Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan

Investigation No. 731-TA-1206 (Second Review)

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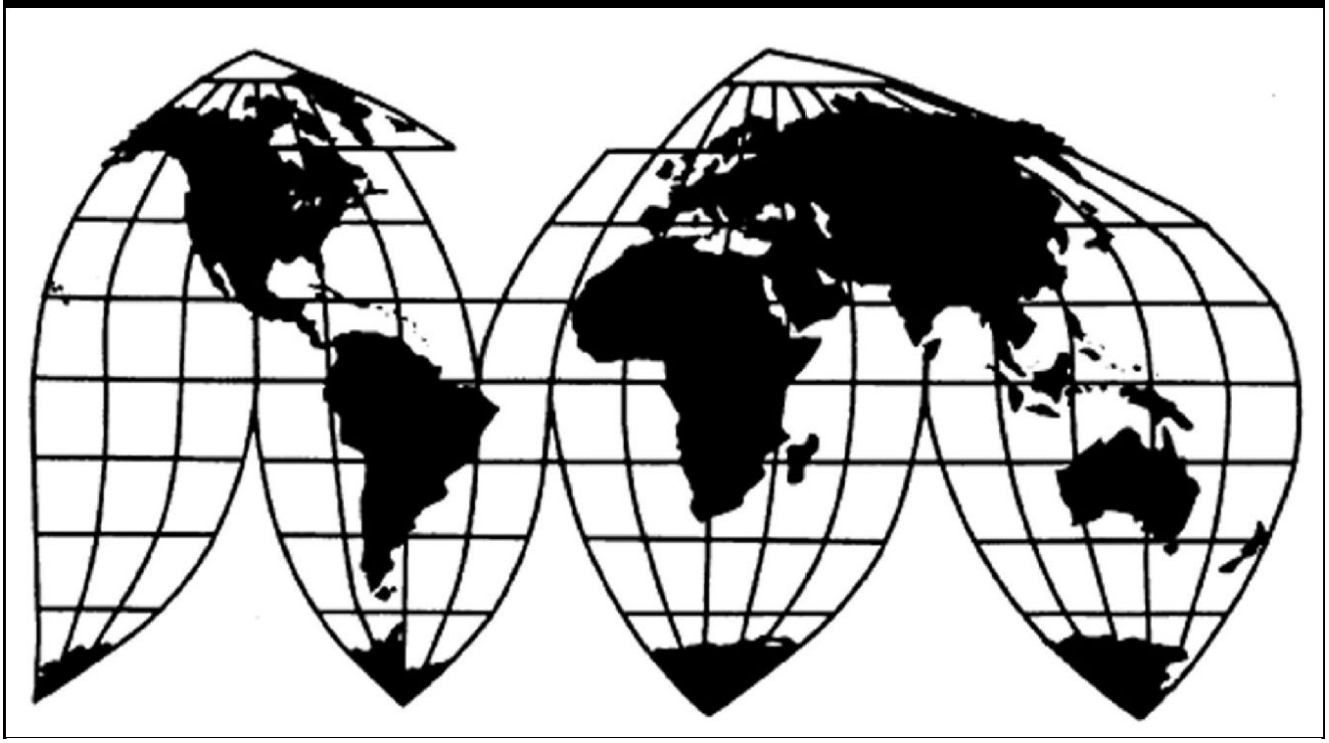
U.S. International Trade Commission



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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1206 (Second Review)

Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan

DETERMINATION

On the basis of the record[1] 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 diffusion-annealed, nickel-plated flat-rolled steel products 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 September 3, 2024 (89 FR 71424, September 3, 2024) and determined on December 9, 2024 that it would conduct an expedited review (89 FR 107163, December 31, 2024).

[1] 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 diffusion-annealed, nickel-plated flat-rolled steel products ("nickel 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. On March 27, 2013, Thomas Steel Strip Corporation ("Thomas Steel" or "Thomas"), a U.S. producer of nickel plate, filed a petition seeking imposition of antidumping duties on imports of nickel plate from Japan.[1] In May 2014, the Commission determined that an industry in the United States was materially injured by reason of dumped imports of nickel plate from Japan.[2] The U.S. Department of Commerce ("Commerce") issued an antidumping duty order on imports of nickel plate from Japan on May 29, 2014.[3]

First Review.[4] On April 1, 2019, the Commission instituted its first five-year review of the antidumping duty order on nickel plate from Japan.[5] In September 2019, the Commission reached an affirmative determination after conducting an expedited review.[6] On September 26, 2019, Commerce issued a continuation of the antidumping duty order.[7]

Current Review. On September 3, 2024, the Commission instituted this second five-year review.[8] The Commission received one response to the notice of institution, filed by Thomas.[9]

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[1] Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan, Inv. No. 731-TA-1206 (Final), USITC Pub. 4466 (May 2014) ("*Final Determination*") at 3.

[2] *Final Determination*, USITC Pub. 4466 at 1.

[3] Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan: Antidumping Duty *Order*, 79 Fed. Reg. 30816 (May 29, 2014).

[4] Commissioners Randolph J. Stayin and Amy A. Karpel did not participate in this review.

[5] Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan; Institution of a Five-*Year Review*, 84 Fed. Reg. 12282 (Apr. 1, 2019).

[6] Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan, Inv. No. 731-TA-1206 (First Review), USITC Pub. 4971 (Sept. 2019) ("*First Review*") at 1.

[7] Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan: Continuation of Antidumping Order, 84 Fed. Reg. 54114 (Oct. 9, 2019).

[8] Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan; Institution of a Five-Year Review, 89 Fed. Reg. 71424 (Sept. 3, 2024).

[9] Confidential Report ("CR"), INV-WW-147 at B-3; Public Report ("PR"), *Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan*, Inv. No. 731-TA-1206 (Second Review), USITC Pub. 5601 (March 2025) at B-3; Domestic Interested Party's Response to the Notice of Institution, EDIS Doc. (Continued…)

The Commission did not receive a response from any respondent interested party. On December 9, 2024, the Commission determined that the domestic industry group response was adequate and that the respondent interested party group response was inadequate.[10] Finding no other circumstances that would warrant conducting a full review, the Commission determined that it would conduct an expedited review of the order.[11] The domestic interested party submitted final comments pursuant to 19 C.F.R. § 207.62(d).[12]

U.S. industry data in this review are based on information in the response to the notice of institution and publicly available information compiled by the Commission.[13] The record indicates that the domestic interested party, Thomas, accounted for 100 percent of U.S. production of nickel plate in 2023.[14] U.S. import data are based on official Commerce import statistics.[15] Foreign industry data and related information are based on information from the original investigation and subsequent five-year review, information submitted by the domestic interested party in its response to the notice of institution, and publicly available information compiled by the Commission.[16] Additionally, one firm identified by the domestic interested party as the largest U.S. purchaser of nickel plate, ***, responded to the Commission's purchaser questionnaire.[17]

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."[18] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and

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Nos. 834022 (Confidential Version) & 834025 (Public Version) (Oct. 3, 2024) ("Domestic Interested Party's NOI Response").

[10] Explanation of Commission Determination on Adequacy, EDIS Doc. 839426 (Dec. 17, 2024).

[11] Explanation of Commission Determination on Adequacy, EDIS Doc. 839426 (Dec. 17, 2024); *Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan; Scheduling of an Expedited Five-Year Review*, 89 Fed. Reg. 107163 (Dec. 31, 2024).

[12] Domestic Interested Party's Final Comments, EDIS Doc. Nos. 844639 (Confidential Version) & 844643 (Public Version) (Feb. 27, 2025).

[13] CR/PR at I-10-12.

[14] CR/PR at B-3; Domestic Interested Party's NOI Response at 17.

[15] CR/PR at I-15, Table I-5. Official import statistics are for HTS statistical reporting number 7212.50.0000 and 7210.90.6000. These data may be overstated because the HTS statistical reporting numbers may contain products outside the scope of this review.

[16] CR/PR at I-17-20.

[17] CR/PR at D-3.

[18] 19 U.S.C. § 1677(4)(A).

uses with, the article subject to an investigation under this subtitle."[19] 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.[20]

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

> The diffusion-annealed, nickel-plated flat-rolled steel products included in this Order are flat-rolled, cold-reduced steel products, regardless of chemistry; whether or not in coils; either plated or coated with nickel or nickel-based alloys and subsequently annealed (i.e., "diffusion-annealed"); whether or not painted, varnished or coated with plastics or other metallic or nonmetallic substances; and less than or equal to 2.0 mm in nominal thickness. For purposes of this Order, "nickel-based alloys" include all nickel alloys with other metals in which nickel accounts for at least 80 percent of the alloy by volume.[21]

Nickel plate is used primarily in battery applications, mainly to produce cans and end caps of alkaline and lithium batteries.[22] It is a flat-rolled steel product, plated or coated with nickel or with a nickel-based alloy and subsequently annealed.[23] Annealing causes the formation of a thin layer of iron-nickel alloy between the steel substrate and the nickel coating, which prevents the nickel coating from separating from the steel substrate during subsequent fabrication operations.[24] Nickel plate is used to make battery cans because it can be shaped into deep cans and the nickel coating creates resistance to corrosion by electrolytes in the

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[19] 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, 96th Cong., 1st Sess. 90-91 (1979).

[20] *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).

[21] Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan: Final Results of Expedited Second Sunset Review of Antidumping Duty Order, 90 Fed. Reg. 1079 (Jan. 7, 2025) and accompanying Issues and Decisions Memorandum, EDIS Doc. No. 845215, at 2.

[22] CR/PR at I-8.

