Foundry Coke from China

Investigation No. 731-TA-891 (Third Review)

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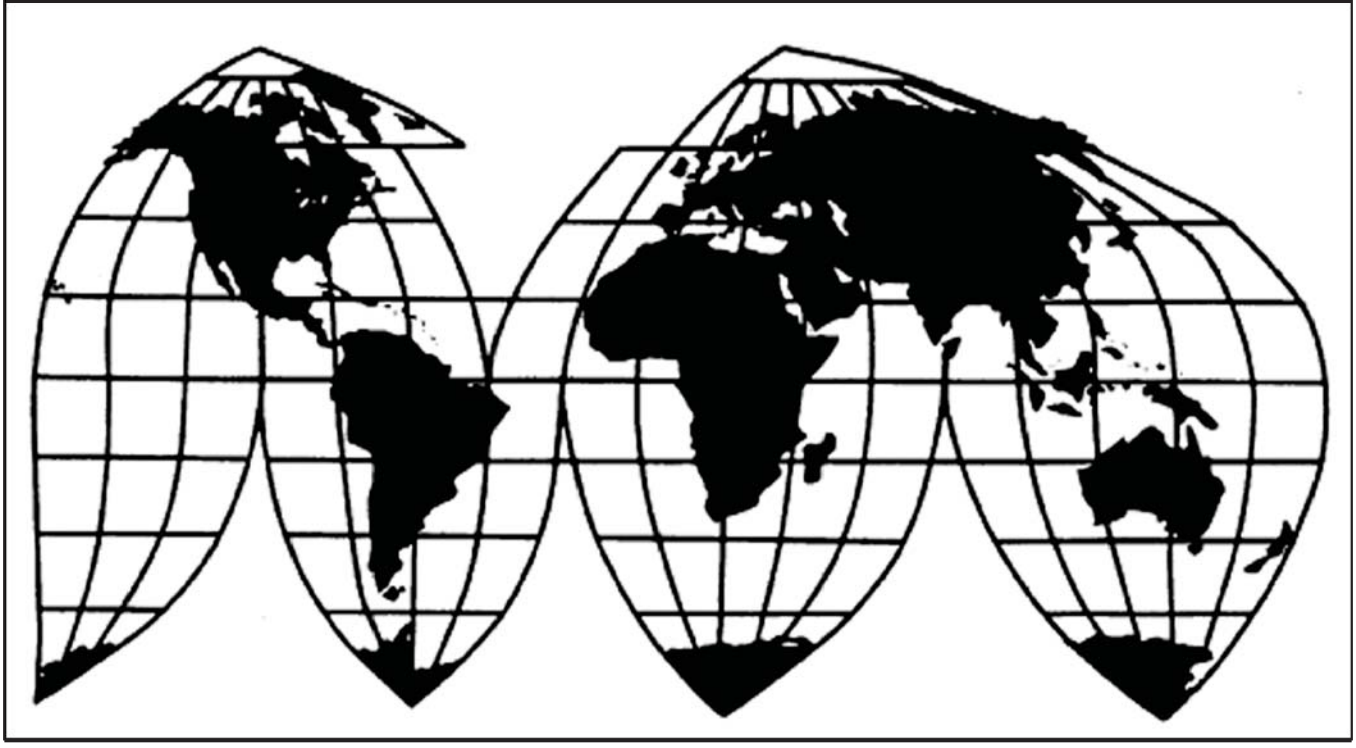
U.S. International Trade Commission



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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-891 (Third Review)

Foundry Coke from China

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 foundry coke from China 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, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted this review on May 1, 2017 (82 F.R. 20381) and determined on August 4, 2017 that it would conduct a full review (82 F.R. 41053, August 29, 2017). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on October 26, 2017 (82 F.R. 49660). The hearing was cancelled on February 20, 2018 at the request of the domestic interested parties (83 FR 39, February 27, 2018).

[1] The record is defined in sec. 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 imports of foundry coke from China 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. The original investigation resulted from petitions filed by ABC Coke, Citizens Gas & Coke Utility, Erie Coke, Tonawanda Coke, and the USW/AFL-CIO on September 20, 2000, alleging that an industry in the United States was materially injured and threatened with material injury by reason of imports of foundry coke from China alleged to be sold at less-than-fair-value ("LTFV").[1] In September 2001, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of foundry coke from China.[2] On September 17, 2001, the U.S. Department of Commerce ("Commerce") issued an antidumping duty order on foundry coke from China.[3]

First Five-Year Review. On August 1, 2006, the Commission instituted the first five-year review of the antidumping duty order on foundry coke from China. The Commission conducted an expedited review,[4] and made an affirmative determination in December 2006.[5] On January 10, 2007, Commerce published its notice of continuation of the antidumping duty order on foundry coke from China.[6]

Second Five-Year Review. On December 1, 2011, the Commission instituted the second five-year review of the antidumping duty order on foundry coke from China.[7] The Commission conducted an expedited review,[8] and made an affirmative determination in May 2012.[9] On June 8, 2012, Commerce published its notice of continuation of the antidumping duty order on foundry coke from China.[10]

Current Five-Year Review. On May 1, 2017, the Commission instituted this five-year review.[11] The Commission received a joint response[12] to the notice of institution and a

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[1] 65 Fed. Reg. 58103 (Sept. 27, 2000).

[2] *Foundry Coke from China*, Inv. No. 731-TA-891 (Final), USITC Pub. 3449 (Sept. 2001) ("Original Determination").

[3] 66 Fed. Reg. 48025 (Sept. 17, 2001).

[4] 71 Fed. Reg. 67161 (Nov. 20, 2006).

[5] *Foundry Coke from China*, Inv. No. 731-TA-891 (Review), USITC Pub. 3897 (Dec. 2006) ("First Review").

[6] 72 Fed. Reg. 1214 (Jan. 10, 2007).

[7] 76 Fed. Reg. 74810 (Dec. 1, 2011).

[8] 77 Fed. Reg. 15123 (Mar. 14, 2012).

[9] *Foundry Coke from China*, Inv. No. 731-TA-891 (Second Review), USITC Pub. 4326 (May 2012) ("Second Review").

[10] 77 Fed. Reg. 34012 (June 8, 2012).

[11] 82 Fed. Reg. 20381 (May 1, 2017).

prehearing brief[13] from ABC Coke, Erie Coke, and Tonawanda Coke Corp., domestic producers of foundry coke (collectively "Domestic Interested Parties"). It did not receive a response from any respondent interested party. On August 4, 2017, the Commission found the domestic interested party group response to be adequate and the respondent interested party group response to be inadequate, but that additional circumstances warranted a full review.[14]

Data/Response Coverage. U.S. industry data for this review are based on the questionnaire responses of five U.S. producers of foundry coke believed to account for all domestic production of foundry coke in 2016.[15] The Commission issued importer questionnaires to six firms; the two firms that responded indicated that they had not imported foundry coke from any source since January 1, 2014.[16] U.S. import data are therefore based on official import statistics.[17] No foreign producer of subject merchandise responded to the Commission's questionnaire.[18] Foreign industry data and related information are based on information from the original investigation and prior reviews and publicly available data.[19]

II. Domestic Like Product and Domestic 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."[20] The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[21] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original determinations and consider whether the record indicates any reason to revisit the prior findings.[22]

(…Continued)

[12] ABC Coke, Erie Coke, and Tonawanda Coke Corporation Response to Notice of Institution ("Response") (May 31, 2017).

[13] ABC Coke, Erie Coke, and Tonawanda Coke Corporation Prehearing Brief (Feb. 14, 2018).

[14] Explanation of Commission Determination on Adequacy (Aug. 10, 2017) (EDIS Doc. 619575).

[15] Confidential Report ("CR"), Memorandum INV-QQ-032 at I-10, Public Report ("PR") at I-6.

[16] CR at IV-2, PR at IV-2.

[17] CR at I-10, PR at I-6.

[18] CR at I-10, PR at I-6.

[19] *See* CR at IV-5-10, PR at IV-4-6.

[20] 19 U.S.C. § 1677(4)(A).

[21] 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).

[22] *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.
(Continued…)

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

> [C]oke larger than 100mm (4 inches) in maximum diameter and at least 50 percent of which is retained on a 100 mm (4 inch) sieve, of a kind used in foundries. The foundry coke products subject to the antidumping duty order were classifiable under subheading 2704.00.00.10 (as of January 1, 2000) and are currently classifiable under subheading 2704.00.00.11 (as of July 1, 2000) of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of the order is dispositive.[23]

Commerce's scope has remained the same since the original investigation.

Foundry coke is a substance produced through the heating and distillation of coal and is primarily used as a fuel in the production of metals. In addition to foundry coke, there are two other subgroups of metallurgical coke: blast furnace coke and industrial coke (including coke breeze). The three types of metallurgical coke are distinguished by their size, shape, and chemical properties.[24]

Foundry coke is used in cupola furnaces to produce molten iron. It functions as both a fuel to melt scrap or pig iron with other compounds and as a source of carbon for the melted product. The resulting molten iron is used to make various cast products such as automobile engines. Consequently, metallurgical coke must have good strength, low ash content, and a relatively uniform shape and size in order to be categorized as foundry coke. Blast furnace coke is used in an iron-making blast furnace to produce steel; it requires higher temperatures and shorter coking times, and therefore does not need to be of a uniform shape or size. Metallurgical coke that is not used in blast furnaces or foundries (either because of size, carbon content, or ash content) is defined as industrial coke. This includes coke breeze, fine screenings from crushed coke that are predominantly used as a fuel in the process of agglomerating iron.[25]

Original Investigation and Prior Reviews. In the prior proceedings, the Commission found a single domestic like product consisting of foundry coke, coextensive with the scope definition.[26]

Current Review. In the current five-year review, Domestic Interested Parties state that they agree with the Commission's definition of the domestic like product in the original

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(…Continued)
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).

[23] 82 Fed. Reg. 41598 (Sept. 1, 2017).

[24] CR at I-14, PR at I-9.

[25] CR at I-13, PR at I-8.

[26] Original Determination, USITC Pub. 3449 at 5; First Review, USITC Pub. 3897 at 4; Second Review, USITC Pub. 4326 at 5.

investigation and prior reviews.[27] Further, there is nothing in the record of this third five-year review indicating that the characteristics of foundry coke have changed since the prior proceedings.[28] Consequently, we define a single domestic like product consisting of all foundry coke, coextensive with the 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."[29] 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.

Original Investigation and Prior Reviews. In the original investigation and prior five-year reviews, the Commission found a single domestic industry, consisting of all domestic producers of foundry coke.[30] In the original investigation, the Commission found that appropriate circumstances did not exist to exclude any related party. [31] There were no related party issues in the prior reviews.[32]

Current Review. Domestic Interested Parties agree with the Commission's definition of the domestic industry in the prior proceedings.[33] As no domestic producer imported subject merchandise during the January 2014-September 2017 period of review or is related to an importer or exporter of subject merchandise from China, there are no related party issues in this review.[34] Based on the information available, we consequently define the domestic industry as all domestic producers of foundry coke.

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[27] Response at 22.

[28] *See generally* CR at I-13-17, PR at I-8-11.

[29] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply 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.

[30] Original Determination, USITC Pub. 3449 at 6; First Review, USITC Pub. 3897 at 5; Second Review, USITC Pub. 4326 at 6.

[31] *See* Original Determination, USITC Pub. 3449 at 6.

[32] First Review, USITC Pub. 3897 at 5; Second Review, USITC Pub. 4326 at 6.

[33] *See* Response at 22.

[34] CR at III-10, PR at III-4.

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 Uruguay Round Agreements Act Statement of Administrative Acton (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]

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

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[35] 19 U.S.C. § 1675a(a).

[36] SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). 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 determinations 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'").

[39] 19 U.S.C. § 1675a(a)(5).

normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original determinations."[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; (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

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[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 this order. *See* CR at I-10 n.19, PR at I-6 n.19.

[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).

[45] 19 U.S.C. § 1675a(a)(2)(A-D).

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

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 determination.

1. Demand Conditions

In the original investigation and prior reviews, the Commission found that demand for foundry coke was derived from demand for downstream foundry products, mainly in the automotive and truck manufacturing sectors, the pipe and fittings sector, and the municipal castings sector.[50] In the original investigation, apparent U.S. consumption of foundry coke

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[46] *See* 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in determinations, 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.

[49] 19 U.S.C. § 1675a(a)(4).

[50] Original Determination, USITC Pub. 3449 at 10; First Review, USITC Pub. 3897 at 8; Second Review, USITC Pub. 4326 at 8.

increased from *** metric tons in 1998 to *** metric tons in 1999, but in 2000 declined to *** metric tons.[51]

In the first five-year review, the Commission found that apparent U.S. consumption of foundry coke was lower at *** metric tons in 2005 than it was in 2000.[52] In the second five-year review, apparent U.S. consumption of foundry coke had declined further and was *** metric tons in 2010.[53]

The drivers of demand for foundry coke in the current five-year review are unchanged from the prior proceedings. Demand continues to derive from demand for downstream foundry products, mainly in the automotive and truck manufacturing sectors, the pipe and fittings sector, and the municipal castings sector.[54] The record indicates a long-term decline in demand due to technological advancements such as the replacement of cupola furnaces with electrical induction furnaces used to reduce emissions and improve energy efficiency.[55] Apparent U.S. consumption of foundry coke fluctuated during the period of review, increasing from 2014 to 2016, but was lower in January-September ("interim") 2017 than in interim 2016. Apparent U.S. consumption was *** metric tons in 2014, *** metric tons in 2015, *** metric tons in 2016, *** metric tons in interim 2016, and *** metric tons in interim 2017.[56]

2. Supply Conditions

During the original investigation, there were seven U.S. producers of foundry coke.[57] Their production capacity increased by 1.7 percent from 1998 to 2000, primarily because of capital investments designed to retrofit, maintain, and improve efficiencies of aging batteries.[58]

During the first five-year review, there were five U.S. producers of foundry coke.[59] Information concerning the domestic industry's production capacity was not collected for the first review, but domestic production of foundry coke was higher at 1,188,232 metric tons in 2005 than it was in 2000 at 1,137,585 metric tons.[60] During the second five-year review, there

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[51] Confidential Report Original Determination, Memorandum INV-Y-154, ("Original Determination CR") at Table IV-2 (EDIS Doc. 616004) (Aug. 15, 2001).

[52] First Review, USITC Pub. 3897 at 8; Confidential First Review Determination at 10 (EDIS Doc. 616010).

[53] Second Review, USITC Pub. 4326 at 8; Confidential Second Review Determination at 11 (EDIS Doc. 638095).

[54] CR at II-7, PR at II-5.

[55] CR at II-8-9, PR at II-5-6.

[56] CR/PR at Table I-5.

[57] Original Determination CR at Table I-1, (EDIS Doc. 616004).

[58] Original Determination, USITC Pub. 3449 at 11.

[59] First Review, USITC Pub. 3897 at 8. Acme Steel and Empire Coke ceased production of foundry coke and closed their production facilities between the original investigation and the first review. First Review, USITC Pub. 3897 at 8 n.45.

[60] First Review, USITC Pub. 3897 at 8-9.

were four U.S. producers of foundry coke.[61] U.S. producers' market share was higher in 2010, at *** percent of apparent U.S. consumption, than it was in 2005 at *** percent.[62]

During the current period of review, there were five U.S. producers of foundry coke.[63] The domestic industry was *** the largest supplier to the U.S. market throughout the current period of review. Its market share was *** percent in 2014, *** percent in 2015, *** percent in 2016, *** percent in interim 2016, and *** percent in interim 2017.[64]

China was the sole source of imports in the U.S. market during the original investigation.[65] In the first review, subject imports were present in the U.S. market in small quantities in 2001 and 2002, but had been absent since 2003.[66] Subject imports were absent from the U.S. market during the second five-year review period.[67] They remained absent during the current period of review.[68]

Nonsubject import volume fluctuated during the first five-year review period and was 23,356 metric tons in 2001 and 110,274 metric tons in 2002. There were no nonsubject imports of foundry coke in 2003 or 2004, and in 2005 there were 47,032 metric tons. The primary source of nonsubject imports in 2001 and 2002 was the Netherlands. In 2005, Canada and Mexico were the principal nonsubject supply sources.[69]

Nonsubject import volume of foundry coke fluctuated during the second five-year review period. Nonsubject imports were 17,717 metric tons in 2006 and 42,407 metric tons in 2007. There were no nonsubject imports in 2008, *** metric tons in 2009, and *** metric tons in 2010.[70] The principal sources of nonsubject imports were Canada, Colombia, and Ukraine.[71]

Nonsubject imports were in the U.S. market in fluctuating quantities during the current period of review. Nonsubject imports' share of the foundry coke market was *** percent of apparent U.S. consumption in 2014, *** percent in 2015, *** percent in 2016, *** percent in

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[61] Second Review, USITC Pub. 4326 at 9. Citizens Gas & Coke utility closed coke production manufacturing operations in 2007. Second Review, USITC Pub. 4326 at 9.

[62] Second Review, USITC Pub. 4326 at 10; Confidential Second Review Determination at 12-13 (EDIS Doc. 638095).

[63] Mountain State Carbon began U.S. production operations since the prior review. *See* CR at III-2 n.4, PR at III-1 n.4. Of the current producers, ABC Coke is ***. In 2016 it accounted for *** percent of U.S. foundry coke production; no other domestic producer accounted for more than *** percent. CR/PR at Table I-4.

[64] CR/PR at Table I-5. The record also indicates that domestic producers must keep furnace batteries running nonstop to avoid damage that would occur from shutting down and restarting the equipment. Prehearing Brief at 8.

[65] Original Determination, USITC Pub. 3449 at 12.

[66] First Review, USITC Pub. 3897 at 9.

[67] Second Review, USITC Pub. 4326 at 12.

[68] CR/PR at Table IV-1.

[69] First Review, USITC Pub. 3897 at 10 n.54.

[70] Confidential Report Second Review, Memorandum INV-KK-036, ("Second Review CR"), at Table I-4 (EDIS Doc. 616007) (Apr. 2, 2012).

