Stainless Steel Sheet and Strip from China

Investigation Nos. 701-TA-557 and 731-TA-1312 (Review)

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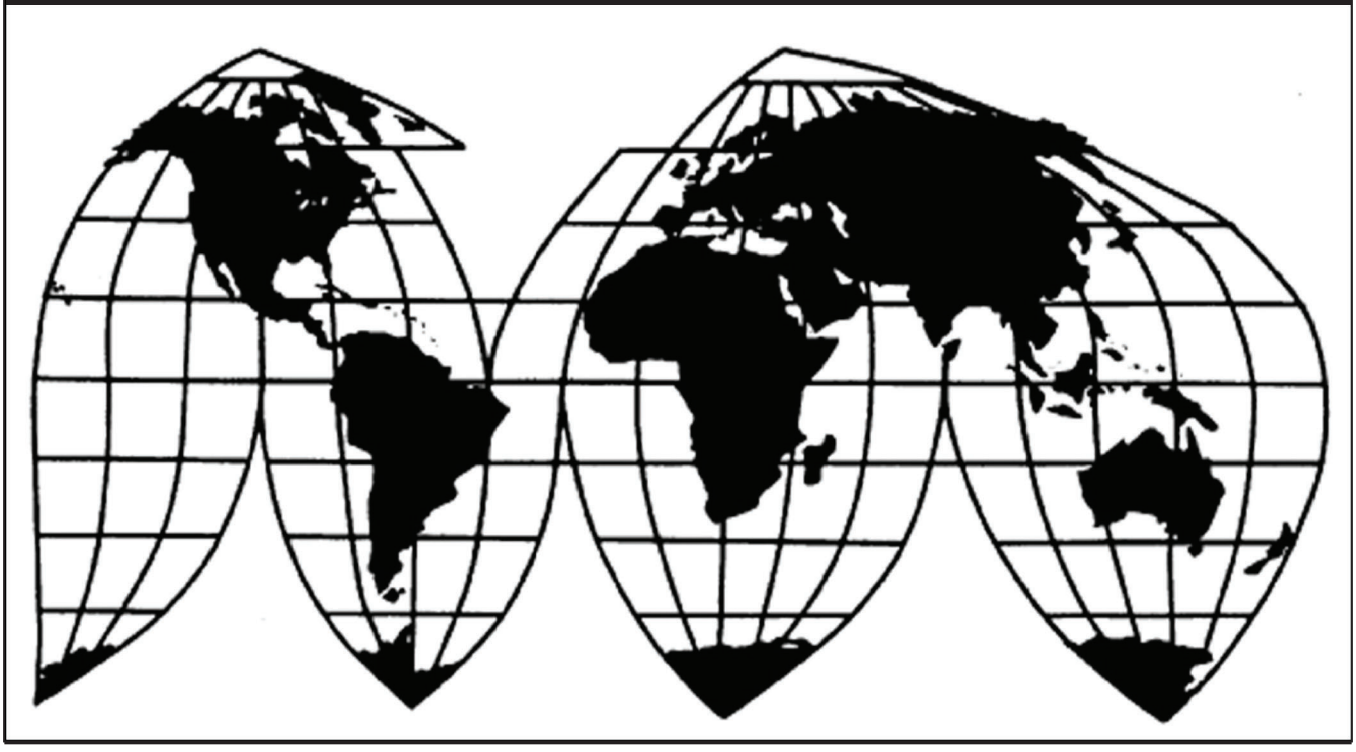
U.S. International Trade Commission



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

U.S. International Trade Commission

Washington, DC 20436
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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-557 and 731-TA-1312 (Review)

Stainless Steel Sheet and Strip from China

DETERMINATION

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the antidumping duty and countervailing duty orders on imports of stainless steel sheet and strip 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 instituted these reviews on March 1, 2022 (87 FR 11478) and determined on June 6, 2022 that it would conduct expedited reviews (87 FR 56444, September 14, 2022).

[1] The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Tariff Act"), that revocation of the antidumping and countervailing duty orders on stainless steel sheet and strip 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 Investigations: On February 12, 2016, four U.S. producers of stainless steel sheet and strip filed antidumping and countervailing duty petitions concerning imports of stainless steel sheet and strip from China.[1] In March 2017, the Commission determined that an industry in the United States was materially injured by reason of imports of stainless steel sheet and strip from China that were found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and subsidized by the government of China.[2] On April 3, 2017, Commerce issued antidumping and countervailing duty orders on imports of stainless steel sheet and strip from China.[3]

Current reviews: The Commission instituted these first five-year reviews on March 1, 2022.[4] It received a joint response to the notice of institution from domestic producers Cleveland-Cliffs Inc. ("Cleveland-Cliffs"), NAS, and Outokumpu (collectively, "Domestic Producers").[5] No respondent interested party filed a response or participated in the reviews. On June 6, 2022, the Commission determined that the domestic interested party group

[1] *Stainless Steel Sheet and Strip from China: Determinations*, 82 Fed. Reg. 15716 (Mar. 30, 2017). The four U.S. producers who filed petitions in the original investigation were: AK Steel Corp., West Chester, Ohio ("AK Steel"); Allegheny Ludlum, LLC d/b/a ATI Flat Rolled Products, Pittsburgh, Pennsylvania ("ATI"); North American Stainless ("NAS"); and Outokumpu Stainless USA LLC ("Outokumpu"). Confidential Report, INV-UU-057 (May 25, 2022) ("CR")/Public Report, *Stainless Steel Sheet and Strip from China,* Inv. Nos. 701-TA-557 and 731-TA-1312 (Review), USITC Pub. 5376 (Oct. 2022) ("PR") at I-3.

[2] *Stainless Steel Sheet and Strip from China*, Inv. Nos. 701-TA-557 and 731-TA-1312, USITC Pub. 4676 (Mar. 2017) ("*Original Determinations*") at 3.

[3] *Stainless Steel Sheet and Strip from the People's Republic of China: Antidumping Duty Order*, 82 Fed. Reg. 16160 (Apr. 3, 2017) and *Stainless Steel Sheet and Strip from the People's Republic of China: Countervailing Duty Order*, 82 Fed. Reg. 16166 (Apr. 3, 2017).

[4] *Stainless Steel Sheet and Strip from China: Institution of Five-Year Reviews*, 87 Fed. Reg. 11478 (Mar. 1, 2022).

[5] Domestic Producers' Response to Notice of Initiation, EDIS Doc. 767057 (Mar. 31, 2022) ("Response").

response to the notice of institution was adequate and that the respondent interested party group response was inadequate.[6] Finding that no other circumstances warranted conducting full reviews, the Commission determined to conduct expedited reviews.[7] Domestic Producers subsequently filed comments pursuant to Commission rule 207.62(d) on the determinations that the Commission should reach in these reviews.[8]

U.S. industry data are based on information that Domestic Producers provided in their response to the notice of institution, believed to account for the vast majority (*** percent) of domestic production of stainless steel sheet and strip in 2021.[9] U.S. import data are based on Commerce's official import statistics.[10] Foreign industry data and related information are based on information submitted by the Domestic Producers, questionnaire responses from the original investigations, and publicly available information gathered by the Commission.[11] Additionally, four purchasers responded to the adequacy phase questionnaire.[12]

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[13] 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."[14] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original

[6] *Stainless Steel Sheet and Strip from China: Scheduling of Expedited Five-Year Reviews*, 87 Fed. Reg. 56444 (Sept. 14, 2022).

[7] *Stainless Steel Sheet and Strip from China: Scheduling of Expedited Five-Year Reviews*, 87 Fed. Reg. 56444 (Sept. 14, 2022).

[8] Domestic Producers' Final Comments, EDIS Doc. 780730 (Sept. 21, 2022) ("Final Comments").

[9] CR/PR at I-2, Table I-2.

[10] CR/PR at Table I-10 source.

[11] *See* CR/PR at I-24.

[12] CR/PR at D-3-4.

[13] 19 U.S.C. § 1677(4)(A).

[14] 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. Dep't 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).

investigation and consider whether the record indicates any reason to revisit the prior findings.[15]

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

> The merchandise covered by this order is stainless steel sheet and strip, whether in coils or straight lengths. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product with a width that is greater than 9.5 mm and with a thickness of 0.3048 mm and greater but less than 4.75 mm, and that is annealed or otherwise heat treated, and pickled or otherwise descaled. The subject sheet and strip may also be further processed (e.g., cold-rolled, annealed, tempered, polished, aluminized, coated, painted, varnished, trimmed, cut, punched, or slit, etc.) provided that it maintains the specific dimensions of sheet and strip set forth above following such processing. The products described include products regardless of shape, and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, i.e., products which have been "worked after rolling" (e.g., products which have been beveled or rounded at the edges).
>
> For purposes of the width and thickness requirements referenced above: (1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above; and (2) where the width and thickness vary for a specific product (e.g., the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.
>
> All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this order unless specifically excluded.

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

> Subject merchandise includes stainless steel sheet and strip that has been further processed in a third country, including but not limited to cold-rolling, annealing, tempering, polishing, aluminizing, coating, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the stainless steel sheet and strip.
>
> Excluded from the scope of this order are the following: (1) Sheet and strip that is not annealed or otherwise heat treated and not pickled or otherwise descaled; (2) plate (i.e., flat-rolled stainless steel products of a thickness of 4.75 mm or more); and (3) flat wire (i.e., cold-rolled sections, with a mill edge, rectangular in shape, of a width of not more than 9.5 mm).[16]

The scope is unchanged from the original investigations.[17]

Stainless steel sheet and strip is produced to industry specifications for sheet and strip products detailed by ASTM International ("ASTM"), ASM International ("ASM"), and the American Iron and Steel Institute ("AISI").[18] Stainless steel is a low carbon steel that contains 10.5 percent or more chromium by weight.[19] Chromium gives the steel its corrosion resisting properties. Other alloying elements can be added in addition to chromium to impart certain characteristics to the steel.[20] Stainless steel sheet is at least 24 inches in width, whereas

[16] *Stainless Steel Sheet and Strip from the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, Issues and Decisions Memorandum, 87 Fed. Reg. 40183 (Jul. 6, 2022); *Stainless Steel Sheet and Strip from the People's Republic of China: Final Results of Expedited Sunset Review of the Countervailing Duty Order*, Issues and Decisions Memorandum, 87 Fed. Reg. 40506 (Jul. 7, 2022).

[17] On May 15, 2020, Commerce self-initiated scope and anti-circumvention inquiries regarding the antidumping and countervailing duty orders. *See Stainless Steel Sheet and Strip from the People's Republic of China: Initiation of Anti-Circumvention and Scope Inquiries on the Antidumping and Countervailing Duty Orders*, 85 Fed. Reg. 29401 (May 15, 2020). On September 15, 2022, Commerce reached a preliminary affirmative determination of circumvention and made no change to the scope of the orders. *See Stainless Steel Sheet and Strip from the People's Republic of China: Preliminary Scope Ruling and Preliminary Affirmative Determination of Circumvention for Exports from the Socialist Republic of Vietnam*, Issues and Decisions Memorandum, 87 Fed. Reg. 56626 (Sept. 15, 2022).

[18] *Original Determinations*, USITC Pub. 4676 at 6; *see* CR/PR at I-8-16.

[19] *Original Determinations*, USITC Pub. 4676 at 6; CR/PR at I-8.