[23] CR/PR at I-8.

[24] CR/PR at I-8.

batteries.[25] Because of its resistance to corrosion from motor fuel additives, nickel plate is also used for the production of fuel, power-steering, and other automotive fluid lines.[26]

In its original investigation and the prior five-year review, the Commission defined the domestic like product as a single domestic like product that is coextensive with Commerce's scope.[27]

In the current review, the record does not contain any information suggesting that the pertinent characteristics and uses of nickel plate have changed since the last review so as to warrant revisiting the Commission's domestic like product definition.[28] The domestic interested party agrees with the Commission's definition of the domestic like product from the prior proceedings.[29] Consequently, we again define a single domestic like product as a single domestic like product that is coextensive with Commerce's scope.

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 of a domestic like product constitutes a major proportion of the total domestic production of the product."[30] 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 its original investigation, the Commission defined the domestic industry as consisting of Thomas, the sole producer of nickel plate in the United States.[31] In the first five-year review, the Commission defined the domestic industry as consisting of all domestic producers of nickel plate.[32]

In the current review, the domestic interested party, Thomas, agrees with the Commission's definition of the domestic industry from the prior proceedings.[33] There are no

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[25] CR/PR at I-8.

[26] CR/PR at I-8.

[27] *Final Determination*, USITC Pub. 4466 at 6; *First Five-Year Review*, USITC Pub. 4971 at 5.

[28] CR/PR at I-13.

[29] Domestic Interested Party's NOI Response at 19.

[30] 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.

[31] *Final Determination*, USITC Pub. 4466 at 6.

[32] *First Five-Year Review*, USITC Pub. 4971 at 6.

[33] Domestic Interested Party's NOI Response at 19.

related parties or other domestic industry issues in this review.[34] Consequently, consistent with our definition of the domestic like product, we again define the domestic industry as consisting of Thomas, the sole domestic producer of nickel 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."[35] 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 its restraining effects on volumes and prices of imports."[36] Thus, the likelihood standard is prospective in nature.[37] 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.[38]

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[34] Domestic Interested Party's NOI Response at Exhibit 1.

[35] 19 U.S.C. § 1675a(a).

[36] SAA 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.

[37] 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.

[38] *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'").

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."[39] 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."[40]

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."[41] 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 revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[42] 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.[43]

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.[44] 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;

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[39] 19 U.S.C. § 1675a(a)(5).

[40] 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*.

[41] 19 U.S.C. § 1675a(a)(1).

[42] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the order under review. See, generally, Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan: Final Results of Antidumping Duty Administrative Review; 2022–2023, 89 Fed. Reg. 95735 (Dec. 3, 2024) and accompanying Issues and Decisions Memorandum, EDIS Doc. No. 845215.

[43] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[44] 19 U.S.C. § 1675a(a)(2).

(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.[45]

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.[46]

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 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.[47] 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 orders under review and whether the industry is vulnerable to material injury upon revocation.[48]

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[45] 19 U.S.C. § 1675a(a)(2)(A-D).

[46] *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.

[47] 19 U.S.C. § 1675a(a)(4).

[48] 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.

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the industry producing nickel plate in Japan. There also is limited information on the nickel 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 subsequent review, and the limited new information on the record in this second 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."[49] The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigation and Prior Review. In the original investigation, the Commission found that demand for nickel plate was derived in large part from demand for batteries, primarily size AA batteries.[50] Approximately 90 percent of U.S. consumption of nickel plate was used in the manufacture of batteries, and there was limited use in other applications, such as automotive fuel line manufacturing.[51] Nickel plate used in U.S. battery production was purchased by battery makers and can stampers, who operate metal stamping facilities that convert nickel plate into battery cans and end caps.[52] The three primary U.S. battery manufacturers were Duracell, Energizer, and Rayovac; Duracell was the largest of the three.[53] Battery makers were often associated with particular can stampers.[54] The Commission found that total volume (by weight) of nickel plate used by battery manufacturers declined somewhat due to a shift towards thinner and lighter steel.[55] Demand as measured by apparent U.S. consumption decreased over the period of investigation ("POI"), falling from *** short tons in 2011 to *** short tons in 2012 and *** short tons in 2013.[56]

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[49] 19 U.S.C. § 1675a(a)(4).
[50] *Final Determination*, USITC Pub. 4466 at 10.
[51] *Final Determination*, USITC Pub. 4466 at 10.
[52] *Final Determination*, USITC Pub. 4466 at 11.
[53] *Final Determination*, USITC Pub. 4466 at 11.
[54] *Final Determination*, USITC Pub. 4466 at 11.
[55] *Final Determination*, USITC Pub. 4466 at 11.
[56] Final Determination, USITC Pub. 4466 at 12; Confidential Final Determination at 16.

In the expedited first five-year review, the Commission found that the limited information on the record indicated that the conditions of competition pertaining to demand had not changed significantly since the original investigation.[57] The record indicated that demand for nickel plate continued to be driven by demand for batteries; and that other uses of nickel plate, such as automotive fuel line manufacturing, accounted for a limited degree of demand.[58] The record also indicated that apparent U.S. consumption in 2018 was higher than during each year of the original POI.[59]

Current Review. There is no new information indicating that the factors influencing demand have changed since the original investigation. The record indicates that the primary driver for demand for nickel plate continues to be the downstream demand for batteries and, to a lesser degree, the manufacture of fuel, power-steering, and other automotive fluid lines.[60] The record indicates that demand increased during the period of review ("POR"), primarily due to the increased demand for battery-powered vehicles.[61] Purchaser *** reported that ***.[62] This purchaser *** anticipate any significant changes in demand conditions for nickel plate within a reasonably foreseeable time.[63]

In 2023, apparent U.S. consumption of nickel plate was *** short tons, which was an *** of *** percent from the level of *** short tons in 2018.[64]

2. Supply Conditions

Original Investigation and Prior Review. In the original investigation, the Commission observed that the domestic industry was the dominant supplier of nickel plate in the U.S. market, but that its market share declined over the period of investigation.[65] Subject imports gained an increasing share of apparent U.S. consumption during the period of investigation.[66] Lastly, nonsubject imports held a small, though increasing, share of the U.S. market.[67]

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[57] *First Five-Year Review*, USITC Pub. 4971 at 9-10.

[58] *First Five-Year Review*, USITC Pub. 4971 at 9-10.

[59] *First Five-Year Review*, USITC Pub. 4971 at 10.

[60] CR/PR at I-8; Domestic Interested Party's NOI Response at 17.

[61] Domestic Interested Party's NOI Response at 17-18, Exhibit 1, Exhibit 6. According to Thomas, nickel plate is used in cylindrical cells incorporated in some electric vehicle batteries. *Id*. at 18 n.60.

[62] CR/PR at D-3.

[63] CR/PR at D-3.

[64] CR/PR at Table I-6.

[65] *Final Determination*, USITC Pub. 4466 at 12.

[66] *Final Determination*, USITC Pub. 4466 at 12-13.

[67] *Final Determination*, USITC Pub. 4466 at 12-13.

In the expedited first five-year review, the Commission found that the domestic industry remained the largest supplier of nickel plate in the U.S. market, though its market share had declined.[68] Subject imports fluctuated in volume throughout the POR and were higher in 2018 than any year during the original POI.[69] Lastly, nonsubject imports accounted for a larger portion of apparent U.S. consumption in 2018 than in any year during the original POI.[70]

Current Review. In the current review, subject imports were the largest supplier of nickel plate to the U.S. market, followed by the domestic industry and nonsubject imports.[71]

The domestic industry's share of apparent U.S. consumption by quantity was *** percent in 2023, down from *** percent in 2018.[72] The domestic industry's capacity utilization ratio was *** percent in 2023, as compared to *** percent in 2018 and *** percent in 2013.[73] In 2021, Thomas, the sole domestic producer, invested $8.5 million in its plant in Warren, Ohio, and hired 42 new employees at the same facility in an effort to support the firm's plans to enter the rechargeable battery market.[74]

Subject imports were the largest supplier of nickel plate, accounting for *** percent of apparent U.S. consumption by quantity in 2023, up from *** percent in 2018.[75]

Nonsubject imports accounted for *** percent of apparent U.S. consumption by quantity in 2023, down from *** percent in 2018.[76] The leading sources of nonsubject imports were Germany, South Korea, and Brazil.[77]

3. Substitutability

Original Investigation and Prior Review. In the original investigation, the Commission found that there was a moderate degree of substitutability between nickel plate from Japan and the domestic like product.[78] It found a higher degree of substitutability when two producers have qualified for the same specification with the same battery manufacturer.[79] Qualification with a battery manufacturer, which can take up to 18 months, was an important

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[68] *First Five-Year Review*, USITC Pub. 4971 at 10.
[69] *First Five-Year Review*, USITC Pub. 4971 at 10.
[70] *First Five-Year Review*, USITC Pub. 4971 at 10-11.
[71] CR/PR at Table I-6.
[72] CR/PR at Table I-6.
[73] Domestic Interested Party's NOI Response at 16; CR/PR at Table I-4.
[74] CR/PR at Table I-3.
[75] CR/PR at Table I-6.
[76] CR/PR at Table I-6.
[77] CR/PR at Table I-5.
[78] *Final Determination*, USITC Pub. 4466 at 13.
[79] *Final Determination*, USITC Pub. 4466 at 13.

condition of competition in the U.S. nickel plate market.[80] Qualification for one purchaser's specifications might not transfer to other specifications, the Commission found, even for the same purchaser.[81] In addition to qualification, the Commission concluded that price was an important factor in purchasing decisions.[82]

In the first expedited review, the Commission again found that nickel plate from Japan and the domestic like product were moderately substitutable, with higher degrees of substitutability when two producers qualified for the same specification with the same battery manufacturer.[83] The Commission again found that qualification was an important factor in purchasing decisions.[84]

Current Review. The record in this 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 and non-price factors in purchasing decisions, have changed since the original investigation. The domestic interested party argues that the conditions that justified the Commission's prior conclusions regarding substitutability and the importance of price remain the same.[85] Accordingly, we again find a moderate degree of substitutability between subject imports and the domestic like product, with higher degrees of substitutability when two producers have qualified for the same specification with the same battery manufacturer. We also find that both price and qualification are important in purchasing decisions.