[71] Second Review CR at I-10 (EDIS Doc. 616007).

interim 2016, and *** percent in interim 2017.[72] Primary sources of nonsubject imports during the current period of review included Colombia, Canada, and Italy.[73]

3. Substitutability and Other Conditions

In the original investigation, the Commission found that price was an important factor in purchasing decisions, although quality was often the first consideration. It further found that the domestic like product and subject imports from China were comparable in terms of quality, availability, delivery, quantity requirements, packaging, consistency, product range, supply reliability, and transportation costs, but that the Chinese product was considered advantageous in terms of price. The Commission concluded that the domestic like product and subject imports from China were substitutable, notwithstanding differences in carbon and ash content.[74] In the two prior expedited reviews, the Commission did not find any changes in these conditions.[75]

In the current five-year review, we again find that there is a high degree of substitutability between the domestic like product and subject imports.[76] Most U.S. producers responding to Commission questionnaires described domestically produced foundry coke and foundry coke from China as always interchangeable, while a majority of responding purchasers described domestically produced foundry coke and the subject imports as frequently interchangeable.[77] Purchasers responding to Commission questionnaires most frequently identified quality as the most important factor in purchasing decisions, but also identified price most often as a top three factor in such decisions.[78] Price was also one of four factors that every responding purchaser reported as a very important consideration in purchasing decisions.[79] Consequently, we continue to find that subject imports from China are substitutable for the domestic like product and that price is important in purchasing decisions.

The record indicates that the domestic industry is subject to environmental regulations and requirements for low sulfur coke that increase costs.[80] Domestic Interested Parties argue that the extremely high cost of compliance with environmental requirements is a significant condition of competition affecting the U.S. coke industry.[81] They contend that the environmental compliance costs represent a significant ongoing cost for the domestic foundry coke industry.[82]

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[72] CR/PR at Table I-5.
[73] CR at IV-3, PR at IV-2.
[74] Original Determination, USITC Pub. 3449 at 12.
[75] First Review, USITC Pub. 3897 at 10; Second Review, USITC Pub. 4326 at 10.
[76] CR at II-10, PR at II-6-7.
[77] CR/PR at Table II-9.
[78] CR/PR at Table II-5.
[79] CR/PR at Table II-6.
[80] CR at II-8, PR at II-5.
[81] Prehearing Brief at 7-8.
[82] Prehearing Brief at 7-9.

Raw material costs accounted for approximately *** percent of the domestic industry's cost of goods sold in 2016. The main raw material for foundry coke is coal.[83]

C. Likely Volume of Subject Imports

1. The Original Investigation and Prior Reviews

In the original investigation, the Commission found that the volume and market share of subject imports from China increased substantially by quantity and value throughout the period of investigation. In absolute terms, the volume of subject imports increased from *** metric tons valued at $*** in 1998 to 119,649 metric tons valued at $13.3 million in 1999, and then to 146,785 metric tons valued at $15.8 million in 2000.[84] The Commission further found that subject imports captured a substantially increasing share of the U.S. market by quantity and value over the period of investigation at the expense of the domestic industry. Subject imports increased as a share of the U.S. market from only 1.0 percent of U.S. shipments in 1998 to 7.6 percent in 1999 and further to 11.5 percent in 2000.[85] In terms of value, subject imports' share of the market increased from 0.7 percent in 1998 to 5.7 percent in 1999, and further to 9.3 percent in 2000.[86] The Commission noted that U.S. importers continued shipping subject imports even after its affirmative preliminary determination, accounting for 6.6 percent of the volume and 6.0 percent of the value of the U.S. foundry coke market in the first quarter of 2001.[87] The Commission also observed that throughout the period of investigation, U.S. importers of foundry coke retained increasingly high end-of-period inventories. Therefore, it found that the volume and market share of subject imports, as well as the increase in the volume and market share, were significant. [88]

In the first five-year review, the Commission found that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the order were revoked. The Commission found that there was no indication that the Chinse foundry coke industry had changed significantly since the original investigation when it maintained large production capacity, had substantial unused production capacity, and was export oriented.[89]

In the second five-year review, the Commission found that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the order were revoked. The Commission observed that subject imports had been absent from the U.S. market since 2003. It found that there was no indication

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[83] CR at V-1, PR at V-1.

[84] Original Determination, USITC Pub. 3449 at 14; Confidential Original Determination at 16 (EDIS Doc. 616008).

[85] Original Determination, USITC Pub. 3449 at 14-15.

[86] Original Determination, USITC Pub. 3449 at 15.

[87] Original Determination, USITC Pub. 3449 at 15.

[88] Original Determination, USITC Pub. 3449 at 15.

[89] First Review, USITC Pub. 3897 at 12-13.

that the Chinse foundry coke industry had changed significantly since the original investigation when its capacity and unused capacity levels were substantial and it exported a large percentage of its production. In light of the substantial volume of exports to the United States and rapid gains in market share during the original investigation, the substantial unused capacity available in the Chinese foundry coke industry, and the attractiveness of the U.S. market, the Commission found that subject producers would have the ability and an incentive to direct significant volumes of exports to the United States if the order were revoked. [90]

2. The Current Review

Subject imports from China were not present in the U.S. market during the period of review.[91]

We find that in the event of revocation of the antidumping duty order, the volume of subject imports from China is likely to be significant. Domestic Interested Parties identified 18 firms in China as possible producers of foundry coke.[92] Moreover, the information on the record indicates that subject producers have expanded capacity to produce foundry coke since imposition of the antidumping duty order, and have also expanded production.[93] The record further indicates that some producers of metallurgical coke in China have been directed by Chinese authorities to operate ovens at full capacity to provide byproducts for heating and gas for cities in China during winter.[94] This has resulted in reported recent increases in coke supplies and inventories, notwithstanding that during the latter portion of 2017 other provinces in China maintained some restrictions on coke production in an effort to reduce winter smog.[95]

Increased coke supplies in China are available for export since December 2012, when the Chinese government removed a 40 percent export tax on metallurgical coke[96] and announced that it would no longer impose export quotas for metallurgical coke.[97] Removing these restrictions has led to increased shipments coming out of China. Indeed, China was the second largest world exporter of metallurgical coke by quantity in 2013, the year after the export tax was removed, and the world's largest exporter from 2014 through 2016.[98] Further,

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[90] Second Review, USITC Pub. 4326 at 12-13.

[91] CR/PR at Table I-5.

[92] CR at IV-8, PR at IV-5.

[93] CR at IV-9, PR at IV-6; Prehearing Brief at 13.

[94] CR at IV-10, PR at IV-7; Prehearing Brief at 14.

[95] CR at IV-9-10, PR at IV-5-7.

[96] CR at IV-11, PR at IV-7; Prehearing Brief at 17.

[97] CR at IV-11, PR at IV-7.

[98] According to Global Trade Atlas (GTA) data, exports of metallurgical coke from China totaled 3.3 million metric tons in 2011, 1.0 million metric tons in 2012, 4.7 million metric tons in 2013, 8.6 million metric tons in 2014, 9.9 million metric tons in 2015, and 10.2 million metric tons in 2016. *See* CR/PR at Table IV-3. The available GTA data, which concern metallurgical coke rather than foundry coke, may include products outside the scope of this review. *See id*. and CR at IV-14, PR at IV-9.

the record shows that producers in China increased both production and exports of metallurgical coke 2016, with exports increasing at a faster rate.[99]

The United States would likely be an attractive market for the subject producers if the order were revoked. In addition to its general export orientation, the industry in China has demonstrated its ability to increase rapidly exports to individual markets, as seen in the original investigation, or to shift exports between markets.[100] The industry in China would have a particular incentive to shift exports in light of India's imposition of antidumping duties on imports of metallurgical coke from China in November 2016.[101] India was China's largest export destination for foundry coke in 2016 and therefore a significant volume of China's exports were affected by this order.[102] Consequently, the information available indicates that the subject industry in China has the ability and incentive to export a significant volume of subject merchandise to the United States upon revocation. [103]

In light of their prior participation in the U.S. market, high degree of export orientation, and substantial available capacity, we find that the industry in China would likely export a significant volume of foundry coke to the United States within a reasonably foreseeable time if the antidumping duty order were revoked.

D. Likely Price Effects

1. The Original Investigation and Prior Reviews

In the original investigation, the Commission found that the domestic like product and subject imports were generally substitutable and interchangeable in all end use sectors. It also found that price was an important factor in purchasing decisions and that subject imports undersold the domestic like product in all possible comparisons.[104] The Commission concluded that foundry coke imports from China significantly undersold the domestic like product. It also found that subject imports suppressed and depressed prices for the domestic like product to a significant degree. Despite rising unit costs, and substantial expenditures necessary for compliance with environmental requirements, domestic producers' efforts in 1998 to raise prices gradually failed, as lower-priced subject imports began to enter the U.S. market. Instead, prices for the domestic product tended to move gradually but steadily downward from the third quarter of 1998 through the first quarter of 2001, while subject import prices fluctuated

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[99] Response at 18.

[100] CR/PR at Table IV-2.

[101] CR at IV-13-14, PR at IV-8-9.

[102] CR/PR at Table IV-2.

[103] The limited information on the record indicates that there is some potential for Chinese producers to shift production from heat-recovery coke to higher-value foundry coke. Response at 18 n.72.

[104] Confidential Original Determination at 13, 18 (EDIS Doc. 616008). Subject imports undersold the U.S. product in 13 of 13 quarterly comparisons. Original Determination CR at Table V-1 (EDIS Doc. 616004).

from quarter to quarter. The Commission found that domestic producers were often forced to lower their prices, in some cases with customers already under contract, to maintain customers in the face of the lower prices offered by importers of Chinese foundry coke.

In both prior reviews, the Commission observed that there was no new product-specific pricing information on the record, due to the expedited nature of the reviews. The Commission found that Chinese producers would likely significantly increase exports to the United States in the reasonably foreseeable future if the antidumping duty order were revoked. Based on the information available in the reviews, including the determination in the original investigation, the Commission found that the market for subject merchandise was price competitive. Therefore, as in the original investigation, subject imports were likely to undersell the domestic like product to regain market share if the order were revoked. The volume of subject imports at those prices, in turn, was likely to have significant depressing and suppressing effects on prices of the domestic like product. The Commission therefore concluded that, if the order were revoked, subject imports from China would likely significantly increase at prices that would likely significantly undersell the domestic like product and that those imports would have a significant depressing or suppressing effect on prices for the domestic like product.[105]

2. The Current Review

There is no new product-specific pricing information on the record for subject imports.[106] As discussed above, the record in the current review indicates that there is a high degree of substitutability between subject imports from China and the domestic like product and that price plays an important role in purchasing decisions.[107] Based on the available information and the consistent underselling by subject imports from China during the original investigation, we find that if the order were revoked, the likely significant volume of subject imports from China would likely significantly undersell the domestic like product to gain market share. In turn, this likely significant volume of low-priced subject imports would force the domestic industry to cut prices or forego price increases in light of domestic producers' need to operate foundry coke ovens continuously. In light of these considerations, we conclude that upon revocation of the order, subject imports from China would likely undersell and significantly depress or suppress prices for the domestic like product, within a reasonably foreseeable time.

E. Likely Impact of Subject Imports

1. The Original Investigation and Prior Reviews

In the original investigation, the Commission found that, as lower-priced subject imports captured market share at the expense of the domestic industry, the combination of declining

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[105] First Review, USITC Pub. 3897 at 14; Second Review, USITC Pub. 4326 at 14.

[106] CR at V-5, PR at V-4.

[107] CR at II-9, PR at II-6; *See* CR/PR at Table II-5.

U.S. shipments and depressed domestic prices caused the industry's sales revenues to fall. It observed that while the domestic industry's capacity to produce foundry coke increased moderately over the period, primarily because of capital investments, production and capacity utilization declined. These declines, it observed, outpaced shipments, resulting in growing end-of-period inventories and higher average unit costs. The Commission further found that subject imports negatively impacted all financial indicators, including average unit sales revenues, average unit gross profits, operating income, operating income margins, as well as other key domestic industry indicators, such as employment, wages, productivity, unit labor costs, and capital expenditures. The Commission therefore concluded that subject imports were having a significant impact on the domestic foundry coke industry.[108]

In the first five-year review, the Commission found that the domestic industry and the U.S. foundry coke market had contracted since the original investigation. Of the seven domestic producers that participated in the original investigation, two producers, together accounting for *** percent of domestic foundry coke production in 2000, had ceased production operations entirely.[109] Apparent U.S. consumption of foundry coke by quantity was lower in 2005 than 2000.[110] Moreover, the industry continued to incur high costs to comply with environmental measures and to construct and maintain production equipment in the context of a smaller U.S. foundry coke market. Nonetheless, the limited information on the record of the review revealed some improvements in the domestic industry's trade indicators since the original investigation. Domestic production of foundry coke was higher in 2005, at 1,188,232 metric tons, than in 2000, when it was 1,137,585 metric tons.[111] The quantity and the value of domestic producers' U.S. shipments were also higher in 2005 (*** metric tons valued at $***) than in 2000 (1,023,128 metric tons valued at $182 million).[112] Domestic producers' market share similarly was higher in 2005 at *** percent than in 2000 at 88.5 percent, while the share held by subject imports from China was lower in 2005 (zero percent) than in 2000 (11.5 percent).[113]

The Commission further found that revocation of the order would likely lead to a significant increase in the volume of subject imports that would likely undersell the domestic

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[108] Original Determination, USITC Pub. 3449 at 19-22.

[109] First Review, USITC Pub. 3897 at 15; Confidential First Review Determination at 20 (EDIS Doc. 616010).

[110] First Review, USITC Pub. 3897 at 15.

[111] First Review, USITC Pub. 3897 at 15.

[112] First Review, USITC Pub. 3897 at 15; Confidential First Review Determination at 20 (EDIS Doc. 616010).

[113] First Review, USITC Pub. 3897 at 15; Confidential First Review Determination at 20 (EDIS Doc. 616010). The Commission observed that, due to the expedited nature of the review, there was no current information pertaining to many of the other indicators, such as operating income, capacity, capacity utilization rates, and employment levels. The Commission found that the limited evidence in the review was insufficient for it to make a finding on whether the domestic industry producing foundry coke was vulnerable to the continuation or reoccurrence of material injury in the event of revocation of the order.

like product to a significant degree and otherwise significantly suppress or depress U.S. prices. It found that the significant likely volume of low-priced subject imports, when combined with the likely adverse price effects of those imports, would likely have a significant impact on the production, shipments, sales, and revenue levels of the domestic industry. The Commission found that this reduction in the industry's production, shipments, sales, and revenue levels would likely have a direct adverse impact on the industry's profitability and employment levels as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, the Commission found that if the antidumping duty order on foundry coke from China were revoked, subject imports would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.[114]

In the second five-year review, the Commission observed that the domestic industry and U.S. foundry coke market had contracted further. The number of domestic producers had declined to four. Apparent U.S. consumption of foundry coke measured by quantity was lower in 2010 than in 2005 or 2000. [115]

Consistent with the decline in the number of producers, the domestic industry's production capacity was lower in the second five-year review period, at *** metric tons in 2010, than during the original investigation when it was 1.4 million metric tons in 2000.[116] Production was lower in the second five-year review than in the original investigation and the first five-year review, at *** metric tons in 2010 compared with 1.2 million metric tons in 2005 and 1.1 million metric tons in 2000.[117] Capacity utilization was lower in the second five-year review than in the original investigation, at *** percent in 2010 compared with 81.1 percent in 2000.[118] The quantity of domestic producers' U.S. commercial shipments was also lower in the second five-year review than in the original investigation and the first five-year review, at *** metric tons in 2010 compared with 1.1 million metric tons in 2005, and *** metric tons in 2000.[119]

Nonetheless, the limited information on the record revealed some improvements in the domestic industry's performance since the original investigation. The value of domestic producers' U.S. shipments was higher in 2010 ($***) than in 2005 ($***) and 2000 ($***).[120] Net sales were higher in 2010 ($***) than in 2000 ($***), as was operating income ($*** in 2010 compared with $*** in 2000) and operating income as a percentage of net sales (***

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[114] First Review, USITC Pub. 3897 at 15.

[115] Second Review, USITC Pub. 4326 at 16.

[116] Second Review, USITC Pub. 4326 at 17; Confidential Second Review Determination at 24 (EDIS Doc. 638095).

[117] Second Review, USITC Pub. 4326 at 17; Confidential Second Review Determination at 24 (EDIS Doc. 638095).

[118] Second Review, USITC Pub. 4326 at 17; Confidential Second Review Determination at 24 (EDIS Doc. 638095).

[119] Second Review, USITC Pub. 4326 at 17; Confidential Second Review Determination at 24 (EDIS Doc. 638095).

[120] Confidential Second Review Determination at 24 (EDIS Doc. 638095).

percent in 2010, compared with *** percent in 2000).[121] Domestic producers' market share similarly was higher in 2010 at *** percent, than in 2005 at *** percent and 2000 at 88.5 percent.[122]

The Commission further found that revocation of the order would likely lead to a significant increase in the volume of subject imports that would likely undersell the domestic like product to a significant degree and otherwise significantly suppress or depress U.S. prices. It found that the significant likely volume of low-priced subject imports of foundry coke, when combined with the likely adverse price effects of those imports, would likely have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. The Commission found that this reduction in the industry's production, shipments, sales, and revenue levels would likely have a direct adverse impact on the industry's profitability and employment levels as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, the Commission found that if the antidumping duty order on foundry coke from China were revoked, subject imports from China would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.[123]

2. The Current Review

In the current review, the domestic industry's capacity remained steady, while production, capacity utilization, and U.S. shipments by quantity each declined from 2014 to 2016, but were higher in interim 2017 than in interim 2016.[124] Production and related workers ("PRWs"), hours worked, wages paid, and per unit labor costs each fluctuated throughout the

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[121] Confidential Second Review Determination at 24 (EDIS Doc. 638095).

[122] Confidential Second Review Determination at 25 (EDIS Doc. 638095). The Commission observed that due to the expedited nature of the review, there was no current information pertaining to many of the other indicators, such as employment and productivity. The Commission found that the limited evidence in the review was insufficient for it to make a finding on whether the domestic industry producing foundry coke was vulnerable to the continuation or reoccurrence of material injury in the event of revocation of the order.

[123] Second Review, USITC Pub. 4326 at 17.

