

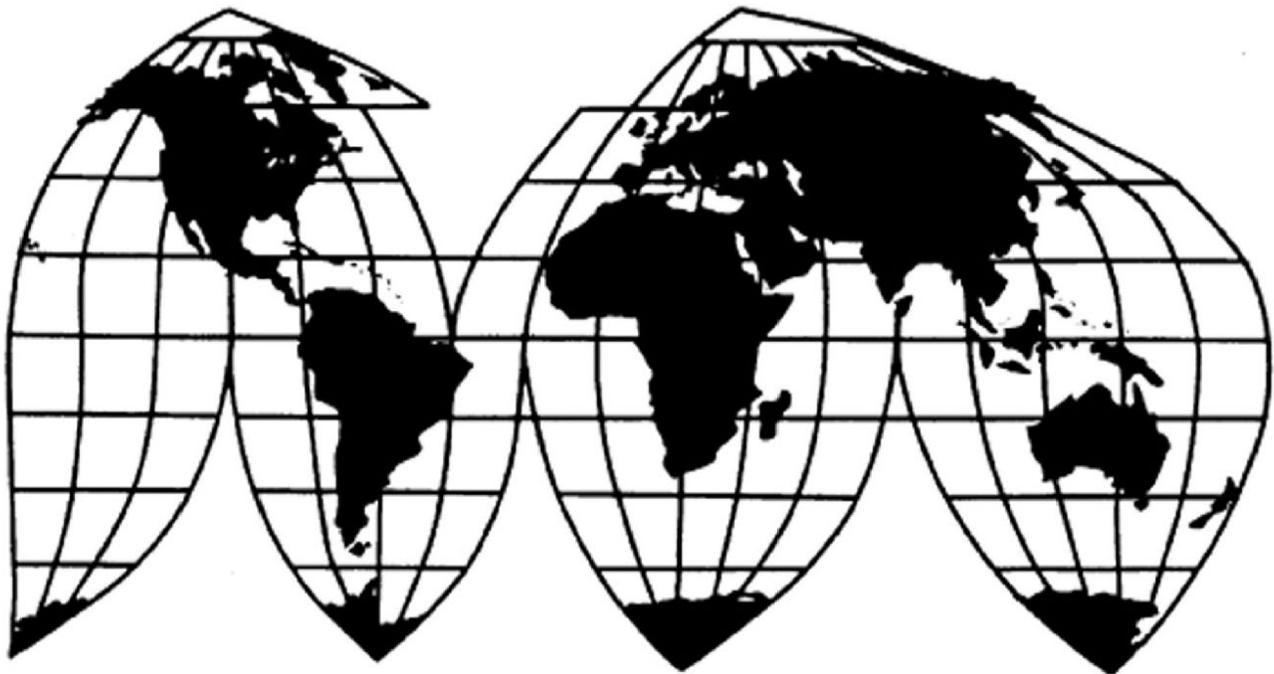
# Clad Steel Plate from Japan

Investigation No. 731-TA-739 (Fifth Review)

Publication 5502

April 2024

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-739 (Fifth Review)

Clad Steel Plate from Japan

## **DETERMINATION**

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on clad steel plate from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

## **BACKGROUND**

The Commission instituted this review on November 1, 2023 (88 FR 75026) and determined on February 5, 2024 that it would conduct an expedited review (89 FR 13375, February 22, 2024).

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<sup>1</sup> The record is defined in § 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).



## Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on clad steel plate from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

*Original Investigation.* In September 1995, the Commission received a petition alleging that an industry in the United States was materially injured and threatened with material injury by reason of imports of clad steel plate from Japan that were being sold in the United States at less than fair value (“LTFV”). On June 25, 1996, the Commission determined that a domestic industry was materially injured by reason of imports of clad steel plate from Japan that the U.S. Department of Commerce (“Commerce”) had determined were being sold at LTFV.<sup>1</sup> Commerce issued an antidumping duty order on clad steel plate from Japan on July 2, 1996.<sup>2</sup>

*First Review.* On June 1, 2001, the Commission instituted its first five-year review of the antidumping duty order on clad steel plate from Japan.<sup>3</sup> In October 2001, the Commission reached an affirmative determination after conducting an expedited review.<sup>4</sup> As a result, effective November 16, 2001, Commerce issued a continuation of the antidumping duty order.<sup>5</sup>

*Second Review.* On October 2, 2006, the Commission instituted its second five-year review of the antidumping duty order on clad steel plate from Japan.<sup>6</sup> In March 2007, the Commission reached an affirmative determination after conducting an expedited review.<sup>7</sup> Consequently, Commerce issued a continuation of the antidumping duty order, effective March 22, 2007.<sup>8</sup>

*Third Review.* On February 1, 2012, the Commission instituted its third five-year review of

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<sup>1</sup> *Clad Steel Plate from Japan*, Inv. No. 731-TA-739 (Final), USITC Publication 2972 (June 1996) (“*Original Determination*”).

<sup>2</sup> *Notice of Antidumping Order: Clad Steel Plate from Japan*, 61 Fed. Reg. 34421 (July 2, 1996).

<sup>3</sup> *Clad Steel Plate from Japan: Institution of a Five-Year Review*, 66 Fed. Reg. 29829 (June 1, 2001).

<sup>4</sup> *Clad Steel Plate from Japan*, Inv. No. 731-TA-739 (Review), USITC Publication 3459 (Oct. 2001) (“*First Review Determination*”).

<sup>5</sup> *Continuation of Countervailing and Antidumping Duty Orders: Pasta from Italy and Turkey, and Clad Steel Plate from Japan*, 66 Fed. Reg. 57703 (Nov. 16, 2001).

<sup>6</sup> *Clad Steel Plate from Japan: Institution of a Five-Year Review*, 71 Fed. Reg. 57996 (Oct. 2, 2006).

<sup>7</sup> *Clad Steel Plate from Japan*, Inv. No. 731-TA-739 (Second Review), USITC Publication 3907 (Mar. 2007) (“*Second Review Determination*”).

<sup>8</sup> *Clad Steel Plate from Japan: Continuation of Antidumping Duty Order*, 72 Fed. Reg. 13478 (Mar. 22, 2007).

the antidumping duty order on clad steel plate from Japan.<sup>9</sup> In January 2013, after conducting a full review, the Commission reached an affirmative determination.<sup>10</sup> Consequently, Commerce issued a continuation of the antidumping duty order, effective February 11, 2013.<sup>11</sup>

*Fourth Review.* On January 2, 2018, the Commission instituted its fourth five-year review of the antidumping duty order on clad steel plate from Japan.<sup>12</sup> In December 2018, after conducting a full review, the Commission reached an affirmative determination.<sup>13</sup> Consequently, Commerce issued a continuation of the antidumping duty order, effective December 18, 2018.<sup>14</sup>

*Current Review.* On November 1, 2023, the Commission instituted this fifth five-year review.<sup>15</sup> NobelClad, a domestic producer of clad steel plate, filed the sole response to the notice of institution.<sup>16</sup> The Commission did not receive a response from any respondent interested party. On February 5, 2024, the Commission determined that the domestic industry party group response was adequate and that the respondent interested party group response was inadequate.<sup>17</sup> Finding no other circumstances that would warrant conducting a full review, the Commission determined that it would conduct an expedited review of the order.<sup>18</sup> NobelClad submitted final comments regarding the determination that the Commission should reach.<sup>19</sup>

U.S. industry data in this review are based on information provided by NobelClad in its response to the notice of institution and publicly available information compiled by the

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<sup>9</sup> *Clad Steel Plate from Japan: Institution of a Five-Year Review*, 77 Fed. Reg. 5052 (Feb. 1, 2012).

<sup>10</sup> *Clad Steel Plate from Japan*, Inv. No. 731-TA-739 (Third Review), USITC Publication 4370 (January 2013) (“*Third Review Determination*”). Commissioners Pearson and Broadbent determined that revocation of the order would not be likely to lead to continuation or recurrence of material injury to the domestic clad steel plate industry within a reasonably foreseeable time. *See id.*, Dissenting Views.

<sup>11</sup> *Clad Steel Plate from Japan: Continuation of Antidumping Duty Order*, 78 Fed. Reg. 9676 (Feb. 11, 2013).

<sup>12</sup> *Clad Steel Plate from Japan: Institution of a Five-Year Review*, 83 Fed. Reg. 148 (Jan. 2, 2018).

<sup>13</sup> *Clad Steel Plate from Japan*, Inv. No. 731-TA-739 (Fourth Review), USITC Publication 4851 (Dec. 2018) (“*Fourth Review Determination*”).

<sup>14</sup> *Clad Steel Plate from Japan: Continuation of an Antidumping Duty Order*, 83 Fed. Reg. 64811 (Dec. 18, 2018).

<sup>15</sup> *Clad Steel Plate from Japan: Institution of a Five-Year Review*, 88 Fed. Reg. 75026 (Nov. 1, 2023).

<sup>16</sup> NobelClad’s Response to the Notice of Institution, EDIS Doc. Nos. 809546 (Confidential Version) & 809547 (Public Version) (Nov. 30, 2023) (“*NobelClad’s NOI Response*”). NobelClad is a DMC Global Company, which was referred to as DMC Global Inc. dba NobelClad in the fourth five-year review. *Id.* at 1.

<sup>17</sup> Explanation of Commission Determination on Adequacy, EDIS Doc. 815906 (Mar. 11, 2024).

<sup>18</sup> Explanation of Commission Determination on Adequacy, EDIS Doc. 815906 (Mar. 11, 2024); *accord Clad Steel Plate from Japan; Scheduling of an Expedited Five-Year Review*, 89 Fed. Reg. 13375 (Feb. 22, 2024).

<sup>19</sup> NobelClad’s Final Comments, EDIS Doc. 816127 (Mar. 14, 2024).

Commission.<sup>20</sup> NobelClad is estimated to have accounted for \*\*\* percent of U.S. production of clad steel plate in 2022.<sup>21</sup> U.S. import data are based on official Commerce statistics.<sup>22</sup> Foreign industry data and related information are based on information from the original investigation and subsequent five-year reviews, information submitted by NobelClad in its response to the notice of institution, and publicly available information compiled by the Commission.<sup>23</sup> Additionally, one firm, \*\*\*, identified by NobelClad as a U.S. purchaser of clad steel plate, responded to the Commission’s adequacy phase questionnaire.<sup>24</sup>

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>25</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>26</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>27</sup>

Commerce has defined the imported merchandise within the scope of the order under review as follows:

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<sup>20</sup> Confidential Report (“CR”), INV-WW-006 at I-14 to I-15; Public Report (“PR”), *Clad Steel Plate from Japan*, Inv. No. 731-TA-739 (Fifth Review), USITC Pub. 5502 at I-14 to I-15.

<sup>21</sup> CR/PR at I-2.

<sup>22</sup> CR/PR at I-19 & Table I-6. Official import statistics are for HTS statistical reporting number 7210.90.1000, which may include out-of-scope products and therefore overstate imports of clad steel plate. *Id.* at Table I-6 Note.

<sup>23</sup> CR/PR at I-21 to I-23.

<sup>24</sup> CR/PR at D-3.

<sup>25</sup> 19 U.S.C. § 1677(4)(A).

<sup>26</sup> 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>27</sup> *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA- 752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731- TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

{A}ll clad<sup>28</sup> steel plate of a width of 600 millimeters (“mm”) or more and a composite thickness of 4.5mm or more. Clad steel plate is a rectangular finished steel mill product consisting of a layer of cladding material (usually stainless steel or nickel) which is metallurgically bonded to a base or backing of ferrous metal (usually carbon or low alloy steel) where the latter predominates by weight.

Stainless clad steel plate is manufactured to American Society for Testing and Materials (“ASTM”) specifications A263 (400 series stainless types) and A264 (300 series stainless types). Nickel and nickel-base alloy clad steel plate is manufactured to ASTM specification A265. These specifications are illustrative but not necessarily all-inclusive.

Clad steel plate within the scope of the order is classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) subheading 7210.90.1000. Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of the order is dispositive.<sup>29</sup>

Clad steel plate is used to manufacture vessels or structures for heavy industry projects in which corrosion-resistance qualities are essential.<sup>30</sup> End users of clad steel plate include chemical and petrochemical companies, the shipbuilding industry, electric utilities, and other producers of industrial and defense equipment.<sup>31</sup> The hydrocarbon processing industry, which includes petroleum refining and petrochemical and chemical processing, consistently has been

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<sup>28</sup> Cladding is the association of layers of metals of different colors or natures by molecular interpenetration of the surfaces in contact. This limited diffusion is characteristic of clad products and differentiates them from products metalized in other manners (e.g., by normal electroplating). The various cladding processes include pouring molten cladding metal onto the basic metal followed by rolling; simple hot-rolling of the cladding metal to ensure efficient welding to the basic metal; any other method of deposition of superimposing of the cladding metal followed by any mechanical or thermal process to ensure welding (e.g., electrocladding), in which the cladding metal (nickel, chromium, etc.) is applied to the basic metal by electroplating, molecular interpenetration of the surfaces in contact then being obtained by heat treatment at the appropriate temperature with subsequent cold rolling. See Harmonized Commodity Description and Coding System Explanatory Notes, Chapter 72, General Note (IV)(C)(2)(e).

<sup>29</sup> *Clad Steel Plate From Japan: Final Results of the Expedited Fifth Sunset Review of Antidumping Duty Order*, 89 Fed. Reg. 15973 (Mar. 6, 2024) and accompanying Issues and Decision Memorandum at 2. HTS statistical reporting number 7210.90.1000 is a basket category and contains out-of-scope merchandise, including stainless steel products. See CR/PR at Table I-6.

<sup>30</sup> CR/PR at I-9.