Effective March 23, 2018, nickel plate from Japan became subject to an additional 25 percent *ad valorem* under section 232 of the Trade Expansion Act of 1962, as amended.[86] Effective April 1, 2022, Japan was exempted from the section 232 duties; however, Japan remains subject to a tariff-rate quota ("TRQ") and imports above the quota level are subject to section 232 duties.[87] The annual limit for the TRQ categories that contain nickel plate and out-of-scope products originating in Japan was 71.0 million kilograms (78,265 short tons) in 2023.[88]

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[80] *Final Determination*, USITC Pub. 4466 at 13.
[81] *Final Determination*, USITC Pub. 4466 at 13.
[82] *Final Determination*, USITC Pub. 4466 at 17-18.
[83] *First Five-Year Review*, USITC Pub. 4971 at 11.
[84] *First Five-Year Review*, USITC Pub. 4971 at 11.
[85] Domestic Interested Party's NOI Response at 13.
[86] CR/PR at I-7.
[87] CR/PR at I-7.
[88] CR/PR at I-7. Effective March 12, 2025, the TRQs on nickel plate originating in Japan will be removed and all nickel plate originating in Japan (and all other countries) will be subject to an additional 25 percent *ad valorem* duty under section 232 of the Trade Expansion Act of 1962, as amended.

C. Likely Volume of Subject Imports

1. The Prior Proceedings

Original Investigation. The Commission found that subject imports increased during the POI, even while apparent U.S. consumption decreased.[89] The Commission focused its analysis on U.S. shipments of subject imports during the POI.[90] The Commission found that shipments of subject imports increased from *** short tons in 2011 to *** short tons in 2012 and *** short tons in 2013.[91]

The Commission found that subject imports gained market share at the expense of the domestic industry.[92] From 2011 to 2013, subject imports' market share increased by *** percentage points, while the domestic industry's share fell by *** percentage points.[93] Subject imports as a ratio to U.S. production increased from *** percent in 2011 to *** percent in 2013.[94]

This shift in volume from the domestic like product to subject imports occurred almost exclusively with nickel plate intended for use in manufacturing AA battery cans, which was the largest application in the battery market.[95] The parties agreed that the primary shift in AA can volume occurred in 2012 and into 2013 as a result of Duracell's decision in 2011 to reallocate the source of its AA can material from Thomas Steel to subject producer Toyo.[96] ***.[97] In light of these factors, specifically the domestic industry's loss of market share to subject imports and its loss of sales to subject imports ***, the Commission concluded that the volume of subject imports, both in absolute terms and relative to consumption in the United States, was

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[89] *Final Determination*, USITC Pub. 4466 at 14.

[90] When examining the volume of subject imports, the Commission found that data on U.S. shipments of subject imports were more relevant than that for U.S. imports of subject merchandise. Specifically, it noted that ***. There was nothing in the record of the original investigation to suggest that ***. Imports of nickel plate from Japan were *** short tons in 2011, *** short tons in 2012, and *** short tons in 2013. *Final Determination*, USITC Pub. 4466 at 14, n.93; *Confidential Final Determination* at 21, n.93.

[91] Final Determination, USITC Pub. 4466 at 14; Confidential Final Determination at 21.

[92] *Final Determination*, USITC Pub. 4466 at 14.

[93] Final Determination, USITC Pub. 4466 at 14-15; Confidential Final Determination at 21.

[94] *Final Determination*, USITC Pub. 4466 at 14-15; *Confidential Final Determination* at 21-22; Confidential Staff Report from Final Investigation, EDIS Doc. 677913 at Tables IV-3-4 (Apr. 2014).

[95] *Final Determination*, USITC Pub. 4466 at 15.

[96] *Final Determination*, USITC Pub. 4466 at 15.

[97] Final Determination, USITC Pub. 4466 at 15; Confidential Final Determination at 22.

significant.[98] The Commission also found that the increase in subject import volume relative to consumption and production in the United States was significant.[99]

First Review. The Commission found that, despite imposition of the order, subject imports continued to be present in the U.S. market at substantial levels.[100] Subject import quantity and market penetration were both higher in 2018 than in any year during the original POI.[101] The record did not indicate that the composition of the subject industry in Japan changed significantly since the original investigation, but it did indicate that subject producers *** and had the capability to maintain or increase the existing level of subject imports.[102] Substantial and increasing quantities of subject imports during the POR also indicated that the subject producers had a continued interest in supplying the U.S. market.[103] The record further indicated that the subject industry was export oriented.[104] Thus, in light of levels of subject imports, the increased capacity of the Japanese industry, that industry's export orientation, and the industry's continued interest in the U.S. market, the Commission found that the volume of subject imports would likely be significant in absolute terms and relative to consumption in the United States if the order is revoked.[105]

2. The Current Review

Subject imports maintained a significant presence in the U.S. market during the POR, despite the disciplining effect of the order.[106] The volume of subject imports initially decreased from 45,064 short tons in 2019 to 29,446 short tons in 2020 and 25,590 short tons in 2021, before increasing to 38,442 short tons in 2022 and 45,588 short tons in 2023.[107] Subject imports accounted for *** percent of apparent U.S. consumption by quantity in 2023, compared to *** percent in 2013 and *** percent in 2018.[108]

The record in this five-year review contains limited information on the subject industry in Japan. The domestic interested party provided a list of 11 producers of nickel plate in

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[98] Final Determination, USITC Pub. 4466 at 14-16; Confidential Final Determination at 21-34.
[99] *Final Determination*, USITC Pub. 4466 at 14-16.
[100] *First Five-Year Review*, USITC Pub. 4971 at 12.
[101] *First Five-Year Review*, USITC Pub. 4971 at 12-13.
[102] *First Five-Year Review*, USITC Pub. 4971 at 13.
[103] *First Five-Year Review*, USITC Pub. 4971 at 13.
[104] *First Five-Year Review*, USITC Pub. 4971 at 13.
[105] *First Five-Year Review*, USITC Pub. 4971 at 13.
[106] CR/PR at Table I-5.
[107] CR/PR at Table I-5.
[108] CR/PR at Table I-6.

Japan.[109] The information available indicates that subject producers have the means to export subject merchandise to the U.S. market at significant volumes if the order is revoked.[110] The information available indicates that the subject industry possessed substantial capacity during the POR. According to information submitted by Thomas, Japanese producers have invested significant resources in expanding their nickel plate production capacity.[111] For example, Toyo expanded its nickel-plating lines to produce nickel plate for battery cans used in hybrid and electric vehicles in 2021 and 2022.[112] In March 2024, Sumitomo Metal Mining announced plans to build recycling plants to recover minerals and metals from used lithium-ion batteries, which can then be used in the production of materials for new batteries.[113] Producers in Japan also have the ability to increase production and exports of nickel plate by shifting production from alternative products, such as tin mill, to higher-priced nickel plate if the order is revoked.[114]

The record indicates that Japanese producers export significant quantities of nickel plate globally.[115] Global Trade Atlas ("GTA") data covering coated or plated flat-rolled nonalloy steel under Harmonized Schedule ("HS") subheading 7210.90 and 7212.50, which includes both nickel plate and out-of-scope merchandise, shows that the United States is the leading export destination for nickel plate from Japan in 2023, accounting for 42.4 percent of total exports from Japan in 2023.[116]

The information available also indicates that the U.S. market remains attractive to subject producers, and that subject producers are still willing and able to ship substantial volumes to the United States. While under the disciplining effect of the order, subject imports maintained a substantial presence in the U.S. market, with a higher market share than in the prior proceedings.[117]

Given the foregoing, including the significant volume and market share of subject imports during the original investigation, the continued substantial presence and market share of subject imports in the U.S. market during the POR under the disciplining effect of the order (which also indicate the attractiveness of the U.S. market), and the large capacity and exports of the industry in Japan, we find that the volume of subject imports from Japan would likely be

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[109] CR/PR at I-17; Domestic Interested Party's NOI Response at Exhibit 1.
[110] CR/PR at I-17-18; Domestic Interested Party's NOI Response at 8.
[111] Domestic Interested Party's NOI Response at 8.
[112] Domestic Interested Party's NOI Response at Exhibit 3A; CR/PR at Table I-7.
[113] Domestic Interested Party's NOI Response at Exhibit 3B; CR/PR at Table I-7.
[114] Domestic Interested Party's NOI Response at 9-10.
[115] Domestic Interested Party's NOI Response at Exhibit 4.
[116] CR/PR at I-18, Table I-8; Domestic Interested Party's NOI Response at 9.
[117] CR/PR at Tables I-5 and I-6.

significant, both in absolute terms and relative to consumption in the United States, if the order is revoked.[118]

D. Likely Price Effects

1. The Prior Proceedings

Original Investigation. The Commission found that subject imports significantly undersold the domestic like product and gained critical sales at the expense of the domestic industry.[119] The Commission also found price to be an important factor in purchasing decisions of nickel plate.[120] While the record showed mixed underselling and overselling throughout the POI, underselling occurred in the greater number of instances.[121] The Commission observed that underselling occurred predominantly in 2011.[122]

In its underselling analysis, the Commission gave particular focus to data regarding sales to Duracell.[123] In late 2011, Duracell began to exhibit a pattern of allocating the majority or entirety of purchases to the lowest bidder, even at narrow margins of underselling.[124] The Commission thus found that Duracell's purchasing decisions were responsive to price.[125] The Commission concluded that significant underselling by subject imports allowed them to gain

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[118] Effective March 23, 2018, nickel 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. However, effective April 1, 2022, Japan is exempt from the section 232 duties provided the imports are below the relevant quota level. Effective March 12, 2025, the TRQs on nickel plate originating in Japan will be removed and all nickel plate originating in Japan (and all other countries) will be subject to an additional 25 percent *ad valorem* duty under section 232 of the Trade Expansion Act of 1962, as amended.