[124] Capacity remained steady at *** metric tons of foundry coke in each year of the current period of review and was *** metric tons in each interim period. Production of foundry coke declined from *** metric tons in 2014 to *** metric tons in 2015 and *** metric tons in 2016; production was *** metric tons in interim 2016 and *** metric tons in interim 2017. Capacity utilization declined from *** percent in 2014 to *** percent in 2015 and *** percent in 2016; capacity utilization was *** percent in interim 2016 and *** percent in interim 2017. CR/PR at Table III-3. U.S. shipments of foundry coke declined from *** metric tons in 2014 to *** metric tons in 2015 and *** metric tons in 2016; U.S. shipments of foundry coke were *** metric tons in interim 2016 and *** metric tons in interim 2017. CR/PR at Table III-5. U.S. producers' end of period inventories rose from *** metric tons in 2014 to *** metric tons in 2015, and then declined to *** metric tons in 2016; inventories were higher in interim 2017 at *** metric tons than in interim 2016 at ***metric tons. CR/PR at Table III-6.

period of review, and productivity declined from 2014 to 2016, and was stable between the interim periods.[125]

The domestic industry's financial indicia fluctuated but most measures declined overall during the period of review. Total net sales of foundry coke by value, gross profit, operating income, and net income each declined over the period of review,[126] though the industry remained consistently profitable throughout the period.[127]

Despite declines in many performance indicators during the period of review, the domestic industry had higher production and shipments in interim 2017 than in interim 2016 and was profitable throughout the period. On balance, we do not find that the domestic industry is in a vulnerable condition.

As discussed above, we conclude that revocation of the antidumping duty order on imports of foundry coke from China would likely lead to a significant increase in the volume of subject imports that would likely undersell the domestic like product and significantly suppress or depress prices for the domestic like product. We find that the likely volume and price effects of subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenue of the domestic industry. These reductions would have a direct adverse impact on the domestic industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We consequently find that the subject imports would likely have a significant impact on the domestic industry if the order were revoked.

We have also considered the likely role of nonsubject imports in the U.S. market. There is no indication or argument on this record that the availability of nonsubject imports would prevent subject imports from China from significantly increasing their presence in the U.S. market in the event of revocation of the order, in light of the export orientation of the subject industry. Given the high degree of substitutability between the subject imports and the domestic like product and that the domestic industry supplies the vast majority of the U.S. market, any likely increase in subject imports upon revocation would likely come

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[125] Production related workers ("PRWs") increased from *** in 2014 to *** in 2015, and then declined to *** in 2016; there were *** PRWs in interim 2016 and *** in interim 2017. Total hours worked were *** hours in 2014, *** hours in 2015, *** hours in 2016, and *** hours in both interim periods. Wages paid declined from $*** in 2014 to $*** in 2015 and increased to $*** in 2016; wages paid were $*** in interim 2016 and $*** in interim 2017. Per unit labor costs (dollars per 1,000 metric ton) fluctuated and were $*** in 2014, $*** in 2015, $*** in 2016, $*** in interim 2016, and $*** in interim 2017. Worker productivity (metric ton per hour) was *** in 2014, *** in 2015, and *** in 2016 and both interim periods. CR/PR at Table III-7.

[126] Total net sales revenues were $*** in 2014, $*** in 2015, $*** in 2016, $*** in interim 2016, and $*** in interim 2017. Gross profit was $*** in 2014, $*** in 2015, $*** in 2016, $*** in interim 2016, and $*** in interim 2017. Operating income was $*** in 2014, $*** in 2015, $*** in 2016, $*** in interim 2016, and $*** in interim 2017. Net income was $*** in 2014, $*** in 2015, $*** in 2016, $*** in interim 2016, and $*** in interim 2017. CR/PR at Table III-8.

[127] Operating income as a ratio to net sales was *** percent in 2014, *** percent in 2015, *** percent in 2016, *** percent in interim 2016, and *** percent in interim 2017. CR/PR at Table III-8.

overwhelmingly at the expense of the domestic industry and exacerbate its difficulties in maintaining production in light of likely declines in demand. Therefore, the subject imports are likely to have adverse effects on the domestic industry distinct from nonsubject imports in the event of revocation.

IV. Conclusion

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

PART I: INTRODUCTION

BACKGROUND

On May 1, 2017, the U.S. International Trade Commission ("Commission" or "USITC") 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 foundry coke from China would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On August 4, 2017, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act.[4] The following tabulation presents information relating to the background and schedule of this proceeding:[5]

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

[2] *Foundry Coke from China; Institution of a Five-Year Review*, 82 FR 20381, May 1, 2017. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission's notice of institution. *Initiation of Five-Year ("Sunset") Review*, 82 FR 20314, May 1, 2017.

[4] *Foundry Coke from China: Notice of Commission Determination to Conduct a Full Five-Year Review,* 82 FR 41053, August 29, 2017. Vice Chairman David S. Johanson and Commissioner Meredith M. Broadbent concluded that the domestic group response was adequate and the respondent group response was inadequate, but that circumstances warranted a full review. Chairman Rhonda K. Schmidtlein and Commissioner Irving A. Williamson concluded that the domestic group response was adequate and the respondent group response was inadequate and voted for an expedited review.

[5] The Commission's notice of institution, notice to conduct a full review, scheduling notice, and statement on adequacy are referenced in appendix A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct an expedited or full review may also be found at the web site. Appendix B contains the request for cancellation of the hearing and the Commission's notice of cancellation of the hearing.

Effective date	Action
September 17, 2001	Commerce's antidumping duty order on foundry coke from China (66 FR 48025)
May 1, 2017	Commission's institution of third five-year review (82 FR 20381)
May 1, 2017	Commerce's initiation of five-year review (82 FR 20314)
August 4, 2017	Commission's determination to conduct a full five-year review (82 FR 41053, August 29, 2017)
September 1, 2017	Commerce's final results of the expedited five-year review of the antidumping duty order (82 FR 41598)
October 20, 2017	Commission's scheduling of the review (82 FR 49660, October 26, 2017)
February 20, 2018	Commission's cancellation of hearing (83 FR 8505, February 27, 2018)
March 29, 2018	Commission's vote
April 26, 2018	Commission's determination and views

The original investigation

The original investigation resulted from a petition filed by ABC Coke, Citizens Gas & Coke Utility, Erie Coke, Tonawanda Coke, and the United Steelworkers of America, AFL-CIO, on September 20, 2000. The petition alleged that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of foundry coke from China. On July 31, 2001, Commerce made a final affirmative determination of sales at LTFV regarding subject imports from China.[6] The Commission determined on September 5, 2001 that a domestic industry was materially injured by reason of imports of foundry coke from China.[7] On September 17, 2001, Commerce published an amended final determination of sales at LTFV and an antidumping duty order on imports of foundry coke from China.[8]

Subsequent five-year reviews

The Commission initiated its first five-year review of the antidumping duty order on foundry coke from China on August 1, 2006, and on November 6, 2006, the Commission determined that it would conduct an expedited review of the antidumping duty order on

[6] *Final Determination of Sales at Less Than Fair Value: Foundry Coke Products from the People's Republic of China*, 66 FR 39487, July 31, 2001.

[7] *Notice of Final Determination: Foundry Coke from China*, 66 FR 47926, September 14, 2001.

[8] *Notice of Amended Final Determination of Sales at Less than Fair Value and Antidumping Duty Order: Foundry Coke Products from the People's Republic of China,* 66 FR 48025, September 17, 2001.

foundry coke from China.[9] On December 7, 2006, Commerce published its determination that revocation of the antidumping duty order on foundry coke from China would be likely to lead to continuation or recurrence of dumping.[10] On December 20, 2006, the Commission determined that revocation of the antidumping duty order would be likely to lead to continuation or reoccurrence of material injury to an industry in the United States within a reasonably foreseeable time.[11] On January 10, 2007, Commerce issued a continuation of the antidumping duty order on imports of foundry coke from China.[12]

The Commission initiated its second five-year review of the antidumping duty order on foundry coke from China on December 1, 2011.[13] On March 5, 2012, the Commission determined that it would conduct an expedited review of the antidumping duty order on foundry coke from China.[14] On April 6, 2012, Commerce published its determination that revocation of the antidumping duty order on foundry coke from China would be likely to lead to continuation or recurrence of dumping.[15] On May 29, 2012, the Commission determined that revocation of the antidumping duty order would be likely to lead to continuation or reoccurrence of material injury to an industry in the United States within a reasonably foreseeable time.[16] On May 31, 2012, Commerce issued a continuation of the antidumping duty order on imports of foundry coke from China.[17]

RELATED INVESTIGATIONS

On June 8, 2004, in response to a request received from the Committee on Ways and Means of the U.S. House of Representatives, the Commission instituted a fact-finding investigation under section 332(g) of the Tariff Act of 1930 concerning competitive conditions facing the U.S. foundry industry during 1999-2003.[18] The foundry industry is the primary customer for foundry coke (*see* "Descriptions and Uses" below).

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[9] *Foundry Coke from China*, 71 FR 43518, August 1, 2006 and *Foundry Coke from China*, 71 FR 67161, November 20, 2006

[10] *Foundry Coke Products from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 71 FR 70956, December 7, 2006.

[11] *Notice of Determination: Foundry Coke from China*, 71 FR 78223, December 28, 2006

[12] *Foundry Coke Products from the People's Republic of China: Continuation of Antidumping Duty Order*, 72 FR 1214, January 10, 2007.

[13] *Foundry Coke from China; Institution of a Five-Year Review*, 76 FR 74810, December 1, 2011.

[14] *Foundry Coke from China; Scheduling of an Expedited Five-Year Review*, 77 FR 15123, March 14, 2012.

[15] *Foundry Coke Products from the People's Republic of China: Final Results of Expedited Second Review of Antidumping Duty Order*, 77 FR 20788, March 30, 2012.

[16] *Foundry Coke from China*, 77 FR 32998, June 4, 2012.

[17] *Foundry Coke Products from the People's Republic of China: Continuation of Antidumping Duty Order*, 77 FR 34012, May 31, 2012.

[18] *See Foundry Products: Competitive Conditions in the U.S. Market*, Investigation No. 332-460, USITC Publication 3771, May 2005.

SUMMARY DATA

Table I-1 presents a summary of data from the original investigation, the first expedited review, the second expedited review, and the current full five-year review. Additional historical data appear at the end of Appendix C.

Table I-1
Foundry coke: Comparative data from the original investigation, first review, second review, and current review, 2000, 2005, 2010, and 2016

* * * * * * *

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury—

> *(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--*
>
> *(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,*
>
> *(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,*
>
> *(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and*
>
> *(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..*

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to foundry production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

> *(A) any likely increase in foundry production capacity or existing unused foundry production capacity in the exporting China,*
>
> *(B) existing inventories of the subject merchandise, or likely increases in inventories,*
>
> *(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and*
>
> *(D) the potential for foundry coke-shifting if foundry production facilities in the foreign China, which can be used to produce the subject merchandise, are currently being used to produce other foundry cokes.*

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

> *(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like foundry cokes, and*
>
> *(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like foundry cokes.*

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to–

> *(A) likely declines in output, sales, market share, profits, foundry cokeivity, return on investments, and utilization of capacity,*
>
> *(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and*
>
> *(C) likely negative effects on the existing development and foundry production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like foundry coke.*

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

Organization of report

Information obtained during the course of the review that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for foundry coke as collected in the review is presented in appendix C. U.S. industry data are based on the questionnaire responses of five U.S. producers of foundry coke that are believed to have accounted for one hundred percent of domestic production of foundry coke in 2016. U.S. import data and related information are based on Commerce's official import statistics. Foreign industry data and related information are based on Commerce's official import statistics during 2016. No Chinese producers submitted questionnaire responses in this review. Responses by U.S. producers, importers, and purchasers of foundry coke to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D.

COMMERCE'S REVIEWS

Administrative reviews[19]

Since imposition of the antidumping duty order on September 2001, Commerce has conducted one administrative review with respect to imports of foundry coke from China, specifically, imports of foundry coke produced and/or exported by CITIC Trading Company, Ltd. ("CITIC") (Table I-2). As a result of this review, the application of adverse facts available, the weighted average dumping margin for CITIC was increased to 214.89 percent.[20] Commerce has not conducted a changed circumstances or a scope inquiry review in this matter.

[19] Commerce has not issued any duty absorption findings, company revocations or scope rulings with respect to foundry coke from China

[20] *Final Results of Antidumping Administrative Review: Foundry Coke From the People's Republic of China*, 69 FR 4108, January 28, 2004.

Table I-2
Foundry coke: Administrative reviews of the antidumping duty order for China

Date results published	Period of review	Producer or exporter	Margin (percent)
January 28, 2004	March 8, 2001 – August 31, 2002	CITIC	214.89

Source: Final Results of Antidumping Administrative Review: Foundry Coke From the People's Republic of China, 69 FR 4108, January 28, 2004.

Five-year reviews

Commerce has issued the final results of its expedited sunset review with respect to foundry coke from China.[21] Table I-3 presents the dumping margins calculated by Commerce in its original investigation and subsequent reviews.

Table I-3
Foundry coke: Commerce's original and subsequent review dumping margins for producers/exporters in China

Producer/exporter	Original margin (*percent*)	First five-year review margin (*percent*)	Second five-year review margin (*percent*)	Third five-year review margin (*percent*)
Shanxi Dajin International (Group) Co., Ltd.	101.62	101.62	101.62	(1)
Sinochem International Co., Ltd.	105.91	105.91	105.91	(1)
Minmetals Townlord Technology Co., Ltd.	75.58	75.58	75.58	(1)
CITIC Trading Co., Ltd.	48.55	48.55	48.55	(1)
All others	214.89	214.89	214.89	214.89

[1] Not available.

Source: *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Foundry Coke Products From The People's Republic of China*, 66 FR 48025, September 17, 2001; *Foundry Coke Products From the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order* 71 FR 70956, December 7, 2006; *Foundry Coke Products From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 77 FR 20788, April 6, 2012; *Foundry Coke Products From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 82 FR 41598, September 9, 2017.

[21] *Foundry Coke Products From the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 82 FR 41598, September 9, 2017.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of this review as follows:

> *The product covered under the antidumping duty order is coke larger than 100mm (4 inches) in maximum diameter and at least 50 percent of which is retained on a 100 mm (4 inch) sieve, of a kind used in foundries. The foundry coke products subject to the antidumping duty order were classifiable under subheading 2704.00.00.10 (as of January 1, 2000) and are currently classifiable under subheading 2704.00.00.11 (as of July 1, 2000) of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of the order is dispositive.*[22]

Tariff treatment

Foundry coke is classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under subheading 2704.00.00 ("coke and semicoke of coal, of lignite or of peat, whether or not agglomerated; retort carbon"). The subheading covers a broader category of coke derived from coal than the scope of this order, as it also includes two other categories of metallurgical coke: blast furnace coke and industrial coke (including coke breeze). HTS statistical annotation 2704.00.0011 specifically covers imports of foundry coke. Under HTS number 2704.00.00, the column 1- general rate of duty is free.[23]

THE PRODUCT

Description and applications[24]

As indicated in the scope definition, for purposes of this review, foundry coke is defined as coke larger than 100 mm (4 inches) and at least 50 percent of which is retained on a 100-mm (4-inch) sieve. Coke is a substance produced through the heating and distillation of coal and is primarily used as a fuel in the production of metals. In addition to foundry coke, there are two other subgroups of metallurgical coke: blast furnace coke and industrial coke (including coke

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[22] *Foundry Coke Products from the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 82 FR 41598, September 1, 2017.

[23] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

[24] Unless otherwise noted, the information in this section is based on *Foundry Coke from China, Investigation No. 731-TA-891 (Second Review)*, USITC Publication 4326, May 2012, p. I-6.

breeze). The three types of metallurgical coke are distinguished by their size, shape, and chemical properties.

Foundry coke is used in cupola furnaces to produce molten iron. It functions as both a fuel to melt scrap or pig iron with other compounds and as a source of carbon for the melted product. The resulting molten iron is used to make various cast products such as automobile engines. Consequently, metallurgical coke must have good strength, low ash content, and a relatively uniform shape and size in order to be categorized as foundry coke. Blast furnace coke is used in an iron-making blast furnace to produce steel; it requires higher temperatures and shorter coking times, and therefore does not need to be of a uniform shape or size. Metallurgical coke that is not used in blast furnaces or foundries (either because of size, carbon content, or ash content) is defined as industrial coke. This includes coke breeze, fine screenings from crushed coke that are predominantly used as a fuel in the process of agglomerating iron.[25]

Demand for foundry coke is derived from demand for the end products produced by purchasers of foundry coke. The largest single source of foundry coke demand is the vehicle manufacturing sector, which uses foundry coke to cast parts such as engine blocks for automobiles and trucks.[26] The pipe and fittings sectors and the municipal castings sector are also significant sources of demand.

Manufacturing processes[27]

Foundry coke is produced using one of three processes: the byproduct, heat-recovery, or beehive process.[28] In the United States, foundry coke producers use the byproduct recovery process, in which coking coals are heated in a retort oven until the volatile materials burn off. The volatile materials are then collected for further processing. The retort ovens, also called slot ovens because of their shape, are constructed in batteries containing 10 to 100 ovens in a series. The coking chambers alternate with heating chambers so that each oven is heated on each side, with the coking process starting at the sides of the oven and progressing toward the center. After the coking coals are loaded into the oven, it is heated to a range of 900 to 1,100 degrees centigrade, usually for 26 to 32 hours. Pressure builds during the coking process, forcing the volatile compounds out of the oven and through offtake pipes to the collecting main, where they are treated and separated for further processing.

After the coking process is completed, the doors on both ends of the oven are opened. A ram placed in front of one opening pushes the foundry coke out the other end into a quenching car. At this stage, the foundry coke has a temperature of about 1,000 degrees

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[25] *Foundry Coke From China, Investigation No. 731-TA-891 (Final)*, USITC Publication 3449, September 2001, p. I-2.

[26] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, p. 5.

[27] Unless otherwise noted, the information in this section is based on *Foundry Coke From China, Investigation No. 731-TA-891 (Final)*, USITC Publication 3449, September 2001, p. I-2–I-5.

[28] Towsey, Cameron, and Gordon, "Comparison of Byproduct and Heat-Recovery Cokemaking Technologies," *Iron & Steel Technology*, March 2011, 42, www.accci.org/documents/CokemakingTechnologies_Comparison.pdf.

centigrade and must be cooled before further processing. In the United States, the most common method for cooling foundry coke is wet quenching: the quenching car brings the hot foundry coke to a quenching tower (usually located at the end of the battery), where the coke is sprayed with water until cooled. The quenched foundry coke is then brought to a coke wharf for further cooling. The wharf is sloped, allowing the foundry coke to slide from the wharf to a conveyor belt at the bottom that moves the coke to screening and loading operations.

A typical byproduct coke battery operates continuously once it is brought into service. Individual ovens may be cold idled for maintenance, such as replacing silica bricks, but a battery is only shut down as a last resort; allowing a battery to cool results in significant damage to the ovens upon reheating. Batteries are occasionally hot idled, where the temperature is maintained to avoid damage but no coal is charged and no coke is produced. As discussed above, coke ovens designed for the byproduct process also collect and process the volatile materials released during the coking stage. These byproducts are crude materials such as crude coal tar,[29] crude light oil,[30] and coke oven gas.[31] The coking process and subsequent screening and loading operations also produces crushed pieces of coke too small for use in foundries, sold as industrial coke. Other than industrial coke, many of the byproducts from the coking process can be derived from crude petroleum using a less expensive process.