[20] *Original Determinations*, USITC Pub. 4676 at 6; CR/PR at Table I-6.

stainless steel strip is less than 24 inches wide.[21] Stainless steel sheet and strip products are used in many consumer and industrial applications, especially where corrosion resistance, heat resistance, or certain aesthetic characteristics are desired.[22]

1. The Original Investigations

In the original preliminary investigations, the Commission defined a single domestic like product consisting of stainless steel sheet and strip, coextensive with the scope, based on its analysis of the like product factors.[23] The Commission found that while stainless steel sheet and strip within the scope included a variety of products of different forms and dimensions, all stainless steel sheet and strip products were used in consumer and industrial applications in which corrosion resistance, heat resistance, or certain aesthetic characteristics were desired.[24] The Commission also found that all stainless steel sheet and strip was produced by hot-rolling, coiling, annealing, and pickling stainless steel slab, with the majority of products undergoing additional processing such as cold-rolling.[25] It further found that stainless steel sheet and strip was sold predominantly to distributors and sold within a wide range of similar prices.[26] In addition, it found that interchangeability between stainless steel sheet and strip and other steel products was limited by inherent differences in physical properties and/or thickness as well as the specific industry standards to which they conformed. Moreover, it found that customers perceived stainless steel sheet and strip as distinct from other steel products.[27] In the final phase of the investigations, noting that there was no new information or argument that would warrant revisiting the definition of the domestic like product, the Commission again defined a single domestic like product consisting of stainless steel sheet and strip, coextensive with the scope of the investigations.[28]

2. The Current Reviews

In the current reviews, the record contains no new information suggesting that the characteristics or uses of domestically produced stainless steel sheet and strip have changed

[21] *Original Determinations*, USITC Pub. 4676 at 6; CR/PR at Table I-4.
[22] *Original Determinations*, USITC Pub. 4676 at 6; CR/PR at I-11.
[23] *Original Determinations*, USITC Pub. 4676 at 7.
[24] *Original Determinations*, USITC Pub. 4676 at 7.
[25] *Original Determinations*, USITC Pub. 4676 at 7.
[26] *Original Determinations*, USITC Pub. 4676 at 7.
[27] *Original Determinations*, USITC Pub. 4676 at 7.
[28] *Original Determinations*, USITC Pub. 4676 at 7.

since the original investigations.[29] Domestic Producers state that they agree with the domestic like product definition from the original investigations.[30] We therefore again define a single domestic like product consisting of stainless steel sheet and strip, coextensive with Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[31] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission defined the domestic industry as all domestic producers of stainless steel sheet and strip.[32] There were no related party or other domestic industry issues.[33]

In the current reviews, domestic producer ATI may qualify as a related party by virtue of its affiliation with STAL, a producer and possible exporter of subject merchandise in China, and its possible importation of stainless steel sheet and strip from China during the period of review.[34] However, there is insufficient information on the record to ascertain whether the subject producer affiliated with ATI exported subject merchandise to the United States, or whether ATI imported subject merchandise, such that ATI would qualify as a related party and

[29] CR/PR at I-5-11.

[30] Response at 32.

[31] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

[32] *Original Determinations*, USITC Pub. 4676 at 8.

[33] *Original Determinations*, USITC Pub. 4676 at 7-8. The Commission noted that domestic producer ATI had a joint venture with Shanghai STAL Precision Stainless Steel Co., Ltd. ("STAL"), and that it purchased subject merchandise in 2014. The Commission found that ATI did not qualify as a related party, however, because STAL ***, and ATI's purchases of subject merchandise were too small in volume to qualify the firm as a related party. Confidential Original Views, EDIS Doc. 769844 (May 4, 2022) at 9 n.23.

[34] Response at 29-30, Exhs. 17-19. Domestic Producers indicate that ATI currently owns 60 percent of STAL. Domestic Producers included STAL in their list of producers and exporters in China that exported or may have exported subject merchandise to the United States, and ATI in their list of U.S. importers that imported or may have imported subject merchandise. *Id.*

be subject to possible exclusion under the related parties provision.[35] Even assuming *arguendo* that ATI would qualify as a related party, there is insufficient information on the record to determine whether appropriate circumstances exist to exclude the firm from the domestic industry, or any data from the firm to exclude, because ATI did not respond to the notice of institution with information on its domestic operations. Domestic Producers do not argue that ATI should be excluded from the domestic industry pursuant to the related parties provision and agree with the definition of the domestic industry set forth in the notice of institution.[36]

Consistent with our definition of the domestic like product, and absent any argument to the contrary, we define the domestic industry as all U.S. producers of stainless steel sheet and strip.

III. Revocation of the Antidumping and Countervailing Duty Orders 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."[37] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[38] Thus, the likelihood

[35] *See* Response at Exhs. 18-19. The information available on the record is limited to Domestic Producers' lists of U.S. importers that "may be importers of subject merchandise" and Chinese producers that "may have exported subject merchandise" based on Customs shipment manifest information for shipments after the Orders were imposed, with no additional supporting evidence. *See id.* at Exh. 18 n.1, Exh. 19 n.1.

[36] *See* Response at 29, 32.

[37] 19 U.S.C. § 1675a(a).

[38] SAA at 883-84. The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id*. at 883.

standard is prospective in nature.[39] The U.S. Court of International Trade ("CIT") 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.[40]

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."[41] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[42]

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."[43] 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

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[39] 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.

[40] *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'").

[41] 19 U.S.C. § 1675a(a)(5).

[42] 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*.

[43] 19 U.S.C. § 1675a(a)(1).

regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[44] 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.[45]

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.[46] 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.[47]

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[48]

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

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[44] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings since the original investigations. *Stainless Steel Sheet and Strip from the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, Issues and Decisions Memorandum, 87 Fed. Reg. 40183 (Jul. 6, 2022); *Stainless Steel Sheet and Strip from the People's Republic of China: Final Results of Expedited Sunset Review of the Countervailing Duty Order*, Issues and Decisions Memorandum, 87 Fed. Reg. 40506 (Jul. 7, 2022).

[45] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[46] 19 U.S.C. § 1675a(a)(2).

[47] 19 U.S.C. § 1675a(a)(2)(A-D).

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

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.[49] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.[50]

No respondent interested party participated in these expedited reviews.[51] The record, therefore, contains limited new information with respect to the stainless steel sheet and strip industry in China. There also is limited information on the stainless steel sheet and strip market in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on information provided by the Domestic Producers and by the purchasers that responded to the adequacy phase questionnaire, the facts available from the original investigations, and the limited new public information on the record in these reviews.

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."[52] The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. The Commission found that demand for stainless steel sheet and strip was driven by the demand for the domestically produced downstream products in

[49] 19 U.S.C. § 1675a(a)(4).

[50] 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.

[51] *See* CR/PR at Table I-1.

[52] 19 U.S.C. § 1675a(a)(4).

which it is used.[53] Reported end uses included automotive parts, pipe and tube, restaurant and food service equipment, appliances, fabrication, sinks, and venting products.[54] Apparent U.S. consumption initially increased from 1.9 million short tons in 2013 to 2.1 million short tons in 2014, then decreased to 2.0 million short tons in 2015, and was 1.5 million short tons in January-September ("interim") 2015 compared to 1.6 million short tons in interim 2016.[55] Most U.S. producers, some importers, and a plurality of purchasers reported an increase in U.S. demand for stainless steel sheet and strip since 2013, with several firms attributing increased demand to growth in the auto and construction industries.[56]

Current Reviews. The information available in these reviews indicates that demand for stainless steel sheet and strip continues to be driven by demand for the downstream products in which it is used, including products produced for automotive, construction, and other industries.[57] Domestic Producers assert that demand for stainless steel sheet and strip products continues to recover from the negative impact of the COVID-19 pandemic in 2020 and 2021.[58] Several responding purchasers reported changes in demand for stainless steel sheet and strip during the period of review, and anticipated changes in such demand within a reasonably foreseeable time.[59]

Apparent U.S. consumption of stainless steel sheet and strip was *** short tons in 2021, which is lower than in the final year of the original investigations.[60]

2. Supply Conditions

Original Investigations. The Commission found that the domestic industry was the largest supplier of stainless steel sheet and strip to the U.S. market during the period of investigation ("POI"), although its market share decreased in each year of the POI. The domestic industry's share of apparent U.S. consumption decreased from 81.3 percent in 2013

[53] *Original Determinations*, USITC Pub. 4676 at 12.
[54] *Original Determinations*, USITC Pub. 4676 at 12.
[55] *Original Determinations*, USITC Pub. 4676 at 13.
[56] *Original Determinations*, USITC Pub. 4676 at 12.
[57] CR/PR at I-11; Response at 8.
[58] Response at 8.
[59] *See* CR/PR at D-3-5.
[60] CR/PR at Table I-11. Apparent U.S. consumption in 2021 may be understated relative to apparent U.S. consumption during the original investigations because coverage of the domestic industry is lower in these reviews, at approximately *** percent, as compared to the original investigations, in which responding domestic producers accounted for all domestic production of stainless steel sheet and strip. *Id.* at I-16.

to 78.9 percent in 2014 and 77.1 percent in 2015.[61] The domestic industry's combined annual capacity fluctuated between the years but was relatively unchanged in 2015 compared to 2013.[62] Several domestic producers reported temporary or short-term supply constraints during the POI.[63] One U.S. producer, ATI, closed its Midland, Pennsylvania facility in October 2016.[64]

The Commission found that responding purchasers reported experiencing supply constraints from both domestic producers and importers of subject merchandise.[65]

Subject imports were the smallest supplier of stainless steel sheet and strip to the U.S. market over the POI. Subject imports' market share increased from 3.3 percent in 2013 to 6.2 percent in 2014 and 7.4 percent in 2015.[66] Subject imports from China were the largest individual source of supply of imports of stainless steel sheet and strip in 2014 and 2015.[67]

Nonsubject imports were the second largest supplier of stainless steel sheet and strip to the U.S. market over the POI. Nonsubject imports' market share was 15.4 percent in 2013, 14.9 percent in 2014, and 15.5 percent in 2015.[68] Mexico and Taiwan were the largest sources of nonsubject imports of stainless steel sheet and strip to the United States during the POI.[69]

Current Reviews. The domestic industry was the largest supplier of stainless steel sheet and strip to the U.S. market in 2021, accounting for *** percent of apparent U.S. consumption that year.[70] The record indicates that some changes have occurred in the domestic industry since imposition of the orders. In particular, Cleveland-Cliffs acquired AK Steel, a domestic

[61] *Original Determinations*, USITC Pub. 4676 at 13.
[62] *Original Determinations*, USITC Pub. 4676 at 13.
[63] *Original Determinations*, USITC Pub. 4676 at 13-14.
[64] *Original Determinations*, USITC Pub. 4676 at 13.
[65] *Original Determinations*, USITC Pub. 4676 at 13.
[66] *Original Determinations*, USITC Pub. 4676 at 14.
[67] *Original Determinations*, USITC Pub. 4676 at 14. Subject imports from China accounted for 17.8 percent of total U.S. imports in 2013, 29.2 percent in 2014, and 32.5 percent in 2015; they accounted for 35.7 percent of total U.S. imports in interim 2015 and 12.9 percent in interim 2016. *Id*. at Table IV-2.
[68] *Original Determinations*, USITC Pub. 4676 at 14.
[69] *Original Determinations*, USITC Pub. 4676 at 14. Nonsubject imports from Mexico accounted for 25.7 percent of total U.S. imports in 2013, 19.3 percent in 2014, and 15.6 percent in 2015; they accounted for 15.0 percent of total U.S. imports in interim 2015 and 20.1 percent in interim 2016. Nonsubject imports from Taiwan accounted for 9.9 percent of total U.S. imports in 2013, 8.1 percent in 2014, and 9.8 percent in 2015; they accounted for 9.7 percent in interim 2015 and 11.6 percent in interim 2016. *Id*. at n.67.
[70] CR/PR at Table I-11.

producer and original petitioner, in March 2020.[71] ATI reopened its Midland, Pennsylvania facility in 2018, but idled the facility in June 2020, and announced plans to idle its production facility in Louisville, Ohio, by the end of 2021, with production from the Louisville facility expected to be moved to another plant in Vandergrift, Pennsylvania.[72]