<sup>31</sup> CR/PR at I-9.

the largest market for clad steel plate, likely consuming as much as \*\*\* percent of clad products used in the United States in the mid-1990s, according to petitioner's estimates during the original investigation.<sup>32</sup> Processing vessels for the chemical and petroleum refining industries continue to be a major end-use market for clad steel plate.<sup>33</sup> Clad steel plate also is used in flue-gas desulfurization systems that remove sulfur from exhaust gas in coal-fired power plants and in the manufacture of clad steel pipe for sour-drilling applications and ocean development of natural-gas deposits.<sup>34</sup>

Clad steel plate is produced by either roll bonding or explosion bonding.<sup>35</sup> Roll bonding is accomplished by heating and rolling, on a conventional steel plate mill, a pack comprising plates of cladding alloy and steel backing that are welded together around the edges.<sup>36</sup> Explosion bonding is accomplished by placing a sheet or plate of cladding material over a plate of backing steel, covering the cladding plate with a layer of explosives, and then initiating an explosion across the surface.<sup>37</sup>

In its original determination and all prior five-year reviews, the Commission defined a single domestic like product consisting of all clad steel plate of a width of 600 mm or more and a composite thickness of 4.5 mm or more, coextensive with Commerce's scope.<sup>38</sup>

In the current review, the record does not contain any new information suggesting that the pertinent characteristics and uses of clad steel plate have changed since the last review so as to warrant revisiting the Commission's domestic like product definition.<sup>39</sup> NobelClad agrees with the Commission's definition of the domestic like product from the prior proceedings.<sup>40</sup> Consequently, we again define a single domestic like product consisting of all clad steel plate coextensive with the scope of the review.

## **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output

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<sup>32</sup> CR/PR at I-9.

<sup>33</sup> CR/PR at I-9.

<sup>34</sup> CR/PR at I-9.

<sup>35</sup> CR/PR at I-10.

<sup>36</sup> CR/PR at I-10.

<sup>37</sup> CR/PR at I-12.

<sup>38</sup> *Original Determination*, USITC Pub. 2972 at 5; *First Review Determination*, USITC Pub. 3459 at 4; *Second Review Determination*, USITC Pub. 3907 at 5; *Third Review Determination*, USITC Pub. 4370 at 6, *Fourth Review Determination*, USITC Pub. 4851 at 7.

<sup>39</sup> CR/PR at I-17.

<sup>40</sup> NobelClad NOI Response at 19.

of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>41</sup> In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigation and all prior five-year reviews, the Commission defined a single domestic industry comprised of all domestic producers of clad steel plate.<sup>42</sup>

In the current review, NobelClad agrees with the Commission’s definition of the domestic industry from the prior proceedings.<sup>43</sup> There are no known issues regarding the definition of the domestic industry in this review.<sup>44</sup> Consequently, consistent with our definition of the domestic like product, we again define the domestic industry as all domestic producers of clad steel plate.

### **III. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

#### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>45</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of

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<sup>41</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>42</sup> *Original Determination*, USITC Pub. 2972 at 5; *First Review Determination*, USITC Pub. 3459 at 5; *Second Review Determination*, USITC Pub. 3907 at 5; *Third Review Determination*, USITC Pub. 4370 at 6; *Fourth Review Determination*, USITC Pub. 4851 at 8.

<sup>43</sup> NobelClad NOI Response at 19.

<sup>44</sup> See NobelClad NOI Response at 16-17.

<sup>45</sup> 19 U.S.C. § 1675a(a).

its restraining effects on volumes and prices of imports.”<sup>46</sup> Thus, the likelihood standard is prospective in nature.<sup>47</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>48</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>49</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>50</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>51</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is

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<sup>46</sup> SAA, H.R. Rep. No. 103-316 vol. I at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>47</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>48</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>49</sup> 19 U.S.C. § 1675a(a)(5).

<sup>50</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>51</sup> 19 U.S.C. § 1675a(a)(1).

revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>52</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>53</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>54</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) 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.<sup>55</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>56</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely

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<sup>52</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings. See *Clad Steel Plate From Japan Final Results of the Expedited Fifth Sunset Review of Antidumping Duty Order*, 89 Fed. Reg. 15973 (Mar. 6, 2024).

<sup>53</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>54</sup> 19 U.S.C. § 1675a(a)(2).

<sup>55</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>56</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>57</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.<sup>58</sup>

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the clad steel plate industry in Japan. There is also limited information on the clad steel plate market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and prior reviews, and the limited new information on the record in this five-year review.

## **B. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>59</sup> The following conditions of competition inform our determination.

### **1. Demand Conditions**

*Original Investigation and Prior Reviews.* U.S. demand for clad steel plate is derived from demand for downstream products.<sup>60</sup> As the Commission found in the prior proceedings, reported end uses include pressure vessels, heat exchangers, chemical reactors, evaporators, and

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<sup>57</sup> 19 U.S.C. § 1675a(a)(4).

<sup>58</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>59</sup> 19 U.S.C. § 1675a(a)(4).

<sup>60</sup> *First Review Determination*, USITC Pub. 3459 at 7.

condensers.<sup>61</sup>

In the fourth review, responding purchasers reported certain changes in the end uses for clad steel plate, including fewer capital projects, and a minority of responding firms reported substitutes for clad steel plate in specific applications.<sup>62</sup> The Commission also found that clad steel plate is typically purchased on a spot basis and consumed for specific projects, causing demand trends to fluctuate over time.<sup>63</sup>

Apparent U.S. consumption fluctuated but declined overall during the original investigation.<sup>64</sup> In the first review, the Commission found that apparent U.S. consumption of clad steel plate had declined since the time of the original investigation, and found in the second review that the downward trend had continued.<sup>65</sup> In the third review, the Commission concluded that, in light of the fluctuations in apparent U.S. consumption during the period of review and mixed perceptions by market participants, future demand was likely to fluctuate with no clear trend.<sup>66</sup> In the fourth review, apparent U.S. consumption fluctuated from year to year but declined overall.<sup>67</sup>

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<sup>61</sup> *Original Determination*, USITC Pub. 2972 at 7; *First Review Determination*, USITC Pub. 3459 at 7; *Second Review Determination*, USITC Pub. 3907 at 8; *Third Review Determination*, USITC Pub. 4370 at 9; *Fourth Review Determination*, USITC Pub. 4851 at 11. In the third review, firms reported that other end uses included cooking equipment, flue gas scrubbing equipment, liquid chillers that incorporate pressure vessels for HVAC, magnesium reservoirs, pipe, pulp, and paper making, shipbuilding, and storage containers. *Third Review Determination*, USITC Pub. 4370 at 9. The Commission also noted the existence of substitutes for clad steel plate, namely solid alloys, carbon steel plate with weld alloys, and non-metallic plate. However, these materials were only substitutes for specific downstream products and the majority of responding firms in the third review reported no changes in substitutes since 2006. *Third Review Determination*, USITC Pub. 4370 at 12.

<sup>62</sup> *Fourth Review Determination*, USITC Pub. 4851 at 11. Purchasers identified solid alloy plate, weld overlay, and stainless steel as substitutes depending on the end use. *Id.* at n.56.

<sup>63</sup> *Fourth Review Determination*, USITC Pub. 4851 at 12.

<sup>64</sup> *Original Determination*, USITC Pub. 2972 at 8.

<sup>65</sup> *First Review Determination*, USITC Pub. 3459 at 7; *Second Review Determination*. USITC Pub. 3907 at 8. In the original investigation, apparent U.S. consumption was \*\*\* short tons in 1993 and \*\*\* short tons in 1995. *Third Review Confidential Views* at 12, n.54. In the first review, apparent U.S. consumption of clad steel plate had declined \*\*\* percent from 1995 to 2000, and continued to decline in the second review by \*\*\* percent between 2000 and 2005. *Second Review Confidential Views* at 10.

<sup>66</sup> *Third Review Determination*, USITC Pub. 4370 at 10. In the third review, apparent U.S. consumption ranged between \*\*\* short tons in 2010 and \*\*\* short tons in 2008. *Third Review Confidential Views* at 12.

<sup>67</sup> *Fourth Review Determination*, USITC Pub. 4851 at 12. In the fourth review, apparent U.S. consumption fluctuated between 2015 and 2017 for an overall decline of \*\*\* percent; it was \*\*\* short tons in 2015, \*\*\* short tons in 2016, and \*\*\* short tons in 2017. *Fourth Review Confidential Views* at 17-18.

*Current Review.* There is no new information on the record of this review indicating that the factors influencing demand have changed since the original investigation and prior reviews.<sup>68</sup> The record indicates that demand for clad steel plate continues to derive mainly from demand in the oil and gas, chemical processing, shipbuilding, and construction industries.<sup>69</sup> According to NobelClad, clad steel plate is also used in the power/utilities industry, in applications such as the desulfurization of flues in coal-fired power plants, and in the pulp and paper industry.<sup>70</sup> NobelClad claims that U.S. demand for clad steel plate fluctuated during the period of review but declined overall, and does not anticipate that demand will increase substantially in the foreseeable future.<sup>71</sup> NobelClad also states that demand for clad steel plate on a global basis is believed to be relatively flat.<sup>72</sup>

In 2022, apparent U.S. consumption of clad steel plate was \*\*\* short tons, which was a decline of \*\*\* percent from the \*\*\* short tons recorded in 2017.<sup>73</sup>

## 2. Supply Conditions

*Original Investigation and Prior Reviews.* In the original investigation and prior reviews, the domestic industry was the dominant supplier to the U.S. market, accounting for \*\*\* percent of apparent U.S. consumption in the original investigation.<sup>74</sup> U.S. producers' market share was substantially lower in the first review, at \*\*\* percent, than it was in the original investigation.<sup>75</sup> The domestic industry's market share in the second review rose to \*\*\* percent, nearly the level during the original investigation, and it was higher in the third review, at \*\*\* percent, than it was during the original investigation; in the fourth review, the industry's market share declined to \*\*\* percent, lower than the level in the original investigation.<sup>76</sup>

There have been some variations in the composition of the domestic industry over the years. In the original investigation, the Commission found that four firms (Ametek, DuPont,

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<sup>68</sup> Responding purchaser \*\*\* stated that there had been \*\*\* changes in demand conditions since January 1, 2018. CR/PR at D-3.

<sup>69</sup> CR/PR at I-9.

<sup>70</sup> NobelClad NOI Response at 19.

<sup>71</sup> NobelClad NOI Response at 19.

<sup>72</sup> Nobel Clad NOI Response at 19.

<sup>73</sup> CR/PR at Tables I-6 and I-7. As noted above, official import statistics are for HTS statistical reporting number 7210.90.1000 and may include out-of-scope products; therefore, the volume of imports and apparent U.S. consumption of clad steel plate may be overstated. *Id.* at Table I-6 Note.

<sup>74</sup> CR/PR at Table I-7.

<sup>75</sup> CR/PR at Table I-7.

<sup>76</sup> CR/PR at Table I-7.

Dynamic Materials Corporation (“DMC”), and Lukens) comprised the domestic industry.<sup>77</sup> In the first review, four firms also comprised the domestic industry (Ametek, DMC, Lukens (subsequently Bethlehem Lukens), and Vee Cee Metals).<sup>78</sup> Vee Cee Metals exited the industry after the first review, leaving DMC, Ametek, and Mittal (the successor company to Bethlehem Lukens) as the remaining domestic producers during the second review. Mittal reportedly accounted for the majority of domestic production in 2005.<sup>79</sup> In the third review, the Commission found that six firms comprised the domestic industry, with DMC being the largest producer.<sup>80</sup> In the fourth review, there were four domestic producers—Ametek, ArcelorMittal, NobelClad, and Regal Technology—but ArcelorMittal discontinued clad steel plate production in 2014.<sup>81</sup>

Following imposition of the order, subject imports from Japan declined to minimal levels in the first and second review periods and were absent from the U.S. market in the third and fourth review periods.<sup>82</sup>

Nonsubject imports gained market share lost by U.S. producers and subject imports between the original investigation and first review.<sup>83</sup> In the second review, the Commission observed that nonsubject imports’ market share was relatively minor, but growing since the original investigation.<sup>84</sup> While nonsubject imports’ market share was lower in the third review,<sup>85</sup> it increased over the fourth period of review to account for \*\*\* percent of apparent U.S. consumption in 2017.<sup>86</sup>

*Current Review.* In the current review, the domestic industry remained the largest supplier of clad steel plate to the U.S. market, followed by nonsubject imports and subject imports.<sup>87</sup>

The domestic industry's share of apparent U.S. consumption by quantity was \*\*\* percent

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<sup>77</sup> *Original Determination*, USITC Pub. 2972 at 5 and III-1 to III-2.

<sup>78</sup> *First Review Determination*, USITC Pub. 3459 at 8-9.

<sup>79</sup> *Second Review Determination*, USITC Pub. 3907 at 8.

<sup>80</sup> *Third Review Determination*, USITC Pub. 4370 at 10.

<sup>81</sup> *See Third Review Determination*, USITC Pub 4370 at 13.

<sup>82</sup> *Third Review Determination*, USITC Pub. 4370 at 10; *Fourth Review Determination*, USITC Pub. 4851 at 13; CR/PR at Table I-7.

<sup>83</sup> CR/PR at Table I-7.

<sup>84</sup> *Second Review Determination*, USITC Pub. 3907 at 8.

<sup>85</sup> *Third Review Determination*, USITC Pub. 4370 at 10; CR at Table I-2 and I-8. Nonsubject imports’ share of apparent U.S. consumption was \*\*\* percent in 1995, \*\*\* percent in 2000, \*\*\* percent in 2005, and \*\*\* percent in 2011. *Third Review Confidential Views* at 13.

<sup>86</sup> CR/PR at Table I-7.

<sup>87</sup> CR/PR at Table I-7. Responding purchaser \*\*\* indicated in its questionnaire response that there have been \*\*\* changes in supply conditions since January 1, 2018.

in 2022, down from \*\*\* percent in 2017.<sup>88</sup> There were four known U.S. producers during the period of review: NobelClad; Ametek, Inc.; High Energy Metals, Inc.; and Pacific Aerospace.<sup>89</sup> NobelClad accounted for an estimated \*\*\* percent of total U.S. production of clad steel plate in 2022, and claims to have operated with \*\*\* and no supply constraints or inability to satisfy customer requests during the period of review.<sup>90</sup>

Subject imports were largely absent from the U.S. market during the period of review, amounting to only two short tons in 2022.<sup>91</sup> In contrast, nonsubject imports' share of apparent U.S. consumption was \*\*\* percent in 2022, up from \*\*\* percent in 2017.<sup>92</sup> The leading sources of nonsubject imports during the period of review were Australia and China.<sup>93</sup>

### 3. Substitutability and Other Conditions

*Original Investigation and Prior Reviews.* In the original investigation, the Commission found that subject imports were able to compete directly with the domestic like product.<sup>94</sup> In the first review, the Commission determined that the U.S. market was price sensitive such that price played a key role in determining which supplier would win a bid and that, given the apparent high degree of substitutability between domestic and Japanese clad steel plate, relatively small changes in price could result in significant shifts in market share. The Commission also found that contract negotiations in the industry were characterized by a relatively small number of major bids and that sales were made through a multi-level, competitive bidding process.<sup>95</sup> In the second review, the Commission did not make specific findings regarding substitutability, but simply stated that the conditions of competition were not likely to change significantly in the reasonably foreseeable future.<sup>96</sup>

In the third five-year review, the Commission found that there was a moderate degree of substitutability between domestically produced clad steel plate and imports from Japan and other

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<sup>88</sup> CR/PR at Table I-8. As noted, official import statistics are for HTS statistical reporting number 7210.90.1000 and may include out-of-scope products; therefore, the volume of imports and apparent U.S. consumption of clad steel plate may be overstated.