The byproduct process is common outside of the United States, but other manufacturing processes are also used for foundry coke. The beehive process uses a simply constructed kiln, allowing the air from the coking process to escape directly into the atmosphere. Some areas of China still used this process at the time of the original investigation, but have since phased out most of these ovens and replaced them with more advanced coking ovens using the heat-recovery or byproduct processes. Both of these processes are more energy efficient and have less emissions than the beehive process.[32] The heat-recovery process is a modified version of the beehive process that uses the volatile materials to help produce heat during the coking process (incinerating the materials as part of the coking process rather than recovering them as byproducts).[33] In addition to transitioning away from the beehive process, China also has issued requirements for new coke projects to use dry quenching

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[29] Crude coal tar is refined into tar acid oils, soft pitch, creosote oil, road tar, and other products.

[30] Crude light oil is a mixture of aromatic hydrocarbons (benzene, toluene, and xylenes), thiophene, mercaptans, hydrogen sulfide, and hydrogen disulfide.

[31] Coke oven gas is a mixture of hydrocarbons that can be used as a fuel and are generally used to produce electricity for the coke plant or to heat the ovens.

[32] China started regulating the emissions from metallurgical coke ovens and the technologies being used for new projects in the late 1990s. In 2006, China's National Development and Reform Commission also issued requirements for local authorities to shut down all ovens with a chamber height below 4.3 meters. As of 2010, less than one percent of China's metallurgical coke production came from beehive ovens. Huo et al., "China's Coke Industry: Recent Policies, Technology Shift, and Implication for Energy and the Environment," *Energy Policy*, 2012, 397-404, https://doi.org/10.1016/j.enpol.2012.08.041.

[33] Towsey, Cameron, and Gordon, "Comparison of Byproduct and Heat-Recovery Cokemaking Technologies," *Iron & Steel Technology*, March 2011, 43, www.accci.org/documents/CokemakingTechnologies_Comparison.pdf.

equipment (a more energy efficient alternative to wet quenching)[34] and has become the dominant user of stamped charging technology. Stamped charging is a technique for preparing coal for the coking process. The coal blend is added to a metallic box in layers and mechanically pressed to create a dense cake. Stamped charging results in a denser and larger coke, increasing the variety of coals that can be blended together and used to make coke that is a high enough quality for use in foundries.[35]

DOMESTIC LIKE PRODUCT ISSUES

In its original determination, the Commission defined the domestic like product as consisting only of foundry coke and including neither blast furnace coke nor industrial coke as part of the domestic like product, commensurate with Commerce's definition of the scope of this investigation.[36] In the Commission's first and second five year reviews, the Commission defined the domestic like product as foundry coke, coextensive with the scope definition.[37]

In its notice of institution in this current five-year review, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.[38] Domestic interested parties commented on the Commission definition of the domestic like product and indicated that they agree with the Commission's definition as set forth in the second five-year review.[39] No party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission's draft questionnaires.[40]

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[34] Huo et al., "China's Coke Industry: Recent Policies, Technology Shift, and Implication for Energy and the Environment," *Energy Policy*, 2012, 397-404, https://doi.org/10.1016/j.enpol.2012.08.041.

[35] Madias and de Cordova, "A Review on Stamped Charging of Coals," September 2013, 30-42, https://www.researchgate.net/publication/263887759_A_review_on_stamped_charging_of_coals.

[36] *Foundry Coke from China*, Inv. No. 701-TA-891 (Final), USITC Publication 3449, September 2001, p. 5.

[37] *Foundry Coke from China*, Inv. No. 701-TA-891 (Second Review), USITC Publication 4326, May 2012, p. 4-5.

[38] *Initiation of Five-Year ("Sunset") Review*, 82 FR 20314, May 1, 2017.

[39] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, p. 22.

[40] Comments on the draft questionnaires were recieved from domestic interested parties. No respondent interested party responded to the Commission's notice of institution or participated in the questionnaire comment period.

U.S. MARKET PARTICIPANTS

U.S. producers

During the original investigation, there were seven producers of foundry coke in the United States: ABC Coke, Acme Steel Co., Citizens Gas & Coke Utility, Empire Coke Co., Erie Coke Corp., Sloss Industries Corp., and Tonawanda Coke Corp. During the first review, there were five producers of foundry coke and by the second review there were four firms that produced foundry coke in the United States. In the current third review five U.S. producers responded to the Commission's questionnaire: ABC Coke, Erie Coke Co., Mountain State Carbon LLC, Tonawanda Coke Corp., and ERP Coke (formerly Sloss Industries).

Presented in table I-4 is a list of current domestic producers of foundry coke and each company's position on continuation of the orders, foundry coke production locations(s), and share of reported production of foundry coke in 2016. [41]

Table I-4
Foundry coke: U.S. producers, positions on orders, U.S. foundry coke production locations, and shares of 2016 reported U.S. foundry coke production

Firm	Position on petition	Production location(s)	Share of production (percent)
ABC	Petitioner	Tarrant, AL	***
Erie	Petitioner	Erie, PA	***
ERP Coke	Petitioner	Birmingham, AL	***
Mountain State Carbon	***	Westchester, OH	***
Tonawanda	***	Tonawanda, NY	***
Total			***

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

U.S. importers

In the original investigation, the Commission sent questionnaires to ten firms believed to be importers of foundry coke. Of these, six firms supplied the Commission with usable information on their operations involving the importation of foundry coke, accounting for 100 percent of U.S. imports of foundry coke in 2000.[42] None of the responding U.S. importers was a domestic producer.

In the current proceedings, the Commission issued U.S. importers' questionnaires to six firms believed to be importers of foundry coke since January 1, 2014. Two firms indicated that they had not imported foundry coke since January 2014. Despite multiple attempts by staff to

[41] Furnace coke producer Mountain State Carbon, located in West Virginia, with an annual coke making capacity of more than one million tons, recently entered the market for foundry coke. http://www.mscarbonllc.com/ accessed February 7, 2018.

[42] The six U.S. importers that supplied the Commission with usable questionnaire information during the original investigation were: ***.

elicit a response to the Commission's importer questionnaire from the remaining four firms, no responses were received.

U.S. purchasers

The Commission received 13 usable questionnaire responses from U.S. firms that bought foundry coke during the period of review.[43] Twelve responding purchasers are end users, and one responding purchaser is a distributor. In general, responding U.S. purchasers were located in the Midwest (***) and Southeast (***), while relatively few are located in the Northeast (***). The responding purchasers represented firms in a variety of domestic industries, including iron castings, water and soil pipes. The largest purchasers of foundry coke are ***.

APPARENT U.S. CONSUMPTION AND U.S. MARKET SHARES

Data on apparent U.S. consumption and U.S. market shares of foundry coke are presented in table I-5. From 2014 to 2016, the quantity of apparent U.S. consumption of foundry coke increased by *** percent, and was *** percent lower in January–September 2017 than in January-September 2016. The value of apparent U.S. consumption of foundry coke decreased by *** percent from 2014 to 2016, and was *** percent lower in January-September 2017 than in January-September 2016. U.S. producers' market share (based on quantity) decreased by *** percentage points from 2014 to 2016, and then was *** percentage points higher in January-September 2017 than in January-September 2016. U.S. producers' market share (based on value) decreased by *** percentage points from 2014 to 2016, and then was *** percentage points higher in January-September 2017 than in January-September 2016. There were no imports of foundry coke from China during January 2014 to September 2017. U.S. imports from nonsubject countries increased as a share of apparent U.S. consumption (based on quantity) by *** percentage points from 2014 to 2016, but was *** percentage points lower in January-September 2017 than in January-September 2016. U.S. imports from nonsubject countries increased as a share of apparent U.S. consumption (based on value) by *** percentage points from 2014 to 2016, but was *** percentage points lower in January-September 2017 than in January-September 2016.

[43] Of the thirteen responding purchasers, thirteen purchased domestic foundry coke, none purchased imports of the subject merchandise from China, and two purchased imports of foundry coke from other sources.

Table I-5
Foundry coke: Apparent U.S. consumption, 2014-2016, January to September 2016, and January to September 2017

Item	Calendar year			January to September	
	2014	2015	2016	2016	2017
	Quantity (Metric tons)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	---	---	---	---	---
Nonsubject sources	549	19,648	64,963	64,259	552
All import sources	549	19,648	64,963	64,259	552
Apparent U.S. consumption	***	***	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	---	---	---	---	---
Nonsubject sources	312	3,643	11,766	11,466	262
All import sources	312	3,643	11,766	11,466	262
Apparent U.S. consumption	***	***	***	***	***
	Share of quantity (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	---	---	---	---	---
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	******
	Share of value (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	---	---	---	---	---
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics under HTS 2704.00.0011.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

U.S. MARKET CHARACTERISTICS

Foundry coke is primarily used as a fuel and a source of carbon in the production of metals, such as molten iron. As a fuel, foundry coke is used to melt scrap or pig iron with other compounds.[1] The resulting molten iron is used to make various products such as automobile engines, pipe and fittings, and municipal castings.[2] The U.S. market is currently supplied by five U.S. producers and imports from nonsubject countries. Imports from China have not been present in the U.S. market since 2005.[3]

U.S. producers and importers were asked if there had been any significant changes in the product range, mix, or marketing of foundry coke since January 1, 2014. *** indicated that there had not been. ***.

Apparent U.S. consumption of foundry coke increased by *** percent during 2014-16. Overall, apparent U.S. consumption in interim 2016 was *** percent lower than in interim 2017.

U.S. PURCHASERS

The Commission received 13 usable questionnaire responses from U.S. firms that reported purchases of foundry coke since January 1, 2014. Twelve of the responding purchasers are end users, and one responding purchaser is a distributor. Most, responding U.S. purchasers were located in the Midwest (***) and Southeast (***), and a few were located in the Northeast (***). The responding purchasers represented firms in a variety of domestic industries, including iron castings, as well as water and soil pipes and fittings. The largest responding purchasers of foundry coke are ***.

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[1] *Foundry Coke from China, Inv. No. 731-TA-891 (Second Review)*, USITC Publication 4326, May 2012, p. I-6.

[2] Domestic Interested Parties, Response to the Notice of Institution, p. 3.

[3] *Foundry Coke from China, Inv. No. 731-TA-891 (Second Review)*, USITC Publication 4326, May 2012, pp. I-10 – I-11.

CHANNELS OF DISTRIBUTION

U.S. producers sold almost all their foundry coke to end users, as shown in table II-1.[4]

Table II-1
Foundry coke: U.S. producers' share of reported U.S. shipments[1] by channels of distribution, 2014-16, January to September 2016, and January to September 2017

* * * * * * *

GEOGRAPHIC DISTRIBUTION

U.S. producers reported selling foundry coke to all regions in the contiguous United States (table II-2). For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles.

Table II-2
Foundry coke: Geographic market areas in the United States served by U.S. producers

Region	U.S. producers
Northeast	3
Midwest	5
Southeast	3
Central Southwest	2
Mountains	2
Pacific Coast	5
Other[1]	---
All regions (except Other)	---
Reporting firms	5

[1] All other U.S. markets, including AK, HI, PR, and VI.
[2] Importer questionnaires were not received.

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

[4] There were no imports of subject product from China during January 2014-September 2017.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers of foundry coke have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced foundry coke to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, along with some availability of inventories and some ability to shift production to or from alternate products.

Industry capacity

Domestic capacity utilization decreased from *** percent to *** percent during 2014-16 driven primarily by a decrease in production. This relatively low level of capacity utilization suggests that U.S. producers may have substantial ability to increase production of foundry coke in response to an increase in prices.

Alternative markets

U.S. producers' exports, as a share of total shipments, remained relatively low during 2014-16. U.S. producers' export shipments decreased from *** percent from 2014 to 2016. U.S. producer *** reported that it would be difficult to shift its shipments to other markets, while *** stated that it is difficult to export slot oven produced foundry coke, such as that produced in the United States, because of the excessive degradation in handling the material for export. *** reported that it does not export foundry coke due to logistical constraints and the challenge of maintaining quality. These factors indicate that U.S. producers likely have limited ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. producers' inventories increased during 2014-16. Relative to total shipments, U.S. producers' inventory levels increased from *** percent in 2014 to *** in 2015 and then to *** percent in 2016. These inventory levels suggest that U.S. producers may have some ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

All of the responding U.S. producers stated that they could switch production from foundry coke to other coke products, such as furnace coke or industrial coke, but some producers also identified restrictions on this capability. *** reported that market demand, price, the availability of raw materials, and cost affected its ability to shift production from foundry coke to other products. *** identified environmental compliance regulations as the primary factor affecting their firms' ability to shift production. They added that environmental regulations limit the production of furnace coke and where levels exceed the production limit additional permitting is required, adding substantial cost to production. *** reported that while furnace coke can be produced in an oven, it is not cost efficient to do so.

Subject imports from China[5]

There were no imports of subject product from China during this period. Based on available information, however, producers of foundry coke from China have the ability to respond to changes in demand with large changes in the quantity of shipments of foundry coke to the U.S. market. The main contributing factors to this degree of responsiveness of supply are available capacity and ability to shift shipments from alternate markets.

China was the largest global producer of coke, accounting for more than 60 percent of world coke production in 2010.[6] While recent data specifically regarding Chinese foundry coke capacity and production are not available, from 2000 to 2011, China's capacity to produce metallurgical coke increased by more than 230 percent from 130 million metric tons to 560 million metric tons.[7] In 2016, Chinese total coke production increased by 0.6 percent to 449 million metric tons, while exports increased 3.6 percent to 10 million metric tons.[8] Additionally, China lifted a 40-percent export tax on coke along with other export restraints in 2012.[9] Subsequently, Chinese metallurgical coke exports to India increased subsequently and it became China's largest export market for coke in 2016.[10]

Nonsubject imports

Nonsubject imports accounted for 100.0 percent of total U.S. imports of foundry coke in 2016, and represented *** percent of apparent U.S. consumption in 2016. The largest sources of nonsubject imports during 2014-16 were Colombia, Canada, Italy, and the United Kingdom.

New suppliers

Five of 13 responding purchasers indicated that new suppliers entered the U.S. market since January 1, 2014, and one expected additional entrants. All four purchasers that listed new suppliers reported Mountain State (U.S. producer) as a new supplier. Other reported new sources included ERP Coke and SunCoke[11] (U.S. producers), Metalimex (Czech Republic), Italiana Coke (Italy), and Coeclerici Coke (Italy).

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[5] No foreign producers responded to the questionnaires, therefore any information from China is from public sources, please refer to Part I, "Summary Data and Data Sources."

[6] Huo et al., "China's Coke Industry: Recent Policies, Technology Shift, and Implication for Energy and the Environment," *Energy Policy*, 2012, 397, https://doi.org/10.1016/j.enpol.2012.08.041.

[7] Domestic Interested Parties, Response to the Notice of Institution, p. 15.

[8] Domestic Interested Parties, Response to the Notice of Institution, p. 15-16.

[9] Domestic Interested Parties, Response to the Notice of Institution, p. 15-16.

[10] Domestic Interested Parties, Response to the Notice of Institution, p. 17.

[11] SunCoke Energy was identified as a new supplier of foundry coke by a U.S. purchaser and issued a U.S. producer questionnaire, but did not respond to staff. SunCoke Energy currently operates metallurgical coke plants in Virginia, Indiana, Ohio, Illinoi, and Brazil. These facilities produce over 5 million tons of coke each year. http://suncoke.com/about-us/history.php , accessed March 14, 2018.

U.S. demand

Based on available information, the overall demand for foundry coke is likely to experience small changes in response to changes in price. The main contributing factors are the lack of substitute products (as any of the substitutes reported would require new production facilities) and the small cost share of foundry coke in most of its end-use products.

End uses and cost share

Demand is primarily driven by end-use products, mainly in the automotive and truck manufacturing sectors, the pipe and fittings sector, and the municipal castings sector.[12] Reported end uses include pipe and fittings, brake drums and rotors, castings, smelting lead alloys, and insulation. Three of five responding U.S. producers and 10 of 12 responding purchasers reported no changes in end uses since January 1, 2014.[13]

Foundry coke accounts for a small share of the cost of most of the end-use products in which it is used. Reported cost shares for some end uses were as follows: pipe and fittings, 5 to 8 percent; automotive/heavy equipment/brake drums and rotors, 6 to 11 percent; iron castings, 4 to 10 percent; smelting, 10 percent; hard lead alloys, 30 percent; ***.

Business cycles

Four of five U.S. producers and 4 of 13 purchasers indicated that the market was subject to business cycles or distinctive conditions of competition. Firms reported distinctive conditions of competition including increased availability of imported castings due to lower demand in other countries, high freight costs, and denser, more durable Chinese product with reduced transportation costs. Firms reported that the industry was subject to environmental regulations and requirements for low sulfur coke that increase costs and/or the difficulty of using inputs. However, nine purchasers indicated that the foundry coke market was not subject to distinctive conditions of competition.

Demand trends

Most producers and purchasers reported a decrease in U.S. demand for foundry coke since January 1, 2014 (table II-3). *** attributed this decline to cupola closures as foundries shutdown or switch to gas or electric powered cupolas. *** reported that the wider economy market had not recovered to pre-"Great Recession" levels, which was the primary driver behind the decline in demand. *** cited the replacement of iron products, primarily by aluminum products, as the reason for the decline. Purchasers described a decrease in demand mostly for the same reasons. *** reported that many foundries have converted to electric melting as the industry moves away from cupola melting, and that there has been an overall reduction in cupola furnaces used to make iron as the industry complies with emission restrictions.

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[12] *Foundry Coke from China Inv. No. 731-TA-891 (Second Review)*, USITC Publication 4326, May 2012, p. I-6.

[13] U.S. producer *** and purchaser *** reported ***, respectively.

Alternatively, *** cited demand drivers such as a decrease in housing sector activity and an increase in the substitution of plastic pipe, as well as the automotive industry substituting away from iron parts. Finally, *** reported that the decrease in demand for foundry coke was driven by an increase in the global demand for steel and aluminum. Although most producers and purchasers expect demand for foundry coke to decrease over the next two years, most purchasers expect demand for downstream products to increase or fluctuate in the next two years.