Subject imports were the smallest source of supply to the U.S. market in 2021, accounting for *** percent of apparent U.S. consumption.[73] Nonsubject imports were the second largest source of supply of stainless steel sheet and strip to the U.S. market in 2021, accounting for *** percent of apparent U.S. consumption.[74] Taiwan, Mexico, and India were the largest sources of nonsubject imports in 2021.[75]

3. Substitutability and Other Conditions

Original Investigations. The Commission found that there was a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that price was an important factor in purchasing decisions.[76] The Commission also found that prices for the principal raw materials used in production of stainless steel sheet and strip, such as iron and steel scrap and alloying agents, had fluctuated but decreased overall during the POI.[77] The Commission observed that stainless steel sheet and strip was sold on the spot market and on a contract basis, with nearly half of domestic producers' U.S. commercial shipments in 2015 constituting spot sales, while importers reported selling a majority of their product through short-term contracts.[78] Finally, the Commission found that prices for stainless steel sheet and strip generally consisted of a base price plus a surcharge that was typically adjusted monthly to reflect the cost of alloying materials, among other factors.[79]

Current Reviews. There is no new information on the record in these reviews to suggest that the substitutability between subject imports and the domestic like product, or the importance of price to purchasing decisions, has changed since the original investigations. Domestic Producers assert that there remains a high degree of substitutability between subject imports and domestically produced stainless steel sheet and strip, and that price remains a

[71] CR/PR at Table I-8.
[72] CR/PR at Table I-8.
[73] CR/PR at Table I-11.
[74] CR/PR at Table I-11.
[75] CR/PR at Table I-10.
[76] *Original Determinations*, USITC Pub. 4676 at 14.
[77] *Original Determinations*, USITC Pub. 4676 at 15.
[78] *Original Determinations*, USITC Pub. 4676 at 15.
[79] *Original Determinations*, USITC Pub. 4676 at 15.

critical factor in purchasing decisions.[80] Accordingly, as in the original investigations, we find a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that price is an important factor in purchasing decisions.

Effective March 23, 2018, stainless steel sheet and strip produced in China was included in the enumeration of iron and steel articles that became subject to an additional 25 percent *ad valorem* duty under Section 232 of the Trade Expansion Act of 1962, as amended.[81] From September 1, 2019, until February 14, 2020, stainless steel sheet and strip produced in China was subject to an additional 15 percent *ad valorem* duty under Section 301 of the Trade Act of 1974.[82] Subsequently, effective February 14, 2020, stainless steel sheet and strip produced in China became subject to an additional 7.5 percent *ad valorem* duty under Section 301 of the Trade Act of 1974.[83]

C. Likely Volume of Subject Imports

1. The Original Investigations

The volume of subject imports increased from 63,114 short tons in 2013 to 132,009 short tons in 2014 and 147,143 short tons in 2015.[84] As a share of apparent U.S. consumption, subject imports increased from 3.3 percent in 2013 to 6.2 percent in 2014 and 7.4 percent in 2015.[85] The Commission found that subject imports took market share from the domestic industry, which lost 4.2 percentage points of market share between 2013 and 2015.[86] The Commission concluded that the volume of subject imports and the increase in that volume were significant, both in absolute terms and relative to consumption in the United States.[87]

2. The Current Reviews

The record indicates that the antidumping and countervailing duty orders have had a disciplining effect on the volume of subject imports. During the period of review, subject import volume fluctuated but remained below the level of subject imports in the original investigations, decreasing irregularly from 40,040 short tons in 2016 to 5,023 short tons in

[80] Response at 10-11.
[81] CR/PR at I-7.
[82] CR/PR at I-7 n.15.
[83] CR/PR at I-7.
[84] *Original Determinations*, USITC Pub. 4676 at 15.
[85] *Original Determinations*, USITC Pub. 4676 at 16.
[86] *Original Determinations*, USITC Pub. 4676 at 16.
[87] *Original Determinations*, USITC Pub. 4676 at 16.

2017, 3,134 short tons in 2018, 3,193 short tons in 2019, and 1,988 short tons in 2020 before increasing to 13,503 short tons in 2021.[88] Subject imports accounted for *** percent of apparent U.S. consumption in 2021, down from 7.4 percent in 2015.[89]

The record in these expedited reviews contains limited information on the stainless steel sheet and strip industry in China. The information available indicates that subject producers have the means and incentive to increase their exports of subject merchandise to the U.S. market if the orders were revoked. Specifically, the information available indicates that the industry in China continues to produce and export substantial volumes of stainless steel sheet and strip.[90] Domestic Producers have identified 319 possible producers of stainless steel sheet and strip in China.[91] The record also indicates that the subject industry increased its capacity during the period of review. In particular, Baowu Group, the parent company of Chinese stainless steel producer Baosteel, acquired Taiyuan Iron & Steel and TISCO Stainless in August 2020 and announced plans to construct 4.7 million metric tons of new stainless steel capacity in the Fujian Province of China, which would together bring Baowu's stainless steel production capacity to over 10 million short tons per year – nearly *** the reported capacity of responding Chinese producers in 2015.[92] Baowu also relocated a hot strip production line and increased the line's capacity by one million metric tons, which is expected to increase the firm's stainless steel production capacity.[93] According to Domestic Producers, an industry source estimated in 2018 that Chinese stainless steel capacity would reach 49.6 million short tons per year by 2020; moreover, subject producers could further increase their production and exports of stainless steel sheet and strip products by engaging in product shifting from the production of out-of-scope products.[94] Consistent with other evidence indicating that the subject industry is large, Global Trade Atlas ("GTA") data show that in each year of the period of review, China was the world's largest exporter of flat-rolled products of stainless steel, a category which

[88] CR/PR at Tables I-10 and I-11. In the original investigations, subject imports were 63,114 short tons in 2013, 132,009 short tons in 2014, and 147,143 short tons in 2015, accounting for 3.3 percent, 6.2 percent, and 7.4 percent of apparent U.S. consumption each respective year. CR/PR at Table I-11.

[89] CR/PR at Table I-11.

[90] CR/PR at Tables I-12 and I-13.

[91] CR/PR at I-22; Response at Exh. 19.

[92] CR/PR at I-22, Table I-12; Response at 16-17. In the original investigations, responding Chinese producers reported capacity of *** metric tons. CR/PR at I-22.

[93] CR/PR at Table I-12.

[94] Response at 17, 20, and Exhs. 8-11.

includes stainless steel sheet and strip and out-of-scope merchandise, and it increased exports of such merchandise by 21.0 percent over the 2016-2021 period.[95]

Available information also indicates that the U.S. market remains attractive to subject producers. Even with the disciplining effect of the orders, imports of stainless steel sheet and strip from China were present in the U.S. market throughout the period of review, indicating that subject producers remain interested in the U.S. market and maintained contacts with U.S. customers.[96] The record also indicates that stainless steel sheet and strip from China is subject to numerous antidumping and countervailing duty measures in third-country markets, including Brazil, the European Union, Korea, Malaysia, Mexico, Taiwan, Thailand, and Vietnam, providing further incentive for subject producers to direct exports to the U.S. market if the orders were revoked.[97] We also note that Commerce made a preliminary affirmative determination of circumvention with respect to imports of stainless steel sheet and strip of Chinese origin that have undergone further processing or completion in Vietnam.[98]

Given the significant and increasing volume and market share of subject imports during the original investigations, the subject industry's substantial and increasing capacity and exports, and the attractiveness of the U.S. market to subject producers, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.[99]

D. Likely Price Effects of Subject Imports

1. The Original Investigations

The Commission found that there was a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that price was an important factor

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[95] CR/PR at Table I-15.

[96] CR/PR at Table I-10.

[97] CR/PR at Table I-14; Response at 20.

[98] *See Stainless Steel Sheet and Strip from the People's Republic of China: Preliminary Scope Ruling and Preliminary Affirmative Determination of Circumvention for Exports from the Socialist Republic of Vietnam*, Issues and Decisions Memorandum, 87 Fed. Reg. 56626 (Sept. 15, 2022).

[99] Although responding purchasers *** reported that ***, subject imports increased irregularly by 330.9 percent from 3,134 short tons in 2018 to 13,503 short tons in 2021, the second highest level of the period of review, despite the imposition of section 232 duties in 2018 and section 301 duties in 2019 and 2020. CR/PR at I-7, D-3, Table I-10.

We also note that the record in these expedited reviews contains no information concerning inventories of the subject merchandise.

in purchasing decisions.[100] It also found that the pricing data showed a mixed pattern of underselling and overselling by subject imports during the POI.[101] From 2013 to 2015, subject imports undersold the domestic like product in 48 of 90 instances, corresponding to 17,244 short tons of subject import sales, and oversold the domestic like product in the remaining 42 instances, corresponding to 17,732 short tons of subject import sales.[102] The Commission observed that underselling by subject imports was concentrated in 2014, when demand increased and the largest gains in subject imports' market share occurred.[103] The Commission also observed that 14 responding purchasers reported purchasing 103,346 short tons of subject imports rather than domestically produced product during the POI on the basis of their lower prices, as subject imports gained 4.1 percentage points of market share from the domestic industry.[104] Noting that the market share shift was concentrated between 2013 and 2014, when there was predominant underselling, the Commission found that underselling by subject imports was significant.[105]

The Commission also found that subject imports depressed prices for the domestic like product to a significant degree in 2015. Specifically, the Commission found that prices for all eight pricing products generally declined during the POI, peaking in 2014 and then declining through the fourth quarter of 2015 to period lows even as demand was higher overall. While recognizing that raw materials costs decreased from 2014 to 2015, the Commission found that the average unit values of the domestic producers' domestic shipments decreased by a greater amount than cost and expenses, as confirmed by its variance analysis.[106] The Commission found that the significant volume of low-priced imports that entered the price-sensitive U.S. market in 2014 had placed pressure on the domestic industry to reduce prices in order to preserve market share in 2015.[107] As further support, the Commission observed that responding purchasers reported that domestic producers reduced prices to compete with subject imports by an estimated six to 30 percent.[108]

The Commission concluded that there was significant underselling of the domestic like product by the subject imports and, as a result, the subject imports gained market share at the

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[100] *Original Determinations*, USITC Pub. 4676 at 16.
[101] *Original Determinations*, USITC Pub. 4676 at 17.
[102] *Original Determinations*, USITC Pub. 4676 at 17.
[103] *Original Determinations*, USITC Pub. 4676 at 17.
[104] *Original Determinations*, USITC Pub. 4676 at 17.
[105] *Original Determinations*, USITC Pub. 4676 at 17-18.
[106] *Original Determinations*, USITC Pub. 4676 at 19.
[107] *Original Determinations*, USITC Pub. 4676 at 19.
[108] *Original Determinations*, USITC Pub. 4676 at 19.

expense of the domestic industry and depressed prices for the domestic product to a significant degree in 2015.[109]

2. The Current Reviews

As discussed above, we continue to find a moderate-to-high degree of substitutability between domestically produced stainless steel sheet and strip and subject imports from China, and that price is an important factor in purchasing decisions.

The record in these expedited reviews does not contain recent product-specific pricing information. Based on the information available, including subject import underselling during the original investigations, the moderate-to-high degree of substitutability between subject imports and the domestic like product, and the importance of price in purchasing decisions, we find that, if the orders were revoked, significant volumes of subject imports would likely engage in significant underselling, as they did in the original investigations. Absent the disciplining effect of the orders, the significant volumes of low-priced subject imports would likely take sales and market share from the domestic industry and/or force the industry to cut prices or restrain price increases that otherwise would occur to a significant degree.[110] Consequently, we find that if the orders were revoked, significant volumes of subject imports would likely have significant price effects.

