(b) and 735(b) of the Act (19 U.S.C. 1671d(b) and 19 U.S.C. 1673d(b)), instituted these investigations effective July 28, 2015, following receipt of a petition filed with the Commission and Commerce by AK Steel Corporation (West Chester, Ohio), ArcelorMittal USA LLC (Chicago, Illinois), Nucor Corporation (Charlotte, North Carolina), Steel Dynamics, Inc. (Fort Wayne, Indiana), and United States Steel Corporation (Pittsburgh, Pennsylvania). The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of cold-rolled steel flat products from Brazil, India, Korea, and Russia were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and imports of cold-rolled steel flat products imported from Brazil, India, Korea, Russia, and the United Kingdom were dumped within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission’s investigations³ and of a public hearing to be held in connection therewith

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 F. Scott Kieff dissenting. Commissioner Kieff determines that imports subsidized by the government of India are negligible.

³ The Commission also scheduled a final-phase countervailing duty investigation concerning

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, 2016 (81 FR 15559). The hearing was held in Washington, DC, on May 24, 2016, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission made these determinations pursuant to sections 705(b) and 735(b) of the Act (19 U.S.C. 1671d(b) and 19 U.S.C. 1673d(b)). It completed and filed its determinations in these investigations on September 12, 2016.

cold-rolled flat products from Korea, although Commerce preliminarily determined that *de minimis* countervailable subsidies were being provided to producers/exporters of certain cold-rolled steel flat products from Korea.

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of cold-rolled steel flat products (“cold-rolled steel”) from Brazil, India, Korea, and the United Kingdom that are sold in the United States at less than fair value (“LTFV”) and subsidized by the governments of Brazil and Korea. We further determine that an industry in the United States is threatened with material injury by reason of imports of cold-rolled steel that are subsidized by the government of India.¹ We also determine that imports of cold-rolled steel from Russia that are sold in the United States at LTFV and subsidized by the government of Russia are negligible.

I. Background

The petitions in these investigations were filed on July 28, 2015 by five domestic cold-rolled steel producers: AK Steel Corporation (“AK Steel”), ArcelorMittal USA LLC (“ArcelorMittal”), Nucor Corporation (“Nucor”), Steel Dynamics, Inc., and United States Steel Corporation (“U.S. Steel”). The petitions concerned cold-rolled steel from Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom. In its preliminary determinations, the Commission terminated the investigation concerning subject imports from the Netherlands based on a finding of negligible imports.²

The Commission was required to issue its final determinations in the investigations on cold-rolled steel from China and Japan in July 2016, because the U.S. Department of Commerce issued its final determinations in those investigations earlier than it did in the investigations concerning cold-rolled steel from Brazil, India, Korea, Russia, and the United Kingdom. The Commission made affirmative determinations in the investigations of cold-rolled steel from China and Japan on the basis of cumulated subject imports from all seven countries.³

¹ Commissioner Kieff dissenting. Commissioner Kieff determines that subsidized subject imports from India are negligible.

² *Cold-Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540-544 and 731-TA-1283-1290 (Preliminary), USITC Pub. 4564 (Sept. 2015) (“USITC Pub. 4564”).

³ See *Cold-Rolled Steel Flat Products from China and Japan*, Inv. Nos. 701-TA-541 and 731-TA-1284 and 1286 (Final), USITC Pub. 4619 (July 2016) (“USITC Pub. 4619”). In these determinations, the Commission identified the parties to its final phase investigations concerning cold-rolled steel and the bases for the domestic industry and import data compiled in the Commission report. See *id.* at 3-4. Producers in all seven subject countries submitted questionnaire responses. With respect to Brazil, three responding firms accounted for *** production capacity. With respect to China, nine responding firms accounted for *** percent of production capacity; for India, two responding firms accounted for *** percent of capacity. For Japan, industry data are based on four responding firms that accounted for *** percent of capacity. Korean industry data are based on four responding firms that accounted for *** percent of capacity, and Russian industry data are based on two responding firms that accounted for *** percent of capacity. With respect to the United Kingdom, two responding firm accounted for (Continued...)

The Commission's record in these investigations closed on June 15, 2016, except with respect to Commerce's final antidumping and countervailing duty determinations regarding cold-rolled steel from Brazil, India, Korea, Russia, and the United Kingdom, the supplemental comments of the parties with respect to these determinations,⁴ and the supplemental Commission report.⁵

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 cold-rolled steel from Brazil, India, Korea, Russia, and the United Kingdom on the basis of the same record as that in the investigations on cold-rolled steel from China and Japan, except to the extent discussed above.⁶ Therefore, for these determinations, we adopt the findings and analysis in the final determinations on cold-rolled steel from China and Japan with respect to the issues of domestic like product, domestic industry, legal standards for material injury investigations, conditions of competition, including captive production, that are pertinent to the U.S. cold-rolled steel market, and impact of the subject imports on the domestic industry.⁷

II. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product shall be deemed negligible if they account for less than three percent (or four percent in the case of a developing country in a countervailing duty investigation) of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition.⁸

The statute further provides that subject imports from a single country which comprise less than 3 percent of such total imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States.⁹ In the case of countervailing duty

(...Continued)

*** production capacity. Confidential Report INV-OO-051 ("CR") at Table I-1; Public Report ("PR") at Table I-1.

⁴ The following parties submitted supplemental comments: ArcelorMittal USA LLC; Nucor Corp.; Steel Dynamics, Inc.; U.S. Steel Corp.; Russian respondents Novolipetsk Steel PJSC ("NLMK") and Severstal Export GmbH and PAO Severstal (collectively "Severstal"); the Government of Brazil; and the Ministry of Economic Development of the Russian Federation.

⁵ Second Phase Report, INV-OO-076, (Aug. 23, 2016) ("Second Phase CR") and Memorandum INV-OO-077 (Aug. 23, 2016). These memoranda only contain new information from Commerce's final determinations and compilations of previously collected and disclosed data.

⁶ 19 U.S.C. § 1677(7)(G)(iii).

⁷ See USITC Pub. 4619 at 4-12, 19-27, 33-36.

⁸ 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); see also 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

⁹ 19 U.S.C. § 1677(24)(A)(ii).

investigations involving developing countries (as designated by the United States Trade Representative (USTR)), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.¹⁰ USTR has designated India to be a developing country subject to the 4 percent negligibility threshold for countervailing duty investigations.¹¹

Additionally, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that subject imports from the country concerned will imminently account for more than 3 percent (4 percent for countervailing duty investigations of developing countries) of all such merchandise imported into the United States.¹² The Commission also assesses whether there is a potential that the aggregate volumes of subject imports from all countries with currently negligible imports will imminently exceed 7 percent of all such merchandise imported into the United States.¹³ The threshold is 9 percent for developing countries.

A. Preliminary Determinations

In the preliminary determinations, the Commission found that subject imports in all but two of its investigations were above pertinent negligibility thresholds.¹⁴ The Commission found that the subject imports from the Netherlands accounted for *** percent of total imports over the applicable 12-month period prior to filing of the petition, which is July 2014 to June 2015. The Commission also found the subject imports from the Netherlands did not have the potential to exceed the negligibility threshold in the imminent future for consideration of threat of material injury and terminated the antidumping duty investigation with respect to subject imports from the Netherlands.¹⁵

The Commission further found that subject imports from India in the countervailing duty investigation were negligible for purposes of analysis of present material injury because they accounted for *** percent of total imports over the applicable 12-month period. This was below the 4 percent negligibility threshold applicable to the countervailing duty investigation concerning subject imports from India.¹⁶ However, the Commission determined that there was a potential that subject imports from India would imminently exceed the 4 percent threshold because they had accounted for 5.1 percent of total imports of cold-rolled steel during the first six months of 2015.¹⁷ It therefore considered allegedly subsidized subject imports from India in

¹⁰ 19 U.S.C. § 1677(24)(B).

¹¹ 15 C.F.R. § 2013.1.

¹² 19 U.S.C. § 1677(24)(A)(iv).

¹³ 19 U.S.C. § 1677(24)(A)(iv).

¹⁴ Commissioner Kieff did not participate in the preliminary phase of these investigations.

¹⁵ USITC Pub. 4564 at 14-15.

¹⁶ USITC Pub. 4564 at 16. Subject imports from India in the antidumping investigation were not negligible for purposes of material injury because they exceeded 3 percent, the threshold for all antidumping investigations.

¹⁷ USITC Pub. 4564 at 16.

its threat of material injury analysis, and made an affirmative threat determination with respect to these imports.¹⁸

B. Arguments of the Parties

Domestic Producers. Petitioners contend that the Commission should not terminate any of the current investigations on the basis of negligibility. They contend that imports from all but two subject countries are above negligible levels.¹⁹

U.S. Steel does not dispute the Commission's calculations concerning the level of subject imports from India during the pertinent 12-month period prior to the filing of the petition and it concedes that at *** percent, they are under the 4.0 percent negligibility threshold for countervailing duty investigations concerning developing countries. Nonetheless, it contends that they are likely imminently to exceed the threshold, as the Commission found in its preliminary determinations.²⁰

AK Steel acknowledges that subject imports in the antidumping and countervailing duty investigations concerning cold-rolled steel from Russia are below the 3 percent negligibility threshold in light of Commerce's final determinations, each of which found *de minimis* margins for one of the two major Russian exporters.²¹ However, AK Steel and U.S. Steel argue that the language of Section 771(24)(A) of the Tariff Act of 1930 indicates that the Commission should consider the volume of subject imports from Russia as a whole and find that the total volume of subject imports from Russia exceeds the 3 percent negligibility threshold.²²

If subject imports are nevertheless found to be under the 3 percent negligibility threshold, ArcelorMittal contends that the Commission should find subject imports from Russia in both the antidumping and countervailing duty investigations have the potential imminently to exceed the negligibility threshold and therefore should be considered for purposes of analysis of threat of material injury.²³

ArcelorMittal asserts that other factors also support a finding of likely increased exports of cold-rolled steel from Russia to the United States. It points to growing capacity and excess capacity for Severstal and NLMK, and it contends that weak demand in Russia for cold-rolled steel will likely lead to greater reliance on the U.S. market.²⁴ U.S. Steel similarly argues that

¹⁸ USITC Pub. 4564 at 37-41.

¹⁹ U.S. Steel Brief at 8; AK Steel Brief at 4.

²⁰ See U.S. Steel's Prehearing Brief, Exhibit 2, a 1-2.

²¹ In the countervailing duty investigation concerning cold-rolled steel from Russia, Commerce found a *de minimis* subsidy margin for PAO Severstal, Severstal Export GmbH, JSC Karelsky Okatysh, AO OLKON, AO Vorkutaugol, and JSC Vtorchermet. In the antidumping investigation concerning cold-rolled steel from Russia, Commerce found a *de minimis* dumping margin for Novex Trading (Swiss) SA and NLMK. Commerce Final Russia Dumping Determination, 81 Fed. Reg. 12072 (Mar. 7, 2016); Commerce Final Russia Countervailing Duty Determination, 80 Fed. Reg. 79564 (Dec. 22, 2015).

²² AK Steel's Supplemental Comments at 1-3; U.S. Steel's Supplemental Comments at 2-3.

²³ ArcelorMittal's Supplemental Comments at 3-4.

²⁴ ArcelorMittal's Supplemental Comments at 4-5.

other factors support a finding that subject imports from Russia in both investigations will exceed the 3 percent threshold.²⁵

Respondents. JSW, a producer of cold-rolled steel in India, argues that the countervailing duty investigation on subject imports from India should be terminated because subject imports are under the 4 percent negligibility threshold applicable to that investigation. It also claims that there is a significant discrepancy between export data reported in the foreign producers' questionnaire responses and the official Customs statistics and it urges the Commission to rely upon questionnaire data, claiming they are more reliable in light of what it calls the "extremely high level of coverage" of exports from India by the foreign producers' questionnaire responses.²⁶

JSW also argues that subject imports from India have been decreasing and are unlikely to exceed the 4 percent threshold in the imminent timeframe.²⁷ It concedes, however, that the filing of the petitions led producers of cold-rolled steel in India to cease exporting cold-rolled steel to the United States.²⁸

Severstal asserts that with Commerce's final determinations in the antidumping and countervailing duty investigations of cold-rolled steel from Russia, the volume of the subject imports from Russia in each investigation is well under the 3 percent negligibility threshold during the 12 months prior to the filing of the petition.²⁹ Severstal also contends that subject imports from Russia are not likely imminently to exceed the 3 percent threshold as it claims it has operated, and anticipates operating, at *** capacity, and has never shipped more than minimal volumes of cold-rolled steel to the United States.³⁰

NLMK argues that subject imports in the countervailing duty investigation of cold-rolled steel from Russia are negligible because they are under the 3 percent threshold during the pertinent period.³¹ NLMK also contends that they do not have the potential imminently to exceed 3 percent of total imports as its overall capacity utilization on equipment used to produce subject merchandise is *** and that the record does not suggest any imminent increase in volume.³²

Tata U.K. asserts that the Commission's data overstate the market share of subject imports, and once the data are corrected, subject imports from the United Kingdom are below the 3 percent negligibility threshold.³³

²⁵ U.S. Steel's Supplemental Comments at 4-5.

²⁶ JSW's Prehearing Brief at 2-3.

²⁷ JSW's Posthearing Brief at 4.

²⁸ JSW's Posthearing Brief at 14.

²⁹ Severstal's Supplemental Comments at 3-4.

³⁰ Severstal's Supplemental Comments at 5.

³¹ NLMK's Supplemental Comments at 3-4.

³² NLMK's Supplemental Comments at 5.

³³ Tata U.K.'s Posthearing Brief at 12-14.

C. Analysis and Conclusions

Imports from Brazil and Korea are clearly above the statutory negligibility thresholds. Subject imports from Brazil were *** percent of total imports and subject imports from Korea were *** percent of total imports during July 2014 through June 2015, the 12-month period preceding the filing of the petition.³⁴

Subject imports from the United Kingdom also are not negligible. The record contains two calculations of import data for the July 2014-June 2015 negligibility period. One is based on official import statistics for non-alloy cold-rolled steel plus imports of alloy cold-rolled steel reported in questionnaire responses.³⁵ The other is based on unadjusted import statistics for alloy and non-alloy cold-rolled steel.³⁶ Using official import statistics adjusted by questionnaire data, subject imports from the United Kingdom were *** percent of total imports during the applicable 12-month negligibility period.³⁷ Using official import statistics, the subject imports from the United Kingdom were *** percent of total imports during the 12-month negligibility period.³⁸ Either figure is above the statutory negligibility threshold.