Table II-3
Foundry coke: Firms' responses regarding U.S. demand

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	---	---	5	---
Purchasers	1	3	7	1
Anticipated demand in the United States				
U.S. producers	---	---	5	---
Purchasers	1	5	5	1
Demand for purchasers' final products	4	3	1	4

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

Substitute products

Substitutes for foundry coke include other products that could be used in manufacturing steel castings including electric arc coal injection, natural gas, electricity, crushed anodes, petroleum coke, and silicon carbide.[14] Most U.S. producers (4 of 5 responding) reported that there were substitutes while most responding purchasers (10 of 13) reported that there were no substitutes. Four producers reported that the price of substitutes affected the price of foundry coke, whereas one purchaser reported that substitutes affect the price of foundry coke.

One of the five responding producers, but none of the 11 responding purchasers, anticipated any future changes in substitutes. Producers reported that large end users have announced plans to construct electric arc coal injection furnaces, in the near future which do not require the use of foundry coke as a fuel source, potentially reducing market demand for foundry coke.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported foundry coke depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is high degree of substitutability between domestically produced foundry coke and foundry coke imported from China.

[14] U.S. producer *** reported that anodes and petroleum coke typically can be used as minor substitutes and that consumers will use one of the two options, but cannot use both products in the same batch.

Lead times

Foundry coke is primarily produced-to-order. U.S. producers reported that *** percent of their commercial shipments were produced-to-order, with lead times averaging *** days. The remaining *** percent of their commercial shipments came from inventories, with lead times averaging *** days.

Knowledge of country sources

Thirteen purchasers reported familiarity with domestically produced foundry coke, two with foundry coke from China, and four with foundry coke from nonsubject countries, including the Czech Republic and Italy.

As shown in table II-4, most purchasers always make purchasing decisions based on producer, and most never make purchasing decisions based on country of origin. Most reported that their customers never make purchasing decisions based on either producer or country of origin. Two purchasers explained why they always make decisions based the manufacturer, citing the need for a strong qualified supplier and the need for approval of quality practices.

Table II-4
Foundry coke: Purchasing decisions based on producer and country of origin

	Number of firms reporting			
Decision	**Always**	**Usually**	**Sometimes**	**Never**
Purchases based on producer:				
Purchaser's decision	7	1	---	5
Purchaser's customer's decision	---	2	---	7
Purchases based on country of origin:				
Purchaser's decision	5	---	---	8
Purchaser's customer's decision	---	2	---	7

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for foundry coke were price (11 firms), quality (8 firms), and availability (6 firms) as shown in table II-5. Quality was the most frequently cited first-most important factor (cited by 6 firms); availability was the most frequently reported second-most important factors (4 firms each); and price was the most frequently reported third-most important factor (6 firms).

Table II-5
Foundry coke: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	First[1]	Second	Third	Total
Price/payment terms	2	3	6	11
Quality	6	1	1	8
Availability	0	4	3	6
Specifications	2	1	0	3
Delivery	0	1	1	2
Other[2]	2	3	2	7

[1] One reported only one factor, that ***.
[2] Other factors include supplier's financial stability, contracted to buying from one source, and historical competitive performance as first factor; supplier compliance with environmental, safety and other regulations, and long-term sustainability as second factors.

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

Slightly less than half of the responding purchasers (6 of 13) reported that they usually purchase the lowest-priced product. Four reported that they sometimes purchased based on price, two reported never purchasing only based on price, and one reported always purchasing based only on price.

Nine of 10 responding purchasers reported that there were not certain types of product that were only available from a single source. One did, indicating that the location of the mine affected coke's density, shape, and size.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-6). All purchasers rated four factors as very important: availability; price; product consistency; and reliability of supply. Other factors rated as very important by more than half of responding purchasers were quality meets industry standards (11 firms), U.S. transportation costs (10), delivery time (9), and delivery terms and quality exceeds industry standards (7 and 8, respectively). Slightly more than half the firms reported that packaging was not important.

Table II-6
Foundry coke: Importance of purchase factors, as reported by U.S. purchasers, by factor

Factor	Number of firms reporting		
	Very	Somewhat	Not
Availability	13	---	---
Delivery terms	7	5	1
Delivery time	9	4	---
Discounts offered	3	6	3
Extension of credit	4	6	3
Minimum quantity requirements	4	4	5
Packaging	4	2	7
Price	13	---	---
Product consistency	13	---	---
Product range	5	4	4
Quality meets industry standards	11	2	---
Quality exceeds industry standards	8	4	1
Reliability of supply	13	---	---
Technical support/service	4	8	1
U.S. transportation costs	11	2	---

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

Supplier certification

Ten of 13 purchasers require their suppliers to become certified or qualified to sell foundry coke to their firm. Purchasers reported that the time to qualify a new supplier ranged from 1 to 90 days. Two purchasers reported that a domestic producer had failed in its attempt to qualify product, or had lost its approved status since January 1, 2014 because of size difference and manufacturing issues.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2014 (table II-7); reasons purchasers reported increasing purchases of U.S. foundry coke included increased blast furnace output and competitive prices. The only reason given for decreased purchases of U.S. product was import competition. Six of 13 responding purchasers reported that they had changed suppliers since January 1, 2014. Specifically, firms dropped Erie Coke and Walter Coke because of ***. Firms added purchases from Tonawanda, ERP Compliant, and Mountain State because they were qualified to sell or in order to replace other firms. Five of 13 purchasers reported new suppliers entering the market, including Mountain State, ERP Compliant Coke, Metalimix, and Coeclerici, but only one anticipated new suppliers in the future. Purchaser ***.

Table II-7
Foundry coke: Changes in purchase patterns from U.S., subject, and nonsubject countries

Factor	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	---	2	2	7	2
China	10	---	---	---	---
All other countries	6	1	3	---	---
Sources unknown	8	---	---	---	---

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

Importance of purchasing domestic product

Purchasing foundry coke from domestic sources was not a priority for most purchasers. Eleven purchasers reported that purchasing U.S.-produced product was not an important factor in their purchasing decisions for 100.0 percent of their 2016 purchases. One purchaser, ***, reported that domestic product was required by its customers (for 100.0 percent of its purchases), and one purchaser, ***, reported that it would purchase U.S. foundry coke if it is available.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing foundry coke produced in the United States, China, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (table II-8) for which they were asked to rate the importance. Most responding purchasers rated U.S. product as superior to Chinese product for eight factors, including technical support, reliability, and quality. Most responding purchasers reported that U.S. and Chinese product were comparable for discounts offered, extension of credit, packaging, quality meets industry standards, and U.S. transportation costs. For minimum quantity requirements, three purchasers each reported that U.S. product was superior or comparable to Chinese product. Regarding price, two purchasers each reported that U.S. product was comparable or inferior to Chinese product.

Table II-8
Foundry coke: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	U.S. vs. China			U.S. vs. Nonsubject			China vs. Nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	4	2	---	2	4	1	---	1	2
Delivery terms	3	1	---	1	4	1	---	2	1
Delivery time	4	2	---	2	4	1	---	2	1
Discounts offered	---	2	1	---	4	2	---	2	---
Extension of credit	---	3	---	---	6	---	---	2	---
Minimum quantity requirements	3	3	---	1	6	---	---	3	---
Packaging	1	2	---	---	5	---	---	2	---
Price	---	2	2	---	4	1	1	2	---
Product consistency	3	1	---	1	6	---	---	2	1
Product range	3	1	---	1	5	---	---	2	1
Quality meets industry standards	2	4	---	1	5	1	---	1	2
Quality exceeds industry standards	3	1	---	1	4	---	---	1	2
Reliability of supply	4	1	---	1	4	1	---	1	2
Technical support/service	5	1	---	3	4	---	---	1	2
U.S. transportation costs[1]	2	3	---	1	5	1	1	1	1

[1] A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Most purchasers reported that U.S. and nonsubject product were comparable on 15 factors. Most purchasers reported that product from China and nonsubject countries was comparable on nine factors, and that product from China and nonsubject countries was inferior on five factors, including availability, quality meets or exceeds industry standards, technical support and U.S. transportation costs.

Comparison of U.S.-produced and imported foundry coke

In order to determine whether U.S.-produced foundry coke can generally be used in the same applications as imports from China, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-9, most responding producers reported that foundry coke from each country pair was always interchangeable, while most purchasers reported that foundry coke from each country pair was frequently interchangeable. Purchaser *** stated that limited interchangeability is because Chinese foundry coke rarely meets chemistry requirements.

Table II-9
Foundry coke: Interchangeability between foundry coke produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. purchasers			
	A	F	S	N	A	F	S	N
United States vs. China	3	---	---	---	---	3	1	---
United States vs. Other	3	2	---	---	2	4	1	---
China vs. Other	3	---	---	---	1	3	---	---

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

As can be seen from table II-10, 10 of 13 responding purchasers reported that domestically produced product always met minimum quality specifications. Both responding purchasers reported that foundry coke from China usually met minimum quality specifications. Two responding purchasers each reported that foundry coke from other countries always or usually meets their quality specifications.

Table II-10
Foundry coke: Ability to meet minimum quality specifications, by source[1] and number of reporting firms

Factor	Always	Usually	Sometimes	Rarely or never
United States	10	3	---	---
China	---	2	---	---
Other	2	2	---	---

[1] Purchasers were asked how often domestically produced or imported foundry coke meets minimum quality specifications for their own or their customers' uses.

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

In addition, producers, importers and purchasers were asked to assess how often differences other than price were significant in sales of foundry coke from the United States, China, or nonsubject countries. As seen in table II-11, the responses differed between types of firms. Most producers reported that there was never a difference by country pair, while a plurality of purchasers' indicated that there were always differences. Purchaser *** stated that frequent delivery of truckload quantities of foundry coke is critical, while *** reported that the quality of Chinese foundry coke is lower and that transportation cost is generally an issue.

Table II-11
Foundry coke: Significance of differences other than price between foundry coke produced in the United States and in other countries, by country pairs

Country pair	U.S. producers				U.S. purchasers			
	A	F	S	N	A	F	S	N
United States vs. China	---	---	---	3	5	1	1	---
United States vs. Other	---	---	2	3	4	2	2	---
China vs. Other	---	---	---	3	3	1	1	---

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

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

ELASTICITY ESTIMATES

This section discusses elasticity estimates; parties were encouraged to comment on these estimates as an attachment to their prehearing or posthearing brief. None did so.

U.S. supply elasticity

The domestic supply elasticity[15] for foundry coke measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of foundry coke. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced foundry coke. Analysis of these factors above indicates that the U.S. industry is likely to be able to somewhat increase or decrease shipments to the U.S. market; an estimate in the range of 6 to 8 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for foundry coke measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of foundry coke. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the foundry coke in the production of any downstream products. Based on the available information, the aggregate demand for foundry coke is likely to be inelastic; a range of -0.25 to -0.75 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[16] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/ discounts/ promotions, etc.). Although Chinese product has not been recently in the U.S. market, based on available information, the elasticity of substitution between U.S.-produced foundry coke and imported foundry coke is likely to be in the range of 3 to 6.

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[15] A supply function is not defined in the case of a non-competitive market.

[16] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

PART III: CONDITION OF THE U.S. INDUSTRY

OVERVIEW

The information in this section of the report was compiled from responses to the Commission's questionnaires. Five firms, which accounted for one hundred percent of U.S. production of foundry coke during 2016, supplied information on their operations in this review.

During the original investigation, there were seven producers of foundry coke in the United States: ABC Coke, Acme Steel Co. ("Acme"), Citizens Gas & Coke Utility, Empire Coke Co. ("Empire"), Erie Coke Corp. ("Erie"), Sloss Industries Corp. ("Sloss"), and Tonawanda Coke Corp. ("Tonawanda"). In November 2001, Acme declared bankruptcy and shut down both its steelmaking and coke operations,[1] and in July 2004, Empire shut down its coke operations. During the Commission's first five-year review of the order, there were five remaining producers of foundry coke in the United States. Prior to the Commission's second five-year review of the antidumping duty order, Citizens Gas & Coke Utility shuttered its foundry coke facilities in 2007, leaving four firms that produced foundry coke in the United States during the second review. The largest domestic producer at that time (in terms of number of ovens), Citizens Gas & Coke Utility, shut down its coke manufacturing plant in 2007 after 98 years of operation. Additionally, in 2009, domestic producer Sloss changed its name to Walter Coke to reflect the completion of a company reorganization.[2]

The current domestic foundry coke industry consists of the following five U.S. firms that are believed to account for all U.S. production of foundry coke: ABC Coke, Erie, ERP Compliant Coke, LLC ("ERP Coke") (formerly Walter Coke),[3] Mountain State Carbon LLC, and Tonawanda.[4] *** is the *** domestic foundry coke producer, accounting more than *** percent of total U.S. production in 2016. The remaining four U.S. producers are ***, each accounting for approximately *** percent of total U.S. production of foundry coke in 2016.

Changes experienced by the industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged

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[1] Although Acme's steelmaking operations were subsequently purchased by International Steel Group, Inc., the company's coke operations were not restarted.

[2] *Foundry Coke from China, Investigation No. 731-TA-891 (Second Review)*, USITC publication 4326, May 2012, p. I-7.

[3] In February 2016, Walter Coke was purchased by ERP Coke and its name was changed. *ERP Compliant Coke website, History*, http://www.erpcoke.com/history, accessed on January 25, 2018.

[4] Furnace coke producer Mountain State Carbon, located in West Virginia, with an annual coke making capacity of more than one million tons, recently entered the market for foundry coke. http://www.mscarbonllc.com/ accessed February 7, 2018.

shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of foundry coke since January 1, 2014. All five domestic producers indicated that they had experienced such changes; their responses are presented in table III-1. ABC Coke reported that it had reduced production as it reduced the number of ovens to cook the foundry coke.

Table III-1
Foundry coke: U.S. producers' reported changes in operations, since January 1, 2014

* * * * * * *

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of foundry coke. Their responses appear in table III-2.

Table III-2
Foundry coke: Anticipated changes in the character of U.S. operations

* * * * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-3 and figure III-1 present U.S. producers' production, capacity, and capacity utilization, by firm. The capacity to produce foundry coke remained stable from 2014 through January-September 2017. U.S. production declined *** percent from *** metric tons in 2014 to *** metric tons in 2016 but was *** percent higher in interim 2017 than in interim 2016. *** reported a decline in domestic production during 2014-16. *** reported a slight increase in domestic production and *** reported a significant increase in domestic production during 2014-16. *** during the first nine months of 2017.

Table III-3
Foundry coke: U.S. producers' production, capacity, and capacity utilization, 2014-2016, January to September 2016, and January to September 2017

* * * * * * *

Figure III-1
Foundry coke: U.S. producers' production, capacity, and capacity utilization, 2014-2016, January to September 2016, and January to September 2017

* * * * * * *

Constraints on capacity

* * * * * * *

Alternative products

Overall plant capacity data reported in this review indicate that there have been no capacity changes in the domestic industry from 2014 through January-September 2017 (table III-4). Production of foundry coke during 2014-16 by domestic producers ranged from *** to *** percent of overall facility production and production of out-of-scope products ranged from *** to *** percent. All five firms reported producing other products on the same equipment and machinery used to produce foundry coke in their facilities. ABC reported production of ***, Erie and Tonawanda reported production of ***, and ERP Coke reported production of ***. Mountain State Carbon reported production of ***.

Table III-4
Foundry coke: U.S. producers' production, capacity, and capacity utilization, 2014-2016, January to September 2016, and January to September 2017

* * * * * * *

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORTS

Table III-5 presents U.S. producers' U.S. shipments, export shipments, and total shipments during 2014-16, January to September 2016, and January to September 2017.

Table III-5
Foundry coke: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2014-2016, January to September 2016, and January to September 2017

* * * * * * *

The U.S. producers reported no internal consumption or transfers of foundry coke to related firms. From 2014 to 2016 and during the interim periods, U.S. commercial shipments accounted for the vast majority of U.S. producers' total shipments, by quantity, ranging from *** percent in 2014 to *** percent in January-September 2016. U.S. shipments declined by *** percent from *** metric tons in 2014 to *** metric tons in 2016, but were *** percent higher in interim 2017 than in interim 2016. ***, which accounted for *** percent of U.S. production in 2016, was the only reporting U.S. producer that experienced increases in U.S. commercial shipments during this time. The value and unit values of U.S. producer's U.S. shipments showed similar trends as quantity, declining throughout the period. The average unit values of U.S. producers' U.S. shipments fell from $*** per metric ton in 2014 to $*** per metric ton in 2016, and were $439 per metric ton in January-September 2017.

Export shipments accounted for a much smaller share of U.S. producers' total shipments, by quantity, ranging from *** percent in January-September 2016 to *** percent in 2014. *** did not export foundry coke since January 1, 2014. *** reported that the primary markets for their export shipments were ***. Export shipments declined by *** percent from

*** metric tons in 2014 to *** metric tons in 2016, but were *** percent higher in interim 2017 than in interim 2016. The average unit values of export shipments fell from $*** per metric ton in 2014 to $*** per metric ton in 2016, and were $*** per metric ton January-September 2017. The average unit value of export shipments was generally lower than the average unit value of U.S. shipments, with the exception of 2015.

U.S. PRODUCERS' INVENTORIES

Table III-6 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments during 2014-16, January-September 2016, and January-September 2017. All five producers reported holding some amount of end-of-period inventories since 2014. During 2014-16, U.S. producers' end-of-period inventories increased by *** percent, but declined by *** percent from 2015-16, and was *** percent higher in interim 2017 compared with interim 2016. The ratio of U.S. producers' inventories to total shipments was higher by *** percentage points in 2016 than in 2014, but the ratio of U.S. producers' inventories to total shipments was *** percentage points higher in interim 2017 than in interim 2016.

Table III-6
Foundry Coke: U.S. producers' inventories, 2014-16, January to September 2016, and January to September 2017

* * * * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

No U.S. producers reported imports or purchases of foundry coke from any source during January 2014-September 2017. Furthermore, there are no importing firms reported to be related to any U.S. producer.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-7 shows U.S. producers' employment-related data. During 2014-16, the number of production related workers ("PRWs") increased by *** percent from *** to ***, and was *** percent higher in January-September 2017 than in January-September 2016. Productivity fell during 2014-16, and remained marginally stable between January-September 2016 as compared to January-September 2017 (*** and *** respectively). U.S. producers' unit labor costs increased by *** percent from 2014 to 2016 but was *** percent lower in January-September 2017 than in January-September 2016.