The record in this five-year review does not contain information concerning product shifting or inventories of subject merchandise. Nickel plate from Japan is not subject to any known antidumping and countervailing duty measures in third country markets. CR/PR at I-19.

[119] *Final Determination*, USITC Pub. 4466 at 16-18.

[120] *Final Determination*, USITC Pub, 4466 at 16. Purchasers named price as one of the three most important factors in their purchasing decisions more often than any factor, other than quality. Five out of seven purchasers stated that price was a very important consideration in their purchasing decisions. *Id*.

[121] *Final Determination*, USITC Pub. 4466 at 16-18.

[122] *Final Determination*, USITC Pub. 4466 at 16-18.

[123] *Final Determination*, USITC Pub. 4466 at 17. The Commission focused on data from Duracell because it found that shifts in market share during the POI were largely a function of Duracell's decision to shift sourcing of AA battery can material away from Thomas to subject producer Toyo Kohan. *Id*. at 17.

[124] *Final Determination*, USITC Pub. 4466 at 17.

[125] *Final Determination*, USITC Pub. 4466 at 17-18.

critical sales at the expense of the domestic industry and led to a loss of market share by the domestic industry.[126]

The Commission did not find significant price depression.[127] Although prices declined during the POI, the Commission explained that it was unable to determine whether, or to what extent, these declines were caused by subject imports as opposed to other conditions of competition in the industry.[128] The Commission found that subject imports did not prevent price increases that would otherwise have occurred to a significant degree, because the cost of raw materials and demand decreased throughout the POI.[129]

First Review. The Commission again found that nickel plate from all sources was moderately substitutable, and that price and qualification remained important factors in purchasing decisions.[130] Based on this finding and its prior findings of significant underselling, the Commission determined that subject imports from Japan would likely significantly undersell the domestic like product in the event of revocation of the order.[131] It further found that this likely underselling would likely cause the domestic producers to cut prices or restrain price increases to avoid losing sales, thereby depressing or suppressing prices of the domestic like product to a significant degree.[132]

2. The 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 nickel plate and subject imports, and that price is an important factor in purchasing decisions for nickel plate, among other important factors.

The record in this five-year review does not contain new product-specific pricing information. 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 is revoked, significant volumes of subject imports would likely undersell the domestic like product to a significant degree, as during the original investigation. 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

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[126] *Final Determination*, USITC Pub. 4466 at 18-19.
[127] *Final Determination*, USITC Pub. 4466 at 18-19.
[128] *Final Determination*, USITC Pub. 4466 at 18-19.
[129] *Final Determination*, USITC Pub. 4466 at 18-19.
[130] *First Five-Year Review*, USITC Pub. 4971 at 14-15.
[131] *First Five-Year Review*, USITC Pub. 4971 at 14-15.
[132] *First Five-Year Review*, USITC Pub. 4971 at 15.

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 domestic like product if the order is revoked.

E. Likely Impact

1. The Prior Proceedings

Original Investigation. The Commission found that the domestic industry's output, employment, and financial performance declined over the POI.[133] The domestic industry's market share fell from 2011 to 2013, and its production of nickel plate and capacity utilization also declined.[134] The domestic industry's U.S. shipments declined from *** short tons in 2011 to *** short tons in 2012 and *** short tons in 2013.[135] During this same time, inventories rose from *** short tons in 2011 to *** short tons in 2013.[136] The domestic industry employed fewer workers for nickel plate production each year from 2011 to 2013, and productivity also decreased during this time.[137] The domestic interested party reported that it shut down for one week ***.[138]

The domestic industry's financial performance declined during the POI.[139] In 2011, the domestic industry's operating income was $*** and its operating margin was *** percent.[140] In 2012, the domestic industry experienced *** of $*** and its operating margin was *** percent.[141] The domestic industry's financial performance declined further in 2013, when it posted *** and its operating margin was *** percent.[142] Capital and research and development expenditures also declined.[143]

Given the significant and increasing volume of subject imports, significant underselling by subject imports, especially in key transactions, and decreases in the domestic industry's performance, the Commission concluded that subject imports had a significant impact on the domestic industry.[144] In its non-attribution analysis, the Commission acknowledged that falling

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[133] *Final Determination*, USITC Pub. 4466 at 20.
[134] *Final Determination*, USITC Pub. 4466 at 20.
[135] Final Determination, USITC Pub. 4466 at 20; Confidential Final Determination at 31.
[136] Final Determination, USITC Pub. 4466 at 20; Confidential Final Determination at 31.
[137] *Final Determination*, USITC Pub. 4466 at 20.
[138] Final Determination, USITC Pub. 4466 at 20; Confidential Final Determination at 31.
[139] *Final Determination*, USITC Pub. 4466 at 20.
[140] Final Determination, USITC Pub. 4466 at 20; Confidential Final Determination at 31-32.
[141] Final Determination, USITC Pub. 4466 at 20; Confidential Final Determination at 31.
[142] Final Determination, USITC Pub. 4466 at 20; Confidential Final Determination at 31-32.
[143] *Final Determination*, USITC Pub. 4466 at 20.
[144] *See Final Determination*, USITC Pub. 4466 at 14-20.

raw material costs may have contributed to a decline in nickel plate prices, but observed that the pricing mechanisms that both the domestic interested party and subject producers used were intended to reduce the effects of raw material pricing changes in purchasing decisions.[145] The Commission found that the various sources of nonsubject imports either had insignificant volumes or were used in applications other than those in which the domestic like product and subject imports competed.[146]

First Review. The Commission found that the revocation of the order would likely lead to a significant increase in the volume of subject imports and that the subject imports would likely undersell the domestic like product and depress and/or suppress domestic prices to a significant degree.[147] It found that the likely significant volume of low-priced subject imports, when combined with the likely adverse price effects of those imports, would likely have a significant adverse impact on the domestic industry's production, capacity utilization, employment, shipments, revenues, and profitability.[148] In its non-attribution analysis, the Commission acknowledged the presence of nonsubject imports in the U.S. market, but concluded that the subject imports would likely continue to compete head-to-head with the domestic industry, which accounted for the majority of apparent U.S. consumption.[149] Accordingly, the Commission concluded that, based on the limited record, subject imports from Japan would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time if the order was revoked.[150]

2. The Current Review[151]

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

The information available indicates that the domestic industry's operating performance in 2023 was mixed relative to its performance in the original investigation and prior review, and its financial performance was generally stronger. In 2023, the domestic industry's capacity (at

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[145] *Final Determination*, USITC Pub. 4466 at 21.
[146] *Final Determination*, USITC Pub. 4466 at 21.
[147] *First Five-Year Review*, USITC Pub. 4971 at 16.
[148] *First Five-Year Review*, USITC Pub. 4971 at 16.
[149] *First Five-Year Review*, USITC Pub. 4971 at 16.
[150] *First Five-Year Review*, USITC Pub. 4971 at 16.
[151] In its expedited second review of the antidumping duty order, Commerce determined that revocation of the antidumping duty order would likely result in the continuation or recurrence of dumping with margins of up to 77.70 percent. *Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products From Japan: Final Results of Expedited Second Sunset Review of Antidumping Duty Order*, 90 Fed. Reg. 1079 (Jan. 7, 2025).

*** short tons)[152] and production (at *** short tons)[153] were both higher than in 2013 but lower than in 2018, and its capacity utilization (*** percent) was slightly lower than in 2013 and 2018.[154] The average unit value ("AUV") of the domestic industry's U.S. shipments ($*** per short ton)[155], its U.S. shipments by quantity (*** short tons),[156] and its U.S. shipments by value ($***)[157] were all higher than in the prior proceedings. The industry's net sales value ($***)[158] and gross profits ($***)[159] were also higher than in the prior proceedings, while its operating income ($***)[160] was lower than in 2013 but higher (albeit ***) than in 2018. Conversely, the operating income to net sales (*** percent)[161] was higher than in the prior proceedings.