<sup>89</sup> NobelClad NOI Response at 16.

<sup>90</sup> NobelClad NOI Response at 19; CR/PR at Table I-2.

<sup>91</sup> CR/PR at Table I-6. Subject imports totaled 5 short tons during the period of review. *Id.* As noted above, subject imports may be overstated due to the possible inclusion of out-of-scope products in official import statistics.

<sup>92</sup> CR/PR at Table I-7.

<sup>93</sup> CR/PR at Table I-6.

<sup>94</sup> *See Original Determination*, USITC Pub. 2972 at 7.

<sup>95</sup> *First Review Determination*, USITC Pub. 3459 at 7-8, 11.

<sup>96</sup> *Second Review Determination*, USITC Pub. 3907 at 9.

countries, and that both price and non-price factors (including quality and delivery) were important in purchasing decisions.<sup>97</sup> The Commission also observed that, as in prior proceedings, the industry was characterized by a relatively small number of major bids in a price sensitive market.<sup>98</sup>

In the fourth review, the Commission found at least a moderate degree of substitutability between domestically produced clad steel plate and subject imports.<sup>99</sup> The Commission also found both price and non-price factors were important in purchasing decisions.<sup>100</sup> As in the original investigation and prior reviews, the Commission found that the relatively small number of major bids in the market and the importance of price in determining the winning bidder continued to make the market price sensitive, with small changes in prices having the potential to cause significant shifts in purchase patterns and thus market share.<sup>101</sup>

*Current Review.* The record in this five-year review contains no new information to indicate that the degree of substitutability between the domestic like product and subject imports, or the importance of price in purchasing decisions, have changed since the last review. NobelClad asserts that the U.S. market remains highly price sensitive based on the substitutable nature of imported and domestically produced clad steel plate, with price paramount in purchasing decisions.<sup>102</sup> Based on the available information in this expedited review, we again find that there is at least a moderate degree of substitutability between subject imports and the domestic like product and that price and non-price factors remain important in purchasing decisions.

Effective March 23, 2018, clad steel plate imported from Japan became subject to an additional tariff of 25 percent *ad valorem* under Section 232 of the Trade Expansion Act of 1962, as amended (“Section 232”), which was replaced by a tariff rate quota (“TRQ”) on April 1, 2022 that allows imports of clad steel plate from Japan to enter the United States without payment of the additional 25 percent tariff up to the TRQ limit and thereafter subject to the 25 percent tariff.<sup>103</sup>

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<sup>97</sup> *Third Review Determination*, USITC Pub. 4370 at 10-11.

<sup>98</sup> *Third Review Determination*, USITC Pub. 4370 at 12.

<sup>99</sup> *Fourth Review Determination*, USITC Pub. 4851 at 15.

<sup>100</sup> *Fourth Review Determination*, USITC Pub. 4851 at 15.

<sup>101</sup> *Fourth Review Determination*, USITC Pub. 4851 at 15.

<sup>102</sup> NobelClad NOI Response at 13.

<sup>103</sup> CR/PR at I-7 to I-8. The annual TRQ limit for Quota ID 9903.81.31: Plate in cut lengths, including clad steel plate, from Japan was 1,378,230.00 kilograms (1,519 short tons) for 2022. This quota category also includes HTS subheadings for out-of-scope products. The total annual usage in 2022 was 822,828.97 kilograms (907 short tons), or 59.7 percent of the quota limit. *Id.* at I-8 n.29.

## C. Likely Volume of Subject Imports

### 1. The Original Investigation and Prior Reviews

In the original determination, the Commission found the levels of subject imports and import penetration to be significant. The Commission placed particular emphasis on the importance to domestic producers of securing a sufficient number of relatively few large volume contracts in a given year to maintain adequate levels of capacity utilization, and the fact that subject imports competed directly for those critical sales. Because the Commission found the market to be price sensitive, it found relatively small volumes of subject imports to be significant.<sup>104</sup>

In the first review, the Commission found that subject import volume was likely to increase significantly and would be significant if the order were revoked. As it did in the original investigation, the Commission recognized that, given the apparent high degree of substitutability between domestic and Japanese clad steel plate, relatively small changes in price resulted in significant shifts in market share. The Commission found that the Japanese industry was export-oriented, as it exported over one-half of its production volume during the original period of investigation and still depended on substantial quantities of exports. This indicated that the Japanese industry would likely seek to re-enter the U.S. market with significant quantities of subject merchandise, as it did during the original investigation, if the order were revoked.<sup>105</sup>

In the second review, the Commission found that Japanese producers had increased their production capability since the order went into effect. It once again found that the Japanese industry was export-oriented and that it would likely seek to re-enter the U.S. market with significant quantities of subject merchandise if the order were revoked. The Commission also noted that subject producers appeared to have the ability to divert exports from other markets to the U.S. market. The vast majority of Japanese exports of clad steel plate were shipped to markets other than the United States, including Mexico.<sup>106</sup>

In the third review, the Commission found that the volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant in the reasonably foreseeable future absent the restraining effect of the order.<sup>107</sup> It based this conclusion on a number of factors, including subject producers' significant excess capacity and increased capacity, their incentive to produce and export more product, the fact that

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<sup>104</sup> *Original Determination*, USITC Pub. 2972 at 12-13.

<sup>105</sup> *First Review Determination*, USITC Pub. 3459 at 9-10.

<sup>106</sup> *Second Review Determination*, USITC Pub. 3907 at 10-11.

<sup>107</sup> *Third Review Determination*, USITC Pub. 4370 at 13-17.

demand in Asia was not expected to increase significantly enough in the reasonably foreseeable future to absorb these exports, and the small size of the U.S. market.<sup>108</sup>

In the fourth review, the Commission again found that the volume of subject imports from Japan would likely be significant after revocation.<sup>109</sup> The Commission found that the subject industry had the ability to export large volumes of clad steel plate to the United States, given that the two responding Japanese producers alone possessed excess capacity equivalent to \*\*\* times apparent U.S. consumption in 2017 while \*\*\* had not provided data.<sup>110</sup> In addition, the Commission found that the Japanese industry remained export-oriented, as it was during the original investigation, and that responding producers had shown the ability to shift shipments between export markets.<sup>111</sup> Finally, the Commission found that the U.S. market remained attractive to subject producers, given their continued ties with the United States and the relatively higher prices available there, and sufficiently attractive for subject producers to export significant volumes of clad steel plate to the U.S. market after revocation even with the section 232 tariffs in place.<sup>112</sup>

## 2. Current Review

The volume of subject imports was minimal during the period of review, under the disciplining effect of the order.<sup>113</sup> Subject imports from Japan were absent from the U.S. market in 2018 and 2020 and amounted to only one short ton in 2019 and two short tons in 2021 and 2022.<sup>114</sup>

The record in this five-year review contains limited information on the clad steel plate industry in Japan. The available information indicates that subject producers have the means to export significant volumes of subject merchandise to the U.S. market if the order were revoked. NobelClad provided a list of four possible producers of clad steel plate in Japan.<sup>115</sup>

The information available indicates that the subject industry possessed substantial capacity during the period of review. According to information submitted by NobelClad, JFE Steel

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<sup>108</sup> *Third Review Determination*, USITC Pub. 4370 at 17.

<sup>109</sup> *Fourth Review Determination*, USITC Pub. 4851 at 17.

<sup>110</sup> Fourth Review Confidential Views at 26-27; *Fourth Review Determination*, USITC Pub. 4851 at 17.

<sup>111</sup> *Fourth Review Determination*, USITC Pub. 4851 at 18-19.

<sup>112</sup> *Fourth Review Determination*, USITC Pub. 4851 at 19-20.

<sup>113</sup> CR/PR at Table I-6.

<sup>114</sup> CR/PR at Table I-6. Subject imports may be overstated due to the inclusion of out-of-scope products in official import statistics. *Id.* at Note.

<sup>115</sup> CR/PR at I-22.

Corporation possesses annual crude steel capacity of 30.3 million metric tons and Nippon Steel Corporation aims for production capacity of 100 million tons per year, having produced 33.0 million tons in 2020.<sup>116</sup> Information from Asahi Kasei's website touts the subject producer as “the leading supplier of explosion bonded composites in Asia, Oceania, and other markets...” with a “growing market share in Europe and the U.S.”<sup>117</sup> Information from the website of subject producer Japan Steel Works Ltd. indicates that its sales of material and engineering products (including clad steel plate) increased by 2.5 percent in 2022 and that the company has expanded since 2019 with acquisitions, mergers, and the establishment of new affiliates.<sup>118</sup> Despite changes within the Japanese industry, including acquisitions and mergers, NobelClad claims none of those developments suggest the Japanese industry’s production capacity has declined.<sup>119</sup>

The information available also indicates that the subject industry remains a large exporter. Global Trade Atlas (“GTA”) data covering Japanese exports of merchandise under Harmonized Schedule (“HS”) subheading 7210.90, which includes clad steel plate and out-of-scope products, shows that such exports increased irregularly by 43.3 percent during the period of review, from 75,736 short tons in 2018 to 108,515 short tons in 2022.<sup>120</sup> These data also show that Japan was the world's second largest exporter of such merchandise in 2022.<sup>121</sup>

The information available also indicates that the U.S. market remains attractive to subject producers. Although subject imports were virtually absent from the U.S. market during the period of review, GTA data show that the United States was the largest destination market for Japanese exports of merchandise under HS subheading 7210.90 in 2022, and that Japanese exports of such merchandise to the United States increased 82.4 percent from 2018 to 2022.<sup>122</sup> This indicates that subject producers in Japan remain interested in serving the U.S. market, and have maintained U.S. distribution networks and customers that would enable them to quickly re-enter the U.S. market for clad steel plate after revocation.<sup>123</sup> According to NobelClad, the qualification/certification process for new suppliers typically requires 30 to 45 days and no more than 90 days, and would therefore not serve as an obstacle to the subject producers' re-entry.<sup>124</sup>

Given the foregoing, including the significant volume and market share of subject imports

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<sup>116</sup> NobelClad NOI Response at 8, Ex. 3.

<sup>117</sup> NobelClad’s NOI Response at 8, Ex. 3.

<sup>118</sup> NobelClad’s NOI Response at 8, Ex. 3; *see also* CR/PR at Table I-8.

<sup>119</sup> NobelClad’s NOI Response at 7 and Ex. 3.

<sup>120</sup> CR/PR at Table I-9; *see also* NobelClad's NOI Response at 9, Ex. 4 (submitting Trade Data Monitor data showing similar data and trends).

<sup>121</sup> CR/PR at Table I-10.

<sup>122</sup> CR/PR at Table I-9.

<sup>123</sup> NobelClad’s NOI Response at 9 and Ex. 3.

<sup>124</sup> NobelClad’s NOI Response at 9-10.

during the original investigation, the Japanese industry's large capacity and exports, and the attractiveness of the U.S. market, we find that the volume of subject imports from Japan would likely be significant, both in absolute terms and relative to consumption in the United States, if the order were revoked.<sup>125</sup>

#### **D. Likely Price Effects**

##### **1. The Original Investigation and Prior Five-Year Reviews**

In the original investigation, the Commission found that subject imports were having a significant adverse effect on U.S. prices.<sup>126</sup> It stated that the market for clad steel plate was price sensitive, with price playing a key role in determining which supplier would win a bid. While a relatively small number of reported bids involved competition between the domestic like product and subject imports, the sales quantities involved in the competitive bids were significant. On the basis of the price sensitive nature of the market, the significant underbidding by Japanese suppliers of clad steel plate on significant volumes of product, the success of Japanese suppliers in winning important large contracts on the basis of price, and the domestic industry's inability to recoup increases in its cost of goods sold ("COGS") and sales, general, and administrative expenses, the Commission found price suppression to a significant degree.<sup>127</sup>

In the subsequent reviews, there was limited pricing data given the expedited nature of two of the four reviews and the significantly reduced volume of subject imports in the U.S. market.<sup>128</sup> The Commission found that the market was price sensitive such that price played a

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<sup>125</sup> Although subject imports from Japan are currently subject to a TRQ under section 232, neither NobelClad nor the responding purchaser indicated that the Section 232 TRQ would prevent subject imports from entering the U.S. market at significant levels if the order were revoked. *See generally* NobelClad's NOI Response; CR/PR at D-3. We also note that subject imports may enter the United States in volumes above the TRQ limit with payment of the additional 25 percent section 232 tariff. Given this, the Japanese industry's large size and export orientation, and the attractiveness of the U.S. market, we find that the Section 232 TRQ would not likely prevent subject imports from increasing to significant levels if the order were revoked.

The record of this five-year review does not contain information concerning product shifting or inventories of subject merchandise. Clad steel plate from Japan is not subject to any known antidumping and countervailing duty measures in third country markets. CR/PR at I-23.

<sup>126</sup> *Original Determination*, USITC Pub. 2972 at 15-16.

<sup>127</sup> *Original Determination*, USITC Pub. 2972 at 15-16.