E. Likely Impact of Subject Imports

1. The Original Investigations

The Commission found that the significant and increased volume of subject imports that undersold the domestic like product led to declines in the domestic industry's market share during the POI.[111] Due to the domestic industry's loss of market share, its indicia were worse than they would have been in the absence of subject imports.[112] In particular, the Commission found that subject imports deprived the domestic industry of additional sales in 2014, during a time of rising demand and strong prices, by underselling the domestic like product and increasing their market share at the domestic industry's expense.[113] The Commission found that in 2015, subject imports forced the domestic industry to lower prices in order to maintain

[109] *Original Determinations*, USITC Pub. 4676 at 20.
[110] *See Original Determinations*, USITC Pub. 4676 at 19.
[111] *Original Determinations*, USITC Pub. 4676 at 22.
[112] *Original Determinations*, USITC Pub. 4676 at 22.
[113] *Original Determinations*, USITC Pub. 4676 at 22.

its market share, reducing the industry's output, employment, and financial performance.[114] Accordingly, the Commission found that the significant and increased volume of subject imports, which gained market share at the expense of the domestic industry through significant underselling, had a significant impact on the domestic industry.[115]

The Commission rejected respondents' argument that subject imports were pulled into the U.S. market by the domestic industry's supply constraints and extended lead times, noting that domestic producers had ample unused capacity throughout the POI and lead times that never exceeded those for subject imports.[116] The Commission was also unpersuaded by respondents' argument that declines in raw material costs, as reflected in the surcharges charged by producers, were responsible for declines in the domestic industry's profitability from 2013 to 2015.[117] As the Commission explained, the record indicated that the domestic industry had reduced its base prices during 2014 and 2015, resulting in lost revenue and a deterioration in the domestic industry's condition, regardless of any declines in raw material surcharges.[118] The Commission also noted that the decline in raw material costs did not explain the shift in market share to subject imports.[119]

In considering the role of nonsubject imports for purposes of non-attribution, the Commission observed that while nonsubject imports increased by quantity from 2013 to 2014 as demand increased, their market share declined.[120] Although nonsubject imports' market share increased in 2015, the Commission found that the increase had only returned nonsubject import market share to roughly 2013 levels.[121] It also observed that nonsubject imports were generally priced higher than both subject imports and the domestic like product.[122] Accordingly, the Commission found that the declines in the domestic industry's market share, revenues, and financial performance could not be explained by nonsubject imports.[123]

The Commission concluded that the subject imports had a significant impact on the domestic industry.[124]

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[114] *Original Determinations*, USITC Pub. 4676 at 22-23.
[115] *Original Determinations*, USITC Pub. 4676 at 23.
[116] *Original Determinations*, USITC Pub. 4676 at 23-24.
[117] *Original Determinations*, USITC Pub. 4676 at 24.
[118] *Original Determinations*, USITC Pub. 4676 at 24.
[119] *Original Determinations*, USITC Pub. 4676 at 24.
[120] *Original Determinations*, USITC Pub. 4676 at 24.
[121] *Original Determinations*, USITC Pub. 4676 at 24.
[122] *Original Determinations*, USITC Pub. 4676 at 24.
[123] *Original Determinations*, USITC Pub. 4676 at 24.
[124] *Original Determinations*, USITC Pub. 4676 at 23.

2. The Current Reviews

The record in these expedited reviews contains limited information concerning the domestic industry's performance since the original investigations.

The information available indicates that the domestic industry's performance was generally stronger in 2021 than in 2015, the last year of the POI.[125] The domestic industry's capacity and production were lower in 2021 than in 2015, but its capacity utilization rate was higher. Specifically, in 2021, the domestic industry's capacity was *** short tons, production was *** short tons, and capacity utilization was *** percent.[126] The industry's U.S. shipments were *** short tons in 2021, equivalent to *** percent of apparent U.S. consumption that year, a higher share compared to 2015.[127] The industry's net sales revenues were $***, operating income was $***, and the ratio of its operating income to net sales was *** percent in 2021, all higher than in 2015.[128] Additionally, the industry's ratio of COGS to net sales was *** percent in 2021, which was lower than in 2015.[129] This limited information is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.

Based on the limited information on the record, we find that revocation of the orders would likely result in a significant volume of subject imports that would likely undersell the domestic like product to a significant degree. Given the moderate-to-high degree of substitutability between subject imports and the domestic like product and the importance of price to purchasers, likely significant volumes of low-priced subject imports would likely capture sales and market share from the domestic industry and/or force domestic producers to lower their prices or forgo price increases to maintain their sales, thereby depressing or suppressing prices for the domestic like product to a significant degree. The likely significant volume of low-

[125] We recognize that the information regarding the domestic industry's performance in 2021 is not exactly comparable to the information regarding its performance in 2015 because coverage of the domestic industry is lower in these reviews, at approximately *** percent, as compared to the original investigations, in which responding domestic producers accounted for all domestic production of stainless steel sheet and strip. *Id.* at I-16.

[126] CR/PR at Table I-9. In 2015, the domestic industry's capacity was 2.7 million short tons, production was 1.8 million short tons, and capacity utilization was 66.5 percent. *Id*.

[127] CR/PR at Table I-11. In 2015, the domestic industry's U.S. shipments were 1.5 million short tons, equivalent to 77.1 percent of apparent U.S. consumption that year. *Id*.

[128] CR/PR at Table I-9. In 2015, the domestic industry's net sales revenues were $3.6 billion, it had an operating loss of $172.1 million, and the ratio of its operating income to net sales was negative 4.7 percent. *Id*.

[129] CR/PR at Table I-9. In 2015, the domestic industry's ratio of COGS to net sales was 101.5 percent. *Id*.

priced subject imports and their adverse price effects would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, which, in turn, would have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments. We thus conclude that, if the orders were revoked, subject imports from China would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute any injury from other factors to subject imports. Although nonsubject imports have maintained their presence in the U.S. market, with a market share of *** percent in 2021,[130] the record provides no indication that the presence of nonsubject imports would prevent subject imports from entering the U.S. market in significant quantities, adversely affecting prices for the domestic like product, and/or taking market share from the domestic industry after revocation of the orders. Given the domestic industry's position as the predominant supplier in the market, the moderate-to-high degree of substitutability between subject imports and the domestic like product, and the importance of price in purchasing decisions, we find it likely that the increase in low-priced subject imports would come at least in part at the expense of the domestic industry. Moreover, the record in the original investigations indicates that nonsubject imports were generally priced higher than both subject imports and the domestic like product and did not take significant market share from domestic producers during the POI.[131] Consequently, we find that subject imports would likely cause adverse effects on the domestic industry that are distinct from any adverse effects of nonsubject imports in the event of revocation.

Accordingly, we conclude that if the antidumping and countervailing duty orders on stainless steel sheet and strip from China were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

For the foregoing reasons, we determine that revocation of the antidumping and countervailing duty orders on stainless steel sheet and strip from China would be likely to lead

[130] CR/PR at Table I-11. Nonsubject imports' market share was 15.4 percent in 2013, 14.9 percent in 2014, and 15.5 percent in 2015. *Id*.

[131] *Original Determinations*, USITC Pub. 4676 at 24.

to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Information obtained in these reviews

Background

On March 1, 2022, the U.S. International Trade Commission ("Commission") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on stainless steel sheet and strip from China would be likely to lead to the continuation or recurrence of material injury to a domestic industry.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] Table I-1 presents information relating to the background and schedule of this proceeding:

Table I-1
Stainless steel sheet and strip: Information relating to the background and schedule of this proceeding

Effective date	Action
March 1, 2022	Notice of initiation by Commerce (87 FR 11416, March 1, 2022)
March 1, 2022	Notice of institution by Commission (87 FR 11478, March 1, 2022)
June 6, 2022	Commission's vote on adequacy
July 6, 2022	Commerce's results of its expedited review of the antidumping duty order (87 FR 40183, July 6, 2022).
July 7, 2022	Commerce's results of its expedited review of the countervailing duty order (87 FR 40506, July 7, 2022).
October 18, 2022	Commission's determinations and views

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

[2] 87 FR 11478, March 1, 2022. 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. 87 FR 11416, March 1, 2022. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission's website (www.usitc.gov).

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

[4] Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the domestic like product and the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

Responses to the Commission's notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Cleveland-Cliffs Inc. ("Cleveland-Cliffs"), North American Stainless ("NAS"), and Outokumpu Stainless USA LLC ("Outokumpu"), domestic producers of stainless steel sheet and strip (collectively referred to herein as "domestic interested parties").[5]

A complete response to the Commission's notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-2.

Table I-2
Stainless steel sheet and strip: Summary of completed responses to the Commission's notice of institution

Interested party	Type	Number of firms	Coverage
U.S. producer	Domestic	3	***%

Note: The U.S. producer coverage figure presented is the domestic interested parties' estimate of their share of total U.S. production of stainless steel sheet and strip during 2021. The domestic interested parties are not aware of an industry source or other estimate of total U.S. production of stainless steel sheet and strip in 2021 and used total shipments as a proxy for calculating their share of total U.S. production. The estimate was calculated by dividing the quantity of reported production (*** short tons) by ***. Domestic interested parties' response to the notice of institution, March 31, 2022, Exhibit 15.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested parties. The domestic interested parties request that the Commission

[5] AK Steel Corporation ("AK Steel"), NAS, and Outokumpu were petitioners in the original investigations. AK Steel was acquired by Cleveland-Cliffs in March 2020. Domestic interested parties' response to the notice of institution, March 31, 2022, p. 1.

conduct expedited reviews of the antidumping and countervailing duty orders on stainless steel sheet and strip.[6]

The original investigations

The original investigations

The original investigations

The original investigations resulted from petitions filed on February 12, 2016 with Commerce and the Commission by AK Steel Corp., West Chester, Ohio ("AK Steel"); Allegheny Ludlum, LLC d/b/a ATI Flat Rolled Products, Pittsburgh, Pennsylvania ("ATI"); North American Stainless, Inc., Ghent, Kentucky ("NAS"); and Outokumpu Stainless USA, LLC, Bannockburn, Illinois, ("Outokumpu").[7] On February 8, 2017, Commerce determined that imports of stainless steel sheet and strip from China were being sold at less than fair value ("LTFV") and subsidized by the Government of China.[8] The Commission determined on March 24, 2017 that the domestic industry was materially injured by reason of LTFV imports of stainless steel sheet and strip from China.[9] On April 3, 2017, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 63.86 to 76.64 percent and net subsidy rates ranging from 75.60 to 190.71 percent.[10]

Previous and related investigations

The Commission has conducted a number of previous import relief investigations on stainless steel sheet and strip or similar merchandise. Table I-3 presents information on previous and related title VII investigations.[11]

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[6] Domestic interested parties' comments on adequacy, May 16, 2022, p. 2.

[7] Stainless Steel Sheet and Strip from China, Inv. Nos. 701-TA-557 and 731-TA-1312 (Final), USITC Publication 4676, March 2017 ("Original publication"), p. I-1.

[8] 82 FR 9714, February 8, 2017.

[9] 82 FR 15716, March 30, 2017. The Commission found that imports subject to Commerce's affirmative critical circumstances determination were not likely to undermine seriously the remedial effect of the countervailing and antidumping duty orders on stainless steel sheet and strip from China.

[10] 82 FR 16160, April 3, 2017 and 82 FR 16166, April 3, 2017.

[11] The Commission has also conducted two safeguard investigations with respect to stainless steel sheet and strip as follows: Inv. No. TA-201-5 in 1976 (USITC Publication 756) and TA-201-48 in 1983 (USITC Publication 1377). The 1976 investigation resulted in a 3-year voluntary restraint agreement (June 14, 1976 – June 13, 1979) and the and the 1983 investigation resulted in a 4-year relief period of

(*continued*...)