We find that the industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order. In particular, despite the antidumping duty order, in 2023 the industry was operating at only *** percent capacity utilization, and its operating income and operating income ratios were ***.[162] Moreover, in 2023 the industry's market share was only *** percent, substantially lower than in 2013 and 2018.[163] [164]

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[152] CR/PR at Table I-4. The domestic industry's capacity was *** short tons in 2013 and *** short tons in 2018. *Id.*

[153] CR/PR at Table I-4. U.S. production was *** short tons in 2013 and *** short tons in 2018. *Id.*

[154] CR/PR at Table I-4. Capacity utilization was *** percent in 2013 and *** percent in 2018. *Id.*

[155] CR/PR at Table I-4. The AUV of the domestic industry's U.S. shipments was $*** per short ton in 2013 and $*** per short ton in 2018. *Id.*

[156] CR/PR at Table I-4. The domestic industry's shipments by quantity were *** short tons in 2013 and *** short tons in 2018. *Id.*

[157] CR/PR at Table I-4. The domestic industry's shipments by value were $*** in 2013 and $*** in 2018. *Id.*

[158] CR/PR at Table I-4. The domestic industry's net sales value was $*** in 2013 and $*** in 2018. *Id.*

[159] CR/PR at Table I-4. Gross profits were $*** in 2013 and $*** in 2018. *Id.*

[160] CR/PR at Table I-4. Operating income was $*** in 2013 and $*** in 2018. *Id.*

[161] CR/PR at Table I-4. The operating income to net sales ratio was *** percent in 2013 and *** percent in 2018. *Id.*

[162] CR/PR at Table I-4. The industry's operating income ratio was *** percent in 2023.

[163] CR/PR at Table I-6. The industry's market share was *** percent in 2013 and *** percent in 2018.

[164] Commissioner Johanson finds that the record of this expedited review is not sufficient 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.

Firstly, as noted above, the domestic industry's operating performance was mixed relative to its performance in the original investigation and prior review, and its financial performance was stronger. In 2023, the domestic industry's capacity of *** short tons and production of *** short tons were both higher than in 2013 though lower than in 2018, and its capacity utilization rate of *** percent has (Continued…)

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 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 is 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 slightly decreased in their presence in the U.S. market since the last review, accounting for *** percent of apparent U.S. consumption in 2023 as compared to *** percent in 2018.[165] The record provides no indication that 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 for the

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remained relatively stable. CR/PR at Table I-4. The average unit value of the domestic industry's shipments, the quantity of its shipments, the total value of its shipments, its net sales value, and its gross profits were all higher than in prior proceedings, while its operating *** was lower than in 2013 but higher than in 2013, while its operating income to net sales ratio of *** percent was higher than in prior proceedings. CR/PR at Table I-4.

Secondly, Commissioner Johanson notes that on February 10, 2025, the President issued a proclamation indicating that he would end various exemptions from 25 percent Section 232 duties on steel products effective March 12, 2025, including Japan's tariff rate quotas. *See* CR/PR at I-7; "Adjusting Imports of Steel Into the United States," Presidential Proclamation 10896, at para. 14, 90 Fed. Reg. 9817 (Feb. 18, 2025). Additionally, in September 2024 antidumping duty petitions were filed regarding products including DANP from ten other countries, and countervailing duty petitions regarding four countries, and in October 2024 the Commission reached affirmative preliminary determinations in regard to all of them. CR/PR at Table I-3. These measures may affect the vulnerability of the U.S. industry to revocation of the orders on DANP from Japan, although, again, Commissioner Johanson finds that the record of this review does not suffice to allow a finding on this point.

[165] CR/PR at Table I-6.

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.

In summary, we conclude that if the order is revoked, subject imports of nickel plate from Japan would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping duty order on nickel 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.

Information obtained in this review

Background

On September 3, 2024, the U.S. International Trade Commission ("Commission") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted a review to determine whether revocation of the antidumping duty order on diffusion-annealed, nickel-plated flat-rolled steel products ("nickel plate") from Japan would likely lead to continuation or recurrence of material injury.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] Table I-1 presents information relating to the background and schedule of this proceeding:

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

Effective date	Action
September 3, 2024	Notice of initiation by Commerce (89 FR 71252, September 3, 2024)
September 3, 2024	Notice of institution by Commission (89 FR 71424, September 3, 2024)
December 9, 2024	Commission's vote on adequacy
January 7, 2025	Commerce's results of its expedited review (90 FR 1079, January 7, 2025)
March 25, 2025	Commission's determination and views

[1] 19 U.S.C. 1675(c).

[2] 89 FR 71424, September 3, 2024. 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 order. 89 FR 71252, September 3, 2024. Pertinent Federal Register notices are referenced in app. A and may be found at the Commission's website (www.usitc.gov).

[3] As part of their response to the notice of institution, interested parties were requested to provide company-specific information. Information regarding responses to the notice of institution is presented in app. B. Summary data compiled in the original investigation are presented in app. C.

[4] 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 are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

The original investigation

The original investigation resulted from a petition filed on March 27, 2013, with Commerce and the Commission by Thomas Steel Strip Corporation ("Thomas"), Warren, Ohio.[5] On April 10, 2014, Commerce determined that imports of nickel plate from Japan were being sold at less than fair value ("LTFV").[6] The Commission determined on May 21, 2014 that the domestic industry was materially injured by reason of LTFV imports of nickel plate from Japan.[7] On May 22, 2014, Commerce issued its antidumping duty order with final weighted-average dumping margins ranging from 45.42 to 77.70 percent.[8]

The first five-year review

On July 5, 2019, the Commission determined that it would conduct an expedited review of the antidumping duty order on nickel plate from Japan.[9] On August 5, 2019, Commerce determined that revocation of the antidumping duty order on nickel plate from Japan would be likely to lead to continuation or recurrence of dumping.[10] On September 26, 2019, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.[11] Following affirmative determinations in the five-year review by Commerce and the Commission, effective October 9, 2019, Commerce issued a continuation of the antidumping duty order on imports of nickel plate from Japan.[12]

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[5] Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan, Investigation No. 731-TA-1206 (Final), USITC Publication 4466, May 2014 ("Original publication"), p. 1.

[6] 79 FR 19868, April 10, 2014.

[7] 79 FR 30653, May 28, 2014.

[8] 79 FR 30816, May 29, 2014.

[9] 84 FR 39862, August 12, 2019.

[10] 84 FR 38001, August 5, 2019.

[11] 84 FR 52534, October 2, 2019.

[12] 84 FR 54114, October 9, 2019.

Previous and related investigations

Table I-2 shows that although nickel plate has not been the sole product subject to any prior countervailing or antidumping duty investigation in the United States, it has been included in proceedings concerning corrosion-resistant carbon steel flat-rolled products ("CORE").

Table I-2
CORE: Previous and related Commission proceedings and status of orders

Date	Number	Country	ITC original determination	Current status
1980	731-TA-18	Belgium	Affirmative	Petition withdrawn 10/1/1980
1980	731-TA-19	West Germany	Affirmative	Petition withdrawn 10/1/1980
1980	731-TA-20	France	Affirmative	Petition withdrawn 10/1/1980
1980	731-TA-21	Italy	Affirmative	Petition withdrawn 10/1/1980
1980	731-TA-23	Netherlands	Affirmative	Petition withdrawn 10/1/1980
1980	731-TA-24	United Kingdom	Affirmative	Petition withdrawn 10/1/1980
1982	701-TA-110	Belgium	Negative	---
1982	701-TA-111	France	Negative	---
1982	701-TA-112	Italy	Negative	---
1982	701-TA-113	Luxembourg	Negative	---
1982	701-TA-114	Netherlands	Negative	---
1982	701-TA-115	United Kingdom	Negative	---
1982	701-TA-116	West Germany	Negative	---
1982	701-TA-158	Spain	Affirmative	ITA revoked 8/21/1985
1982	701-TA-173	Korea	Affirmative	ITA revoked 10/10/1985
1982	731-TA-75	Belgium	Negative	---
1982	731-TA-76	France	Negative	---
1982	731-TA-77	Italy	Negative	---
1982	731-TA-78	Luxembourg	Negative	---
1982	731-TA-79	Netherlands	Negative	---
1982	731-TA-80	United Kingdom	Negative	---
1982	731-TA-81	West Germany	Negative	---
1984	701-TA-212	Australia	Affirmative	ITA negative 5/10/1984
1984	701-TA-233	Austria	Negative	---
1984	701-TA-234	Venezuela	Negative	---
1984	731-TA-178	Australia	Affirmative	Petition withdrawn 1/18/1985
1984	731-TA-179	South Africa	Affirmative	Petition withdrawn 6/7/1984
1984	731-TA-180	Spain	Affirmative	Petition withdrawn 1/18/1985
1984	731-TA-230	Austria	Negative	---
1984	731-TA-231	East Germany	Negative	---
1984	731-TA-232	Romania	Negative	---
1984	731-TA-233	Venezuela	Negative	---
1992	701-TA-348	France	Affirmative	Order revoked after 2nd review, 12/15/2005
1992	701-TA-349	Germany	Affirmative	Order revoked after 2nd review, 4/1/2004
1992	701-TA-350	Korea	Affirmative	Order revoked after 3rd review, 2/14/2012
1992	701-TA-351	Mexico	Negative	---

Table continued.