<sup>128</sup> *See First Review Determination*, USITC Pub. 3459 at 11; *Second Review Determination*, USITC Pub. 3907 at 12; *Third Review Determination*, USITC Pub. 4370 at 19; *Fourth Review Determination*, USITC Pub. 4851 at 22.

key role in determining which supplier won a bid.<sup>129</sup> It further found it likely that, if the order were revoked, subject Japanese exporters would offer attractively low prices to U.S. purchasers in order to regain market share.<sup>130</sup> Consequently, prices for domestically produced clad steel plate in the United States would likely decline to a significant degree due to the effects of increased volumes of substitutable subject clad steel plate offered at lower prices.<sup>131</sup> Given the foregoing, the Commission found that revocation of the order would be likely to result in significant price effects, including significant underselling by the subject imports, as well as significant price depression and suppression in the reasonably foreseeable future.<sup>132</sup>

## 2. Current Review

As discussed in Section III.B.3 above, we have found that there is at least a moderate degree of substitutability between domestically produced clad steel plate and subject imports and that price is an important factor in purchasing decisions for clad steel plate, among other important factors.

The record in this five-year review does not contain new product-specific pricing information or bid comparisons. Based on the available information, including at least moderate substitutability between the domestic like product and subject imports and the continuing importance of price in purchasing decisions, we find that if the order were revoked, significant volumes of subject imports would likely undersell/underbid the domestic like product to a significant degree, as during the original investigation.<sup>133</sup> Absent the discipline of the order, the likely significant volume of low-priced subject imports would force the domestic industry to lower prices or forgo needed price increases, or else lose sales and market share to subject imports. Consequently, we find that subject imports would likely have significant price effects on the

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<sup>129</sup> *First Review Determination*, USITC Pub. 3459 at 11; *Third Review Determination*, USITC Pub. 4370 at 12; *Fourth Review Determination*, USITC Pub. 4851 at 22. In the second review, the Commission found the subject merchandise was price competitive. *Second Review Determination*, USITC Pub. 3459 at 12.

<sup>130</sup> *First Review Determination*, USITC Pub. 3459 at 11; *Second Review Determination*, USITC Pub. 3907 at 12; *Third Review Determination*, USITC Pub. 4370 at 19; *Fourth Review Determination*, USITC Pub. 4851 at 22.

<sup>131</sup> *First Review Determination*, USITC Pub. 3459 at 11; *Second Review Determination*, USITC Pub. 3907 at 12; *Third Review Determination*, USITC Pub. 4370 at 19; *Fourth Review Determination*, USITC Pub. 4851 at 22.

<sup>132</sup> *First Review Determination*, USITC Pub. 3459 at 11; *Second Review Determination*, USITC Pub. 3907 at 12; *Third Review Determination*, USITC Pub. 4370 at 19; *Fourth Review Determination*, USITC Pub. 4851 at 22.

<sup>133</sup> NobelClad reported that price continues to be paramount in purchasing decisions. NobelClad NOI Response at 13.

domestic like product if the order were revoked.

## **E. Likely Impact**

### **1. The Original Investigation and Prior Five-Year Reviews**

In the original investigation, the Commission found that the domestic industry's financial performance worsened substantially as subject import volumes increased. Although the Commission recognized that fluctuations in the market for clad steel plate may have contributed to the industry's problems, the industry had not achieved operating income levels that were close to positive since the year when subject imports were at their lowest level. The Commission stated that because price was important and low-priced subject imports competed with the domestic like product for a significant volume of critical sales, it found the industry to be materially injured by reason of subject imports.<sup>134</sup>

In the first review, the Commission found the domestic industry to be vulnerable. It found that the volume and price effects of the subject imports would have a significant negative impact on the domestic industry and would likely cause the domestic industry to lose market share. In addition, it found that the price and volume declines would likely have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry, and that these reductions would have a direct adverse impact on the industry's profitability.<sup>135</sup>

In the second review, the Commission stated that the limited evidence in the expedited review was insufficient for it to make a finding on whether the domestic industry was vulnerable. It found that if the order were revoked, the significant likely volume of low-priced subject clad steel plate, combined with the likely adverse price effects of those imports, would likely have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. These reductions would likely have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments. The Commission concluded that if the order were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>136</sup>

In the third review, the Commission noted that the indicators of the domestic industry's performance were mixed. Specifically, the Commission observed that the industry was profitable, its operating income declined substantially, its operating income margin fell, capital expenditures

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<sup>134</sup> *Original Determination*, USITC Pub. 2972 at 18.

<sup>135</sup> *First Review Determination*, USITC Pub. 3459 at 12-13.

<sup>136</sup> *Second Review Determination*, USITC Pub. 3907 at 13.

decreased, and research and development expenses increased over the period of review. In addition, the domestic industry's market share was high throughout the period of review, and employment indicators fluctuated. In light of the foregoing, the Commission declined to find that the domestic industry was vulnerable to injury if the order was revoked.<sup>137</sup> However, it concluded that based on the likely significant increase in subject import volume and the likely adverse price effects, the domestic industry would need to respond to subject imports by either foregoing sales and ceding market share, or by cutting and/or restraining prices. The resulting loss of production and/or revenues would likely cause further deterioration in the financial performance of the domestic industry with demand not likely to increase in the reasonably foreseeable future, and likely losses of employment and declining investment. The Commission also considered the role of other factors so as not to attribute likely injury from those factors to the subject imports. The Commission indicated that nonsubject imports had a very small portion of the market, and no other causes were alleged or apparent from the record.<sup>138</sup>

In the fourth review, the Commission examined the domestic industry's condition and found that most performance measures had declined over the period of review. In light of the marked decline in the domestic industry's condition, as well as deteriorating demand conditions during the period of review, the Commission found the domestic industry to be vulnerable.<sup>139</sup> The Commission found that revocation of the order would result in a significant increase in the volume of low-priced subject imports which would have adverse price effects on the domestic industry.<sup>140</sup> Consequently, the Commission determined that subject imports would likely have a significant adverse impact on the domestic industry upon revocation of the order within a reasonably foreseeable time.<sup>141</sup> Considering the role of nonsubject imports in the U.S. market, the Commission found that, given the export orientation of the subject industry and the attractiveness of the U.S. market, nonsubject imports would not likely prevent subject imports from significantly increasing after revocation or from taking market share from the domestic industry or otherwise causing significant adverse price effects.<sup>142</sup>

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<sup>137</sup> *Third Review Determination*, USITC Pub. 4370 at 21.

<sup>138</sup> *Third Review Determination*, USITC Pub. 4370 at 21-22.

<sup>139</sup> *Fourth Review Determination*, USITC Pub. 4851 at 23-25.

<sup>140</sup> *Fourth Review Determination*, USITC Pub. 4851 at 25.

<sup>141</sup> *Fourth Review Determination*, USITC Pub. 4851 at 25.

<sup>142</sup> *Fourth Review Determination*, USITC Pub. 4851 at 25.

## 2. Current Review<sup>143</sup>

The record in this five-year review contains limited information concerning the domestic industry's performance since the prior five-year review of the subject order.

The information available indicates that the domestic industry's performance was generally weaker in terms of trade measures and stronger in terms of financial measures in 2022, as compared to its performance in the last years of the periods examined in the prior proceedings.<sup>144</sup> The domestic industry's capacity, at \*\*\* short tons, and production, at \*\*\* short tons, were lower in 2022 than in prior proceedings, while its capacity utilization, at \*\*\* percent, was higher.<sup>145</sup>

The average unit value ("AUV") of the domestic industry's U.S. shipments was higher in 2022, at \$\*\*\* per short ton, than in the prior proceedings.<sup>146</sup> The quantity of the domestic industry's U.S. shipments of clad steel plate, at \*\*\* short tons, and share of apparent U.S. consumption, at \*\*\* percent, were both lower than in the prior proceedings.<sup>147</sup> The value of the domestic industry's U.S. shipment was higher, at \$\*\*\*, than in all prior proceedings except the third review.<sup>148</sup>

The domestic industry's net sales value, at \$\*\*\*, gross profit, at \$\*\*\*, operating income,

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<sup>143</sup> In its expedited review of the antidumping duty order, Commerce determined that revocation of the order would result in the continuation or recurrence of dumping, with margins of up to 118.53 percent. *Clad Steel Plate from Japan: Final Results of the Expedited Fifth Sunset Review of Antidumping Duty Order*, 89 Fed. Reg. 15973 (Mar. 6, 2024).

<sup>144</sup> CR/PR at Table I-5.

<sup>145</sup> CR/PR at Table I-5. The domestic industry's capacity was \*\*\* short tons in 1995, \*\*\* short tons in 2011, and \*\*\* short tons in 2017. *Id.* Capacity data were not available for 2000 and 2005. *Id.* Despite the decline in the domestic industry's capacity from 2022 compared to 2017, NobelClad reported having a sufficient level of capacity to satisfy the U.S. market. NobelClad's NOI Response at 19. The domestic industry's production was \*\*\* short tons in 1995, \*\*\* short tons in 2000, \*\*\* short tons in 2005, \*\*\* short tons 2011, and \*\*\* short tons in 2017. *Id.* The domestic industry's capacity utilization was \*\*\* percent in 1995, \*\*\* percent in 2011, and \*\*\* percent in 2017. *Id.*

<sup>146</sup> CR/PR at Table I-5. U.S. producers' U.S. shipment AUV was and \$\*\*\* per short ton in 1995, \$\*\*\* per short ton in 2000, \$\*\*\* per short ton in 2005, \$\*\*\* per short ton in 2011, and \$\*\*\* per short ton in 2017. *Id.*

<sup>147</sup> CR/PR at Table I-7. The domestic industry's U.S. shipments were \*\*\* short tons in 1995, \*\*\* short tons in 2000, \*\*\* short tons in 2005, \*\*\* short tons 2011, and \*\*\* short tons in 2017. *Id.* The domestic industry's share of apparent U.S. consumption was \*\*\* percent in 1995, \*\*\* percent in 2000, \*\*\* percent in 2005, \*\*\* percent in 2011, and \*\*\* percent in 2017. *Id.*

<sup>148</sup> CR/PR at Table I-7. The value of the domestic industry's U.S. shipments was \$\*\*\* in 1995, \$\*\*\* in 2000, \$\*\*\* in 2011, and \$\*\*\* in 2017. The domestic industry's shipments by value were not available for 2005. *Id.*

at \$\*\*\*, and operating income to net sales ratio, at \*\*\* percent, were all higher in 2022 than in all prior proceedings but the third review.<sup>149</sup> The domestic industry's COGS to net sales ratio, at \*\*\* percent, was lower than in all prior proceedings.<sup>150</sup> This limited information is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

Based on the information available on the record, we find that revocation of the order would likely result in a significant volume of subject imports that likely would undersell/underbid the domestic like product to a significant degree. Given the at least moderate degree of substitutability between the domestic like product and subject imports and the importance of price in purchasing decisions, significant volumes of low-priced subject imports would likely capture sales and market share from the domestic industry and/or depress or suppress prices to a significant degree for the domestic like product. The likely significant volume of low-priced subject imports and their adverse price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We thus conclude that, if the order were revoked, subject imports from Japan would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports. Nonsubject imports have substantially increased their presence in the U.S. market since the last review, accounting for \*\*\* percent of apparent U.S. consumption in 2022 as compared to \*\*\* percent in 2017.<sup>151</sup> The record provides no indication, however, that the presence of nonsubject imports would prevent subject imports from Japan from significantly increasing their presence in the U.S. market after revocation. In light of the at least moderate degree of substitutability between subject imports and the domestic like product and the importance of price to purchasers, it is likely that the increase in low-priced subject imports would come at least in part at the expense of the domestic industry and/or depress or suppress prices

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<sup>149</sup> CR/PR at Table I-5. The domestic industry's net sales value was \$\*\*\* in 1995, \$\*\*\* in 2011, and \$\*\*\* in 2017. *Id.* CR/PR at Table I-5. The domestic industry reported a \*\*\* gross profit (\$\*\*\*) in 1995 and gross profits of \$\*\*\* in 2011 and \$\*\*\* in 2017. *Id.* CR/PR at Table I-5. The domestic industry reported an operating \*\*\* of \$\*\*\* in 1995 and operating income of \$\*\*\* in 2011 and of \$\*\*\* in 2017. *Id.* CR/PR at Table I-5. The domestic industry's operating-income-to-net-sales ratio was \*\*\* percent in 1995, \*\*\* percent in 2011, and \*\*\* percent in 2017. *Id.* Data were not available for 2000 and 2005. *Id.*

<sup>150</sup> CR/PR at Table I-5. The domestic industry's COGS to net sales ratio was \*\*\* percent in 1995, \*\*\* percent in 2011, and \*\*\* percent in 2017. *Id.* Data were not available for 2000 and 2005. *Id.*

<sup>151</sup> CR/PR at Table I-7.

for the domestic like product. Consequently, we find that any future effects of nonsubject imports would be distinct from the likely effects attributable to subject imports and that nonsubject imports would not prevent subject imports from having a significant impact on the domestic industry.

We recognize that apparent U.S. consumption of clad steel plate was \*\*\* percent lower in 2022 than in 2017, the last year of the fourth five-year review.<sup>152</sup> NobelClad does not anticipate demand increasing substantially in the reasonably foreseeable future.<sup>153</sup> Given the at least moderate degree of substitutability between subject imports and the domestic like product and the importance of price to purchasers, the significant volume of low-priced subject imports that is likely after revocation would exacerbate any effects of slowing demand on the domestic industry, by further reducing the industry's sales and placing additional downward pressure on domestic prices. Given these considerations, we find that the likely effects attributable to subject imports are distinguishable from any likely effects of demand if the order were revoked.

#### **IV. Conclusion**

For the foregoing reasons, we determine that revocation of the antidumping duty order on clad steel plate from Japan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>152</sup> CR/PR at Table I-7.

<sup>153</sup> NobelClad NOI Response at 19.

# Information obtained in this review

## Background

On November 1, 2023, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of the antidumping duty order on clad steel plate from Japan would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3</sup> <sup>4</sup> Table I-1 presents information relating to the background and schedule of this proceeding:

**Table I-1**  
**Clad steel plate: Information relating to the background and schedule of this proceeding**

| Effective date    | Action  |
|-------------------|---|
| November 1, 2023  | Notice of initiation by Commerce (88 FR 74977, November 1, 2023)        |
| November 1, 2023  | Notice of institution by Commission (88 FR 75026, November 1, 2023)     |
| February 5, 2024  | Commission’s vote on adequacy   |
| February 29, 2024 | Commerce’s results of its expedited review (89 FR 15973, March 6, 2024) |
| March 28, 2024    | Commission’s vote on expedited review                                   |
| April 5, 2024     | Commission’s determination and views                                    |

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> 88 FR 75026, November 1, 2023. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty orders. 88 FR 74977, November 1, 2023. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigation and subsequent full reviews are presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the domestic like product and the subject merchandise. Presented in app. D is the response received from purchaser surveys transmitted to the purchasers identified in this proceeding.