Table III-7
Foundry coke: U.S. producers' employment related data, 2014-2016, January to September 2016, and January to September 2017

* * * * * * *

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

The financial results of five U.S. producers (ABC Coke, Erie, ERP Coke, Mountain State Carbon, and Tonawanda) of foundry coke are presented in this section of the report. All U.S. producers reported their financial data on a calendar year basis.[5] Commercial sales account for *** reported foundry coke revenue.

ABC Coke represented the large majority of sales during the period for which data were requested, at *** percent of 2016 total net sales volume. Erie, ERP Coke, Mountain State Carbon, and Tonawanda each represented between *** percent of 2016 total net sales volume. ***.

OPERATIONS ON FOUNDRY COKE

Table III-8 presents aggregated data on U.S. producers' operations on foundry coke. Table III-9 shows the changes in the average unit values of select financial indicators. Table III-10 presents selected company-specific financial data.

Net sales

As shown in table III-8, the total net sales volume and value of foundry coke declined from 2014 to 2016 by *** and *** percent, respectively. In January-September 2017 compared to January-September 2016, the total net sales volume was higher by *** percent while the total net sales value was lower by *** percent. Most U.S. producers reported similar directional trends in terms of volume and value, as shown in table III-10.

For the industry as a whole, the average net sales unit value continually decreased from $*** per metric ton in 2014 to $*** per metric ton in 2016, and was lower in January-September 2017 ($***) compared to the same period in 2016 ($***). The net sales unit values of most U.S. producers followed the same trend, decreasing from 2014 to 2016, and lower in January-September 2017 than January-September 2016.[6]

Cost of goods sold and gross profit or (loss)

Raw materials (primarily coal) were the largest component of cost of goods sold ("COGS"), accounting for between *** percent (January-September 2016) and *** percent (2014) of total COGS. Table III-8 shows that the industry's per-metric ton raw material costs consistently declined by *** percent from 2014 to 2016, but were *** percent higher in the first three quarters of 2017 compared to the first three quarters of 2016. As seen in table III-10,

[5] ***.

[6] ***. Email from ***, March 6, 2018.

most U.S. producers reported a decline in per metric ton raw material costs from 2014 to 2016, and *** reported higher or unchanged per metric ton raw material costs in January-September 2017 than in January-September 2016.[7]

Table III-8
Foundry coke: Results of operations of U.S. producers, 2014-16, January-September 2016, and January-September 2017

* * * * * * *

Table III-9
Foundry coke: Changes in average unit values, between calendar years and partial year periods

* * * * * * *

Table III-10
Foundry coke: Selected results of operations of U.S. producers, by firm, 2014-16, January-September 2016, and January-September 2017

* * * * * * *

The second largest component of COGS is other factory costs, which accounted for between *** percent (2014) and *** percent (January-September 2016) of total COGS. Table III-8 shows that the industry's per-metric ton other factory costs increased by *** percent from 2014 to 2016, but were *** percent lower in the first three quarters of 2017 compared to the first three quarters of 2016. U.S. producers included *** of environmental compliance costs as part of other factory costs. Such costs generally reflect environmental control processes and compliance with air and water discharge permits. U.S. producers reported dust suppression and capture measures, wastewater treatment, leak detection/repair, clean air fees, wages, supplies, contractor fees, and the like.[8] In the aggregate, environmental compliance costs were *** in 2014, *** in 2015, *** in 2016, *** in January-September 2016, and *** in January-September 2017.[9]

Lastly, direct labor was the smallest component of COGS, representing between *** percent (2014) and *** percent (2016) of total COGS. Direct labor moved within a relatively narrow range on a per metric ton basis and as a ratio to net sales. Table III-8 shows that the industry's per-metric ton direct labor costs increased by *** percent from 2014 to 2016, but were *** percent lower in the first three quarters of 2017 compared to the first three quarters of 2016.

[7] *** reported purchasing inputs from related suppliers during the period for which data were collected.

[8] Emails from ***, December 29, 2017, ***, January 23, 2018, ***, January 31, 2018, and ***, March 5, 2018.

[9] U.S. producers' questionnaire responses, question III-10.

U.S. producers were requested to report any by-product revenue associated with their domestic foundry coke operations. *** firms reported by-product revenue, which reportedly consisted of ammonia sulfate, light oil, tar, and various other forms of coke.[10] As seen in table III-8, by-product revenue consistently declined on a per-metric ton basis and as a ratio to net sales.

Gross profit declined from *** in 2014 to *** in 2016, and was lower in January-September 2017 (***) than in January-September 2016 (***).

Tables III-8 and III-9 show that for the industry as a whole, despite a decrease in per metric ton COGS from 2014 to 2016, per metric ton net sales decreased by a greater amount, which led to a lower gross profit margin. The lower margin, combined with a decrease in net sales volume led to a *** percent decrease in gross profit from 2014 to 2016. While both per-unit net sales and COGS were lower in interim 2017 than in interim 2016, per-unit net sales declined more, and led to a *** percent lower gross profit between the comparable interim periods.

Selling, general, and administrative expenses and operating income or (loss)

Selling, general, and administrative ("SG&A") expenses as a ratio to net sales ranged from *** percent (2014) to *** percent (January-September 2017). SG&A expenses represented *** percent of total operating costs and expenses during the period examined, and moved within a relatively narrow range. Although total SG&A expenses were at the lowest level of the full-year periods in 2016, the industry's SG&A expense ratio generally increased from 2014 to 2016 as the net sales value declined. SG&A expenses were higher in January-September 2017 than in January-September 2016 while the net sales value was lower, leading to the highest reported SG&A expense ratio during the period examined.[11]

On an overall basis, operating income declined from *** in 2014 to *** in 2016, and was lower in interim 2017 (***) than interim 2016 (***).[12] [13]

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[10] U.S. producers' questionnaire responses, question III-9a. For consistency, firms were required to report by-product revenue as an offset to COGS. However, in the normal course of business *** classifies by-product revenue in this manner. *** typically classify by-product revenue in overall sales. U.S. producers' questionnaire responses, question III-9b, note 1.

[11] ***. Email from ***, March 5, 2018.

[12] Tables III-8 and III-9, along with the related discussion of profitability, match the results of a variance analysis. That is, the decline in operating income from 2014 to 2016, as well as between the comparable interim periods, reflects a larger decline in average revenue compared to average operating costs and expenses. Further, volume declined from 2014 to 2016, and modestly improved between the comparable interim periods.

[13] ***. Submitted response from ***, March 5, 2018.

All other expenses and net income or (loss)

Classified below the operating income level are interest expense, other expense, and other income, which are usually allocated to the product line from high levels in the corporation. The combined effect of these line items improved from a net other expense in 2014 to a net other income in all other periods. Regarding notable other income, ***. [14] Regarding notable other expenses, ***.[15]

On an overall basis, net income irregularly declined from *** in 2014 to *** in 2016, and was lower in interim 2017 (***) than interim 2016 (***).

Capital expenditures, research and development expenses, total assets, and return on assets

The responding firms' aggregate data on capital expenditures, research and development ("R&D") expenses, total assets, and return on assets ("ROA") are shown in table III-11. *** reported capital expenditure data, and *** reported research and development ("R&D") expenses. Aggregate capital expenditures consistently declined from 2014 to 2016, and were lower in January-September 2017 compared to January-September 2016. R&D expenses also declined during the three full year periods, but were higher between the comparable interim periods. The majority of reported capital expenditures during the period examined reflect the data of ***. ***.[16] ***.[17] ***.[18] ***.[19]

The total assets utilized in the production, warehousing, and sale of foundry coke irregularly declined from $*** in 2014 to $*** in 2016. The ROA consistently declined from *** percent in 2014 to *** percent in 2016.[20]

Table III-11
Foundry coke: Capital expenditures, R&D expenses, total assets, and return on assets of U.S. producers, 2014-16, January-September 2016, and January-September 2017

* * * * * * *

[14] U.S. producers' questionnaire response of ***, question III-10, and emails from ***, January 23, 2018.

[15] U.S. producers' questionnaire response of ***, question III-10. ***." Email from ***, January 31, 2018.

[16] U.S. producers' questionnaire response of ***, question III-13.

[17] U.S. producers' questionnaire response of ***, question III-13.

[18] Ibid. *** . Email from ***, January 3, 2018.

[19] U.S. producers' questionnaire response of ***, question III-13. ***.

[20] The return on assets is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations may have been required in order to report a total asset value for foundry coke.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

Overview

In the original investigation, the Commission sent questionnaires to ten firms believed to have been importers of foundry coke; of these, six firms supplied usable data on the importing activities of seven importers. The firms that supplied usable data in the original final investigation (***) are believed to have accounted for all imports of foundry coke in 2000. Between 1998 and 2000, the time period examined in the Commission's original final investigation, China constituted the only source for U.S. imports of foundry coke.[1] During that period, imports from China increased by over *** percent.[2]

Following imposition of the antidumping duty order in 2001, imports from China decreased to below their 1998 level, while imports from nonsubject countries entered the U.S. market.[3] In 2003-04, U.S. imports of foundry coke from all sources ceased. By 2005, official Commerce statistics indicated that although there were no U.S. imports of foundry coke from China, U.S. imports from Canada and Mexico amounted to 47,032 metric tons.[4] During the period examined in the second five-year review of the order (2006-10), there were no imports of foundry coke from China and sporadic imports from Canada, Colombia, and Ukraine.[5] The domestic interested parties participating in that second five-year review of the antidumping duty order indicated that there were no importers importing foundry coke from China.[6]

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[1] Respondents in the Commission's original investigation suggested that the absence of nonsubject imports was attributable to the fact that foundry coke produced in nonsubject countries was too brittle to be shipped to the United States for commercial use. *Investigation No. 731-TA-891 (Final): Foundry Coke from China--Staff Report*, INV-Y-154, August 15, 2001, p. IV-1.

[2] *Investigation No. 731-TA-891 (Final): Foundry Coke from China--Staff Report*, INV-Y-154, August 15, 2001, table IV-1.

[3] According to domestic interested parties, one Chinese firm, CITIC Trading Company, Ltd., accounted for all exports of foundry coke from China to the United States in 2001 and 2002 after the antidumping duty order was imposed. *Foundry Coke from China, Inv. No. 731-TA-891 (Review)*, USITC Publication 3897, December 2006, p. I-7.

[4] *Foundry Coke from China, Inv. No. 731-TA-891 (Review)*, USITC Publication 3897, December 2006, p. I-7 and table I-3.

[5] As previously indicated, imports of foundry coke into the United States are classifiable under statistical reporting number 2704.00.0011 of the HTS. Although this reporting number is coextensive with Commerce's scope for the merchandise, information collected in the original final investigation suggests that between *** and 20 percent of U.S. imports of foundry coke at that time may have been sold as industrial coke (i.e., for uses other than those of foundry coke) as a result of physical degradation during shipment. *Investigation No. 731-TA-891 (Second Review): Foundry Coke from China--Staff Report*, INV-KK-036, April 2, 2012, p. I-13 and table I-4.

[6] *Foundry Coke from China, Inv. No. 731-TA-891 (Second Review),* USITC Publication 4326, May 2012, pp. I-10—I-11.

In this current third five-year review, the Commission issued importer questionnaires to six firms that were identified as possible U.S. importers of foundry coke since January 1, 2014. Two firms (***)[7] indicated that they had not imported foundry coke from any country since January 1, 2014. Despite multiple attempts by staff to elicit a response to the Commission's importer questionnaire from the remaining four firms (***), they did not provide a response to the Commission's request for information. The domestic producers indicated in their response to the Commission's notice of institution in this current third five-year review that there are no current importers offering foundry coke from China but that there have been "sporadic" U.S. imports of foundry coke from Canada, Colombia, and Ukraine.[8] Because there was no response to the Commission's importer questionnaire in this proceeding, import data for foundry coke in this report are based on official Commerce statistics (HTS statistical reporting number 2704.00.0011).

Imports from subject and nonsubject countries

Table IV-1 presents information on U.S. imports of foundry coke from China and all other sources over the period examined in this current third five-year review (2014-16, January to September 2016, and January to September 2017). These data show that there have been no imports of foundry coke from China.[9] Imports from nonsubject sources (primarily from Colombia, Canada, and Italy) increased from 549 metric tons in 2014 to 64,964 metric tons in 2016, and amounted to 552 metric tons during the first 9 months of 2017 compared with 64,259 metric tons in the comparable period of 2016. The unit values of nonsubject imports fell from $568 per metric ton in 2014 to $181 per metric ton in 2016, but were $474 per metric ton during the first 9 months of 2017. As a share of U.S. production, nonsubject country imports of foundry coke increased from *** percent in 2014 to *** percent in 2016, and were *** percent and *** percent during January-September 2016 and January-September 2017, respectively.

[7] ***.

[8] *Domestic Producers' Response to the Notice of Institution*, p. 21.

[9] Official import statistics (HTS statistical reporting number 2704.00.0011) indicate that the last time in which foundry coke was imported into the United States from China was September 2002.

Table IV-1
Foundry coke: U.S. imports, by source, 2014-16, January to September 2016, and January to September 2017

Item	Calendar year			January to September	
	2014	2015	2016	2016	2017
	Quantity (metric tons)				
U.S. imports from.--China	---	---	---	---	---
Nonsubject sources	549	19,648	64,963	64,259	552
All import sources	549	19,648	64,963	64,259	552
	Value (1,000 dollars)				
U.S. imports from.--China	---	---	---	---	---
Nonsubject sources	312	3,643	11,766	11,466	262
All import sources	312	3,643	11,766	11,466	262
	Unit value (dollars per metric ton)				
U.S. imports from.--China	---	---	---	---	---
Nonsubject sources	568	185	181	178	474
All import sources	568	185	181	178	474
	Share of quantity (percent)				
U.S. imports from.--China	---	---	---	---	---
Nonsubject sources	100.0	100.0	100.0	100.0	100.0
All import sources	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. imports from.--China	---	---	---	---	---
Nonsubject sources	100.0	100.0	100.0	100.0	100.0
All import sources	100.0	100.0	100.0	100.0	100.0
	Ratio to U.S. production (percent)				
U.S. imports from.--China	---	---	---	---	---
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from official U.S. import statistics under HTS 2704.00.0011.

U.S. IMPORTERS' IMPORTS SUBSEQUENT TO SEPTEMBER 30, 2017

According to U.S. official import statistics (statistical reporting number 2704.00.0011), there were no U.S. imports of foundry coke from any country during October 2017. During November 2017, 92 metric tons ($43,106) of foundry coke was imported into the United States, all from Italy.

U.S. IMPORTERS' INVENTORIES

No importing firms responded to the Commission's importer questionnaire in this proceeding. Therefore, inventories of U.S. imports of foundry coke have not been reported to the Commission.

THE INDUSTRY IN CHINA

Overview

Final investigation

The Commission reported in the final phase of its original investigation that there were 61 producers of foundry coke in China in early 2000. However, by the end of 2000, 30 of these producers shut down operations as a result of the enactment of stringent environmental regulations by the Government of China. Several producers of subject merchandise in China were believed to be vertically and/or horizontally integrated manufacturers, producing other types of coke and coal products, and/or operating their own coal mines.[10] The production capacity of Chinese producers of foundry coke also was believed to be relatively new at that time, with 50 percent of capacity estimated to have been built in the 1990s, compared to that of U.S. producers, most of whose equipment was nearing the end of its average lifespan.[11] In 2000, the Chinese producers' capacity was 2.7 million metric tons, production was 2.1 million metric tons, and total exports were 828,220 metric tons. Exports to the United States accounted for 5.8 percent of total shipments and exports to all other markets (including Japan, the European Union, Korea, Taiwan, and "Southeast Asia") accounted for 33.9 percent of total shipments.[12]

[10] *Foundry Coke From China, Investigation No. 731-TA-891 (Final)*, USITC Publication 3449, September 2001, p. VII-1.

[11] Ibid., pp. I-3 and VII-1.

[12] No Chinese foundry coke producer responded to the Commission's questionnaire in the original investigation; however, the Commission received Chinese foundry coke producers'/exporters' data aggregated by the China Coking Industry Association and the Shanxi Province Economics and Trade Council. The staff report from the Commission's original investigation did not estimate the share of total Chinese production of foundry coke accounted for by these data. On the basis of questionnaire-reported import data obtained in the original investigation, Chinese producers' data represented 83 percent of

Expedited first and second five-year reviews

In the Commission's expedited first and second five-year reviews, the Commission did not receive responses from any respondent interested parties and no specific information regarding Chinese producers, their capacity, production, or shipments of foundry coke were available. At the time of the first five-year review, the domestic interested parties' response to the Commission's notice of institution highlighted studies indicating an increase in Chinese firms' coke production capacity between 2000 and 2005.[13]

In the expedited second five-year review, the domestic interested parties identified six firms believed to have produced foundry coke at that time in China: Baoding Shangsheng Carbon Co.; Chino Minerals Corp.; Gongyi City Yi Yang Water Treatment Material Co.; Huizhou Haihang Industrial Co.; Tianjin General Nice Coke & Chemicals Co.; and Tianjin Yue Yang Industrial & Trading Co. They indicated that coke (including foundry coke, as well as blast furnace coke, and industrial coke) production increased from 2000 to 2009 by 260 percent and that China produced 60 percent of the world's coke output at that time. The domestic interested parties further noted that, in 2011, China had approximately 130 million metric tons of excess coke capacity and that metallurgical coke producing firms in China had the capability to shift production to other products, including to foundry coke.[14] Because coke producers must keep their batteries fired or risk damage to the batteries, the domestic interested parties claimed that there was a likelihood of increased inventories when demand declines and/or new capacity is added. They argued that there were limited exports of coke from China due to a 40-percent export duty on coke, as well as quotas and non-automatic export licensing and hidden minimum price requirements, in addition to the antidumping measures in the United States and certain third country markets.[15]

Third five-year review

In this current third five-year review, the Commission made attempts to issue foreign producer questionnaires to 18 firms that were identified by the domestic producers in their response to the Commission's notice of institution as possible producers of foundry coke in China. The domestic producers explained that these 18 Chinese companies claimed to be manufacturers of coke (not necessarily foundry coke), advertised foundry coke for sale, and/or were identified in India's antidumping investigation as Chinese manufacturers/exporters to

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U.S. imports of foundry coke from China in 2000. *Foundry Coke From China, Investigation No. 731-TA-891 (Final)*, USITC Publication 3449, September 2001, tables IV-1 and VII-1.

[13] *Foundry Coke From China, Investigation No. 731-TA-891 (Review)*, USITC Publication 3897, December 2006, p. I-12.