Table I-2
CORE: Previous and related Commission proceedings and status of orders

Date	Number	Country	ITC original determination	Current status
1992	701-TA-352	New Zealand	Negative	---
1992	701-TA-353	Sweden	Negative	---
1992	731-TA-612	Australia	Affirmative	Order revoked after 2nd review, 12/15/2005
1992	731-TA-613	Brazil	Negative	---
1992	731-TA-614	Canada	Affirmative	Order revoked after 2nd review, 12/15/2005
1992	731-TA-615	France	Affirmative	Order revoked after 2nd review, 12/15/2005
1992	731-TA-616	Germany	Affirmative	Order revoked after 3rd review, 2/14/2012
1992	731-TA-617	Japan	Affirmative	Order revoked after 2nd review, 12/15/2005
1992	731-TA-618	Korea	Affirmative	Order revoked after 3rd review, 2/14/2012
1992	731-TA-619	Mexico	Negative	---
1992	731-TA-620	Taiwan	Negative	---
2016	701-TA-534	China	Affirmative	Order continued after 1st review 8/17/2022
2016	701-TA-535	India	Affirmative	Order continued after 1st review 8/17/2022
2016	701-TA-536	Italy	Affirmative	Order continued after 1st review 8/17/2022
2016	701-TA-537	South Korea	Affirmative	Order continued after 1st review 8/17/2022
2016	731-TA-1274	China	Affirmative	Order continued after 1st review 8/17/2022
2016	731-TA-1275	India	Affirmative	Order continued after 1st review 8/17/2022
2016	731-TA-1276	Italy	Affirmative	Order continued after 1st review 8/17/2022
2016	731-TA-1277	South Korea	Affirmative	Order continued after 1st review 8/17/2022
2016	731-TA-1278	Taiwan	Affirmative	Order continued after 1st review 8/17/2022
2024	701-TA-733	Brazil	Preliminary affirmative	Final phase pending
2024	701-TA-734	Canada	Preliminary affirmative	Final phase pending
2024	701-TA-735	Mexico	Preliminary affirmative	Final phase pending
2024	701-TA-736	Vietnam	Preliminary affirmative	Final phase pending
2024	731-TA-1702	Australia	Preliminary affirmative	Final phase pending
2024	731-TA-1703	Brazil	Preliminary affirmative	Final phase pending
2024	731-TA-1704	Canada	Preliminary affirmative	Final phase pending
2024	731-TA-1705	Mexico	Preliminary affirmative	Final phase pending
2024	731-TA-1706	Netherlands	Preliminary affirmative	Final phase pending
2024	731-TA-1707	South Africa	Preliminary affirmative	Final phase pending
2024	731-TA-1708	Taiwan	Preliminary affirmative	Final phase pending
2024	731-TA-1709	Turkey	Preliminary affirmative	Final phase pending
2024	731-TA-1710	United Arab Emirates	Preliminary affirmative	Final phase pending
2024	731-TA-1711	Vietnam	Preliminary affirmative	Final phase pending.

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.

In addition, diffusion-annealed, nickel-plated steel, with certain exclusions, as a subset of coated steel (which also included CORE) was covered under steel safeguard measures on certain carbon and alloy steel that were effective from March 5, 2002 to December 4, 2003.[13]

Commerce's five-year review

Commerce announced that it would conduct an expedited review with respect to the order on imports of nickel plate from Japan with the intent of issuing the final results of this review based on the facts available not later than January 1, 2025.[14] Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at https://access.trade.gov/public/FRNoticesListLayout.aspx and subsequently on the Commission's Electronic Document Information System ("EDIS"). 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 nickel plate from Japan are noted in the sections titled "The original investigation" and "U.S. imports," if applicable.

[13] Presidential Proclamation 7741: To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products, December 4, 2003, 68 FR 68483, December 8, 2003.

[14] Letter from Alex Villanueva, Senior Director, Office I, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, October 31, 2024.

The product

Commerce's scope

Commerce has defined the scope as follows:

> *The diffusion-annealed, nickel-plated flat-rolled steel products included in this order are flat-rolled, cold-reduced steel products, regardless of chemistry; whether or not in coils; either plated or coated with nickel or nickel-based alloys and subsequently annealed (i.e., ''diffusion-annealed''); whether or not painted, varnished or coated with plastics or other metallic or nonmetallic substances; and less than or equal to 2.0 mm in nominal thickness. For purposes of this order, ''nickel-based alloys'' include all nickel alloys with other metals in which nickel accounts for at least 80 percent of the alloy by volume.*[15]

U.S. tariff treatment

Nickel plate is imported under Harmonized Tariff Schedule of the United States ("HTS") statistical reporting numbers 7210.90.6000 and 7212.50.0000.[16] The general rate of duty is "free" for HTS subheadings 7210.90.60 and 7212.50.00.[17] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Effective September 1, 2019, nickel plate originating in China (a nonsubject country in this review) 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 nickel plate was

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[15] 84 FR 54114, October 9, 2019.

[16] HTS statistical reporting number 7210.90.6000 (Flat-rolled products of iron or nonalloy steel, electrolytically coated or plated with a base metal, other than aluminum, chromium, lead, tin, zinc, or plastic) and HTS statistical reporting number 7212.50.0000 (Flat-rolled products of iron or nonalloy steel, coated or plated, other than tin, zinc, and plastic) might contain products outside the scope of this review.

[17] The merchandise subject to this review may also be imported under the following HTS statistical reporting numbers: 7210.70.6090, 7212.40.1000, 7212.40.5000, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.90.0010, 7220.90.0015, 7225.99.0090, and 7226.99.0180. USITC, HTS (2024) Revision 9, Publication 5548, September 2024, pp. 72-17, 72-19.

reduced to 7.5 percent.[18] Effective September 27, 2024, the section 301 duty for nickel plate originating in China was increased from an additional 7.5 percent to an additional 25 percent ad valorem duty.[19]

Effective March 23, 2018, nickel 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.[20] Effective April 1, 2022, Japan is exempt from the section 232 duties, however, Japan is subject to a tariff-rate quota ("TRQ") and imports above the quota level are subject to section 232 duties. The annual limit for the TRQ categories that contain nickel plate and out-of-scope products originating in Japan was 71,000,969 kilograms (78,265 short tons) in 2023.[21]

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[18] 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 subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2024) Revision 8, Publication 5537, August 2024, pp. 99-III-88 – 99-III-102, 99-III-313.

[19] 89 FR 76581, September 18, 2024; See also HTS heading 9903.91.01 and U.S. 31(a) and 31(b) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2024) Revision 9, USITC Publication 5548, September 2024, pp. 99-III-269 – 99-III-273, 99-III-330.

[20] Section 232 import duties on steel articles currently covers 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, 2025. 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; 89 FR 48233, June 5, 2024; 89 FR 57347, July 15, 2024.

[21] See also HTS heading 9903.80.01 and U.S. notes 16(a), 16(b), and 16(g) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2024) Revision 9, USITC Publication 5548, September 2024, pp. 99-III-5–99-III-8, 99-III-287. U.S. Customs and Border Protection ("CBP"), "Japan and UK Steel TRQ Usage 2023," February 12, 2024, https://www.cbp.gov/sites/default/files/assets/documents/2024-Feb/Japan_and_UK_Steel_TRQ_2023_Annual_Totals.pdf. See Quota ID 9903.81.32 "Flat rolled products, hot dipped," and Quota ID 9903.81.33 "Flat rolled products, coated."

Description and uses[22]

Nickel plate is a flat-rolled steel product, plated or coated with nickel or with a nickel-based alloy and subsequently annealed. Annealing after nickel plating causes the formation of a thin layer of iron-nickel alloy between the steel substrate and the nickel coating, which prevents the nickel coating from flaking or separating away from the substrate during fabrication operations. The principal application for nickel plate is for fabricating the cans and end caps of alkaline and lithium batteries.[23] Nickel plate is used for that purpose because of its strength and formability which permits the forming of deep-drawn cans, and because of the resistance of the nickel coating to corrosion by the electrolyte in the batteries. Additionally, diffusion of iron from the substrate through the nickel coating to the outer surface of the strip enhances the electrical conductivity between the electrolyte and the metal can. Because of its resistance to corrosion, nickel plate is also used to manufacture fuel, power-steering, and other automotive fluid lines.

[22] Unless otherwise noted, this information is based on Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan, Investigation No. 731-TA-1206 (Review), USITC Publication 4971, September 2019 ("First review publication"), p. I-7.

[23] Nickel plate is used in cylindrical cells that are incorporated in some batteries for electric vehicles, however, it is not used in other types called prismatic or pouch cells. Domestic interested party's response to the notice of institution, October 3, 2024, p. 18.

Manufacturing process[24]

The manufacture of nickel plate begins with hot-rolled, low-carbon-steel strip. For battery applications, the hot-rolled steel must meet "consistently high standards of steel cleanliness" and have "excellent shape and a low crown profile."[25] The hot-rolled strip is first uncoiled prior to passing through a pickling line in which the strip is cleaned with acid to remove surface oxides. The cleaned steel is then slit into multiple coils of narrower widths suitable for further processing. It is then reduced to its ordered thickness via a series of passes through a cold-rolling mill.[26] The steel next undergoes electrolytic cleaning to remove oils and contamination from the cold-rolling process, followed by electroplating with nickel.[27]

After nickel-plating, the steel is annealed to restore the ductility lost from undergoing the cold-reduction process by heating it to a temperature at which recrystallization occurs, followed by controlled cooling. In the case of nickel plate, annealing also produces the formation of, through diffusion of nickel and iron atoms, a thin layer of nickel-iron alloy between the steel substrate and the nickel coating. This diffused alloy layer improves the adherence of the nickel coating to the steel to prevent separation during fabrication of battery cans, end caps, and other finished products. The diffused alloy layer also enhances the electrical conductivity between the electrolyte in a battery and the battery can.

Nickel plate can undergo either batch or continuous annealing. For batch annealing, coils of steel are subjected to a long heat-treating cycle by varying the temperature within a furnace that surrounds them. For continuous annealing, the steel is uncoiled and passed through one or more furnaces; the heat-treating cycle is determined by the temperature distribution within the furnaces and the rate at which the steel passes through the furnaces. After annealing, nickel plate is rolled on a temper mill. Temper rolling reduces the thickness of the steel very slightly but has the primary purpose of improving the shape (flatness) of the steel, establishing surface roughness, and suppressing yield-point elongation (a property that is present in the "as-annealed" state for almost all steel but could result in defects during fabrication). Finishing operations on nickel plate may include slitting to the ordered width and packaging for shipment.