We do not agree with Tata U.K. that the Commission should rely solely on importer questionnaire data for its negligibility analysis.³⁹ Importer coverage for subject imports, as well as for imports from nonsubject sources, is substantial but incomplete.⁴⁰ Although all major importers submitted questionnaire responses, there is nothing in the record that leads us to believe official import statistics are inaccurate or overstate the subject imports. We continue to find that official import statistics adjusted by questionnaire data constitute the most reliable information available concerning import volumes. Consequently, we conclude that subject imports from Brazil, Korea, and the United Kingdom are not negligible.

India. As was the case in the preliminary phase of the investigations, the record indicates that subject imports from India accounted for *** percent of total imports over the applicable 12-month period. Although this is above the 3 percent negligibility threshold for antidumping investigations, it is below the 4 percent negligibility threshold applicable to a countervailing duty investigation concerning subject imports from India.⁴¹

³⁴ Second Phase CR/PR at Table I-5. Subject imports from China and Japan were found to be above the negligibility threshold in our earlier determinations. USITC Pub. 4619 at 12 n.41.

³⁵ See CR at IV-12, PR at IV-11; Second Phase CR/PR at Table I-5.

³⁶ CR/PR at Table IV-4; Second Phase CR/PR at Table I-6.

³⁷ Second Phase CR/PR at Table I-5.

³⁸ Second Phase CR/PR at Table I-6.

³⁹ We note, however, that comparing questionnaire data for the quantity of imports from the UK to questionnaire data for the quantity of imports from all sources during July 2014 to June 2015 likewise results in a share of total imports that exceeds three percent. Calculated from EDIS document number 583343, File ID 1103809, pages 52 and 62 (*** percent).

⁴⁰ See Tata U.K.'s Posthearing Brief at 12 n.26. Useable questionnaire responses were received from 52 companies representing between 65.1 and 98.6 percent of official imports of carbon and alloy cold-rolled steel from subject countries (including *** percent for the United Kingdom) and 80.3 percent from nonsubject countries. CR at I-7, PR at I-5.

⁴¹ CR/PR at Table IV-3.

There is very little difference between the volumes of subject imports from India under either calculation of import volume because there are virtually no imports of alloy cold-rolled steel from India, and both methodologies indicate that subject imports from India accounted for *** percent of total imports of cold-rolled steel over the pertinent 12-month period.^{42 43}

We also find subject imports from India in the countervailing duty investigation not to be negligible for purposes of a threat of material injury analysis. Under the statute, even if subject imports are found to be negligible for purposes of present material injury, they are not negligible for purposes of a threat analysis if there is a potential that subject imports will imminently exceed the negligibility threshold.⁴⁴

We conclude that there is the potential for subject imports from India imminently to exceed the 4 percent threshold. The record indicates, as it did in the preliminary determinations, that subject imports from India accounted for 5.1 percent of total imports of cold-rolled steel during the first six months of 2015.⁴⁵ Consequently, subject imports from India have demonstrated the potential to exceed the 4 percent threshold for a sustained period prior to the filing of the petitions; these increased subject imports from India occurred throughout

⁴² See CR/PR at Tables IV-3 and IV-4. We do not agree with JSW's contention that the Commission should rely on foreign producer questionnaire responses rather than official import statistics. The Commission received questionnaire responses from two producers and exporters of cold-rolled steel in India. CR at VII-16, PR at VII-10. The responding producers accounted for most, but not all, of the subject imports from India. *Id.* Non-responding producers accounted for a substantial portion (a bit less than 25 percent) of the subject imports from India during 2013-15. We find that the data in the Commission's report, based primarily on official import statistics, provide the most accurate measure of the volume of subject imports from India during the pertinent 12-month period. Moreover, data for the 12-month period prior to the filing of the petition are unavailable in the foreign producer questionnaires, which requested yearly export data for calendar years 2013-15.

⁴³ Commissioner Kieff does not join the remainder of the discussion on India. Commissioner Kieff determines that there is not a likelihood that subsidized subject imports from India will imminently exceed the 4 percent negligibility threshold. Although subsidized imports from India were above 4 percent of total imports in four of six months during the first half of 2015, this was also the case during the first half of 2014, demonstrating that subsidized imports from India entered in higher volumes in a cyclical manner but without sustaining a level above 4 percent of total imports over periods longer than only a few months. Memorandum INV-OO-077 at Table Supp-1. In all 12-month periods ending between January 2014 and December 2015, subsidized imports from India remained below 4 percent of total imports. Memorandum INV-OO-077 at Table Supp-2. Publicly available data indicate that the Indian industry is a net consumer of cold-rolled steel with relatively small exports compared to its overall production, and data provided by Indian producers indicate that the industry is highly home-market oriented. CR at VII-16; PR at VII-10; CR/PR at Tables VII-14 and VII-16. The evidence on the record therefore demonstrates that subsidized imports from India remained consistently negligible throughout the POI, and Commissioner Kieff does not find that these consistent low volumes are likely to change in the imminent future.

⁴⁴ 19 U.S.C. § 1677(24)(B).

⁴⁵ See CR/PR at Table IV-11. See USITC Pub. 4564 at 16.

the six-month period prior to filing of the petition.⁴⁶ Subject imports from India declined after the filing of the petitions on July 28, 2015,⁴⁷ as JSW emphasizes.

JSW also acknowledges that the uncertainty surrounding these investigations led exporters to stop exporting to the United States once the petitions were filed.⁴⁸ We therefore do not view the low level of subject imports from India following filing of the petition to be indicative of their likely volume in the absence of trade relief and believe their level during the six months immediately preceding the investigations to be more probative.⁴⁹ We further observe that the two reporting producers of cold-rolled steel in India reported excess capacity of *** short tons of capacity, as well as increased exports and capacity over the POI.⁵⁰

Russia. Because Commerce's final determinations in the antidumping and countervailing investigations concerning subject imports from Russia found a *de minimis* subsidy rate for Severstal and a *de minimis* dumping margin for NLMK, subject imports in both the antidumping and the countervailing duty investigations are well under the applicable 3 percent threshold.⁵¹ Subject imports from Russia in the antidumping investigation were *** percent of total imports of cold-rolled steel during the pertinent 12-month negligibility period while subject imports from Russia in the countervailing duty investigation were *** percent of total imports of cold-rolled steel during that period.⁵²

We find no merit in AK Steel's and U.S. Steel's arguments that subject imports in the two investigations should be considered together—effectively cross-cumulatating dumped and subsidized subject imports for purposes of determining negligibility. The Commission has previously addressed the issue of antidumping and countervailing duty investigations for the

⁴⁶ Subject imports from India exceeded 4 percent of total imports during four of the six months prior to filing of the petition. See Memorandum INV-OO-077 at Table Supp-1.

⁴⁷ See CR/PR at Table IV-11.

⁴⁸ JSW's Posthearing Brief at 14-15

⁴⁹ This was the principal period on which we relied in reaching our preliminary determination that subject imports from India subject to the countervailing duty investigation had the potential imminently to exceed the four percent negligibility threshold. USITC Pub. 4564 at 15-16. Neither JSW nor any other party, has provided a persuasive argument that the analysis used in the preliminary determinations of focusing on the sustained increases in subject import volume during the period immediately prior to filing of the petition was inappropriate in the context of these investigations.

Additionally, we note that the 12-month moving average for subject imports from India's share of total imports displayed an upward trend, increasing from 3.0 percent in January 2015 to 3.7 percent in June 2015. See Memorandum INV-OO-077 at Table Supp-2. This average was trending towards the 4 percent threshold, although we acknowledge that it did not meet it before the petition was filed.

⁵⁰ See CR/PR at Table VII-14.

⁵¹ Because USTR no longer designates Russia as a developing country, it is not eligible for the 4 percent threshold applicable to countervailing duty investigations on developing countries as Severstal contends. It is USTR's designation that controls under the pertinent statute, 19 U.S.C. § 1677(36)(A), not whether Russia is viewed as a developing country internationally. See also Presidential Proclamation 9188 of October 3, 2014, "To Modify the List of Beneficiary Developing Countries Under the Trade Act of 1974," 79 Fed. Reg. 60945, (Oct. 8, 2014) (removing designation for Russia).

⁵² Second Phase CR/PR at Table I-5.

same country and found that negligibility is to be determined prior to cumulation.⁵³ As the Commission explained, the statute in two separate provisions directs it to make its negligibility determination with respect to the merchandise as to which Commerce has made a final affirmative determination of either dumping or subsidization.⁵⁴

The legislative history of the negligibility provision also indicates that negligibility is considered prior to cumulation. As explained in the Uruguay Round Agreements Act Statement of Administrative Action (“SAA”), prior law treated negligibility as an exception to cumulation, but negligible imports remained subject to injury determinations.⁵⁵ The URAA expressly removed consideration of negligibility from the Commission’s cumulation analysis. The statute now provides that the Commission must terminate an investigation without an injury determination if the subject imports are negligible. A parallel exception to the cumulation provision states that imports that are the subject of a terminated investigation shall not be cumulated.⁵⁶ We therefore determine that cold-rolled steel from Russia is negligible for purposes of material injury analysis in both investigations.

We next consider whether these dumped or subsidized subject imports may be considered for purposes of threat of material injury. For this to occur, the subject imports in each investigation must have the potential imminently to exceed the 3 percent negligibility threshold.⁵⁷ After considering the record of each investigation in turn, we find that subject imports from Russia in both investigations do not have the potential to exceed the 3 percent threshold.

During the first six months of 2015, there were no reported subsidized subject imports from Russia, and at no point did such imports exceed the 3 percent threshold for any six-month period during the POI prior to the filing of the petitions.⁵⁸ Subsidized subject imports from Russia did, however, sharply increase during September and October 2015 to greater than *** percent of total cold-rolled steel imports. However, as we found with respect to the countervailing duty investigation on cold-rolled steel from India, we believe the pendency of the investigations affected the levels of subject imports from Russia. We observe that the petitioners themselves have taken this position, although not in the same manner that it affected the level of subject imports from India. Petitioners maintain that after filing of the petition, importers of subject merchandise from Russia accelerated their shipments prior to the

⁵³ See *Certain Steel Wire Rod from Canada, Germany, Trinidad & Tobago, and Venezuela*, Inv. Nos. 701-TA-368-371 (Final), USITC Pub. 3075 at 16 n.73 (Nov. 1997) (“Certain Steel Wire Rod”).

⁵⁴ See *Certain Steel Wire Rod*, USITC Pub. 3075 at 16 n.73 (citing 19 U.S.C. § 1671d(b)(1) & 19 U.S.C. § 1673d(b)(1)). Consequently, petitioners’ “plain language” argument fails, because it focuses solely on the definition of “negligible imports” in 19 U.S.C § 1677(24) without reference to how the same term is used in other portions of the statute.

⁵⁵ SAA, H.R. Rep. 316, 103 Cong., 2d Sess., vol. 1 at 855 (1994).

⁵⁶ SAA, H.R. Rep. 316, 103 Cong., 2d Sess., vol. 1 at 849, 857 (1994). Cumulation prior to consideration of negligibility is also incompatible with the statute’s inclusion of different thresholds for negligibility in antidumping and countervailing duty cases involving developing countries. 19 U.S.C. § 1677(24)(B).

⁵⁷ 19 U.S.C. § 1677(24)(A)(iv).

⁵⁸ Second Phase CR/PR at Table I-3.

imposition of provisional duties.⁵⁹ Therefore we conclude that the post-petition trends are less probative than pre-petition trends in ascertaining the likely volume of dumped or subsidized subject imports from Russia.⁶⁰

We also have considered information provided by NLMK, the only producer in Russia now subject to the countervailing duty investigation that exported to the United States during the negligibility period. It reported excess capacity of *** short tons in 2015. Its exports of cold-rolled steel also increased as its home market shipments declined during the POI.⁶¹ Nonetheless, its exports to the United States of cold-rolled steel declined in 2015 relative to 2014.⁶² Furthermore, NLMK's capacity and production are not likely to increase in the imminent future from current levels, and its exports to the United States are projected to continue at current levels.⁶³ Thus, the available data support a finding that subsidized subject imports from Russia do not have the potential to exceed 3 percent of total imports in the imminent future.

The record also supports a conclusion that dumped subject imports from Russia do not have the potential imminently to exceed 3 percent of subject imports. We note that dumped subject imports from Russia only exceeded 3.0 percent of total imports during two of the first six months of 2015.⁶⁴ Dumped subject imports from Russia did reach *** percent of total imports during May 2015, but in February and June 2015, there were no reported subject imports.⁶⁵ We also observe that during no six-month period prior to the filing of the petitions did subject imports from Russia in the antidumping investigation exceed the 3 percent negligibility threshold.⁶⁶ Thus, while subject imports from Russia in the antidumping investigation increased irregularly over the POI, they did not display a trend that suggests they would imminently exceed the negligibility threshold for any sustained period.

We also have considered information provided by Severstal, the only producer in Russia subject to Commerce's affirmative dumping determination that exported cold-rolled steel to

⁵⁹ See letter from Petitioners, "Certain Cold-Rolled Steel Flat Products from The People's Republic of China, Japan, and the Russian Federation: Petitioners' Critical Circumstances Allegation," (Oct. 30, 2015).

⁶⁰ We also observe that the 12 month moving subtotal of subject imports in the countervailing duty investigation remained well below the 3 percent negligibility threshold and decreased from *** percent in January 2015 to *** percent in June 2015. Second Phase CR/PR at Table I-4.

⁶¹ Second Phase CR/PR at Table I-8. NLMK's inventories *** during the period. *Id.*

⁶² Second Phase CR/PR at Table I-8. The exports were in the second half of 2015.

⁶³ Second Phase CR/PR at Table I-8.