# Responses to the Commission’s notice of institution

## Individual responses

The Commission received one submission in response to its notice of institution in the subject review filed on behalf of NobelClad, a domestic producer of clad steel plate (referred to herein as “domestic interested party”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy or explain deficiencies in their responses and to provide clarifying details where appropriate. A summary of the response and an estimate of coverage is shown in table I-2.

**Table I-2**  
**Clad steel plate: Summary of responses to the Commission’s notice of institution**

| Interested party type | Number | Coverage |
|-----------------------|--------|----------|
| U.S. producer         | 1      | ***%     |

Note: The U.S. producer coverage figure presented is the domestic interested party’s estimate of its share of total U.S. production of clad steel plate during 2022. Domestic interested party’s response to the notice of institution, November 30, 2023, pp. 2, 18 and exh. 1.

## Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or a full review from the domestic interested party. The domestic interested party argues that the Commission should find the domestic interested party’s response to be adequate, find the respondent interested party response to be inadequate, and conduct an expedited review of the antidumping order on clad steel plate.<sup>5</sup>

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<sup>5</sup> Domestic interested party’s comments on adequacy, January 9, 2024, p. 1.

## The original investigation

The original investigation resulted from a petition filed on September 29, 1995 with Commerce and the Commission by Lukens Steel Company (Coatesville, Pennsylvania).<sup>6</sup> On May 9, 1996, Commerce determined that imports of clad steel plate from Japan were being sold at less than fair value (“LTFV”).<sup>7</sup> The Commission determined on June 25, 1996 that the domestic industry was materially injured by reason of LTFV imports of clad steel plate from Japan.<sup>8</sup> On July 2, 1996, Commerce issued its antidumping duty order with final weighted-average dumping margins of 118.53 percent.<sup>9</sup>

## The first five-year review

On September 4, 2001, the Commission determined that it would conduct an expedited review of the antidumping duty order on clad steel plate from Japan.<sup>10</sup> On October 5, 2001, Commerce determined that revocation of the antidumping duty order on clad steel plate from Japan would be likely to lead to continuation or recurrence of dumping.<sup>11</sup> On October 29, 2001, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>12</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective November 16, 2001, Commerce issued a continuation of the antidumping duty order on imports of clad steel plate from Japan.<sup>13</sup>

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<sup>6</sup> Clad Steel Plate from Japan, Inv. No. 731-TA-739 (Final), USITC Publication 2972, June 1996 (“Original publication”), p. I-1.

<sup>7</sup> 61 FR 21158, May 9, 1996.

<sup>8</sup> 61 FR 34862, July 3, 1996.

<sup>9</sup> 61 FR 34421, July 2, 1996.

<sup>10</sup> 66 FR 49040, September 25, 2001.

<sup>11</sup> 66 FR 51007, October 5, 2001.

<sup>12</sup> 66 FR 55697, November 2, 2001.

<sup>13</sup> 66 FR 57703, November 16, 2001.

## **The second five-year review**

On January 5, 2007, the Commission determined that it would conduct an expedited review of the antidumping duty order on clad steel plate from Japan.<sup>14</sup> On January 31, 2007, Commerce determined that revocation of the antidumping duty order on clad steel plate from Japan would be likely to lead to continuation or recurrence of dumping.<sup>15</sup> On March 5, 2007, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>16</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective March 22, 2007, Commerce issued a continuation of the antidumping duty order on imports of clad steel plate from Japan.<sup>17</sup>

## **The third five-year review**

On May 7, 2012, the Commission determined that it would conduct a full review of the antidumping duty order on clad steel plate from Japan.<sup>18</sup> On May 30, 2012, Commerce determined that revocation of the antidumping duty order on clad steel plate from Japan would be likely to lead to continuation or recurrence of dumping.<sup>19</sup> On January 28, 2013, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>20</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective February 11, 2013, Commerce issued a continuation of the antidumping duty order on imports of clad steel plate from Japan.<sup>21</sup>

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<sup>14</sup> 72 FR 2554, January 19, 2007.

<sup>15</sup> 72 FR 4482, January 31, 2007.

<sup>16</sup> 72 FR 10556, March 8, 2007.

<sup>17</sup> 72 FR 13478, March 22, 2007.

<sup>18</sup> 77 FR 37439, June 21, 2012.

<sup>19</sup> 77 FR 31834, May 30, 2012.

<sup>20</sup> 78 FR 7451, February 1, 2013.

<sup>21</sup> 78 FR 9676, February 11, 2013.

## The fourth five-year review

On April 9, 2018, the Commission determined that it would conduct a full review of the antidumping duty order on clad steel plate from Japan.<sup>22</sup> On May 11, 2018, Commerce determined that revocation of the antidumping duty order on clad steel plate from Japan would be likely to lead to continuation or recurrence of dumping.<sup>23</sup> On December 6, 2018, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>24</sup> Following affirmative determinations in the five-year review by Commerce and the Commission, effective December 18, 2018, Commerce issued a continuation of the antidumping duty order on imports of clad steel plate from Japan.<sup>25</sup>

## Previous and related investigations

The Commission has conducted a number of previous import relief investigations on clad steel plate or similar merchandise, as presented in table I-3. The Commission conducted an investigation relating to stainless clad steel plate in 1982. Additionally, the Commission has conducted two safeguard investigations under section 201 of the Trade Act of 1974 concerning carbon and alloy steel products and certain steel products, respectively, both of which covered clad steel plate.

**Table I-3**  
**Clad steel plate: Previous and related Commission proceedings and current status**

| Date | Number     | Country | ITC original determination | Current status                |
|------|------------|---------|----------------------------|-------------------------------|
| 1982 | 731-TA-50  | Japan   | Affirmative                | Order revoked in 1985.        |
| 1984 | 201-TA-051 | ---     | Affirmative                | Safeguard measure ended 1992. |
| 2001 | 201-TA-073 | ---     | Affirmative                | Safeguard measure ended 2003. |

Source: U.S. International Trade Commission publications and Federal Register notices.

Note: "Date" refers to the year in which the investigation was instituted by the Commission.

Note: The Commission has conducted several other investigations concerning other steel plate product types including carbon and alloy cut-to-length steel plate (e.g., Investigation Nos. 701-TA-319-328 and

<sup>22</sup> 83 FR 17446, April 19, 2018.

<sup>23</sup> 83 FR 22008, May 11, 2018.

<sup>24</sup> 83 FR 63904, December 12, 2018.

<sup>25</sup> 83 FR 64811, December 18, 2018.

731-TA-573-587; 731-TA-753-756; 701-TA-387-392 and 731-TA-815-822; 701-TA-559-561 and 731-TA-1317-1328) and stainless steel plate (e.g., Investigation Nos. 701-TA-376-379 and 731-TA-788-793).

## **Commerce’s five-year review**

Commerce announced that it would conduct an expedited review with respect to the order on imports of clad steel plate from Japan with the intent of issuing the final results of this review based on the facts available not later than February 29, 2024.<sup>26</sup> Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at <https://access.trade.gov/public/FRNoticesListLayout.aspx>. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty order on imports of clad steel plate from Japan are noted in the sections titled “The original investigation” and “U.S. imports,” if applicable.

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<sup>26</sup> Letter from Jill E. Pollack, Senior Director, Office VII, Office of AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, December 21, 2023.

## The product

### Commerce's scope

Commerce has defined the scope as follows:

*The scope of the order is all clad steel plate of a width of 600 millimeters (mm) or more and a composite thickness of 4.5 mm or more. Clad steel plate is a rectangular finished steel mill product consisting of a layer of cladding material (usually stainless steel or nickel) which is metallurgically bonded to a base or backing of ferrous metal (usually carbon or low alloy steel) where the latter predominates by weight.*

*Stainless clad steel plate is manufactured to American Society for Testing and Materials (ASTM) specifications A263 (400 series stainless types) and A264 (300 series stainless types). Nickel and nickel-base alloy clad steel plate is manufactured to ASTM specification A265. These specifications are illustrative but not necessarily all-inclusive.*

*Clad steel plate within the scope of the order is classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) 7210.90.10.00. Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of the order is dispositive.<sup>27</sup>*

### U.S. tariff treatment

Clad steel plate is currently provided for in the Harmonized Tariff Schedule of the United States ("HTS") subheading 7210.90.10, covering clad flat-rolled products of iron or nonalloy steel of a width of 600 mm or more. The general rate of duty is "free" for HTS subheading 7210.90.10.<sup>28</sup> Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection ("CBP").

Effective March 23, 2018, clad steel plate originating in Japan was subject to an additional 25 percent ad valorem duty under section 232 of the Trade Expansion Act of 1962, as amended. Effective April 1, 2022, the section 232 duty of 25 percent for clad steel plate

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<sup>27</sup> 83 FR 64811, December 18, 2018.

<sup>28</sup> USITC, HTS (2024) Basic Edition, Publication 5483, January 2024, p. 72-17.

originating in Japan was replaced with tariff rate quotas (“TRQs”) under CBP Quota ID 9903.81.31: plate in cut lengths.<sup>29 30</sup>

Effective September 1, 2019, clad steel plate originating in China, a nonsubject country, was subject to an additional 15 percent ad valorem duty under section 301 of the Trade Act of 1974. Effective February 14, 2020, the section 301 duty for clad steel plate was reduced to 7.5 percent.<sup>31</sup>

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<sup>29</sup> The annual TRQ limit for Quota ID 9903.81.31: Plate in cut lengths, including clad steel plate, from Japan was 1,378,230.00 kilograms (1,519 short tons) for 2022. The total annual usage was 822,828.97 kilograms (907 short tons) or 59.7 percent of the quota limit. This quota category also includes HTS subheadings for nonsubject products. See also HTS heading 9903.80.01 and U.S. notes 16(a) and 16(b) to HTS Subchapter 99-III and related tariff provisions for this duty treatment. USITC, HTS (2024) Basic Edition, Publication 5483, January 2024, pp. 99-III-87–99-III-97, 99-III-272, 99-III-287. CBP, “Japan/UK Section 232 Steel Tariff Rate Quota Quarter 2 Usage and Quarter 4 Limits 2023,” September 21, 2023, p. 3, <https://www.cbp.gov/document/guidance/japan-and-united-kingdom-tariff-rate-quota-periodic-limits>, accessed December 28, 2023; CBP, “Japan and United Kingdom Steel TRQ Usage 2022,” October 2, 2023, <https://www.cbp.gov/document/guidance/japan-and-united-kingdom-tariff-rate-quota-periodic-limits>, accessed December 28, 2023.

<sup>30</sup> Section 232 import duties on steel articles currently cover all countries of origin except Argentina, Australia, Brazil, Canada, Mexico, and South Korea. Imports from Australia, Canada, and Mexico are exempt from section 232 duties and quotas on steel articles, while imports originating in Argentina, Brazil, and South Korea are exempt from duties but are instead subject to absolute quotas. EU member countries (effective January 1, 2022), Japan (effective April 1, 2022), and the United Kingdom (effective June 1, 2022) are currently subject to tariff-rate quotas (“TRQs”) for steel articles, and imports that exceed the TRQ limits are subject to the section 232 tariffs. Section 232 import duties on steel articles originating in Turkey were temporarily raised from 25 percent to 50 percent, effective August 13, 2018, but restored to 25 percent effective May 21, 2019. In addition, section 232 duties on steel articles originating in Ukraine are suspended, effective June 1, 2022, to June 1, 2024. 83 FR 11625, March 15, 2018; 83 FR 13361, March 28, 2018; 83 FR 20683, May 7, 2018; 83 FR 25857, June 5, 2018; 83 FR 40429, August 15, 2018; 84 FR 23421, May 21, 2019; 84 FR 23987, May 23, 2019; 87 FR 11, January 3, 2022; 87 FR 19351, April 1, 2022; 87 FR 33407, June 2, 2022; 87 FR 33591, June 3, 2022; 88 FR 36437, June 5, 2023; 89 FR 227, January 3, 2024.

<sup>31</sup> 84 FR 45821, August 30, 2019; 85 FR 3741, January 22, 2020. See also HTS heading 9903.88.15 and U.S. notes 20(r) and 20(s) to HTS Subchapter 99-III and related tariff provisions for this duty treatment. USITC, HTS (2024) Basic Edition, Publication 5483, January 2024, pp. 99-III-87–99-III-97, 99-III-303.

## Description and uses<sup>32</sup>

The imported product subject to this review is clad steel plate, of a width of 600 mm or more and a thickness of 4.5 mm or more.<sup>33</sup> The product is a flat-rolled, corrosion-resistant, steel plate product composed of a thinner cladding plate bonded to a thicker steel backing plate.<sup>34</sup> The cladding plate is of a corrosion-resistant metal such as stainless steel, a nickel-based alloy, copper, or titanium, and is generally 10 to 20 percent of the total thickness of the composite. The backing plate, which is the remainder of the composite, usually consists of carbon steel and provides the required physical strength of the clad composite.

Clad steel plate is used to manufacture vessels or structures for heavy-industrial projects where corrosion-resistance qualities are essential. End users of clad steel plate include chemical and petrochemical companies, the shipbuilding industry, electric utilities, and other producers of industrial and defense equipment. The hydrocarbon processing industry, which includes petroleum refining and petrochemical and chemical processing, consumed as much as \*\*\* percent of clad products used in the United States in the mid-1990s.<sup>35</sup> Processing vessels for the chemical and petroleum refining industries continue to be a major end-use market for clad steel plate. Clad steel plate is also used in flue-gas desulfurization systems that remove sulfur from exhaust gas in coal-fired power plants. Finally, clad steel plate can be used in the manufacture of clad steel pipe for sour-drilling in the oil and gas industry and ocean development of natural-gas deposits.