[14] For example, in 2007, a Chinese consulting firm helped China's largest heat-recovery coke producer, Qinxin Group in Shanxi, switch from other metallurgical coke production to higher priced foundry coke production.

[15] *Foundry Coke From China, Investigation No. 731-TA-891 (Second Review)*, USITC Publication 4326, May 2012, p. I-14.

India of metallurgical coke (not necessarily foundry coke).[16] No Chinese firms provided a response to the Commission's request for information in this review.

The domestic interested parties indicated in their response to the Commission's notice of institution that, although there are no recent data on the Chinese foundry coke industry, the total Chinese manufacturing capacity for all types of coke increased more than 230 percent from approximately 130 million metric tons in 2000 to 560 million metric tons in 2011, with an estimated 130 million metric tons of unused coke-making capacity in 2011. They stated that capacity expansions and resulting overcapacity for the broader metallurgical coke industry in China has continued.[17] They added that, although provincial Chinese regulations limiting coal and coke production due to air quality issues curtailed production in the first half of 2016, a rebound in Chinese coke production and deterioration in air quality soon followed in the second half of 2016.[18] Overall, the domestic interested parties noted that total coke production in China increased in 2016 by 0.6 percent to 449.11 million metric tons.[19] Further, the domestic interested parties argued that there is some potential for product-shifting and that if the antidumping duty order is lifted, imports of foundry coke from China into the United States would be likely to escalate rapidly.[20]

Recent reports indicate that metallurgical coke producers (as well as steel producers) in 28 cities throughout China were once again ordered by Beijing to curb production in October 2017 in an effort to reduce winter smog. As a result of these government-enforced production curbs, prices of metallurgical coke in China increased in the last two months of 2017. However, a total of 11 metallurgical coke producers in China's Shanxi province, China's largest coke producing region, have since been urged by authorities to resume full production in order to boost output of coke oven gas ("COG"), a byproduct of coke production, in an effort to resolve the current supply tightness in the domestic byproduct market. By mid-December 2017, some of the 11 metallurgical coke producers in Shanxi province had already ramped up to full production of metallurgical coke. Other regions in China, such as Tangshan and Hebei

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[16] The domestic producers indicated that they do not believe that there are any producers in China that have exported foundry coke to the United States during the current period of review and that they do not know if any Chinese producers may have exported foundry coke to other countries. They noted that a number of Chinese companies advertise (in English) that they sell foundry coke, but most appear to be trading companies rather than producers. *Domestic Interested Parties' Submission of Response to Questions re Substantive Response*, June 28, 2017, p. 2. Further information on India's antidumping investigation concerning China is presented in the following section of this report ("Antidumping or Countervailing Duty Orders in Third-Country Markets").

[17] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, pp. 9, 13, and 15-16; and "Frugality at the expense of quality," *World Coal*, January 1, 2016 (presented in exh. 6 of *Domestic Interested Parties' Response to the Notice of Institution*).

[18] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, pp. 9, 13, and 15-16.

[19] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, pp. 14-16; and China Coking Congress, "15th China International Coking Technology and Coke Market Congress 2017," available at http://www.coke-china.com/index.php?siteid=2 (presented as exh. 18 of *Domestic Interested Parties' Response to the Notice of Institution*).

[20] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, pp. 17-18.

provinces, are currently still under winter metallurgical coke production restrictions. Even though Chinese steel producers, which use coke as an input, are currently curbing production, many metallurgical coke producers in China are operating coke ovens at full capacity to provide needed byproducts for heating and gas for cities in China. As a result, Chinese metallurgical coke prices began to show signs of softening in January 2018, with the increase in coke supply and ample coke inventories at steel plants putting downward pressure on Chinese metallurgical coke prices.[21]

Exports

Because there is no specific information regarding Chinese exports of foundry coke available in this current third five-year review, information on Chinese exports of the broader metallurgical coke product is presented. The domestic interested parties noted in their response to the Commission's notice of institution in this current five-year review that changes in China's export regulations have enabled a surge in Chinese coke exports since the Commission's second five-year review.[22] In December 2012, China removed its 40-percent export tax on metallurgical coke. The same month, China's General Administration of Customs announced that it would no longer be issuing export quotas for metallurgical coke.[23] China continues to regulate coke exports through non-automatic export licensing, but otherwise has removed restrictions in order to comply with a WTO ruling related to the exportation of raw materials. At the time of the 2012 policy changes, Chinese exports of metallurgical coke were well below the 9 million metric ton annual quota.[24]

The domestic interested parties argued that the coke industry in China is even more export oriented today, increasing its metallurgical coke exports to the world faster in 2016 than it increased metallurgical coke production.[25] In fact, exports of Chinese metallurgical coke have increased above the former 2012 annual quota limit, with India and Japan emerging as the largest markets for Chinese metallurgical coke. Table IV-2 presents export data for metallurgical coke from China in descending order of quantity for 2016.

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[21] "UPDATE 1-China's Shanxi urges coke makers to halt curbs to boost gas output –official," *Reuters*, December 28, 2017, https://af.reuters.com/article/africaTech/idAFL4N1OS1N1, accessed on January 19, 2108; and "Analysis: China's met coke makers riding on LNG price boom with coke oven gas ramp-up," *S&P Global Platts*, January 10, 2018, https://www.platts.com/latest-news/metals/singapore/analysis-chinas-met-coke-makers-riding-on-lng-26868304, accessed on January 19, 2018.

[22] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, p. 17.

[23] Lian, Ruby and Fayen Wong, "China scraps export quotas on metallurgical coke," *Reuters*, January 9, 2013, http://www.reuters.com/article/china-coke-export-idUSL4N09T2NP20130109 (accessed July 21, 2017).

[24] Lian, Ruby and Fayen Wong, "UPDATE 2- China to scrap 40 percent export duty on metallurgical coke," *Reuters*, December 18, 2012, http://www.reuters.com/article/china-coke-export-idUSL4N09S2DG20121218 (accessed July 21, 2017).

[25] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, pp. 17-18.

Table IV-2

Metallurgical coke: Exports from China, by destination market, 2011-16

Destination	2011	2012	2013	2014	2015	2016
	Quantity (metric tons)					
India	719,991	103,073	1,675,494	2,465,528	2,160,175	2,708,988
Japan	476,300	168,070	886,277	2,315,031	2,429,563	2,221,836
South Africa	76,634	90,172	118,950	337,231	258,295	714,596
Brazil	645,089	311,172	722,773	706,007	1,368,470	604,032
Indonesia	5,215	5,749	47,239	201,105	244,864	527,921
Vietnam	0	881	121,376	455,304	458,706	430,765
United Kingdom	0	0	2,001	50,510	53,467	415,379
Mexico	0	0	505	201,081	243,021	392,592
Malaysia	9,488	8,047	10,034	102,260	453,536	353,294
Korea	292,507	93,947	243,159	297,321	311,257	298,853
United States	94,083	0	0	0	0	38
All other	982,127	239,586	844,825	1,430,731	1,874,300	1,541,813
Total	3,301,433	1,020,697	4,672,632	8,562,107	9,855,656	10,210,107

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2704.00 ("Coke And Semicoke Of Coal, Of Lignite Or Of Peat, Whether Or Not Agglomerated; Retort Carbon"). The data presented are for metallurgical coke, of which foundry coke, blast furnace coke, and industrial coke (including coke breeze) are subgroups.

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ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

At the time of the original investigation, antidumping measures covering foundry coke from China had been separately imposed by India and the European Union.[26] During the first five-year review, publicly available information suggested that the antidumping measures imposed by India remained in effect, while those imposed by the European Union expired in December 2005.[27] During the second five-year review, the domestic interested parties indicated that the European Union's antidumping duty measure on foundry coke from China was set to expire in 2013. On March 15, 2013, the European Commission issued an

[26] *Foundry Coke from China, Investigation No. 731-TA-891 (Final)*, USITC Pub. 3449, September 2001, p. Vll-3; *Investigation No. 731-TA-891 (Final): Foundry coke from China-Revisions to the Staff Report*, INV-Y-164, August 22, 2001, p. V11-2.

[27] *Foundry Coke from China, Investigation No. 731-TA-891 (Review)*, USITC Pub. 3897, December 2006, pp. I-11—I-12 and n. 36.

announcement confirming that the antidumping duty measure on foundry coke from China would expire on March 19 of that year.[28]

Although the European Union no longer has antidumping measures in place for foundry coke from China, India has enacted new measures for low-ash metallurgical coke. On November 25, 2016, India imposed antidumping duties on metallurgical coke from China and Australia, applying a duty of $25.20 per metric ton to foundry coke and other types of metallurgical coke imports from China for the next five years.[29] The domestic interested parties noted that subsequent to the removal of China's export restrictions in 2012, India faced a "rapid increase" in imports of metallurgical coke from China. They stated that by the beginning of 2014, India's imports of metallurgical coke from China had doubled and Indian producers were operating at only 30-35 percent of capacity.[30] Indian officials reported that India's imports of metallurgical coke from China increased from 677,446 metric tons during April 2011-March 2012 to 1,851,487 metric tons during April 2013-April 2014, and the Indian market share of such imports from China increased from 14.0 percent to 28.5 percent.[31] In fact, during 2014 and 2016, India was China's largest export market for metallurgical coke, accounting for approximately 28.8 percent of the total metallurgical coke exports from China in 2014 and 26.5 percent in 2016 (see table IV-2). The domestic interested parties in this current five-year review argued that the duties imposed on metallurgical coke from China by India will result in exports of metallurgical coke to other world markets, and if the order on foundry coke from China were revoked, much of the Chinese product "would no doubt come here."[32]

GLOBAL MARKET

Because there is no specific information regarding the global market for foundry coke available in this current third five-year review, information on global exports of the broader metallurgical coke product is presented. Table IV-3 presents the largest global export sources of metallurgical coke (as described under subheading 2704.00) during 2011-16. China was the top exporter of metallurgical coke in 2016, with 9.8 million metric tons of exports. Poland was the second-largest exporter, with 7.0 million metric tons of exports in 2016. Russia was the third-largest exporter, with 2.3 million metric tons of exports.

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[28] European Commission, "Notice of the expiry of certain anti-dumping measures," *Official Journal of the European Union* C 77 (English edition), March 15, 2013, p. 18. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:077:0018:0018:EN:PDF.

[29] *S&P Global Platts*, "India imposes 5-year antidumping duties on coke imports from China, Australia," November 28, 2016 (accessed July 10, 2017), https://www.platts.com/latest-news/coal/singapore/india-imposes-5-year-antidumping-duties-on-coke-26606742.

[30] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, pp. 17-18.

[31] *Notification (Final Findings), Subject: Anti-dumping investigation concerning imports of "Low Ash Metallurgical Coke" originating in or exported from Australia and China PR-reg.*, No. 14/9/2015-DGAD, Government of India, Department of Commerce, Ministry of Commerce & Industry (Directorate General of Anti-Dumping & Allied Duties), October 20, 2016.

[32] *Domestic Interested Parties' Response to the Notice of Institution,* May 31, 2017, pp. 17-18.

Table IV-3

Metallurgical coke: Global exports by major sources, 2011-16

Reporting Country	2011	2012	2013	2014	2015	2016
	Quantity (metric tons)					
China	3,301,433	1,020,697	4,672,632	8,562,107	9,855,656	10,210,107
Poland	6,496,689	6,394,658	6,605,999	6,725,562	6,472,682	6,985,528
Russia	11,242,004	1,441,651	2,517,017	2,521,673	2,448,753	2,260,522
Colombia	1,512,890	1,785,023	1,893,960	1,973,616	1,917,395	1,774,060
Japan	721,370	1,480,074	1,345,289	593,473	663,929	960,464
United States	880,707	848,515	761,310	858,196	777,362	888,922
Germany	214,014	308,854	352,443	561,866	403,296	763,925
Italy	373,993	325,517	318,920	565,164	402,463	547,816
Netherlands	276,597	485,724	319,434	560,958	472,746	532,571
Czech Republic	510,919	431,486	450,227	516,933	523,672	460,387
All other	5,803,656	7,352,859	4,152,655	3,659,044	2,711,362	2,019,378
Total	31,334,273	21,875,059	23,389,886	27,098,592	26,649,315	27,403,680

Note.--Because of rounding, figures may not add to total shown. Data accessed July 21, 2017. Some countries, including Mozambique, did not report their export data for 2704.00 and therefore are not included in the global total. A later version of this data was accessed on March 15, 2018 and included Mozambique's exports. However, the data accessed in March was not used due to apparent inconsistencies in the values and quantities reported for Mozambique over the time period.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2704.00. These data may be overstated as HTS 2704.00 may contain products outside the scope of this review. The totals for all other exporters and all exporters may be understated as some of the smaller exporting countries had not yet reported data for 2014, 2015, and 2016 when the data were accessed.

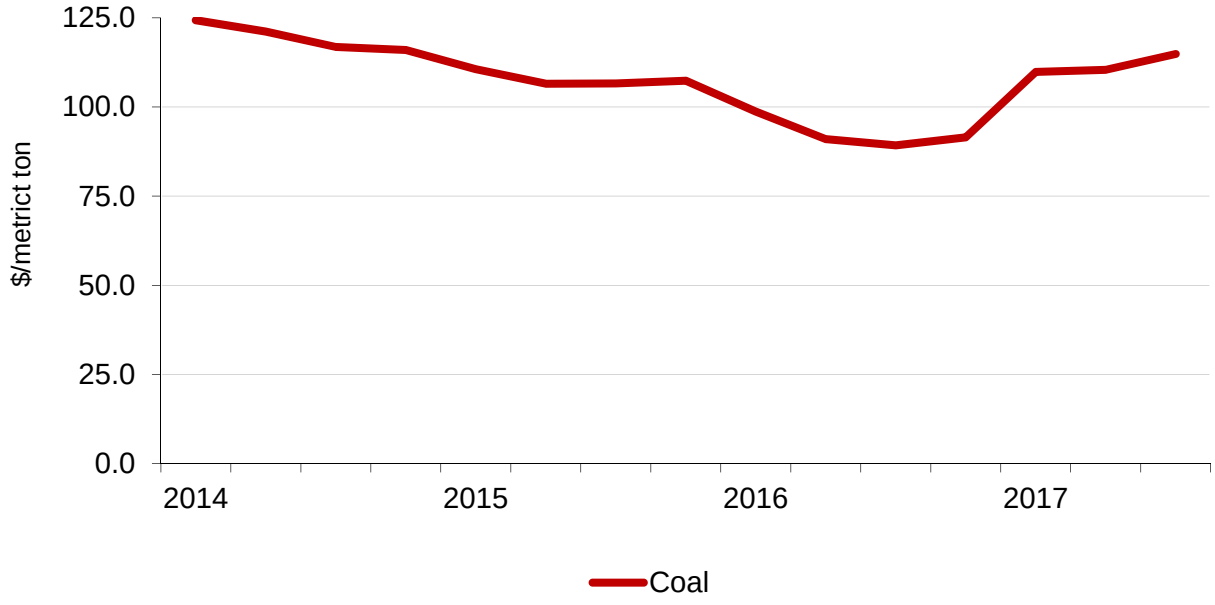
PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

The main raw material for foundry coke is coal. The price of the coal varies with the rank of coal used; generally a high quality (low sulfur, high carbon) bituminous coal is preferred for production of foundry coke.[1] Raw materials accounted for approximately *** percent of the cost of goods sold ("COGS") for foundry coke in 2016. All U.S. producers reported that raw material prices had increased since January 2014, four U.S. producers anticipated prices to continue to increase in the future, and one U.S. producer anticipated prices would fluctuate in the future.[2] The average price of coal delivered for use in foundry coke production has fluctuated throughout the period of investigation, but decreased overall by 26.4 percent from 2014 to 2016. However, prices increased slightly starting in Q1 of 2017. Data on the average price and trends of coal for use in foundry coke production are presented in figures V-1 and V-2.

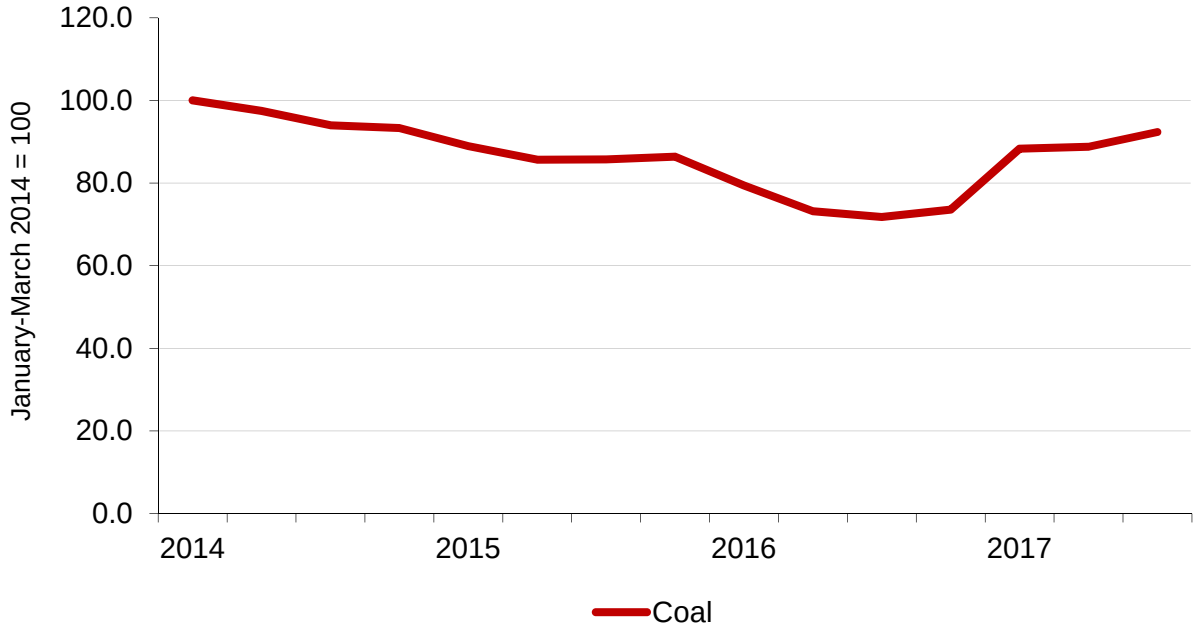
Figure V-1
Raw material: Average price of coal for use in coke plants, January 2014 to September 2017



Source: U.S. Energy Information Administration and staff calculations.

[1] Ranks of coal include bituminous, anthracite, lignite, and sub-bituminous.
[2] U.S. producers *** reported that changes in raw material costs were not a significant factor in foundry coke prices.