⁶⁴ Second Phase CR/PR at Table I-8.

⁶⁵ Second Phase CR/PR at Table I-3. It appears that shipments of subject imports from Russia by Severstal only occurred during certain months when the shipment size was large enough to be commercially viable. Memorandum INV-OO-077 at Table Supp-1.

⁶⁶ See Second Phase CR/PR at Table I-3. For the first 6 months of 2015, they accounted for *** percent of total imports. *See Id.* The 12 month running average of subject imports in the antidumping investigation remained well below the 3 percent negligibility threshold, although the average increased from *** percent in January 2015 to *** percent in June 2015. Second Phase CR/PR at Table I-4.

the United States during the POI.⁶⁷ *** It reported excess capacity totaling *** short tons in 2015, and its capacity utilization *** during the POI.⁶⁸ Thus, the available data support a finding that dumped subject imports from Russia do not have the potential to exceed 3 percent of total imports in the imminent future.

India and Russia Combined. The statute also states that if the aggregate volume of imports from subject countries found to be negligible exceeds 7 percent of total imports, the imports should not be treated as negligible.⁶⁹ Similarly, if such imports will imminently exceed 7 percent of subject imports, the imports should not be treated as negligible for threat analysis.⁷⁰ The statute substitutes 9 percent in the case of countervailing duty investigations in the case of developing countries such as India.⁷¹

Accordingly, we also must consider whether subject imports from India and Russia in the countervailing duty investigations exceed or have the potential imminently to exceed the 9 percent aggregate threshold. For the 12-month negligibility period, subsidized imports from India and Russia combined were *** percent of total imports, which is below the aggregate negligibility threshold.⁷² In assessing aggregate imports, we observe that there were no subject imports from Russia in the countervailing duty investigation on cold-rolled steel from Russia during the first half of 2015.⁷³ Although subject imports from India displayed an upward trend, they never reached 9 percent during 2015 and averaged 5.1 percent during the first six months

⁶⁷ Second Phase CR/PR at Table I-7.

⁶⁸ Second Phase CR/PR at Table I-7. Severstal did not report any inventories of subject merchandise. *Id.*

⁶⁹ 19 U.S.C. § 1677(24)(A)(ii). Although no party has addressed the issue, we decline to aggregate imports subject to the antidumping duty investigation concerning imports from Russia with those from India subject to the countervailing duty investigation. The Commission recently addressed the issue of aggregation of negligible antidumping and countervailing investigations in *Certain Carbon and Alloy Steel Cut-to-Length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey*, Inv. Nos. 701-TA-559-561 and 731-TA-1317-1328 (Preliminary), USITC Pub. 4615 at 22-23 (May 2016). The Commission noted that it was following its practice from the 1999 *Cold-Rolled Steel* investigations and referred to a statement in the SAA (the substance of which is also clear on the face of the underlying statutory provision), that the special alternative 4 and 9 percent thresholds apply only to subject imports from developing countries in countervailing duty investigations, and it read this limitation as precluding it from cross-aggregating dumped imports with subsidized imports for purposes of assessing developing country negligibility. *Id.* (citing *Certain Cold-Rolled Steel Products from Argentina, Brazil, China, Indonesia, Japan, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela*, Inv. Nos. 701-TA-393-396 and 731-TA-829-840 (Preliminary), USITC Pub. 3214 (July 1999) at 16 & n.105).

⁷⁰ 19 U.S.C. § 1677(24)(A)(iv).

⁷¹ 19 U.S.C. § 1677(24)(B).

⁷² Second Phase CR/PR at Table I-5.

⁷³ As noted above, NLMK was the only exporter in Russia subject to Commerce's affirmative countervailing duty determination that exported subject merchandise to the United States. Its exports to the United States were lower in 2015 than in 2014 and there were no subsidized subject imports from Russia in the first six months of 2015. Second Phase CR/PR at Table I-3.

of 2015.⁷⁴ Monthly imports declined from 8.6 percent in May 2015 to 5.1 percent in June 2015.⁷⁵ Thus while subject imports from India and Russia in the countervailing duty investigations increased in the months before the filing of the petitions, there is no indication they have the potential imminently to account for 9 percent of total imports.

We also consider information provided by the two reporting producers of cold-rolled steel in India. They reported *** short tons of excess capacity in 2015 and they reported increased capacity and declining utilization rates over the POI.⁷⁶ However, their exports of cold-rolled steel to markets other than the United States more than doubled over the POI and their end of period inventories were lower in 2015 than 2014.⁷⁷ Their exports to the United States accounted for *** percent of their total shipments in 2015. Given these facts as well as those discussed above with respect to Russian producer NLMK, we do not find a potential for the subject imports in the two investigations imminently to exceed 9 percent of total imports.

Conclusion. For the reasons discussed above, we find that subject imports from Brazil, Korea, and the United Kingdom are not negligible, and that dumped subject imports from India are not negligible. We find that subsidized subject imports from India are currently negligible, but are not treated as negligible for purposes of threat analysis.⁷⁸ Finally, we find that both dumped and subsidized subject imports from Russia are negligible and therefore terminate the investigations concerning cold-rolled steel from Russia.⁷⁹

III. Cumulation

For purposes of evaluating the volume and effects for a determination of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

⁷⁴ CR/PR at Table IV-11. We also observe that during no six-month period prior to the filing of the petitions did the aggregated subject imports exceed the 9 percent negligibility threshold. See Second Phase CR/PR at Table I-3; Memorandum INV-OO-077 at Table Supp-1.

⁷⁵ See Memorandum INV-OO-077 at Table Supp-1. The 12-month moving average for subsidized imports from India and Russia combined also peaked at *** percent in December 2014. See Second Phase CR/PR at Table I-4; Memorandum INV-OO-077 at Table Supp-2.

⁷⁶ See CR/PR at Table VII-14. These two producers accounted for *** percent of the subject imports from India. CR/PR at Table I-1.

⁷⁷ See CR/PR at Table VII-14.

⁷⁸ Commissioner Kieff dissenting. Commissioner Kieff determines that subsidized subject imports from India are negligible for purposes of threat analysis and therefore terminates the investigation concerning subsidized subject imports from India.

⁷⁹ We consequently do not reach the issue of critical circumstances with respect to cold-rolled steel from Russia.

- (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 geographic markets of subject 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 the subject imports are simultaneously present in the market.⁸⁰

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.⁸¹ Only a “reasonable overlap” of competition is required.⁸²

For purposes of these determinations, subject imports from Brazil, China, India, Japan, Korea, and the United Kingdom are eligible for cumulation.⁸³ This is because the petitioners filed the antidumping and countervailing duty petitions with respect to imports from these subject countries on the same day, July 28, 2015.⁸⁴ As discussed in our determinations with respect to China and Japan, we find a reasonable overlap of competition between subject

⁸⁰ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int’l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

⁸¹ See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁸² The SAA expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902; see *Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”)).

⁸³ Because we terminated the investigations concerning subject imports from Russia, these imports are no longer eligible for cumulation. See 19 U.S.C. § 1677(7)(G)(II).

⁸⁴ We observe that subject imports eligible for cumulation for material injury include dumped imports from six subject countries and subsidy findings regarding cold-rolled steel from three countries (Brazil, China, and Korea). We have previously explained why we are continuing our longstanding practice of cross-cumulating dumped and subsidized imports. See *Polyethylene Terephthalate (PET) Resin from Canada, China, India, and Oman*, Inv. Nos. 701-TA-531-532 and 731-TA-1270-1273 (Final), USITC Pub. 4604 at 9-11 (April 2016). As all subject imports from India are dumped, all subject imports from India are eligible for cumulation.

imports from Brazil, China, India, Japan, Korea, and the United Kingdom and between subject imports from each subject country and the domestic like product.⁸⁵

IV. Material Injury by Reason of Subject Imports

A. Volume of Subject Imports⁸⁶

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”⁸⁷

Cumulated subject imports increased from 584,811 short tons in 2013 to 1.5 million short tons in 2014 and then decreased to 1.3 million short tons in 2015, an increase of 123.4 percent during the POI.⁸⁸ Cumulated subject imports also increased overall as a share of apparent U.S. consumption in the merchant market during the period, increasing from 4.7 percent in 2013 to 11.0 percent in 2014, and then falling slightly to 10.7 percent in 2015.⁸⁹

Subject imports gained market share during the POI at the expense of the domestic industry, which lost 8.9 percentage points of market share in the merchant market from 2013 to 2015.⁹⁰ Respondents have argued that subject imports entered the U.S. market in response to supply shortages resulting from cold weather and the resulting ice blockages in the Great Lakes during the winter of 2014.⁹¹ The record, however, indicates that shortages were not so widespread and persistent as to explain the subject imports’ continued significant presence throughout 2014 and during 2015.⁹²

⁸⁵ The fact that imports of cold-rolled steel from Russia are no longer eligible for cumulation does not affect our analysis of reasonable overlap of competition.

⁸⁶ As noted above, we are incorporating our discussion of the legal standards and conditions of competition in our China and Japan determinations by reference. USITC Pub. 4619 at 19-27. We acknowledge that the volume and market share of imports not from cumulated subject sources is higher when imports of cold-rolled steel from Russia are included. However, the increase is less than a full percentage point of market share in the merchant and total U.S. markets and does not affect our analysis.

⁸⁷ 19 U.S.C. § 1677(7)(C)(i).

⁸⁸ Second Phase CR/PR at Table B-5.

⁸⁹ Second Phase CR/PR at Table B-5. Cumulated subject imports also increased as a share of apparent U.S. consumption in the total market during the period, increasing from 2.0 percent in 2013 to 4.6 percent in 2014, and then decreasing to 4.3 percent in 2015. Second Phase CR/PR at Table B-6.

⁹⁰ See Second Phase CR/PR at Table B-5. In the total market, the domestic industry lost 3.5 percentage points of market share from 2013 to 2015. Second Phase CR/PR at Table B-6.

⁹¹ See, e.g., Chinese Respondents’ Prehearing Brief at 19; Korean Respondents’ Posthearing Brief at 5-6; Answers to Questions at 4-17.

⁹² A majority of purchasers (30 of 42) indicated that no firm had refused, declined, or was unable to supply cold-rolled steel since January 1, 2013. CR at II-14, PR at II-8. Industry witnesses on behalf of U.S. Steel, ArcelorMittal, and AK Steel also disputed that cold weather led to significant supply problems. See Tr. at 187-189 (Kopf, Blume, Reich).

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In light of the foregoing, we find that the volume of subject imports and the increase in the volume of subject imports are significant in both absolute terms and relative to consumption in the United States.

B. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that in evaluating the price effects of the subject imports, the Commission shall consider whether

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.⁹³

In our discussion of the conditions of competition, we explained that the record in the final phase of these investigations indicates that cumulated subject imports and the domestic like product are highly substitutable and that price is an important factor in purchasing decisions.⁹⁴

In the final phase of these investigations, the Commission collected pricing data for seven cold-rolled steel products.⁹⁵ Eight U.S. producers and 34 importers provided usable

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Other information in the record also contradicts a finding that supply shortages caused the increase in subject imports. As discussed in section V.B. below, during the period of claimed shortages, subject imports undersold the domestic like product, which is not the pricing behavior typically associated with a supply shortfall. Subject imports also maintained a large presence in the U.S. market through much of 2015, only receding after Commerce's preliminary determinations in December 2015. See CR/PR at Figs. IV-2 & IV-3; CR/PR at Table IV-11. While respondents suggest that shortages persisted in the U.S. market through 2015, this is not corroborated by reports from U.S. market participants, CR at II-15-16, PR at II-8-9, and cannot be reconciled with available data showing high service center inventory levels during 2015, CR/PR at Figure II-3. Finally, notwithstanding respondents' arguments, the domestic industry had ample unused capacity throughout the POI. See CR/PR at Table III-5.

⁹³ 19 U.S.C. § 1677(7)(C)(ii).

⁹⁴ See USITC Pub. 4619 at 26.

⁹⁵ The seven pricing products are:

Product 1-- Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 24" to 48" in width, 0.0120" to 0.0219" in thickness. Sales not pursuant to annual or longer-term contracts.

Product 2-- Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0220" to 0.0849" in thickness. Sales not pursuant to annual or longer-term contracts.

Product 3-- Cold-rolled carbon steel sheet, in coils, commercial quality (ASTM A-1008), not
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pricing data for sales of the requested products, although not all firms reported prices for all products for all quarters.⁹⁶ Pricing data reported by these firms accounted for approximately 20.4 percent of U.S. producers' shipments of cold-rolled steel, and the following percentages of U.S. shipments of subject imports during the POI: 94.4 percent from Brazil, 59.1 percent from China, 51.3 percent from India, 40.6 percent from Japan, 38.7 percent from Korea, and 1.5 percent from the United Kingdom.⁹⁷

The pricing data show that cumulated subject imports were priced below U.S.-produced cold-rolled steel in 108 of 166 quarterly comparisons from 2013 to 2015.⁹⁸ The quantity of subject imports in underselling comparisons was *** short tons, while the quantity that oversold the domestic product totaled *** short tons.⁹⁹ Underselling was most frequent during 2014 when subject imports increased their share of the U.S. market, although instances of underselling were more frequent in 2015 than in 2013.¹⁰⁰ Purchasers also confirmed shifting from the domestic like product to subject imports due to their lower prices.¹⁰¹ Given the

(...Continued)

interstitial free, not painted, box annealed and temper rolled, 34" to 72" in width, 0.0220" to 0.0849" in thickness. Annual and longer-term contract sales.

Black plate:

Product 4-- Single reduced black plate, MR type/D Type, meeting ASTM A-623/625 specifications, bright finish 7 A BE bright, RMS 12 micro inch max, temper classification of T-1, T-2 (49-57 hardness using the Rockwell 30 T scale), 24.5" to 39" in width, 0.008" to 0.019" in thickness.

Product 5-- Single reduced black plate, MR type, meeting ASTM A-623/625 specifications, Bright finish 7C, RMS 12-20 micro inch max, temper classification of T-2 (49-57 hardness using the Rockwell 30 T scale), 24.5" to 39" in width, 0.008" to 0.019" in thickness.