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<sup>32</sup> Unless otherwise noted, this information is based on Clad Steel Plate from Japan, Investigation Nos. 731-TA-739 (Fourth Review), USITC Publication 4851, December 2018 (“Fourth review publication”), pp. I-13-I-14.

<sup>33</sup> Clad steel flat-rolled products of a thickness of less than 4.5 mm are generally considered to be sheets, rather than plates.

<sup>34</sup> Cladding is the association of layers of metals of different colors or natures by molecular interpenetration of the surfaces in contact. This limited diffusion is characteristic of clad products and differentiates them from products metalized in other manners (e.g., by normal electroplating). The various cladding processes include pouring molten cladding metal onto the basic metal followed by rolling; simple hot-rolling of the cladding metal to ensure efficient welding to the basic metal; any other method of deposition of superimposing of the cladding metal followed by any mechanical or thermal process to ensure welding (e.g., electrocladding), in which the cladding metal (nickel, chromium, etc.) is applied to the basic metal by electroplating, molecular interpenetration of the surfaces in contact then being obtained by heat treatment at the appropriate temperature with subsequent cold rolling. See Harmonized Commodity Description and Coding System Explanatory Notes, Chapter 72, General Note (IV)(C)(2)(e).

<sup>35</sup> Provided by Lukens during the original investigation. Investigation No. 731-TA-739 (Final): Clad Steel Plate from Japan, Confidential Report, INV-T-044, June 3, 1996 (“Final confidential report”), p. I-4. ArcelorMittal, the successor company to Lukens, discontinued clad steel plate production in 2014.

## Manufacturing process<sup>36</sup>

Clad steel plate is produced by either roll bonding or explosion bonding. While the two bonding methods are distinct, the clad steel plate produced by these two methods is largely considered interchangeable. Roll bonding is more commonly used for thinner plates, while explosion bonding is more common for thicker plates.

Roll bonding is accomplished by heating and rolling layers of cladding alloy and steel backing through a conventional plate hot rolling mill, to reduce thickness and metallurgically bond the steel to the clad material.<sup>37</sup> For most roll-bonded clad steel plate, each pack is comprised of two backing-steel plates and two cladding inserts, stacked to yield two separate finished clad steel plates.<sup>38</sup> The flow chart for the manufacture of roll-bonded clad steel plate at ArcelorMittalUSA (“AMUSA”) Coatesville, Pennsylvania is shown in figure I-1.<sup>39</sup> The process is illustrated schematically in figure I-2. The thickness and surface dimensions of both the cladding plate and the backing plate are selected to produce the required finished dimensions after rolling. As shown in figure I-2, the backing plates are on the top and bottom of each pack, and the cladding plates are in between. A parting compound is spread on the surfaces between the two cladding plates so that they do not bond to each other during processing. The packs are welded around the outside to hold together during rolling. Heating and rolling reduces thickness and metallurgically bonds the cladding to the backing steel. A reduction in thickness of at least 3:1 is normally required for reliable bonding. After rolling, packs may be heat treated to develop the required strength and corrosion resistance of the clad steel plates.<sup>40</sup> After the edges of the packs are cut off, each pack yields two separate clad steel plates.

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<sup>36</sup> Unless otherwise noted, this information is based on the Fourth review publication, pp. I-14-I-18.

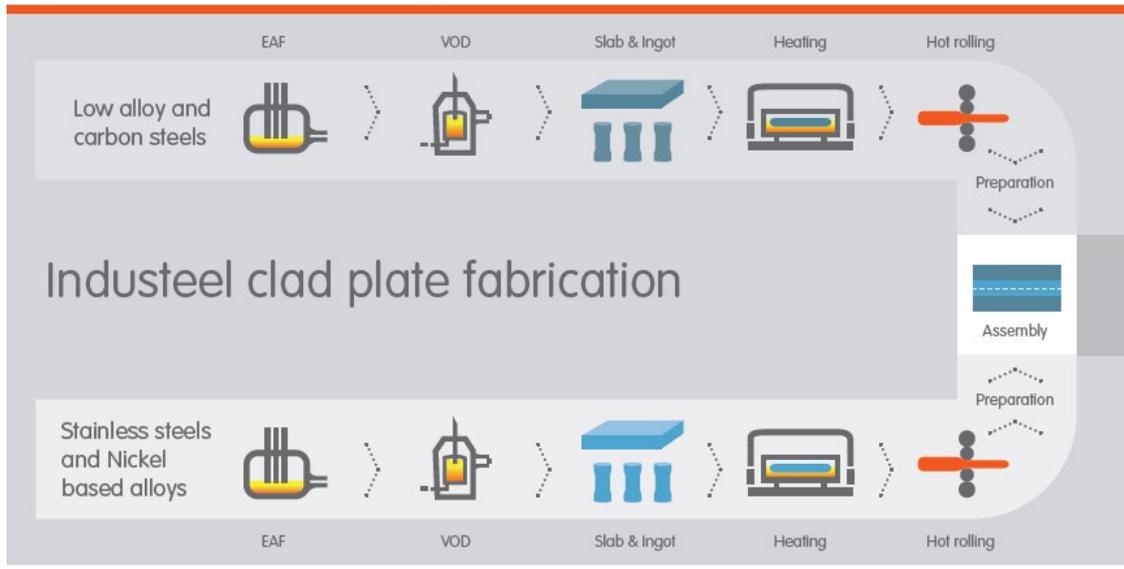
<sup>37</sup> Ametek, “Clad Metal Plate,” n.d., <https://www.powderclad.com/products/clad-metal-plate>, accessed January 19, 2024.

<sup>38</sup> Heavier gauge (i.e., thick) roll-bonded clad steel plate may be produced using a 2-ply pack comprising a single backing plate and a single cladding plate.

<sup>39</sup> AMUSA has exited the clad steel plate business and ceased operations at its plant in Coatesville, Pennsylvania. Other U.S. production of roll-bonded clad steel plate is similar to that illustrated by AMUSA.

<sup>40</sup> The heat treatment normally required for clad steel plate involves heating of the plate and cooling it in air at a controlled rate. Such heat treatment usually takes place in a continuous furnace (one through which the plate is conveyed on rollers), although it may be done in any furnace that allows close temperature control.

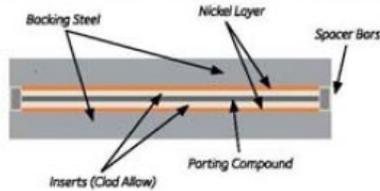
**Figure I-1**  
**Clad steel plate: Overview of roll bonding process**



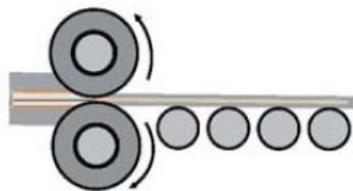
Source: AMUSA, "Clad plates," 2016, p.6, <https://industeel.arcelormittal.com/fichier/clad-plates-brochure/>, accessed December 29, 2023.

**Figure I-2**  
**Clad steel plate: Roll bonding process as was used by AMUSA in 4-ply roll-bonded clad**

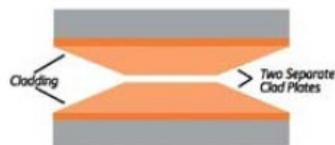
**Figure 1**  
**Schematic Assembly of 4-Ply Roll-Bonded Clad**



**Figure 2**  
**Hot Rolling Schematic 4-Ply Roll-Bonded Clad**



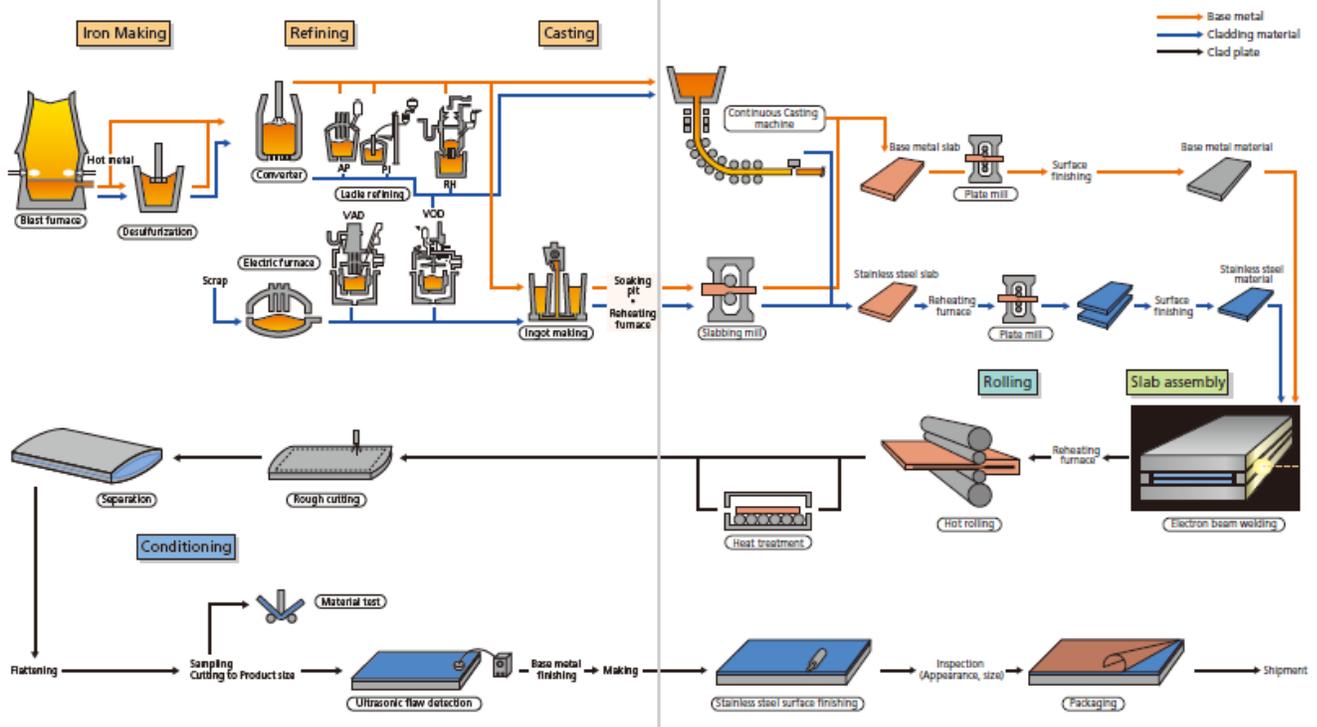
**Figure 3**



Source: AMUSA LLC, as provided in Clad Steel Plate from Japan, Inv. No. 731-TA-739 ("Third Review"), USITC Publication 4370, January 2013 ("Third review publication"), figure I-2.

The roll bonding process used by Japanese producer JFE Steel Corporation (“JFE”), similar to roll-bonding in the U.S., is illustrated in figure I-3.

**Figure I-3**  
**Clad steel plate: Roll bonding process as used by JFE**

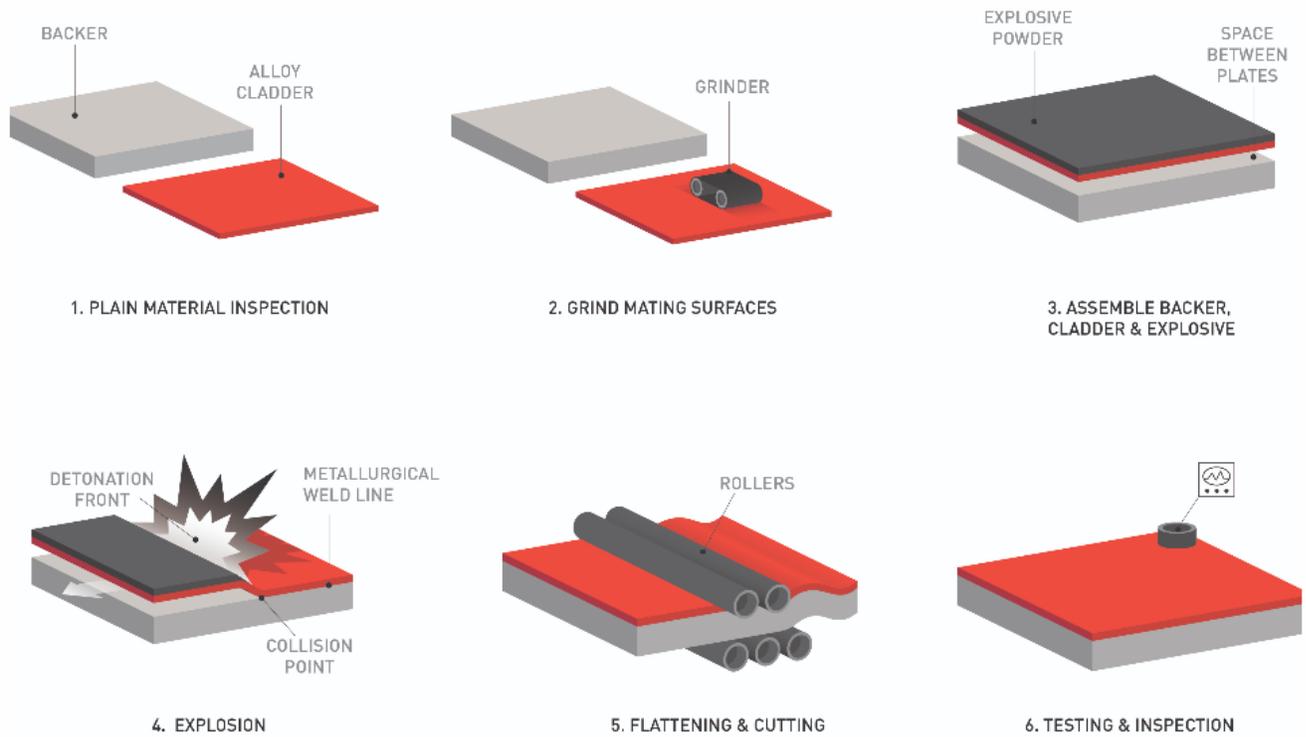


Source: JFE Steel Corp., “Products Catalog,” no date, pp. 2-3, [www.jfe-steel.co.jp/en/products/plate/catalog/c1e-009.pdf](http://www.jfe-steel.co.jp/en/products/plate/catalog/c1e-009.pdf), accessed December 28, 2023.