Table I-3
Stainless steel sheet and strip: Previous and related Commission proceedings and status of orders

Date	Number	Country	Determination	Current Status of Order
1973	AD-126	France	Negative	---
1983	731-TA-92	Germany	Affirmative	Order revoked August 1986
1983	731-TA-95	France	Affirmative	Order revoked August 1986
1983	701-TA-195	United Kingdom	Negative	---
1984	731-TA-164	Spain	Negative	---
1998	701-TA-380	France	Affirmative	Order revoked pursuant to final court decision, September 2004
1998	731-TA-797	France	Affirmative	Order revoked after first review, July 2004
1998	731-TA-798	Germany	Affirmative	Order revoked after second review, July 2010
1998	701-TA-381	Italy	Affirmative	Order revoked after changed circumstances administrative review, March 2006
1998	731-TA-799	Italy	Affirmative	Order revoked after second review, July 2010
1998	731-TA-800	Japan	Affirmative	Order continued after third review, October 2017
1998	701-TA-382	Korea	Affirmative	Order continued after third review, October 2017
1998	731-TA-801	Korea	Affirmative	Order continued after third review, October 2017
1998	731-TA-802	Mexico	Affirmative	Order revoked after second review, July 2010
1998	731-TA-803	Taiwan	Affirmative	Order continued after third review, October 2017
1998	731-TA-804	United Kingdom	Affirmative	Order revoked after first review, July 2004

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

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

(…*continued*)

quotas and tariffs. In addition, the Commission conducted a probable economic effects study in 1977 with respect to stainless steel and alloy tool steel (Inv. No. TA-203-3; USITC Publication 838).

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of stainless steel sheet and strip from China with the intent of issuing the final results of these reviews based on the facts available not later than June 29, 2022.[12] Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at http://enforcement.trade.gov/frn/. Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping and countervailing duty orders on imports of stainless steel sheet and strip from China are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

> *The merchandise covered by this order is stainless steel sheet and strip, whether in coils or straight lengths. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product with a width that is greater than 9.5 mm and with a thickness of 0.3048 mm and greater but less than 4.75 mm, and that is annealed or otherwise heat treated, and pickled or otherwise descaled. The subject sheet and strip may also be further processed (e.g., cold-rolled, annealed, tempered, polished, aluminized, coated, painted, varnished, trimmed, cut, punched, or slit, etc.) provided that it maintains the specific dimensions of sheet and strip set forth above following such processing. The products described include products regardless of shape, and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling*

[12] Letter from Alex Villanueva, Senior Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, April 20, 2022.

process, i.e., products which have been "worked after rolling" (e.g., products which have been beveled or rounded at the edges).

For purposes of the width and thickness requirements referenced above: (1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above; and (2) where the width and thickness vary for a specific product (e.g., the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this order unless specifically excluded.

Subject merchandise includes stainless steel sheet and strip that has been further processed in a third country, including but not limited to cold-rolling, annealing, tempering, polishing, aluminizing, coating, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the stainless steel sheet and strip.

Excluded from the scope of this order are the following: (1) Sheet and strip that is not annealed or otherwise heat treated and not pickled or otherwise descaled; (2) plate (i.e., flat-rolled stainless steel products of a thickness of 4.75 mm or more); and (3) flat wire (i.e., cold-rolled sections, with a mill edge, rectangular in shape, of a width of not more than 9.5 mm). [13]

[13] 82 FR 9716, February 8, 2017.

U.S. tariff treatment

Stainless steel sheet and strip is currently imported under Harmonized Tariff Schedule of the United States ("HTS") statistical reporting numbers 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.13.0081, 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.23.0030, 7219.23.0060, 7219.24.0030, 7219.24.0060, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.32.0045, 7219.32.0060, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.33.0045, 7219.33.0070, 7219.33.0080, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.34.0050, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.35.0050, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080. Stainless steel sheet and strip imported from China enters the U.S. market at a column 1-general duty rate of "free."[14] Effective February 14, 2020, stainless steel sheet and strip produced in China is subject to an additional 7.5 percent ad valorem duty under Section 301 of the Trade Act of 1974.[15] Effective March 23, 2018, stainless steel sheet and strip produced in China is subject to an additional 25 percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended.[16] Currently, U.S. imports of certain iron and steel articles originating in Australia, Canada, Mexico, and Ukraine are exempt from Section 232 duties; imports originating in Argentina, Brazil, and South Korea are exempt from Section 232 duties within annual quota limits; imports originating in European Union member countries and Japan are exempt from Section 232 duties subject to tariff rate quotas; and imports from all other countries are subject to 25 percent additional duties.[17] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

[14] (2022) HTSUS Basic Revision 4, USITC Publication 5318, April 2022, pp. 72-28– 72-35.

[15] Stainless steel sheet and strip was subject to an additional 15 percent ad valorem duty under Section 301 from September 1, 2019, until February 14, 2020. 84 FR 45821, August 30, 2019 and 85 FR 3741, January 22, 2020.

[16] 83 FR 11625, March 15, 2018.

[17] 83 FR 13361, March 28, 2018; 83 FR 20683, May 7, 2018; 83 FR 25857, June 5, 2018; 83 FR 40429, August 15, 2018; 84 FR 23987, May 23, 2019; 87 FR 11, January 3, 2022; 87 FR 63, April 1, 2022.

Description and uses[18]

The stainless steel sheet and strip subject to these reviews are flat-rolled stainless steel products, less than 4.75 mm in thickness, at least 0.3048 mm in thickness, at least 9.5 mm in width, that are annealed (heat-treated) and pickled (subjected to an acid rinse to remove surface scale).

Sheet and strip are distinguished from one another by width. Sheet is 24 inches or greater in width; strip is less than 24 inches in width (table I-4). Stainless steel is a low carbon steel which contains 10.5 percent or more chromium by weight. The addition of chromium gives the steel its corrosion resisting properties. Other alloying elements can be added to impart various characteristics, but all stainless steels contain chromium at a minimum.

Table I-4
Stainless steel flat products: various forms and their definitions

Item	Definition	Relation to product scope
Sheet	Under 3/16 inches (4.75 mm) in thickness and 24 inches (610 mm) and over in width.	Sheet is within the product scope if it is of a thickness of at least 0.3048 mm.
Strip	Under 3/16 inches (4.75 mm) in thickness and is under 24 inches (610 mm) in width.	Strip is within the product scope if it is of a thickness of at least 0.3048 mm (0.012 inches) and a width of a least 9.5 mm (0.374 inches).
Foil	Maximum width of .005 inches.	Foil is outside the product scope.
Plate	More than ten inches (254 mm) wide with a thickness ranging from 3/16 of an inch (4.75 mm) and over.	Plate is outside of the product scope.

Source: Specialty Steel Industry of North America, "Stainless Steel Overview: Definition of Terms," http://www.ssina.com/overview/glossary.html, retrieved May 10, 2022.

There are many different stainless steel alloys, each with its own characteristics. The broad metallurgical groupings are austenitic, ferritic, martensitic, precipitation-hardening, and duplex (table I-5). The precipitation-hardening and duplex types are less widely used than the others. Each alloying element imparts certain characteristics to the steel (table I-6). The most commonly used stainless steels are grades 304 and 316.

[18] Original publication, pp. I-10-I-13.

Table I-5
Stainless steel: Stainless steel classes and their most important grades

Classes	Composition	Characteristics	Common applications
Austenitic	Iron-Chromium-Manganese-small amounts of nickel Series 200 grades – these grades have higher levels of manganese and much lower levels of nickel than the series 300 grades. These grades substitute manganese for some of the nickel compared to series 300 stainless steels. Iron-Chromium-Nickel (series 300 grades) Molybdenum is added to some grades for additional resistance to chlorides. In some alloys, nitrogen may be added to improve strength and corrosion resistance **Commonly used grades:** 300-series grades; 301, 304, and 316. Grades 304 and 316 are the most widely-used stainless steel grades.	Excellent corrosion resistance Non-magnetic Good high and low temperature mechanical properties Excellent formability and weldability All common finishes can be applied	Cookware, Flatware, Automotive wiper arms, Hardware, hinges, Entry Doors, Chemical processing equipment, Storage tanks, Chemical transportation tanks, Food processing equipment, Oil refining equipment
Ferritic	Iron-Chromium **Commonly used grades:** 409 and 430	Good corrosion resistance Magnetic Limited temperature use Can be polished	Automotive exhaust systems, Fins for heater tubes, Smoke control ductwork, Transformer and capacitor cases, Architectural applications (interior), Automotive trim, Cooking utensils, Food processing equipment

Table continued.

Table I-5--Continued
Stainless steel: Stainless steel classes and their most important grades

Classes	Composition	Characteristics	Common applications
Martensitic	Iron-Chromium-Carbon **Commonly used grades:** 410, 420 and 440	Adequate corrosion resistance Magnetic Somewhat limited temperature use Limited weldability	Fasteners, pump shafts, turbine blades, surgical instruments, cutlery
Precipitation Hardening Steels	Iron-Chromium-Nickel Some grades may contain other elements such as molybdenum, aluminum, copper, rare earth elements and nitrogen	Good corrosion resistance Characterized by ease of fabrication	Valves, gears, and petrochemical equipment
Duplex	Iron-Chromium-Nickel- Nitrogen Combine both the austenitic and ferritic metallurgical structures Some grades also contain molybdenum	Magnetic Offer increased tensile and yield strength over the other categories More resistant to stress corrosion cracking than austenitic, yet tougher than ferritic alloys	Pipelines, pressure shafting, structural components, and industrial tanks

Source: Special Steel Industry of North America, "Stainless Steel Overview: Alloy Classifications," https://www.ssina.com/education/product-resources/alloy-families/, retrieved May 10, 2022.

Table I-6
Stainless steel sheet and strip: Properties imparted by common alloying elements

Alloying element	Properties imparted
Chromium	-Resists rust
Nickel	-Increases ductility -Increases toughness -Increases corrosion resistance to acids -Creates non-magnetic structure
Molybdenum	-Increases pitting and crevice corrosion resistance -Increases resistance to chlorides
Manganese	-Substitutes for nickel in some grades
Nitrogen	-Increases strength and corrosion resistance in austenitic and duplex steels
Carbon	Usually kept low. Used in martensic grades to increase strength and hardness

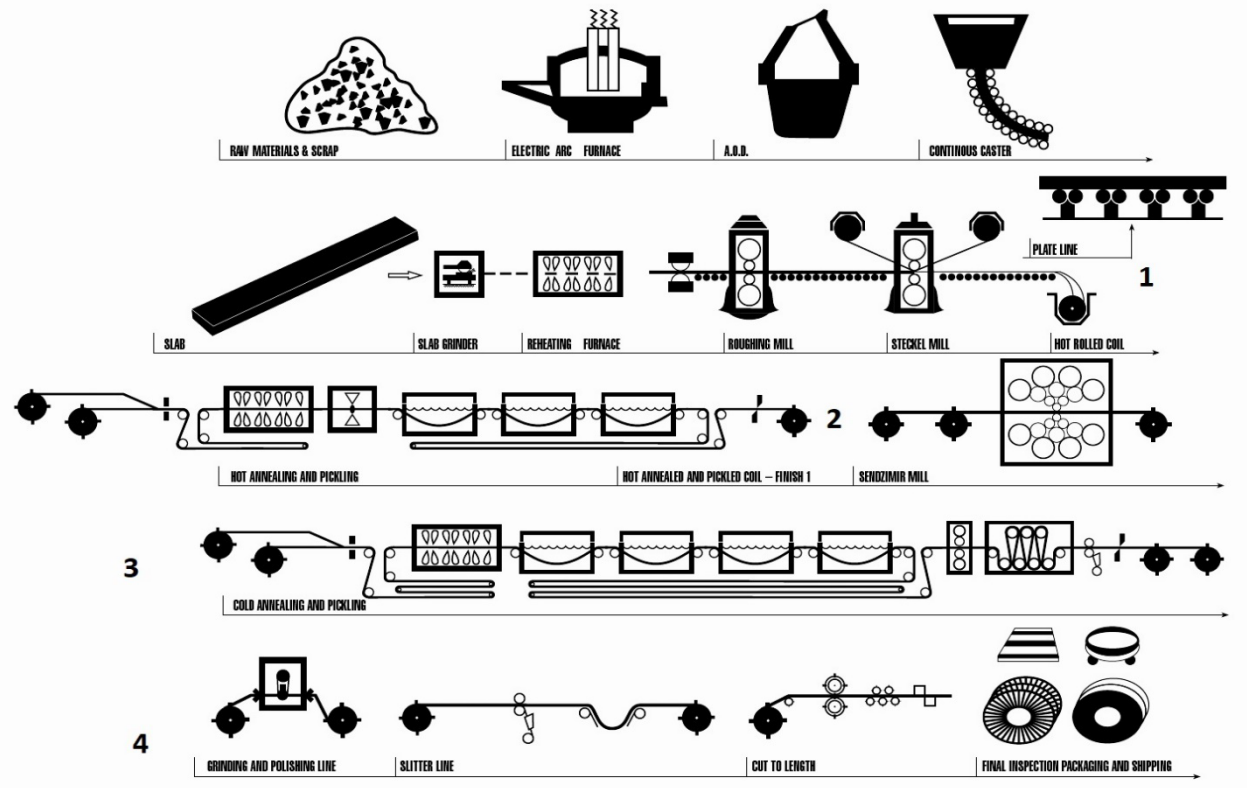
Source: Special Steel Industry of North America, "Stainless Steel Overview: Alloying Elements Summary," http://www.ssina.com/overview/alloyelements_summary.html, retrieved May 10, 2022.