Automotive steel:

Product 6-- Cold-rolled steel sheet, in coil, with a tensile strength of 585 Mega Pascal or more, used for automotive parts, 27" to 60" in width, 0.0315" to 0.0960" in thickness, sold to end users.

Product 7-- Cold-rolled carbon steel sheet, in coils, high strength steel (CR780T/420Y-DP), continuous annealed and temper rolled, not interstitial free, not painted, 35.433" to 59.055" in width, 0.0314" to 0.07874" in thickness.

CR at V-12, PR at V-8. Products 1-3 are commercial sheet cold-rolled steel, products 4 and 5 are black plate, and products 6 and 7 are automotive cold-rolled steel. *Id.* Respondents proposed four of the pricing products to increase coverage compared to the preliminary phase. CR at V-11 n.10, PR at V-7 n.10.

⁹⁶ CR at V-12, PR at V-8.

⁹⁷ CR at V-13. PR at V-9.

⁹⁸ Second Phase CR/PR at Table B-2.

⁹⁹ Second Phase CR/PR at Table B-2. Margins of underselling reached up to 36.8 percent, and margins of overselling ranged up to 52.7 percent. Second Phase CR/PR at Table B-3.

¹⁰⁰ CR/PR at Table V-12c.

¹⁰¹ In response to the Commission's purchaser questionnaires, 28 of 42 purchasers reported that they had shifted purchases of cold-rolled steel from U.S. producers to subject imports during the POI.

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predominant underselling, the fact that price is an important consideration in purchasing decisions, and the numerous reports that purchasers shifted their purchases to subject imports due to price, we find the underselling by cumulated subject imports to be significant.

We have also considered whether the subject imports had significant price-depressing effects. Prices for five of the seven domestically produced cold-rolled steel pricing products fell during 2013-15, by 1.1 percent to 21.9 percent.¹⁰² Prices declined over the POI for pricing products 1, 2, 3, and 7, the products for which the underselling was the most frequent over the POI.¹⁰³ The largest price declines for domestically produced cold-rolled steel occurred during 2015.¹⁰⁴ However, raw material prices also fell during 2015 and apparent U.S. consumption that year decreased by 8.3 percent.¹⁰⁵ ¹⁰⁶ In light of this, we cannot conclude that the lower-priced subject imports caused the observed price declines for domestically produced cold-rolled steel during 2015.¹⁰⁷ We therefore conclude that subject imports did not depress domestic prices to a significant degree.

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See CR/PR at Table V-14 (excluding ***). Twenty of these purchasers reported that subject imports were priced lower, and 15 reported that price was a primary reason for the shift to the subject imports. Purchasers reported shifting a total of 169,671 short tons of cold-rolled steel purchases from the domestic like product to the subject imports. See CR/PR at Table V-15.

¹⁰² See CR/PR at Table V-11. Prices for one product were reported in only six quarters and there were no observations of prices for domestically produced articles for the remaining product. *Id.*

¹⁰³ See CR/PR at Table V-11. There were insufficient data for products 4 and 5 to show trends in prices.

¹⁰⁴ See CR/PR at Figs. V-4, V-5, V-6, V-9 and V-10 (showing cold-rolled steel price declines).

¹⁰⁵ In particular, steel scrap prices fell sharply during 2015. CR/PR at Fig. V-1. Between January 2015 and December 2015, iron and steel scrap prices fell by \$240 per short ton, or by 50.7 percent. EDIS Doc. 582544. Respondents provided data from the SBB/Platts database showing similar declines in 2015. Hearing Exhibits of Jim Dougan at 7.

¹⁰⁶ Nucor has argued that actual consumption may not have decreased during 2015, and the decline in apparent consumption can be attributed, at least in part, to a build-up in importer, service center, and end-user inventories in 2014 that had to be worked off in 2015. Nucor's Prehearing Brief at 21-23. While apparent consumption in these investigations uses import data which include importers' inventories rather than importer shipments, the difference between imports and import shipments is small relative to overall apparent consumption. Importer's inventories at their peak in 2014 accounted for only *** percent of apparent U.S. consumption and the 44,108-ton decrease in total importers' inventories in 2015 explains only a very small fraction of the 1.1 million ton decrease in apparent U.S. consumption. CR/PR at Tables IV-14 and VII-35. In addition, inventories held by service centers and end-users reflect sales from importers and domestic producers that have already occurred and are not reflected in the Commission's apparent consumption data.

¹⁰⁷ Commissioners Pinkert and Schmidlein find that subject imports depressed U.S. prices to a significant degree in 2015. Subject import volume increased by 150.3 percent in 2014, and the domestic industry responded by lowering its prices – customers asked domestic producers to match subject import prices. ArcelorMittal's Posthearing Brief at Exhibit 2. See also AK Steel's Posthearing Brief at 15 and Exhibit 1 at 6. Thus, in 2015, domestic prices for Products 1, 2, and 3 (accounting for 89 percent by quantity of our domestic pricing data) fell by \$109, \$165, and \$133, respectively. See also CR/PR at (Continued...)

We also do not find that subject imports prevented price increases which otherwise would have occurred to a significant degree. From 2013 to 2014, the domestic industry's unit cost of goods sold (COGS) increased, but net sales values increased by a greater amount in both the merchant and total markets.¹⁰⁸ Consequently, from 2013 to 2014 prices increased by more than costs. By contrast, price increases would have been unlikely in 2015 while unit COGS were declining.¹⁰⁹

Accordingly, based on the record in the final phase of these investigations, we find that there was significant underselling of the domestic like product by the subject imports. As a result of this underselling, the subject imports gained market share at the expense of the domestic industry, as described in section V.A. above. The low-priced cumulated subject imports consequently had significant effects on the domestic industry, which are described further below.

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Tables V-4 –V-6 and Figs. V-4, V-5 and V-6. The domestic industry's unit net sales value (by short ton) fell by \$97 from 2014 to 2015, but its unit cost of goods sold fell by only \$74. The downward pricing pressure experienced by the domestic industry was enhanced by the fact that subject import inventories were at much higher levels in 2015 than in 2013. Second Phase CR/PR at Table B-5.

¹⁰⁸ See CR VI-4, PR at VI-3 (merchant market); CR VI-6, PR at VI-5 (total market).

¹⁰⁹ See CR/PR at Tables VI-1 and VI-2. In the responses to the Commission's purchaser questionnaires, only five of 43 purchasers indicated that a domestic producer had reduced its prices to meet competition from subject imports. CR/PR at Table V-16.

C. Impact of the Subject Imports¹¹⁰

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission “shall evaluate all relevant economic factors which have a bearing on the state of the industry.” These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹¹¹

We discussed in our determinations with respect to cold-rolled steel from China and Japan the impact that the subject imports had on the domestic industry during the POI and reasons we attribute the material injury to the subject imports. We incorporate by reference our earlier discussion.¹¹² Our analysis here is not substantially changed by the fact that the subject imports that we have cumulated do not include cold-rolled steel from Russia.

¹¹⁰ The statute instructs the Commission to consider the “magnitude of the dumping margin” in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). Commerce calculated final antidumping duty margins ranging from 14.43 percent to 35.43 percent for cold-rolled steel from Brazil, 265.79 percent for cold-rolled steel from China, 7.60 percent for cold-rolled steel from India, 71.35 percent for cold-rolled steel from Japan, margins ranging from 6.32 to 34.33 percent for cold-rolled steel from Korea, and margins ranging from 5.40 percent to 25.56 percent for cold-rolled steel from the United Kingdom. *Certain Cold-Rolled Steel Flat Products from Brazil: Final Affirmative Determination of Sales at Less Than Fair Value*, 81 Fed Reg. 49946, (July 29, 2016); *Certain Cold-Rolled Steel Flat Products from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances*, 81 Fed Reg. 32725, 32727 (May 24, 2016); *Certain Cold-Rolled Steel Flat Products from India: Final Affirmative Determination of Sales at Less Than Fair Value*, 81 Fed Reg. 49938, (July 29, 2016); *Certain Cold-Rolled Steel Flat Products from Japan: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*; 81 Fed Reg. 32721, 32723 (May 24, 2016); *Certain Cold-Rolled Steel Flat Products from Korea: Final Affirmative Determination of Sales at Less Than Fair Value*, 81 Fed Reg. 49953 (July 29, 2016); *Certain Cold-Rolled Steel Flat Products from the United Kingdom: Final Affirmative Determination of Sales at Less Than Fair Value*, 81 Fed Reg. 49929, (July 29, 2016).

We note that there is a wide range of dumping margins for the cumulated subject imports. Commerce calculated the highest assigned margins, which are for subject imports from China, on the basis of adverse facts available. *Certain Cold-Rolled Steel Flat Products from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances*, 81 Fed Reg. 32725, 32726 (May 24, 2016). While we have considered the magnitude of the margins, in light of the wide range, we have given principal weight to the other statutory factors in our impact analysis.

¹¹¹ 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

¹¹² USITC Pub. 4619 at 33-36.

As in our determinations with respect to China and Japan, we have also considered whether there are other factors that may have had an impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports.¹¹³ Imports from those sources that we have not cumulated as a share of apparent U.S. consumption in the merchant market increased from 5.4 percent in 2013 to 8.3 percent in 2014 and 2015.¹¹⁴ A large portion of nonsubject imports were from Canada, and a majority of nonsubject imports from Canada were controlled by domestic producers.¹¹⁵ The pricing data indicate that nonsubject imports from Canada were generally priced higher than the domestic like product and subject imports during the POI.¹¹⁶ Imports of cold-rolled steel from Russia, while consistently lower priced than nonsubject imports from Canada, were imported in far smaller quantities, accounting for less than one percent of the merchant market.¹¹⁷ Consequently, imports from those sources that we have not cumulated do not explain the magnitude of the domestic industry's loss of market share and revenues due to underselling by subject imports.

Thus, other factors cannot explain the loss of market share, output, and revenue that we have attributed to the cumulated subject imports. We therefore conclude that the subject imports had a significant impact on the domestic cold-rolled steel industry.

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of subject imports of certain cold-rolled steel from Brazil, India, Korea, and the United Kingdom that are sold in the United States at less than fair value and that are subsidized by the governments of Brazil and Korea.¹¹⁸

V. Threat of Material Injury by Reason of Subject Imports

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the domestic industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material

¹¹³ See USITC Pub. 4619 at 35-36.

¹¹⁴ Second Phase CR/PR at Table B-5. In the market as a whole, nonsubject imports' share of apparent U.S. consumption was 2.2 percent in 2013, 3.5 percent in 2014 and 3.4 percent in 2015. Second Phase CR/PR at Table B-6.

¹¹⁵ Respondents argue that imports controlled by the domestic industry should be considered in its market share. Chinese Respondents' Prehearing Brief at 4; Korean Respondents' Posthearing Brief, Exhibit 1 at 35. We note that the statute expressly states that the analysis of impact – which includes, *inter alia*, evaluation of market share – shall be "only in the context of production operations within the United States." 19 U.S.C. § 1677(7)(B)(i)(III); see 19 U.S.C. § 1677(7)(C)(iii)(I).

¹¹⁶ The prices for nonsubject imports from Canada were higher than the prices for the domestic like product in 29 of 32 comparisons, and were higher than prices for subject imports in 72 of 93 comparisons. CR/PR at Table D-2.

¹¹⁷ See Second Phase CR/PR at Table B-5.

¹¹⁸ Commissioner Kieff does not join the remainder of this opinion.

injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted.”¹¹⁹ The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.¹²⁰ In making our determination, we consider all statutory threat factors that are relevant to our determination in the countervailing duty investigation of cold-rolled steel from India.¹²¹

B. Cumulation for Threat

We must consider whether to cumulate subsidized subject imports from India with those from other sources eligible for cumulation for purposes of our threat analysis. In contrast to cumulation for material injury, cumulation for a threat analysis is discretionary. Under

¹¹⁹ 19 U.S.C. § 1677(7)(F)(ii).

¹²⁰ 19 U.S.C. § 1677(7)(F)(ii).

¹²¹ These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) 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,

...

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

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to our threat analysis here.

Section 771(7)(H) of the Tariff Act, the Commission may “to the extent practicable” cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.¹²² While imports from Russia remain ineligible for cumulation because the investigations with respect to those imports have been terminated, imports from all other sources subject to investigation remain eligible for cumulation with subsidized subject imports from India for purposes of the threat analysis.¹²³

1. Parties’ Arguments

ArcelorMittal and Nucor argue that the Commission should cumulate all subject imports for purposes of its analysis of threat of material injury.¹²⁴ The government of India argues that the Commission may not cumulate subject imports from India for purposes of threat of material injury. It maintains that Article 15.3 of the WTO Agreement on Subsidies and Countervailing Measures permits cumulation only in the case of material injury and not threat of material injury; therefore, cumulation is not possible in a threat of material injury analysis if the conditions for cumulation for present material injury are not satisfied. It claims that the conditions for cumulation for present injury have not been satisfied because subject imports from India are negligible.¹²⁵ JSW argues that subject imports from India are ineligible for cumulation because they fall within the exceptions to cumulation in 19 U.S.C. § 1677(7)(G)(ii).¹²⁶

2. Analysis

The pertinent U.S. statute states that although subject imports which are currently negligible but have the potential imminently to exceed the pertinent negligibility threshold are ineligible for consideration of material injury, they may be considered for purposes of threat of material injury. The statute states “***he Commission shall consider such imports only for purposes of threat of material injury.”¹²⁷ The statute consequently renders such imports eligible for cumulation in threat analysis, because they are not subject to any statutory exception.¹²⁸ Nor is there any language in Article 15.3 of the WTO Agreement on Subsidies and Countervailing Measures (“SCM Agreement”) suggesting that an authority may only engage in cumulative analysis when considering current material injury. Finally, contrary to JSW’s

¹²² 19 U.S.C. § 1677(7)(H).

¹²³ See 19 U.S.C. § 1677(7)(G)(ii), (7)(H). See generally *Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500, 731-TA-1215-1217, 1219-1123 (Final), USITC Pub. 4489 at 50 (Sept. 2014).