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[24] Unless otherwise noted, this information is based on first review publication, pp. I-7-I-8.

[25] Cleanliness requirements include minimization of the number of non-metallic inclusions and the control of their shape and size.

[26] The cold-rolling mill may be a reversing mill in which several reduction passes of the strip are made in back-and-forth directions, or a tandem mill comprising several individual mill stands through which the strip passes consecutively.

[27] Electrolytic cleaning and electroplating may be combined together into a single processing line.

The industry in the United States

U.S. producers

During the final phase of the original investigation, the Commission received a U.S. producer questionnaire from one firm, Thomas, which accounted for all U.S. production of nickel plate in the United States during 2013.[28] During the first expedited five-year review, Thomas reported that it accounted for the vast majority of domestic production of nickel plate and identified two other companies that it believed might produce nickel plate in the United States.[29]

In response to the Commission's notice of institution in this current review, Thomas reported that it is the only known U.S. producer of nickel plate and that it accounted for all known production of nickel plate in the United States during 2023.[30]

[28] Original publication, p. I-3.

[29] First review publication, p. I-9.

[30] Domestic interested party's response to the notice of institution, October 3, 2024, pp. 16 and exh. 1.

Recent developments

Table I-3 presents events in the U.S. industry since the Commission's last five-year review.[31]

Table I-3
Nickel plate: Developments in the U.S. industry

Item	Firm	Event
Expansion and hiring	Thomas	March 2021–Thomas was reportedly investing $8.5 million and hiring 42 new employees at its plant in Warren, Ohio. The expansion was intended to support the firm's plans to enter the rechargeable battery market. The company also received a $100,000 grant from JobsOhio to purchase new equipment at the plant in support of this expansion. No further updates on the status of the expansion were available as of November 2024.
New AD/CVD investigations (CORE)	Multiple	September 2024–Several U.S. steel producers and a labor union filed petitions with the Commission and Commerce, alleging that the U.S. industry is materially injured and threatened with material injury by reason of subsidized and/or and less-than-fair-value imports of certain corrosion-resistant steel products (inclusive of DANP) from Australia, Brazil, Canada, Mexico, Netherlands, South Africa, Taiwan, Turkey, United Arab Emirates, and Vietnam. In October 2024, the Commission reached affirmative determinations in the preliminary phase of these investigations.

Source: The Business Journal, "Thomas Steel to Hire as It Enters Rechargeable Battery Market," March 18, 2021, https://businessjournaldaily.com/thomas-steel-to-hire-as-it-enters-rechargeable-battery-market/; USITC, "USITC Votes to Continue Investigations on Corrosion-Resistant Steel Products," news release, October 18, 2024, https://www.usitc.gov/press_room/news_release/2024/er1018_66028.htm; Corrosion-Resistant Steel Products from Australia, Brazil, Canada, Mexico, Netherlands, South Africa, Taiwan, Turkey, United Arab Emirates, and Vietnam, Investigation Nos. 701-TA-733-736 and 731-TA-1702-1711 (Preliminary), USITC Publication 5558, October 24, pp. 1–4, I-1.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year review. Table I-4 presents a compilation of the trade and financial data submitted from the responding U.S. producer in the original investigation, subsequent five-year review, and current five-year review.

[31] For recent developments in tariff treatment, please see "U.S. tariff treatment" section.

Table I-4
Nickel 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	2013	2018	2023
Capacity	Quantity	***	***	***
Production	Quantity	***	***	***
Capacity utilization	Ratio	***	***	***
U.S. shipments	Quantity	***	***	***
U.S. shipments	Value	***	***	***
U.S. shipments	Unit value	***	***	***
Net sales	Value	***	***	***
COGS	Value	***	***	***
COGS to net sales	Ratio	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Operating income or (loss) to net sales	Ratio	***	***	***

Source: For the years 2013 and 2018, data are compiled using data submitted in the Commission's original investigation and first five-year review. For the year 2023, data are compiled using data submitted by the domestic interested party. Domestic interested party's response to the notice of institution, October 3, 2024, exh. 1.

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

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.[32]

In its original determination and its expedited first five-year review determination, the Commission defined a single domestic like product consisting of diffusion-annealed, nickel-plated flat-rolled steel products, as coextensive with Commerce's scope. In its original determination and its expedited first five-year review determination, the Commission defined the domestic industry as the domestic producer of diffusion-annealed, nickel-plated flat-rolled steel products.[33] The ongoing CORE investigations include DANP in their scope, and the Commission defined a single domestic like product in the preliminary phase of those investigations.[34]

[32] Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

[33] 89 FR 71424, September 3, 2024.

[34] Corrosion-Resistant Steel Products from Australia, Brazil, Canada, Mexico, Netherlands, South Africa, Taiwan, Turkey, United Arab Emirates, and Vietnam, Investigation Nos. 701-TA-733-736 and 731-TA-1702-1711 (Preliminary), USITC Publication 5558, October 2024, pp. 6-9.

U.S. importers

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from four firms, which accounted for more than 90 percent of total U.S. imports of nickel plate from Japan between 2011 and 2013.[35] Import data presented in the original investigation are based on questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested party provided a list of four firms that may have imported nickel plate.[36] Import data presented in the first review are based on official Commerce statistics.

In this current review, the Commission again did not receive responses from any respondent interested parties, but in its response to the Commission's notice of institution, the domestic interested party provided a list of seven potential U.S. importers of nickel plate.[37]

[35] Original publication, p. IV-1.
[36] First review publication, p. I-11.
[37] Domestic interested party's response to the notice of institution, October 3, 2024, exh. 1.

U.S. imports

Table I-5 presents the quantity, value, and unit value of U.S. imports from Japan as well as the other top sources of U.S. imports (shown in descending order of 2023 imports by quantity).

Table I-5
Nickel plate: U.S. imports, by source and period

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

U.S. imports from	Measure	2019	2020	2021	2022	2023
Japan	Quantity	45,064	29,446	25,590	38,442	45,588
Germany	Quantity	2,260	4,741	4,530	4,935	4,999
South Korea	Quantity	632	869	1,398	1,579	2,610
Brazil	Quantity	---	3	110	10	666
All other sources	Quantity	888	1,568	1,688	2,277	1,480
Nonsubject sources	Quantity	3,779	7,181	7,726	8,800	9,756
All import sources	Quantity	48,844	36,626	33,315	47,242	55,344
Japan	Value	75,015	55,143	49,368	95,183	116,981
Germany	Value	5,127	9,843	10,073	14,022	14,364
South Korea	Value	581	1,568	2,809	3,365	3,841
Brazil	Value	---	11	339	35	1,747
All other sources	Value	2,916	2,900	3,001	5,585	2,981
Nonsubject sources	Value	8,624	14,322	16,222	23,007	22,933
All import sources	Value	83,639	69,465	65,590	118,190	139,914
Japan	Unit value	1,665	1,873	1,929	2,476	2,566
Germany	Unit value	2,269	2,076	2,224	2,841	2,873
South Korea	Unit value	920	1,804	2,009	2,132	1,472
Brazil	Unit value	---	3,982	3,068	3,614	2,622
All other sources	Unit value	3,285	1,849	1,778	2,453	2,014
Nonsubject sources	Unit value	2,282	1,994	2,100	2,614	2,351
All import sources	Unit value	1,712	1,897	1,969	2,502	2,528

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 7212.50.0000 and 7210.90.6000, accessed October 16, 2024. These data may be overstated as HTS statistical reporting numbers 7212.50.0000 and 7210.90.6000 may contain products outside the scope of this review.

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

Note: Brazil, along with Australia, Brazil, Canada, Mexico, Netherlands, South Africa, Taiwan, Turkey, United Arab Emirates, and Vietnam, is subject to an ongoing antidumping/countervailing duty investigation on CORE, the scope of which includes nickel plate.

Apparent U.S. consumption and market shares

Table I-6 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-6
Nickel 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	2013	2018	2023
U.S. producers	Quantity	***	***	***
Japan	Quantity	***	26,740	45,588
Nonsubject sources	Quantity	***	10,499	9,756
All import sources	Quantity	***	37,239	55,344
Apparent U.S. consumption	Quantity	***	***	***
U.S. producers	Value	***	***	***
Japan	Value	***	45,508	116,981
Nonsubject sources	Value	***	24,297	22,933
All import sources	Value	***	69,805	139,914
Apparent U.S. consumption	Value	***	***	***
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	***	***	***
Japan	Share of value	***	***	***
Nonsubject sources	Share of value	***	***	***
All import sources	Share of value	***	***	***

Source: For the years 2013 and 2018, data are compiled using data submitted in the Commission's original investigation and first five-year review. For the year 2023, 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 numbers 7212.50.0000 and 7210.90.6000, accessed October 16, 2024.

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: For 2013, apparent U.S. consumption is derived from U.S. shipments of imports, rather than U.S. imports.