In the explosion bonding process, a sheet or plate of cladding material is placed over a plate of backing steel before covering the cladding plate with a layer of explosives. An explosion is initiated at one edge of the cladding material that travels across the surface, thereby forcing the two metal components together and creating a metallurgical bond between them. Because there is no rolling or reduction in the thickness of the plate, the thickness and surface dimensions of the cladding and of the backing steel plate are the same as in the finished clad steel plate. In addition, because the heat generated in the explosion bonding affects only a small part of the thickness of the clad steel plate at any given moment, heat treatment of the clad steel plate is normally not required. Figure I-4 illustrates the explosion bonding process used by domestic producer NobelClad.<sup>41</sup>

<sup>41</sup> Japanese producer Asahi Kasei uses a similar explosion bonding process for its clad plate products. Asahi Kasei, “What is BAACLAD™,” n.d., <https://www.asahi-kasei.co.jp/baclad/en/about/index.html>, accessed November 20, 2023.

**Figure I-4**  
**Clad steel plate: Explosion bonding process as used by NobelClad**



Source: NobelClad, “Explosion Welding,” no date, <https://nobelclad.com/process/explosion-welding>, accessed December 28, 2023.

Finishing of clad steel plate—whether produced by roll bonding or by explosion bonding—consists of flattening, cleaning of surfaces by grit blasting or other means, polishing of the cladding surface by belt grinding, cutting to final surface dimensions, inspecting, and testing.

## The industry in the United States

### U.S. producers

During the final phase of the original investigation, the Commission received U.S. producer questionnaires from three firms, which accounted for approximately \*\*\* percent of production of clad steel plate in the United States during 1995.<sup>42</sup> During the expedited first five-year review, the responding domestic interested party provided a list of four known and currently operating U.S. producers of clad steel plate. The responding firm estimated that it accounted for \*\*\* percent of U.S. production in 2000.<sup>43</sup> During the expedited second five-year review, the domestic interested party provided a list of three known and currently operating U.S. producers of clad steel plate. The responding firm accounted for the majority of production of clad steel plate in the United States during 2005.<sup>44</sup>

During the full third five-year review, the Commission received U.S. producer questionnaires from four firms, which accounted for almost all production of clad steel plate in the United States during 2011.<sup>45</sup> During the full fourth five-year review, the Commission received U.S. producer questionnaires from four firms, which accounted for the vast majority of production of clad steel plate in the United States during 2017.<sup>46</sup>

In response to the Commission's notice of institution in this current review, the domestic interested party provided a list of four known and currently operating U.S. producers of clad steel plate. The firm providing U.S. industry data in response to the Commission's notice of institution accounted for approximately \*\*\* percent of production of clad steel plate in the United States during 2022.<sup>47</sup>

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<sup>42</sup> Investigation No. 731-TA-739 (Final): Clad Steel Plate from Japan, Confidential Report, INV-T-044, June 3, 1996 ("Original confidential report"), p. I-1, III-1.

<sup>43</sup> Investigation No. 731-TA-739 (Review): Clad Steel Plate from Japan, Confidential Report, INV-Y-196, October 1, 2001 ("First review confidential report"), p. I-10.

<sup>44</sup> Clad Steel Plate from Japan, Investigation No. 731-TA-739 (Second Review), USITC Publication 3907, March 2007 ("Second review publication"), pp. 8, I-14.

<sup>45</sup> Third review publication, pp. 3-4, I-18.

<sup>46</sup> Fourth review publication, p. I-20.

<sup>47</sup> Domestic interested party's response to the notice of institution, November 30, 2023, p. 2.

## Recent developments

Table I-4 presents events in the U.S. industry since the Commission’s last five-year review.<sup>48</sup>

**Table I-4**  
**Clad steel plate: Recent developments in the U.S. industry**

| Item                | Firm      | Event  |
|---------------------|-----------|--|
| Product Development | Ametek    | In June 2020, the firm introduced FASTAL, a three-layered, roll-bonded clad metal plate product designed for high-performance commercial and residential griddles. |
| Partnership         | NobelClad | In 2019, Kloeckner Metals UK announced a new partnership with Nobelclad to source bi-metallic plates from the Pennsylvania-based firm.                             |

Sources: Industry Asia Pacific, “Ametek Launches Highly Efficient Tri-Ply Metal Clad Plate,” June 27, 2020, <https://www.industry-asia-pacific.com/news/28767-ametec-specialty-metal-products-launches-highly-efficient-tri-ply-metal-clad-plate-for-griddles-under-name-fastal>, accessed December 29, 2023; Production Engineering Solutions, “Kloeckner introduces NobelClad’s bi-metallic plates,” November 13, 2019, <https://www.pesmedia.com/kloeckner-introduces-nobelclads-bi-metallic-plates/>, accessed December 29, 2023.

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<sup>48</sup> For recent developments, if any, in tariff treatment, please see “U.S. tariff treatment” section.

## U.S. producers' trade and financial data

The Commission asked domestic interested party to provide trade and financial data in their response to the notice of institution in the current five-year review.<sup>49</sup> Table I-5 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigation and subsequent five-year reviews.

**Table I-5**  
**Clad steel plate: Trade and financial data submitted by U.S. producers, by period**

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short ton; ratio in percent

| Item                                    | Measure    | 1995 | 2000 | 2005 | 2011 | 2017 | 2022 |
|---|------------|------|------|------|------|------|------|
| Capacity                                | Quantity   | ***  | NA   | NA   | ***  | ***  | ***  |
| Production                              | Quantity   | ***  | ***  | ***  | ***  | ***  | ***  |
| Capacity utilization                    | Ratio      | ***  | NA   | NA   | ***  | ***  | ***  |
| U.S. shipments                          | Quantity   | ***  | ***  | ***  | ***  | ***  | ***  |
| U.S. shipments                          | Value      | ***  | ***  | ***  | ***  | ***  | ***  |
| U.S. shipments                          | Unit value | ***  | ***  | ***  | ***  | ***  | ***  |
| Net sales                               | Value      | ***  | NA   | NA   | ***  | ***  | ***  |
| COGS                                    | Value      | ***  | NA   | NA   | ***  | ***  | ***  |
| COGS to net sales                       | Ratio      | ***  | NA   | NA   | ***  | ***  | ***  |
| Gross profit or (loss)                  | Value      | ***  | NA   | NA   | ***  | ***  | ***  |
| SG&A expenses                           | Value      | ***  | NA   | NA   | ***  | ***  | ***  |
| Operating income or (loss)              | Value      | ***  | NA   | NA   | ***  | ***  | ***  |
| Operating income or (loss) to net sales | Ratio      | ***  | NA   | NA   | ***  | ***  | ***  |

Source: For the years 1995, 2000, 2005, 2011, and 2017, data are compiled using data submitted in the Commission's original investigation and five-year reviews. For the year 2022, data are compiled using data submitted by the domestic interested party. Domestic interested party's response to the notice of institution, November 30, 2023, exh. 1.

Note: The production data for 2000 and 2005 represent production by all U.S. firms as estimated using data provided by Bethlehem Lukens Plate Corp. ("Bethlehem Lukens") and Mittal Steel USA ("Mittal"), respectively, whereas the U.S. shipment data for 2000 and 2005 represent only U.S. shipments by Bethlehem Lukens and by Mittal, respectively. "NA" denotes data are not available. For a discussion of data coverage, please see "U.S. producers" section.

<sup>49</sup> Individual company trade and financial data are presented in app. B.

## Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.<sup>50</sup>

In its original determination, its expedited first and second five-year review determinations, and its full third and fourth five-year review determinations, the Commission defined the domestic like product as all clad steel plate coextensive with Commerce’s scope of the investigation, including all clad steel plate of a width of 600 mm or more and a composite thickness of 4.5 mm or more. In its original determination, its expedited first and second five-year review determinations, and its full third and fourth five-year review determinations, the Commission defined a single domestic industry comprised of all domestic producers of the domestic like product.<sup>51</sup>

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<sup>50</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>51</sup> 88 FR 75027, November 1, 2023.

## U.S. importers

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from four firms, which accounted for \*\*\* percent of total U.S. imports of clad steel plate from Japan during 1995.<sup>52</sup> Import data presented in the original investigation are based on adjusted official Commerce statistics. Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested party listed the U.S. importers named in the 1995 petition as potential importers of clad steel plate from Japan.<sup>53</sup> Although the Commission did not receive responses from any respondent interested parties in its second five-year review, the domestic interested party listed one firm as having imported clad steel plate from Japan since 2004.<sup>54</sup>

During the third five-year review, the Commission received U.S. importer questionnaires from three firms, which accounted for all known U.S. imports of clad steel plate from Japan during 2011.<sup>55</sup> Import data presented in the third review are based on official Commerce statistics and questionnaire responses. During the fourth five-year review, the Commission received U.S. importer questionnaires from three firms, which accounted for approximately \*\*\* percent of total U.S. imports of clad steel plate during 2017. There were no subject imports of clad steel plate from Japan from 2012 to 2017.<sup>56</sup> Import data presented in the fourth review are based on official Commerce statistics and questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission's notice of institution, the domestic interested party provided a list of ten potential U.S. importers of clad steel plate from Japan.<sup>57</sup>

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<sup>52</sup> Original confidential report, p. IV-1.

<sup>53</sup> Clad Steel Plate from Japan, Investigation No. 731-TA-739 (First Review), USITC Publication 3459, October 2001 ("First review publication"), p. I-8.

<sup>54</sup> Second review publication, p. I-17.

<sup>55</sup> Third review publication, p. 4.

<sup>56</sup> Investigation No. 731-TA-739 (Fourth Review): Clad Steel Plate from Japan, Confidential Report, INV-QQ-133, November 6, 2018 ("Fourth review confidential report"), p. I-30.

<sup>57</sup> Domestic interested party's response to the notice of institution, November 30, 2023, exh. 5.

## U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports of clad flat-rolled products of iron or nonalloy steel of a width of 600 mm or more from Japan as well as the other top sources of U.S. imports based on official Commerce statistics for HTS statistical reporting number 7210.90.1000 (shown in descending order of 2022 imports by quantity).

**Table I-6**  
**Clad flat-rolled products of iron or nonalloy steel of a width of 600 mm or more: U.S. imports, by source and period**

Quantity in short tons; value in 1,000 dollars; unit value in dollars per short tons

| U.S. imports from  | Measure    | 2018  | 2019  | 2020  | 2021   | 2022   |
|--------------------|------------|-------|-------|-------|--------|--------|
| Japan              | Quantity   | ---   | 1     | ---   | 2      | 2      |
| Australia          | Quantity   | 804   | 335   | ---   | 255    | 673    |
| China              | Quantity   | 72    | 35    | 73    | 306    | 574    |
| Austria            | Quantity   | ---   | ---   | ---   | ---    | 160    |
| France             | Quantity   | ---   | ---   | ---   | ---    | 146    |
| All other sources  | Quantity   | 216   | 131   | 243   | 161    | 40     |
| Nonsubject sources | Quantity   | 1,093 | 501   | 317   | 722    | 1,594  |
| All import sources | Quantity   | 1,093 | 502   | 317   | 725    | 1,596  |
| Japan              | Value      | ---   | 6     | ---   | 25     | 24     |
| Australia          | Value      | 3,188 | 1,251 | ---   | 1,097  | 3,269  |
| China              | Value      | 164   | 82    | 154   | 598    | 1,516  |
| Austria            | Value      | ---   | ---   | ---   | ---    | 470    |
| France             | Value      | ---   | ---   | ---   | ---    | 909    |
| All other sources  | Value      | 717   | 493   | 694   | 510    | 157    |
| Nonsubject sources | Value      | 4,068 | 1,825 | 848   | 2,205  | 6,321  |
| All import sources | Value      | 4,068 | 1,831 | 848   | 2,230  | 6,345  |
| Japan              | Unit value | ---   | 8,061 | ---   | 11,210 | 10,173 |
| Australia          | Unit value | 3,964 | 3,729 | ---   | 4,298  | 4,854  |
| China              | Unit value | 2,264 | 2,355 | 2,102 | 1,954  | 2,640  |
| Austria            | Unit value | ---   | ---   | ---   | ---    | 2,930  |
| France             | Unit value | ---   | ---   | ---   | ---    | 6,210  |
| All other sources  | Unit value | 3,319 | 3,763 | 2,856 | 3,168  | 205    |
| Nonsubject sources | Unit value | 3,723 | 3,644 | 2,679 | 3,053  | 3,965  |
| All import sources | Unit value | 3,723 | 3,650 | 2,679 | 3,078  | 3,974  |

Source: Compiled from official Commerce statistics for HTS statistical reporting number 7210.90.1000, accessed December 8, 2023. These data may be overstated as HTS statistical reporting number 7210.90.1000 contains products outside the scope of this review.

Note: Zeroes are suppressed and shown as "---". Because of rounding, figure may not add to total shown.

## Apparent U.S. consumption and market shares

Table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

**Table I-7**  
**Clad steel plate: Apparent U.S. consumption and market shares, by source and period**

Quantity in short tons; value in 1,000 dollars; shares in percent

| Source                    | Measure           | 1995 | 2000  | 2005  | 2011 | 2017 | 2022  |
|---------------------------|-------------------|------|-------|-------|------|------|-------|
| U.S. producers            | Quantity          | ***  | ***   | ***   | ***  | ***  | ***   |
| Japan                     | Quantity          | ***  | 4     | 44    | ***  | ***  | 2     |
| Nonsubject sources        | Quantity          | ***  | 1,884 | 392   | ***  | ***  | 1,594 |
| All import sources        | Quantity          | ***  | 1,888 | 436   | ***  | ***  | 1,596 |
| Apparent U.S. consumption | Quantity          | ***  | ***   | ***   | ***  | ***  | ***   |
| U.S. producers            | Value             | ***  | ***   | NA    | ***  | ***  | ***   |
| Japan                     | Value             | ***  | 15    | 238   | ***  | ***  | 24    |
| Nonsubject sources        | Value             | ***  | 8,921 | 1,704 | ***  | ***  | 6,321 |
| All import sources        | Value             | ***  | 8,936 | 1,942 | ***  | ***  | 6,345 |
| Apparent U.S. consumption | Value             | ***  | ***   | NA    | ***  | ***  | ***   |
| U.S. producers            | Share of quantity | ***  | ***   | ***   | ***  | ***  | ***   |
| Japan                     | Share of quantity | ***  | ***   | ***   | ***  | ***  | ***   |
| Nonsubject sources        | Share of quantity | ***  | ***   | ***   | ***  | ***  | ***   |
| All import sources        | Share of quantity | ***  | ***   | ***   | ***  | ***  | ***   |
| U.S. producers            | Share of value    | ***  | NA    | NA    | ***  | ***  | ***   |
| Japan                     | Share of value    | ***  | NA    | NA    | ***  | ***  | ***   |
| Nonsubject sources        | Share of value    | ***  | NA    | NA    | ***  | ***  | ***   |
| All import sources        | Share of value    | ***  | NA    | NA    | ***  | ***  | ***   |

Source: For the years 1995, 2000, 2005, 2011, and 2017, data are compiled using data submitted in the Commission's original investigation and five-year reviews. For the year 2000, the U.S. producers' quantity line was based on estimated total U.S. production. For the year 2022, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting number 7210.90.1000, accessed December 8, 2023.