¹²⁴ ArcelorMittal’s Posthearing Brief at 6-8; ArcelorMittal’s Prehearing Brief at 13-14; Nucor’s Posthearing Brief at 14.

¹²⁵ Government of India’s Prehearing Brief at 1-8; Government of India’s Posthearing Brief at 1.

¹²⁶ JSW’s Posthearing Brief at 8-9.

¹²⁷ 19 U.S.C. § 1677(24)(A)(iv).

¹²⁸ See 19 U.S.C. § 1677(7)(H).

argument, subject imports from India in the countervailing duty investigation have not been terminated so the exception for terminated investigations does not apply.¹²⁹

We have found that there is a reasonable overlap of competition between all subject imports eligible for cumulation and between imports from each of these subject countries and the domestic like product.¹³⁰ There is no information on the record to suggest that the reasonable overlap of competition between and among subject imports and the domestic like product that now exists will not continue into the imminent future. We find that it is appropriate to exercise our discretion to cumulate subject imports from Brazil, China, India, Japan, Korea, and the United Kingdom for purposes of our threat analysis. We recognize the potential for some differences in conditions of competition among subject imports from the six countries but find that they are not significant enough to warrant not cumulating subsidized subject imports from India with the other subject imports eligible for cumulation. In addition, the quantity of subject imports from each subject country increased from 2013 to 2015,¹³¹ and prices for subject imports from all seven sources declined over the POI.¹³² For these reasons, we conclude that it is appropriate to exercise our discretion to cumulate subsidized subject imports from India with the other subject imports eligible for cumulation for our analysis of whether there is a threat of material injury to the domestic industry.

C. Analysis of Threat of Material Injury Factors

1. Likely Volume

We found in Section IV.A. above that the volume of cumulated subject imports and the increase in the volume of these imports over the POI was significant in absolute terms and relative to consumption. Cumulated subject imports are likely to maintain a significant presence in the U.S. market, and the significant increase in cumulated subject import volume observed during the POI is likely to persist in the imminent future. The producers in the subject countries have excess capacity, export in appreciable quantities, and have demonstrated the ability, on a cumulated basis, to increase exports to the U.S. market. The combined excess capacity for the industries in Brazil, China, India, Japan, Korea, and the United Kingdom amounted to *** short tons in 2015.¹³³ This figure is more than *** times the total of subject imports from those six countries in 2015, and equivalent to over *** percent of total apparent U.S. consumption in 2015.¹³⁴

¹²⁹ See 19 U.S.C. § 1677(7)(G)(ii).

¹³⁰ As explained above, this analysis included dumped imports from India (which are identical to the subsidized imports from India), as well as subject imports from Brazil, China, Japan, Korea, and the United Kingdom.

¹³¹ See CR/PR at Table C-1.

¹³² See CR at V-28 to V-29, PR at V-14.

¹³³ See Second Phase CR/PR at Table B-4.

¹³⁴ Derived from Second Phase CR/PR at Tables B-4 and B-6. Additionally, producers in Brazil manufacture products other than cold-rolled steel on the same equipment that they use to produce (Continued...)

Total export shipments of cold-rolled steel from the six subject countries increased from *** short tons in 2013 to *** short tons in 2015, an increase of *** percent.¹³⁵ On the other hand, during the same period exports of cold-rolled steel to the United States increased by *** percent, from *** short tons in 2013 to *** short tons in 2015.¹³⁶ At the same time, the industries' home market shipments declined from *** in 2013 to *** short tons in 2015.¹³⁷ The shipment data therefore indicate that the U.S. market has become increasingly important for subject producers relative to their home markets and other export markets.

We also observe that data on subject producers' aggregate excess capacity and exports do not include data for the majority of the cold-rolled steel industry in China. Although nine producers in China responded to the Commission's questionnaire, they account for less than *** of the Chinese industry's capacity.¹³⁸ Public data indicate, however, that China has the world's largest cold-rolled steel industry, with enormous capacity, production, and exports.¹³⁹ Although responding producers in China indicated that their capacity ***, public information indicates that producers in China of cold-rolled steel increased their capacity by *** short tons from 2013 to 2015.¹⁴⁰

Despite some monthly declines in cumulated subject import volume in the latter portion of the POI, subject imports continued to have a significant presence throughout 2014 and during 2015.¹⁴¹ Moreover, cumulated inventories held by the subject producers increased from 2013 to 2015 and were higher relative to total shipments.¹⁴² Additionally, cold-rolled steel from the subject countries is subject to antidumping duty or safeguard measures in third countries.¹⁴³

In light of the increases in cumulated subject import volume and market penetration observed during the POI, the substantial cumulated excess capacity of the subject industries, and the subject industries' demonstrated ability to supply export markets generally and the United States in particular, we find that the significant increase in cumulated subject import

(...Continued)

subject merchandise, suggesting some potential to switch from the production of nonsubject products to cold-rolled steel. CR at VII-7, PR at VII-4.

¹³⁵ See Second Phase CR/PR at Table B-4.

¹³⁶ See Second Phase CR/PR at Table B-4.

¹³⁷ See Second Phase CR/PR at Table B-4.

¹³⁸ CR/PR at Table I-1.

¹³⁹ CR at VII-9 to VII-12, PR at VII-6 to VII-7.

¹⁴⁰ CR at VII-9, PR at VII- 6; CR/PR at Table VII-9.

¹⁴¹ Available monthly data indicate that cumulated subject imports increased from August to October 2014. Monthly subject import volumes fluctuated thereafter but were well above the levels reached in 2013 until the end of 2015. See CR/PR at Fig. IV-3; CR/PR at Table IV-11.

¹⁴² See Second Phase CR/PR at Table B-4. Importers' inventories of subject merchandise in the United States were higher on an absolute basis in 2015 than in 2013. See CR/PR at Table VII-35.

¹⁴³ See CR/PR at Table VII-37. For instance, the European Union has measures in place on cold-rolled steel from China; Mexico and Thailand have instituted measures on cold-rolled steel from China, and India and Pakistan have measures in place on cold-rolled steel from all sources. *Id.*

volume that occurred during the POI will likely continue in the imminent future absent imposition of duties.¹⁴⁴

2. Likely Price Effects

As explained in our China and Japan determinations, the domestic like product and subject imports are highly substitutable, and price is an important consideration in purchasing decisions.¹⁴⁵ We found significant underselling by subject imports, which caused the domestic industry to lose market share to the subject imports. The significant and increasing volumes of subject imports that will likely enter the U.S. market in the imminent future will likely continue predominantly to undersell the domestic like product at significant rates, as they did during the POI, absent the issuance of orders. The likely low prices of the subject imports, in turn, are likely to increase demand for the subject imports, displace sales of the domestic like product,

¹⁴⁴ Commerce assigned net countervailable subsidy rates of 11.09 to 11.31 percent for producers/exporters in Brazil, a rate of 256.44 percent to producers/exporters in China, 10.00 percent for producers/exporters in India, and 3.91 percent to 58.36 percent for producers/exporters in Korea. *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from Brazil: Final Affirmative Determination*, 81 Fed Reg. 49940 (July 29, 2016); *Certain Cold-Rolled Steel Flat Products from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Partial Affirmative Critical Circumstances Determination*, 81 Fed Reg. 32729 (May 24, 2016); *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from India: Final Affirmative Determination*, 81 Fed Reg. 49932 (July 29, 2016); *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Affirmative Determination*, 81 Fed Reg. 49943 (July 29, 2016).

We have also considered the nature of the countervailable subsidies in conjunction with the other statutory criteria as part of our analysis of the likely volume of the subject imports. In its final countervailing duty determinations, Commerce determined that seven programs provided countervailable subsidies to one or more producers/exporters in Brazil. *See Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from Brazil*, Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, July 20, 2016, at 9-12. Commerce also determined that 48 programs provided countervailable subsidies to one or more producers/exporters in China. Several of the identified programs appear to be export subsidies. *See Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Cold-rolled Steel Flat Products from the People's Republic of China*, Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, May 16, 2016, at 8-11. Five programs provided countervailable subsidies to one or more producers/exporters in India, and two of the programs appear to be export subsidies. *See Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from India*, Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, July 20, 2016, at 11-12. Commerce found that 30 programs provided countervailable subsidies to one or more producers/exporters in Korea. A few of the programs also appear to be export subsidies. *See Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from Korea*, Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, July 20, 2016, at 18-37.

¹⁴⁵ *See* USITC Pub. 4619 at 26.

and cause reduction in the domestic industry's market share in the imminent future, as they did during the POI. Accordingly, we find that subject imports are likely in the imminent future to enter the U.S. market at prices that are likely to increase demand for further imports.

3. Likely Impact

We found in Section IV.C. above that the subject imports had a significant impact on the domestic industry during the POI. In our threat analysis, we have found that cumulated subject imports are likely to continue both to enter the U.S. market in significant and increasing volumes and to engage in significant underselling of the domestic like product in the imminent future. We conclude that cumulated subject imports will likely have the same type of adverse impact on the domestic industry in the imminent future that they did during the POI. The significant volumes of low-priced subject imports will likely continue to displace sales of the domestic like product and cause the domestic industry to lose market share, which will lead to adverse effects on the domestic industry's revenues and financial performance.

In Section VII.C., we considered other factors, including imports from sources that we have not cumulated, and concluded that any injury that may be attributable to these factors is distinct from the injury attributable to the cumulated subject imports. We have also considered the fact that cold-rolled steel from Russia are not cumulated subject imports for purposes of these determinations. For the same reasons that we found that the material injury currently caused by cumulated subject imports is distinct from any adverse effects attributable to other factors, these other factors can also not explain the likely injury threatened by cumulated subject imports.

Respondents have argued that the increase in subject imports was only temporary, that subject producers have projected lower exports to the United States, that the domestic industry's investments show that the domestic industry is healthy, and that strong demand in the United States for cold-rolled steel should insulate the domestic industry from material injury. We find that the record does not support these arguments.¹⁴⁶

¹⁴⁶ Subject imports maintained a large presence in the U.S. market during 2014 and much of 2015, only receding after Commerce's preliminary determinations in December 2015. See CR/PR at Figs. IV-2 & IV-3; CR/PR at Table IV-11. We do not find the foreign producers' projections for reduced exports to the United States to be indicative of the likely volume of subject imports given the trend in subject imports during the POI and other factors we have considered, such as unused capacity, trends in shipments by the subject exporters, and measures in third country markets.

Strong demand is also unlikely to insulate the industry from material injury. While the parties anticipate that demand will continue to be strong, apparent U.S. consumption increased in the total market over the POI and did not prevent material injury to the domestic industry. Demand is also unlikely to increase sufficiently that the market can absorb additional low-priced subject imports without adverse effects, given the current condition of the industry. See CR at II-26, PR at II-14. Finally, the fact the domestic industry was in a position to make capital investments during the POI does not preclude an affirmative threat determination. Under the Trade Preferences Extension Act of 2015, the existence of a profitable industry, or one whose performance has improved, does not foreclose an affirmative threat of material injury determination. 19 U.S.C. § 1677(7)(J). By the same token, the (Continued...)

We accordingly find that further subject imports are imminent and that material injury by reason of subject imports would occur unless orders are issued on subject imports. Accordingly, we have made an affirmative determination of threat of material injury in the countervailing duty investigation of cold-rolled steel from India.¹⁴⁷

VI. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of imports of cold-rolled steel from Brazil, India, Korea, and the United Kingdom that are sold in the United States at less than fair value and that are subsidized by the governments of Brazil and Korea. We further find that an industry in the United States is threatened with material injury by reason of imports of cold-rolled steel that are subsidized by the government of India.¹⁴⁸ We also determine that imports of cold-rolled steel from Russia that are sold in the United States at LTFV and subsidized by the government of Russia are negligible.

(...Continued)

ability of the industry to invest in new facilities, in and of itself, is not dispositive of whether the industry is threatened with material injury.

¹⁴⁷ Because subsidized subject imports from India were not eligible for consideration in the present injury analysis, the statutory provision at 19 U.S.C. § 1671d(b)(4)B) is inapplicable to this determination.

¹⁴⁸ Commissioner Kieff dissenting.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by AK Steel Corporation (“AK Steel”), West Chester, Ohio; ArcelorMittal USA LLC (“ArcelorMittal USA”), Chicago, Illinois; Nucor Corporation (“Nucor”), Charlotte, North Carolina; Steel Dynamics, Inc. (“Steel Dynamics”), Fort Wayne, Indiana; and United States Steel Corporation (“U.S. Steel”), Pittsburgh, Pennsylvania, on July 28, 2015, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of certain cold-rolled steel flat products (“cold-rolled steel”) from Brazil, China, India, Korea, and Russia and less-than-fair-value (“LTFV”) imports of cold-rolled steel from Brazil, China, India, Japan, Korea, the Netherlands, Russia, and the United Kingdom.¹ The following tabulation provides information relating to the background of these investigations.²

Effective date	Action
July 28, 2015	Petition filed with Commerce and the Commission; institution of Commission investigations (80 FR 46047, August 3, 2015)
August 24, 2015	Commerce’s notice of initiation of countervailing duty investigations (80 FR 51206, August 24, 2015)
	Commerce’s notice of initiation of antidumping duty investigations (80 FR 51198, August 24, 2015)
September 11, 2015	Commission’s preliminary determinations (80 FR 55872 September 17, 2015)
December 22, 2015	Commerce’s preliminary countervailing duty determinations: Brazil (80 FR 79569), China (80 FR 79558); India (80 FR 79562), Korea (80 FR 79567), Russia (80 FR 79564)
March 7, 2016	Commerce’s preliminary antidumping duty determinations: Brazil (81 FR 11754), China (81 FR 11751); India (81 FR 11741); Japan (81 FR 11747); Korea (81 FR 11757); United Kingdom (81 FR 11744); Russia (81 FR 12072)
March 23, 2016	Scheduling of final phase of Commission investigations (81 FR 15559)

Tabulation continued on next page

¹ On September 11, 2015, the Commission determined that imports of cold-rolled steel from the Netherlands were negligible and that its investigation with regard to cold-rolled steel from this country was thereby terminated. *Cold-Rolled Steel Flat Products From Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom*, 80 FR 55872, September 17, 2015. The Commission issued its affirmative determinations and views with respect to China and Japan on July 7, 2016. *Cold-Rolled Steel Flat Products from China and Japan; Determinations*, 81 FR 45305, July 13, 2016.