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, the Commission received foreign producer/exporter questionnaires from three firms, which accounted for approximately *** percent of production of nickel plate in Japan during 2013, and all exports to the United States of nickel plate from Japan during 2011 to 2013.[38]

Although the Commission did not receive responses from any respondent interested parties in its first five-year review, the domestic interested party provided a list of seven possible producers of nickel plate in Japan in that proceeding.[39]

The Commission also did not receive responses from any respondent interested parties in this five-year review, but the domestic interested party provided a list of eleven possible producers or exporters of nickel plate in Japan.[40]

Recent developments

The domestic interested party contends that Japanese producers have made investments to expand their nickel plate production capacity since the order went into place.[41] Furthermore, some Japanese producers are able to make nickel plate using equipment that was designed to produce out-of-scope tin mill products.[42] The domestic interested party claims that Japanese producers Toyo Kohan Co., Ltd. ("Toyo") and Nippon Steel Corporation can increase production and exports by converting equipment designed to make tin mill products to nickel plate production or use "swing" lines to manufacture either product. [43]

Table I-7 presents developments in the Japanese nickel plate industry during the period of review for this current review.

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[38] Investigation Nos. 731-TA-1206 (Final): Diffusion-Annealed Nickel-Plated Flat-Rolled Steel Products from Japan, Confidential Report, INV-MM-031, April 21, 2014, p. IV-1 ("Original confidential report"), p. VII-3.

[39] First review publication, p. I-23.

[40] Domestic interested party's response to the notice of institution, October 3, 2024, exh. 1.

[41] Domestic interested party's response to the notice of institution, October 3, 2024, p. 8.

[42] Domestic interested party's response to the notice of institution, October 3, 2024, pp. 9-10.

[43] Domestic interested party's response to the notice of institution, October 3, 2024, pp. 9-10.

Table I-7
Nickel plate: Developments in the Japanese industry

Item	Firm	Event
Expansion	Toyo	February 2021–Toyo expanded production capacity of nickel plate made for batteries used in hybrid electric vehicles by adding a new production line. The new capacity came online in September 2022. Toyo operated a manufacturing facility in Kudamatsu, Yamaguchi Prefecture, that produced nickel plate and other products.
Expansion	Toyo	March 2021–Expanded capacity of nickel plate made for batteries used in fully electric vehicles. Toyo operated a manufacturing facility in Kudamatsu, Yamaguchi Prefecture.
New recycling plants	Sumitomo Metal Mining	March 2024–Sumitomo announced plans to build recycling plants to recover minerals and metals, including copper, nickel, cobalt, and lithium, from used lithium-ion batteries. The new plants will be built in the Toyo Smelter and Refinery in Saijo City, Ehime Prefecture, and the Sumitomo Niihama Nickel Refinery in Niihama City, Ehime Prefecture. Construction is scheduled to last from 2024 through June 2026. The minerals and metals recovered at the new recycling plants can be used in the production of materials for new batteries.

Source: Domestic interested party's response to the notice of institution, October 3, 2024, p. 9; Toyo Seikan Group Holdings, Ltd., "FY2021 Half Year Financial Results Briefing," November 9, 2021, p. 27, https://ssl4.eir-parts.net/doc/5901/ir_material_for_fiscal_ym4/109628/00.pdf; Toyo Kohan Co., Ltd., Kudamatsu Plant Profile, https://www.tkworks.jp/contents/wp-content/uploads/2024/02/en_kudatamatsu_profile.pdf, accessed October 30, 2024; Sumitomo Metal Mining, "Sumitomo Metal Mining to Build Recycling Plants for Lithium Ion Batteries," March 28, 2024, https://www.smm.co.jp/en/news/release/uploaded_files/20240328_EN.pdf.

Exports

Table I-8 presents export data for coated or plated flat-rolled nonalloy steel, a category that includes nickel plate and out of scope products, from Japan (by export destination in descending order of quantity for 2023). The United States, China, India, Singapore, and South Korea were the leading export destinations in 2023, accounting for 42.4 percent, 19.7 percent, 9.0 percent, 7.9 percent, and 7.4 percent, respectively, of total exports from Japan in 2023. Exports fluctuated from 2019 to 2023. Overall, total exports from Japan under these categories decreased irregularly by 8.1 percent from 2019 to 2023.

Table I-8
Coated or plated flat-rolled nonalloy steel: Quantity of exports from Japan, by destination and period

Quantity in short tons

Destination market	2019	2020	2021	2022	2023
United States	46,137	31,559	29,519	42,430	47,103
China	19,562	19,947	33,198	35,366	21,864
India	9,093	6,213	17,937	10,866	9,972
Singapore	6,265	6,937	9,832	6,976	8,739
South Korea	17,105	6,095	5,880	10,333	8,243
Thailand	8,198	5,911	7,916	7,673	6,448
Indonesia	3,019	2,164	2,633	2,650	2,299
Malaysia	2,280	2,127	3,188	2,222	1,772
Taiwan	1,043	572	790	1,876	1,693
Mexico	1,508	1,203	1,311	571	1,121
All other markets	6,699	4,218	5,614	3,580	1,828
All markets	120,909	86,946	117,818	124,543	111,082

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 7210.90 and 7212.50, accessed October 15, 2024. These data may be overstated as HS subheadings 7210.90 and 7212.50 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, nickel plate from Japan has not been subject to other antidumping or countervailing duty investigations outside the United States.

The global market

Table I-9 presents global export data for coated or plated flat-rolled nonalloy steel, a category that includes nickel plate and out of scope products (by source in descending order of quantity for 2023). China, India, Japan, Germany, and South Korea were the leading exporters in 2023, accounting for 40.5 percent, 15.2 percent, 7.6 percent, 5.2 percent, and 5.0 percent, respectively, of total global exports. The top five exporters accounted for a combined 73.6 percent of global exports in 2023. Overall exports in 2023 were 35.6 percent higher than the level in 2022.

Table I-9
Coated or plated flat-rolled nonalloy steel: Quantity of global exports by country and period

Quantity in short tons

Exporting country	2019	2020	2021	2022	2023
China	124,425	131,040	191,103	201,768	589,925
India	58,343	73,230	183,692	68,772	221,480
Japan	120,909	86,946	117,818	124,543	111,082
Germany	81,164	74,061	83,324	76,834	75,872
South Korea	137,239	225,179	84,944	78,807	73,360
Belgium	70,574	65,374	72,923	65,617	57,274
United States	51,388	45,496	42,719	51,516	48,169
Italy	54,973	47,193	55,573	54,185	41,848
Austria	54,241	31,539	40,864	46,277	34,587
Spain	22,016	22,387	25,323	32,382	32,974
All other exporters	377,033	281,481	282,097	273,778	170,028
All exporters	1,152,305	1,083,926	1,180,380	1,074,479	1,456,599

Source: Global Trade Information Services, Inc., Global Trade Atlas, HS subheadings 7210.90 and 7212.50, accessed October 15, 2024. These data may be overstated as HS subheadings 7210.90 and 7212.50 may contain products outside the scope of this review.

Note: Because of rounding, figures may not add to total shown. Vietnam was a leading exporter from 2019 to 2022 but data were not available for 2023. Exports from Vietnam: 2019, 128,599 short tons; 2020, 53,300 short tons; 2021, 54,681 short tons; and 2022, 58,083 short tons.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
89 FR 71424, September 3, 2024	Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products From Japan; Institution of a Five-Year Review	https://www.govinfo.gov/content/pkg/FR-2024-09-03/pdf/2024-19640.pdf
89 FR 71252, September 3, 2024	Initiation of Five-Year (Sunset) Reviews	https://www.govinfo.gov/content/pkg/FR-2024-09-03/pdf/2024-19716.pdf

APPENDIX B

RESPONSES TO THE NOTICE OF INSTITUTION

Response to the Commission's notice of institution

Individual response

The Commission received one submission in response to its notice of institution in the subject review from Thomas Steel Strip Corporation ("Thomas"), a domestic producer of nickel 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 number of responses and estimates of coverage for each is shown in table B-1.

Table B-1
Nickel plate: Summary of responses to the Commission's notice of institution

Interested party type	Number	Coverage
U.S. producer	1	100%

Note: The U.S. producer coverage figure presented is the domestic interested party's estimate of its share of total U.S. production of nickel plate during 2023. Domestic interested party's response to the notice of institution, October 3, 2024, 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 expedited or full reviews from Thomas. Thomas requests that the Commission conduct an expedited review of the antidumping duty order on nickel plate.[1]

[1] Domestic interested party's comments on adequacy, November 12, 2024, p. 1.

Company-specific information

Table B-2
Nickel plate: Response checklist for U.S. producer

Yes = provided response; not known = information was not known

Item	Thomas Steel Strip Corporation
Nature of operation	Yes
Statement of intent to participate	Yes
Statement of likely effects of revoking the order	Yes
U.S. producer list	Yes
U.S. importer/foreign producer list	Yes
List of 3-5 leading purchasers	Yes
List of sources for national/regional prices	Not known
Trade/financial data	Yes
Changes in supply/demand	Yes
Complete response	Yes

APPENDIX C

SUMMARY DATA

Table C-1 is confidential in its entirety.

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 five firms as top purchasers of diffusion-annealed, nickel-plated flat-rolled steel products: ***. Purchaser questionnaires were sent to these five firms and one firm (***) submitted a response to the Commission's request for information.

1. Have there been any significant changes in the supply and demand conditions for diffusion-annealed, nickel-plated flat-rolled steel products that have occurred in the United States or in the market for diffusion-annealed, nickel-plated flat-rolled steel products in Japan since January 1, 2019?

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

2. Do you anticipate any significant changes in the supply and demand conditions for diffusion-annealed, nickel-plated flat-rolled steel products in the United States or in the market for diffusion-annealed, nickel-plated flat-rolled steel products in Japan within a reasonably foreseeable time?

Purchaser	Yes / No	Anticipated changes
***	***	***