Note: For 2011, apparent U.S. consumption is derived from U.S. shipments of imports, rather than U.S. imports.

Note: Share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent.

Note: "NA" denotes data are not available. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes are suppressed and shown as "---". Because of rounding, figure may not add to total shown.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

## The industry in Japan

### Producers in Japan

During the final phase of the original investigation, production and shipments data for one firm were provided by counsel in response to the Commission's foreign producer questionnaire. The responding firm was the only producer of the subject merchandise that was known to export to the United States, although there were four other known producers of clad steel plate in Japan.<sup>58</sup>

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested party listed one known producer in Japan that exported clad steel plate to the United States in that proceeding.<sup>59</sup> Although the Commission did not receive responses from any respondent interested parties in its second five-year review, the domestic interested party provided a list of four known producers of clad steel plate in Japan in that proceeding.<sup>60</sup>

During the third five-year review, the Commission received foreign producer questionnaires from four firms, which accounted for virtually all production of clad steel plate in Japan during 2011.<sup>61</sup> During the fourth five-year review, the Commission received foreign producer questionnaires from two firms, which were believed to have accounted for \*\*\* percent of total Japanese production of clad steel plate in 2017.<sup>62</sup>

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<sup>58</sup> Original publication, pp. VII-1-VII-2.

<sup>59</sup> First review publication, p. I-15.

<sup>60</sup> Second review publication, p. I-22.

<sup>61</sup> Third review publication, p. IV-2.

<sup>62</sup> Fourth review confidential report, p. I-16.

Although the Commission did not receive responses from any respondent interested parties in this five-year review, the domestic interested party provided a list of four possible producers of clad steel plate in Japan.<sup>63</sup>

## Recent developments

Table I-8 presents events in the Japanese industry since the Commission’s last five-year review.

**Table I-8**  
**Clad steel plate: Recent developments in the Japanese industry**

| Item                     | Firm | Event  |
|--------------------------|------|--|
| Acquisitions and Mergers | JSW  | During 2019-21, Japan Steel Works (“JSW”) acquired GM Engineering Co. and Nichiyu Machinery Co., then merged Meiki Co. and Nichiyu Machinery Co. into JSW, and finally established JSW M&E and JSW Aktina System Co. |
| Production Innovation    | JFE  | In May 2019, the firm introduced the first application of high-power vacuum laser welding technology to the production process of clad steel plate.  |

Source: JSW Ltd. “History,” <https://www.jsw.co.jp/en/guide/history2.html>, accessed December 29, 2023; Domestic interested party’s response to the notice of institution, November 30, 2023, pp. 8, 36.

## Exports

Table I-9 presents export data for certain flat-rolled iron or nonalloy steel products, clad, plated or coated, a category that includes clad steel plate and out-of-scope products, from Japan (by export destination in descending order of quantity for 2022). The United States was Japan’s leading market, accounting for 37.5 percent of all such exports in 2022, followed by China (30.0 percent) and South Korea (9.5 percent).<sup>64</sup>

<sup>63</sup> Domestic interested party’s response to the notice of institution, November 30, 2023, exh. 6.

<sup>64</sup> U.S. imports of clad steel plate from Japan at the ten-digit level are close to zero during the review period (see table I-6). As such, the exports under HS subheading 7210.90 from Japan to the United States are almost entirely nonsubject merchandise.

**Table I-9**  
**Certain flat-rolled iron or nonalloy steel products, clad, plated or coated: Quantity of exports from Japan, by destination and period**

Quantity in short tons

| Destination market | 2018   | 2019    | 2020   | 2021   | 2022    |
|--------------------|--------|---------|--------|--------|---------|
| United States      | 22,313 | 43,736  | 29,779 | 27,498 | 40,696  |
| China              | 18,453 | 17,025  | 16,830 | 29,902 | 32,570  |
| South Korea        | 11,763 | 16,725  | 6,053  | 5,815  | 10,280  |
| Thailand           | 7,352  | 7,872   | 5,615  | 7,326  | 7,161   |
| Singapore          | 4,843  | 5,623   | 5,916  | 8,560  | 6,662   |
| India              | 1,771  | 4,039   | 3,269  | 10,127 | 4,754   |
| Taiwan             | 526    | 1,011   | 408    | 743    | 1,864   |
| Indonesia          | 1,394  | 1,249   | 932    | 1,136  | 1,311   |
| Malaysia           | 314    | 573     | 979    | 851    | 767     |
| Canada             | 409    | 78      | 43     | 0      | 529     |
| All other markets  | 6,596  | 5,089   | 2,967  | 4,492  | 1,918   |
| All markets        | 75,736 | 103,019 | 72,792 | 96,450 | 108,512 |

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7210.90, accessed December 6, 2023. These data may be overstated as HS subheading 7210.90 may contain products outside the scope of this review.

Note: Because of rounding, figures may not add to totals shown.

## Third-country trade actions

Based on available information, clad steel plate from Japan has not been subject to other antidumping or countervailing duty investigations outside the United States.

## The global market

In its response to the notice of institution, the domestic interested party described global demand as relatively flat and not anticipated to increase substantially in the near term.<sup>65</sup> Factors that may drive growth in the global clad steel plate market include increasing demand for corrosion-resistant and high-strength materials in the oil and gas, chemical processing, shipbuilding, and construction industries. In developing regions of the world, the market is anticipated to expand as economies continue to urbanize, leading to increased downstream demand in the construction industry.<sup>66</sup> Market reports indicate a limiting factor to growth in

<sup>65</sup> Domestic Interested Party's Response to Notice of Institution, November 30, 2023, p. 19.

<sup>66</sup> Business Research Insights, "Clad Steel Plate Market Report Overview," December 11, 2023, <https://www.businessresearchinsights.com/market-reports/clad-steel-plate-market-108168>, accessed December 29, 2023.

the clad steel plate market is ongoing price volatility for raw materials, particularly alloy and specialty metals.<sup>67</sup>

Table I-10 presents global export data for certain flat-rolled iron or nonalloy steel products, clad, plated or coated, a category that includes clad steel plate and out-of-scope products, (by source in descending order of quantity for 2022). China was the leading source of exports, accounting for 21.3 percent of global exports in 2022. Japan was the second leading source, accounting for 18.4 percent.

**Table I-10**  
**Certain flat-rolled iron or nonalloy steel products, clad, plated or coated: Quantity of global exports by country and period**

Quantity in short tons

| Exporting country   | 2018    | 2019    | 2020    | 2021    | 2022    |
|---------------------|---------|---------|---------|---------|---------|
| China               | 175,297 | 114,029 | 121,210 | 164,128 | 125,532 |
| Japan               | 75,736  | 103,019 | 72,792  | 96,450  | 108,512 |
| India               | 56,375  | 54,765  | 70,973  | 181,655 | 67,186  |
| Austria             | 61,735  | 54,151  | 31,375  | 40,607  | 46,046  |
| United States       | 30,012  | 26,426  | 21,509  | 20,056  | 30,708  |
| Hong Kong           | 5,958   | 18,484  | 19,254  | 20,826  | 26,929  |
| Italy               | 28,395  | 29,502  | 25,948  | 28,353  | 26,101  |
| Spain               | 17,875  | 17,181  | 16,381  | 16,816  | 21,442  |
| Germany             | 27,877  | 23,108  | 20,644  | 26,860  | 19,386  |
| Belgium             | 13,508  | 14,419  | 14,575  | 19,888  | 15,210  |
| All other exporters | 189,448 | 250,287 | 291,598 | 134,152 | 103,422 |
| All exporters       | 682,216 | 705,372 | 706,259 | 749,791 | 590,474 |

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheading 7210.90, accessed December 6, 2023. These data may be overstated as HS subheading 7210.90 may contain products outside the scope of this review.

Note: Because of rounding, figures may not add to total shown.

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<sup>67</sup> Business Research Insights, “Clad Steel Plate Market Report Overview,” December 11, 2023, <https://www.businessresearchinsights.com/market-reports/clad-steel-plate-market-108168>, accessed December 29, 2023.

**APPENDIX A**  
**FEDERAL REGISTER NOTICES**



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://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  |
|------------------------------------|---|---|
| 88 FR 74977<br>November 1,<br>2023 | <i>Initiation of Five-Year (Sunset) Reviews</i>                       | <a href="https://www.govinfo.gov/content/pkg/FR-2023-11-01/pdf/2023-24101.pdf">https://www.govinfo.gov/content/pkg/FR-2023-11-01/pdf/2023-24101.pdf</a> |
| 88 FR 75026<br>November 1,<br>2023 | <i>Clad Steel Plate From Japan; Institution of a Five-Year Review</i> | <a href="https://www.govinfo.gov/content/pkg/FR-2023-11-01/pdf/2023-24016.pdf">https://www.govinfo.gov/content/pkg/FR-2023-11-01/pdf/2023-24016.pdf</a> |



**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



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**APPENDIX C**  
**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



Table C-1

Clad steel plate: Summary data concerning the U.S. market, 1993-95, Jan.-Mar. 1995, and Jan.-Mar. 1996

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\* \* \* \* \*

All data in appendix C contain information that would reveal confidential operations and therefore have been deleted from this report.

**Table C-1**  
**Clad Steel Plate: Summary data concerning the U.S. market, 2015-17, January to June 2017, and January to June 2018**

(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 |      | 2017 | January to June |      | Comparison years |         |         | Jan-Jun<br>2017-18 |
|  | 2015          | 2016 |      | 2017            | 2018 | 2015-17          | 2015-16 | 2016-17 |                    |
| U.S. consumption quantity:                           |               |      |      |                 |      |                  |         |         |                    |
| Amount.....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Producers' share (fn1).....                          | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Importers' share (fn1):                              |               |      |      |                 |      |                  |         |         |                    |
| Japan .....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Nonsubject sources.....                              | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| All import sources.....                              | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| U.S. consumption value:                              |               |      |      |                 |      |                  |         |         |                    |
| Amount.....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Producers' share (fn1).....                          | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Importers' share (fn1):                              |               |      |      |                 |      |                  |         |         |                    |
| Japan .....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Nonsubject sources.....                              | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| All import sources.....                              | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| U.S. importers' U.S. imports from:                   |               |      |      |                 |      |                  |         |         |                    |
| Japan:   |               |      |      |                 |      |                  |         |         |                    |
| Quantity.....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Value.....   | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit value.....                                      | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Ending inventory quantity.....                       | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Nonsubject sources:                                  |               |      |      |                 |      |                  |         |         |                    |
| Quantity.....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Value.....   | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit value.....                                      | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Ending inventory quantity.....                       | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| All import sources:                                  |               |      |      |                 |      |                  |         |         |                    |
| Quantity.....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Value.....   | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit value.....                                      | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Ending inventory quantity.....                       | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| U.S. producers':                                     |               |      |      |                 |      |                  |         |         |                    |
| Average capacity quantity.....                       | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Production quantity.....                             | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Capacity utilization (fn1).....                      | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| U.S. shipments:                                      |               |      |      |                 |      |                  |         |         |                    |
| Quantity.....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Value.....   | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit value.....                                      | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Export shipments:                                    |               |      |      |                 |      |                  |         |         |                    |
| Quantity.....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Value.....   | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit value.....                                      | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Ending inventory quantity.....                       | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Inventories/total shipments (fn1).....               | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Production workers.....                              | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Hours worked (1,000s).....                           | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Wages paid (\$1,000).....                            | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Hourly wages.....                                    | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Productivity (short tons per 1,000 hours) (fn2)..... | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit labor costs (dollars per short ton) (fn2).....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Net sales:   |               |      |      |                 |      |                  |         |         |                    |
| Quantity.....  | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Value.....   | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit value.....                                      | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Cost of goods sold (COGS).....                       | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Gross profit of (loss).....                          | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| SG&A expenses.....                                   | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Operating income or (loss).....                      | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Net income or (loss).....                            | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Capital expenditures.....                            | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit COGS.....                                       | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit SG&A expenses.....                              | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit operating income or (loss).....                 | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Unit net income or (loss).....                       | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| COGS/sales (fn1).....                                | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Operating income or (loss)/sales (fn1).....          | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |
| Net income or (loss)/sales (fn1).....                | ***           | ***  | ***  | ***             | ***  | ***              | ***     | ***     | ***                |

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Productivity and unit labor cost data are based on the production quantities reported by \*\*\*, as it was the only firm to provide usable employment data.

Source: Compiled from data submitted in response to Commission questionnaires, and proprietary customs records using HTS statistical reporting number 7210.90.1000, accessed August 28, 2018.

**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from the domestic interested party and it provided contact information for the following three firms as top purchasers of clad steel plate: \*\*\*. Purchaser questionnaires were sent to these three firms and one firm \*\*\* provided a response, which is presented below.

1. Have there been any significant changes in the supply and demand conditions for clad steel plate that have occurred in the United States or in the market for clad steel plate in Japan since January 1, 2018?

| Purchaser | Yes / No | Changes that have occurred |
|-----------|----------|----------------------------|
| ***       | ***      | ***                        |

2. Do you anticipate any significant changes in the supply and demand conditions for clad steel plate in the United States or in the market for clad steel plate in Japan within a reasonably foreseeable time?

| Purchaser | Yes / No | Anticipated changes |
|-----------|----------|---------------------|
| ***       | ***      | ***                 |