Many consumer and industrial applications utilize stainless steel sheet and strip products, especially where corrosion resistance, heat resistance, or stainless steel's aesthetic characteristics are desired. For example, the automotive industry uses sheet and strip to manufacture trim, exhaust- and emission-control systems, and wheel covers. The pipe and tube industry uses slit coil as its raw material and produces pipes and tubes by welding the lengthwise edges together. Sheet and strip are also used by the chemical and construction industries, as well as by appliance and industrial equipment manufacturers, among many other applications.

Manufacturing process[19]

The basic steps in stainless steel sheet and strip production regardless of grade or final width and thickness are: (1) stainless steel production; (2) the casting of slabs, a semifinished flat-rolled product; (3) hot-rolling the slabs; and, if specified, (4) cold-rolling the hot-rolled products; and, if specified (5) finishing (figure 1-1). U.S. producers perform all of these steps.

Figure I-1
Stainless steel sheet and strip: Production process



Notes:
1 Stainless steel coil at this point is not yet annealed and pickled. The coil at this point is hot-rolled black band and is not within the product scope.
2 After the stainless steel is hot-rolled annealed and pickled it is within the product scope. The product at this stage is also known as white band. Stainless steel coil can be sold at this point, be moved to finishing operations such as slitting, cut to length, or continue in the process to cold rolling. The majority of stainless steel sheet and strip continues processing through the cold-rolled stage.
3 If bright annealing is required, it takes place at this stage instead of the usual pickling and annealing. With bright annealing the pickling step is eliminated.
4 If desired, the coil can undergo finishing operations.

Source: North American Stainless, Flat Products Process, modified by Commission staff, https://www.northamericanstainless.com/wpcontent/themes/northamericanstainless/images/nas_flat_products_process.jpg retrieved May 10, 2022.

[19] Unless otherwise noted, this information is based on Original publication, pp. I-13-I-18.

Stainless steel production

Mills produce stainless steel by melting stainless or other steel scrap and alloying elements such as chromium, nickel, and molybdenum (depending on the stainless steel grade) in an electric arc furnace. The resultant liquid steel is tapped into a furnace ladle and transferred to an argon-oxygen decarburization ("AOD") vessel for further refinement (also known as secondary steelmaking) in which oxygen, gradually replaced by argon, is blown through the molten steel, to eliminate impurities. Secondary steelmaking requires frequent testing to determine the precise amount of ferroalloys to be added in order to produce steel with specific properties according to end-use applications. The quantity and composition of inputs is particularly important in the production of stainless steel as raw materials such as scrap and the alloying elements nickel, molybdenum, and chromium account for the majority of the total cost. After achieving the desired chemical composition, the molten stainless steel is transferred in a preheated transfer ladle to the continuous slab caster for solidification into slabs, the wide semifinished products from which flat-rolled products are rolled.

Slab casting

The molten stainless steel is poured into a tundish (reservoir dam) which controls the flow into the top of the mold of the continuous casting machine. Solid surfaces form as the molten stainless steel passes through and out the open bottom of the mold, and the slab solidifies as it slowly descends through the caster. The resulting slabs are generally 5 to 8 inches thick and up to 100 inches wide, depending on mill capability and the flat-rolled product that will be produced from the slab. The continuous slab is cut into lengths of up to about 35 feet for further processing. The length is limited by the mill's reheating and/or rolling capability. The slab is then inspected and conditioned by grinding the surface to remove scale and defects, in preparation for rolling in coil form on the hot-strip mill. Before it enters the rolling mill, the slab is charged in a gas-fired reheating furnace to a rolling temperature of 2,250-2,300 degrees Fahrenheit. After reaching the appropriate temperature, the slab exits the furnace and enters the hot-strip mill.

Hot rolling the slabs

For a mill designed primarily to produce stainless steel, the roughing mill is generally a reversing mill in which the slabs are rolled to a thickness of about 1 inch in a succession of rolling passes. The finishing mill is either a reversing mill of the Steckel type, which is equipped to coil the bands after each pass in order to conserve space and temperature, or a continuous

mill made up of a series of individual roll stands that may be hundreds of yards long and with the bands passing continuously through the stands in one direction only. The bands continue on to a coiler, where they are wrapped into coils. The coils (whether destined to become sheet or strip) are called hot-rolled black (HRB) bands, due to the surface layer of dark-colored oxide formed as a result of exposure to oxygen at high temperatures.

Annealing

The rolling process creates internal stresses and hardens the steel. Annealing, a form of heat treatment, relieves the stresses and softens the steel. Therefore, after cooling, the hot rolled black band passes through a continuous furnace in which it is heated to annealing temperatures, about 2,000 degrees Fahrenheit depending on the stainless steel grade, and then quickly cooled. The heat treatment creates a dark colored oxide scale on the surface of the steel. The band next passes through a grit-blasting machine in which the scale from the hot mill and the annealing furnace is broken up by using small particles of steel grit thrown at high speed by centrifugal wheels.

Pickling

After annealing and grit blasting, the band undergoes pickling, to remove the dark oxide scale and surface defects, and to impart corrosion resistance. The band passes through pickling tanks which usually contain mixtures of nitric and hydrofluoric acids to descale the steel, followed by a water rinse. Annealing and pickling are usually performed on a continuous process line, although they can be performed in separate units. The product at this point is considered white coil or white band, or hot-rolled annealed and pickled ("HRAP") coil or HRAP band, and can be shipped in this condition.

Cold rolling

Cold-rolled stainless sheet and strip is manufactured by transferring HRAP coil to a cold rolling mill to reduce the product's thickness by 10 to 95 percent. Depending on the desired thickness of the end product, multiple passes through the cold-rolling mill may be required to achieve the necessary reduction. As in hot-rolling, the material hardens after a certain amount of cold-rolling. Further cold-rolling becomes difficult at this point so annealing (to soften the material) and pickling, several times may be necessary to achieve the desired final thickness. The final product is considered cold-rolled, annealed, and pickled coil. The large majority of stainless steel sheet and strip is sold as cold-rolled product. If specified, after cold rolling the coil can be bright annealed. In bright annealing, the coil is placed in a special furnace that heats

the coil in an oxygen-free reducing atmosphere. Bright annealing does not create the dark oxide scale on the coil and so the pickling step is unnecessary. This type of annealing produces a mirror-like appearance and is often used when a highly reflective surface is desired.

Finishing

Stainless steel sheet and strip may undergo additional finishing operations. For example, once the final anneal/pickle/cold-roll sequence is complete, the steel may undergo a temper roll (skin pass) to improve surface condition. However, this step does not involve any further thickness reduction in the material. A finish may also be applied to the product. As shown in table I-7, stainless steel sheet and strip are available in a number of finishes, including "rolledon" embossing, etching, special surface mechanical treatment to provide, for example, perforations, electromechanical coloring and plating.

Table I-7
Stainless steel sheet and strip: Standard finishes

Finish designator	Description
No. 1	Rough, dull finish that results from hot rolling
No. 2B	Bright finish with some reflectivity. It is a general purpose finish used as is, or it is used as a basis for subsequent polished finishes.
No. 2D	Dull finish generally used where the surface appearance is of little concern.
Bright Annealed (BA or 2BA)	Mirror like appearance but may have some cloudiness and other imperfections. A finish that is designated "BA" has only been bright annealed. A finish that is designated "2BA" has been bright annealed and then passed between highly polished rolls. A minimal amount of roll pressure (skin pass) is applied. The process improves flatness and finish uniformity but does not significantly decrease thickness. Bright annealed stainless is sometimes buffed to attain a more mirror-like finish.
No. 4	Polished bright surface with reasonable reflectivity, although it contains visible "grit lines" which prevent mirror reflection.
No. 6	Dull satin finish with less reflectivity than a No. 4.
No. 7	Highly reflective surface finish but still maintains some light "grit" lines.
No. 8	Reflective standard finish with a mirror-like reflectivity

Source: Specialty Steel Industry of North America, Designer Handbook: Stainless Steel Primer, p. 2, https://www.ssina.com/wp-content/uploads/2019/06/primerupdatebroc.pdf, retrieved May 10, 2022.

Sheet and strip may also be edge-trimmed, slit, or cut-to-length. Edge condition is often more important for strip than for sheet. Strip is produced with various edge specifications: (1) mill edge (as produced, condition unspecified); (2) No. 1 edge (edge-rolled, rounded, or square); (3) No. 3 edge (as-slit); or (4) No. 5 edge (square edge produced by rolling or filing after slitting). Mill edge is the least expensive edge condition and is adequate for many purposes. No. 1 edge provides improved width tolerance over mill edge plus a cold-rolled edge condition; rounded edges are preferred for applications requiring the lowest degree of stress concentration at corners. No. 3 and No. 5 edges give progressively better width tolerance and squareness over No. 1 edge. Cut-to-length sheet and strip produced from coiled sheet and strip is made by placing the coil in a cut-to-length line which unrolls the coil, levels and then cuts it to desired length.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from four firms, which accounted for all U.S. production of stainless steel sheet and strip in the United States during 2015.[20]

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of four known and currently operating U.S. producers of stainless steel sheet and strip. Three responding firms accounted for approximately *** percent of production of stainless steel sheet and strip in the United States during 2021.[21]

[20] Original publication, p. III-1.

[21] Domestic interested parties' response to the notice of institution, March 31, 2022, Exhibits 15 and 16.

Recent developments

Table I-8 presents developments in the stainless steel sheet and strip industry since the imposition of the orders.[22]

Table I-8

Stainless steel sheet and strip: Recent developments in the U.S. industry

Item	Firm	Event
Acquisition	Cleveland Cliffs	In March 2020, Cleveland Cliffs completed its acquisition of AK Steel, which was among the petitioners in the original investigation.
Plant idling	Alleghany Technologies (ATI)	In June 2020, Alleghany Technologies idled its stainless steel plant in Midland, PA due, in part, to the impact of the section 232 tariffs on the cost of importing raw materials (i.e. stainless steel slabs) to produce stainless steel sheet. The plant had previously been idled in 2016 but was reopened in 2018. Information was not provided as to whether the idling would impact overall domestic production capacity at ATI.
Plant idling	Alleghany Technologies (ATI)	In December 2020, Alleghany Technologies announced plans to idle its specialty rolled products operation in Louisville, OH by the end of 2021. Production at the facility is expected to be moved to another plant in Vandergrift, PA. Thus, no change in production capacity is expected from the plant idling.