Figure V-2
Raw material: Trends in the price of coal for use in coke plants, January 2014 to September 2017



Source: U.S. Energy Information Administration and staff calculations.

U.S. inland transportation costs

U.S. producers *** reported that they typically arrange transportation to their customers. The remaining three U.S. producers reported that their purchasers arrange transportation.[3] Most U.S. producers reported that their U.S. inland transportation costs ranged from 10 to 15 percent.

PRICING PRACTICES

Pricing methods

U.S. producers reported using transaction-by-transaction negotiations, contracts, price lists, and other methods (e.g., purchase orders). As presented in table V-1, all U.S. producers sell on transaction-by-transaction negotiations and contracts.

[3] No importers responded to the Commission's Importers' Questionnaire in this review.

Table V-1
Foundry coke: U.S. producers' reported price setting methods, by number of responding firms[1]

Method	U.S. producers
Transaction-by-transaction	5
Contract	5
Set price list	2
Other	3
Responding firms	5

[1] The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

U.S. producers reported selling the majority of their foundry coke under annual contracts and a substantial amount under long-term contracts (table V-2).

Table V-2
Foundry coke: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2016

* * * * * * *

Three purchasers reported that they purchase product daily, 6 purchase weekly, 2 purchase monthly, 1 purchases quarterly, and 2 purchase annually. Twelve of 13 responding purchasers reported that they did not expect their purchasing patterns to change in the next two years. Most (11 of 12) purchasers contact 1 to 5 suppliers before making a purchase.

Sales terms and discounts

U.S. producers typically quote prices on an f.o.b. basis. The majority of responding U.S. producers (4 of 5) offer no discounts. U.S. producer *** reported that ***. U.S. producers reported sales terms of net 30 days and net 60 days.

Price leadership

Purchasers reported that U.S. producers *** were price leaders. Purchaser *** reported that U.S. producer *** "has driven foundry coke pricing to new lows, after the Czech and Italian cokes have begun to be imported into the United States." Purchaser *** reported that *** have a large influence on the firm's price fluctuations.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following foundry coke product shipped to unrelated U.S. customers during January 2014 to September 2017.

Product 1.-- Coke larger than 100mm (4 inches) in maximum diameter and at least 50 percent of which is retained on a 100mm (4-inch) sieve after drop shatter testing pursuant to ASTM D 3038, of a kind used in foundries.

Five U.S. producers provided usable pricing data for sales of the requested product.[4] [5] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' shipments of foundry coke in 2016. Price data for product 1 is presented in table V-3 and figure V-3. There were no imports of foundry coke from China during January 2014 to September 2017.

Table V-3
Foundry coke: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2014 through September 2017

* * * * * * *

Figure V-3
Foundry coke: Weighted-average prices and quantities of domestic and imported product, by quarters, January 2014 through September 2017

* * * * * * *

Price trends

Overall, product 1 prices decreased during January 2014 to September 2017, and reached their lowest point in the second quarter of 2017. As shown in table V-4, the domestic price of foundry coke decreased by *** percent during January 2014 through September 2017.

Table V-4
Foundry coke: Summary of weighted-average f.o.b. prices for product 1 from the United States, January 2014 through September 2017

* * * * * * *

[4] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[5] ***. Email from ***, March 6, 2018.

Price comparisons

There were no price comparisons available in this review.[6] In the original investigations, subject imports from China were priced lower than domestic product in all 13 quarters, with underselling margins ranging from *** percent to *** percent.[7]

Purchasers' perceptions of relative price trends

Purchasers were asked how the prices of foundry coke from the United States had changed relative to the prices of product from China since 2014. Two responding purchasers reported that prices had changed by the same amount. Three purchasers, however, reported that U.S. prices had changed relative to the price of foundry coke from China. *** reported higher U.S. prices relative to those from China, and *** reported lower U.S. prices relative to those from China.

[6] No importers responded to the Commission's Importers' Questionnaire in this review.

[7] *Foundry Coke from China, Inv. No. 731-TA-891 (Final)*, USITC Publication 3449, September 2001, p. V-5.

APPENDIX A

FEDERAL REGISTER NOTICE

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
82 FR 20381 May 1, 2017	*Foundry Coke From China; Institution of a Five-Year Review*	https://www.gpo.gov/fdsys/pkg/FR-2017-05-01/pdf/2017-08508.pdf
82 FR 20314 May 1, 2017	*Initiation of Five-Year (''Sunset'') Reviews*	https://www.gpo.gov/fdsys/pkg/FR-2017-05-01/pdf/2017-08731.pdf
82 FR 41053 August 29, 2017	*Foundry Coke From China: Notice of Commission Determination To Conduct a Full Five-Year Review*	https://www.gpo.gov/fdsys/pkg/FR-2017-08-29/pdf/2017-18227.pdf
82 FR 169 September 1, 2017	*Foundry Coke Products from the People's Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*	https://www.gpo.gov/fdsys/pkg/FR-2017-09-01/pdf/2017-18587.pdf
82 FR 49660 October 20, 2017	*Foundry Coke From China; Scheduling of a Full Five-Year Review*	https://www.gpo.gov/fdsys/pkg/FR-2017-10-26/pdf/2017-23313.pdf
82 FR 206 October 26, 2017	*Foundry Coke From China: Scheduling of a Full Five-Year Review*	https://www.gpo.gov/fdsys/pkg/FR-2017-10-26/pdf/2017-23313.pdf
83 FR 8505 February 27, 2018	*Foundry Coke From China; Cancellation of Hearing for Full Five-Year Review*	https://www.gpo.gov/fdsys/pkg/FR-2018-02-27/pdf/2018-03860.pdf
Note.–The press release announcing the Commission's determinations concerning adequacy and the conduct of a full or expedited review can be found at https://usitc.gov/press_room/news_release/2017/er0804ll810.htm The Commission's explanation of its determinations can be found at https://www.usitc.gov/trade_remedy/731_ad_701_cvd/investigations/explanation_of_commission_determination_on_adequacy.pdf		

APPENDIX B

HEARING WITNESSES

SCHAGRIN ASSOCIATES

900 SEVENTH STREET, N.W. - SUITE 500 - WASHINGTON, D.C. 20001
P: (202) 223-1700 E: RSCHAGRIN@SCHAGRINASSOCIATES.COM F: (202) 429-2522

Inv. No. 731-TA-891
Third Review

PUBLIC DOCUMENT

FILED BY EDIS

February 9, 2018

The Honorable Lisa R. Barton
Secretary
U.S. International Trade Commission
500 E St. SW
Washington, DC 20436

Re: Foundry Coke from China, Third Sunset Review: Request to Consider Cancelling the Hearing

Dear Secretary Barton:

On behalf of ABC Coke, Erie Coke, and Tonawanda Coke (collectively "Domestic Producers"), domestic producers of foundry coke and interested parties as defined under 19 U.S.C. §1677(9)(C), we hereby respectfully request that the Commission consider cancelling the hearing currently scheduled for February 22, 2018 in the third five-year review of the antidumping duty order on foundry coke from China, Inv. No. 731-TA-891. For the reasons outlined below, considerations of cost and administrative efficiency suggest that a hearing may not be warranted in this review. If the Commission does proceed with a hearing, Domestic Producers intend to appear and fully participate.

Domestic Producers recognize that an oral hearing can provide an important opportunity for the Commission to achieve a fuller understanding of the facts and legal issues involved in a proceeding. In this sunset review, however, there are several unusual circumstances indicating that the benefits of a hearing would be limited and may not justify the burden of a hearing on the Commission and staff as well as on Domestic Producers. Accordingly, if the Commission is

amenable, Domestic Producers would propose to submit written responses to any questions from Commissioners and staff as part of their posthearing brief, or at a date to be determined by the Commission, in lieu of an oral hearing.

No foreign producers responded to questionnaires, no respondent parties have entered an appearance or participated in any phase of this sunset review, and we do not expect them to request to appear at the Commission's hearing. It is thus unlikely that an oral hearing will elicit new information concerning the Chinese foundry coke industry or the likely effects of revocation on the volume of future imports, their price effects, or their impact on the domestic industry. While Domestic Producers are willing to participate fully in a hearing, we expect that our testimony would focus on the points we have made previously in our substantive response, questionnaire responses, and in our prehearing brief to be submitted to the Commission on February 14, 2018. In the event the hearing is cancelled, we can further address any specific questions the Commission and staff may have in our posthearing brief due on March 1, 2018 or at a date to be determined by the Commission.

Thus, while we recognize that the Commission voted to conduct a full review "in light of the time that has transpired since the Commission conducted a full investigation in this matter and certain changes in conditions of competition that have occurred in the U.S. market since the original investigation,"[1] we believe all of those issues can be fully addressed without the need for an oral hearing before the Commission.

Finally, cancellation of the hearing would allow Domestic Producers to avoid travel expenses and related costs associated with attendance at the hearing. Domestic Producers have

[1] *Explanation of Commission Determination on Adequacy*, Foundry Coke from China, Inv. No. 731-TA-891 (Third Review), available on-line at: https://www.usitc.gov/trade_remedy/731_ad_701_cvd/investigations/explanation_of_commission_determination_on_adequacy.pdf .

attempted to minimize travel and discretionary expenses in response to negative conditions affecting Domestic Producer's foundry coke operations, and these savings would provide a substantial benefit to Domestic Producers.

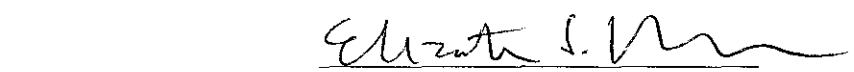
We would like to emphasize that our request to consider cancelling the hearing does not in any way reflect a lack of interest by Domestic Producers in continuing the order on foundry coke from China. Domestic Producers maintain an extremely strong interest in retaining the antidumping duty order on foundry coke from China and remain committed to fully cooperating with the Commission throughout this proceeding. Should the Commission choose to hold the oral hearing as scheduled on February 22, Domestic Producers will attend and participate fully.

We appreciate the Commission's willingness to consider the possibility of cancelling the scheduled hearing and allowing Domestic Producers to submit written answers to questions with our posthearing brief or at a date to be determined by the Commission.

Our firm, as counsel to Domestic Producers, is the only party listed on the public service list issued by the Commission in this review. Accordingly, we have not served this submission on any person or entity, nor have we included a certificate of service with this filing.

Thank you for your attention to this filing. Please contact the undersigned with any questions regarding this submission.

Respectfully submitted,



Roger B. Schagrin
Christopher T. Cloutier
Elizabeth J. Drake
SCHAGRIN ASSOCIATES
Counsel to ABC Coke, Erie Coke, and Tonawanda Coke

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of this investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the investigation. A party granted access to BPI in the preliminary phase of the investigation need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the final phase of this investigation will be placed in the nonpublic record on May 21, 2018, and a public version will be issued thereafter, pursuant to section 207.22 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the final phase of this investigation beginning at 9:30 a.m. on June 5, 2018, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before May 30, 2018. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should participate in a prehearing conference to be held on June 4, 2018, at the U.S. International Trade Commission Building, if deemed necessary. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is May 29, 2018. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is June 12, 2018. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation, including statements of support or opposition to the petition, on or before June 12, 2018. On July 9, 2018, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before July 11, 2018, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on E-Filing,* available on the Commission's website at *https://www.usitc.gov/secretary/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's rules with respect to electronic filing.

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

By order of the Commission.

Issued: February 21, 2018.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2018–03902 Filed 2–26–18; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–891 (Third Review)]

Foundry Coke From China; Cancellation of Hearing for Full Five-Year Review

AGENCY: United States International Trade Commission.

ACTION: Notice.

DATES: February 20, 2018.

FOR FURTHER INFORMATION CONTACT: Elizabeth Haines ((202) 205–3200), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION: Effective October 20, 2017, the Commission established a schedule for the conduct of this review (82 FR 49660, October 26, 2017). Subsequently, counsel for the domestic interested parties filed a request for consideration of cancellation of the hearing. Counsel indicated a willingness to submit written testimony and responses to any Commission questions in lieu of an actual hearing. No other party has entered an appearance in this review. Consequently, the public hearing in connection with this review, scheduled to begin at 9:30 a.m. on Thursday, February 22, 2018, at the U.S. International Trade Commission Building, is cancelled. Parties to this review should respond to any written questions posed by the Commission in their posthearing briefs, which are due to be filed on March 1, 2018. For further information concerning this review see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: February 21, 2018.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2018–03860 Filed 2–26–18; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—Medical CBRN Defense Consortium

Notice is hereby given that, on January 16, 2018, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), Medical CBRN Defense Consortium (''MCDC'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, WhiteSpace Enterprise Corporation, Inc., Fountain Hills, AZ; The Pennsylvania State University, University Park, PA; InBios International, Inc., Seattle, WA; Certera USA, Princeton, NJ; Actional Medical Technologies, Shingle Springs, CA; Microbiotix, Worcester, MA; Indiana Biosciences Research Institute, Indianapolis, IN; Humanetics Corporation, Edina, MN; Hawaii Biotech, Inc., Honolulu, HI; Wake Forest University Health Sciences, Winston-Salem, NC; CMC Pharmaceuticals, Inc., Cleveland, OH; Northern Arizona University, Flagstaff, AZ; The Charles Stark Draper Laboratories, Inc., Cambridge, MA; Guild Associates, Inc., Dublin, OH; and Atlantic Diving Supply, Inc. (ADS), Virginia Beach, VA, have been added as parties to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and MCDC intends to file additional written notifications disclosing all changes in membership.

On November 13, 2015, MCDC filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on January 6, 2016 (81 FR 513).

The last notification was filed with the Department on October 13, 2017. A notice was published in the **Federal Register** pursuant to Section 6(b) of the Act on December 6, 2017 (82 FR 57616).

Patricia A. Brink,

Director of Civil Enforcement, Antitrust Division.

[FR Doc. 2018–03978 Filed 2–26–18; 8:45 am]

BILLING CODE 4410–11–P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—ODVA, Inc.

Notice is hereby given that, on January 29, 2018, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), ODVA, Inc. (''ODVA'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, TAKIKAWA ENGINNERING CO., LTD., Tokyo, JAPAN; Bionics Instrument Co. Ltd., Tokyo, JAPAN; YUCHANGTECH, Gyeonggi-do, SOUTH KOREA; flexlog GmbH, Karlsruhe, GERMANY; profichip GmbH, Herzogenaurach, GERMANY; Lanmark Controls Inc., Acton, MA; Flow Devices and Systems Inc., Yorba Linda, CA; PROCENTEC BV, Wateringen, THE NETHERLANDS; and Packet Power, LLC, Minneapolis, MN, have been added as parties to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and ODVA intends to file additional written notifications disclosing all changes in membership.

On June 21, 1995, ODVA filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on February 15, 1996 (61 FR 6039).

The last notification was filed with the Department on October 20, 2017. A notice was published in the **Federal Register** pursuant to Section 6(b) of the Act on November 16, 2017 (82 FR 53526).

Patricia A. Brink,

Director of Civil Enforcement, Antitrust Division.

[FR Doc. 2018–03979 Filed 2–26–18; 8:45 am]

BILLING CODE 4410–11–P

DEPARTMENT OF LABOR

Employee Benefits Security Administration

Agency Information Collection Activities; Announcement of OMB Approvals

AGENCY: Employee Benefits Security Administration, Department of Labor.

ACTION: Notice.

SUMMARY: The Employee Benefits Security Administration (EBSA) announces that the Office of Management and Budget (OMB) has approved certain collections of information, listed in the Supplementary Information section below, following EBSA's submission of requests for such approvals under the Paperwork Reduction Act of 1995 (PRA). This notice describes the approved or re-approved information collections and provides their OMB control numbers and current expiration dates.

FOR FURTHER INFORMATION CONTACT: G. Christopher Cosby, Office of Policy and Research, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW., Room N–5718, Washington, DC 20210. Telephone: (202) 693–8410; Fax: (202) 219–4745. These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: The PRA and its implementing regulations require Federal agencies to display OMB control numbers and inform respondents of their legal significance after OMB has approved an agency's information collections. In accordance with those requirements, EBSA hereby notifies the public that the following information collections have been re-approved by OMB following EBSA's submission of an information collection request (ICR) for extension of a prior approval:

- OMB Control No. 1210–0048, Suspension of Pension Benefits Pursuant to Regulations 29 CFR 2530.203–3. The expiration date for this information collection is December 31, 2020.
- OMB Control No. 1210–0061, Employee Retirement Income Security

APPENDIX C

SUMMARY DATA

Table C-1
Foundry coke: Summary data concerning the U.S. market, 2014-16, January to September 2016, and January to September 201

(Quantity=Metric tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per metric ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sep
	2014	2015	2016	2016	2017	2014-16	2014-15	2015-16	2016-17
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China	***	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China	***	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***	***
U.S. importers' U.S. shipments of Imports from:									
China:									
Quantity	0	0	0	0	0	fn2	fn2	fn2	fn2
Value	0	0	0	0	0	fn2	fn2	fn2	fn2
Unit value	$0.00	$0.00	$0.00	$0.00	$0.00	fn2	fn2	fn2	fn2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	549	19,648	64,963	64,259	552	11,733.0	3,478.9	230.6	(99.1)
Value	312	3,643	11,766	11,466	262	3,672.9	1,068.3	222.9	(97.7)
Unit value	$568.03	$185.43	$181.12	$178.43	$474.22	(68.1)	(67.4)	(2.3)	165.8
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	549	19,648	64,963	64,259	552	11,733.0	3,478.9	230.6	(99.1)
Value	312	3,643	11,766	11,466	262	3,672.9	1,068.3	222.9	(97.7)
Unit value	$568.03	$185.43	$181.12	$178.43	$474.22	(68.1)	(67.4)	(2.3)	165.8
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	1,370,181	1,370,181	1,370,181	1,041,394	1,041,394	0.0	0.0	0.0	0.0
Production quantity	670,787	648,254	578,314	434,899	451,927	(13.8)	(3.4)	(10.8)	3.9
Capacity utilization (fn1)	49.0	47.3	42.2	41.8	43.4	(6.7)	(1.6)	(5.1)	1.6
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (Metric tons per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net Sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit of (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (fn1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	***	***	***	***

Notes:
fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics under HTS 2704.00.0011.

HISTORICAL SUMMARY DATA

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APPENDIX D

COMMENTS ON THE EFFECTS OF ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Appendix D presents data on firms' narratives on the impact of the order and the likely impact of revocation.

Table D-1 (U.S. producers)
Foundry coke: Firms' narratives on the impact of the order and the likely impact of revocation
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