² Pertinent Federal Register notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov).

Effective date	Action
May 24, 2016	Commerce's final antidumping duty determinations: China (81 FR 32725) and Japan (81 FR 32721) and Commerce's final countervailing duty determination: China (81 FR 32729)
May 24, 2016	Commission's hearing
June 22, 2016	Commission's vote (China and Japan)
July 7, 2016	Commission's views (China and Japan) (81 FR 45305, July 13, 2016)
July 29, 2016	Commerce's final antidumping duty determinations: Brazil (81 FR 49946), India (81 FR 49938); Korea (81 FR 49953); Russia (81 FR 49950); and the United Kingdom (81 FR 49929)
	Commerce's final countervailing duty determinations: Brazil (81 FR 49940), India (81 FR 49932); Korea (81 FR 49943); Russia (81 FR 49935)
September 2, 2016	Commission's vote (Brazil, India, Korea, Russia, and the United Kingdom)
September 12, 2016	Commission's views (Brazil, India, Korea, Russia, and the United Kingdom)

The information contained in this report is intended to be used in conjunction with data presented in the Commission's report on *Cold-Rolled Steel Flat Products from China and Japan, Investigation Nos. 701-TA-541 and 731-TA-1284 and 1286 (Final)*, USITC Publication 4619, July 2016, and its corresponding confidential version contained in memorandum No. INV-OO-051, Investigation No. 701-TA-540-544 and 731-TA-1283-1287 (Final): *Cold-Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom*. No new information except for Commerce's final determinations concerning cold-rolled steel from Brazil, India, Korea, Russia, and the United Kingdom, and party comments³ thereon is included in the record for this proceeding.

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On May 24, 2014, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of cold-rolled steel from China.⁴ On July 29, 2016, Commerce published notices of its final determinations of

³ Party comments were received from Petitioners AK Steel Corp., ArcelorMittal USA LLC, Nucor Corp., Steel Dynamics, Inc., and U.S. Steel Corp.; Russian respondents Novolipetsk Steel PJSC ("NLMK") and PAO Severstal; and Embassy of Brazil and Ministry of Economic Development of the Russian Federation.

⁴ *Certain Cold-Rolled Steel Flat Products from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Partial Affirmative Critical Circumstances Determination*, 81 FR 32729, May 24, 2016.

countervailable subsidies for producers and exporters of cold-rolled steel from Brazil,⁵ India,⁶ Korea,⁷ and Russia.⁸ Table I-1 presents these findings.

Table I-1
Cold-rolled steel: Commerce's final subsidy determinations

Entity	Final countervailable subsidy margin (percent)
Brazil	
Companhia Siderurgica Nacional (CSN)	11.31
Usinas Siderurgicas de Minas Gerais (USIMINAS)	11.09
All others	11.20
China	
Angang Group Hong Kong Co., Ltd	256.44
Benxi Iron and Steel (Group) Special Steel Co., Ltd.	256.44
Qian'an Golden Point Trading Co., Ltd	256.44
All others	256.44
India	
JSW Steel Limited and JSW Steel Coated Products Limited	10.00
All others	10.00
Korea	
POSCO	58.36
Hyundai Steel Co., Ltd	3.91
All others	3.91
Russia	
Novolipetsk Steel OJSC, Novex Trading (Swiss) S.A., Altai-Koks OJSC, Dolomite OJSC, Stoilensky OJSC, Studenovskaya (Stagdok) OJSC, Trading House LLC, Vtorchermet NLMK LLC, Vtorchermet OJSC, and Vtorchermet NLMK Center LLC (collectively, the NLMK Companies).	6.95
PAO Severstal, Severstal Export GmbH, JSC Karelsky Okatysh, AO OLKON, AO Vorkutaugol, and JSC Vtorchermet (collectively, the Severstal Companies).	0.62 (<i>de minimis</i>)
All others	6.95

Source: 81 FR 49940, July 29, 2016; 81 FR 32729, May 24, 2016; 81 FR 49932, July 29, 2016; 81 FR 49943, July 29, 2016; and 81 FR 49935, July 29, 2016.

⁵ *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from Brazil: Final Affirmative Determination*, 81 FR 49940, July 29, 2016.

⁶ *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from India: Final Affirmative Determination*, 81 FR 49932, July 29, 2016.

⁷ *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from Korea: Final Affirmative Determination*, 81 FR 49943, July 29, 2016.

⁸ *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Russian Federation: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*, 81 FR 49935, July 29, 2016.

Sales at LTFV

On May 24, 2016, Commerce published notices in the *Federal Register* of its final determinations of sales at LTFV with respect to imports from China and Japan.⁹ On July 29, 2016, Commerce published notices of its final determinations of sales at LTFV with respect to imports from Brazil,¹⁰ India,¹¹ Korea,¹² Russia,¹³ and the United Kingdom.¹⁴ Table I-2 presents these findings.

⁹ *Certain Cold-Rolled Steel Flat Products From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Partial Affirmative Critical Circumstances Determination*, 81 FR 32729, May 24, 2016; and *Certain Cold-Rolled Steel Flat Products From Japan: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 81 FR 32721, May 24, 2016.

¹⁰ *Certain Cold-Rolled Steel Flat Products from Brazil: Final Determination of Sales at Less Than Fair Value*, 81 FR 49946, July 29, 2016.

¹¹ *Certain Cold-Rolled Steel Flat Products from India: Final Determination of Sales at Less Than Fair Value*, 81 FR 49938, July 29, 2016.

¹² *Certain Cold-Rolled Steel Flat Products from Korea: Final Determination of Sales at Less Than Fair Value*, 81 FR 49946, July 29, 2016.

¹³ *Certain Cold-Rolled Steel Flat Products from the Russian Federation: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*, 81 FR 49950, July 29, 2016.

¹⁴ *Certain Cold-Rolled Steel Flat Products from the United Kingdom: Final Determination of Sales at Less Than Fair Value*, 81 FR 49946, July 29, 2016.

Table I-2
Cold-rolled steel: Commerce's final weighted-average LTFV margins

Entity	Final dumping margin (percent)
Brazil	
Companhia Siderurgica Nacional (CSN)	14.43
Usinas Siderurgicas de Minas Gerais (USIMINAS)	35.43
All others	14.43
China	
China-wide	265.79
India	
JSW Steel Limited and JSW Steel Coated Products Limited	7.60
All others	7.60
Japan	
JFE Steel Corporation	71.35
Nippon Steel & Sumitomo Metal Corporation	71.35
All others	71.35
Korea	
POSCO and Daewoo International Corporation	6.32
Hyundai Steel Co., Ltd	34.33
All others	20.33
Russia	
Severstal Export GmbH and PAO Severstal	13.36
Novex Trading (Swiss) SA and Novolipetsk Steel OJSC.	1.04 <i>(de minimis)</i>
All others	13.36
United Kingdom	
Caparo Precision Strip, Ltd.	5.40
Tata Steel UK Ltd.	25.56
All others	22.92

Source: 81 FR 49946, July 29, 2016; 81 FR 32725, May 24, 2016; 81 FR 49938, July 29, 2016; 81 FR 32721, May 24, 2016; 81 FR 49953, July 29, 2016; 81 FR 49950, July 29, 2016; 81 FR 49929, July 29, 2016.

NEGLIGENCE¹⁵

Table I-3 presents U.S. monthly imports of cold-rolled steel by source during 2013-15, accounting for Russian firms found to be *de minimis* by Commerce. There were no imports from Russia in 2013 prior to December. During January 2014-December 2015, monthly U.S. imports of cold-rolled steel from Russia not manufactured by NLMK, as well as for U.S. imports from Russia not manufactured by Severstal, exceeded 3 percent of total U.S. imports of cold-rolled steel in 6 out of 24 months.

Table I-4 presents the moving 12-month subtotals of imports of cold-rolled steel by source during 2013-15, accounting for Russian firms that were found to be *de minimis* by Commerce. During 2013-15, for any 12-month period, U.S. imports of cold-rolled steel from Russia not manufactured by NLMK did not exceed *** percent of cold-rolled steel from subject sources and U.S. imports of cold-rolled steel from Russia not manufactured by Severstal did not exceed *** percent.

¹⁵ Alternate data with respect to Russia are presented in appendix B.

Table I-3
Cold-rolled steel: Monthly U.S. imports, by source, 2013-15

Period	Monthly U.S. imports					
	Russia less Severstal	Russia less NLMK/Novex	All sources	Russia less Severstal	Russia less NLMK/Novex	All sources
	Quantity (short tons)			Share of total imports (percent)		
2013.--						
January	***	***	116,067	***	***	100.0
February	***	***	121,523	***	***	100.0
March	***	***	109,490	***	***	100.0
April	***	***	100,815	***	***	100.0
May	***	***	103,778	***	***	100.0
June	***	***	88,498	***	***	100.0
July	***	***	88,820	***	***	100.0
August	***	***	108,064	***	***	100.0
September	***	***	100,466	***	***	100.0
October	***	***	130,348	***	***	100.0
November	***	***	126,437	***	***	100.0
December	***	***	106,020	***	***	100.0
2014.--						
January	***	***	137,172	***	***	100.0
February	***	***	136,430	***	***	100.0
March	***	***	175,075	***	***	100.0
April	***	***	238,254	***	***	100.0
May	***	***	174,445	***	***	100.0
June	***	***	231,032	***	***	100.0
July	***	***	221,208	***	***	100.0
August	***	***	208,034	***	***	100.0
September	***	***	286,351	***	***	100.0
October	***	***	291,570	***	***	100.0
November	***	***	256,779	***	***	100.0
December	***	***	236,331	***	***	100.0
2015.--						
January	***	***	241,229	***	***	100.0
February	***	***	227,767	***	***	100.0
March	***	***	203,538	***	***	100.0
April	***	***	237,562	***	***	100.0
May	***	***	198,539	***	***	100.0
June	***	***	189,183	***	***	100.0
July	***	***	214,164	***	***	100.0
August	***	***	196,204	***	***	100.0
September	***	***	210,117	***	***	100.0
October	***	***	168,542	***	***	100.0
November	***	***	150,924	***	***	100.0
December	***	***	164,864	***	***	100.0
Annual data.--						
2013	***	***	1,300,325	***	***	100.0
2014	***	***	2,592,682	***	***	100.0
2015	***	***	2,402,632	***	***	100.0
12 month period prior to petition	***	***	2,798,090	***	***	100.0

Table continued on next page.

Table I-3--Continued
Cold-rolled steel: Monthly U.S. imports, by source, 2013-15

Source: Proprietary Customs records and official U.S. import statistics using statistical reporting numbers 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, and 7212.40.1000, and 7212.40.5000 (non-alloy group) and 7225.50.6000, 7225.50.8085, 7226.92.5000, 7226.92.7050, and 7226.92.8050 (alloy group).

Table I-4
Cold-rolled steel: Moving 12 month subtotals for U.S. imports, by source, 2013-15

12 month period ending in	12 month moving subtotal of U.S. imports					
	Russia less Severstal	Russia less NLMK/Novex	All sources	Russia less Severstal	Russia less NLMK/Novex	All sources
	Quantity (short tons)			Share of total imports (percent)		
2014.--						
January	***	***	1,321,430	***	***	100.0
February	***	***	1,336,337	***	***	100.0
March	***	***	1,401,923	***	***	100.0
April	***	***	1,539,362	***	***	100.0
May	***	***	1,610,028	***	***	100.0
June	***	***	1,752,563	***	***	100.0
July	***	***	1,884,951	***	***	100.0
August	***	***	1,984,922	***	***	100.0
September	***	***	2,170,807	***	***	100.0
October	***	***	2,332,028	***	***	100.0
November	***	***	2,462,371	***	***	100.0
December	***	***	2,592,682	***	***	100.0
2015.--						
January	***	***	2,696,738	***	***	100.0
February	***	***	2,788,075	***	***	100.0
March	***	***	2,816,538	***	***	100.0
April	***	***	2,815,845	***	***	100.0
May	***	***	2,839,940	***	***	100.0
June	***	***	2,798,090	***	***	100.0
July	***	***	2,791,046	***	***	100.0
August	***	***	2,779,216	***	***	100.0
September	***	***	2,702,982	***	***	100.0
October	***	***	2,579,954	***	***	100.0
November	***	***	2,474,099	***	***	100.0
December	***	***	2,402,632	***	***	100.0

Source: Proprietary Customs records and official U.S. import statistics using statistical reporting numbers 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, and 7212.40.1000, and 7212.40.5000 (non-alloy group) and 7225.50.6000, 7225.50.8085, 7226.92.5000, 7226.92.7050, and 7226.92.8050 (alloy group).

Table I-5 presents U.S. imports for July 2014-June 2015 based on official U.S. import statistics for non-alloy cold-rolled steel adjusted to include alloy cold-rolled steel data collected separately in questionnaire responses. Imports from Russia represented *** percent of total imports of cold-rolled steel, by quantity, during July 2014-June 2015. Over the same period, U.S. imports of cold-rolled steel from Russia not manufactured by Severstal were *** percent of total U.S. imports of cold-rolled steel and U.S. imports of cold-rolled steel from Russia not manufactured by NLMK were *** percent.

Table I-5
Cold-rolled steel: U.S. imports, by source, July 2014 through June 2015 (adjusted)

Item	Official U.S. imports	Questionnaire data ¹	Adjusted official U.S. imports	
	Quantity (short tons)		Share (percent)	
U.S. imports from.--				
Brazil	194,162	***	***	***
China	915,243	***	***	***
India	103,515	***	***	***
Japan	***	***	***	***
Korea	199,516	***	***	***
Russia	95,293	***	***	***
Of which Russia less Severstal ²	***	***	***	***
Of which Russia less NLMK (Novex)	***	***	***	***
United Kingdom	84,537	***	***	***
Subtotal, subject	***	***	***	***
Canada	357,741	***	***	***
All other sources	427,992	***	***	***
Subtotal, nonsubject	785,733	***	***	***
Total U.S. imports	***	***	***	***

¹ Questionnaire data represent imports of cold-rolled steel products that match Commerce's scope but are products that fall outside of the statistical reporting numbers used for official U.S. import statistics. These products include alloy cold-rolled steel products, certain bars and rod shapes that are covered, and other merchandise processed in third countries.