Sources: Pritchard, Ed, "Allegheny Technologies to idle Louisville plant next year, cut 120 jobs," Canton Rep, December 7, 2020, https://www.cantonrep.com/story/news/2020/12/07/allegheny-technologies-close-louisville-plant-end-2021/6480128002/ (accessed May 11, 2022).

Tierney, Jacob, "Allegheny Technologies to close Beaver County steel plant, citing Trump's tariffs," TribLive.com, March 31, 2020, https://triblive.com/local/regional/allegheny-technologies-to-close-beaver-county-steel-plant-citing-trumps-tariffs/ (accessed May 11, 2022).

Domestic interested parties' response to the notice of institution, March 31, 2022, Exhibit 1.

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

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.[23] Table I-9 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.

Table I-9
Stainless steel sheet and strip: Trade and financial data submitted by U.S. producers, by period

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

Item	Measure	2013	2014	2015	2021
Capacity	Quantity	2,733,130	***	2,737,995	***
Production	Quantity	1,888,312	2,110,124	1,811,352	***
Capacity utilization	Ratio	69.1	***	66.2	***
U.S. shipments	Quantity	1,537,534	1,689,061	1,522,765	***
U.S. shipments	Value	3,367,570	3,959,655	3,035,315	***
U.S. shipments	Unit value	2,190	2,344	1,993	***
Net sales	Value	4,112,515	4,858,103	3,638,885	***
COGS	Value	4,174,550	4,709,285	3,694,827	***
COGS to net sales	Ratio	101.5	96.9	101.5	***
Gross profit or (loss)	Value	(62,035)	148,818	(55,942)	***
SG&A expenses	Value	124,638	143,927	116,173	***
Operating income or (loss)	Value	(186,673)	4,891	(172,115)	***
Operating income or (loss) to net sales	Ratio	(4.5)	0.1	(4.7)	***

Source: For the years 2013-15, data are compiled using data submitted in the Commission's original investigations. For the year 2021, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, March 31, 2022, Exhibit 15.

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

[23] Individual company trade and financial data are presented in app. B.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if "appropriate circumstances" exist.[24]

In its original determinations, the Commission defined a single domestic like product consisting of stainless steel sheet and strip, corresponding to Commerce's scope. In its original determinations, the Commission defined the domestic industry as consisting of all domestic producers of stainless steel sheet and strip.[25]

U.S. imports

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 21 firms, which accounted for approximately 67.6 percent of total U.S. imports of stainless steel sheet and strip from China during 2015.[26] Import data presented in the original investigations are based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 273 potential U.S. importers of stainless steel sheet and strip.[27] [28]

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

[25] 87 FR 11478, March 1, 2022.

[26] Original publication, p. IV-1.

[27] Domestic interested parties' response to the notice of institution, March 31, 2022, Exhibit 18.

[28] The list of possible U.S. importers submitted by domestic interested parties likely overstates the actual number of U.S. importers of stainless steel sheet and strip because it includes numerous freight forwarding and logistics firms. Domestic interested parties' response to the notice of institution, March 31, 2022, exh. 18.

U.S. imports

Table I-10 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2021 imports by quantity).

Table I-10
Stainless steel sheet and strip: U.S. imports, by source and period

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

U.S. imports from	Measure	2016	2017	2018	2019	2020	2021
China	Quantity	40,040	5,023	3,134	3,193	1,988	13,503
Taiwan	Quantity	51,305	57,505	53,509	42,450	41,128	121,680
Mexico	Quantity	81,510	85,912	87,528	51,142	33,023	38,730
India	Quantity	13,864	16,962	7,532	5,096	3,227	32,685
All other sources	Quantity	232,386	254,835	191,103	150,075	121,784	180,172
Nonsubject sources	Quantity	379,065	415,214	339,672	248,764	199,162	373,266
All import sources	Quantity	419,105	420,237	342,805	251,957	201,151	386,769
China	Value	73,957	14,636	12,414	10,994	6,893	77,918
Taiwan	Value	102,836	129,401	141,020	113,101	101,380	386,517
Mexico	Value	152,541	144,266	188,760	112,204	63,894	81,908
India	Value	28,637	41,564	20,818	14,664	8,218	99,369
All other sources	Value	517,538	625,858	555,253	450,359	337,917	569,653
Nonsubject sources	Value	801,552	941,090	905,851	690,329	511,409	1,137,447
All import sources	Value	875,509	955,726	918,265	701,322	518,303	1,215,365
China	Unit value	1,847	2,914	3,961	3,443	3,467	5,770
Taiwan	Unit value	2,004	2,250	2,635	2,664	2,465	3,177
Mexico	Unit value	1,871	1,679	2,157	2,194	1,935	2,115
India	Unit value	2,066	2,450	2,764	2,878	2,547	3,040
All other sources	Unit value	2,227	2,456	2,906	3,001	2,775	3,162
Nonsubject sources	Unit value	2,115	2,267	2,667	2,775	2,568	3,047
All import sources	Unit value	2,089	2,274	2,679	2,783	2,577	3,142

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.13.0081, 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.23.0030, 7219.23.0060, 7219.24.0030, 7219.24.0060, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.32.0045, 7219.32.0060, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.33.0045, 7219.33.0070, 7219.33.0080, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.34.0050, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.35.0050, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080, accessed May 2, 2022.

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

Apparent U.S. consumption and market shares

Table I-11 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

Table I-11
Stainless steel sheet and strip: Apparent U.S. consumption and market shares, by source and period

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

Source	Measure	2013	2014	2015	2021
U.S. producers	Quantity	1,537,534	1,689,061	1,522,765	***
China	Quantity	63,114	132,009	147,143	13,503
Nonsubject sources	Quantity	290,580	319,930	305,534	373,266
All import sources	Quantity	353,694	451,939	452,677	386,769
Apparent U.S. consumption	Quantity	1,891,228	2,141,000	1,975,442	***
U.S. producers	Value	3,367,570	3,959,655	3,035,315	***
China	Value	145,864	309,339	312,364	77,918
Nonsubject sources	Value	735,161	879,145	761,561	1,137,447
All import sources	Value	881,025	1,188,484	1,073,925	1,215,365
Apparent U.S. consumption	Value	4,248,595	5,148,139	4,109,240	***
U.S. producers	Share of quantity	81.3	78.9	77.1	***
China	Share of quantity	3.3	6.2	7.4	***
Nonsubject sources	Share of quantity	15.4	14.9	15.5	***
All import sources	Share of quantity	18.7	21.1	22.9	***
U.S. producers	Share of value	79.3	76.9	73.9	***
China	Share of value	3.4	6.0	7.6	***
Nonsubject sources	Share of value	17.3	17.1	18.5	***
All import sources	Share of value	20.7	23.1	26.1	***

Source: For the years 2013-15, data are compiled using data submitted in the Commission's original investigations. For the year 2021, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.13.0081, 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.23.0030, 7219.23.0060, 7219.24.0030, 7219.24.0060, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.32.0045, 7219.32.0060, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.33.0045, 7219.33.0070, 7219.33.0080, 7219.34.0005, 7219.34.0020, 7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.34.0050, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.35.0050, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080, accessed May 2, 2022.

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

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

The industry in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from seven firms with exports to the United States equivalent to 58.6 percent of U.S. imports of stainless steel sheet and strip from China in 2015, and approximately 66.0 percent of stainless steel sheet and strip exports from China to the United States during 2015.[29] The seven responding firms reported total capacity in China of 5.4 million short tons in 2015 whereas ***.[30]

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 319 possible producers of stainless steel sheet and strip in China.[31]

Table I-12 presents events in the stainless steel sheet and strip industry in China since the imposition of the orders.

[29] Original publication, p. VII-2.

[30] Investigation Nos. 701-TA-557 and 731-TA-1312 (Final): Stainless Steel Sheet and Strip from China, Confidential Report, INV-PP-022, February 17, 2017, ("Original confidential report"), pp. VII-3.

[31] Domestic interested parties' response to the notice of institution, March 31, 2022, Exhibit 19.

Table I-12
Stainless steel sheet and strip: Recent developments in the Chinese industry

Item	Firm	Event
Acquisition	Baowu group	In August 2020, China Baowu Group became the controlling shareholder of Taiyuan Iron & Steel (TISCO) and TISCO Stainless. The combined companies reportedly have capacity to produce 10 million metric tons of stainless steel per year.
Acquisition	Baowu group	In June 2020, Baowu became the largest shareholder of Tibet Mining Corporation. Among the products the company produces is chromite, which is an important component of stainless steel production.
Plant opening	Baosteel Desheng	Baosteel Desheng announced plans to build a fine stainless steel green industry base in the Fujian Province of China. The new facilities are expected to increase Baosteel Desheng's total production capacity to 4.7 million metric tons. As a subsidiary of Baowu, this capacity would be a part of the previously mentioned 10 million metric tons of capacity resulting from the Baowu Group's acquisition of TISCO.
Relocation of production line	Baowu group	Baowu Group relocated a hot strip production line from Baosteel Shanghai to Baosteel Desheng in 2020 and increased the line's capacity by 1 million metric tons. The relocation of the line to Baosteel Desheng is expected to increase the company's stainless steel production capacity.

Source: Domestic interested parties' response to the notice of institution, March 31, 2022, Exhibits 6-11 and pp. 16-18.

Note: Capacity estimates may be overstated as they may include out-of-scope stainless steel products.

Table I-13 presents export data for flat-rolled products of stainless steel, which includes stainless steel sheet and strip, from China (by export destination in descending order of quantity for 2021). By quantity, the leading export markets for flat-rolled products of stainless steel from China in 2021 are Turkey, India, South Korea, and Taiwan, accounting for 11.6 percent, 11.2 percent, 10.6 percent, and 10.4 percent, respectively. The United States accounted for 1.2 percent of exports of flat-rolled products of stainless steel from China, by quantity, in 2021.

Table I-13
Flat-rolled products of stainless steel: Quantity of exports from China by destination and period

Quantity in short tons

Destination market	2016	2017	2018	2019	2020	2021
Turkey	86,000	144,532	134,703	112,800	185,006	400,780
India	330,428	207,191	134,502	121,236	145,925	388,390
South Korea	522,374	566,815	520,453	391,059	451,583	367,001
Taiwan	698,469	619,204	467,816	309,476	307,617	362,146
Russia	73,499	105,448	144,444	152,732	159,203	288,249
Vietnam	326,121	353,846	366,053	262,287	250,156	266,761
Thailand	90,796	101,237	77,942	67,784	73,766	148,808
Pakistan	82,948	80,900	103,230	107,649	117,345	112,668
Bangladesh	72,119	61,180	75,453	84,810	94,217	93,314
Italy	124,175	136,122	153,091	180,649	9,578	91,302
All other exporters	457,857	522,095	644,689	684,574	695,455	950,456
All exporters	2,864,786	2,898,571	2,822,377	2,475,056	2,489,851	3,469,875

Source: Official Chinese exports statistics under HS subheadings 7219.13, 7219.14, 7219.23, 7219.24, 7219.32, 7219.33, 7219.34, 7219.35, 7219.90, 7220.12, 7220.20, and 7220.90 as reported by China Customs in the IHS/GTA database, accessed May 4, 2022.

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

Third-country trade actions

Table I-14 presents information on third-country trade actions against China.