² The calculation of Russia excluding Severstal differs from that provided in Office of Investigations memorandum INV-OO-051, in that entries for "JSC Severstal" are additionally excluded from the aggregate for "Russia less Severstal" in this table.

Source: Official U.S. import statistics using statistical reporting numbers 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7210.90.9000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, and 7212.40.1000 (non-alloy group), proprietary Customs records to remove out-of-scope U.S. imports from Hitachi in Japan and to identify U.S. imports from specific suppliers in Russia, and compiled from data submitted in response to Commission questionnaires.

Table I-6 presents U.S. imports for July 2014-June 2015 based on official U.S. import statistics for non-alloy and alloy cold-rolled steel. Imports from Russia represented *** percent of total imports of cold-rolled steel, by quantity, during July 2014-June 2015. Over the same period, U.S. imports of cold-rolled steel from Russia not manufactured by Severstal were *** percent of total U.S. imports of cold-rolled steel and U.S. imports of cold-rolled steel from Russia not manufactured by NLMK were *** percent.

Table I-6
Cold-rolled steel: U.S. imports, by source, July 2014 through June 2015 (official)

Item	Official U.S. imports non-alloy	Official U.S. imports alloy	Official U.S. imports alloy & non-alloy	Official U.S. imports alloy & non-alloy
	Quantity (short tons)			Share (percent)
U.S. imports from.--				
Brazil	194,162	19	194,181	***
China	915,243	5,432	920,675	***
India	103,515	3	103,519	***
Japan	***	***	***	***
Korea	199,516	44,410	243,926	***
Russia	95,293	0	95,293	***
Of which Russia less Severstal ¹	***	***	***	***
Of which Russia less NLMK (Novex)	***	***	***	***
United Kingdom	84,537	1,542	86,079	***
Subtotal, subject	***	***	***	***
Canada	357,741	102,577	460,318	***
All other sources	427,992	127,458	555,450	***
Subtotal, nonsubject	785,733	230,035	1,015,768	***
Total U.S. imports	***	***	***	***

¹ The calculation of Russia excluding Severstal differs from that provided in Office of Investigations memorandum INV-OO-051, in that entries for "JSC Severstal" are additionally excluded from the aggregate for "Russia less Severstal" in this table.

Source: Official U.S. import statistics using statistical reporting numbers 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, and 7212.40.1000, and 7212.40.5000 (non-alloy group) and 7225.50.6000, 7225.50.8085, 7226.92.5000, 7226.92.7050, and 7226.92.8050 (alloy group), and proprietary Customs records to remove out-of-scope U.S. imports from Hitachi in Japan and to identify U.S. imports from specific suppliers in Russia.

CRITICAL CIRCUMSTANCES

Russia

On December 22, 2015, Commerce published its preliminary countervailing duty determination that critical circumstances do not exist for imports of cold-rolled steel from producers and exporters from Russia.¹⁶ In its final countervailing duty determination, published on July 29, 2016, Commerce continued to find that critical circumstances do not exist with respect to imports of cold-rolled steel from Russia produced by NLMK Companies, the Severstal Companies, and all other producers/exporters.¹⁷

On March 8, 2016, Commerce published notice in the *Federal Register* of its preliminary determination of sales at LTFV that critical circumstances exist for imports of cold-rolled steel from all producers and exporters from Russia.¹⁸ In its final determination of sales at LTFV, published in the *Federal Register* on July 29, 2016, Commerce, with respect to NLMK and Severstal, issued a negative critical circumstances determinations, but an affirmative critical circumstances determinations with regard to all others.¹⁹

U.S. imports from Russia not produced and exported by NLMK or Severstal only entered in two months, March 2014 (***) short tons) and December 2014 (***) short tons). The first instance was approximately five months prior to the filing of the petition on July 28, 2015, and the second instance was approximately five months after the filing of the petition.

¹⁶ *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products From the Russian Federation: Preliminary Affirmative Countervailing Duty Determination, Preliminary Negative Critical Circumstances Determination, and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 79564, December 22, 2015.

¹⁷ *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products from the Russian Federation: Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination*, 81 FR 49935, July 29, 2016.

¹⁸ *Certain Cold-Rolled Steel Flat Products from the Russian Federation: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 81 FR 12072, March 8, 2016.

¹⁹ *Certain Cold-Rolled Steel Flat Products from the Russian Federation: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*, 81 FR 49950, July 29, 2016.

RUSSIAN INDUSTRY

Table I-7 and table I-8 present information on the cold-rolled steel operations of Russian producers Severstal and NLMK, respectively.

Table I-7

Cold-rolled steel: Data on Russian producer Severstal, 2013-15 and projections for calendar years 2016 and 2017

* * * * *

Table I-8

Cold-rolled steel: Data on Russian producer/exporter Novex/NLMK, 2013-15 and projections for calendar years 2016 and 2017

* * * * *

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
80 FR 46047 August 3, 2015	<i>Cold-Rolled Steel Flat Products From Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2015-08-03/pdf/2015-18951.pdf
80 FR 51198 August 24, 2015	<i>Certain Cold-Rolled Steel Flat Products From Brazil, the People's Republic of China, India, Japan, the Republic of Korea, the Netherlands, the Russian Federation, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2015-08-24/pdf/2015-20881.pdf
80 FR 51206 August 24, 2015	<i>Certain Cold-Rolled Steel Flat Products From Brazil, India, the People's Republic of China, the Republic of Korea, and the Russian Federation: Initiation of Countervailing Duty Investigations</i>	http://www.gpo.gov/fdsys/pkg/FR-2015-08-24/pdf/2015-20879.pdf
80 FR 55872 September 17, 2015	<i>Cold-Rolled Steel Flat Products From Brazil, China, India, Japan, Korea, Netherlands, Russia, and the United Kingdom {ITC determination notice}</i>	https://www.gpo.gov/fdsys/pkg/FR-2015-09-17/pdf/2015-23325.pdf
80 FR 79569 December 22, 2015	<i>Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products From Brazil: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2015-12-22/pdf/2015-32221.pdf

Citation	Title	Link
80 FR 79558 December 22, 2015	<i>Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products From the People's Republic of China: Preliminary Affirmative Determination, Preliminary Partial Affirmative Critical Circumstances Determination, and Alignment of Final Determination With Final Antidumping Duty Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2015-12-22/pdf/2015-32215.pdf
80 FR 79562 December 22, 2015	<i>Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products From India: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2015-12-22/pdf/2015-32218.pdf
80 FR 79567 December 22, 2015	<i>Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products From the Republic of Korea: Preliminary Negative Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2015-12-22/pdf/2015-32222.pdf
80 FR 79564 December 22, 2015	<i>Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products From the Russian Federation: Preliminary Affirmative Countervailing Duty Determination, Preliminary Negative Critical Circumstances Determination, and Alignment of Final Determination With Final Antidumping Duty Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2015-12-22/pdf/2015-32223.pdf

Citation	Title	Link
81 FR 11754 March 07, 2016	<i>Certain Cold-Rolled Steel Flat Products From Brazil: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-03-07/pdf/2016-05008.pdf
81 FR 11751 March 07, 2016	<i>Antidumping Duty Investigation of Certain Cold-Rolled Steel Flat Products From the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value, and Preliminary Affirmative Determination of Critical Circumstances</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-03-07/pdf/2016-05001.pdf
81 FR 11741 March 07, 2016	<i>Certain Cold-Rolled Steel Flat Products From India: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination and Extension of Provisional Measures</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-03-07/pdf/2016-05003.pdf
81 FR 11747 March 07, 2016	<i>Certain Cold-Rolled Steel Flat Products From Japan: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-03-07/pdf/2016-05005.pdf
81 FR 11757 March 07, 2016	<i>Certain Cold-Rolled Steel Flat Products From the Republic of Korea: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-03-07/pdf/2016-05006.pdf
81 FR 11744 March 07, 2016	<i>Certain Cold-Rolled Steel Flat Products From the United Kingdom: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-03-07/pdf/2016-05007.pdf

Citation	Title	Link
81 FR 12072 March 08, 2016	<i>Certain Cold-Rolled Steel Flat Products from the Russian Federation: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-03-08/pdf/2016-05000.pdf
81 FR 15559 March 23, 2016	<i>Cold-Rolled Steel Flat Products From Brazil, China, India, Japan, Korea, Russia, and the United Kingdom; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-03-23/pdf/2016-06527.pdf
81 FR 32721 May 24, 2016	<i>Certain Cold-Rolled Steel Flat Products From Japan: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-05-24/pdf/2016-12191.pdf
81 FR 32725 May 24, 2016	<i>Certain Cold-Rolled Steel Flat Products From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-05-24/pdf/2016-12186.pdf
81 FR 32729 May 24, 2016	<i>Certain Cold-Rolled Steel Flat Products From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Partial Affirmative Critical Circumstances Determination</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-05-24/pdf/2016-12183.pdf
81 FR 45305 July 13, 2016	<i>Cold-Rolled Steel Flat Products From China and Japan; Determinations</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-07-13/pdf/2016-16526.pdf
81 FR 52712 August 9, 2016	<i>Cold-Rolled Steel Flat Products From Brazil, India, Korea, Russia, and the United Kingdom; Supplemental Schedule for the Subject Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2016-08-09/pdf/2016-18808.pdf

APPENDIX B

ALTERNATE DATA PRESENTATION WITH RESPECT TO RUSSIA

CONTENTS

Table B-1: Instances of underselling/overselling and the range and average of margins excluding Russia, by country, January 2013 through December 2015

Table B-2: Instances of underselling/overselling and the range and average of margins excluding Russia, by product, January 2013 through December 2015

Table B-3: Instances of underselling/overselling and the range and average of margins excluding Russia, by year, January 2013 through December 2015

Table B-4: Data on industry in subject sources excluding Russia, 2013-15 and projections for calendar years 2016 and 2017

Table B-5: Summary data concerning the U.S. merchant market, 2013-15

Table B-6: Summary data concerning the total U.S. market, 2013-15

Table B-1

Cold-rolled steel: Instances of underselling/(overselling) and the range and average of margins excluding Russia, by country, January 2013 through December 2015

Source	Underselling				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Brazil	20	***	***	***	***
China	27	***	***	***	***
India	17	***	***	***	***
Japan	1	***	***	***	***
Korea	35	***	***	***	***
United Kingdom	8	***	***	***	***
Total, underselling	108	1,011,055	10.5	0.1	36.8
Source	(Overselling)				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Brazil	4	***	***	***	***
China	18	***	***	***	***
India	5	***	***	***	***
Japan	12	***	***	***	***
Korea	19	***	***	***	***
United Kingdom	0	***	***	***	***
Total, overselling	58	322,515	(10.2)	(0.1)	(52.7)

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

Table B-2

Cold-rolled steel: Instances of underselling/(overselling) and the range and average of margins excluding Russia, by product, January 2013 through December 2015

Source	Underselling				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Product 1	30	***	***	***	***
Product 2	29	***	***	***	***
Product 3	10	***	***	***	***
Product 4	0	***	***	***	***
Product 5	5	***	***	***	***
Product 6	13	***	***	***	***
Product 7	21	***	***	***	***
Total, underselling	108	1,011,055	10.5	0.1	36.8
Source	(Overselling)				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Product 1	10	***	***	***	***
Product 2	16	***	***	***	***
Product 3	11	***	***	***	***
Product 4	0	***	***	***	***
Product 5	0	***	***	***	***
Product 6	20	***	***	***	***
Product 7	1	***	***	***	***
Total, overselling	58	322,515	(10.2)	(0.1)	(52.7)

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

Table B-3

Cold-rolled steel: Instances of underselling/(overselling) and the range and average of margins excluding Russia, by year, January 2013 through December 2015

Source	Underselling				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
2013	21	***	***	***	***
2014	51	***	***	***	***
2015	36	***	***	***	***
Total, underselling	108	1,011,055	10.5	0.1	36.8
Source	(Overselling)				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
2013	18	***	***	***	***
2014	14	***	***	***	***
2015	26	***	***	***	***
Total, overselling	58	322,515	(10.2)	(0.1)	(52.7)

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

Table B-4

Cold-rolled steel: Data on industry in subject sources excluding Russia, 2013-15 and projections for calendar years 2016 and 2017

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Table B-5

Cold-rolled steel: Summary data concerning the U.S. merchant market, 2013-15

(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		
	2013	Calendar year 2014	2015	2013-15	Calendar year 2013-14	2014-15
U.S. consumption quantity:						
Amount.....	12,376,004	13,363,973	12,254,585	(1.0)	8.0	(8.3)
Producers' share (fn1).....	89.9	80.8	81.0	(8.9)	(9.1)	0.3
Importers' share (fn1):						
Brazil.....	0.3	0.7	2.0	1.7	0.5	1.2
China.....	2.2	6.6	4.4	2.2	4.4	(2.2)
India.....	0.1	0.7	0.6	0.5	0.5	(0.0)
Japan.....	1.1	1.0	1.2	0.1	(0.2)	0.3
Korea.....	***	***	***	***	***	***
United Kingdom.....	***	***	***	***	***	***
Subject sources.....	4.7	11.0	10.7	5.9	6.2	(0.3)
Canada.....	***	***	***	***	***	***
Russia.....	0.0	0.7	0.8	0.8	0.7	0.1
All other sources.....	***	***	***	***	***	***
Nonsubject sources.....	5.4	8.3	8.3	2.9	2.9	0.0
Total imports.....	10.1	19.2	19.0	8.9	9.1	(0.3)
U.S. consumption value:						
Amount.....	9,309,392	10,497,464	8,405,722	(9.7)	12.8	(19.9)
Producers' share (fn1).....	88.8	80.7	80.8	(8.0)	(8.1)	0.1
Importers' share (fn1):						
Brazil.....	0.2	0.6	1.5	1.3	0.4	0.8
China.....	1.8	5.3	3.5	1.7	3.5	(1.8)
India.....	0.2	0.6	0.6	0.4	0.4	0.0
Japan.....	1.6	1.3	1.6	0.1	(0.2)	0.3
Korea.....	***	***	***	***	***	***
United Kingdom.....	***	***	***	***	***	***
Subject sources.....	5.0	10.1	10.1	5.1	5.0	0.0
Canada.....	***	***	***	***	***	***
Russia.....	0.0	0.6	0.6	0.6	0.6	0.1
All other sources.....	***	***	***	***	***	***
Nonsubject sources.....	6.2	9.2	9.1	2.9	3.0	(0.1)
Total imports.....	11.2	19.3	19.2	8.0	8.1	(0.1)
Imports from:						
Brazil:						
Quantity.....	32,953	98,755	240,796	630.7	199.7	143.8
Value.....	20,925	68,100	124,388	494.4	225.4	82.7
Unit value.....	\$635	\$690	\$517	(18.7)	8.6	(25.1)
Ending inventory quantity.....	***	***	***	***	***	***
China:						
Quantity.....	268,090	879,006	540,287	101.5	227.9	(38.5)
Value.....	167,724	554,207	295,705	76.3	230.4	(46.6)
Unit value.....	\$626	\$630	\$547	(12.5)	0.8	(13.2)
Ending inventory quantity.....	***	***	***	***	***	***
India:						
Quantity.....	18,350	87,312	76,188	315.2	375.8	(12.7)
Value.....	16,892	64,348	52,133	208.6	280.9	(19.0)
Unit value.....	\$921	\$737	\$684	(25.7)	(19.9)	(7.2)
Ending inventory quantity.....	***	***	***	***	***	***
Japan:						
Quantity.....	140,097	129,856	150,966	7.8	(7.3)	16.3
Value.....	144,332	139,120	135,834	(5.9)	(3.6)	(2.4)
Unit value.....	\$1,030	\$1,071	\$900	(12.7)	4.0	(16.0)
Ending inventory quantity.....	***	***	***	***	***	***
Korea:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
United Kingdom:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
Subject sources:						
Quantity.....	584,811	1,463,909	1,306,726	123.4	150.3	(10.7)
Value.....	468,406	1,058,082	847,501	80.9	125.9	(19.9)
Unit value.....	\$801	\$723	\$649	(19.0)	(9.8)	(10.3)
Ending inventory quantity.....	***	***	***	***	***	***
Canada:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***

Table continued on next page.

Table B-5 -- Continued

Cold-rolled steel: Summary data concerning the U.S. merchant market, 2013-15

(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			Calendar year		
	2013	2014	2015	2013-15	2013-14	2014-15
Russia:						
Quantity.....	222	89,385	94,109	42,368.6	40,236.6	5.3
Value.....	127	58,969	51,831	40,617.6	46,224.8	(12.1)
Unit value.....	\$574	\$660	\$551	(4.1)	14.8	(16.5)
Ending inventory quantity.....	***	***	***	***	***	***
All other source:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
Nonsubject sources:						
Quantity.....	664,134	1,107,064	1,017,753	53.2	66.7	(8.1)
Value.....	575,765	966,807	763,836	32.7	67.9	(21.0)
Unit value.....	\$867	\$873	\$751	(13.4)	0.7	(14.1)
Ending inventory quantity.....	***	***	***	***	***	***
Total imports:						
Quantity.....	1,248,945	2,570,974	2,324,480	86.1	105.9	(9.6)
Value.....	1,044,170	2,024,889	1,611,337	54.3	93.9	(20.4)
Unit value.....	\$836	\$788	\$693	(17.1)	(5.8)	(12.0)
Ending inventory quantity.....	76,266	222,580	178,472	134.0	191.8	(19.8)
U.S. producers':						
Commercial U.S. shipments:						
Quantity.....	11,127,059	10,792,999	9,930,105	(10.8)	(3.0)	(8.0)
Value.....	8,265,222	8,472,575	6,794,385	(17.8)	2.5	(19.8)
Unit value.....	\$743	\$785	\$684	(7.9)	5.7	(12.8)
Commercial net sales:						
Quantity.....	11,721,931	11,277,392	10,455,781	(10.8)	(3.8)	(7.3)
Value.....	8,784,598	8,911,088	7,243,732	(17.5)	1.4	(18.7)
Unit value.....	\$749	\$790	\$693	(7.6)	5.4	(12.3)
Cost of goods sold (COGS).....	8,473,004	8,297,995	6,922,748	(18.3)	(2.1)	(16.6)
Gross profit or (loss).....	311,594	613,093	320,984	3.0	96.8	(47.6)
SG&A expenses.....	248,991	272,519	278,385	11.8	9.4	2.2
Operating income or (loss).....	62,603	340,574	42,599	(32.0)	444.0	(87.5)
Net income or (loss).....	155	257,017	(162,438)	fn2	165,717.4	fn2
Unit COGS.....	\$723	\$736	\$662	(8.4)	1.8	(10.0)
Unit SG&A expenses.....	\$21	\$24	\$27	25.3	13.8	10.2
Unit operating income or (loss).....	\$5	\$30	\$4	(23.7)	465.5	(86.5)
Unit net income or (loss).....	\$0.01	\$23	\$(16)	fn2	172,253.7	fn2
COGS/sales (fn1).....	96.5	93.1	95.6	(0.9)	(3.3)	2.4
Operating income or (loss)/sales (fn1).....	0.7	3.8	0.6	(0.1)	3.1	(3.2)
Net income or (loss)/sales (fn1).....	0.002	2.9	(2.2)	(2.2)	2.9	(5.1)

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 from official statistics of the U.S. Department of Commerce.

Table B-6

Cold-rolled steel: Summary data concerning the total U.S. market, 2013-15

(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		
	2013	2014	2015	2013-15	2013-14	2014-15
U.S. consumption quantity:						
Amount.....	29,738,704	31,628,636	30,272,278	1.8	6.4	(4.3)
Producers' share (fn1).....	95.8	91.9	92.3	(3.5)	(3.9)	0.5
Importers' share (fn1):						
Brazil.....	0.1	0.3	0.8	0.7	0.2	0.5
China.....	0.9	2.8	1.8	0.9	1.9	(1.0)
India.....	0.1	0.3	0.3	0.2	0.2	(0.0)
Japan.....	0.5	0.4	0.5	0.0	(0.1)	0.1
Korea.....	***	***	***	***	***	***
United Kingdom.....	***	***	***	***	***	***
Subject sources.....	2.0	4.6	4.3	2.4	2.7	(0.3)
Canada.....	***	***	***	***	***	***
Russia.....	0.0	0.3	0.3	0.3	0.3	0.0
All other sources.....	***	***	***	***	***	***
Nonsubject sources.....	2.2	3.5	3.4	1.1	1.3	(0.1)
Total imports.....	4.2	8.1	7.7	3.5	3.9	(0.5)
U.S. consumption value:						
Amount.....	21,544,386	24,245,396	19,922,292	(7.5)	12.5	(17.8)
Producers' share (fn1).....	95.2	91.6	91.9	(3.2)	(3.5)	0.3
Importers' share (fn1):						
Brazil.....	0.1	0.3	0.6	0.5	0.2	0.3
China.....	0.8	2.3	1.5	0.7	1.5	(0.8)
India.....	0.1	0.3	0.3	0.2	0.2	(0.0)
Japan.....	0.7	0.6	0.7	0.0	(0.1)	0.1
Korea.....	***	***	***	***	***	***
United Kingdom.....	***	***	***	***	***	***
Subject sources.....	2.2	4.4	4.3	2.1	2.2	(0.1)
Canada.....	***	***	***	***	***	***
Russia.....	0.0	0.2	0.3	0.3	0.2	0.0
All other sources.....	***	***	***	***	***	***
Nonsubject sources.....	2.7	4.0	3.8	1.2	1.3	(0.2)
Total imports.....	4.8	8.4	8.1	3.2	3.5	(0.3)
Imports from:						
Brazil:						
Quantity.....	32,953	98,755	240,796	630.7	199.7	143.8
Value.....	20,925	68,100	124,388	494.4	225.4	82.7
Unit value.....	\$635	\$690	\$517	(18.7)	8.6	(25.1)
Ending inventory quantity.....	***	***	***	***	***	***
China:						
Quantity.....	268,090	879,006	540,287	101.5	227.9	(38.5)
Value.....	167,724	554,207	295,705	76.3	230.4	(46.6)
Unit value.....	\$626	\$630	\$547	(12.5)	0.8	(13.2)
Ending inventory quantity.....	***	***	***	***	***	***
India:						
Quantity.....	18,350	87,312	76,188	315.2	375.8	(12.7)
Value.....	16,892	64,348	52,133	208.6	280.9	(19.0)
Unit value.....	\$921	\$737	\$684	(25.7)	(19.9)	(7.2)
Ending inventory quantity.....	***	***	***	***	***	***
Japan:						
Quantity.....	140,097	129,856	150,966	7.8	(7.3)	16.3
Value.....	144,332	139,120	135,834	(5.9)	(3.6)	(2.4)
Unit value.....	\$1,030	\$1,071	\$900	(12.7)	4.0	(16.0)
Ending inventory quantity.....	***	***	***	***	***	***
Korea:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
United Kingdom:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
Subject sources:						
Quantity.....	584,811	1,463,909	1,306,726	123.4	150.3	(10.7)
Value.....	468,406	1,058,082	847,501	80.9	125.9	(19.9)
Unit value.....	\$801	\$723	\$649	(19.0)	(9.8)	(10.3)
Ending inventory quantity.....	***	***	***	***	***	***
Canada:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***

Table continued on next page.

Table B-6 -- Continued

Cold-rolled steel: Summary data concerning the total U.S. market, 2013-15

(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			Calendar year		
	2013	2014	2015	2013-15	2013-14	2014-15
Russia:						
Quantity.....	222	89,385	94,109	42,368.6	40,236.6	5.3
Value.....	127	58,969	51,831	40,617.6	46,224.8	(12.1)
Unit value.....	\$574	\$660	\$551	(4.1)	14.8	(16.5)
Ending inventory quantity.....	***	***	***	***	***	***
All other sources:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
Nonsubject sources:						
Quantity.....	664,134	1,107,064	1,017,753	53.2	66.7	(8.1)
Value.....	575,765	966,807	763,836	32.7	67.9	(21.0)
Unit value.....	\$867	\$873	\$751	(13.4)	0.7	(14.1)
Ending inventory quantity.....	***	***	***	***	***	***
Total imports:						
Quantity.....	1,248,945	2,570,974	2,324,480	86.1	105.9	(9.6)
Value.....	1,044,170	2,024,889	1,611,337	54.3	93.9	(20.4)
Unit value.....	\$836	\$788	\$693	(17.1)	(5.8)	(12.0)
Ending inventory quantity.....	76,266	222,580	178,472	134.0	191.8	(19.8)
U.S. producers':						
Average capacity quantity.....	43,284,702	43,258,349	43,463,587	0.4	(0.1)	0.5
Production quantity.....	29,047,905	29,557,653	28,376,978	(2.3)	1.8	(4.0)
Capacity utilization (fn1).....	67.1	68.3	65.3	(1.8)	1.2	(3.0)
U.S. shipments:						
Quantity.....	28,489,759	29,057,662	27,947,798	(1.9)	2.0	(3.8)
Value.....	20,500,216	22,220,507	18,310,955	(10.7)	8.4	(17.6)
Unit value.....	\$720	\$765	\$655	(8.9)	6.3	(14.3)
Export shipments:						
Quantity.....	604,000	491,211	535,926	(11.3)	(18.7)	9.1
Value.....	522,560	451,936	443,079	(15.2)	(13.5)	(2.0)
Unit value.....	\$865	\$920	\$827	(4.4)	6.3	(10.1)
Ending inventory quantity.....	1,175,055	1,183,334	1,076,587	(8.4)	0.7	(9.0)
Inventories/total shipments (fn1).....	4.0	4.0	3.8	(0.3)	(0.0)	(0.2)
Production workers.....	11,235	11,070	11,218	(0.2)	(1.5)	1.3
Hours worked (1,000s).....	25,556	25,207	25,090	(1.8)	(1.4)	(0.5)
Wages paid (\$1,000).....	940,071	968,779	951,500	1.2	3.1	(1.8)
Hourly wages (dollars).....	36.78	38.43	37.92	3.1	4.5	(1.3)
Productivity (short tons per 1,000 hours).....	1,137	1,173	1,131	(0.5)	3.2	(3.5)
Unit labor costs.....	32.36	32.78	33.53	3.6	1.3	2.3
Total net sales:						
Quantity.....	29,086,877	29,544,698	28,465,149	(2.1)	1.6	(3.7)
Value.....	21,021,912	22,661,546	18,742,352	(10.8)	7.8	(17.3)
Unit value.....	723	767	658	(8.9)	6.1	(14.2)
Cost of goods sold (COGS).....	20,673,370	21,519,152	18,186,048	(12.0)	4.1	(15.5)
Gross profit or (loss).....	348,542	1,142,394	556,304	59.6	227.8	(51.3)
SG&A expenses.....	574,185	663,599	708,296	23.4	15.6	6.7
Operating income or (loss).....	(225,643)	478,795	(151,992)	32.6	fn2	fn2
Net income or (loss).....	(363,952)	278,464	(590,395)	(62.2)	fn2	fn2
Capital expenditures.....	***	***	***	***	***	***
Unit COGS.....	\$711	\$728	\$639	(10.1)	2.5	(12.3)
Unit SG&A expenses.....	\$20	\$22	\$25	26.1	13.8	10.8
Unit operating income or (loss).....	\$(8)	\$16	\$(5)	31.2	fn2	fn2
Unit net income or (loss).....	\$(13)	\$9	\$(21)	(65.8)	fn2	fn2
COGS/sales (fn1).....	98.3	95.0	97.0	(1.3)	(3.4)	2.1
Operating income or (loss)/sales (fn1).....	(1.1)	2.1	(0.8)	0.3	3.2	(2.9)
Net income or (loss)/sales (fn1).....	(1.7)	1.2	(3.2)	(1.4)	3.0	(4.4)

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 from official statistics of the U.S. Department of Commerce.