Table I-14
Stainless steel sheet and strip: Antidumping duty, countervailing duty, and safeguard actions in third-country markets

Country	Type of Measure	Product Description	Status
Brazil	Antidumping Duties	Cold-rolled stainless steel sheet, grades 304, 304L and 430	Duties extended on Oct. 2, 2019
European Union	Antidumping Duties	Stainless steel cold-rolled flat products	Duties extended on Sept. 16, 2021
European Union	Antidumping Duties	Stainless steel hot-rolled flat products	Duties imposed on Nov. 17, 2020
Indonesia	Antidumping Duties	Cold rolled stainless steel	Government considering whether imposing duties is in the public interest
Korea	Antidumping Duties	Flat-rolled products of stainless steel	Duties imposed on Sept. 15, 2021
Malaysia	Antidumping Duties	Cold-rolled stainless steel in coils, sheets or any other forms	Duties imposed on Feb. 8, 2018
Mexico	Antidumping Duties	Flat products of stainless steel	Duties imposed on Oct. 2, 2020
Taiwan	Antidumping Duties	Flat-rolled products of stainless steel, cold-rolled, whether in coils or sheets	Duties extended on Aug. 29, 2019
Taiwan	Countervailing Duties	Certain flat-rolled products of stainless steel, hot-rolled	Duties imposed on Oct. 9, 2019
Taiwan	Antidumping Duties	Certain flat-rolled products of stainless steel, hot-rolled	Duties imposed on Oct. 9, 2019
Taiwan	Countervailing Duties	Flat-rolled products of stainless steel, cold-rolled, whether in coils or sheets	Duties imposed on Oct. 9, 2019
Thailand	Antidumping Duties	Flat cold rolled stainless steel	Duties extended on Dec. 4, 2019
Vietnam	Antidumping Duties	Cold rolled stainless steel	Duties extended on Oct. 26, 2019

Sources: Domestic interested parties' response to the notice of institution, March 31, 2022, Exhibit 12; World Trade Organization ("WTO"), "Anti-dumping," https://www.wto.org/english/tratop_e/adp_e/adp_e.htm, retrieved May 19, 2022; and WTO, "Subsidies and Countervailing Measures," https://www.wto.org/english/tratop_e/scm_e/scm_e.htm, retrieved May 19, 2022.

The global market

Table I-15 presents global export data for flat-rolled products of stainless steel, which includes stainless steel sheet and strip, (by exporting country in descending order of quantity for 2021). By quantity, the leading global exporters of flat-rolled products of stainless steel in 2021 are China, Indonesia, Belgium, and Finland, accounting for 21.6 percent, 15.6 percent, 8.0 percent, and 7.1 percent, respectively. The United States accounted for 1.5 percent of global exports of flat-rolled products of stainless steel, by quantity, in 2021.

Table I-15
Flat-rolled products of stainless steel: Quantity of global exports by country and period

Quantity in short tons

Exporting country	2016	2017	2018	2019	2020	2021
China	2,868,606	2,903,088	2,824,217	2,477,782	2,491,747	3,470,645
Indonesia	53,880	312,025	1,336,075	1,826,803	1,658,484	2,508,981
Belgium	1,037,197	1,208,385	1,392,462	1,181,304	1,083,242	1,287,740
Finland	1,144,630	1,126,806	1,100,985	1,035,908	1,016,879	1,132,682
South Korea	1,341,408	1,340,946	1,396,033	1,369,038	1,199,173	1,087,690
Taiwan	983,659	1,058,128	1,012,133	860,851	720,573	1,038,439
Italy	660,812	714,682	771,465	737,942	687,933	851,954
Netherlands	682,503	657,189	664,050	611,171	577,700	673,655
France	564,270	574,123	604,285	501,384	444,509	540,942
Japan	681,711	615,161	620,916	508,929	428,650	517,695
All other exporters	3,623,468	3,820,040	3,512,553	3,032,422	2,684,502	2,944,419
All exporters	13,642,143	14,330,571	15,235,174	14,143,535	12,993,394	16,054,842

Source: Official exports statistics under HS subheadings 7219.13, 7219.14, 7219.23, 7219.24, 7219.32, 7219.33, 7219.34, 7219.35, 7219.90, 7220.12, 7220.20, and 7220.90 as reported by various national statistical authorities in the IHS/GTA database, accessed May 4, 2022.

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

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
87 FR 11416 March 1, 2022	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2022-03-01/pdf/2022-04283.pdf
87 FR 11478 March 1, 2022	*Stainless Steel Sheet and Strip From China; Institution of Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2022-03-01/pdf/2022-04198.pdf

APPENDIX B

COMPANY-SPECIFIC DATA

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APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1
Stainless steel sheet and strip: Summary data concerning the U.S. market, 2013-15, January to September 2015, and January to September 2016
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sept
	2013	2014	2015	2015	2016	2013-15	2013-14	2014-15	2015-16
U.S. consumption quantity:									
Amount	1,891,228	2,141,000	1,975,442	1,503,691	1,618,490	4.5	13.2	(7.7)	7.6
Producers' share (fn1)	81.3	78.9	77.1	76.1	81.3	(4.2)	(2.4)	(1.8)	5.2
Importers' share (fn1):									
China	3.3	6.2	7.4	8.5	2.4	4.1	2.8	1.3	(6.1)
Nonsubject sources	15.4	14.9	15.5	15.4	16.3	0.1	(0.4)	0.5	0.9
All import sources	18.7	21.1	22.9	23.9	18.7	4.2	2.4	1.8	(5.2)
U.S. consumption value:									
Amount	4,248,595	5,148,139	4,109,240	3,241,347	2,880,804	(3.3)	21.2	(20.2)	(11.1)
Producers' share (fn1)	79.3	76.9	73.9	73.3	78.1	(5.4)	(2.3)	(3.0)	4.7
Importers' share (fn1):									
China	3.4	6.0	7.6	8.6	2.5	4.2	2.6	1.6	(6.1)
Nonsubject sources	17.3	17.1	18.5	18.1	19.5	1.2	(0.2)	1.5	1.4
All import sources	20.7	23.1	26.1	26.7	21.9	5.4	2.3	3.0	(4.7)
U.S. imports from:									
China:									
Quantity	63,114	132,009	147,143	128,192	38,925	133.1	109.2	11.5	(69.6)
Value	145,864	309,339	312,364	278,798	71,023	114.1	112.1	1.0	(74.5)
Unit value	$2,311	$2,343	$2,123	$2,175	$1,825	(8.1)	1.4	(9.4)	(16.1)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	290,580	319,930	305,534	231,245	263,098	5.1	10.1	(4.5)	13.8
Value	735,161	879,145	761,561	585,487	560,653	3.6	19.6	(13.4)	(4.2)
Unit value	$2,530	$2,748	$2,493	$2,532	$2,131	(1.5)	8.6	(9.3)	(15.8)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	353,694	451,939	452,677	359,437	302,023	28.0	27.8	0.2	(16.0)
Value	881,025	1,188,484	1,073,925	864,285	631,676	21.9	34.9	(9.6)	(26.9)
Unit value	$2,491	$2,630	$2,372	$2,405	$2,091	(4.8)	5.6	(9.8)	(13.0)
Ending inventory quantity	24,617	54,005	34,459	39,680	22,174	40.0	119.4	(36.2)	(44.1)
U.S. producers':									
Average capacity quantity	2,733,130	***	2,737,995	2,053,493	2,053,493	0.2	***	***	0.0
Production quantity	1,888,312	2,110,124	1,811,352	1,384,530	1,499,983	(4.1)	11.7	(14.2)	8.3
Capacity utilization (fn1)	69.1	***	66.2	67.4	73.0	(2.9)	***	***	5.6
U.S. shipments:									
Quantity	1,537,534	1,689,061	1,522,765	1,144,254	1,316,467	(1.0)	9.9	(9.8)	15.1
Value	3,367,570	3,959,655	3,035,315	2,377,062	2,249,128	(9.9)	17.6	(23.3)	(5.4)
Unit value	$2,190	$2,344	$1,993	$2,077	$1,708	(9.0)	7.0	(15.0)	(17.8)
Export shipments:									
Quantity	339,536	391,274	317,369	247,926	207,171	(6.5)	15.2	(18.9)	(16.4)
Value	744,885	898,447	603,569	485,618	350,277	(19.0)	20.6	(32.8)	(27.9)
Unit value	$2,194	$2,296	$1,902	$1,959	$1,691	(13.3)	4.7	(17.2)	(13.7)
Ending inventory quantity	215,736	245,525	216,743	237,875	193,088	0.5	13.8	(11.7)	(18.8)
Inventories/total shipments (fn1)	11.5	11.8	11.8	12.8	9.5	0.3	0.3	(0.0)	(3.3)
Production workers	2,753	2,813	2,637	2,625	2,288	(4.2)	2.2	(6.3)	(12.8)
Hours worked (1,000s)	5,644	5,939	5,654	4,613	4,131	0.2	5.2	(4.8)	(10.4)
Wages paid ($1,000)	193,512	208,144	205,880	163,316	150,960	6.4	7.6	(1.1)	(7.6)
Hourly wages (dollars)	$34.29	$35.05	$36.41	$35.40	$36.54	6.2	2.2	3.9	3.2
Productivity (short tons per 1,000 hours)	334.6	355.3	320.4	300.1	363.1	(4.2)	6.2	(9.8)	21.0
Unit labor costs	$102.48	$98.64	$113.66	$117.96	$100.64	10.9	(3.7)	15.2	(14.7)
Net sales:									
Quantity	1,877,070	2,080,335	1,840,134	1,392,180	1,523,639	(2.0)	10.8	(11.5)	9.4
Value	4,112,515	4,858,103	3,638,885	2,862,680	2,599,404	(11.5)	18.1	(25.1)	(9.2)
Unit value	$2,191	$2,335	$1,978	$2,056	$1,706	(9.7)	6.6	(15.3)	(17.0)
Cost of goods sold (COGS)	4,174,550	4,709,285	3,694,827	2,864,263	2,555,295	(11.5)	12.8	(21.5)	(10.8)
Gross profit or (loss)	(62,035)	148,818	(55,942)	(1,583)	44,109	(9.8)	fn2	fn2	fn2
SG&A expenses	124,638	143,927	116,173	90,731	101,211	(6.8)	15.5	(19.3)	11.6
Operating income or (loss)	(186,673)	4,891	(172,115)	(92,314)	(57,102)	(7.8)	fn2	fn2	(38.1)
Net income or (loss)	(249,142)	(87,069)	(349,996)	(178,260)	(117,184)	40.5	(65.1)	302.0	(34.3)
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	$2,224	$2,264	$2,008	$2,057	$1,677	(9.7)	1.8	(11.3)	(18.5)
Unit SG&A expenses	$66	$69	$63	$65	$66	(4.9)	4.2	(8.7)	1.9
Unit operating income or (loss)	$(99)	$2	$(94)	$(66)	$(37)	(5.9)	fn2	fn2	(43.5)
Unit net income or (loss)	$(133)	$(42)	$(190)	$(128)	$(77)	43.3	(68.5)	354.4	(39.9)
COGS/sales (fn1)	101.5	96.9	101.5	100.1	98.3	0.0	(4.6)	4.6	(1.8)
Operating income or (loss)/sales (fn1)	(4.5)	0.1	(4.7)	(3.2)	(2.2)	(0.2)	4.6	(4.8)	1.0
Net income or (loss)/sales (fn1)	(6.1)	(1.8)	(9.6)	(6.2)	(4.5)	(3.6)	4.3	(7.8)	1.7

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. imports statistics (for details on import data used, see part IV).

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following eight firms as top purchasers of stainless steel sheet and strip: ***. Purchaser questionnaires were sent to these eight firms and four firms (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for stainless steel sheet and strip that have occurred in the United States or in the market for stainless steel sheet and strip in China since April 4, 2017?

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

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

2. Do you anticipate any significant changes in the supply and demand conditions for stainless steel sheet and strip in the United States or in the market for stainless steel sheet and strip in China within a reasonably foreseeable time?

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